

The Monarch

801 West 5th Street
Austin, TX

Units: 305
Rentable SF: 385,892
Average Unit Size: 1,265
Commercial SF: 0
Date Acquired: 8/3/2011
Year Built: 2008
Occupancy 4/30/2019: 95.4%
GAV 3/31/2019: \$152,000,000
Value Per Unit: \$498,361
Debt Balance: \$61,668,296
NAV: \$90,331,704



The Monarch by Windsor is a 29-story apartment tower connected to a six-story parking structure located on 2.15 acres in downtown Austin. Building amenities include a fitness center, a 24-hour concierge, and a lounge pool with a sun deck. The property is located next to the Whole Foods Flagship store. Unit amenities include glass rail balconies, views of the Austin skyline, stainless steel appliances, and granite countertops.

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	96.4%	95.0%	-144 bps	-1.44%	93.5%	-150 bps	-1.50%
NER Per Unit	\$2,815	\$3,016	\$202	7.16%	\$3,228	\$211	7.00%
NER Per SF	\$2.22	\$2.38	\$0.16	7.16%	\$2.55	\$0.17	7.00%
NOI (000's)	\$6,040	\$6,538	\$498	8.24%	\$6,791	\$253	3.88%

(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 6.0% in FY 2019 driven by strong top line rent growth and a 7.1% increase in Net Effective Rents. Occupancy declined slightly but not unexpected given the substantial rent increases and renewal ratio just under 50%.
- Other rental income contibuted growth of 6.0% with Termination Fees and Reimbursements exceeding budget.
- Given its vintage, Monarch's unit and common area finishes are showing wear and becoming outdated vs. new construction. Continued rent growth and operating stability will require a capital program to update unit interiors and common areas and ammenities.

Expenses

- Total Operating Expenses increased 3.6%, driven by higher Controllable Expenses and Real Estate Taxes. Controllable Expenses were 5.9% higher than FY 2018 with Payroll and Marketing accounting for the majority of the increase. Locators continue to control a significant amount of the Austin rental traffic and that required higher Marketing spending vs. the previous year.
- Real Estate Taxes were 2.9% higher. Note that the assessed value is under appeal.

Net Operating Income

- Net operating income increased by 8.2% in FY 2019 as the Total Income increase offset higher Total Expenses.

Capital Expenditures

- Capital Expenditures were primarily normal repair and replacements. The unit and common area renovations budgeted for FY 2019 will occur in FY 2020. Project scope and specifications are being finalized with commencement expected by September.

FY 2019 BUSINESS PLAN OBJECTIVES

Revenue

- Total income is projected to increase 2.8% driven by strong top line rental growth and 7.0% projected Net Effective Rent growth. Occupancy is forecasted to decline slightly to 93.5% as management implements the pending renovation program and units come off line.
- The goal for the renovation plan is 15 units per month. The construction traffic and noise will be an issue with tenants so management plans numerous building events in order to appease tenants and minimize the number of move outs.

Expenses

- Total operating expenses are budgeted to increase 1.6% in FY 2020 . Total controllable expenses are forecasted to remain flat with Compensation, G&A and Marketing increases offset by lower Repairs and Maintenance costs as a benefit of the renovation program.
- Non-controllable expenses are expected to increase nominally as a successful Real Estate Tax appeal will mitigate increased property tax expenses.

Net Operating Income

- Net operating income is expected to increase by 3.9% in FY 2020 as rent growth flows through to the bottom line. Renovation premiums as units turn will also provide lift as that program ramps up.

Capital Expenditures

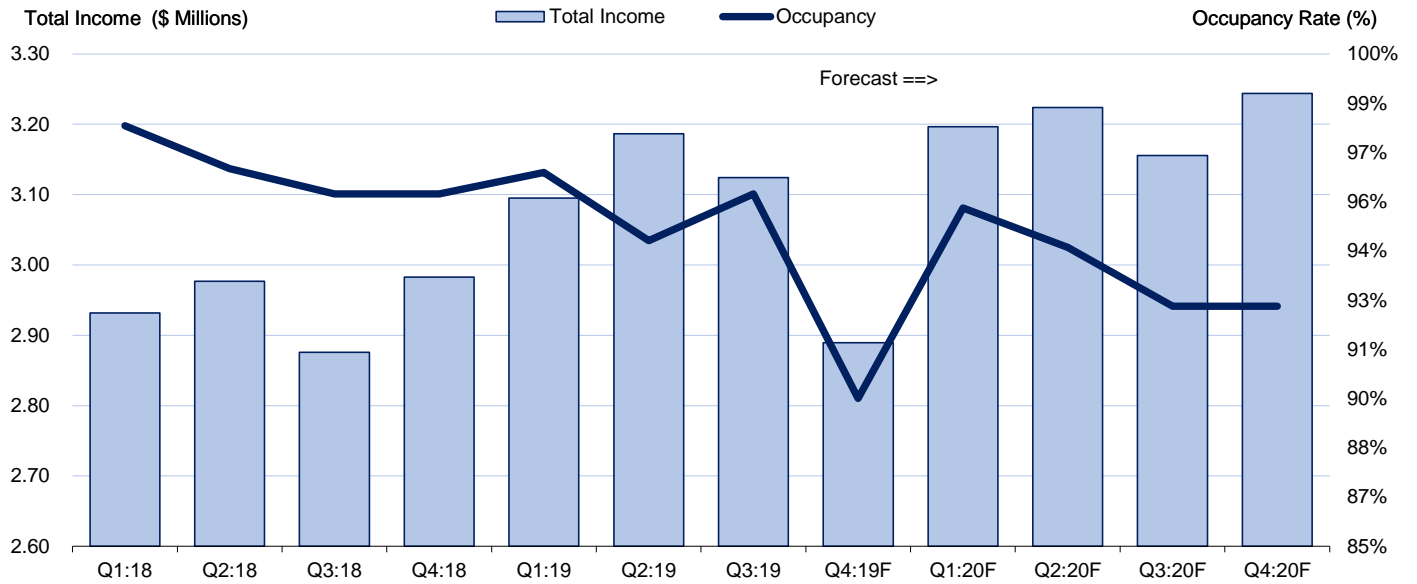
- Given the scale and importance of the unit and common area renovation programs (budgeted at \$10.5MM), Management is in process of refining the scope and specifications with the goal to commence construction on the unit portion by the end of September 2019. The review process has identified some additional changes to the scope and some areas of potential savings. Once finalized, the scope and specifications will be re-bid to confirm pricing.
- The unit interior renovation scope will include new appliances, washers and dryers, kitchen island countertops, cabinets, flooring, bath tiles and lighting. Replacing some tubs with showers is also planned.
- Common area improvements include new lobby FF&E, new hallway paint, carpet and lighting as well as exterior building paint and lighting retrofits.
- Other capital projects planned for FY 2020 include typical mechanical replacements for a building of this vintage.

HOLD SELL RECOMMENDATION

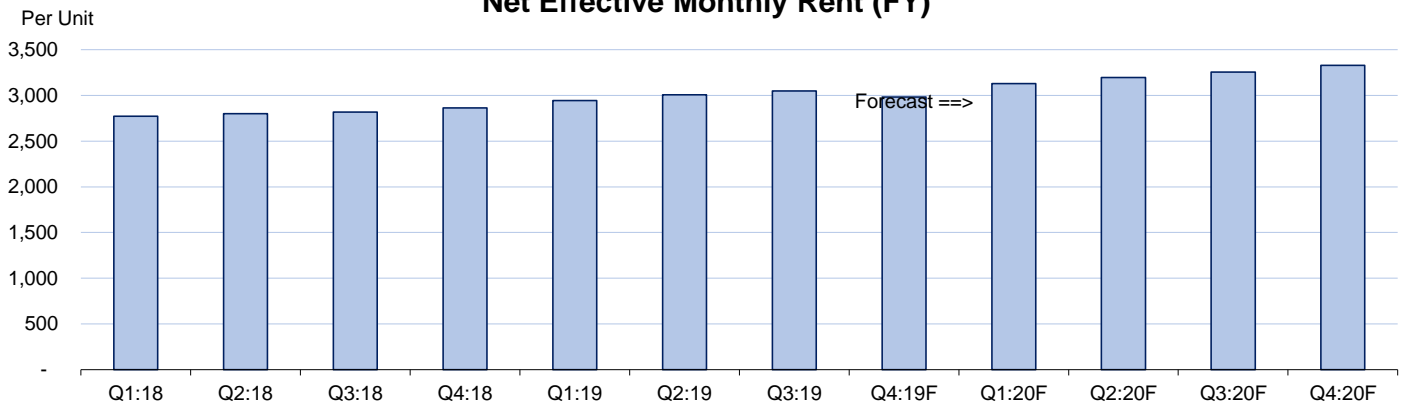
- We recommend holding The Monarch as Austin is one of the premier growth markets in the US. The property continues to perform well given its prime location in the Austin CBD. While Austin will continue to see new supply, the high cost of construction and barriers to entry will limit hi-rise deliveries and require pricing at a premium to Monarch.
- The planned renovation program will position Monarch to compete with new construction by providing similar finishes at a lower price point.

Quarterly Property Trends

Income/Occupancy (FY)



Net Effective Monthly Rent (FY)



The Monarch
Comparative Statement of Income and Cash Flow
305 units
Austin, 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	10,311,051	11,050,797	11,813,211	739,746	7.2%	762,414	6.9%
Vacancy	(331,139)	(541,634)	(764,572)	(210,494)	-63.6%	(222,938)	41.2%
Staff Occupied	(63,225)	(67,405)	(69,341)	(4,180)	-6.6%	(1,936)	2.9%
Model Expense	(62,750)	(73,284)	(76,926)	(10,534)	-16.8%	(3,642)	5.0%
Down Units	(82,020)	0	0	82,020	100.0%	0	-
APARTMENT RENTAL INCOME	9,771,916	10,368,475	10,902,372	596,558	6.1%	533,898	5.1%
Rent Concessions	(8,565)	(10,503)	0	(1,938)	-22.6%	10,503	-100.0%
Bad Debts	(12,160)	(382)	(1,181)	11,778	96.9%	(799)	209.1%
NET APARTMENT RENTAL INCOME	9,751,191	10,357,589	10,901,191	606,398	6.2%	543,602	5.2%
Other Rental Income	1,940,236	2,057,363	1,878,874	117,128	6.0%	(178,490)	-8.7%
Corporate Operations	14,104	38,005	21,600	23,902	169.5%	(16,405)	-43.2%
Commercial Income	400	0	0	(400)	-100.0%	0	-
Other Income	60,739	19,156	18,094	(41,583)	-68.5%	(1,062)	-5.5%
TOTAL INCOME	11,766,669	12,472,114	12,819,759	705,444	6.0%	347,645	2.8%
CONTROLLABLE EXPENSES							
General & Administrative	158,257	139,604	148,086	18,653	11.8%	(8,482)	-6.1%
Marketing & Advertising	137,094	187,288	196,617	(50,195)	-36.6%	(9,329)	-5.0%
Maintenance	364,101	372,310	340,744	(8,210)	-2.3%	31,566	8.5%
Payroll	761,595	806,305	820,203	(44,710)	-5.9%	(13,898)	-1.7%
TOTAL CONTROLLABLE EXPENSES	1,421,046	1,505,508	1,505,651	(84,461)	-5.9%	(143)	0.0%
CONTROLLABLE INCOME	10,345,623	10,966,606	11,314,108	620,983	6.0%	347,502	3.2%
Real Estate Taxes	2,972,903	3,060,269	3,065,172	(87,367)	-2.9%	(4,902)	-0.2%
Insurance	88,371	88,344	84,575	27	0.0%	3,769	4.3%
Utilities	808,136	808,061	893,401	75	0.0%	(85,340)	-10.6%
Other Fees and Taxes	48,803	60,108	56,400	(11,305)	-23.2%	3,708	6.2%
Management Fees	387,686	412,203	423,527	(24,517)	-6.3%	(11,324)	-2.7%
TOTAL OPERATING EXPENSES	5,726,946	5,934,494	6,028,726	(207,548)	-3.6%	(94,232)	-1.6%
Operating Expense Ratio	48.7%	47.6%	47.0%				
NET OPERATING INCOME	6,039,723	6,537,620	6,791,033	497,897	8.2%	253,413	3.9%
Legal	11,381	40,868	15,000	(29,487)	-259.1%	25,868	63.3%
Audit	9,372	9,264	9,420	108	1.2%	(156)	-1.7%
Other Ownership Costs	82,616	30,816	86,240	51,800	62.7%	(55,424)	-179.9%
Financial Costs	1,687,500	2,476,145	2,520,057	(788,645)	-46.7%	(43,912)	-1.8%
Capital Expenditures	1,056,506	357,530	309,592	698,976	66.2%	47,938	13.4%
Rehab Expenditures	0	200,000	10,240,001	(200,000)	-	(10,040,001)	-5020.0%
Broker Commissions	0	0	0	0	-	0	-
Asset Management Fee	505,561	457,350	493,363	48,211	9.5%	(36,013)	-7.9%
NET CASH FLOW	2,686,788	2,965,648	(6,882,640)	278,860	10.4%	(9,848,288)	-332.1%
Average Net Effective Rent	2,815/unit	18,099/unit	3,228/unit				
Physical Occupancy Includes Staff and Model	96.4%	95.0%	93.5%				

(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: The Monarch

LOCATION: Austin, TX

Budget Timing	Project	Total Budget	Budget Detail
July 2019	Renovations	\$10,240,000	Rooftop Lights \$225,000 Hallway Upgrades \$335,000 Access Control for Units \$180,000 Exterior Paint \$350,000 Rooftop Waterproofing \$150,000 Common Area Upgrades \$4,500,000 Unit Rehabs \$4,500,000

Multifamily Metro Trends Q4

Austin-Round Rock, TX Metropolitan Statistical Area

Analysis and Commentary

Rank of 34 Apartment Mkts # 1
 5-Yr F Rnt % # 1
 NCREIF Mkt Cap # 11
 5-Yr NCREIF Rets # 23

Metro Highlights

Economic Outlook:

Austin-Round Rock's economy has accelerated in recent months, and job growth has been twice the national average over the past year. Most major industries have shared in the gains, with construction leading the way. However, federal and state payrolls have been flat, as workers left to take higher-paying jobs in the private sector. The unemployment rate has stabilized below 3%, below the national average, and the labor force is still growing strongly (Moody's Analytics Precis)

Strengths:

Strong population growth supports demographically driven consumer demand. Well-educated labor force attracts high-value-added tech businesses.

Weaknesses:

Competitive pressure of foreign high-tech manufacturing challenges local industry. Tech cycle adds to cyclical volatility of local economy. Cost of living is high for TX.

Multifamily Operating & Investment Trends:

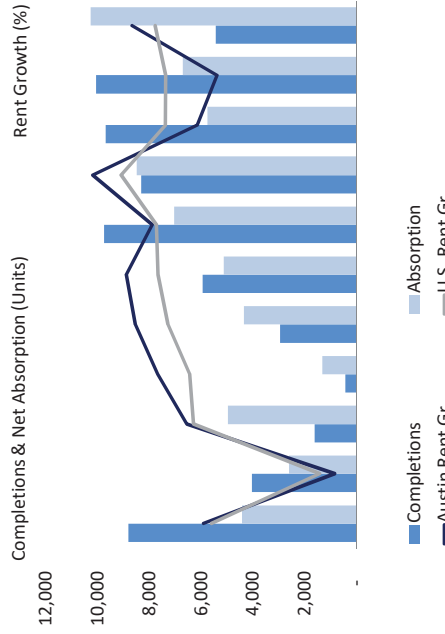
An impressive 2018 was capped off by Apple's big announcement of 5,000 new jobs in Northwest Austin. That exuberance characterized 2018, as fundamentals recovered from near-recessionary levels and rent growth had the best improvement of any market in the country. Much of that improvement was a result of slowing deliveries, which helped market-wide fundamentals. Absorption was also strong, thanks to continued strong job growth. Austin's fundamentals have been on a wild ride in recent years. Austin has been one of the most development-heavy markets in the country this cycle. And while it's been one of the best economies in the country, supply outpaced demand to the tune of nearly 35% of the inventory delivering since 2010, the second highest in the country. As a result, vacancies ticked up nearly 4.5%, approaching 10% as recently as the end of 2017.

Drivers: High Tech, College Town, State Capital
Business Cycle Index: 176
Business Cost Index: 93 **Living Cost:** 102
Industrial Diversity: 0.81
Top Employers: Univ TX Austin, Dell, Seton Healthcare, H-E-B, St David's Healthcare, Wal-Mart, IBM Corp
Leading Industries: (Mid/High Wages): Computer systems, prof & comm equip/supply wholesalers, mgt scientific & tech consulting, architect & engineering

	Austin	GID 34-Mkt Avg
Population (Ths)	2,192	3,817
5-Year Forecast Avg Ann Pop Gr	2.5%	1.0%
Households (Ths)	837	1,412
5-Year Forecast Avg Ann HH Gr	2.5%	1.3%
Employment (Ths)	1,081	1,792
Net New Jobs Trailing 12 Months	36	37
Net New Jobs 1-Year Forecast	26	28
5-Year Forecast Avg Ann Empl. Gr	2.0%	0.8%
Median Household Income (Ths)	\$78,131	\$75,884
Median S-F Home Price (Ths)	\$320	\$424

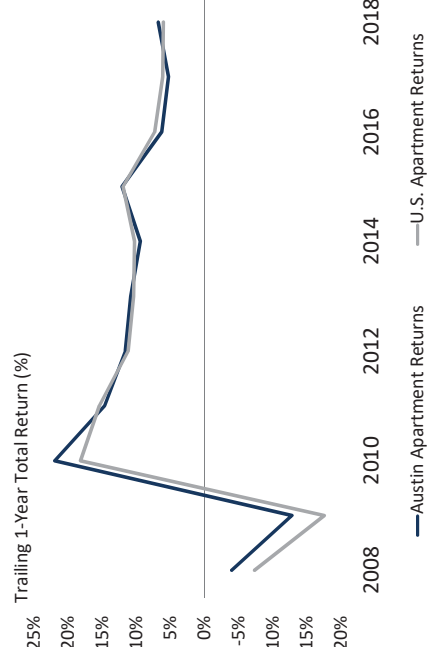
Operating Trends

	Austin	GID 34-Mkt Average
Market Inventory (Units)	211,052	309,925
Current Occupancy Rate	7.2%	5.9%
Current Rent Level	\$1,260	\$1,539
Rent Growth 2019 Forecast	3.7%	2.6%
5-Year Forecast Avg Rnt Gr 2019-2023	3.2%	1.5%
Completion Rate: 2019	2.8%	2.1%



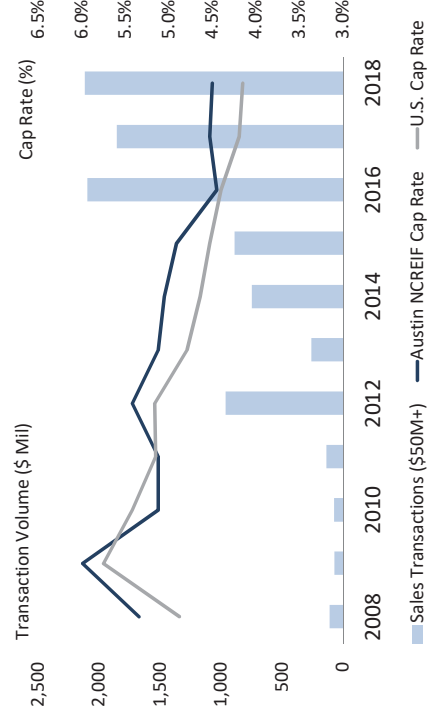
NCREIF Overview

	Austin	GID 34-Mkt Average
Total Return (Average Annual)		
1-Year	6.8%	7.4%
3-Year	6.1%	7.6%
5-Year	8.0%	9.4%
# NCREIF Apartment Properties	68	1,507
\$ Value (Millions)	\$4,622	\$141,406
\$ Value (Mil) Average Property	\$68	\$94




Capital Market Trends

	Austin	GID 34-Mkt Average
NCREIF Current Value Cap Rate	4.50%	4.09%
REIT Units (Same Store)	12,320	397,474
Transaction Volume \$50+ Million:		
2017-18 # Props	44	1,284
2017 -18 \$ Value	\$3,975	\$112,735
% of \$50M+ Transaction Volume	3.5%	



The Monarch
Austin, TX

HOLD SELL ANALYSIS ASSUMPTIONS

PROPERTY DATA						REVERSION ASSUMPTIONS																																
Analysis Start Date	6/30/2019	Acquisition Date	8/3/2011			Sale Year	Yr 10.00	Sale Price Yr 10	\$209,016,313																													
Year Built	2008	Acquisition Price	\$100,000,000	Exit Cap Yr 10	4.75%	Sale Price/Unit	\$685,299																															
Date Acquired	8/3/2011	Per Unit	\$327,869	NOI (less reserves)	\$9,928,275	Cost of Sale: 1%	\$2,090,163																															
Units	305	Appraisal Date	6/30/2019	PERFORMANCE METRICS					METRICS																													
Total SF	385,892	Appraisal Value	\$154,000,000																																			
Avg SF/unit	1,265	Per Unit	\$504,918	Equilibrium Value	\$165,991,900		Cash Flow		Reversion Value																													
DEBT SNAPSHOT				Per Unit	\$544,236		Components of Benefit Stream		22.7%	77.3%																												
				Unlevered IRR	5.75%		Levered IRR		6.73%		Equilibrium Value																											
<table border="1"> <thead> <tr> <th></th> <th>Loan</th> <th>Ref 1</th> <th>Ref 2</th> </tr> </thead> <tbody> <tr> <td>Loan Amount</td> <td>\$59,721,752</td> <td></td> <td></td> </tr> <tr> <td>LTV</td> <td>35.0%</td> <td></td> <td></td> </tr> <tr> <td>Interest Only</td> <td>Yes</td> <td></td> <td></td> </tr> <tr> <td>Interest Rate</td> <td>3.60%</td> <td></td> <td></td> </tr> <tr> <td>Prepayment</td> <td>n/a</td> <td></td> <td></td> </tr> <tr> <td>Refinance</td> <td>n/a</td> <td></td> <td></td> </tr> </tbody> </table>					Loan	Ref 1	Ref 2	Loan Amount	\$59,721,752			LTV	35.0%			Interest Only	Yes			Interest Rate	3.60%			Prepayment	n/a			Refinance	n/a			Imputed Entry Cap	4.04%		Compounded Growth to Reversion		2.33%	
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SENSITIVITY ANALYSIS OF UNLEVERED RETURNS - EQUILIBRIUM VALUE AND EXIT CAP RATE

Imputed Entry Cap*	4.49%	4.37%	4.25%	4.14%	4.04%	3.94%	3.85%	3.76%	3.67%	4.04%
Exit Cap Rate	- 10.00%	- 7.50%	- 5.00%	- 2.50%	Equilibrium	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	Appraisal
	\$149,392,710	\$153,542,508	\$157,692,305	\$161,842,103	\$165,991,900	\$170,141,698	\$174,291,495	\$178,441,293	\$182,591,090	\$166,000,000
3.75%	9.06%	8.73%	8.40%	8.09%	7.78%	7.49%	7.20%	6.92%	6.65%	7.78%
4.00%	8.49%	8.16%	7.84%	7.52%	7.22%	6.92%	6.64%	6.36%	6.09%	7.22%
4.25%	7.97%	7.63%	7.31%	7.00%	6.69%	6.40%	6.11%	5.83%	5.56%	6.69%
4.50%	7.48%	7.14%	6.82%	6.51%	6.21%	5.91%	5.63%	5.35%	5.08%	6.21%
4.75%	7.02%	6.69%	6.36%	6.05%	5.75%	5.46%	5.17%	4.89%	4.62%	5.75%
5.00%	6.59%	6.26%	5.94%	5.63%	5.32%	5.03%	4.74%	4.47%	4.20%	5.32%
5.25%	6.19%	5.86%	5.53%	5.22%	4.92%	4.63%	4.34%	4.06%	3.80%	4.92%
5.50%	5.80%	5.47%	5.15%	4.84%	4.54%	4.24%	3.96%	3.68%	3.41%	4.54%
5.75%	5.44%	5.11%	4.79%	4.48%	4.18%	3.88%	3.60%	3.32%	3.05%	4.17%

* 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*	4.49%	4.37%	4.25%	4.14%	4.04%	3.94%	3.85%	3.76%	3.67%	4.04%
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3.75%	11.55%	11.00%	10.48%	9.98%	9.50%	9.05%	8.61%	8.19%	7.79%	9.50%
4.00%	10.79%	10.24%	9.72%	9.22%	8.75%	8.30%	7.86%	7.44%	7.04%	8.75%
4.25%	10.08%	9.53%	9.01%	8.51%	8.04%	7.59%	7.15%	6.74%	6.34%	8.04%
4.50%	9.40%	8.86%	8.34%	7.84%	7.37%	6.92%	6.49%	6.07%	5.67%	7.37%
4.75%	8.76%	8.22%	7.70%	7.21%	6.73%	6.28%	5.85%	5.44%	5.04%	6.73%
5.00%	8.16%	7.61%	7.09%	6.60%	6.13%	5.68%	5.25%	4.84%	4.44%	6.13%
5.25%	7.57%	7.03%	6.51%	6.02%	5.55%	5.10%	4.67%	4.26%	3.86%	5.55%
5.50%	7.01%	6.47%	5.95%	5.46%	4.99%	4.54%	4.11%	3.70%	3.30%	4.99%
5.75%	6.47%	5.93%	5.41%	4.92%	4.45%	4.00%	3.57%	3.16%	2.77%	4.45%

* 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	\$ 154,000,000	6.65%	8.16%		
Equilibrium Value	\$ 165,991,900	5.75%	6.73%		

The Monarch
Austin, 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	3.79%	6.90%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Growth	1.97%	-9.27%	4.00%	4.00%	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	5.00%	6.47%	6.00%	6.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Bad Debt Rate	0.09%	0.01%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Concession Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Expenses Growth	3.04%	3.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes Growth	2.72%	0.16%	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%	3.30%	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	10,311,051	11,050,797	11,229,825	11,813,211	12,403,872	13,024,065	13,414,787	13,817,231	14,231,748	14,658,700	15,098,461	15,551,415	16,017,958	16,498,496
Net Potential Income Growth				6.90%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	6.90%	5.95%	5.63%	4.97%	4.58%	4.32%	4.13%	3.99%	3.88%	3.79%	3.00%
Vacancy	(331,139)	(541,634)	(579,261)	(764,572)	(744,232)	(781,444)	(603,665)	(621,775)	(640,429)	(659,642)	(679,431)	(699,814)	(720,808)	(742,432)
Rent Concessions	(8,565)	(10,503)	(18,000)	-	-	-	-	-	-	-	-	-	-	-
Bad Debts	(12,160)	(382)	(751)	(1,181)	(11,508)	(12,084)	(12,648)	(13,028)	(13,418)	(13,821)	(14,236)	(14,663)	(15,103)	(15,556)
NET APARTMENT RENTAL INCOME	9,751,191	10,357,589	10,486,263	10,901,191	11,496,015	12,072,335	12,635,526	13,014,592	13,405,029	13,807,180	14,221,396	14,648,038	15,087,479	15,540,103
Net Apartment Rental Income Growth				5.25%	5.46%	5.01%	4.67%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	5.25%	5.35%	5.24%	5.10%	4.68%	4.40%	4.20%	4.05%	3.93%	3.84%	3.00%
Total Other Income	2,015,478	2,114,525	1,778,971	1,918,568	1,995,310	2,075,123	2,137,376	2,201,498	2,267,543	2,335,569	2,405,636	2,477,805	2,552,139	2,628,703
TOTAL INCOME	11,766,669	12,472,114	12,265,234	12,819,759	13,491,325	14,147,458	14,772,902	15,216,089	15,672,572	16,142,749	16,627,032	17,125,842	17,639,618	18,168,806
Total Income Growth				2.79%	5.24%	4.86%	4.42%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	2.79%	4.01%	4.30%	4.33%	4.06%	3.89%	3.76%	3.66%	3.59%	3.53%	3.00%
TOTAL CONTROLLABLE EXPENSES	1,421,046	1,505,508	1,469,022	1,505,651	1,550,820	1,597,345	1,645,265	1,694,623	1,745,462	1,797,826	1,851,760	1,907,313	1,964,533	2,023,469
Total Controllable Expense Growth				0.01%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	0.01%	1.50%	2.00%	2.25%	2.40%	2.50%	2.57%	2.63%	2.67%	2.70%	3.00%
TOTAL OPERATING EXPENSES	5,726,946	5,934,494	5,959,479	6,039,629	6,223,053	6,417,915	6,616,986	6,815,495	7,019,960	7,230,559	7,447,476	7,670,900	7,901,027	8,138,058
Total Operating Expense Growth				1.77%	3.04%	3.13%	3.10%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	1.77%	2.40%	2.65%	2.76%	2.81%	2.84%	2.86%	2.88%	2.89%	2.90%	3.00%
			<i>Total Operating Expense Ratio</i>	47.11%	46.13%	45.36%	44.79%	44.79%	44.79%	44.79%	44.79%	44.79%	44.79%	44.79%
NET OPERATING INCOME	6,039,723	6,537,620	6,305,755	6,780,129	7,268,272	7,729,543	8,155,916	8,400,594	8,652,612	8,912,190	9,179,556	9,454,942	9,738,591	10,030,748
NOI Growth				3.71%	7.20%	6.35%	5.52%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	3.71%	5.45%	5.75%	5.69%	5.15%	4.80%	4.54%	4.20%	4.08%	4.08%	3.00%
7 Year Capex Value				10,549,593	207,500	232,700	246,500	191,000	501,200	168,700	305,000	314,150	323,575	-
Asset Management Fee				614,389	635,475	641,705	648,245	655,095	662,252	669,718	677,491	685,574	706,141	-
Replacement Reserves (Per Unit)				250	258	265	273	281	290	299	307	317	326	336
CASHFLOW AFTER CAPITAL & FEES	(4,383,853)	6,425,297	6,855,138	7,261,171	7,554,499	7,489,160	8,073,772	8,197,065	8,455,219	8,708,876	8,978,826	9,259,826	9,550,826	9,831,826
Debt Service				2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983	2,149,983
Debt Service Coverage Ratio Average				3.15x	3.38x	3.60x	3.79x	3.91x	4.02x	4.15x	4.27x	4.40x	4.53x	4.66x
CASHFLOW AFTER DEBT SERVICE	(6,533,836)	4,275,314	4,705,155	5,111,188	5,404,516	5,339,176	5,923,789	6,047,082	6,305,236	6,558,892	6,810,842	7,062,842	7,314,842	7,566,842
Exit Cap	4.00%	4.08%	4.17%	4.25%	4.33%	4.42%	4.50%	4.58%	4.66%	4.75%	4.83%	4.91%	5.00%	5.08%
Refinance Proceeds				-	-	-	-	-	-	-	-	-	-	-
Sale Proceeds				-	-	-	-	-	-	-	-	-	209,016,313	-
Less Cost of Sale				-	-	-	-	-	-	-	-	-	(2,090,163)	-
Less Outstanding Mortgage				-	-	-	-	-	-	-	-	-	(59,721,752)	-
NET PROCEEDS													147,204,398	
Unlevered IRR Cash Flow	(4,383,853)	6,425,297	6,855,138	7,261,171	7,554,499	7,489,160	8,073,772	8,197,065	8,455,219	8,708,826	8,978,826	9,259,826	9,550,826	9,831,826
Levered IRR Cash Flow	(6,533,836)	4,275,314	4,705,155	5,111,188	5,404,516	5,339,176	5,923,789	6,047,082	6,305,236	6,558,892	6,810,842	7,062,842	7,314,842	7,566,842