

The Villa Apartments

2301 51st Street, Lubbock, TX 79412



- \$1,000,000 Sales Price
- 36 Units
Six buildings, all separate metered, 95% Occupied
- Appraisal available for review
- Appraised at \$1,008,679
- Managed by Minnix Property Management, Lubbock's premiere local management company.

Miranda Willey, Commercial Realtor

806.790.5606

mkwilley@kw.com

Minnix Companies



Table of Contents



Real Estate Investment Details	1
Property Description	2
Property Photos	3
Maps and Aerials	4
Executive Summary	5
Cash Flow Analysis	6
Annual Property Operating Data	7
Property Equity Analysis	8
2008 Financial Report	Attachment

Real Estate Investment Details



ANALYSIS

Analysis Date: May 2009
Scenario: The Villa 2

PROPERTY

Property: The Villa Apartments
Property Address: 2301 51st Street
Lubbock, TX 79412

PURCHASE INFORMATION

Property Type: Commercial
Purchase Price: \$1,000,000
Tenants: 36
Total Rentable Sq. Ft.: 25,800
Resale Valuation: 10% (capitalization of noi)
Resale Expenses: 8.000%

FINANCIAL INFORMATION

Down Payment: \$150,000
Passive Loss Rules: No
Closing Costs: \$10,000
LT Capital Gain: 15%
Federal Tax Rate: 25%
Discount Rate: 8.00%

LOANS

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$850,000	25 yrs	7%	\$6,008	

INCOME & EXPENSES

Gross Operating Income: \$178,200
Monthly GOI: \$14,850
Total Annual Expenses: (\$91,158)
Monthly Expenses: (\$7,597)

CONTACT INFORMATION

Miranda Willey, Commercial Realtor
806.790.5606
mkwilley@kw.com

DISCLAIMER: All information is believed to be accurate.

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

The Villa Apartments
2301 51st Street

The Villa Apartments were built in 1961. There is a total of 6 buildings with 36 units.

The subject property is located in the city of Lubbock, Lubbock County, TX. Lubbock County is located in northwest Texas. The county is influenced by its rural nature, cattle ranching, and agriculture. The 1,850-acre Texas Tech University campus is located minutes from the subject property. Texas Tech has a total enrollment of 28,000. Lubbock is a viable community that has experienced moderate growth over the past few years. The area's relatively low cost of living, quality of life, and the

presence of Texas Tech University has been the catalyst for this growth. While most of the county has been experiencing rising unemployment, Lubbock has the stable and relatively low unemployment rate attributed to its education, health care and agriculture employment base.

Please visit my website at www.MirandaWilley.com for more information on this property as well as other Apartment complexes. Appraisal also available.



The Villa Apartments



Main View



Outside View



Other View



Kitchen View

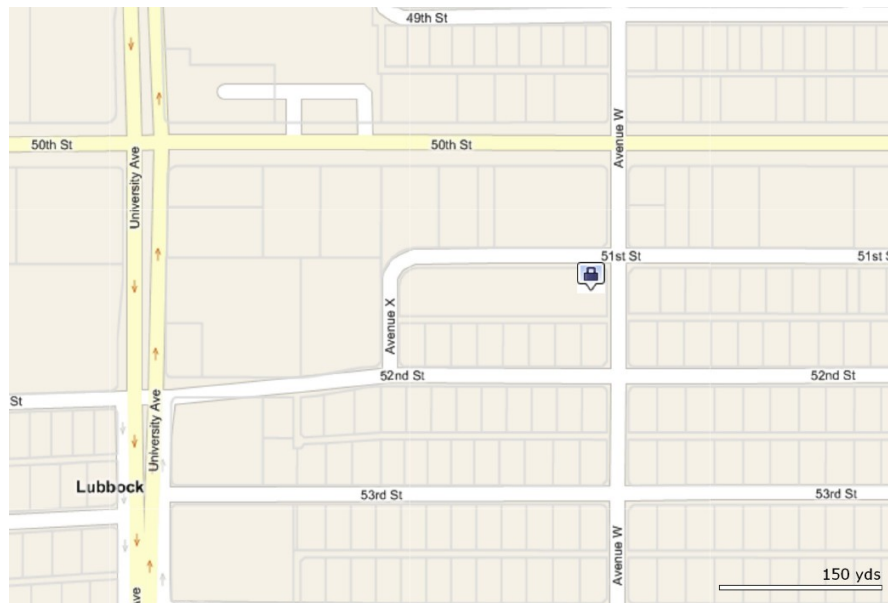


Laundry View



Living Room View

Birds Eye View





ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$1,010,000
Investment - Cash	\$160,000
First Loan	\$850,000

INVESTMENT INFORMATION

Purchase Price	\$1,000,000
Price per Tenant	\$27,778
Price per Sq. Ft.	\$38.76

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$198,000
Total Vacancy and Credits	(\$19,800)
Operating Expenses	(\$91,158)
Net Operating Income	\$87,042
Debt Service	(\$66,084)
Cash Flow Before Taxes	\$20,958
Total Interest (Debt Service)	(\$54,199)
Depreciation and Amortization	(\$20,987)
Taxable Income (Loss)	\$11,856
Tax Savings (Costs)	(\$2,964)
Cash Flow After Taxes	\$17,994

FINANCIAL INDICATORS

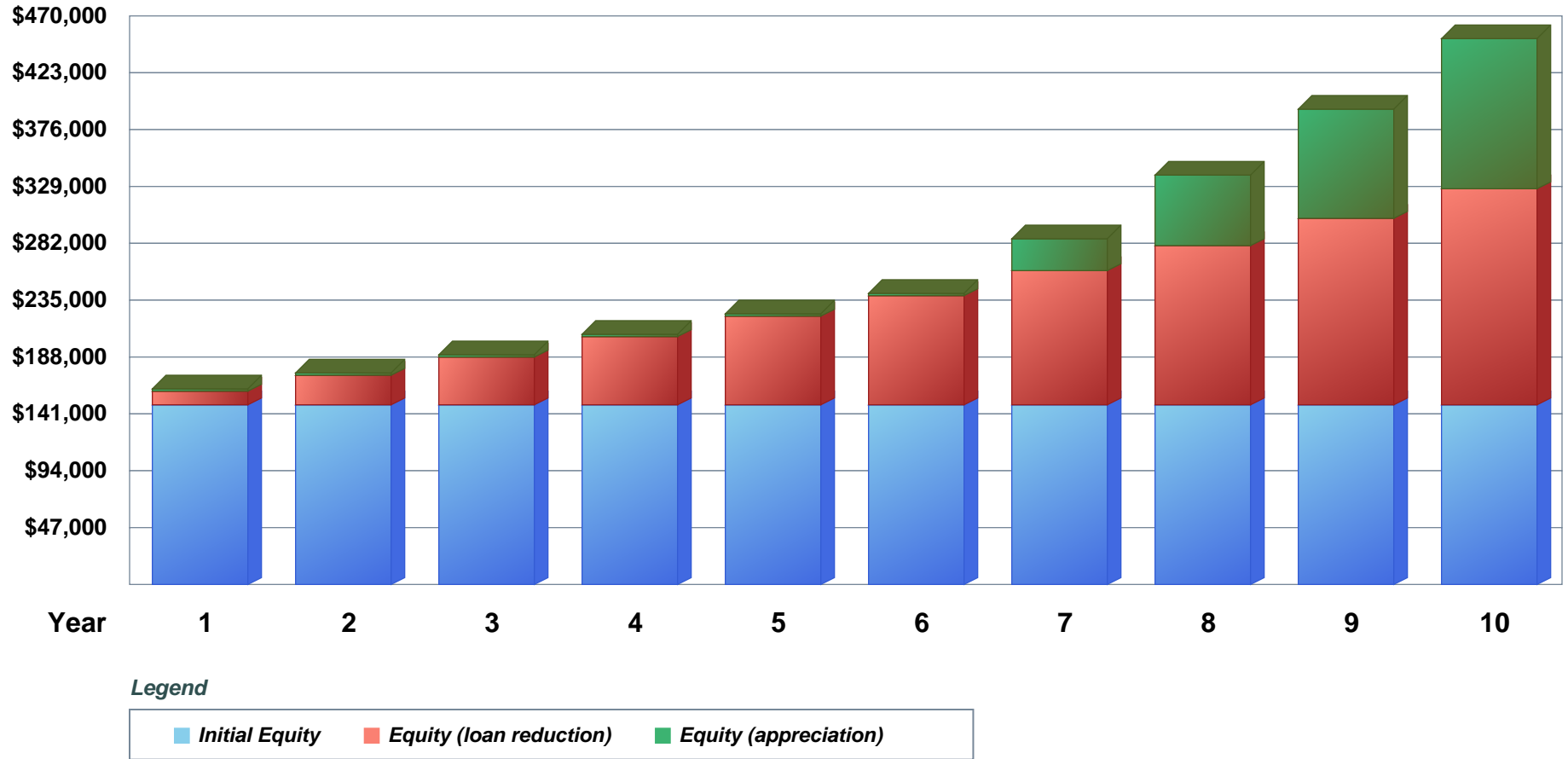
Cash on Cash Return Before Taxes	13.10%
Optimal Internal Rate of Return (yr 10)	16.96%
Debt Coverage Ratio	1.32
Capitalization Rate	8.70%
Gross Rent Multiplier	5.05
Gross Income / Square Feet	\$7.67
Gross Expenses / Square Feet	(\$3.53)
Operating Expense Ratio	51.15%



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$198,000	\$203,940	\$210,058	\$216,360	\$222,851	\$229,536	\$236,422	\$243,515	\$250,820	\$258,345
Turnover Vacancy	(\$9,900)	(\$10,197)	(\$10,503)	(\$10,818)	(\$11,143)	(\$11,477)	(\$11,821)	(\$12,176)	(\$12,541)	(\$12,917)
General Vacancy	(\$9,900)	(\$10,197)	(\$10,503)	(\$10,818)	(\$11,143)	(\$11,477)	(\$11,821)	(\$12,176)	(\$12,541)	(\$12,917)
Total Operating Expenses	(\$91,158)	(\$93,893)	(\$96,710)	(\$99,611)	(\$102,599)	(\$105,677)	(\$108,847)	(\$112,113)	(\$115,476)	(\$118,941)
NET OPERATING INCOME	\$87,042	\$89,653	\$92,343	\$95,113	\$97,967	\$100,906	\$103,933	\$107,051	\$110,262	\$113,570
Loan Payment	(\$66,084)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)	(\$72,091)
NET CASH FLOW (b/t)	\$20,958	\$17,562	\$20,251	\$23,022	\$25,875	\$28,814	\$31,841	\$34,959	\$38,171	\$41,479
Cash On Cash Return b/t	13.10%	10.98%	12.66%	14.39%	16.17%	18.01%	19.90%	21.85%	23.86%	25.92%
NET OPERATING INCOME	\$87,042	\$89,653	\$92,343	\$95,113	\$97,967	\$100,906	\$103,933	\$107,051	\$110,262	\$113,570
Depreciation	(\$20,987)	(\$21,901)	(\$21,901)	(\$21,901)	(\$21,901)	(\$21,901)	(\$21,901)	(\$21,901)	(\$21,901)	(\$20,996)
Loan Interest	(\$54,199)	(\$58,229)	(\$57,227)	(\$56,152)	(\$55,000)	(\$53,764)	(\$52,440)	(\$51,019)	(\$49,496)	(\$47,862)
TAXABLE INCOME (LOSS)	\$11,856	\$9,523	\$13,215	\$17,060	\$21,065	\$25,240	\$29,592	\$34,130	\$38,865	\$44,712
Income Taxes	(\$2,964)	(\$2,381)	(\$3,304)	(\$4,265)	(\$5,266)	(\$6,310)	(\$7,398)	(\$8,533)	(\$9,716)	(\$11,178)
CASH FLOW (a/t)	\$17,994	\$15,181	\$16,948	\$18,757	\$20,609	\$22,504	\$24,443	\$26,427	\$28,454	\$30,301
Cash On Cash Return a/t	11.25%	9.49%	10.59%	11.72%	12.88%	14.07%	15.28%	16.52%	17.78%	18.94%

Footnotes: b/t = before taxes; a/t = after taxes

Property Equity Analysis



The Villa Apartments

2301 51st Street
Lubbock, TX 79412

2008 Financial Report



Profit/Loss Statement
The Villas
Through December 2008

Date: 02/04/2009
Time: 12:14 PM
Page: 1

Acct ID	Description	Actual Month	Budget Month	Actual YTD	Budget YTD
4001	Gross Potential Rent	0.00	15,060.00	0.00	180,720.00
	RENTAL INCOME				
4005	Rent Income	12,977.00	13,770.00	155,166.75	164,230.00
	EFFECTIVE GROSS INCOME	12,977.00	13,770.00	155,166.75	164,230.00
	% of Economic Occupancy				
	OTHER INCOME				
4008	Application Fees	0.00	50.00	415.00	600.00
4015	Late Charges	25.00	25.00	710.00	300.00
4018	Laundry Income	188.75	100.00	1,791.02	1,200.00
4026	Vending Income	0.00	0.00	1.39	0.00
	TOTAL OTHER INCOME	213.75	175.00	2,917.41	2,100.00
4200	Gain/Loss on Sale of Assets	-214.17	0.00	-214.17	0.00
	GROSS OPERATING INCOME	12,976.58	13,945.00	157,869.99	166,330.00
	PROPERTY MANAGEMENT				
7100	Management Fee	987.08	1,255.00	14,458.97	14,928.00
7105	Office Manager	0.00	325.00	2,303.40	3,900.00
7421	Payroll Taxes	0.00	25.00	156.71	300.00
7422	Health Insurance	0.00	37.00	201.62	444.00
7104	Accounting - Other	0.00	0.00	292.50	365.00
7200	Bank Fees	0.00	0.00	205.77	0.00
7201	Evictions	0.00	92.00	412.42	1,012.00
7110	Manager's phone	85.54	70.00	1,035.97	840.00
7106	Mileage	0.00	0.00	10.40	0.00
7202	Dues & Subscriptions	0.00	0.00	173.24	0.00
7208	Office Supplies	0.00	0.00	86.03	0.00
7205	Credit Checks	0.00	35.00	308.28	420.00
7217	Lubbock Apt Assoc Forms	0.00	10.00	45.89	120.00
7225	Bad Debt Expense	0.00	0.00	675.00	0.00
	TOTAL PROPERTY MANAGEMENT	1,072.62	1,849.00	20,366.20	22,329.00
	ADVERTISING & MARKETING				
7300	Advertising	205.91	500.00	3,945.21	6,000.00
	TOTAL ADVERTISING & MARKETING	205.91	500.00	3,945.21	6,000.00
	MAINTENANCE PAYROLL				
7408	Lead Maintenance	0.00	730.00	6,740.84	8,760.00
7410	Assistant Maintenance	0.00	835.00	7,303.23	10,000.00
7420	Payroll Taxes	0.00	125.00	1,117.82	1,500.00
7120	Maintenance Phone	1.54	10.00	71.36	120.00
7425	Worker's Compensation	0.00	201.00	0.00	1,608.00
8000	Mileage - Lead	0.00	150.00	621.29	1,800.00
8002	Mileage - Assistant	0.00	70.00	0.00	800.00
	TOTAL MAINTENANCE PAYROLL	1.54	2,121.00	15,854.54	24,588.00

Profit/Loss Statement
The Villas
 Through December 2008

Date: 02/04/2009
 Time: 12:14 PM
 Page: 2

Acct ID	Description	Actual Month	Budget Month	Actual YTD	Budget YTD
CONTRACT SERVICES					
7500	Landscaping	784.82	600.00	5,098.62	5,400.00
7502	Pest Control	330.84	15.00	388.15	180.00
7505	Trash Removal	329.90	285.00	4,806.51	3,420.00
		-----	-----	-----	-----
TOTAL CONTRACT SERVICES		1,445.56	900.00	10,293.28	9,000.00
UTILITIES					
7600	Electric-Common	82.41	100.00	3,541.91	1,200.00
7602	Electric-Vacant	48.90	30.00	906.60	360.00
7605	Gas-Common	68.23	50.00	900.13	600.00
7608	Gas-Vacant	0.00	0.00	25.10	0.00
7610	Water & Sewer	718.88	700.00	8,988.44	8,400.00
		-----	-----	-----	-----
TOTAL UTILITIES		918.42	880.00	14,362.18	10,560.00
MAINTENANCE					
7700	Appliance Repair	381.04	20.00	744.17	240.00
7702	Appliance Replacement	-747.94	100.00	-150.00	1,200.00
7703	Cleaning	599.93	50.00	1,545.43	600.00
7705	HVAC	-2,394.51	200.00	2,151.59	2,400.00
7710	Carpentry	295.99	10.00	458.84	120.00
7712	Electrical	-37.50	20.00	697.05	240.00
7715	Plumbing	341.17	250.00	3,561.96	3,000.00
7718	Lights & Ballast	0.00	5.00	126.24	60.00
7720	Window Covering	0.00	0.00	194.97	0.00
7721	Carpet Replacement	-2,221.19	10.00	0.00	120.00
7722	Carpet Cleaning & Repair	-37.89	12.00	1,490.06	144.00
7725	Vinyl & Tile	0.00	10.00	66.32	120.00
7730	Water Heater Supplies	-375.78	10.00	0.00	120.00
7731	Safety(SDs, latches, etc)	0.00	15.00	0.00	180.00
7732	Locks & Keys	43.30	15.00	390.75	180.00
7733	Paint	-2,547.78	60.00	112.24	720.00
7734	Safety Equipment	0.00	0.00	45.10	0.00
7736	Fence Repair	0.00	30.00	0.00	360.00
7738	Windows & Glass	0.00	15.00	36.21	180.00
7739	Doors	25.00	15.00	176.15	180.00
7740	Make Ready	161.15	30.00	2,757.58	360.00
7830	Roof Repair	0.00	0.00	13.37	0.00
		-----	-----	-----	-----
TOTAL MAINTENANCE		-6,515.01	877.00	14,418.03	10,524.00
TAXES & INSURANCE					
7910	Prop/Gen Liab Insurance	0.00	870.00	13,106.70	8,700.00
7915	Property Taxes	268.42	875.00	9,893.42	10,500.00
7916	Franchise Tax	0.00	0.00	1,054.12	0.00
		-----	-----	-----	-----
TOTAL TAXES & INSURANCE		268.42	1,745.00	24,054.24	19,200.00
TOTAL OPERATING EXPENSES		-2,602.54	8,872.00	103,293.68	102,201.00
		-----	-----	-----	-----
NET OPERATING INCOME		15,579.12	5,073.00	54,576.31	64,129.00