

Wellston Repositioning

Scenario 1

High Risk of Deferral capital needs of all units, with Conventional Debt and CFFP

Uses of funds:		Sources of funds:		Units	Count	Reasonable Rents (mth.)	Gross Rent (annual)	CFFP	Conventional Loan
Substructure	\$ 348,311	CFFP	\$ 749,519	0 Bedroom	20	\$ 508	\$ 121,920	Capl Fnd Grt	\$ 212,000
Shell	531,287	Conv. Loan	4,846,946	1 Bedroom	40	\$ 554	\$ 265,920	33%	\$ 69,960
Interior	161,639	Total	\$ 5,596,465	2 Bedroom	32	\$ 698	\$ 268,032	Monthly	\$ 5,830
Electrical	490,089	Per unit cost:	\$ 27,843	3 Bedroom	50	\$ 910	\$ 546,000	Term (mnths)	180
Mechanical	3,556,369			4 Bedroom	30	\$ 954	\$ 343,440	Rate	4.75%
Contingency	508,770			5 Bedroom	29	\$ 1,103	\$ 383,844	Amount	\$ 749,519
Total	\$ 5,596,465			Total	201		\$ 1,929,156		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
GrossRent	\$ 1,929,156	\$ 1,967,739	\$ 2,007,094	\$ 2,047,236	\$ 2,088,180	\$ 2,129,944	\$ 2,172,543	\$ 2,215,994	\$ 2,260,314	\$ 2,305,520	\$ 2,351,630	\$ 2,398,663	\$ 2,446,636	\$ 2,495,569	\$ 2,545,480
Vacancy (5%)	\$ 96,458	\$ 98,387	\$ 100,355	\$ 102,362	\$ 104,409	\$ 106,497	\$ 108,627	\$ 110,800	\$ 113,016	\$ 115,276	\$ 117,582	\$ 119,933	\$ 122,332	\$ 124,778	\$ 127,274
Net Rent	\$ 1,832,698	\$ 1,869,352	\$ 1,906,739	\$ 1,944,874	\$ 1,983,771	\$ 2,023,447	\$ 2,063,916	\$ 2,105,194	\$ 2,147,298	\$ 2,190,244	\$ 2,234,049	\$ 2,278,730	\$ 2,324,304	\$ 2,370,791	\$ 2,418,206
Expenses	\$ 1,193,691	\$ 1,229,502	\$ 1,266,387	\$ 1,304,378	\$ 1,343,510	\$ 1,383,815	\$ 1,425,329	\$ 1,468,089	\$ 1,512,132	\$ 1,557,496	\$ 1,604,221	\$ 1,652,348	\$ 1,701,918	\$ 1,752,975	\$ 1,805,565
95% Formula Ex	1,099,719	1,132,711	1,166,692	1,201,693	1,237,743	1,274,876	1,313,122	1,352,516	1,393,091	1,434,884	1,477,930	1,522,268	1,567,936	1,614,974	1,663,424
Util. Allowance	93,972	96,791	99,695	102,686	105,766	108,939	112,207	115,574	119,041	122,612	126,291	130,079	133,982	138,001	142,141
Net Income	\$ 735,465	\$ 738,237	\$ 740,707	\$ 742,857	\$ 744,671	\$ 746,129	\$ 747,214	\$ 747,904	\$ 748,182	\$ 748,024	\$ 747,410	\$ 746,315	\$ 744,718	\$ 742,594	\$ 739,916
Repl. Res.	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500
PMI Premium	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811	\$ 21,811
C/F avail D/S	\$ 613,154	\$ 615,926	\$ 618,396	\$ 620,546	\$ 622,360	\$ 623,818	\$ 624,902	\$ 625,593	\$ 625,870	\$ 625,713	\$ 625,098	\$ 624,004	\$ 622,407	\$ 620,282	\$ 617,604
1st Mort D/S	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413	\$ 452,413
DSC Ratio	136%	136%	137%	137%	138%	138%	138%	138%	138%	138%	138%	138%	138%	137%	137%
Excess CF	\$ 160,741	\$ 163,513	\$ 165,983	\$ 168,133	\$ 169,946	\$ 171,405	\$ 172,489	\$ 173,180	\$ 173,457	\$ 173,300	\$ 172,685	\$ 171,591	\$ 169,994	\$ 167,869	\$ 165,191

Assumptions:

- 1) Contingency is 10% of sum of other uses
- 2) CFFP is sized based on 33% of annual Capital Fund allocation, at 4.75% for 15 years
- 3) Rents are based on Reasonable Rents per RAD Inventory Assessment Tool and 2% annual increases
- 4) Expenses are based on 95% Formula Expenses (\$5471.24/unit/year) per RAD Inventory Assessment Tool and 3% annual increases
- 5) Conventional loan is calculated at 4.75% for 15 year term
- 6) Replacement Reserve is \$500 per unit per year
- 7) PMI Permium is calculated at 0.45% of loan amount

Wellston Repositioning

Scenario 2

High Risk of Deferral capital needs of all units, with Conventional debt and grants

Uses of funds:		Sources of funds:		Units	Count	Reasonable Rents (mth.)	Gross Rent (annual)	Conventional Loan	
Substructure	\$ 348,311	Conv. Loan	\$ 4,096,465	0 Bedroom	20	\$ 508	\$ 121,920	Mthly Pmt	\$ 42,951
Shell	531,287	AHP	500,000	1 Bedroom	40	\$ 554	\$ 265,920	Rate	4.75%
Interior	161,639	MHDC	1,000,000	2 Bedroom	32	\$ 698	\$ 268,032	Term (mnths)	120
Electrical	490,089	Total	\$ 5,596,465	3 Bedroom	50	\$ 910	\$ 546,000	Principle	\$ 4,096,465
Mechanical	3,556,369	Per unit cost	\$ 27,843	4 Bedroom	30	\$ 954	\$ 343,440		
Contingency	508,770			5 Bedroom	29	\$ 1,103	\$ 383,844		
<b>Total</b>	<b>\$ 5,596,465</b>			<b>Total</b>	<b>201</b>		<b>\$ 1,929,156</b>		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Revenue</b>															
GrossRent	\$ 1,929,156	\$ 1,967,739	\$ 2,007,094	\$ 2,047,236	\$ 2,088,180	\$ 2,129,944	\$ 2,172,543	\$ 2,215,994	\$ 2,260,314	\$ 2,305,520	\$ 2,351,630	\$ 2,398,663	\$ 2,446,636	\$ 2,495,569	\$ 2,545,480
Vacancy (5%)	\$ 96,458	\$ 98,387	\$ 100,355	\$ 102,362	\$ 104,409	\$ 106,497	\$ 108,627	\$ 110,800	\$ 113,016	\$ 115,276	\$ 117,582	\$ 119,933	\$ 122,332	\$ 124,778	\$ 127,274
<b>Net Rent</b>	<b>\$ 1,832,698</b>	<b>\$ 1,869,352</b>	<b>\$ 1,906,739</b>	<b>\$ 1,944,874</b>	<b>\$ 1,983,771</b>	<b>\$ 2,023,447</b>	<b>\$ 2,063,916</b>	<b>\$ 2,105,194</b>	<b>\$ 2,147,298</b>	<b>\$ 2,190,244</b>	<b>\$ 2,234,049</b>	<b>\$ 2,278,730</b>	<b>\$ 2,324,304</b>	<b>\$ 2,370,791</b>	<b>\$ 2,418,206</b>
<b>Expenses</b>	<b>\$ 1,193,691</b>	<b>\$ 1,229,502</b>	<b>\$ 1,266,387</b>	<b>\$ 1,304,378</b>	<b>\$ 1,343,510</b>	<b>\$ 1,383,815</b>	<b>\$ 1,425,329</b>	<b>\$ 1,468,089</b>	<b>\$ 1,512,132</b>	<b>\$ 1,557,496</b>	<b>\$ 1,604,221</b>	<b>\$ 1,652,348</b>	<b>\$ 1,701,918</b>	<b>\$ 1,752,975</b>	<b>\$ 1,805,565</b>
95% Formula Exp	1,099,719	1,132,711	1,166,692	1,201,693	1,237,743	1,274,876	1,313,122	1,352,516	1,393,091	1,434,884	1,477,930	1,522,268	1,567,936	1,614,974	1,663,424
Util. Allowance	93,972	96,791	99,695	102,686	105,766	108,939	112,207	115,574	119,041	122,612	126,291	130,079	133,982	138,001	142,141
<b>Net Income</b>	<b>\$ 735,465</b>	<b>\$ 738,237</b>	<b>\$ 740,707</b>	<b>\$ 742,857</b>	<b>\$ 744,671</b>	<b>\$ 746,129</b>	<b>\$ 747,214</b>	<b>\$ 747,904</b>	<b>\$ 748,182</b>	<b>\$ 748,024</b>	<b>\$ 747,410</b>	<b>\$ 746,315</b>	<b>\$ 744,718</b>	<b>\$ 742,594</b>	<b>\$ 739,916</b>
Repl. Res.	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500
PMI Premium	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434	\$ 18,434
C/F avail D/S	\$ 616,531	\$ 619,303	\$ 621,773	\$ 623,923	\$ 625,737	\$ 627,195	\$ 628,279	\$ 628,970	\$ 629,248	\$ 629,090	\$ 628,475	\$ 627,381	\$ 625,784	\$ 623,659	\$ 620,982
1st Mort D/S	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ 515,406	\$ -	\$ -	\$ -	\$ -	\$ -
DSC Ratio	120%	120%	121%	121%	121%	122%	122%	122%	122%	122%	122%				
Excess CF	\$ 101,125	\$ 103,897	\$ 106,367	\$ 108,517	\$ 110,331	\$ 111,789	\$ 112,873	\$ 113,564	\$ 113,841	\$ 113,684	\$ 628,475	\$ 627,381	\$ 625,784	\$ 623,659	\$ 620,982

Assumptions:

- 1) Contingency is 10% of sum of other uses
- 2 Rents are based on Reasonable Rents per RAD Inventory Assessment Tool and 2% annual increases
- 3) Expenses are based on 95% Formula Expenses (\$5471.24 /unit/year) per the RAD Inventory Assessment Tool and 3% annual increases
- 4) Conventional loan is calculated at 4.75% for 10 year term
- 5) Replacement Reserve is \$500 per unit per year
- 6) PMI Permium is calculated at 0.45% of loan amount

Wellston Repositioning  
Scenario 3  
Comprehensive renovation of all units with 4% LIHTC and Grants

Uses of funds:	Sources of funds:	Units	Count	Reasonable Rents (/mth)	Gross Rent (annual)	Tax Exempt Bonds	Seller Finc.
Acquisition	\$ 2,882,994 Seller Finc.	0 Bedroom	20	\$ 508	\$ 121,920	Mthly Pmt \$ 41,465	Mthly Pmt \$ 15,039
Construction	11,211,699 4% LIHTC	1 Bedroom	40	\$ 554	\$ 265,920	Rate 3.50%	Rate 4.75%
Con Int & Fees	377,728 MO 4% LIHTC	2 Bedroom	32	\$ 698	\$ 268,032	Term (mnths) 360	Term (mnths) 360
Financ'g Fees	50,000 Tax-exem bd.	3 Bedroom	50	\$ 910	\$ 546,000	Principle \$ 9,056,880	Principle \$ 2,882,994
Relocation	301,500 AHP	4 Bedroom	30	\$ 954	\$ 343,440		
Soft Costs	666,244 MHDC	5 Bedroom	29	\$ 1,103	\$ 383,844		
Devel'r Fee	1,987,803	Total	201		\$ 1,929,156		
* Financ'g Fees	206,620	LIHTC					
* Tax Cred. Fees	76,330	Acquisiiton	\$ 2,882,994	4%	\$ 115,320		
* Reserves	791,906	Basis (less					
Total	\$ 18,552,824 Total \$ 18,552,824	Acq. & Gts.)	\$ 13,094,974	4%	\$ 523,799		
Non-Qual. Basis	1,074,856 Per unit cost: \$ 92,303	Maximim Annual LIHTC			\$ 639,119 X 10 X .80	\$ 5,112,950 X 0.5	\$ 2,556,475

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
GrossRent	\$ 1,929,156	\$ 1,967,739	\$ 2,007,094	\$ 2,047,236	\$ 2,088,180	\$ 2,129,944	\$ 2,172,543	\$ 2,215,994	\$ 2,260,314	\$ 2,305,520	\$ 2,351,630	\$ 2,398,663	\$ 2,446,636	\$ 2,495,569	\$ 2,545,480
Vacancy (5%)	\$ 96,458	\$ 98,387	\$ 100,355	\$ 102,362	\$ 104,409	\$ 106,497	\$ 108,627	\$ 110,800	\$ 113,016	\$ 115,276	\$ 117,582	\$ 119,933	\$ 122,332	\$ 124,778	\$ 127,274
Net Rent	\$ 1,832,698	\$ 1,869,352	\$ 1,906,739	\$ 1,944,874	\$ 1,983,771	\$ 2,023,447	\$ 2,063,916	\$ 2,105,194	\$ 2,147,298	\$ 2,190,244	\$ 2,234,049	\$ 2,278,730	\$ 2,324,304	\$ 2,370,791	\$ 2,418,206
Expenses	\$ 921,191	\$ 944,847	\$ 969,213	\$ 994,309	\$ 1,020,159	\$ 1,046,784	\$ 1,074,207	\$ 1,102,454	\$ 1,131,548	\$ 1,161,514	\$ 1,192,380	\$ 1,224,171	\$ 1,256,917	\$ 1,290,644	\$ 1,325,384
60% Formula Ex	694,560	715,396	736,858	758,964	781,733	805,185	829,340	854,221	879,847	906,243	933,430	961,433	990,276	1,019,984	1,050,584
Util. Allowance	93,972	96,791	99,694	102,685	105,766	108,939	112,207	115,573	119,040	122,612	126,290	130,079	133,981	138,000	142,140
Mgmt. Fee	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660	132,660
Net Income	\$ 911,507	\$ 924,505	\$ 937,527	\$ 950,565	\$ 963,613	\$ 976,663	\$ 989,709	\$ 1,002,740	\$ 1,015,751	\$ 1,028,730	\$ 1,041,669	\$ 1,054,558	\$ 1,067,388	\$ 1,080,146	\$ 1,092,822
Repl. Reserv.	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500
PMI Premium	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756	\$ 40,756
Sell'r Finc D/S	\$ 180,469	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567
C/F Avail D/S	\$ 589,782	\$ 559,682	\$ 572,704	\$ 585,742	\$ 598,790	\$ 611,840	\$ 624,886	\$ 637,917	\$ 650,927	\$ 663,907	\$ 676,846	\$ 689,735	\$ 702,565	\$ 715,323	\$ 727,999
Bond D/S	\$ 316,991	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583	\$ 497,583
DSC Ratio	186%	112%	115%	118%	120%	123%	126%	128%	131%	133%	136%	139%	141%	144%	146%
Excess CF	\$ 272,791	\$ 62,100	\$ 75,121	\$ 88,159	\$ 101,207	\$ 114,258	\$ 127,303	\$ 140,335	\$ 153,345	\$ 166,324	\$ 179,264	\$ 192,153	\$ 204,982	\$ 217,741	\$ 230,417

\* Non-Qualified Uses

- Assumptions:
- 1) Tax exempt bond is assumed at 3.5% for 30 years, Interest only in Year 1
  - 2) Seller Financing is assumed at 4.75% for 30 years
  - 3) Rents are based on Reasonable Rents per RAD Inventory Assessment Tool and 2% annual increases
  - 4) Expenses are based on 60% Formula Expenses (\$3455.52 /unit/year) per RAD Inventory Assessment and 3% annual increases
  - 5) LIHTC calculated without 130% bonus and at \$0.80
  - 6) Replacement Reserve is \$500/unit/year
  - 7) PMI Premium is 0.45% of 1st mortgage amount
  - 8) Utility Allowance is \$38.96 / month and increases 3% per year
  - 9) Management Fee is \$55/unit/month

Wellston Repositioning  
Scenario 4  
Comprehensive renovation of all units, with 9% LIHTC and Grants

Uses of funds:	Amount	Sources of funds:	Amount	Units	Count	Reasonable Rents (/mth)	Gross Rent (annual)	First Mortg. Mthly Pmt	Rate	Term (mths)	Principle	Seller Finc. Mthly Pmt	Rate	Term (mths)	Principle
Acquisition	\$ 2,882,994	Seller Finc.	\$ 2,882,994	0 Bedroom	20	\$ 508	\$ 121,920	\$ 17,055	4.75%	360	\$ 2,639,215	\$ 18,631	4.75%	360	\$ 2,882,994
Construction	11,211,699	9% LIHTC	5,265,643	1 Bedroom	40	\$ 554	\$ 265,920								
Con Int & Fees	377,728	MO 9% LIHTC	5,265,643	2 Bedroom	32	\$ 698	\$ 268,032								
Financ'g Fees	50,000	First Mort	2,639,215	3 Bedroom	50	\$ 910	\$ 546,000								
Relocation	301,500	MHDC	1,000,000	4 Bedroom	30	\$ 954	\$ 343,440								
Soft Costs	666,244	AHP	500,000	5 Bedroom	29	\$ 1,103	\$ 383,844								
Devel'r Fee	1,987,803	CFFP	\$ 749,519	Total	201		\$ 1,929,156								
* Financ'g Fees	206,620	Cap'l Funds	\$ 249,810												
* Tax Cred. Fees	76,330														
* Reserves	791,906														
Total	\$ 18,552,824	Total	\$ 18,552,824	LIHTC											
Non-Qual. Basis	1,074,856	Per unit cost:	\$ 92,303	Acquisiiton Basis (less Acq. & Gts)	\$ 2,882,994	4%	\$ 115,320								
	\$ 17,477,968			Maximim Annual LIHTC	\$ 13,345,455	9%	\$ 1,201,091								
							\$ 1,316,411	X 10 X .80				\$ 10,531,285	X 0.5		\$ 5,265,643

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
GrossRent	\$ 1,929,156	\$ 1,967,739	\$ 2,007,094	\$ 2,047,236	\$ 2,088,180	\$ 2,129,944	\$ 2,172,543	\$ 2,215,994	\$ 2,260,314	\$ 2,305,520	\$ 2,351,630	\$ 2,398,663	\$ 2,446,636	\$ 2,495,569	\$ 2,545,480
Vacancy (5%)	\$ 96,458	\$ 98,387	\$ 100,355	\$ 102,362	\$ 104,409	\$ 106,497	\$ 108,627	\$ 110,800	\$ 113,016	\$ 115,276	\$ 117,582	\$ 119,933	\$ 122,332	\$ 124,778	\$ 127,274
Net Rent	\$ 1,832,698	\$ 1,869,352	\$ 1,906,739	\$ 1,944,874	\$ 1,983,771	\$ 2,023,447	\$ 2,063,916	\$ 2,105,194	\$ 2,147,298	\$ 2,190,244	\$ 2,234,049	\$ 2,278,730	\$ 2,324,304	\$ 2,370,791	\$ 2,418,206
Expenses	\$ 1,210,527	\$ 1,246,843	\$ 1,284,248	\$ 1,322,776	\$ 1,362,459	\$ 1,403,333	\$ 1,445,433	\$ 1,488,796	\$ 1,533,459	\$ 1,579,463	\$ 1,626,847	\$ 1,675,652	\$ 1,725,922	\$ 1,777,700	\$ 1,831,031
85% Formula Ex	983,895	1,013,412	1,043,814	1,075,129	1,107,382	1,140,604	1,174,822	1,210,067	1,246,369	1,283,760	1,322,273	1,361,941	1,402,799	1,444,883	1,488,229
Util. Allowance	93,972	96,791	99,695	102,686	105,766	108,939	112,207	115,574	119,041	122,612	126,291	130,079	133,982	138,001	142,141
Mgmt. Fee	132,660	136,640	140,739	144,961	149,310	153,789	158,403	163,155	168,050	173,091	178,284	183,632	189,141	194,816	200,660
Net Income	\$ 622,171	\$ 622,509	\$ 622,491	\$ 622,098	\$ 621,313	\$ 620,114	\$ 618,483	\$ 616,399	\$ 613,839	\$ 610,781	\$ 607,202	\$ 603,077	\$ 598,382	\$ 593,091	\$ 587,176
Repl. Reserv.	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500	\$ 100,500
PMI Premium	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876	\$ 11,876
Sell'r Finc D/S	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567	\$ 223,567
C/F Avail D/S	\$ 286,228	\$ 286,566	\$ 286,548	\$ 286,155	\$ 285,369	\$ 284,171	\$ 282,540	\$ 280,455	\$ 277,895	\$ 274,837	\$ 271,258	\$ 267,134	\$ 262,439	\$ 257,147	\$ 251,232
1st Mort D/S	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663	\$ 204,663
DSC Ratio	140%	140%	140%	140%	139%	139%	138%	137%	136%	134%	133%	131%	128%	126%	123%
Net Cash Flow	\$ 81,565	\$ 81,903	\$ 81,885	\$ 81,492	\$ 80,706	\$ 79,508	\$ 77,877	\$ 75,792	\$ 73,232	\$ 70,175	\$ 66,596	\$ 62,471	\$ 57,776	\$ 52,485	\$ 46,569

\* Non-Qualified Uses

- Assumptions:
- 1) First Mortgage is assumed at 4.75% for 30 years
  - 2) Seller Financing is assumed at 4.75% for 30 years
  - 3) Rents are based on Reasonable Rents per RAD Inventory Assessment Tool and 2% annual increases
  - 4) Expenses are based on 85% Formula Expenses (\$4895.32 /unit/year) per RAD Inventory Assessment and 3% annual increases
  - 5) LIHTC calculated without 130% bonus & at \$0.80
  - 6) Replacement Reserve is \$500/unit/year
  - 7) PMI Premium is 0.45% of 1st mortgage amount
  - 8) Utility Allowance is \$38.96 / month and increases 3% per year
  - 9) Management Fee is \$55/unit/month and increases 3% per year

Wellston Repositioning

Senario 5

Comprehensive renovation of units within Multifamily Buidlings, with 9% LIHTC and grants

Uses of funds:	Sources of funds:	Units	Count	Reasonable Rents (/mth)	Gross Rent (annual)	First Mortg.	Seller Finc.
Acquisition	\$ 1,095,538 Seller Finc.	0 Bedroom	20	\$ 508	\$ 121,920	Mthly Pmt \$ 4,056	Mthly Pmt \$ 5,715
Construction	2,346,400 9% LIHTC	1 Bedroom	40	\$ 554	\$ 265,920	Rate 4.75%	Rate 4.75%
Con Int & Fees	79,323 MO 9% LIHTC	2 Bedroom	16	\$ 698	\$ 134,016	Term (mths) 360	Term (mths) 360
Financ'g Fees	50,000 First Mort	Total	76		\$ 521,856	Principle \$ 765,575	Principle \$ 1,095,538
Relocation	114,570 AHP/MHDC Gt.						
Soft Costs	139,432						
Devel'r Fee	417,439						
* Financ'g Fees	58,242						
* Tax Cred. Fees	30,968						
* Reserves	180,731						
Total	\$ 4,512,643 Total \$ 4,512,643	LIHTC					
Non-Qual. Basis	269,941 Per unit cost: \$ 22,451	Acquisiiton Basis (less Acq. & Grts.)	\$ 1,095,538	4%	\$ 43,822		
	\$ 4,242,702		\$ 3,022,164	9%	\$ 271,995		
			Maximim Annual LIHTC		\$ 315,816 X 10 X .80	\$ 2,526,530 X 0.5	\$ 1,263,265

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
GrossRent	\$ 521,856	\$ 532,293	\$ 542,939	\$ 553,798	\$ 564,874	\$ 576,171	\$ 587,695	\$ 599,449	\$ 611,437	\$ 623,666	\$ 636,140	\$ 648,862	\$ 661,840	\$ 675,076	\$ 688,578
Vacancy (5%)	\$ 26,093	\$ 26,615	\$ 27,147	\$ 27,690	\$ 28,244	\$ 28,809	\$ 29,385	\$ 29,972	\$ 30,572	\$ 31,183	\$ 31,807	\$ 32,443	\$ 33,092	\$ 33,754	\$ 34,429
Net Rent	\$ 495,763	\$ 505,678	\$ 515,792	\$ 526,108	\$ 536,630	\$ 547,363	\$ 558,310	\$ 569,476	\$ 580,866	\$ 592,483	\$ 604,333	\$ 616,419	\$ 628,748	\$ 641,323	\$ 654,149
Expenses	\$ 326,426	\$ 335,717	\$ 345,277	\$ 355,114	\$ 365,235	\$ 375,649	\$ 386,364	\$ 397,391	\$ 408,736	\$ 420,410	\$ 432,423	\$ 444,785	\$ 457,504	\$ 470,593	\$ 484,062
55% Formula Exj	240,735	247,957	255,395	263,057	270,949	279,077	287,450	296,073	304,955	314,104	323,527	333,233	343,230	353,527	364,133
Util. Allowance	35,532	36,597	37,695	38,826	39,991	41,191	42,426	43,699	45,010	46,361	47,751	49,184	50,659	52,179	53,745
Mgmt. Fee	50,160	51,163	52,186	53,230	54,295	55,381	56,488	57,618	58,770	59,946	61,145	62,368	63,615	64,887	66,185
Net Income	\$ 169,337	\$ 169,961	\$ 170,515	\$ 170,994	\$ 171,395	\$ 171,714	\$ 171,945	\$ 172,086	\$ 172,130	\$ 172,073	\$ 171,909	\$ 171,635	\$ 171,243	\$ 170,729	\$ 170,087
Repl. Reserv.	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
PMI Premium	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445	\$ 3,445
Sell'r Finc D/S	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578	\$ 68,578
C/F Avail D/S	\$ 59,314	\$ 59,938	\$ 60,492	\$ 60,971	\$ 61,372	\$ 61,691	\$ 61,922	\$ 62,062	\$ 62,106	\$ 62,049	\$ 61,886	\$ 61,611	\$ 61,220	\$ 60,706	\$ 60,064
1st Mort D/S	\$ 38,027	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674	\$ 48,674
DSC Ratio	156%	123%	124%	125%	126%	127%	127%	128%	128%	127%	127%	127%	126%	125%	123%
Excess CF	\$ 21,287	\$ 11,264	\$ 11,817	\$ 12,297	\$ 12,698	\$ 13,016	\$ 13,248	\$ 13,388	\$ 13,432	\$ 13,375	\$ 13,212	\$ 12,937	\$ 12,546	\$ 12,032	\$ 11,389

\* Non-Qualified Uses

- Assumptions:
- 1) First Mortgage is assumed at 4.75% for 30 years; Interest only in Year 1
  - 2) Seller Financing is assumed at 4.75% for 30 years
  - 3) Rents are based on Reasonable Rents per RAD Inventory Assessment Tool and 2% annual increases
  - 4) Expenses are based on 55% Formula Expenses (\$3167.56/unit/year) per RAD Inventory Assessment and 3% annual increases
  - 5) LIHTC is without 130% bonus at \$0.80
  - 6) Replacement Reserve is \$500 per unit per year
  - 7) PMI Premium is 0.45% of 1st mortgage amount
  - 8) Utility Allowance is \$38.96 / month and increases 3% per year
  - 9) Management Fee is \$55/unit/month and increases 2% per year