




SAMPLE INVESTMENT CASE STUDY


THE SCENE - KNOXVILLE, TENNESSEE

Prepared by Apex
Investments Team

A detailed overview of
an example multifamily
acquisition, illustrating
projected returns,
financial structure, and
operational
performance.

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THE SPONSOR TEAM



Will Rivers
Director
Investments & Asset Management

- Over 10 years experience as an Electrical Contractor
- **Proven track record of keeping projects with budget with delivering quality results.**
- Will values building strong relationships and is focused on delivering excellent returns for investors.



Gretchen Rivers
Director
Strategy & Analytics

- 12 years of experience in Financial Banking and Analytics
- **Specializes in Business Development and Strategic Planning**
- Is passionate about combining Data-Driven decision-making and tenant experience to create thriving profitable communities.



Nizan Mosery
KP/Advisor

- Over 25 years in Real Estate Investment
- **15 years specializing in Multifamily, and has managed more than \$200 Million in Multifamily Assets.**
- He believes success requires more than profit - it requires passion, mindset, and the drive to live fully on one's own terms.
- **Nizan is on a mission to wake people up to the opportunities that Multifamily Investing provides.**



Jason Kurtz
Director
Acquisitions

- Over 26 years Real Estate experience.
- **Purchased more than 5,000 Multifamily units at Granite Investment Group.**
- Served as Director of Acquisitions at the Bethany Group, overseeing purchasing of 22,000 apartments across 15 states, raising over \$400 Million in equity and procuring more than \$2 Billion in Financing.
- **He has spent significant time in loss mitigation, servicing, analytics, acquisitions, dispositions, and trading of Nonperforming notes and been involved in the purchase over 300mm in notes.**

The Scene Knoxville Tn

SOURCES AND USES OF FUNDS

<u>Note</u>	<u>Sources of Funds</u>	<u>Amount</u>	<u>% Total</u>	
1	Ist Trust Deed	\$ 4,300,000	66.7%	
2	Investor Equity	\$ 2,150,000	33.3%	
	TOTAL SOURCES OF FUNDS	\$ 6,450,000	100.0%	
	 <u>Uses of Funds</u>	 <u>Amount</u>	 <u>% Total</u>	
3	Acquisition Price	\$ 5,750,000	89.1%	
4	Acquisition Fee	\$ 230,000	3.6%	
5	Closing Costs	\$28,750	0.4%	
6	Capital Formation Fee - Equity	\$ 86,000	1.3%	
7	Outside Broker Fee	\$ 115,000	1.8%	
8	New Loan Costs	\$ 95,250	1.5%	
9	Capital Improvements	\$ 52,800	0.8%	
10	Interest Reserve	\$ -	0.0%	
11	Working Capital	\$ 26,630	0.4%	
	TOTAL USES OF FUNDS	\$ 6,450,000	100.0%	\$ 700,000
		\$ -		

Notes

- 1 New Loan (Senior Loan) to be obtained secured by a first deed of trust (See Loan Summary)
- 2 Capital Contribution from equity partners
- 3 Purchase Price to acquire the Property from Seller
- 4 Fee paid to APEX Group for arranging the acquisition
- 5 Estimated costs, including costs for escrow deposits, legal, title, and reimbursement to APEX for any actual out-of-pocket due diligence costs
- 6 Fee paid to APEX Group or Outside 3rd Party for procuring equity capital on behalf of the company. Some or all fees be reallocated to outside third parties for providing said services for the company.
- 7 Fee paid to Outside Broker for Sourcing the deal
- 8 Estimated costs incurred to obtain the new Senior Loan
- 9 Capital Improvements expected to commence upon acquisition of the Property
- 10 Interest Reserve, if any
- 11 Unallocated reserves for working capital purposes

**The Scene
Knoxville Tn**

Rental Appreciation	0.00%	0.000%	0.000%	0.000%	0.607%	0.607%	0.607%	0.607%	0.607%	0.607%	0.607%	0.607%	0.607%	4.855%
Vacancy Loss	6.80%	6.80%	6.80%	6.50%	6.50%	6.50%	6.00%	6.00%	5.75%	5.75%	5.50%	5.00%	5.00%	6.16%
Expense Increase (Util. & R/M)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rent Per Square Foot	\$ 1.95	\$ 1.95	\$ 1.95	\$ 1.95	\$ 1.96	\$ 1.97	\$ 1.99	\$ 2.00	\$ 2.01	\$ 2.02	\$ 2.04	\$ 2.05		
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	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Average Rent Per Unit Per Month	\$ 1,348	\$ 1,348	\$ 1,348	\$ 1,348	\$ 1,356	\$ 1,364	\$ 1,373	\$ 1,381	\$ 1,389	\$ 1,398	\$ 1,406	\$ 1,414	\$ 1,373
Market Rent	\$ 59,315	\$ 59,315	\$ 59,315	\$ 59,315	\$ 59,675	\$ 60,037	\$ 60,401	\$ 60,768	\$ 61,137	\$ 61,508	\$ 61,881	\$ 62,194	\$ 724,861
Loss to Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GROSS POTENTIAL INCOME	\$ 59,315	\$ 59,315	\$ 59,315	\$ 59,315	\$ 59,675	\$ 60,037	\$ 60,401	\$ 60,768	\$ 61,137	\$ 61,508	\$ 61,881	\$ 62,194	\$ 724,861

RENTAL LOSS

Vacancy Loss	\$ (4,033)	\$ (4,033)	\$ (4,033)	\$ (3,855)	\$ (3,879)	\$ (3,902)	\$ (3,624)	\$ (3,646)	\$ (3,515)	\$ (3,537)	\$ (3,403)	\$ (3,110)	\$ (44,572)
Concessions	\$ (718)	\$ (718)	\$ (718)	\$ (718)	\$ (722)	\$ (726)	\$ (731)	\$ (735)	\$ (740)	\$ (744)	\$ (749)	\$ (753)	\$ (8,771)
Delinquency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bad Debt/ Write-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Model/ Admin Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Prepaid Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RENTAL LOSS	\$ (4,751)	\$ (4,751)	\$ (4,751)	\$ (4,573)	\$ (4,601)	\$ (4,629)	\$ (4,355)	\$ (4,381)	\$ (4,255)	\$ (4,281)	\$ (4,152)	\$ (3,862)	\$ (53,343)

NET RENTAL INCOME

	\$ 54,564	\$ 54,564	\$ 54,564	\$ 54,742	\$ 55,074	\$ 55,408	\$ 56,046	\$ 56,387	\$ 56,882	\$ 57,227	\$ 57,729	\$ 58,332	\$ 671,518
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OTHER INCOME

Application Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Move Out charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit Forfeit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 468	\$ 5,610
Ancillary Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vending Machine Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Laundry Rm. Income (per unit/mo.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Late Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NSF Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility RUBS	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 2,699	\$ 32,383
Garage Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carport Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Month to Month charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER INCOME.	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 3,166	\$ 37,993

EFFECTIVE GROSS INCOME

	\$ 57,730	\$ 57,730	\$ 57,730	\$ 57,908	\$ 58,240	\$ 58,574	\$ 59,213	\$ 59,553	\$ 60,048	\$ 60,393	\$ 60,895	\$ 61,498	\$ 709,511
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EXPENSES

RE Taxes 2025	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (3,332)	\$ (39,986)
Insurance	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (2,132)	\$ (25,585)
Insurance Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (3,794)	\$ (45,526)
Contracts- Pests/pool/Landscaping	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (6,600)
Building Repairs & Maintenance	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (11,000)
Building & Repairs Payroll	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (865)	\$ (10,384)
Accounting & Professional Mgmt.	\$ (2,887)	\$ (2,887)	\$ (2,887)	\$ (2,895)	\$ (2,912)	\$ (2,929)	\$ (2,961)	\$ (2,978)	\$ (3,002)	\$ (3,020)	\$ (3,045)	\$ (3,075)	\$ (35,476)
Residential Mgmt. Payroll	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (3,300)	\$ (39,600)
Advertising & Marketing	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (733)	\$ (8,800)
Security Patrol	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (6,600)
TOTAL EXPENSES	\$ (19,060)	\$ (19,060)	\$ (19,060)	\$ (19,069)	\$ (19,085)	\$ (19,102)	\$ (19,134)	\$ (19,151)	\$ (19,176)	\$ (19,193)	\$ (19,218)	\$ (19,248)	\$ (229,555)

NET OPERATING INCOME

	\$ 38,670	\$ 38,670	\$ 38,670	\$ 38,839	\$ 39,155	\$ 39,472	\$ 40,079	\$ 40,402	\$ 40,872	\$ 41,200	\$ 41,677	\$ 42,250	\$ 479,956
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Reserves/ Replacements	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (550)	\$ (6,600)
Debt Service (1st TD)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (25,781)	\$ (283,587)
Debt Service (B-Note)	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service (Cap Ex)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded From Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NET CASH FLOW

	\$ 38,120	\$ 12,340	\$ 12,340	\$ 12,509	\$ 12,824	\$ 13,142	\$ 13,748	\$ 14,071	\$ 14,541	\$ 14,869	\$ 15,346	\$ 15,919	\$ 189,768
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Debt Service Coverage	\$ 1.48	\$ 1.48	\$ 1.49	\$ 1.50	\$ 1.51	\$ 1.53	\$ 1.55	\$ 1.56	\$ 1.58	\$ 1.60	\$ 1.62	\$ 1.67
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The Scene

2800 Davenport

Knoxville Tn

Property

Address

City, State

44	1973	30,400	10.77	4.1
Units	Year Built	NSqFt	Lot Size (Acres)	Density (Units/Acre)

INCOME ANALYSIS (CURRENT & STABILIZED)

No.	Type	SqFt	MONTH 1 Current Rents			MONTH 12 Stabilized Market Rents,			
			Total Rentable SqFt	Vacancy & Estimated Expenses		Total	Vacancy & Estimated Expenses		
				Total	Per Unit		Per SqFt	Per Unit	Per SqFt
2	1 Bd/ 1 Ba	500	1,000	\$ 2,345	\$ 1,173	\$ 2.35	\$ 2,465	\$ 1,233	\$ 2.47
42	2 Bd/ 1 Ba	700	29,400	\$ 56,970	\$ 1,356	\$ 1.94	\$ 59,729	\$ 1,422	\$ 2.03
44		691	30,400	\$ 59,315	\$ 1,348	\$ 2.14	\$ 62,194	\$ 1,414	\$ 2.25
		avg. sf/unit	364,800				4.9% increase over current rents		
* Direct Access to Unit from Carport									
INCOME				TOTAL	PER UNIT	PER SQFT	TOTAL	PER UNIT	PER SQFT
Market Rent			\$711,780	\$ 59,315	\$ 1,348	\$ 1.95	\$ 62,194	\$ 1,414	\$ 2.05
Loss to Lease			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
GROSS POTENTIAL INCOME			\$711,780	\$ 59,315	\$ 1,348	\$ 1.95	\$ 62,194	\$ 1,414	\$ 2.05
RENTAL LOSS									
Vacancy Loss			6.80%	\$ (4,033)	\$ (92)	\$ (0.13)	\$ (3,110)	\$ (71)	\$ (0.10) 5.00%
Concessions			1.21%	\$ (718)	\$ (16)	\$ (0.02)	\$ (753)	\$ (17)	\$ (0.02) 1.21%
Delinquency			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
Employee Units			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
Bad Debt/ Write-offs			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
Lease Model/ Admin Unit			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
Plus Prepaid Rent			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - 0.00%
TOTAL RENTAL LOSS			8.01%	\$ (4,751)	\$ (108)	\$ (0.16)	\$ (3,862)	\$ (88)	\$ (0.13) 6.21%
NET RENTAL INCOME			\$ 654,766	\$ 54,564	\$ 1,240	1.79	\$ 58,332	\$ 1,326	1.92
OTHER INCOME									
Application Fees				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Move Out charges				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit Forfeit				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income				\$ 468	\$ 11	\$ 0.02	\$ 468	\$ 11	\$ 0.02
Ancillary Income				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vending Machine Income				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Laundry Rm. Income (per unit/mo.)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Late Fees				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NSF Fee				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility RUBS				\$ 2,699	\$ 61	\$ 0.09	\$ 2,699	\$ 61	\$ 0.09
Garage Income				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carport Income				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage Income				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Month to Month charges				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Premium				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER INCOME.			37994.30545	\$ 3,166	\$ 72	\$ 0.10	\$ 3,166	\$ 72	\$ 0.10
EFFECTIVE GROSS INCOME			\$ 57,730	\$ 692,761	\$ 15,745	\$ 22.79	\$ 737,979	\$ 16,772	\$ 24.28
LESS EXPENSES			Actual						
RE Taxes 2025			1.52000%	\$ 39,986	\$ 909	\$ 1.32	\$ 39,986	\$ 909	\$ 1.32
Insurance				\$ 25,585	\$ 581	\$ 0.84	\$ 25,585	\$ 581	\$ 0.84
Utilities				\$ 45,526	\$ 1,035	\$ 1.50	\$ 45,526	\$ 1,035	\$ 1.50
Contracts- Pests/pool/Landscaping				\$ 6,600	\$ 150	\$ 0.22	\$ 6,600	\$ 150	\$ 0.22
Building Repairs & Maintenance				\$ 11,000	\$ 250	\$ 0.36	\$ 11,000	\$ 250	\$ 0.36
Building & Repairs Payroll				\$ 10,384	\$ 236	\$ 0.34	\$ 10,384	\$ 236	\$ 0.34
Accounting & Professional Mgmt.			5.00%	\$ 34,638	\$ 787	\$ 1.14	\$ 36,899	\$ 839	\$ 1.21
Residential Mgmt. Payroll				\$ 39,600	\$ 900	\$ 1.30	\$ 39,600	\$ 900	\$ 1.30
Advertising & Marketing				\$ 8,800	\$ 200	\$ 0.29	\$ 8,800	\$ 200	\$ 0.29
Security Patrol				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative				\$ 6,600	\$ 150	\$ 0.22	\$ 6,600	\$ 150	\$ 0.22
Reserves/Replacements				\$ 11,000	\$ 250	\$ 0.36	\$ 11,000	\$ 250	\$ 0.36
TOTAL EXPENSES			34.60%	\$ 239,718	\$ 5,448	\$ 7.89	\$ 241,979	\$ 5,500	\$ 7.96 32.79%
*includes special assessments = \$0									
NET OPERATING INCOME			65.40%	\$ 453,043	\$ 10,296	\$ 14.90	\$ 496,000	\$ 11,273	\$ 16.32 71.60%

VALUATION RATIOS							
PURCHASE PRICE (NET)	current GRM	current CAP RATE	market GRM	Stabilized CAP RATE	PRICE/ UNIT	PRICE/ SQFT	
\$ 5,750,000 (GROSS)	8.08	7.88%	7.70	9.28%	\$ 130,682	\$ 189.14	
\$ 6,450,000	9.06	7.02%	8.64	8.27%	\$ 146,591	\$ 212.17	

The Scene
Knoxville Tn

\$2,150,000 Total Equity
\$2,150,000 Sponsor Equity
\$0 Equity Partner

Rental Appreciation	4.85%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Vacancy and Rent Loss	6.16%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expense Increase	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Increase	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

	Month	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
Rent Per Square Foot	\$	1.99	2.09	2.18	2.26	2.36	2.45	2.55	2.66
Average Rent Per Unit Per Month	\$	1,373	1,445	1,503	1,565	1,628	1,695	1,764	1,836
Market Rent	\$	724,861	762,703	793,777	826,117	859,774	894,802	931,258	969,199
Loss to Lease	\$	-	-	-	(8,111)	(8,441)	(8,785)	(9,143)	(9,516)
GROSS POTENTIAL RENT	\$	724,861	762,703	793,777	818,006	851,333	886,017	922,115	959,683
RENTAL LOSS									
Vacancy Loss	\$	(44,572)	(38,135)	(39,689)	(40,900)	(42,567)	(44,301)	(46,106)	(47,984)
Concessions	\$	(8,771)	(9,229)	(9,605)	(9,898)	(10,301)	(10,721)	(11,158)	(11,612)
Delinquency	\$	-	-	-	-	-	-	-	-
Employee Units	\$	-	-	-	-	-	-	-	-
Bad Debt/ Write-offs	\$	-	(1,907)	(1,984)	(2,045)	(2,128)	(2,215)	(2,305)	(2,399)
Lease Model/ Admin Unit	\$	-	-	-	-	-	-	-	-
Plus Prepaid Rent	\$	-	-	-	-	-	-	-	-
TOTAL RENTAL LOSS	\$	(53,343)	(49,271)	(51,278)	(52,843)	(54,996)	(57,237)	(59,569)	(61,996)
NET RENTAL INCOME	\$	671,518	713,433	742,499	765,163	796,337	828,781	862,546	897,688
OTHER INCOME									
Application Fees	\$	-	-	-	-	-	-	-	-
Move Out charges	\$	-	-	-	-	-	-	-	-
Deposit Forfeit	\$	-	-	-	-	-	-	-	-
Miscellaneous Income	\$	5,610	5,733	5,967	6,210	6,463	6,726	7,000	7,286
Keys, Locks	\$	-	-	-	-	-	-	-	-
Vending Machine Income	\$	-	-	-	-	-	-	-	-
Laundry Rm. Income (per unit/mo.)	\$	-	-	-	-	-	-	-	-
Late Fees	\$	-	-	-	-	-	-	-	-
NSF Fee	\$	-	-	-	-	-	-	-	-
Utility RUBS	\$	32,383	33,093	34,441	35,844	37,304	38,824	40,406	42,052
Garage Income	\$	-	-	-	-	-	-	-	-
Carport Income	\$	-	-	-	-	-	-	-	-
Storage Income	\$	-	-	-	-	-	-	-	-
Month to Month charges	\$	-	-	-	-	-	-	-	-
Corporate Premium	\$	-	-	-	-	-	-	-	-
TOTAL OTHER INCOME	\$	37,993	38,826	40,408	42,054	43,767	45,550	47,406	49,338
EFFECTIVE GROSS INCOME	\$	709,511	752,258	782,907	807,217	840,104	874,331	909,953	947,025
EXPENSES									
RE Taxes (2005-2006)*	\$	(39,986)	(39,986)	(40,785)	(41,601)	(42,433)	(43,282)	(44,147)	(45,030)
Insurance	\$	(25,585)	(25,820)	(25,820)	(25,820)	(25,820)	(26,342)	(26,873)	(27,416)
Insurance Reimbursement	\$	-	\$0	-	-	-	-	-	-
Utilities	\$	(45,526)	(46,022)	(46,951)	(47,898)	(48,865)	(49,852)	(50,858)	(51,884)
Contracts	\$	(6,600)	(6,672)	(6,807)	(6,944)	(7,084)	(7,227)	(7,373)	(7,522)
Building Repairs & Maintenance	\$	(11,000)	(11,120)	(20,225)	(20,634)	(21,050)	(21,475)	(21,909)	(22,351)
Building & Repairs Payroll	\$	(10,384)	(10,497)	(10,709)	(10,925)	(11,146)	(11,371)	(11,600)	(11,834)

Accounting & Professional Mgmt.	4.0%	\$ (35,476)	\$ (37,613)	\$ (39,145)	\$ (40,361)	\$ (42,005)	\$ (43,717)	\$ (45,498)	\$ (47,351)
Residential Mgmt. Payroll		\$ (39,600)	\$ (40,032)	\$ (40,840)	\$ (41,664)	\$ (42,505)	\$ (43,363)	\$ (44,238)	\$ (45,131)
Advertising & Marketing		\$ (8,800)	\$ (8,896)	\$ (12,406)	\$ (12,656)	\$ (12,912)	\$ (13,172)	\$ (13,438)	\$ (13,709)
Security Patrol		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative		\$ (6,600)	\$ (6,672)	\$ (6,807)	\$ (6,944)	\$ (7,084)	\$ (7,227)	\$ (7,373)	\$ (7,522)
TOTAL EXPENSES		\$ (229,555)	\$ (233,329)	\$ (250,495)	\$ (255,448)	\$ (260,905)	\$ (267,027)	\$ (273,307)	\$ (279,751)
NET OPERATING INCOME		\$ 479,956	\$ 518,929	\$ 532,412	\$ 551,769	\$ 579,199	\$ 607,304	\$ 636,645	\$ 667,275
Reserves/ Replacements	\$250	\$ (6,600)	\$ (6,600)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
Debt Service (1st TD)		\$ (283,587)	\$ (309,368)	\$ (309,368)	\$ (309,368)	\$ (309,368)	\$ (309,368)	\$ (309,368)	\$ (309,368)
Debt Service (B-Note)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service (Cap Ex)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded From Reserves		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW		\$ 189,768	\$ 202,961	\$ 212,043	\$ 231,401	\$ 258,831	\$ 286,936	\$ 316,277	\$ 346,907

NET CASH FLOW		\$ 189,768	\$ 202,961	\$ 212,043	\$ 231,401	\$ 258,831	\$ 286,936	\$ 316,277	\$ 346,907
Accrued Preferred Return Paid									
<i>Preferred Return</i>		\$ 189,768	\$ 202,961	\$ 212,043	\$ 231,401	\$ 258,831	\$ 286,936	\$ 316,277	\$ 346,907
Pref. Return Paid to Investor & Sponsor Equity	7.0%	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500
Equity Partner Portion	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsor Equity Portion Investor	100.0%	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500
Deferred Accrued Return Current Year		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Def. Pref. Return Prev. Years		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accrued Preferred Return		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Preferred Return Paid		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Cash Flow		\$ 39,268	\$ 52,461	\$ 61,543	\$ 80,901	\$ 108,331	\$ 136,436	\$ 165,777	\$ 196,407
Cash Flow Equity Partner	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow Bethany (LLC)	100.0%	\$ 39,268	\$ 52,461	\$ 61,543	\$ 80,901	\$ 108,331	\$ 136,436	\$ 165,777	\$ 196,407
Accrued Preferred Return Paid from REFI Proceeds									
Total Pref. Return to Inv.		\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500	\$ 150,500
Remaining Cash Flow		\$ 39,268	\$ 52,461	\$ 61,543	\$ 80,901	\$ 108,331	\$ 136,436	\$ 165,777	\$ 196,407
Excess Cash Flow to Investor	70.0%	\$ 27,488	\$ 36,723	\$ 43,080	\$ 56,630	\$ 75,832	\$ 95,505	\$ 116,044	\$ 137,485
Excess Cash Flow to Bethany	30.0%	\$ 11,780	\$ 15,738	\$ 18,463	\$ 24,270	\$ 32,499	\$ 40,931	\$ 49,733	\$ 58,922
Total Cash Flow, Investor		\$ 177,988	\$ 187,223	\$ 193,580	\$ 207,130	\$ 226,332	\$ 246,005	\$ 266,544	\$ 287,985
Annualized Cash-on-Cash Return, Investor		8.28%	8.71%	9.00%	9.63%	10.53%	11.44%	12.40%	13.39%