

Sources and Uses					
Sources	\$	%	Uses	\$	%
Loan Amount	\$22,350,000	99.8%	Loan Payoff	\$20,672,617	92.3%
Principal's New Cash Contribution	55,000	0.2	Reserves	1,193,694	5.3
			Closing Costs	538,690	2.4
Total Sources	\$22,405,000	100.0%	Total Uses	\$22,405,000	100.0%

- The following table presents certain information relating to the Adara Apartment Portfolio Properties:

(1) Occupancy as of 1/31/2013.

The following table presents certain information relating to historical leasing at Adara Apartment Portfolio Properties:

2011⁽²⁾

- (1) As provided by the borrower.
- (2) Occupancy reflected is the average occupancy as of December 31, for the specified year.
- (3) Occupancy reflected is the average occupancy as of October 31, for the specified year.

ADARA APARTMENT PORTFOLIO

- **Operating History and Underwritten Net Cash Flow.** The following table presents certain information relating to the historical operating performance and the Underwritten Net Cash Flow at the Adara Apartment Portfolio Properties:

Cash Flow Analysis⁽¹⁾

	2010	2011	TTM 11/30/2012	Underwritten	Underwritten \$ per Unit
Base Rent ⁽²⁾	\$4,041,166	\$4,032,023	\$4,153,624	\$4,143,695	\$8,108.99
Vacancy Loss	(674,764)	(453,705)	(344,310)	(327,115)	(640.15)
Concessions	(341,883)	(232,076)	(191,431)	(191,431)	(374.62)
Collection Loss	(35,788)	(52,707)	(25,745)	(25,745)	(50.38)
Total Rent Revenue	\$2,988,731	\$3,293,535	\$3,592,138	\$3,599,404	\$7,043.84
Other Revenue ⁽³⁾	341,866	452,279	485,957	485,957	950.99
Effective Gross Income	\$3,330,597	\$3,745,814	\$4,078,095	\$4,085,361	\$7,994.84
Total Operating Expenses	\$1,610,534	\$1,660,886	\$1,768,816	\$1,878,014	\$3,675.17
Net Operating Income	\$1,720,063	\$2,084,928	\$2,309,279	\$2,207,348	\$4,319.66
Replacement Reserves	0	0	0	229,950	450.00
Net Cash Flow	\$1,720,063	\$2,084,928	\$2,309,279	\$1,977,398	\$3,869.66

- (1) Certain items such as straight line rent, interest expense, interest income, depreciation, amortization, debt service payments and any other non-recurring or non-operating items were excluded from the historical presentation and are not considered for the underwritten cash flows.
- (2) Underwritten base rent is based on the 1/31/2013 rent roll with recurring concessions and actual loss to lease deducted based on TTM recurring concessions. Vacant units have been grossed up to market rents.
- (3) Other revenue includes administrative fee revenue, application fee revenue, pet fee revenue, damage/cleaning/unit maintenance fee revenue, late/termination fee revenue, vending revenue and other miscellaneous revenue.