



## Adrian Apartments II

1212 Main St  
Atlanta GA 30304

**Newly Renovated**  
**14 units in the Heart of Atlanta**  
**11% Cash on Cash Return**  
**Pool & Recreation Area**  
**Gated Community**

Presented by

**Sandford Realty Group**

Jeffrey Sandford  
404-555-1212  
JS@SandfordRealtyGroup.com

190 Peachtree St NW  
Suite 1700  
Atlanta GA 30303



# Executive Summary



## Adrian Apartments II

1212 Main St  
Atlanta GA 30304



### Property Information

Type	Apartments	No. of Units	14
Purchase Price	\$ 1,775,000	Price Per Unit	\$ 126,786
Cap Rate (Cost)	8.79%	Total Square Feet	12,920
		Price Per Sq. Ft.	\$ 137

### Financial Information

		<u>% of Asking</u>	<u>% of Cost</u>
Down Payment: \$	562,250	32.13%	31.68%
Initial Loan Balance: \$	1,225,000	70.00%	69.01%
<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Payment</u>
\$ 1,225,000	6.75%	20	\$9,314

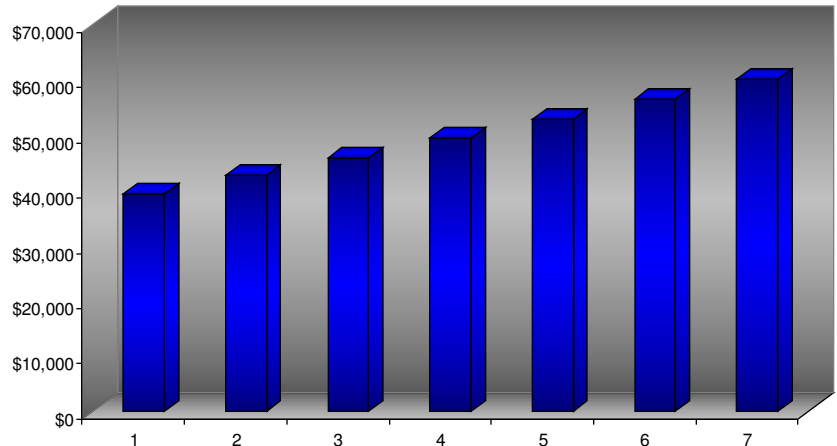
### Income & Expenses

Monthly Rents:	\$ 15,400
Annual Rents:	\$ 184,800
Other Annual Income:	\$ 1,800
Annual Vacancy:	\$ (9,240)
Annual Expenses:	\$ (21,250)
Annual Reserves:	\$ (5,000)
Annual Debt Service:	\$ (111,774)
Net Operating Income (NOI)	\$ 156,110

#### Assumptions:

Rental Growth Rate:	2.00%
Expense Growth Rate:	1.00%
Capitalization Rate (Resale):	8.00%
Marginal Tax Rate:	34.00%
Capital Gain Tax Rate:	21.00%

### Projected Cash Flow Before Taxes



### Financial Measurements

	Year 1	Year 3	Year 7	Summary Description & Notes
<b>Debt Coverage Ratio (DCR)</b>	1.40	1.46	1.59	Adrian Apartments II is a one, two and three bedroom garden style apartment complex with a total of 14 units.  The property is comprised of studio unit types. Complex amenities consist of laundry facilities and controlled vehicular access.  An November 1, 2009 appraisal places the value of this property at \$2.5 million.
<b>Loan-to-Value Ratio (LVR)</b>	61.2%	55.4%	43.6%	
<b>Capitalization Rate Based on Cost</b>	8.79%	9.17%	9.98%	
<b>Capitalization Rate Based on Resale Price</b>	8.00%	8.00%	8.00%	
<b>Net Present Value (NPV) - B/ Tax</b> 13.50%	35,664	73,746	105,974	
<b>Net Present Value (NPV) - A/Tax:</b> 10.00%	23,324	54,888	98,318	
<b>Cash on Cash Return - Before Taxes</b>	7.00%	8.18%	10.69%	
<b>Cash on Cash Return - After Taxes</b>	5.29%	6.37%	7.40%	
<b>Internal Rate of Return - Before Taxes</b>		18.55%	16.85%	
<b>Internal Rate of Return - After Taxes</b>		13.64%	12.94%	
<b>Modified Internal Rate of Return - Before Taxes</b>		17.53%	14.64%	
<b>Modified Internal Rate of Return - After Taxes</b>		13.02%	11.47%	

**Disclaimer: All information presented is believed to be accurate.**

The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

# Adrian Apartments II



**Main Office**



**Pool**



**Parking Lot**



**Park Across Main St**



**3/2 Bedroom**



**Child-Friendly Recreation Area**



**South View**



**North View**

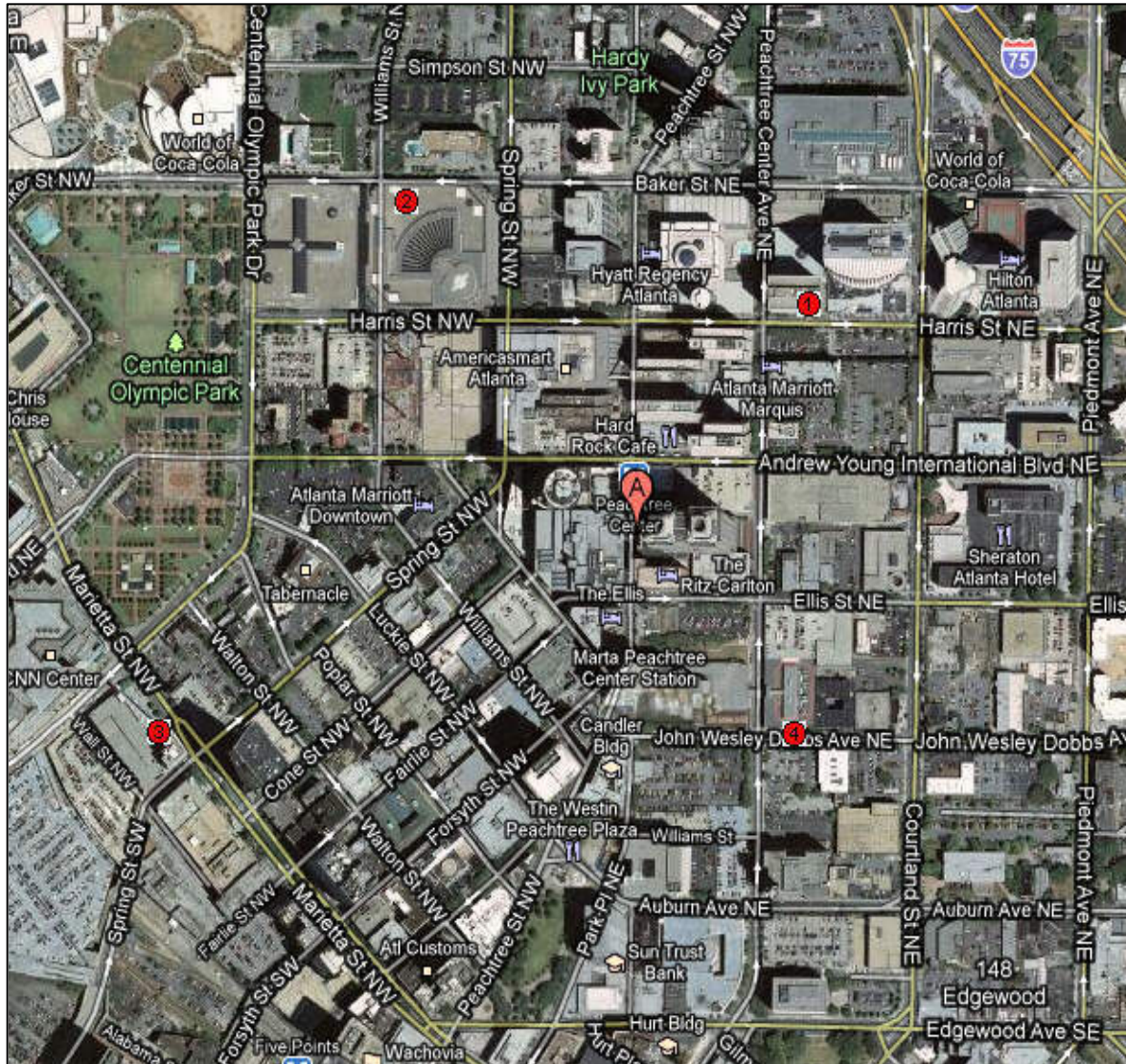
# Adrian Apartments II

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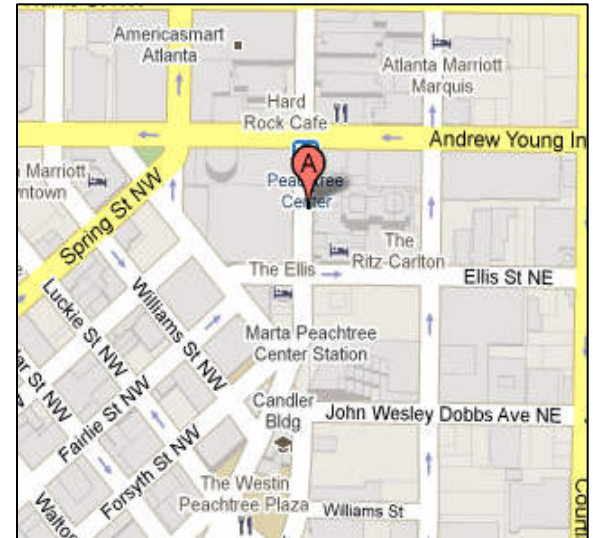
## Map/Aerial View



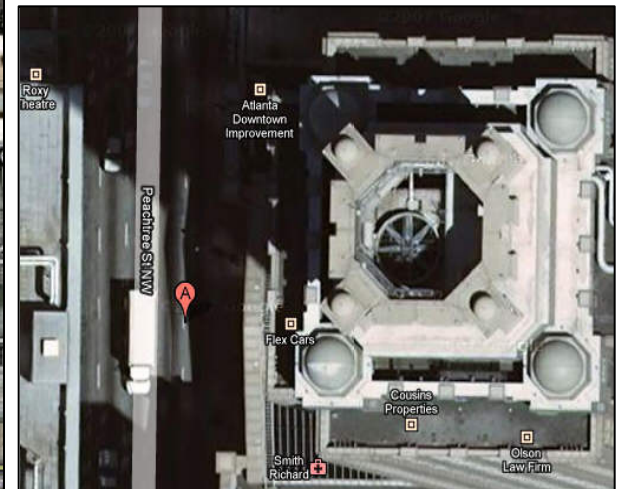
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Satellite View



Street View



Zoom View

## Cash Flow Analysis



Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Potential Rental Income</b>	\$ 184,800	\$ 188,496	\$ 192,266	\$ 196,111	\$ 200,033
Other Income	1,800	1,836	1,873	1,910	1,948
Less: Vacancy & Credit Losses	(9,240)	(9,425)	(9,613)	(9,806)	(10,002)
Less: Operating Expenses	(21,250)	(21,463)	(21,677)	(21,894)	(22,113)
<b>Net Operating Income (NOI)</b>	\$ 156,110	\$ 159,445	\$ 162,848	\$ 166,322	\$ 169,867
Less: Annual Debt Service	(111,774)	(111,774)	(111,774)	(111,774)	(111,774)
Less: Funded Reserves	(5,000)	(5,050)	(5,101)	(5,152)	(5,203)
<b>CASH FLOW Before Taxes</b>	\$ 39,336	\$ 42,621	\$ 45,974	\$ 49,397	\$ 52,891
Income Taxes: Benefit (Expense)	(9,602)	(8,313)	(10,185)	(12,134)	(14,163)
<b>CASH FLOW After Taxes</b>	\$ 29,734	\$ 34,309	\$ 35,789	\$ 37,263	\$ 38,728

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Projected Sales Price</b>	\$ 1,951,375	\$ 1,993,059	\$ 2,035,603	\$ 2,079,024	\$ 2,123,342
Less: Selling Expenses	(117,083)	(119,584)	(122,136)	(124,741)	(127,400)
<b>Adjusted Projected Sales Price</b>	\$ 1,834,293	\$ 1,873,475	\$ 1,913,467	\$ 1,954,283	\$ 1,995,941
Less: Mortgage(s) Balance Payoff	(1,194,997)	(1,162,905)	(1,128,579)	(1,091,862)	(1,052,589)
<b>SALE PROCEEDS Before Taxes</b>	\$ 639,295	\$ 710,570	\$ 784,888	\$ 862,421	\$ 943,352
Income Taxes from Sale: Benefit (Expense)	(24,899)	(48,844)	(72,983)	(97,319)	(121,856)
<b>SALE PROCEEDS After Taxes</b>	\$ 614,397	\$ 661,726	\$ 711,905	\$ 765,102	\$ 821,496

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Generated in Current Year	\$ 29,734	\$ 34,309	\$ 35,789	\$ 37,263	\$ 38,728
Cash Generated in Previous Years	n/a	29,734	64,043	99,831	137,094
Cash Generated from Property Sale	614,397	661,726	711,905	765,102	821,496
Original Initial Investment	(562,250)	(562,250)	(562,250)	(562,250)	(562,250)
<b>Total Potential CASH Generated</b>	\$ 81,881	\$ 163,518	\$ 249,486	\$ 339,946	\$ 435,069

Financial Measures	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Coverage Ratio (DCR)	1.40	1.43	1.46	1.49	1.52
Loan-to-Value Ratio (LVR)	61.2%	58.3%	55.4%	52.5%	49.6%
Capitalization Rate Based on Cost	8.79%	8.98%	9.17%	9.37%	9.57%
Net Present Value (NPV) - Before Taxes	13.50%	35,664	57,081	73,746	86,382
Net Present Value (NPV) - After Taxes	10.00%	23,324	40,016	54,888	68,050
<b>Cash-on-Cash Return with Equity</b>	14.56%	13.29%	12.99%	12.71%	12.43%
<b>Cash-on-Cash Return - Before Taxes</b>	7.00%	7.58%	8.18%	8.79%	9.41%
<b>Cash-on-Cash Return - After Taxes</b>	5.29%	6.10%	6.37%	6.63%	6.89%
<b>Internal Rate-of-Return (IRR) - Before Taxes</b>	20.70%	19.29%	18.55%	18.00%	17.55%
<b>Internal Rate-of-Return (IRR) - After Taxes</b>	14.56%	13.94%	13.64%	13.42%	13.24%
<b>Modified Internal Rate-of-Return (MIRR) - Before Taxes</b>	20.70%	18.73%	17.53%	16.61%	15.86%
<b>Modified Internal Rate-of-Return (MIRR) - After Taxes</b>	14.56%	13.61%	13.02%	12.55%	12.15%

**Adrian Apartments II**

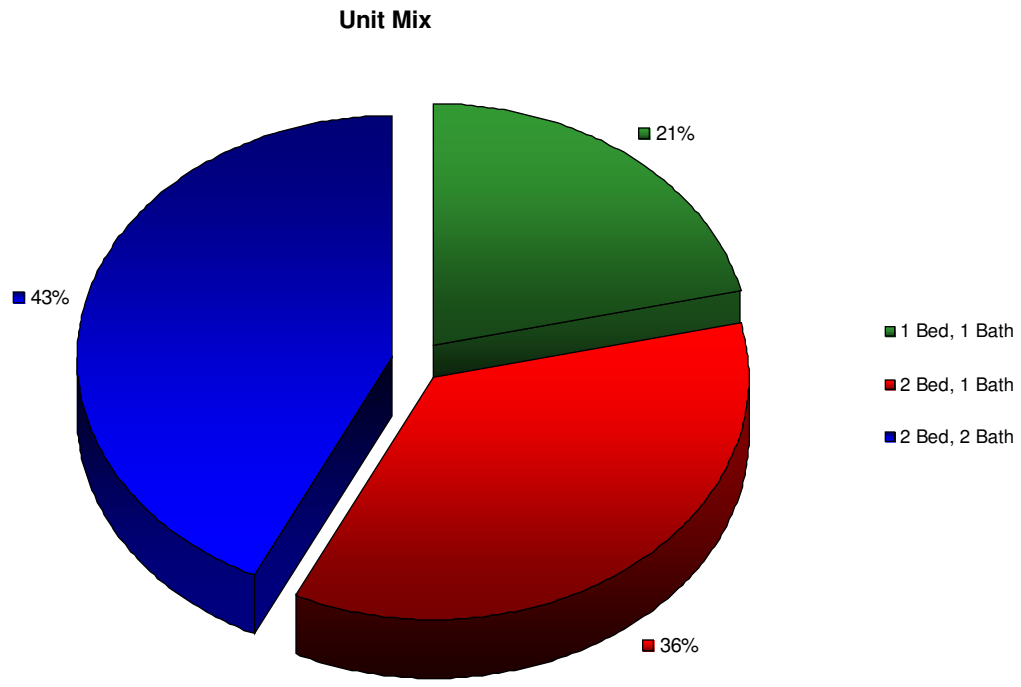
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# Rent Roll Summary



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404-555-1212

Unit Description	Number of Units	Per unit Sq. Ft.	Total Sq. Ft.	Percent of Total	Annual Rev/Sq. Ft.	Rent Per Unit	Monthly Rent	Annual Rent
1 Bed, 1 Bath	3	650	1,950	15.09%	16.620	\$ 900	\$ 2,700	\$ 32,400
2 Bed, 1 Bath	5	850	4,250	32.89%	15.530	\$ 1,100	\$ 5,500	\$ 66,000
2 Bed, 2 Bath	6	1,120	6,720	52.01%	12.860	\$ 1,200	\$ 7,200	\$ 86,400
<b>Totals</b>	<b>14</b>	<b>2,620</b>	<b>12,920</b>	<b>100.0%</b>	<b>14.303</b>	<b>3,200</b>	<b>\$ 15,400</b>	<b>\$ 184,800</b>



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# Other Income



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Description	Monthly Amount	Per Unit	Per Unit Sq. Ft.	Total Sq. Ft.
Laundry	\$ 100	\$ 7	0.04	0.01
Parking	50	4	0.02	0.00
<b>Totals</b>	<b>\$ 150</b>	<b>\$ 11</b>	<b>\$</b>	<b>\$</b>

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# Annual Expenses



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Expense Description	Annual Amount	Annual Increase	Per Unit	Per Sq. Ft.	% of Expenses	% of Revenue
Advertising	500	1.0%	35.71	0.04	2.4%	0.3%
Insurance	4,250	1.0%	303.57	0.33	20.0%	2.4%
Landscaping	750	1.0%	53.57	0.06	3.5%	0.4%
Maintenance	3,500	1.0%	250.00	0.27	16.5%	2.0%
Pest Control	3,500	1.0%	250.00	0.27	16.5%	2.0%
Property Taxes	7,500	1.0%	535.71	0.58	35.3%	4.2%
Electricity	1,250	1.0%	89.29	0.10	5.9%	0.7%
<b>Total Annual Operating Expenses</b>	<b>\$ 21,250</b>		<b>\$ 1,518</b>	<b>12,920</b>	<b>100.0%</b>	<b>12.0%</b>



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**Annual Property Operating Data**



Jeffrey Sandford  
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	<b>Year 1</b>	<b>\$/Sq Ft</b>	<b>Year 2</b>	<b>\$/Sq Ft</b>	<b>Year 3</b>	<b>\$/Sq Ft</b>	<b>Year 4</b>	<b>\$/Sq Ft</b>	<b>Year 5</b>	<b>\$/Sq Ft</b>
<b>Potential Rental Income</b>	\$ 184,800	14.30	\$ 188,496	14.59	\$ 192,266	14.88	\$ 196,111	15.18	\$ 200,033	15.48
Less: Vacancy & Credit Losses	(9,240)	-0.72	(9,425)	-0.73	(9,613)	-0.74	(9,806)	-0.76	(10,002)	-0.77
<b>Effective Rental Income</b>	<u>\$ 175,560</u>	13.59	<u>\$ 179,071</u>	13.86	<u>\$ 182,653</u>	14.14	<u>\$ 186,306</u>	14.42	<u>\$ 190,032</u>	14.71
Other Income	1,800	0.14	1,836	0.14	1,873	0.14	1,910	0.15	1,948	0.15
<b>Gross Operating Income</b>	<u>\$ 177,360</u>	13.73	<u>\$ 180,907</u>	14.00	<u>\$ 184,525</u>	14.28	<u>\$ 188,216</u>	14.57	<u>\$ 191,980</u>	14.86
<b>Operating Expenses</b>										
Advertising	500	0.04	505	0.04	510	0.04	515	0.04	520	0.04
Insurance	4,250	0.33	4,293	0.33	4,335	0.34	4,379	0.34	4,423	0.34
Landscaping	750	0.06	758	0.06	765	0.06	773	0.06	780	0.06
Maintenance	3,500	0.27	3,535	0.27	3,570	0.28	3,606	0.28	3,642	0.28
Pest Control	3,500	0.27	3,535	0.27	3,570	0.28	3,606	0.28	3,642	0.28
Property Taxes	7,500	0.58	7,575	0.59	7,651	0.59	7,727	0.60	7,805	0.60
Electricity	1,250	0.10	1,263	0.10	1,275	0.10	1,288	0.10	1,301	0.10
<b>Total Operating Expenses</b>	<u>\$ 21,250</u>	1.64	<u>\$ 21,463</u>	1.66	<u>\$ 21,677</u>	1.68	<u>\$ 21,894</u>	1.69	<u>\$ 22,113</u>	1.71
<b>Net Operating Income (NOI)</b>	<u>\$ 156,110</u>	12.08	<u>\$ 159,445</u>	12.34	<u>\$ 162,848</u>	12.60	<u>\$ 166,322</u>	12.87	<u>\$ 169,867</u>	13.15
Less: Annual Debt Service	(111,774)	-8.65	(111,774)	-8.65	(111,774)	-8.65	(111,774)	-8.65	(111,774)	-8.65
Less: Funded Reserves	(5,000)	-0.39	(5,050)	-0.39	(5,101)	-0.39	(5,152)	-0.40	(5,203)	-0.40
<b>Cash Flow Before Taxes</b>	<u>\$ 39,336</u>	3.04	<u>\$ 42,621</u>	3.30	<u>\$ 45,974</u>	3.56	<u>\$ 49,397</u>	3.82	<u>\$ 52,891</u>	4.09

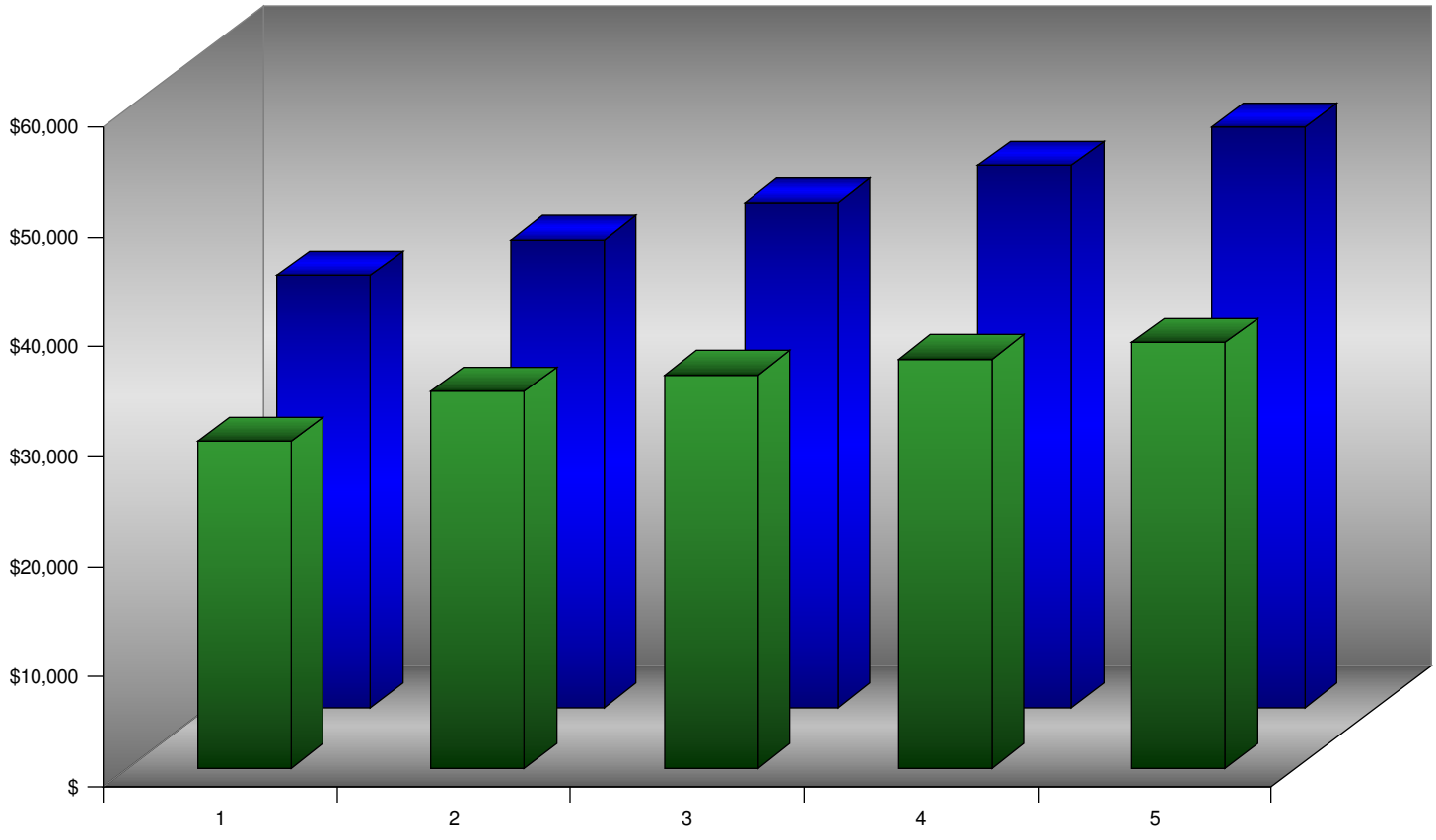
# Cash Flow Projections



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■ Cash Flow After Taxes  
■ Cash Flow Before Taxes



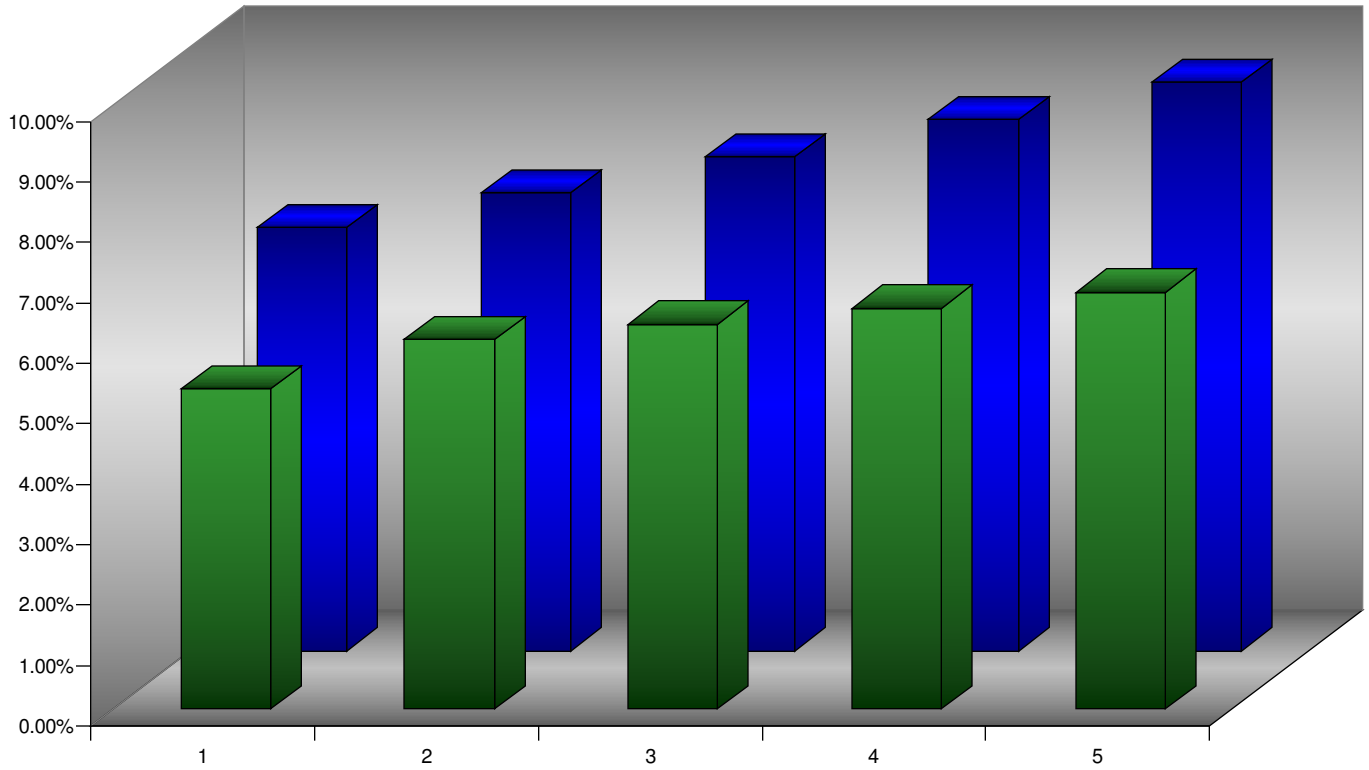
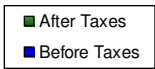
<i>Time Period</i>	<i>Net Operating Income</i>	<i>Reserves &amp; MIP Payments</i>	<i>Debt Service</i>	<i>Cash Flow Before Tax</i>	<i>Incomes Taxes</i>	<i>Cash Flow After Tax</i>
<b>Int Investment</b>				\$ (562,250)		\$ (562,250)
<b>Year 1</b>	156,110	(5,000)	(111,774)	39,336	(9,602)	29,734
<b>Year 2</b>	159,445	(5,050)	(111,774)	42,621	(8,313)	34,309
<b>Year 3</b>	162,848	(5,101)	(111,774)	45,974	(10,185)	35,789
<b>Year 4</b>	166,322	(5,152)	(111,774)	49,397	(12,134)	37,263
<b>Year 5</b>	169,867	(5,203)	(111,774)	52,891	(14,163)	38,728

# Cash on Cash Return



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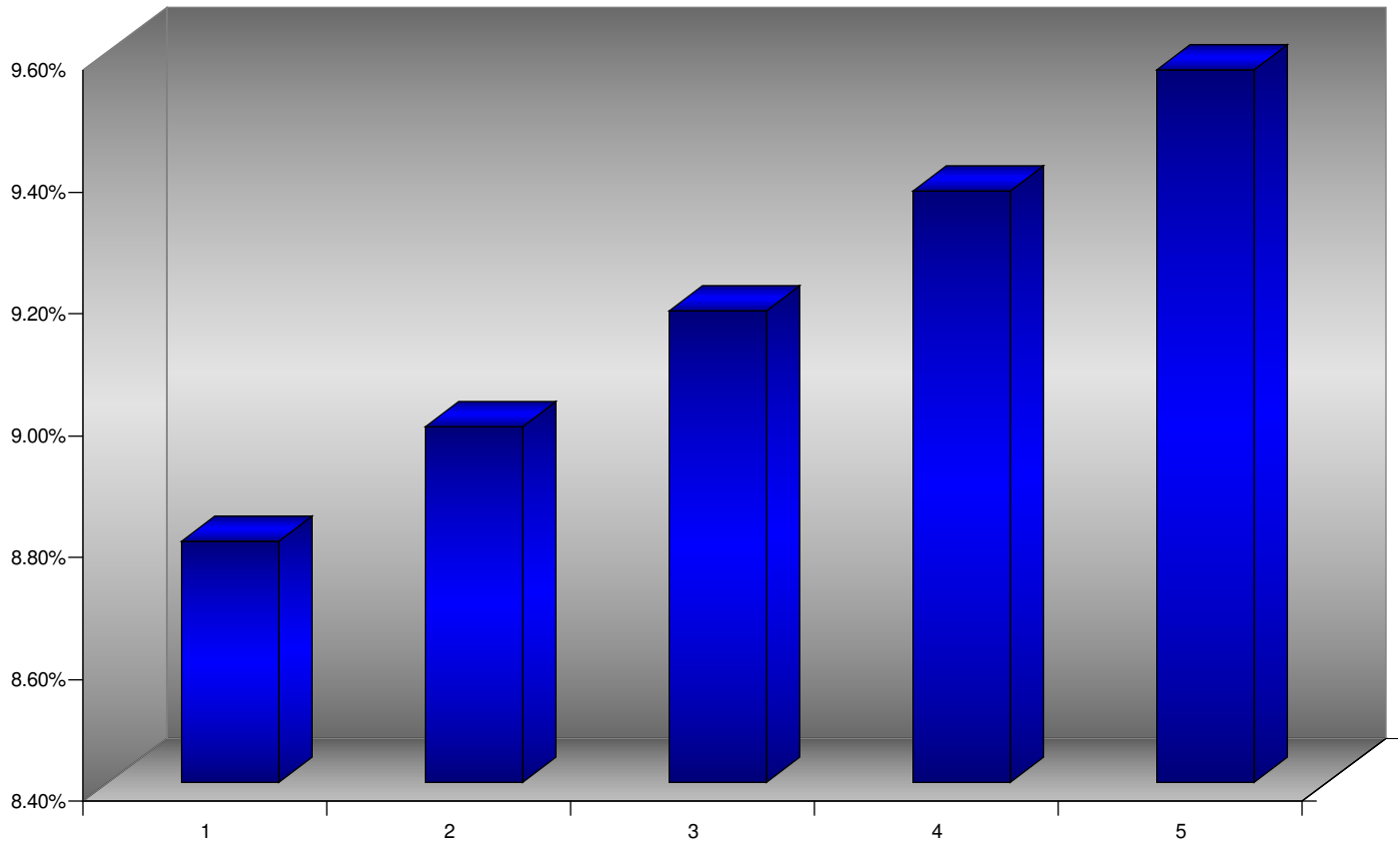
<i>Time</i>	<i>Initial Investment</i>	<i>Cash Flow</i>	<i>Cash on Cash</i>	<i>Income</i>	<i>Cash Flow</i>	<i>Cash on Cash</i>
<i>Period</i>	<i>Adj for Refinance</i>	<i>Before Taxes</i>	<i>Before Taxes</i>	<i>Taxes</i>	<i>After Taxes</i>	<i>After Taxes</i>
<b>Year 1</b>	\$ 562,250	\$ 39,336	7.00%	\$ (9,602)	\$ 29,734	5.29%
<b>Year 2</b>	562,250	42,621	7.58%	(8,313)	34,309	6.10%
<b>Year 3</b>	562,250	45,974	8.18%	(10,185)	35,789	6.37%
<b>Year 4</b>	562,250	49,397	8.79%	(12,134)	37,263	6.63%
<b>Year 5</b>	562,250	52,891	9.41%	(14,163)	38,728	6.89%

# Capitalization Rate



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<i>Time</i>	<i>Net Operating</i>	<i>Cap Rate on Cost</i>	<i>Resale</i>
<i>Period</i>	<i>Income (NOI)</i>	<i>\$ 1,775,000</i>	<i>Value</i>
<b>Year 1</b>	\$ 156,110	8.79%	\$ 1,951,375
<b>Year 2</b>	159,445	8.98%	1,993,059
<b>Year 3</b>	162,848	9.17%	2,035,603
<b>Year 4</b>	166,322	9.37%	2,079,024
<b>Year 5</b>	169,867	9.57%	2,123,342

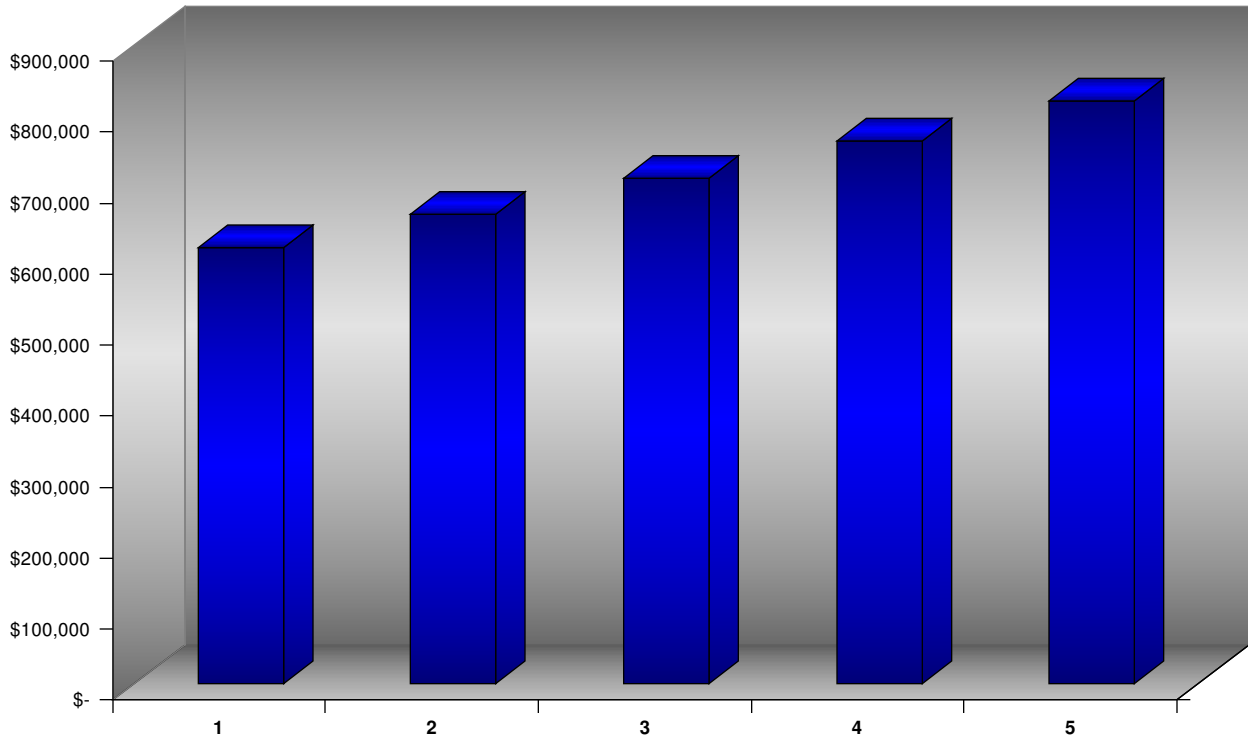
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# Property Equity Analysis



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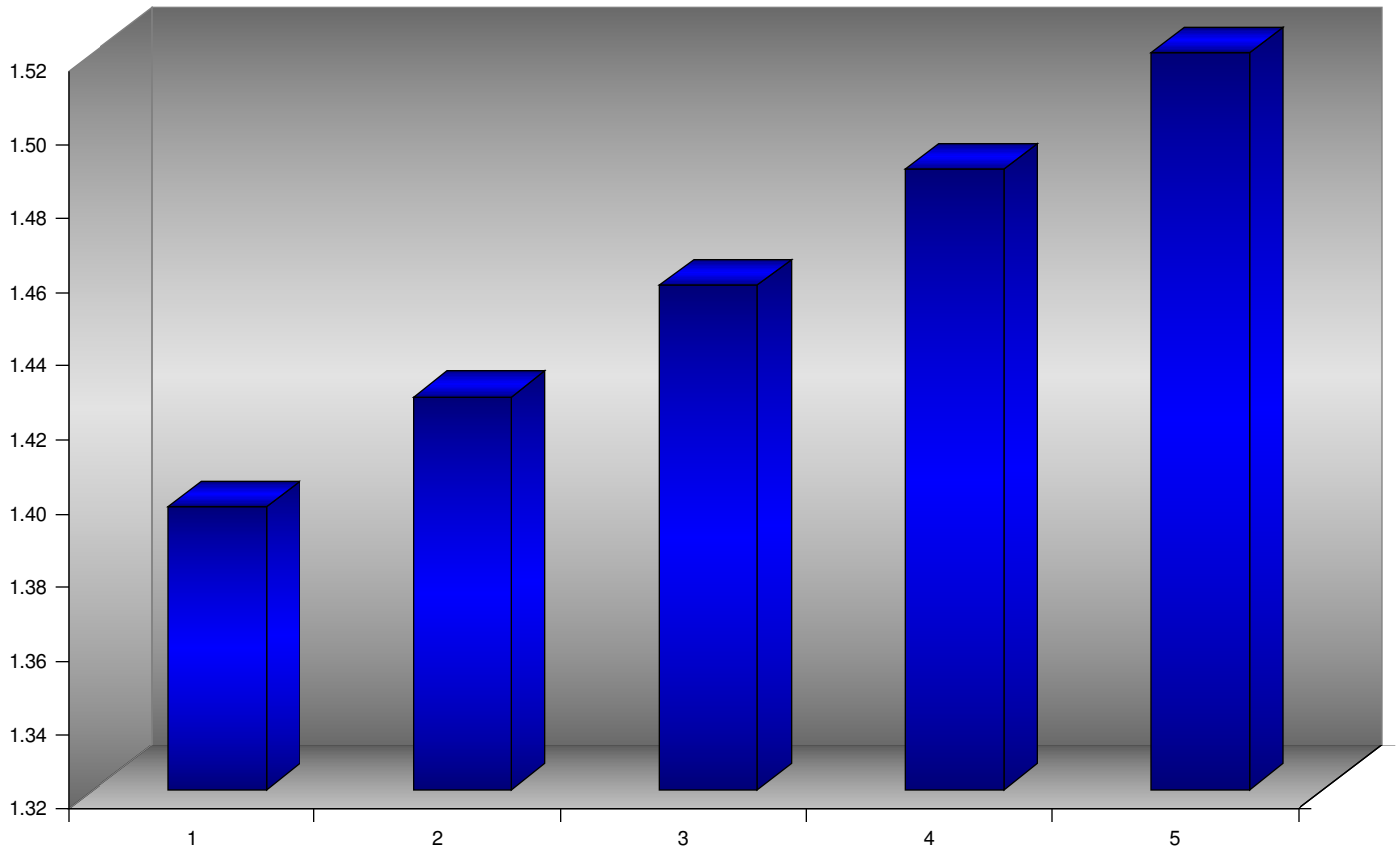
<i>Time Period</i>	<i>Projected Adj Resale Value</i>	<i>Projected Increase</i>	<i>Refi Proceeds (if any)</i>	<i>Mortgage(s) Balance Payoff</i>	<i>Sale Proceeds Before Taxes</i>	<i>Income Taxes From Sale</i>	<i>Sale Proceeds After Taxes</i>	<i>Property Equity</i>	<i>Year / Year Equity Increase</i>
<b>Year 1</b>	\$ 1,834,293	4.82%	\$ -	\$ (1,194,997)	\$ 639,295	\$ (24,899)	\$ 614,397	\$ 614,397	\$ 52,147
<b>Year 2</b>	1,873,475	2.14%	-	(1,162,905)	710,570	(48,844)	661,726	661,726	47,329
<b>Year 3</b>	1,913,467	2.13%	-	(1,128,579)	784,888	(72,983)	711,905	711,905	50,179
<b>Year 4</b>	1,954,283	2.13%	-	(1,091,862)	862,421	(97,319)	765,102	765,102	53,197
<b>Year 5</b>	1,995,941	2.13%	-	(1,052,589)	943,352	(121,856)	821,496	821,496	56,395

# Debt Coverage Ratio



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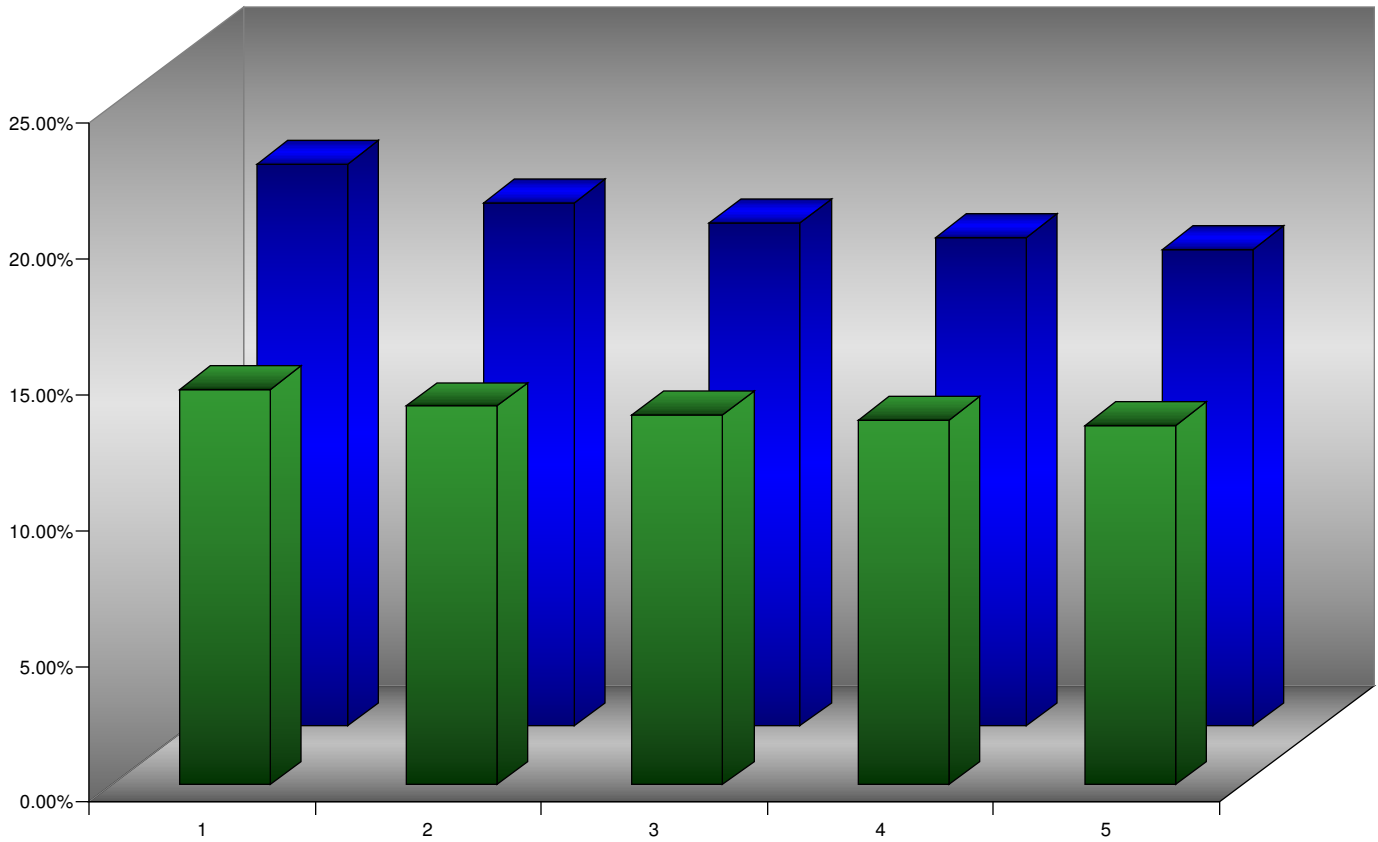
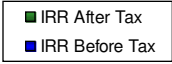
<i>Time Period</i>	<i>Net Operating Income</i>	<i>Mortgage Payments</i>	<i>Debt Coverage Before Taxes</i>
<b>Year 1</b>	\$ 156,110	\$ (111,774)	1.40
<b>Year 2</b>	159,445	(111,774)	1.43
<b>Year 3</b>	162,848	(111,774)	1.46
<b>Year 4</b>	166,322	(111,774)	1.49
<b>Year 5</b>	169,867	(111,774)	1.52

# Internal Rate of Return



**Jeffrey Sandford**

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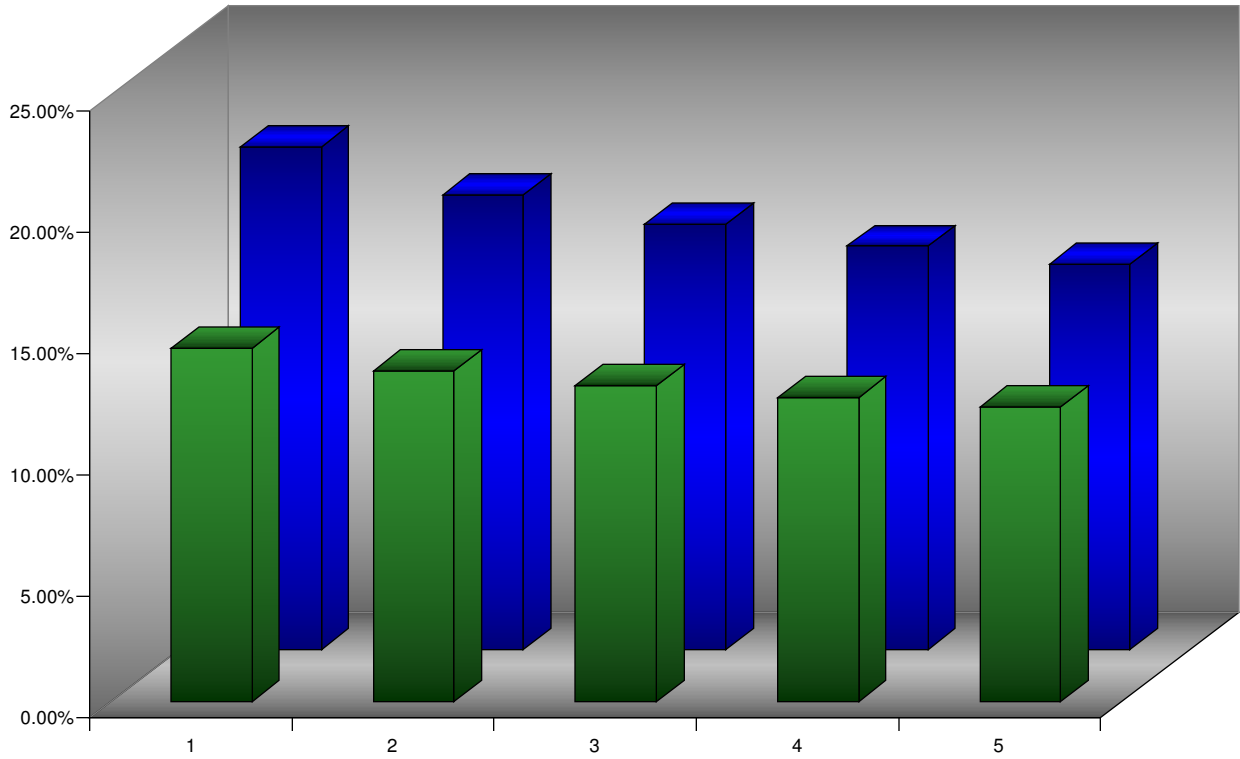
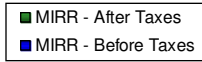


<i>Time Period</i>	<i>Internal Rate of Return (IRR)</i>	
	<i>Before Taxes</i>	<i>After Taxes</i>
<b>Year 1</b>	20.70%	14.56%
<b>Year 2</b>	19.29%	13.94%
<b>Year 3</b>	18.55%	13.64%
<b>Year 4</b>	18.00%	13.42%
<b>Year 5</b>	17.55%	13.24%

# Modified Internal Rate of Return



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<i>Time Period</i>	<i>Modified Internal Rate of Return</i>	
	<i>Before Taxes</i>	<i>After Taxes</i>
<b>Year 1</b>	20.70%	14.56%
<b>Year 2</b>	18.73%	13.61%
<b>Year 3</b>	17.53%	13.02%
<b>Year 4</b>	16.61%	12.55%
<b>Year 5</b>	15.86%	12.15%

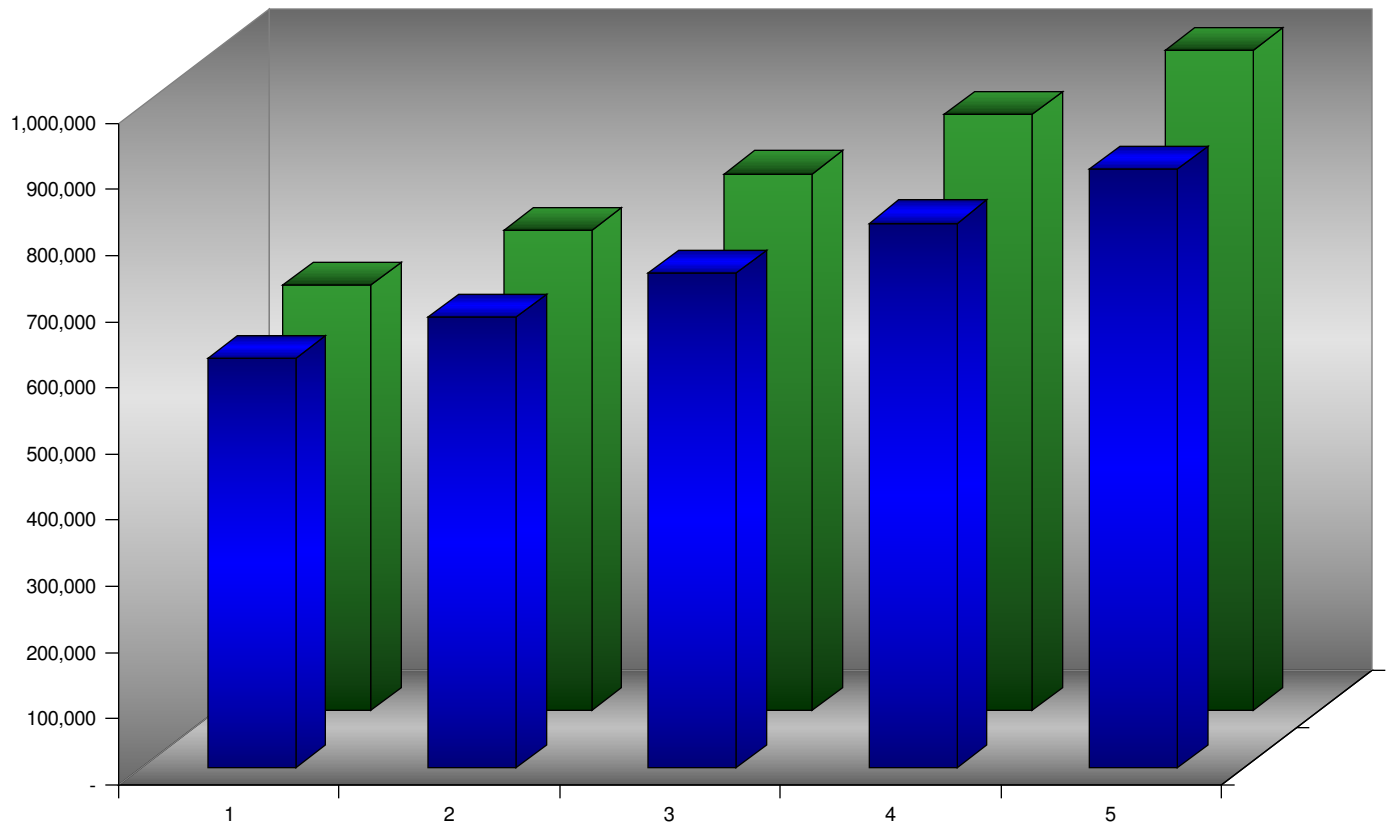


# Alternative Investment Comparison



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■ Alternative Investment  
■ Subject Property - After Taxes



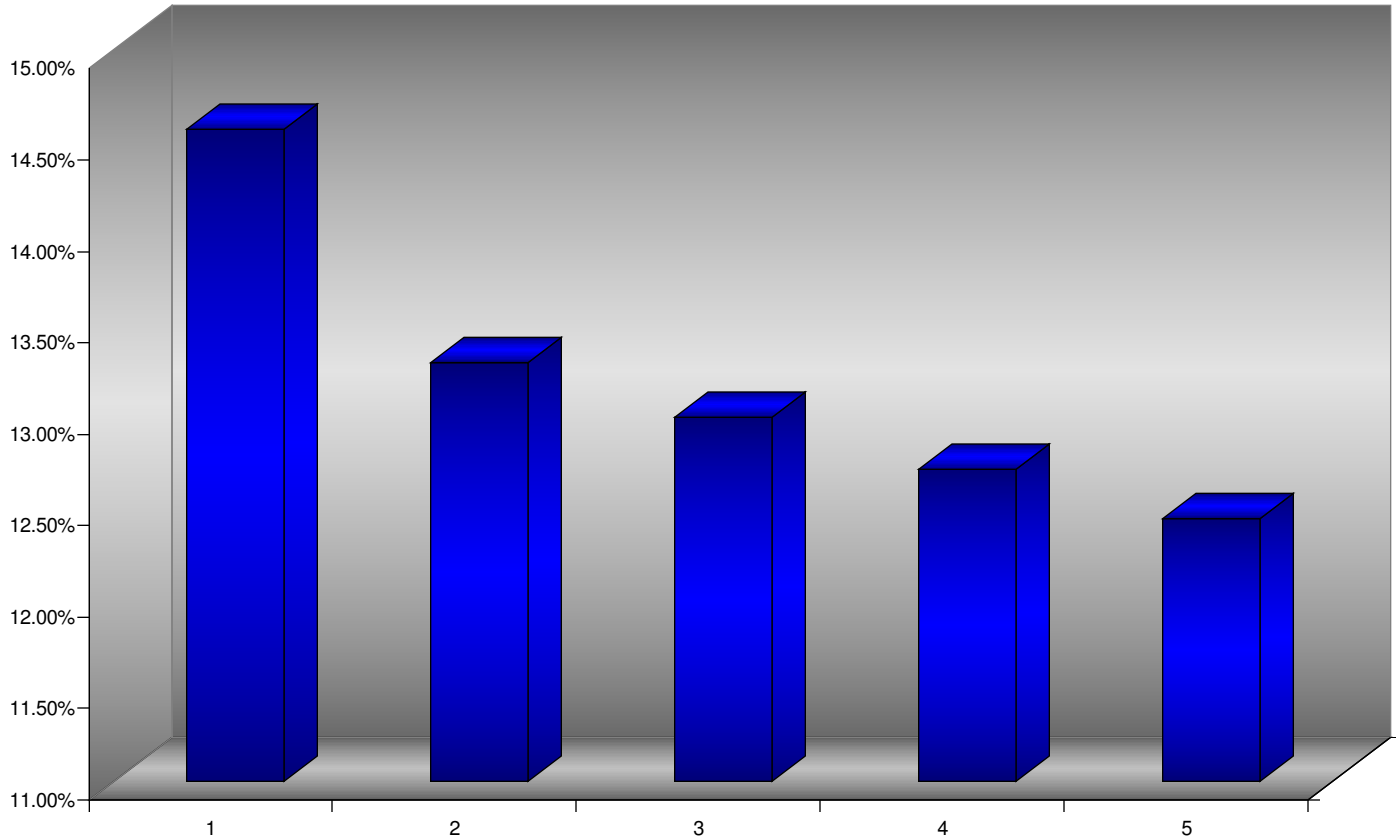
Alt Investment Return (after taxes)	Time Period	Alternative Investment Value	Property After-Taxes Net Value	Difference	Better Investment	Property Before-Taxes Net Value	Difference	Better Investment
10.00%	Initial Investment	\$ 562,250	\$ 562,250			\$ 562,250		
	Year 1	618,475	644,131	\$ 25,656	Property	678,632	\$ 60,157	Property
	Year 2	680,323	725,768	45,446	Property	792,528	112,205	Property
	Year 3	748,355	811,736	63,381	Property	912,820	164,465	Property
	Year 4	823,190	902,196	79,006	Property	1,039,750	216,560	Property
	Year 5	905,509	997,319	91,809	Property	1,173,572	268,063	Property

# Hold/Sell Analysis



**Jeffrey Sandford**  
404-555-1212

■ Return on Equity (ROE)



Required Return on Equity	Time Period	Rental Cash Flow	Annual Change in Equity	Annual Change in Net Worth	Trapped Equity	Return on Equity (ROE)	Hold/Sell
6.00%		A	B	(A + B)			
	Year 1	29,734	52,147	81,881	562,250	14.56%	Hold
After Year	Year 2	34,309	47,329	81,637	614,397	13.29%	Hold
5	Year 3	35,789	50,179	85,968	661,726	12.99%	Hold
	Year 4	37,263	53,197	90,460	711,905	12.71%	Hold
	Year 5	38,728	56,395	95,123	765,102	12.43%	Hold

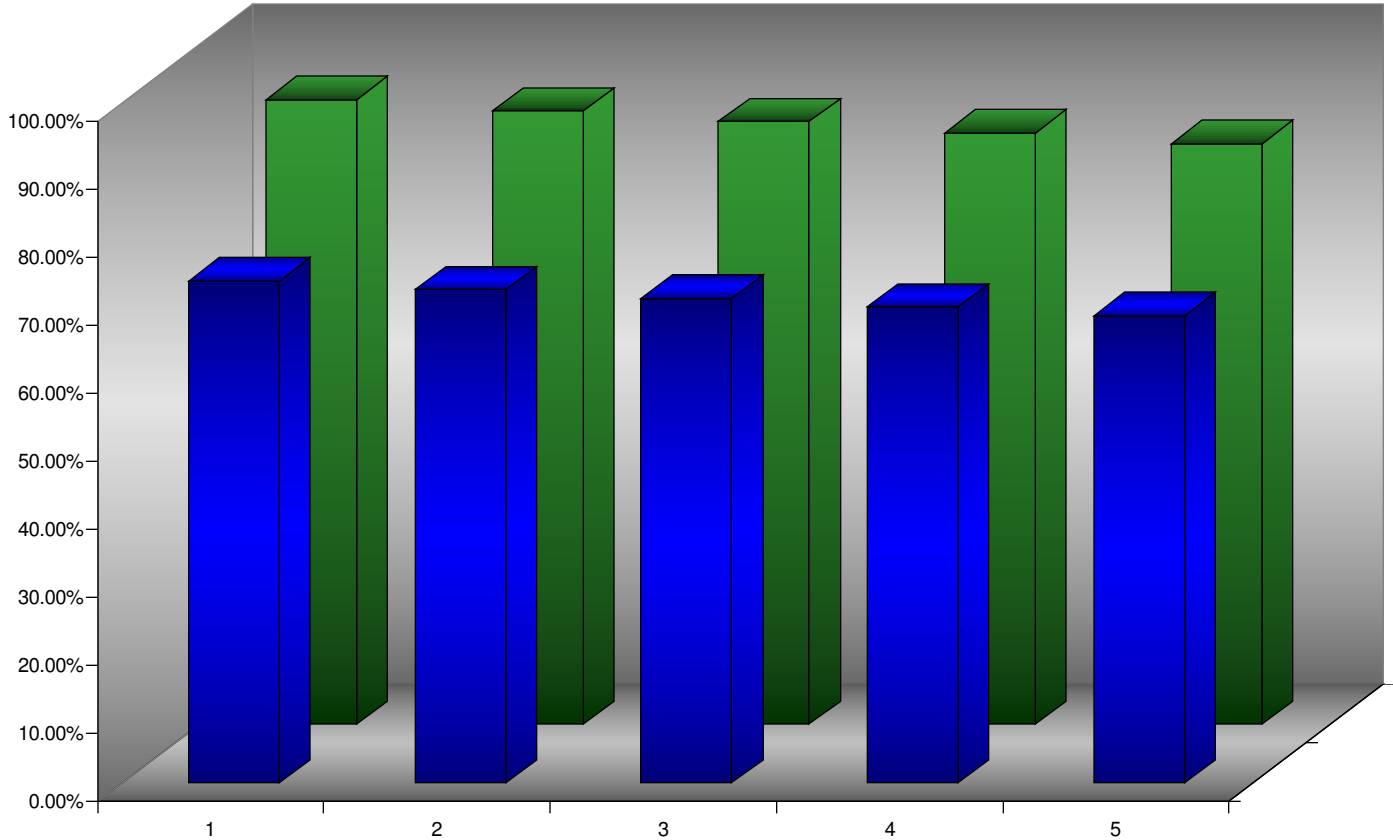
# BreakEven Occupancy



Jeffrey Sandford

404-555-1212

■ BreakEven Occupancy  
 ■ BreakEven Occupancy with Cash on Cash Requirement



Cash on Cash Requirement	Time Period	Potential Rental Income	Operating, Debt, Reserve Expenses	Occupancy Rate (Existing)	BreakEven Occupancy Rate	Max Vacancy BreakEven Rate	BreakEven Occupancy Rate w/ Cash on Cash	Max Vacancy BreakEven Rate w/ Cash on Cash
6.00%								
	Year 1	186,600	(138,024)	95.00%	73.97%	26.03%	92.05%	7.95%
	Year 2	190,332	(138,286)	95.00%	72.66%	27.34%	90.38%	9.62%
	Year 3	194,139	(138,551)	95.00%	71.37%	28.63%	88.74%	11.26%
	Year 4	198,021	(138,819)	95.00%	70.10%	29.90%	87.14%	12.86%
	Year 5	201,982	(139,089)	95.00%	68.86%	31.14%	85.56%	14.44%

# Confidential Offering Summary

**The Issuer**

Sandford Real Estate Investments LLC  
1421 Peachtree Ste Suite 1200  
Atlanta GA 30303

**The Property****Adrian Apartments II**

1212 Main St  
Atlanta GA 30304

**The Offering**

The offering is for a 65% interest with an 5% preferred return on invested capital.

**The Amount**

\$562,250

**The Manager**

Jeffrey Sanford will be the primary manager of the property. Jeffrey has fourteen years of experience as a landlord and real estate investor with over 32 properties currently under management.

**The Risks**

Investment in real estate can be highly speculative due to the nature of the partnership's business. These include risks inherent in the business of real estate investment generally, conflicts, reliance upon manager of the property, the lack of a formal market for the units, no exit mechanism and the resale restrictions and hold periods prescribed by the applicable securities laws or in the operating agreement.

These reports are limited descriptive material regarding an investment in the property Adrian Apartments II, 1212 Main St, Atlanta GA 30304. This summary is not complete and needs to be supplemented with additional information. This additional information is available upon request. The use of this material is authorized only for those to whom it is originally provided.

These reports may not be reproduced in whole or in part, and it may only be distributed and disclosed to the prospective investors to whom it is provided.

This is not an offer to sale a security. An offer can only be made through a complete Private Placement Memorandum. You should not consider any information in these reports to be legal, business or tax advice. You should consult your own attorney, financial advisor and tax advisor about this investment.

Jeffrey Sanford  
404-555-1212  
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**Sandford Realty Group**

190 Peachtree St NW  
Suite 1700  
Atlanta GA 30303



## Prospective Partner Investment

Adrian Apartments II

1212 Main St  
Atlanta GA 30304

**Dan Johnson**

**65.00% Equity Interest  
5.00% Preferred Return  
\$562,250 Investment**



Jeffrey Sandford  
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Annual Cash Flow Projection	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Property's Cash Flow Before Taxes</b>	\$ 39,336	\$ 42,621	\$ 45,974	\$ 49,397	\$ 52,891
Dan Johnson's 5% Preferred Return	(28,113)	(28,113)	(28,113)	(28,113)	(28,113)
Managing Partner's 35% Share	(3,928)	(5,078)	(6,252)	(7,450)	(8,672)
<b>Dan Johnson's 65% of Before Tax Cash Flow</b>	<u>\$ 7,296</u>	<u>\$ 9,431</u>	<u>\$ 11,610</u>	<u>\$ 13,835</u>	<u>\$ 16,106</u>
<b>Dan Johnson's Share with Preferred Return</b>	<u>\$ 35,408</u>	<u>\$ 37,543</u>	<u>\$ 39,723</u>	<u>\$ 41,947</u>	<u>\$ 44,218</u>

Property Resale Proceeds					
<b>Resale Proceeds Before Taxes</b>	\$ 639,295	\$ 710,570	\$ 784,888	\$ 862,421	\$ 943,352
All Partner's Return of Investment Capital	(562,250)	(562,250)	(562,250)	(562,250)	(562,250)
Remaining Funds from Sale to be Distributed	<u>\$ 77,045</u>	<u>\$ 148,320</u>	<u>\$ 222,638</u>	<u>\$ 300,171</u>	<u>\$ 381,102</u>
Managing Partner's 35% Share	(26,966)	(51,912)	(77,923)	(105,060)	(133,386)
<b>Dan Johnson's 65% Share of Resale Proceeds</b>	<u>\$ 50,080</u>	<u>\$ 96,408</u>	<u>\$ 144,715</u>	<u>\$ 195,111</u>	<u>\$ 247,716</u>

Dan Johnson's Equity Interest Summary					
<b>Dan Johnson's 65% of Before Tax Cash Flow</b>	\$ 35,408	\$ 37,543	\$ 39,723	\$ 41,947	\$ 44,218
Previous Year's Cumulative Share of Cash Flow	n/a	35,408	72,951	112,674	154,621
Dan Johnson's 65% Share of Resale Proceeds	<u>50,080</u>	<u>96,408</u>	<u>144,715</u>	<u>195,111</u>	<u>247,716</u>
<b>Dan Johnson's Share of Profit</b>	<u>\$ 85,488</u>	<u>\$ 169,359</u>	<u>\$ 257,389</u>	<u>\$ 349,732</u>	<u>\$ 446,556</u>
Dan Johnson's Return of Investment Capital	562,250	562,250	562,250	562,250	562,250
<b>Dan Johnson's Share of Resale &amp; Liquidation</b>	<u>\$ 647,738</u>	<u>\$ 731,609</u>	<u>\$ 819,639</u>	<u>\$ 911,982</u>	<u>\$ 1,008,806</u>
<b>Percentage of Available Cash</b>	95.45%	92.31%	89.79%	87.71%	85.96%

### Return on Investment

Cash on Cash Return - Before Taxes	6.30%	6.68%	7.06%	7.46%	7.86%
Internal Rate of Return - Before Taxes	15.20%	14.47%	14.12%	13.88%	13.68%
Modified Internal Rate of Return - Before Taxes	15.20%	14.07%	13.39%	12.85%	12.40%

## Prospective Partner Investment

**Dan Johnson**



**Adrian Apartments II**

1212 Main St  
Atlanta GA 30304

**65.00% Equity Interest**  
**5.00% Preferred Return**  
**\$562,250 Investment**

Jeffrey Sandford  
404-555-1212

Managing Partner's Equity Interest Summary	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Managing Partner's 35% of Before Tax Cash Flow</b>	\$ 3,928	\$ 5,078	\$ 6,252	\$ 7,450	\$ 8,672
Previous Year's Cumulative Share of Cash Flow	n/a	3,928	9,006	15,258	22,708
Managing Partner's 35% Share of Resale Proceeds	26,966	51,912	77,923	105,060	133,386
<b>Managing Partner's Share of Profit</b>	<u>\$ 30,894</u>	<u>\$ 60,918</u>	<u>\$ 93,181</u>	<u>\$ 127,767</u>	<u>\$ 164,766</u>
Managing Partner's Return of Investment Capital	-	-	-	-	-
<b>Managing Partner's Share of Total Cash</b>	<u>\$ 30,894</u>	<u>\$ 60,918</u>	<u>\$ 93,181</u>	<u>\$ 127,767</u>	<u>\$ 164,766</u>
<b>Percentage of Available Cash</b>	4.55%	7.69%	10.21%	12.29%	14.04%