

Memorial by Windsor

3131 Memorial Court
Houston, TX

Units:	330
Rentable SF:	395,952
Average Unit Size:	1,200
Commercial SF:	0
Date Acquired:	10/1/2010
Year Built:	2009
Occupancy 4/30/2019:	97.0%
GAV 3/31/2019:	\$115,000,000
Value Per Unit:	\$348,485
Debt Balance:	\$50,016,881
NAV:	\$64,983,119



Memorial by Windsor consists of a 25-story high-rise tower and a 4-story mid-rise located on a 3.3-acre parcel in the Memorial Heights neighborhood of the Inner Loop West submarket of Houston. It is directly north of the desirable River Oaks neighborhood and is approximately 1.5-miles west of the Houston CBD. Amenities include a lobby with concierge, fitness center, tanning and massage rooms, clubroom with kitchen, billiards, and pool/hot tub.

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	95.7%	95.2%	-51 bps	-0.51%	92.5%	-267 bps	-2.67%
NER Per Unit	\$2,328	\$2,346	\$18	0.77%	\$2,363	\$17	0.74%
NER Per SF	\$1.94	\$1.95	\$0.02	0.77%	\$1.97	\$0.01	0.74%
NOI (000's)	\$4,060	\$4,827	\$767	18.91%	\$4,334	(\$493)	-10.21%

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

FINANCIAL VARIANCE REPORT

Revenue

- Total Income improved by 2.3% in FY 2019 led by gains in Gross Potential Rent (up 3.6%), Vacancy reduction (down 19%) and a 14% decline in Concessions. Net Effective Rent increased nominally at 0.8% while Occupancy remained stable at 95.6%.
- Although declining from cycle highs, new supply continues to add projects to the River Oaks submarket. In order to remain competitive with the new projects, Memorial will commence an interior and exterior capital improvement plan.

Expenses

- Total Operating Expenses declined 9.9% driven by substantially lower Uninsured Losses related to Hurricane Harvey storm damage in FY 2018.
- Controllable expenses declined 3.3% with reductions in Maintenance, Marketing and G&A, while Payroll was up 2.9%.
- Real Estate Taxes declined 3.9% as the assessed value appeal was successful. Future declines in the assessed value are unlikely as the Houston economy improves and investment demand strengthens.

Net Operating Income

- Net Operating Income improved 18.9% with the improvement in Total Income and lower Total Expenses.

Capital Expenditures

- Normal repairs and mechanical replacements continued along with improvements to the pool area cabanas, fireplace structure and furnishings.
- Design and planning continued in anticipation of the major exterior repair and common area improvement project scheduled for FY 2020.

FY 2019 BUSINESS PLAN OBJECTIVES

Revenue

- Total Income is projected to decline 3.8% as the capital improvement project likely has a negative effect on Occupancy. A 2.7% decline in Occupancy is forecast from the noise and construction activities that will impact the project's exterior appeal and the living conditions for existing residents.
- Net Effective Rent will improve nominally by 0.7%.

Expenses

- Total Operating Expenses are expected to increase 2.1% in FY 2020, driven by a 5.7% increase in Real Estate Taxes and a 1.6% increase in Controllable Expenses.
- While real estate tax assessments continue to be challenged, the improving Houston economy has provided stability to real estate values and they are again on the upswing. The Controllable Expense increase is a function of higher Marketing Expenses (up \$34k/13.5%) needed to address the tenant relations issues expected with the capital improvement program.

Net Operating Income

- Net operating income is expected to decrease by 10.0% in FY 2020 as a result of the lower Occupancy and increase in Total Expenses.

Capital Expenditures

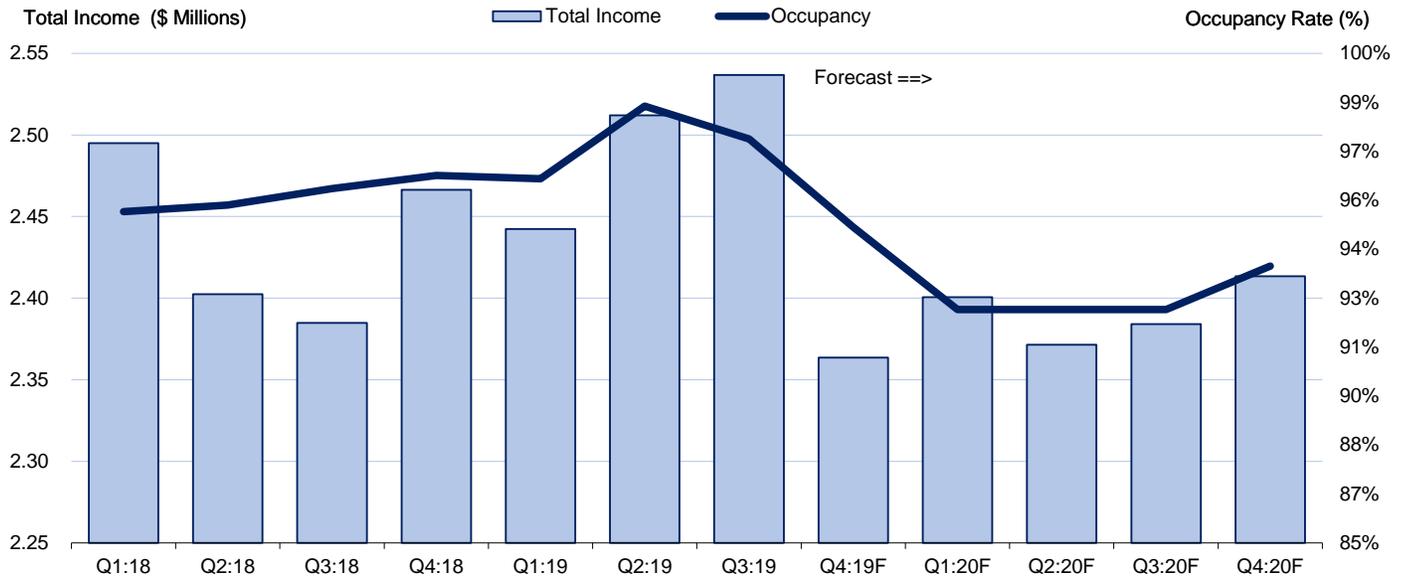
- Normal repairs and replacmenets are budgeted at \$373k for FY 2020.
- The Job Cost budget is \$8.5MM and includes Exterior Facade repairs and painting (\$4.8MM), building lighting (\$225M), hallway painting, carpet and lighting (\$555M), Lobby and Common Area refurbishment (\$2.4MM), landscaping and signage improvements.
- The exterior renovation contract has been awarded and test repairs and painting are underway.

HOLD SELL RECOMMENDATION

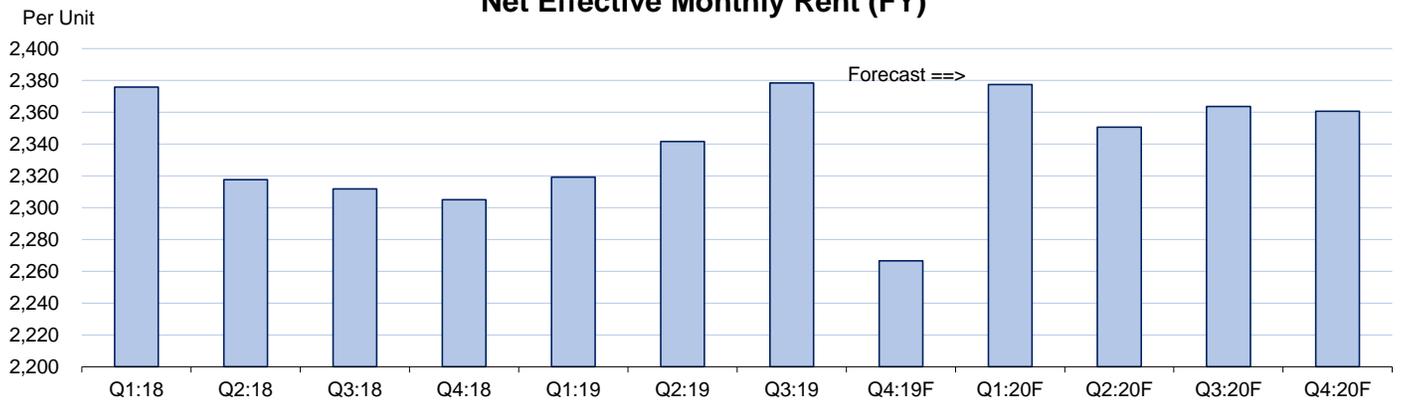
- We recommending holding Memorial in the near term given its prime location in the River Oaks submarket. The area continues to improve as new lifestyle and retail amenities are completed. The River Oaks submarket has strong demographics and close proximity to the CBD employment center.
- The FY 2020 capital project will address Memorial's declining curb appeal and create a strong entry experience with the common area improvements.
- While new supply continues in the Houston market, deliveries are down from cycle highs and the city's employment and population growth is keeping supply in balance with demand.

Quarterly Property Trends

Income/Occupancy (FY)



Net Effective Monthly Rent (FY)



Memorial by Windsor

Comparative Statement of Income and Cash Flow

330 units

Houston, TX

	FY 2018	FY 2019	FY 2020	FY 2019 Actual vs. FY 2018 Actual		FY 2020 Budget vs. FY 2019 Actual	
	Actual	Actual ¹	Budget	Variance	Variance %	Variance	Variance %
NET POTENTIAL RENT	9,385,481	9,432,712	9,501,023	47,230	0.5%	68,311	0.7%
Vacancy	(353,331)	(286,309)	(685,352)	67,022	19.0%	(399,043)	139.4%
Staff Occupied	(66,994)	(54,478)	(63,528)	12,516	18.7%	(9,050)	16.6%
Model Expense	(46,430)	(54,066)	(51,830)	(7,636)	-16.4%	2,236	-4.1%
Down Units	(75,370)	(46,647)	(28,795)	28,723	38.1%	17,852	-38.3%
APARTMENT RENTAL INCOME	8,843,355	8,991,211	8,671,518	147,856	1.7%	(319,693)	-3.6%
Rent Concessions	(168,097)	(143,991)	(143,235)	24,107	14.3%	756	-0.5%
Bad Debts	(45,081)	(7,139)	(11,326)	37,942	84.2%	(4,187)	58.7%
NET APARTMENT RENTAL INCOME	8,630,178	8,840,082	8,516,957	209,904	2.4%	(323,125)	-3.7%
Other Rental Income	1,111,679	1,104,159	1,050,342	(7,520)	-0.7%	(53,817)	-4.9%
Corporate Operations	9,594	7,233	0	(2,361)	-24.6%	(7,233)	-100.0%
Commercial Income	(700)	75	0	775	-110.7%	(75)	-100.0%
Other Income	(1,969)	2,310	2,310	4,279	-217.3%	0	0.0%
TOTAL INCOME	9,748,782	9,953,859	9,569,609	205,077	2.1%	(384,250)	-3.9%
CONTROLLABLE EXPENSES							
General & Administrative	478,709	448,040	453,034	30,670	6.4%	(4,994)	-1.1%
Marketing & Advertising	273,389	254,525	288,979	18,864	6.9%	(34,454)	-13.5%
Maintenance	439,046	389,852	389,556	49,194	11.2%	296	0.1%
Payroll	945,859	973,038	901,148	(27,179)	-2.9%	71,890	7.4%
TOTAL CONTROLLABLE EXPENSES	2,137,003	2,065,454	2,032,717	71,549	3.3%	32,737	1.6%
CONTROLLABLE INCOME	7,611,779	7,888,405	7,536,892	276,626	3.6%	(351,513)	-4.5%
Real Estate Taxes	2,250,648	2,162,226	2,285,147	88,422	3.9%	(122,920)	-5.7%
Insurance	638,058	210,339	191,950	427,719	67.0%	18,389	8.7%
Utilities	298,726	307,798	355,257	(9,071)	-3.0%	(47,459)	-15.4%
Other Fees and Taxes	44,667	54,000	54,000	(9,333)	-20.9%	0	0.0%
Management Fees	320,054	326,917	316,114	(6,863)	-2.1%	10,803	3.3%
TOTAL OPERATING EXPENSES	5,689,156	5,126,735	5,235,185	562,422	9.9%	(108,451)	-2.1%
Operating Expense Ratio	58.4%	51.5%	54.7%				
NET OPERATING INCOME	4,059,626	4,827,125	4,334,424	767,499	18.9%	(492,701)	-10.2%
Legal	4,977	6,376	15,000	(1,399)	-28.1%	(8,624)	-135.3%
Audit	9,372	9,156	9,420	216	2.3%	(264)	-2.9%
Other Ownership Costs	242	132	30,600	110	45.5%	(30,468)	-23108.2%
Financial Costs	2,353,816	1,807,811	2,115,107	546,005	23.2%	(307,296)	-17.0%
Capital Expenditures	823,771	897,561	373,800	(73,789)	-9.0%	523,761	58.4%
Rehab Expenditures	0	111,551	8,568,000	(111,551)	-	(8,456,449)	-7580.8%
Broker Commissions	0	0	0	0	-	0	-
Asset Management Fee	401,607	355,140	382,065	46,467	11.6%	(26,926)	-7.6%
NET CASH FLOW	465,842	1,639,398	(7,159,569)	1,173,557	251.9%	(8,798,967)	-536.7%
Average Net Effective Rent	2,328/unit	14,074/unit	2,363/unit				
Physical Occupancy Includes Staff and Model	95.7%	95.2%	92.5%				

(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: Memorial by Windsor

LOCATION: Houston, TX

Budget Timing	Project	Total Budget	Budget Detail
July 2019	Renovations	\$8,568,000	Façade Project \$4,800,000 Project Manager \$198,000 Lobby/4th Floor Renovation \$2,400,000 Building Lights \$225,000 Site Landscaping \$150,000 Hallway Renovation \$555,000 Access Control Upgrades \$130,000 Signage \$110,000

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.

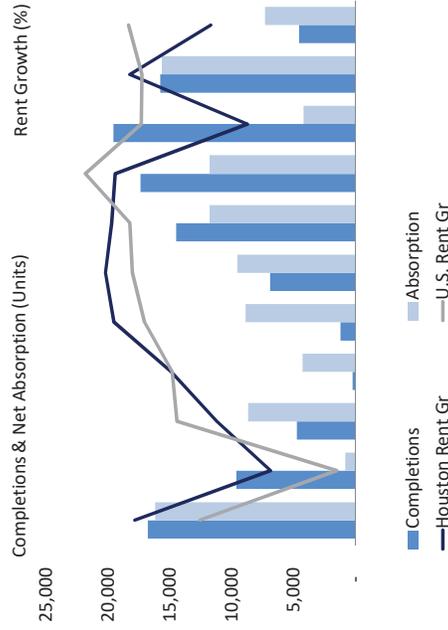
Drivers: Energy & Resources, Manufacturing, Logistics
Business Cycle Index: 148
Business Cost Index: 93 **Living Cost:** 103
Industrial Diversity: 0.68
Top Employers: Wal-Mart, Univ TX, Insperty, H-E-B, National Oilwell Varco, Memorial Herman, Exxon Mobil
Leading Industries: (Mid/High Wages): Architectural, engineering & related svcs, support activities for mining, oil & gas extraction, physicians offices

	Houston	GID 34-Mkt Avg
Population (Ths)	7,058	3,817
5-Year Forecast Avg Ann Pop Gr	1.7%	1.0%
Households (Ths)	2,495	1,412
5-Year Forecast Avg Ann HH Gr	1.8%	1.3%
Employment (Ths)	3,157	1,792
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%
Median Household Income (Ths)	\$67,840	\$75,884
Median S-F Home Price (Ths)	\$240	\$424

Operating Trends

GID 34-Mkt Average

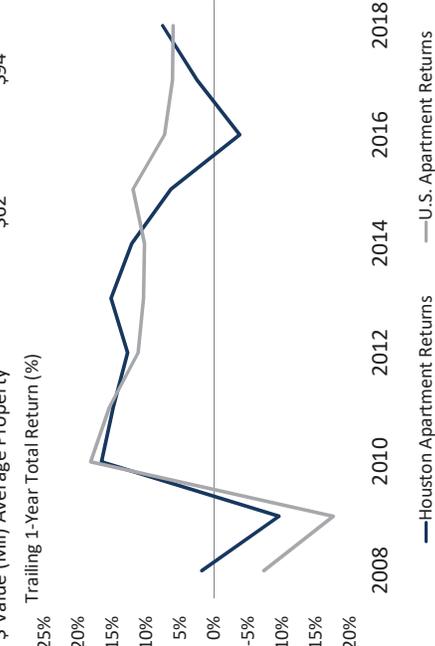
	Houston	GID 34-Mkt Average
Market Inventory (Units)	598,966	309,925
Current Occupancy Rate	10.0%	5.9%
Current Rent Level	\$1,084	\$1,539
Rent Growth 2019 Forecast	1.3%	2.6%
5-Year Forecast Avg Rnt Gr 2019-2023	1.6%	1.5%
Completion Rate: 2019	1.0%	2.1%



NCREIF Overview

GID 34-Mkt Average

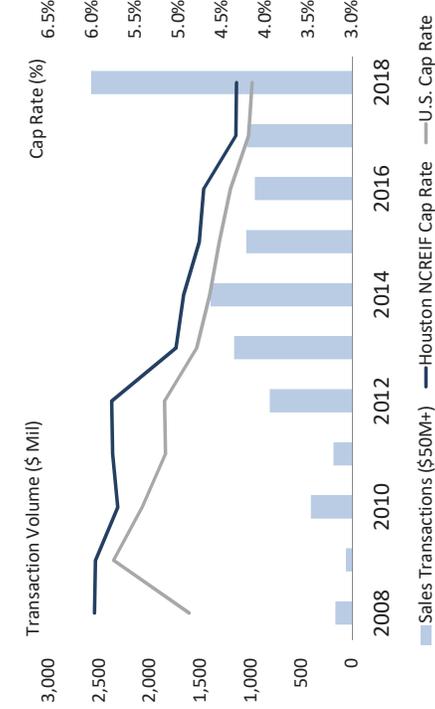
	Houston	GID 34-Mkt Average
Total Return (Average Annual)		
1-Year	7.6%	7.4%
3-Year	2.0%	7.6%
5-Year	4.9%	9.4%
# NCREIF Apartment Properties	85	1,507
\$ Value (Millions)	\$5,306	\$141,406
\$ Value (Mil) Average Property	\$62	\$94



Capital Market Trends

GID 34-Mkt Average

	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%	



**Memorial by Windsor
Houston, TX**

HOLD SELL ANALYSIS ASSUMPTIONS

PROPERTY DATA				GID		REVERSION ASSUMPTIONS					
Analysis Start Date	6/30/2019	Acquisition Date	10/1/2010			Sale Year	Yr 10.00	Sale Price Yr 10	\$150,827,002	Exit Cap Yr 10	4.50%
Year Built	2009	Acquisition Price	\$79,850,000	NOI (less reserves)	\$6,787,215	Cost of Sale: 1%	\$1,508,270				
Date Acquired	10/1/2010	Per Unit	\$241,970	CalPERS Asset Ranking: 4							
Units	330	Appraisal Date	6/30/2019	PERFORMANCE METRICS							
Total SF	395,952	Appraisal Value	\$116,000,000	Equilibrium Value	\$115,018,600	METRICS					
Avg SF/unit	1,200	Per Unit	\$351,515	Per Unit	\$348,541	Cash Flow	19.2%	Reversion Value	80.8%		
DEBT SNAPSHOT				Unlevered IRR	5.75%	Components of Benefit Stream					
	<u>Loan</u>	<u>Ref 1</u>	<u>Ref 2</u>	Levered IRR	6.73%	Equilibrium Value					
Loan Amount	\$42,301,400			Imputed Entry Cap	4.11%	Compounded Growth to Reversion					
LTV	35.0%			Equity Multiple	1.85x	COMMENTS/SCENARIO SUMMARY					
Interest Only	Yes			Appraised Value	\$116,000,000						
Interest Rate	3.60%			Per Unit	\$351,515						
Prepayment	n/a			Unlevered IRR	5.65%						
Refinance	n/a			Levered IRR	6.58%						
				Imputed Entry Cap	4.08%						
				Equity Multiple	1.83x						

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

Imputed Entry Cap*	4.57%	4.44%	4.33%	4.22%	4.11%	4.01%	3.91%	3.82%	3.74%	4.08%
Exit Cap Rate	- 10.00%	- 7.50%	- 5.00%	- 2.50%	Equilibrium	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	Appraisal
	\$103,516,740	\$106,392,205	\$109,267,670	\$112,143,135	\$115,018,600	\$117,894,065	\$120,769,530	\$123,644,995	\$126,520,460	\$116,000,000
3.50%	9.20%	8.88%	8.56%	8.25%	7.96%	7.67%	7.38%	7.11%	6.84%	7.86%
3.75%	8.58%	8.26%	7.94%	7.64%	7.34%	7.05%	6.77%	6.49%	6.23%	7.24%
4.00%	8.01%	7.69%	7.37%	7.07%	6.77%	6.48%	6.20%	5.93%	5.66%	6.67%
4.25%	7.48%	7.16%	6.84%	6.54%	6.24%	5.95%	5.67%	5.40%	5.13%	6.14%
4.50%	6.99%	6.66%	6.35%	6.05%	5.75%	5.46%	5.18%	4.91%	4.65%	5.65%
4.75%	6.53%	6.20%	5.89%	5.59%	5.29%	5.00%	4.72%	4.45%	4.19%	5.19%
5.00%	6.10%	5.77%	5.46%	5.16%	4.86%	4.57%	4.30%	4.02%	3.76%	4.76%
5.25%	5.69%	5.37%	5.05%	4.75%	4.46%	4.17%	3.89%	3.62%	3.36%	4.36%
5.50%	5.30%	4.98%	4.66%	4.36%	4.07%	3.78%	3.50%	3.23%	2.97%	3.97%

* 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*	4.57%	4.44%	4.33%	4.22%	4.11%	4.01%	3.91%	3.82%	3.74%	4.08%
Exit Cap Rate	- 10.00%	- 7.50%	- 5.00%	- 2.50%	Equilibrium	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	Appraisal
	\$103,516,740	\$106,392,205	\$109,267,670	\$112,143,135	\$115,018,600	\$117,894,065	\$120,769,530	\$123,644,995	\$126,520,460	\$116,000,000
3.50%	11.73%	11.20%	10.68%	10.20%	9.73%	9.28%	8.86%	8.45%	8.05%	9.58%
3.75%	10.91%	10.37%	9.86%	9.38%	8.91%	8.47%	8.04%	7.63%	7.24%	8.76%
4.00%	10.13%	9.60%	9.09%	8.61%	8.14%	7.70%	7.27%	6.87%	6.48%	7.99%
4.25%	9.41%	8.87%	8.37%	7.88%	7.42%	6.98%	6.55%	6.15%	5.76%	7.27%
4.50%	8.72%	8.18%	7.68%	7.20%	6.73%	6.29%	5.87%	5.47%	5.08%	6.58%
4.75%	8.06%	7.53%	7.02%	6.54%	6.08%	5.64%	5.22%	4.82%	4.43%	5.93%
5.00%	7.44%	6.91%	6.40%	5.92%	5.46%	5.02%	4.60%	4.20%	3.81%	5.31%
5.25%	6.84%	6.31%	5.81%	5.33%	4.87%	4.43%	4.01%	3.61%	3.22%	4.72%
5.50%	6.25%	5.72%	5.22%	4.74%	4.29%	3.85%	3.43%	3.03%	2.64%	4.13%

* 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	\$ 116,000,000	5.65%	6.58%		
Equilibrium Value	\$ 115,018,600	5.75%	6.73%		

**Memorial by Windsor
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	3.25%	4.50%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Growth	2.25%	-5.48%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Commercial Income Growth	6.83%	41.28%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy Rate	5.10%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bad Debt Rate	0.10%	0.12%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Concession Rate	0.21%	1.57%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Expenses Growth	2.69%	-0.14%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes Growth	3.27%	5.68%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Management Fee	3.24%	3.16%	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
NET POTENTIAL INCOME	9,385,481	9,432,712	9,481,081	9,857,184	10,251,471	10,559,015	10,875,786	11,202,059	11,538,121	11,884,264	12,240,792	12,608,016	12,986,257	13,375,844
Net Potential Income Growth				4.50%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	4.50%	4.25%	3.83%	3.63%	3.50%	3.42%	3.36%	3.31%	3.28%	3.25%	3.00%
Vacancy	(353,331)	(286,309)	(372,078)	(591,431)	(512,574)	(527,951)	(543,789)	(560,103)	(576,906)	(594,213)	(612,040)	(630,401)	(649,313)	(668,792)
Rent Concessions	(168,097)	(143,991)	(202,320)	(143,235)	(47,945)	-	-	-	-	-	-	-	-	-
Bad Debts	(45,081)	(7,139)	(1,898)	(11,326)	(9,589)	(9,877)	(10,173)	(10,478)	(10,792)	(11,116)	(11,450)	(11,793)	(12,147)	(12,511)
NET APARTMENT RENTAL INCOME	8,630,178	8,840,082	8,778,199	8,967,039	9,531,444	9,866,771	10,162,774	10,467,657	10,781,687	11,105,138	11,438,292	11,781,441	12,134,884	12,498,930
Net Apartment Rental Income Growth				1.44%	6.29%	3.52%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	1.44%	3.87%	3.75%	3.56%	3.45%	3.37%	3.32%	3.28%	3.25%	3.22%	3.00%
Total Other Income	1,118,605	1,132,323	1,080,923	1,078,959	1,121,855	1,155,510	1,190,176	1,225,881	1,262,657	1,300,537	1,339,553	1,379,740	1,421,132	1,463,766
TOTAL INCOME	9,748,782	9,972,405	9,859,122	10,045,998	10,653,299	11,022,281	11,352,950	11,693,538	12,044,344	12,405,675	12,777,845	13,161,180	13,556,016	13,962,696
Total Income Growth				0.74%	6.05%	3.46%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	0.74%	3.39%	3.42%	3.31%	3.25%	3.21%	3.18%	3.16%	3.14%	3.12%	3.00%
TOTAL CONTROLLABLE EXPENSES	2,137,003	2,065,465	2,276,748	2,032,717	2,093,699	2,156,510	2,221,205	2,287,841	2,356,476	2,427,171	2,499,986	2,574,985	2,652,235	2,731,802
Total Controllable Expense Growth				-1.59%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	-1.59%	0.71%	1.47%	1.85%	2.08%	2.24%	2.34%	2.43%	2.49%	2.54%	3.00%
TOTAL OPERATING EXPENSES	5,689,156	5,127,162	5,622,276	5,236,053	5,412,876	5,576,867	5,744,173	5,916,498	6,093,993	6,276,813	6,465,117	6,659,071	6,858,843	7,064,608
Total Operating Expense Growth				2.12%	3.38%	3.03%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	2.12%	2.75%	2.84%	2.88%	2.91%	2.92%	2.93%	2.94%	2.95%	2.95%	3.00%
			<i>Total Operating Expense Ratio</i>	52.12%	50.81%	50.60%	50.60%	50.60%	50.60%	50.60%	50.60%	50.60%	50.60%	50.60%
NET OPERATING INCOME	4,059,626	4,845,244	4,236,846	4,809,945	5,240,424	5,445,415	5,608,777	5,777,040	5,950,351	6,128,862	6,312,728	6,502,110	6,697,173	6,898,088
NOI Growth				-0.73%	8.95%	3.91%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	-0.73%	4.11%	4.04%	3.78%	3.63%	3.52%	3.45%	3.39%	3.35%	3.31%	3.00%
7 Year Capex Value				9,157,800	441,700	420,700	438,700	455,700	428,500	430,000	442,900	456,187	469,873	-
Asset Management Fee				433,329	440,297	447,459	454,819	462,379	470,145	478,119	486,307	494,713	509,554	-
Replacement Reserves (Per Unit)				250	258	265	273	281	290	299	307	317	326	336
CASHFLOW AFTER CAPITAL & FEES	(4,781,184)	4,358,427	4,577,255	4,715,258	4,858,961	5,051,707	5,220,743	5,383,521	5,551,210	5,717,746	5,883,521	6,051,210	6,219,896	6,387,581
Debt Service				1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	1,522,850	-
Debt Service Coverage Ratio Average				3.16x	3.44x	3.58x	3.68x	3.79x	3.91x	4.02x	4.15x	4.27x	4.40x	-
CASHFLOW AFTER DEBT SERVICE	(6,304,034)	2,835,576	3,054,405	3,192,408	3,336,111	3,528,856	3,697,892	3,867,670	4,038,896	4,209,896	4,380,670	4,551,360	4,722,041	4,892,762
Exit Cap	4.00%	4.06%	4.11%	4.17%	4.22%	4.28%	4.33%	4.38%	4.43%	4.48%	4.53%	4.58%	4.63%	4.68%
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	150,827,002	-
Less Cost of Sale	-	-	-	-	-	-	-	-	-	-	-	-	(1,508,270)	-
Less Outstanding Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	(42,301,400)	-
NET PROCEEDS	-	-	-	-	-	-	-	-	-	-	-	-	107,017,333	-
Unlevered IRR Cash Flow	(4,781,184)	4,358,427	4,577,255	4,715,258	4,858,961	5,051,707	5,220,743	5,383,521	5,551,210	5,717,746	5,883,521	6,051,210	6,219,896	6,387,581
Levered IRR Cash Flow	(6,304,034)	2,835,576	3,054,405	3,192,408	3,336,111	3,528,856	3,697,892	3,867,670	4,038,896	4,209,896	4,380,670	4,551,360	4,722,041	4,892,762