

Sources and Uses of Funds

The estimated receipt and application of funds relative to the Development is projected as follows:

Sources of Funds

Mortgage Loan	\$ 24,000,000
Partner Interests	\$ 8,750,000
<u>Total Sources Of Funds</u>	<u>\$ 32,750,000</u>

Uses of Funds

Land Acquisition	\$ 30,000,000 *
Hard Costs	\$ 150,000
Miscellaneous Soft Costs	\$ 100,000
Additional Uses (List) (Operating Capital)	\$ 2,500,000
<u>Total Uses Of Funds</u>	<u>\$ 32,750,000</u>

THE FOREGOING IS ONLY A SUMMARY OF THE PARTNERSHIP'S ESTIMATE OF ANTICIPATED SOURCES AND USES. A PROSPECTIVE INVESTOR SHOULD REFER TO THE PROJECTIONS ACCOMPANYING THIS MEMORANDUM FOR A FURTHER EXPLANATION OF THE ITEMS CONTAINED IN THE SUMMARY. THE PROJECTIONS INCLUDED IN THIS MEMORANDUM HAVE BEEN INCLUDED FOR PURPOSES OF ILLUSTRATION ONLY, AND NO ASSURANCE CAN BE GIVEN THAT THE ACTUAL RESULTS OF THE PARTNERSHIP WILL CORRESPOND WITH THE RESULTS CONTEMPLATED IN THE PROJECTIONS. IF THEY DO NOT, THE ECONOMIC RETURNS TO THE MEMBERS MAY BE ADVERSELY AFFECTED. EACH INVESTOR AND HIS ADVISORS MUST CAREFULLY READ AND CONSIDER THE ASSUMPTIONS WHICH ARE PART OF THE PROJECTIONS IN MAKING AN INVESTMENT DECISION.

Buildings

* ~~Apartment~~ Apartment Bought for \$30,000,000.
 Loan for \$24,000,000. Investors put up \$8,750,000

INCOME/EXPENSE STATEMENT

	Income/Expense December 31, 2006	Pro-forma as of July 30, 2008
<u>INCOME</u>		
GROSS UNIT RENT	4,747,025.00	5,469,000.00
VACANCY LOSS	(733,868.16)	(382,830.00)
NET RENT COLLECTION	4,013,156.84	5,086,170.00
DAMAGES & LATE CHARGES	132,960.18	133,000.00
VENDING INCOME	27,325.79	33,300.00
MISCELLANEOUS INCOME	<u>79,054.28</u>	<u>94,000.00</u>
NET OPERATIONAL INCOME	4,252,497.09	5,346,470.00
<u>EXPENSES</u>		
REPAIR & MAINTENANCE	323,193.12	267,738.12
SALARIES	346,559.05	346,559.05
HEALTH & WELFARE PAYMENTS	36,163.75	36,163.75
SECURITY DEPOSIT - INTEREST	223.52	223.52
FEES	63,156.95	17,000.00
LANDSCAPE & SNOW REMOVAL	23,392.00	23,100.00
PAINTING & DECORATING	62,692.00	62,692.00
MARKETING	125,461.39	19,416.00
ELEVATORS	0.00	0.00
RENTALS	84,551.84	43,200.00
POOL	2,548.49	2,548.49
SCAVENGER	48,067.08	42,000.00
TELEPHONE/ANSWERING SERVICE	27,164.78	18,000.00
SUPPLIES	96,662.87	84,162.87
ELECTRICITY	98,856.45	98,856.45
WATER	346,027.10	346,027.10
GAS, FUEL & OIL	211,522.19	211,522.19
EXTERMINATING	12,545.00	3,600.00
MISCELLANEOUS EXPENSE	39,424.55	33,424.55
MANAGEMENT FEE	213,084.92	266,308.50
INSURANCE	153,427.35	84,000.00
REAL ESTATE TAXES	<u>488,379.92</u>	<u>488,379.92</u>
TOTAL EXPENSES	2,803,104.32	2,494,919.51
NET OPERATING INCOME	<u>1,449,392.27</u>	<u>2,851,550.49</u> *

* PROFITS DOUBLED FROM 2006 TO
July 2008.