

planEASe® Software

Apartments



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Introduction Page

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planEASe Software
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Annual Property Operating Data

Los Amigos Apartments

Purpose	Broker's Recap
Name	Los Amigos Apartments
Location	1000 Mayfair Avenue
Property Type	Apartment Complex
Date	1 Jan 2010
Units	42

Price	\$5,500,000
-Loans	4,400,000
Down Payment	1,100,000
+Acq Costs	55,000
+Loan Points	66,000
Investment	1,221,000

	\$/Unit	% of GI	Annual \$
Gross Income			
One Bedroom Units (10 units)	\$11,400	19.8%	\$114,000
Two Bedroom Units (32 units)	14,400	80.2%	460,800
Total Gross Income	\$13,686	100.0%	\$574,800
- Vacancy & Credit Loss	629	4.6%	26,412
Effective Income	\$13,057	95.4%	\$548,388
Less: Operating Expenses			
Property Taxes	1,571	11.5%	66,000
Insurance	190	1.4%	8,000
Pool	57	0.4%	2,400
Gardener	48	0.3%	2,000
Utilities	214	1.6%	9,000
Resident Manager	238	1.7%	10,000
Maintenance	238	1.7%	10,000
Reserve	76	0.6%	3,200
Miscellaneous	57	0.4%	2,400
Management Fee	653	4.8%	27,419
Total Operating Expenses	\$3,343	24.4%	\$140,419
Net Operating Income	\$9,714	71.0%	\$407,969
Less: Debt Service			
USA Bank	10,127	74.0%	425,353
Total Debt Service	\$10,127	74.0%	\$425,353
Net Operating Cash Flow	(\$414)	(3.0%)	(\$17,385)

Capitalization Rate	7.42%
Gross Income Multiplier	9.57
Cash on Cash	-1.42%
Debt Coverage Ratio	0.959
Price/Unit	\$130,952

Los Amigos Apartments

Acquisition Annual Gross Income Unit Rent Roll

Unit Description	SF	Units	Ttl SF	\$/Year	\$/Unit	\$/SF
One Bedroom Units	650	10	6,500	114,000	11,400	17.54

These notes as well as the title of the revenue is customizable. For instance the title could be '10 x 10 storage unit', 'Group B Campsites', 'Type A Units, etc. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). A zero value is treated either as zero growth or as growth at exactly the Inflation Rate, depending on the Revenue Growth Method chosen. Continuation Pages allow you to plan multi-step loans, revenues and expenses.

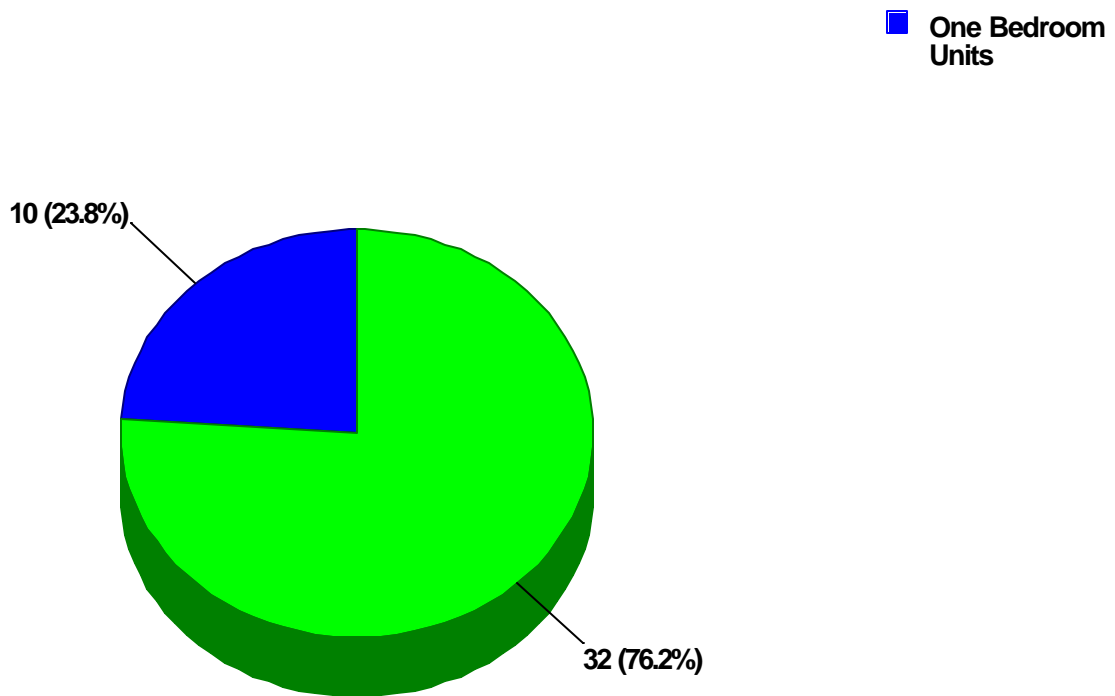
Unit Description	SF	Units	Ttl SF	\$/Year	\$/Unit	\$/SF
Two Bedroom Units	750	32	24,000	460,800	14,400	19.20

These notes as well as the title of the revenue is customizable. For instance the title could be '10 x 10 storage unit', 'Group B Campsites', 'Type A Units, etc. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). A zero value is treated either as zero growth or as growth at exactly the Inflation Rate, depending on the Revenue Growth Method chosen. Continuation Pages allow you to plan multi-step loans, revenues and expenses.

Unit Description	SF	Units	Ttl SF	\$/Year	\$/Unit	\$/SF
Totals		42	30,500	574,800	13,686	18.85

Unit Distribution

Los Amigos Apartments



Number of Units
Total Units - 42

Property Acquisition Report

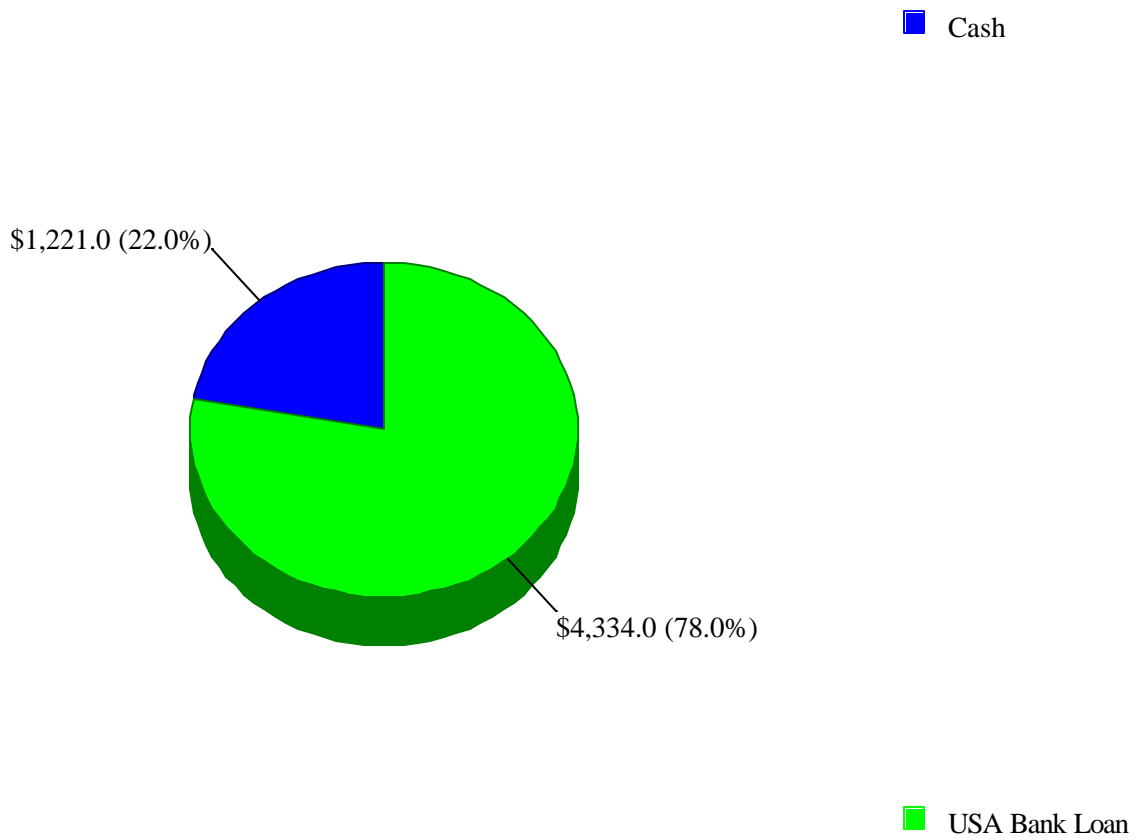
Los Amigos Apartments

This report shows the projected cash requirement for acquisition of the Los Amigos Apartments on 1 January 2010.

Cost of Property Acquired			
Price of Property	\$5,500,000		
+ Closing Costs (1%)	55,000		
Total Cost of Property Acquired			\$5,555,000
Property Financing			
USA Bank Loan Principal	\$4,400,000		
- Points (1.5 Points)	66,000		
USA Bank Loan Proceeds		\$4,334,000	
Total Net Loan Proceeds			4,334,000
Cash Required at Acquisition			\$1,221,000

Source of Acquisition Funds

Los Amigos Apartments



Dollars in Thousands
Total \$ Shown - \$5,555.0

Proforma Income Statement

Los Amigos Apartments

This Statement is for the Los Amigos Apartments as acquired on 1 January 2010 for a Price of \$5,500,000, subject to a Loan of \$4,400,000, for a Down Payment of \$1,100,000.

The Income Statements on this and the following pages can be configured in more than 2,000 variations, depending on what you want to show. For instance, you can eliminate all tax considerations here by simply unchecking the After Tax option. You can graph the results shown on any line by simply clicking on the line and pressing the Graph button. For instance, a graph of Cash on Cash Before Tax year by year is two clicks away, as are more than 100 other graphs.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Income										
One Bedroom Units	\$114,000	\$118,560	\$123,302	\$128,234	\$133,364	\$138,698	\$144,246	\$150,016	\$156,017	\$162,258
Two Bedroom Units	460,800	479,232	498,401	518,337	539,071	560,634	583,059	606,381	630,637	655,862
Total Gross Income	\$574,800	\$597,792	\$621,704	\$646,572	\$672,435	\$699,332	\$727,305	\$756,398	\$786,653	\$818,120
Less: Vacancy & Credit Loss	26,412	27,468	28,567	29,710	30,898	32,134	33,420	34,756	36,147	37,593
Effective Income	\$548,388	\$570,324	\$593,136	\$616,862	\$641,536	\$667,198	\$693,886	\$721,641	\$750,507	\$780,527
Less: Operating Expenses										
Property Taxes	66,000	67,320	68,666	70,040	71,441	72,869	74,327	75,813	77,330	78,876
Insurance	8,000	8,320	8,653	8,999	9,359	9,733	10,123	10,527	10,949	11,386
Pool	2,400	2,496	2,596	2,700	2,808	2,920	3,037	3,158	3,285	3,416
Gardener	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847
Utilities	9,000	9,540	10,112	10,719	11,362	12,044	12,767	13,533	14,345	15,205
Resident Manager	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233
Maintenance	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233
Reserve	3,200	3,328	3,461	3,600	3,744	3,893	4,049	4,211	4,379	4,555
Miscellaneous	2,400	2,496	2,596	2,700	2,808	2,920	3,037	3,158	3,285	3,416
Management Fee	27,419	28,516	29,657	30,843	32,077	33,360	34,694	36,082	37,525	39,026
Total Operating Expenses	\$140,419	\$144,896	\$149,536	\$154,347	\$159,374	\$164,506	\$169,870	\$175,433	\$181,205	\$187,194
Net Operating Income	\$407,969	\$425,427	\$443,600	\$462,515	\$482,202	\$502,692	\$524,016	\$546,208	\$569,302	\$593,333
Less: Debt Service										
USA Bank	425,353	425,353	425,353	425,353	425,353	425,353	425,353	425,353	425,353	425,353
Total Debt Service	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353	\$425,353
Net Operating Cash Flow	(\$17,385)	\$74	\$18,247	\$37,162	\$56,849	\$77,338	\$98,663	\$120,854	\$143,948	\$167,980
Taxable Income and Taxes										
(Losses Carried Forward)										
Taxable Revenues	\$548,388	\$570,324	\$593,136	\$616,862	\$641,536	\$667,198	\$693,886	\$721,641	\$750,507	\$780,527
Less: Deducted Expenses	140,419	144,896	149,536	154,347	159,334	164,506	169,870	175,433	181,205	187,194
Less: Interest Expense	326,653	318,991	310,733	301,835	292,246	281,913	270,777	258,777	245,845	231,909
Less: Amortized Points	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Less: Depreciation										
Building	159,083	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	159,083
Total Depreciation	\$159,083	\$166,000	\$166,000	\$166,000	\$166,000	\$166,000	\$166,000	\$166,000	\$166,000	\$159,083
Ordinary Income	(\$81,068)	(\$62,863)	(\$36,433)	(\$8,620)	\$20,656	\$51,479	\$83,939	\$118,131	\$154,157	\$199,041
Taxable Income	0	0	0	0	0	0	0	85,221	154,157	199,041
(Cum Suspended Losses)	81,068	143,931	180,364	188,984	168,328	116,849	32,910	0	0	0
Taxes Due (- = Savings)	0	0	0	0	0	0	0	29,827	53,955	69,664
Cash Flow After Tax	(\$17,385)	\$74	\$18,247	\$37,162	\$56,849	\$77,338	\$98,663	\$91,027	\$89,994	\$98,316

Proforma Income Statement

Los Amigos Apartments

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sale Proceeds:										
Sale Value	\$5,828,123	\$6,077,533	\$6,337,143	\$6,607,359	\$6,888,602	\$7,181,311	\$7,485,942	\$7,802,969	\$8,132,882	\$8,476,193
Less: Sale Costs (7%)	407,969	425,427	443,600	462,515	482,202	502,692	524,016	546,208	569,302	593,334
Less: Loan Repayment	4,301,300	4,194,937	4,080,317	3,956,799	3,823,692	3,680,251	3,525,675	3,359,098	3,179,590	2,986,146
Sale Proceeds Before Tax	1,118,855	1,457,169	1,813,226	2,188,045	2,582,708	2,998,368	3,436,251	3,897,663	4,383,990	4,896,714
Less: Taxes due to Sale	(42,172)	48,775	126,171	205,228	290,215	381,425	479,167	569,946	658,624	749,171
Sale Proceeds After Tax	1,161,027	1,408,394	1,687,055	1,982,817	2,292,493	2,616,944	2,957,085	3,327,717	3,725,367	4,147,543
Ratio Analysis:										
Profitability Ratios										
Capitalization Rate	7.42%	7.74%	8.07%	8.41%	8.77%	9.14%	9.53%	9.93%	10.35%	10.79%
Cash on Cash Before Tax	(1.42%)	0.01%	1.49%	3.04%	4.66%	6.33%	8.08%	9.90%	11.79%	13.76%
Cash on Cash After Tax	(1.42%)	0.01%	1.49%	3.04%	4.66%	6.33%	8.08%	7.46%	7.37%	8.05%
Risk Ratios										
Debt Coverage Ratio	0.959	1.000	1.043	1.087	1.134	1.182	1.232	1.284	1.338	1.395
Breakeven Occupancy	98.4%	95.4%	92.5%	89.7%	87.0%	84.3%	81.8%	79.4%	77.1%	74.9%
Loan Balance/Property Value	73.8%	69.0%	64.4%	59.9%	55.5%	51.2%	47.1%	43.0%	39.1%	35.2%
Assumption Ratios										
NOI/Property Value	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Operating Expense Ratio	24.4%	24.2%	24.1%	23.9%	23.7%	23.5%	23.4%	23.2%	23.0%	22.9%
Analysis Measures:										
IRR Before Debt	5.1%	8.7%	9.9%	10.5%	10.8%	11.1%	11.3%	11.4%	11.5%	11.6%
IRR Before Tax		8.5%	14.0%	16.2%	17.1%	17.4%	17.5%	17.5%	17.4%	17.3%
IRR After Tax		6.7%	11.3%	13.4%	14.4%	15.0%	15.3%	15.3%	15.3%	15.2%
NPV Before Debt @12.00%	(\$329,877)	(\$304,366)	(\$280,951)	(\$259,460)	(\$239,736)	(\$221,632)	(\$205,016)	(\$189,764)	(\$175,765)	(\$162,916)
NPV Before Tax @12.00%	(\$238,458)	(\$75,727)	\$66,997	\$191,928	\$301,040	\$396,097	\$478,673	\$550,173	\$611,848	\$664,816
NPV After Tax @12.00%	(\$226,597)	(\$114,610)	(\$22,809)	\$61,502	\$136,365	\$202,856	\$261,923	\$306,410	\$340,291	\$366,744

Common Size Income Statement

Los Amigos Apartments

This Statement is for the Los Amigos Apartments as acquired on 1 January 2010 for a Price of \$5,500,000, subject to a Loan of \$4,400,000, for a Down Payment of \$1,100,000.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Income										
One Bedroom Units	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%
Two Bedroom Units	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%
Total Gross Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less: Vacancy & Credit Loss	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Effective Income	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%
Less: Operating Expenses										
Property Taxes	11.5%	11.3%	11.0%	10.8%	10.6%	10.4%	10.2%	10.0%	9.8%	9.6%
Insurance	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Pool	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Gardener	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Utilities	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.9%
Resident Manager	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Maintenance	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Reserve	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Miscellaneous	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Management Fee	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Total Operating Expenses	24.4%	24.2%	24.1%	23.9%	23.7%	23.5%	23.4%	23.2%	23.0%	22.9%
Net Operating Income	71.0%	71.2%	71.4%	71.5%	71.7%	71.9%	72.0%	72.2%	72.4%	72.5%
Less: Debt Service										
USA Bank	74.0%	71.2%	68.4%	65.8%	63.3%	60.8%	58.5%	56.2%	54.1%	52.0%
Total Debt Service	74.0%	71.2%	68.4%	65.8%	63.3%	60.8%	58.5%	56.2%	54.1%	52.0%
Net Operating Cash Flow	(3.0%)	0.0%	2.9%	5.7%	8.5%	11.1%	13.6%	16.0%	18.3%	20.5%

Dollars/Unit Income Statement

Los Amigos Apartments

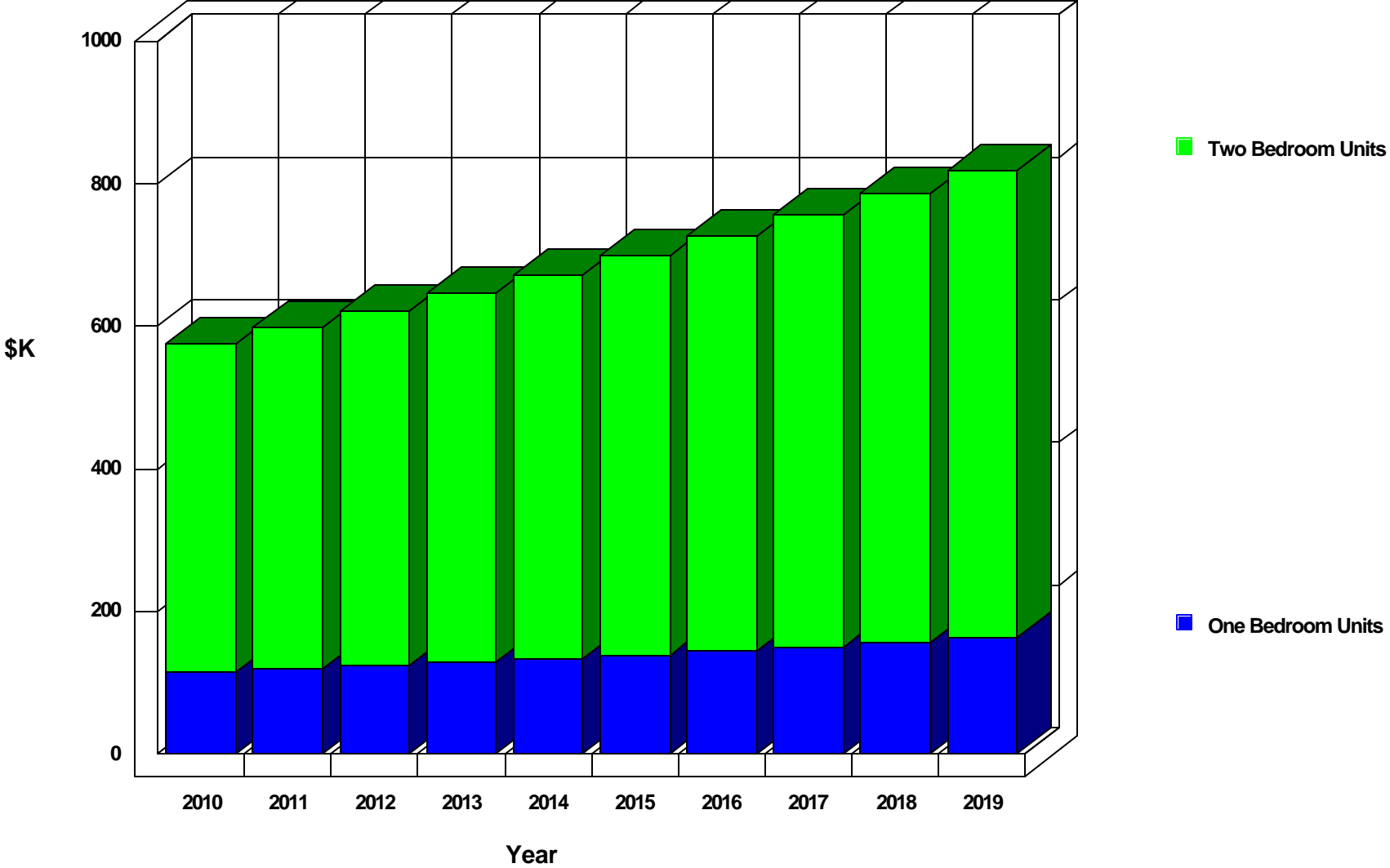
This Statement is for the Los Amigos Apartments as acquired on 1 January 2010 for a Price of \$5,500,000, subject to a Loan of \$4,400,000, for a Down Payment of \$1,100,000.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Income										
One Bedroom Units (10 units)	\$11,400	\$11,856	\$12,330	\$12,823	\$13,336	\$13,870	\$14,425	\$15,002	\$15,602	\$16,226
Two Bedroom Units (32 units)	14,400	14,976	15,575	16,198	16,846	17,520	18,221	18,949	19,707	20,496
Total Gross Income	\$13,686	\$14,233	\$14,802	\$15,395	\$16,010	\$16,651	\$17,317	\$18,009	\$18,730	\$19,479
Less: Vacancy & Credit Loss	629	654	680	707	736	765	796	828	861	895
Effective Income	\$13,057	\$13,579	\$14,122	\$14,687	\$15,275	\$15,886	\$16,521	\$17,182	\$17,869	\$18,584
Less: Operating Expenses										
Property Taxes	1,571	1,603	1,635	1,668	1,701	1,735	1,770	1,805	1,841	1,878
Insurance	190	198	206	214	223	232	241	251	261	271
Pool	57	59	62	64	67	70	72	75	78	81
Gardener	48	50	52	54	56	58	60	63	65	68
Utilities	214	227	241	255	271	287	304	322	342	362
Resident Manager	238	248	258	268	279	290	301	313	326	339
Maintenance	238	248	258	268	279	290	301	313	326	339
Reserve	76	79	82	86	89	93	96	100	104	108
Miscellaneous	57	59	62	64	67	70	72	75	78	81
Management Fee	653	679	706	734	764	794	826	859	893	929
Total Operating Expenses	\$3,343	\$3,450	\$3,560	\$3,675	\$3,794	\$3,917	\$4,045	\$4,177	\$4,314	\$4,457
Net Operating Income	\$9,714	\$10,129	\$10,562	\$11,012	\$11,481	\$11,969	\$12,477	\$13,005	\$13,555	\$14,127
Less: Debt Service										
USA Bank	10,127	10,127	10,127	10,127	10,127	10,127	10,127	10,127	10,127	10,127
Total Debt Service	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127	\$10,127
Net Operating Cash Flow	(\$414)	\$2	\$434	\$885	\$1,354	\$1,841	\$2,349	\$2,877	\$3,427	\$4,000

Unless otherwise noted, based on 42 Units

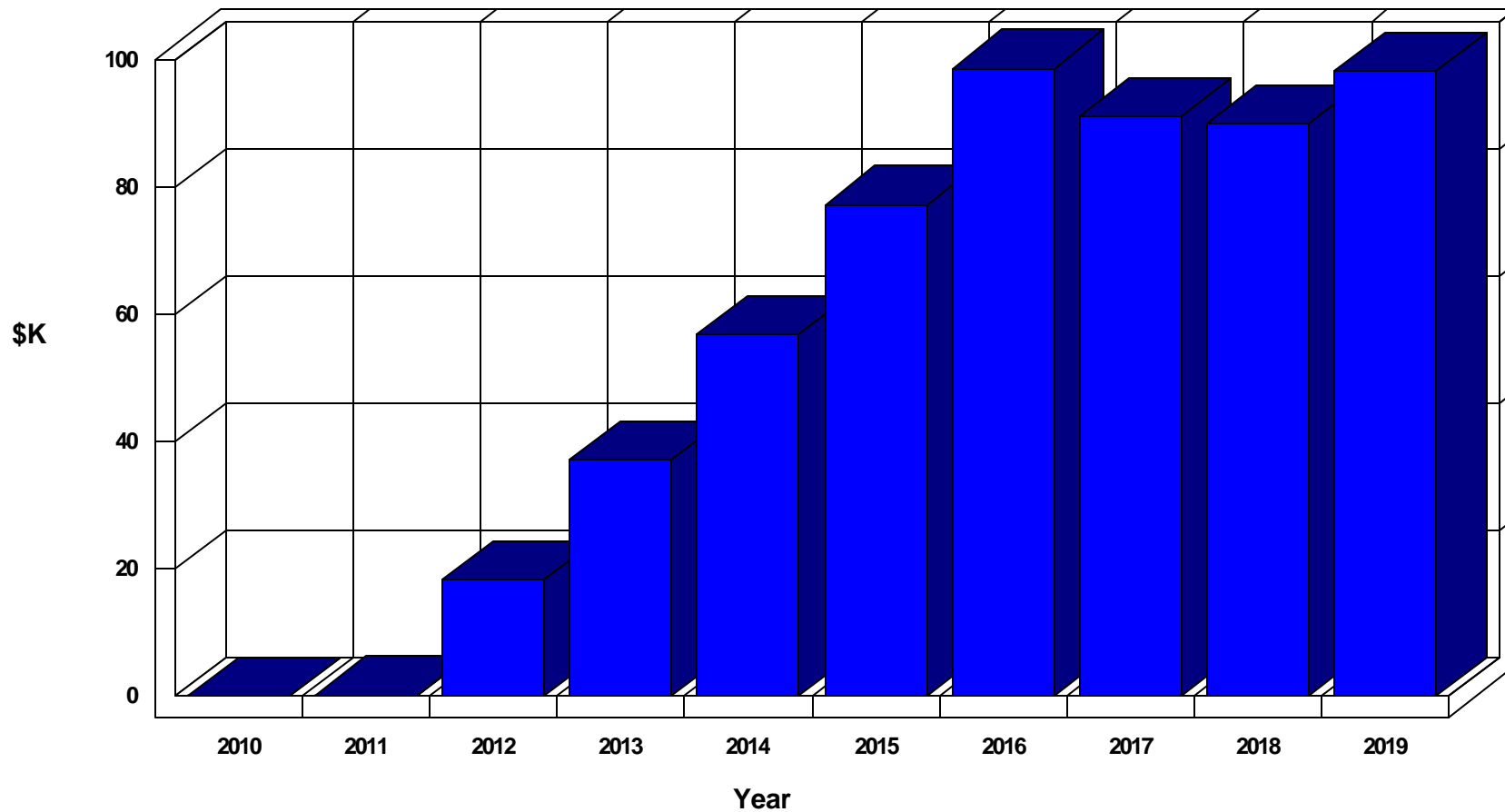
Gross Income Detail

Los Amigos Apartments



Cash Flow After Tax Los Amigos Apartments

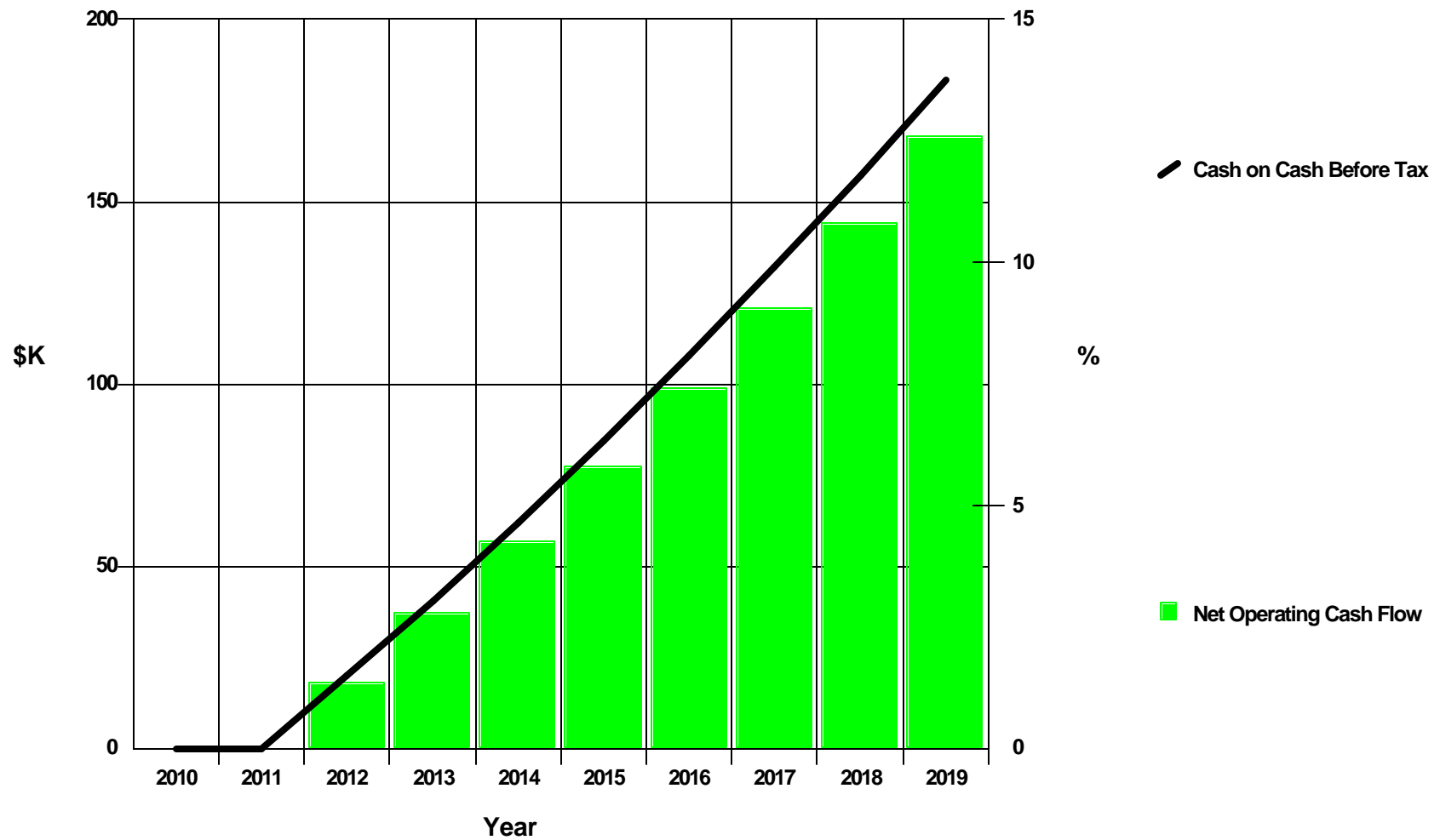
This graph follows the cash flow from Net Operating Income to After Tax. Net Operating Income is simply revenues less expenses. Net Operating Cash Flow subtracts the debt service, then the capital spending items like TI's, Commissions, etc. are subtracted to make up the Cash Flow Before Tax. Finally the tax considerations of the expenses, depreciation, loan interest, etc. are calculated for the Cash Flow After Tax.



Cash on Cash Before Tax

Los Amigos Apartments

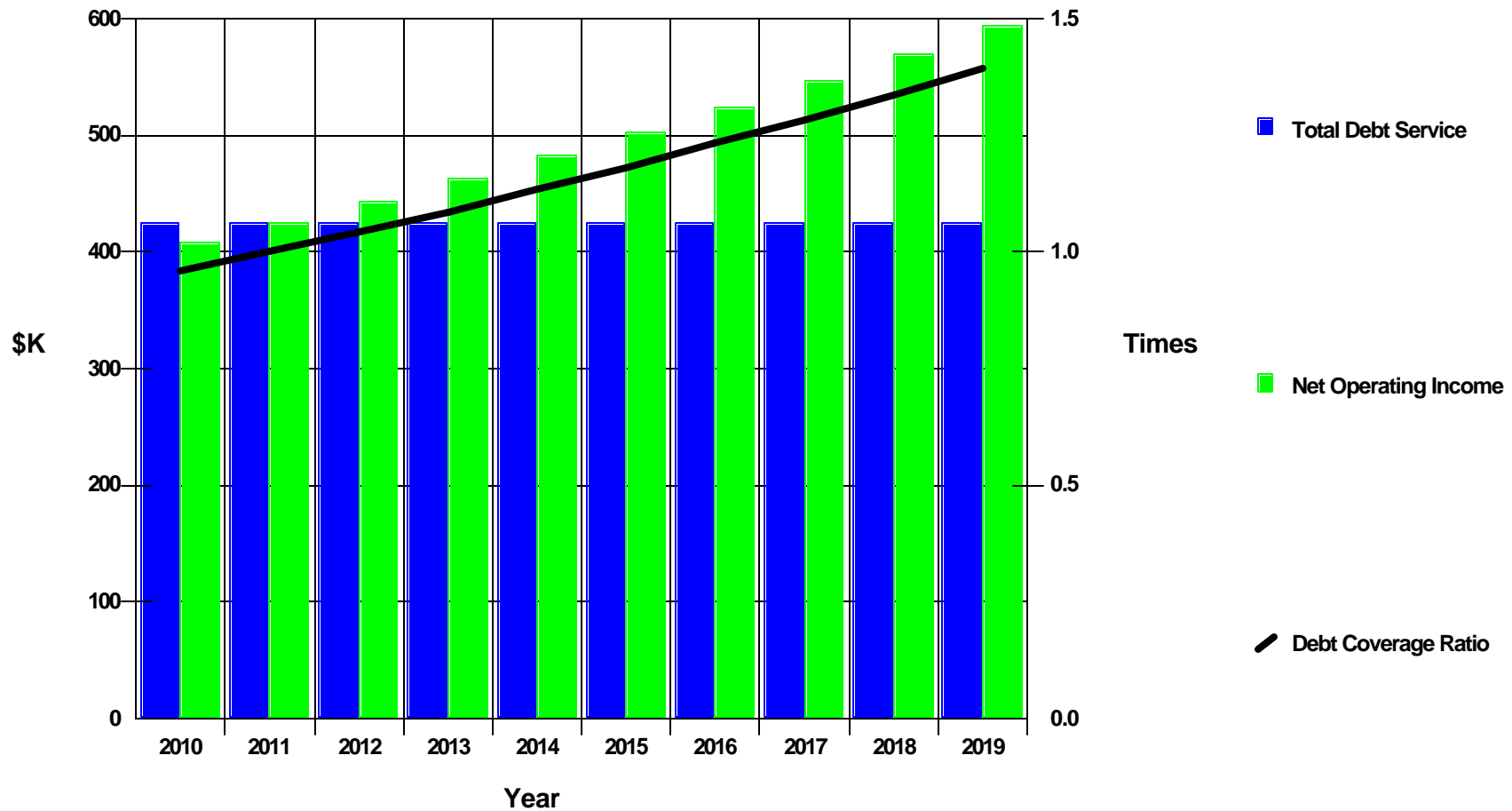
Cash on Cash Before Tax is Net Operating Cash Flow divided by Initial Equity.



Debt Coverage Ratio

Los Amigos Apartments

Debt Coverage Ratio is the Net Operating Income divided by Debt Service, measuring the margin of safety for the lender in assuring that money will be available to service his loan. The debt coverage ratio takes the current year Net Operating Income and divides it by the current year Debt Service. If the Net Operating Income is greater than the Debt Service the Debt Coverage Ratio will be greater than 1.



IRR After Tax

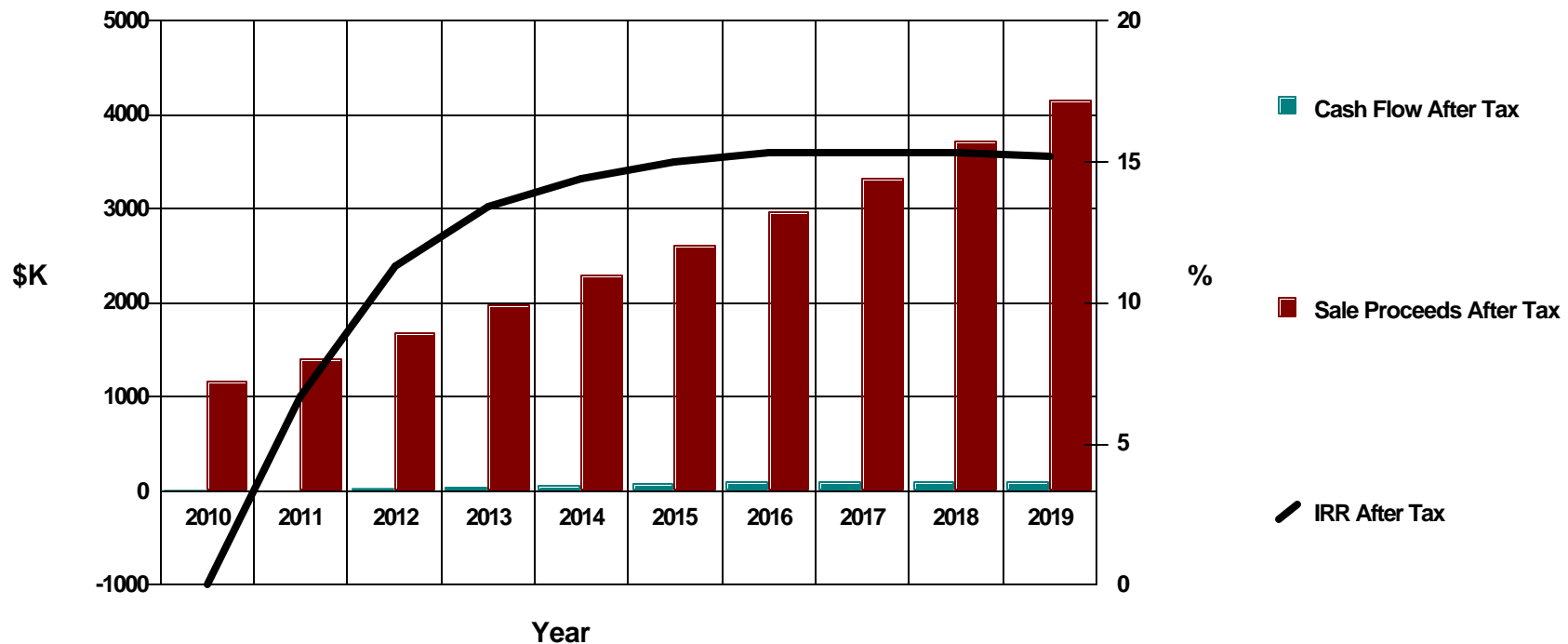
Los Amigos Apartments

Internal Rate of Return (IRR)

The Internal Rate of Return (IRR) of an investment is defined as the Present Value Discount Rate that makes the Net Present Value of the Investment equal to zero.

You may think of the IRR as the annual Interest Rate or Yield (compounded annually) that the investment is paying you over the Holding Period. Naturally, the higher the yield, the better the investment.

Unlike the ratios (current year only) the IRR takes into account all the before tax cash flows up to the time of calculation. For this reason the IRR is sometimes called the time value of money, because it not only takes into account the value but also the time necessary to create the value. In addition to the Cash Flow After Tax and the Sales Proceeds After Tax the initial equity is included in this measure.



Property Sale Report

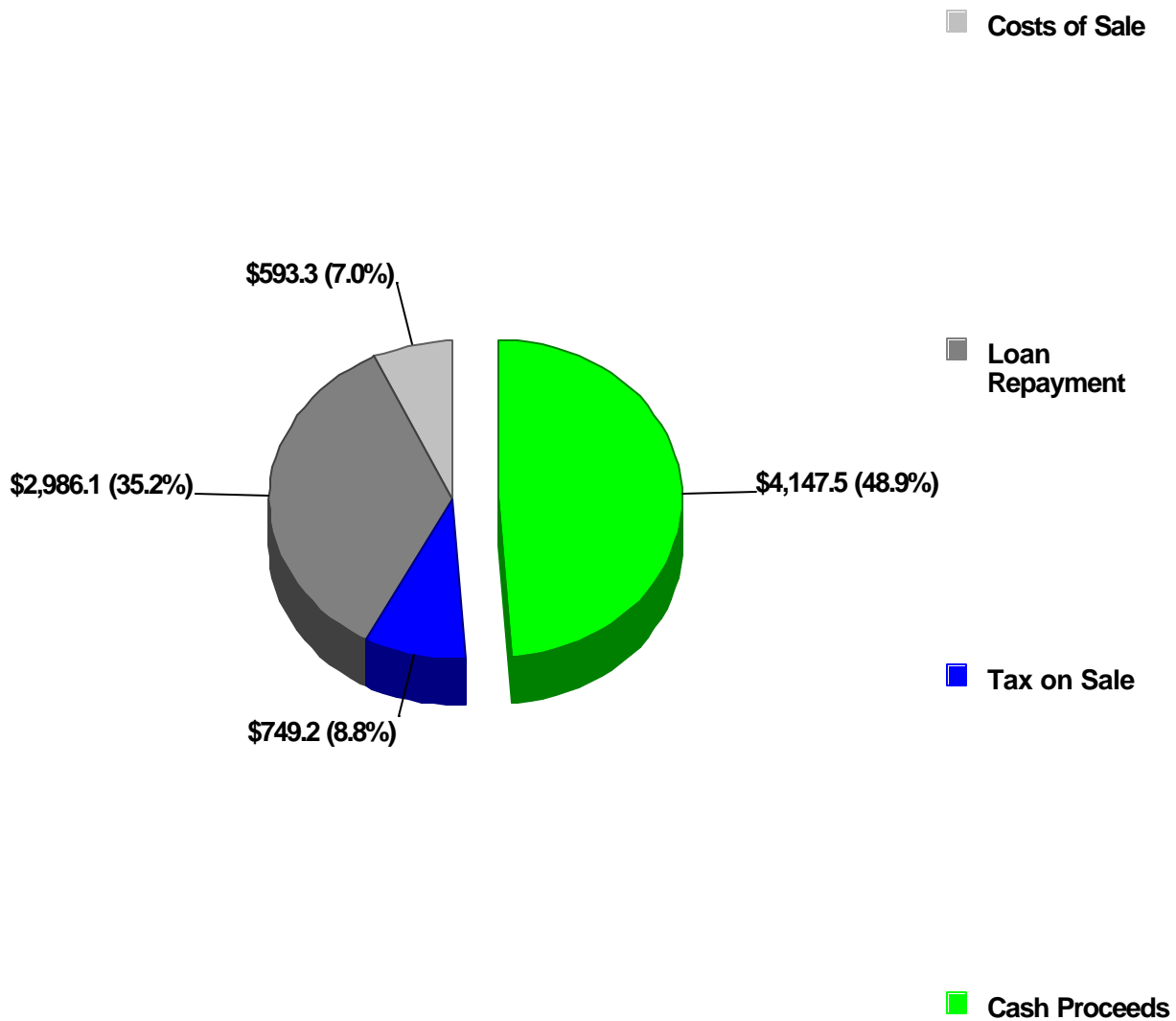
Los Amigos Apartments

This report shows the results of a projected sale of the Los Amigos Apartments on 31 December 2019. The Sale Price of \$8,476,193 is projected by using a Net Capitalization Rate of 7% on the projected Net Operating Income of \$593,334 in effect at that time, according to the analysis assumptions.

Analysis of Sale Proceeds			
Sale Price (as discussed above)	\$8,476,193		
- Costs of Sale (7%)	593,334		
- Loan Balances	2,986,146		
- Prepayment Penalties	0		
Sale Proceeds Before Tax			\$4,896,714
Analysis of Capital Gain Results			
Sale Price	\$8,476,193		
- Capitalized Costs of Sale (100%)	593,334		
Net Sale Price for Tax Purposes		\$7,882,859	
Property Basis at Acquisition	\$5,500,000		
+ Capitalized Closing Costs (100%)	55,000		
+ Capital Additions	0		
- Depreciation Taken	1,646,167		
+ Excess Depreciation Recaptured	0		
Adjusted Basis at Sale		3,908,833	
Capital Gain (or Loss)		\$3,974,026	
- Suspended Passive Losses		0	
Net Capital Gain (or Loss)		\$3,974,026	
- Cost Recovery Recaptured		1,646,167	
Adjusted Net Capital Gain (or Loss)		\$2,327,859	
Cost Recovery Recapture Tax (@ 25%)			(411,542)
Tax on Adjusted Net Capital Gain (@ 15%)			(349,179)
Expenses Recognized at Sale			
Expensed Costs of Sale	0		
+ Accrued Loan Interest	0		
+ Unamortized Points	33,000		
+ Prepayment Penalties	0		
- Excess Depreciation Recaptured	0		
Total Expenses Recognized at Sale		33,000	
Tax Savings Due to Sale Expenses (@ 35%)			11,550
Net Taxable Income		\$3,941,026	
After Tax Cash Proceeds of Sale			\$4,147,543

Sale Proceeds After Tax

Los Amigos Apartments



Dollars in Thousands
Total \$ Shown - \$8,476.2

Real Estate Investment Analysis

Los Amigos Apartments

This report is printed from the planEASe Basic

	Buy	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Sell	Total
Before Tax Cash Flow Projection													
Investment and Sale	(5,555,000)	0	0	0	0	0	0	0	0	0	0	7,882,859	2,327,859
Effective Income	0	548,388	570,324	593,136	616,862	641,536	667,198	693,886	721,641	750,507	780,527	0	6,584,005
Operating Expense	0	(140,419)	(144,896)	(149,536)	(154,347)	(159,334)	(164,506)	(169,870)	(175,433)	(181,205)	(187,194)	0	(1,626,741)
Cash Flow Before Debt	(5,555,000)	407,969	425,427	443,600	462,515	482,202	502,692	524,016	546,208	569,302	593,333	7,882,859	7,285,123
Debt Service	4,334,000	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(425,353)	(2,986,146)	(2,905,679)
Cash Flow Before Tax	(1,221,000)	(17,385)	74	18,247	37,162	56,849	77,338	98,663	120,854	143,948	167,980	4,896,714	4,379,444
Taxable Income Projection													
Taxable Revenue	0	548,388	570,324	593,136	616,862	641,536	667,198	693,886	721,641	750,507	780,527	0	6,584,005
Taxable Expense	0	(140,419)	(144,896)	(149,536)	(154,347)	(159,334)	(164,506)	(169,870)	(175,433)	(181,205)	(187,194)	0	(1,626,741)
Interest Expense	0	(329,953)	(322,291)	(314,033)	(305,135)	(295,546)	(285,213)	(274,077)	(262,077)	(249,145)	(235,209)	(33,000)	(2,905,679)
Depreciation	0	(159,083)	(166,000)	(166,000)	(166,000)	(166,000)	(166,000)	(166,000)	(166,000)	(166,000)	(159,083)	0	(1,646,167)
Ordinary Income	0	(81,068)	(62,863)	(36,433)	(8,620)	20,656	51,479	83,939	118,131	154,157	199,041	(33,000)	405,418
After Tax Cash Flow Projection													
Cash Flow Before Tax	(1,221,000)	(17,385)	74	18,247	37,162	56,849	77,338	98,663	120,854	143,948	167,980	4,896,714	4,379,444
Ordinary Income	0	(81,068)	(62,863)	(36,433)	(8,620)	20,656	51,479	83,939	118,131	154,157	199,041	(33,000)	405,418
Capital Gains	0	0	0	0	0	0	0	0	0	0	0	3,974,026	3,974,026
Taxable Income	0	0	0	0	0	0	0	0	85,221	154,157	199,041	3,941,026	4,379,444
Taxes	0	0	0	0	0	0	0	0	(29,827)	(53,955)	(69,664)	(749,171)	(902,617)
Cash Flow After Tax	(1,221,000)	(17,385)	74	18,247	37,162	56,849	77,338	98,663	91,027	89,994	98,316	4,147,543	3,476,827

Rate of Return Before Debt (IRR)	11.6%
Rate of Return Before Tax (IRR)	17.3%
Rate of Return After Tax (IRR)	15.2%
Net Present Value Before Debt @12%	(162,916)
Net Present Value Before Tax @12%	664,816
Net Present Value After Tax @12%	366,744

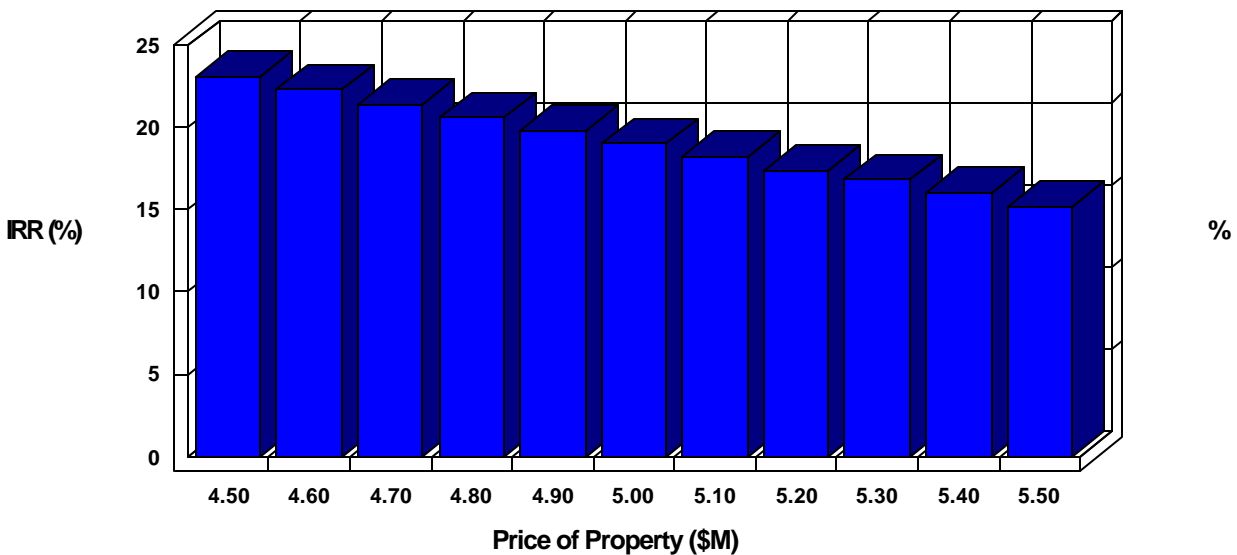
Sensitivity Analysis

Los Amigos Apartments

While negotiating below the \$5.5M asking price will naturally increase your projected IRR, as shown here, the important point for this property is to recognize that ANY price yields a more than acceptable IRR. You should concentrate on getting the deal done on this attractively priced property rather than insisting on the rock bottom price. Sensitivity Analysis makes very useful points like this immediately obvious.

Price of Property versus Rate of Return After Tax

Assumption	IRR
\$4,500,000.00	23.1%
\$4,600,000.00	22.3%
\$4,700,000.00	21.4%
\$4,800,000.00	20.6%
\$4,900,000.00	19.8%
\$5,000,000.00	19.0%
\$5,100,000.00	18.2%
\$5,200,000.00	17.4%
\$5,300,000.00	16.8%
\$5,400,000.00	16.0%
\$5,500,000.00	15.2%

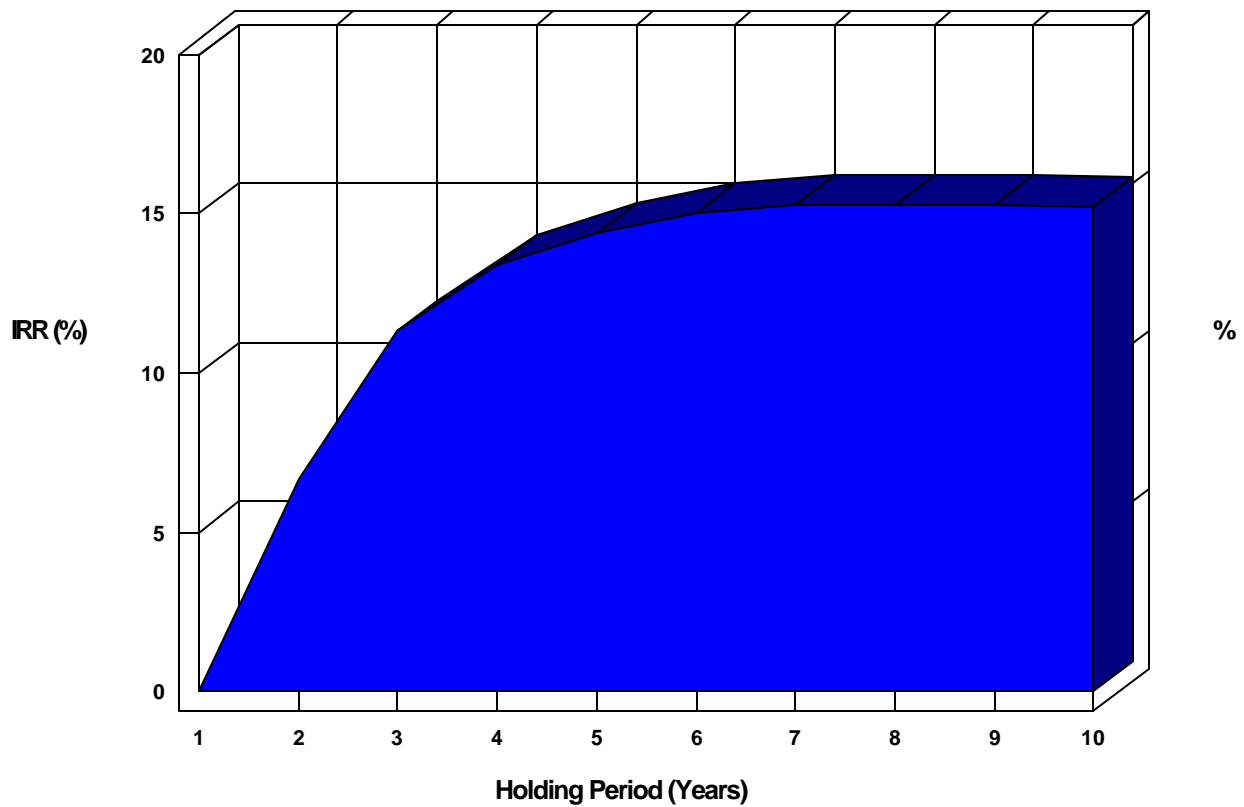


Sensitivity Analysis

Los Amigos Apartments

**Holding Period
versus
Rate of Return After Tax**

Assumption	IRR
1 Year	0.0%
2 Years	6.7%
3 Years	11.3%
4 Years	13.4%
5 Years	14.4%
6 Years	15.0%
7 Years	15.3%
8 Years	15.3%
9 Years	15.3%
10 Years	15.2%

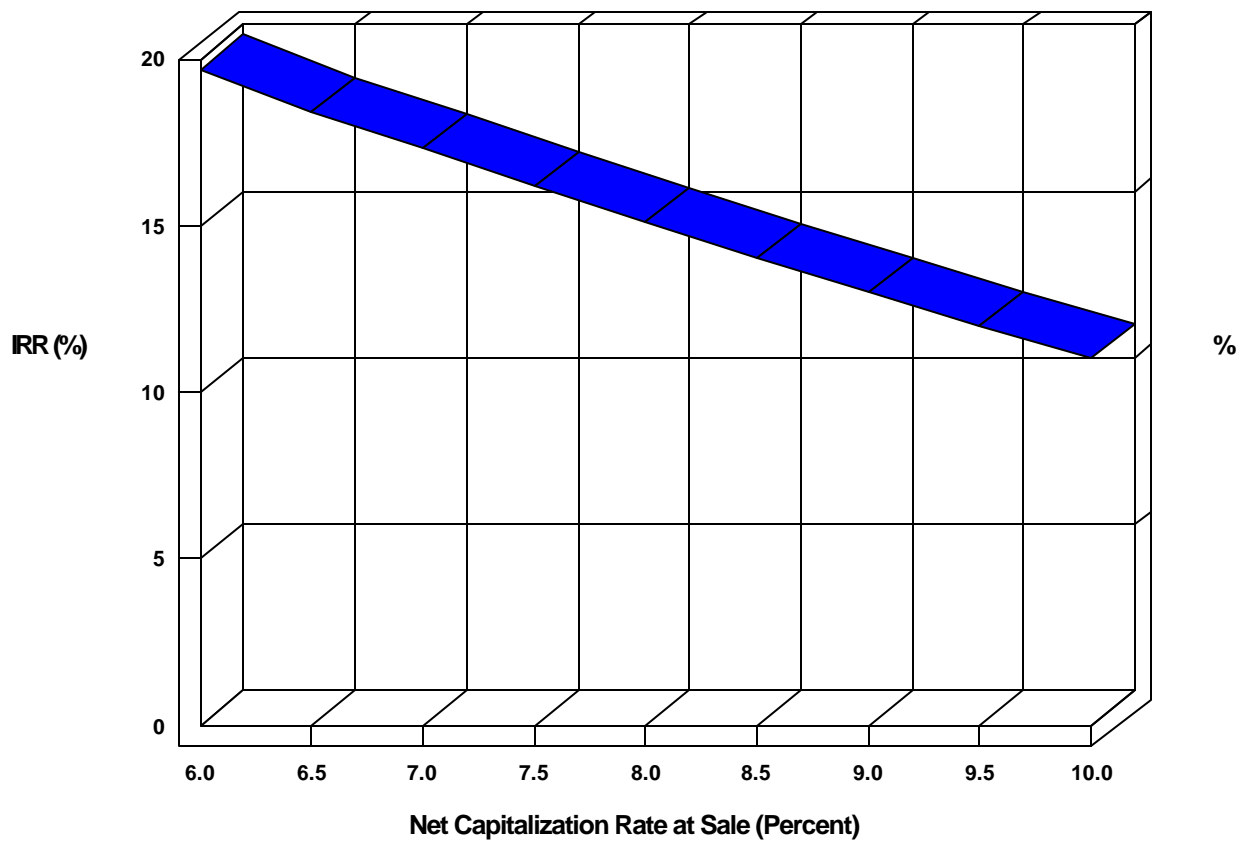


Sensitivity Analysis

Los Amigos Apartments

**Net Capitalization Rate at Sale
versus
Rate of Return Before Tax**

Assumption	IRR
6% Net Cap Rate	19.7%
6.5% Net Cap Rate	18.4%
7% Net Cap Rate	17.3%
7.5% Net Cap Rate	16.2%
8% Net Cap Rate	15.1%
8.5% Net Cap Rate	14.0%
9% Net Cap Rate	13.0%
9.5% Net Cap Rate	12.0%
10% Net Cap Rate	11.0%

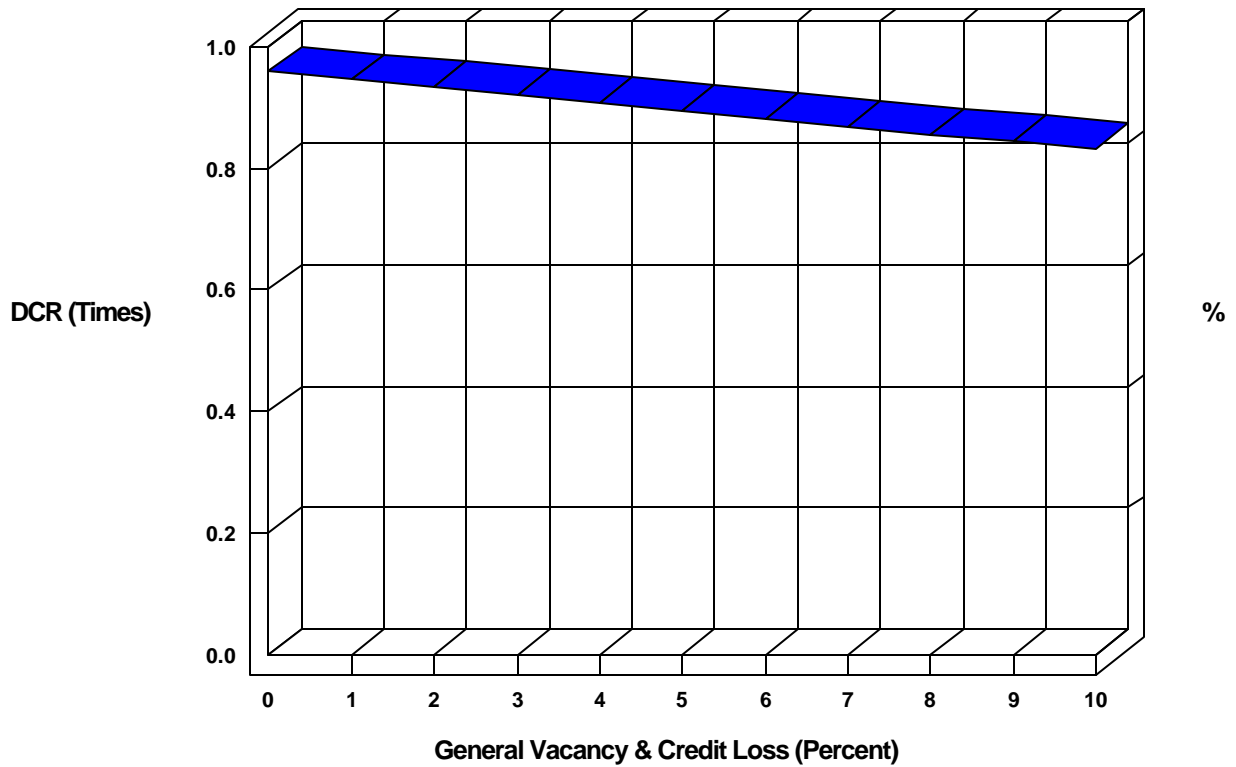


Sensitivity Analysis

Los Amigos Apartments

General Vacancy & Credit Loss versus Debt Coverage Ratio

Assumption	DCR
Zero	0.959
1% per Year	0.946
2% per Year	0.933
3% per Year	0.921
4% per Year	0.908
5% per Year	0.895
6% per Year	0.882
7% per Year	0.869
8% per Year	0.856
9% per Year	0.844
10% per Year	0.831

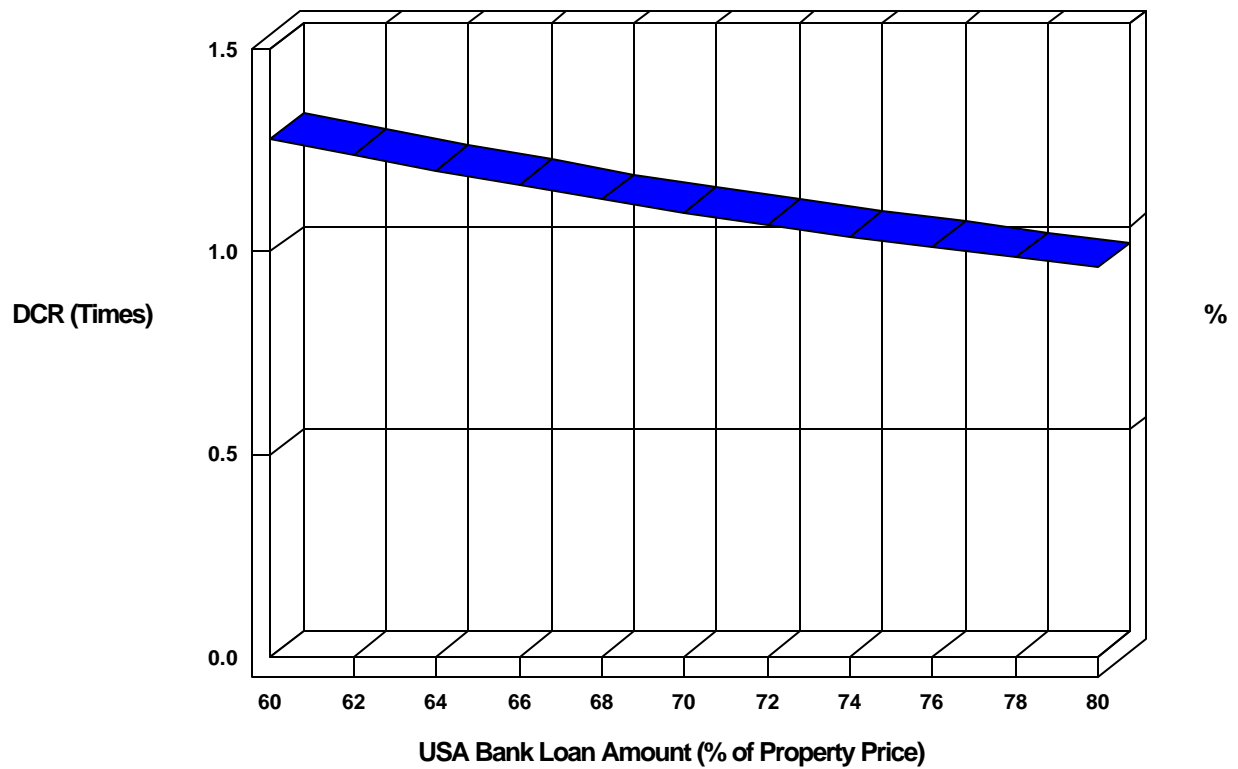


Sensitivity Analysis

Los Amigos Apartments

USA Bank Loan Amount versus Debt Coverage Ratio

Assumption	DCR
60% of Property Price	1.279
62% of Property Price	1.238
64% of Property Price	1.199
66% of Property Price	1.163
68% of Property Price	1.128
70% of Property Price	1.096
72% of Property Price	1.066
74% of Property Price	1.037
76% of Property Price	1.010
78% of Property Price	0.984
80% of Property Price	0.959

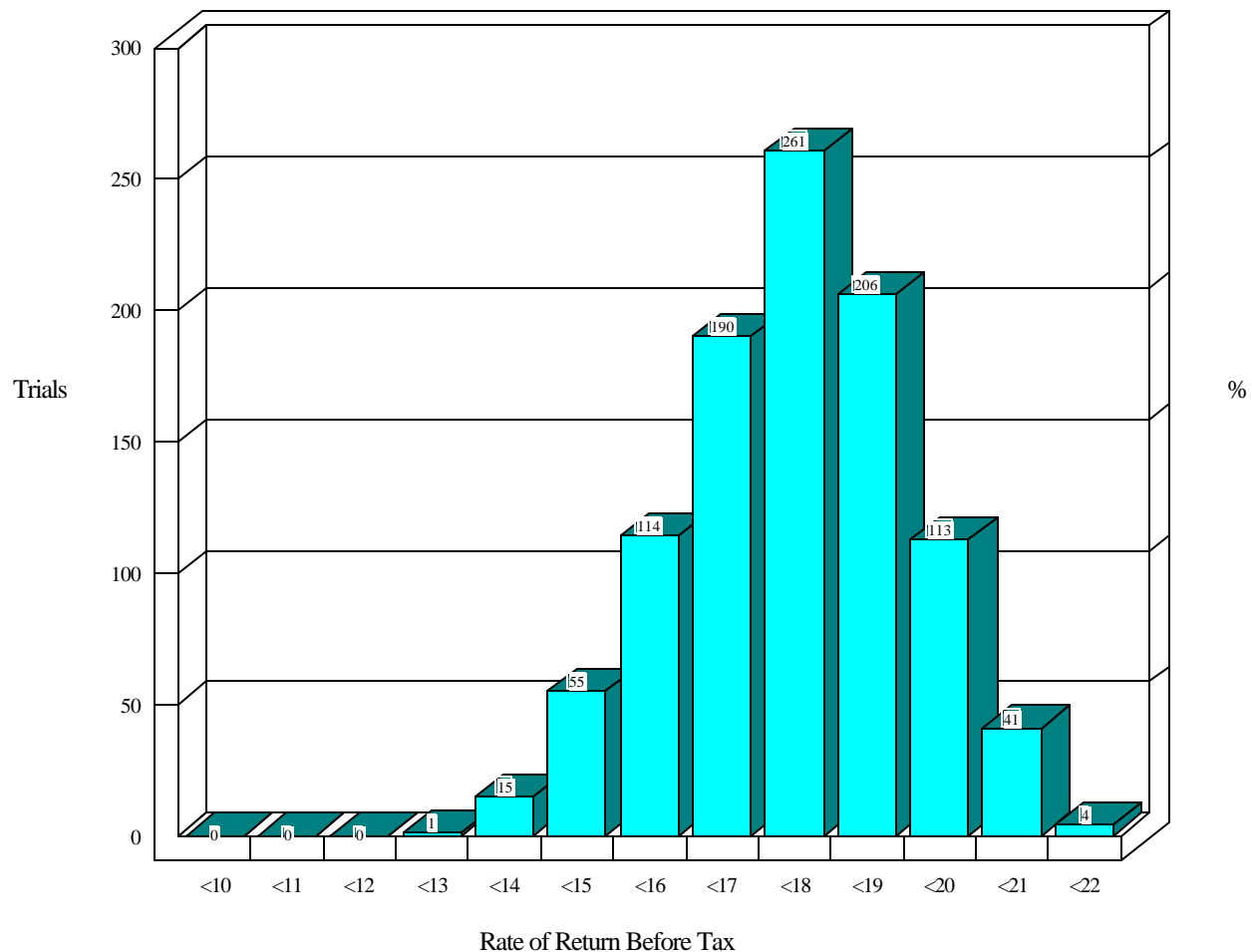


Risk Analysis

Los Amigos Apartments

This Risk Analysis shows that the most probable IRR is 17-18%, and, under the assumptions (and assumption ranges shown here), there is virtually no chance of losing money on this investment. You should, however, check the assumptions to insure their reasonableness. Risk Analysis may be performed for ANY assumption values (like the three shown here) and ANY IRR or NPV (like the IRR after tax here).

Risk Analysis Assumption	Lowest	Likely	Highest
Net Capitalization Rate at Sale	6% Net Cap Rate	7% Net Cap Rate	8% Net Cap Rate
One Bedroom Units Vacancy Factor	3%	7%	9%
Two Bedroom Units Vacancy Factor	2%	4%	6%
Inflation Rate	3% per Year	4% per Year	5% per Year



Average IRR	17.4%	Lowest IRR	12.5%
Standard Deviation	1.6%	Highest IRR	21.6%

Analysis Assumptions Report

Apartments - Unit Investment

Here's the first page of the Assumptions Report. Note that it's in readable english. The notes at the top of the Depreciation and Loan sections show how you can retain and (optionally) print Page Notes for any item. The entire report is completely editable.

Investment Assumptions

Price of Property	\$5,500,000.00
Closing Costs	1% of Property Price
Date of Acquisition	1 January 2010
Holding Period	10 Years
Inflation Rate	4% per Year
Sale Price Method	7% Capitalization of NOI on Sale Date
Selling Costs	7%

Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	35%
Tax Rate - Following Years	35%
Capital Gain Rate	15%
Cost Recovery Recapture Rate	25% - Losses Carried Forward
Present Value Discount Rate Before Debt	10% per Year
Present Value Discount Rate Before Tax	10% per Year
Present Value Discount Rate After Tax	10% per Year

Building Depreciation Assumptions

Depreciable Life is the number of years over which the amount is depreciated or amortized. In the 1994, tax law, Residential Real Estate is depreciated over 27.5 years, and Commercial Real Estate over 39 years, both by the Straight Line Method.

Depreciable Amount	83% of Property Price
Depreciable Life	27.5 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

Refrigerators Depreciation Assumptions

Depreciable Amount (42 Units @ \$550.00/Unit)	\$23,100.00
Depreciable Life	5 Years
Depreciation Method	Straight Line
Expenditure Date	1 June 2008
Depreciation Start Date	1 June 2008

Analysis Assumptions Report

Apartments - Unit Investment

USA Bank Loan Assumptions

Loan Amount is the face value of the debt instrument, or the amount borrowed. Amounts less than 3 are treated as a Debt Coverage Ratio. Amounts of 3 or greater, but 100 or less, are treated as a percentage of the purchase price (Loan to Value). A negative value for this assumption computes normally, but with negative values. This feature may be used to include loans from the investor to other parties (such as deposit or other reserves) if desired. A Loan Amount of 0.00 will normally cause the loan to not be computed except for Continuation Pages, where a zero Loan Amount causes planEASe to use the ending balance of the last loan page for the Loan Amount of the current page. See the discussion of variable rate loans for examples of this capability.

Loan Amount	80% of Property Price
Loan Interest Rate	7.5% Annually
Original Loan Period	20 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Loan Points Charged	1.5 Points, Amortized over Loan Life

One Bedroom Units Revenue Assumptions

Annual Revenue (10 Units @ \$950.00/Unit/Month)	\$114,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Management Fee	5%
Vacancy Factor	7%

Two Bedroom Units Revenue Assumptions

Annual Revenue (32 Units @ \$1,200.00/Unit/Month)	\$460,800.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate
Management Fee	5%
Vacancy Factor	4%

Property Taxes Expense Assumptions

Annual Expense	1.2% of Property Price
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 2% Annually

Insurance Expense Assumptions

Annual Expense	\$8,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Analysis Assumptions Report

Apartments - Unit Investment

Pool Expense Assumptions

Annual Expense	\$2,400.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Gardener Expense Assumptions

Annual Expense	\$2,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Utilities Expense Assumptions

Annual Expense	\$9,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 2% Over Inflation

Resident Manager Expense Assumptions

Annual Expense	\$10,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Maintenance Expense Assumptions

Annual Expense	\$10,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Reserve Expense Assumptions

Reserves may be planned in several ways in planEASe. Here we have planned \$3,200 annually to allow for unanticipated additional expenses.

Annual Expense	\$3,200.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Miscellaneous Expense Assumptions

Annual Expense	\$2,400.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate