Expense Summary Information

Property Name: Three SOUTH SHORE DRIVE
Location: TWO South Shore Drive
          Miami Beach, FL 33341
Occupancy Type: Apartment
Gross Building Area: 20 Unit

Expense Item: Real Estate Taxes
Expense Category: Fixed Expense
Fixed Reimbursable: No
CAM Reimbursable: No

Expense Description:
Real estate taxes are based upon an assessment that is to be 100% of Fair Market Value. The current assessment is $800,000 and real estate taxes in 2011 were $23,760.

Estimated First Year Expense
$23,760 Annual
$1,188 Per Unit
$1,980 Per Month
$99.00 Per Unit Per Month

Expense History
2009 taxes - $23,760
2010 taxes - $23,760
2011 taxes - $23,760

General Comments
Additional descriptive comments can be entered in this section.

Expense Item: Insurance
Expense Category: Fixed Expense
Fixed Reimbursable: No
CAM Reimbursable: No

Expense Description

Insurance expense varies with the extent of coverage options. The owner reported an expense of $3,500 in 2011. We have estimated the expense at 2.00% of gross income, or $3,960 per year.

**Estimated First Year Expense**

- **$3,960 Annual**
- **$198.00 Per Unit**
- **$330.00 Per Month**
- **$16.50 Per Unit Per Month**

**Expense History**

- 2009 - $3,800
- 2010 - $3,500
- 2011 - $3,500

**General Comments**

General Comments can be added here. For practical purposes, the length of the text is unlimited. Up to 3,000 characters can be entered.

**Expense Item**

**Water and Sewage**

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Operating Expense % of Gross 2.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reimbursable</td>
<td>No % of E.G.I. 2.11%</td>
</tr>
<tr>
<td>CAM Reimbursable</td>
<td>No % of Total Expenses 4.58%</td>
</tr>
</tbody>
</table>

**Expense Description**

Water and sewage charges have been estimated at $16.50 per month per apartment unit. This is in line with the building's previous expense history.

**Estimated First Year Expense**

- **$3,960 Annual**
- **$198.00 Per Unit**
- **$330.00 Per Month**
- **$16.50 Per Unit Per Month**

**Expense Item**

**Electric**

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Operating Expense % of Gross 5.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reimbursable</td>
<td>No % of E.G.I. 5.26%</td>
</tr>
<tr>
<td>CAM Reimbursable</td>
<td>No % of Total Expenses 11.44%</td>
</tr>
</tbody>
</table>

**Expense Description**

Electric expense was estimated at $41.25 per apartment unit per month, which is in line with the building's expense history.

**Estimated First Year Expense**

- **$9,900 Annual**
- **$495.00 Per Unit**
- **$825.00 Per Month**
$41.25 Per Unit Per Month

## Gas

**Expense Category**
Operating Expense % of Gross 8.00%

**Operating Reimbursable**
No % of E.G.I. 8.42%

**CAM Reimbursable**
No % of Total Expenses 18.31%

**Expense Description**
The building is heated by a modern central gas hot-water boiler that has a 92% efficiency rating. This expense has been estimated at $66.00 per apartment unit per month.

**Estimated First Year Expense**
- $15,840 Annual
- $792.00 Per Unit
- $1,320 Per Month
- $66.00 Per Unit Per Month

## Maintenance/Repair

**Expense Category**
Operating Expense % of Gross 5.00%

**Operating Reimbursable**
No % of E.G.I. 5.26%

**CAM Reimbursable**
No % of Total Expenses 11.44%

**Expense Description**
Maintenance for buildings of this type range between 5% to 8% of gross income. The building has been modernized and we have estimated this expense at 5% of gross income.

**Estimated First Year Expense**
- $9,900 Annual
- $495.00 Per Unit
- $825.00 Per Month
- $41.25 Per Unit Per Month

## Management

**Expense Category**
Operating Expense % of Gross 5.70%

**Operating Reimbursable**
No % of E.G.I. 6.00%

**CAM Reimbursable**
No % of Total Expenses 13.04%

**Expense Description**
Management for buildings of this type range between 4% to 6% of effective gross income. We have estimated this expense at $11,286 per year, or 6% of effective gross income.

**Estimated First Year Expense**
- $11,286 Annual
- $564.30 Per Unit
- $940.50 Per Month
<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Category</td>
<td>Other Expense</td>
</tr>
<tr>
<td>Other Reimbursable</td>
<td>No</td>
</tr>
<tr>
<td>CAM Reimbursable</td>
<td>No</td>
</tr>
<tr>
<td>An expense of $3,960 has been estimated, or 2% of gross income.</td>
<td></td>
</tr>
<tr>
<td>Estimated First Year Expense</td>
<td>$3,960 Annual \n $198.00 Per Unit \n $330.00 Per Month \n $16.50 Per Unit Per Month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Reserve for Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Category</td>
<td>Reserve Expense</td>
</tr>
<tr>
<td>Reserve Reimbursable</td>
<td>No</td>
</tr>
<tr>
<td>CAM Reimbursable</td>
<td>No</td>
</tr>
<tr>
<td>Replacement reserves have been estimated to cover the cost of replacing short-lived items such as carpet, appliances, and roof.</td>
<td></td>
</tr>
<tr>
<td>Estimated First Year Expense</td>
<td>$3,960 Annual \n $198.00 Per Unit \n $330.00 Per Month \n $16.50 Per Unit Per Month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Total Annual Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Gross</td>
<td>43.70%</td>
</tr>
<tr>
<td>% of E.G.I.</td>
<td>46.00%</td>
</tr>
<tr>
<td>% of Total Expenses</td>
<td>100.00%</td>
</tr>
<tr>
<td>Estimated First Year Expense</td>
<td>$86,526 Annual \n $4,326 Per Unit \n $7,211 Per Month \n $360.53 Per Unit Per Month</td>
</tr>
</tbody>
</table>