



Property: Tranquil Manor
1000 Raucous Causeway
South Haven, CT 06999

Prepared For: Last Foreclosure S & L
100 Lois Lane
South Haven, CT 06999

Prepared By: RealData Software
P. O. Box 691
Southport, CT 06890

Date: October 6, 2010



Property Location: 1000 Raucous Causeway
South Haven, CT 06999

Type of Property: Apartment Complex
33,000 rentable sf

Date of this Analysis: October 6, 2010

Purpose: The purpose of this analysis is to project and demonstrate the future economic benefits to be derived from this property.

For the sake of the analysis, certain assumptions have been made concerning future revenue, expenses and financing related to the ownership, operation and resale and of the property.

Those assumptions, as well as projections about income or loss, cash flow and profit from resale are presented on the following pages.

Disclaimer: The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of projection and analysis, and should not be used for preparation of income tax returns.

The user of this program and information should consult a tax specialist concerning his/her particular circumstances before making any investment decision.

Acquisition**Sources of Funds**

Cash Investment	542,100
First Mortgage	1,855,000
Second Mortgage	300,000

Total: \$ 2,697,100

Uses of Funds

Purchase, Real Estate	2,650,000
Closing Costs	10,000
Points	37,100
1st Year Capital Additions	0

Total: \$ 2,697,100

Property purchased at \$ 80.30 per square foot.

Analysis

Months in First Year of Analysis:	12
Year this Analysis Begins:	2010
Anticipated Year of Resale:	2019

Investor

Name: Lester Q. Investor

Depreciation

Type:	27.5-Year Straight Line
Depreciable Basis:	\$ 1,997,500

First Mortgage

\$ 1,855,000
20 year term
7.000 %
2.00 points
14,381.80 per month

Placed 1/2010

Second Mortgage

\$ 300,000
10 year term
8.500 %
0.00 points
3,719.58 per month

Placed 1/2010

Third Mortgage

None

Refinance

None

Income, Cash Flow and Expenses

Income

	Gross Income	Vacancy/Credit Allowance	Net Operating Income	Taxable Income
2010	536,400	10,728	298,272	73,618
2011	547,128	10,943	301,537	78,806
2012	558,071	11,161	304,779	87,383
2013	569,232	11,385	307,992	96,348
2014	580,617	11,612	311,174	105,731
2015	592,229	11,845	314,321	115,563
2016	604,074	12,081	317,429	125,879
2017	616,155	12,323	320,493	136,716
2018	628,478	12,570	323,508	148,114
2019	641,048	12,821	326,472	160,116

Cash Flow

	Before Taxes	After Taxes	Cumulative Cash Flow
2010	81,055	60,442	60,442
2011	84,321	62,255	122,698
2012	87,562	63,095	185,793
2013	90,776	63,798	249,591
2014	93,958	64,353	313,944
2015	97,105	64,747	378,691
2016	100,212	64,966	443,657
2017	103,276	64,996	508,653
2018	106,292	64,820	573,473
2019	109,255	64,423	637,896

Operating Expenses, Debt Service

	Operating Expenses	Total Debt Service
2010	227,400	217,217
2011	234,648	217,216
2012	242,130	217,216
2013	249,855	217,216
2014	257,830	217,216
2015	266,063	217,216
2016	274,563	217,216
2017	283,339	217,216
2018	292,400	217,216
2019	301,755	217,216

Resale at End of 2019

Projected Selling Price:	\$ 2,967,900
Cost of Sale:	\$ 207,753
Gain (Loss) on Sale:	\$ 820,458
Federal Tax on Sale:	\$ 193,758
Before-Tax Sale Proceeds:	\$ 1,521,496
After-Tax Sale Proceeds:	\$ 1,327,738

Measures of Investment Quality

IRR, Before-Tax:	22.75%
IRR, After-Tax:	17.86%
PV, at 11.00%	\$ 2,797,388

	Debt Coverage Ratio	Cap. Rate	Gross Rent Mult.	Cash on Cash Return	Operating Expense Ratio	Gross Income, \$/SF	Operating Expenses, \$/SF
2010	1.37	11.26%	5.06	14.95%	43.26%	16.25	6.89
2011	1.39	11.38%	5.01	15.55%	43.76%	16.58	7.11
2012	1.40	11.50%	4.96	16.15%	44.27%	16.91	7.34
2013	1.42	11.62%	4.92	16.75%	44.79%	17.25	7.57
2014	1.43	11.74%	4.87	17.33%	45.31%	17.59	7.81
2015	1.45	11.86%	4.82	17.91%	45.84%	17.95	8.06
2016	1.46	11.98%	4.78	18.49%	46.38%	18.31	8.32
2017	1.48	12.09%	4.73	19.05%	46.92%	18.67	8.59
2018	1.49	12.21%	4.68	19.61%	47.47%	19.04	8.86
2019	1.50	12.32%	4.63	20.15%	48.03%	19.43	9.14

Pro Forma Overview

Year	Initial Cash Invested	Taxable Income or (Loss)	Cash Flow Before Taxes	Taxable Gain On Sale	Proceeds of Sale Before Tax
2010	542,100	73,618	81,055		
2011		78,806	84,321		
2012		87,383	87,562		
2013		96,348	90,776		
2014		105,731	93,958		
2015		115,563	97,105		
2016		125,879	100,212		
2017		136,716	103,276		
2018		148,114	106,292		
2019		160,116	109,255	801,908	1,521,496
Totals:		1,128,274	953,812		