

**1200 West Broadway**

	Annual Factor	Base Year 0	Year 1 0	Year 2 1	Year 3 2	Year 4 3	Year 5 4	Year 6 5	Year 7 6	Year 8 7	Year 9 8	Year 10 9
<b>ANNUAL OPERATING INCOME</b>												
<b>POTENTIAL INCOME</b>												
		Manual Override										
First Floor Commercial Net Rent Potential	3.0%	\$79,536	\$79,536	\$81,922	\$84,380	\$86,911	\$89,518	\$92,204	\$94,970	\$97,819	\$100,754	\$103,776
Second Floor Commercial Net Rent Potential	3.0%	\$43,480	\$43,480	\$44,784	\$46,128	\$47,512	\$48,937	\$50,405	\$51,917	\$53,475	\$55,079	\$56,732
Vacancy Loss (5%) (1)		(\$6,151)	(\$6,151)	(\$6,335)	(\$6,525)	(\$6,721)	(\$6,923)	(\$7,130)	(\$7,344)	(\$7,565)	(\$7,792)	(\$8,025)
Operating Expense/Real Estate Tax Income (2)	3.0%	\$65,856	\$65,856	\$67,832	\$69,867	\$71,963	\$74,122	\$76,345	\$78,636	\$80,995	\$83,424	\$85,927
Expense Loss on Vacancy (5%) (3)		(\$3,293)	(\$3,293)	(\$3,392)	(\$3,493)	(\$3,598)	(\$3,706)	(\$3,817)	(\$3,932)	(\$4,050)	(\$4,171)	(\$4,296)
Basement Storage	2.0%	\$2,500	\$2,500	\$2,550	\$2,601	\$2,653	\$2,706	\$2,760	\$2,815	\$2,872	\$2,929	\$2,988
<b>Total Income</b>		\$181,928	\$181,928	\$187,361	\$192,957	\$198,719	\$204,654	\$210,767	\$217,062	\$223,546	\$230,224	\$237,101
<b>EXPENSE</b>												
Operating Expense (2)	3.0%	(\$43,904)	(\$43,904)	(\$45,221)	(\$46,578)	(\$47,975)	(\$49,414)	(\$50,897)	(\$52,424)	(\$53,996)	(\$55,616)	(\$57,285)
Real Estate Taxes (3)	3.0%	(\$21,952)	(\$21,952)	(\$22,611)	(\$23,289)	(\$23,988)	(\$24,707)	(\$25,448)	(\$26,212)	(\$26,998)	(\$27,808)	(\$28,642)
<b>Total Expense</b>		(\$65,856)	(\$65,856)	(\$67,832)	(\$69,867)	(\$71,963)	(\$74,122)	(\$76,345)	(\$78,636)	(\$80,995)	(\$83,424)	(\$85,927)
<b>NET OPERATING INCOME</b>		\$116,072	\$116,072	\$119,530	\$123,090	\$126,757	\$130,533	\$134,422	\$138,427	\$142,551	\$146,799	\$151,174
<b>ANNUAL DEBT SERVICE</b>												
Debt Service (Bremer) (4)		(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$62,896)	(\$730,935)
Debt Service (City 2%) (5)		(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$5,837)	(\$33,372)
Debt Service (City Gap) (6)		(\$14,625)	(\$14,625)	(\$14,625)	(\$30,629)	(\$30,629)	(\$30,629)	(\$30,629)	(\$30,629)	(\$30,629)	(\$30,629)	(\$291,825)
Debt Service (Refinance) (7)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$956,770
Cash Flow		\$32,714	\$32,714	\$36,172	\$23,728	\$27,395	\$31,171	\$35,060	\$39,065	\$43,189	\$47,437	\$51,812

Notes:

- (1) Vacancy loss is based upon a 5% loss of 1st and 2nd floor net rental income.
- (2) CAM/RE Tax Income is based upon \$4/psf for Operating Expense reimbursement and \$2/psf for Real Estate Taxes reimbursement for year 1
- (3) Expense Loss on Vacancy based upon a 5% loss of Operating Expense/Real Estate Tax Income reimbursement.
- (4) Bremer loan based upon \$925,000 principal, 4.33% interest rate (as of 3/30/09), 10 year term, and 25 year amortization.
- (5) City 2% loan based upon \$75,000 principal, 2.00% interest rate, 10 year term, and 15 year amortization.
- (6) City Gap loan based upon \$450,000 principal, interest only for the 1st two years, 3.25% interest rate, 10 year term, and 20 year amortization.
- (7) Refinancing assumes loan terms would have principal at \$985,500 (\$668,039, \$27,535, and \$261,196 remaining principal from Bremer, City 2%, and City Gap loans, respectively, and \$28,730 for refinancing fees), a 7.00% interest rate, 10 year term, and 25 years amortization. The intent is to make additional payments on the City Gap loan in order to have the entire principal paid off by the end of the City Gap loan term and refinance only the Bremer and City 2% loans. This operating pro forma shows the City Gap loan refinancing in the event that additional payments are not made.