

**XYZ Apartments, 123 Main Street, Washington, DC**  
**Multi-Family Asset Acquisition and Renovation Analysis - Summary of Major Assumptions**

**GENERAL AND TIMING**

Property	<b>XYZ Apartments, 123 Main Street, Washington, DC</b>				
Residential Use	48,554 RSF		50 Units		
Unit Types	20 Fair Market		30 Rent Stabilized		
Parking	<b>5 Spaces</b>		0.10/Unit		
Transaction Timing					
Acquisition Closing Date	4/30/2012	Month 0	Asset Hold Period (whole # of years)	<b>6 Years</b>	
Operations Start Date	<b>05/01/2012</b>	Month 1			
Disposition of Asset		Month # 72		04/30/2018	
Individual Unit Renovations Start Date/Month/Duration	<b>07/01/2012</b>	<b>Month 2</b>		<b>60 Months</b>	
Individual Unit Renovations End Date				06/30/2017	
Post-Renovation Utility Savings	Fair Market	<b>5.00%</b>	Rent Stbl.	<b>5.00%</b>	
Post-Renovation Repairs & Maintenance Savings	Fair Market	<b>50.00%</b>	Rent Stbl.	<b>50.00%</b>	

**ESTIMATED ANNUAL OTHER INCOME AND PASSTHROUGHS FOR 2012**

Escalation from TTM Data	<b>1.00%</b>			
Other Income (2012)	TTM Actuals			\$/Year
Parking	<b>\$20,000</b>	Per Spot Per Year	\$4,040	\$20,200
Late Fees	<b>\$1,000</b>			\$1,010
Termination Fees	<b>\$2,500</b>			\$2,525
Other Tenant	<b>\$1,500</b>			\$1,515
Laundry	<b>\$5,500</b>	Per Unit Per Year	\$111	\$5,555
Application Fee	<b>\$2,000</b>			\$2,020
Other/Misc.	<b>\$12,000</b>			\$12,120
Cable	<b>\$20,000</b>			\$20,200
Retail	<b>\$335,500</b>			\$338,855
<b>Total</b>	<b>\$400,000</b>	Per Unit Per Year	\$8,080	<b>\$404,000</b>

**Passthroughs (2012) \$146,450**

**GROSS RENT DEDUCTIONS AND NON-REVENUE UNITS**

Year		1	2	3	4	5
<b>Gross Rent Deductions</b>	<b>TTM</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Loss to Lease	14.20%	<b>14.20%</b>	<b>14%</b>	<b>12%</b>	<b>10%</b>	<b>8%</b>
Vacancy Loss Residential	4.41%	<b>4.41%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Rent Concessions	5.12%	<b>5.12%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>
Write Off	0.07%	<b>0.10%</b>	0.10%	0.10%	0.10%	0.10%
Total	23.81%	23.84%	23.10%	19.10%	16.10%	14.10%
<b>Non-Revenue Unit(s)</b>		<b>1</b>	1	1	1	1
<b>Year</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>Gross Rent Deductions</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Loss to Lease	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>
Vacancy Loss Residential	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Rent Concessions	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Write Off	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total	14.10%	14.10%	14.10%	14.10%	14.10%	14.10%
<b>Non-Revenue Unit(s)</b>	1	1	1	1	1	1

**CURRENT UNIT MIX AND LEGAL/MARKET RENTS**

Unit Type	# of Units	Ave. Monthly Legal/Market Rent				
		RSF	Average	Total	\$/Unit	\$/Month
Studio	3.00	550 RSF	1,650 RSF	\$2,475	\$7,425	\$4.50
1 Bd / 1 Ba	6.00	808 RSF	4,850 RSF	\$3,517	\$21,100	\$4.35
1 Bd / 1.5 Ba	6.00	817 RSF	4,900 RSF	\$4,217	\$25,300	\$5.16
2 Bd / 1 Ba	9.00	861 RSF	7,750 RSF	\$3,900	\$35,100	\$4.53
2 Bd / 1.5 Ba	5.00	900 RSF	4,500 RSF	\$4,050	\$20,250	\$4.50
2 Bd / 2 Ba	2.00	1100 RSF	2,200 RSF	\$6,425	\$12,850	\$5.84
2 Bd / 2.5 Ba	3.00	1100 RSF	3,300 RSF	\$4,950	\$14,850	\$4.50
3 Bd / 1 Ba	1.00	1250 RSF	1,250 RSF	\$5,630	\$5,630	\$4.50
3 Bd / 1.5 Ba	4.00	1213 RSF	4,850 RSF	\$5,457	\$21,829	\$4.50
3 Bd / 2 Ba	3.00	1100 RSF	3,300 RSF	\$4,950	\$14,850	\$4.50
3 Bd / 2.5 Ba	1.00	1250 RSF	1,250 RSF	\$5,628	\$5,628	\$4.50
3 Bd / 3 Ba	4.00	1250 RSF	5,001 RSF	\$6,314	\$25,254	\$5.05
3 Bd / 3.5 Ba	3.00	1251 RSF	3,753 RSF	\$7,003	\$21,009	\$5.60
0	0.00	0 RSF	0 RSF	\$0	\$0	\$0.00
<b>Total/Ave.</b>	<b>50</b>	<b>971 RSF</b>	<b>48,554 RSF</b>	<b>\$4,622</b>	<b>\$231,075</b>	<b>\$4.76</b>

Fair Market Unit Averages			Rent Stabilized Unit Averages		
970 RSF	\$5,039	\$5.19 PSF	972 RSF	\$4,343	\$4.47 PSF

**ESTIMATED ANNUAL EXPENSES FOR 2012**

Escalation from TTM Data	<b>1.00%</b>		
FM vs. RS OpEx Difference	FM OpEx is	<b>20.00%</b> higher than RS (Per Unit)	
<b>Operating Expenses</b>	\$/Year	Per Unit	% of EGI
Utilities	\$40,400	\$808	1.47%
Payroll Expenses	\$20,200	\$404	0.73%
General & Administrative	\$5,050	\$101	0.18%
Marketing and Advertising	\$10,100	\$202	0.37%
Contract Maintenance	\$39,188	\$784	1.42%
Turnover Costs	\$10,100	\$202	0.37%
Repairs and Maintenance	\$25,250	\$505	0.92%
Insurance	\$18,180	\$364	0.66%
Licenses/Permits/Other	\$15,150	\$303	0.55%
<b>Total Operating Expenses</b>	<b>\$183,618</b>	<b>\$3,672</b>	<b>6.66%</b>
Real Estate Taxes	\$39,188	\$784	1.42%
Management Fees	\$80,800	\$1,616	2.93%
Replacement Reserve	\$50,500	\$1,010	1.83%
<b>Total Expenses</b>	<b>\$354,106</b>	<b>\$7,082</b>	<b>12.85%</b>
Asset Management Fee (% of EGI)	<b>1.00%</b>		
Annual Growth Rates:	OpEx, Fees, Reserves	<b>3.00%</b>	RE Taxes <b>4.00%</b>

**XYZ Apartments, 123 Main Street, Washington, DC**  
**Multi-Family Asset Acquisition and Renovation Analysis - Summary of Major Assumptions**

**RENT GROWTH, RENOVATION AND CONVERSION SCHEDULE**

Units To Be Renovated	7 Fair Market	13 Rent Stbl.				
<b>Fair Market Units</b>						
Ave. Monthly Rent Increase After Vacancy / Unit Reno.		<b>+5.00%</b>	<b>+\$250</b>			
Ave. Market Rent After Vacancy / Reno. (Unescalated)		\$5,291	\$5,541			
		\$5.45 PSF	\$5.71 PSF			
<i>Elapsed Year</i>	<i>Start Month</i>	<i>Rent Growth</i>	<i>CAGR</i>	<i># of Renovations</i>	<i>Cost/Unit</i>	<i>Conversions fm Rent Stbl.</i>
0	TTM	2.00%	N/A	N/A	N/A	N/A
1	5/1/2012	3.00%	3.00%	1	\$10,000	0
2	5/1/2013	3.00%	6.09%	5	\$10,300	5
3	5/1/2014	3.10%	9.38%	1	\$10,609	5
4	5/1/2015	3.20%	12.88%	0	\$10,927	0
5	5/1/2016	3.30%	16.60%	0	\$11,255	0
6	5/1/2017	3.50%	20.69%	0	\$11,593	0
7	5/1/2018	4.00%	25.51%	0	\$11,941	0
8	5/1/2019	4.00%	30.53%	0	\$12,299	0
9	5/1/2020	4.00%	35.75%	0	\$12,668	0
10	5/1/2021	5.00%	42.54%	0	\$13,048	0
11	5/1/2022	5.00%	49.67%	0	\$13,432	0
				7	\$72,109	10

<b>Rent Stabilized Units</b>						
Ave. Monthly Rent Increase After Vacancy / Unit Reno.		<b>+5.00%</b>	<b>+\$175</b>			
Ave. Market Rent After Vacancy / Reno. (Unescalated)		\$4,560	\$4,735			
		\$4.69 PSF	\$4.87 PSF			

<i>Elapsed Year</i>	<i>Start Month</i>	<i>Rent Growth</i>	<i>CAGR</i>	<i># of Renovations</i>	<i>Cost/Unit</i>	<i>Conversions to Fair Market</i>
0	TTM	2.00%	N/A	N/A	N/A	N/A
1	5/1/2012	1.00%	1.00%	0	\$7,000	0
2	5/1/2013	1.00%	2.01%	3	\$7,210	5
3	5/1/2014	2.00%	4.05%	8	\$7,426	5
4	5/1/2015	2.00%	6.13%	2	\$7,649	0
5	5/1/2016	2.00%	8.25%	0	\$7,879	0
6	5/1/2017	2.00%	10.42%	0	\$8,115	0
7	5/1/2018	2.00%	12.63%	0	\$8,358	0
8	5/1/2019	2.00%	14.88%	0	\$8,609	0
9	5/1/2020	3.00%	18.33%	0	\$8,867	0
10	5/1/2021	3.00%	21.88%	0	\$9,133	0
11	5/1/2022	3.00%	25.53%	0	\$9,407	0
				13	\$96,339	10

<b>All Eligible Units Renovated</b>
<b>FM Renovation Timing OK</b>
<b>RS Renovation Timing OK</b>

Renovation & Mktg Marketing Only	<b>3 Month(s)</b> <b>1 Month(s)</b>
Renovation Rent Increase	# of Leases Ending
N/A	N/A
\$250	1.00
\$258	0.00
\$265	8.00
\$274	8.00
\$283	3.00
\$293	0.00
\$305	0.00
\$317	0.00
\$330	0.00
\$346	0.00
\$363	

Renovation & Mktg Marketing Only	<b>2 Month(s)</b> <b>1 Month(s)</b>
Renovation Rent Increase	# of Leases Ending
N/A	N/A
\$175	0.00
\$177	2.00
\$180	9.00
\$184	9.00
\$188	10.00
\$191	0.00
\$195	0.00
\$199	0.00
\$205	0.00
\$211	0.00
\$218	

**ACQUISITION, REFINANCING AND DISPOSITION**

<b>Acquisition Costs</b>		<i>Going-In Cap: 6.41%</i>
Current NOI	\$2,276,505	<b>Purchase Price \$35,500,000</b>
Closing Costs		<b>\$1,000,000</b>
Acquisition Fee	<b>1.00%</b> of Purchase Price	\$355,000
Broker Fee	<b>0.00%</b> of Purchase Price	\$0
Recording Fees/Misc.	<b>2.80%</b> of Purchase Price	\$994,000
Transfer Tax	<b>3.025%</b> of Purchase Price	\$1,073,875
Renovation Budget		\$168,448
<b>Total Unleveraged Uses</b>		<b>\$39,091,323</b>
Loan Fee	<b>0.50%</b> of Loan Balance	\$127,047
<b>Total Leveraged Uses</b>		<b>\$39,218,369</b>

<b>Equity</b>	<i>35% Total Acquisition Cost</i>	
Sponsor/Owner Equity	<b>30.00%</b>	9.00%
Partner Equity	70.00%	21.00%
Overall Sponsor/Owner	<b>30.00%</b>	\$4,142,703
Third Party Investor	70.00%	\$9,666,307
<b>Total Equity Contribution</b>		<b>\$13,809,010</b>
Total Operating Deficits		\$22,384
<b>Total Equity Contribution, Including Operating Deficits, if any</b>		<b>\$13,831,394</b>

<b>Debt</b>	
<b>Acquisition Loan</b>	<b>65% LTC</b>
Interest Rate	<b>6.00% Interest</b>
Interest-Only Period	<b>1 Years</b>
Amortization Period	<b>30 Years</b>
Monthly Payment	<b>(\$152,342)</b>

<b>Permanent Loan (Refinancing) *</b>	<b>Month 48</b> <i>Enter 0 if none</i>
Interest Rate	<b>5.75%</b>
Loan/Broker Fees/Closing Costs	<b>1.00%</b>
Interest-Only Period	<b>1 Years</b>
Amortization Period	<b>30 Years</b>
Monthly Payment	<b>(\$192,829)</b>

<b>Disposition</b>	
Capitalization Rate	<b>5.00%</b>
Selling Costs	<b>3.00%</b>
Net Proceeds	\$65,492,359

**INVESTMENT SUMMARY**

<b>Going-In Cap Rate</b>	<b>6.41%</b>
<b>GRM</b>	<b>12.80x</b>
<b>Purchase Price Per Unit</b>	<b>\$710,000</b>
<b>Purchase Price Per RSF</b>	<b>\$731</b>
<b>Levered Cash Flow</b>	<b>\$32,667,876</b>
<b>Levered IRR</b>	<b>26.70%</b>
<b>Multiple on Equity</b>	<b>3.36x</b>
<b>NPV</b>	<b>10.00%</b>
	<b>\$14,342,912</b>

**XYZ Apartments, 123 Main Street, Washington, DC**

*Capital Structure for Acquisition, Operation, and Renovation, if any*

	<b>Acquisition</b>				<b>Operation/ Renovation</b>	<b>Total Equity **</b>	
	Acquisition Debt	Acquisition Equity Amount **	% Equity	<b>Total Acquisition Costs</b>	% Total Acquisition Costs		Deficits, pro-rata
Sponsor/Owner Equity		\$1,242,811	9.00%		3.17%	\$2,015	<b>\$1,244,825</b>
Partner Equity		\$2,899,892	21.00%		7.39%	\$4,701	<b>\$2,904,593</b>
Third Party Investor Equity		\$9,666,307	70.00%		24.65%	\$15,669	<b>\$9,681,976</b>
Acquisition Loan *	<u>\$25,409,360</u>				64.79%		
<b>Total Sources of Funds</b>	<b>\$25,409,360</b>	<b>\$13,809,010</b>		<b>\$39,218,369</b>	<b>100%</b>	<b>\$22,384</b>	<b>\$13,831,394</b>

\* 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.

*Fair Market Units Only*

Unit Count	Unit #	Unit Type	Rentable SF	Lessee	Lease From	Lease End Date	Lease End Month	Lease End Year	Legal Rent/Market Rent	Renovated? (1 = Yes)	Rent Stabilized / Fair Market	
1	1	2.1.0	950 RSF	Jane Doe	10/30/2012	8/1/2014	8	2014	\$3,000	1	FM	
2	2	1.1.0	800 RSF	Jane Doe	06/01/2012	1/1/2013	1	2013	\$3,600	0	FM	
3	3	1.1.0	850 RSF	Jane Doe	10/06/2012	8/1/2014	8	2014	\$3,825	1	FM	
4	4	1.1.0	850 RSF	Jane Doe	11/07/2012	5/1/2014	5	2014	\$4,000	1	FM	
5	5	1.1.1	850 RSF	Jane Doe	12/06/2012	7/1/2014	7	2014	\$4,000	1	FM	
6	6	1.1.1	850 RSF	Jane Doe	12/03/2013	9/1/2014	9	2014	\$4,100	1	FM	
7	7	2.1.0	850 RSF	John Doe	01/25/2014	12/1/2015	12	2015	\$4,150	1	FM	
8	8	2.1.0	850 RSF	John Doe	01/06/2013	1/1/2015	1	2015	\$4,150	1	FM	
9	9	2.1.0	850 RSF	John Doe	11/08/2013	2/1/2015	2	2015	\$4,200	1	FM	
10	10	1.1.1	800 RSF	John Doe	12/16/2014	3/1/2015	3	2015	\$4,300	1	FM	
11	11	2.1.0	850 RSF	John Doe	11/01/2014	6/1/2016	6	2016	\$4,300	0	FM	
12	12	1.1.1	800 RSF	John Doe	07/01/2015	10/1/2016	10	2016	\$4,500	0	FM	
13	13	1.1.1	800 RSF	John Doe	12/01/2014	12/1/2015	12	2015	\$4,800	1	FM	
14	14	2.2.0	1,100 RSF	John Doe	07/01/2014	12/1/2016	12	2016	\$6,350	0	FM	
15	15	2.2.0	1,100 RSF	John Doe	10/01/2014	11/1/2015	11	2015	\$6,500	1	FM	
16	16	3.3.0	1,250 RSF	John Doe	02/12/2014	9/1/2015	9	2015	\$7,000	0	FM	
17	17	3.3.0	1,251 RSF	John Doe	02/12/2015	9/2/2015	9	2015	\$7,001	1	FM	
18	18	3.3.1	1,251 RSF	John Doe	02/12/2016	9/3/2015	9	2015	\$7,002	0	FM	
19	19	3.3.1	1,251 RSF	John Doe	02/12/2017	9/4/2015	9	2015	\$7,003	0	FM	
20	20	3.3.1	1,251 RSF	John Doe	02/12/2018	9/5/2015	9	2015	\$7,004	1	FM	
			19,404 RSF							\$100,785	13	
								<b>Annual</b>	\$1,209,420			
								<b>Average Monthly</b>	\$5,039			
								<b>Average Monthly PSF</b>	\$5.19			
								<b>Average Unit Size</b>	970 RSF			

# XYZ Apartments, 123 Main Street, Washington, DC

## *Joint Venture Partnership Structure*

Total Required Equity (Purchase + Operation)		\$13,831,394	(Includes Operating Deficit Funding)
Sponsor/Owner Equity	9.00%	\$1,244,825	30.00%
Partner Equity	21.00%	\$2,904,593	70.00%
Overall Sponsor/Owner	30.00%	\$4,149,418	100.00%
Third Party Investor	70.00%	\$9,681,976	
	100.00%	\$13,831,394	

## Profit Sharing

### *Waterfall #1*

Partnership Structure	% Total Equity		IRR Hurdle Rates				
			Pref: 10%	Tier 1: 15%	Tier 2: 20%	Tier 3: 20%	Tier 4: > 20%
Sponsor/Owner Equity	30.00%	<i>Profit</i> >> Sponsor/Owner Equity	30.00%	25.50%	24.00%	24.00%	24.00%
Third Party Investor	70.00%	<i>Sharing</i> >> Sponsor/Owner Promote	<b>0.00%</b>	<b>15.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>
Total	100.00%	<i>Splits</i> >> Investor Equity	70.00%	59.50%	56.00%	56.00%	56.00%
			100.00%	100.00%	100.00%	100.00%	100.00%

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

### *Waterfall #2*

Sponsor/Owner Structure	% Sponsor/Owner Equity		IRR Hurdle Rates				
			Pref: 8%	Tier 1: 15%	Tier 2: 18%	Tier 3: 20%	Tier 4: > 20%
Sponsor/Owner Structure	30.00%	<i>Profit</i> >> Sponsor/Owner Equity	30.00%	27.00%	25.50%	24.00%	18.00%
Equity Partner	70.00%	<i>Sharing</i> >> Sponsor/Owner Promote	<b>0.00%</b>	<b>10.00%</b>	<b>15.00%</b>	<b>20.00%</b>	<b>40.00%</b>
Total	100.00%	<i>Splits</i> >> Partner Equity	70.00%	63.00%	59.50%	56.00%	42.00%
			100.00%	100.00%	100.00%	100.00%	100.00%

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

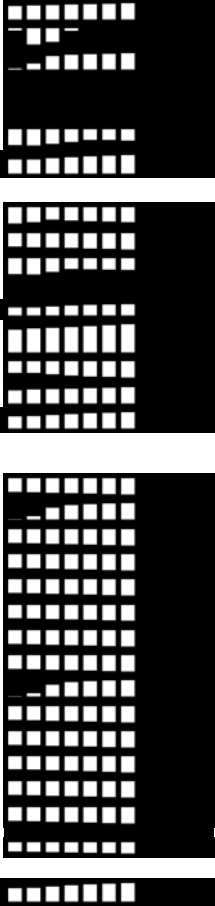
**Multi-family Property Annual Cash Flow Forecast, Including the Year After the Year of Disposition**  
**XYZ Apartments, 123 Main Street, Washington, DC**

Total Newly Renovated Units Put In Service	20	<i>Newly Renovated Units Put In Service</i>	1	8	9	2	0	0	0	0	0	0	0	
Disposition Date	4/30/18	<i>Income Growth Rate</i>	3.00%	3.00%	3.10%	3.20%	3.30%	3.50%	4.00%	4.00%	4.00%	5.00%	5.00%	
Disposition Year	6	<i>OpEx, Fees and Reserves Growth Rate</i>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
		<i>Real Estate Taxes Growth Rate</i>	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
		<i>Year Start Date</i>	Purchase	5/1/2012	5/2/2013	5/3/2014	5/4/2015	5/5/2016	5/6/2017	5/7/2018	5/8/2019	5/9/2020	5/10/2021	5/11/2022
		<i>Year End Date</i>	4/30/2012	5/1/2013	5/2/2014	5/3/2015	5/4/2016	5/5/2017	5/6/2018	5/7/2019	5/8/2020	5/9/2021	5/10/2022	5/11/2023
		<i>Elapsed Year</i>	0	1	2	3	4	5	6	7	8	9	10	11

<i>Economic Occupancy %</i>	NA	95.6%	96.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	NA	NA	NA	NA
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	Total <i>Including Residual Year</i>	TTM Actuals	Acquisition				Disposition						
<b>GROSS INCOME</b>													
Gross Potential Rent	\$23,082,898	\$2,772,900	2,969,776	3,077,044	3,203,902	3,302,322	3,396,049	3,496,963	3,636,842	0	0	0	0
Vacancy Loss - Renovation/Down Units	(\$241,176)	\$0	(16,191)	(111,571)	(93,863)	(19,551)	0	0	0	0	0	0	0
Renovated Unit Rent Premium	\$291,752	\$0	3,500	22,075	47,005	51,935	54,040	55,488	57,708	0	0	0	0
Prepay Income	\$0	\$0	0	0	0	0	0	0	0	0	0	0	0
Other Month's Rent	\$0	\$0	0	0	0	0	0	0	0	0	0	0	0
Loss to Lease	(\$2,437,456)	(\$393,819)	(422,277)	(433,877)	(390,109)	(335,426)	(276,007)	(284,196)	(295,564)	0	0	0	0
<b>TOTAL MINIMUM RENT</b>	<b>\$20,696,018</b>	<b>\$2,379,081</b>	<b>\$2,534,808</b>	<b>\$2,553,671</b>	<b>\$2,766,936</b>	<b>\$2,999,281</b>	<b>\$3,174,082</b>	<b>\$3,268,255</b>	<b>\$3,398,986</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Vacancy Loss Residential	(\$682,246)	(\$105,000)	(\$111,873)	(\$102,147)	(\$83,008)	(\$89,978)	(\$95,222)	(\$98,048)	(\$101,970)	\$0	\$0	\$0	\$0
Non-Revenue Unit(s)	(\$489,555)	(\$48,539)	(\$63,495)	(\$65,399)	(\$67,427)	(\$69,584)	(\$71,881)	(\$74,397)	(\$77,372)	\$0	\$0	\$0	\$0
Rental, Non-Recurring & Other Concessions	(\$849,030)	(\$141,976)	(152,056)	(153,852)	(128,156)	(99,070)	(101,881)	(104,909)	(109,105)	0	0	0	0
<b>EFFECTIVE RENTAL INCOME</b>	<b>\$18,675,187</b>	<b>\$2,083,566</b>	<b>\$2,207,384</b>	<b>\$2,232,273</b>	<b>\$2,488,345</b>	<b>\$2,740,648</b>	<b>\$2,905,097</b>	<b>\$2,990,902</b>	<b>\$3,110,538</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other Income (Includes Retail)	\$3,196,242	\$400,000	404,000	428,604	441,890	456,031	471,080	487,568	507,070	0	0	0	0
Write Off	(\$18,675)	(\$1,461)	(2,207)	(2,232)	(2,488)	(2,741)	(2,905)	(2,991)	(3,111)	0	0	0	0
Passthroughs	\$1,158,638	\$145,000	146,450	155,369	160,185	165,311	170,766	176,743	183,813	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$23,011,392</b>	<b>\$2,627,105</b>	<b>\$2,755,626</b>	<b>\$2,814,013</b>	<b>\$3,087,932</b>	<b>\$3,359,250</b>	<b>\$3,544,038</b>	<b>\$3,652,222</b>	<b>\$3,798,311</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OPERATING EXPENSES</b>													
Utilities	(\$309,563)	(\$40,000)	(\$40,400)	(\$41,612)	(\$42,860)	(\$44,146)	(\$45,471)	(\$46,835)	(\$48,240)	\$0	\$0	\$0	\$0
+ <i>New Renovation Savings</i>	\$2,090	\$0	\$13	\$93	\$311	\$388	\$416	\$428	\$441	\$0	\$0	\$0	\$0
Payroll Expenses	(\$154,782)	(\$20,000)	(\$20,200)	(\$20,806)	(\$21,430)	(\$22,073)	(\$22,735)	(\$23,417)	(\$24,120)	\$0	\$0	\$0	\$0
General & Administrative	(\$38,695)	(\$5,000)	(\$5,050)	(\$5,202)	(\$5,358)	(\$5,518)	(\$5,684)	(\$5,854)	(\$6,030)	\$0	\$0	\$0	\$0
Marketing and Advertising	(\$77,391)	(\$10,000)	(\$10,100)	(\$10,403)	(\$10,715)	(\$11,037)	(\$11,368)	(\$11,709)	(\$12,060)	\$0	\$0	\$0	\$0
Contract Maintenance	(\$300,277)	(\$38,800)	(\$39,188)	(\$40,364)	(\$41,575)	(\$42,822)	(\$44,106)	(\$45,430)	(\$46,793)	\$0	\$0	\$0	\$0
Turnover Costs	(\$77,391)	(\$10,000)	(\$10,100)	(\$10,403)	(\$10,715)	(\$11,037)	(\$11,368)	(\$11,709)	(\$12,060)	\$0	\$0	\$0	\$0
Repairs and Maintenance	(\$193,477)	(\$25,000)	(\$25,250)	(\$26,008)	(\$26,788)	(\$27,591)	(\$28,419)	(\$29,272)	(\$30,150)	\$0	\$0	\$0	\$0
+ <i>New Renovation Savings</i>	\$13,065	\$0	\$84	\$579	\$1,947	\$2,424	\$2,598	\$2,676	\$2,757	\$0	\$0	\$0	\$0
Insurance	(\$139,304)	(\$18,000)	(\$18,180)	(\$18,725)	(\$19,287)	(\$19,866)	(\$20,462)	(\$21,076)	(\$21,708)	\$0	\$0	\$0	\$0
Licenses/Permits/Other	(\$116,086)	(\$15,000)	(\$15,150)	(\$15,605)	(\$16,073)	(\$16,555)	(\$17,051)	(\$17,563)	(\$18,090)	\$0	\$0	\$0	\$0
Real Estate Taxes	(\$309,518)	(\$38,800)	(\$39,188)	(\$40,756)	(\$42,386)	(\$44,081)	(\$45,844)	(\$47,678)	(\$49,585)	\$0	\$0	\$0	\$0
Management Fees	(\$619,127)	(\$80,000)	(\$80,800)	(\$83,224)	(\$85,721)	(\$88,292)	(\$90,941)	(\$93,669)	(\$96,479)	\$0	\$0	\$0	\$0
Replacement Reserve	(\$386,954)	(\$50,000)	(\$50,500)	(\$52,015)	(\$53,575)	(\$55,183)	(\$56,838)	(\$58,543)	(\$60,300)	\$0	\$0	\$0	\$0
<b>TOTAL OPERATING EXPENSES</b>	<b>(\$2,707,410)</b>	<b>(\$350,600)</b>	<b>(\$354,008)</b>	<b>(\$364,449)</b>	<b>(\$374,224)</b>	<b>(\$385,389)</b>	<b>(\$397,273)</b>	<b>(\$409,650)</b>	<b>(\$422,416)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET OPERATING INCOME</b>	<b>\$20,303,983</b>	<b>\$2,276,505</b>	<b>\$2,401,618</b>	<b>\$2,449,564</b>	<b>\$2,713,708</b>	<b>\$2,973,861</b>	<b>\$3,146,765</b>	<b>\$3,242,572</b>	<b>\$3,375,895</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Data Series Profile

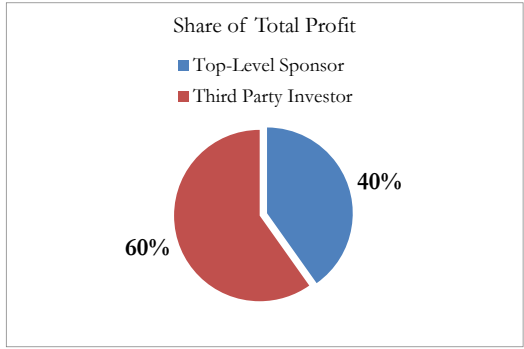
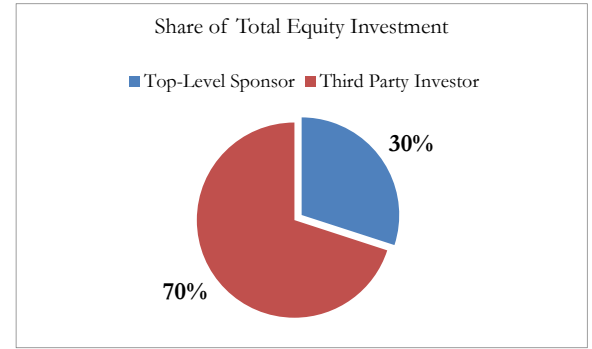




**XYZ Apartments, 123 Main Street, Washington, DC**

*Joint Venture Partnership Returns*

	Sponsor/Owner	Equity Partner	Third Party Investor	Total Project	Top-Level Sponsor (Owner and Equity Partner)
Equity Investment incl. Op. Def.	\$1,244,825	\$2,904,593	\$9,681,976	<b>\$13,831,394</b>	\$4,149,418
Share of Equity Investment	9.00%	21.00%	70.00%	100.00%	30.00%
Gross Return	\$7,474,685	\$9,804,556	\$29,220,029	<b>\$46,499,270</b>	\$17,279,241
Net Profit (Return on Equity)	\$6,229,860	\$6,899,963	\$19,538,053	<b>\$32,667,876</b>	\$13,129,823
Multiple on Equity	6.00x	3.38x	3.02x	<b>3.36x</b>	4.16x
Internal Rate of Return	39%	27%	24%	<b>27%</b>	31%
Time from Equity Investment to Return (months)	72	72	72	<b>72</b>	72

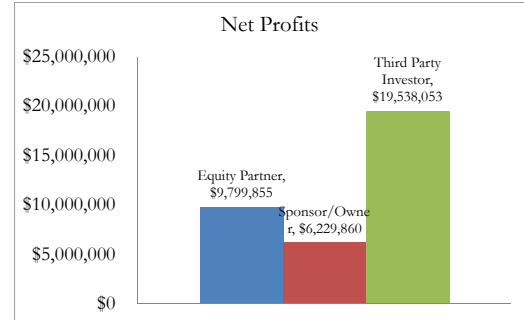


*Waterfall #1 Summary - Top-Level Sponsor and Third Party Investor*

Tier	Top-Level Sponsor (Owner and Equity Partner)	Sponsor/Owner Share	Third Party Investor Cashflow	Third Party Investor Share	Total Cashflow
Tier 1	\$6,326,978	30%	\$14,762,949	70%	\$21,089,927
Tier 2	\$2,636,526	41%	\$3,873,415	60%	\$6,509,942
Tier 3	\$3,939,536	44%	\$5,013,955	56%	\$8,953,491
Tier 4	\$0	0%	\$0	0%	\$0
Tier 5	\$4,376,200	44%	\$5,569,709	56%	\$9,945,910
<b>Total</b>	<b>\$17,279,241</b>	<b>37%</b>	<b>\$29,220,029</b>	<b>63%</b>	<b>\$46,499,270</b>
<b>Less Equity Investment</b>	<b>(\$4,149,418)</b>	<b>30%</b>	<b>(\$9,681,976)</b>	<b>70%</b>	<b>(\$13,831,394)</b>
<b>Net Profit (Return on Equity)</b>	<b>\$13,129,823</b>	<b>40%</b>	<b>\$19,538,053</b>	<b>60%</b>	<b>\$32,667,876</b>

*Waterfall #1 Structure - Top-Level Sponsor and Third Party Investor*

Tier	IRR Hurdle Ranges	Sponsor/Owner Promote		Total Non-Investor Profit Share		Investor Profit Share		Total (must be 100%)
Tier 1	From 0% through	10%	0%	30%	70%	100%	100%	100%
Tier 2	Above 10% through	15%	15%	41%	60%	100%	100%	100%
Tier 3	Above 15% through	20%	20%	44%	56%	100%	100%	100%
Tier 4	Above 20% through	20%	20%	44%	56%	100%	100%	100%
Tier 5	0% Above	20%	20%	44%	56%	100%	100%	100%

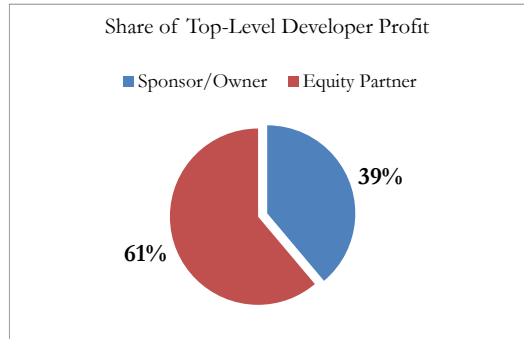
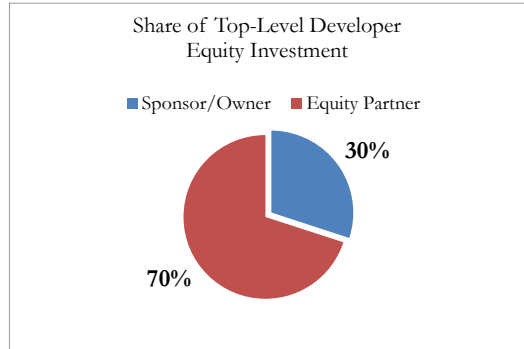


*Waterfall #2 Summary - Owner/Sponsor/Owner and Equity Partner*

Tier	Owner/Sponsor/Owner Cashflow	Owner/Sponsor/Owner Share	Equity Partner Cashflow	Equity Partner Share	Total Cashflow
Tier 1	\$1,734,213	20%	\$6,946,389	80%	\$8,680,601
Tier 2	\$907,036	37%	\$1,544,413	63%	\$2,451,449
Tier 3	\$583,586	41%	\$857,367	60%	\$1,440,953
Tier 4	\$508,215	44%	\$646,820	56%	\$1,155,035
Tier 5	\$3,741,635	58%	\$2,709,460	42%	\$6,451,095
<b>Total</b>	<b>\$7,474,685</b>	<b>37%</b>	<b>\$12,704,448</b>	<b>63%</b>	<b>\$20,179,133</b>
<b>Less Equity Investment</b>	<b>(\$1,244,825)</b>	<b>30%</b>	<b>(\$2,904,593)</b>	<b>70%</b>	<b>(\$4,149,418)</b>
<b>Net Profit (Return on Equity)</b>	<b>\$6,229,860</b>	<b>39%</b>	<b>\$9,799,855</b>	<b>61%</b>	<b>\$16,029,715</b>

*Waterfall #2 Structure - Owner/Sponsor/Owner and Equity Partner*

Tier	IRR Hurdle Ranges	Owner/Sponsor/Owner Promote		Total Owner/Sponsor/Owner Profit Share		Investor Profit Share		Total (must be 100%)
Tier 1	From 0% through	8%	0%	30%	70%	100%	100%	100%
Tier 2	Above 8% through	15%	10%	37%	63%	100%	100%	100%
Tier 3	Above 15% through	18%	15%	41%	60%	100%	100%	100%
Tier 4	Above 18% through	20%	20%	44%	56%	100%	100%	100%
Tier 5	0% Above	20%	40%	58%	42%	100%	100%	100%



Waterfall #1 Check	\$0
Waterfall #2 Check	\$0