11/29/2011 Date

20 YEAR OPERATING PRO FORMA

MUTUAL MANOR APARTMENTS

Using Current Rents and Expenses

18 Units

PRE-TAX CASH FLOW ANALYSIS
: Application #

Year No. & Date=

Income Escalator	*3.00%*	1	2	3	4	5	6	7	8	9	10
Expense Escalator	*4.00%*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*
Gross Rent		$ 68,460	$ 70,514	$ 72,629	$ 74,808	$ 77,052	$ 79,364	$ 81,745	$ 84,197	$ 86,723	$ 89,325
+ Interest Income		$ 406	$ 40	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
+ Other Income		$ 954	$ 983	$ 1,012	$ 1,042	$ 1,074	$ 1,106	$ 1,139	$ 1,173	$ 1,208	$ 1,245
= Gross Income or Rent		$ 69,820	$ 71,536	$ 73,641	$ 75,851	$ 78,126	$ 80,470	$ 82,884	$ 85,370	$ 87,932	$ 90,570
-- Loss to Lease (Current Residents)		$ -	$ -	$ -	$ -	$ -	$ -				
-- Vacancy Allowance @	7.00%	$ (4,792)	$ (4,936)	$ (5,084)	$ (5,237)	$ (5,394)	$ (5,555)	$ (5,722)	$ (5,894)	$ (6,071)	$ (6,253)
= EFFECTIVE NET RENT		$ 65,028	$ 66,600	$ 68,557	$ 70,614	$ 72,732	$ 74,914	$ 77,162	$ 79,477	$ 81,861	$ 84,317
-- Operating Expenses		$ (82,526)	$ (85,827)	$ (89,260)	$ (92,831)	$ (96,544)	$ (100,405)	$ (104,422)	$ (108,599)	$ (112,943)	$ (117,460)
-- Net Non-rental income (expenses)		$ (5,567)	$ (5,734)	$ (5,906)	$ (6,083)	$ (6,266)	$ (6,454)	$ (6,647)	$ (6,847)	$ (7,052)	$ (7,264)
-- Replacement Reserve		$ (3,600)	$ (3,744)	$ (3,894)	$ (4,050)	$ (4,211)	$ (4,380)	$ (4,555)	$ (4,737)	$ (4,927)	$ (5,124)
= NET OPERATING INCOME		$ (26,665)	$ (28,705)	$ (30,503)	$ (32,349)	$ (34,289)	$ (36,325)	$ (38,462)	$ (40,706)	$ (43,061)	$ (45,531)
-- Debt Service (4. Local Government Loans)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-- Debt Service (5. Other Loan)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Debt Service		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
= NET RENTAL CASH FLOW AVAILABLE		$ (26,665)	$ (28,705)	$ (30,503)	$ (32,349)	$ (34,289)	$ (36,325)	$ (38,462)	$ (40,706)	$ (43,061)	$ (45,531)
-- Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
= FINAL CASH FLOW AVAILABLE		$ (26,665)	$ (28,705)	$ (30,503)	$ (32,349)	$ (34,289)	$ (36,325)	$ (38,462)	$ (40,706)	$ (43,061)	$ (45,531)

FOR YEAR 1 This pro forma uses the Project's "Prior Three Year Average" figures for all income and expense categories EXCEPT for the Vacancy Allowance (rate shown).

FOR YEARS 1-20 Vacancy Allowance is assumed to be SEVEN PERCENT (7.0%) of the Year 1 Gross Rent.

FOR YEARS 2-20 An Annual Income Escalator of THREE PERCENT (3%) and an annual Expense Escalator of FOUR PERCENT (4.0%) are applied annually.

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