

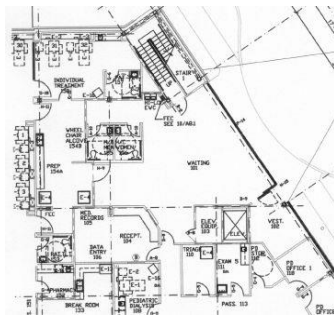
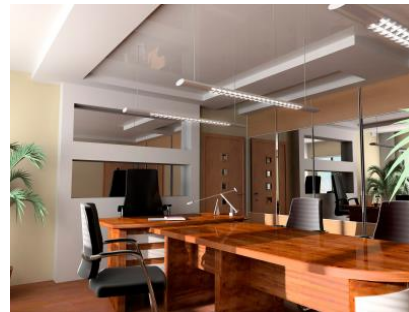


Property: The RealData Building
878 Main St.
South Haven, CT 06999

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

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

Date: March 3, 2022



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

Type of Property: Apartment Building
18,600 rentable sf

Date of this Analysis: March 3, 2022

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	616,608
First Mortgage	747,500
Second Mortgage*	0
Third Mortgage*	0

Total: \$ 1,364,108

Uses of Funds

Purchase, Real Estate	1,150,000
Purchase, Personal Property	0
Closing Costs	8,000
Points	14,950
1st Year Capital Improvements	10,000
1st Year Funded Reserves	100,000
Development Working Capital	81,158

Total: \$ 1,364,108

Property purchased at \$ 61.83 per square foot.

Analysis

Months in First Year of Analysis:	12
Year this Analysis Begins:	2023
Anticipated Year of Resale:	2042

Investor

Name:	Elm Development
Marginal Tax Bracket:	24.00 %

Depreciation

Type:	27.5-Year Straight Line
Depreciable Basis:	\$ 810,600

**Second Mortgage of 100,000 placed in 4/2023*

**Third Mortgage of 15,000 placed in 4/2024*

Financing

First Mortgage

\$ 747,500
 20 year term
 4.000 %*
 2.00 points
 4,529.71 per month

*Placed in 1/2023
 Refinanced in January 2029*

Second Mortgage

\$ 100,000
 1 year term
 5.000 %
 0.00 points
 8,560.75 per month

*Placed in 4/2023
 Refinanced in January 2029*

Third Mortgage

\$ 15,000
 0 year term
 6.000 % interest only
 0.00 points
 75.00 per month

*Placed in 4/2024
 Refinanced in January 2029*

Refinance

\$ 1,138,665
 20 year term
 4.50 %
 0.00 points
 7,203.76 per month

Placed in January 2029

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

Development Loan

\$184,368
14 months
5.000 %
0.00 points
Mar-2024 payoff month

Equity	81,158
Closing Costs	5,000
Points	0

Soft Costs

Architectural & Engineering	13,550
Financing	13,925
Land	12,300
Development	29,500

Total: 69,275

Hard Costs

General Project Costs	3,000
Site Work	20,000
Substructure	22,000
Shell	93,000
Interior	23,000
Conveying Systems	0
Plumbing	2,000
HVAC	7,000
Fire Protection	0
Electrical	5,000
Furnishings	0
Special Construction	0

Total: 175,000

Development Overhead & Profit 17,500

Contingency 8,750

Total Development Costs \$261,800

Operating Income and Expenses**Income**

	Gross Income	Vacancy/Credit Allowance	Net Operating Income	Taxable Income
2023	200,161	6,005	152,590	85,741
2024	201,025	6,031	150,675	78,185
2025	267,562	8,027	211,449	131,291
2026	274,864	8,246	217,022	135,097
2027	284,842	8,545	225,046	140,607
2028	289,131	8,674	227,728	136,279
2029	291,894	8,757	228,944	127,864
2030	294,039	8,821	229,539	130,976
2031	298,043	8,941	231,815	134,979
2032	299,788	8,994	231,937	139,003
2033	300,994	9,030	231,506	140,461
2034	302,235	9,067	231,054	141,985
2035	308,953	9,269	235,646	148,644
2036	310,270	9,308	235,151	150,310
2037	311,625	9,349	234,631	152,052
2038	313,021	9,391	234,088	153,873
2039	314,459	9,434	233,519	155,778
2040	315,940	9,478	232,924	157,770
2041	317,466	9,524	232,302	159,854
2042	319,038	9,571	231,651	162,034

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

	Operating Expenses	Total Debt Service
2023	41,566	133,694
2024	44,319	271,516
2025	48,086	57,441
2026	49,596	57,441
2027	51,251	57,441
2028	52,729	57,441
2029	54,193	86,445
2030	55,680	86,445
2031	57,287	86,445
2032	58,857	86,445
2033	60,458	86,445
2034	62,114	86,445
2035	64,038	86,445
2036	65,811	86,445
2037	67,645	86,445
2038	69,542	86,445
2039	71,506	86,445
2040	73,538	86,445
2041	75,640	86,445
2042	77,816	86,445

Cash Flows**Cash Flows**

	Before Taxes	After Using Reserves	After Taxes and Reserves	Cumulative Cash Flow
2023	(62,971)	0	(20,578)	(20,578)
2024	(104,407)	(61,737)	(80,501)	(101,079)
2025	62,222	62,222	30,712	(70,367)
2026	113,341	113,341	80,918	10,551
2027	157,133	157,133	123,387	133,938
2028	170,287	170,287	137,580	271,518
2029	679,674	679,674	648,987	920,505
2030	143,093	143,093	111,659	1,032,164
2031	145,370	145,370	112,975	1,145,139
2032	145,492	145,492	112,132	1,257,271
2033	145,061	145,061	111,351	1,368,621
2034	144,609	144,609	110,533	1,479,154
2035	149,201	149,201	113,527	1,592,681
2036	148,705	148,705	112,631	1,705,312
2037	148,186	148,186	111,694	1,817,006
2038	147,643	147,643	110,713	1,927,719
2039	147,074	147,074	109,687	2,037,407
2040	146,479	146,479	108,614	2,146,021
2041	145,857	145,857	107,492	2,253,513
2042	145,206	145,206	106,318	2,359,831

Improvements and Reserves

	Planned Capital Improvements	Planned Funded Reserves
2023	10,000	100,000
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0
2040	0	0
2041	0	0
2042	0	0

Resale at End of 2042

Projected Selling Price:	\$ 2,105,900	(based on 11.00% capitalization rate)
Cost of Sale:	\$ 147,413	
Gain (Loss) on Sale:	\$ 1,227,363	
Est. Federal Tax on Sale:	\$ 267,892	
Before-Tax Sale Proceeds:	\$ 1,504,680	
After-Tax Sale Proceeds:	\$ 1,236,788	

Measures of Investment Quality

IRR, Before-Tax:	19.21%
IRR, After-Tax:	15.80%
MIRR, Before-Tax:	11.91%
MIRR, After Tax:	10.43%
PV, at 10.00%	\$ 2,094,603

	Debt Coverage Ratio	Yield on Cost	Gross Income Multiplier	Cash on Cash Return	Operating Expense Ratio	Gross Income, \$/SF	Operating Expenses, \$/SF
2023	1.14	10.12%	6.97	-10.21%	21.41%	10.76	2.23
2024	0.55	9.88%	6.85	-16.93%	22.73%	10.81	2.38
2025	3.68	13.14%	7.18	10.09%	18.53%	14.39	2.59
2026	3.78	13.16%	7.18	18.38%	18.60%	14.78	2.67
2027	3.92	13.65%	7.18	25.48%	18.55%	15.31	2.76
2028	3.96	13.81%	7.16	27.62%	18.80%	15.54	2.83
2029	2.65	13.89%	7.13	110.23%	19.14%	15.69	2.91
2030	2.66	13.92%	7.10	23.21%	19.52%	15.81	2.99
2031	2.68	14.06%	7.07	23.58%	19.82%	16.02	3.08
2032	2.68	14.07%	7.03	23.60%	20.24%	16.12	3.16
2033	2.68	14.04%	6.99	23.53%	20.71%	16.18	3.25
2034	2.67	14.01%	6.95	23.45%	21.19%	16.25	3.34
2035	2.73	14.29%	6.93	24.20%	21.37%	16.61	3.44
2036	2.72	14.26%	6.89	24.12%	21.87%	16.68	3.54
2037	2.71	14.23%	6.84	24.03%	22.38%	16.75	3.64
2038	2.71	14.20%	6.80	23.94%	22.90%	16.83	3.74
2039	2.70	14.16%	6.75	23.85%	23.44%	16.91	3.84
2040	2.69	14.13%	6.70	23.76%	24.00%	16.99	3.95
2041	2.69	14.09%	6.65	23.65%	24.56%	17.07	4.07
2042	2.68	14.05%	6.60	23.55%	25.15%	17.15	4.18

Year	Initial Cash Invested	Taxable Income or (Loss)	Cash Flow Before Taxes	Taxable Gain On Sale	Proceeds of Sale Before Tax
2023	616,608	85,741	0		
2024		78,185	(61,737)		
2025		131,291	62,222		
2026		135,097	113,341		
2027		140,607	157,133		
2028		136,279	170,287		
2029		127,864	679,674		
2030		130,976	143,093		
2031		134,979	145,370		
2032		139,003	145,492		
2033		140,461	145,061		
2034		141,985	144,609		
2035		148,644	149,201		
2036		150,310	148,705		
2037		152,052	148,186		
2038		153,873	147,643		
2039		155,778	147,074		
2040		157,770	146,479		
2041		159,854	145,857		
2042		162,034	145,206	1,227,363	1,504,680
Totals:	616,608	2,762,781	3,022,899	1,227,363	1,504,680

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of pro forma projection and analysis, and should not be used for preparation of income tax returns. You are advised that any Federal tax calculations displayed in these reports are necessarily estimates only. They are based upon interpretations of various tax acts and revisions since 1986, and are subject to further clarifications, interpretations, rulings, regulations, and technical corrections. These tax calculations are also based upon certain assumptions, as entered into the software by the user, about the property and about the taxpayer's adjusted gross income, tax brackets and like matters. The actual tax liability that this property may create may be altered substantially from the estimates displayed herein by other factors, which are outside the scope of this analysis and external to this property, and which may also differ from taxpayer to taxpayer. Such factors may include but are not limited to the Alternative Minimum Tax and investment interest limitations. In particular, for the years 2013 and following, the actual tax liability is likely to be affected by items such as: the taxpayer's total taxable income; the taxpayer's net investment income from all sources, including those external to the property analyzed here; and the extent to which those items exceed certain thresholds, which are themselves subject to change.

The user of this program and recipients of its reports 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.