

**Property Information**

Type	Apartment Building
Number of Units	14
Square Footage	17,000

**Sources of Funds**

Cash Investment	1,369,594	61.77%
First Mortgage (20 year term, 4.00% rate initially)	747,500	33.72%
Second Mortgage (1 year term, 5.00% rate)	100,000	4.51%

**Annualized 1st Year Income & Expenses**

Gross Income	283,083	<b>Total:</b>	<b>2,217,094</b>
Vacancy & Credit Allowance	8,493		
Gross Operating Income	274,591		
Operating Expenses	44,784		
Net Operating Income	229,807		

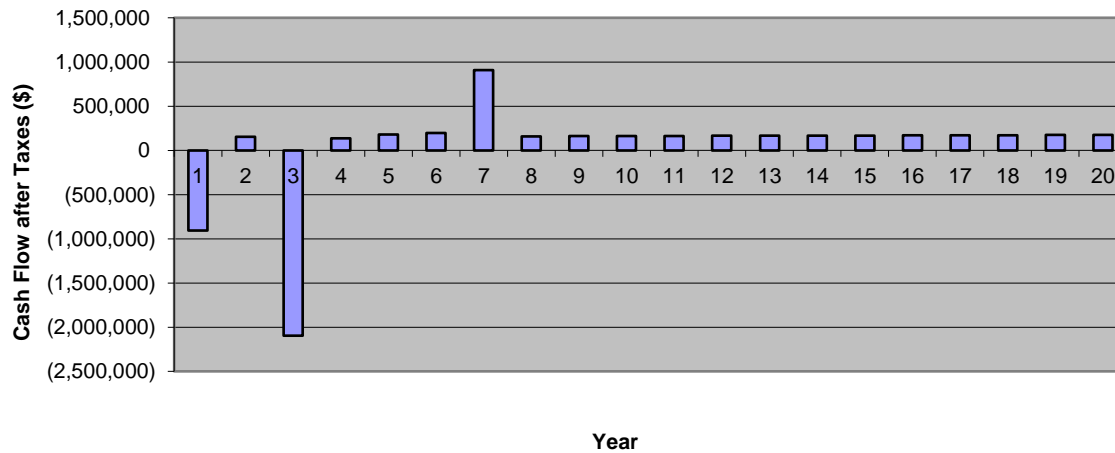
**Assumptions**

Safe Rate for MIRR	1.00%
Reinvestment Rate for MIRR	5.00%
Discount Rate for PV	10.00%
Capitalization Rate for Resale	11.00%
Holding Period (Years)	20
Depreciable Basis	810,600
Depreciation Type	27.5-Year
1st Year Marginal Tax Rate	24.00%

**Uses of Funds**

Purchase Price, Real Property (67.65 per square foot)	1,150,000	51.87%
Closing Costs	8,000	0.36%
Points	14,950	0.67%
1st Year Capital Improvements	10,000	0.45%
1st Year Funded Reserves	100,000	4.51%
Development Working Capital	934,144	42.13%
<b>Total:</b>	<b>2,217,094</b>	

**20-Year Projected Cash Flow After Taxes**



**Financial Measures**

	Year 1	Year 10	Year 20
Capitalization Rate	7.27%	6.61%	7.15%
Debt Coverage Ratio	1.36	2.77	3.00
Cash on Cash Return	-95.66%	13.41%	15.14%
IRR before Taxes	n/a	-4.55%	2.56%
IRR after Taxes	n/a	-5.30%	1.53%
MIRR before Taxes	-100.00%	-1.67%	3.34%
MIRR after Taxes	-100.00%	-2.21%	2.77%
Return on Equity	-113.32%	13.03%	8.35%

	Year 1	Year 10	Year 20
Gross Income Multiplier	7.41	7.27	6.99
Gross Income/sf	16.65	21.13	23.78
Operating Expense Ratio	16.31%	17.55%	20.69%
Operating Expenses/sf	2.63	3.60	4.77
Projected Selling Price	2,089,200	2,611,300	2,827,000
After-Tax Sale Proceeds	215,849	1,247,695	1,857,916
PV, NOI+Reversion	1,975,239	2,527,028	2,687,909
PV, CFAT+Sale Proceeds	(903,405)	(1,080,525)	(887,150)