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DECEMBER 18, 2014

Kareem Slater
Amanda Sparks
Ledic Management Group LLC
2730 Cumberland Boulevard, Suite 200
Smyrna, GA 30080

Re: Addison Townhomes -2015 Budget & Business Plan

Dear Kareem & Amanda:

Thank you for all your help closing the Addison Townhomes transaction this week. I am writing with some revisions to the budget and to lay out Two Bridges Addison Townhomes LLC's ("TBAT") business plan for the asset in 2015.

Business Plan

Our business plan for Addison Townhomes is as follows.

- Two Bridges Asset Management LLC ("TBAM") will waive its asset management fee through December 2015. Starting in January 2016, it will charge an asset management fee of \$10,500/year, or \$875/month.
- TBAT must pay its investors an 8% preferred return on \$1,050,000 of equity, or \$84,000. TBAM is entitled to receive the next 2% of distributions, or \$21,000. Any distributable cash over \$105,000 per annum will be distributed 80% to the investors and 20% to TBAM.
- The lender may require TBAT to remediate radon gas buildup in the 20 ground floor units in buildings B and C. Although additional testing is being done and may determine that remediation is not necessary in all units, we are currently planning for the worst-case scenario. The lender held back \$37,500 from the mortgage for this remediation effort, and if it is necessary, we would have 90 days to complete it.
- We would like to implement Billy Rogers' recommendations for repairs to the property, as outlined on the attached Capital Plan. Billy will bid out some of these items along with work being done at Village Park to see if any cost savings are available.



- A special capital reserve account of approximately \$50,000 will be established to fund the radon gas remediation and the repair items suggested by Billy Rogers.
- Currently, the property is not collecting utility chargebacks, though they are collecting pet rent, as well as trash and pest reimbursements. Please implement the full suite of charges, including pet rent, trash, pest, and utility chargebacks.
- Our underwriting assumes 3% rent increases, which work out to approximately 1.8% increase in revenue over the course of Year 1. However, we do not want to raise rent aggressively if it results in a loss of occupancy. We would also prefer to implement RUBS before raising rents. We don't want to hit tenants with a double increase of rent and RUBS at the same time.
- On the expense side, we want to manage to maximize occupancy and minimize vacancy and turnover expense. In addition, we want to minimize bank charges coming from sweeping the clearing account too frequently. Please set up to sweep on the 1st, 6th, 15th, and 25th of each month, or such other sweep schedule as makes sense in your experience.

Budget

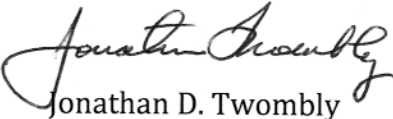
Thank you for the preliminary budget for Addison. At closing, certain costs became finalized and are different from the budget you provided. In addition to whatever changes are required by the business plan, please incorporate these changes and forward a new 2105 budget.

- Insurance cost will be \$17,188 in 2015 (pre-paid at closing).
- Insurance escrow for 2016 insurance will be \$18,075.
- The property tax escrow for 2015 will be \$52,714.20.
- The interest rate will be 4.4% on a loan of \$2,400,000. The loan constant is \$12,018.26 per month.

Conclusion

We want to manage the property to maintain high occupancy and minimize vacancy and turnover expense. Our goal is to achieve at least \$90,000 in net income after the payment of interest and principal on the mortgage.

Sincerely,


Jonathan D. Twombly
President



Cc: Pierce Ledbetter & Terri Benskin

Encl.