

CHARLOTTE EQUITY FUND

END LOAN ANALYSIS

Per unit HC	<b>\$150,000</b>	Construction LTV	<b>85%</b>
Dev Fee	<b>7%</b>	Req. Dev. Equity	<b>5%</b>
Soft Cost %	<b>20%</b>	Vacancy Factor	<b>7%</b>
# of Units	<b>100</b>	Operating Cost per Unit	<b>\$4,400</b>
		Cap Rate	<b>5.50%</b>

Development Budget

Hard Costs	\$15,000,000
Soft Costs	\$3,374,886.33
Developer Fee	\$1,286,242
<b>TDC</b>	<b>\$19,661,128</b>

Units & Income

1 BR	# units	Potential Rent	Gross Potential Rent
30% AMI	4	\$444	\$21,312
50% AMI	9	\$735	\$79,410
80% AMI	9	\$1,177	\$127,146
120% AMI	11	\$1,414	\$186,653
	33		<b>\$414,522</b>
2 BR	# units	Potential Rent	Gross Potential Rent
30% AMI	5	\$500	\$30,000
50% AMI	8	\$827	\$79,373
80% AMI	10	\$1,323	\$158,746
120% AMI	10	\$1,764	\$211,661
	33		<b>\$479,779</b>
3 BR	# units	Potential Rent	Gross Potential Rent
30% AMI	6	\$555	\$39,960
50% AMI	8	\$918	\$88,159
80% AMI	10	\$1,471	\$176,467
120% AMI	10	\$2,014	\$241,680
	34		<b>\$546,266</b>
<b>Total Units</b>	<b>100</b>		
Annual Gross Potential Rent		\$1,440,567	
net of vacancy		(\$100,840)	
Net Projected Revenue		\$1,339,727	
net of annual operating costs		(\$440,000)	
<b>Net Rental Income</b>		<b>\$899,727</b>	

Mortgage Sizing

LTV Projection	
NOI	\$899,727
Cap Rate	5.5%
Max LTV	85%
Projected Value	\$16,358,676
<b>Allowable Loan</b>	<b>\$13,904,875</b>
First Mortgage Sizing	
Bank Loan	\$12,781,056
Term	35
Rate	4.75%
Monthly	\$62,481
Annual	\$749,773
DSC	1.20

Take Out Analysis

LTV Projection for sample transaction	
NOI	\$1,117,591
Cap Rate	5.5%
Max LTV	75%
Projected Value	\$20,319,832
<b>Allowable Loan</b>	<b>\$15,239,874</b>
First Mortgage Sizing	
Bank Loan	\$15,875,913
Term	35
Rate	4.75%
Monthly	\$77,610
Annual	\$931,326
DSC	1.20

Sources & Uses

Construction Financing	
Construction Loan	\$12,781,056
Developer Equity	\$983,056
Muni Debt	\$2,000,000
Equity Fund	\$3,897,016
<b>Total</b>	<b>\$19,661,128</b>
Permanent Financing	
Permanent Loan	\$12,781,056
Developer Equity	\$983,056
Muni Debt	\$2,000,000
Equity Fund	\$3,897,016
<b>Total</b>	<b>\$19,661,128</b>

End Loan Underwriting

YEAR		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income (Net of vacancy)	2%	\$1,339,727	\$1,366,522	\$1,393,852	\$1,421,729	\$1,450,164	\$1,479,167	\$1,508,750	\$1,538,925	\$1,569,704	\$1,601,098	\$1,633,120	\$1,665,782	\$1,699,098	\$1,733,080	\$1,767,742
Operating Expenses	3%	(\$440,000)	(\$453,200)	(\$466,796)	(\$480,800)	(\$495,224)	(\$510,081)	(\$525,383)	(\$541,145)	(\$557,379)	(\$574,100.20)	(\$591,323)	(\$609,062.90)	(\$627,335)	(\$646,155)	(\$665,539)
Debt Service		(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)	(\$749,772.67)
Net Operating Income		\$149,955	\$163,549	\$177,284	\$191,157	\$205,167	\$219,314	\$233,595	\$248,008	\$262,552	\$277,225	\$292,024	\$306,947	\$321,991	\$337,152	\$352,429
DSC		1.20	1.22	1.24	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39	1.41	1.43	1.45	1.47
Cash Avail for Sweep	60%	\$89,973	\$98,129	\$106,370	\$114,694	\$123,100	\$131,588	\$140,157	\$148,805	\$157,531	\$166,335	\$175,214	\$184,168	\$193,194	\$202,291	\$211,458
Equity Fund Balance		\$3,897,016	\$3,807,043	\$3,708,914	\$3,602,543	\$3,487,849	\$3,364,749	\$3,233,161	\$3,093,004	\$2,944,199	\$2,786,668	\$2,620,332	\$2,445,118	\$2,260,950	\$2,067,756	\$1,865,464
Return of Equity		(\$89,973)	(\$98,129)	(\$106,370)	(\$114,694)	(\$123,100)	(\$131,588)	(\$140,157)	(\$148,805)	(\$157,531)	(\$166,335)	(\$175,214)	(\$184,168)	(\$193,194)	(\$202,291)	(\$211,458)
<b>Equity Fund Balance</b>		<b>\$3,807,043</b>	<b>\$3,708,914</b>	<b>\$3,602,543</b>	<b>\$3,487,849</b>	<b>\$3,364,749</b>	<b>\$3,233,161</b>	<b>\$3,093,004</b>	<b>\$2,944,199</b>	<b>\$2,786,668</b>	<b>\$2,620,332</b>	<b>\$2,445,118</b>	<b>\$2,260,950</b>	<b>\$2,067,756</b>	<b>\$1,865,464</b>	<b>\$1,654,006</b>
YEAR		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Income (Net of vacancy)	2%	\$1,803,096	\$1,839,158	\$1,875,942	\$1,913,460	\$1,951,730	\$1,990,764	\$2,030,579	\$2,071,191	\$2,112,615	\$2,154,867	\$2,197,964	\$2,241,924	\$2,286,762	\$2,332,497	\$2,379,147
Operating Expenses	3%	(\$685,506)	(\$706,071)	(\$727,253)	(\$749,071)	(\$771,543)	(\$794,689)	(\$818,530)	(\$843,085)	(\$868,378)	(\$894,429)	(\$921,262)	(\$948,900)	(\$977,367)	(\$1,006,688)	(\$1,036,889)
Debt Service		(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)
Net Operating Income		\$166,009	\$181,506	\$197,107	\$212,808	\$228,605	\$244,493	\$260,468	\$276,524	\$292,655	\$308,856	\$325,120	\$341,442	\$357,813	\$374,227	\$390,677
DSC		1.17	1.19	1.21	1.22	1.24	1.26	1.29	1.31	1.32	1.34	1.36	1.39	1.41	1.43	1.44
Cash Avail for Sweep	60%	\$99,605	\$108,903	\$118,264	\$127,685	\$137,163	\$146,696	\$156,281	\$165,914	\$175,593	\$185,313	\$195,072	\$204,865	\$214,688	\$224,536	\$234,406
YEAR		31	32	33	34	35										
Income (Net of vacancy)	2%	\$2,426,730	\$2,475,265	\$2,524,770	\$2,575,266	\$2,626,771										
Operating Expenses	3%	(\$1,067,995)	(\$1,100,035)	(\$1,133,036)	(\$1,167,028)	(\$1,202,038)										
Debt Service		(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)	(\$951,582)										
Net Operating Income		\$407,153	\$423,648	\$440,152	\$456,656	\$473,151										
DSC		1.43	1.45	1.46	1.48	1.50										
Cash Avail for Sweep	60%	\$244,292	\$254,189	\$264,091	\$273,994	\$283,890										