



Financial Returns.

Cap Rate using the investment in Year 1 of \$ 3,570,000 7.38%

		With Financing	Without Financing
Internal Rate of Return (IRR)	Before Tax	13.32%	10.57%
	After Tax	11.07%	8.08%
Net Present Value (NPV)	Before Tax	\$ 36,828 at 13.00%	(\$ 531,107) at 13.00%
	After Tax	\$ 349,330 at 8.45%	(\$ 95,327) at 8.45%
Modified Internal Rate of Return (MIRR)	Before Tax	11.64%	8.89%
	Short Term Financing Rate (Before Tax)	8.00%	8.00%
	Short Term Reinvestment Rate (Before Tax)	3.00%	3.00%
Modified Internal Rate of Return (MIRR)	After Tax	9.70%	6.93%
	Short Term Financing Rate (After Tax)	5.20%	5.20%
	Short Term Reinvestment Rate (Before Tax)	1.95%	1.95%

Financial Operating Ratios

	Debt Coverage Ratio	Default Ratio (Breakeven) (Using PGI)	Overall Operating Expense Ratio (Using PGI)
Year 1	1.49	79.87%	44.35%
Year 2	1.53	78.91%	44.60%
Year 3	1.58	77.98%	44.85%
Year 4	1.63	77.02%	44.98%
Year 5	1.68	75.98%	45.05%
Year 6	1.74	75.03%	45.15%
Year 7	1.80	74.06%	45.22%
Year 8	1.86	73.17%	45.31%
Year 9	1.92	72.33%	45.41%
Year 10	1.99	71.50%	45.51%



Cash on Cash Returns

Year	Based on Initial Equity in Year 1				Based on Adjusted Annual Equity			
	Cash on Cash Before Tax		Cash on Cash After Tax		Cash on Cash Before Tax		Cash on Cash After Tax	
	Annual	Average	Annual	Average	Annual	Average	Annual	Average
Year 1	5.42%	5.42%	4.92%	4.92%	5.42%	5.42%	4.92%	4.92%
Year 2	5.93%	5.68%	5.28%	5.10%	5.93%	5.68%	5.28%	5.10%
Year 3	6.45%	5.93%	5.57%	5.26%	6.45%	5.93%	5.57%	5.26%
Year 4	7.01%	6.20%	5.88%	5.41%	7.01%	6.20%	5.88%	5.41%
Year 5	7.63%	6.49%	6.22%	5.57%	7.63%	6.49%	6.22%	5.57%
Year 6	8.26%	6.78%	6.56%	5.74%	8.26%	6.78%	6.56%	5.74%
Year 7	8.93%	7.09%	6.93%	5.91%	8.93%	7.09%	6.93%	5.91%
Year 8	9.61%	7.40%	7.29%	6.08%	9.61%	7.40%	7.29%	6.08%
Year 9	10.29%	7.73%	7.66%	6.26%	10.29%	7.73%	7.66%	6.26%
Year 10	11.01%	8.05%	7.95%	6.43%	11.01%	8.05%	7.95%	6.43%