

# Marina Gardens Apartments

Sparks, NV

FOR DISCUSSION PURPOSES ONLY

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**200-Unit Affordable Family Development  
Tax-Exempt Bond w/ Freddie Mac Mod Rehab Taxable Perm / 4% LIHTC Financing  
No Prevailing Wage**

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Sources				Uses			
	Amount	Rate	Amort				
Permanent Debt (Freddie Mod Rehab Taxable)	13,250,000	5.250%	35	<b>Acquisition</b>	Land	2,089,500	<b>13,000,000</b>
<b>Washoe Co HOME/HTF</b>	-	3.00%	35		Building	10,910,500	
Seller's Note	301,729	3.00%		<b>Hard Costs</b>	Site Work	350,000	<b>4,717,470</b>
Contractors Note	400,000	3.00%	30		Off-Site Development	-	
Limited Partner Equity	7,001,800		0.930		Residential Construction	3,411,938	
GP Loan	-	3.00%	5		Appliance, Flooring & Blinds	-	
GIC Income	149,063				General Requirements	225,716	
Cash Flow Prior to Conversion	1,181,786				Contractor Overhead	75,239	
Def. Dev. Fee	1,548,587	3.00%	15		Contractor Profit	225,716	
					Common Space FF&E	-	
					Hard Cost Contingency	428,861	
<b>Total Sources</b>	<b>23,832,966</b>			<b>Soft Costs</b>	Architectural & Engineering	235,000	<b>2,632,075</b>
<b>Total Uses</b>	<b>23,832,966</b>				Environmental/Soil/Survey	30,000	
Check	-				Bond & Insurance	-	
DSC (yr. 0)	1,274				Permit & Impact Fees	-	
Dev. Fee Def.	50,000				RE Taxes during construct.	-	
Paid Fee	1,551,413				CoC Insurance	-	
Bridge Amount	4,328,065	3.25%	4,328,065		Appraisal/Third Party Reports	25,000	
Total Bond Issuance	17,578,065				Title & Recording	15,000	
GIC Income	149,063				Developer Legal	65,000	
Cash Flow Prior to Conversion (See Lease-Up page)	1,181,786				Marketing/Lease-Up	-	
				Relocation	50,000		
				Accounting & Audit	35,000		
				Construction loan fee	166,835		
				Permanent Loan Fee	185,750		
				Short Term Bond Execution Costs	178,875		
				Costs of Issuance	281,300		
				Construction Period Interest	1,043,438		
				Bridge Loan Interest	74,627		
				Development Consultant	60,000		
				NHD Fee	86,250		
				Long Term Rate Cap	-		
				Soft Cost Contingency	100,000		
				<b>Fees/Reserves</b>	Section 8 Reserve	-	<b>3,483,420</b>
					Operating Reserve	383,420	
					Replacement Reserve	-	
					Developer Fee	3,100,000	
				<b>Total</b>	<b>23,832,966</b>		

Costs of Issuance	
Printing and Mailing the Official Statement	3,800
Rating Agency Fees	13,500
Trustee Acceptance and First Year	10,000
Underwriter's Counsel (included in origination fee)	-
Bond Counsel	40,000
Tax Credit/Bond Application & Credit Issuance Fees	25,000
State Bond Fees, Counsel & Advisory	50,000
Tax Credit Counsel	25,000
Perm. Lender Counsel	23,500
Freddie Mac Counsel	35,500
Processing Costs	15,000
Construction Lender Counsel & Misc. Costs & Fees	40,000
<b>Total</b>	<b>281,300</b>

200 units

**Uses**

<b>Acquisition</b>	Land	2,089,500	2013 assessor's valuation	\$65,000	per unit	11.78
	Building	10,910,500				acres
<b>Hard Costs</b>	Site Work	350,000	estimate			
	Off-Site Development	0				
	Residential Construction	3,411,938	\$22.59 per NSF	per Ovation #s	151,040 NSF residential	
	Appliance, Flooring & Blinds	0	N/A		151,040 total GSF	
	General Requirements	225,716	6.00% of hard cost		0.00% grossing factor	
	Contractor Overhead	75,239	2.00% of hard cost			
	Contractor Profit	225,716	6.00% of hard cost			
	Common Space FF&E	0	in const. hard cost			
	Hard Cost Contingency	428,861	10.00% of hard cost	4,717,470	23,587 per unit total	
<b>Soft Costs</b>	Architectural & Engineering	235,000	5.48% of hard cost	estimate		
	Environmental/Soil/Survey	30,000	estimate			
	Bond & Insurance	0	In hard cost			
	Permit & Impact Fees	0	in hard cost			
	RE Taxes during construct.	0	in operating budget			
	CoC Insurance	0	in operating budget			
	Appraisal/Third Party Reports	25,000	estimate			
	Title & Recording	15,000	estimate			
	Developer Legal	65,000	estimate			
	Marketing/Lease-Up	0	\$0 lease-up deficit, plus marketing (see Lease-Up sheet)			
	Relocation	50,000	estimate			
	Accounting & Audit	35,000	estimate			
	Construction loan fee	166,835	0.75% of bond amount + \$35K legal			
	Permanent Loan Fee	185,750	1.10% of permanent loan amount + \$40K legal and 3rd-party costs			
	Short Term Bond Execution Costs	178,875	0.90% of issuance amount (18 months)			
	Costs of Issuance	281,300	see insert on page			
	Construction Period Interest	1,043,438	5.25% rate	See cash flow page	1,043,438	
	Bridge Loan Interest	74,627	3.25% rate	See cash flow page	74,627	
	Development Consultant	60,000				
	NHD Fee	86,250	\$2,500 application fee + 9.5% of credit reservation fee + energy audit fee		752,957	
	Long Term Rate Cap	0				
	Soft Cost Contingency	100,000	3.95% of soft costs			
<b>Fees/Reserves</b>	Section 8 Reserve	0				
	Operating Reserve	383,420	3 months expenses, reserves & debt service			383,420
	Replacement Reserve	0				
	Developer Fee	3,100,000	15.0% of total project cost			3,109,945
	<b>Total</b>	<b>23,832,966</b>				

**Marina Gardens Apartments**

**FOR DISCUSSION PURPOSES**

**Operating Income Assumptions**

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Unit Mix	%AMI	Units	% Units	Res. SF	Allowable Monthly Rent	Less Utility Allowance *	Adj. Allowable Monthly Rent	Tenant Share Monthly Rent	Monthly Revenues	Yearly Revenues
Studio/Eff.										
<40% AMI		0	0.0%	0	\$476	\$0	\$476	\$0	\$0	\$0
<50% AMI		0	0.0%	0	\$595	\$0	\$595	\$0	\$0	\$0
<60% AMI		0	0.0%	0	\$714	\$0	\$714	\$0	\$0	\$0
1 Bedroom										
<40% AMI		0	0.0%	616	\$510	\$75	\$435	\$0	\$0	\$0
<50% AMI		0	0.0%	616	\$637	\$75	\$562	\$0	\$0	\$0
<60% AMI		60	30.0%	616	\$765	\$75	\$690	\$640	\$38,400	\$460,800
2 Bedroom										
<40% AMI		0	0.0%	768	\$612	\$89	\$523	\$0	\$0	\$0
<50% AMI		0	0.0%	768	\$765	\$89	\$676	\$0	\$0	\$0
<60% AMI		100	50.0%	768	\$918	\$89	\$829	\$765	\$76,500	\$918,000
3 Bedroom										
<40% AMI		0	0.0%	932	\$706	\$108	\$598	\$0	\$0	\$0
<50% AMI		0	0.0%	932	\$883	\$108	\$775	\$0	\$0	\$0
<60% AMI		40	20.0%	932	\$1,059	\$108	\$951	\$895	\$35,800	\$429,600
Manager's Unit										
		0	0.0%	0	\$0	\$0	\$0	\$0	\$0	\$0
Total		200		151,040					150,700	1,808,400
		Avg. Per Unit		755						

\* Reno Housing Authority Section 8 Allowance (eff. for move-ins 1/1/12)  
(assume tenant paid electricity and gas)

Laundry @	1.38%	\$25,000
Other Income @	1.11%	\$20,000
<b>Total Income</b>		<b>\$1,853,400</b>

	1 person	1.5 persons	2 persons	3 persons	4 persons	4.5 persons	5 persons
30% AMI	14,250	15,275	16,300	18,350	20,350	21,175	22,000
40% AMI	19,025	20,388	21,750	24,475	27,150	28,250	29,350
50% AMI	23,800	25,500	27,200	30,600	33,950	35,325	36,700
60% AMI	28,560	30,600	32,640	36,720	40,740	42,390	44,040
80% AMI	38,050	40,750	43,450	48,900	54,300	56,475	58,650

	0 bedroom	1 bedroom	2 bedroom	3 bedroom	4 bedroom
	549	697	921	1,357	1,631

Expenses

Administration

Marketing	10,000	
Office Supplies	1,250	
Legal	5,000	
Audit	5,000	
Telephone	5,100	
Miscellaneous Admin.	16,581	
NHD Fees	7,000	\$35 per LIHTC unit
Other	0	
<b>TOTAL ADMIN. EXPENSE</b>	<b>49,931</b>	

Utilities

Fuel Oil	0	
Electric	10,000	0.07 per NSF
Natural Gas	6,000	0.04 per NSF
Water	58,600	0.39 per NSF
Sewer	68,144	0.45 per NSF
Cable TV	0	0.00 per unit/month
<b>TOTAL UTILITIES</b>	<b>142,744</b>	

Operating and Maintenance

Elevator Maintenance	0
Extermination	2,184
Rubbish Removal	46,000
Security	3,878
Grounds/Parking Maint.	17,596
Repairs Materials	4,914
Repairs Contract	7,860
Pool Maint.	4,200
HVAC Maintenance	2,184
Turnover Costs	38,000
Misc. Oper. & Maint. Expens:	3,007
Other	0
<b>TOTAL OPER. &amp; MAINT.</b>	<b>129,823</b>

Payroll

Manager	41,995	
Leasing Agent	0	
Service Coord.	0	
Janitor's Salaries	18,720	
Maint. Salaries	58,885	
Employers Payroll Tax	15,858	13.3%
Workman's Comp.	4,072	3.4%
Employee Benefits	2,240	1.9%
Employee Apt. Rent	0	
Commissions and Bonuses	0	0.0%
<b>TOTAL PAYROLL EXPENSE</b>	<b>141,770</b>	

Taxes and Insurance

Real Estate Taxes	84,000
Misc. Taxes & Permits	0
Property & Liab. Ins.	22,000
Misc. Insurance	0
Other	0
<b>TOTAL TAXES &amp; INS.</b>	<b>106,000</b>

Prop. Mgmt. and LIHTC Mgmt. Fees

Property Management Fee	70,429	4.0% of EGI
Bookkeeping Fee	0	
Investor Mgmt. Fee	0	
Partship Mgmt. Fee	0	
	<b>70,429</b>	

<b>TOTAL OPER. EXPENSES</b>	<b>640,697</b>	3,203 per unit 267 monthly
Operating Expenses + Replacement		3,528 per unit 294 monthly

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**FOR DISCUSSION PURPOSES**

**Operating Statement**

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Base Year Rental Revenue	1,808,400	Construction Start	4/1/14
Ancillary Base Year Rental Revenue	45,000	50% Completion	10/1/14
Base Year Expenses	640,697	100% Completion	4/1/15
First Mortgage Debt Service	827,981	Placed-in-Service Date	4/1/14
		Full Lease Up	6/1/15
Income Trending	2.00%	Conversion	10/1/15
Expense Trending	3.00%		
LIHTC Vacancy Rate	5.0%		
Replacement Reserve	\$325.00 /unit		
Days of Oper. In Yr. 1	274		

	<u>Year</u>	<u>GIC Income</u>	<u>Rental Revenue</u>	<u>Ancillary Revenue</u>	<u>Vacancy</u>	<u>Operating Expenses</u>	<u>Reserve Funding</u>	<u>Net Oper Income</u>	<u>Debt Service (1st Mtge)</u>	<u>Less Capitalized Cash Flow *</u>	<u>Cash Flow</u>	<u>1st Mtg. DCR</u>
<b>Year 0</b>	2013	99,375						99,375	-		99,375	
<b>Year 1*</b>	2014	49,688	1,152,855	33,750	(118,661)	(480,523)	-	637,109	-	(587,422)	49,687	
<b>Year 2*</b>	2015		1,567,883	45,900	(78,394)	(659,918)	(13,390)	862,081	(206,995)	(594,365)	60,720	
<b>Year 3</b>	2016		1,881,459	46,818	(96,414)	(679,716)	(68,959)	1,083,189	(827,981)	-	255,208	1.31
<b>Year 4</b>	2017		1,919,089	47,754	(98,342)	(700,107)	(71,027)	1,097,366	(827,981)	-	269,385	1.33
<b>Year 5</b>	2018		1,957,470	48,709	(100,309)	(721,110)	(73,158)	1,111,602	(827,981)	-	283,621	1.34
<b>Year 6</b>	2019		1,996,620	49,684	(102,315)	(742,744)	(75,353)	1,125,892	(827,981)	-	297,910	1.36
<b>Year 7</b>	2020		2,036,552	50,677	(104,361)	(765,026)	(77,613)	1,140,229	(827,981)	-	312,247	1.38
<b>Year 8</b>	2021		2,077,283	51,691	(106,449)	(787,977)	(79,942)	1,154,607	(827,981)	-	326,625	1.39
<b>Year 9</b>	2022		2,118,829	52,725	(108,578)	(811,616)	(82,340)	1,169,020	(827,981)	-	341,038	1.41
<b>Year 10</b>	2023		2,161,205	53,779	(110,749)	(835,965)	(84,810)	1,183,461	(827,981)	-	355,479	1.43
<b>Year 11</b>	2024		2,204,430	54,855	(112,964)	(861,043)	(87,355)	1,197,922	(827,981)	-	369,941	1.45
<b>Year 12</b>	2025		2,248,518	55,952	(115,223)	(886,875)	(89,975)	1,212,396	(827,981)	-	384,415	1.46
<b>Year 13</b>	2026		2,293,488	57,071	(117,528)	(913,481)	(92,674)	1,226,876	(827,981)	-	398,894	1.48
<b>Year 14</b>	2027		2,339,358	58,212	(119,879)	(940,885)	(95,455)	1,241,352	(827,981)	-	413,370	1.50
<b>Year 15</b>	2028		2,386,145	59,377	(122,276)	(969,112)	(98,318)	1,255,816	(827,981)	-	427,834	1.52
<b>Year 16</b>	2029		2,433,868	60,564	(124,722)	(998,185)	(101,268)	1,270,258	(827,981)	-	442,276	1.53
<b>Year 17</b>	2030		2,482,546	61,775	(127,216)	(1,028,131)	(104,306)	1,284,668	(827,981)	-	456,687	1.55

\* See Lease-Up Worksheet

Year 1 DSC 1.27 (for calculating 1st yr. mortgage amount)

	Date	60 1 BR	100 2 BR	40 3 BR	% Leased	LITHC Days	Total Rent	Ancillary Income	Vacancy @ 10.0%	Fixed Operating Expenses	Variable Operating Expenses	Debt Service	Replacement Reserves	Lease-Up Reserve	Cum. Lease Reserves	Cash Flow Prior To Conversion	
2014	Jan-14	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	
	Feb-14	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	
	Mar-14	0	0	0	0%	0	0	0	0	0	0	0	0	0	0	0	
	Apr-14	60	100	40	100%	6,083	Placed In Ser	128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	May-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Jun-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Jul-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Aug-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Sep-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Oct-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Nov-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
	Dec-14	60	100	40	100%	6,083		128,095	3,750	13,185	38,329	15,062	0	0	0	0	65,269
2015	Jan-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Feb-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Mar-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Apr-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	May-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Jun-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Jul-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Aug-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Sep-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	0	0	0	0	66,041
	Oct-15	60	100	40	100%	6,083	Conversion	130,657	3,825	13,448	39,479	15,514	68,998	4,463	7,421	7,421	1,181,786
	Nov-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	68,998	4,463	7,421	14,843	
	Dec-15	60	100	40	100%	6,083		130,657	3,825	13,448	39,479	15,514	68,998	4,463	7,421	22,264	

Rent/Unit

Year	1 BR Rent	2 BR Rent	3 BR Rent	Anc. Income	LITHC %	Total Rent	Ancillary Income	Vacancy	Fixed Expenses	Variable Expenses	Debt Service	Replacement Reserves	Lease-Up Reserves
2014	544	650	761	19	75.00%	1,152,855	33,750	118,661	344,965	135,558	0	0	0
2015	555	663	776	19	100.00%	1,567,883	45,900	161,378	473,752	186,166	206,995	13,390	22,264

NOTE: INITIAL RENTS DISCOUNTED BY 15%

Income trend	2.00%
Expense tren	3.00%

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Tax Credit Analysis

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Uses	Total	Residential Depreciation	Commercial Depreciation	Acquisition	Equipment & Personal Prop	Amort Site Imprvmt	Amortize 1st Mortgage	Expensed	Non- Depreciation	4% Credit Basis
Land	2,089,500	0	0	0	0	0	0	0	2,089,500	0
Building	10,910,500	0	0	10,910,500	0	0	0	0	0	0
Site Work	350,000	0	0	0	0	350,000	0	0	0	350,000
Off-Site Development	0	0	0	0	0	0	0	0	0	0
Residential Construction	3,411,938	3,411,938	0	0	0	0	0	0	0	3,411,938
Appliance, Flooring & Blinds	0	0	0	0	0	0	0	0	0	0
General Requirements	225,716	225,716	0	0	0	0	0	0	0	225,716
Contractor Overhead	75,239	75,239	0	0	0	0	0	0	0	75,239
Contractor Profit	225,716	225,716	0	0	0	0	0	0	0	225,716
Common Space FF&E	0	0	0	0	0	0	0	0	0	0
Hard Cost Contingency	428,861	428,861	0	0	0	0	0	0	0	428,861
Architectural & Engineering	235,000	235,000	0	0	0	0	0	0	0	235,000
Environmental/Soil/Survey	30,000	30,000	0	0	0	0	0	0	0	30,000
Bond & Insurance	0	0	0	0	0	0	0	0	0	0
Permit & Impact Fees	0	0	0	0	0	0	0	0	0	0
RE Taxes during construct.	0	0	0	0	0	0	0	0	0	0
CoC Insurance	0	0	0	0	0	0	0	0	0	0
Appraisal/Third Party Reports	25,000	25,000	0	0	0	0	0	0	0	25,000
Title & Recording	15,000	15,000	0	0	0	0	0	0	0	15,000
Developer Legal	65,000	30,000	0	0	0	0	20,000	0	15,000	30,000
Marketing/Lease-Up	0	0	0	0	0	0	0	0	0	0
Relocation	50,000	0	0	0	0	0	0	0	50,000	0
Accounting & Audit	35,000	35,000	0	0	0	0	0	0	0	35,000
Construction loan fee	166,835	166,835	0	0	0	0	0	0	0	166,835
Permanent Loan Fee	185,750	0	0	0	0	0	185,750	0	0	0
Short Term Bond Execution Costs	178,875	0	0	0	0	0	178,875	0	0	0
Costs of Issuance	281,300	0	0	0	0	0	281,300	0	0	0
Construction Period Interest	1,043,438	753,594	0	0	0	0	0	289,844	0	753,594
Bridge Loan Interest	74,627	74,627	0	0	0	0	0	0	0	74,627
Development Consultant	60,000	60,000	0	0	0	0	0	0	0	60,000
NHD Fee	86,250	86,250	0	0	0	0	0	0	0	86,250
Long Term Rate Cap	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	100,000	100,000	0	0	0	0	0	0	0	100,000
Section 8 Reserve	0	0	0	0	0	0	0	0	0	0
Operating Reserve	383,420	0	0	0	0	0	0	0	383,420	0
Replacement Reserve	0	0	0	0	0	0	0	0	0	0
Developer Fee	3,100,000	3,100,000	0	0	0	0	0	0	0	3,100,000
<b>TOTAL USES</b>	<b>23,832,966</b>	<b>9,078,777</b>	<b>0</b>	<b>10,910,500</b>	<b>0</b>	<b>350,000</b>	<b>665,925</b>	<b>289,844</b>	<b>2,537,920</b>	<b>9,428,777</b>

	Acquisition	Rehab	
Eligible Basis	10,910,500	9,428,777	
QCT/DDA	100%	130%	QCT
Adj. Basis	10,910,500	12,257,410	
Appl. Fraction	100.00%	100.00%	
Nov 13 Rate	3.25%	3.25%	
	354,591	398,366	
Total Credits		752,957	
Estimated Raise		0.930	
LP share		99.99%	
Projected Equity		7,001,800	
Actual Equity Contribution		7,001,800	7,001,800

<b>TE Bpnd 50% Test</b>	
eligible basis + land	22,428,777
TE issuance	17,578,065
<b>Test</b>	<b>78.37%</b>

Construction Interest During Operations: 289,844 bonds

**Marina Gardens Apartments**

FOR DISCUSSION PURPOSES

Depreciation Analysis

Sparks, NV Page 8

	Rehabilitation	Commercial	Acquisition
Total Capitalized Costs	12,922,466	-	10,910,500
(Equip & Personal Property)	-	-	-
(Site Improvements)	(350,000)	-	-
(First Mortgage)	(665,925)	-	-
(Expensed)	(289,844)	-	-
(Non-Depreciation)	(2,537,920)	-	-
(Historic Tax Credit)	-	-	-

Total Real Property In Service Date 9,078,777 - 10,910,500  
4/1/14 274 days remaining in Year 1

Year	Rehabilitation Real Property 27.5	Dev. Fee Real Property 27.5	Commercial Real Property 31.0	Acquisition Real Property 27.5	Equipment & Personal Property (See schedule)	Site Improvements 150% 15	First Mortgage 35	Expensed Year 2014	Replacement Reserves 27.5	Total	Equipment & Pers Prop Schedule
2014	163,206	84,623	-	297,831	-	26,274	14,283	289,844	-	876,061	14.29%
2015	217,410	112,727	-	396,745	-	32,373	19,026	-	-	778,282	24.49%
2016	217,410	112,727	-	396,745	-	29,135	19,026	-	-	775,045	17.49%
2017	217,410	112,727	-	396,745	-	26,222	19,026	-	8,462	780,593	12.49%
2018	217,410	112,727	-	396,745	-	23,600	19,026	-	8,462	777,971	8.93%
2019	217,410	112,727	-	396,745	-	21,240	19,026	-	8,462	775,611	8.92%
2020	217,410	112,727	-	396,745	-	19,116	19,026	-	8,462	773,487	8.93%
2021	217,410	112,727	-	396,745	-	17,204	19,026	-	20,266	783,379	4.46%
2022	217,410	112,727	-	396,745	-	15,484	19,026	-	20,266	781,659	0.00%
2023	217,410	112,727	-	396,745	-	13,935	19,026	-	20,266	780,110	0.00%
2024	217,410	112,727	-	396,745	-	12,542	19,026	-	20,266	778,717	0.00%
2025	217,410	112,727	-	396,745	-	11,288	19,026	-	33,551	790,748	0.00%
2026	217,410	112,727	-	396,745	-	10,159	19,026	-	33,551	789,619	0.00%
2027	217,410	112,727	-	396,745	-	9,143	19,026	-	33,551	788,603	0.00%
2028	217,410	112,727	-	396,745	-	8,229	19,026	-	33,551	787,689	0.00%
2029	217,410	112,727	-	396,745	-	7,406	19,026	-	48,503	801,818	0.00%
2030	217,410	112,727	-	396,745	-	6,665	19,026	-	48,503	801,077	0.00%

## Marina Gardens Apartments

## FOR DISCUSSION PURPOSES

## Investor Annual Benefits

Sparks, NV

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		Net	Reserve	Asset Mgmt.	Interest	Interest	Interest	Interest	Interest	Depreciation	Taxable
	Year	Operating	Interest	Fee and Investor	Expense	Expense	Expense	Expense	Expense	and	Income
		Income		Service Fee	Const. Loan	1st Mtg.	2nd Mtg.	3rd Mtg.	Sellers Note & Def Dev Fee	Amortization	(Loss)
Year 0	2013	99,375						(9,091)		-	90,284
Year 1	2014	637,109					(9,177)	(12,443)		(876,061)	(260,572)
Year 2	2015	862,081	-	(15,000)	-	(9,457)	(12,821)	(13,211)	(55,509)	(778,282)	(8,989)
Year 3	2016	1,083,189	(1,379)	(15,450)	-	(173,761)	(9,744)	(13,211)	(55,509)	(775,045)	39,089
Year 4	2017	1,097,366	(1,675)	(15,914)	-	(690,606)	(10,041)	(13,613)	(49,982)	(780,593)	(465,057)
Year 5	2018	1,111,602	(3,129)	(16,391)	-	(683,218)	(10,346)	(14,027)	(43,877)	(777,971)	(437,356)
Year 6	2019	1,125,892	-	(16,883)	-	(675,432)	(10,661)	(14,454)	(37,177)	(775,611)	(404,325)
Year 7	2020	1,140,229	(1,507)	(17,389)	-	(667,227)	(10,985)	(14,893)	(29,861)	(773,487)	(375,122)
Year 8	2021	1,154,607	(3,089)	(17,911)	-	(658,582)	(11,319)	(15,346)	(21,911)	(783,379)	(356,931)
Year 9	2022	1,169,020	(4,750)	(18,448)	-	(649,471)	(11,663)	(15,813)	(13,307)	(781,659)	(326,092)
Year 10	2023	1,183,461	-	(19,002)	-	(639,871)	(12,018)	(16,294)	(4,029)	(780,110)	(287,863)
Year 11	2024	1,197,922	(1,696)	(19,572)	-	(629,754)	(12,384)	(16,790)	5,945	(778,717)	(255,045)
Year 12	2025	1,212,396	(3,477)	(20,159)	-	(619,093)	(12,760)	(17,301)	16,634	(790,748)	(234,506)
Year 13	2026	1,226,876	(5,346)	(20,764)	-	(607,858)	(13,148)	(17,827)	28,061	(789,619)	(199,625)
Year 14	2027	1,241,352	-	(21,386)	-	(596,019)	(13,548)	(18,369)	40,247	(788,603)	(156,328)
Year 15	2028	1,255,816	(1,909)	(22,028)	-	(583,544)	(13,960)	(18,928)	53,213	(787,689)	(119,029)
Year 16	2029	1,270,258	(3,914)	(22,689)	-	(570,398)	(14,385)	(19,503)	65,602	(801,818)	(96,847)
Year 17	2030	1,284,668	(6,017)	(23,370)	-	(556,544)	(14,822)	(20,097)	-	(801,077)	(137,260)
Total											(3,821,286)

**Marina Gardens Apartments**

**Taxable Benefits**

Sparks, NV

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LP ownership interest: 99.99%  
 Year 1 Credit %: 75.00%  
 Year 2 Credit %: 100.00%

	Year	Taxable Income (Loss)	Benefits from Tax Losses @ 35.0%	Tax Consequences of Sale for \$1	Low-Income Housing Tax Credits	Total Benefits	Investor Contributions	IRR Analysis	Capital Acct.
Year 0	2013	90,284	(31,600)			(31,600)	-	(31,600)	90,284
Year 1	2014	(260,572)	91,200		564,661	655,862	700,180	(44,319)	529,893
Year 2	2015	(8,989)	3,146		752,882	756,028	6,301,620	(5,545,593)	6,822,524
Year 3	2016	39,089	(13,681)		752,882	739,200	-	739,200	6,861,614
Year 4	2017	(465,057)	162,770		752,882	915,652	-	915,652	6,396,557
Year 5	2018	(437,356)	153,075		752,882	905,957	-	905,957	5,959,201
Year 6	2019	(404,325)	141,514		752,882	894,396	-	894,396	5,554,875
Year 7	2020	(375,122)	131,293		752,882	884,174	-	884,174	5,179,753
Year 8	2021	(356,931)	124,926		752,882	877,808	-	877,808	4,822,822
Year 9	2022	(326,092)	114,132		752,882	867,014	-	867,014	4,496,730
Year 10	2023	(287,863)	100,752		752,882	853,634	-	853,634	4,208,867
Year 11	2024	(255,045)	89,266		188,220	277,486	-	277,486	3,953,822
Year 12	2025	(234,506)	82,077		-	82,077	-	82,077	3,719,316
Year 13	2026	(199,625)	69,869		-	69,869	-	69,869	3,519,691
Year 14	2027	(156,328)	54,715		-	54,715	-	54,715	3,363,363
Year 15	2028	(119,029)	41,660		-	41,660	-	41,660	3,244,334
Year 16	2029	(96,847)	33,897		-	33,897	-	33,897	3,147,487
Year 17	2030	(137,260)	48,041	1,053,580	-	1,101,620	-	1,101,620	3,010,227
		(3,991,573)	1,397,051		7,528,818	9,979,448	7,001,800	7.78%	
								7.47% Quarterly IRR	
Capital Account at Year 16			3,010,227			6,326,748	6,301,620	1.004	
Tax Liability at 35%			1,053,580						

**Marina Gardens Apartments**

**FOR DISCUSSION PURPOSES**

**Debt Analysis - First Mortgage Debt**

Sparks, NV

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Principal	13,250,000	
Interest Rate	5.25%	
Amortization Period	35	
Term	30	
Beginning Date	10/1/15	
Monthly Payment	68,998	827,981

	Construction	Permanent
Freddie Mod Rehab Taxable	5.25%	5.25%
Bond enhancement & servicing fee	0.00%	0.00%
Bank LoC	0.00%	0.00%
Issuer and Trustee Fee	0.00%	0.00%
<b>Total</b>	<b>5.25%</b>	<b>5.25%</b>

Year	Ending Date	Payment	Principal	Interest	Ending Balance
		-	-	-	13,250,000
0	12/31/15	206,995	33,234	173,761	13,216,766
1	12/31/16	827,981	137,376	690,606	13,079,390
2	12/31/17	827,981	144,764	683,218	12,934,626
3	12/31/18	827,981	152,550	675,432	12,782,077
4	12/31/19	827,981	160,754	667,227	12,621,323
5	12/31/20	827,981	169,400	658,582	12,451,923
6	12/31/21	827,981	178,510	649,471	12,273,413
7	12/31/22	827,981	188,111	639,871	12,085,302
8	12/31/23	827,981	198,228	629,754	11,887,074
9	12/31/24	827,981	208,889	619,093	11,678,186
10	12/31/25	827,981	220,123	607,858	11,458,062
11	12/31/26	827,981	231,962	596,019	11,226,100
12	12/31/27	827,981	244,437	583,544	10,981,663
13	12/31/28	827,981	257,584	570,398	10,724,079
14	12/31/29	827,981	271,437	556,544	10,452,642
15	12/31/30	827,981	286,035	541,946	10,166,607
16	12/31/31	827,981	301,419	526,563	9,865,188
17	12/31/32	827,981	317,630	510,352	9,547,558
18	12/31/33	827,981	334,712	493,269	9,212,846
19	12/31/34	827,981	352,714	475,268	8,860,132
20	12/31/35	827,981	371,684	456,298	8,488,448
21	12/31/36	827,981	391,673	436,308	8,096,775
22	12/31/37	827,981	412,738	415,243	7,684,037
23	12/31/38	827,981	434,936	393,045	7,249,101
24	12/31/39	827,981	458,328	369,654	6,790,773
25	12/31/40	827,981	482,978	345,004	6,307,795
26	12/31/41	827,981	508,953	319,028	5,798,842
27	12/31/42	827,981	536,326	291,656	5,262,517
28	12/31/43	827,981	565,170	262,811	4,697,346
29	12/31/44	827,981	595,566	232,415	4,101,780
30	12/31/45	827,981	627,597	200,385	3,474,184
31	12/31/46	827,981	661,350	166,631	2,812,834
32	12/31/47	827,981	696,919	131,063	2,115,915
33	12/31/48	827,981	734,400	93,581	1,381,515
34	12/31/49	827,981	773,898	54,084	607,617
35	12/31/50	620,986	607,617	13,369	0
36	12/31/51	-	-	-	0
37	12/31/52	-	-	-	0
38	12/31/53	-	-	-	0
39	12/31/54	-	-	-	0
40	12/31/55	-	-	-	0

**Marina Gardens Apartments**

Construction Cash Flow

Revised: November 7, 2013

Sources	Total Budget	Total Pre-Devlpmnt	Closing Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Beginning Cash	-	-	-	75,187	-	-	-	-	-	-	-	-	-
Permanent Debt (Freddie Mod Rehal)	5.25% 13,250,000	-	13,250,000	-	-	-	-	-	-	-	-	-	-
Contractors Note	3.00% 400,000	-	400,000	-	-	-	-	-	-	-	-	-	-
Washoe Co HOME/HTF	3.00% -	-	-	-	-	-	-	-	-	-	-	-	-
Seller's Note	3.00% 301,729	-	301,729	-	-	-	-	-	-	-	-	-	-
Limited Partner Equity	0.00% 7,001,800	-	7,001,800	-	-	-	-	-	-	-	-	-	-
GP Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
MM Predevelopment Loan	N/A 331,250	331,250	-	-	-	-	-	-	-	-	-	-	-
GIC Income	N/A 149,063	-	-	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281
Cash Flow Prior to Conversion	N/A 1,181,786	-	-	65,655	65,655	65,655	65,655	65,655	65,655	65,655	65,655	65,655	65,655
Bridge Loan	3.25% 4,328,065	-	-	137,122	212,680	213,256	437,914	439,100	664,369	666,168	443,893	445,095	222,220
Def. Dev. Fee	3.00% 1,548,587	-	-	-	-	-	-	-	-	-	-	-	-
	28,492,281	331,250	14,651,909	286,245	286,616	287,192	511,850	513,036	738,305	740,104	517,829	519,031	296,156
Construction draw schedule			0.0%	5.0%	5.0%	5.0%	10.0%	10.0%	15.0%	15.0%	10.0%	10.0%	5.0%
Construction draw to date			100%	95%	90%	85%	75%	65%	50%	35%	25%	15%	10%
Uses	Total Budget	Total Pre-Devlpmnt	Closing Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Land	2,089,500	-	2,089,500	-	-	-	-	-	-	-	-	-	-
Building	10,910,500	-	10,910,500	-	-	-	-	-	-	-	-	-	-
Site Work	350,000	-	0	16,625	16,625	16,625	33,250	33,250	49,875	49,875	33,250	33,250	16,625
Off-Site Development	0	-	0	0	0	0	0	0	0	0	0	0	0
Residential Construction	3,411,938	-	0	162,067	162,067	162,067	324,134	324,134	486,201	486,201	324,134	324,134	162,067
Appliance, Flooring & Blinds	0	-	0	0	0	0	0	0	0	0	0	0	0
General Requirements	225,716	-	0	10,722	10,722	10,722	21,443	21,443	32,165	32,165	21,443	21,443	10,722
Contractor Overhead	75,239	-	0	3,574	3,574	3,574	7,148	7,148	10,722	10,722	7,148	7,148	3,574
Contractor Profit	225,716	-	0	10,722	10,722	10,722	21,443	21,443	32,165	32,165	21,443	21,443	10,722
Common Space FF&E	0	-	0	0	0	0	0	0	0	0	0	0	0
Hard Cost Contingency	428,861	-	0	20,371	20,371	20,371	40,742	40,742	61,113	61,113	40,742	40,742	20,371
Architectural & Engineering	235,000	176,250	0	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196	4,196
Environmental/Soil/Survey	30,000	30,000	0	-	-	-	-	-	-	-	-	-	-
Bond & Insurance	0	-	0	-	-	-	-	-	-	-	-	-	-
Permit & Impact Fees	0	-	0	-	-	-	-	-	-	-	-	-	-
RE Taxes during construct.	0	-	0	0	0	0	0	0	0	0	0	0	0
CoC Insurance	0	0	0	-	-	-	-	-	-	-	-	-	-
Appraisal/Third Party Reports	25,000	25,000	0	-	-	-	-	-	-	-	-	-	-
Title & Recording	15,000	-	15,000	-	-	-	-	-	-	-	-	-	-
Developer Legal	65,000	50,000	15,000	-	-	-	-	-	-	-	-	-	-
Marketing/Lease-Up	0	-	0	-	-	-	-	-	-	-	-	-	-
Relocation	50,000	0	50,000	-	-	-	-	-	-	-	-	-	-
Accounting & Audit	35,000	10,000	10,000	-	-	-	-	-	-	-	-	-	-
Construction loan fee	166,835	-	166,835	-	-	-	-	-	-	-	-	-	-
Permanent Loan Fee	185,750	-	185,750	-	-	-	-	-	-	-	-	-	-
Short Term Bond Execution Costs	178,875	-	178,875	-	-	-	-	-	-	-	-	-	-
Costs of Issuance	281,300	0	281,300	-	-	-	-	-	-	-	-	-	-
Construction Period Interest	1,043,438	-	0	57,969	57,969	57,969	57,969	57,969	57,969	57,969	57,969	57,969	57,969
Bridge Loan Interest	74,627	-	0	0	371	947	1,525	2,711	3,900	5,700	7,504	8,706	9,911
Development Consultant	60,000	20,000	30,000	-	-	-	-	-	-	-	-	-	-
NHD Fee	86,250	-	0	-	-	-	-	-	-	-	-	-	-
Long Term Rate Cap	0	-	0	-	-	-	-	-	-	-	-	-	-
Soft Cost Contingency	100,000	20,000	80,000	-	-	-	-	-	-	-	-	-	-
Section 8 Reserve	0	-	0	-	-	-	-	-	-	-	-	-	-
Operating Reserve	383,420	-	0	-	-	-	-	-	-	-	-	-	-
Replacement Reserve	0	-	0	-	-	-	-	-	-	-	-	-	-
Deferred Dev. Fee	1,548,587	-	0	-	-	-	-	-	-	-	-	-	-
Paid Dev. Fee	1,551,413	-	232,712	-	-	-	-	-	-	-	-	-	-
Repayment of MM Predevelopment Loan	331,250	-	331,250	-	-	-	-	-	-	-	-	-	-
Repayment of Bridge Loan	4,328,065	-	0	-	-	-	-	-	-	-	-	-	-
Total Uses	28,492,280	331,250	14,576,722	286,245	286,616	287,192	511,850	513,036	738,305	740,104	517,829	519,031	296,156
Ending Cash	1	0	75,187	0	0	0	0	0	0	0	0	0	0
Earned Interest													
Guar. Invest. Contract (GIC) Rate	0.75%												
	Total Budget	Pre-Devlpmnt	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Bond Balance	13,250,000	-	-	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281
Earned Interest	149,063	-	-	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281

**Marina Gardens Apartments**

**Construction Cash Flow**

Revised: November 7, 2013

Sources	Mar-15	Place in Service	Release	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total	Budget	Variance	
		100% Completion Apr-15	Retainage May-15									
Beginning Cash	-	-	-	(88,246)	(76,475)	(60,507)	(44,540)	(28,573)	13,250,000	13,250,000	-	
Permanent Debt (Freddie Mod Rehal)	5.25%	-	-	-	-	-	-	-	400,000	400,000	-	
Contractors Note	3.00%	-	-	-	-	-	-	-	-	-	-	
Washoe Co HOME/HTF	3.00%	-	-	-	-	-	-	-	-	-	-	
Seller's Note	3.00%	-	-	-	-	-	-	-	301,729	301,729	-	
Limited Partner Equity	0.00%	-	-	-	-	-	-	-	1,050,270	7,001,800	-	
GP Loan	-	-	5,251,350	-	-	-	-	-	-	-	-	
MM Predevelopment Loan	N/A	-	-	-	-	-	-	-	331,250	331,250	-	
GIC Income	N/A	8,281	8,281	8,281	8,281	8,281	8,281	8,281	149,063	149,063	1	
Cash Flow Prior to Conversion	3.25%	65,655	65,655	65,655	65,655	65,655	65,655	65,655	1,181,786	1,181,786	-	
Bridge Loan	3.00%	222,822	223,426	-	-	-	-	-	4,328,065	4,328,065	(0)	
Def. Dev. Fee	3.00%	-	-	-	-	-	-	-	1,548,587	1,548,587	-	
		296,758	297,362	5,325,286	(14,309)	(2,539)	13,429	29,396	2,644,221	28,492,281	0	
Construction draw schedule	5.0%		5.0%									
Construction draw to date	5%		0%									
Uses	Mar-15	Place in Service 100% Completion Apr-15	Release Retainage May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total	Budget	Variance	
Land									2,089,500	2,089,500	-	
Building									10,910,500	10,910,500	-	
Site Work	16,625	16,625	17,500						350,000	350,000	-	
Off-Site Development	0	0	0						0	0	-	
Residential Construction	162,067	162,067	170,597						3,411,938	3,411,938	-	
Appliance, Flooring & Blinds	0	0	0						0	0	-	
General Requirements	10,722	10,722	11,286						225,716	225,716	-	
Contractor Overhead	3,574	3,574	3,762						75,239	75,239	-	
Contractor Profit	10,722	10,722	11,286						225,716	225,716	-	
Common Space FF&E	0	0	0						0	0	-	
Hard Cost Contingency	20,371	20,371	21,443						428,861	428,861	-	
Architectural & Engineering	4,196	4,196	4,196	4,196					235,000	235,000	-	
Environmental/Soil/Survey									30,000	30,000	-	
Bond & Insurance									0	0	-	
Permit & Impact Fees									0	0	-	
RE Taxes during construct.	0	0	0	0	0	0	0	0	0	0	-	
CoC Insurance									0	0	-	
Appraisal/Third Party Reports									25,000	25,000	-	
Title & Recording									15,000	15,000	-	
Developer Legal									65,000	65,000	-	
Marketing/Lease-Up		0	0	0					0	0	-	
Relocation									50,000	50,000	-	
Accounting & Audit								15,000	35,000	35,000	-	
Construction loan fee									166,835	166,835	-	
Permanent Loan Fee									185,750	185,750	-	
Short Term Bond Execution Costs									178,875	178,875	-	
Costs of Issuance									281,300	281,300	-	
Construction Period Interest	57,969	57,969	57,969	57,969	57,969	57,969	57,969	57,969	1,043,438	1,043,438	-	
Bridge Loan Interest	10,513	11,117	11,722	0	0	0	0	0	74,627	74,627	(0)	
Development Consultant								10,000	60,000	60,000	-	
NHD Fee								86,250	86,250	86,250	-	
Long Term Rate Cap									0	0	-	
Soft Cost Contingency									100,000	100,000	-	
Section 8 Reserve									0	0	-	
Operating Reserve								383,420	383,420	383,420	-	
Replacement Reserve									0	0	-	
Deferred Dev. Fee								1,548,587	1,548,587	1,548,587	-	
Paid Dev. Fee			775,706					542,994	1,551,413	1,551,413	-	
Repayment of MM Predevelopment Loan									331,250	331,250	-	
Repayment of Bridge Loan			4,328,065					0	4,328,065	4,328,065	-	
<b>Total Uses</b>	<b>296,758</b>	<b>297,362</b>	<b>5,413,532</b>	<b>62,165</b>	<b>57,969</b>	<b>57,969</b>	<b>57,969</b>	<b>2,644,220</b>	<b>28,492,281</b>	<b>28,492,280</b>	<b>(0)</b>	
Ending Cash	0	0	(88,246)	(76,475)	(60,507)	(44,540)	(28,573)	0	0	1	0	
Earned Interest												
Guar. Invest. Contract (GIC) Rate	0.75%											
		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total	Budget	Variance
Bond Balance											13,250,000	-
Earned Interest		8,281	8,281	8,281	8,281	8,281	8,281	8,281	8,281	149,063	149,063	1