

2520 Income Projections

Units	47
Absorption/Month	4
Average Rent	\$1,216
Operating Margin	60%

	1	2	3	4	5	6	7	8	9
Month	10/1/2007	11/1/2007	12/1/2007	1/1/2008	2/1/2008	3/1/2008	4/1/2008	5/1/2008	6/1/2008
Units Renovated	4	4	4	4	4	4	4	4	4
Cumulative Units	4	8	12	16	20	24	28	32	36
Monthly Rent	\$4,864	\$9,728	\$14,591	\$19,455	\$24,319	\$29,183	\$34,047	\$38,911	\$43,774
Monthly Expenses	\$1,946	\$3,891	\$5,837	\$7,782	\$9,728	\$11,673	\$13,619	\$15,564	\$17,510
Net Income	\$2,918	\$5,837	\$8,755	\$11,673	\$14,591	\$17,510	\$20,428	\$23,346	\$26,265
Hold Income Period	\$1,461,338								

2520 Cash Flow Analysis- No Leverage

Buildable Footage	119,200			
Debt %	0%			
Land Price	\$9,000,000	1 10/1/2007	2 11/1/2007	3 12/1/2007
WC,Base Building, Design Drawings	\$520,000	Monthly NOI	\$2,918	\$5,837
Project Admin Fee	\$10,000/month	Interest Earned	\$0	\$0
Interest Carry	\$0	Cumulative Cash	\$2,918	\$8,755
Total Project Value	\$9,000,000	Equity Cash Flow	(\$9,000,000)	\$5,837
Price per Buildable Foot	\$83.89			\$8,755
Equity	\$9,000,000	IRR	19.38%	
Debt	\$0	Profit	\$9,461,338	
Interest Rate-2520 Debt	8.00%	\$ Multiple	1.95x	
Monthly Interest	\$0			
Total Interest	\$0			

<i>Interest Rates-Deposits</i>	0.00%
<i>Exit Month</i>	48
<i>Sale Price</i>	\$18,000,000
<i>Sale Price/Buildable Foot</i>	\$151.01
<i>Annual Net Income</i>	\$411,480
<i>Investment Amount</i>	\$9,000,000
<i>Cash on Cash Yield</i>	4.11%

4	5	6	7	8	9	10	11	12	13	14	15	16
1/1/2008	2/1/2008	3/1/2008	4/1/2008	5/1/2008	6/1/2008	7/1/2008	8/1/2008	9/1/2008	10/1/2008	11/1/2008	12/1/2008	1/1/2009
\$11,673	\$14,591	\$17,510	\$20,428	\$23,346	\$26,265	\$29,183	\$32,101	\$34,290	\$34,290	\$34,290	\$34,290	\$34,290
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$29,183	\$43,774	\$61,284	\$81,712	\$105,059	\$131,323	\$160,506	\$192,608	\$226,898	\$261,188	\$295,478	\$329,768	\$364,058
\$11,673	\$14,591	\$17,510	\$20,428	\$23,346	\$26,265	\$29,183	\$32,101	\$34,290	\$34,290	\$34,290	\$34,290	\$34,290

2520 Peachtree Road Pro Forma

2520 Historical Expenses

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<i>Operating Expenses</i>			
<i>Real Estate Taxes</i>	\$81,853	\$79,469	\$75,496
<i>Cable TV</i>	\$15,995	\$15,995	\$15,995
<i>Natural Gas</i>	\$16,883	\$14,500	\$12,250
<i>Water/Sewer</i>	\$44,767	\$41,000	\$27,905
<i>Electric</i>	<u>\$50,633</u>	<u>\$46,000</u>	<u>\$41,325</u>
	\$128,278	\$117,495	\$97,475
<i>Liability Insurance</i>	\$18,000	\$18,000	\$14,895
<i>Administration</i>	\$4,000	\$1,200	\$1,415
<i>Landscape Maintenance</i>	\$0	\$4,000	\$0
<i>Equipment Repairs</i>	\$20,000	\$4,000	\$7,371
<i>Maintenance Services</i>	\$9,000	\$5,000	\$8,345
<i>Maintenance Supplies</i>	\$300	\$2,000	\$1,415
<i>Property Repairs</i>	\$8,000	\$2,400	\$2,638
<i>Roof Repairs</i>	\$5,000	\$25,000	\$0
<i>Legal Fees</i>	\$10,000	\$10,000	\$7,521
<i>Accounting Fees</i>	\$750	\$700	\$1,820
<i>Management Fees</i>	\$15,840	\$12,000	\$16,717
<i>Fire Protection</i>	\$400	\$400	\$400
<i>Taxes and Licences</i>	\$2,250	\$2,250	\$2,250
<i>Custodial Services</i>	\$24,000	\$21,000	\$20,990
<i>Elevator Services</i>	\$3,000	\$3,100	\$2,963
<i>HVAC</i>	\$1,500	\$3,500	\$2,230
<i>Landscape Services</i>	\$10,000	\$9,000	\$6,826
<i>Pest Control</i>	\$650	\$550	\$750
<i>Recycle</i>	\$500	\$600	\$600
<i>Roof Services</i>	\$0	\$0	\$0
<i>Telephone</i>	\$750	\$1,000	\$968
<i>Unpaid Utilities</i>	\$0	\$0	\$14,224
<i>Capital Expenditures</i>	\$0	\$0	\$28,628
<i>Reserves</i>	\$0	\$0	\$0
<i>Consulting</i>	\$0	\$4,850	\$0
<i>Exterior Building Maintenance</i>	\$3,000	\$0	\$0
Total Operating Costs	\$136,940	\$130,550	\$142,966
Per Unit	\$2,913.62		

Per Sq. Ft	\$2.77
Per Month	\$11,411.67

2520 Rent Projections

Rent Summary

<u>Bedrooms</u>	<u>Rent</u>
1	\$900
2	\$1,350
3	\$1,800

<u>Unit Number</u>	<u>Percentage Share</u>	<u>Real Estate Taxes</u>	<u>Bedrooms</u>	<u>Rent</u>	<u>SF</u>	<u>\$/SF</u>
103	0.023342	2,744.39	2	\$1,350	1,163	\$1.22
104	0.022198	1,797.64	2	\$1,350	1,106	\$1.70
105	0.015896	1,702.36	1	\$900	792	\$1.12
106	0.016077	2,018.82	1	\$900	801	\$0.77
107	0.023342	2,035.63	2	\$1,350	1,163	\$1.16
108	0.023141	1,408.46	2	\$1,350	1,153	\$1.17
109	0.023081	1,779.16	2	\$1,350	1,150	\$1.17
110	0.023302	793.20	2	\$1,350	1,161	\$1.16
111	0.016137	2,332.92	1	\$900	804	\$1.12
112	0.015956	2,037.31	1	\$900	801	\$1.12
113	0.023402	1,089.39	2	\$1,350	1,166	\$1.16
114	0.022961	1,089.40	2	\$1,350	1,144	\$1.18
115	0.024165	1,761.15	2	\$1,350	1,204	\$1.12
116	0.023041	2,395.47	2	\$1,350	1,148	\$1.18
117	0.017683	1,775.80	1	\$900	881	\$1.02
201	0.023222	1,237.46	2	\$1,350	1,157	\$1.17
202	0.029363	1,792.60	3	\$1,800	1,420	\$1.27
203	0.023242	1,794.27	2	\$1,350	1,158	\$1.17
204	0.016117	1,239.28	1	\$900	805	\$1.12
205	0.015856	1,107.86	1	\$900	790	\$1.14
206	0.015856	1,074.28	1	\$900	790	\$1.14
207	0.023182	2,017.16	2	\$1,350	1,155	\$1.17
208	0.023422	1,758.95	2	\$1,350	1,167	\$1.16
209	0.023021	1,809.40	2	\$1,350	1,147	\$1.18
210	0.023382	1,774.12	2	\$1,350	1,165	\$1.16
211	0.015535	715.34	1	\$900	774	\$1.16

212	0.015976	1,983.55	1	\$900	796	\$1.13
213	0.023422	1,089.39	2	\$1,350	1,167	\$1.16
214	0.01704	1,809.40	1	\$900	851	\$1.06
215	0.024225	792.62	2	\$1,350	1,207	\$1.12
216	0.02842	2,830.06	3	\$1,800	1,416	\$1.27
301	0.030608	2,776.73	3	\$1,800	1,416	\$1.27
302	0.030226	2,492.91	2	\$1,350	1,201	\$1.12
303	0.017502	1,292.69	1	\$900	872	\$1.03
304	0.016418	2,163.27	1	\$900	895	\$1.01
305	0.016016	1,881.53	1	\$900	798	\$1.13
306	0.016097	1,091.06	1	\$900	802	\$1.12
307	0.023422	1,091.43	2	\$1,350	1,207	\$1.12
308	0.023643	716.56	2	\$1,350	1,178	\$1.15
309	0.023182	2,777.99	2	\$1,350	1,155	\$1.17
310	0.023563	1,790.91	2	\$1,350	1,174	\$1.15
311	0.016016	1,253.85	1	\$900	798	\$1.13
312	0.016157	1,091.06	1	\$900	805	\$1.12
313	0.01708	2,050.75	1	\$900	851	\$1.06
314	0.023182	1,182.98	2	\$1,350	1,155	\$1.17
315	0.028581	2,657.07	3	\$1,800	1,424	\$1.26
316	<u>0.023302</u>	<u>1,568.41</u>	<u>2</u>	<u>\$1,350</u>	<u>1,155</u>	<u>\$1.17</u>
47	1	79,466.04	80	\$57,150	49,488	\$1.15
			AVG	\$1,216		

2520 Cash Flow Analysis-Leverage

Buildable Footage	160,000	\$160,000
Density Buy		
Debt %	46%	
Land Price	\$8,000,000	
Density Purchase of 30,000 sq. ft	<u>\$300,000</u>	
Total Cost	\$8,300,000	

Equity	\$4,600,000
Debt	\$3,700,000

Interest Carry at	7.50%	\$277,500
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Monthly Carry	\$23,125
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		Sellable	
Cost per Buildable Foot	\$51.88	\$345.83	at 15%

Monthly Fully Leased	<u>Annually</u>	<u>Monthly</u>
Gross Income	\$685,200	\$57,100
less 10% 10.00%	(\$68,520)	\$5,710
Gross Effective Income	\$616,680	\$51,390
Monthly Operating Expenses	(\$136,940)	(\$11,412)
Taxes	(\$85,000)	(\$7,083)
Debt Service	(\$277,500)	(\$23,125)
Net Income	\$117,240	\$9,770

Return on	\$4,600,000	2.55%	0.00%
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