

**Domain by Windsor**

1755 Crescent Plaza Drive  
Houston, TX



Units:	320
Rentable SF:	310,351
Average Unit Size:	970
Commercial SF:	0
Date Acquired:	10/22/2013
Year Built:	2012
Occupancy 4/30/2019:	95.3%
GAV 3/31/2019:	\$57,500,000
Value Per Unit:	\$179,688
Debt Balance:	\$31,300,000
NAV:	\$26,200,000

Domain by Windsor is a Class A multifamily apartment community in Houston's energy corridor. The property is situated on 9.95 acres in one three-story building with surface parking and tandem detached garages. Apartment amenities include 10' ceilings, granite counter tops, glass tile backsplashes, stainless steel appliances, ceramic, tile tub surrounds, and washers and dryers in all units.

Property Trends	Actual		FY 2019 (1) v. FY 2018		Budget	2020 Budget v. 2019 Actual	
	FY 2018	FY 2019 (1)	Variance	Variance %	FY 2020	Variance	Variance %
Occupancy	95.5%	95.9%	43 bps	0.43%	95.4%	-49 bps	-0.49%
NER Per Unit	\$1,318	\$1,350	\$33	2.47%	\$1,390	\$40	2.98%
NER Per SF	\$1.36	\$1.39	\$0.03	2.47%	\$1.43	\$0.04	2.98%
NOI (000's)	\$2,498	\$2,635	\$137	5.48%	\$2,796	\$161	6.11%

(1) FY 2019 Actual consists of July 2018 - April 2019 Actual and May 2019 - June 2019 Updated Budget.

**FINANCIAL VARIANCE REPORT**

*Revenue*

- Total Income increased by 3.2% over FY 2018 as Net Effective Rent grew 2.5% and Vacancy was below budget. Recovery in the Houston apartment market continued in 2019 with citywide rent growth between 1 and 2%. Domain's NER improved 2.47% Year over Year.

*Expenses*

- Total Expenses ended 1.3% below budget driven by a 2.9% savings in Controllable Expenses as Compensation, G&A and Marketing were under budget.

*Net Operating Income*

NOI improved 5.48% over 2018 driven by top line rent growth and savings in operating expenses.

*Capital Expenditures*

Other than landscaping improvements, unit turns and mechanical upkeep, capital projects were limited for FY 2019.

### **FY 2019 BUSINESS PLAN OBJECTIVES**

#### *Revenue*

- Total Income is projected to increase 2.4% in FY 2020. Net Potential Rents are projected to increase 2.98%, benefitting from a 4.6% increase in top line rents. Other Income is also contributing to the Total Income increase. Occupancy is expected to hold at a stabilized 95.4%.
- While new supply was down in 2018, Houston area deliveries are increasing but are still well below the 2016 peak.

#### *Expenses*

- Total Operating Expenses are expected to decline slightly by 0.9% in FY 2020. Reduced Payroll and Maintenance costs contribute to Total Controllable Expenses declining 5.8% (\$67k). After declining during the recent Houston downturn, property assessed values are now projected to increase at a typical inflation level of 3%.

#### *Net Operating Income*

- Total Income improvement and operating expense savings combine to produce Net Operating Income growth of 6.11% in FY 2019.

#### *Capital Expenditures*

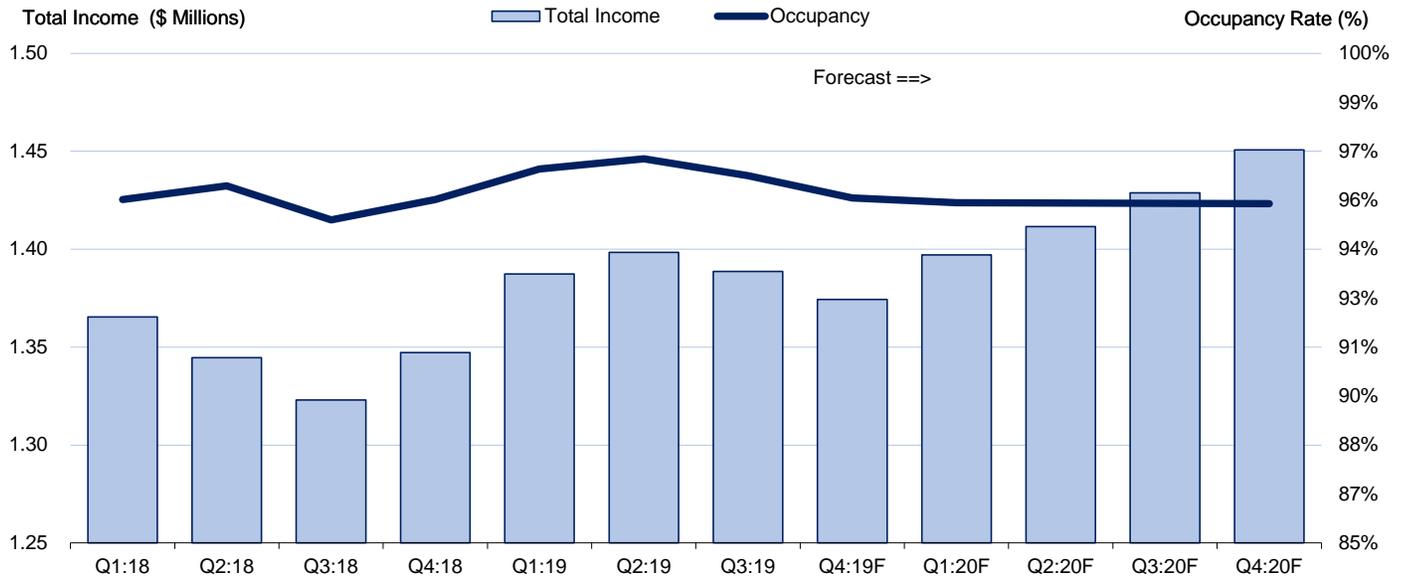
- Other than typical repair and replacements, no major capital expenditures are planned for FY2020.

### **HOLD SELL RECOMMENDATION**

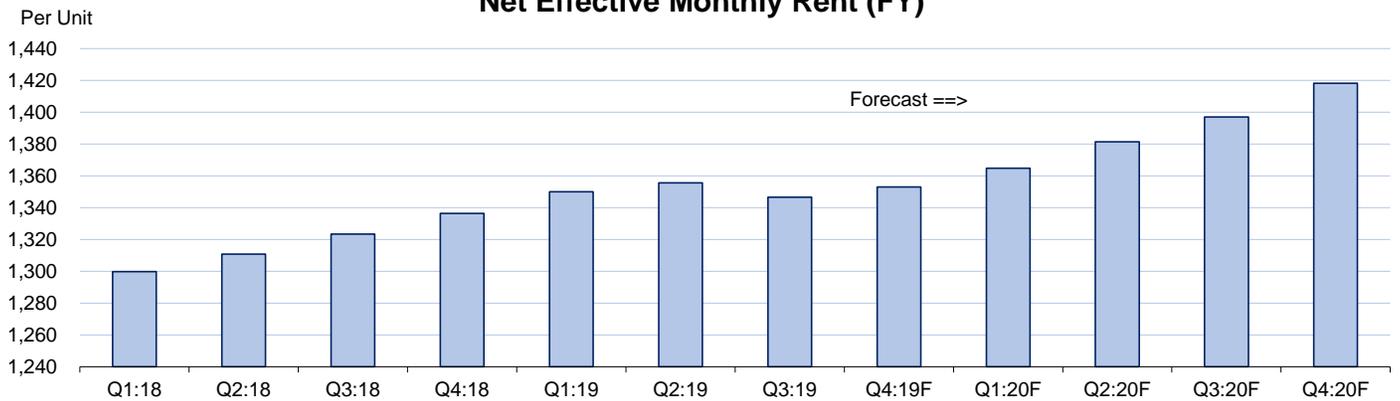
- We recommend selling The Domain in FY 2020 given the volatility of the west Houston economy, low barriers to entry driving new supply and uncertain long term rent growth for the submarket. As the economy has bottomed and is now on an upward path, investment demand has improved for Houston real estate, particularly in the Energy Corridor where investors are underwriting a return to peak rents and transferring that value to Sellers.
- Investment sales brokers will be interviewed in July of 2019 with selection and marketing commencement expected in August and closing in Q4 2019.
- GID will provide CalPERS with a formal sale recommendation after a review of the broker opinion of values described above.

Quarterly Property Trends

Income/Occupancy (FY)



Net Effective Monthly Rent (FY)



**Domain by Windsor**

## Comparative Statement of Income and Cash Flow

320 units

Houston, TX

**NET POTENTIAL RENT**

	FY 2018 Actual	FY 2019 Actual <sup>1</sup>	FY 2020 Budget	FY 2019 Actual vs. FY 2018 Actual		FY 2020 Budget vs. FY 2019 Actual	
				Variance	Variance %	Variance	Variance %
<b>NET POTENTIAL RENT</b>	<b>5,087,918</b>	<b>5,213,342</b>	<b>5,365,737</b>	<b>125,424</b>	<b>2.5%</b>	<b>152,396</b>	<b>2.9%</b>
Vacancy	(245,624)	(201,605)	(245,071)	44,019	17.9%	(43,467)	21.6%
Staff Occupied	(46,674)	(42,849)	(41,664)	3,825	8.2%	1,185	-2.8%
Model Expense	(32,375)	(31,599)	(33,884)	776	2.4%	(2,284)	7.2%
Down Units	0	0	0	0	-	0	-

**APARTMENT RENTAL INCOME**

<b>APARTMENT RENTAL INCOME</b>	<b>4,763,245</b>	<b>4,937,288</b>	<b>5,045,118</b>	<b>174,043</b>	<b>3.7%</b>	<b>107,830</b>	<b>2.2%</b>
Rent Concessions	(28,450)	(28,824)	(26,736)	(374)	-1.3%	2,088	-7.2%
Bad Debts	(5,604)	(9,691)	(5,366)	(4,087)	-72.9%	4,325	-44.6%

**NET APARTMENT RENTAL INCOME**

<b>NET APARTMENT RENTAL INCOME</b>	<b>4,729,191</b>	<b>4,898,773</b>	<b>5,013,017</b>	<b>169,582</b>	<b>3.6%</b>	<b>114,243</b>	<b>2.3%</b>
Other Rental Income	598,799	584,034	592,614	(14,765)	-2.5%	8,579	1.5%
Corporate Operations	24,658	11,268	27,950	(13,390)	-54.3%	16,682	148.1%
Commercial Income	98	0	0	(98)	-100.0%	0	-
Other Income	27,490	60,088	54,495	32,598	118.6%	(5,593)	-9.3%

**TOTAL INCOME**

<b>TOTAL INCOME</b>	<b>5,380,236</b>	<b>5,554,163</b>	<b>5,688,075</b>	<b>173,927</b>	<b>3.2%</b>	<b>133,912</b>	<b>2.4%</b>
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**CONTROLLABLE EXPENSES**

<b>CONTROLLABLE EXPENSES</b>							
General & Administrative	118,384	124,085	125,214	(5,702)	-4.8%	(1,128)	-0.9%
Marketing & Advertising	157,028	138,795	142,092	18,233	11.6%	(3,297)	-2.4%
Maintenance	295,869	299,566	285,177	(3,697)	-1.2%	14,389	4.8%
Payroll	543,073	584,659	527,978	(41,585)	-7.7%	56,681	9.7%

**TOTAL CONTROLLABLE EXPENSES**

<b>TOTAL CONTROLLABLE EXPENSES</b>	<b>1,114,354</b>	<b>1,147,105</b>	<b>1,080,460</b>	<b>(32,751)</b>	<b>-2.9%</b>	<b>66,645</b>	<b>5.8%</b>
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**CONTROLLABLE INCOME**

<b>CONTROLLABLE INCOME</b>	<b>4,265,882</b>	<b>4,407,058</b>	<b>4,607,615</b>	<b>141,176</b>	<b>3.3%</b>	<b>200,557</b>	<b>4.6%</b>
Real Estate Taxes	1,089,878	1,117,409	1,152,119	(27,531)	-2.5%	(34,710)	-3.1%
Insurance	175,457	170,869	156,800	4,587	2.6%	14,069	8.2%
Utilities	299,836	265,614	280,824	34,221	11.4%	(15,210)	-5.7%
Other Fees and Taxes	22,810	33,425	33,672	(10,616)	-46.5%	(247)	-0.7%
Management Fees	180,070	184,996	188,393	(4,926)	-2.7%	(3,397)	-1.8%

**TOTAL OPERATING EXPENSES**

<b>TOTAL OPERATING EXPENSES</b>	<b>2,882,404</b>	<b>2,919,419</b>	<b>2,892,268</b>	<b>(37,015)</b>	<b>-1.3%</b>	<b>27,151</b>	<b>0.9%</b>
Operating Expense Ratio	53.6%	52.6%	50.8%				

**NET OPERATING INCOME**

<b>NET OPERATING INCOME</b>	<b>2,497,832</b>	<b>2,634,745</b>	<b>2,795,807</b>	<b>136,913</b>	<b>5.5%</b>	<b>161,063</b>	<b>6.1%</b>
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Legal	2,606	1,850	4,500	756	29.0%	(2,650)	-143.2%
Audit	9,372	9,156	9,420	216	2.3%	(264)	-2.9%
Other Ownership Costs	387	248	600	138	35.7%	(352)	-141.5%
Financial Costs	1,236,350	1,236,350	1,236,350	0	0.0%	0	0.0%
Capital Expenditures	804,558	322,020	399,066	482,538	60.0%	(77,046)	-23.9%
Rehab Expenditures	0	0	0	0	-	0	-
Broker Commissions	0	0	0	0	-	0	-
Asset Management Fee	189,884	174,923	190,036	14,961	7.9%	(15,113)	-8.6%

**NET CASH FLOW**

<b>NET CASH FLOW</b>	<b>254,675</b>	<b>890,198</b>	<b>955,835</b>	<b>635,522</b>	<b>249.5%</b>	<b>65,637</b>	<b>7.4%</b>
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Average Net Effective Rent	1,318/unit	8,101/unit	1,390/unit				
Physical Occupancy Includes Staff and Model	95.5%	95.9%	95.4%				

(1) FY 2019 Actual consists of July 2018 - April 2019 Actual and May 2019 - June 2019 Updated Budget.

**CAPITAL EXPENDITURES \$100,000 AND GREATER FY2020**

**PROPERTY NAME:** Domain by Windsor

**LOCATION:** Houston, TX

<b>Budget Timing</b>	<b>Project</b>	<b>Total Budget</b>	<b>Budget Detail</b>
N/A			

# Multifamily Metro Trends Q4

# Houston-The Woodlands-Sugar Land, TX Metropolitan Statistical Area

## Analysis and Commentary

Rank of 34  
Apartment Mkts

5-Yr F Rnt %  
# 26

NCREIF Mkt Cap  
# 10

5-Yr NCREIF Rets  
# 33

## Metro Highlights

### Economic Outlook:

Houston-The Woodlands-Sugar Land advanced steadily over the course of 2018, with job growth at twice the national average. Goods-producing industries led the way, contributing nearly two-fifths of the total job gains, but private services also outperformed their national counterparts, especially professional services and distribution. High-wage jobs are rising at twice the national rate, and as a result average hourly earnings have accelerated. (Moody's Analytics P precis)

### Strengths:

Global leadership in oil and gas technology supports technical and professional services jobs. Significant trade and export links, owing to location on Texas Gulf Coast.

### Weaknesses:

Unpredictable energy markets add to volatility of economy. Industrial diversity is lower than in other metro areas of comparable size.

### Multifamily Operating & Investment Trends:

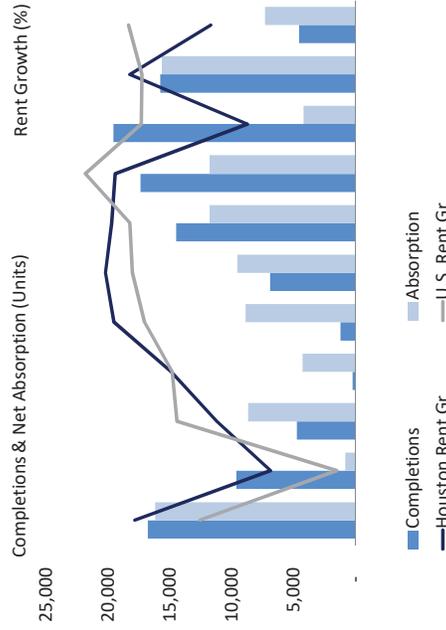
The U.S. Bureau of Labor Statistics estimates that Houston added over 108,000 jobs in 2018. Meanwhile, the Federal Reserve Bank of Dallas-Houston Branch recently revised down its year-end 2018 Houston jobs numbers from 103,000 to 73,000, citing slower-than-expected momentum in the first half of 2018. An already slow energy recovery is showing little sign of speeding up. Recent oil price volatility, which saw oil prices drop from an October 2018 high of \$75/barrel to around \$50/barrel by 19Q1, means that energy companies may be slow in their 2019 capital expenditures and hiring plans. While most of Houston's Fortune 500 energy companies are profitable again, and while over one-third of oil jobs lost during the oil downturn have been gained back, technological progress and high productivity per wellhead mean that fewer energy jobs may be needed.

**Drivers:** Energy & Resources, Manufacturing, Logistics  
**Business Cycle Index:** 148  
**Business Cost Index:** 93  
**Industrial Diversity:** 0.68  
**Top Employers:** Wal-Mart, Univ TX, Insperty, H-E-B, National Oilwell Varco, Memorial Herman, Exxon Mobil  
**Leading Industries:** (Mid/High Wages): Architectural, engineering & related svcs, support activities for mining, oil & gas extraction, physicians offices

	Houston	GID 34-Mkt Avg
<b>Population (Ths)</b>	<b>7,058</b>	<b>3,817</b>
5-Year Forecast Avg Ann Pop Gr	1.7%	1.0%
<b>Households (Ths)</b>	<b>2,495</b>	<b>1,412</b>
5-Year Forecast Avg Ann HH Gr	1.8%	1.3%
<b>Employment (Ths)</b>	<b>3,157</b>	<b>1,792</b>
Net New Jobs Trailing 12 Months	118	37
Net New Jobs 1-Year Forecast	67	28
5-Year Forecast Avg Ann Empl. Gr	1.6%	0.8%
<b>Median Household Income (Ths)</b>	<b>\$67,840</b>	<b>\$75,884</b>
<b>Median S-F Home Price (Ths)</b>	<b>\$240</b>	<b>\$424</b>

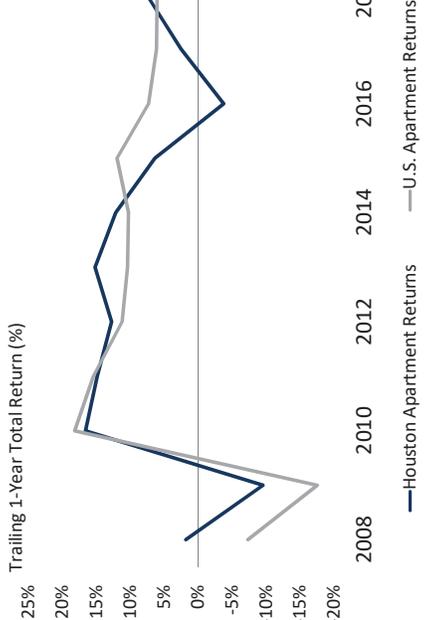
## Operating Trends

	Houston	GID 34-Mkt Average
Market Inventory (Units)	598,966	309,925
Current Occupancy Rate	10.0%	5.9%
Current Rent Level	\$1,084	\$1,539
Rent Growth 2019 Forecast	1.3%	2.6%
5-Year Forecast Avg Rnt Gr 2019-2023	1.6%	1.5%
Completion Rate: 2019	1.0%	2.1%



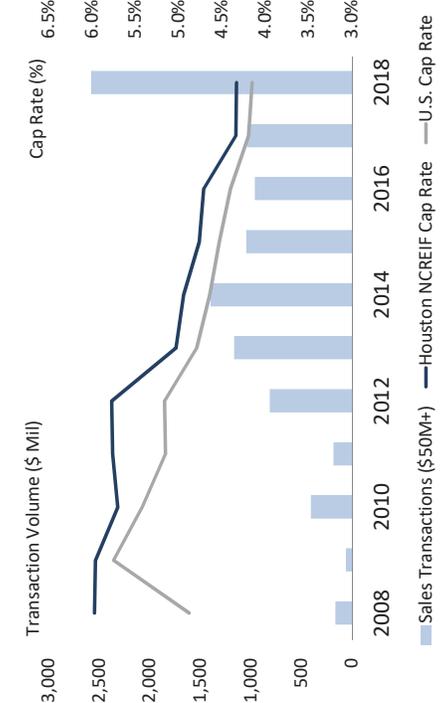
## NCREIF Overview

	Houston	GID 34-Mkt Average
Total Return (Average Annual)	7.6%	7.4%
1-Year	2.0%	7.6%
3-Year	4.9%	9.4%
5-Year	85	1,507
# NCREIF Apartment Properties	\$5,306	\$141,406
\$ Value (Millions)	\$62	\$94
\$ Value (Mil) Average Property		
Trailing 1-Year Total Return (%)		



## Capital Market Trends

	Houston	GID 34-Mkt Average
NCREIF Current Value Cap Rate	4.33%	4.09%
REIT Units (Same Store)	14,897	397,474
Transaction Volume \$50+ Million:		
2017-18 # Props	57	1,284
2017 -18 \$ Value	\$3,616	\$112,735
% of \$50M+ Transaction Volume	3.2%	



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Houston, TX

**HOLD SELL ANALYSIS ASSUMPTIONS**

PROPERTY DATA						REVERSION ASSUMPTIONS					
Analysis Start Date	6/30/2019	Acquisition Date	10/22/2013			Sale Year	Yr 10.00	Sale Price Yr 10	\$70,370,194	Exit Cap Yr 10	5.25%
Year Built	2012	Acquisition Price	\$62,600,000	NOI (less reserves)	\$3,694,435	Cost of Sale: 1%	\$703,702				
Date Acquired	10/22/2013	Per Unit	\$195,625								
Units	320	Appraisal Date	6/30/2019								
Total SF	310,351	Appraisal Value	\$61,200,000								
Avg SF/unit	970	Per Unit	\$191,250								
<b>DEBT SNAPSHOT</b>				<b>PERFORMANCE METRICS</b>				<b>REVERSION ASSUMPTIONS</b>			
	<u>Loan</u>	<u>Ref 1</u>	<u>Ref 2</u>	<b>Equilibrium Value</b>	<b>\$60,544,500</b>			<b>METRICS</b>			
Loan Amount	\$18,298,163			Per Unit	\$189,202			<b>Cash Flow</b>		<b>Reversion Value</b>	
LTV	35.0%			Unlevered IRR	6.00%			Components of Benefit Stream		29.9% 70.1%	
Interest Only	Yes			Levered IRR	6.94%			<b>Equilibrium Value</b>			
Interest Rate	3.60%			Imputed Entry Cap	4.49%			Compounded Growth to Reversion			
Prepayment	n/a			Equity Multiple	1.76x			1.52%			
Refinance	n/a			<b>Appraised Value</b>	<b>\$61,200,000</b>			<b>COMMENTS/SCENARIO SUMMARY</b>			
				Per Unit	\$191,250						
				Unlevered IRR	5.86%						
				Levered IRR	6.74%						
				Imputed Entry Cap	4.44%						
				Equity Multiple	1.73x						

**SENSITIVITY ANALYSIS OF UNLEVERED RETURNS - EQUILIBRIUM VALUE AND EXIT CAP RATE**

Imputed Entry Cap*	4.98%	4.85%	4.72%	4.60%	4.49%	4.38%	4.27%	4.17%	4.08%	4.44%
<b>Exit Cap Rate</b>	- 10.00%	- 7.50%	- 5.00%	- 2.50%	<b>Equilibrium</b>	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	<b>Appraisal</b>
	\$54,490,050	\$56,003,663	\$57,517,275	\$59,030,888	\$60,544,500	\$62,058,113	\$63,571,725	\$65,085,338	\$66,598,950	\$61,200,000
4.25%	9.15%	8.79%	8.44%	8.10%	7.77%	7.45%	7.14%	6.84%	6.55%	7.63%
4.50%	8.66%	8.30%	7.95%	7.61%	7.28%	6.96%	6.66%	6.36%	6.07%	7.14%
4.75%	8.20%	7.84%	7.49%	7.15%	6.83%	6.51%	6.20%	5.90%	5.61%	6.69%
5.00%	7.78%	7.42%	7.07%	6.73%	6.40%	6.08%	5.78%	5.48%	5.19%	6.26%
5.25%	7.37%	7.01%	6.66%	6.33%	6.00%	5.68%	5.38%	5.08%	4.79%	5.86%
5.50%	7.00%	6.64%	6.29%	5.95%	5.62%	5.31%	5.00%	4.70%	4.41%	5.48%
5.75%	6.64%	6.28%	5.93%	5.59%	5.27%	4.95%	4.64%	4.34%	4.05%	5.13%
6.00%	6.30%	5.94%	5.59%	5.25%	4.93%	4.61%	4.30%	4.01%	3.72%	4.79%
6.25%	5.98%	5.62%	5.27%	4.93%	4.61%	4.29%	3.98%	3.69%	3.40%	4.47%

\* Imputed entry cap based on forward 12 month (year 1) NOI (less reserves).

**SENSITIVITY ANALYSIS OF LEVERED RETURNS - EQUILIBRIUM VALUE AND EXIT CAP RATE**

Imputed Entry Cap*	4.98%	4.85%	4.72%	4.60%	4.49%	4.38%	4.27%	4.17%	4.08%	4.44%
<b>Exit Cap Rate</b>	- 10.00%	- 7.50%	- 5.00%	- 2.50%	<b>Equilibrium</b>	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	<b>Appraisal</b>
	\$54,490,050	\$56,003,663	\$57,517,275	\$59,030,888	\$60,544,500	\$62,058,113	\$63,571,725	\$65,085,338	\$66,598,950	\$61,200,000
4.25%	11.35%	10.78%	10.25%	9.74%	9.26%	8.79%	8.35%	7.92%	7.51%	9.05%
4.50%	10.72%	10.15%	9.62%	9.11%	8.63%	8.17%	7.72%	7.30%	6.89%	8.43%
4.75%	10.12%	9.56%	9.03%	8.52%	8.04%	7.57%	7.13%	6.71%	6.30%	7.83%
5.00%	9.56%	9.00%	8.47%	7.96%	7.48%	7.01%	6.57%	6.15%	5.74%	7.27%
5.25%	9.02%	8.46%	7.93%	7.42%	6.94%	6.48%	6.04%	5.61%	5.21%	6.74%
5.50%	8.51%	7.95%	7.42%	6.91%	6.43%	5.97%	5.53%	5.10%	4.70%	6.23%
5.75%	8.02%	7.46%	6.93%	6.43%	5.94%	5.48%	5.04%	4.62%	4.21%	5.74%
6.00%	7.56%	7.00%	6.46%	5.96%	5.48%	5.02%	4.57%	4.15%	3.74%	5.27%
6.25%	7.11%	6.55%	6.02%	5.51%	5.03%	4.57%	4.13%	3.70%	3.30%	4.83%

\* Imputed entry cap based on forward 12 month (year 1) NOI (less reserves).

**SUMMARY OF RETURNS BY ANALYSIS TYPE**

Analysis Type	Value	Sell Hold Returns		Inception to Date	
		Unlevered Return	Levered Return	Unlevered Return	Levered Return
Appraised Value	\$ 61,200,000	5.86%	6.74%		
Equilibrium Value	\$ 60,544,500	6.00%	6.94%		

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Houston, TX

**GROWTH RATES**

	10 Yr Avg	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	YR-11
Rent Growth	2.99%	2.92%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Commercial Income Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vacancy Rate	4.51%	4.57%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Bad Debt Rate	0.10%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Concession Rate	0.05%	0.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Expenses Growth	2.29%	-4.14%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes Growth	3.01%	3.11%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Management Fee	3.26%	3.31%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

**OPERATING PROJECTIONS**

	Trailing-24	Trailing-12	Trailing-3	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
				YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	YR-11
<b>NET POTENTIAL INCOME</b>	<b>5,087,918</b>	<b>5,213,342</b>	<b>5,207,818</b>	<b>5,365,737</b>	<b>5,526,709</b>	<b>5,692,511</b>	<b>5,863,286</b>	<b>6,039,185</b>	<b>6,220,360</b>	<b>6,406,971</b>	<b>6,599,180</b>	<b>6,797,155</b>	<b>7,001,070</b>	<b>7,211,102</b>
<b>Net Potential Income Growth</b>				2.92%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	2.92%	2.96%	2.97%	2.98%	2.98%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
Vacancy	(245,624)	(201,605)	(227,026)	(245,071)	(248,702)	(256,163)	(263,848)	(271,763)	(279,916)	(288,314)	(296,963)	(305,872)	(315,048)	(324,500)
Rent Concessions	(28,450)	(28,824)	(29,596)	(26,736)	-	-	-	-	-	-	-	-	-	-
Bad Debts	(5,604)	(9,691)	(3,865)	(5,366)	(5,200)	(5,356)	(5,517)	(5,682)	(5,853)	(6,028)	(6,209)	(6,396)	(6,587)	(6,785)
<b>NET APARTMENT RENTAL INCOME</b>	<b>4,729,191</b>	<b>4,898,773</b>	<b>4,876,097</b>	<b>5,013,017</b>	<b>5,194,993</b>	<b>5,350,843</b>	<b>5,511,368</b>	<b>5,676,709</b>	<b>5,847,010</b>	<b>6,022,421</b>	<b>6,203,093</b>	<b>6,389,186</b>	<b>6,580,862</b>	<b>6,778,287</b>
<b>Net Apartment Rental Income Growth</b>				2.33%	3.63%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	2.33%	2.98%	2.99%	2.99%	2.99%	2.99%	2.99%	3.00%	3.00%	3.00%	3.00%
Total Other Income	651,045	655,390	642,712	675,059	695,310	716,170	737,655	759,784	782,578	806,055	830,237	855,144	880,798	907,222
<b>TOTAL INCOME</b>	<b>5,380,236</b>	<b>5,554,163</b>	<b>5,518,810</b>	<b>5,688,075</b>	<b>5,890,303</b>	<b>6,067,012</b>	<b>6,249,023</b>	<b>6,436,493</b>	<b>6,629,588</b>	<b>6,828,476</b>	<b>7,033,330</b>	<b>7,244,330</b>	<b>7,461,660</b>	<b>7,685,510</b>
<b>Total Income Growth</b>				2.41%	3.56%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	2.41%	2.98%	2.99%	2.99%	2.99%	2.99%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>TOTAL CONTROLLABLE EXPENSES</b>	<b>1,114,354</b>	<b>1,147,105</b>	<b>1,175,998</b>	<b>1,080,460</b>	<b>1,112,874</b>	<b>1,146,260</b>	<b>1,180,648</b>	<b>1,216,067</b>	<b>1,252,549</b>	<b>1,290,126</b>	<b>1,328,830</b>	<b>1,368,695</b>	<b>1,409,755</b>	<b>1,452,048</b>
<b>Total Controllable Expense Growth</b>				-5.81%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	-5.81%	-1.40%	0.06%	0.80%	1.24%	1.53%	1.74%	1.90%	2.02%	2.12%	2.12%
<b>TOTAL OPERATING EXPENSES</b>	<b>2,882,404</b>	<b>2,919,419</b>	<b>3,015,767</b>	<b>2,892,268</b>	<b>2,976,426</b>	<b>3,065,719</b>	<b>3,157,691</b>	<b>3,252,421</b>	<b>3,349,994</b>	<b>3,450,494</b>	<b>3,554,009</b>	<b>3,660,629</b>	<b>3,770,448</b>	<b>3,883,561</b>
<b>Total Operating Expense Growth</b>				-0.93%	2.91%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	-0.93%	0.99%	1.66%	1.99%	2.20%	2.33%	2.43%	2.50%	2.55%	2.60%	2.60%
			<i>Total Operating Expense Ratio</i>	50.85%	50.53%	50.53%	50.53%	50.53%	50.53%	50.53%	50.53%	50.53%	50.53%	50.53%
<b>NET OPERATING INCOME</b>	<b>2,497,832</b>	<b>2,634,745</b>	<b>2,503,042</b>	<b>2,795,807</b>	<b>2,913,877</b>	<b>3,001,293</b>	<b>3,091,332</b>	<b>3,184,072</b>	<b>3,279,594</b>	<b>3,377,982</b>	<b>3,479,321</b>	<b>3,583,701</b>	<b>3,691,212</b>	<b>3,801,949</b>
<b>NOI Growth</b>				6.11%	4.22%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	6.11%	5.17%	4.45%	4.08%	3.87%	3.72%	3.62%	3.54%	3.48%	3.43%	3.43%
7 Year Capex Value				399,066	191,000	194,400	210,500	151,200	50,500	150,000	154,500	159,135	163,909	-
Asset Management Fee				182,207	187,673	193,303	199,102	205,075	211,228	217,565	224,091	230,814	237,739	-
Replacement Reserves (Per Unit)				250	258	265	273	281	290	299	307	317	326	336
<b>CASHFLOW AFTER CAPITAL &amp; FEES</b>	<b>2,214,534</b>	<b>2,535,204</b>	<b>2,613,590</b>	<b>2,214,534</b>	<b>2,535,204</b>	<b>2,613,590</b>	<b>2,681,730</b>	<b>2,827,797</b>	<b>3,017,866</b>	<b>3,010,417</b>	<b>3,100,730</b>	<b>3,193,752</b>	<b>3,289,564</b>	-
Debt Service				658,734	658,734	658,734	658,734	658,734	658,734	658,734	658,734	658,734	658,734	-
Debt Service Coverage Ratio Average				4.24x	4.42x	4.56x	4.69x	4.83x	4.98x	5.13x	5.28x	5.44x	5.60x	-
<b>CASHFLOW AFTER DEBT SERVICE</b>	<b>1,555,800</b>	<b>1,876,470</b>	<b>1,954,856</b>	<b>1,555,800</b>	<b>1,876,470</b>	<b>1,954,856</b>	<b>2,022,996</b>	<b>2,169,063</b>	<b>2,359,133</b>	<b>2,351,684</b>	<b>2,441,996</b>	<b>2,535,018</b>	<b>2,630,831</b>	-
<b>Exit Cap</b>	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	70,370,194	-
Less Cost of Sale	-	-	-	-	-	-	-	-	-	-	-	-	(703,702)	-
Less Outstanding Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	(18,298,163)	-
<b>NET PROCEEDS</b>				-	-	-	-	-	-	-	-	-	51,368,329	-
<b>Unlevered IRR Cash Flow</b>	<b>2,214,534</b>	<b>2,535,204</b>	<b>2,613,590</b>	<b>2,214,534</b>	<b>2,535,204</b>	<b>2,613,590</b>	<b>2,681,730</b>	<b>2,827,797</b>	<b>3,017,866</b>	<b>3,010,417</b>	<b>3,100,730</b>	<b>3,193,752</b>	<b>72,956,057</b>	-
<b>Levered IRR Cash Flow</b>	<b>1,555,800</b>	<b>1,876,470</b>	<b>1,954,856</b>	<b>1,555,800</b>	<b>1,876,470</b>	<b>1,954,856</b>	<b>2,022,996</b>	<b>2,169,063</b>	<b>2,359,133</b>	<b>2,351,684</b>	<b>2,441,996</b>	<b>2,535,018</b>	<b>53,999,160</b>	-