

South Lamar

809 S. Lamar Boulevard
Austin, TX

Units:	340
Rentable SF:	297,500
Average Unit Size:	875
Commercial SF:	5,325
Date Acquired:	12/16/2016
Year Built:	2015
Occupancy 4/30/2019:	97.4%
GAV 3/31/2019:	\$101,600,000
Value Per Unit:	\$298,824
Debt Balance:	\$41,942,746
NAV:	\$59,657,254



Windsor South Lamar is a 340 unit mid-rise apartment building located in Austin, TX. The property was developed by Hanover and is certified Bronze by the National Green Building Standard. The property has two courtyards, one featuring a resort style swimming pool and cabanas, fitness center, resident lounge with demonstration kitchen, and an expansive dog park. The Property also includes 5.3k square feet of retail / office space.

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	94.5%	94.7%	17 bps	0.17%	95.1%	46 bps	0.46%
NER Per Unit	\$1,829	\$1,937	\$107	5.87%	\$1,994	\$57	2.97%
NER Per SF	\$2.09	\$2.21	\$0.12	5.87%	\$2.28	\$0.07	2.97%
NOI (000's)	\$3,585	\$4,228	\$642	17.92%	\$4,445	\$217	5.14%

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

FINANCIAL VARIANCE REPORT

Revenue

- Windsor South Lamar's strong performance continued in FY 2019 with Total Income increasing 6.4% driven by an 8.5% increase in top line rents. Concessions also declined substantially (\$353k/55%) benefitting Net Effective Rents as they grew 5.9%. Occupancy was stable at 94.7%.
- Retail revenue contributed growth of 2.1% with minimal vacancy and turnover.

Expenses

- Total operating expenses declined 3.5% over FY 2018 as a 10.4% decline in Controllable Expenses more than offset Real Estate Taxes increasing 3.2%. The property's assessed value is under appeal.
- Controllable Expenses saw significant savings in locator fees (\$100k/39%) as the property was able to reduce fees given strong traffic from other sources. Payroll expenses increased 5.0% which is to be expected in a labor market as tight as Austin.

Net Operating Income

- Net operating income increased by 17.9% in FY 2019 as the Total Income and Total Expense decline flowed to the bottom line.

Capital Expenditures

- FY 2019 capital projects were limited given the project's vintage and good condition. LED lighting retrofits were completed in common areas with the balance of capital expenditures typical mechanical replacements.

FY 2020 BUSINESS PLAN OBJECTIVES

Revenue

- Total income is projected to increase 3.4% as top line rent growth improves at a much slower pace (1.2%) than FY 2019. Net Effective Rents will grow 3.0% as concessions continue to decline by \$101k/34%.
- Occupancy is forecasted to remain stable at 95.1%. Retail income is projected to add 2.1% revenue improvement.

Expenses

- Total Operating Expenses are expected increase a nominal 1.6% in FY 2020 as savings in Controllable Expenses will partially offset a 1.7% increase in Real Estate Taxes (under appeal). After a 5% increase in FY 2019, Payroll is projected to grow a more moderate 2.3%.

Net Operating Income

- Net operating income is expected to increase by 2.9% in FY 2020 as Total Income growth exceeds Total Expense growth.

Capital Expenditures

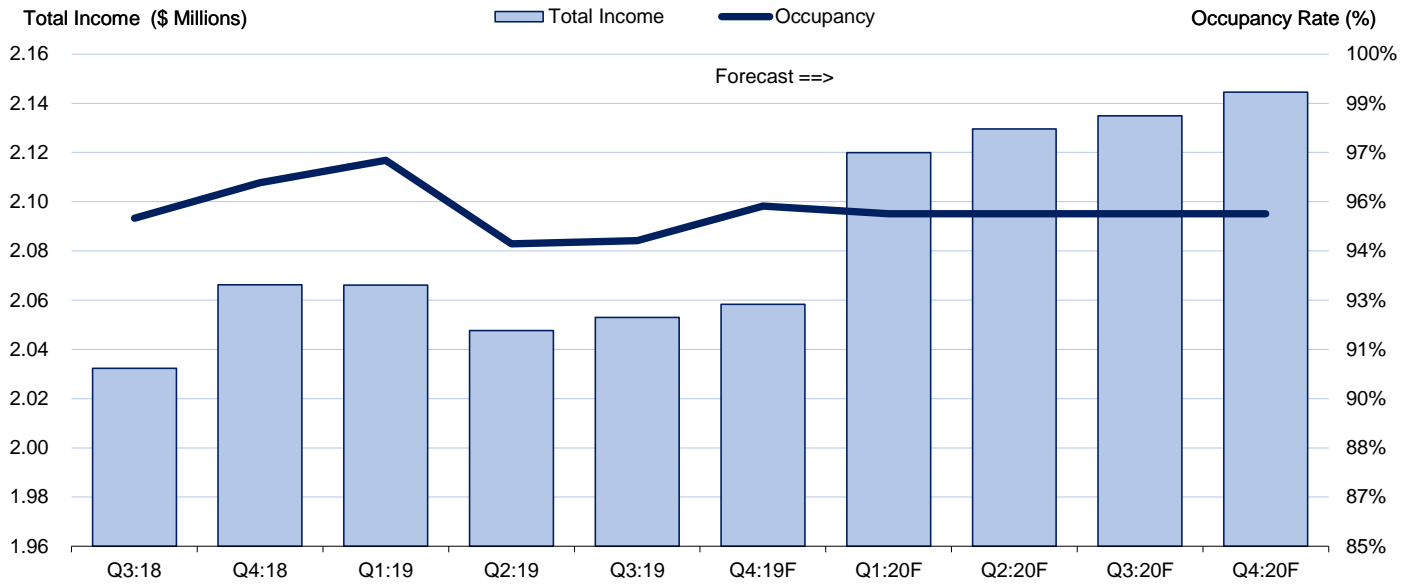
- Fitness center improvements (equipment replacement and finish upgrades) are budgeted at \$180k. Other capital expenditures include expanding the LUXOR package delivery system and typical mechanical and maintenance items.

HOLD SELL RECOMMENDATION

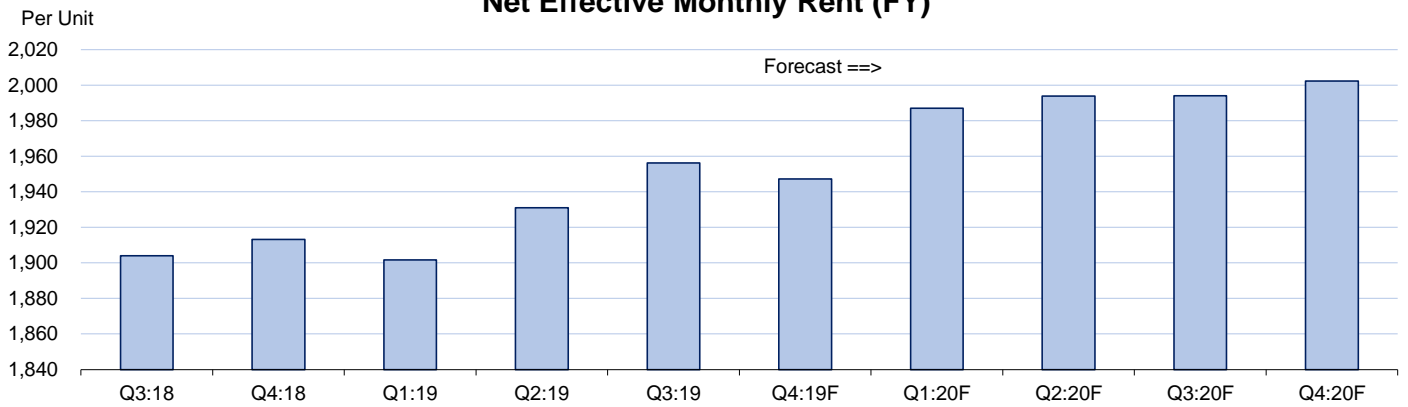
- We recommend holding South Lamar given its strong operating performance and location in one of the top growth markets in the US. Austin continues to benefit from strong market fundamentals including significant physical, political and regulatory supply constraints; healthy rental growth; high-income levels; and a diverse economic base.
- Austin's population and economic growth are forecasted to exceed the national averages and supply/demand for multifamily units will remain in balance.
- The property is well-located and is centered within all 3 employment nodes of Austin.

Quarterly Property Trends

Income/Occupancy (FY)



Net Effective Monthly Rent (FY)



South Lamar

Comparative Statement of Income and Cash Flow

340 units

Austin, TX

	FY 2019	FY 2019	FY 2020	FY 2019 Actual vs. FY 2019 Budget		FY 2020 Budget vs. FY 2019 Actual	
	Budget	Actual ¹	Budget	Variance	Variance %	Variance	Variance %
NET POTENTIAL RENT	8,207,548	8,195,552	8,328,839	(11,996)	-0.1%	133,287	1.6%
Vacancy	(448,093)	(457,943)	(404,696)	(9,850)	-2.2%	53,248	-11.6%
Staff Occupied	(57,193)	(56,771)	(60,108)	422	0.7%	(3,337)	5.9%
Model Expense	(23,908)	(23,929)	(24,453)	(21)	-0.1%	(524)	2.2%
Down Units	0	0	0	0	-	0	-
APARTMENT RENTAL INCOME	7,678,354	7,656,909	7,839,583	(21,445)	-0.3%	182,674	2.4%
Rent Concessions	(314,877)	(292,920)	(191,752)	21,958	7.0%	101,168	-34.5%
Bad Debts	(1,240)	(2,611)	(8,329)	(1,371)	-110.5%	(5,718)	219.0%
NET APARTMENT RENTAL INCOME	7,362,237	7,361,379	7,639,502	(858)	0.0%	278,124	3.8%
Other Rental Income	616,821	587,467	594,041	(29,354)	-4.8%	6,574	1.1%
Corporate Operations	51,357	52,811	48,000	1,454	2.8%	(4,811)	-9.1%
Commercial Income	254,333	224,650	229,544	(29,683)	-11.7%	4,894	2.2%
Other Income	22,093	19,836	17,745	(2,257)	-10.2%	(2,091)	-10.5%
TOTAL INCOME	8,306,840	8,246,143	8,528,832	(60,698)	-0.7%	282,690	3.4%
CONTROLLABLE EXPENSES							
General & Administrative	116,144	122,521	132,445	(6,378)	-5.5%	(9,924)	-8.1%
Marketing & Advertising	302,827	286,013	282,068	16,814	5.6%	3,945	1.4%
Maintenance	324,311	322,813	321,353	1,498	0.5%	1,460	0.5%
Payroll	541,207	552,315	539,687	(11,109)	-2.1%	12,629	2.3%
TOTAL CONTROLLABLE EXPENSES	1,284,488	1,283,663	1,275,553	825	0.1%	8,110	0.6%
CONTROLLABLE INCOME	7,022,352	6,962,480	7,253,279	(59,872)	-0.9%	290,799	4.2%
Real Estate Taxes	2,078,729	2,111,552	2,146,477	(32,823)	-1.6%	(34,925)	-1.7%
Insurance	86,045	80,911	77,100	5,133	6.0%	3,811	4.7%
Utilities	227,022	227,564	262,839	(542)	-0.2%	(35,275)	-15.5%
Other Fees and Taxes	43,200	43,200	39,600	0	0.0%	3,600	8.3%
Management Fees	274,796	271,649	282,243	3,147	1.1%	(10,594)	-3.9%
TOTAL OPERATING EXPENSES	3,994,280	4,018,539	4,083,812	(24,260)	-0.6%	(65,273)	-1.6%
Operating Expense Ratio	48.1%	48.7%	47.9%				
NET OPERATING INCOME	4,312,561	4,227,603	4,445,020	(84,957)	-2.0%	217,416	5.1%
Legal	3,263	9,512	30,000	(6,250)	-191.6%	(20,488)	-215.4%
Audit	9,156	9,156	9,420	0	0.0%	(264)	-2.9%
Other Ownership Costs	281	300	1,866	(18)	-6.5%	(1,566)	-522.8%
Financial Costs	2,019,763	1,686,226	1,713,978	333,537	16.5%	(27,752)	-1.6%
Capital Expenditures	256,765	222,180	377,300	34,585	13.5%	(155,120)	-69.8%
Rehab Expenditures	0	0	180,000	0	-	(180,000)	-
Broker Commissions	3,000	5,098	5,322	(2,098)	-69.9%	(224)	-4.4%
Asset Management Fee	341,065	309,176	335,553	31,889	9.3%	(26,378)	-8.5%
NET CASH FLOW	1,679,268	1,985,957	1,791,580	306,688	18.3%	(194,376)	-9.8%
Average Net Effective Rent	1,934/unit	11,622/unit	1,994/unit				
Physical Occupancy Includes Staff and Model	95.4%	94.7%	95.1%				

(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: South Lamar
LOCATION: Austin, TX

Budget Timing	Project	Total Budget	Budget Detail	
February 2020	Renovations	\$180,000	Fitness Center Rehab	\$180,000

Multifamily Metro Trends Q4

Austin-Round Rock, TX Metropolitan Statistical Area

Analysis and Commentary

Rank of 34
Apartment Mkts

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

Population (Ths) Austin **2,192** **GID 34-Mkt Avg** **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**

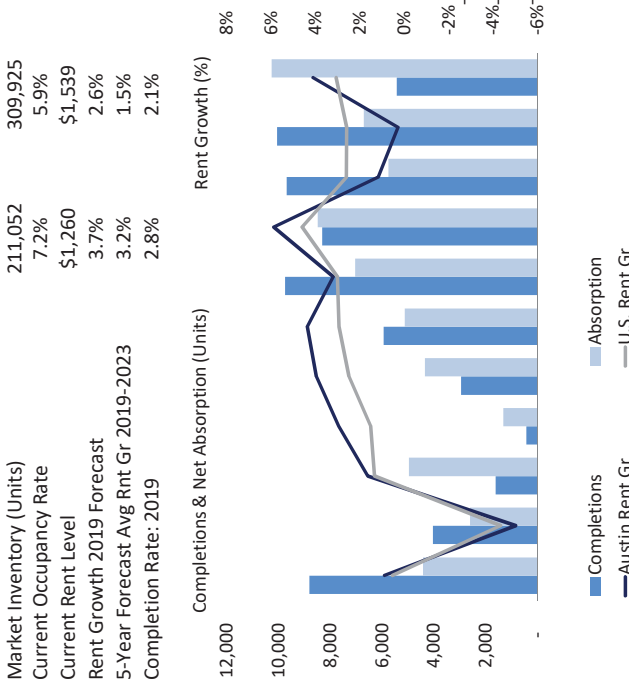
Median S-F Home Price (Ths) **\$320** **\$424**

Operating Trends

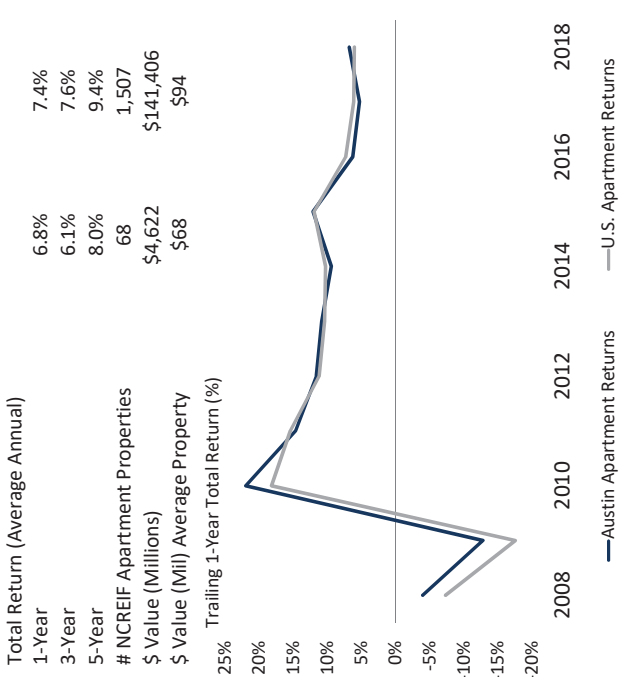
	Austin	GID 34-Mkt Average
Market Inventory (Units)	211,052	309,925
Current Occupancy Rate	7.2%	5.9%
Current Rent Level	\$1,260	\$1,539
Rent Growth 2019 Forecast	3.7%	2.6%
5-Year Forecast Avg Rnt Gr 2019-2023	3.2%	1.5%
Completion Rate: 2019	2.8%	2.1%

	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

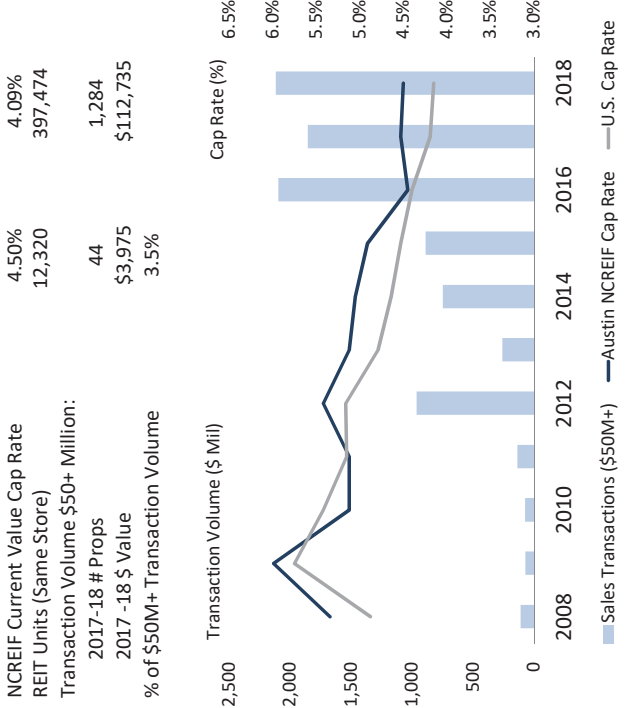
	Austin	GID 34-Mkt Average
NCREIF Current Value Cap Rate	4.50%	4.09%
REIT Units (Same Store)	12,320	397,474
Transaction Volume \$50+ Million:		
2017-18 # Props	44	1,284
2017 -18 \$ Value	\$3,975	\$112,735
% of \$50M+ Transaction Volume	3.5%	



NCREIF Overview



Capital Market Trends



South Lamar Austin, TX

HOLD SELL ANALYSIS ASSUMPTIONS

PROPERTY DATA				G I D		REVERSION ASSUMPTIONS			
Analysis Start Date	6/30/2019	Acquisition Date	12/16/2016	CalPERS Asset Ranking:	5	Sale Year	Yr 10.00	Sale Price Yr 10	\$139,157,513
Year Built	2015	Acquisition Price	\$95,000,000	PERFORMANCE METRICS		Exit Cap Yr 10	4.50%	Sale Price/Unit	\$409,287
Date Acquired	12/16/2016	Per Unit	\$279,412			NOI (less reserves)	\$6,262,088	Cost of Sale: 1%	\$1,391,575
Units	340	Appraisal Date	6/30/2019	METRICS		Cash Flow		Reversion Value	
Total SF	297,500	Appraisal Value	\$113,000,000			Components of Benefit Stream		25.2%	
Avg SF/unit	875	Per Unit	\$332,353	COMMENTS/SCENARIO SUMMARY		Compounded Growth to Reversion		2.11%	
DEBT SNAPSHOT						Appraised Value		Per Unit	
	Loan	Ref 1	Ref 2	Unlevered IRR		6.00%		Levered IRR	
Loan Amount	\$38,676,055			Imputed Entry Cap		7.09%		Equity Multiple	
LTV	35.0%			Equity Multiple		1.81x			
Interest Only	Yes			Appraised Value		\$113,000,000			
Interest Rate	3.60%			Per Unit		\$332,353			
Prepayment	n/a			Unlevered IRR		5.99%			
Refinance	n/a			Levered IRR		7.07%			
				Imputed Entry Cap		3.86%			
				Equity Multiple		1.81x			

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

Imputed Entry Cap*	4.29%	4.17%	4.06%	3.96%	3.86%	3.77%	3.68%	3.59%	3.51%	3.86%
Exit Cap Rate	- 10.00%	- 7.50%	- 5.00%	- 2.50%	Equilibrium	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	Appraisal
	\$101,636,550	\$104,459,788	\$107,283,025	\$110,106,263	\$112,929,500	\$115,752,738	\$118,575,975	\$121,399,213	\$124,222,450	\$113,000,000
3.50%	9.53%	9.17%	8.83%	8.50%	8.18%	7.87%	7.57%	7.27%	6.99%	8.17%
3.75%	8.92%	8.56%	8.22%	7.89%	7.57%	7.26%	6.96%	6.66%	6.38%	7.56%
4.00%	8.35%	8.00%	7.66%	7.33%	7.01%	6.70%	6.40%	6.10%	5.82%	7.00%
4.25%	7.83%	7.47%	7.13%	6.80%	6.48%	6.18%	5.87%	5.58%	5.30%	6.48%
4.50%	7.34%	6.99%	6.65%	6.32%	6.00%	5.69%	5.39%	5.10%	4.82%	5.99%
4.75%	6.89%	6.53%	6.19%	5.87%	5.55%	5.24%	4.94%	4.65%	4.36%	5.54%
5.00%	6.46%	6.11%	5.77%	5.44%	5.12%	4.81%	4.51%	4.22%	3.94%	5.11%
5.25%	6.06%	5.71%	5.37%	5.04%	4.72%	4.41%	4.11%	3.82%	3.54%	4.71%
5.50%	5.67%	5.32%	4.98%	4.66%	4.34%	4.03%	3.73%	3.44%	3.16%	4.33%

* 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*	4.29%	4.17%	4.06%	3.96%	3.86%	3.77%	3.68%	3.59%	3.51%	3.86%
Exit Cap Rate	- 10.00%	- 7.50%	- 5.00%	- 2.50%	Equilibrium	+ 2.50%	+ 5.00%	+ 7.50%	+ 10.00%	Appraisal
	\$101,636,550	\$104,459,788	\$107,283,025	\$110,106,263	\$112,929,500	\$115,752,738	\$118,575,975	\$121,399,213	\$124,222,450	\$113,000,000
3.50%	12.19%	11.60%	11.05%	10.52%	10.02%	9.54%	9.09%	8.65%	8.23%	10.01%
3.75%	11.38%	10.80%	10.24%	9.72%	9.22%	8.74%	8.29%	7.85%	7.43%	9.21%
4.00%	10.62%	10.04%	9.49%	8.97%	8.47%	7.99%	7.54%	7.10%	6.68%	8.45%
4.25%	9.91%	9.33%	8.78%	8.26%	7.76%	7.28%	6.83%	6.39%	5.98%	7.75%
4.50%	9.23%	8.65%	8.11%	7.58%	7.09%	6.61%	6.16%	5.73%	5.31%	7.07%
4.75%	8.59%	8.02%	7.47%	6.95%	6.45%	5.98%	5.52%	5.09%	4.68%	6.44%
5.00%	7.99%	7.41%	6.86%	6.34%	5.84%	5.37%	4.92%	4.49%	4.07%	5.83%
5.25%	7.40%	6.82%	6.28%	5.76%	5.26%	4.79%	4.34%	3.91%	3.49%	5.25%
5.50%	6.83%	6.26%	5.71%	5.19%	4.70%	4.22%	3.77%	3.34%	2.93%	4.68%

* 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	\$ 113,000,000	5.99%	7.07%		
Equilibrium Value	\$ 112,929,500	6.00%	7.09%		

South Lamar
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	3.01%	1.63%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Growth	2.85%	-0.05%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Commercial Income Growth	2.92%	2.18%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy Rate	4.99%	4.86%	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%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Concession Rate	0.44%	2.45%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Expenses Growth	2.85%	1.47%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes Growth	2.87%	1.65%	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
NET POTENTIAL INCOME	8,110,259	8,195,552	8,210,886	8,328,839	8,661,993	8,965,163	9,234,118	9,511,141	9,796,475	10,090,370	10,393,081	10,704,873	11,026,019	11,356,800
Net Potential Income Growth				1.63%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	1.63%	2.81%	3.04%	3.03%	3.03%	3.02%	3.02%	3.02%	3.01%	3.01%	3.00%
Vacancy	(500,207)	(457,943)	(382,453)	(404,696)	(433,100)	(448,258)	(461,706)	(475,557)	(489,824)	(504,518)	(519,654)	(535,244)	(551,301)	(567,840)
Rent Concessions	(646,084)	(292,920)	(219,167)	(191,752)	(162,819)	-	-	-	-	-	-	-	-	-
Bad Debts	(12,348)	(2,611)	(5,483)	(8,329)	(8,141)	(8,426)	(8,679)	(8,939)	(9,207)	(9,483)	(9,768)	(10,061)	(10,363)	(10,674)
NET APARTMENT RENTAL INCOME	6,873,871	7,361,379	7,519,604	7,639,502	7,969,990	8,417,457	8,669,981	8,930,081	9,197,983	9,473,923	9,758,140	10,050,884	10,352,411	10,662,983
Net Apartment Rental Income Growth				3.78%	4.33%	5.61%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	3.78%	4.05%	4.57%	4.18%	3.94%	3.79%	3.67%	3.59%	3.52%	3.47%	3.00%
Total Other Income	873,679	884,764	798,002	889,330	922,608	953,717	982,328	1,011,798	1,042,152	1,073,417	1,105,619	1,138,788	1,172,951	1,208,140
TOTAL INCOME	7,747,550	8,246,143	8,317,606	8,528,832	8,892,598	9,371,174	9,652,310	9,941,879	10,240,135	10,547,339	10,863,759	11,189,672	11,525,362	11,871,123
Total Income Growth				3.43%	4.27%	5.38%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	3.43%	3.85%	4.36%	4.02%	3.82%	3.68%	3.58%	3.51%	3.45%	3.41%	3.00%
TOTAL CONTROLLABLE EXPENSES	1,432,281	1,283,663	1,336,723	1,275,553	1,313,819	1,353,234	1,393,831	1,435,646	1,478,715	1,523,077	1,568,769	1,615,832	1,664,307	1,714,236
Total Controllable Expense Growth				-0.63%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	-0.63%	1.18%	1.79%	2.09%	2.27%	2.39%	2.48%	2.55%	2.60%	2.64%	3.00%
TOTAL OPERATING EXPENSES	4,162,347	4,018,539	4,111,452	4,083,812	4,204,625	4,337,648	4,467,777	4,601,810	4,739,865	4,882,061	5,028,522	5,179,378	5,334,759	5,494,802
Total Operating Expense Growth				1.62%	2.96%	3.16%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	1.62%	2.29%	2.58%	2.69%	2.75%	2.79%	2.82%	2.84%	2.86%	2.87%	3.00%
			<i>Total Operating Expense Ratio</i>	47.88%	47.28%	46.29%	46.29%	46.29%	46.29%	46.29%	46.29%	46.29%	46.29%	46.29%
NET OPERATING INCOME	3,585,203	4,227,603	4,206,154	4,445,020	4,687,972	5,033,527	5,184,532	5,340,068	5,500,270	5,665,279	5,835,237	6,010,294	6,190,603	6,376,321
NOI Growth				5.14%	5.47%	7.37%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
			<i>Running Average</i>	5.14%	5.30%	5.99%	5.24%	4.80%	4.50%	4.28%	4.12%	4.00%	3.90%	3.00%
7 Year Capex Value				557,300	159,900	229,800	196,300	142,000	127,500	200,000	206,000	234,171	241,196	-
Asset Management Fee				399,802	406,231	412,839	419,629	426,605	433,770	441,127	448,682	456,437	470,130	-
Replacement Reserves (Per Unit)				250	258	265	273	281	290	299	307	317	326	336
CASHFLOW AFTER CAPITAL & FEES	3,487,918	4,121,841	4,390,887	4,568,603	4,771,463	4,939,001	5,024,151	5,180,555	5,319,687	5,479,278	5,648,817	5,828,917	6,019,643	6,224,277
Debt Service				1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338	1,392,338
Debt Service Coverage Ratio Average				3.19x	3.37x	3.62x	3.72x	3.84x	3.95x	4.07x	4.19x	4.32x	4.45x	4.58x
CASHFLOW AFTER DEBT SERVICE	2,095,580	2,729,503	2,998,550	3,176,265	3,379,126	3,546,663	3,631,813	3,788,217	3,927,349	4,086,540	4,236,480	4,436,579	4,627,305	4,831,940
Exit Cap	4.00%	4.06%	4.11%	4.17%	4.22%	4.28%	4.33%	4.39%	4.44%	4.50%	4.55%	4.60%	4.65%	4.70%
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	139,157,513	-
Less Cost of Sale	-	-	-	-	-	-	-	-	-	-	-	-	(1,391,575)	-
Less Outstanding Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	(38,676,055)	-
NET PROCEEDS	-	-	-	-	-	-	-	-	-	-	-	-	99,089,883	-
Unlevered IRR Cash Flow	3,487,918	4,121,841	4,390,887	4,568,603	4,771,463	4,939,001	5,024,151	5,180,555	5,319,687	5,479,278	5,648,817	5,828,917	6,019,643	6,224,277
Levered IRR Cash Flow	2,095,580	2,729,503	2,998,550	3,176,265	3,379,126	3,546,663	3,631,813	3,788,217	3,927,349	4,086,540	4,236,480	4,436,579	4,627,305	4,831,940