



EXECUTIVE SUMMARY | LIMITED PARTNER

Year Built	1986	# of Units	191	Average Unit Size (SF)	1101	Property Name	Available upon request
Total Rentable SF:	210,335	# of Residential Buildings	26	# of Stories	1 & 2	Address	Available upon request
Acreage	20.21	# of Parking Spaces	372	Physical Occupancy	90.6%	City, State ZIP	Available upon request

**Investment Highlights:
Opportunity Ratio of
213.84**

The projected Internal Rate of Return on Limited Partner capital is 17.18% | Annual Average After Tax Cash Yield of 10.12% | Capital Gain of 49.9% | The Equivalent Fully Taxable Yield - (Pretax Yield Equivalent on Taxable Investments) is an Annual Average of 15.17%. Hold Period (Years) is 5. Assuming a DSCR Requirement of 1.5, the Earliest Projected 100% Equity-Out Refi: End of Year 4.

The Available upon request is a 191 unit apartment complex located in Available upon request. This property was built in 1986 and has an Average Unit Size (SF) of 1102 square feet. The current physical occupancy of the property is 90.58%. This property represents a tremendous opportunity for upside growth due to the current Economic Occupancy of only 64.9%. The Economic Occupancy operating metric expressed in financial measures equates to an annual \$-952180 (Loss to Lease, Vacancy & Concessions) under performance relative to the comparable market cohort. In simple terms, the current Gross Operating Income is 53.83% below comparable properties. Further simplifying the identification of the value add opportunity, additional monthly income of \$414 per unit is readily available through renovations of the property including Exterior Renovation Costs of \$505000 and Interior Renovation Costs of \$621600, with a Total Planned Renovation Cost of \$1239260. The implementation will begin immediately and is expected to achieve market stabilization economic occupancy in 18 months or less. The Pro Forma cash flows and return calculations reflect a conservative assumption by doubling the time needed to achieve stabilization. Additionally, a conservative 5.5% Base Case Exit Cap Rate is utilized. (See chart below for the IRR Sensitivity to Exit Cap Rate & Incremental Capital Gains).

Purchase Price		Purchase Loan Financing		Loan Terms	
\$19,550,000		Purchase Loan - LTV	70.00%	Interest Rate	3.25%
Total Planned Renovation Cost		Purchase Loan - Equity	\$5,865,000	Years Interest Only	3
\$1,239,260		Purchase Loan - Debt	\$13,685,000	Loan Amortization (Years)	30
		Annual Payment during I/O period	\$444,763		
Total Acquisition Metrics		Renovation Loan Financing		Loan Terms	
Financed Amount-Total Debt	\$14,552,482	Renovation Loan - LTV	70%	Interest Rate	4.50%
Additional Capital Needed	\$7,241,350	Renovation Loan - Equity	\$371,778	Years Interest Only	5
		Renovation Loan - Debt	\$867,482	Loan Amortization (Years)	30
		Annual Payment	\$39,037	Loan Length (Years)	5
Operating Financials		Debt Assumptions		Transaction Closing Date	
Gross Potential Income	\$2,914,682	Source	Bridge, CMBS, Agency	Anticipated Closing Date	6/1/2020
Loss to Lease, Vacancy & Concessions	(\$952,180)	Guarantee	Non-Recourse		
Gross Operating Income	\$1,962,503				
Total Operating Expenses	(\$1,142,410)				
Expense % of Gross Operating Income	58%				
Net Operating Income	\$820,093				
Cap Rate (Based on Purchase Price)	4.19%				

Renovation Summary				Syndicate Type - Preferred	
Total Planned Renovation Cost			\$1,239,260.00	Investor Split	70%
				Hurdle	8%
Renovation Components	Units to Renovat	Per Unit	Item Totals		
Exterior Renovation Costs	191	\$2,644	\$505,000		
Interior Renovation Costs	96	\$6,475	\$621,600		
Renovation Contingency Funds	191	\$590	\$112,660		
Cost Allocation Metrics					
Total Renovation Cost Per Unit (191 Units Overall)					\$6,488
Total Renovation Cost Per (96 Units Being Renovated)					\$12,909

LIMITED PARTNER INVESTORS		Investor Returns Summary							
		Average Annual Cash Flow (Cash on Cash)							
Limited Partner Individual Investment	Cash Flow	Cash Yield	After Tax Cash Yield	Economic Yield (Amort)	Economic Yield (A-Tax)	Gain From Amortization	Depreciation Benefit	Taxable Income	Tax Refund (est.)
\$1,000,000	\$100,819	10.08%	10.11%	11.35%	11.38%	\$12,656	(\$102,005)	(\$1,186)	\$296
		Total Holding Period Cash Flow (Cash on Cash)							
Capital Gain	Cash Flow	% of Investment	After Tax Cash Yield	Economic Yield (Amort)	Economic Yield (A-Tax)	Gain From Amortization	Depreciation Benefit	Taxable Income	Tax Refund (est.)
\$498,263.90	\$504,097	50.41%	50.56%	56.74%	56.89%	\$63,280	(\$510,026)	(\$5,929)	\$1,482
49.9%									
Total Earnings - Capital Gain + Cash		Equivalent Fully Taxable Yield - (Pretax Yield Equivalent on Taxable Investments)							
\$1,002,361	Equivalent Fully Taxable Cash Yield (w/o Amortization Benefit)				Equivalent Fully Taxable Economic Yield (with Depreciation Benefit)				
Gain 100.3% - Equity multiple 2.003x	Annual Average	Total	Annual Average		Total				
Internal Rate of Return	13.48%	67.41%	15.17%		75.85%				
17.17%									

Investment Return Table - various investment amounts								
Total Investment	Total Taxable Gain	Tax (Estimated Total) *	Pre-Tax IRR	After Tax Gain	Non Taxable Gain from Amortization	After Tax Gain plus Amortization	After Tax IRR	After Tax Gain % of Investment
(\$1,000,000)	\$939,081	(\$200,764)	17.2%	\$738,317	\$63,280	\$801,597	14.5%	80.2%
(\$2,000,000)	\$1,878,162	(\$401,528)	17.2%	\$1,476,635	\$126,559	\$1,603,194	14.5%	80.2%
(\$3,000,000)	\$2,817,243	(\$602,291)	17.2%	\$2,214,952	\$189,839	\$2,404,791	14.5%	80.2%
(\$5,000,001)	\$4,695,406	(\$1,003,819)	17.2%	\$3,691,587	\$316,398	\$4,007,985	14.5%	80.2%

* - Estimated tax on Capital gains and Depreciation recapture upon disposition.



PROPERTY METRICS

Purchase Price				Statistics and Metrics			
Manual	Modeled	Difference		Number of Units (Total - Occupied)	191	173	
\$19,550,000	\$13,668,220	\$5,881,780		Price per unit (Manual - Modeled)	\$102,356	\$71,561	
Current Occupancy				Square Footage	210,335		
Physical Occupancy	Economic Occupancy	Empty Units		Price per sq. ft. (Manual - Modeled)	\$93	\$65	
91%	65%	18		Price per sq. ft. Differential	\$27.96		
Annual Gross Potential Rental Income Upside				Gross Operating Income (GOI)	\$1,962,503		
Current	Renovated Market	Upside Per Year		GOI per unit (Annual - Monthly)	\$10,275	\$856	
\$1,926,859	\$2,908,305	\$981,446		GOI per sq. ft. (Annual - Monthly)	\$9.33	\$0.78	
Annual Gross Operating Income (GOI) Upside				Gross Rent (Actual - Potential)	\$1,761,696	\$1,926,859	
Current GOI	Year 1 Projected GOI	Difference	% Below Year 1 Projected GOI	Loss due to Vacancies (Actual less Potential)	(\$165,163)		
\$1,962,503	\$2,478,193	\$515,690	26.28%	Actual GR per unit (Annual - Monthly)	\$9,224	\$769	
Annual NOI Upside				Potential GR per unit (Annual - Monthly)	\$10,088	\$841	
Current NOI	Year 1 Projected NOI	Difference	% Below Year 1 Projected NOI	Loss due to Vacancies (per unit, Ann-Mo)	(\$865) (\$72)		
\$820,093	\$1,335,783	\$515,690	62.88%	Actual GR/sq ft (Annual - Monthly)	\$8.38	\$0.70	
Immediate Value Upside (NOI / Purchase CAP)				Potential GR/sq ft (Annual - Monthly)	\$9.16	\$0.76	
Current Value	Year 1 Projected	Difference	% Below Year 1 Projected Value	Loss due to Vacancies (per sq. ft., Ann-Mo)	(\$0.79) (\$0.07)		
\$13,668,220	\$22,263,051	\$8,594,832	62.88%	Average Unit Rent (Actual - Comparables)	\$841	\$1,182	
Long Term Value Upside				Loss due to Lease (per unit)	(\$342)		
Current Value	Year 5 Value	Difference	% Below Year 5 Value	Loss due to Lease (Property)	(\$783,024)		
\$13,668,220	\$30,662,719	\$16,994,500	124.34%	Concessions	(\$3,993)		
Loss to Lease (Assumes Fixed Occupancy)				Economic Loss Sum of (L to V, L to L, Conc.)	(\$952,180)		
Current Rental Income	Market Rental Income	Difference	% Below Market Rental Income	Loss to Vacancies as % of Economic Loss	17.35%		
\$1,761,696	\$2,544,720	(\$783,024)	44.45%	Loss to Lease as % of Economic Loss	82.23%		
Loss to Vacancies				Concessions as % of Economic Loss	0.42%		
Current Rental Income	Potential Rental Income	Current Vacancy Loss	% Below Potential Rental Income	NET Utilities expense	(\$414,491)		
\$1,761,696	\$1,926,859	(\$165,163)	9.38%	Utilities as % of RR GROSS Income	21.12%		

BASE CASE ANALYSIS	Cash Flow Proforma at E. O. Forecast - All Inclusive Operating Results					STRESS TEST	
ECONOMIC OCCUPANCY FORECAST	80%	90%	92%	93%	93%		
Currently 64.8%	1	2	3	4	5	Break Even Physical Occupancy (%)	60.0%
Net Operating Income	\$1,335,783	\$1,432,335	\$1,543,192	\$1,628,744	\$1,686,450	T12 - Current Physical Occupancy (%)	90.6%
Non-Operating Expenses	(\$113,597)	(\$117,176)	(\$118,566)	(\$119,708)	(\$120,577)	Break Even Physical Occupancy Rate (# of Units)	114.62
Loan payments	(\$483,799)	(\$483,799)	(\$483,799)	(\$801,027)	(\$801,027)	Gross Operating Income from Rent per Unit (\$)	\$769
Net Income	\$738,387	\$831,360	\$940,827	\$708,010	\$764,846	Break Even Average Unit Rent (\$)	\$461
						Decrease in Rent per Unit Until Break Even (\$)	\$307
						Decrease in Rent per Unit Until Break Even (%)	26.0%
Sale Price (NOI/Exit CAP 5.5%)	\$24,286,965	\$26,042,460	\$28,058,039	\$29,613,531	\$30,662,719	Debt Service Cover Ratio (DSCR)	1.70
Capital Gain Projections	\$1,521,655	\$3,206,930	\$5,141,886	\$6,957,154	\$8,296,993		

LIMITED PARTNER INVESTORS RETURNS SENSITIVITY ANALYSIS			
IRR Sensitivity to Exit Cap Rate	IRR	Incremental IRR	Incremental Capital Gains
4.5%	24.09%	6.92%	\$4,186,969
4.6%	23.35%	6.18%	\$3,686,353
4.7%	22.62%	5.45%	\$3,207,040
4.8%	21.90%	4.73%	\$2,747,698
4.9%	21.19%	4.02%	\$2,307,105
5.0%	20.50%	3.33%	\$1,884,136
5.1%	19.82%	2.64%	\$1,477,754
5.2%	19.14%	1.97%	\$1,087,002
5.3%	18.48%	1.30%	\$719,995
5.4%	17.82%	0.65%	\$348,914
5.5% Base Case Exit Cap Rate	17.17%	0.00%	\$0





