

**THE "PARKER" RENTAL REHAB PROJECT PROFORMA
CASH FLOW PROJECTION ASSUMING 10% MANAGEMENT FEES**

(1) 3BR

YEAR						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
POTENTIAL GROSS INCOME						\$ 6,024.00	\$ 6,325.20	\$ 6,641.46	\$ 6,973.53	\$ 7,322.21	\$ 7,688.32	\$ 8,072.74	\$ 8,476.37	\$ 8,900.19	\$ 9,345.20	\$ 9,812.46	\$ 10,303.08	\$ 10,818.24	\$ 11,359.15	\$ 11,927.11
VACANCY						180.72	189.76	199.24	209.21	219.67	230.65	242.18	254.29	267.01	280.36	294.37	309.09	324.55	340.77	357.81
EFFECTIVE GROSS INCOME						5,843.28	6,135.44	6,442.22	6,764.33	7,102.54	7,457.67	7,830.55	8,222.08	8,633.19	9,064.85	9,518.09	9,993.99	10,493.69	11,018.38	11,569.29
OPERATING EXPENSES																				
MAINTENANCE/REPAIRS (10% of PGI for YR. 1; 3% inflation thereafter)						584.33	601.86	619.91	638.51	657.67	677.40	697.72	718.65	740.21	762.42	785.29	808.85	833.11	858.11	883.85
INSURANCE (assuming \$480/unit YR. 1; 3% inflation thereafter)						480.00	494.40	509.23	524.51	540.24	556.45	573.15	590.34	608.05	626.29	645.08	664.43	684.37	704.90	726.04
PROPERTY TAXES (assuming a tax assessed value of \$15,000 YR. 1 @ 28 mills; 3% inflation thereafter)						420.00	432.60	445.58	458.95	472.71	486.90	501.50	516.55	532.04	548.00	564.44	581.38	598.82	616.78	635.29
MANAGEMENT (10% of PGI)						602.40	632.52	664.15	697.35	732.22	768.83	807.27	847.64	890.02	934.52	981.25	1,030.31	1,081.82	1,135.92	1,192.71
TOTAL OPERATING EXPENSES						2,086.73	2,161.38	2,238.87	2,319.32	2,402.85	2,489.57	2,579.64	2,673.17	2,770.32	2,871.23	2,976.06	3,084.97	3,198.12	3,315.70	3,437.89
(A) NET OPERATING INCOME						3,756.55	3,974.07	4,203.35	4,445.01	4,699.70	4,968.10	5,250.92	5,548.91	5,862.86	6,193.61	6,542.03	6,909.03	7,295.57	7,702.68	8,131.40
(B) DEBT SERVICE (\$15,230, 3%, 15 years, PMT = \$105.18/mo)						1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16	1,262.16
(C) CASH FLOW (A-B)						2,494.39	2,711.91	2,941.19	3,182.85	3,437.54	3,705.94	3,988.76	4,286.75	4,600.70	4,931.45	5,279.87	5,646.87	6,033.41	6,440.52	6,869.24
(D) DEPRECIATION						932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00
(E) PRINCIPAL REDUCTION						816.00	840.00	864.00	900.00	924.00	960.00	996.00	1,018.00	1,020.00	1,080.00	1,100.00	1,136.00	1,160.00	1,196.00	1,220.00
(F) NET INCOME BEFORE TAXES (C-D+E)						2,378.39	2,619.91	2,873.19	3,150.85	3,429.54	3,733.94	4,052.76	4,372.75	4,688.70	5,079.45	5,447.87	5,850.87	6,261.41	6,704.52	7,157.24
(G) TAXES						665.95	733.57	804.49	882.24	960.27	1,045.50	1,134.77	1,224.37	1,312.84	1,422.25	1,525.40	1,638.24	1,753.19	1,877.26	2,004.03
(H) NET INCOME AFTER TAXES (F-G)						1,712.44	1,886.33	2,068.69	2,268.61	2,469.27	2,688.43	2,917.98	3,148.38	3,375.87	3,657.21	3,922.47	4,212.62	4,508.22	4,827.25	5,153.22
(I) CASH FLOW AFTER TAXES (C-G)						1,828.44	1,978.33	2,136.69	2,300.61	2,477.27	2,660.43	2,853.98	3,062.38	3,287.87	3,509.21	3,754.47	4,008.62	4,280.22	4,563.25	4,865.22
# Bedrooms	# Units	RENT	UTILITIES	NET RENT	PROJECT SUMMARY															
3	High-Home (65% median)	1	\$ 614.00	\$ 112.00	\$ 502.00	Renovations & Closing Costs Grant	\$ 10,710.06													
						Relocation Costs Grant	\$ -													
						Infrastructure Grant	\$ -													
						Owner Funds	\$ -													
						City Loan	\$ 15,230.00													
						TOTAL PROJECT COSTS	\$ 25,940.06													
TOTALS		1	\$ 614.00	\$ 112.00	\$ 502.00															
VACANCY			0.03			RATE	0.03													
INFLATION			0.03			TERM	15 years													
RENT ESCALATOR			0.05			TAX RATE	0.28													
PREPARED BY: A																				
NORE DAVIS																				
DATE: July 29, 1998																				
Filename: A:\EXCEL\PARKER.PRO																				

**THE "DOWST" RENTAL REHAB PROJECT PROFORMA
CASH FLOW PROJECTION ASSUMING 10% MANAGEMENT FEES**

(1) 4BR

YEAR					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
POTENTIAL GROSS INCOME					\$ 6,648.00	\$ 6,980.40	\$ 7,329.42	\$ 7,695.89	\$ 8,080.69	\$ 8,484.72	\$ 8,908.96	\$ 9,354.40	\$ 9,822.12	\$ 10,313.23	\$ 10,828.89	\$ 11,370.34	\$ 11,938.85	\$ 12,535.80	\$ 13,162.59	
VACANCY					199.44	209.41	219.88	230.88	242.42	254.54	267.27	280.63	294.66	309.40	324.87	341.11	358.17	376.07	394.88	
EFFECTIVE GROSS INCOME					6,448.56	6,770.99	7,109.54	7,465.01	7,838.26	8,230.18	8,641.69	9,073.77	9,527.46	10,003.83	10,504.02	11,029.23	11,580.69	12,159.72	12,767.71	
OPERATING EXPENSES																				
MAINTENANCE/REPAIRS (10% of PGI for YR. 1; 3% inflation thereafter)					644.86	664.20	684.13	704.65	725.79	747.56	769.99	793.09	816.88	841.39	866.63	892.63	919.41	946.99	975.40	
INSURANCE (assuming \$480/unit YR. 1; 3% inflation thereafter)					480.00	494.40	509.23	524.51	540.24	556.45	573.15	590.34	608.05	626.29	645.08	664.43	684.37	704.90	726.04	
PROPERTY TAXES (assuming a tax assessed value of \$30,000 YR. 1 @ 28 mils; 3% inflation thereafter)					840.00	865.20	891.16	917.89	945.43	973.79	1,003.00	1,033.09	1,064.09	1,096.01	1,128.89	1,162.76	1,197.64	1,233.57	1,270.58	
MANAGEMENT (10% of PGI)					664.80	698.04	732.94	769.59	808.07	848.47	890.90	935.44	982.21	1,031.32	1,082.89	1,137.03	1,193.89	1,253.58	1,316.26	
TOTAL OPERATING EXPENSES					2,629.66	2,721.84	2,817.46	2,916.64	3,019.53	3,126.28	3,237.04	3,351.97	3,471.23	3,595.01	3,723.49	3,856.85	3,995.30	4,139.04	4,288.28	
(A) NET OPERATING INCOME					3,818.90	4,049.15	4,292.08	4,548.37	4,818.73	5,103.90	5,404.65	5,721.81	6,056.23	6,408.82	6,780.53	7,172.37	7,585.39	8,020.68	8,479.43	
(B) DEBT SERVICE (\$21890, 3%, 15 years, PMT = \$151.17/mo)					1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	1,814.04	
(C) CASH FLOW (A-B)					2,004.86	2,235.11	2,478.04	2,734.33	3,004.69	3,289.86	3,590.61	3,907.77	4,242.19	4,594.78	4,966.49	5,358.33	5,771.35	6,206.64	6,665.39	
(D) DEPRECIATION					1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	
(E) PRINCIPAL REDUCTION					1,260.00	1,284.00	1,308.00	1,344.00	1,368.00	1,404.00	1,440.00	1,472.00	1,464.00	1,524.00	1,544.00	1,580.00	1,604.00	1,640.00	1,664.00	
(F) NET INCOME BEFORE TAXES (C-D+E)					2,064.86	2,319.11	2,586.04	2,878.33	3,172.69	3,493.86	3,830.61	4,179.77	4,506.19	4,918.78	5,310.49	5,738.33	6,175.35	6,646.64	7,129.39	
(G) TAXES					578.16	649.35	724.09	805.93	888.35	978.28	1,072.57	1,170.33	1,261.73	1,377.26	1,486.94	1,606.73	1,729.10	1,861.06	1,996.23	
(H) NET INCOME AFTER TAXES (F-G)					1,486.70	1,669.76	1,861.95	2,072.40	2,284.34	2,515.58	2,758.04	3,009.43	3,244.45	3,541.52	3,823.56	4,131.60	4,446.25	4,785.58	5,133.16	
(I) CASH FLOW AFTER TAXES (C-G)					1,426.70	1,585.76	1,753.95	1,928.40	2,116.34	2,311.58	2,518.04	2,737.43	2,980.45	3,217.52	3,479.56	3,751.60	4,042.25	4,345.58	4,669.16	
# Bedrooms	# Units	RENT	UTILITIES	NET RENT	PROJECT SUMMARY															
4	High-Home (65% median)	1	\$ 666.00	\$ 112.00	\$ 554.00	Renovations & Closing Costs Grant \$ 11,346.25														
					Relocation Costs Grant \$ -															
					Infrastructure Grant \$ -															
					Owner Funds \$ -															
					City Loan \$ 21,890.00															
					TOTAL PROJECT COSTS \$ 33,236.25															
TOTALS		1	\$ 666.00	\$ 112.00	\$ 554.00	RATE 0.03														
VACANCY				0.03	TERM 15 years															
INFLATION				0.03	TAX RATE 0.28															
RENT ESCALATOR				0.05																
PREPARED BY: A																				
NDRE DAVIS																				
DATE: July 29, 1998																				
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