

## Tropical Court Apartments:

Confidential Apartment listing. 16 Units garden apartments and single family residence with a historical low vacancy rate of 1%. Masonry construction 1<sup>st</sup> and 2<sup>nd</sup> Floors. New Membrane Roof in 2009, 1 block away from Downtown Kissimmee and City Centre and 2 blocks from East Lake Toho and Yacht Club.

All leases are long term tenants some greater than 20 years with no leases in place.

| Occupancy  |                   |             |               |              |              |             |                 |                 |                   |                        |
|------------|-------------------|-------------|---------------|--------------|--------------|-------------|-----------------|-----------------|-------------------|------------------------|
| Space Type | Units/<br>Tenants | SF<br>Total | % of<br>Total | SF<br>Leased | SF<br>Vacant | %<br>Vacant | Units<br>Leased | Units<br>Vacant | % Units<br>Vacant | % of Unit<br>Type Vac. |
| 2 BR       | 16                | 789         | 100.0%        | 789          | 0            | 0.0%        | 16              | 0               | 0.0%              | 0.0%                   |
| Totals     | 16                | 789         | 100.0%        | 789          | 0            | 0.0%        | 16              | 0               | 0.0%              |                        |

## Unit mix Comparables and Occupancy Survey.

| Comp # | Name                        | Year Built  | Condition | No. of Units | No. of Units | Vacancy |
|--------|-----------------------------|-------------|-----------|--------------|--------------|---------|
| 1      | 720 Verona Street           | 1919 & 1930 | Average   | 6            | 6            | 0%      |
| 2      | Lake Cherokee<br>Apartments | 1964        | Average   | 8            | 8            | 0%      |
| 3      | 813 & 815 Irma Ave          | 1973        | Good      | 16           | 16           | 4%      |
| 4      | Outrigger Village           | 1975-1976   | Average   | 192          | 192          | 6%      |

| Comp # | Name                        | Unit Type         | Size | Rm Count | Rent/Month | Rent/SF |
|--------|-----------------------------|-------------------|------|----------|------------|---------|
| 1      | 720 Verona Street           | Efficiency/Studio | 400  | 1        | \$457      | \$1.14  |
| 2      | Lake Cherokee<br>Apartments | Efficiency/Studio | 0    | 0        | \$0        | \$0.00  |
| 3      | 813 & 815 Irma Ave          | Efficiency/Studio | 0    | 0        |            |         |
| 4      | Outrigger Village           | Efficiency/Studio | 0    | 0        | \$0        | \$0.00  |

| Comp # | Name                        | Unit Type | Size | Rm Count | Rent/Month | Rent/SF |
|--------|-----------------------------|-----------|------|----------|------------|---------|
| 1      | 720 Verona Street           | 1 BR      | 576  | 1        | \$495      | \$0.86  |
| 2      | Lake Cherokee<br>Apartments | 1 BR      | 630  | 4        | \$655      | \$1.04  |
| 3      | 813 & 815 Irma Ave          | 1 BR      | 948  | 16       | \$756      | \$0.80  |
| 4      | Outrigger Village           | 1 BR      | 792  | 52       | \$597      | \$0.75  |

| Comp # | Name                        | Unit Type   | Size | Rm Count | Rent/Month | Rent/SF |
|--------|-----------------------------|-------------|------|----------|------------|---------|
| 1      | 720 Verona Street           | 2 BR        | 1100 | 4        | \$603      | \$0.55  |
| 2      | Lake Cherokee<br>Apartments | 2 BR        | 630  | 4        | \$775      | \$1.23  |
| 3      | 813 & 815 Irma Ave          |             |      |          |            |         |
| 4      | Outrigger Village           | 2 BR/1 Bath | 889  | 8        | \$714      | \$0.80  |

## Cap Rate Survey:

| Comparable Sale Cap Rates |           |             |            |           |                          |
|---------------------------|-----------|-------------|------------|-----------|--------------------------|
| Comparable                | City      | Price       | Date       | NOI       | Cap Rate                 |
| 1                         | Kissimmee | \$5,088,000 | 8/2/2011   | \$0       | 5.42% Per Seller's Agent |
| 2                         | Orlando   | \$1,280,000 | 11/15/2011 | \$104,231 | 8.45%                    |
| 3                         | Orlando   | \$700,000   | 10/12/2011 | \$55,300  | 7.90%                    |

## Reconstructed Operating Income Statement:

| Gross Potential Rent-Modified Gross            | Units            | Annual Rate             |                        |                   |
|--|------------------|-------------------------|------------------------|-------------------|
| <b>Square Feet Leasable Area (Annual Rate)</b> |                  | Months                  |                        |                   |
| 16 Unit Apartments                             | 16               | 12                      | \$725.00               | \$139,200         |
| Single Family Home                             | 0                |                         | \$0.00                 | \$0               |
| Misc Income, Lanudry, Late Fee, App. Fee       | Lump Sum         |                         | \$0.00                 | \$2,500           |
| Total Gross Potential Income                   |                  |                         |                        | \$141,700         |
| Less Vacancy & Collections                     | 3.00%            |                         |                        | \$4,251           |
| <b>Effective Gross Income</b>                  |                  |                         |                        | <b>\$137,449</b>  |
| <i>Less Operating Expenses</i>                 |                  |                         |                        |                   |
| Real Estate Taxes                              |                  |                         | \$6,563                |                   |
| Management Estimated At                        | 5.00%            |                         | \$6,872                |                   |
| Insurance Estimated                            |                  |                         | \$7,500                |                   |
| Building Maintenance/Water & Sewer             | 4.00%            |                         | \$5,498                |                   |
| Reserves Estiamted At                          | 4.00%            |                         | \$5,498                |                   |
| Misc. Expense                                  | 2.00%            |                         | \$2,749                |                   |
| Total Expense                                  |                  |                         |                        | <b>(\$34,680)</b> |
| Net Operating Income                           |                  |                         |                        | \$102,769         |
|  |                  |                         |                        |                   |
| <b>Net Operating Income</b>                    | <b>\$102,769</b> | <b>Cap Rate Senario</b> | <b>Indicated Value</b> |                   |
|  | <b>\$102,769</b> | <b>7.50%</b>            | <b>\$1,370,248.67</b>  |                   |
|  | <b>\$102,769</b> | <b>8.00%</b>            | <b>\$1,284,608.13</b>  |                   |
|  | <b>\$102,769</b> | <b>8.50%</b>            | <b>\$1,209,042.94</b>  |                   |