

SNUG HARBOR APARTMENTS, 628 HIGHWAY 3 SOUTH, LEAGUE CITY, TEXAS 77573**Class C****GALVESTON COUNTY****KM 620K****02/21/07**

This analysis assumes a new loan with a purchase price of:			\$2,300,000
Number of units:	66	Down Payment Amount:	\$460,000
Down Payment, % Price::	20%	Loan Amount	\$1,840,000
Land, sq.ft.	\$ 25.34	Price per unit:	\$34,848
Net Rentable Sq. Ft.	53017	Price / sq. ft. of building:	\$43.38
Loan constant:	7.53	Operating costs, sq.ft	\$6.08

INCOME	ACTUAL	SCHEDULED	PROFORMA
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Rent Rate		0.89	0.93
Rent		564,840	581,785
Utility Reimbursement		51,046	52,577
Other Income		24,386	25,117
Gross Income		640,272	659,480
Vacancy Rate	24%	10%	10%
Vacancy Loss		64,027	65,948
Gross Effective Income	367,000	576,244	595,453
EXPENSES			
Expenses/ft.	6.08	322,107	391,037
Expenses/unit	4,880		402,768
NET OPERATING INCOME	44,893	185,207	192,684
Debt Service		138,546	138,546
Debt Coverage Ratio (DCR)	1.39		
CASH		46,662	54,139
Cap. Rate		8.05%	8.38%
Cash on Cash return:		10.14%	11.77%

NOTE: Scheduled Rent is current rent less street vacancy. Proforma assumes a 3% increase in rents and expenses
Replacement reserve (capital expenditure) in the amount of \$250/unit. Expenses include a 4% management fee.



Allen Brothers
COMMERCIAL

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This property is subject to prior sale, change in price or removal from the market without notice.
All information is supplied from sources deemed reliable, but is not warranted, express or implied by Allen Brothers, Commercial.
Purchaser should verify all information contained herein and consult his tax and legal advisors.

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RENT SCHEDULE & UNIT MIX **2/21/2007 Proforma**

No. of Units	Type	Sq. Ft.	Total Sq. Ft.	Rents	Total Rent	Rents Sq. Ft.
41	1Br-1Ba	728	29848	655	26855	0.90
23	2Br-1-1/2Ba	903	20769	785	18055	0.87
1	2Br-2Ba	1000	1000	900	900	0.90
1	3Br-2Ba	1400	1400	1260	1260	0.90
66	AVERAGES	803		713		0.89
TOTALS			53017		47070	

COLLECTIONS:	\$27,255	Dec-06	Vacancy	24.0%
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AMENITIES			CONSTRUCTION			MORTGAGE	
Access Gates		Life Safety	Age	1964/2002	New Loan	proposed	
Alarms	✓	Mini blinds	A/C type	Individual	Balance	\$1,840,000	
✓ Cable ready		✓ Patios/balconies	Meter-Water	Master	Interest Rate	6.43%	
✓ Ceiling fans		Perimeter fence	Meter-Elec	Sub-metered	Amortization	30	
Club house		Playgrounds	Meter-Gas	Master	Payment, P&I	\$11,545.48	
Covered Parking		Pools	Roof	Pitched	Due Date	10 years	
Fireplace		Storage	Paving	Asphalt	Prepayment Penalty	yes	
Jacuzzi		Volleyball Court	Siding	Brick/Wood	Yield Maintenance		
Jogging Trail		Reading Library	Stories	2	Origination Date		
✓ Laundry room	Some---	W/D connections	Parking	81	Transfer fee		
			Buildings	3			
			Lot Size	1.88 acres			
			\$/FT2	\$28.09			

TAXES

Year:	2006				
Assessed Value:	665,350				
Taxing Authorities:	<u>Galveston</u>	<u>League City</u>	<u>CCISD</u>	<u>TOTAL</u>	
Tax Rate	0.637950	0.630000	1.745000	3.012950	
Taxes	4,245	4,192	11,610	20,047	



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Snug Harbor Rent Comparables



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DIRECTIONS: From Downtown: I-45 South to 518 East to HWY 3 South

NOTE:

DO NOT VISIT PROPERTY OR DISTURB STAFF WITHOUT AN APPOINTMENT FROM ALLEN BROTHERS, COMMERCIAL.

AS OF

Feb-07

RENT COMPARABLES

note: rents adjusted plus .15/ft2 for separate meters for 1 bed-1bath units

Property	Master	Units	Built	Unit Size	Rent/Ft2	Rent/Mo	Condition	Occ.
Snug Harbor	Master	63	1964	728	\$ 0.82	\$ 600	Good	91%
Bayou Village	Separate	108	1984	725	\$ 0.85	\$ 619	Good	90%
Torrey Pines	Separate	58	1978	745	\$ 0.81	\$ 602	Good	88%
Bayridge	Separate	125	1979	648	\$ 0.87	\$ 562	Updated 92	89%



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NOTICE: As required by the Texas Real Estate Commission, David P. Bryan, Broker for the Seller has ownership interest in this property.

**Actual
Expenses 2006 Adjustment**

<u>Date</u>	<u>Amount</u>	<u>Description</u>
2006	1276	Legal fees
2006	5,700	Accounting fees
2006	1,707	Property tax service
2006	306	Misc Admin
2006	-78	Professional fees
2006	10,000	GP Fees
Total	18,911	Total Organizational Expenses
2006	320,710	Operating Expenses
2006	20,308	Capital Improvements
2006	-18,911	less Organizational Expenses
2006	322,107	Actual Expenses incl capital

**Scheduled
Expenses**

<u>Date</u>	<u>Amount</u>	<u>Description</u>
2006	394,845	Actual Expenses adjusted for 24% vacancy
2006	-20,308	less actual Capital Improvements
2006	16,500	plus \$250x66 Units
2006	391,037	Scheduled Expenses



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