

XYZ Storage, 123 Main Street, NY

Capital Structure For Acquisition and Operation

(Bar heights are not to scale.)

	Acquisition					Operation	Total Equity
	Acquisition Debt	Acquisition Equity Amount **	% Equity	Total Acquisition Costs	% Total Acquisition Costs	Deficits, pro-rata	
Sponsor/Owner Equity		\$157,213	25.00%		7.56%	\$7,001	\$164,214
Third Party Investor Equity		\$471,639	75.00%		22.68%	\$21,004	\$492,643
Acquisition Loan *	\$1,450,400				69.76%		
Total	\$1,450,400	\$628,852		\$2,079,252	100%	\$28,006	\$656,858

* The Loan total is calculated off of all uses of funds excluding the Loan Fee, which is funded by Equity.

** Equity amounts in this column do not include the pro-rata portion of any Deficits to be funded by the Equity investors. See Column N for adjusted totals.

Unit Mix

Number of Units	Unit Type (L. W. CC)	Rentable SF/Unit	Total SF	Lessee	Lease From (optional)	Lease End Date (optional)	Lease End Month	Lease End Year	Current Rent Per Unit
15	5.5.0	25 RSF	375 RSF	John Doe	11/07/2008	11/1/2013	11	2013	\$60.00
10	5.5.1	25 RSF	250 RSF	John Doe	12/31/2008	11/1/2013	11	2013	\$75.00
30	5.10.0	50 RSF	1,500 RSF	John Doe	04/01/2006	11/1/2013	11	2013	\$110.00
20	5.10.1	50 RSF	1,000 RSF	John Doe	02/01/2009	11/1/2013	11	2013	\$140.00
15	10.10.0	100 RSF	1,500 RSF	John Doe	10/30/2008	11/1/2013	11	2013	\$200.00
10	10.10.1	100 RSF	1,000 RSF	John Doe	12/01/2005	11/1/2013	11	2013	\$245.00
15	10.15.0	150 RSF	2,250 RSF	John Doe	06/01/2008	11/1/2013	11	2013	\$280.00
10	10.15.1	150 RSF	1,500 RSF	John Doe	12/01/2008	2/1/2014	2	2014	\$315.00
10	10.20.0	200 RSF	2,000 RSF	John Doe	12/01/2008	2/1/2014	2	2014	\$375.00
5	10.20.1	200 RSF	1,000 RSF	John Doe	12/06/2008	2/1/2014	2	2014	\$405.00
10	15.25.0	375 RSF	3,750 RSF	John Doe	07/01/2009	2/1/2014	2	2014	\$600.00
5	15.25.1	375 RSF	1,875 RSF	John Doe	01/01/2009	2/1/2014	2	2014	\$640.00
155			18,000 RSF						\$35,525
								Annual Rent	\$426,300
								Average Monthly Rent	\$229
								Average Monthly PSF	\$1.97

XYZ Storage, 123 Main Street, NY

Equity Joint Venture Partnership Structure

Total Required Equity (Purchase + Operation) \$628,852 (Includes any Deficit Funding)

Sponsor/Owner	<i>25.00%</i>	\$157,213	<i>100.00%</i>
Third Party Investor	<u>75.00%</u>	<u>\$471,639</u>	
	<i>100.00%</i>	\$628,852	

Profit Sharing

			IRR-based Preferred Return	Residual Split
			8.00%	
Partnership Structure	% Equity			
Sponsor/Owner Equity	25.00%	<i>Profit >></i>	Sponsor/Owner Equity 25.00%	50.00%
Third Party Investor	<u>75.00%</u>	<i>Sharing >></i>	Sponsor/Owner Promote 0.00%	
Total	100.00%	<i>Splits >></i>	Investor Equity <u>75.00%</u>	<u>50.00%</u>
			100.00%	100.00%

Note: By its nature, the Preferred Return includes the Return of Capital.

XYZ Storage, 123 Main Street, NY

Joint Venture Return Detail

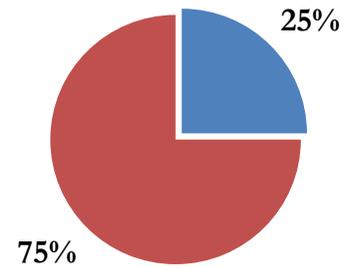
	Sponsor/ Owner	Third Party Investor	Total Project
Equity Investment	\$157,213	\$471,639	\$628,852
<i>Share of Equity Investment</i>	<i>25.00%</i>	<i>75.00%</i>	<i>100.00%</i>
Gross Return	\$1,246,610	\$1,615,411	\$2,862,021
Net Profit (Return on Equity)	\$1,089,397	\$1,143,772	\$2,233,169
Multiple on Equity	7.93x	3.43x	4.55x
Internal Rate of Return	44.31%	30.25%	34.99%
Time from Equity Investment to Final Return (months)	96	96	96

<i>Profit Sharing Summary</i>					
Tier	Sponsor/ Owner Cashflow	Developer Share	Third Party Investor Cashflow	Third Party Investor Share	Total Cashflow
ROC and Pref Return	\$191,402	26%	\$553,201	74%	\$744,603
Tier 1	\$1,062,210	50%	\$1,062,210	50%	\$2,124,419
Total	\$1,253,612	44%	\$1,615,411	56%	\$2,869,023
Less Equity Investment	(\$157,213)	25%	(\$471,639)	75%	(\$628,852)
Net Profit (Return on Equity)	\$1,096,399	49%	\$1,143,772	51%	\$2,240,171

<i>Profit Sharing Structure</i>								
		<u>IRR Hurdle Ranges</u>			Sponsor/ Owner Promote	Developer Equity Pro-Rata Share	Investor Profit Share	Total (must be 100%)
Preferred Return	From	0%	through	8%	0%	25%	75%	100%
Residual Split			Above	8%	25%	25%	50%	100%

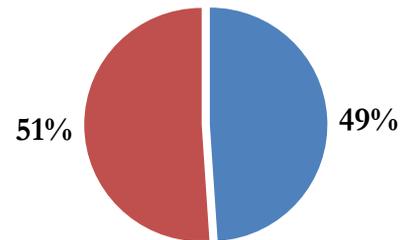
Share of Total Equity Investment

■ Sponsor ■ Third Party Investor



Share of Total Profit

■ Sponsor ■ Third Party Investor



Net Profits

