

Montego Bay Apartments		ACQUISITION (YEAR 0)		POST ACQUISITION																			
Financial Projections		Acquisition																					
Cash Flow Projection:		Analysis																					
Average Rent	\$ 2,166	Per Unit	%	Year 1	\$ 2,373	Per Unit	%	Year 2	\$ 2,551	Per Unit	%	Year 3	\$ 2,698	Per Unit	%	Year 4	\$ 2,779	Per Unit	%	Year 5	\$ 2,863	Per Unit	%
Average Annual Rent Increase	-				9.5%				7.5%			5.8%					3.0%			3.0%			
INCOME:																							
Gross Potential Rent (Loss) / Gain to Old Lease	\$ 1,254,600	27,880	100.0%	1,342,200	29,927	104.2%		1,382,466	30,211	99.6%		1,423,940	31,843	91.3%		1,466,658	32,992	97.4%		1,510,658	33,170	91.8%	
(84,896)	(1,892)	+/-3%		(60,623)	(1,347)	+/-4%		(5,010)	(111)	+/-0.4%		33,128	738	+2.3%		34,122	788	+2.3%		35,146	781	+2.3%	
Gross Possible Rent	1,169,904	25,998	100.0%	1,261,577	28,479	99.6%		1,377,456	30,810	99.3%		1,457,068	28,539	99.6%		1,500,780	26,539	99.7%		1,545,804	26,539	99.9%	
Deductions																							
Bad Debt	(11,699)	(285)	+/-0%	(12,816)	(289)	+/-0%		(13,775)	(309)	+/-0%		(14,571)	(324)	+/-0%		(15,008)	(334)	+/-0%		(15,458)	(344)	+/-0%	
Vacancy Loss	(58,495)	(1,300)	+/-0.5%	(64,079)	(1,424)	+/-0.5%		(68,873)	(1,551)	+/-0.5%		(78,853)	(1,618)	+/-0.5%		(75,039)	(1,688)	+/-0.5%		(77,290)	(1,718)	+/-0.5%	
Total Deductions																							
Net Rental Income	\$ 1,099,710	24,438	94.9%	1,204,682	26,771	95.6%		1,294,809	28,774	93.3%		1,369,644	30,437	93.6%		1,410,733	31,360	93.7%		1,453,055	32,291	93.8%	
Other Income																							
Damage Fee	9,600	213	0.8%	9,696	215	0.8%		9,793	218	0.7%		9,891	220	0.7%		9,990	222	0.7%		10,090	224	0.7%	
Garage & Parking Rental Income	3,000	67	0.3%	3,030	67	0.2%		3,050	68	0.2%		3,091	69	0.2%		3,122	69	0.2%		3,153	70	0.2%	
Late Charge Fees	2,250	50	0.2%	2,273	51	0.2%		2,295	51	0.2%		2,318	52	0.2%		2,341	52	0.2%		2,365	53	0.2%	
Laundry Income	27,135	603	2.3%	27,407	609	2.1%		27,681	615	2.0%		27,958	621	1.9%		28,238	628	1.9%		28,520	634	1.8%	
Lease Termination/Breakage Fees	1,200	27	0.1%	1,212	27	0.1%		1,224	27	0.1%		1,236	27	0.1%		1,249	28	0.1%		1,261	28	0.1%	
Miscellaneous Income	14,639	325	1.3%	14,785	329	1.1%		14,933	332	1.1%		15,083	338	1.0%		15,233	339	1.0%		15,386	342	1.0%	
Utility Bill Back - Internet	100	2	0.0%	2,500	56	0.2%		2,525	56	0.2%		2,550	57	0.2%		2,576	57	0.2%		2,602	58	0.2%	
Utility Bill Back - Water	500	11	0.0%	20,000	444	1.6%		30,000	667	2.2%		30,300	673	2.1%		30,603	680	2.0%		30,909	687	2.0%	
NSF	1,134	25	0.1%	1,145	25	0.1%		1,157	26	0.1%		1,168	26	0.1%		1,180	26	0.1%		1,192	26	0.1%	
Total Other Income	\$ 59,559	1,334	5.1%	82,049	1,823	8.4%		92,669	2,059	8.7%		93,596	2,080	8.4%		94,532	2,101	8.3%		95,477	2,122	8.2%	
Total Income	\$ 1,159,269	25,982	100.0%	1,286,731	28,954	100.0%		1,387,478	30,835	100.0%		1,463,240	32,518	100.0%		1,505,265	33,405	100.0%		1,548,532	34,412	100.0%	
EXPENSES:																							
Advertising & Promotion	\$ 1,080	24	0.1%	1,096	24	0.1%		1,113	25	0.1%		1,129	25	0.1%		1,146	25	0.1%		1,163	26	0.1%	
Contract Services																							
CS - Cleaning - Common Area	7,200	160	0.6%	7,308	162	0.6%		7,418	165	0.5%		7,529	167	0.5%		7,642	170	0.5%		7,756	172	0.5%	
CS - Landscaping Maintenance	1,800	40	0.2%	1,827	41	0.1%		1,854	41	0.1%		1,882	42	0.1%		1,910	42	0.1%		1,939	43	0.1%	
CS - Pest Control	2,400	53	0.2%	2,436	54	0.2%		2,473	55	0.2%		2,510	56	0.2%		2,547	57	0.2%		2,585	57	0.2%	
CS - Elevator	2,172	48	0.2%	2,205	49	0.2%		2,238	50	0.2%		2,271	50	0.2%		2,305	51	0.2%		2,340	52	0.2%	
CS - Fire Protection	420	9	0.0%	426	9	0.0%		433	10	0.0%		439	10	0.0%		446	10	0.0%		452	10	0.0%	
CS - Trash Removal	16,037	356	1.4%	16,278	362	1.3%		16,522	367	1.2%		16,770	373	1.1%		17,021	378	1.1%		17,276	384	1.1%	
Insurance Expense - Property/Lab																							
INS - Property Insurance	63,000	1,400	5.4%	63,945	1,421	5.0%		64,904	1,442	4.7%		65,878	1,464	4.5%		66,866	1,486	4.4%		67,869	1,508	4.4%	
Property Management Fees	63,760	1,417	5.5%	70,770	1,513	5.5%		76,311	1,658	5.5%		80,478	1,785	5.5%		82,790	1,840	5.5%		85,169	1,950	5.5%	
Payroll & Related Expenses	10,850	241	0.9%	11,012	248	0.9%		11,178	248	0.8%		11,345	252	0.8%		11,515	256	0.8%		11,688	260	0.8%	
Repairs & Maintenance	13,500	300	1.2%	13,703	305	1.1%		13,908	309	1.0%		14,117	314	1.0%		14,328	318	1.0%		14,543	323	0.9%	
Unit Turn Costs	13,500	300	1.2%	13,703	305	1.1%		13,908	309	1.0%		14,117	314	1.0%		14,328	318	1.0%		14,543	323	0.9%	
Elevator Phone	300	7	0.0%	305	7	0.0%		309	7	0.0%		314	7	0.0%		318	7	0.0%		323	7	0.0%	
Taxes																							
TAX - Real Property Taxes	119,150	2,648	10.3%	120,937	2,687	9.4%		122,751	2,728	8.8%		124,593	2,769	8.5%		126,461	2,810	8.4%		128,358	2,852	8.3%	
TAX - Real Property Taxes - Increase From Sale																							
Utilities	52,855	1,175	4.6%	52,856	1,175	4.1%		53,548	1,192	3.9%		54,453	1,210	3.7%		55,270	1,228	3.7%		56,099	1,247	3.6%	
UTIL - Cable/Internet	2,774	62	0.2%	2,816	63	0.2%		2,858	64	0.2%		2,901	64	0.2%		2,944	65	0.2%		2,988	66	0.2%	
UTIL - Electric - Common	8,454	188	0.7%	8,581	191	0.7%		8,710	194	0.6%		8,840	198	0.6%		8,973	199	0.6%		9,107	202	0.6%	
UTIL - Water & Sewer	39,192	871	3.4%	39,780	884	3.1%		40,377	897	2.9%		40,982	911	2.8%		41,597	924	2.8%		42,221	938	2.7%	
Administrative/Office Expenses																							
Professional Fees																							
PROFESSIONAL FEES - ATTORNEY & TAX ADVISOR	2,500	56	0.2%	2,538	56	0.2%		2,576	57	0.2%		2,614	58	0.2%		2,653	59	0.2%		2,693	60	0.2%	
Prof. Fees - Eviction (Legal)	2,250	50	0.2%	2,284	51	0.2%		2,318	52	0.2%		2,353	52	0.2%		2,388	53	0.2%		2,424	54	0.2%	
Total Expenses	\$ 423,194	9,404	36.5%	434,803	9,662	35.8%		445,805	9,980	32.1%		455,514	10,125	31.1%		463,451	10,299	30.8%		471,540	10,479	30.5%	
Net Income	736,075	18,351	63.5%	851,928	18,932	66.2%		941,673	20,928	67.9%		1,007,726	22,394	69.9%		1,041,814	23,151	69.4%		1,076,992	23,933	69.3%	
Less: Replacement Reserves	13,500	300	1.2%	13,500	300	1.0%		13,500	300	1.0%		13,500	300	0.9%		13,500	300	0.9%		13,500	300	0.9%	
Net Operating Income (NOI)	\$ 722,575	18,057	62.3%	838,428	18,652	68.2%		928,173	20,626	68.9%		994,225	22,054	69.3%		1,026,314	22,851	68.3%		1,063,492	23,833	68.1%	
Less: Debt Service	(450,400)			(450,400)				(450,400)				(450,400)				(552,933)				(552,933)			
Net Cash Flow After Debt Service	272,175			388,028				477,773				543,826				475,381				510,589			