

Executive Summary

Year 1

Real Estate Investment Analysis

RealData Arms
691 Spring Street
South Haven, CT 06999

| | | | |
|-----------------------|--|------------------------------|---|
| Prepared For: | Second National Bank 999 Main Street South Haven, CT 06999 | Prepared By: | RealData Software P. O. Box 691 Southport, CT 06890 |
| Property Type: | Apartment Complex | Rentable Square Feet: | 14,000 |

Report Prepared: April 4, 2005
Reporting Period: January - December 2005

Acquisition

| | | |
|----------------------------------|-----------|----------------|
| Purchase Price, points & closing | 2,697,100 | 192.65 per rsf |
| Cash Investment | 542,100 | 20.10% |
| 1st Mortgage | 1,855,000 | 68.78% LTV |
| 2nd Mortgage | 300,000 | 11.12% LTV |

Income and Cash Flow

| | |
|----------------------------------|---------|
| Gross Income | 536,400 |
| Vacancy & Credit Loss | 10,728 |
| Gross Operating Income | 525,672 |
| Operating Expenses | 227,400 |
| Net Operating Income | 298,272 |
| Total Interest | 153,190 |
| Depreciation and Amortization | 71,465 |
| Taxable Income | 73,617 |
| Debt Service | 217,217 |
| Cash Flow Before Taxes | 81,055 |
| Net Cash from Operation & Resale | -29,858 |

Financial Measures

| | |
|----------------------------|-----------|
| Capitalization Rate | 11.26% |
| Debt Coverage Ratio | 1.37 |
| Internal Rate of Return | -5.51% |
| Present Value, at 11.50% | 2,529,535 |
| Gross Income Multiplier | 5.16 |
| Cash-on-Cash Return | 14.95% |
| Gross Income per RSF | 38.31 |
| Operating Expense Ratio | 42.39% |
| Operating Expenses per RSF | 16.24 |

Note: If the period covered is a partial year, financial measures are annualized.