

Exit Strategy	Year
Cash Out Re-Finance End of Year	6
Sale / Disposition at End of Year	8

Refinance End of Year → 6

Net Operating Income		\$13,364,520
Cap Rate at Re-Finance		6.45%
Appraised Value		\$207,201,864
Re-Finance LTV		75%
Interest Rate		5.0%
Term / Amortization (Years)		30
Re-Finance Loan Amount		\$155,401,398
- Re-Finance Costs	2.0%	(\$4,144,037)
- Prepayment Penalty		\$0
- Repay Outstanding Loan Balance		(\$39,025,000)
= Gross Proceeds from Re-Finance		\$112,232,361
Return of Member Capital		\$35,000,000
% of Initial Investment Returned		100%
Capital Account Balance After Re-Fi		\$0
Net Proceeds/Profit from Re-Finance		\$77,232,361
Principal Reduction		\$0
Appreciation		\$77,232,361
Capital Transaction Fee to Mgr	2%	\$4,144,037
Net Proceeds/Profit Paid to Members	80%	\$58,470,659
Net Proceeds/Profit Paid to Manager	20%	\$14,617,665
<b>(Initial Capital + Appreciation)</b>		<b>\$93,470,659</b>
Ending Capital Account Balance		\$0

Disposition End of Year → 8

Net Operating Income		\$13,390,045
Cap Rate		6.60%
Insurance/Tax/Lender Escrows		\$1,714,525
Operating Reserves remaining		\$327,000
Sales Price		\$202,879,468
Sales Cost	3.0%	(\$6,086,384)
Outstanding Loan Balance		(\$150,698,620)
Total Equity		\$48,135,989
Return of Member Capital		\$0
Net Proceeds/Profit from Sale		\$48,135,989
Principal Reduction		\$4,702,778
Appreciation		\$43,433,212
Capital Transaction Fee to Mgr	2%	\$4,057,589
Net Proceeds/Profit Paid to Members	80%	\$35,262,720
Net Proceeds/Profit Paid to Manager	20%	\$8,815,680
<b>Total Cash to Members at Sale</b>		<b>\$35,262,720</b>
<b>(Initial Capital + Appreciation)</b>		<b>\$35,262,720</b>

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#### After Final Disposition

<b>Total Profits from Appreciation Paid to Members</b>	<b>\$93,733,378</b>
<b>Total Cash to Members</b>	<b>\$128,733,378</b>
<b>Internal Rate of Return (IRR)</b>	<b>29.37%</b>
<b>Average Cash on Cash Return</b>	<b>12.04%</b>