

How will this work for you?

Cash flow from operation and sale proceeds

\$8,027,080

Total expected return to investors over the 10-year hold period

YEAR 10 DISPOSITION SCENARIO

Year 10 NOI	\$975,134
Exit Cap Rate	7.5%
Disposition Value	\$13,001,787
Less: Outstanding Mortgages	(\$5,133,921)
Less: Commission (4%)	(\$520,071)
Less: Closing Costs (5%)	(\$650,089)
Net Proceeds at Sale of Asset	\$6,697,705

ANTICIPATED BEST GUESS NET OPERATING INCOME / FREE CASH FLOWS	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10 (Sale)	Cumulative
Net Operating Income	\$843,450	\$818,861	\$842,097	\$863,168	\$883,409	\$884,371	\$877,312	\$919,387	\$952,067	\$975,134	\$8,859,256
Less: Mortgage Debt Service	(\$675,378)	(\$675,379)	(\$675,379)	(\$675,378)	(\$675,378)	(\$675,379)	(\$675,379)	(\$675,378)	(\$675,378)	(\$675,379)	(\$6,753,785)
Less: Non-Operating Expenses	(\$34,500)	(\$40,145)	(\$40,809)	(\$41,494)	(\$42,198)	(\$42,924)	(\$43,672)	(\$44,442)	(\$45,236)	(\$46,053)	(\$421,473)
Less: Leasing and Capital Cost	(\$133,571)	(\$32,475)	(\$17,866)	(\$18,287)	(\$26,625)	(\$32,801)	(\$18,739)	(\$19,728)	(\$20,382)	(\$34,149)	(\$354,622)
Operating Cash Flow to Equity	—	\$70,862	\$108,043	\$128,010	\$139,208	\$133,267	\$139,521	\$179,838	\$211,072	\$219,553	\$1,329,375
Liquidation Proceeds (Net Sale)	—	—	—	—	—	—	—	—	—	\$6,697,705	\$6,697,705
Total Expected Projected Cash Flow for Distribution	—	\$70,862	\$108,043	\$128,010	\$139,208	\$133,267	\$139,521	\$179,838	\$211,072	\$6,917,258	\$8,027,080
Up to 49% Investor (pro-rata)	—	\$34,722	\$52,941	\$62,725	\$68,212	\$65,301	\$68,365	\$88,121	\$103,425	\$3,389,456	\$3,933,269
To a \$1,000 investor	—	\$28	\$43	\$51	\$56	\$53	\$56	\$72	\$84	\$2,766	\$3,210
To a \$10,000 investor	—	\$283	\$432	\$512	\$557	\$533	\$558	\$719	\$844	\$27,660	\$32,098

NOTE: The foregoing is a mathematical calculation based on our current assumptions about future events. Some of these assumptions will prove to have been inaccurate, possibly for the reasons described on Exhibit B, Risks of Investing. Hence, the results of investing will likely differ from those illustrated above, for better or for worse, possibly by a large amount.