GG Development Associates, LLC.

3125 W. Commercial Blvd. Suite 100 Fort Lauderdale, FL 33309

VIA FACSIMILE

May 9, 2006

Mrs. Karen Slevin Gainesville Community Redevelopment Agency PO Box 490, Station 48 Gainesville, FL 32602

Dear Karen,

It has been a rewarding experience working with you and your staff as we have together formulated the concept of Gainesville Greens. We are as excited today about the prospects of Gainesville's downtown redevelopment as we were in June, 2005, when we first discussed submitting an answer to the CRA's RFP for downtown parking lot #10. As a native Floridian myself, it is a true pleasure to work in a city that has maintained its small town Florida charm, without keeping a small town mind, as it has grown to meet the demands of an increasing population. Thank you for all that you have done to assist us with our project to date and best of luck to you in your future endeavors.

Gainesville Greens was introduced to the CRA as an affordably priced mid-rise in the heart of downtown Gainesville. At the time, it was approved by the CRA for meeting the requirements of the published RFP. As developers, we voluntarily added green building and affordable housing components so that we could take less from nature while giving back to the community. As a mixed-use structure, the ground floor was and continues to be planned as commercial space with flat-style residential units on floors 2 to 8. Our most recent development plan proposes that the top floor will be split-level loft townhouses with magnificent views of the lush tree canopy covering the City. Parking for the project is planned to be provided in the City's adjacent 850-space parking facility through a long-term lease arrangement with the City (through an intermediary assignment of parking spaces from the McGurn Family).

I write to you today requesting the CRA's consideration to modify both, the current development plan and financial incentive package for the Gainesville Greens project within the limits of RFP # CRAX-050185-FP. Two years of destructive hurricanes, rising oil, labor and construction materials costs and increasing interest rates are macroeconomic events that no one could have foreseen in September, 2005, when we were initially awarded the project. Regretfully, sales prices for units in the downtown market have not increased proportionately to offset the rising costs of the project, and as such, our financial development gap has grown. That growing development gap must now be addressed to allow the project to make financial sense.

My consultants and I have pressed the envelope working to keep the Gainesville Greens project on firm financial footing. From a development perspective, all consultants are engaged and we **GG Development Associates, LLC.** Request for Modification Tuesday, May 09, 2006 Page 2 of 3

submitted for site plan approval today, May 9, 2006. Making this important date puts us on schedule to get our project onto the County's tax rolls in January of 2009. Our submittal is a third iteration site plan that has undergone constant value engineering. Remarkably, the shell of the building has remained virtually as it was initially submitted; however, the interior program has changed dramatically to balance the reality of the marketplace's financial constraints and the requirements that our marketing partners have imposed to properly satisfy the demand for downtown residential accommodations.

While the project has maintained its initial outward appearance, the interior and structure have been value engineered to be as efficient as possible. The non-saleable common areas of the building have been reduced to a factor of 18%; we have increased the number of saleable residential units to 141, within current zoning requirements; we have decreased the quantity of commercial space as requested by the CRA; and have reduced the overall project size by 22,500 gross square feet. Throughout the value engineering process, we have strived to stay within what we perceive to be the spirit of the CRA's RFP for this downtown redevelopment site.

Financially, and as a result of the macroeconomic factors mentioned above, the project's total costs have grown from \$39M to \$53M; the largest component of these numbers, construction costs, have grown from \$29.7M to \$41M. We have offset these rising prices by raising commercial rents from \$20.50 PSF to \$26.25 and by raising prices for the residential units. Financially, our return on cost has plummeted from an unsubsidized 13% down to 6.5% because, as I stated before, commercial rental and residential sales prices have not kept up with the increased costs to produce this project.

All of the components of our request today have helped us to reduce the development gap to its current \$5.6M level. At our initial submittal in July, 2005, our development gap was \$1.95M. In order to fund this gap, we are requesting that the CRA approve an 80% TIF subsidy over 20 years; up from our initially requested 60% over 15 years. As a developer concession to keep the project moving forward, we've reduced our benchmark return on cost from 18.4% to 16.9%.

Regretfully, in order to have the project work financially at an 80% TIF subsidy level over 20 years, we needed to eliminate both the LEEDS certification and affordable housing components of the project. Initially, in our response to the RFP, we volunteered having the project subsidize 14 affordable condominium units to working-class citizens of the City. At this point, we are not planning on offering any affordable component within the project. From an environmental perspective, we are planning on deploying environmentally-friendly construction techniques to the project but are no longer able to fund the costs associated with LEEDS certification. Attached to this letter, please find a detailed listing of green building techniques that we intend to deploy in the development of the project.

We are hopeful that the CRA will approve the revised development plan and TIF subsidy described herein within the confines of the current RFP at its next regularly scheduled meeting so that the project may remain on its aggressive development course. If the CRA is desirous of adding back the developer-offered LEEDS and affordable housing components, we are providing the following options (or derivations thereof) for the CRA's consideration.

One. Leave the project as proposed above meeting the requirements of the RFP and deploying green building techniques with an 80% TIF over 20 years;

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- **Two.** Add back the Silver LEEDS component thereby increasing the TIF to 96% over 20 years;
- **Three.** Add back 5 units of Affordable Housing thereby increasing the TIF to 96% over 20 years;
- **Four.** Add back both 3 affordable units and achieve a "Certified" LEEDS green building level thereby increasing the TIF to 98% over 20 years;

It is our job as developer to maintain the agreed upon development plan while, at the same time, maintaining required returns for our investment partners commensurate with the market and risks in a project of this magnitude. It is also our firm's desire and belief that developers must give back to the communities in which they develop. For this reason, we had included the green concepts and affordable housing components into our initial RFP, and for this reason, we would urge you to strongly consider the alternative options that we have presented. We do recognize that the size of the requested TIF in the options are not consistent with TIF grants in past projects within the City; however, it is our hope that any negative public perception for our request can be set aside in favor of an incredibly unique project that will be at the forefront of environmental-friendly design, provide affordable housing opportunities and revitalize the City's downtown, especially since such TIF grant will yield higher tax revenues to the City in the long run than those initially approved per the RFP.

Respectfully, we request a public forum in which to discuss these options further and to come to a revised, mutually acceptable, agreement. We very much look forward to early 2007 when we break ground and begin to transform the skyline of downtown Gainesville together.

Best personal regards,

Barry Danjams

Barney Danzansky, President GG Tontine, Inc. General Partner of GG Development Associates, LLC.

Encl.

Gainesville Greens Green Building Concepts

Sustainable Sites

Construction Activity Pollution Prevention Site Selection Alternative Transportation, Public Transportation Access Stormwater Design, Quantity Control Stormwater Design, Quality Control

Water Efficiency

Water Efficient Landscaping, Reduce by 50% Water Efficient Landscaping, No Potable Use or No Irrigation Innovative Wastewater Technologies Water Use Reduction, 20% Reduction

Energy & Atmosphere

Minimum Energy Performance Optimize Energy Performance Use of Green Power

Materials & Resources

Storage & Collection of Recyclables Construction Waste Management, Divert 50% from Disposal Recycled Content, 10% (post-consumer + ½ pre-consumer) Regional Materials, 10% Extracted, Processed & Manufactured Regionally

Indoor Environmental Air Quality

Thermal Comfort, Design Thermal Comfort, Verification Daylight & Views, Daylight 75% of Spaces

Innovative & Design Process

Innovation in Design: Fly Ash

Revised 050906



Gainesville Greens Proposed Mixed-Use Development

Financial Feasibility and Development Pro Forma Analysis

Construction Cost Analysis	F
Unit Pricing and Retail Program	F
Profit Summary	F
Development Period Cash Flow	F
Retail Operating Period Discounted Cash Flow Analysis	F
Condominium Association Operating Budget	F
City of Gainesville Tax Impact & Revenue Analysis	F
Subsidy Requirement	F

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EO 'ENTURES REALTY INC. F:\Projects\Development Pipeline\Gainesville Greens\[Proforma Gainesville Greens 050806.xls]Building Calcs

Gainesville Greens

+/- 141 units +/-19,463 SF of Retail

SF Land	41,818	0.96 acres						
Residential SF	177,078	Saleable			Land Basis:			
Retail SF	19,463	Leaseable			Seller	Gainesville	\$514,00	00
Total Units	141	Total Units					\$514,00	00
Unit Configuration	Size	Living Area / Saleable SF	Portico / Common Areas	QTY	NET Saleable S.F.	GROSS Costable S.F. +18%		
Loft A1	Loft	965	98	10	10,633	12,869		
Loft A2	Loft	989	98	10	10,871	13,107		
Loft A3	Loft	1,001	98	10	10,987	13,223		
Loft A4	1/1	959	98	6	6,346	7,687		
Condo Unit A	2/2	936	98	12	12,416	15,098		
Condo Unit B	3/2	1,207	98	60	78,296	91,707		
Condo Unit C	3/2	1,196	98	5	6,471	7,589		
Condo Unit D	4/2.5	1,172	98	6	7,619	8,960		
Condo Unit E	4/2.5	1,291	98	5	6,946	8,064		
Condo Unit F	4/2.5	1,237	98	5	6,676	7,794		
Penthouse Units	4/2.5	1,553	98	12	19,814	22,496		
				141	177,078	208,592	18%	Non-Revenue

Construction Costs:					Total Costs
Retail Space	19,463 sqft	@	\$170 psf	=	\$ 3,308,710
Loft Units	39,198 sqft	@	\$170 psf	=	\$ 6,663,576
Condominium Units	169,394 sqft	@	\$154 psf	=	\$ 26,086,752
Amenities Deck and Plaza	10,616 sqft	@	\$115 psf	=	\$ 1,220,840
Construction Cost - Civil and Site	(See Below)			=	\$ 1,704,600
					1 00 004 470

Sub-Total Building Costs \$ / 38,984,478 Contingency 5.00% \$ 1,949,224 \$/

Energy Efficiency Initiative 0.00% Total Building Costs/\$



Requested Amount

Gross SF

Site Work Costs: (included above)			
Signage - On Building Face			\$ 50,000
Utility Upgrades			\$ 125,000
Site Work - On site	.96 acres	\$635,000 per acre	\$ 609,600
Site Lighting			\$ 150,000
Landscaping			\$ 145,000
Streetscape and Plaza Improvements			\$ 250,000
Connector Bridge			\$ 300,000
RTS Bus Stop			\$ 25,000
Demolition			\$ 50,000
Total Site Work Costs			\$ 1,704,600

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Construction Cost Analysis

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City Parkir	ng Pr	oposal
equested Amount		142 spaces
Monthly Rate	\$	35
Yearly Lease	\$	59,640.00

Cost Assumption	on Analysis
Gross SF	238,671 sqft
aleable SF	196,541 sqft
able SF Share	82.3%
st/Saleable	\$208 psf
Const. Cost	\$172 psf



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Gainesville Greens

+/- 141 units +/-19,463 SF of Retail

				R	ent p.s.f.			Tota	l Rent		
Tenant Information		Sq. Ft.	Base	CAM / HOA	Insurance Reimb.	R/E Taxes	Base	CAM	Insurance Reimb.	R/E Taxes	Total
Local Tenants:											
Restaurant		4,125	26.25	2.75	0.86	4.02	108,281	11,344	3,548	16,579	139,751
Office / Retail		15,338	26.25	2.75	0.86	4.02	402,623	42,180	13,191	61,646	519,638
Sub-Total Retails		19,463	26.25	2.75	0.86	4.02	510,904	53,523	16,738	78,225	659,390
Totals		19,463	26.25	2.75	0.86	4.02	510,904	53,523	16,738	78,225	659,390
Operating Expenses :											
CAM / Association Charges			2.00								38,926
Insurance - Liability			0.43								8,369
Insurance - Hazard			0.43								8,369
R/E Taxes			4.02								78,225
Management Fees			0.75								14,597
Replacement Reserve			0.25							-	4,800
Total Expenses			1.00								153,352
Income Before Vacancy & Collection	Loss										506,038
Vacancy & Collection Loss @		5.00%	of Retail Inco	me							(32,969)
Net Operating Income										NOI	473,069
									Valuation	7.5% CAP	\$ 6.307.580
									Valuation	8.0% CAP	\$ 5,913,356
									Valuation	8.5% CAP	\$ 5.565.512
	Size	Sq. Feet	Saleable S.F.	\$ PSF	Total \$	\$ Per Unit			Valuation	9.0% CAP	\$ 5,256,317
Loft A1	Loft	965	10,633	\$286.57	\$ 3,047,221	\$ 276,569			Valuation	10.0% CAP	\$ 4,730,685

										valua
	Size	Sq. Feet	Saleable S.F.	\$ PSF		Total \$	\$ Per Unit			Valua
Loft A1	Loft	965	10,633	\$286.57	\$	3,047,221	\$ 276,569			Valua
Loft A2	Loft	989	10,871	\$286.57	\$	3,115,424	\$ 283,390			
Loft A3	Loft	1,001	10,987	\$286.57	\$	3,148,666	\$ 286,714			
Loft A4	1/1	959	6,346	\$286.57	\$	1,818,647	\$ 274,955			
Condo Unit A	2/2	936	12,416	\$286.57	\$	3,558,009	\$ 268,348			
Condo Unit B	3/2	1,207	78,296	\$286.57	\$	22,437,333	\$ 345,803			
Condo Unit C	3/2	1,196	6,471	\$286.57	\$	1,854,446	\$ 342,736			
Condo Unit D	4/2.5	1,172	7,619	\$286.57	\$	2,183,497	\$ 335,763			
Condo Unit E	4/2.5	1,291	6,946	\$286.57	\$	1,990,567	\$ 369,960			
Condo Unit F	4/2.5	1,237	6,676	\$286.57	\$	1,913,193	\$ 354,486			
Penthouse Units	4/2.5	1,553	19,814	\$286.57	\$	5,678,046	\$ 445,018			
			177,078		1	50,745,049			Total Sales	50,7

Unit Pricing & **Retail Program**

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745,049



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Gainesville Greens

+/- 141 units +/-19,463 SF of Retail

						Cost							
	% Cost Applied	Land		Buildings		Soft		Interest	Totals		Value (1)		Net
Commercial	9%	\$ 112,36	7 \$	3,945,354	\$	634,880	\$	287,069	\$ 4,979,669	\$	5,913,356	\$	933,688
Residential	91%	\$ 1,088,17	5 \$	38,207,419	\$	6,148,275	\$	2,780,016	\$48,223,886	\$	50,745,049	\$	2,521,163
	100%	\$ 1,200,542	2 \$	42,152,773	\$	6,783,155	\$	3,067,085	\$53,203,554	\$	56,658,406	\$	3,454,851
										- 	nsubsidized		
(1) Commercial	value assumes sal	le of commerc	al at	8 00% CAP							ot Profit	¢	3 151 851
			arat	0.0070 CAI						R	eturn on Cost	Ψ	6 49%
I and Allocation) .												0.4370
Land Cost (see r	note 1)	\$ 1,200,542	2							S	ubsidized		
Residential Alloc	ation	\$ 1,088,17	5	\$7,718	ре	er unit				NF	PV of TIF Subsidy*		\$5,538,451
Commercial Allo	cation Above	\$ 112,36	7							Ne	et Profit w/ Subsidy		\$8,993,302
										Ac	ljusted Return on Cost		16.90%
IRR Analysis:										* s	see note 2		
		Equity											
		Investment	C	Construction		Close Out							
		Period		Period		Period							
Net Revenue					\$	56,658,406	•						
Less Cost Repay	yment				\$	46,876,173							
Cash Flows		\$ (6,327,382	2) \$	-	\$	9,782,233	\$	9,782,233	Net Profit				
IRR		24.34	6										

Notes:

1. Land Cost include land basis and legal/closing fees.

2. This assumes an NPV based on the Subsidy Requirement. We are seeking an 80% TIF subsidy.

Profit Summary

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Gainesville Greens				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Development Period Cash Flow		1	1	Presale & Market Study				1		Closing & Site Work	2	1 3	4	3 1	0	,	0	7
INFLOWS	196 5/1	Sellable/Leasab	le SE	Jan-07 Month 1	Feb-07	Mar-07 Month 3	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07 Month 12	Jan-08 Month 13	Feb-08	Mar-08
Reginning Cash Position	170,341	Jeliable/ Leasab		\$	889.000	770 316	\$ 696 541	\$ 1,815,792	\$ 3,026,262	\$ 4 272 686	\$ 7.843.683	\$ 3,661,366	\$ 1,097,372	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Salas Contracts	\$ 50.745.049		141	0	0	0	34	35	26	36	0	0	0	0	0	0	200,000	0
Closed Contracts	\$ 50,745,049		141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Commercial Space	\$ 11,451,807			<u>s</u> - s	\$	\$	\$ -	\$	\$ -	\$ - 1.005 (10	<u>\$</u>	<u>s</u>	\$ -	\$ -	\$	<u>\$</u> -	\$ -	\$ -
Sales Deposits (10% of avg. \$359,894) Closings	\$ 5,074,505 \$ 45,670,544			\$ - 5	5 - 5	- 	\$ 1,223,639	\$ 1,259,629	\$ 1,295,618 \$ - !	\$ 1,295,618 \$ -	<u>s</u>	\$ -	\$ -	\$	\$ \$	\$ - \$	<u>s</u>	\$ - \$
	\$ 62,196,856			\$ - 3	5 - 3	5 -	\$ 1,223,639	\$ 1,259,629	\$ 1,295,618	\$ 1,295,618	\$ -	\$ -	5 -	\$ -	\$ -	\$ -	<u> </u>	\$ -
Presale Equity @ 9% Preferred Equity Investment @ 9%	\$ 1,356,500 \$ 523,500			\$ 1,356,500 \$ - \$	5 - 5	ş -	\$ -	\$ -	\$-	\$ 523,500	\$ -	\$ -	\$ -	\$ -				
Construction Equity @ 10% Construction Loan @ 7.80%	\$ 4,447,382 \$ 42,562,843			\$ - 9 \$ - 9	5 - 1 5 - 1	5 - 5 -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 4,447,382 \$ -	\$ - \$ -	\$ - \$ -	\$	\$ - \$ 2,611,109	\$ <u>-</u> \$ 2,590,303	\$ \$2,653,971	\$ 2,633,460	\$ 2,655,125
Loan & Equity Inflow	\$ 48,890,225			\$ 1,356,500 \$	5 - 5	\$ <u>-</u>	\$ -	\$ -	\$ -	\$ 4,970,882	\$ -	\$ -	\$ 1,698,183	\$ 2,611,109	\$ 2,590,303	\$ 2,653,971	\$ 2,633,460	\$ 2,655,125
TOTAL CASH AVAILABLE FOR PROJECT	\$ 111,087,081			\$ 1,356,500	\$ 889,000	\$ 770,316	\$ 1,920,180	\$ 3,075,420	\$ 4,321,881	\$ 10,539,186	\$ 7,843,683	\$ 3,661,366	\$ 2,795,555	\$ 2,811,109	\$ 2,790,303	\$ 2,853,971	\$ 2,833,460	\$ 2,855,125
OUTFLOWS	TOTAL COST	PER SQ. FT.		Jan-07 Month 1	Feb-07 Month 2	Mar-07 Month 3	Apr-07 Month 4	May-07 Month 5	Jun-07 Month 6	Jul-07 Month 7	Aug-07 Month 8	Sep-07 Month 9	Oct-07 Month 10	Nov-07 Month 11	Dec-07 Month 12	Jan-08 Month 13	Feb-08 Month 14	Mar-08 Month 15
LAND	\$ 514.000	\$ 2.62								\$ 514.000								
Closing Costs	\$ 7,710 \$ 150 (11	\$ 0.04								\$ 514,000 \$ 7,710 \$ 150 (11								
Cons. Loan Closing Costs .30% Cons. Loan Closing Committment Fee .75%	\$ 159,811 \$ 319,221	\$ 1.62								\$ 159,811 \$ 319,221								
Financial Advisory Services Environmental Remediation	\$ 100,000 \$ 100,000	\$ 0.51 \$ 0.51								\$ 100,000 \$ 100,000								
SUB-Total	\$ 1,200,542	\$ 6.11																
County Impact Fees Building Permit Fees (seeking waiver)	\$ - \$ 62,000	\$ - \$ 0.32							\$ - \$ -	\$ 62.000					\$ \$	\$ -	- -	\$ -
County Water/Sewer Connection Fees	\$ 200,000 \$ 18,000	\$ 1.02 \$ 0.09		\$ 18,000					\$ -	\$ 200,000								
Surveyor Interior Designer	\$ 125,000 \$ 40,000	\$ 0.64		\$			\$		\$ -	\$ 100,000 \$ 40,000	\$ 25,000							
Architectural/Engineering	\$ 950,635 \$ 235,000	\$ 4.84		\$ 166,000	¢ 45.000	20000	20000	\$ 20,000	¢ 20.000	\$ 328,546	\$ 456,089							
Structural Engineering	\$ 325,000 \$ 117,000	\$ 0.60		\$ 160,000	\$ 65,000	20000	20000	\$ 20,000	\$ 20,000	\$ 20,000 \$ 117,000	<u>+</u>					A		A
Misc. Lesting/Engineering MEP/Civil Engineering	\$ 96,204 \$ 288,000	\$ 0.49 \$ 1.47		\$ -					\$ -	\$ 57,000 \$ 288,000	\$ 2,030	\$ 2,033	\$ 2,037	\$ 2,041	\$ 2,044	\$ 2,048	\$ 2,052	\$ 2,056
Fire Protection Plans Energy Model and Fundamental Building Commissioning	\$ 35,000 \$ -	\$ 0.18 \$ -								\$35,000 \$-								
Consultant Fees Threshold Inspection Services	\$ 97,000 \$ 75,000	\$ 0.49 \$ 0.38		\$ - \$ -				\$ -		\$ 97,000 \$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750
Bank Construction Draw Inspections Commercial Sales Commissions at 2.%	\$ 75,000 \$ 229,036	\$ 0.38 \$ 1.17		\$ -						\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750
Sales Commissions at 4.5% Commercial Leasing Commissions at 4.5%	\$ 2,283,527 \$ 120,427	\$ 11.62 \$ 0.61		\$ - 5	5 - 5	\$ -	\$ -	\$ - \$ 5,474	\$ - 5,474	\$ \$5,474	\$ 1,141,764 \$ 5,474	\$ - \$ 5,474	\$- \$5,474	\$ \$5,474	\$- \$5,474	\$- \$5,474	\$ 5,474	\$ - \$ 5,474
Marketing Model/Sales Center	\$ 293,119 \$ 100,000	\$ 1.49 \$ 0.51		\$ - 5 \$ 100,000	\$	\$	\$ 50,368 \$ -	\$ 20,184	\$ 20,221	\$ 20,258	\$ 20,295	\$ 20,332	\$ 5,092	\$ 5,102	\$ 5,111	\$ 5,120	\$ 5,130	\$ 5,139
Warranty Program Sales Center / Trailer Lease	\$ 28,200 \$ 84,000	\$ 0.14 \$ 0.43		\$ - \$ 3,500 \$	\$ 3,500	\$ 3.500	\$ 3,500	\$ 3.500	\$ 3,500	\$ 3.500	\$ 3,500	\$ 3.500	\$ 3,500	\$ 3,500	\$ 3.500	\$ 3,500	\$ 3.500	\$ 3.500
Development / Management Fees - Developer/Builder(1.85%)	\$ 703,470 \$ 104,204	\$ 3.58 \$ 0.53		\$ - 5 \$ 20,000	5 - 5 5 - 9	5 - 5 -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 35,173 \$ 45,000	\$ 35,173 \$ 2,030	\$ 35,173 \$ 2,033	\$ 35,173 \$ 2,037	\$ 35,173 \$ 2,041	\$ 35,173 \$ 2,044	\$ 35,173 \$ 2,048	\$ 35,173 \$ 2,052	\$ 35,173 \$ 2,056
Business Risk Insurance	\$ 60,814 \$ 27,019	\$ 0.31		\$ - 9		- t	\$	\$ -	\$ - !	\$ 2,988	\$ 2,994	\$ 2,999	\$ 3,005	\$ 3,010	\$ 3,016	\$ 3,021	\$ 3,027	\$ 3,032
Operating Reserve Requirement	\$ 245,500 \$ 6 783 155	\$ 1.25 \$ 24.51		\$ - 5	5 - 5	\$	\$ -	\$ -	\$ - !	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HARD COSTS	\$ 0,703,133	\$ 34.51																
Construction Costs (including retail center & civil)	\$ 42,152,773	\$ 214.47		\$ - 5	5 - 5	5 -	\$ -	\$ -	\$ - !	\$-	\$ 2,443,408	\$ 2,447,887	\$ 2,452,375	\$ 2,456,871	\$ 2,461,375	\$ 2,465,888	\$ 2,470,409	\$ 2,474,938
OUTFLOW BEFORE DEBT SERVICE	\$ 50,136,469	\$ 255.09		\$ 467,500 \$	5 118,684	\$ 73,776	\$ 73,868	\$ 49,158	\$ 49,195	\$ 2,664,982	\$ 4,145,255	\$ 2,526,933	\$ 2,516,193	\$ 2,520,712	\$ 2,525,238	\$ 2,529,773	\$ 2,534,316	\$ 2,538,868
Debt Service Presale Equity (payable Quaterly)	\$ 284,865	Int. Rate 9.00%	Effective Rate 2.25%	\$ - 5	5 - 5	5 -	\$ 30,521		\$ -	\$ 30,521		\$ -	\$ 30,521	\$ 30,521	\$ -	\$ 30,521	\$ -	\$ -
Preferred Equity Interest (payable Quarterly) Gap Equity Interest (Payable Monthly)	\$ 86,378 \$ 704,169	9.00% 10.00%	2.25% 0.83%	\$ - 9	5 - 5 5 - 5	5 - 5 -	\$ \$	\$ - \$ -	\$ - \$ - !	\$ -	\$ - \$ 37,062	\$ - \$ 37,062	\$ 11,779 \$ 37,062	\$ 11,779 \$ 37,062	\$ - \$ 37,062	\$ 11,779 \$ 37,062	\$ 37,062	\$ 37,062
Construction Loan Interest (Payable Monthly) Total Cash Interest	\$ 1,991,674 \$ 3.067.085	7.80%	0.65%	\$ - 9 \$ - 9	5 - 5 5 - 9	\$- \$-	\$ - \$ 30.521	\$ - \$ -	\$ - 5 \$ -	\$ <u>-</u> \$30.521	\$ - \$ 37.062	\$ - \$ 37.062	\$ - \$ 79.362	\$ 11,035 \$ 90.397	\$ 28,003 \$ 65.065	\$ 44,836 \$ 124,197	\$ 62,082 \$ 99.144	\$ 79,195 \$ 116.257
Total OUTFLOW	\$ 53.203.554	\$ 270.70		\$ 467.500	5 118.684	\$ 73.776	\$ 104.389	\$ 49.158	\$ 49.195	\$ 2.695.503	\$ 4.182.317	\$ 2.563.994	\$ 2.595.555	\$ 2,611,109	\$ 2.590.303	\$ 2.653.971	\$ 2.633.460	\$ 2,655.125
Presale Equity Repayment	\$ 1 356 500			\$ _ 0	k _ 0	\$	\$	\$	\$	\$	\$	\$	\$ -	\$	\$	\$	\$	\$
Preferred Equity Repayment	\$ 523,500		[\$ - 5		 5 -	\$ -	\$ -	\$ - !	 \$ -	\$ \$	\$ -	\$ -	 \$ -	 \$ - \$	\$ -	\$ -	\$ -
Construction Loan Repayment	\$ 42,562,843			\$ - 9		s -	\$	\$ -	\$ - !	» - \$ -	\$ -	\$ -	\$ -	s -	\$	\$ -	\$ -	\$ -
TOTAL CASH OUTFLOW FROM PROJECT	\$ 102,093,779			\$ 467,500 \$	118,684	\$ 73,776	\$ 104,389	\$ 49,158	\$ 49,195	\$ 2,695,503	\$ 4,182,317	\$ 2,563,994	\$ 2,595,555	\$ 2,611,109	\$ 2,590,303	\$ 2,653,971	\$ 2,633,460	\$ 2,655,125
ENDING CASH POSITION	\$ 8,993,302			\$ 889,000 \$	5 770,316	696,541	\$ 1,815,792	\$ 3,026,262	\$ 4,272,686	\$ 7,843,683	\$ 3,661,366	\$ 1,097,372	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
			1	lan-07	Feb-07	Mar-07	Apr-07	May-07	lun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	lan-08	Eeb-08	Mar-08
PERIOD BALANCES:					Month 1	Month 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Presale Equity Balance Equity Investment Balance				\$ 1,356,500 \$ \$ - \$	5 1,356,500 S	\$ 1,356,500 \$ -	\$ 1,356,500 \$ -	\$ 1,356,500 \$ -	\$ 1,356,500 \$ -	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500	\$ 1,356,500 \$ 523,500
Construction Equity Balance Construction Loan Balance				\$ - 5 \$ - 5	5 - 5 5 - 5	5 - 5 -	\$ - \$ -	\$ - \$ -	\$ \$	\$ 4,447,382 \$ -	\$ 4,447,382 \$ -	\$ 4,447,382 \$ -	\$ 4,447,382 \$ 1,698,183	\$ 4,447,382 \$ 4,309,292	\$ 4,447,382 \$ 6,899,595	\$ 4,447,382 \$ 9,553,565	\$ 4,447,382 \$ 12,187,025	\$ 4,447,382 \$ 14,842,150
			1	lan 07	Eab 07	Mor 07	Apr 07	May 07	lup 07	Jul 07	Aug 07	Son 07	0ct 07	Nev 07	Dec 07	lop 09	Ech 00	Mor 00
NOTES AND ASSUMPTIONS:			<u> </u>	/U-nsc	Month 1	Month 1	Apr-07 Month 1	Month 2	Month 3	Month 4	Month 5	Sep-07 Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Note 1 -Monthly Construction		Total Const. Cos \$ 40,933,702	<u>t</u>	\$ - 5	5 - 5	\$	\$ -	\$ -	\$ - !	\$	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865
Percentages Based on Estimates Note 2 -Presale Equity includes \$50K of prior due diligence costs			100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%
Required Cash Balance	\$ 200,000																	
Due Diligence Costs (prior to closing)	э -	1	1									1						1

										,	
Gainesville Greens	16 10	17	18	19 13	20	21	22	23	24	25	26
Development Period Cash Flow	4pr 00	May 00	12	1 13	Aug 00	Sop 00	Oct 00	Nov 09	Construction Completion	17	Closeout
INFLOWS	Month 16	May-08 Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25	Month 26
Beginning Cash Position	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 961,176	\$ 3,356,883
Sales Contracts Closed Contracts	0	0 0	0 0	0	0 0	0 0	0	0	0 47	0 47	0 47
Sale of Commercial Space	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,451,807
Sales Deposits (10% of avg. \$359,894)	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ -	\$ -	\$ -	\$ - \$ 15 222 515	\$ - \$ 15 222 515
Total Sales Inflow	\$ -	\$ -	\$ -	\$ -	\$ -	<u> </u>	\$ -	\$ -	\$ 15,223,515	\$ 15,223,515	\$ 26,675,322
Presale Equity @ 9%									¢	¢	¢
Construction Equity @ 10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$-	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Loan @ 7.80% Loan & Equity Inflow	\$ 2,719,239 \$ 2,719,239	\$ 2,699,177 \$ 2,699,177	\$ 2,729,537 \$ 2,729,537	\$ 2,780,740 \$ 2,780,740	\$ 2,761,094 \$ 2,761,094	\$ 2,783,629 \$ 2,783,629	\$ 2,848,618 \$ 2,848,618	\$ 2,829,439 \$ 2,829,439	\$ 3,242,431 \$ 3,242,431	\$ 2,326,790 \$ 2,326,790	\$ - \$ -
TOTAL CASH AVAILABLE FOR PROJECT	\$ 2,919,239	\$ 2,899,177	\$ 2,929,537	\$ 2,980,740	\$ 2,961,094	\$ 2,983,629	\$ 3,048,618	\$ 3,029,439	\$ 18,665,946	\$ 18,511,480	\$ 30,032,205
	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
OUTFLOWS	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25	Month 26
LAND											
Closing Costs											
Cons. Loan Closing Costs .50% Cons. Loan Closing Committment Fee .75%											
Environmental Remediation											
SUB-Total									1		
County Impact Fees	¢	¢									
County Water/Sewer Connection Fees	» -	\$ -									
Market Study Consultant Surveyor											
Interior Designer Architectural/Engineering											
GC Preconstruction Services/Third Party Plans Review											
Structural Engineering Misc. Testing/Engineering	\$ 2,059	\$ 2,063	\$ 2,067	\$ 2,071	\$ 2,075	\$ 2,078	\$ 2,082	\$ 2,086	\$ 2,090	\$ 2,094	\$ 2,098
MEP/Civil Engineering Fire Protection Plans											
Energy Model and Fundamental Building Commissioning						***					
Threshold Inspection Services	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750
Commercial Sales Commissions at 2.%	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750 \$ 229,036
Sales Commissions at 4.5% Commercial Leasing Commissions at 4.5%	\$ - \$ 5,474	\$- \$5,474	\$ - \$ 5,474	\$ - \$ 5,474	\$ -	\$ - \$ 5,474	\$ - \$ 5,474	\$ - \$ 5,474	\$ 380,588 \$ 5,474	\$ 380,588 \$ 5,474	\$ 380,588 \$ 5,474
Marketing Model/Sales Center	\$ 5,149	\$ 5,158									
Warranty Program									\$ 9,400	\$ 9,400	\$ 9,400
Sales Center / Trailer Lease Development / Management Fees - Developer/Builder(1.85%)	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$3,500 \$35,173	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$ 3,500 \$ 35,173	\$ <u>-</u> \$ 35,173	\$ - \$ 35,173
Legal/Accounting Business Risk Insurance	\$ 2,059 \$ 3.038	\$ 2,063 \$ 3,043	\$ 2,067 \$ 3.049	\$ 2,071 \$ 3.054	\$ 2,075 \$ 3.060	\$ 2,078 \$ 3.066	\$ 2,082 \$ 3.071	\$ 2,086 \$ 3.077	\$ 2,090 \$ 3.083	\$ 2,094 \$ 3.088	\$ 2,098 \$ 3,094
Real Estate Taxes	\$ -	\$ -	\$ 13,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ -	\$ 13,608
Sub-Total	φ -								5	ş -	φ 24J,300
HARD COSTS Construction Costs (including retail center & civil)	\$ 2,479,475	\$ 2,484,021	\$ 2,488,575	\$ 2,493,137	\$ 2,497,708	\$ 2,502,287	\$ 2,506,875	\$ 2,511,471	\$ 2,516,075	\$ -	\$ -
OUTFLOW BEFORE DEBT SERVICE	\$ 2.543.428	\$ 2.547.996	\$ 2,560.816	\$ 2.551.981	\$ 2.556.565	\$ 2.561.157	\$ 2.565.758	\$ 2.570.367	\$ 2.964.973	\$ 445.411	\$ 933.569
Debt Service	2,013,420	2,0,1,770	2,000,010	2,001,701	2,000,000		2,000,700	2,0,0,007	2,,34,,73		. ,00,007
Presale Equity (payable Quaterly)	\$ 30,521	\$-	<u>\$</u> -	\$ 30,521		\$ -	\$ 30,521			\$ 30,521	\$ 10,174
Gap Equity Interest (payable Quarterly)	\$ 11,779 \$ 37,062	\$ 37,062	» - \$ 37,062	\$ 11,779 \$ 37,062	\$ 37,062	\$ 37,062		\$ 37,062	\$ 37,062	> 11,779 \$ 37,062	
Construction Loan Interest (Payable Monthly) Total Cash Interest	\$ 96,449 \$ 175,811	\$ 114,120 \$ 151,181	\$ 131,660 \$ 168,721	\$ 149,397 \$ 228,759	\$ 167,468 \$ 204,529	\$ 185,410 \$ 222,472	\$ 203,499 \$ 282,860	\$ 222,010 \$ 259,072	\$ 240,397 \$ 277,458	\$ 167,486 \$ 246,848	\$ 88,625 \$ 139,787
Total OUTFLOW	\$ 2,719,239	\$ 2,699,177	\$ 2,729,537	\$ 2,780,740	\$ 2,761,094	\$ 2,783,629	\$ 2,848,618	\$ 2,829,439	\$ 3,242,431	\$ 692,259	\$ 1,073,356
Presale Equity Repayment	\$	\$ -	\$	\$ -	\$ -	\$	\$ -	\$	\$	\$	\$ 1,356,500
Preferred Equity Repayment Construction Equity Repayment	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 523,500 \$ 4,447.382
Construction Loan Repayment	\$ -	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,462,339	\$ 14,462,339	\$ 13,638,165
TOTAL CASH OUTFLOW FROM PROJECT	\$ 2,719,239	\$ 2,699,177	\$ 2,729,537	\$ 2,780,740	\$ 2,761,094	\$ 2,783,629	\$ 2,848,618	\$ 2,829,439	\$ 17,704,770	\$ 15,154,598	\$ 21,038,903
ENDING CASH POSITION	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 961,176	\$ 3,356,883	\$ 8,993,302
	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
PERIOD BALANCES: Presale Equity Balance	Month 13 \$ 1.356 500	Month 14	Month 15 \$ 1.356 500	Month 16	Month 17 \$ 1.356 500	Month 18 \$ 1.356 500	Month 19 \$ 1.356 500	Month 20 \$ 1.356 500	Month 21	Month 22	Month 23 \$ -
Equity Investment Balance	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ 523,500	\$ -
Construction Equity Balance Construction Loan Balance	→ 4,447,382 \$ 17,561,389	4,447,382 \$ 20,260,566	4,447,382 22,990,103	→ 4,447,382 \$ 25,770,843	→ 4,447,382 ↓ 28,531,937	4,447,382 31,315,565		 4,447,382 \$ 36,993,623 \$		4,447,382 13,638,165	» - \$ -
	Apr-08	Mav-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
NOTES AND ASSUMPTIONS:	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23
Note 1 -Monthly Construction	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ 2,407,865	\$ -	\$ -
Percentages Based on Estimates Note 2 -Presale Equity includes \$50K of prior due diligence costs	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	5.88%	0.00%	0.00%
Required Cash Balance											
Due Diligence Costs (prior to closing)				1							

Retail Operating Period Discounted Cash Flow Analysis

Project Costs Total Project Cost Operating Reserve (see Land Cost	e note 1)	 \$ 11,451,807 \$ 190,000 \$ 112,367 		Lease Up Period Time to lease-up Year 1 Vacancy Year 2 Vacancy	d	10 months 43.0% 1.8%	E		URES REAL	IY INC.			
Financing Assumptio	ons			Year 3 Vacancy		5.0%					Gainesville +/- 141 units	e Greens +/-19,463 SF of	f Retail
Equity Mortgage Principal		\$ 2,290,361 \$ 9,161,446											
Interest Rate Amortization		7.80% 30											
Annual Debt Service		\$791,407											
Depreciation Assump Building Basis Life (in years) Acceleration Factor	ptions	\$ 11,339,440 39.5 1.0											
Straight line (calculated	(1	\$287,074											
MORTGAGE CALCULA	ATION		1	2	3	4	5	6	7	8	9	10	11
Beginning Balance			9,161,446	9,081,825	8,995,768	8,902,753	8,802,217	8,693,553	8,576,104	8,449,159	8,311,951	8,163,649	8,003,357
Amortization of Principa	al		9,081,825 79,620	8,995,768 86,058	8,902,753 93,015	8,802,217 100,536	8,693,553 108,664	8,576,104 117,449	8,449,159 126,945	8,311,951 137,208	8,163,649 148,302	8,003,357 160,292	7,830,105 173,252
Interest			711,786	705,349	698,391	690,871	682,743	673,957	664,462	654,198	643,105	631,115	618,155
DEPRECIATION CAL	CULATION												
Beginning Balance	ion		11,339,440	11,052,366	10,765,292	10,478,217	10,191,143	9,904,068	9,616,994	9,329,919	9,042,845	8,755,770	8,468,696
Ending Balance			11,052,366	10,765,292	10,478,217	10,191,143	9,904,068	9,616,994	9,329,919	9,042,845	8,755,770	8,468,696	8,181,622
Cumulative Depreciation Cumulative Straight Lin	n Taken Ie		287,074 287.074	574,149 574,149	861,223 861,223	1,148,298 1,148,298	1,435,372 1,435,372	1,722,447 1,722,447	2,009,521 2,009,521	2,296,596 2,296,596	2,583,670 2,583,670	2,870,744 2,870,744	3,157,819 3,157,819
Recapture Remaining Book Value			- 11 16/ 722		-	-	-	9 720 260	9 412 286		8 868 127	8 581 063	8 202 028
Table 11, page 2			11,104,755	10,077,030	10,370,304	10,303,307	10,010,433	7,727,300	7,442,200	7,133,212	0,000,137	0,301,003	0,273,700
ANNUAL CASH FLOW	vs		1	2	3	4	5	6	7	8	9	10	11
Gross Rent	(inflation rate)	2.20%	659,390	673,896	688,722	703,874	719,359	735,185	751,359	767,889	784,783	802,048	819,693
Vacancy Adjusted Gross Income	(vacancy rate)-(see note 2)	5.00%	(283,538)	(12,355)	(34,436)	(35,194)	(35,968)	(36,759)	(37,568)	(38,394)	(39,239)	(40,102)	(40,985)
		0.000/	373,852	454, 705	034,200	1 (0, (07	003,391	070,420	/13,/91	129,493	140,543	101,745	100,100
Operating Expenses Other Expenses	(inflation rate)	2.20%	153,352	156,/25	160,173	163,697	167,299 -	170,979 -	1/4,/41 -	178,585	182,514	186,529	- 190,633
	Total Expenses		153,352	156,725	160,173	163,697	167,299	170,979	174,741	178,585	182,514	186,529	190,633
Net Operating Income	m Operating Reserve		222,500	504,816	494,112	504,983	516,093	527,447	539,050	550,910	563,030	575,416	588,075
Addition to Income from	m TIF Subsidy		452,117	462,063	472,229	482,618	493,235	504,087	515,177	526,510	538,094	549,932	562,030
Annual Debt Service			(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)	(791,407)
Before-Tax Operating C	Cash Flow	-	73,211	175,473	174,935	196,194	217,922	240,127	262,820	286,013	309,717	333,941	358,699
Tax Calculation													
Net Operating Income			864,617	966,880	966,341	987,601	1,009,328	1,031,533	1,054,227	1,077,420	1,101,123	1,125,348	1,150,106
Interest			(711,786)	(705,349)	(698,391)	(690,871)	(682,743)	(673,957)	(664,462)	(654,198)	(643,105)	(631,115)	(618,155)
		_	(207,074)	(201,014)	(201,014)	(201,014)	(201,014)	(201,014)	(207,074)	(201,014)	(201,014)	(201,014)	(207,074)
Taxable Income (Loss) Passive Loss Offset			(134,243) -	(25,544) -	(19,124) -	9,655 (9,655)	39,511 -	70,502	102,691 -	136,148 -	170,944 -	207,159 -	244,876 -
Taxable Income Passive Loss Carryforwa	ard	_	- (134,243)	(25,544)	(19,124)	-	39,511 -	70,502	102,691 -	136,148 -	170,944 -	207,159 -	244,876
Taxes		28.00%	-	-	-	-	11,063	19,740	28,753	38,121	47,864	58,005	68,565
After Tax Cash Flow													
Before-Tax Operating C Taxes	Cash Flow		73,211	175,473	174,935 -	196,194 -	217,922 (11,063)	240,127 (19,740)	262,820 (28,753)	286,013 (38,121)	309,717 (47,864)	333,941 (58,005)	358,699 (68,565)
After-Tax Operating Car	sh Flow	_	73.211	175.473	174.935	196.194	206.858	220.386	234.067	247.892	261.852	275.937	290,134
		-	13,211	115,415	17,755	170,174	200,000	220,000	207,007	271,072	201,032	213,731	270,104



Retail Operating Period Discounted Cash Flow Analysis

SALE CALCULATION			1	2	3	4	5	6	7	8	9	10
Before Tax Cash Flo Sale Price (cap rate of Commission Adjusted Sales Price Remaining Mortgage B	w from Sale 8.5%, using next year NOI) alance Before-Tax Cash Flow from	8.5% 4.50% Sale									-	10,934,743 (492,063) 10,442,679 (8,003,357) 2,439,322
Taxes Adjusted Sales Price Remaining Book Value Total Taxable Gain Passive Loss Carryforw Total Gain Capital Gain	ard Total Depreciation Taken Recapture Tax @ 25%	25%									-	10,442,679 (8,581,063) 1,861,617 - 1,861,617 2,870,744 (717,686) (1,009,128)
After-Tax Cash Flow Before-Tax Cash Flow Total Tax (recapture + After-Tax Cash Flow fre	Tax on Capital Gain v from Sale capital gain) om Sale	15%										(151,369) 2,439,322 (566,317) 1,873,005
RETURN MEASURES	i	Investment	1	2	3	4	5	6	7	8	9	10
Unleveraged IRR Project Cost Net Operating Income Adjusted Sales Price	Total Refere Tay Cash Flow	\$ (11,451,807)	864,617	966,880	966,341	987,601	1,009,328	1,031,533	1,054,227	1,077,420	1,101,123	1,125,348 10,442,679
Unleveraged IRR Net Present Value @ 8	.0%	8.15% \$114,008	004,017	700,000	700,341	707,001	1,007,320	1,031,333	1,034,227	1,077,420	1,101,123	11,300,027
Before Tax IRR Equity Before-Tax Operating (Before-Tax Cash Flow	Cash Flow from Sale Total Before-Tax Cash Flow	\$ (2,290,361)	73,211	175,473	174,935	196,194	217,922 217,922	240,127 240,127	262,820 - 262,820	286,013 - 286,013	309,717 - 309,717	333,941 2,439,322 2,773,264
Before-Tax IRR Net Present Value @ 8	.0%	9.52% \$257,949										
After Tax IRR Equity After-Tax Operating Ca After-Tax Cash Flow fre	ish Flow om Sale Total After-Tax Cash Flow	\$ (2,290,361) \$ (2,290,361)	73,211	175,473	174,935	196,194 196,194	206,858	220,386	234,067 	247,892 - 247,892	261,852 - 261,852	275,937 1,873,005 2,148,942
After-Tax IRR		7.27%										
Simple Return Meas NOI/Project Cost Before Tax Cash Flow/ Tax Shelter/Equity	ures Equity		1.9% 3.2% -	4.4% 7.7% -	4.3% 7.6% -	4.4% 8.6% 0	4.5% 9.5%	4.6% 10.5% -	4.7% 11.5% -	4.8% 12.5%	4.9% 13.5% -	5.0% 14.6% -

 Notes and Assumptions

 1
 Operating reserve is funded from construction loan.

 2
 Vacancy for year one and year two reflect lease-up period. Rent stabilization occurs in year 3

Gainesville Greens Condominiums

2006 OPERATING BUDGET-Proposed

Jan 2006 - Dec 2007

	2006 E	Budget	2007 B	udget		
					¢ Incroses	% Incroaco
INCOME	ANNUAL	MONTHLY	ANNOAL	WONTHLT	\$ IIICI Edse	70 IIICI edse
6315-ASSESSMENTS	374,700	31,225	384,900	32.075	10,200	2.72%
	0717700	01/220	0017700	02,070	10,200	2.7270
OVERHEAD	ľ					
7002-Accounting Fees	3,000	250	3,120	260	120	4.00%
7005-Administration Expenses	2,400	200	2,496	208	96	4.00%
7010-Insurance	15,000	1,250	15,600	1,300	10% inc 600	4.00%
7015-Legal Fees	2,400	200	2,496	208	96	4.00%
7020-Management Fees	15,000	1,250	15,600	1,300	600	4.00%
7025-Permits/Lic /Fees/Fed Txs	350	29	364	30	14	4.00%
7026-Parking Lease	59,640	4,970	59,640	4,970		
7027-7029-Property Taxes	500	42	520	43	20	4.00%
Subtotal	98 200	8 101	00 836	8 320		
Overhead	90,290	0,171	77,030	0,320		
	1					
PROPERTY MAINTENANCE						
8502-Gen Repair/Maintenance	25,000	2,083	26,000	2,167	1,000	4.00%
8515-Maintenance Personnel	0	0	0	0	0	3.50%
8605-Gym Janitorial	5,000	417	5,200	433	200	4.00%
8503-Elevator Maintenance	15,000	1,250	15,563	0	563	3.75%
8520-Pool Maintenance	0	0	0	0	0	3.75%
8610-Waste/Recycling Disposal	12,000	1,000	12,480	1,040	480	4.00%
8615-Pest Control	1,700	142	1,768	147	68	4.00%
8620-Termite Inspection Servic	2,000	167	2,075	1/3	/5	3.75%
8635-Contingency	2,500	208	2,600	217	100	4.00%
Subtotal						
Property Maintenance	63,200	5,267	65,686	4,177		
Troperty Maintenance						
UTILITIES	ľ					
9001-Cable Television	50,760	4.230	52,790	4.399	2.030	4.00%
9002-Electric	7.000	583	7.280	607	280	4.00%
9003-Ethernet	50,045	4,170	51,046	4,254	1,001	2.00%
9005-Water & Sewer	67,680	5,640	70,387	5,866	2,707	4.00%
9010-Telephone	2,000	167	2,080	173	80	4.00%
•						
Subtotal	177 405	14 700	102 504	15 000		
Utilities	177,485	14,790	183,584	15,299		
RESERVES						
9600-Reserves	35,713	2,976	35,713	2,976	0	0.00%
Subtotal	25 712	2 076	25 712	2 076		
Reserves	33,713	2,770	33,713	2,770		
TOTAL EXPENSE	374,688	31,224	384,818	30,771	10,130	2.70%
		a a a a a				
Monthly Assessment per Ur	nit	221.45		227.48	6.03	2.72%



	Reserve Schedule										
	I	Balance in		Remaining							
		Reserve	Estimated	Useful Life							
		Account	Life (years)	(years)	Rep	lacement Cost	Anı	nual Reserve	Mor	nthly Reserve	
Roof Replacement	\$	8,000.00	25	25	\$	350,000.00	\$	8,759.09	\$	729.92	
Façade Maintance	\$	25,000.00	25	25	\$	200,000.00	\$	4,481.99	\$	373.50	
Building Painting	\$	5,000.00	7	7	\$	84,000.00	\$	9,774.55	\$	814.55	
Sprinkler System	\$	3,000.00	25	25	\$	30,000.00	\$	691.51	\$	57.63	
Dumpster Equipment	\$	1,500.00	20	20	\$	10,000.00	\$	296.70	\$	24.73	
Amenities Furniture/Appliances/etc	\$	3,000.00	10	10	\$	30,000.00	\$	2,227.62	\$	185.64	
Plumbing and Sewer	\$	3,000.00	20	20	\$	20,000.00	\$	593.40	\$	49.45	
Air Conditioning Systems	\$	3,000.00	10	10	\$	30,000.00	\$	2,227.62	\$	185.64	
Common Area/Recreational Equip.	\$	3,000.00	8	8	\$	50,000.00	\$	5,007.03	\$	417.25	
Trash Cans	\$	1,000.00	5	5	\$	6,000.00	\$	894.24	\$	74.52	
Gym Equipment	\$	-	15	15	\$	15,000.00	\$	759.69	\$	63.31	
TOTALS (see note 1)	\$	55,500.00	=				\$	35,713.44	\$	2,976.12	

1. Developer to fund initial total balance in the reserve account.



City of Gainesville Tax Impact & Revenue Analysis Gainesville Greens

+/- 141 units +/-19,463 SF of Retail

Condomiun Unit Sales Information:

Unit	Size	Sq. Feet	Quantity
Loft A1	Loft	965	10
Loft A2	Loft	989	10
Loft A3	Loft	1,001	10
Loft A4	1/1	959	6
Condo Unit A	2/2	936	12
Condo Unit B	3/2	1,207	60
Condo Unit C	3/2	1,196	5
Condo Unit D	4/2.5	1,172	6
Condo Unit E	4/2.5	1,291	5
Condo Unit F	4/2.5	1,237	5
Penthouse Units	4/2.5	1,553	12

Millage Rate

25.2622

Tax Revenue:

Unit	A	djusted Taxable Value (15% reduction)	Ρ	roperty Tax per Unit	Quantity	T F	otal Tax Revenue
Loft A1	\$	213,834	\$	5,402	10	\$	54,019
Loft A2	\$	219,631	\$	5,548	10	\$	55,484
Loft A3	\$	222,457	\$	5,620	10	\$	56,197
Loft A4	\$	212,462	\$	5,367	6	\$	32,203
Condo Unit A	\$	206,846	\$	5,225	12	\$	62,705
Condo Unit B	\$	272,682	\$	6,889	60	\$	413,313
Condo Unit C	\$	270,076	\$	6,823	5	\$	34,114
Condo Unit D	\$	264,149	\$	6,673	6	\$	40,038
Condo Unit E	\$	293,216	\$	7,407	5	\$	37,036
Condo Unit F	\$	280,063	\$	7,075	5	\$	35,375
Penthouse Units	\$	357,015	\$	9,019	12	\$	108,228
Total Tax Rev	enu	e from Condomin	ium	n Units		\$	928,712

Retail Cost-Approach-to-Value:

Tenant	Retail Sq. Ft	Construction Cost	Total Costs
Restaurant	4,125	\$170 psf	\$ 701,250
Retail/Office	15,338	\$170 psf	\$ 2,607,460
Civil & Site Work			\$ 168,803
		Sub-total	\$ 3,477,513
		Contingency	\$ 165,436
		Total Costs	\$ 3,642,948
		15% Reduction	\$ 546,442
		Taxable Value	\$ 3,096,506

Total Tax Revenue from Retail Component

\$ PSF	Pric	e Per Unit
\$287	\$	251,569
\$287	\$	258,390
\$287	\$	261,714
\$287	\$	249,955
\$287	\$	243,348
\$287	\$	320,803
\$287	\$	317,736
\$287	\$	310,763
\$287	\$	344,960
\$287	\$	329,486
\$287	\$	420,018

Taxing Authority		Millage Rate	Та	ax Amount
Board of County Commissioners				
County General		8.9887	\$	358,284
County Debt LL		0.2500	\$	9,965
Alachua County Library District				
Library General		1.4475	\$	57,697
Library Bonds		0.1445	\$	5,760
School Board of Alachua County				
School General		5.3550	\$	213,447
School Discretionary		0.7600	\$	30,293
School Bond 4		0.3790	\$	15,107
School Bond 5		0.5400	\$	21,524
School Cap20 Project		2.0000	\$	79,719
St. Johns River Water Mgt. Distr.		0.4620	\$	18,415
City of Gainesville		4.9355	\$	196,726
Total Millage and Taxes		25.2622	\$	1,006,937
Land Sale Revenue	\$	514.000		
	Ŧ	,		
Revenue Stream Available for TIF Financing				
Condominium Taxes	\$	524,168		
Restaurant/Retail/Office Taxes	\$	40,978		
Total Yearly Revenue Created for CRA's TIF Fund	\$	565,146		



■Condominium Taxes ■Restaurant/Retail/Office Taxes



78,225 \$





ubsidy Requirement	Gainesville Greens				
ondominium Tax Component:	+/- 141 units +/-19,403 SF Of Retail	\$	565,146	Projected annual increment (29.630,703)*(0.95)*(0.0139	9303)
50,745,049	Total Project Costs			(-,,, (, (,
(7,611,757) Less 15% Property Appraiser reduction				
43,133,292				3% growth rate annually	5%
;	Less Current Value -Parcel 13052		565,146	Year 1	
43,133,292			582,100	Year 2	
(3,525,000) Less Homestead Exemptions - if applicable		599,564	Year 3	
39,608,292	Adjusted Project Value		617,550	Year 4	
			636,077	Year 5	
Commercial Tax Component - Co	st Approach to Value		655,159	Year 6	
			674,814	Year 7	
3,474,146	Retail- Hard Construction Costs		695,058	Year 8	
168,803	Retail- Site Work Costs		715,910	Year 9	
3,642,948	Total Retail Costs		737,387	Year 10	
(546,442) Less 15% Property Appraiser reduction		759,509	Year 11	
3,096,506	Adjusted Retail Value		782,294	Year 12	
			805,763	Year 13	
			829,936	Year 14	
42,704,798	Total Project Taxable Value		854,834	Year 15	
			880,479	Year 16	
			906,894	Year 17	
			934,100	Year 18	
			962,123	Year 19	
			990,987	Year 20	
		1	5,185,688	Total Annual Increment	
		1	2,148,550	80% Incentive	
DV at 3% Growth Data	¢				

6,491,490

Note: NPV assumes a 8.0% discount rate.

\$

NPV at 5% Growth Rate

5% growth rate annually 565,146 Year 1 593,403 Year 2 623,074 Year 3 654,227 Year 4 686,939 Year 5 721,286 Year 6 757,350 Year 7 795,217 Year 8 834,978 Year 9 876,727 Year 10 920,563 Year 11 966,592 Year 12 1,014,921 Year 13 1,065,667 Year 14 1,118,951 Year 15 1,174,898 Year 16 1,233,643 Year 17 1,295,325 Year 18 1,360,091 Year 19 1,428,096 Year 20 18,687,095 Total Annual Increment 14,949,676 80% Incentive