

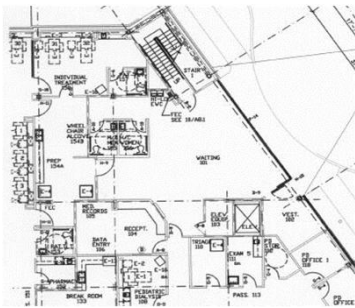
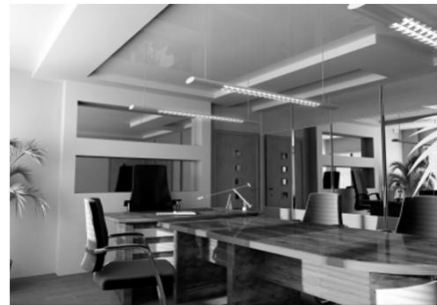


**Property: The RealData Building  
878 Main St.  
South Haven, CT 06999**

**Prepared For: Janet L. Partner**

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

**Date: January 6, 2012**



**Property:** The RealData Building

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

**Type of Property:** Office Building  
14,000 rentable sf

**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.

This report is also intended to estimate the potential benefits that a partner may derive by investing in the partnership that may be formed to acquire 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, Managing Member	31,000
Cash Investment, Other Members	450,000
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.

**Analysis**

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

**Investor**

Name:	Janet L. Partner
Marginal Tax Bracket:	28%

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**Depreciation**

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

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

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

**Property**

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

**Managing Member**

Elm Development Associates

**Initial Capital Investment**

Total from All Non-managing Members	450,000
Amount Contributed by Janet L. Partner	36,000
Amount Contributed by Managing Member	31,000
Total from All Members	481,000

**Non-managing Member's Ratio** 8.00%

**Allocation of Net Income (Loss) from Operations**

All Non-Managing Members	95.00%
Janet L. Partner's % of total	7.60%
Managing Member	5.00%

**Distribution of Cash Flow from Operations**

All Non-Managing Members	95.00%
Janet L. Partner's % of total	7.60%
Managing Member	5.00%

**Distribution of Sale Proceeds**

All Non-Managing Members	70.00%
Janet L. Partner's % of total	5.60%
Managing Member	30.00%

**Preferred Return** 4.00%

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**First Mortgage**

\$ 650,000  
20 year term  
9.50 %\*  
2.00 points  
6,058.86 per month

*Placed 3/2012  
Refinanced in January 2018*

**Second Mortgage**

\$ 100,000  
1 year term  
11.50 %  
0.00 points  
8,861.51 per month

*Placed 4/2012  
Refinanced in January 2018*

**Third Mortgage**

\$ 15,000  
0 year term  
12.00 % 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.*

**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 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**

	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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**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
Cost of Sale:	\$ 107,317
Gain (Loss) on Sale:	\$ 643,198
Federal Tax on Sale:	\$ 149,482
Before-Tax Sale Proceeds:	\$ 1,099,173

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**Measures of Investment Quality**

IRR, Before-Tax:	14.32%
MIRR, Before-Tax:	11.09%
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

**Property Overview**

Year	Cash Invested	Taxable Income	Cash Flow Before Taxes	Taxable Gain on Sale	Proceeds of Sale
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
<b>Total:</b>	<b>\$ 481,000</b>	<b>\$ 1,458,279</b>	<b>\$ 1,484,329</b>	<b>\$ 643,198</b>	<b>\$ 1,099,173</b>

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**Partnership Overview**

Year	Cash Invested	Taxable Income	Cash Distribution	Cash on Cash Return	Taxable Gain on Sale	Final Distribution
2012	36,000	3,408	0	0.00%		
2013		4,163	3,323	9.23%		
2014		4,237	0	0.00%		
2015		4,513	2,048	5.69%		
2016		4,997	5,409	15.02%		
2017		4,820	6,389	17.75%		
2018		4,592	22,765	63.24%		
2019		4,806	5,501	15.28%		
2020		5,130	5,697	15.83%		
2021		5,463	5,730	15.92%		
2022		5,609	5,722	15.89%		
2023		5,770	5,712	15.87%		
2024		5,947	5,702	15.84%		
2025		6,142	5,690	15.81%		
2026		6,356	5,677	15.77%		
2027		6,593	5,662	15.73%		
2028		6,854	5,647	15.69%		
2029		7,142	5,629	15.64%		
2030		7,459	5,611	15.59%		
2031		7,809	5,590	15.53%	31,862	66,167
<b>Total:</b>	<b>36,000</b>	<b>111,810</b>	<b>113,504</b>		<b>31,862</b>	<b>66,167</b>

**Member's anticipated IRR, before taxes: 14.20%**  
**Member's anticipated MIRR, before taxes: 10.87%**

**This report is not intended as an offering to purchase securities.**

**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 and 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.**

**Any reference to "this partner," "this LP" or "this member" refers to any partner or member with a given percentage interest based on his/her share of capital invested.**