

Skyway Gardens Apartments
515 West Grace St
Richmond, VA 23220

Prepared by:

Contact Info:

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VPI, LLC

2320 Pump Road
Richmond, VA 23233
555-5555

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Unit Mix:

24-unit, fully occupied building plus 8 storage units.
Nice mixture of unit sizes.

Notes/Description of Property:

Property recently has undergone a massive renovation, including new gas boiler, central air system, new roof, and kitchen upgrades to most units. Rents are still about 15% below market-value.

Notes on Area:

Located right around the corner from a major state university, convenient to shopping, dining, and interstates!



Purchase/Offer Price	\$1,200,000
Downpayment	\$240,000
Initial Capital Improvements and Reserves	\$50,000
Total Closing Costs	\$17,000
Total Cash Investment	\$307,000

Cap Rate	8.92%
GRM	7.69
\$/Sq Foot	\$52.86
\$/Unit	37,500

Current / First Year Gross Rent	\$156,000
Current / First Year Operating Expenses	\$25,200
Current / First Year Net Operating Income	\$107,040

Projected Holding Period	12 years
Projected Resale Price	\$1,641,192
Projected Leveraged IRR of Investment	15.19%
Projected Leveraged MIRR of Investment	16.90%
Projected Cumulative Cash-on-Cash Return	360.63%

Selected Projected Financial Measures	Year 1	Year 4	Year 8	Year 12
Pre-Tax Annual Cash-on-Cash Return	8.72%	11.92%	16.64%	21.97%
After-Tax Annual Cash-on-Cash Return	8.60%	10.80%	13.80%	17.12%
DCR	1.33	1.46	1.64	1.84
LTV	80.05%	71.22%	60.15%	49.74%
Return on Equity	9.16%	7.75%	6.62%	5.92%
Economic Occupancy %	94%	94%	94%	94%
Effective Rent per sq foot	\$36.23	\$39.56	\$44.48	\$50.02

Annual Property Operating Data Report

Annual

Gross Schedule Income	\$156,000	% of GSI
-Vacancy	\$9,360	6%
-Concessions	\$0	0%
-Management	\$15,600	10%
<hr/> Effective Gross Income	<hr/> \$131,040	
Other Income	\$1,200	1%
Gross Operating Income	\$132,240	
Economic Occupancy %	94.00%	

Price	\$1,200,000
Sq Feet	22,700
# of Units	32
\$/Unit	\$37,500

Cap Rate	8.92%
GRM	7.69
Payback Period	11.47
DCR	1.33

Operating Expenses:		% of GOI
Accounting	\$0	0%
Advertising	\$0	0%
Insurance Hazard	\$4,800	4%
Janitorial	\$0	0%
Legal	\$0	0%
Licenses	\$0	0%
Miscellaneous	\$0	0%
Repairs and Maintenance	\$12,000	9%
Supplies Maintenance	\$0	0%
Taxes - Property	\$8,400	6%
Utilities:	\$0	0%
Water/Sewer	\$0	0%
Electricity	\$0	0%
Gas	\$0	0%
Fuel Oil	\$0	0%
Other Utilities	\$0	0%
<hr/> Total Operating Expenses	<hr/> \$25,200	<hr/> 19%

Downpayment	\$240,000
Initial Cap Improvements/Reserves	\$50,000
Total Investment	\$307,000
Pre-Tax Cash/Cash Return	8.72%

Net Operating Income	\$107,040	81%
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Debt Service (1st Mortgage)	(\$62,272)
Debt Service (2nd Mortgage)	(\$18,000)
<hr/> Total Debt Service	<hr/> (\$80,272)

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RENT REPORT

							Year (End)								
							1	2	3	4	5	6			
							12/5/2010	12/5/2011	12/5/2012	12/5/2013	12/5/2014	12/5/2015			
Unit Type #	# of units	Unit type	Square Ft.	Monthly Rent	Annual Rent	Annual Growth									
1	4	Studio	400	500	24,000	3%	24,000	24,720	25,462	26,225	27,012	27,823			
2	6	1-Br	650	700	50,400	3%	50,400	51,912	53,469	55,073	56,726	58,427			
3	10	2-Br	1,000	100	12,000	3%	12,000	12,360	12,731	13,113	13,506	13,911			
4	4	3-Br	1,400	1,250	60,000	3%	60,000	61,800	63,654	65,564	67,531	69,556			
5	8	Storage	200	100	9,600	3%	9,600	9,888	10,185	10,490	10,805	11,129			
6	-	-	-	-	-	3%	-	-	-	-	-	-			
7	-	-	-	-	-	3%	-	-	-	-	-	-			
8	-	-	-	-	-	3%	-	-	-	-	-	-			
9	-	-	-	-	-	3%	-	-	-	-	-	-			
10	-	-	-	-	-	3%	-	-	-	-	-	-			
11	-	-	-	-	-	3%	-	-	-	-	-	-			
12	-	-	-	-	-	3%	-	-	-	-	-	-			
Gross Scheduled Income							3,650	13,000	156,000	156,000	160,680	165,500	170,465	175,579	180,847
Vacancy Rate								6%	6%	6%	6%	6%	6%		
Vacancy Loss								9,360	9,641	9,930	10,228	10,535	10,851		
Concessions Rate								0%	0%	0%	0%	0%	0%		
Concessions Amount								-	-	-	-	-	-		
Management Fee								15,600	16,068	16,550	17,047	17,558	18,085		
Other Income							100.00	1,200.00	0%	1,200	1,200	1,200	1,200	1,200	1,200
Gross Operating Income								132,240	136,171	140,220	144,391	148,687	153,111		
Physical Occupancy %								94%	94%	94%	94%	94%	94%		
Economic Occupancy %								94%	94%	94%	94%	94%	94%		
Effective Rent per Square Foot								\$36.23	\$37.31	\$38.42	\$39.56	\$40.74	\$41.95		
Total Growth in Gross Operating Income									2.97%	2.97%	2.97%	2.98%	2.98%		

							Year (End)								
							7	8	9	10	11	12			
							12/5/2016	12/5/2017	12/5/2018	12/5/2019	12/5/2020	12/5/2021			
Unit Type #	# of units	Unit type	Square Ft.	Monthly Rent	Annual Rent	Annual Growth									
1	4	Studio	400	500	24,000	3%	28,657	29,517	30,402	31,315	32,254	33,222			
2	6	1-Br	650	700	50,400	3%	60,180	61,986	63,845	65,761	67,733	69,765			
3	10	2-Br	1,000	100	12,000	3%	14,329	14,758	15,201	15,657	16,127	16,611			
4	4	3-Br	1,400	1,250	60,000	3%	71,643	73,792	76,006	78,286	80,635	83,054			
5	8	Storage	200	100	9,600	3%	11,463	11,807	12,161	12,526	12,902	13,289			
6	-	-	-	-	-	3%	-	-	-	-	-	-			
7	-	-	-	-	-	3%	-	-	-	-	-	-			
8	-	-	-	-	-	3%	-	-	-	-	-	-			
9	-	-	-	-	-	3%	-	-	-	-	-	-			
10	-	-	-	-	-	3%	-	-	-	-	-	-			
11	-	-	-	-	-	3%	-	-	-	-	-	-			
12	-	-	-	-	-	3%	-	-	-	-	-	-			
Gross Scheduled Income							3,650	13,000	156,000	186,272	191,860	197,616	203,545	209,651	215,940
Vacancy Rate								6%	6%	6%	6%	6%	6%		
Vacancy Loss								11,176	11,512	11,857	12,213	12,579	12,956		
Concessions Rate								0%	0%	0%	0%	0%	0%		
Concessions Amount								-	-	-	-	-	-		
Management Fee								18,627	19,186	19,762	20,354	20,965	21,594		
Other Income							0%	1,200	1,200	1,200	1,200	1,200	1,200		
Gross Operating Income								157,669	162,363	167,198	172,177	177,307	182,590		
Physical Occupancy %								94%	94%	94%	94%	94%	94%		
Economic Occupancy %								94%	94%	94%	94%	94%	94%		
Effective Rent per Square Foot								\$43.20	\$44.48	\$45.81	\$47.17	\$48.58	\$50.02		
Total Growth in Gross Operating Income								2.98%	2.98%	2.98%	2.98%	2.98%	2.98%		

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OPERATING EXPENSES REPORT

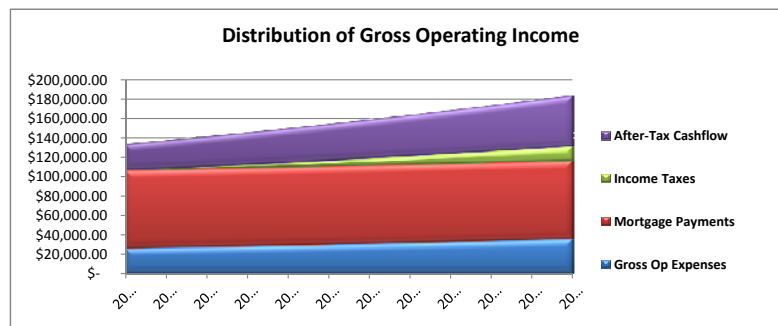
	Current Monthly	Current Annually	Annual Growth Rate (%)	Year (End)					
				1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Accounting	-	-	3%	-	-	-	-	-	-
Advertising	-	-	3%	-	-	-	-	-	-
Insurance Hazard	400	4,800	3%	4,800	4,944	5,092	5,245	5,402	5,565
Janitorial	-	-	3%	-	-	-	-	-	-
Legal	-	-	3%	-	-	-	-	-	-
Licenses	-	-	3%	-	-	-	-	-	-
Miscellaneous	-	-	3%	-	-	-	-	-	-
Repairs and Mainten	1,000	12,000	3%	12,000	12,360	12,731	13,113	13,506	13,911
Supplies Maintanenc	-	-	3%	-	-	-	-	-	-
Taxes - Property	700	8,400	3%	8,400	8,652	8,912	9,179	9,454	9,738
Utilities:	-	-	3%	-	-	-	-	-	-
Water/Sewer	-	-	3%	-	-	-	-	-	-
Electricity	-	-	3%	-	-	-	-	-	-
Gas	-	-	3%	-	-	-	-	-	-
Fuel Oil	-	-	3%	-	-	-	-	-	-
Other Utilities	-	-	3%	-	-	-	-	-	-
Reserves	-	-	3%	-	-	-	-	-	-
Total Gross Operating Expenses				25,200	25,956	26,735	27,537	28,363	29,214
Total Growth in Operating Expenses					3.00%	3.00%	3.00%	3.00%	3.00%

	Current Monthly	Current Annually	Annual Growth Rate (%)	Year (End)					
				7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Accounting	-	-	3%	-	-	-	-	-	-
Advertising	-	-	3%	-	-	-	-	-	-
Insurance Hazard	400	4,800	3%	5,731	5,903	6,080	6,263	6,451	6,644
Janitorial	-	-	3%	-	-	-	-	-	-
Legal	-	-	3%	-	-	-	-	-	-
Licenses	-	-	3%	-	-	-	-	-	-
Miscellaneous	-	-	3%	-	-	-	-	-	-
Repairs and Mainten	1,000	12,000	3%	14,329	14,758	15,201	15,657	16,127	16,611
Supplies Maintanenc	-	-	3%	-	-	-	-	-	-
Taxes - Property	700	8,400	3%	10,030	10,331	10,641	10,960	11,289	11,628
Utilities:	-	-	3%	-	-	-	-	-	-
Water/Sewer	-	-	3%	-	-	-	-	-	-
Electricity	-	-	3%	-	-	-	-	-	-
Gas	-	-	3%	-	-	-	-	-	-
Fuel Oil	-	-	3%	-	-	-	-	-	-
Other Utilities	-	-	3%	-	-	-	-	-	-
Reserves	-	-	3%	-	-	-	-	-	-
Total Gross Operating Expenses				30,090	30,993	31,923	32,880	33,867	34,883
Total Growth in Operating Expenses					3.00%	3.00%	3.00%	3.00%	3.00%

INCOME STATEMENT

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Gross Scheduled Income		156,000	160,680	165,500	170,465	175,579	180,847
+ Other Income		1,200	1,200	1,200	1,200	1,200	1,200
- Vacancy Loss		9,360	9,641	9,930	10,228	10,535	10,851
- Concessions		0	0	0	0	0	0
- Management Fees		15,600	16,068	16,550	17,047	17,558	18,085
Effective Gross Income		132,240	136,171	140,220	144,391	148,687	153,111
- Operating Expenses		25,200	25,956	26,735	27,537	28,363	29,214
Net Operating Income		107,040	110,215	113,486	116,854	120,324	123,898
- Mortgage Interest		72,349	71,776	71,162	70,503	69,797	69,040
- Depreciation Building		33,455	34,909	34,909	34,909	34,909	34,909
- Depreciation Improvements		0	0	0	0	0	0
Taxable Income (Before write-offs)		1,236	3,530	7,415	11,442	15,617	19,948
Losses Carried Over		0	0	0	0	0	0
Taxable Income (After write-offs)		1,236	3,530	7,415	11,442	15,617	19,948

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Gross Scheduled Income	186,272	191,860	197,616	203,545	209,651	215,940
+ Other Income	1,200	1,200	1,200	1,200	1,200	1,200
- Vacancy Loss	11,176	11,512	11,857	12,213	12,579	12,956
- Concessions	0	0	0	0	0	0
- Management Fees	18,627	19,186	19,762	20,354	20,965	21,594
Effective Gross Income	157,669	162,363	167,198	172,177	177,307	182,590
- Operating Expenses	30,090	30,993	31,923	32,880	33,867	34,883
Net Operating Income	127,578	131,370	135,275	139,297	143,440	147,707
- Mortgage Interest	68,228	67,357	66,424	65,423	64,349	63,198
- Depreciation Building	34,909	34,909	34,909	34,909	34,909	34,909
- Depreciation Improvements	0	0	0	0	0	0
Taxable Income (Before write-offs)	24,441	29,103	33,942	38,965	44,182	49,600
Losses Carried Over	0	0	0	0	0	0
Taxable Income (After write-offs)	24,441	29,103	33,942	38,965	44,182	49,600



CASHFLOW REPORT

INITIAL CAPITAL OUTLAY	
Downpayment	(\$240,000.00)
Inspection and Appraisal	(\$800.00)
Origination fee - 1st Mortgage	(\$7,800.00)
Origination fee - 2nd Mortgage	\$0.00
Discount fee - 1st Mortgage	(\$15,600.00)
Discount fee - 2nd Mortgage	\$0.00
Closing costs & misc. fees	(\$28,800.00)
Total Closing Costs (Not financed)	(\$53,000.00)
Cash back from Seller	\$36,000.00
Initial Capital Improvements	\$0.00
Initial Capital Reserves Deposited	(\$50,000.00)
TOTAL CASH OUTLAY	(\$307,000.00)

***Negative numbers denote an outflow of cash, positive an inflow

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Initial Outlay	-307,000						
Additional Capital Improvements		0	0	0	0	0	0
Total Cash Outlay	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000
Gross Operating Income		132,240	136,171	140,220	144,391	148,687	153,111
Gross Operating Expenses		25,200	25,956	26,735	27,537	28,363	29,214
Net Operating Income		107,040	110,215	113,486	116,854	120,324	123,898
Debt Service		-80,272	-80,272	-80,272	-80,272	-80,272	-80,272
Cashflow Before Taxes		26,768	29,943	33,213	36,582	40,052	43,625
Pre-Tax Cash-on-Cash Return		8.72%	9.75%	10.82%	11.92%	13.05%	14.21%
Income Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985
Cashflow After Taxes		26,397	28,884	30,989	33,149	35,366	37,641
After-Tax Cash-on-Cash Return		8.60%	9.41%	10.09%	10.80%	11.52%	12.26%

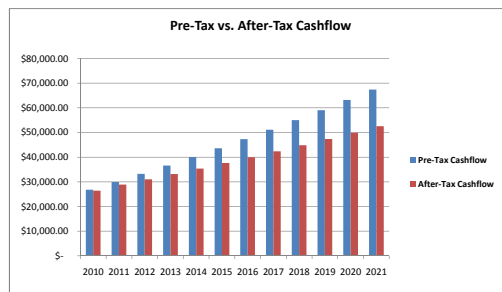
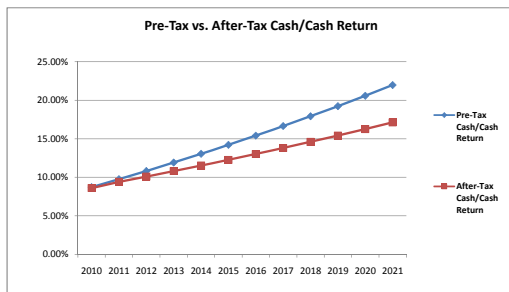
Before-Tax Proceeds of Sale
Capital Gains Taxes
After-Tax Proceeds of Sale

Total After-Tax Cashflows		26,397	28,884	30,989	33,149	35,366	37,641
Cumulative After-Tax Cash-on-Cash Return		8.60%	18.01%	28.10%	38.90%	50.42%	62.68%
Total Cash Position	-307,000	-280,603	-251,719	-220,730	-187,581	-152,215	-114,574
Reserves Balance	50,000	51,000	52,020	53,060	54,122	55,204	56,308
Total Equity Position (Inc Reserves)	290,000	288,257	333,053	379,542	427,800	477,909	529,954
Return on Equity (ROE)		9.16%	8.67%	8.16%	7.75%	7.40%	7.10%

Year (End)	7 12/5/2014	8 12/5/2015	9 12/5/2016	10 12/5/2017	11 12/5/2018	12 12/5/2019	
Initial Outlay							
Additional Capital Improvements		0	0	0	0	0	
Total Cash Outlay		-307,000	-307,000	-307,000	-307,000	-307,000	
Gross Operating Income		157,669	162,363	167,198	172,177	177,307	182,590
Gross Operating Expenses		30,090	30,993	31,923	32,880	33,867	34,883
Net Operating Income		127,578	131,370	135,275	139,297	143,440	147,707
Debt Service		-80,272	-80,272	-80,272	-80,272	-80,272	-80,272
Cashflow Before Taxes		47,306	51,098	55,003	59,025	63,168	67,435
Pre-Tax Cash-on-Cash Return		15.41%	16.64%	17.92%	19.23%	20.58%	21.97%
Income Taxes (Credits)		7,332	8,731	10,183	11,690	13,255	14,880
Cashflow After Taxes		39,974	42,367	44,820	47,335	49,913	52,555
After-Tax Cash-on-Cash Return		13.02%	13.80%	14.60%	15.42%	16.26%	17.12%

Before-Tax Proceeds of Sale
Capital Gains Taxes
After-Tax Proceeds of Sale

Total After-Tax Cashflows		39,974	42,367	44,820	47,335	49,913	52,555
Cumulative After-Tax Cash-on-Cash Return		75.70%	89.50%	104.10%	119.52%	135.78%	160.63%
Total Cash Position	-307,000	-74,600	-32,234	12,586	59,922	109,835	160,148
Reserves Balance		57,434	58,583	59,755	60,950	62,169	63,412
Total Equity Position		584,023	640,213	698,623	759,360	822,534	888,265
Return on Equity (ROE)		6.84%	6.62%	6.42%	6.23%	6.07%	5.92%



DISCOUNTED CASH FLOW ANALYSIS AND VALUATION

Year (End)	0	1	2	3	4	5	6	7	8	9	10	11	12
	12/5/2009	12/5/2010	12/5/2011	12/5/2012	12/5/2013	12/5/2014	12/5/2015	12/5/2016	12/5/2017	12/5/2018	12/5/2019	12/5/2020	12/5/2021
Cumulative Cash Outlay	(307,000.00)	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000	-307,000
Gross Operating Income		132,240	136,171	140,220	144,391	148,687	153,111	157,669	162,363	167,198	172,177	177,307	182,590
Gross Operating Expenses		25,200	25,956	26,735	27,537	28,363	29,214	30,090	30,993	31,923	32,880	33,867	34,883
Net Operating Income		107,040	110,215	113,486	116,854	120,324	123,898	127,578	131,370	135,275	139,297	143,440	147,707
Mortgage Payments		80,272	80,272	80,272	80,272	80,272	80,272	80,272	80,272	80,272	80,272	80,272	80,272
Pre-tax Cashflow		26,768	29,943	33,213	36,582	40,052	43,625	47,306	51,098	55,003	59,025	63,168	67,435
Pre-Tax Cash-on-Cash Return		8.72%	9.75%	10.82%	11.92%	13.05%	14.21%	15.41%	16.64%	17.92%	19.23%	20.58%	21.97%
Income Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985	7,332	8,731	10,183	11,690	13,255	14,880
After-tax Cashflow		26,397	28,884	30,989	33,149	35,366	37,641	39,974	42,367	44,820	47,335	49,913	52,555
After-Tax Cash-on-Cash Return		8.60%	9.41%	10.09%	10.80%	11.52%	12.26%	13.02%	13.80%	14.60%	15.42%	16.26%	17.12%
Gross Sale Proceeds													726,382
Capital Gains Taxes													152,035
Reserves Release													63,412
Total After-Tax Cashflow (CFAT)	(307,000.00)	26,397	28,884	30,989	33,149	35,366	37,641	39,974	42,367	44,820	47,335	49,913	690,314

Present Value of Property based on NOI and Projected Resale Value

Cashflow Stream:	\$ 107,040.0	\$ 110,215.2	\$ 113,485.7	\$ 116,854.2	\$ 120,323.9	\$ 123,897.6	\$ 127,578.5	\$ 131,369.8	\$ 135,274.9	\$ 139,297.2	\$ 143,440.1	#####
Present Value of Property (PV):	#####											
Net Present Value of Property (PV minus Purchase Price)	\$ 156,222.36											

NPV of Property is Positive. Required Rate of Return will be Exceeded

Present Value of Cash Investment based on After-Tax Cash Flows

Cashflow Stream:	-307,000	\$ 26,396.7	\$ 28,883.9	\$ 30,989.0	\$ 33,149.4	\$ 35,366.3	\$ 37,640.7	\$ 39,973.8	\$ 42,366.5	\$ 44,820.0	\$ 47,335.2	\$ 49,913.2	\$ 690,313.6
Present Value of Investment (PV):		\$451,983.39											
Net Present Value of Investment (PV minus Investment)		\$144,983.39											
After-Tax Leveraged IRR		15.19%											
After-Tax Leveraged MIRR		16.90%											

NPV of Investment is Positive. Required Rate of Return will be Exceeded

ASSUMPTIONS

Purchase Price	\$1,200,000.00
Initial Capital Improvements	\$0.00
Total Cash Invested	\$307,000.00
Holding Term	12 Years
Discount Rate for DCF Valuation	10.00%
Type of Resale Calculation	Set Cap Rate
Resale Cap Rate Assumed	9.00%
Annual Rent Growth (1st-Year)	2.97%
Annual Operating Expenses Growth (1st Year)	3.00%

DEBT COVERAGE AND LTV PROJECTIONS

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Gross Operating Income		132,240	136,171	140,220	144,391	148,687	153,111
Gross Operating Expenses		25,200	25,956	26,735	27,537	28,363	29,214
Net Operating Income		107,040	110,215	113,486	116,854	120,324	123,898
Debt Service		80,272	80,272	80,272	80,272	80,272	80,272
DCR (Debt Coverage Ratio)		1.33	1.37	1.41	1.46	1.50	1.54
Projected Property Value		1,189,333	1,224,613	1,260,952	1,298,380	1,336,932	1,376,640
Total Debt	960,000	952,077	943,581	934,470	924,701	914,226	902,994
Total Equity	240,000	237,257	281,033	326,481	373,679	422,705	473,646
LTV (Loan to Value)	80.00%	80.05%	77.05%	74.11%	71.22%	68.38%	65.59%
Deb Yield	11.15%	11.24%	11.68%	12.14%	12.64%	13.16%	13.72%

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Gross Operating Income	157,669	162,363	167,198	172,177	177,307	182,590
Gross Operating Expenses	30,090	30,993	31,923	32,880	33,867	34,883
Net Operating Income	127,578	131,370	135,275	139,297	143,440	147,707
Debt Service	80,272	80,272	80,272	80,272	80,272	80,272
DCR (Debt Coverage Ratio)	2	2	2	2	2	2
Projected Property Value	1,417,539	1,459,665	1,503,055	1,547,747	1,593,779	1,641,192
Total Debt	890,950	878,035	864,186	849,337	833,413	816,339
Total Equity	526,589	581,630	638,869	698,410	760,366	824,853
LTV (Loan to Value)	62.85%	60.15%	57.50%	54.88%	52.29%	49.74%
Deb Yield	14.32%	14.96%	15.65%	16.40%	17.21%	18.09%

ASSUMPTIONS

Purchase Price	\$1,200,000.00
Initial Capital Improvements	\$0.00
Initial Reserves Deposited	\$50,000.00
Holding Term	12 Years
Type of Property Value Calculation	Set Cap Rate*
Resale Cap Rate Assumed	9.00%
Annual Rent Growth	2.97%
Annual Operating Expenses Growth	3.00%

MORTGAGE ASSUMPTIONS: (Mortgage 1) (Mortgage 2)

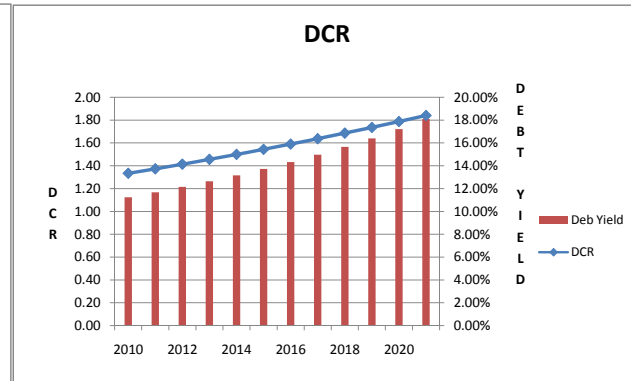
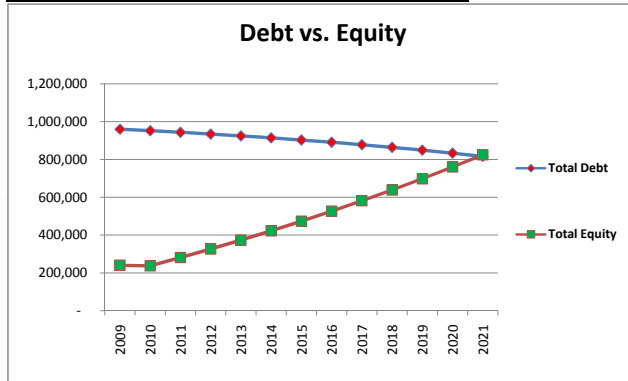
Amount Borrowed	780,000	180,000
Initial LTV%	65%	15%
Type of Mortgage	Fixed	Interest Only
Term	30	N/A
Interest Rate	7.00%	10.00%
Payment Amount (Monthly)	-5189.36	-1500.00

Buy-in Cap Rate	8.92%
Buy-in GRM	7.69
Buy-in \$/Sq Ft	52.86
Buy-in DCR	1.33
Buy-in Debt Yield	11.15%
Buy-in Cash/Cash (Pre-Tax)	8.72%

*** Market (Resale) Value Calculation Explanation:**

There are 2 ways a market value of a property may be projected with this analysis:

- 1) "Set Cap Rate" - Market Value is calculated given a user-specified Capitalization Rate
- 2) "Annual App %" - Market Value is calculated given a user-specified annual appreciation rate



Skyway Gardens Apartments
515 West Grace St
Richmond, VA 23220

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TAX REPORT

Years to Depreciate Property:	27.5
Land's % of Value	20.00%
Income Tax Bracket %	30.00%
Capital Gains %	20.00%

Designation for Handling Passive Losses:	Passive Participant
Maximum Annual Write-off vs. Non-Passive Income	-

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Pre-Tax Cashflow		26,768	29,943	33,213	36,582	40,052	43,625
Depreciable Basis (Original)	960,000	926,545	891,636	856,727	821,818	786,909	752,000
Depreciable Basis (Cap Improvements)		-	-	-	-	-	-
Depreciation (Original)		33,455	34,909	34,909	34,909	34,909	34,909
Depreciation (Cap Improvements)		-	-	-	-	-	-
Cumulative Depreciation		33,455	68,364	103,273	138,182	173,091	208,000
Taxable Income (before Write-Offs)		1,236	3,530	7,415	11,442	15,617	19,948
Amount written off against Income this year		-	-	-	-	-	-
Losses Carried Over		-	-	-	-	-	-
Cumulative Losses Carried Over		-	-	-	-	-	-
Losses Previously Carried Over used to Offset This Year's Income		-	-	-	-	-	-
Taxable Income (Loss) (After Write-offs)		1,236	3,530	7,415	11,442	15,617	19,948
Income Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985
Projected Sale Price							
Adjusted Basis	1,200,000	#####	1,131,636	1,096,727	1,061,818	1,026,909	992,000
Projected Cost of Sale							
Projected Gain on Sale (before write-offs)							
Accumulated Passive Losses							
Projected Gain on Sale (after write-offs)							
Capital Gains Taxes							
Total Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985

Remaining Accumulated Losses to
be carried over to other properties

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Pre-Tax Cashflow	47,306	51,098	55,003	59,025	63,168	67,435
Depreciable Basis (Original)	717,091	682,182	647,273	612,364	577,455	542,545
Depreciable Basis (Cap Improvements)		-	-	-	-	-
Depreciation (Original)	34,909	34,909	34,909	34,909	34,909	34,909
Depreciation (Cap Improvements)		-	-	-	-	-
Cumulative Depreciation	208,000	208,000	208,000	208,000	208,000	208,000
Taxable Income (before Write-Offs)	24,441	29,103	33,942	38,965	44,182	49,600
Amount written off against Income this year		-	-	-	-	-
Losses Carried Over		-	-	-	-	-
Cumulative Losses Carried Over		-	-	-	-	-
Losses Previously Carried Over used to Offset This Year's Income		-	-	-	-	-
Taxable Income (Loss) (After Write-offs)	24,441	29,103	33,942	38,965	44,182	49,600
Income Taxes (Credits)	7,332	8,731	10,183	11,690	13,255	14,880
Projected Sale Price						1,641,192
Adjusted Basis	957,091	922,182	887,273	852,364	817,455	782,545
Projected Cost of Sale						98,472
Projected Gain on Sale (before write-offs)						760,175
Accumulated Passive Losses						-
Projected Gain on Sale (after write-offs)						760,175
Capital Gains Taxes						152,035
Total Taxes (Credits)	7,332	8,731	10,183	11,690	13,255	166,915

Remaining Accumulated Losses to
be carried over to other properties

Skyway Gardens Apartments

515 West Grace St
Richmond, VA 23220

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VPI, LLC
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ASSET VALUE AND DISPOSITION REPORT

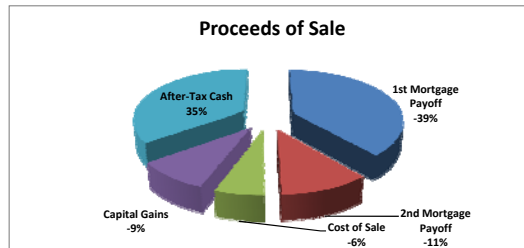
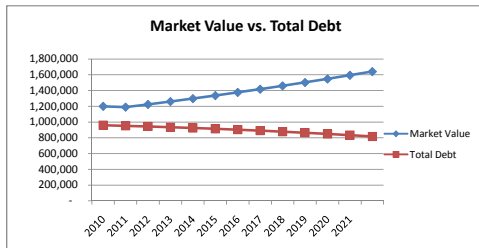
Purchase Price	\$ 1,200,000.00
Initial Capital Improvements	\$ -
Capital Improvements Add to FMV?	No
Fair Market Value Multiplier on Initial Repairs	N/A
Assumed Value of Property in year 0	\$ 1,200,000.00
Holding Period	12 years
Type of Market Value/Resale Value Calculation	Set Cap Rate
Resale Cap Rate	9.00%
Sale Price/Terminal Value	\$ 1,641,192.37

Proceeds of Sale in Year 12

Sales Price	1,641,192.37
1st Mortgage Payoff	(636,339.14)
2nd Mortgage Payoff	(180,000.00)
Cost of Sale	(98,471.54)
Capital Gains	(152,035.07)
After-Tax Cash	574,346.61

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Capital Improvements		0	0	0	0	0	0
FMV Multiplier							
Market Value	1,200,000	1,189,333	1,224,613	1,260,952	1,298,380	1,336,932	1,376,640
1st Mortgage Balance		772,077	763,581	754,470	744,701	734,226	722,994
2nd Mortgage Balance		180,000	180,000	180,000	180,000	180,000	180,000
Total Debt	960,000	952,077	943,581	934,470	924,701	914,226	902,994
Cost of Sale							
Cash at Sale							
Adjusted Basis		1,166,545	1,131,636	1,096,727	1,061,818	1,026,909	992,000
Accumulated Passive Losses							
Gain on Sale (after write-offs)							
Capital Gains Taxes							
After-tax Cash Proceeds of Sale							
Breakdown of Total Equity:							
Original DownPayment	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Reserves	50,000	51,000	52,020	53,060	54,122	55,204	56,308
Principal Paydown on Debt		7,923	16,419	25,530	35,299	45,774	57,006
Appreciation		-10,667	24,613	60,952	98,380	136,932	176,640
Total Equity with Reserves	290,000	288,257	333,053	379,542	427,800	477,909	529,954

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Capital Improvements		0	0	0	0	0
FMV Multiplier						
Market Value	1,417,539	1,459,665	1,503,055	1,547,747	1,593,779	1,641,192
1st Mortgage Balance	710,950	698,035	684,186	669,337	653,413	636,339
2nd Mortgage Balance	180,000	180,000	180,000	180,000	180,000	180,000
Total Debt	890,950	878,035	864,186	849,337	833,413	816,339
Cost of Sale						98,472
Cash at Sale						726,382
Adjusted Basis	957,091	922,182	887,273	852,364	817,455	782,545
Accumulated Passive Losses						0
Gain on Sale (after write-offs)						760,175
Capital Gains Taxes						152,035
After-tax Cash Proceeds of Sale						574,347
Breakdown of Total Equity:						
Original DownPayment	240,000	240,000	240,000	240,000	240,000	240,000
Reserves	57,434	58,583	59,755	60,950	62,169	63,412
Principal Paydown on Debt	69,050	81,965	95,814	110,663	126,587	143,661
Appreciation	217,539	259,665	303,055	347,747	393,779	441,192
Total Equity with Reserves	584,023	640,213	698,623	759,360	822,534	888,265



Skyway Gardens Apartments
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FINANCIAL RATIOS

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Pre-Tax Cash on Cash Return		8.72%	9.75%	10.82%	11.92%	13.05%	14.21%
After-Tax Cash on Cash Return		8.60%	9.41%	10.09%	10.80%	11.52%	12.26%
Cumulative Cash-on-Cash Return (ROI) Pre-Tax		8.72%	18.47%	29.29%	41.21%	54.25%	68.46%
Cumulative Cash-on-Cash Return (ROI) After-Tax		8.60%	18.01%	28.10%	38.90%	50.42%	62.68%
LTV (Loan to Value)	80.00%	80.05%	77.05%	74.11%	71.22%	68.38%	65.59%
DCR (Debt Coverage Ratio)		1.33	1.37	1.41	1.46	1.50	1.54
Debt Yield	11.15%	11.24%	11.68%	12.14%	12.64%	13.16%	13.72%
Break-Even Ratio		79.76%	78.01%	76.31%	74.66%	73.06%	71.51%
Return on Equity (CFAT/Total Equity)		9.16%	8.67%	8.16%	7.75%	7.40%	7.10%
Cap Rate based on original cost and current NOI		8.92%	9.18%	9.46%	9.74%	10.03%	10.32%

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Pre-Tax Cash on Cash Return	15.41%	16.64%	17.92%	19.23%	20.58%	21.97%
After-Tax Cash on Cash Return	13.02%	13.80%	14.60%	15.42%	16.26%	17.12%
Cumulative Cash-on-Cash Return (ROI) Pre-Tax	83.87%	100.52%	118.43%	137.66%	158.24%	180.20%
Cumulative Cash-on-Cash Return (ROI) After-Tax	75.70%	89.50%	104.10%	119.52%	135.78%	360.63%
LTV (Loan to Value)	62.85%	60.15%	57.50%	54.88%	52.29%	49.74%
DCR (Debt Coverage Ratio)	1.59	1.64	1.69	1.74	1.79	1.84
Debt Yield	14.32%	14.96%	15.65%	16.40%	17.21%	18.09%
Break-Even Ratio	70.00%	68.53%	67.10%	65.72%	64.37%	63.07%
Return on Equity (CFAT/Total Equity)	6.84%	6.62%	6.42%	6.23%	6.07%	5.92%
Cap Rate based on original cost and current NOI	10.63%	10.95%	11.27%	11.61%	11.95%	12.31%