

Confidential Offering Summary

The Issuer

Sandford Real Estate Investments LLC
1421 Peachtree Ste Suite 1200
Atlanta GA 30303

The Property**Adrian Apartments II**

1212 Main St
Atlanta GA 30304

The Offering

The offering is for a 35% interest with an 8% preferred return on invested capital.

The Amount

\$562,250

The Manager

Jeffrey Sanford will be the primary manager of the property. Jeffrey has fourteen years of experience as a landlord and real estate investor with over 32 properties currently under management.

The Risks

Investment in real estate can be highly speculative due to the nature of the partnership's business. These include risks inherent in the business of real estate investment generally, conflicts, reliance upon manager of the property, the lack of a formal market for the units, no exit mechanism and the resale restrictions and hold periods prescribed by the applicable securities laws or in the operating agreement.

These reports are limited descriptive material regarding an investment in the property Adrian Apartments II, 1212 Main St, Atlanta GA 30304. This summary is not complete and needs to be supplemented with additional information. This additional information is available upon request. The use of this material is authorized only for those to whom it is originally provided.

These reports may not be reproduced in whole or in part, and it may only be distributed and disclosed to the prospective investors to whom it is provided.

This is not an offer to sell a security. An offer can only be made through a complete Private Placement Memorandum. You should not consider any information in these reports to be legal, business or tax advice. You should consult your own attorney, financial advisor and tax advisor about this investment.

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Sandford Realty Group

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Suite 1700
Atlanta, GA 30303



Prospective Partner Investment

Adrian Apartments II

1212 Main St
Atlanta GA 30304

Dan Johnson

65.00% Equity Interest
8.00% Preferred Return
\$365,463 Investment



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Annual Cash Flow Projection	Year 1	Year 2	Year 3	Year 4	Year 5
Property's Cash Flow Before Taxes	\$ 39,336	\$ 42,621	\$ 45,974	\$ 49,397	\$ 52,891
Dan Johnson's 8% Preferred Return	(29,237)	(29,237)	(29,237)	(29,237)	(29,237)
Managing Partner's 35% Share	(3,535)	(4,684)	(5,858)	(7,056)	(8,279)
Dan Johnson's 65% of Before Tax Cash Flow	<u>\$ 6,565</u>	<u>\$ 8,700</u>	<u>\$ 10,879</u>	<u>\$ 13,104</u>	<u>\$ 15,375</u>
Dan Johnson's Share with Preferred Return	<u>\$ 35,802</u>	<u>\$ 37,937</u>	<u>\$ 40,116</u>	<u>\$ 42,341</u>	<u>\$ 44,612</u>

Property Resale Proceeds	Year 1	Year 2	Year 3	Year 4	Year 5
Resale Proceeds Before Taxes	\$ 639,295	\$ 710,570	\$ 784,888	\$ 862,421	\$ 943,352
All Partner's Return of Investment Capital	(562,250)	(562,250)	(562,250)	(562,250)	(562,250)
Remaining Funds from Sale to be Distributed	<u>\$ 77,045</u>	<u>\$ 148,320</u>	<u>\$ 222,638</u>	<u>\$ 300,171</u>	<u>\$ 381,102</u>
Managing Partner's 35% Share	(26,966)	(51,912)	(77,923)	(105,060)	(133,386)
Dan Johnson's 65% Share of Resale Proceeds	<u>\$ 50,080</u>	<u>\$ 96,408</u>	<u>\$ 144,715</u>	<u>\$ 195,111</u>	<u>\$ 247,716</u>

Dan Johnson's Equity Interest Summary	Year 1	Year 2	Year 3	Year 4	Year 5
Dan Johnson's 65% of Before Tax Cash Flow	\$ 35,802	\$ 37,937	\$ 40,116	\$ 42,341	\$ 44,612
Previous Year's Cumulative Share of Cash Flow	n/a	35,802	73,738	113,855	156,196
Dan Johnson's 65% Share of Resale Proceeds	<u>50,080</u>	<u>96,408</u>	<u>144,715</u>	<u>195,111</u>	<u>247,716</u>
Dan Johnson's Share of Profit	<u>\$ 85,881</u>	<u>\$ 170,147</u>	<u>\$ 258,569</u>	<u>\$ 351,307</u>	<u>\$ 448,524</u>
Dan Johnson's Return of Investment Capital	365,463	365,463	365,463	365,463	365,463
Dan Johnson's Share of Resale & Liquidation	<u>\$ 451,344</u>	<u>\$ 535,609</u>	<u>\$ 624,032</u>	<u>\$ 716,769</u>	<u>\$ 813,986</u>
Percentage of Available Cash	66.51%	67.58%	68.36%	68.94%	69.36%

Return on Investment

Cash on Cash Return - Before Taxes	9.80%	10.38%	10.98%	11.59%	12.21%
Internal Rate of Return - Before Taxes	23.50%	21.95%	21.08%	20.43%	19.90%
Modified Internal Rate of Return - Before Taxes	23.50%	21.06%	19.52%	18.34%	17.37%

Prospective Partner Investment

Adrian Apartments II

1212 Main St
Atlanta GA 30304

Dan Johnson

**65.00% Equity Interest
8.00% Preferred Return
\$365,463 Investment**



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Managing Partner's Equity Interest Summary	Year 1	Year 2	Year 3	Year 4	Year 5
Managing Partner's 35% of Before Tax Cash Flow	\$ 3,535	\$ 4,684	\$ 5,858	\$ 7,056	\$ 8,279
Previous Year's Cumulative Share of Cash Flow	n/a	3,535	8,219	14,077	21,133
Managing Partner's 35% Share of Resale Proceeds	26,966	51,912	77,923	105,060	133,386
Managing Partner's Share of Profit	<u>\$ 30,501</u>	<u>\$ 60,131</u>	<u>\$ 92,001</u>	<u>\$ 126,193</u>	<u>\$ 162,798</u>
Managing Partner's Return of Investment Capital	196,788	196,788	196,788	196,788	196,788
Managing Partner's Share of Total Cash	<u>\$ 227,289</u>	<u>\$ 256,919</u>	<u>\$ 288,789</u>	<u>\$ 322,981</u>	<u>\$ 359,586</u>
Percentage of Available Cash	33.49%	32.42%	31.64%	31.06%	30.64%

Manager's Return on Investment

Cash-on Cash Return - Before Taxes	1.80%	2.38%	2.98%	3.59%	4.21%
Internal Rate of Return (IRR) - Before Taxes	15.50%	14.37%	0.00%	13.52%	13.25%
Modified Internal Rate of Return (MIRR) - Before Taxes	15.50%	14.26%	13.64%	13.19%	12.81%

Sources and Uses Statement



Jeffrey Sandford

Description	Minimum Amount	Percent	Maximum Amount	Percent
Gross Offering Proceeds	\$ 650,000 2,3	100.0%	\$ 750,000	100.0%
Organization Expenses	(26,000)	-4.0%	(26,000)	-3.5%
Acquisition Fee	- 1	0.0%	(100,000) 1	-13.3%
Proceeds Available for Investment	<u>\$ 624,000</u>	<u>96.0%</u>	<u>\$ 624,000</u>	<u>83.2%</u>
Downpayment for Investment Property	\$ 550,000	84.6%	\$ 550,000	73.3%
Loan Fees	12,250	1.9%	12,250	1.6%
Deposits and Escrows	20,000	3.1%	20,000	2.7%
Working Capital / Reserves	41,750	6.4%	41,750	5.6%
Proceeds to be Invested	<u>\$ 624,000</u>	<u>96.0%</u>	<u>\$ 624,000</u>	<u>83.2%</u>
Total Application of Proceeds	<u>\$ 650,000</u>	<u>100.0%</u>	<u>\$ 750,000</u>	<u>100.0%</u>

1) The Acquisition Fee will be \$100,000. The Managing Member may defer distribution of the Acquisition Fee until sufficient Distributable cash is available, at the Managing Member's sole discretion. Any arrearage of the Acquisition Fee due to Managing Member shall be paid prior to making Cash Distributions from any refinance or sale of the Property.

2) If only the Minimum Dollar amount is raised, the Managing Member may be required to obtain additional funding or provide an advance to achieve a minimum level of Working Capital/Reserves.

3) If only the Minimum Dollar Amount is raised, the Managing Member may be required to obtain additional funding or provide an advance to achieve the total Acquisition Costs/Loan Fees, currently estimated at \$38,250 which includes Organizational Costs of \$26,000 and Loan Fees of \$12,250.