



<b>SUMMARY OF CONSTRUCTION COSTS</b>													
Land	(19,536,163)	0	0	0	0	0	0	0	0	0	0	0	(19,536,163)
Hard Costs	(1,275,000)	(2,900,000)	(2,675,000)	(1,050,000)	0	0	0	0	0	0	0	0	(7,900,000)
Soft Costs (excluding developer fee)	(2,402,921)	(642,487)	(626,406)	(208,911)	(320,210)	(23,361)	(205,764)	(16,502)	(71,756)	(13,072)	0	0	(4,531,391)
Developer's fee (Hard + soft costs) * 4.0%	(147,117)	(141,699)	(132,056)	(50,356)	(12,808)	(934)	(8,231)	(660)	(2,870)	(523)	0	0	(497,256)
Interest (includes both accrued and paid interest)	(165,041)	(213,357)	(259,132)	(278,819)	(282,319)	(168,597)	(87,478)	0	0	0	0	0	(1,454,743)
<b>Total Costs per Quarter</b>	<b>(23,526,242)</b>	<b>(3,897,543)</b>	<b>(3,692,595)</b>	<b>(1,588,086)</b>	<b>(615,338)</b>	<b>(192,892)</b>	<b>(301,473)</b>	<b>(17,162)</b>	<b>(74,627)</b>	<b>(13,595)</b>	0	0	<b>(33,919,552)</b>
* Assumes that 4% developer fee is based on hard and soft construction costs, but excludes interest													
<b>SUMMARY OF FINANCING SOURCES</b>													
Developer Equity	500,000	0	0	0	0	0	0	0	0	0	0	0	500,000
Investor Equity	9,712,803	0	0	0	0	0	0	0	0	0	0	0	9,712,803
Debt													0
Principal	13,148,398	3,684,186	3,433,462	1,309,267	0	0	0	0	0	0	0	0	21,575,314
Interest capitalized (assume does not limit maximum debt)	165,041	213,357	259,132	278,819	0	0	0	0	0	0	0	0	916,349
Revenue (covers expenses in periods once sales start)	0	0	0	0	615,338	192,892	301,473	17,162	74,627	13,595	0	0	1,215,086
<b>Total Finance Sources Per Quarter</b>	<b>23,526,242</b>	<b>3,897,543</b>	<b>3,692,595</b>	<b>1,588,086</b>	<b>615,338</b>	<b>192,892</b>	<b>301,473</b>	<b>17,162</b>	<b>74,627</b>	<b>13,595</b>	0	0	
<b>PROJECT'S UNLEVERAGED IRR</b>													
	<b>Year 1</b>				<b>Year 2</b>				<b>Year 3</b>				<b>Total over 3 years</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
Dates used for calculating IRR	1/1/2004	4/1/2004	7/1/2004	10/1/2004	1/1/2005	4/1/2005	7/1/2005	10/1/2005	1/1/2006	4/1/2006	7/1/2006	10/1/2006	
Unlevered Free Cash Flows (from above)	(23,361,201)	(3,684,186)	(3,433,462)	(1,309,267)	9,342,302	6,631,091	7,758,245	7,119,831	4,800,855	2,897,805	0	0	
<b>Project's cumulative IRR *</b> (using Excel's XIRR function)	<b>15.0%</b>												<b>15.0%</b>
* Cash flows are assumed to occur on the first day of the quarter.													
<b>EQUITY IRR</b>													
<u>Equity Investments</u>													
Private Equity fund's investment	(9,712,803)	0	0	0	0	0	0	0	0	0	0	0	(9,712,803)
Personal investment of Developer	(500,000)	0	0	0	0	0	0	0	0	0	0	0	(500,000)
Shortfall made up by Developer	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Cash Flows to Equity</u>	0	0	0	0	0	0	701,582	7,119,831	4,800,855	2,897,805	0	0	15,520,073
Cash flows to / (from) Equity	(10,212,803)	0	0	0	0	0	701,582	7,119,831	4,800,855	2,897,805	0	0	
<b>Equity's cumulative IRR</b> (using Excel's XIRR function)	<b>24.6%</b>												
<b>DEVELOPER'S RETURN</b>													
Cash invested	(500,000)	0	0	0	0	0	0	0	0	0	0	0	(500,000)
Return received													
Recovery of subordinated equity position	0	0	0	0	0	0	0	0	500,000	0	0	0	500,000
Receipt of Catch-up Preferred interest	0	0	0	0	0	0	0	0	97,546	0	0	0	97,546
Carried Interest (promote)	0	0	0	0	0	0	0	0	83,405	579,561	0	0	662,966
Developer's cash flows (sans developer fee)	(500,000)	0	0	0	0	0	0	0	680,951	579,561	0	0	
<b>Developer's IRR (sans developer fee)</b> (using Excel XIRR function)	<b>54.9%</b>												
Developer Fee	147,117	141,699	132,056	50,356	12,808	934	8,231	660	2,870	523	0	0	497,256
Developer's cash flows (with developer fee)	(352,883)	141,699	132,056	50,356	12,808	934	8,231	660	683,821	580,084	0	0	1,257,768
Developer's IRR (with developer fee) (using Excel XIRR function)	<b>187.3%</b>												
<b>INVESTOR'S RETURN</b>													
Investment	(9,712,803)	0	0	0	0	0	0	0	0	0	0	0	(9,712,803)
Return Received													
Return of Equity	0	0	0	0	0	0	701,582	7,119,831	1,891,390	0	0	0	9,712,803
Preferred Return	0	0	0	0	0	0	0	0	1,894,896	0	0	0	1,894,896
Pro-rata return (considering promote)	0	0	0	0	0	0	0	0	333,619	2,318,244	0	0	2,651,863
Investor's Cash Flows	(9,712,803)	0	0	0	0	0	701,582	7,119,831	4,119,904	2,318,244	0	0	4,546,758
<b>Investor's IRR</b> (using Excel XIRR function)	<b>22.6%</b>												