

*Barry P. Skolnick
Principal*

January 18, 2008

<Contact Name Intentionally Deleted>
<Client Name Intentionally Deleted>
<Address Intentionally Deleted>
<City>, <State> <ZIP>

Re: Consulting Agreement # 08-0199
Sample Multifamily Property I
<City>, <State>

Dear <Contact Name Intentionally Deleted>:

In accordance with the terms of the referenced Consulting Agreement, attached hereto please find the **Financial Analysis** for the referenced asset.

The **In Place Net Operating Income** is **\$ 4,244,595** after deduction of an **Effective 4.7 % Management Fee** and **Replacement Reserves** of **\$ 00.00** per unit.

In accordance with your Underwriting Guidelines, several adjustments were made to the property's operating history in order to derive the results summarized above. These changes include:

OPERATING INCOME

Base Rent is based on the rental income for the twelve months ending November 30, 2007 per Seller's historical operating statements. See Schedules BR: Base Rent and Non-Commercial Rental Revenue.

OPERATING EXPENSES

Property Taxes Expense is based on estimated 2008 tax amounts, calculated by applying the 2007 tax rate to the 2008 proposed value from the tax assessor's website. See Schedules PT: Property Taxes and TB: Tax Bill Analysis.

Insurance Expense reflects Seller's current insurance premiums per invoices for the coverage period April 30, 2007 to April 30, 2008. See Schedule I: Insurance.

General & Administrative Expense excludes non-recurring telephone switch reconfiguration and information software expenses and non-operating ball park tax expense. See Schedule GA: General & Administrative.

Professional Fees & Services Expense excludes non-recurring legal fees and non-operating audit expenses. See Schedule PF: Professional Fees & Services.

Repairs & Maintenance Expense has been adjusted to reflect a 5% increase in cleaning contract expense. See Schedules RM: Repairs & Maintenance and SC: Service Contract Analysis.

Repairs & Maintenance Expense excludes non-recurring expenses as follows: Structural repairs related to a roof leak, Common Area repairs related to garage lighting, Site Systems Contract related to removal of a tree, Repairs Contract related to apartment electrical and bathroom repairs and roof leak repair, HVAC Contract/Materials related to equipment replacement, boiler cleaning and equipment repair, Emergency Preparedness related to light installation, Other Contract Services related to garage repair, and Other Operating/Maintenance Expenses related to a leak. See Schedule RM: Repairs & Maintenance.

Repairs & Maintenance Expense excludes non-operating ongoing Environmental apartment mold remediation expenses. See Schedule RM: Repairs & Maintenance.

All **Non-Operating Expenses** are excluded from the Financial Analysis. See Schedules DS: Debt Service and NOE: Other Non-Operating.

CLIENT ADJUSTMENTS

Based on your Underwriting Guidelines, we have also identified the following items that could serve as potential **Client Adjustments** to the Financial Analysis:

OPERATING INCOME

Base Rent is based on the economic occupancy achieved over the past 12 months as applied against the current annualized Gross Potential Rent. See Schedules BR: Base Rent and Non-Commercial Rental Revenue.

OPERATING EXPENSES

Management Fees have been calculated based on **4.0 % of Total Income**. See Schedule MF: Management Fee.

Replacement Reserves of \$ 200 per Unit have been included. See Schedule RR: Replacement Reserves.

The treatment of the identified **Client Adjustments** is left to your discretion. If the identified **Client Adjustments** were to be made, the resulting **Underwriting Net Operating Income** would be **\$ 4,467,683** after deduction of a **4.0 % Management Fee** and **Replacement Reserves of \$ 200 per Unit**.

Please contact me if I can answer any additional questions or provide any additional explanation of the work completed. It has been a pleasure to work with you on this transaction.

Yours truly,

/attachments