IREA

Isenberg Real Estate Advisors

New Horizons Investment Pitch

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Contents

Property Overview

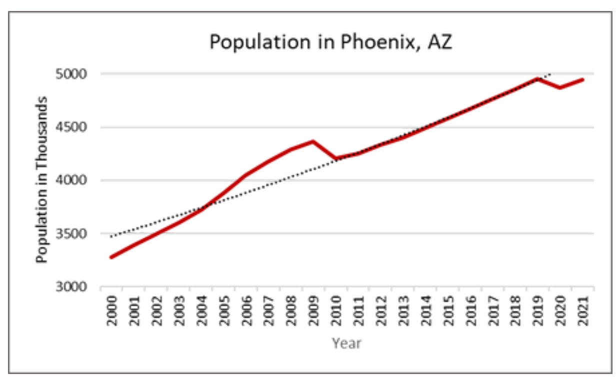
The subject property located at 1510 North 48th Street in Phoenix, Arizona. It is a class Class C 51-unit garden-style multifamily community in East Phoenix. The property was originally built in 1985 and considered a three star low-rise apartment. Current ownership has renovated 10% of the units with premium finishes consisting of energy-efficient stainless steel appliances, shaker-style cabinetry, quartz countertops, faux vinyl wood flooring, modern bathroom vanities, updated interior paint and hardware, and in-suite washers/dryers.

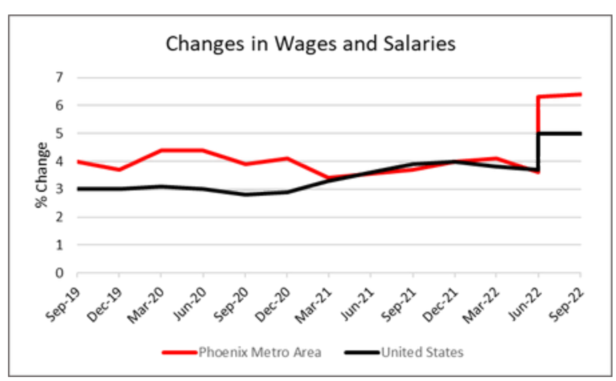
Thesis

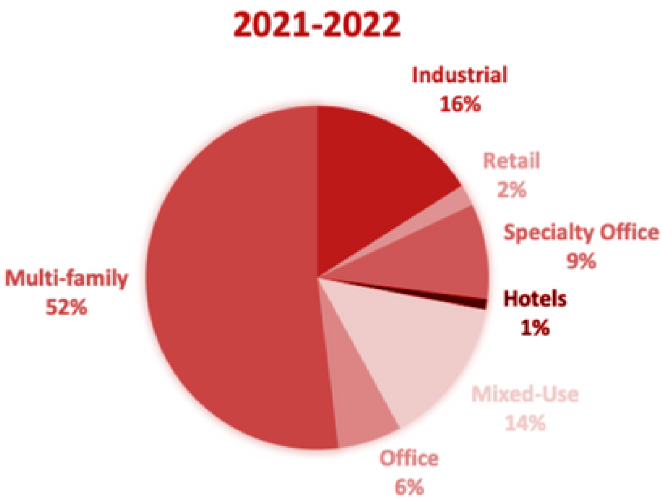
Our thesis is to take this value-add strategy on this Class C multifamily property in a market with high potential rent growth. Our goal is to renovate our property within the first two years and stabilize out property by year three. Our goal will then be to hold for 10 years to realize as much profit as possible and sell.

Catalysts

The three main catalysts in Phoenix that led us to want to invest there are investor friendly environment, population growth, and the value-add renovations. Phoenix is a substantial state to invest in comparing the tax rates to other popular states. The average tax rate is currently at .66%. When looking at other hot markets such as Florida, California, New York, and Georgia the tax rates range from .79-1.72%, which is significantly higher taxation. Phoenix is the 5th biggest US city population wise and has an average growth rate of 1.83% over the past ten years. It is also located in the sun-belt region which continues to see substantial population growth since the 1960s from an influx of people seeking a warmer climate and growing economic opportunities. The region is very business-friendly environment with less strict regulations and lower taxes. The property will increase in value once renovations will be completed in two years. The property will have a full 100% renovation on all 51 units. All these factors have made Phoenix a great market to invest in.





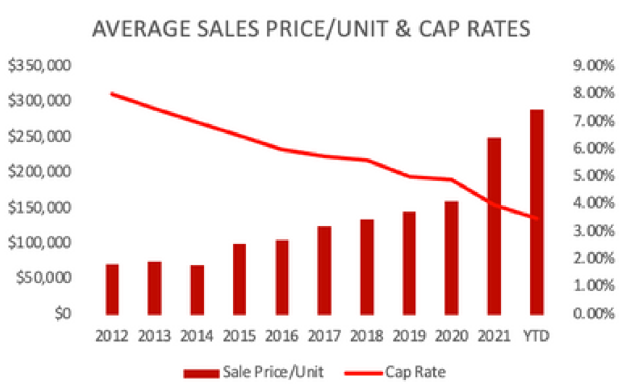


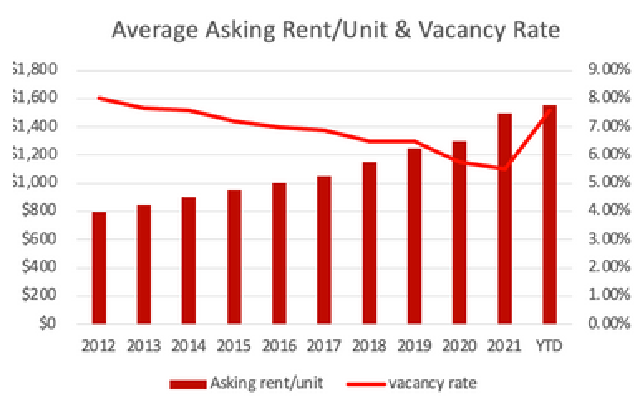
Multifamily Overview

There has been a major increase in multifamily properties over the past year with new redevelopment, given the rise in pricing of single family homes combined with the housing shortage we are facing . There has been an increase of 12,198 new units completed which is record number for a 12 month span expanding 2.6%. Rent growth has continued to increase as, Q3 rent growth climbed over 10.7% year over year. The average asking rent is $1,718 nationally, which continues to go up as demand stabilizes. Multifamily investment activity up to date has nearly $240 billion in sales. It is on pace to reach $317 by the end of 2022. Cap rates currently are sitting low around 4.6%, which is down slightly from 4.9% in 2021. Multifamily investment continues to have the lowest cap rates off all the asset classes, continuing to show its consistent stability and returns.

Market Overview

Phoenix is the 5th biggest US city and has a current population of 4,652, 000. With this comes a strong demand for multifamily properties. The average vacancy rates sit around 7.6%, which is low considering the new construction taking place in the city. Q3 in Phoenix saw an 18% rental growth, while the average national rental growth was 10.7% year-over-year. Average cap rates in the Phoenix market sit at about 4.1-4.7%, which are lined up with the average multifamily rates. Phoenix received the highest share of capital over the trailing 12 months, accounting for nearly 22% of all year-to-date volume, continuing to show investor demand and confidence in the area. East Phoenix remains as one of the strongest core multifamily submarkets in Metro Phoenix. Average submarket rents are $1,676 comparing to Class C at 1,406 and class B at $1,663.





Risks

Every investment comes risks and ours is no outlier. We foresee three main risks: slowing rent growth, CPI eating into our tenants incomes, and an increase in supply within the area. With the boom of commercial real estate's performance from 2020-2021, a come down was to be expected. The rent index has continued to fall by 1% nationally for the past 3 months, which many experts think is an indication of price correction and a market cool-down. This will pose a challenge for us, but to mitigate our risk, we are going to slow rent growth in the first few years and long hold period in order to maximize returns and to wait out the upcoming recession. CPI is up due to inflation running rampant leading tenant's disposable incomes to be chipped away at. Consumers do not have the money that they used to and trends are showing a slow down in spending. This could make it difficult to increase rents, but with having a lower rent compared to our competitors we can mitigate this risk and remain competitive in the market given our premium units. Lastly, one major trend that we are encountering is the robust pipeline of development within the Phoenix area, with 29,000 units currently underway. With this we will begin to see an increase in supply, making the pool of competitors much larger. Through our research though, we believe that we can begin to mitigate this risk through our move from a Class C asset to a Class B asset, having our newly updated units speak for themselves. Much of the pipeline is filled with Class A assets demanding extremely high rents and we believe we are well positioned to attract tenants in need of a more modest rent.

Assumptions

Our Guidelines	
LTV	60%
Annual Interest Rate	6.25%
Monthly Interest Rate	0.521%
Amortization Period	30
Term	10
Amortization Period (Months)	360
Prepayment Penalty	3%
LP Preferred Return	8%
GP Contribution	10%
LP Contribution	90%
GP Promote	25%
LP Promote	75%
SF	48450
Avg SF of unit	950
# of units	51

Our Group Assumptions	
Purchase Price	$8,200,000
Value Add Cost	$705,921
Acquistion Cost	$8,905,921
Loan Value	$4,920,000
GP Equity	$398,592
LP Equity	$3,587,329
Montly Payment	$30,293.29
Yearly Payment	$363,519.44
Exit Cap Rate	4.75%
Sale Price	$ 18,511,364.24

Pro Forma

	2022 Year 0	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6	2029 Year 7	2030 Year 8	2031 Year 9	2032 Year 10	2033 Year 11
Potential Gross Income		$ 865,800	$ 929,880	$ 996,623	$ 1,021,538	$ 1,047,077	$ 1,073,254	$ 1,100,085	$ 1,127,587	$ 1,155,777	$ 1,184,671	$ 1,214,288
Vacancy		$ 303,030	$ 325,458	$ 49,831	$ 51,077	$ 52,354	$ 53,663	$ 55,004	$ 56,379	$ 57,789	$ 59,234	$ 60,714
Credit Loss		$ 17,316	$ 18,598	$ 19,932	$ 20,431	$ 20,942	$ 21,465	$ 22,002	$ 22,552	$ 23,116	$ 23,693	$ 24,286
Effective Gross Income		$ 545,454	$ 585,824	$ 926,859	$ 950,031	$ 973,782	$ 998,126	$ 1,023,079	$ 1,048,656	$ 1,074,873	$ 1,101,744	$ 1,129,288
Expense Reimbursements		$ 34,661	$ 35,528	$ 36,416	$ 37,326	$ 38,259	$ 39,216	$ 40,196	$ 41,201	$ 42,231	$ 43,287	$ 44,369
Total Operating Revenue		$ 580,115	$ 621,352	$ 963,275	$ 987,357	$ 1,012,041	$ 1,037,342	$ 1,063,275	$ 1,089,857	$ 1,117,104	$ 1,145,031	$ 1,173,657
Operating Expenses												
General & Administrative		$ 43,605	$ 44,695	$ 45,813	$ 46,958	$ 48,132	$ 49,335	$ 50,568	$ 51,833	$ 53,128	$ 54,457	$ 55,818
Payroll		$ 27,617	$ 28,307	$ 29,015	$ 29,740	$ 30,483	$ 31,246	$ 32,027	$ 32,827	$ 33,648	$ 34,489	$ 35,351
Water		$ 24,225	$ 24,831	$ 25,451	$ 26,088	$ 26,740	$ 27,408	$ 28,094	$ 28,796	$ 29,516	$ 30,254	$ 31,010
Utilities		$ 35,369	$ 36,253	$ 37,159	$ 38,088	$ 39,040	$ 40,016	$ 41,017	$ 42,042	$ 43,093	$ 44,170	$ 45,275
Repairs & Maintenance		$ 48,935	$ 50,158	$ 51,412	$ 52,697	$ 54,015	$ 55,365	$ 56,749	$ 58,168	$ 59,622	$ 61,112	$ 62,640
Insurance		$ 10,175	$ 10,429	$ 10,690	$ 10,957	$ 11,231	$ 11,512	$ 11,799	$ 12,094	$ 12,397	$ 12,707	$ 13,024
Taxes		$ 21,698	$ 22,241	$ 22,797	$ 23,367	$ 23,951	$ 24,549	$ 25,163	$ 25,792	$ 26,437	$ 27,098	$ 27,775
Marketing		$ 11,602	$ 12,427	$ 19,266	$ 19,747	$ 20,241	$ 20,747	$ 21,266	$ 21,797	$ 22,342	$ 22,901	$ 23,473
Total Operating Expenses		$ 223,224	$ 229,340	$ 241,601	$ 247,641	$ 253,832	$ 260,178	$ 266,682	$ 273,349	$ 280,183	$ 287,188	$ 294,367
Net Operating Income		$ 356,891	$ 392,012	$ 721,674	$ 739,716	$ 758,209	$ 777,164	$ 796,593	$ 816,508	$ 836,921	$ 857,844	$ 879,290
Debt Service		$ 295,200	$ 295,200	$ 295,200	$ 363,519	$ 363,519	$ 363,519	$ 363,519	$ 363,519	$ 363,519	$ 363,519	
Remaining Principal Balance											$ 4,327,477	
Capital Expenditures		$ 17,845	$ 19,601	$ 36,084	$ 36,986	$ 37,910	$ 38,858	$ 39,830	$ 40,825	$ 41,846	$ 42,892	$ 43,964
Management Fee		$ 17,403	$ 18,641	$ 28,898	$ 29,621	$ 30,361	$ 31,120	$ 31,898	$ 32,696	$ 33,513	$ 34,351	$ 35,210
Reversion Sale Price											$ 18,511,364	
Property Before Tax Cash Flow from Operations		$ 26,443	$ 58,571	$ 361,492	$ 309,590	$ 326,418	$ 343,666	$ 361,346	$ 379,467	$ 398,042	$ 417,081	
Property Before Tax Cash Flow	$ (3,985,921)	$ 26,443	$ 58,571	$ 361,492	$ 309,590	$ 326,418	$ 343,666	$ 361,346	$ 379,467	$ 398,042	$ 14,600,968	
DSCR		1.21x	1.33x	2.44x	2.03x	2.09x	2.14x	2.19x	2.25x	2.30x	2.36x	
Unlevered Cash Flow												
Purchase Price	$8,905,921											
Closing Costs											$ (925,568)	
Sale Price											$ 18,511,364	
Total Unlevered Cash Flow	($8,905,921)	$ 321,643	$ 353,771	$ 656,692	$ 673,109	$ 689,937	$ 707,186	$ 724,865	$ 742,987	$ 761,562	$ 18,366,397	
IRR	12%											

Exit Cap Rate	**4.75%**
IRR	**17%**

Pro Forma Assumptions		
Vacancy		2.5%
Y1-Y2		35%
Y3-Y10		5%
Credit Loss		2%
Individually Metered Reimbursements		98%
Leasing Comissions		2%
Cap Ex Post Stabilization		5%
Building SF		48,450
Management Fee		3%
Expenses PSF for Class B Buildings per *CoStar*		
General & Administrative	$	0.90
Payroll	$	0.57
Water	$	0.50
Utilities	$	0.73
Repairs & Maintenance	$	1.01
Insurance	$	0.21
Closing Costs		5%
Marketing		2%

Rent Roll

	Monthly Rent										
Unit	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 11 2033
2 Bd/ 2 BA (Non-Renovated)	$ 1,400	$ 1,435	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Bd/ 2 BA (Renovated)	$ 1,550	$ 1,589	$ 1,628	$ 1,669	$ 1,711	$ 1,754	$ 1,798	$ 1,842	$ 1,889	$ 1,936	$ 1,984
Monthly Total	$ 72,150	$ 77,490	$ 83,052	$ 85,128	$ 87,256	$ 89,438	$ 91,674	$ 93,966	$ 96,315	$ 98,723	$ 101,191
Yearly Total	$ 865,800	$ 929,880	$ 996,623	$1,021,538	$1,047,077	$1,073,254	$1,100,085	$1,127,587	$1,155,777	$1,184,671	$1,214,288

Rent Roll Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
# of Units	51	51	51	51	51	51	51	51	51	51	51
Non-Renovated	46	23	0	0	0	0	0	0	0	0	0
Renovated	5	28	51	51	51	51	51	51	51	51	51
Rent Growth	2.5%										

Levered Waterfall

Property Level Cash Flow				Years	0	1	2	3	4	5	6	7	8	9	10
Cash Flow (From Pro Forma Bottom Line)					$ (3,985,920.60)	$ 26,442.68	$ 58,571.13	$ 361,492.13	$ 309,590.00	$ 326,417.73	$ 343,666.16	$ 361,345.80	$ 379,467.44	$ 398,042.11	$14,600,968.04
IRR					17.38%										
Equity Multiple					4.31										
Hurdle 1 - Prefered Return and Return of Capital				Years	0	1	2	3	4	5	6	7	8	9	10
Beginning Balance (LP Capital Account)						$ 3,587,328.54	$ 3,850,516.41	$ 4,105,843.71	$ 4,108,968.29	$ 4,159,054.75	$ 4,198,003.17	$ 4,224,543.88	$ 4,237,296.16	$ 4,234,759.17	$ 4,215,302.00
LP Req'd Return to hit Hurdle 1	8%				$ -	$ 286,986.28	$ 308,041.31	$ 328,467.50	$ 328,717.46	$ 332,724.38	$ 335,840.25	$ 337,963.51	$ 338,983.69	$ 338,780.73	$ 337,224.16
Contribution from LP	90%				$ 3,587,328.54	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to LP (LP Capital Account)	90%				$ -	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 4,552,526.16
Ending Balance (LP Capital Account)					$ 3,587,328.54	$ 3,850,516.41	$ 4,105,843.71	$ 4,108,968.29	$ 4,159,054.75	$ 4,198,003.17	$ 4,224,543.88	$ 4,237,296.16	$ 4,234,759.17	$ 4,215,302.00	$ -
LP IRR Error Check	8%	8%		Net CF	$ (3,587,328.54)	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 4,552,526.16
Contributions from GP	10%				$ 398,592.06	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distribution to GP	10%				$ -	$ 2,644.27	$ 5,857.11	$ 36,149.21	$ 30,959.00	$ 32,641.77	$ 34,366.62	$ 36,134.58	$ 37,946.74	$ 39,804.21	$ 505,836.24
GP IRR Error Check	8%	8%		Net CF	$ (398,592.06)	$ 2,644.27	$ 5,857.11	$ 36,149.21	$ 30,959.00	$ 32,641.77	$ 34,366.62	$ 36,134.58	$ 37,946.74	$ 39,804.21	$ 505,836.24
Total Distributions					$ -	$ 26,442.68	$ 58,571.13	$ 361,492.13	$ 309,590.00	$ 326,417.73	$ 343,666.16	$ 361,345.80	$ 379,467.44	$ 398,042.11	$ 5,058,362.40
Cash Flow Remaining					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,542,605.64
Hurdle 2				Years	0	1	2	3	4	5	6	7	8	9	10
Beginning Balance (LP Capital Account)					$ -	$ 3,587,328.54	$ 3,994,009.55	$ 4,420,576.69	$ 4,625,702.97	$ 4,902,156.33	$ 5,196,639.12	$ 5,510,936.27	$ 5,847,037.40	$ 6,207,161.20	$ 6,593,782.64
LP Req'd Return to hit Hurdle 2	12%			`	$ -	$ 430,479.42	$ 479,281.15	$ 530,469.20	$ 555,084.36	$ 588,258.76	$ 623,596.69	$ 661,312.35	$ 701,644.49	$ 744,859.34	$ 791,253.92
Contributions from LP					$ 3,587,328.54	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prior Distributions					$ -	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 4,552,526.16
Distributions to LP (Hurdle 2)	75%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,832,510.40
Ending Balance					$ 3,587,328.54	$ 3,994,009.55	$ 4,420,576.69	$ 4,625,702.97	$ 4,902,156.33	$ 5,196,639.12	$ 5,510,936.27	$ 5,847,037.40	$ 6,207,161.20	$ 6,593,782.64	$ -
LP IRR Error Check	12%	12%		Net CF	$ (3,587,328.54)	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 7,385,036.56
Contributions from GP					$ 398,592.06	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to GP	25%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 944,170.13
Total Distributions					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,776,680.53
Cash Flow Remaining					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,765,925.11
Hurdle 3															
Distributions to LP	60%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,459,555.06
Distributions to GP	40%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,306,370.04
Total Distributions															

GP Cash Flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 4,012,879.93		$ -	$ 2,644.27	$ 5,857.11	$ 36,149.21	$ 30,959.00	$ 32,641.77	$ 34,366.62	$ 36,134.58	$ 37,946.74	$ 39,804.21	$ 3,756,376.42
Contributions	$ 398,592.06		$ 398,592.06	$ -	$ -	$ -	$ -	$ -					
Net Cash Flow	$ 3,614,287.87		$ (398,592.06)	$ 2,644.27	$ 5,857.11	$ 36,149.21	$ 30,959.00	$ 32,641.77	$ 34,366.62	$ 36,134.58	$ 37,946.74	$ 39,804.21	$ 3,756,376.42
IRR	27.55%												
Equity Multiple	10.07												
LP Cash flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 13,153,123.29		$ -	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 10,844,591.63
Contributions	$ 3,587,328.54		$ 3,587,328.54	$ -	$ -	$ -	$ -	$ -					
Net Cash Flow	$ 9,565,794.75		$ (3,587,328.54)	$ 23,798.41	$ 52,714.01	$ 325,342.92	$ 278,631.00	$ 293,775.96	$ 309,299.55	$ 325,211.22	$ 341,520.69	$ 358,237.90	$ 10,844,591.63
IRR	15.52%												
Equity Multiple	3.67												
IREA Cash flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 183,327.55		$ -	$ 331.70	$ 734.73	$ 4,534.61	$ 3,883.54	$ 4,094.63	$ 4,311.00	$ 4,532.78	$ 4,760.10	$ 4,993.10	$ 151,151.36
Contributions	$ 50,000.00		$ 50,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow	$ 133,327.55		$ (50,000.00)	$ 331.70	$ 734.73	$ 4,534.61	$ 3,883.54	$ 4,094.63	$ 4,311.00	$ 4,532.78	$ 4,760.10	$ 4,993.10	$ 151,151.36
IRR	15.52%												
Equity Multiple	3.67												

Unlevered Waterfall

Property Level Cash Flow				Years	0	1	2	3	4	5	6	7	8	9	10
Cash Flow (From Pro Forma Bottom Line)					$ (8,905,920.60)	$321,643	$353,771	$656,692	$673,109	$689,937	$707,186	$724,865	$742,987	$761,562	$18,366,397
IRR					12.19%										
Equity Multiple					2.69										
Hurdle 1 - Prefered Return and Return of Capital				Years	0	1	2	3	4	5	6	7	8	9	10
Beginning Balance (LP Capital Account)						$ 8,015,328.54	$ 8,367,076.41	$ 8,718,048.51	$ 8,824,469.47	$ 8,924,628.54	$ 9,017,655.37	$ 9,102,600.76	$ 9,178,430.11	$ 9,244,016.33	$ 9,298,132.25
LP Req'd Return to hit Hurdle 1	8%				$ -	$ 641,226.28	$ 669,366.11	$ 697,443.88	$ 705,957.56	$ 713,970.28	$ 721,412.43	$ 728,208.06	$ 734,274.41	$ 739,521.31	$ 743,850.58
Contribution from LP	90%				$ 8,015,328.54	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to LP (LP Capital Account)	90%				$ -	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 10,041,982.83
Ending Balance (LP Capital Account)					$ 8,015,328.54	$ 8,367,076.41	$ 8,718,048.51	$ 8,824,469.47	$ 8,924,628.54	$ 9,017,655.37	$ 9,102,600.76	$ 9,178,430.11	$ 9,244,016.33	$ 9,298,132.25	$ -
LP IRR Error Check	8%	8%		Net CF	$ (8,015,328.54)	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 10,041,982.83
Contributions from GP	10%				$ 890,592.06	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distribution to GP	10%				$ -	$ 32,164.27	$ 35,377.11	$ 65,669.21	$ 67,310.94	$ 68,993.72	$ 70,718.56	$ 72,486.52	$ 74,298.69	$ 76,156.15	$ 1,115,775.87
GP IRR Error Check	8%	8%		Net CF	$ (890,592.06)	$ 32,164.27	$ 35,377.11	$ 65,669.21	$ 67,310.94	$ 68,993.72	$ 70,718.56	$ 72,486.52	$ 74,298.69	$ 76,156.15	$ 1,115,775.87
Total Distributions					$ -	$ 321,642.68	$ 353,771.13	$ 656,692.13	$ 673,109.43	$ 689,937.17	$ 707,185.60	$ 724,865.24	$ 742,986.87	$ 761,561.54	$ 11,157,758.70
Cash Flow Remaining					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,208,637.91
Hurdle 2				Years	0	1	2	3	4	5	6	7	8	9	10
Beginning Balance (LP Capital Account)					$ -	$ 8,015,328.54	$ 8,687,689.55	$ 9,411,818.29	$ 9,950,213.56	$ 10,538,440.70	$ 11,182,110.13	$ 11,887,496.31	$ 12,661,617.15	$ 13,512,323.02	$ 14,448,396.40
LP Req'd Return to hit Hurdle 2	12%			`	$ -	$ 961,839.42	$ 1,042,522.75	$ 1,129,418.19	$ 1,194,025.63	$ 1,264,612.88	$ 1,341,853.22	$ 1,426,499.56	$ 1,519,394.06	$ 1,621,478.76	$ 1,733,807.57
Contributions from LP					$ 8,015,328.54	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prior Distributions					$ -	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 10,041,982.83
Distributions to LP (Hurdle 2)	75%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,406,478.43
Ending Balance					$ 8,015,328.54	$ 8,687,689.55	$ 9,411,818.29	$ 9,950,213.56	$ 10,538,440.70	$ 11,182,110.13	$ 11,887,496.31	$ 12,661,617.15	$ 13,512,323.02	$ 14,448,396.40	$ 733,742.70
LP IRR Error Check	12%	12%		Net CF	$ (8,015,328.54)	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 15,448,461.26
Contributions from GP					$ 890,592.06	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to GP	25%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,802,159.48
Total Distributions					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,208,637.91
Cash Flow Remaining					$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hurdle 3															
Distributions to LP	60%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to GP	40%				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Distributions															

GP Cash Flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 3,481,110.53		$ -	$ 32,164.27	$ 35,377.11	$ 65,669.21	$ 67,310.94	$ 68,993.72	$ 70,718.56	$ 72,486.52	$ 74,298.69	$ 76,156.15	$ 2,917,935.35
Contributions	$ 890,592.06		$ 890,592.06	$ -	$ -	$ -	$ -	$ -					
Net Cash Flow	$ 2,590,518.47		$ (890,592.06)	$ 32,164.27	$ 35,377.11	$ 65,669.21	$ 67,310.94	$ 68,993.72	$ 70,718.56	$ 72,486.52	$ 74,298.69	$ 76,156.15	$ 2,917,935.35
IRR	16.52%												
Equity Multiple	3.91												
LP Cash flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 20,517,037.87		$ -	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 15,448,461.26
Contributions	$ 8,015,328.54		$ 8,015,328.54	$ -	$ -	$ -	$ -	$ -					
Net Cash Flow	$ 12,501,709.33		$ (8,015,328.54)	$ 289,478.41	$ 318,394.01	$ 591,022.92	$ 605,798.49	$ 620,943.45	$ 636,467.04	$ 652,378.72	$ 668,688.18	$ 685,405.39	$ 15,448,461.26
IRR	11.59%												
Equity Multiple	2.56												
IREA Cash flow		Years	0	1	2	3	4	5	6	7	8	9	10
Distributions	$ 127,986.26		$ -	$ 1,805.78	$ 1,986.16	$ 3,686.83	$ 3,779.00	$ 3,873.47	$ 3,970.31	$ 4,069.57	$ 4,171.31	$ 4,275.59	$ 96,368.23
Contributions	$ 50,000.00		$ 50,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow	$ 77,986.26		$ (50,000.00)	$ 1,805.78	$ 1,986.16	$ 3,686.83	$ 3,779.00	$ 3,873.47	$ 3,970.31	$ 4,069.57	$ 4,171.31	$ 4,275.59	$ 96,368.23
IRR	11.59%												
Equity Multiple	2.56												