

### Property Information

Type	Apartment Complex
Number of Units	48
Square Footage	33,000

### Sources of Funds

Cash Investment	542,100	20.10%
First Mortgage (20 year term, 7.00% rate)	1,855,000	68.78%
Second Mortgage (10 year term, 8.50% rate)	300,000	11.12%

### Annualized 1st Year Income & Expenses

Gross Income	536,400	<b>Total:</b>	<b>2,697,100</b>
Vacancy & Credit Allowance	10,728		
Gross Operating Income	525,672		
Operating Expenses	227,400		
Net Operating Income	298,272		

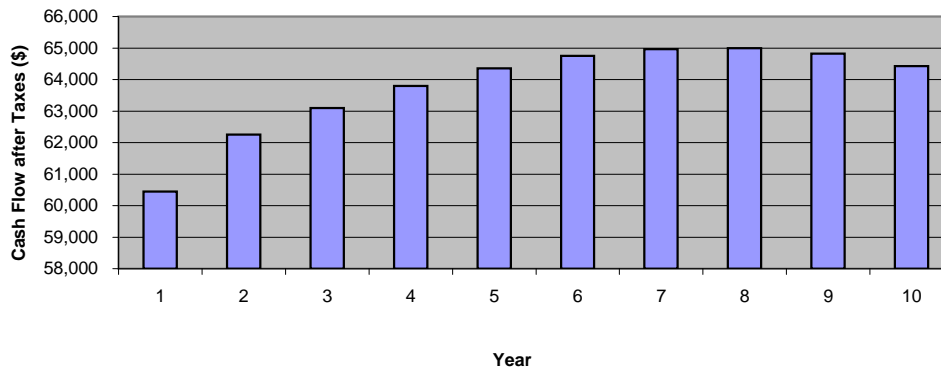
### Assumptions

Discount Rate for PV	11.00%
Capitalization Rate for Resale	11.00%
Holding Period (Years)	10
Depreciable Basis	1,997,500
Depreciation Type	27.5-Year
1st Year Marginal Tax Rate	28.00%

### Uses of Funds

Purchase Price, Real Property (80.30 per square foot)	2,650,000	98.25%
Closing Costs	10,000	0.37%
Points	37,100	1.38%
1st Year Capital Improvements	0	0.00%
<b>Total:</b>	<b>2,697,100</b>	

### 10-Year Projected Cash Flow After Taxes



### Financial Measures

	Year 1	Year 5	Year 10
Capitalization Rate	11.26%	11.74%	12.32%
Debt Coverage Ratio	1.37	1.43	1.50
Cash on Cash Return	14.95%	17.33%	20.15%
IRR before Taxes	-5.58%	23.08%	22.75%
IRR after Taxes	-7.56%	17.57%	17.86%
Return on Equity	14.03%	7.58%	4.23%

	Year 1	Year 5	Year 10
Gross Income Multiplier	5.06	4.87	4.63
Gross Income/SF	16.25	17.59	19.43
Operating Expense Ratio	43.26%	45.31%	48.03%
Operating Expenses/SF	6.89	7.81	9.14
PV, NOI+Reversion	2,540,595	2,685,148	2,797,388
PV, CFAT+Sale Proceeds	451,459	690,937	841,080