

How Will This Work For You?

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	TOTAL
Cash Inflows									
Investor Capital	\$2,550,083.00								
First Mortgage Debt	\$3,809,609.59								
Rent	\$679,788.08	\$692,394.74	\$701,742.85	\$652,804.38	\$746,215.13	\$772,637.42	\$758,504.53	\$812,184.52	\$5,816,271.66
CAM recovery @ 65%	\$229,123.75	\$235,997.46	\$243,077.39	\$250,369.71	\$257,880.80	\$265,617.22	\$273,585.74	\$281,793.31	\$2,037,445.38
Less vacancy	-\$33,989.40	-\$34,619.74	-\$35,087.14	-\$32,640.22	-\$37,310.76	-\$38,631.87	-\$37,925.23	-\$40,609.23	-\$290,813.58
Total Inflows	\$7,234,615.01	\$893,772.46	\$909,733.09	\$870,533.87	\$966,785.17	\$999,622.77	\$994,165.04	\$1,053,368.61	\$7,562,903.45
Management fee	\$34,996.90	\$36,046.80	\$37,128.21	\$38,242.05	\$39,389.32	\$40,571.00	\$41,788.13	\$43,041.77	\$311,204.17
Landscape maintenance	\$30,000.00	\$30,900.00	\$31,827.00	\$32,781.81	\$33,765.26	\$34,778.22	\$35,821.57	\$36,896.22	\$266,770.08
Utilities	\$65,000.00	\$66,950.00	\$68,958.50	\$71,027.26	\$73,158.07	\$75,352.81	\$77,613.40	\$79,941.80	\$578,001.84
Repairs & maintenance	\$70,000.00	\$72,100.00	\$74,263.00	\$76,490.89	\$78,785.62	\$81,149.19	\$83,583.66	\$86,091.17	\$622,463.52
Security services	\$55,000.00	\$56,650.00	\$58,349.50	\$60,099.99	\$61,902.98	\$63,760.07	\$65,672.88	\$67,643.06	\$489,078.48
Insurance	\$15,000.00	\$15,450.00	\$15,913.50	\$16,390.91	\$16,882.63	\$17,389.11	\$17,910.78	\$18,448.11	\$133,385.04
Property tax	\$78,901.18	\$81,268.21	\$83,706.26	\$86,217.45	\$88,803.97	\$91,468.09	\$94,212.13	\$97,038.50	\$701,615.80
Miscellaneous	\$3,600.00	\$3,708.00	\$3,819.24	\$3,933.82	\$4,051.83	\$4,173.39	\$4,298.59	\$4,427.55	\$32,012.41
Total Recoverable	\$352,498.08	\$363,073.02	\$373,965.21	\$385,184.17	\$396,739.69	\$408,641.88	\$420,901.14	\$433,528.17	\$3,134,531.35
Leasing commissions	\$2,000.00	\$2,060.00	\$2,121.80	\$2,185.45	\$2,251.02	\$2,318.55	\$2,388.10	\$2,459.75	\$17,784.67
Legal fees	\$10,000.00	\$10,300.00	\$10,609.00	\$10,927.27	\$11,255.09	\$11,592.74	\$11,940.52	\$12,298.74	\$88,923.36
Marketing & Sponsorships	\$3,000.00	\$3,090.00	\$3,182.70	\$3,278.18	\$3,376.53	\$3,477.82	\$3,582.16	\$3,689.62	\$26,677.01
Asset management fee	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	\$20,866.93	\$21,492.94	\$22,137.73	\$160,062.05
Accounting fees	\$10,000.00	\$10,300.00	\$10,609.00	\$10,927.27	\$11,255.09	\$11,592.74	\$11,940.52	\$12,298.74	\$88,923.36
Total Non-Recoverable	\$43,000.00	\$44,290.00	\$45,618.70	\$46,987.26	\$48,396.88	\$49,848.79	\$51,344.25	\$52,884.58	\$382,370.45
Effective Gross Revenue	\$874,922.43	\$893,772.46	\$909,733.09	\$870,533.87	\$966,785.17	\$999,622.77	\$994,165.04	\$1,053,368.61	\$7,562,903.45
Less Total Expenses	-\$395,498.08	-\$407,363.02	-\$419,583.91	-\$432,171.43	-\$445,136.57	-\$458,490.67	-\$472,245.39	-\$486,412.75	-\$3,516,901.80
Net Operating Income	\$479,424.35	\$486,409.45	\$490,149.19	\$438,362.45	\$521,648.60	\$541,132.11	\$521,919.66	\$566,955.86	\$4,046,001.65
Plus: Depreciation Tax Benefits	\$21,826.92	\$21,826.92	\$21,826.92	\$21,826.92	\$21,826.92	\$21,826.92	\$21,826.92	\$21,826.92	\$174,615.38
MTG Interest Deduction Tax Benefit	\$36,788.10	\$34,812.90	\$32,837.70	\$30,862.50	\$33,247.60	\$31,814.63	\$29,479.61	\$27,144.59	\$256,987.61
Less Debt Services	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$351,451.00	-\$2,844,968.00
Net Cash Flow	\$186,588.37	\$191,598.27	\$193,362.80	\$139,600.87	\$216,932.13	\$234,982.66	\$213,435.19	\$256,136.37	\$1,632,636.65
Cash Flow Distribution from Sale of Vacant Land							\$602,882.70		
Liquidation Proceeds								\$4,296,887.23	
Total Projected Cash Flow for Distribution	\$186,588.37	\$191,598.27	\$193,362.80	\$139,600.87	\$216,932.13	\$234,982.66	\$816,317.89	\$4,553,023.60	\$6,532,406.58
To 49% Investors (pro-rata)	\$91,428.30	\$93,883.15	\$94,747.77	\$68,404.42	\$106,296.74	\$115,141.50	\$399,995.77	\$2,230,981.56	\$3,200,879.22
To a \$1,000 investor	\$73.14	\$75.11	\$75.80	\$54.72	\$85.04	\$92.11	\$320.00	\$1,784.79	\$2,560.70
To a \$10,000 investors	\$731.43	\$751.07	\$757.98	\$547.24	\$850.37	\$921.13	\$3,199.97	\$17,847.85	\$25,607.03

NOTE: The foregoing is a mathematical calculation based on our current assumptions about future events. Some of these assumptions will prove to have been inaccurate, possibly for the reasons described in Exhibit B, Risks of Investing. Hence, the results of investing will likely differ from those illustrated above, for better or for worse, possibly by a large amount.