



DG

Drabkin Group

Development Book

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DRABKIN GROUP

Drabkin Group has earned its reputation as experts in the industry. Current projects include a 59-Story tower one block from Brickell City Centre; as well as over 600 multifamily units within Miami-Dade, an Integrated Hotel Resort Casino Residential Community Retail and Golf Club, located in Cartagena Colombia.

Drabkin Group has recently signed a contract with Heritage Hospitality Group to build 70-100 new Limited Service flagged hotels over the next 5 years. Drabkin Group has 12 projects approved and shovel-ready in its expansion pipeline.

Our collective experience totals over 6,000 multifamily units over two decades of ground-up development on the east coast. We are currently working on future multifamily projects in Miami-Dade totaling over 1,000 units that are in various stages of assemblage, entitlement and permitting.



DEVELOPMENT

Drabkin Group has an unwavering commitment and passion for developing high quality, uniquely designed commercial and residential buildings.

With decades of US and international experience, the leadership team has forged partnerships with top lenders, investors, leading architects, and joint venture partners.

ASSET MANAGEMENT

Drabkin Group assesses the performance of each individual property, as well as the overall portfolio to develop a wealth plan which include:

- Recommend the sale, exchange, or repositioning of real estate assets, and advise on capital improvements
- Assess the current debt and recognize opportunities for using credit to your advantage
- Manage portfolio risk, manage and supervise property managers and leasing agents
- Collaborate with your legal, accounting, and tax professionals





PROPERTY MANAGEMENT

Our team collaborates across a complete spectrum of integrated services to help you achieve optimal asset and portfolio management. We strategically position assets in the most diverse markets, through the most challenging market conditions.

We employ the highest industry standards in all of our processes to ensure regulatory compliance, consistency and service excellence.



ADVISORY & BROKERAGE

The real estate requirements of today's businesses are increasingly complex, and they increasingly impact a companies' strategic decisions and bottom line. We provide a complete spectrum of commercial real estate advisory and transaction services – including occupier and investor leasing, acquisition and sales, marketing and consulting – to owners, investors and occupiers of all property types.

Our approach is strategic, rather than merely transactional, in that we assess a client's entire real estate portfolio and requirements on a company-wide scale.



Joseph Drabkin
President & CEO

Joe Drabkin is President and co-founder of Drabkin Group, which offers triple net commercial real estate investments, asset and property management, brokerage and development projects in the U.S. Our clients range from international high net worth individuals, U.S. high net worth individuals and institutional investors as well as family offices and sovereign funds.

Mr. Drabkin has more than 30 years of industry experience in commercial real estate acquisition, development, strategic planning, management, sales, and leasing. Drabkin Group is comprised of four separate operating companies as follows:

- **Drabkin Development:** Ground-up commercial estate Development)
- **Drabkin Equity:** Equity investments in Commercial Real Estate, Resort, Casino's, Triple Net Properties, Hospitality and Multifamily.
- **Drabkin NNN:** Assemble, Acquire and Manage Triple Net Properties Nationally.
- **Drabkin Asset Management Group:** Acquire Commercial Real Estate prepare for Development, Hold and Manage/Sell.

Prior to starting Drabkin Group, Mr. Drabkin was Vice President and Managing Director for the Stiles Corporation. He opened the Miami office and was responsible for the company's third-party brokerage services, ranging from leasing to syndication and executing development deals.

Before working with Stiles, Mr. Drabkin was Vice President & Managing Director at Adler Realty Services. He was responsible for developing new business and servicing nine million square feet of commercial property.



Tiago Sant'Ana

Executive VP

Tiago Sant'Ana is the Executive VP at the Drabkin Group, responsible for working with US and international real estate investors, family offices, funds, advisors and financial institution raising and structuring capital and debt as well as managing communications between the Drabkin Group and its investors.

Prior to joining the Drabkin Group Mr. Tiago worked with international business consulting, mergers and acquisitions, debt restructuring, turn-around, strategic business and financial planning, and in the coordination of transnational communication and engagement with legal and regulatory agencies. Working with risk assessment and risk mitigation, project management and liaising with stakeholders in order to coordinate and facilitate project execution.

Mr. Tiago is also experienced in planning and supervising the commissioning of large real estate infrastructure and IT systems for high availability and critical operations and has managed several RFP and bid processes.



Daniel Milian

Legal



LEGAL & COMPLIANCE

Daniel Milian is a Shareholder in the Commercial Litigation Practice Group. He practices commercial civil litigation, with a particular focus on general commercial litigation, real estate litigation, and condominium and homeowners association law (COA/HOA). Daniel has extensive experience in a broad spectrum of issues such as partnership disputes, breach of contract, landlord/tenant disputes, foreclosures (Plaintiff and Defendant), quiet title actions, and injunctions. This is supported by his background in preparing corporate documents, including: operating agreements, corporate filings, and the sales of businesses.

Fowler White Burnett is a full-service law firm providing client-focused, proven legal strategies and business solutions to domestic and international clients across a wide spectrum of industries. 75 years ago we built our firm on shared traditional values that remain at the core of our principles. Today, Fowler White Burnett distinguishes itself by its unique blend of traditional values and innovative thinking.

COMPLETION GUARANTEE

Willis Towers Watson is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets.

Developments

- The Edge
- Waterfront Residential Key Biscayne
- Edmonson Center
- NW 13th St. & NW 7th Ave
- NE 135th St.

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THE EDGE ON BRICKELL

Project Type: Hotel, Residential & Marina

Architect: Kobe Karp

Description: Conveniently located within walking distance from Brickell City Center, The Edge will stand out for its shape and international prestige.

This architectural and engineering challenge will test your visual perception when the 40-foot wide 57-story tower rises over 630 ft high.

Program: 57-story tower with 70 residential and 198 hotel keys. 4 boat slips with boardwalk. 1 restaurant at the rooftop and mezzanine level. 1 spa and interior pool with hotel full-service.



Project Characteristics		
Number of Units	70	
Residential RSF per Unit	1,463	SF
Residential RSF	102,385	SF
Gross Residential SF	136,513	SF
Lot Size	14,000	SF
Hotel Area	122,126	SF
Retail/Office SF	17,000	SF
Residential Ratio	37.60%	
Residential Efficiency Ratio	25.00%	
Balcony	20,580	294 per Balcony
Total Building Area	363,023	

Hotel Unit	Size	Number of Units
Type 1	332	31
Type 2	249	34
Type 3	412	17
Type 4	305	28
Type 5	271	14
Type 6	299	14
Type 7	300	28
Type 8	433	14
Type 9	415	3
Type 10	359	3
Type 11	392	3
Type 12	498	3
Type 13	444	3
Type 14	403	3
Ave Size:	325	198

UNIT MIX						
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Price PSF	Total Sales Price
Type A	22	31.4%	1,698	37,356	\$1,350	50,430,600
Type B	22	31.4%	1,310	28,820	\$1,350	38,907,000
Type C	20	28.6%	1,180	23,600	\$1,350	31,860,000
Type D	3	4.3%	2,215	6,645	\$1,350	8,970,750
Type E	3	4.3%	1,988	5,964	\$1,350	8,051,400
Total / Weighted Avg	70	100.0%	1,463	102,385	\$1,350	138,219,750

Boat Slips						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
40' Boat Slips	4	5.7%	\$480	\$1,920	\$23,040	100.0%
Total	4			\$1,920	\$23,040	100.0%

OTHER INCOME						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
Garage Income	121	172.9%	\$100	\$12,100	\$145,200	10.6%
Condo Association Income	70	100.0%	\$1,463	\$102,385	\$1,228,620	89.4%
Total				\$114,485	\$1,373,820	100.0%

Sources of Funds		
Partner Equity	0.00%	0
Mezzanine Financing	0.00%	0
Construction LTC	100.00%	173,777,148
Total	100.00%	173,777,148

Uses of Funds		
	Costs	Uses \$/NSF
Acquisition & Land Costs		
Land Cost	35,000,000	96.41
Total Acquisition Costs	35,000,000	96.41
Construction Costs		
Building Construction	97,391,037	268.28
Boat Slip	2,000,000	5.51
Total Project Costs	99,391,037	273.79
Soft Costs		
Taxes & Insurance	716,528	1.97
Architecture & Engineering	4,630,000	12.75
Legal/Closing/Accounting	476,528	1.31
Development Fee	6,546,528	18.03
Builders Risk & General Insurance	956,528	2.63
General & Administrative	970,000	2.67
Marketing	250,000	0.69
Financing Fee	1,460,000	4.02
Consultants/Appraisers	970,000	2.67
Contingency	3,900,000	10.74
Amenity Area/ Model Unit FF&E	11,690,000	32.20
Impact Fees/Permits	6,820,000	18.79
Total Soft Costs	39,386,111	108.49
TOTAL CAPITALIZATION	173,777,148	478.70
% of Total Capitalization		
Lease Up (Income)/Loss	(2,644,705)	(7.29)
TOTAL DEVELOPMENT COST	171,132,442	471.41
Deferred Costs		
Construction Loan	14,192,445	39.10
Deferred Mezzanine Interest	0	0.00
Permanent Loan Interest	9,617,973	26.49
Commissions on Sale	0	
Leasing Commissions	0	0.00
Total Deferred Costs	23,810,418	65.59
TOTAL PROJECT COST	194,942,861	537.00



WATERFRONT RESIDENTIAL KEY BISCAYNE

Project Type: Residential and Marina

Description: Last undeveloped land facing the Biscayne Bay. Premium location for its waterfront view, access to schools and religious community. Perfect location to raise a family with access to a marina within a few steps from home.

Program: 4-story building with 66 residential units. 14 boat slips with boardwalk. 34 one-bedroom, 27 two-bedroom and 5 three-bedroom units.

Sources of Funds		
Partner Equity	35.00%	11,358,083
Construction LTC	65.00%	21,093,583
Total	100.00%	32,451,667

PROFITABILITY

Asset Disposition	49,222,201	646.47
Less: Total Project Cost	(30,374,319)	(398.93)
NET PROFIT	18,847,882	247.54

Stabalized Rent PSF	3.82
NOI to Cost	7.30%
Leveraged IRR	28.69%
Combined NOI	2,367,798
Return on Cost	162.05%

Structure	Total Return	Crossbridge Church
Equity Invested Capital	11,358,083	11,358,083
Percent of Equity	100%	100%
IRR	28.69%	29.35%
50% Contribution of Fee to Church		620,000
Equity Net Profit	19,422,463	20,042,463
Equity Multiple of Capital	2.66x	2.71x
Total Return	30,780,547	31,400,547

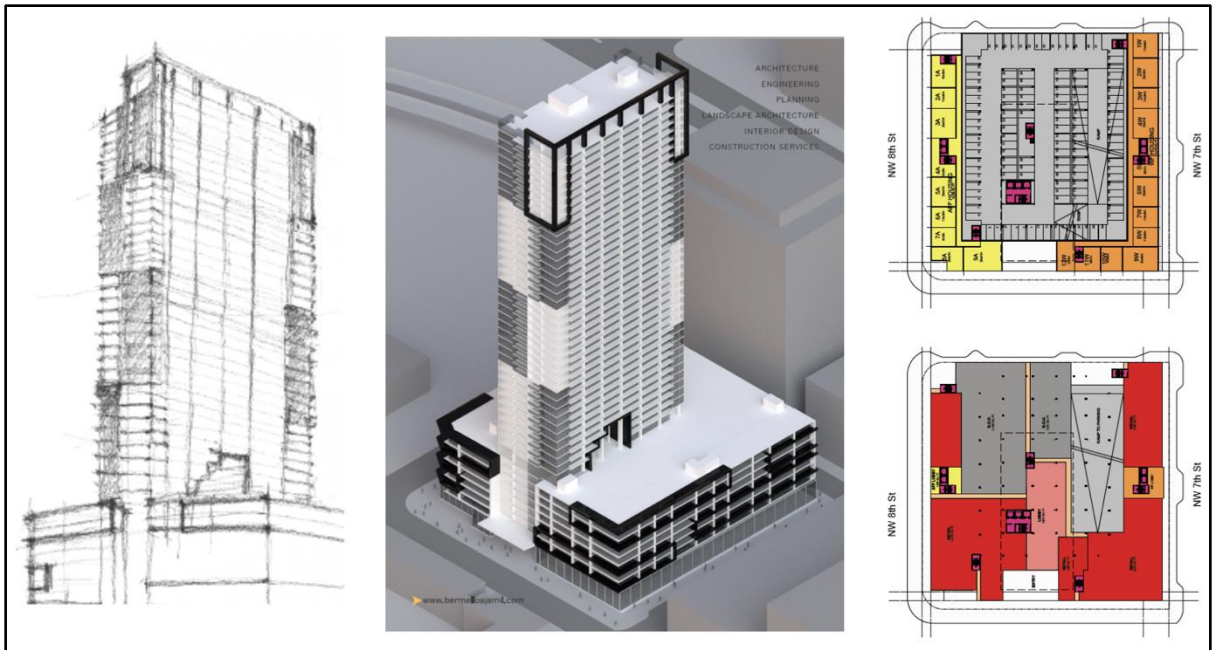
Key Biscayne - Crossbridge Church								
Income Assumptions								
UNIT MIX								
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Base Rent / Month	Monthly Market Rent PSF	Stabalized Monthly Market Rent / Unit	Monthly Stabalized Rent PSF
A1 (1 bed/ 1 bath)	34	51.5%	800	27,200	\$ 2,675	3.34	\$2,923	3.65
B1 (2 bed/ 2 bath)	27	40.9%	1,140	30,780	\$ 3,950	3.46	\$4,316	3.79
C1 (3 bed/ 2 bath)	5	7.6%	1,500	7,500	\$ 6,250	4.17	\$6,830	4.55
Total / Weighted Avg	66	100.0%	992	65,480	\$3,467	\$3.46	\$3,789	3.82

OTHER INCOME						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
Water & Sewer Collections	66	100.0%	\$45	\$2,970	\$35,640	34.6%
Other Income Per Unit	66	100.0%	\$85	\$5,610	\$67,320	65.4%
Total				\$8,580	\$102,960	100.0%

Boat Slips						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
40' Boat Slips	8	12.1%	\$480	\$3,840	\$46,080	44.4%
60' Boat Slips	4	6.1%	\$720	\$2,880	\$34,560	33.3%
80' Boat Slips	2	3.0%	\$960	\$1,920	\$23,040	22.2%
Total	14			\$8,640	\$103,680	100.0%

Sources of Funds		
Partner Equity	35.00%	11,358,083
Construction LTC	65.00%	21,093,583
Total	100.00%	32,451,667

Uses of Funds		
	Costs	Uses \$/NSF
Acquisition & Land Costs		
Land Cost	9,000,000	118.20
Total Acquisition Costs	9,000,000	118.20
Construction Costs		
Building Construction	16,370,000	215.00
Boat Slip	500,000	6.57
Total Project Costs	16,870,000	221.57
Soft Costs		
Taxes & Insurance	76,667	1.01
Architecture & Engineering	675,000	8.87
Legal/Closing/Accounting	76,667	1.01
Development Fee	1,236,667	16.24
Builders Risk & General Insurance	156,667	2.06
General & Administrative	120,000	1.58
Marketing	70,000	0.92
Financing Fee	160,000	2.10
Consultants/Appraisers	120,000	1.58
Contingency	820,000	10.77
Amenity Area/ Model Unit FF&E	160,000	2.10
Impact Fees/Permits	410,000	5.38
Interest payment for construction loan	2,500,000	32.83
Total Soft Costs	6,581,667	86.44
TOTAL CAPITALIZATION	32,451,667	426.21
% of Total Capitalization		
Lease Up (Income)/Loss	(2,077,348)	(27.28)
TOTAL DEVELOPMENT COST	30,374,319	398.93
Deferred Costs		
Leasing Commissions	0	0.00
Total Deferred Costs	0	0.00
TOTAL PROJECT COST	30,374,319	398.93



EDMONSON CENTER - COMMERCIAL AND RESIDENTIAL

Project Type: Mixed-Use. Residential and Commercial

Description: Edmonson Center is a mixed use commercial and residential project that will be a catalyst for neighborhood restoration and serve as an icon in the heart of Miami's historic Overtown district. The Project will feature 600 residential rental apartments, consisting of affordable housing to satisfy pent-up demand in the Overtown community, plus workforce and market rate housing.

Program: 2 towers with 600 units. 10,000 sqft of retail space and 60,000sqft of office space. The total building area is 563,965 sqft.

Sources of Funds		
Partner Equity	35.00%	48,942,828
Construction LTC	65.00%	90,893,823
Total	100.00%	139,836,651

Uses of Funds		
	Costs	Uses \$/NSF
Acquisition & Land Costs		
Land Cost	21,200,000	29.51
Total Acquisition Costs	21,200,000	29.51
Construction Costs		
Building Construction	102,729,151	143.02
General Contractor Fee	0	0.00
Total Project Costs	102,729,151	143.02
Soft Costs		
Taxes & Insurance	499,375	0.70
Architecture & Engineering	2,820,000	3.93
Legal/Closing/Accounting	499,375	0.70
Development Fee	5,339,375	7.43
Builders Risk & General Insurance	1,019,375	1.42
General & Administrative	510,000	0.71
Marketing	450,000	0.63
Financing Fee	1,030,000	1.43
Consultants/Appraisers	510,000	0.71
Contingency	2,050,000	2.85
Amenity Area/ Model Unit FF&E	150,000	0.21
Impact Fees/Permits	1,030,000	1.43
Total Soft Costs	15,907,500	22.15
TOTAL CAPITALIZATION	139,836,651	194.68
% of Total Capitalization		
Lease Up (Income)/Loss	(15,634,369)	(21.77)
TOTAL DEVELOPMENT COST	124,202,282	172.91
Deferred Costs		
Construction Loan	13,676,934	19.04
Deferred Mezzanine Interest	0	0.00
Permanent Loan Interest	2,593,747	3.61
Comissions on Sale	11,510,000	
Leasing Commissions	0	0.00
Total Deferred Costs	27,780,681	38.68
TOTAL PROJECT COST	151,982,963	211.59



NW 13TH ST. & NW 7TH AVE - RESIDENTIAL AND COMMERCIAL

Project Type: Mixed-Use. Residential and Commercial

Description: This development is a highly efficient development priced for the young and modern professionals with the need for individual transportation in a central business district. The building has 1.12 parking spaces/units.

Program: 2 towers with 360 units. 15,000sqft of retail space. The average SF is 676 and \$1527 per unit.

NW 13th Street & NW 7th Avenue

Income Assumptions

UNIT MIX								
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Base Rent / Month	Monthly Market Rent PSF	Stabalized Monthly Market Rent / Unit	Monthly Stabalized Rent PSF
Studios	36	10.0%	440	15,840	\$ 925	2.10	\$1,011	2.30
1 Bedroom Units	233	64.7%	600	139,800	\$ 1,450	2.42	\$1,584	2.64
2 Bedroom Units	88	24.4%	950	83,600	\$ 1,950	2.05	\$2,131	2.24
3 Bedroom Units	3	0.8%	1,350	4,050	\$ 2,350	1.74	\$2,568	1.90
Total / Weighted Avg	360	100.0%	676	243,290	\$1,527	\$2.29	\$1,669	2.47

UNIT MIX								
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Annual Triple Net Rent	Annual CAM Reimb.	Total Monthly Payment PSF	Monthly Market Rent PSF
Retail	1	100.0%	15,000	15,000	\$ 25	\$ 12.0	\$37	3.08
Total / Weighted Avg	1	100.0%	-	15,000	\$25	\$12	\$37	3.08

OTHER INCOME						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
Water/ Sewer Collection Units/m	360	100.0%	\$45	\$16,200	\$194,400	34.6%
Other Income Per Unit	360	100.0%	\$85	\$30,600	\$367,200	65.4%
Total				\$46,800	\$561,600	100.0%

Project Characteristics

Number of Residential Units	360	
Residential RSF per Unit	676	SF
Residential RSF	243,290	SF
Gross Residential SF	282,895	SF
Retail/Office SF	15,000	SF
Residential Ratio	64.16%	
Residential Efficiency Ratio	14.00%	
Total Building Area	440,895	

Sources of Funds		
Partner Equity	35.00%	27,234,565
Construction LTC	65.00%	50,578,478
Total	100.00%	77,813,043

Uses of Funds		
	Costs	Uses \$/NSF
Acquisition & Land Costs		
Land Cost	10,080,000	22.86
Total Acquisition Costs	10,080,000	22.86
Construction Costs		
Building Construction	57,042,209	129.38
General Contractor Fee	0	0.00
Total Project Costs	57,042,209	129.38
Soft Costs		
Taxes & Insurance	283,958	0.64
Architecture & Engineering	1,565,000	3.55
Legal/Closing/Accounting	283,958	0.64
Development Fee	2,973,958	6.75
Builders Risk & General Insurance	563,958	1.28
General & Administrative	290,000	0.66
Marketing	360,000	0.82
Financing Fee	570,000	1.29
Consultants/Appraisers	570,000	1.29
Contingency	1,140,000	2.59
Amenity Area/ Model Unit FF&E	90,000	0.20
Impact Fees/Permits	2,000,000	4.54
Total Soft Costs	10,690,833	24.25
TOTAL CAPITALIZATION	77,813,043	176.49
% of Total Capitalization		
Lease Up (Income)/Loss	(6,351,186)	(14.41)
TOTAL DEVELOPMENT COST	71,461,856	162.08
Deferred Costs		
Construction Loan	7,541,367	17.10
Deferred Mezzanine Interest	0	0.00
Permanent Loan Interest	1,441,590	3.27
Commissions on Sale	0	
Leasing Commissions	0	0.00
Total Deferred Costs	8,982,957	20.37
TOTAL PROJECT COST	80,444,814	182.46



NE 135TS ST.

Project Type: Residential and Retail

Description: Mixed-use development in one of the emerging areas in Miami. Quick absorption of units is expected for the project. Low construction cost and land basis provides an opportunity for high yield.

Program: 220 residential units with 9,900sqft of retail space. Average unit size is 770sqft and average price \$1,500/sqft.

Project Characteristics		
Number of Residential Units	220	
Residential RSF per Unit	722	SF
Residential RSF	158,880	SF
Gross Residential SF	184,744	SF
Retail/Office SF	9,900	SF
Residential Ratio	78.73%	
Residential Efficiency Ratio	14.00%	
Total Building Area	234,644	

NE 135th street
Income Assumptions

UNIT MIX								
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Base Rent / Month	Monthly Market Rent PSF	Stabalized Monthly Market Rent / Unit	Monthly Stabalized Rent PSF
Studios	12	5.5%	440	5,280	\$ 925	2.10	\$1,011	2.30
1 Bedroom Units	128	58.2%	600	76,800	\$ 1,300	2.17	\$1,421	2.37
2 Bedroom Units	78	35.5%	950	74,100	\$ 1,900	2.00	\$2,076	2.19
3 Bedroom Units	2	0.9%	1,350	2,700	\$ 2,150	1.59	\$2,349	1.74
Total / Weighted Avg	220	100.0%	722	158,880	\$1,500	\$2.10	\$1,639	2.27

UNIT MIX								
Unit Type	# of Units	% of Mix	Avg Unit SF	Total SF	Annual Triple Net Rent	Annual CAM Reimb.	Total Monthly Payment PSF	Monthly Market Rent PSF
Retail	1	100.0%	9,900	9,900	\$ 18.5	\$ 7.0	\$25.5	2.13
Total / Weighted Avg	1	100.0%	-	9,900	\$19	\$7	\$26	2.13

OTHER INCOME						
Item	# of Units	% of Units	\$ / Unit / Month	Total Monthly Amount	Total Annual Amount	Annual % of Other Income
Water/ Sew	220	100.0%	\$45	\$9,900	\$118,800	42.9%
Other Incor	220	100.0%	\$60	\$13,200	\$158,400	57.1%
Total				\$23,100	\$277,200	100.0%

Sources of Funds		
Partner Equity	35.00%	15,226,000
Mezzanine Financing	0.00%	0
Construction LTC	65.00%	28,276,857
Total	100.00%	43,502,857

Uses of Funds		
	Uses	
	Costs	\$/NSF
Acquisition & Land Costs		
Land Cost	4,000,000	17.05
Total Acquisition Costs	4,000,000	17.05
Construction Costs		
Building Construction	34,297,023	146.17
General Contractor Fee	0	0.00
Total Project Costs	34,297,023	146.17
Soft Costs		
Taxes & Insurance	166,458	0.71
Architecture & Engineering	950,000	4.05
Legal/Closing/Accounting	166,458	0.71
Development Fee	1,656,458	7.06
Builders Risk & General Insurance	336,458	1.43
General & Administrative	170,000	0.72
Marketing	170,000	0.72
Financing Fee	340,000	1.45
Consultants/Appraisers	170,000	0.72
Contingency	690,000	2.94
Amenity Area/ Model Unit FF&E	50,000	0.21
Impact Fees/Permits	340,000	1.45
Total Soft Costs	5,205,833	22.19
TOTAL CAPITALIZATION	43,502,857	185.40
% of Total Capitalization		
Lease Up (Income)/Loss	(3,925,748)	(16.73)
TOTAL DEVELOPMENT COST	39,577,109	168.67
Deferred Costs		
Construction Loan	4,361,709	18.59
Deferred Mezzanine Interest	0	0.00
Permanent Loan Interest	835,315	3.56
Comissions on Sale	0	
Leasing Commissions	0	0.00
Total Deferred Costs	5,197,024	22.15
TOTAL PROJECT COST	44,774,133	190.82

This memorandum contains statements, estimates and projections that are forward-looking (collectively, "forward-looking statements"). When used in this report, the words "anticipate," "assume," "become", "believe", "contemplate", "continue", "could", "designed", "estimate", "expect", "going forward", "future", "hopeful", "intend", "look forward", "may", "might", "opportunity", "pending", "plan", "potential", "project", "scheduled", "shall", "should", "target", "think", "to be", "upcoming", "well positioned", "will", "wish", "would", other variations on such words and similar terminology, if and to the extent used, are intended to identify such forward-looking statements. All forward-looking statements are based on the current expectations and beliefs of the management of the general partner, Drabkin Group, LLC (the "General Partner"), concerning future events that are subject to substantial risks and uncertainties which may cause the actual results, performance or achievements of the Fund and/or its investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause or contribute to those potential differences include, but are not limited to, the following: national and local economic conditions; the terms of governmental laws, rules and regulations (including tax regulations) that affect the Fund and/or its investments and interpretations of those laws, rules and regulations; financing risks, including the inability of the Fund to obtain financing on favorable terms and the risk that cash flows from operations may be insufficient to meet required payments of principal and interest; changes in the rate of inflation and interest rates; real estate risks, including variations of real estate values and the general economic climate in local markets; competition for tenants, imposition of rent controls, unfavorable enactments of zoning and other governmental laws, possible environmental liabilities, the prohibitive cost of casualty, windstorm, flood and other insurance, the occurrence of natural disasters, possible vandalism and competition; the Fund's ability or inability to acquire investments on the terms or at the costs currently contemplated and the timing of such investments; as well as other risks and uncertainties, some of which may not currently be foreseeable.

The financial projections in this memorandum were prepared by the General Partner's management based on a number of estimates and assumptions which are described in this memorandum. The financial projections in this memorandum represent no more than an orderly presentation of results that might be achieved if all of the estimates and assumptions on which they are based were correct and fully achieved. Although such estimates and assumptions are considered reasonable by the General Partner, they are inherently subject to significant business, economic, real estate, financing, competitive, regulatory and other conditions, uncertainties, risks, contingencies and unforeseen changes, many of which are beyond the general partner's control. In addition, many of such estimates and assumptions relate to future business decisions that are subject to change. As a result, there can be no assurance that any of such financial projections, or the estimates or assumptions on which they are based, can or will be achieved or that they are accurate. The projections must be reviewed with this general understanding and with careful attention paid to the estimates and assumptions described in this memorandum.

The General Partner and the Fund do not in any way represent, warrant or guarantee that the projections, or the estimates or assumptions on which they are based, will be achieved (in whole or in part).

All information in this memorandum speaks only as of the date of this memorandum. Neither the Fund nor the General Partner has any obligation to update any forward-looking statements to conform to actual results, performance or achievements or changes in the expectations or beliefs of the management of the Fund or the General Partner. ^(P)_(SEP)



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