



APARTMENT ACQUISITION MODEL™ - ELITE EXECUTIVE CONTROL PANEL

Pricing Metrics		Ask Price	Buy Price			
Purchase Price		\$10,000,000	\$8,500,000			
Price / Unit		\$95,238	\$80,952			
Price / Sq. Ft.		\$97.92	\$83.23			
Gross Rent Multiplier - Proforma Year 1			6.94			
Capitalization Rate - Proforma Year 1			7.34%			
Property Level Investment Returns		Unleveraged	Leveraged			
Internal Rate of Return (IRR) - Before Taxes		11.78%	20.14%			
Internal Rate of Return (IRR) - After Taxes		9.55%	18.20%			
10 Year Average Cash-on-Cash Return - Before Taxes		8.37%	11.79%			
10 Year Average Cash-on-Cash Return - After Taxes		6.88%	11.07%			
Net Gain on Capital Investment - Before Taxes		13,108,987	9,702,629			
Return of Capital Multiple - Before Taxes		1.54x	3.78x			
Net Gain on Capital Investment - After Taxes		10,005,590	7,745,049			
Return of Capital Multiple - After Taxes		1.18x	3.02x			
Hold Period	Unleveraged Pre-tax CF	Pre-tax Yield	After-tax Yield	Leveraged Pre-tax CF	Pre-tax Yield	After-tax Yield
Year 0	(8,879,000)			(2,567,750)		
Year 1	623,914	7.03%	5.97%	179,555	6.99%	8.08%
Year 2	648,810	7.31%	6.17%	204,202	7.95%	8.69%
Year 3	674,662	7.60%	6.36%	229,797	8.95%	9.31%
Year 4	701,504	7.90%	6.57%	256,376	9.98%	9.96%
Year 5	729,374	8.21%	6.79%	283,978	11.06%	10.63%
Year 6	758,311	8.54%	7.01%	312,638	12.18%	11.32%
Year 7	788,354	8.88%	7.24%	342,398	13.33%	12.04%
Year 8	819,544	9.23%	7.48%	373,298	14.54%	12.79%
Year 9	851,924	9.59%	7.73%	405,382	15.79%	13.56%
Year 10	15,391,590	173.35%	151.37%	9,682,755	377.09%	305.25%

PARTNERSHIP ASSUMPTIONS		Amount	%
Preferred Rate of Return - Year 1			7.0%
Preferred Rate of Return - Year 2			7.0%
Preferred Rate of Return - Year 3			7.0%
Preferred Rate of Return - Year 4			7.0%
Preferred Rate of Return - Year 5			7.0%
Preferred Rate of Return - Year 6			7.0%
Preferred Rate of Return - Year 7			7.0%
Preferred Rate of Return - Year 8 thru 10			7.0%
Equity Contribution		Amount	%
Investors		2,439,363	95.0%
Sponsor		128,388	5.0%
Net Cash Flow Distribution		Amount	%
Investors			50.0%
Sponsor			50.0%
Residual Value Distribution		Amount	%
Investors			50.0%
Sponsor			50.0%

Loan Information	
Debt Borrowed	6,375,000
Loan-to-Value Ratio	75.00%
Amortization Term	30 Years
Loan Term	10 Years
Interest Rate	5.50%
Loan Origination Points	1.00%
Loan Constant	6.81%
Debt Payment Information	
Debt Service Coverage Ratio - Yr 1	1.44x
Lender Debt Service Coverage Ratio - Yr 1	1.41x
Monthly Debt Service	36,197
Annual Debt Service	434,359
Total Paid Toward Principal	1,113,012
Total Paid Toward Interest	3,230,574
Resale Value Assumptions	
Investment Hold Period	10 Years
Terminal Capitalization Rate	6.25%
Resale Commission (% Resale Price)	1.00%
Other Closing Costs (% Resale Price)	0.50%
Projected Resale Value	14,726,955
Resale Price / Unit	140,257
Annual % Increase in Price	7.33%
Real Estate Commission (\$ Amount)	147,270
Other Closing Expenses (\$ Amount)	73,635

Investor Level		
Hold Period	Leveraged Cash Flow	Pre-tax Yield
Year 0	(2,439,363)	
Year 1	170,578	6.99%
Year 2	183,069	7.50%
Year 3	195,783	8.03%
Year 4	209,072	8.57%
Year 5	222,873	9.14%
Year 6	237,203	9.72%
Year 7	252,083	10.33%
Year 8	267,533	10.97%
Year 9	283,575	11.62%
Year 10	6,077,749	249.15%
Internal Rate of Return		15.44%
Initial Equity Investment		2,439,363
Net Gain on Capital Investment		5,660,156
Return of Capital Multiple - Before Taxes		2.32x

Sources & Uses of Funds		
Sources	Amount	% of Total
Cash Down Payment	2,567,750	28.71%
Debt Borrowed	6,375,000	71.29%
Total Sources	8,942,750	100.00%
Uses		
Property's Purchase Price	8,500,000	95.05%
Loan Origination Points	63,750	0.71%
Prepaid Insurance - Yr. 1	20,000	0.22%
Capital Improvements	50,000	0.56%
Title Insurance	2,500	0.03%
Escrow & Closing Costs	2,500	0.03%
Legal & Accounting Costs	15,000	0.17%
Loan Application Fee	5,000	0.06%
Survey	2,500	0.03%
Appraisal Report	4,500	0.05%
Environmental Report	2,500	0.03%
Engineering Report	3,500	0.04%
Termite / Mold Report(s)	1,000	0.01%
Working Capital Reserve	15,000	0.17%
Acquisition Fee	255,000	2.85%
Other	0	0.00%
Other	0	0.00%
Other	0	0.00%
Other	0	0.00%
Other	0	0.00%
Total Uses	8,942,750	100.00%

Sponsor Level		
Hold Period	Leveraged Cash Flow	Pre-tax Yield
Year 0	(128,388)	
Year 1	8,978	6.99%
Year 2	21,133	16.46%
Year 3	34,014	26.49%
Year 4	47,304	36.84%
Year 5	61,105	47.59%
Year 6	75,435	58.76%
Year 7	90,315	70.35%
Year 8	105,765	82.38%
Year 9	121,807	94.87%
Year 10	3,605,006	2807.91%
Internal Rate of Return		49.37%
Initial Equity Investment		128,388
Net Gain on Capital Investment		4,042,473
Return of Capital Multiple - Before Taxes		31.49x

The calculations and data presented in this analysis are believed to be accurate, but not guaranteed or warranted. The information provided is not intended to replace or serve as a substitute for any legal, accounting, investment, real estate, tax or other professional advice before making any decisions and/or purchases of real estate.