

Colony Hills Capital Fee Structure (Conservative Model)

Deal Information

# of Deal Per Quarter	2
# of Deals Per Year (4 Year Ramp Up)	8
Average Purchase Price (Based on Avg. of Last 4 Deals)	89,500,000
Average LTV%	70.00%
Average Hold Period	5
Average Total Cost Basis per Deal (Includes Closing Costs and CapEx)	101,001,490

Property Operations / Value Assumptions

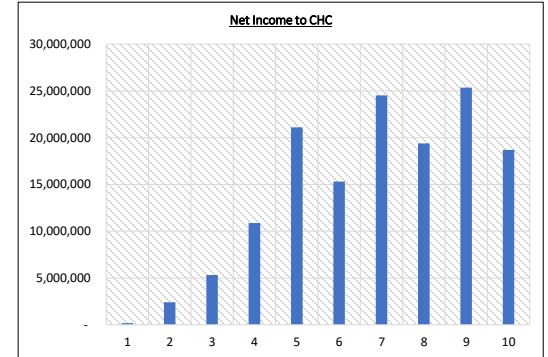
Average Value Increase %	5.00%
Average Total Revenue Collection (Year 1)	8,653,750
Average Disposition Value	110,390,700

Property Value and Revenue

Hold Year	Property Value	Property Revenue
Acquisition	89,500,000	
Year 1	96,212,500	8,653,750
Year 2	101,023,100	8,913,400
Year 3	104,053,800	9,180,800
Year 4	107,175,400	9,456,200
Year 5	110,390,700	9,739,900
Total Increase %	23.34%	12.55%

Projected Investment & Returns

Investment	9,000,000
CHC Ownership %	17.00%
Min. Cash on Hand %	10.00%
Maximum Set-Aside	1,000,000
Colony Bonus Plan	10.00%
3 Year Avg. CoC	4.99%
3 Year IRR	N/A
3 Year Multiple	0.15
5 Year Avg. CoC	15.07%
5 Year IRR	N/A
5 Year Multiple	0.75
10 Year Avg. CoC (Excludes Enterprise Sale)	27.04%
10 Year IRR	16.08%
10 Year Multiple	2.70

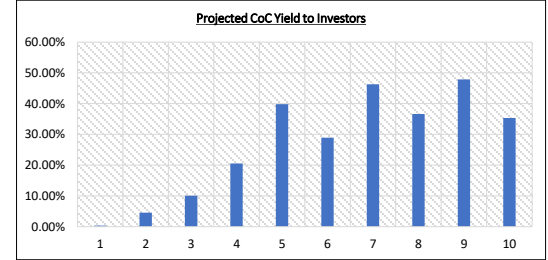


CHC Fees (Realized by CHC)

Deal Fees	%	Basis	Avg. Fee per Deal	Description
Acquisition Fee	1.00%	89,500,000	895,000	% of Purchase Price
Construction Mgmt. Fee	6.00%	6,365,000	381,900	Avg. Last 4 Deals Closed / % of Total Capex Budget
Asset Mgmt. Fee / Property Mgmt. Fee	4.00%	Total Revenue	1,837,800	1% Asset Mgmt. Fee / 3% Property Mgmt. Fee
Performance Fee (Base-Conservative Case)	N/A	110,390,700	1,412,500	Avg. Last 4 Deals Closed / 15% Promote over a 10% Pref. Return
Total (Conservative)			4,527,200	

Fund Fees (Realized by CHC)

		Notes
New Fund Velocity	2	Start of new Fund
Fund Life Expectancy	5	Paid out every 5 years
Promote Fee	7,000,000	Conservative Estimate



Cashflow

Year	0	1	2	3	4	5	6	7	8	9	10	Total
# of New Deals per Annum		3	5	7	8	8	8	8	8	8	8	
# of Asset Sales (New Deals)		0	0	0	0	-3	-5	-7	-8	-8	-8	
# of Legacy Deals Owned		10	10	8	4	2	0	0	0	0	0	
# of Legacy Deals Sold		0	-2	-4	-2	-2	0	0	0	0	0	
Total Owned Legacy Assets		10	8	4	2	0	0	0	0	0	0	
CHC Year End Owned Deals		13	16	19	25	28	31	32	32	32	32	
Acquisition Fee		2,685,000	4,475,000	6,265,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	63,545,000
Construction Mgmt. Fee		381,900	1,018,400	1,909,500	2,546,000	2,927,900	3,055,200	3,055,200	3,055,200	3,055,200	3,055,200	24,059,700
Asset Mgmt. Fee		162,258	537,832	1,099,696	1,799,352	2,553,423	3,029,153	3,318,513	3,415,912	3,415,912	3,415,912	22,747,959
Average Revenue % Increase per Annum		0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.70%
Average Revenue per deal (Year End)		8,653,750	8,913,363	9,180,763	9,456,186	9,739,872	10,032,068	10,333,030	10,643,021	10,962,312	11,291,181	
Management Fee		486,773	1,613,495	3,299,087	5,398,055	7,660,268	9,087,458	9,955,538	10,247,735	10,247,735	10,247,735	68,243,876
Performance Fee		-	-	-	-	4,237,500	7,062,500	9,887,500	11,300,000	11,300,000	11,300,000	55,087,500
Fund Promote Fee		-	-	-	-	7,000,000	-	7,000,000	-	7,000,000	-	21,000,000
Legacy Deal Fees (Performance & Disposition Fees)		755,631	574,376	793,572	4,803,061	3,238,345	-	-	-	-	-	10,164,986
Gross Income to CHC		4,471,562	8,219,103	13,366,855	21,706,467	34,777,435	29,394,310	40,376,750	35,178,846	42,178,846	35,178,846	264,849,020
Expense % Increase			10.00%	15.00%	15.00%	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
CHC Expenses		(4,000,000)	(4,400,000)	(5,060,000)	(5,819,000)	(6,400,900)	(6,720,945)	(7,056,992)	(7,409,842)	(7,780,334)	(8,169,351)	(62,817,364)
Expense Ratio		-89.45%	-53.53%	-37.85%	-26.81%	-18.41%	-22.86%	-17.48%	-21.06%	-18.45%	-23.22%	
CHC Expenses (Management Expenses)	50.00%	(243,387)	(806,748)	(1,649,543)	(2,699,027)	(3,830,134)	(4,543,729)	(4,977,769)	(5,123,867)	(5,123,867)	(5,123,867)	(34,121,938)
Net Income to CHC After Expenses		228,176	3,012,356	6,657,311	13,188,440	24,546,401	18,129,636	28,341,989	22,645,137	29,274,645	21,885,628	167,909,718
Hold Back of Available Cash Operations		(22,818)	(301,236)	(665,731)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(7,989,784)
Hold Back of Available Cash Employee Bonus		(22,818)	(301,236)	(665,731)	(1,318,844)	(2,454,640)	(1,812,964)	(2,834,199)	(2,264,514)	(2,927,464)	(2,188,563)	(16,790,972)
Distributable Income to CHC Partners		182,540	2,409,884	5,325,849	10,869,596	21,091,761	15,316,673	24,507,790	19,380,623	25,347,180	18,697,065	143,128,962

New Investor Gross Returns

	17.00%	Ownership										
Investor Cashflow (3 Year)	(9,000,000)	31,032	409,680	905,394								
Average CoC % (Year End)		0.34%	4.55%	10.06%								
Investor Cashflow (5 Year)	(9,000,000)	31,032	409,680	905,394	1,847,831	3,585,599						
Average CoC% (Year End)		0.34%	4.55%	10.06%	20.53%	39.84%						
Investor Cashflow (10 Year)	(9,000,000)	31,032	409,680	905,394	1,847,831	3,585,599	2,603,834	4,166,324	3,294,706	4,309,021	3,178,501	
Average CoC% (Year End)		0.34%	4.55%	10.06%	20.53%	39.84%	28.93%	46.29%	36.61%	47.88%	35.32%	