



**Addendum to Underwriting Report**

TDHCA Application #: **23178** Program(s): **9% HTC**

**Santa Fe Place (f/k/a Justice Place)**

Address/Location: \_\_\_\_\_ SEQ of 43rd St. and Justice Ave.

City: \_\_\_\_\_ Lubbock County: \_\_\_\_\_ Lubbock Zip: \_\_\_\_\_ 79407

APPLICATION HISTORY	
Report Date	PURPOSE
12/19/24	9% HTC Amendment
10/02/23	New Application- Initial Underwriting

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$1,967,650				\$1,967,650				

**CONDITIONS STATUS**

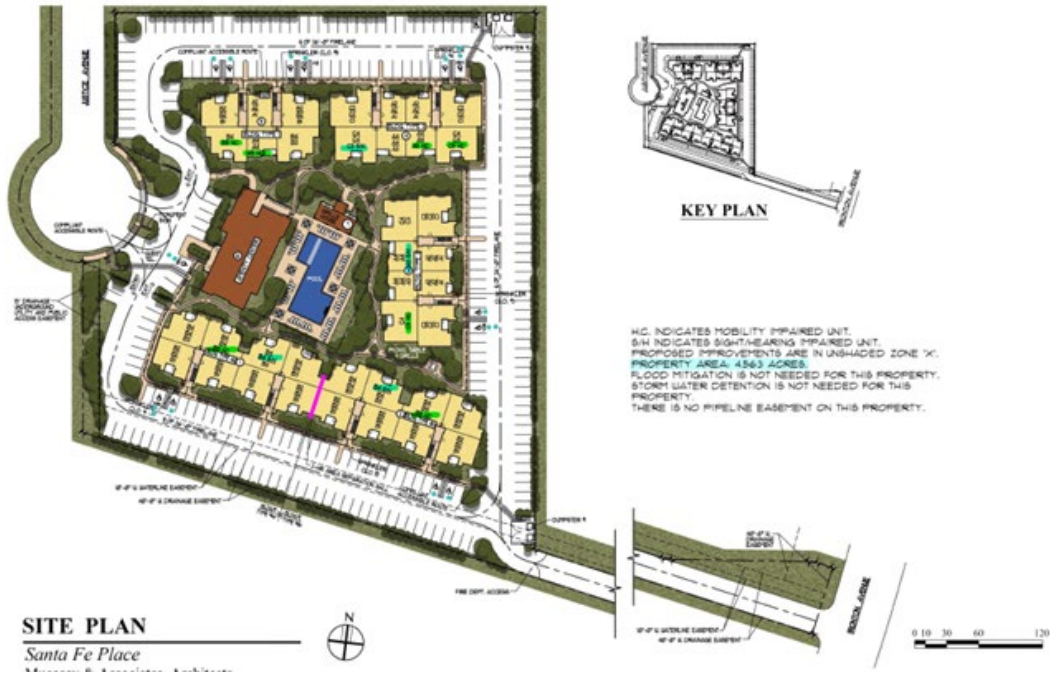
- Receipt and acceptance by Cost Certification:
  - Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

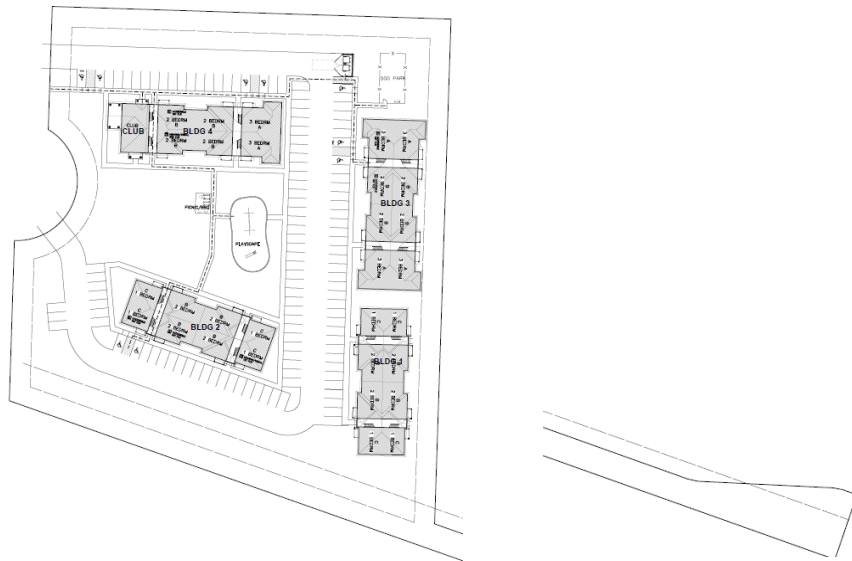
**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	18
60% of AMI	60% of AMI	63

ORIGINAL SITE PLAN



AMENDED SITE PLAN SITE PLAN



## ORIGINAL BUILDING ELEVATION



## AMENDED BUILDING ELEVATION



## ANALYSIS

The development originally received an annual 9% HTC allocation of \$1,967,650 in 2023 for a project consisting of 110 units. Applicant is now requesting the same allocation, but with a unit count reduction from 110 units to 90 units. The amended project design will eliminate all 12 originally proposed market rate units and 8 LIHTC units. Applicant has indicated that the revised project design is necessary in order to make the deal feasible for development due to the economic climate (higher permanent loan interest rate and higher construction costs). NRA is being reduced by 28% from 102,995 sf to 74,100 sf, and the common area is being reduced by 13% from 13,897 sf to 12,088 sf.

Applicant is now anticipating a \$5,145,338 perm loan at 7.00%, amortized over 40 years. This represents a decrease of \$454,662 from the originally proposed \$5,600,000 perm loan at 6.25% amortized over 35 years.

### **Operating Pro Forma**

Underwriter updated to 2024 rents.

The reduction to the unit count from 110 units to 90 units will result in a \$141K reduction of EGI from \$1.1M to \$970K. Projected NOI is reduced by \$40K from \$481K to \$441K.

Underwriter's projected NOI essentially matches Applicant's. Therefore, Applicant's Pro Forma is used for the underwriting analysis.

### **Development Cost**

Based upon the current 90 unit configuration, estimated building costs plus site work are \$154K/unit vs the original application estimate of \$132K/unit. However, total, building costs plus site work will decrease by \$713K from \$14.6M to \$13.9M, which will enable the project to become financially feasible. The Underwriter is within 5% of Applicant's projected costs and therefore, Applicant's projected development costs are used in the underwriting analysis.

Total housing development costs decreased by \$1.5M from \$24.5M to \$23M.

**Sources of Funds**

There has been an increase to the perm loan interest rate and a decrease in equity pricing since the original application was submitted. Applicant is anticipating a \$5,145,338 perm loan at 7.00%, amortized over 40 years. This represents a decrease of \$454,662 from the \$5,600,000 perm loan at 6.25% amortized over 35 years listed in the original application.

As a result of the reduction in development costs, tax credit equity has been reduced by \$787K from the original 9% underwriting in 2023. Equity pricing has decreased from \$0.90 to \$0.86.

Additionally, deferred developer fee was decreased by \$295K.

**Conclusion**

Underwriter recommends an annual 9% tax credit allocation of \$1,967,659 as previously awarded.

Underwriter:	<u>Georgia Simmons</u>
Manager of Real Estate Analysis:	<u>Greg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

**UNIT MIX/RENT SCHEDULE**

*Santa Fe Place (f/k/a Justice Place), Lubbock, 9% HTC #23178*

LOCATION DATA	
CITY:	Lubbock
COUNTY:	Lubbock
Area Median Income	\$84,600
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	24	26.7%	0	0	0
2	48	53.3%	0	0	0
3	18	20.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
<b>TOTAL</b>					
	<b>90</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	823 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	9	-	18	63	-	-	-	90
Income	% Total	0.0%	10.0%	0.0%	20.0%	70.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$482	3	1	1	600	\$482	\$86	\$396	\$0	\$0.66	\$396	\$1,188	\$1,188	\$396	\$1	\$0	\$1,090	\$1.82	\$1,090
TC 50%	\$803	4	1	1	600	\$803	\$86	\$717	\$0	\$1.20	\$717	\$2,868	\$2,868	\$717	\$1	\$0	\$1,090	\$1.82	\$1,090
TC 60%	\$964	17	1	1	600	\$964	\$86	\$878	\$0	\$1.46	\$878	\$14,926	\$14,926	\$878	\$1	\$0	\$1,090	\$1.82	\$1,090
TC 30%	\$579	4	2	2	850	\$579	\$106	\$473	\$0	\$0.56	\$473	\$1,892	\$1,892	\$473	\$1	\$0	\$1,090	\$1.28	\$1,090
TC 50%	\$965	9	2	2	850	\$965	\$106	\$859	\$0	\$1.01	\$859	\$7,731	\$7,731	\$859	\$1	\$0	\$1,090	\$1.28	\$1,090
TC 60%	\$1,158	35	2	2	850	\$1,158	\$106	\$1,052	\$0	\$1.24	\$1,052	\$36,820	\$36,820	\$1,052	\$1	\$0	\$1,090	\$1.28	\$1,090
TC 30%	\$668	2	3	2	1,050	\$668	\$133	\$535	\$0	\$0.51	\$535	\$1,070	\$1,070	\$535	\$1	\$0	\$1,280	\$1.22	\$1,280
TC 50%	\$1,114	5	3	2	1,050	\$1,114	\$133	\$981	\$0	\$0.93	\$981	\$4,905	\$4,905	\$981	\$1	\$0	\$1,280	\$1.22	\$1,280
TC 60%	\$1,337	11	3	2	1,050	\$1,337	\$133	\$1,204	\$0	\$1.15	\$1,204	\$13,244	\$13,244	\$1,204	\$1	\$0	\$1,280	\$1.22	\$1,280
<b>TOTALS/AVERAGES:</b>		<b>90</b>			<b>74,100</b>				<b>\$0</b>	<b>\$1.14</b>	<b>\$940</b>	<b>\$84,644</b>	<b>\$84,644</b>	<b>\$940</b>	<b>\$1.14</b>	<b>\$0</b>	<b>\$1,128</b>	<b>\$1.37</b>	<b>\$1,128</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,015,728</b>	<b>\$1,015,728</b>
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\*MFDL units float among Unit Types

## STABILIZED PRO FORMA

*Santa Fe Place (f/k/a Justice Place), Lubbock, 9% HTC #23178*

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.14	\$940	\$1,015,728	\$1,174,536	\$1,174,536	\$1,015,728	\$940	\$1.14		0.0%	\$0
late fees, app fees and retained deposits						\$30.00	26,400							
Total Secondary Income						\$30.00		26,400	\$32,400	\$30.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$1,048,128	\$1,200,936	\$1,200,936	\$1,048,128				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(78,610)	(90,070)	(78,610)	7.5% PGI			0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$969,518	\$1,110,866	\$1,110,866	\$969,518				0.0%	\$0

General & Administrative	\$36,686	\$408/Unit	\$41,961	\$466	4.18%	\$0.55	\$451	\$40,573	\$56,320	\$47,853	\$36,686	\$408	\$0.50	3.78%	10.6%	3,887
Management	\$32,897	4.7% EGI	\$36,507	\$406	5.00%	\$0.65	\$539	\$48,476	\$44,420	\$44,435	\$48,476	\$539	\$0.65	5.00%	0.0%	0
Payroll & Payroll Tax	\$116,890	\$1,299/Unit	\$129,024	\$1,434	13.82%	\$1.81	\$1,489	\$133,980	\$163,213	\$163,213	\$133,980	\$1,489	\$1.81	13.82%	0.0%	-
Repairs & Maintenance	\$52,482	\$583/Unit	\$48,057	\$534	6.06%	\$0.79	\$653	\$58,799	\$68,780	\$71,500	\$58,500	\$650	\$0.79	6.03%	0.5%	299
Electric/Gas	\$18,340	\$204/Unit	\$21,944	\$244	3.36%	\$0.44	\$362	\$32,560	\$23,451	\$24,627	\$21,944	\$244	\$0.30	2.26%	48.4%	10,616
Water, Sewer, & Trash	\$49,055	\$545/Unit	\$64,032	\$711	3.90%	\$0.51	\$420	\$37,800	\$65,979	\$59,956	\$49,055	\$545	\$0.66	5.06%	-22.9%	(11,255)
Property Insurance	\$55,857	\$0.75 /sf	\$84,787	\$942	7.43%	\$0.97	\$801	\$72,048	\$83,000	\$102,483	\$84,787	\$942	\$1.14	8.75%	-15.0%	(12,739)
Property Tax (@ 100%) 2.272515	\$53,060	\$590/Unit	\$68,871	\$765	8.04%	\$1.05	\$866	\$77,931	\$87,036	\$84,175	\$68,871	\$765	\$0.93	7.10%	13.2%	9,060
Reserve for Replacements					2.32%	\$0.30	\$250	\$22,500	\$27,500	\$27,500	\$22,500	\$250	\$0.30	2.32%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$6,000	\$6,000	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.37%	\$0.05	\$40	\$3,600	\$3,920	\$3,920	\$3,600	\$40	\$0.05	0.37%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>54.49%</b>	<b>\$7.13</b>	<b>\$5,870</b>	<b>\$528,267</b>	<b>\$629,620</b>	<b>\$635,663</b>	<b>\$528,399</b>	<b>\$5,871</b>	<b>\$7.13</b>	<b>54.50%</b>	<b>0.0%</b>	<b>\$ (132)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>45.51%</b>	<b>\$5.95</b>	<b>\$4,903</b>	<b>\$441,251</b>	<b>\$481,246</b>	<b>\$475,203</b>	<b>\$441,119</b>	<b>\$4,901</b>	<b>\$5.95</b>	<b>45.50%</b>	<b>0.0%</b>	<b>\$ 132</b>

<b>CONTROLLABLE EXPENSES</b>	\$3,375/Unit		\$3,335/Unit
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Santa Fe Place (f/k/a Justice Place), Lubbock, 9% HTC #23178*

DEBT / GRANT SOURCES																	
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE								
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
Legacy Bank & Trust		1.15	1.15	383,697	7.00%	40	15.0	\$5,145,338	\$5,600,000	\$5,600,000	\$5,145,338	15.0	40	7.00%	\$383,697	1.15	22.4%
<b>CASH FLOW DEBT / GRANTS</b>																	
City of Lubbock		1.15	1.15		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0	0.00%		1.15	0.0%
				<b>\$383,697</b>	<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$5,145,838</b>	<b>\$5,600,500</b>	<b>\$5,600,500</b>	<b>\$5,145,838</b>	<b>TOTAL DEBT SERVICE</b>			<b>\$383,697</b>	<b>1.15</b>	<b>22.4%</b>
<b>NET CASH FLOW</b>		\$57,422	\$57,554					<b>APPLICANT</b>	<b>NET OPERATING INCOME</b>				\$441,251	\$57,555	<b>NET CASH FLOW</b>		

EQUITY SOURCES														
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE								
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
						Applicant	TDHCA							Applicant
RBC	LIHTC Equity	73.5%	\$1,967,650	\$0.86	\$16,920,098	\$17,707,079	\$17,707,079	\$16,920,098	\$0.8599	\$1,967,650	73.5%	\$21,863	Applicant Request	
Overland Property Group	Deferred Developer Fees	4.1%	(44% Deferred)		\$950,794	\$1,246,136	\$1,246,136	\$1,246,136	(58% Deferred)		5.4%	Total Developer Fee:	\$2,148,500	
Additional (Excess) Funds Req'd		0.0%					\$0				0.0%			
<b>TOTAL EQUITY SOURCES</b>		<b>77.6%</b>			<b>\$17,870,892</b>	<b>\$18,953,215</b>	<b>\$18,953,215</b>	<b>\$18,166,234</b>			<b>78.9%</b>			
<b>TOTAL CAPITALIZATION</b>					<b>\$23,016,730</b>	<b>\$24,553,715</b>	<b>\$24,553,715</b>	<b>\$23,312,072</b>					15-Yr Cash Flow after Deferred Fee:	<b>\$2,790</b>

DEVELOPMENT COST / ITEMIZED BASIS															
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE			
Eligible Basis		Total Costs				Prior Underwriting		Total Costs				Eligible Basis		%	\$
Acquisition	New Const. Rehab					Applicant	TDHCA					New Const. Rehab	Acquisition		
Land Acquisition		\$13,803 / Unit	\$1,242,277	\$1,242,277	\$1,242,277	\$1,242,277	\$1,242,277	\$13,803 / Unit					0.0%	\$0	
Off-Sites	\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$ / Unit		\$0			0.0%	\$0	
Site Work	\$1,967,321	\$21,859 / Unit	\$1,967,321	\$1,645,067	\$1,645,067	\$1,967,321	\$21,859 / Unit	\$1,967,321					0.0%	\$0	
Site Amenities	\$38,805	\$431 / Unit	\$38,805	\$380,000	\$380,000	\$38,805	\$431 / Unit	\$38,805					0.0%	\$0	
Building Cost	\$11,855,776	\$160.00 /sf	\$131,731/Unit	\$11,855,776	\$12,549,583	\$12,711,077	\$10,799,855	\$119,998/Unit	\$145.75 /sf	\$10,799,855			9.8%	\$1,055,921	
Contingency	\$713,108	5.14%	5.14%	\$713,108	\$728,733	\$728,733	\$713,108	5.57%	5.57%	\$713,108			0.0%	\$0	
Contractor Fees	\$1,711,860	11.75%	11.75%	\$1,711,860	\$2,040,451	\$2,040,451	\$1,711,860	12.66%	12.66%	\$1,711,860			0.0%	\$0	
Soft Costs	\$0	\$1,093,300	\$12,503 / Unit	\$1,125,300	\$1,142,039	\$1,142,039	\$1,125,300	\$12,503 / Unit		\$1,093,300	\$0		0.0%	\$0	
Financing	\$0	\$1,564,346	\$19,531 / Unit	\$1,757,799	\$1,292,515	\$1,292,515	\$1,757,799	\$19,531 / Unit		\$1,564,346	\$0		0.0%	\$0	
Developer Fee	\$0	\$2,148,500	11.34%	11.34%	\$2,148,500	\$2,945,983	\$2,945,983	\$2,148,500	12.01%	12.01%	\$2,148,500	\$0		0.0%	\$0
Reserves			6 Months	\$455,982	\$587,068	\$587,068	\$455,982	6 Months					0.0%	\$0	
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		<b>\$0</b>	<b>\$21,093,016</b>	<b>\$255,741 / Unit</b>	<b>\$23,016,728</b>	<b>\$24,553,715</b>	<b>\$24,715,208</b>	<b>\$21,960,806</b>	<b>\$244,009 / Unit</b>	<b>\$20,037,095</b>	<b>\$0</b>	<b>4.8%</b>	<b>\$1,055,921</b>		
Acquisition Cost	\$0			\$0	\$0										
Contingency	\$0			\$0	\$0										
Contractor's Fee	\$0			\$0	\$0										
Financing Cost	\$0			\$0	\$0										
Developer Fee	\$0	\$0		\$0	\$0										
Reserves				\$0	\$0										
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$21,093,016</b>	<b>\$255,741/unit</b>	<b>\$23,016,728</b>	<b>\$24,553,715</b>	<b>\$24,715,208</b>	<b>\$21,960,806</b>	<b>\$244,009/unit</b>	<b>\$20,037,095</b>	<b>\$0</b>	<b>4.8%</b>	<b>\$1,055,921</b>		
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						<b>\$23,016,728</b>									

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Santa Fe Place (f/k/a Justice Place), Lubbock, 9% HTC #23178*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$21,093,016	\$0	\$20,037,095
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$21,093,016	\$0	\$20,037,095
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$27,420,921	\$0	\$26,048,223
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$27,420,921	\$0	\$26,048,223
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,467,883	\$0	\$2,344,340
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,467,883		\$2,344,340	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.8599	Credits	Proceeds
<b>Eligible Basis</b>	\$2,467,883	\$21,221,671	----	----	----
<b>Needed to Fill Gap</b>	\$2,078,218	\$17,870,890	----	----	----
<b>Applicant Request</b>	\$1,967,650	\$16,920,098	<b>\$1,967,650</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	74,100 SF	\$122.74	9,095,030
Adjustments				
Exterior Wall Finish	2.57%		3.15	\$233,658
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.32%		4.08	302,058
Roof Adjustment(s)			(0.25)	(18,525)
Subfloor			(0.16)	(11,609)
Floor Cover			5.52	409,032
Breezeways	\$44.26	10,704	6.39	473,759
Balconies	\$44.40	4,666	2.80	207,175
Plumbing Fixtures	\$2,130	270	7.76	575,100
Rough-ins	\$790	180	1.92	142,200
Built-In Appliances	\$3,675	90	4.46	330,750
Exterior Stairs	\$5,200	20	1.40	104,000
Heating/Cooling			3.49	258,609
Storage Space	\$44.26	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$197.04	1,321	3.51	260,293
Elevators			0.00	0
<b>Other:</b>			0.00	0
Fire Sprinklers	\$3.65	86,125	4.24	314,356
<b>SUBTOTAL</b>			<b>171.06</b>	<b>12,675,886</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>171.06</b>	<b>\$12,675,886</b>
Plans, specs, survey, bldg permits	3.30%		(5.65)	(\$418,304)
Contractor's OH & Profit	11.50%		(19.67)	(1,457,727)
<b>NET BUILDING COSTS</b>		\$119,998/unit	\$145.75/sf	\$10,799,855



## Long-Term Pro Forma

*Santa Fe Place (f/k/a Justice Place), Lubbock, 9% HTC #23178*

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$969,518	\$988,909	\$1,008,687	\$1,028,861	\$1,049,438	\$1,158,664	\$1,279,259	\$1,412,405	\$1,559,410	\$1,721,714	\$1,900,911	\$2,098,760
TOTAL EXPENSES	3.00%	\$528,267	\$543,630	\$559,445	\$575,724	\$592,481	\$683,952	\$789,690	\$911,937	\$1,053,287	\$1,216,745	\$1,405,789	\$1,624,449
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$441,251</b>	<b>\$445,279</b>	<b>\$449,242</b>	<b>\$453,137</b>	<b>\$456,957</b>	<b>\$474,712</b>	<b>\$489,569</b>	<b>\$500,468</b>	<b>\$506,123</b>	<b>\$504,969</b>	<b>\$495,122</b>	<b>\$474,311</b>
EXPENSE/INCOME RATIO		54.5%	55.0%	55.5%	56.0%	56.5%	59.0%	61.7%	64.6%	67.5%	70.7%	74.0%	77.4%
<b>MUST -PAY DEBT SERVICE</b>													
Legacy Bank & Trust		\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697
TOTAL DEBT SERVICE		\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697	\$383,697
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.18	1.19	1.24	1.28	1.30	1.32	1.32	1.29	1.24
<b>ANNUAL CASH FLOW</b>													
		<b>\$57,555</b>	<b>\$61,582</b>	<b>\$65,545</b>	<b>\$69,440</b>	<b>\$73,260</b>	<b>\$91,016</b>	<b>\$105,872</b>	<b>\$116,772</b>	<b>\$122,426</b>	<b>\$121,272</b>	<b>\$111,425</b>	<b>\$90,614</b>
Deferred Developer Fee Balance		\$1,188,581	\$1,127,000	\$1,061,454	\$992,014	\$918,754	\$498,213	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,790</b>	<b>\$566,671</b>	<b>\$1,169,880</b>	<b>\$1,781,623</b>	<b>\$2,362,344</b>	<b>\$2,861,931</b>