

Southwestern Investment Group

Historical Project Summaries

SW Aurora, LLC

Summary

Located at 14400 E. Alameda in Aurora, Colorado, the existing one-tenant building was purchased by SWIG in September 1999. The purchase price was \$2.78 million. SWIG realized that the announced (but not built) Alameda interchange would greatly increase traffic counts and there was significant upside in the property's rents. The total projected proceeds from the property sale (net of sale costs) in 2006 was approximately \$4,567,000 (SWIG still manages the property).



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Financial Summary

Project P&L

The value-add from SWIG's identification and purchase of the property generated an overall profit of \$2.18 million. SWIG was effectively able to recognize the value created in the property by the new interchange and nearby relocation of the city's administrative offices.

Acquisition and Entitlement		Sales and Profit	
\$ 2,784,023	Purchase of building	\$ 4,800,000	Sale on 2/22/2006
65,977	Additional costs	\$ (232,649)	Costs of sale
		608,133	Cash flows from rental activity
2,850,000	Total cost		
(2,000,000)	Debt from 3rd party	(2,149,185)	Less debt, interest & defeasance
<u>\$ 850,000</u>	Capital invested	<u>(850,000)</u>	Less Equity
		<u>\$ 2,176,299</u>	

Cash Flows and Returns

The project resulted in a total 24% levered equity IRR and a 19% IRR to external investors. The cash flows of the project are summarized below. The project was funded with \$850,000 in equity capital by SWIG and external investors.

	Total					External Equity				
	Equity Contributions	Loans from Members	Distributions, Interest, etc.	Net (provided)/received	Cumulative	Equity Contributions	Loans from Members	Distributions, Interest, etc.	Net (provided)/received	Cumulative
1999	(850,000)	-	-	(850,000)	(850,000)	(850,000)	-	-	(850,000)	(850,000)
2000	-	-	85,233	85,233	(764,767)	-	-	85,233	85,233	(764,767)
2001	-	-	59,354	59,354	(705,413)	-	-	48,040	48,040	(716,727)
2002	-	-	42,151	42,151	(663,263)	-	-	42,151	42,151	(674,576)
2003	-	-	21,425	21,425	(641,838)	-	-	21,425	21,425	(653,151)
2004	-	-	108,235	108,235	(533,603)	-	-	108,235	108,235	(544,917)
2005	-	-	43,683	43,683	(489,920)	-	-	42,972	42,972	(501,945)
2006	850,000	-	1,816,219	2,666,219	2,176,299	850,000	-	1,114,778	1,964,778	1,462,833
			IRR	24.39%				IRR	19.04%	