

Madison Apartments

*727 West Madison Street Chicago,
Illinois*

Meet the Team



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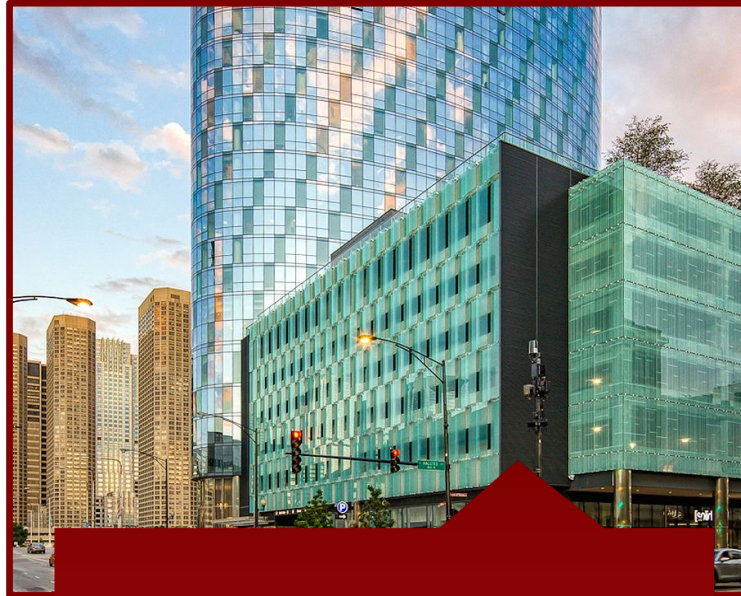
Risks and Mitigants

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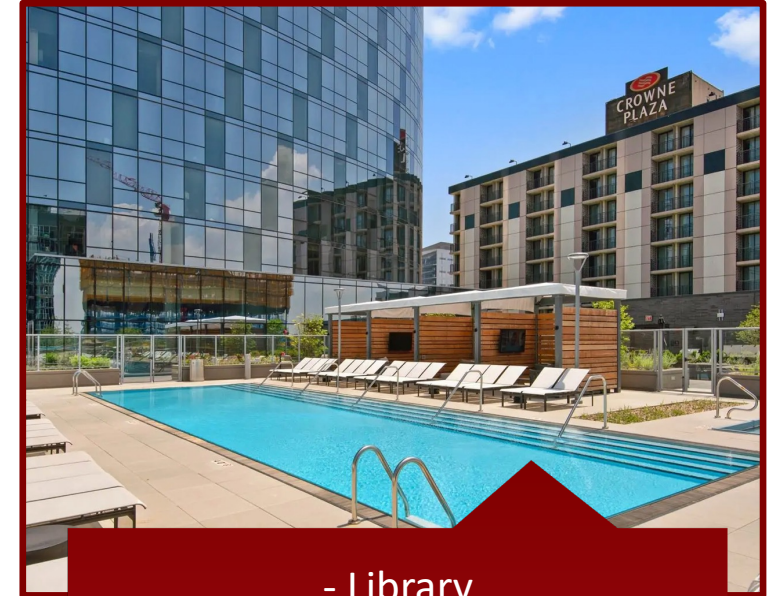
Financial Statements



- Class A Mixed-Use Property
- 492 Units
- 45 Stories High
- Built in 2018
- Rentable SF 387,305
- 91% Occupied



- On-Site Retail
- 10,590 SF
- 3,547 SF Vacant
- 67% Occupied
- Tenants Under NNN Lease
- Current Tenants: AT&T, Chase Bank, Solidcore



- Library
- Game Room (pool table & golf simulator)
- Sky Lounge and Private Rooftop
- Private Conference & Party Rooms
- Fitness Center with Yoga Studio
- TV/Media Theater
- Swimming Pool & Spa

Property Overview - Amenities

Game Room



Library



Sky Lounge



Golf Simulator




Fitness Center



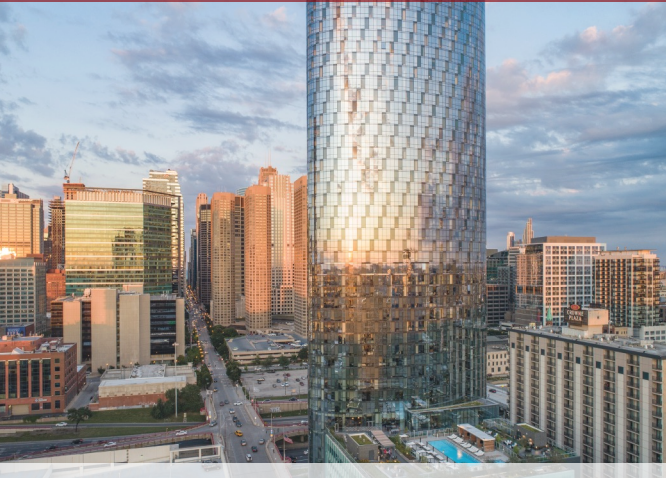
Award-Winning and Appeal

Pristine Chicago Asset



- Awarded Best New Building
- 5 Star Resident Reviews

Desirable Location



- Top 20 Coolest Neighborhoods Nationwide
- 98 Walk Score - Minutes Away

Chicago's Best



- 180,000 avg. Household income
 - 20% Rent to Income
- Recession Resistant Employers

No. 3
Food and Drink City



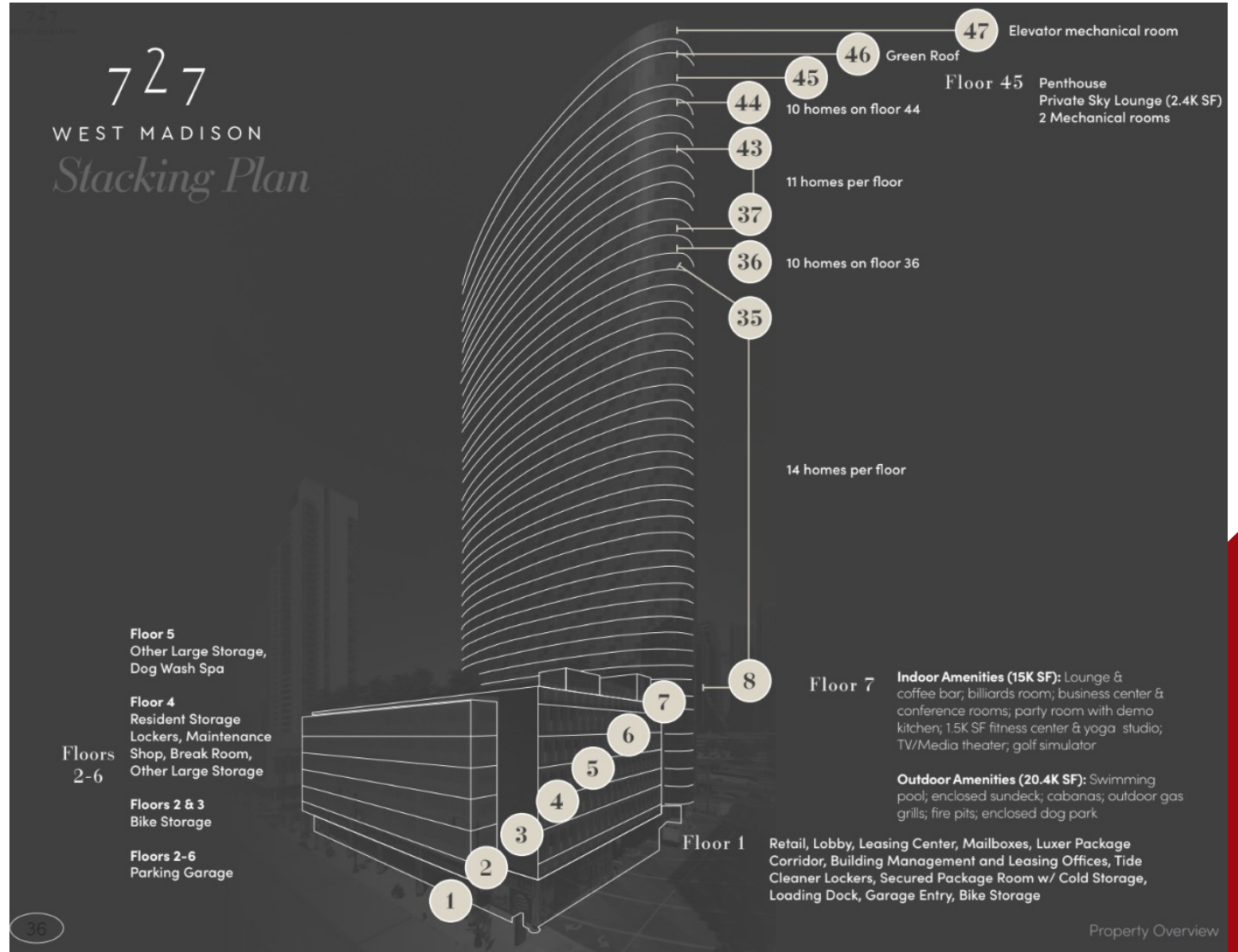
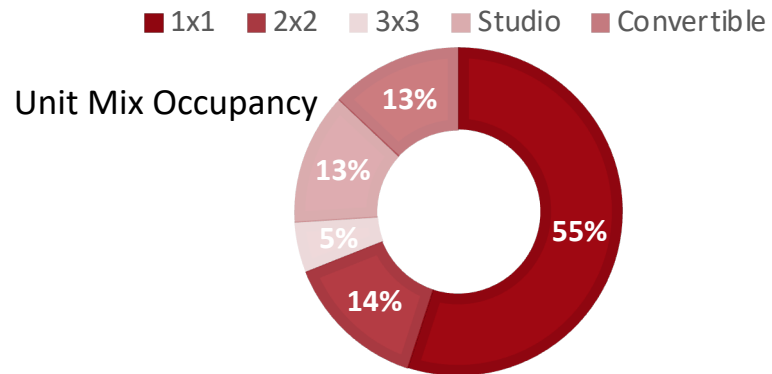
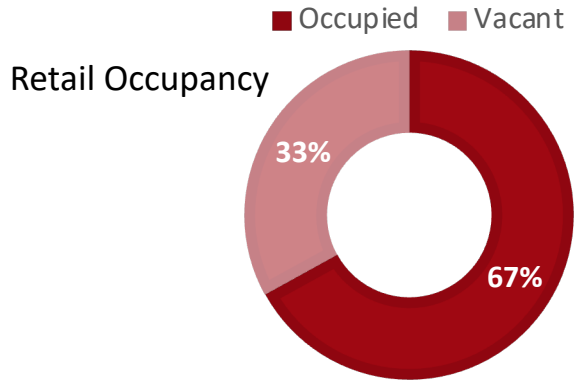
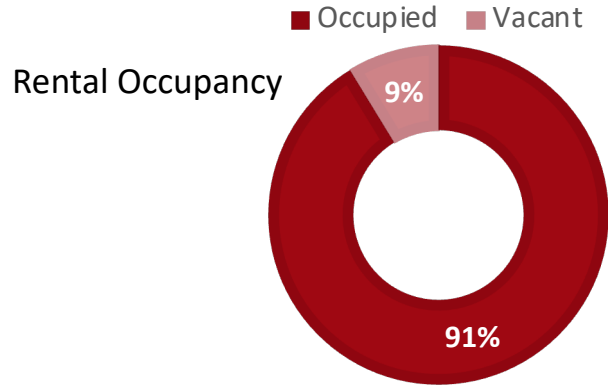
Top 10
U.S. Tech Hub



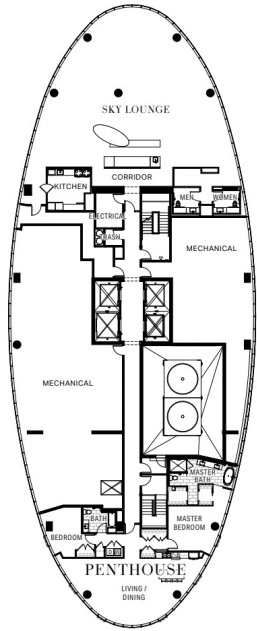
No. 10
Rank for Most Attractive
Business District (2020)



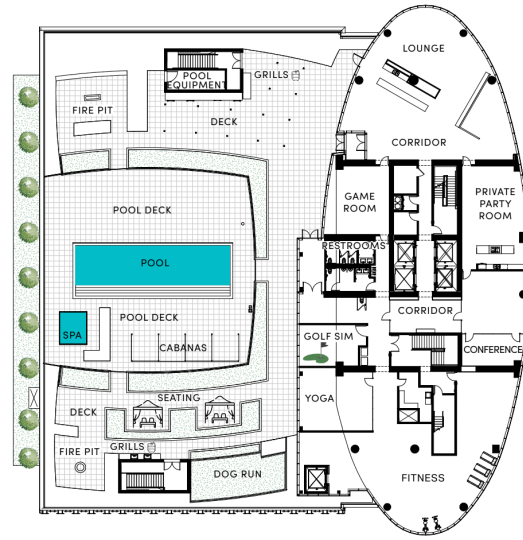
No.1
City to Relocate
Corporate HQ



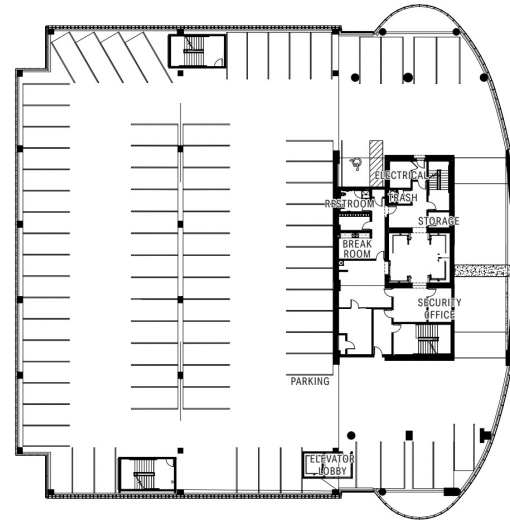
Sky Lounge and Penthouse



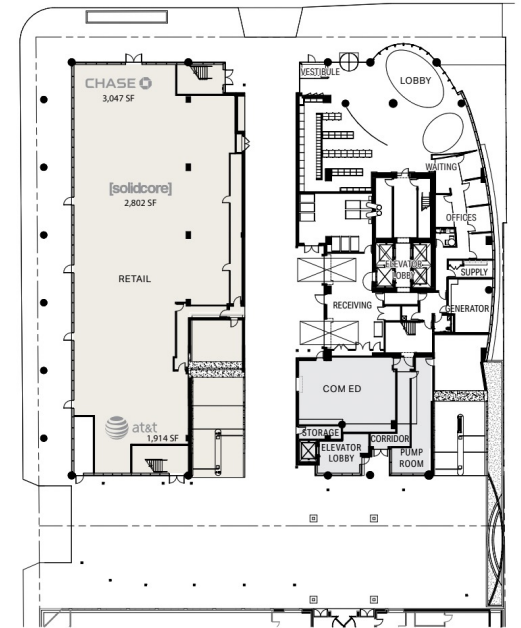
Floor 7 "Amenity Floor"



On-Site Parking



Ground Level On-Site Retail



Recession Proof

Tenant Quality

Desirable

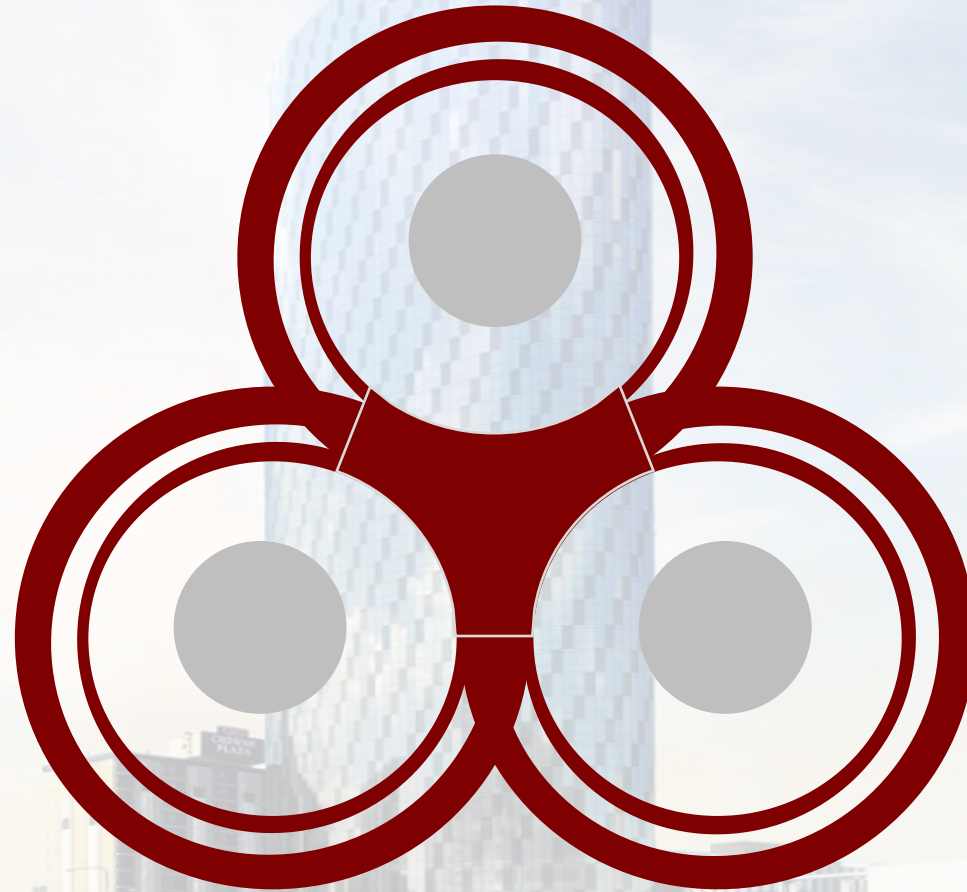


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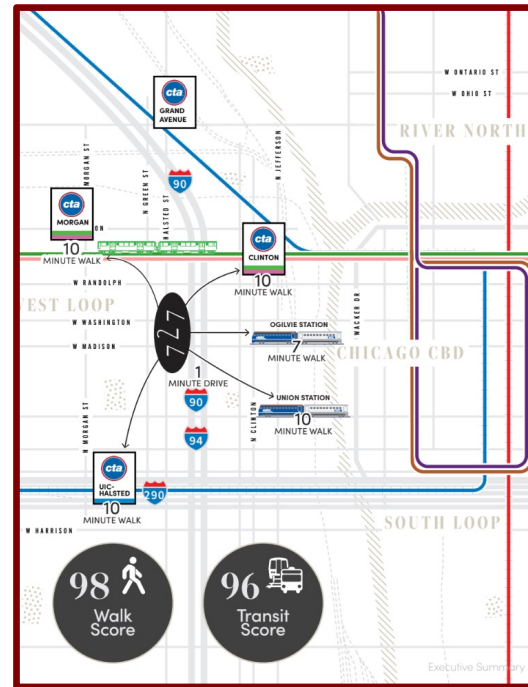
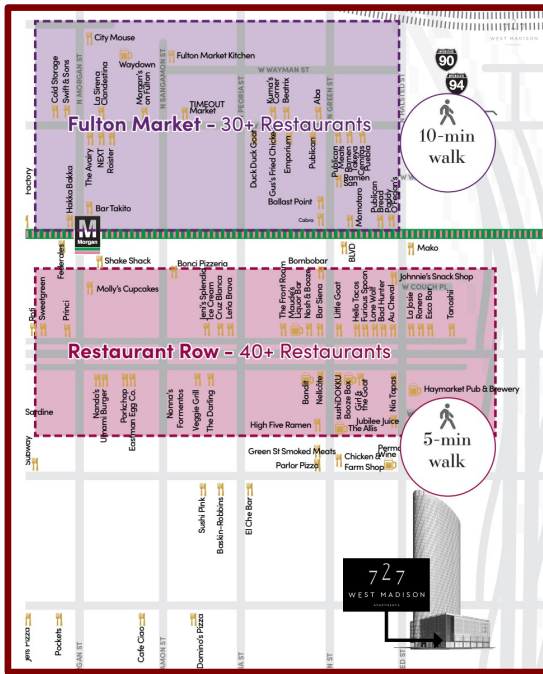
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Financial Statements

Location



West Loop, Chicago
Fulton Market

98 Walk Score
96 Transit Score
Close Retail Market
Proximity

25% Walk to Work
48% of Residents
Within a 15 Minute
Commute

“An explosion of excellent eateries has taken over this former industrial area, turning the historic warehouses into some of the city's hottest restaurants”



West Loop

- 3.9 Million SF of Office
- Top companies
- “West Loop population has grown 83% since 2010, but the Class A inventory has grown just 23%”



Fulton Market

- 560k SF of Office Space
- Top 20 Coolest Neighborhood in 2018
- Average Household Income: \$147,368
- 96% White Collar Workers



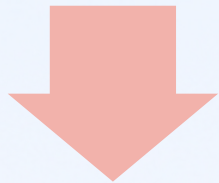
Illinois Medical District

- Largest Medical District in the U.S.
- 4 Hospitals
- 5 Minute Drive from West Loop

“The West Loop has quickly become Chicago’s largest office submarket featuring the city’s newest towers, excellent public transportation, and a dynamic new Riverwalk.”

Economic Leader

- Home to 35 Fortune 500 Companies
- Chicago Cumulates 4% of U.S. GDP
- Extremely Diverse



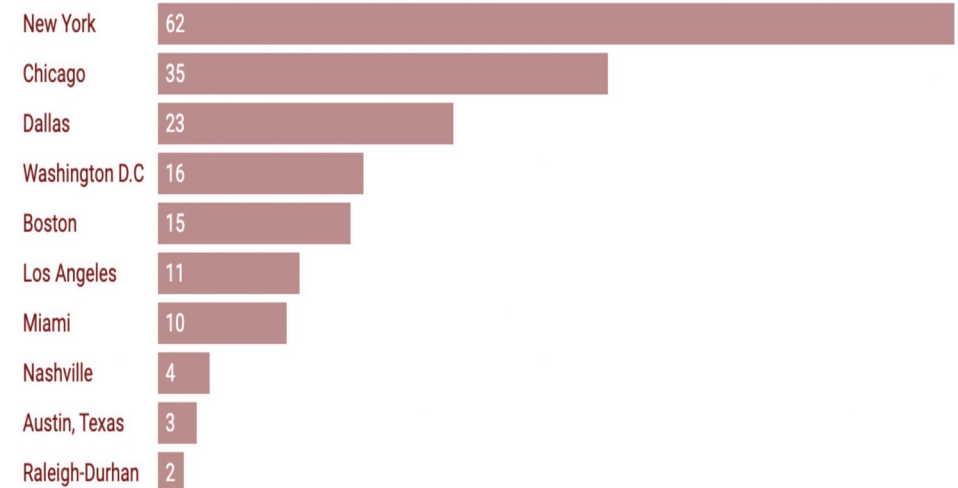
Employment

- 150,000 Jobs Added in the Past Year
- 4.3% Unemployment Rate



Who hosts the most Fortune 500 companies

Metro areas with the most Fortune 500 headquarters

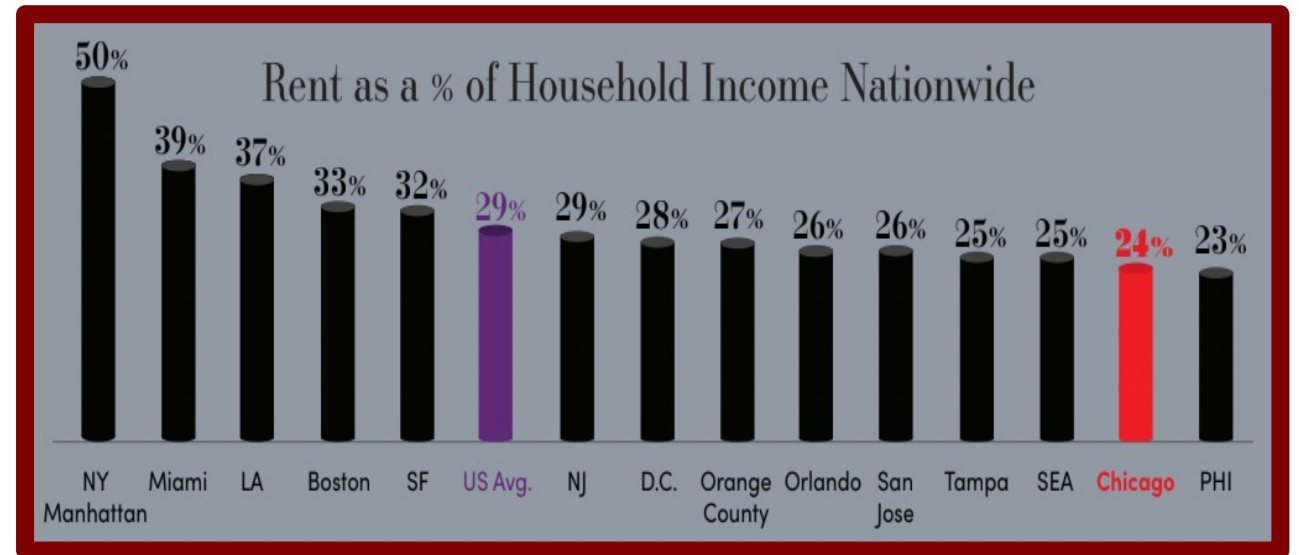
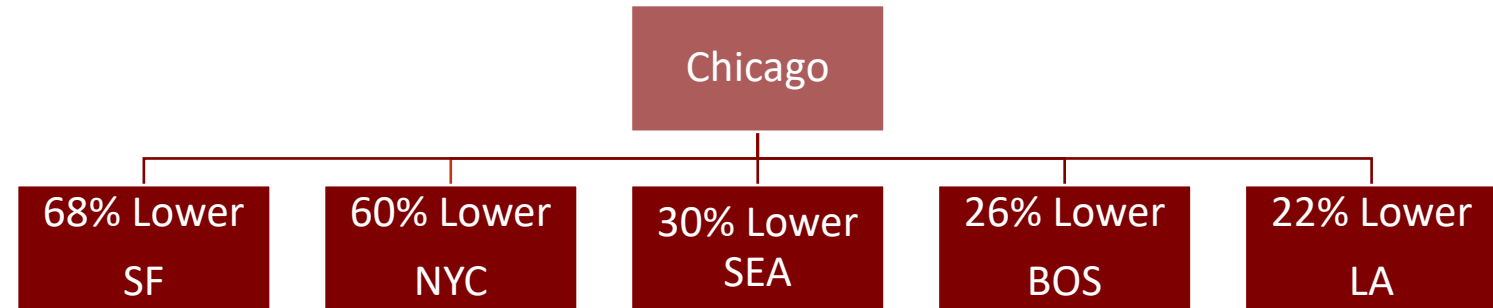


GDP Contribution Rank by City

- No. 1 NYC
- No. 2 LA
- No. 3 CHI
- No. 4 SF
- No. 8 BOS
- No. 9 SEA

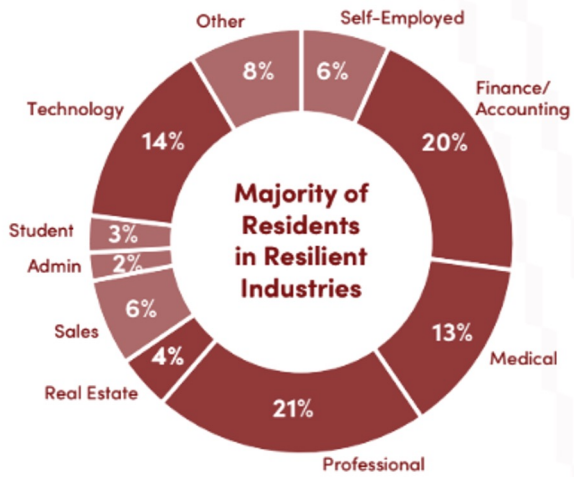
- Chicago's cost of living is sufficiently lower when compared to other competing metros

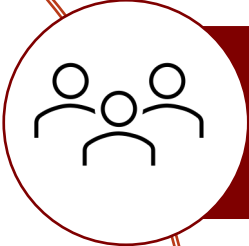
Affordability Comparisons





Demographics - Population

Resident Employment



- 

Population: 46,000
Avg. 34 Years Old
Avg. Household Income of \$180,000 in West Loop
- 

86% College Educated
98.88% of West Loop Employed in White Collar Jobs
- 

54.7% Rent in Entirety of Chicago
65% Rent in West Loop



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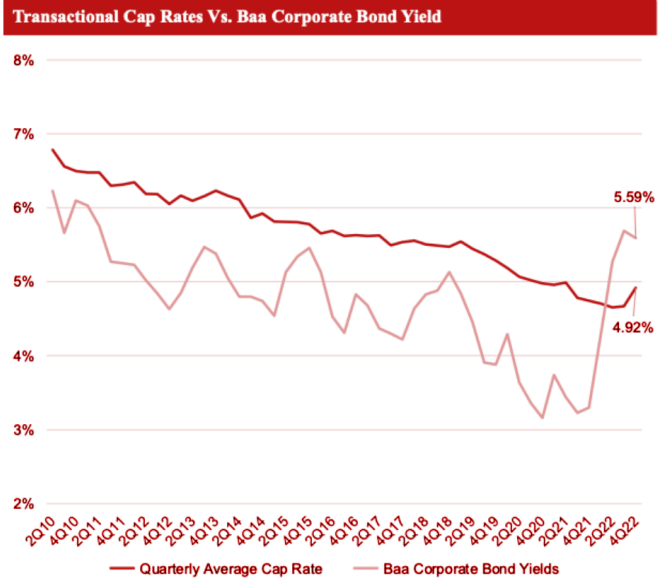
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U.S. Multifamily Overview



Sales volume down 71% year-over-year in January to \$6.2 Billion.



Rent expected to grow 2%-3% this year according to JP Morgan Chase which is comparable to the average annual growth rate of 3.15% since 2000



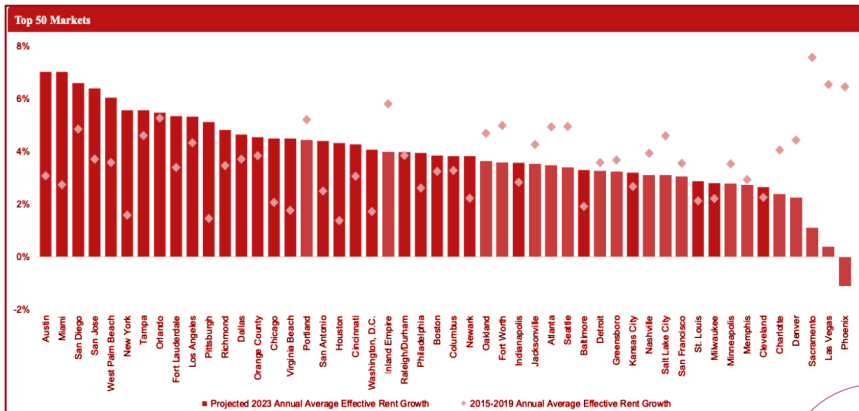
In January 2023, cap rates stayed around 4.6%-4.7%



National vacancy is 6.1% as of December 2022, a 1.2 percent increase year-over-year.



Monthly rents rose by \$7 nationally, average asking rent price per unit at \$1,610



95.3% Occupancy Rate



54% of Chicago is Renter Occupied



Average Luxury 1X1 Unit Rent
\$2,200-2,800



2,900 Units Underway 2023 | 4,000
Units Underway 2024



27% Rent Increase from 2021

West Loop Area Ranks No. 1 Sales Volume

Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Loop	391
Palatine	368
Naperville-West	213
Bensenville	205
Mt. Prospect	199
Near North Side	194
Des Plaines	191

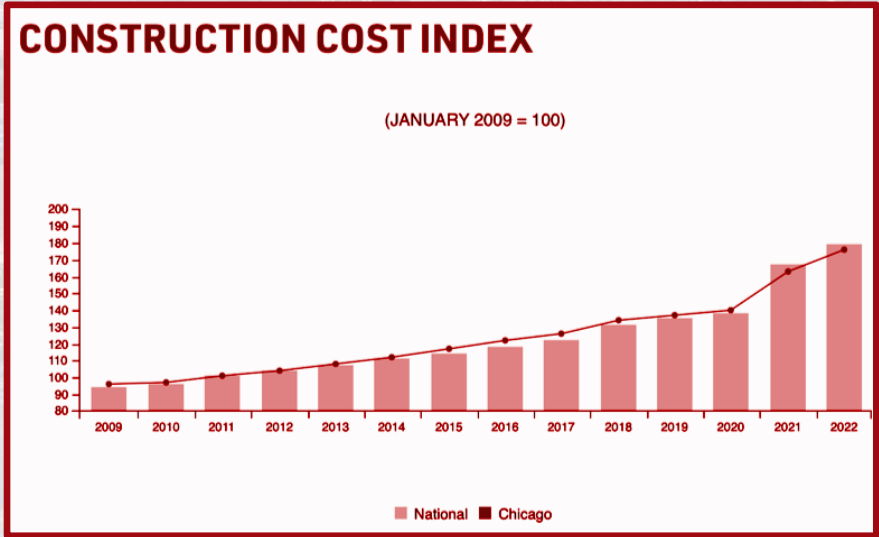


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Rent Comps



Property	727 West Madison	855 West Madison St	730 W Couch Pl— The Parker	939 W Washington Blvd
Distance	0mi	0.1mi	0.6mi	0.3mi
Year Built	2018	2020	2016	2019
# of Units	492	586	227	357
Avg. Rent/Unit	\$4,000	\$3,586	\$3,186	\$2,955
Rent/SF	\$4.62	\$4.13	\$3.84	\$4.01

Sales Comps



Property	727 West Madison	855 West Madison St	730 W Couch Pl— The Parker	801 S Financial Pl - The Elle
Distance	0mi	0.1mi	0.6mi	1.1mi
Year Built	2018	2020	2016	2017
# of Units	492	586	227	496
Avg. Price/Unit	\$587,000	N/A	\$490,513	\$342,742
Sale Price	\$293,549,161	N/A	\$111,346,500	\$170,000,000

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1. Property Tax

Illinois Tax Rate

Mitigant: Potential new tax assessor voted in for real estate taxes in a few years

2. Crime

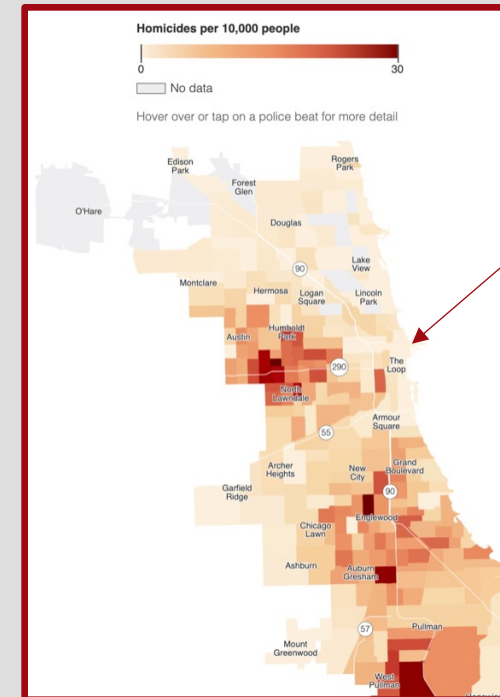
Chicago Crime History

Mitigant: West Loop is one of the safest places in Chicago

3. Vacancy

Multifamily: 8.7%
Retail: 33%

Mitigant: Bozzuto is a strong property management company



“The safest parts of Chicago to stay in are The Loop, Lincoln Park, Lakeview, and River North.”

“Considered to be one of the safest areas in Chicago.”

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About Ares

Offers clients complementary primary and secondary investment solutions across the credit, private equity, real estate, and infrastructure asset classes

Why Ares?

Leading global alternative investment manager

Current Status

\$352 billion of assets under management, with over 2,500 employees operating across North America, Europe, Asia Pacific and the Middle East

Assumptions: 10 Year Loan Scenario

Assumptions:	
Property Specific:	
Property SF	387305 SF
Year Built	2018
Units	492
Vacancy	8.70%
Return/Sale Specific:	
Purchase Price	\$293,549,161
Discount Rate	8.00%
Entry Cap	5.25%
Exit Cap	4.75%
Closing Costs	0.50%
Cost of Sale	0.60%
Rental Income Specific:	
General Vacancy Loss (Resi)	8.70%
Multi Rent Growth	3.00%
Credit Loss	1.00%
General Vacancy Loss (Comm.)	33.00%
Other Income Specific:	
RUBS	4.00%
Parking Income	3.25%
Lease Termination Fees	0.25%
Pet Income	0.25%
Amenities Rental/Fee Income	0.25%
Admin Fees	0.50%
Misc Income	0.25%
Application Fees	0.50%
Storage Income	0.25%
Controllable Expense Specific:	
Payroll	6.00%
Marketing	2.00%
General & Administrative	1.50%
Turnover	0.50%
Repairs and Maintenance	0.45%
Utilities	2.75%
Fixed Expense Specific:	
Property Management Fee	2.50%
Real Estate Taxes (Per Unit)	\$6,100
Insurance	\$300
Capital Reserves	0.50%

Loan 1:	
Purchase Price	\$293,549,161
LTV	60.00%
UST-10Y	3.74%
Spread (Bps)	2.00%
APR	5.74%
Amortization Term	30
Monthly Rate	0.48%
Term (months)	360
Loan Amount	\$176,129,497
Monthly Payment	\$1,026,502
Annual Payment	\$12,438,972
I/O	3 Years
Loan Fees	1.00%
Prepayment Penalty	1.00%
DSCR	1.30

Rent Roll: 10 Year Loan Scenario

Residential																
Rent Accelerators																
Multi 3.00%																
Type	Count	Sq. Ft.	Market Rent	PSF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Studio	65	493	\$2,500	\$5.07	\$1,950,000	\$2,008,500	\$2,068,755	\$2,130,818	\$2,194,742	\$2,260,584	\$2,328,402	\$2,398,254	\$2,470,202	\$2,544,308	\$2,620,637	
Conv	65	572	\$2,650	\$4.63	\$2,067,000	\$2,129,010	\$2,192,880	\$2,258,667	\$2,326,427	\$2,396,220	\$2,468,106	\$2,542,149	\$2,618,414	\$2,696,966	\$2,777,875	
1 Bed	269	770	\$3,675	\$4.77	\$11,862,900	\$12,218,787	\$12,585,351	\$12,962,911	\$13,351,798	\$13,752,352	\$14,164,923	\$14,589,871	\$15,027,567	\$15,478,394	\$15,942,746	
2 Bed	76	1,108	\$4,995	\$4.51	\$4,555,440	\$4,692,103	\$4,832,866	\$4,977,852	\$5,127,188	\$5,281,003	\$5,439,434	\$5,602,617	\$5,770,695	\$5,943,816	\$6,122,130	
3 Bed	17	1,569	\$6,495	\$4.14	\$1,324,980	\$1,364,729	\$1,405,671	\$1,447,841	\$1,491,277	\$1,536,015	\$1,582,095	\$1,629,558	\$1,678,445	\$1,728,798	\$1,780,662	
Total/Avg/Annual	492	902	\$4,063	\$4.62	\$21,760,320	\$22,413,130	\$23,085,523	\$23,778,089	\$24,491,432	\$25,226,175	\$25,982,960	\$26,762,449	\$27,565,322	\$28,392,282	\$29,244,050	

Commercial																					
Retail See Table																					
Tenant	SF	%SF	Lease Start	Lease End	Term (mos)	Rent PSF (Yr 1)	Rent Bumps	Beg of Investment													
								Year T-24	Year T-12	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
								2020	2021	2022	2023	[Yr 5 of LT]	2025	2026	2027	2028	2029	2030	Assume Ren.		
Chase	3,047	29%	9/20/2019	9/30/2029	121	\$62.50	2.50%	\$190,438	\$195,198	\$200,078	\$205,080	\$210,207	\$215,463	\$220,849	\$226,370	\$232,030	\$237,830	\$243,776	\$249,871	\$256,117	\$262,520
AT&T	1,914	18%	9/1/2019	9/30/2029	121	\$58.00	10% @ Yr5	\$111,012	\$111,012	\$111,012	\$111,012	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113
Solidcore	2,082	20%	7/1/2019	7/31/2030	133	\$50.00	2.00%	\$104,100	\$106,182	\$108,306	\$110,472	\$112,681	\$114,935	\$117,234	\$119,578	\$121,969,7416	\$124,409	\$126,897	\$129,435	\$132,024	\$134,664
Vacant	2,144	20%	1/1/2021	12/31/2030	120	\$50.00	2.50%	\$107,200	\$109,880	\$112,627	\$115,443	\$118,329	\$121,287	\$124,319	\$127,427	\$130,612,7906	\$133,878	\$137,225	\$140,656	\$144,172	\$147,776
Vacant	1,403	13%	1/1/2021	12/31/2030	120	\$50.00	2.50%	\$70,150	\$71,904	\$73,701	\$75,544	\$77,432	\$79,368	\$81,352	\$83,386	\$85,470,96326	\$87,608	\$89,798	\$92,043	\$94,344	\$96,703
Total/Avg	10,590	100%			123	\$54		\$582,900	\$594,176	\$605,724	\$617,551	\$640,763	\$653,166	\$665,867	\$678,875	\$692,196	\$705,839	\$719,810	\$734,118	\$748,770	\$763,777
Occupancy Factor	67% Leased										67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
Total Commercial Lease Rent Income											\$413,759	\$429,311	\$437,621	\$446,131	\$454,846	\$463,772	\$472,912	\$482,272	\$491,859	\$501,676	\$511,730

Reimbursements																					
	Total SF	Share	Reimb. \$/SF	Growth	Year T-24	Year T-12	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11			
CAM			\$3.00	3.00%	\$31,770	\$32,723	\$33,705	\$34,716	\$35,757	\$36,830	\$37,935	\$39,073	\$40,245	\$41,453	\$42,696	\$43,977	\$45,296	\$46,655			
RE Taxes	10,590	2.73% % of Retail in RSF Building	\$7.42	Varies	\$78,578	\$78,578	\$78,578	\$80,149	\$81,752	\$83,392	\$85,072	\$86,793	\$88,557	\$91,553	\$93,384	\$95,252	\$98,586	\$102,569			
Total Reimbursements			\$10.42		\$110,348	\$111,301	\$112,283	\$114,865	\$117,510	\$121,853	\$124,658	\$127,530	\$131,799	\$134,837	\$137,948	\$142,563	\$145,854	\$149,224			
Occupancy Factor											67%	67%	67%	67%	67%	67%	67%	67%	67%		
Commercial Reimbursements											\$76,960	\$78,732	\$81,641	\$83,521	\$85,445	\$88,305	\$90,341	\$92,425	\$95,517	\$97,722	\$99,980
Total Commercial Income											\$490,719	\$508,043	\$519,262	\$529,652	\$540,292	\$552,077	\$563,253	\$574,698	\$587,376	\$599,398	\$611,711

Tax Growth Table	
Years 1-2	2.00%
Year 3 (Reassessment)	4.00%
Years 4-5*	2.00%
Year 6 (Reassessment)	3.50%
Years 7-8	2.00%
Year 9 (Reassessment)	3.50%
Years 10-11	2.00%

Pro Forma: 10 Year Loan Scenario



Year:		0	1	2	3	4	5	6	7	8	9	10	11
Cash Flow Statement	Percentages												
Income:													
Residential Related Rental Income:													
Gross Potential Rent Residential		\$ 21,760,320	\$ 22,413,130	\$ 23,085,523	\$ 23,778,089	\$ 24,491,432	\$ 25,226,175	\$ 25,992,960	\$ 26,762,449	\$ 27,565,322	\$ 28,392,282	\$ 29,244,050	
General Vacancy Loss (Res)	8.70%	\$ (1,893,148)	\$ (1,949,942)	\$ (2,008,441)	\$ (2,068,694)	\$ (2,130,755)	\$ (2,194,677)	\$ (2,260,518)	\$ (2,328,333)	\$ (2,398,183)	\$ (2,470,129)	\$ (2,544,232)	
Loss-to-Lease	1.00%	\$ (217,603)	\$ (224,131)	\$ (230,855)	\$ (237,781)	\$ (244,914)	\$ (252,262)	\$ (259,830)	\$ (267,624)	\$ (275,653)	\$ (283,923)	\$ (292,441)	
Commercial Related Rental Income:													
Gross Potential Rent Commercial		\$ 413,759	\$ 429,311	\$ 437,621	\$ 446,131	\$ 454,846	\$ 463,772	\$ 472,912	\$ 482,272	\$ 491,859	\$ 501,676	\$ 511,730	
General Vacancy Loss (Comm.)	33.00%							Already Calculated on Rent Roll					
OpEx and RE Tax Reimbursements		\$ 76,960	\$ 78,732	\$ 81,641	\$ 83,521	\$ 85,445	\$ 88,305	\$ 90,341	\$ 92,425	\$ 95,517	\$ 97,722	\$ 99,980	
Other Income													
RUBS	4.00%	\$ 663,215	\$ 689,744	\$ 717,333	\$ 746,027	\$ 775,868	\$ 806,902	\$ 839,179	\$ 872,746	\$ 907,656	\$ 943,962	\$ 981,720	
Parking Income	3.25%	\$ 1,068,687	\$ 1,103,419	\$ 1,139,280	\$ 1,176,307	\$ 1,214,537	\$ 1,254,010	\$ 1,294,765	\$ 1,336,845	\$ 1,380,292	\$ 1,425,152	\$ 1,471,469	
Lease Termination Fees	0.25%	\$ 74,310	\$ 74,496	\$ 74,682	\$ 74,869	\$ 75,056	\$ 75,244	\$ 75,432	\$ 75,620	\$ 75,809	\$ 75,999	\$ 76,189	
Pet Income	0.25%	\$ 49,192	\$ 49,315	\$ 49,438	\$ 49,562	\$ 49,686	\$ 49,810	\$ 49,935	\$ 50,059	\$ 50,184	\$ 50,310	\$ 50,436	
Amenities Rental/Fee Income	0.25%	\$ 26,225	\$ 26,291	\$ 26,356	\$ 26,422	\$ 26,488	\$ 26,554	\$ 26,621	\$ 26,687	\$ 26,754	\$ 26,821	\$ 26,888	
Admin Fees	0.50%	\$ 63,843	\$ 64,162	\$ 64,483	\$ 64,805	\$ 65,129	\$ 65,455	\$ 65,782	\$ 66,111	\$ 66,442	\$ 66,774	\$ 67,108	
Misc Income	0.25%	\$ 26,881	\$ 26,948	\$ 27,016	\$ 27,083	\$ 27,151	\$ 27,219	\$ 27,287	\$ 27,355	\$ 27,423	\$ 27,492	\$ 27,561	
Application Fees	0.50%	\$ 26,881	\$ 27,015	\$ 27,150	\$ 27,286	\$ 27,423	\$ 27,560	\$ 27,698	\$ 27,836	\$ 27,975	\$ 28,115	\$ 28,256	
Storage Income	0.25%	\$ 8,606	\$ 8,628	\$ 8,649	\$ 8,671	\$ 8,692	\$ 8,714	\$ 8,736	\$ 8,758	\$ 8,780	\$ 8,802	\$ 8,824	
Subtotal: Effective Gross Revenue:		\$ 22,148,128	\$ 22,817,116	\$ 23,499,879	\$ 24,202,299	\$ 24,926,085	\$ 25,672,780	\$ 26,441,299	\$ 27,233,207	\$ 28,050,178	\$ 28,891,055	\$ 29,757,538	
Expenses													
Controllable Expenses													
Payroll	6.00%	\$ (1,328,888)	\$ (1,369,027)	\$ (1,409,993)	\$ (1,452,138)	\$ (1,495,565)	\$ (1,540,367)	\$ (1,586,478)	\$ (1,633,992)	\$ (1,683,011)	\$ (1,733,463)	\$ (1,785,452)	
Marketing	2.00%	\$ (442,963)	\$ (456,342)	\$ (469,998)	\$ (484,046)	\$ (498,522)	\$ (513,456)	\$ (528,826)	\$ (544,664)	\$ (561,004)	\$ (577,821)	\$ (595,151)	
General & Administrative	1.50%	\$ (332,222)	\$ (342,257)	\$ (352,498)	\$ (363,034)	\$ (373,891)	\$ (385,092)	\$ (396,619)	\$ (408,498)	\$ (420,753)	\$ (433,366)	\$ (446,363)	
Turnover	0.50%	\$ (110,741)	\$ (114,086)	\$ (117,499)	\$ (121,011)	\$ (124,630)	\$ (128,364)	\$ (132,206)	\$ (136,166)	\$ (140,251)	\$ (144,465)	\$ (148,798)	
Repairs and Maintenance	0.45%	\$ (99,667)	\$ (102,677)	\$ (105,749)	\$ (108,810)	\$ (112,167)	\$ (115,528)	\$ (118,986)	\$ (122,549)	\$ (126,226)	\$ (130,010)	\$ (133,909)	
Utilities	2.75%	\$ (609,074)	\$ (627,471)	\$ (646,247)	\$ (665,563)	\$ (685,467)	\$ (706,001)	\$ (727,136)	\$ (748,913)	\$ (771,380)	\$ (794,504)	\$ (818,332)	
Fixed Expenses													
Property Management Fee	2.50%	\$ (553,703)	\$ (570,428)	\$ (587,497)	\$ (605,057)	\$ (623,152)	\$ (641,820)	\$ (661,032)	\$ (680,830)	\$ (701,254)	\$ (722,276)	\$ (743,938)	
Real Estate Taxes (Per Unit \$6100)	Varies	\$ (3,001,200)	\$ (3,061,224)	\$ (3,183,673)	\$ (3,247,346)	\$ (3,312,293)	\$ (3,428,224)	\$ (3,496,798)	\$ (3,566,724)	\$ (3,691,559)	\$ (3,765,390)	\$ (3,840,698)	
Insurance	\$300	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	
Capital Reserves	0.50%	\$ (110,741)	\$ (114,086)	\$ (117,499)	\$ (121,011)	\$ (124,630)	\$ (128,364)	\$ (132,206)	\$ (136,166)	\$ (140,251)	\$ (144,465)	\$ (148,798)	
Subtotal: Total Operating Expenses		\$ (6,736,797)	\$ (6,905,197)	\$ (7,138,253)	\$ (7,315,719)	\$ (7,497,919)	\$ (7,734,814)	\$ (7,927,878)	\$ (8,126,103)	\$ (8,383,288)	\$ (8,593,341)	\$ (8,809,019)	
Net Operating Income:		\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 20,297,714	\$ 20,948,519	
Cash Flow Before Debt Service:		\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 20,297,714	\$ 20,948,519	
Debt Service:		\$ 10,106,311	\$ 10,106,311	\$ 10,106,311	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	\$ 12,438,972	
DSCR:		1.52	1.57	1.62	1.36	1.40	1.44	1.49	1.54	1.58	1.63	1.68	
Cash Flow After Debt Service:		\$ 5,305,020	\$ 5,805,609	\$ 6,255,315	\$ 4,447,608	\$ 4,989,193	\$ 5,498,994	\$ 6,074,448	\$ 6,668,131	\$ 7,227,918	\$ 7,858,741	\$ 8,509,546	
Purchase & Sale Metrics													
Unlevered Cash Flow:													
Purchase Price		\$ (293,549,161.36)											
Closing Costs	0.50%	\$ (1,467,745.81)											
Sale Price												\$ 441,021,443	
Cost of Sale	0.60%											\$ (2,646,129)	
Total Unlevered Cash Flow		\$ (295,016,907.17)	\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 20,297,714	\$ 20,948,519
Levered Cash Flow:													
Loan Proceeds		\$ 176,123,496.82											
Loan Fees	1.00%	\$ (1,761,294.97)											
Loan Payoff												\$ (157,131,712)	
Prepayment Penalty	1.00%											\$ (1,571,317)	
Total Levered Cash Flow		\$ (120,648,705.32)	\$ 5,305,020	\$ 5,805,609	\$ 6,255,315	\$ 4,447,608	\$ 4,989,193	\$ 5,498,994	\$ 6,074,448	\$ 6,668,131	\$ 7,227,918	\$ 7,858,741	\$ 8,509,546

Madison Centre Return Metrics	
Unlevered IRR:	9.1%
Unlevered NPV:	\$24,878,631
Levered IRR:	12.2%
Levered NPV:	\$48,281,603

Tax Growth Table	
Years 1-2	2.00%
Year 3 (Reassessment)	4.00%
Years 4-5*	2.00%
Year 6 (Reassessment)	3.50%
Years 7-8	2.00%
Year 9 (Reassessment)	3.50%
Years 10-11	2.00%

Equity Waterfall: 10 Year Loan Scenario



GP Contribution	5%
LP Contribution	95%

	IRR	GP	LP
Preferred Return	10%	5%	95%
Hurdle 2	12%	15%	85%
Hurdle 3		25%	75%

Year:	0	1	2	3	4	5	6	7	8	9	10
Total Levered Cash Flow	\$ (120,648,705)	\$ 5,305,020	\$ 5,805,609	\$ 6,255,315	\$ 4,447,608	\$ 4,989,193	\$ 5,498,994	\$ 6,074,448	\$ 6,668,131	\$ 7,227,918	\$ 287,531,026
Preferred Return Distributions											
LP Account											
Beginning LP Balance	\$ -	\$ 114,616,270	\$ 121,038,128	\$ 127,626,612	\$ 134,446,724	\$ 143,666,169	\$ 153,293,052	\$ 163,398,313	\$ 173,967,419	\$ 185,029,437	\$ 196,665,859
Preferred Return	\$ -	\$ 11,461,627	\$ 12,103,813	\$ 12,762,661	\$ 13,444,672	\$ 14,366,617	\$ 15,329,305	\$ 16,339,831	\$ 17,396,742	\$ 18,502,944	\$ 19,666,586
LP Contributions	\$ 114,616,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP Distributions	\$ -	\$ 5,039,769	\$ 5,515,329	\$ 5,942,549	\$ 4,225,227	\$ 4,739,734	\$ 5,224,044	\$ 5,770,726	\$ 6,334,725	\$ 6,866,522	\$ 196,665,859
Ending LP Balance	\$ 114,616,270	\$ 121,038,128	\$ 127,626,612	\$ 134,446,724	\$ 143,666,169	\$ 153,293,052	\$ 163,398,313	\$ 173,967,419	\$ 185,029,437	\$ 196,665,859	\$ 19,666,586
GP Account											
GP Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Distributions	\$ -	\$ 265,251	\$ 290,280	\$ 312,766	\$ 222,380	\$ 249,460	\$ 274,950	\$ 303,722	\$ 333,407	\$ 361,396	\$ 10,350,835
Total Equity Distributions											
Total Distributions	\$ -	\$ 5,305,020	\$ 5,805,609	\$ 6,255,315	\$ 4,447,608	\$ 4,989,193	\$ 5,498,994	\$ 6,074,448	\$ 6,668,131	\$ 7,227,918	\$ 207,016,693
Cash Flow Remaining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,514,333
Hurdle 2 Distributions											
LP Account											
Beginning LP Balance	\$ -	\$ 114,616,270	\$ 123,330,453	\$ 132,614,779	\$ 142,586,003	\$ 155,471,097	\$ 169,387,894	\$ 184,490,397	\$ 200,858,520	\$ 218,626,817	\$ 237,995,514
LP Hurdle 2 IRR Breakpoint	\$ -	\$ 13,753,952	\$ 14,799,654	\$ 15,913,773	\$ 17,110,320	\$ 18,656,532	\$ 20,326,547	\$ 22,138,848	\$ 24,103,022	\$ 26,235,218	\$ 28,559,462
LP Contributions	\$ 114,616,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP Prior Distributions	\$ -	\$ 5,039,769	\$ 5,515,329	\$ 5,942,549	\$ 4,225,227	\$ 4,739,734	\$ 5,224,044	\$ 5,770,726	\$ 6,334,725	\$ 6,866,522	\$ 196,665,859
LP Hurdle 2 Promote	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,437,183
Ending LP Balance	\$ 114,616,270	\$ 123,330,453	\$ 132,614,779	\$ 142,586,003	\$ 155,471,097	\$ 169,387,894	\$ 184,490,397	\$ 200,858,520	\$ 218,626,817	\$ 237,995,514	\$ 1,451,934
GP Account											
GP Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,077,150
Total Equity Distributions											
Total Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,514,333
Cash Flow Remaining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hurdle 3 Distributions											
LP Account											
LP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Account											
GP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Distributions											
Total Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Year:	0	1	2	3	4	5	6	7	8	9	10
GP Cash Flow											
Distributions	\$ -	\$ 265,251	\$ 290,280	\$ 312,766	\$ 222,380	\$ 249,460	\$ 274,950	\$ 303,722	\$ 333,407	\$ 361,396	\$ 22,427,985
Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (6,032,435)	\$ 265,251	\$ 290,280	\$ 312,766	\$ 222,380	\$ 249,460	\$ 274,950	\$ 303,722	\$ 333,407	\$ 361,396	\$ 22,427,985
LP Cash Flow											
Distributions	\$ -	\$ 5,039,769	\$ 5,515,329	\$ 5,942,549	\$ 4,225,227	\$ 4,739,734	\$ 5,224,044	\$ 5,770,726	\$ 6,334,725	\$ 6,866,522	\$ 265,103,042
Contributions	\$ (114,616,270)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (114,616,270)	\$ 5,039,769	\$ 5,515,329	\$ 5,942,549	\$ 4,225,227	\$ 4,739,734	\$ 5,224,044	\$ 5,770,726	\$ 6,334,725	\$ 6,866,522	\$ 265,103,042

GP IRR	17%
LP IRR	12%

Year:	0	1	2	3	4	5	6	7	8	9	10
LP Cash Flow											
Distributions	\$ -	\$ 2,199	\$ 2,406	\$ 2,592	\$ 1,843	\$ 2,068	\$ 2,279	\$ 2,517	\$ 2,763	\$ 2,995	\$ 115,648
Contributions	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (50,000)	\$ 2,199	\$ 2,406	\$ 2,592	\$ 1,843	\$ 2,068	\$ 2,279	\$ 2,517	\$ 2,763	\$ 2,995	\$ 115,648

IREA Capital as a Percentage of Total Equity
0.0436%

IREA Investment	\$ 50,000
IREA IRR	12%
IREA Equity Multiple	2.7x

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	7.19%	8.25%	9.30%	10.35%	11.40%
5.00%	7.58%	8.65%	9.71%	10.77%	11.82%
4.75%	8.00%	9.07%	10.14%	11.20%	12.26%
4.50%	8.45%	9.53%	10.60%	11.67%	12.73%
4.25%	8.94%	10.02%	11.10%	12.17%	13.24%
Unlevered					

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	8.62%	10.72%	12.68%	14.52%	16.28%
5.00%	9.41%	11.47%	13.39%	15.20%	16.93%
4.75%	10.23%	12.24%	14.12%	15.91%	17.62%
4.50%	11.08%	13.04%	14.89%	16.65%	18.34%
4.25%	11.96%	13.88%	15.70%	17.43%	19.09%
Levered					

Variance
Analysis: 10
Year Loan
Scenario

Assumptions: 5x5 Re-Finance Scenario

Assumptions:	
Property Specific:	
Property SF	387305 SF
Year Built	2018
Units	492
Vacancy	8.70%
Return/Sale Specific:	
Purchase Price	\$293,549,161
Discount Rate	8.00%
Entry Cap	5.25%
Exit Cap	4.75%
Closing Costs	0.50%
Cost of Sale	0.60%
Rental Income Specific:	
General Vacancy Loss (Resi)	8.70%
Credit Loss	1.00%
General Vacancy Loss (Comm.)	33.00%
Other Income Specific:	
RUBS	4.00%
Parking Income	3.25%
Lease Termination Fees	0.25%
Pet Income	0.25%
Amenities Rental/Fee Income	0.25%
Admin Fees	0.50%
Misc Income	0.25%
Application Fees	0.50%
Storage Income	0.25%
Controllable Expense Specific:	
Payroll	6.00%
Marketing	2.00%
General & Administrative	1.50%
Turnover	0.50%
Repairs and Maintenance	0.45%
Utilities	2.75%
Fixed Expense Specific:	
Property Management Fee	2.50%
Real Estate Taxes (Per Unit)	\$6,100
Insurance	\$300
Capital Reserves	0.50%

Financing Assumptions:	
Loan 1:	
Purchase Price	\$293,549,161
LTV	60.00%
UST-5Y	3.62%
Spread (Bps)	2.00%
APR	5.62%
Amortization Term	30
Monthly Rate	0.47%
Term (months)	360
Loan Amount	\$176,129,497
Monthly Payment	\$1,013,678
Annual Payment	\$12,283,758
I/O	3Years
Loan Fees	1.00%
Prepayment Penalty	1.00%
DSCR	1.30

Loan 2:	
Purchase Price	\$366,908,751
LTV	55.00%
UST-5Y (proj.)	3.45%
Spread (Bps) (proj.)	2.75%
APR	6.20%
Amortization Term	30
Monthly Rate	0.52%
Term (months)	360
Loan Amount	\$201,799,813
Monthly Payment	\$1,235,961
Annual Payment	\$14,975,641
I/O	3Years
Loan Fees	1.00%
Prepayment Penalty	1.00%
DSCR	1.25

Rent Roll: 5x5 Re-Finance Scenario

Residential															
Rent Accelerators															
Multi		3.00%													
Type	Count	Sq. Ft.	Market Rent	PSF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Studio	65	493	\$2,500	\$5.07	\$1,950,000	\$2,008,500	\$2,068,755	\$2,130,818	\$2,194,742	\$2,260,584	\$2,328,402	\$2,398,254	\$2,470,202	\$2,544,308	\$2,620,637
Conv	65	572	\$2,650	\$4.63	\$2,067,000	\$2,129,010	\$2,192,880	\$2,258,667	\$2,326,427	\$2,396,220	\$2,468,106	\$2,542,149	\$2,618,414	\$2,696,966	\$2,777,875
1 Bed	269	770	\$3,675	\$4.77	\$11,862,900	\$12,218,787	\$12,585,351	\$12,962,911	\$13,351,798	\$13,752,352	\$14,164,923	\$14,589,871	\$15,027,567	\$15,478,394	\$15,942,746
2 Bed	76	1,108	\$4,995	\$4.51	\$4,555,440	\$4,692,103	\$4,832,866	\$4,977,852	\$5,127,188	\$5,281,003	\$5,439,434	\$5,602,617	\$5,770,695	\$5,943,816	\$6,122,130
3 Bed	17	1,569	\$6,495	\$4.14	\$1,324,980	\$1,364,729	\$1,405,671	\$1,447,841	\$1,491,277	\$1,536,015	\$1,582,095	\$1,629,558	\$1,678,445	\$1,728,798	\$1,780,662
Total/Avg/Annual	492	902	\$4,063	\$4.62	\$21,760,320	\$22,413,130	\$23,085,523	\$23,778,089	\$24,491,432	\$25,226,175	\$25,982,960	\$26,762,449	\$27,565,322	\$28,392,282	\$29,244,050

Commercial																					
Rent Accelerators																					
Retail		See Table																			
Beg of Investment																					
Tenant	SF	%SF	Lease Start	Lease End	Term (mos)	Rent PSF (Yr 1)	Rent Bumps	Year T-24	Year T-12	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
								2020	2021	2022	2023	[Yr 5 of LT]	2025	2026	2027	2028	2029	2030	Assume Ren.		
Chase	3,047	29%	9/20/2019	9/30/2029	121	\$62.50	2.50%	\$190,438	\$195,198	\$200,078	\$205,080	\$210,207	\$215,463	\$220,849	\$226,370	\$232,030	\$237,830	\$243,776	\$249,871	\$256,117	\$262,520
AT&T	1,914	18%	9/1/2019	9/30/2029	121	\$58.00	10% @ Yr5	\$111,012	\$111,012	\$111,012	\$111,012	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113	\$122,113
Solidcore	2,082	20%	7/1/2019	7/31/2030	133	\$50.00	2.00%	\$104,100	\$106,182	\$108,306	\$110,472	\$112,681	\$114,935	\$117,234	\$119,578	\$121,969,7416	\$124,409	\$126,897	\$129,435	\$132,024	\$134,664
Vacant	2,144	20%	1/1/2021	12/31/2030	120	\$50.00	2.50%	\$107,200	\$109,880	\$112,627	\$115,443	\$118,329	\$121,287	\$124,319	\$127,427	\$130,612,7906	\$133,878	\$137,225	\$140,656	\$144,172	\$147,776
Vacant	1,403	13%	1/1/2021	12/31/2030	120	\$50.00	2.50%	\$70,150	\$71,904	\$73,701	\$75,544	\$77,432	\$79,368	\$81,352	\$83,386	\$85,470,96326	\$87,608	\$89,798	\$92,043	\$94,344	\$96,703
Total/Avg	10,590	100%			123	\$54		\$582,900	\$594,176	\$605,724	\$617,551	\$640,763	\$653,166	\$665,867	\$678,875	\$692,196	\$705,839	\$719,810	\$734,118	\$748,770	\$763,777
Occupancy Factor		67% Leased																			
Total Commercial Lease Rent Income											\$413,759	\$429,311	\$437,621	\$446,131	\$454,846	\$463,772	\$472,912	\$482,272	\$491,859	\$501,676	\$511,731
Reimbursements																					
	Total SF	Share	Reimb. \$/SF	Growth	Year T-24	Year T-12	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11			
CAM			\$3.00	3.00%	\$31,770	\$32,723	\$33,705	\$34,716	\$35,757	\$36,830	\$37,935	\$39,073	\$40,245	\$41,453	\$42,696	\$43,977	\$45,296	\$46,655			
RE Taxes	10,590	2.73% % of Retail in RSF Building	\$7.42	Varies	\$78,578	\$78,578	\$78,578	\$80,149	\$81,752	\$83,022	\$86,723	\$88,457	\$91,553	\$93,384	\$95,252	\$98,586	\$100,558	\$102,569			
Total Reimbursements			\$10.42		\$110,348	\$111,301	\$112,283	\$114,865	\$117,510	\$121,853	\$124,658	\$127,530	\$131,799	\$134,837	\$137,948	\$142,563	\$145,854	\$149,224			
Occupancy Factor								67%	67%	67%	67%	67%	67%	67%	67%	67%	67%				
Commercial Reimbursements									\$76,960	\$78,732	\$81,641	\$83,521	\$85,445	\$88,305	\$90,341	\$92,425	\$95,517	\$97,722	\$99,980		
Total Commercial Income									\$490,719	\$508,043	\$519,262	\$529,652	\$540,292	\$552,077	\$563,253	\$574,698	\$587,376	\$599,398	\$611,711		

Tax Growth Table	
Years 1-2	2.00%
Year 3 (Reassessment)	4.00%
Years 4-5*	2.00%
Year 6 (Reassessment)	3.50%
Years 7-8	2.00%
Year 9 (Reassessment)	3.50%
Years 10-11	2.00%

Pro Forma: 5x5 Re-Finance Scenario



Year:		0	1	2	3	4	5	6	7	8	9	10	11
Cash Flow Statement	Percentages												
Income:													
Residential Related Rental Income:													
Gross Potential Rent Residential			\$ 21,760,320	\$ 22,413,130	\$ 23,085,523	\$ 23,778,089	\$ 24,491,432	\$ 25,226,175	\$ 25,982,960	\$ 26,762,449	\$ 27,565,322	\$ 28,392,282	\$ 29,244,050
General Vacancy Loss (Resi)	8.70%		\$ (1,893,148)	\$ (1,943,942)	\$ (2,008,441)	\$ (2,068,694)	\$ (2,130,755)	\$ (2,194,677)	\$ (2,260,518)	\$ (2,328,333)	\$ (2,398,183)	\$ (2,470,129)	\$ (2,544,232)
Loss-to-Lease	1.00%		\$ (217,603)	\$ (224,131)	\$ (230,855)	\$ (237,781)	\$ (244,914)	\$ (252,262)	\$ (259,830)	\$ (267,624)	\$ (275,653)	\$ (283,923)	\$ (292,441)
Commercial Related Rental Income:													
Gross Potential Rent Commercial			\$ 413,759	\$ 429,311	\$ 437,621	\$ 446,131	\$ 454,846	\$ 463,772	\$ 472,912	\$ 482,272	\$ 491,859	\$ 501,676	\$ 511,730
General Vacancy Loss (Comm.)	33.00%								Already Calculated on Rent Roll				
OpEx and RE Tax Reimbursements			\$ 76,960	\$ 78,732	\$ 81,641	\$ 83,521	\$ 85,445	\$ 88,305	\$ 90,341	\$ 92,425	\$ 95,517	\$ 97,722	\$ 99,980
Other Income													
RUBS	4.00%		\$ 663,215	\$ 689,744	\$ 717,333	\$ 746,027	\$ 775,868	\$ 806,902	\$ 839,179	\$ 872,746	\$ 907,656	\$ 943,962	\$ 981,720
Parking Income	3.25%		\$ 1,068,687	\$ 1,103,419	\$ 1,139,280	\$ 1,176,307	\$ 1,214,537	\$ 1,254,010	\$ 1,294,765	\$ 1,336,845	\$ 1,380,292	\$ 1,425,152	\$ 1,471,469
Lease Termination Fees	0.25%		\$ 74,310	\$ 74,496	\$ 74,682	\$ 74,869	\$ 75,056	\$ 75,244	\$ 75,432	\$ 75,620	\$ 75,809	\$ 76,189	\$ 76,599
Pet Income	0.25%		\$ 49,192	\$ 49,315	\$ 49,438	\$ 49,562	\$ 49,686	\$ 49,810	\$ 49,935	\$ 50,059	\$ 50,184	\$ 50,310	\$ 50,436
Amenities Rental/Fee Income	0.25%		\$ 26,225	\$ 26,291	\$ 26,356	\$ 26,422	\$ 26,488	\$ 26,554	\$ 26,621	\$ 26,687	\$ 26,754	\$ 26,821	\$ 26,888
Admin Fees	0.50%		\$ 63,843	\$ 64,162	\$ 64,483	\$ 64,805	\$ 65,129	\$ 65,455	\$ 65,782	\$ 66,111	\$ 66,442	\$ 66,774	\$ 67,108
Misc Income	0.25%		\$ 26,881	\$ 26,948	\$ 27,016	\$ 27,083	\$ 27,151	\$ 27,219	\$ 27,287	\$ 27,355	\$ 27,423	\$ 27,492	\$ 27,561
Application Fees	0.50%		\$ 26,881	\$ 27,015	\$ 27,150	\$ 27,286	\$ 27,423	\$ 27,560	\$ 27,698	\$ 27,836	\$ 27,975	\$ 28,115	\$ 28,256
Storage Income	0.25%		\$ 8,606	\$ 8,628	\$ 8,649	\$ 8,671	\$ 8,692	\$ 8,714	\$ 8,736	\$ 8,758	\$ 8,780	\$ 8,802	\$ 8,824
Subtotal: Effective Gross Revenue:			\$ 22,148,128	\$ 22,817,116	\$ 23,499,879	\$ 24,202,299	\$ 24,926,085	\$ 25,672,780	\$ 26,441,299	\$ 27,233,207	\$ 28,050,178	\$ 28,891,055	\$ 29,757,538
Expenses													
Controllable Expenses													
Payroll	6.00%		\$ (1,328,888)	\$ (1,369,027)	\$ (1,409,993)	\$ (1,452,138)	\$ (1,495,565)	\$ (1,540,367)	\$ (1,586,478)	\$ (1,633,992)	\$ (1,683,011)	\$ (1,733,463)	\$ (1,785,452)
Marketing	2.00%		\$ (442,963)	\$ (456,342)	\$ (469,998)	\$ (484,046)	\$ (498,456)	\$ (513,226)	\$ (528,366)	\$ (543,864)	\$ (559,704)	\$ (575,821)	\$ (592,151)
General & Administrative	1.50%		\$ (332,222)	\$ (342,257)	\$ (352,498)	\$ (363,034)	\$ (373,891)	\$ (385,092)	\$ (396,619)	\$ (408,498)	\$ (420,753)	\$ (433,386)	\$ (446,363)
Turnover	0.50%		\$ (110,741)	\$ (114,086)	\$ (117,499)	\$ (121,011)	\$ (124,630)	\$ (128,364)	\$ (132,206)	\$ (136,168)	\$ (140,251)	\$ (144,455)	\$ (148,788)
Repairs and Maintenance	0.45%		\$ (99,667)	\$ (102,677)	\$ (105,749)	\$ (108,910)	\$ (112,167)	\$ (115,528)	\$ (118,986)	\$ (122,549)	\$ (126,226)	\$ (130,010)	\$ (133,909)
Utilities	2.75%		\$ (609,074)	\$ (627,471)	\$ (646,247)	\$ (665,563)	\$ (685,467)	\$ (706,001)	\$ (727,136)	\$ (748,913)	\$ (771,380)	\$ (794,504)	\$ (818,332)
Fixed Expenses													
Property Management Fee	2.50%		\$ (553,703)	\$ (570,428)	\$ (587,497)	\$ (605,057)	\$ (623,152)	\$ (641,820)	\$ (661,032)	\$ (680,830)	\$ (701,254)	\$ (722,276)	\$ (743,938)
Real Estate Taxes (Per Unit \$6100)	Varies		\$ (3,001,200)	\$ (3,061,224)	\$ (3,183,673)	\$ (3,247,346)	\$ (3,312,293)	\$ (3,428,224)	\$ (3,496,788)	\$ (3,566,724)	\$ (3,691,559)	\$ (3,765,390)	\$ (3,840,698)
Insurance	\$300		\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)	\$ (147,600)
Capital Reserves	0.50%		\$ (110,741)	\$ (114,086)	\$ (117,499)	\$ (121,011)	\$ (124,630)	\$ (128,364)	\$ (132,206)	\$ (136,168)	\$ (140,251)	\$ (144,455)	\$ (148,788)
Subtotal: Total Operating Expenses			\$ (6,736,797)	\$ (6,905,197)	\$ (7,138,253)	\$ (7,315,719)	\$ (7,497,919)	\$ (7,734,814)	\$ (7,927,878)	\$ (8,126,103)	\$ (8,383,288)	\$ (8,593,341)	\$ (8,809,019)
Net Operating Income:			\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 20,297,714	\$ 20,948,519
Cash Flow Before Debt Service:			\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 20,297,714	\$ 20,948,519
Debt Service:			\$ 9,903,762	\$ 9,903,762	\$ 9,903,762	\$ 12,283,758	\$ 12,283,758						
Re-Finance Debt Service								\$ 12,511,588	\$ 12,511,588	\$ 12,511,588	\$ 14,975,641	\$ 14,975,641	\$ 14,975,641
DSCR:			1.56	1.61	1.65	1.37	1.42	1.43	1.48	1.53	1.31	1.36	1.40
Cash Flow After Debt Service:			\$ 5,507,569	\$ 6,008,158	\$ 6,457,864	\$ 4,602,822	\$ 5,144,408	\$ 5,426,378	\$ 6,001,832	\$ 6,595,515	\$ 4,691,249	\$ 5,322,073	\$ 5,972,878
Purchase & Sale Metrics													
Unlevered Cash Flow:													
Purchase Price			\$ (293,549,161.36)										
Closing Costs	0.50%		\$ (1,467,745.81)										
Sale Price											\$ 441,021,443		
Cost of Sale	0.60%										\$ (2,646,129)		
Total Unlevered Cash Flow			\$ (295,016,907.17)	\$ 15,411,331	\$ 15,911,919	\$ 16,361,625	\$ 16,886,580	\$ 17,428,166	\$ 17,937,966	\$ 18,513,420	\$ 19,107,103	\$ 19,666,890	\$ 458,673,028
Levered Cash Flow:													
Loan Proceeds			\$ 176,129,496.82				\$ 201,799,813						
Loan Fees	1.00%		\$ (1,761,294.97)				\$ (2,017,998)						
Loan Payoff							\$ (156,795,474)					\$ (181,530,389)	
Prepayment Penalty	1.00%						\$ (1,815,304)					\$ (1,815,304)	
Total levered Cash Flow			\$ (120,648,705.32)	\$ 5,507,569	\$ 6,008,158	\$ 6,457,864	\$ 4,602,822	\$ 46,315,445	\$ 5,426,378	\$ 6,001,832	\$ 6,595,515	\$ 4,691,249	\$ 260,351,694

Madison Centre Return Metrics	
Unlevered IRR:	9.1%
Unlevered NPV:	\$24,878,631
Levered IRR:	13.9%
Levered NPV:	\$63,058,011

Tax Growth Table	
Years 1-2	2.00%
Year 3 (Reassessment)	4.00%
Years 4-5*	2.00%
Year 6 (Reassessment)	3.50%
Years 7-8	2.00%
Year 9 (Reassessment)	3.50%
Years 10-11	2.00%

Equity Waterfall: 5x5 Re-Finance Scenario



GP Contribution	5%
LP Contribution	95%

	IRR	GP	LP
Preferred Return	10%	5%	95%
Hurdle 2	12%	15%	85%
Hurdle 3		25%	75%

Year:	0	1	2	3	4	5	6	7	8	9	10
Total Levered Cash Flow	\$ (120,648,705)	\$ 5,507,569	\$ 6,008,158	\$ 6,457,864	\$ 4,602,822	\$ 46,315,445	\$ 5,426,378	\$ 6,001,832	\$ 6,595,515	\$ 4,691,249	\$ 260,351,694
Preferred Return Distributions											
LP Account											
Beginning LP Balance	\$ -	\$ 114,616,270	\$ 120,845,706	\$ 127,222,527	\$ 133,809,809	\$ 142,818,109	\$ 113,100,248	\$ 119,255,214	\$ 125,478,995	\$ 131,761,155	\$ 140,480,584
Preferred Return	\$ -	\$ 11,461,627	\$ 12,084,571	\$ 12,722,253	\$ 13,380,981	\$ 14,261,811	\$ 11,310,025	\$ 11,925,521	\$ 12,547,899	\$ 13,176,116	\$ 14,048,058
LP Contributions	\$ 114,616,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP Distributions	\$ -	\$ 5,232,191	\$ 5,707,750	\$ 6,134,970	\$ 4,372,681	\$ 43,999,672	\$ 5,155,059	\$ 5,701,740	\$ 6,265,739	\$ 4,456,687	\$ 140,480,584
Ending LP Balance	\$ 114,616,270	\$ 120,845,706	\$ 127,222,527	\$ 133,809,809	\$ 142,818,109	\$ 113,100,248	\$ 119,255,214	\$ 125,478,995	\$ 131,761,155	\$ 140,480,584	\$ 14,048,058
GP Account											
GP Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Distributions	\$ -	\$ 275,378	\$ 300,408	\$ 322,893	\$ 230,141	\$ 2,315,772	\$ 271,319	\$ 300,092	\$ 329,776	\$ 234,562	\$ 7,393,715
Total Equity Distributions											
Total Distributions	\$ -	\$ 5,507,569	\$ 6,008,158	\$ 6,457,864	\$ 4,602,822	\$ 46,315,445	\$ 5,426,378	\$ 6,001,832	\$ 6,595,515	\$ 4,691,249	\$ 147,874,299
Cash Flow Remaining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,477,395
Hurdle 2 Distributions											
LP Account											
Beginning LP Balance	\$ -	\$ 114,616,270	\$ 123,138,032	\$ 132,206,845	\$ 141,936,696	\$ 154,596,419	\$ 129,148,317	\$ 139,491,056	\$ 150,528,243	\$ 162,325,893	\$ 177,348,313
LP Hurdle 2 IRR Breakpoint	\$ -	\$ 13,753,952	\$ 14,776,564	\$ 15,864,821	\$ 17,032,404	\$ 18,551,570	\$ 15,497,798	\$ 16,738,927	\$ 18,063,369	\$ 19,479,107	\$ 21,281,798
LP Contributions	\$ 114,616,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP Prior Distributions	\$ -	\$ 5,232,191	\$ 5,707,750	\$ 6,134,970	\$ 4,372,681	\$ 43,999,672	\$ 5,155,059	\$ 5,701,740	\$ 6,265,739	\$ 4,456,687	\$ 140,480,584
LP Hurdle 2 Promote	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,149,527
Ending LP Balance	\$ 114,616,270	\$ 123,138,032	\$ 132,206,845	\$ 141,936,696	\$ 154,596,419	\$ 129,148,317	\$ 139,491,056	\$ 150,528,243	\$ 162,325,893	\$ 177,348,313	\$ -
GP Account											
GP Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,261,681
Total Equity Distributions											
Total Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,411,208
Cash Flow Remaining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,066,187
Hurdle 3 Distributions											
LP Account											
LP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,049,640
GP Account											
GP Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,016,547
Total Distributions											
Total Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,066,187

Year:	0	1	2	3	4	5	6	7	8	9	10
GP Cash Flow											
Distributions	\$ -	\$ 275,378	\$ 300,408	\$ 322,893	\$ 230,141	\$ 2,315,772	\$ 271,319	\$ 300,092	\$ 329,776	\$ 234,562	\$ 28,671,943
Contributions	\$ (6,032,435)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (6,032,435)	\$ 275,378	\$ 300,408	\$ 322,893	\$ 230,141	\$ 2,315,772	\$ 271,319	\$ 300,092	\$ 329,776	\$ 234,562	\$ 28,671,943
LP Cash Flow											
Distributions	\$ -	\$ 5,232,191	\$ 5,707,750	\$ 6,134,970	\$ 4,372,681	\$ 43,999,672	\$ 5,155,059	\$ 5,701,740	\$ 6,265,739	\$ 4,456,687	\$ 231,679,751
Contributions	\$ (114,616,270)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (114,616,270)	\$ 5,232,191	\$ 5,707,750	\$ 6,134,970	\$ 4,372,681	\$ 43,999,672	\$ 5,155,059	\$ 5,701,740	\$ 6,265,739	\$ 4,456,687	\$ 231,679,751

GP IRR	21%
LP IRR	13%

Year:	0	1	2	3	4	5	6	7	8	9	10
LP Cash Flow											
Distributions	\$ -	\$ 2,282	\$ 2,490	\$ 2,676	\$ 1,908	\$ 19,194	\$ 2,249	\$ 2,487	\$ 2,733	\$ 1,944	\$ 101,068
Contributions	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (50,000)	\$ 2,282	\$ 2,490	\$ 2,676	\$ 1,908	\$ 19,194	\$ 2,249	\$ 2,487	\$ 2,733	\$ 1,944	\$ 101,068

IREA Capital as a Percentage of Total Equity
0.0436%

IREA Investment	\$ 50,000
IREA IRR	13%
IREA Equity Multiple	2.8x

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	7.19%	8.25%	9.30%	10.35%	11.40%
5.00%	7.58%	8.65%	9.71%	10.77%	11.82%
4.75%	8.00%	9.07%	10.14%	11.20%	12.26%
4.50%	8.45%	9.53%	10.60%	11.67%	12.73%
4.25%	8.94%	10.02%	11.10%	12.17%	13.24%
Unlevered					

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	9.95%	12.07%	14.09%	16.04%	17.92%
5.00%	10.81%	12.93%	14.95%	16.90%	18.78%
4.75%	11.74%	13.85%	15.87%	17.82%	19.69%
4.50%	12.74%	14.85%	16.86%	18.80%	20.68%
4.25%	13.82%	15.92%	17.93%	19.87%	21.74%
Levered					

Variance
Analysis: 5x5
Re-Finance
Scenario

IREA Returns: 10 Year Loan Vs 5x5 Re-Finance Scenario

10 Year Loan Scenario

Year:	0	1	2	3	4	5	6	7	8	9	10
LP Cash Flow											
Distributions	\$ -	\$ 2,199	\$ 2,406	\$ 2,592	\$ 1,843	\$ 2,068	\$ 2,279	\$ 2,517	\$ 2,763	\$ 2,995	\$ 115,648
Contributions	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (50,000)	\$ 2,199	\$ 2,406	\$ 2,592	\$ 1,843	\$ 2,068	\$ 2,279	\$ 2,517	\$ 2,763	\$ 2,995	\$ 115,648

IREA Capital as a Percentage of Total Equity
0.0436%

IREA Investment	\$ 50,000
IREA IRR	12%
IREA Equity Multiple	2.7x

5x5 Re-Finance Scenario

Year:	0	1	2	3	4	5	6	7	8	9	10
LP Cash Flow											
Distributions	\$ -	\$ 2,282	\$ 2,490	\$ 2,676	\$ 1,908	\$ 19,194	\$ 2,249	\$ 2,487	\$ 2,733	\$ 1,944	\$ 101,068
Contributions	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ (50,000)	\$ 2,282	\$ 2,490	\$ 2,676	\$ 1,908	\$ 19,194	\$ 2,249	\$ 2,487	\$ 2,733	\$ 1,944	\$ 101,068

IREA Capital as a Percentage of Total Equity
0.0436%

IREA Investment	\$ 50,000
IREA IRR	13%
IREA Equity Multiple	2.8x

IREA Variance Analysis Levered: 10 Year Loan Vs 5x5 Re-Finance Scenario



10 Year Loan Scenario

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	8.62%	10.72%	12.68%	14.52%	16.28%
5.00%	9.41%	11.47%	13.39%	15.20%	16.93%
4.75%	10.23%	12.24%	14.12%	15.91%	17.62%
4.50%	11.08%	13.04%	14.89%	16.65%	18.34%
4.25%	11.96%	13.88%	15.70%	17.43%	19.09%
Levered					

5x5 Re-Finance Scenario

Exit Cap	Rent Growth				
	2.00%	3.00%	4.00%	5.00%	6.00%
5.25%	9.95%	12.07%	14.09%	16.04%	17.92%
5.00%	10.81%	12.93%	14.95%	16.90%	18.78%
4.75%	11.74%	13.85%	15.87%	17.82%	19.69%
4.50%	12.74%	14.85%	16.86%	18.80%	20.68%
4.25%	13.82%	15.92%	17.93%	19.87%	21.74%
Levered					

Questions?

