

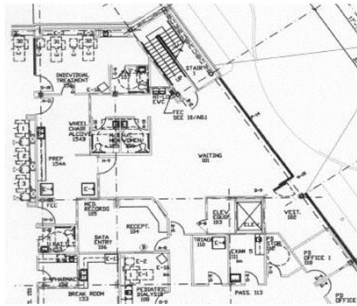
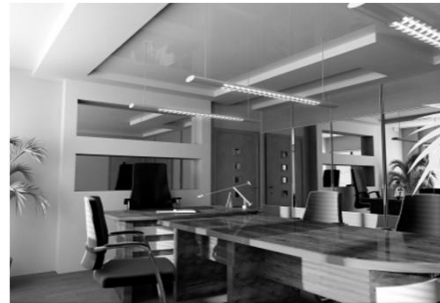


Property: The RealData Building
878 Main St.
South Haven, CT 06999

Prepared For: J. P. Lender
Second National Bank
South Haven, CT 06999

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

Date: January 6, 2012



Property Location: 878 Main St.
South Haven, CT 06999

Type of Property: Office Building
14,000 rentable sf

This report created with a demonstration version of REIA

Date of this Analysis: January 6, 2012

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, financing and Federal tax implications related to the ownership and operation 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.

Acquisition**Sources of Funds**

Cash Investment	481,000
First Mortgage	650,000
Second Mortgage*	0
Third Mortgage*	0

Total: \$ 1,131,000

Uses of Funds

Purchase, Real Estate	1,000,000
Purchase, Personal Property	0
Closing Costs	8,000
Points	13,000
1st Year Capital Improvements	10,000
1st Year Funded Reserves	100,000

Total: \$ 1,131,000

Property purchased at \$ 71.43 per square foot.

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Analysis

Months in First Year of Analysis:	10
Year this Analysis Begins:	2012
Anticipated Year of Resale:	2031

Investor

Name:	Elm Development
Marginal Tax Bracket:	28.00 %

Depreciation

Type:	39-Year Straight Line
Depreciable Basis:	\$ 708,000

**Second Mortgage of 100,000 put in place 4/2012*

**Third Mortgage of 15,000 put in place 4/2013*

Financing**First Mortgage**

\$ 650,000
 20 year term
 9.500 %*
 2.00 points
 6,058.86 per month

Placed 3/2012

Refinanced in January 2018

Second Mortgage

\$ 100,000
 1 year term
 11.500 %
 0.00 points
 8,861.51 per month

Placed 4/2012

Refinanced in January 2018

Third Mortgage

\$ 15,000
 0 year term
 12.000 % interest only
 0.00 points
 150.00 per month

Placed 4/2013

Refinanced in January 2018

Refinance

\$ 825,275
 20 year term
 10.00 %
 0.00 points
 7,964.09 per month

Placed in January 2018

** First-year rate. Detailed projections may include the effects of rate changes in future years.*

Operating Income and Expenses**Income**

	Gross Income	Vacancy/Credit Allowance	Net Operating Income	Taxable Income
2012	153,458	4,604	114,734	43,897
2013	187,546	5,626	138,123	53,835
2014	199,343	5,980	147,924	54,804
2015	206,944	6,208	153,775	58,436
2016	217,228	6,517	162,084	64,801
2017	221,829	6,655	165,056	62,477
2018	224,910	6,747	166,568	59,470
2019	227,380	6,821	167,465	62,753
2020	231,714	6,951	170,049	67,017
2021	233,796	7,014	170,486	71,396
2022	235,346	7,060	170,375	73,321
2023	236,939	7,108	170,250	75,437
2024	238,575	7,157	170,110	77,766
2025	240,257	7,208	169,955	80,330
2026	241,985	7,260	169,782	83,155
2027	243,761	7,313	169,593	86,268
2028	245,586	7,368	169,385	89,700
2029	247,463	7,424	169,158	93,485
2030	249,392	7,482	168,911	97,662
2031	251,376	7,541	168,644	102,271

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Operating Income and Expenses (cont.)**Operating Expenses and Debt Service**

	Operating Expenses	Total Debt Service
2012	34,121	140,342
2013	43,796	103,139
2014	45,439	81,938
2015	46,960	81,938
2016	48,627	81,938
2017	50,118	81,938
2018	51,594	95,569
2019	53,093	95,569
2020	54,713	95,569
2021	56,296	95,569
2022	57,911	95,569
2023	59,580	95,569
2024	61,308	95,569
2025	63,094	95,569
2026	64,943	95,569
2027	66,855	95,569
2028	68,834	95,569
2029	70,881	95,569
2030	72,999	95,569
2031	75,191	95,569

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Cash Flows**Cash Flows**

	Before Taxes	After Using Reserves	After Taxes and Reserves	Cumulative Cash Flow
2012	(28,608)	0	(12,291)	(12,291)
2013	41,985	41,985	26,911	14,620
2014	(27,801)	0	(15,345)	(725)
2015	25,598	25,598	9,236	8,510
2016	69,674	69,674	51,529	60,040
2017	83,118	83,118	65,625	125,664
2018	302,187	302,187	285,536	411,200
2019	71,896	71,896	54,325	465,525
2020	74,480	74,480	55,716	521,241
2021	74,917	74,917	54,926	576,167
2022	74,806	74,806	54,277	630,444
2023	74,681	74,681	53,559	684,003
2024	74,541	74,541	52,767	736,769
2025	74,386	74,386	51,893	788,663
2026	74,213	74,213	50,930	839,593
2027	74,024	74,024	49,869	889,461
2028	73,816	73,816	48,700	938,161
2029	73,589	73,589	47,413	985,575
2030	73,342	73,342	45,997	1,031,572
2031	73,075	73,075	44,439	1,076,011

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Improvements and Reserves**Other**

	Planned Capital Improvements	Planned Funded Reserves
2012	10,000	100,000
2013	8,000	0
2014	2,000	0
2015	0	0
2016	0	0
2017	0	0
2018	5,000	0
2019	0	0
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0

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Resale at End of 2031

Projected Selling Price:	\$ 1,533,100	(based on 11.00% capitalization rate)
Cost of Sale:	\$ 107,317	
Gain (Loss) on Sale:	\$ 643,198	
Federal Tax on Sale:	\$ 149,482	
Before-Tax Sale Proceeds:	\$ 1,099,173	
After-Tax Sale Proceeds:	\$ 949,692	

Measures of Investment Quality

IRR, Before-Tax:	14.32%
IRR, After-Tax:	11.27%
MIRR, Before-Tax:	11.09%
MIRR, After Tax:	9.48%
PV, at 11.00%	\$ 1,438,425

	Debt Coverage Ratio	Cap. Rate	Gross Income Multiplier	Cash on Cash Return	Operating Expense Ratio	Gross Income, \$/sf	Operating Expenses, \$/sf
2012	0.82	12.37%	6.83	-7.14%	22.92%	13.15	2.92
2013	1.34	12.32%	6.73	8.73%	24.07%	13.40	3.13
2014	1.81	12.26%	6.75	-5.78%	23.50%	14.24	3.25
2015	1.88	12.33%	6.76	5.32%	23.39%	14.78	3.35
2016	1.98	13.00%	6.78	14.49%	23.08%	15.52	3.47
2017	2.01	13.24%	6.76	17.28%	23.29%	15.84	3.58
2018	1.74	13.30%	6.73	62.82%	23.65%	16.06	3.69
2019	1.75	13.38%	6.70	14.95%	24.07%	16.24	3.79
2020	1.78	13.58%	6.67	15.48%	24.34%	16.55	3.91
2021	1.78	13.62%	6.63	15.58%	24.82%	16.70	4.02
2022	1.78	13.61%	6.58	15.55%	25.37%	16.81	4.14
2023	1.78	13.60%	6.53	15.53%	25.92%	16.92	4.26
2024	1.78	13.59%	6.48	15.50%	26.49%	17.04	4.38
2025	1.78	13.57%	6.43	15.46%	27.07%	17.16	4.51
2026	1.78	13.56%	6.38	15.43%	27.67%	17.28	4.64
2027	1.77	13.55%	6.33	15.39%	28.27%	17.41	4.78
2028	1.77	13.53%	6.27	15.35%	28.90%	17.54	4.92
2029	1.77	13.51%	6.21	15.30%	29.53%	17.68	5.06
2030	1.77	13.49%	6.16	15.25%	30.18%	17.81	5.21
2031	1.76	13.47%	6.10	15.19%	30.84%	17.96	5.37

Year	Initial Cash Invested	Taxable Income or (Loss)	Cash Flow Before Taxes	Taxable Gain On Sale	Proceeds of Sale Before Tax
2012	481,000	43,897	0		
2013		53,835	41,985		
2014		54,804	0		
2015		58,436	25,598		
2016		64,801	69,674		
2017		62,477	83,118		
2018		59,470	302,187		
2019		62,753	71,896		
2020		67,017	74,480		
2021		71,396	74,917		
2022		73,321	74,806		
2023		75,437	74,681		
2024		77,766	74,541		
2025		80,330	74,386		
2026		83,155	74,213		
2027		86,268	74,024		
2028		89,700	73,816		
2029		93,485	73,589		
2030		97,662	73,342		
2031		102,271	73,075	643,198	1,099,173
Totals:	481,000	1,458,279	1,484,329	643,198	1,099,173

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. Federal tax calculations in this report are based upon the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1993, the Taxpayer Relief Act of 1997, the Jobs and Growth Tax Relief Reconciliation Act of 2003 and are subject to revision as well as further clarifications, interpretations, rulings, regulations and technical corrections.

These tax calculations are also based upon certain assumptions about the taxpayer and about the property, and do not take into account the possibility of Alternative Minimum Tax liability, the At-Risk rules, investment interest limitations, possible future-year indexing of tax brackets, or the impact of other investments which may interact to produce tax consequences other than those projected here. The user of this program and information should consult a tax specialist concerning his/her particular circumstances before making any investment decision.

*Note especially that a taxpayer's ability to use losses generated by this investment to offset income generated by this investment is likely to be affected by the taxpayer's particular circumstances, including Adjusted Gross Income, and passive and investment income or losses from other activities. Consult your tax advisor regarding these issues.