ATTACHMENT E

CENTRE CITY REDEVELOPMENT PROJECT

SAN DIEGO, CALIFORNIA

SUMMARY PERTAINING TO THE GROUND LEASE OF CERTAIN PROPERTY WITHIN THE CENTRE CITY PROJECT AREA

(California Community Redevelopment Law)
Section 33433

PURSUANT TO A
DISPOSITION AND DEVELOPMENT AGREEMENT
AND GROUND LEASE BETWEEN
THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
AND
BROADWAY TOWER ASSOCIATES, L.P.

Redevelopment Agency
of the
City of San Diego, California

OCTOBER 2009

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I. INTRODUCTION

The Redevelopment Agency of the City of San Diego, California (the “Agency”) will enter into a 70-year leasehold agreement for ground and airspace rights (Leased Premises) in the Centre City Redevelopment Project. The Developer may extend the term of the lease for one additional period of 20 years, for a total of 90 years. The transaction is detailed in the proposed Disposition and Development Agreement and Ground Lease (Agreements) between the Agency and Broadway Tower Associates, L.P. (Developer).

The Leased Premises are located within a 25,000-square-foot (SF) site (Property) on the southeast corner of Ninth Avenue and Broadway in the East Village Redevelopment District of the Centre City Redevelopment Project Area. This Summary Report was prepared in accordance with Section 33433 of the California Community Redevelopment Law in order to inform the Agency and the public about the transaction. The Summary Report describes and specifies:

1. The costs to be incurred by the Agency under the Agreements;

2. The estimated value of the interests to be conveyed by the Agency to the Developer pursuant to the proposed Agreements determined at the highest and best uses permitted under the Centre City Redevelopment Project;

3. The estimated value of the interest to be conveyed at the use and with the conditions, covenants, and development costs required by the lease;

4. The compensation to be paid to the Agency pursuant to the proposed transaction;

5. An explanation of the difference, if any, between the compensation to be paid to the Agency under the proposed transaction, and the fair market value at the highest and best use consistent with the Centre City Redevelopment Project; and

6. An explanation of why the lease and development of the Leased Premises will assist with the elimination of blight.

II. COSTS OF THE AGREEMENTS TO THE AGENCY

The estimated cost to the Agency for the Agreement totals $31,143,000, broken out as follows: (1)

Acquisition Costs for the Property	$8,800,000
Agency Loan	$21,873,000
Administrative/Other Costs (2)	$470,000
Total Agency Costs	$31,143,000

(1) Per CCDC staff.

(2) Estimated third-party costs through conveyance including legal, appraisal, economic consultants, and other soft costs.

III. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE HIGHEST AND BEST USES PERMITTED UNDER THE REDEVELOPMENT PLAN

This section presents an analysis of the fair market value of the Leased Premises at their highest and best use. The proposed use of the Leased Premises must be consistent with the Centre City Redevelopment Plan and the Centre City Planned District Ordinance.

In appraisal terminology, the highest and best use can be defined as the legal uses (i.e., the uses allowed under the redevelopment plan) that will yield to land the highest value. Therefore, the definition of highest and best use is based solely on the value created and not on whether or not it enhances or carries out the redevelopment goals and policies for Centre City.

The Centre City Planned District Ordinance (PDO) governs the zoning and land uses of the Property. The Property is located within the Employment / Residential Mixed Use which allows for a mix of uses including office, residential, hotel, research and development, and education and medical facilities. In addition, the Property has a maximum Floor Area Ratio (FAR) of 10.0, with the potential for bonuses to increase total density to a maximum of 14.0.

The Agency's economic consultant, Keyser Marston Associates, Inc. (KMA), has provided a memorandum dated October 9, 2009, which addresses the fair market value of the Leased Premises. The KMA analysis concludes that the fair market value of the Leased Premises at their highest and best use is $6,250,000.

IV. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE USE AND WITH THE CONDITIONS, COVENANTS, AND DEVELOPMENT COSTS REQUIRED BY THE GROUND LEASE

This section explains the principal conditions, covenants, and development costs which the Developer must meet in order to comply with the Centre City Redevelopment Plan, Centre City Planned District Ordinance, and the Agreements which contain the provisions necessary and appropriate to develop the Leased Premises and to carry out the Centre City Redevelopment Plan.

The Agreements contain specific covenants and conditions designed to ensure that the development is carried out in a manner to achieve the Agency's objectives, standards, and criteria for such uses under Centre City Redevelopment Plan. Such covenants and conditions include the following:

Disposition and Development Agreement

- The Developer will construct 250 residential units, affordable to very low- and low-income households.

- The Agency will contribute a total of $21,873,000 toward the affordable housing Project (Agency Loan).

- The Project will remain affordable for a term of 55 years.

- The Developer will secure financing from a number of sources including a conventional permanent loan, Low Income Housing Tax Credits, Multifamily Housing Program (MHP), Mental Health Services Act (MHSA) program funds, and an award from the Federal Home Loan Bank Affordable Housing Program (AHP).

- The Developer agrees to defer $500,000 of their $2,500,000 developer fee and apply it as a funding source for the Project (Deferred Developer Fee).

- The Project has a financing shortfall of $6,023,000. To fill this gap, the Developer will also seek financing from other funding sources.

- It is the responsibility of the Developer to ensure that applicable City zoning and land use requirements will permit development of the proposed Project.

- The Project will be Leadership in Energy and Environmental Design (LEED) certified.

- The Developer will be responsible for all development costs, including demolition of existing improvements, remediation, construction of the Project, and off-site improvements.

- Commencing with Certificate of Occupancy, the Agency Loan will bear a simple annual interest rate of 1.0%. Repayment of the Agency Loan will be from residual receipts calculated as the Project's annual cash flow after payment of ground rent (see discussion below), debt service, asset management fees, operating reserve fund deposits, and repayment of the Deferred Developer Fee.

- Upon repayment of the deferred fee, residual receipts will be split between the Agency and other public agencies in proportion to the respective loan amounts provided by each agency. The Developer agrees to pay to the Agency and other public agencies 50.0% of the residual receipts during Years 1-30 and 80% of the residual receipts during years 31-55. Residual receipts received by the Agency will be used toward repayment of the Agency Loan.

Ground Lease

- The Agency and Developer will enter into a 70-year leasehold agreement to convey to the Developer the ground and airspace rights for the Leased Premises. The Developer may extend the term of the lease for one additional period of 20 years, for a total of 90 years.

- The Developer will pay ground lease payments to the Agency as follows:

Residential:	Years 1-55	$1.00 per year	
	Years 56-90	10.0% of Effective Gross Income (EGI)	
Retail Space:	If Developer subleases Retail Space:	75% of EGI after: (i) a management fee of 5% of EGI; and (ii) deposits to the Retail Leasing Reserve necessary to maintain a reserve fund of no more than $75,000	
	If Developer sells Retail Space:	Retail on Broadway:	$57/SF of retail space

Retail on Ninth Avenue: 90% of fair market value, as determined by a third-party appraiser

- After Year 55, the Developer may operate the Project as market-rate apartments with no affordability restrictions on the units.

- After Year 55, the Agency will have the right to acquire the leasehold interest in the Project at the greater of: (a) fair market value of the leasehold interest, or (b) the sum of the remaining non-Agency debt balances, including interest, and taxes.

- Upon expiration of the ground lease term (Year 90), the Developer will transfer title to the improvements to the Agency.

Estimate of Fair Re-Use Value

Based on these conditions, covenants, and development costs required by the proposed Agreements, KMA concluded the fair re-use value of the Leased Premises to be *negative* $27,443,000. The KMA conclusion is separately reported in a memorandum to the Agency dated October 9, 2009.

V. THE COMPENSATION WHICH DEVELOPER WILL BE REQUIRED TO PAY

KMA estimates Developer compensation to the Agency from two sources:

- Ground lease payments
- Residual receipts

These revenue streams are estimated to have a net present value (NPV) of approximately $1,031,000, as follows:

NPV of Ground Lease Payments Years 1-90 - Retail	$734,000
NPV of Ground Lease Payments Years 1-90 - Residential	$108,000
NPV of Residual Receipts to Agency and Year 56 Payoff of Agency Loan	$189,000
Total Compensation to Agency	$1,031,000

On this basis then, KMA concludes that the effective compensation to the Agency is *negative* $20,842,000, as summarized below:

Total Compensation	$1,031,000
(Less) Agency Loan	($21,873,000)
Net Effective Compensation to Agency	($20,842,000)

VI. AN EXPLANATION OF THE DIFFERENCE, IF ANY, BETWEEN THE COMPENSATION TO BE PAID TO THE AGENCY BY THE PROPOSED TRANSACTIONS AND THE FAIR MARKET VALUE OF THE INTERESTS TO BE CONVEYED AT THE HIGHEST AND BEST USE CONSISTENT WITH THE REDEVELOPMENT PLAN

The fair market value of the interest to be conveyed at the highest and best use consistent with the Centre City Redevelopment Plan is estimated by KMA to be $6,250,000.

The compensation to be paid to the Agency pursuant to the Agreements is estimated by KMA to be *negati*ve $20,842,000. Factors affecting the difference in compensation and fair market value of the Property at highest and best use include:

- The Project will consist of rental apartments restricted to very low- and low-income households for 55 years.

- The Project is proposed to receive subsidies from a variety of Federal and State housing programs including: Low Income Housing Tax Credits, Multi-Family Housing Program, and the Mental Health Services Act program. These funding sources impose specific covenants and restrictions and require payment of prevailing wages during construction.

- The Project will be developed on a 70-year ground lease rather than fee simple ownership.

VII. EXPLANATION OF WHY THE GROUND LEASE OF THE LEASED PREMISES WILL ASSIST WITH THE ELIMINATION OF BLIGHT

The Implementation Plan for the Centre City Redevelopment Project, adopted by the Redevelopment Agency on June 9, 2009 in accordance with Section 33490 of the California Community Redevelopment Law, contains the goals and objectives and the projects and expenditures proposed to eliminate blight within the Project Areas. These blighting factors include:

- Creation of incentive programs for existing property owners to reinvest in their properties.

- Creation of viable housing options with Centre City that span a range of incomes.

Implementation of the Agreements can be expected to assist in the alleviation of blighting conditions through the following:

- Encouragement of new and continuing private investment.

- Provision of affordable housing opportunities for Centre City residents.

KEYSER MARSTON ASSOCIATES.
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

To: Jeff Graham, Vice President - Redevelopment
Centre City Development Corporation

From: KEYSER MARSTON ASSOCIATES, INC.

Date: October 22, 2009

Subject: Ninth and Broadway Affordable Housing Project
Estimate of Re-use Value

A. Introduction

Keyser Marston Associates, Inc. (KMA) has been requested to review the development transaction between the Redevelopment Agency of the City of San Diego (Agency) and Broadway Tower Associates, L.P. (Developer). The transaction is detailed in the Disposition and Development Agreement and Ground Lease (Agreements), under review as of October 6, 2009. The Developer intends to build a 250-unit, 17-story apartment complex affordable to households at extremely low-, very low- and low-income levels (Project). The Project will be constructed on a 25,000-square-foot (SF) site (Property) on the southeast corner of Ninth Avenue and Broadway in the East Village Redevelopment District of the Centre City Redevelopment Project Area in Downtown San Diego.

As background, the Agency acquired the Property from Broadway & 9th LP per the Repurchase Agreement dated July 17, 2006, after the original owner of the Property determined it was no longer financially feasible to develop a 12-story 393-unit affordable rental housing development on the Property. The Repurchase Agreement requires that the Agency develop an affordable housing project containing approximately 250 units on the Property, with 75% of the total number of units restricted for a minimum of 55 years (rental units) or 65 years (for-sale units).

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B. Summary of Findings

Under the terms of the Agreements, the Agency and Developer will enter into a 70-year leasehold agreement to convey to the Developer the Property's ground and airspace rights (Leased Premises). The Developer may extend the term of the lease for one additional period of 20 years, for a total of 90 years.

For the purposes of this report, the 90-year leasehold for the Leased Premises reflects the interest to be conveyed. KMA's principal conclusions are summarized as follows:

- The estimated value of the compensation to be received by the Agency is *negative* $20,842,000.

- The estimated re-use value of the Leased Premises is *negative* $27,443,000.

- The estimated fair market value of the Leased Premises at their highest and best use is $6,250,000.

C. Background

Description of Property and Environs

The Property is situated in the East Village Redevelopment District in Downtown San Diego on the southeast corner of Broadway and Ninth Avenue. The Property consists of a vacant lot, currently utilized as surface parking, and an old vacant structure.

The Property is surrounded by a mix of low- to mid-rise commercial, institutional, and residential developments. The only new development currently under construction or planned in close proximity to the Project is Monaco. Monaco is planned as a 38-story mixed-use residential tower with 310 condominiums and 40,000 SF of retail and commercial space, situated on the north side of Broadway between Eighth and Ninth Avenues.

Proposed Project

The Project will include the following components:

- *Affordable Housing* - The affordable housing development will consist of a multi-family residential development containing 250 apartments including 140 living units, 36 studios, and 74 one bedroom units with an overall average size of 388 SF.

The units will be affordable to very low- and low-income households earning 30%, 40%, and 60% of Area Median Income (AMI). Up to 88 units (35% of total units) will be set aside as supportive housing for individuals at risk of homelessness. Twenty-five of these units will be subsidized by the State of California Mental Health Services Act (MHSA) program, which allows for operating subsidies for up to 20 years. In addition, fifty (50) of the 88 supportive housing units will receive Section 8 vouchers which will allow the Developer to receive from the San Diego Housing Commission the difference between the 30% of the tenants' income and the maximum allowable rent for households earning up to 60% AMI in San Diego County.

- *Retail* - Approximately 5,800 SF of retail space will be located on the ground floor along Ninth Avenue and Broadway. The Developer proposes to lease or sell the retail space.

- *Parking* - The Project will be served by three levels of underground parking totaling 120 spaces.

D. Transaction Terms

This section summarizes the salient aspects of the business terms contained in the proposed Agreements.

Disposition and Development Agreement

- The Developer will construct 250 residential units, affordable to very low- and low-income households.

- The Agency will contribute a total of $21,873,000 toward the affordable housing Project (Agency Loan).

- The Project will remain affordable for a term of 55 years.

- The Developer will secure financing from a number of sources including a conventional permanent loan, Low Income Housing Tax Credits, Multifamily Housing Program (MHP), Mental Health Services Act (MHSA) program funds, and an award from the Federal Home Loan Bank Affordable Housing Program (AHP).

- The Developer agrees to defer $500,000 of their $2,500,000 developer fee and apply it as a funding source for the Project (Deferred Developer Fee).

- The Project has a financing shortfall of $6,023,000. To fill this gap, the Developer will also seek financing from other funding sources.

- It is the responsibility of the Developer to ensure that applicable City zoning and land use requirements will permit development of the proposed Project.

- The Project will be Leadership in Energy and Environmental Design (LEED) certified.

- The Developer will be responsible for all development costs, including demolition of existing improvements, remediation, construction of the Project, and off-site improvements.

- Commencing with Certificate of Occupancy, the Agency Loan will bear a simple annual interest rate of 1.0%. Repayment of the Agency Loan will be from residual receipts calculated as the Project's annual cash flow after payment of ground rent (see discussion below), debt service, asset management fees, operating reserve fund deposits, and repayment of the Deferred Developer Fee.

- Upon repayment of the deferred fee, residual receipts will be split between the Agency and other public agencies in proportion to the respective loan amounts provided by each agency. The Developer agrees to pay to the Agency and other public agencies 50.0% of the residual receipts during Years 1-30 and 80% of the residual receipts during years 31-55. Residual receipts received by the Agency will be used toward repayment of the Agency Loan.

Ground Lease

- The Agency and Developer will enter into a 70-year leasehold agreement to convey to the Developer the ground and airspace rights for the Leased Premises. The Developer may extend the term of the lease for one additional period of 20 years, for a total of 90 years.

- The Developer will pay ground lease payments to the Agency as follows:

Residential:	Years 1-55	$1.00 per year
	Years 56-90	10.0% of Effective Gross Income (EGI)
Retail Space:	If Developer subleases	

Retail Space:		
Years 1-5	$0 per year	
Years 6-90	75% of EGI after: (i) a management fee of 5% of EGI and; (ii) deposits to the Retail Leasing Reserve necessary to maintain a reserve fund of no more than $75,000.	
If Developer sells Retail Space:	Retail on Broadway:	$57/SF of retail space
	Retail on Ninth Avenue:	90% of fair market value, as determined by a third-party appraiser

- After Year 55, the Developer may operate the Project as market-rate apartments with no affordability restrictions on the units.

- After Year 55, the Agency will have the right to acquire the leasehold interest in the Project at the greater of: (a) fair market value of the leasehold interest, or (b) the sum of the remaining non-Agency debt balances, including interest, and taxes.

- Upon expiration of the ground lease term (Year 90), the Developer will transfer title to the improvements to the Agency.

Conclusion

The estimated value of compensation to be received by the Agency is presented in Tables 2 and 3. Compensation is estimated as the present value of ground lease payments and residual receipts that the Developer will be required to make to the Agency during the term of the lease.

These revenue streams are estimated to have a net present value (NPV) of approximately $1,031,000, as follows:

NPV of Ground Lease Payments Years 1-55 - Residential	$0
NPV of Ground Lease Payments Years 56-90 - Residential	$108,000

NPV of Ground Lease Payments Years 1-55 - Retail	$714,000
NPV of Ground Lease Payments Years 56-90 - Retail	$20,000
NPV of Residual Receipts to Agency and Year 56 Payoff of Agency Loan	$189,000
Total Compensation to Agency	$1,031,000

Under the terms of the Agreements, KMA estimates that the effective compensation to the Agency is *negative* $20,842,000, estimated as follows:

Total Compensation	$1,031,000
(Less) Agency Loan	($21,873,000)
Net Effective Compensation to Agency	($20,842,000)

E. Estimate of Fair Re-use Value

Re-use value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions, and restrictions imposed by the Agreements.

There are two fundamental approaches to establish re-use value:

- The first is an analysis based on the sale of comparable properties or development rights. When comparable transactions exist and when relatively few adjustments are required to adjust the comparables to the subject, the approach based on comparable transactions can yield the most reliable indicator of value.

- The second method is an analysis based on the anticipated income characteristics for a specific project. Often the income approach, also termed the residual value approach, proves more useful than the comparable sales approach due to the unique market setting, project characteristics, and specific requirements of the Agency which make the approach based on comparable transactions difficult or unfeasible to implement.

  With this approach, the residual value is established as the amount that a developer can feasibly afford to pay for a property or development right, after taking into account the development costs funded by the developer, and the conditions and covenants required by the lease of the property. In the case for affordable housing developments, it is necessary to consider the maximum supportable debt, maximum equity investment resulting from the award of Low Income Housing Tax Credits, and other State and Federal loans and grants competitively available to the project.

Comparable Sales Approach

It is the KMA opinion that a review of comparable land sale transactions is not relevant for determination of the fair re-use value of the Leased Premises due to the following extraordinary factors:

- The Project will be restricted to very low- and low-income households for 55 years.

- The Project is proposed to receive subsidies from a variety of Federal and State housing programs including: Low Income Housing Tax Credits, Multi-Family Housing Program, and the Mental Health Services Act program. These funding sources impose specific covenants and restrictions and require payment of prevailing wages during construction.

- The Project will be developed on a 70-year ground lease rather than fee simple ownership.

Therefore, the comparable sales approach is not deemed relevant to this analysis.

Residual Land Value Approach

Tables 4 to 7 present KMA's residual land value analysis, based on the terms of the Agreements. The Agency Loan is not included in the residual land value analysis as a potential funding source. Rather, a finding of a negative residual land value provides an indication of the need for an Agency financial contribution to the Project.

Development Costs

Table 4 summarizes development costs for the Project. KMA has reviewed the Developer's cost estimates and evaluated them in comparison to similar high-rise, SRO, and residential projects in Southern California with which we are familiar.

Total development costs for the Project, excluding land acquisition, are $65,659,000, or $413 per SF of gross building area (GBA), which equates to approximately $263,000 per dwelling unit. Total development costs consist of the following:

- Direct construction costs, such as site work, parking, shell construction, furniture, fixtures and equipment (FF&E), and contingency. The total direct costs, which are inclusive of the payment of prevailing wages, are estimated to be $49,332,000, or $311 per SF GBA.

- Indirect costs, such as architecture and engineering, permits and fees, legal and accounting, taxes and insurance, developer fee, marketing/lease-up, and contingency. These are estimated to be $11,327,000, or 23.0% of direct costs.

- Financing costs, including loan fees, interest during construction, Tax Credit Allocation Committee (TCAC) costs, and operating/lease-up reserves. These costs are estimated to total $4,999,000, or 10.1% of direct costs.

Net Operating Income

Table 5 presents an estimate of stabilized Net Operating Income (NOI) for the Project, as follows:

Residential

- Sixty-three (63) units will be restricted to households earning not more than 30% AMI, 87 units will be restricted to households at 40% AMI, and 98 units will be restricted to households at 60% AMI. For underwriting purposes, KMA has assumed 25 of the units restricted at 40% AMI are MHSA units, generating rental income reflective of rents at 20% AMI. In addition, KMA also assumed that 50 units will receive Section 8 income of $325 per unit per month. Based on these assumptions, total rental income amounts to $2,045,000 annually.

- KMA has assumed other income, such as laundry and vending, averaging $6 per unit per month.

- KMA has assumed a vacancy factor of 10.0%.

- Total expenses have been estimated at an average of $5,730 per unit per year. These include operating expenses ($4,255); property management fee ($480); tenant services ($260); applicable assessments ($51); replacement reserves ($600); a monitoring fee to the San Diego Housing Commission ($50); and a monitoring fee to the MHSA program ($34).

- The Project is projected to receive an operating subsidy of $58,000 per year from the State of California Mental Health Services Act (MHSA) program.

Based on these assumptions, Residential NOI for the proposed Project at stabilization is estimated at $483,000 per year.

Retail

- The Project will contain approximately 3,800 SF of rentable retail space along Broadway and 2,000 SF of rentable retail space along Ninth Avenue.

- For underwriting purposes, KMA has conservatively assumed the retail space as 75% vacant for operating year 1, 50% vacant for operating year 2, 25% vacant for operating year 3, 15% vacant for operating years 4-10, and 10% vacant thereafter.

- During years 1-5, 100% of retail cash flow will be deposited into an operating reserve fund for the residential component, up to $500,000.

- Beginning in year 6 through the term of the ground lease, the retail component will be subject to a ground lease of 75.0% of EGI after a management fee of 5.0% of EGI and periodic deposits to the Retail Leasing Reserve, to be maintained at no more than $75,000, escalated at an annual increase in CPI.

Residual Land Value

Table 6 presents the KMA estimate of residual land value. The residual land value can be estimated as the difference between total available funding sources and total development costs. As noted previously, total funding sources available to the Project include the maximum supportable debt, maximum equity investment, and other State and Federal loans and grants, described as follows:

- *Supportable Debt* - Tax-exempt bond financing supported by net operating income generated by the Project.

- *Equity Investment* - Low Income Housing Tax Credits automatically awarded by the California Tax Credit Allocation Committee to projects that receive tax-exempt bond financing. The Developer plans to partner with a tax credit investor and use the tax credit equity funded by the investor to fund construction of the Project.

- *State and Federal Loans and Grants* - CalHFA Mental Health Services Act (MHSA) and Multi-Family Housing Program (MHP) funds distributed by the California Department of Housing and Community Development (HCD).

- *Other Sources* - Other loans or grants such as a loan from the Federal Home Loan Bank Affordable Housing Program, deferral of developer fee, and deferral of interest due on the Agency loan.

These funding sources are estimated by KMA to total $37,763,000, as follows:

Sources of Funds	
Supportable Debt	$4,453,000
Tax Credit Equity	$19,415,000
CalHFA Mental Health Services Act (MHSA)	$2,000,000
Multi-Family Housing Program (MHP)	$10,000,000
FHLB Affordable Housing Program	$1,000,000
Deferred Developer Fee	$500,000
Deferred Agency Interest	$395,000
Total Sources of Funds - Residential	$37,763,000

The comparison of total funding sources ($37,763,000) and total development costs ($65,659,000) yields a residual land value of *negative* $27,896,000.

Residual Land Value	
Total Sources of Funds	$37,763,000
(Less) Development Costs	($65,659,000)
Residual Land Value	($27,896,000)

Estimate of Fair Market Value of Leasehold Interest at Year 56

In addition, the Developer will receive value associated with the leasehold interest at Year 56. Table 7 estimates the fair market value of the Developer's leasehold interest for Years 56-90. The fair market value of the leasehold interest is estimated as the sum of equity investment and conventional debt supported by Project cash flow. This is estimated to have a net present value today of $453,000.

As presented below, the sum of residual land value for Years 1-55 (*negative* $27,896,000) and the net present value of the fair market value of the leasehold interest at Year 56 ($453,000) is estimated to yield a total fair re-use value of *negative* $27,443,000.

Re-Use Value	
Residual Land Value, Years 1-55	($27,896,000)
Add: NPV of Year 56 Value of Leasehold Interest in Leased Premises	$453,000
Total Fair Re-Use Value	($27,443,000)

Conclusion

Based on the foregoing analysis, KMA concludes that the fair re-use value of the Leased Premises is *negative* $27,443,000.

F. Fair Market Value at Highest and Best Use

Section 33433 of California Redevelopment Law requires that prior to selling or leasing real property, redevelopment agencies estimate the fair market value of the interest to be conveyed at its highest and best (most profitable) use.

Typically, the analysis of the fair market value at highest and best use does not consider the specific Agency/Developer transaction or development concept, but rather the most profitable use that is consistent with the Redevelopment Plan or other governing land use regulations. The purpose of the analysis is to estimate the maximum compensation that the Agency could achieve if it were to offer the subject property or development right on the open market. The highest and best use of the property is the use that generates the highest property value. By definition, the highest and best use is that use which is physically possible, financially feasible, and legally permitted.

The Centre City Planned District Ordinance (PDO) governs the zoning and land uses of the Property. The Property is located within the Employment / Residential Mixed Use which allows for a mix of uses including office, residential, hotel, research and development, and education and medical facilities. In addition, the Property has a maximum Floor Area Ratio (FAR) of 10.0, with the potential for bonuses to increase total density to a maximum of 14.0.

KMA reviewed comparable land sales in Downtown from August 2007 through August 2009. Sales prices ranged from $140 to $765 per SF land, with median and average prices of $372 and $320 per SF land, respectively. These comparables require a number of adjustments in order to reflect the value of the Property, including the following considerations:

- The majority of the comparables ranged from the mid $200's to the low $400's per SF of land.

- The comparable sales vary by neighborhood, status of entitlements, and potential for views.

- Most of the comparable sales transactions involved sites that were proposed for developments at FARs lower than the FAR allowed on the Property. In other words, the Leased Premises represent a higher-density development opportunity -- with the potential for higher construction costs -- when compared with the comparable sales.

- Most of the comparable sales occurred prior to the financial market meltdown in September 2008. The status of the financial market has exacerbated development conditions, resulting in further downward pressure on land values.

In view of the above considerations, KMA believes that the fair market value of the Property falls below the majority of the comparable sales on a per-SF-FAR basis.

Conclusion

It is the KMA view that a market value toward the lower end of the range of comparables is appropriate, i.e., $25 per SF of FAR times 250,000 SF allowable FAR, or $6,250,000. This valuation reflects the Property's location and configuration, allowable FAR, and probable mix of uses achievable on a leasehold interest. On this basis, then, KMA concludes that the fair market value of the Leased Premises at their highest and best use is $6,250,000.

G. Limiting Conditions

The estimates of re-use value and fair market value at the highest and best use contained in this memorandum assume compliance with the following assumptions:

1. There are no soil or subsoil problems, including toxic or hazardous conditions, on the Property that need to be remediated in order to develop the Property.

2. The ultimate development will not vary significantly from that assumed in this Re-Use Analysis.

3. The title of the property is good and marketable; no title search has been made, nor have we attempted to determine the ownership of the property. The value estimates are given without regard to any questions of title, boundaries, encumbrances, liens or encroachments. It is assumed that all assessments, if any, are paid.

4. The Property will be in conformance with the applicable zoning and building ordinances.

5. Information provided by such local sources as governmental agencies, financial institutions, realtors, buyers, sellers, and others was considered in light of its source, and checked by secondary means.

6. Neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.

7. The Project will adhere to the schedule of performance described in the Agreements.

8. Both parties are well informed and well advised and each is acting prudently in what he/she considers his/her own best interest.

attachments

TABLE 1

PROJECT DESCRIPTION (1)
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

I.	**Site Area**	25,000	SF	
		0.57	Acres	
II.	**Gross Building Area**			
	Net Residential	97,026	SF (2)	61%
	Retail - Broadway	3,800	SF (3)	2%
	Retail - Ninth Avenue	2,000	SF (3)	1%
	Manager's Office	1,176	SF	1%
	Common Area	54,788	SF (4)	35%
	Total Gross Building Area	158,790	SF (4)	100%
III.	**Unit Mix**			
	Number of Units			
	Living Unit	140	Units	56%
	Studio	36	Units	14%
	One Bedroom	74	Units	30%
	Total Units	250	Units	100%
	Average Unit Size			
	Living Unit	283	SF	
	Studio	387	SF	
	One Bedroom	587	SF	
	Total Units	388	SF	
IV.	**Number of Stories / Density**	17	Floors	
		436	Units/Acre	
V.	**Construction Type**	Type	I	
VI.	**Affordability Mix**			
	Units @ 20% of AMI	25	Units	10%
	Units @ 30% of AMI	63	Units	25%
	Units @ 40% of AMI	62	Units	25%
	Units @ 60% of AMI	98	Units	39%
	Manager	2	Units	1%
	Total/Average	250	Units	100%
	Average Affordability	43.3%	of AMI	

TABLE 1

PROJECT DESCRIPTION (1)
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

VII. Supportive Housing Mix		
Mental Health Housing Services Units	25	Units
Section 8 Units	50	Units
Other Supportive Housing Units	13	Units
Total Supportive Housing Units	88	Units
VIII. Parking	3	Levels Subterranean
Number of Spaces	120	Spaces
Parking Ratio	0.48	Spaces/Unit
Parking Area	49,490	SF
Space Size	412	SF/Space

(1) Source: Development Permit Submittal, April 20, 2009, Studio E Architects, unless otherwise noted.
(2) Source: Studio E Architects, May 27, 2009.
(3) Source: Centre City Development Corporation, May 27, 2009.
(4) Excludes 13,420 SF of exterior common space.

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

				1	2	3	4	5
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway			$91,200	$93,480	$95,817	$98,212	$100,668
	Retail - 9th Avenue			$48,000	$49,200	$50,430	$51,691	$52,983
	Total - Retail			$139,200	$142,680	$146,247	$149,903	$153,651
	(Less) Vacancy - Retail - Broadway			($68,400)	($46,740)	($23,954)	($14,732)	($15,100)
	(Less) Vacancy - Retail - 9th Avenue			($36,000)	($24,600)	($12,608)	($7,754)	($7,947)
II.	Effective Gross Income (EGI) - Retail			$34,800	$71,340	$109,685	$127,418	$130,603
III.	Operating Expenses - Retail			$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail			$34,800	$71,340	$109,685	$127,418	$130,603
V.	(Less) Debt Service			$0	$0	$0	$0	$0
	(Less) Management Fee			($1,740)	($3,567)	($5,484)	($6,371)	($6,530)
	(Less) Deposit to Retail Operating Reserve			($3,480)	($7,134)	($10,969)	($12,742)	($13,060)
VI.	Project Cash Flow - Retail			$29,580	$60,639	$93,232	$108,305	$111,013
VII.	(Less) Ground Lease Payment - Retail			$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate	10.0%	$714,000					
	NPV @ Years 56-90 @ Discount Rate	10.0%	$20,000					
VIII.	Net Cash Flow After Ground Lease - Retail			$29,580	$60,639	$93,232	$108,305	$111,013
IX.	(Less) Deposit to Residential Operating Reserve			($29,580)	($60,639)	($93,232)	($108,305)	($111,013)
X.	Retail Cash Flow Available for Distribution			$0	$0	$0	$0	$0
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	25 Units		$85,200	$87,330	$89,513	$91,751	$94,045
	Residential-Section 8 Units	50 Units		$256,800	$263,220	$269,801	$276,546	$283,459
	Residential-Other Units			$1,508,304	$1,546,012	$1,584,662	$1,624,278	$1,664,885
	Total - Residential			$1,850,304	$1,896,562	$1,943,976	$1,992,575	$2,042,389
	Add: Section 8 Subsidy			$195,000	$199,875	$204,872	$209,994	$215,244
	Add: MHSA Operating Subsidy			$58,040	$60,607	$63,279	$66,062	$68,960
	Add: Other Income			$18,000	$18,450	$18,911	$19,384	$19,869
	Add: Parking Income			$0	$0	$0	$0	$0
	Total Income			$2,121,344	$2,175,493	$2,231,038	$2,288,015	$2,346,461
	(Less) Vacancy - Residential			($204,530)	($209,644)	($214,885)	($220,257)	($225,763)
	(Less) Vacancy - Parking/Other			($1,800)	($1,845)	($1,891)	($1,938)	($1,987)
II.	Effective Gross Income (EGI)			$1,915,014	$1,964,005	$2,014,262	$2,065,820	$2,118,711
III.	Operating Expenses			($1,432,403)	($1,479,366)	($1,527,924)	($1,578,132)	($1,630,046)
IV.	Total Net Operating Income			$482,611	$484,638	$486,338	$487,688	$488,665
V.	Ground Lease Payment - Residential			$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate	10.0%	$0					
	NPV @ Years 56-90 @ Discount Rate	10.0%	$108,000					
VI.	Total Net Operating Income After Ground Lease			$482,611	$484,638	$486,338	$487,688	$488,665
VII.	(Less) Debt Service			($216,486)	($216,486)	($216,486)	($216,486)	($216,486)
	(Less) Debt Service - Section 8			($146,224)	($146,224)	($146,224)	($146,224)	($146,224)
	(Less) Debt Service - MHP			($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service			($404,710)	($404,710)	($404,710)	($404,710)	($404,710)
VIII.	Project Cash Flow - Residential			$77,901	$79,928	$81,628	$82,978	$83,955
IX.	(Less) Limited Partner Asset Mgmt. Fee			($15,000)	($15,413)	($15,836)	($16,272)	($16,719)
	(Less) General Partner Asset Mgmt. Fee			($17,500)	($17,981)	($18,476)	($18,984)	($19,506)
	Total Asset Management Fees			($32,500)	($33,394)	($34,312)	($35,256)	($36,225)
X.	Residential Cash Flow Available for Distribution			$45,401	$46,535	$47,316	$47,722	$47,730

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		6	7	8	9	10	11	12
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway	$103,184	$105,764	$108,408	$111,118	$113,896	$116,744	$119,662
	Retail - 9th Avenue	$54,308	$55,665	$57,057	$58,483	$59,945	$61,444	$62,980
	Total - Retail	$157,492	$161,429	$165,465	$169,602	$173,842	$178,188	$182,642
	(Less) Vacancy - Retail - Broadway	($15,478)	($15,865)	($16,261)	($16,668)	($17,084)	($11,674)	($11,966)
	(Less) Vacancy - Retail - 9th Avenue	($8,146)	($8,350)	($8,559)	($8,773)	($8,992)	($6,144)	($6,298)
II.	Effective Gross Income (EGI) - Retail	$133,868	$137,215	$140,645	$144,161	$147,765	$160,369	$164,378
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$133,868	$137,215	$140,645	$144,161	$147,765	$160,369	$164,378
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($6,693)	($6,861)	($7,032)	($7,208)	($7,388)	($8,018)	($8,219)
	(Less) Deposit to Retail Operating Reserve	($13,387)	($13,721)	($14,065)	($14,416)	($14,777)	($16,037)	($16,438)
VI.	Project Cash Flow - Retail	$113,788	$116,633	$119,549	$122,537	$125,601	$136,314	$139,721
VII.	(Less) Ground Lease Payment - Retail	($85,341)	($87,475)	($89,661)	($91,903)	($94,200)	($102,235)	($104,791)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VIII.	Net Cash Flow After Ground Lease - Retail	$28,447	$29,158	$29,887	$30,634	$31,400	$34,078	$34,930
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$28,447	$29,158	$29,887	$30,634	$31,400	$34,078	$34,930
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	$96,396	$98,806	$101,276	$103,808	$106,403	$109,063	$111,790
	Residential-Section 8 Units	$290,546	$297,809	$305,255	$312,886	$320,708	$328,726	$336,944
	Residential-Other Units	$1,706,508	$1,749,170	$1,792,899	$1,837,722	$1,883,665	$1,930,757	$1,979,026
	Total - Residential	$2,093,449	$2,145,785	$2,199,430	$2,254,416	$2,310,776	$2,368,546	$2,427,759
	Add: Section 8 Subsidy	$220,625	$226,140	$231,794	$237,589	$243,528	$249,616	$255,857
	Add: MHSA Operating Subsidy	$71,977	$75,117	$78,386	$81,789	$85,331	$89,017	$92,853
	Add: Other Income	$20,365	$20,874	$21,396	$21,931	$22,480	$23,042	$23,618
	Add: Parking Income	$0	$0	$0	$0	$0	$0	$0
	Total Income	$2,406,416	$2,467,917	$2,531,007	$2,595,725	$2,662,115	$2,730,220	$2,800,086
	(Less) Vacancy - Residential	($231,407)	($237,193)	($243,122)	($249,200)	($255,430)	($261,816)	($268,362)
	(Less) Vacancy - Parking/Other	($2,037)	($2,087)	($2,140)	($2,193)	($2,248)	($2,304)	($2,362)
II.	Effective Gross Income (EGI)	$2,172,972	$2,228,637	$2,285,745	$2,344,331	$2,404,437	$2,466,100	$2,529,363
III.	Operating Expenses	($1,683,725)	($1,739,231)	($1,796,625)	($1,855,973)	($1,917,342)	($1,980,801)	($2,046,424)
IV.	Total Net Operating Income	$489,246	$489,407	$489,120	$488,359	$487,095	$485,299	$482,939
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VI.	Total Net Operating Income After Ground Lease	$489,246	$489,407	$489,120	$488,359	$487,095	$485,299	$482,939
VII.	(Less) Debt Service	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)
	(Less) Debt Service - Section 8	($146,224)	($146,224)	($146,224)	($146,224)	($146,224)	($146,224)	($146,224)
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($404,710)	($404,710)	($404,710)	($404,710)	($404,710)	($404,710)	($404,710)
VIII.	Project Cash Flow - Residential	$84,536	$84,697	$84,410	$83,649	$82,385	$80,589	$78,229
IX.	(Less) Limited Partner Asset Mgmt. Fee	($17,179)	($17,652)	($18,137)	($18,636)	($19,148)	($19,675)	($20,216)
	(Less) General Partner Asset Mgmt. Fee	($20,042)	($20,593)	($21,160)	($21,742)	($22,340)	($22,954)	($23,585)
	Total Asset Management Fees	($37,221)	($38,245)	($39,297)	($40,377)	($41,488)	($42,629)	($43,801)
X.	Residential Cash Flow Available for Distribution	$47,315	$46,452	$45,113	$43,271	$40,897	$37,960	$34,428

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		13	14	15	16	17	18	19
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway	$122,654	$125,720	$128,863	$132,085	$135,387	$138,772	$142,241
	Retail - 9th Avenue	$64,555	$66,169	$67,823	$69,518	$71,256	$73,038	$74,864
	Total - Retail	$187,209	$191,889	$196,686	$201,603	$206,643	$211,809	$217,104
	(Less) Vacancy - Retail - Broadway	($12,265)	($12,572)	($12,886)	($13,208)	($13,539)	($13,877)	($14,224)
	(Less) Vacancy - Retail - 9th Avenue	($6,455)	($6,617)	($6,782)	($6,952)	($7,126)	($7,304)	($7,486)
II.	Effective Gross Income (EGI) - Retail	$168,488	$172,700	$177,017	$181,443	$185,979	$190,628	$195,394
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$168,488	$172,700	$177,017	$181,443	$185,979	$190,628	$195,394
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($8,424)	($8,635)	($8,851)	($9,072)	($9,299)	($9,531)	($9,770)
	(Less) Deposit to Retail Operating Reserve	($16,849)	($17,270)	($17,702)	($18,144)	($18,598)	($19,063)	($19,539)
VI.	Project Cash Flow - Retail	$143,215	$146,795	$150,465	$154,226	$158,082	$162,034	$166,085
VII.	(Less) Ground Lease Payment - Retail	($107,411)	($110,096)	($112,849)	($115,670)	($118,562)	($121,526)	($124,564)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VIII.	Net Cash Flow After Ground Lease - Retail	$35,804	$36,699	$37,616	$38,557	$39,521	$40,509	$41,521
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$35,804	$36,699	$37,616	$38,557	$39,521	$40,509	$41,521
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	$114,585	$117,449	$120,385	$123,395	$126,480	$129,642	$132,883
	Residential-Section 8 Units	$345,367	$354,002	$362,852	$371,923	$381,221	$390,752	$400,520
	Residential-Other Units	$2,028,501	$2,079,214	$2,131,194	$2,184,474	$2,239,086	$2,295,063	$2,352,439
	Total - Residential	$2,488,453	$2,550,665	$2,614,431	$2,679,792	$2,746,787	$2,815,456	$2,885,843
	Add: Section 8 Subsidy	$262,253	$268,810	$275,530	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$96,844	$100,997	$105,317	$109,812	$114,488	$119,352	$124,411
	Add: Other Income	$24,208	$24,813	$25,434	$26,069	$26,721	$27,389	$28,074
	Add: Parking Income	$0	$0	$0	$0	$0	$0	$0
	Total Income	$2,871,758	$2,945,284	$3,020,712	$2,815,673	$2,887,996	$2,962,197	$3,038,327
	(Less) Vacancy - Residential	($275,071)	($281,947)	($288,996)	($267,979)	($274,679)	($281,546)	($288,584)
	(Less) Vacancy - Parking/Other	($2,421)	($2,481)	($2,543)	($2,607)	($2,672)	($2,739)	($2,807)
II.	Effective Gross Income (EGI)	$2,594,267	$2,660,855	$2,729,172	$2,545,087	$2,610,645	$2,677,913	$2,746,936
III.	Operating Expenses	($2,114,283)	($2,184,457)	($2,257,026)	($2,332,071)	($2,409,678)	($2,489,936)	($2,572,935)
IV.	Total Net Operating Income	$479,983	$476,398	$472,147	$213,016	$200,967	$187,977	$174,000
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VI.	Total Net Operating Income After Ground Lease	$479,983	$476,398	$472,147	$213,016	$200,967	$187,977	$174,000
VII.	(Less) Debt Service	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)
	(Less) Debt Service - Section 8	($146,224)	($146,224)	($146,224)	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($404,710)	($404,710)	($404,710)	($258,486)	($258,486)	($258,486)	($258,486)
VIII.	Project Cash Flow - Residential	$75,273	$71,688	$67,437	($45,470)	($57,519)	($70,509)	($84,486)
IX.	(Less) Limited Partner Asset Mgmt. Fee	($20,772)	($21,343)	($21,930)	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($24,234)	($24,900)	($25,585)	($26,288)	($27,011)	($27,754)	($28,517)
	Total Asset Management Fees	($45,005)	($46,243)	($47,515)	($26,288)	($27,011)	($27,754)	($28,517)
X.	Residential Cash Flow Available for Distribution	$30,268	$25,445	$19,922	($71,758)	($84,530)	($98,263)	($113,003)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		20	21	22	23	24	25	26
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway	$145,797	$149,442	$153,178	$157,007	$160,932	$164,956	$169,080
	Retail - 9th Avenue	$76,735	$78,654	$80,620	$82,635	$84,701	$86,819	$88,989
	Total - Retail	$222,532	$228,095	$233,798	$239,643	$245,634	$251,775	$258,069
	(Less) Vacancy - Retail - Broadway	($14,580)	($14,944)	($15,318)	($15,701)	($16,093)	($16,496)	($16,908)
	(Less) Vacancy - Retail - 9th Avenue	($7,674)	($7,865)	($8,062)	($8,264)	($8,470)	($8,682)	($8,899)
II.	Effective Gross Income (EGI) - Retail	$200,279	$205,286	$210,418	$215,678	$221,070	$226,597	$232,262
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$200,279	$205,286	$210,418	$215,678	$221,070	$226,597	$232,262
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($10,014)	($10,264)	($10,521)	($10,784)	($11,054)	($11,330)	($11,613)
	(Less) Deposit to Retail Operating Reserve	($20,028)	($20,529)	($21,042)	($21,568)	($22,107)	($22,660)	($23,226)
VI.	Project Cash Flow - Retail	$170,237	$174,493	$178,855	$183,327	$187,910	$192,608	$197,423
VII.	(Less) Ground Lease Payment - Retail	($127,678)	($130,870)	($134,141)	($137,495)	($140,932)	($144,456)	($148,067)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VIII.	Net Cash Flow After Ground Lease - Retail	$42,559	$43,623	$44,714	$45,832	$46,977	$48,152	$49,356
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$42,559	$43,623	$44,714	$45,832	$46,977	$48,152	$49,356
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	$136,205	$281,678	$288,720	$295,938	$303,337	$310,920	$318,693
	Residential-Section 8 Units	$410,533	$420,797	$431,317	$442,100	$453,152	$464,481	$476,093
	Residential-Other Units	$2,411,250	$2,471,532	$2,533,320	$2,596,653	$2,661,569	$2,728,109	$2,796,311
	Total - Residential	$2,957,989	$3,174,007	$3,253,357	$3,334,691	$3,418,058	$3,503,509	$3,591,097
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$129,672	$0	$0	$0	$0	$0	$0
	Add: Other Income	$28,776	$29,495	$30,232	$30,988	$31,763	$32,557	$33,371
	Add: Parking Income	$0	$0	$0	$0	$0	$0	$0
	Total Income	$3,116,437	$3,203,502	$3,283,589	$3,365,679	$3,449,821	$3,536,066	$3,624,468
	(Less) Vacancy - Residential	($295,799)	($317,401)	($325,336)	($333,469)	($341,806)	($350,351)	($359,110)
	(Less) Vacancy - Parking/Other	($2,878)	($2,950)	($3,023)	($3,099)	($3,176)	($3,256)	($3,337)
II.	Effective Gross Income (EGI)	$2,817,760	$2,883,152	$2,955,230	$3,029,111	$3,104,839	$3,182,460	$3,262,021
III.	Operating Expenses	($2,658,771)	($2,739,142)	($2,830,949)	($2,925,896)	($3,024,093)	($3,125,651)	($3,230,686)
IV.	Total Net Operating Income	$158,989	$144,009	$124,281	$103,215	$80,746	$56,809	$31,335
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VI.	Total Net Operating Income After Ground Lease	$158,989	$144,009	$124,281	$103,215	$80,746	$56,809	$31,335
VII.	(Less) Debt Service	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)	($216,486)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($258,486)	($258,486)	($258,486)	($258,486)	($258,486)	($258,486)	($258,486)
VIII.	Project Cash Flow - Residential	($99,497)	($114,477)	($134,205)	($155,271)	($177,740)	($201,677)	($227,151)
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($29,302)	($30,107)	($30,935)	($31,786)	($32,660)	($33,558)	($34,481)
	Total Asset Management Fees	($29,302)	($30,107)	($30,935)	($31,786)	($32,660)	($33,558)	($34,481)
X.	Residential Cash Flow Available for Distribution	($128,799)	($144,584)	($165,140)	($187,057)	($210,400)	($235,235)	($261,632)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		27	28	29	30	31	32
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$173,307	$177,639	$182,080	$186,632	$191,298	$196,081
	Retail - 9th Avenue	$91,214	$93,494	$95,832	$98,228	$100,683	$103,200
	Total - Retail	$264,521	$271,134	$277,912	$284,860	$291,981	$299,281
	(Less) Vacancy - Retail - Broadway	($17,331)	($17,764)	($18,208)	($18,663)	($19,130)	($19,608)
	(Less) Vacancy - Retail - 9th Avenue	($9,121)	($9,349)	($9,583)	($9,823)	($10,068)	($10,320)
II.	Effective Gross Income (EGI) - Retail	$238,069	$244,020	$250,121	$256,374	$262,783	$269,353
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$238,069	$244,020	$250,121	$256,374	$262,783	$269,353
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($11,903)	($12,201)	($12,506)	($12,819)	($13,139)	($13,468)
	(Less) Deposit to Retail Operating Reserve	($23,807)	($24,402)	($25,012)	($25,637)	($26,278)	($26,935)
VI.	Project Cash Flow - Retail	$202,358	$207,417	$212,603	$217,918	$223,366	$228,950
VII.	(Less) Ground Lease Payment - Retail	($151,769)	($155,563)	($159,452)	($163,438)	($167,524)	($171,712)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$50,590	$51,854	$53,151	$54,479	$55,841	$57,237
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$50,590	$51,854	$53,151	$54,479	$55,841	$57,237
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$326,660	$334,827	$343,197	$351,777	$360,572	$369,586
	Residential-Section 8 Units	$487,995	$500,195	$512,700	$525,517	$538,655	$552,122
	Residential-Other Units	$2,866,219	$2,937,875	$3,011,321	$3,086,604	$3,163,770	$3,242,864
	Total - Residential	$3,680,875	$3,772,896	$3,867,219	$3,963,899	$4,062,997	$4,164,572
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$34,205	$35,060	$35,937	$36,835	$37,756	$38,700
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$3,715,080	$3,807,957	$3,903,156	$4,000,735	$4,100,753	$4,203,272
	(Less) Vacancy - Residential	($368,087)	($377,290)	($386,722)	($396,390)	($406,300)	($416,457)
	(Less) Vacancy - Parking/Other	($3,421)	($3,506)	($3,594)	($3,684)	($3,776)	($3,870)
II.	Effective Gross Income (EGI)	$3,343,572	$3,427,161	$3,512,840	$3,600,661	$3,690,678	$3,782,945
III.	Operating Expenses	($3,339,319)	($3,451,674)	($3,567,880)	($3,688,070)	($3,812,381)	($3,940,957)
IV.	Total Net Operating Income	$4,253	($24,513)	($55,040)	($87,409)	($121,704)	($158,012)
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	$4,253	($24,513)	($55,040)	($87,409)	($121,704)	($158,012)
VII.	(Less) Debt Service	($216,486)	($216,486)	($216,486)	($216,486)	$0	$0
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($258,486)	($258,486)	($258,486)	($258,486)	($42,000)	($42,000)
VIII.	Project Cash Flow - Residential	($254,233)	($282,999)	($313,526)	($345,895)	($163,704)	($200,012)
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($35,430)	($36,404)	($37,405)	($38,434)	($39,491)	($40,577)
	Total Asset Management Fees	($35,430)	($36,404)	($37,405)	($38,434)	($39,491)	($40,577)
X.	Residential Cash Flow Available for Distribution	($289,663)	($319,403)	($350,931)	($384,329)	($203,194)	($240,589)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		33	34	35	36	37	38
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$200,983	$206,007	$211,157	$216,436	$221,847	$227,393
	Retail - 9th Avenue	$105,780	$108,425	$111,135	$113,914	$116,762	$119,681
	Total - Retail	$306,763	$314,432	$322,293	$330,350	$338,609	$347,074
	(Less) Vacancy - Retail - Broadway	($20,098)	($20,601)	($21,116)	($21,644)	($22,185)	($22,739)
	(Less) Vacancy - Retail - 9th Avenue	($10,578)	($10,842)	($11,114)	($11,391)	($11,676)	($11,968)
II.	Effective Gross Income (EGI) - Retail	$276,087	$282,989	$290,064	$297,315	$304,748	$312,367
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$276,087	$282,989	$290,064	$297,315	$304,748	$312,367
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($13,804)	($14,149)	($14,503)	($14,866)	($15,237)	($15,618)
	(Less) Deposit to Retail Operating Reserve	($27,609)	($28,299)	($29,006)	($29,732)	($30,475)	($31,237)
VI.	Project Cash Flow - Retail	$234,674	$240,541	$246,554	$252,718	$259,036	$265,512
VII.	(Less) Ground Lease Payment - Retail	($176,005)	($180,405)	($184,916)	($189,538)	($194,277)	($199,134)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$58,668	$60,135	$61,639	$63,179	$64,759	$66,378
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$58,668	$60,135	$61,639	$63,179	$64,759	$66,378

		33	34	35	36	37	38
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$378,826	$388,296	$398,004	$407,954	$418,153	$428,607
	Residential-Section 8 Units	$565,925	$580,073	$594,575	$609,439	$624,675	$640,292
	Residential-Other Units	$3,323,935	$3,407,034	$3,492,210	$3,579,515	$3,669,003	$3,760,728
	Total - Residential	$4,268,686	$4,375,403	$4,484,788	$4,596,908	$4,711,831	$4,829,626
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$39,668	$40,659	$41,676	$42,718	$43,786	$44,880
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$4,308,354	$4,416,062	$4,526,464	$4,639,626	$4,755,616	$4,874,507
	(Less) Vacancy - Residential	($426,869)	($437,540)	($448,479)	($459,691)	($471,183)	($482,963)
	(Less) Vacancy - Parking/Other	($3,967)	($4,066)	($4,168)	($4,272)	($4,379)	($4,488)
II.	Effective Gross Income (EGI)	$3,877,518	$3,974,456	$4,073,818	$4,175,663	$4,280,055	$4,387,056
III.	Operating Expenses	($4,073,944)	($4,211,496)	($4,353,770)	($4,500,930)	($4,653,144)	($4,810,589)
IV.	Total Net Operating Income	($196,426)	($237,040)	($279,952)	($325,267)	($373,090)	($423,533)
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	($196,426)	($237,040)	($279,952)	($325,267)	($373,090)	($423,533)
VII.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
VIII.	Project Cash Flow - Residential	($238,426)	($279,040)	($321,952)	($367,267)	($415,090)	($465,533)
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($41,692)	($42,839)	($44,017)	($45,227)	($46,471)	($47,749)
	Total Asset Management Fees	($41,692)	($42,839)	($44,017)	($45,227)	($46,471)	($47,749)
X.	Residential Cash Flow Available for Distribution	($280,119)	($321,879)	($365,969)	($412,494)	($461,561)	($513,282)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		39	40	41	42	43	44
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$233,078	$238,905	$244,878	$251,000	$257,275	$263,707
	Retail - 9th Avenue	$122,673	$125,740	$128,883	$132,105	$135,408	$138,793
	Total - Retail	$355,751	$364,645	$373,761	$383,105	$392,683	$402,500
	(Less) Vacancy - Retail - Broadway	($23,308)	($23,891)	($24,488)	($25,100)	($25,727)	($26,371)
	(Less) Vacancy - Retail - 9th Avenue	($12,267)	($12,574)	($12,888)	($13,211)	($13,541)	($13,879)
II.	Effective Gross Income (EGI) - Retail	$320,176	$328,180	$336,385	$344,794	$353,414	$362,250
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$320,176	$328,180	$336,385	$344,794	$353,414	$362,250
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($16,009)	($16,409)	($16,819)	($17,240)	($17,671)	($18,112)
	(Less) Deposit to Retail Operating Reserve	($32,018)	($32,818)	($33,638)	($34,479)	($35,341)	($36,225)
VI.	Project Cash Flow - Retail	$272,150	$278,953	$285,927	$293,075	$300,402	$307,912
VII.	(Less) Ground Lease Payment - Retail	($204,112)	($209,215)	($214,445)	($219,806)	($225,302)	($230,934)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$68,037	$69,738	$71,482	$73,269	$75,101	$76,978
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$68,037	$69,738	$71,482	$73,269	$75,101	$76,978
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$439,322	$450,305	$461,562	$473,102	$484,929	$497,052
	Residential-Section 8 Units	$656,299	$672,707	$689,524	$706,763	$724,432	$742,542
	Residential-Other Units	$3,854,746	$3,951,115	$4,049,893	$4,151,140	$4,254,918	$4,361,291
	Total - Residential	$4,950,367	$5,074,126	$5,200,979	$5,331,004	$5,464,279	$5,600,886
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$46,002	$47,152	$48,331	$49,539	$50,778	$52,047
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$4,996,369	$5,121,279	$5,249,311	$5,380,543	$5,515,057	$5,652,933
	(Less) Vacancy - Residential	($495,037)	($507,413)	($520,098)	($533,100)	($546,428)	($560,089)
	(Less) Vacancy - Parking/Other	($4,600)	($4,715)	($4,833)	($4,954)	($5,078)	($5,205)
II.	Effective Gross Income (EGI)	$4,496,732	$4,609,151	$4,724,379	$4,842,489	$4,963,551	$5,087,640
III.	Operating Expenses	($4,973,444)	($5,141,898)	($5,316,144)	($5,496,383)	($5,682,822)	($5,875,677)
IV.	Total Net Operating Income	($476,712)	($532,747)	($591,764)	($653,894)	($719,271)	($788,037)
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	($476,712)	($532,747)	($591,764)	($653,894)	($719,271)	($788,037)
VII.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
VIII.	Project Cash Flow - Residential	($518,712)	($574,747)	($633,764)	($695,894)	($761,271)	($830,037)
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($49,062)	($50,411)	($51,798)	($53,222)	($54,686)	($56,190)
	Total Asset Management Fees	($49,062)	($50,411)	($51,798)	($53,222)	($54,686)	($56,190)
X.	Residential Cash Flow Available for Distribution	($567,774)	($625,159)	($685,562)	($749,116)	($815,957)	($886,227)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		45	46	47	48	49	50
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$270,299	$277,057	$283,983	$291,083	$298,360	$305,819
	Retail - 9th Avenue	$142,263	$145,819	$149,465	$153,201	$157,031	$160,957
	Total - Retail	$412,562	$422,876	$433,448	$444,284	$455,391	$466,776
	(Less) Vacancy - Retail - Broadway	($27,030)	($27,706)	($28,398)	($29,108)	($29,836)	($30,582)
	(Less) Vacancy - Retail - 9th Avenue	($14,226)	($14,582)	($14,946)	($15,320)	($15,703)	($16,096)
II.	Effective Gross Income (EGI) - Retail	$371,306	$380,589	$390,103	$399,856	$409,852	$420,099
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$371,306	$380,589	$390,103	$399,856	$409,852	$420,099
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($18,565)	($19,029)	($19,505)	($19,993)	($20,493)	($21,005)
	(Less) Deposit to Retail Operating Reserve	($37,131)	($38,059)	($39,010)	($39,986)	($40,985)	($42,010)
VI.	Project Cash Flow - Retail	$315,610	$323,500	$331,588	$339,877	$348,374	$357,084
VII.	(Less) Ground Lease Payment - Retail	($236,707)	($242,625)	($248,691)	($254,908)	($261,281)	($267,813)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$78,902	$80,875	$82,897	$84,969	$87,094	$89,271
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$78,902	$80,875	$82,897	$84,969	$87,094	$89,271
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$509,479	$522,216	$535,271	$548,653	$562,369	$576,428
	Residential-Section 8 Units	$761,106	$780,134	$799,637	$819,628	$840,119	$861,121
	Residential-Other Units	$4,470,324	$4,582,082	$4,696,634	$4,814,050	$4,934,401	$5,057,761
	Total - Residential	$5,740,908	$5,884,431	$6,031,542	$6,182,330	$6,336,888	$6,495,311
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$53,349	$54,682	$56,049	$57,451	$58,887	$60,359
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$5,794,257	$5,939,113	$6,087,591	$6,239,781	$6,395,775	$6,555,670
	(Less) Vacancy - Residential	($574,091)	($588,443)	($603,154)	($618,233)	($633,689)	($649,531)
	(Less) Vacancy - Parking/Other	($5,335)	($5,468)	($5,605)	($5,745)	($5,889)	($6,036)
II.	Effective Gross Income (EGI)	$5,214,831	$5,345,202	$5,478,832	$5,615,803	$5,756,198	$5,900,103
III.	Operating Expenses	($6,075,170)	($6,281,530)	($6,494,997)	($6,715,815)	($6,944,241)	($7,180,538)
IV.	Total Net Operating Income	($860,339)	($936,328)	($1,016,165)	($1,100,013)	($1,188,044)	($1,280,436)
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	$0
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	($860,339)	($936,328)	($1,016,165)	($1,100,013)	($1,188,044)	($1,280,436)
VII.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
	Total Debt Service	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
VIII.	Project Cash Flow - Residential	($902,339)	($978,328)	($1,058,165)	($1,142,013)	($1,230,044)	($1,322,436)
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($57,735)	($59,323)	($60,954)	($62,630)	($64,353)	($66,122)
	Total Asset Management Fees	($57,735)	($59,323)	($60,954)	($62,630)	($64,353)	($66,122)
X.	Residential Cash Flow Available for Distribution	($960,074)	($1,037,651)	($1,119,119)	($1,204,643)	($1,294,396)	($1,388,558)

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		51	52	53	54	55	56
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$313,464	$321,301	$329,333	$337,567	$346,006	$354,656
	Retail - 9th Avenue	$164,981	$169,106	$173,333	$177,667	$182,108	$186,661
	Total - Retail	$478,446	$490,407	$502,667	$515,234	$528,114	$541,317
	(Less) Vacancy - Retail - Broadway	($31,346)	($32,130)	($32,933)	($33,757)	($34,601)	($35,466)
	(Less) Vacancy - Retail - 9th Avenue	($16,498)	($16,911)	($17,333)	($17,767)	($18,211)	($18,666)
II.	Effective Gross Income (EGI) - Retail	$430,601	$441,366	$452,400	$463,710	$475,303	$487,185
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$430,601	$441,366	$452,400	$463,710	$475,303	$487,185
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($21,530)	($22,068)	($22,620)	($23,186)	($23,765)	($24,359)
	(Less) Deposit to Retail Operating Reserve	($43,060)	($44,137)	($45,240)	($46,371)	($47,530)	($48,719)
VI.	Project Cash Flow - Retail	$366,011	$375,161	$384,540	$394,154	$404,007	$414,108
VII.	(Less) Ground Lease Payment - Retail	($274,508)	($281,371)	($288,405)	($295,615)	($303,006)	($310,581)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$91,503	$93,790	$96,135	$98,538	$101,002	$103,527
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$91,503	$93,790	$96,135	$98,538	$101,002	$103,527
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$590,839	$605,610	$620,750	$636,269	$652,176	$0
	Residential-Section 8 Units	$882,650	$904,716	$927,334	$950,517	$974,280	$0
	Residential-Other Units	$5,184,205	$5,313,810	$5,446,655	$5,582,822	$5,722,392	$16,539,000
	Total - Residential	$6,657,693	$6,824,136	$6,994,739	$7,169,608	$7,348,848	$16,539,000
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$61,868	$63,415	$65,000	$66,625	$68,291	$229,000
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$6,719,561	$6,887,550	$7,059,739	$7,236,233	$7,417,138	$16,768,000
	(Less) Vacancy - Residential	($665,769)	($682,414)	($699,474)	($716,961)	($734,885)	($827,000)
	(Less) Vacancy - Parking/Other	($6,187)	($6,341)	($6,500)	($6,663)	($6,829)	($11,000)
II.	Effective Gross Income (EGI)	$6,047,605	$6,198,795	$6,353,765	$6,512,609	$6,675,425	$15,930,000
III.	Operating Expenses	($7,424,979)	($7,677,847)	($7,939,434)	($8,210,042)	($8,489,985)	($7,815,000)
IV.	Total Net Operating Income	($1,377,374)	($1,479,052)	($1,585,669)	($1,697,433)	($1,814,560)	$8,115,000
V.	Ground Lease Payment - Residential	$0	$0	$0	$0	$0	($1,593,000)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	($1,377,374)	($1,479,052)	($1,585,669)	($1,697,433)	($1,814,560)	$6,522,000
VII.	(Less) Debt Service	$0	$0	$0	$0	$0	($5,217,600)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	$0
	Total Debt Service	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($5,217,600)
VIII.	Project Cash Flow - Residential	($1,419,374)	($1,521,052)	($1,627,669)	($1,739,433)	($1,856,560)	$1,304,400
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	($67,941)	($69,809)	($71,729)	($73,701)	($75,728)	$0
	Total Asset Management Fees	($67,941)	($69,809)	($71,729)	($73,701)	($75,728)	$0
X.	Residential Cash Flow Available for Distribution	($1,487,315)	($1,590,861)	($1,699,397)	($1,813,134)	($1,932,288)	$1,304,400

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		57	58	59	60	61	62
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$363,523	$372,611	$381,926	$391,474	$401,261	$411,292
	Retail - 9th Avenue	$191,328	$196,111	$201,014	$206,039	$211,190	$216,470
	Total - Retail	$554,850	$568,721	$582,939	$597,513	$612,451	$627,762
	(Less) Vacancy - Retail - Broadway	($36,352)	($37,261)	($38,193)	($39,147)	($40,126)	($41,129)
	(Less) Vacancy - Retail - 9th Avenue	($19,133)	($19,611)	($20,101)	($20,604)	($21,119)	($21,647)
II.	Effective Gross Income (EGI) - Retail	$499,365	$511,849	$524,645	$537,762	$551,206	$564,986
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$499,365	$511,849	$524,645	$537,762	$551,206	$564,986
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($24,968)	($25,592)	($26,232)	($26,888)	($27,560)	($28,249)
	(Less) Deposit to Retail Operating Reserve	($49,937)	($51,185)	($52,465)	($53,776)	($55,121)	($56,499)
VI.	Project Cash Flow - Retail	$424,460	$435,072	$445,949	$457,097	$468,525	$480,238
VII.	(Less) Ground Lease Payment - Retail	($318,345)	($326,304)	($334,461)	($342,823)	($351,394)	($360,178)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$106,115	$108,768	$111,487	$114,274	$117,131	$120,059
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$106,115	$108,768	$111,487	$114,274	$117,131	$120,059
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$0	$0	$0	$0	$0	$0
	Residential-Section 8 Units	$0	$0	$0	$0	$0	$0
	Residential-Other Units	$17,035,170	$17,546,225	$18,072,612	$18,614,790	$19,173,234	$19,748,431
	Total - Residential	$17,035,170	$17,546,225	$18,072,612	$18,614,790	$19,173,234	$19,748,431
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$234,725	$240,593	$246,608	$252,773	$259,092	$265,570
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$17,269,895	$17,786,818	$18,319,220	$18,867,563	$19,432,326	$20,014,001
	(Less) Vacancy - Residential	($851,759)	($877,311)	($903,631)	($930,740)	($958,662)	($987,422)
	(Less) Vacancy - Parking/Other	($11,736)	($12,030)	($12,330)	($12,639)	($12,955)	($13,278)
II.	Effective Gross Income (EGI)	$16,406,400	$16,897,477	$17,403,259	$17,924,185	$18,460,710	$19,013,301
III.	Operating Expenses	($8,061,435)	($8,315,953)	($8,578,827)	($8,850,338)	($9,130,777)	($9,420,445)
IV.	Total Net Operating Income	$8,344,965	$8,581,524	$8,824,431	$9,073,847	$9,329,933	$9,592,856
V.	Ground Lease Payment - Residential	($1,640,640)	($1,689,748)	($1,740,326)	($1,792,419)	($1,846,071)	($1,901,330)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	$6,704,325	$6,891,776	$7,084,106	$7,281,428	$7,483,862	$7,691,526
VII.	(Less) Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	$0	$0	$0	$0	$0	$0
	Total Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
VIII.	Project Cash Flow - Residential	$1,486,725	$1,674,176	$1,866,506	$2,063,828	$2,266,262	$2,473,926
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	Total Asset Management Fees	$0	$0	$0	$0	$0	$0
X.	Residential Cash Flow Available for Distribution	$1,486,725	$1,674,176	$1,866,506	$2,063,828	$2,266,262	$2,473,926

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		63	64	65	66	67	68
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$421,575	$432,114	$442,917	$453,990	$465,340	$476,973
	Retail - 9th Avenue	$221,881	$227,428	$233,114	$238,942	$244,916	$251,038
	Total - Retail	$643,456	$659,542	$676,031	$692,932	$710,255	$728,011
	(Less) Vacancy - Retail - Broadway	($42,157)	($43,211)	($44,292)	($45,399)	($46,534)	($47,697)
	(Less) Vacancy - Retail - 9th Avenue	($22,188)	($22,743)	($23,311)	($23,894)	($24,492)	($25,104)
II.	Effective Gross Income (EGI) - Retail	$579,110	$593,588	$608,428	$623,639	$639,230	$655,210
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$579,110	$593,588	$608,428	$623,639	$639,230	$655,210
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($28,956)	($29,679)	($30,421)	($31,182)	($31,961)	($32,761)
	(Less) Deposit to Retail Operating Reserve	($57,911)	($59,359)	($60,843)	($62,364)	($63,923)	($65,521)
VI.	Project Cash Flow - Retail	$492,244	$504,550	$517,164	$530,093	$543,345	$556,929
VII.	(Less) Ground Lease Payment - Retail	($369,183)	($378,412)	($387,873)	($397,570)	($407,509)	($417,697)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$123,061	$126,137	$129,291	$132,523	$135,836	$139,232
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$123,061	$126,137	$129,291	$132,523	$135,836	$139,232
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$0	$0	$0	$0	$0	$0
	Residential-Section 8 Units	$0	$0	$0	$0	$0	$0
	Residential-Other Units	$20,340,884	$20,951,110	$21,579,644	$22,227,033	$22,893,844	$23,580,659
	Total - Residential	$20,340,884	$20,951,110	$21,579,644	$22,227,033	$22,893,844	$23,580,659
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$272,209	$279,014	$285,990	$293,139	$300,468	$307,980
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$20,613,093	$21,230,125	$21,865,633	$22,520,172	$23,194,312	$23,888,639
	(Less) Vacancy - Residential	($1,017,044)	($1,047,556)	($1,078,982)	($1,111,352)	($1,144,692)	($1,179,033)
	(Less) Vacancy - Parking/Other	($13,610)	($13,951)	($14,299)	($14,657)	($15,023)	($15,399)
II.	Effective Gross Income (EGI)	$19,582,438	$20,168,618	$20,772,352	$21,394,164	$22,034,596	$22,694,207
III.	Operating Expenses	($9,719,652)	($10,028,722)	($10,347,987)	($10,677,792)	($11,018,492)	($11,370,456)
IV.	Total Net Operating Income	$9,862,786	$10,139,896	$10,424,364	$10,716,372	$11,016,104	$11,323,751
V.	Ground Lease Payment - Residential	($1,958,244)	($2,016,862)	($2,077,235)	($2,139,416)	($2,203,460)	($2,269,421)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	$7,904,542	$8,123,034	$8,347,129	$8,576,955	$8,812,645	$9,054,330
VII.	(Less) Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	$0	$0	$0	$0	$0	$0
	Total Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
VIII.	Project Cash Flow - Residential	$2,686,942	$2,905,434	$3,129,529	$3,359,355	$3,595,045	$3,836,730
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	Total Asset Management Fees	$0	$0	$0	$0	$0	$0
X.	Residential Cash Flow Available for Distribution	$2,686,942	$2,905,434	$3,129,529	$3,359,355	$3,595,045	$3,836,730

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		69	70	71	72	73	74
Retail							
I.	Gross Scheduled Income (GSI)						
	Retail - Broadway	$488,897	$501,120	$513,648	$526,489	$539,651	$553,142
	Retail - 9th Avenue	$257,314	$263,747	$270,341	$277,099	$284,027	$291,128
	Total - Retail	$746,212	$764,867	$783,989	$803,588	$823,678	$844,270
	(Less) Vacancy - Retail - Broadway	($48,890)	($50,112)	($51,365)	($52,649)	($53,965)	($55,314)
	(Less) Vacancy - Retail - 9th Avenue	($25,731)	($26,375)	($27,034)	($27,710)	($28,403)	($29,113)
II.	Effective Gross Income (EGI) - Retail	$671,591	$688,380	$705,590	$723,230	$741,310	$759,843
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$671,591	$688,380	$705,590	$723,230	$741,310	$759,843
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($33,580)	($34,419)	($35,279)	($36,161)	($37,066)	($37,992)
	(Less) Deposit to Retail Operating Reserve	($67,159)	($68,838)	($70,559)	($72,323)	($74,131)	($75,984)
VI.	Project Cash Flow - Retail	$570,852	$585,123	$599,751	$614,745	$630,114	$645,867
VII.	(Less) Ground Lease Payment - Retail	($428,139)	($438,842)	($449,814)	($461,059)	($472,585)	($484,400)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VIII.	Net Cash Flow After Ground Lease - Retail	$142,713	$146,281	$149,938	$153,686	$157,528	$161,467
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$142,713	$146,281	$149,938	$153,686	$157,528	$161,467
Residential							
I.	Gross Scheduled Income (GSI)						
	Residential-MHSA	$0	$0	$0	$0	$0	$0
	Residential-Section 8 Units	$0	$0	$0	$0	$0	$0
	Residential-Other Units	$24,288,079	$25,016,721	$25,767,223	$26,540,240	$27,336,447	$28,156,540
	Total - Residential	$24,288,079	$25,016,721	$25,767,223	$26,540,240	$27,336,447	$28,156,540
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0
	Add: Other Income	$315,679	$323,571	$331,660	$339,952	$348,451	$357,162
	Add: Parking Income	$0	$0	$0	$0	$0	$0
	Total Income	$24,603,758	$25,340,292	$26,098,883	$26,880,192	$27,684,898	$28,513,702
	(Less) Vacancy - Residential	($1,214,404)	($1,250,836)	($1,288,361)	($1,327,012)	($1,366,822)	($1,407,827)
	(Less) Vacancy - Parking/Other	($15,784)	($16,179)	($16,583)	($16,998)	($17,423)	($17,858)
II.	Effective Gross Income (EGI)	$23,373,570	$24,073,278	$24,793,939	$25,536,182	$26,300,653	$27,088,017
III.	Operating Expenses	($11,734,066)	($12,109,714)	($12,497,809)	($12,898,773)	($13,313,041)	($13,741,065)
IV.	Total Net Operating Income	$11,639,505	$11,963,564	$12,296,130	$12,637,409	$12,987,611	$13,346,952
V.	Ground Lease Payment - Residential	($2,337,357)	($2,407,328)	($2,479,394)	($2,553,618)	($2,630,065)	($2,708,802)
	NPV @ Years 1-55 @ Discount Rate						
	NPV @ Years 56-90 @ Discount Rate						
VI.	Total Net Operating Income After Ground Lease	$9,302,148	$9,556,236	$9,816,736	$10,083,791	$10,357,546	$10,638,150
VII.	(Less) Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	$0	$0	$0	$0	$0	$0
	Total Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
VIII.	Project Cash Flow - Residential	$4,084,548	$4,338,636	$4,599,136	$4,866,191	$5,139,946	$5,420,550
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0
	Total Asset Management Fees	$0	$0	$0	$0	$0	$0
X.	Residential Cash Flow Available for Distribution	$4,084,548	$4,338,636	$4,599,136	$4,866,191	$5,139,946	$5,420,550

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		75	76	77	78	79	80	81
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway	$566,971	$581,145	$595,674	$610,566	$625,830	$641,476	$657,513
	Retail - 9th Avenue	$298,406	$305,866	$313,513	$321,350	$329,384	$337,619	$346,059
	Total - Retail	$865,377	$887,011	$909,187	$931,916	$955,214	$979,094	$1,003,572
	(Less) Vacancy - Retail - Broadway	($56,697)	($58,115)	($59,567)	($61,057)	($62,583)	($64,148)	($65,751)
	(Less) Vacancy - Retail - 9th Avenue	($29,841)	($30,587)	($31,351)	($32,135)	($32,938)	($33,762)	($34,606)
II.	Effective Gross Income (EGI) - Retail	$778,839	$798,310	$818,268	$838,725	$859,693	$881,185	$903,215
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$778,839	$798,310	$818,268	$838,725	$859,693	$881,185	$903,215
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($38,942)	($39,916)	($40,913)	($41,936)	($42,985)	($44,059)	($45,161)
	(Less) Deposit to Retail Operating Reserve	($77,884)	($79,831)	($81,827)	($83,872)	($85,969)	($88,119)	($90,321)
VI.	Project Cash Flow - Retail	$662,013	$678,564	$695,528	$712,916	$730,739	$749,007	$767,732
VII.	(Less) Ground Lease Payment - Retail	($496,510)	($508,923)	($521,646)	($534,687)	($548,054)	($561,755)	($575,799)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VIII.	Net Cash Flow After Ground Lease - Retail	$165,503	$169,641	$173,882	$178,229	$182,685	$187,252	$191,933
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$165,503	$169,641	$173,882	$178,229	$182,685	$187,252	$191,933

		75	76	77	78	79	80	81
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	$0	$0	$0	$0	$0	$0	$0
	Residential-Section 8 Units	$0	$0	$0	$0	$0	$0	$0
	Residential-Other Units	$29,001,237	$29,871,274	$30,767,412	$31,690,434	$32,641,147	$33,620,382	$34,628,993
	Total - Residential	$29,001,237	$29,871,274	$30,767,412	$31,690,434	$32,641,147	$33,620,382	$34,628,993
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0	$0
	Add: Other Income	$366,091	$375,243	$384,624	$394,240	$404,096	$414,198	$424,553
	Add: Parking Income	$0	$0	$0	$0	$0	$0	$0
	Total Income	$29,367,328	$30,246,517	$31,152,036	$32,084,674	$33,045,243	$34,034,580	$35,053,546
	(Less) Vacancy - Residential	($1,450,062)	($1,493,564)	($1,538,371)	($1,584,522)	($1,632,057)	($1,681,019)	($1,731,450)
	(Less) Vacancy - Parking/Other	($18,305)	($18,762)	($19,231)	($19,712)	($20,205)	($20,710)	($21,228)
II.	Effective Gross Income (EGI)	$27,898,961	$28,734,191	$29,594,434	$30,480,440	$31,392,981	$32,332,851	$33,300,869
III.	Operating Expenses	($14,183,311)	($14,640,262)	($15,112,417)	($15,600,292)	($16,104,422)	($16,625,359)	($17,163,674)
IV.	Total Net Operating Income	$13,715,650	$14,093,929	$14,482,017	$14,880,148	$15,288,559	$15,707,492	$16,137,196
V.	Ground Lease Payment - Residential	($2,789,896)	($2,873,419)	($2,959,443)	($3,048,044)	($3,139,298)	($3,233,285)	($3,330,087)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VI.	Total Net Operating Income After Ground Lease	$10,925,754	$11,220,510	$11,522,574	$11,832,104	$12,149,261	$12,474,207	$12,807,109
VII.	(Less) Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	$0	$0	$0	$0	$0	$0	$0
	Total Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)
VIII.	Project Cash Flow - Residential	$5,708,154	$6,002,910	$6,304,974	$6,614,504	$6,931,661	$7,256,607	$7,589,509
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0	$0
	Total Asset Management Fees	$0	$0	$0	$0	$0	$0	$0
X.	Residential Cash Flow Available for Distribution	$5,708,154	$6,002,910	$6,304,974	$6,614,504	$6,931,661	$7,256,607	$7,589,509

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		82	83	84	85	86	87	88
Retail								
I.	Gross Scheduled Income (GSI)							
	Retail - Broadway	$673,950	$690,799	$708,069	$725,771	$743,915	$762,513	$781,576
	Retail - 9th Avenue	$354,711	$363,579	$372,668	$381,985	$391,534	$401,323	$411,356
	Total - Retail	$1,028,661	$1,054,378	$1,080,737	$1,107,756	$1,135,449	$1,163,836	$1,192,932
	(Less) Vacancy - Retail - Broadway	($67,395)	($69,080)	($70,807)	($72,577)	($74,392)	($76,251)	($78,158)
	(Less) Vacancy - Retail - 9th Avenue	($35,471)	($36,358)	($37,267)	($38,198)	($39,153)	($40,132)	($41,136)
II.	Effective Gross Income (EGI) - Retail	$925,795	$948,940	$972,663	$996,980	$1,021,904	$1,047,452	$1,073,638
III.	Operating Expenses - Retail	$0	$0	$0	$0	$0	$0	$0
IV.	Total Net Operating Income - Retail	$925,795	$948,940	$972,663	$996,980	$1,021,904	$1,047,452	$1,073,638
V.	(Less) Debt Service	$0	$0	$0	$0	$0	$0	$0
	(Less) Management Fee	($46,290)	($47,447)	($48,633)	($49,849)	($51,095)	($52,373)	($53,682)
	(Less) Deposit to Retail Operating Reserve	($92,580)	($94,894)	($97,266)	($99,698)	($102,190)	($104,745)	($107,364)
VI.	Project Cash Flow - Retail	$786,926	$806,599	$826,764	$847,433	$868,619	$890,334	$912,593
VII.	(Less) Ground Lease Payment - Retail	($590,194)	($604,949)	($620,073)	($635,575)	($651,464)	($667,751)	($684,444)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VIII.	Net Cash Flow After Ground Lease - Retail	$196,731	$201,650	$206,691	$211,858	$217,155	$222,584	$228,148
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0	$0	$0	$0	$0	$0
X.	Retail Cash Flow Available for Distribution	$196,731	$201,650	$206,691	$211,858	$217,155	$222,584	$228,148
Residential								
I.	Gross Scheduled Income (GSI)							
	Residential-MHSA	$0	$0	$0	$0	$0	$0	$0
	Residential-Section 8 Units	$0	$0	$0	$0	$0	$0	$0
	Residential-Other Units	$35,667,863	$36,737,899	$37,840,036	$38,975,237	$40,144,494	$41,348,829	$42,589,294
	Total - Residential	$35,667,863	$36,737,899	$37,840,036	$38,975,237	$40,144,494	$41,348,829	$42,589,294
	Add: Section 8 Subsidy	$0	$0	$0	$0	$0	$0	$0
	Add: MHSA Operating Subsidy	$0	$0	$0	$0	$0	$0	$0
	Add: Other Income	$435,167	$446,046	$457,197	$468,627	$480,343	$492,352	$504,660
	Add: Parking Income	$0	$0	$0	$0	$0	$0	$0
	Total Income	$36,103,030	$37,183,945	$38,297,233	$39,443,864	$40,624,837	$41,841,180	$43,093,954
	(Less) Vacancy - Residential	($1,783,393)	($1,836,895)	($1,892,002)	($1,948,762)	($2,007,225)	($2,067,441)	($2,129,465)
	(Less) Vacancy - Parking/Other	($21,758)	($22,302)	($22,860)	($23,431)	($24,017)	($24,618)	($25,233)
II.	Effective Gross Income (EGI)	$34,297,879	$35,324,748	$36,382,372	$37,471,671	$38,593,595	$39,749,121	$40,939,256
III.	Operating Expenses	($17,719,958)	($18,294,824)	($18,888,903)	($19,502,850)	($20,137,342)	($20,793,080)	($21,470,786)
IV.	Total Net Operating Income	$16,577,920	$17,029,924	$17,493,469	$17,968,821	$18,456,253	$18,956,042	$19,468,470
V.	Ground Lease Payment - Residential	($3,429,788)	($3,532,475)	($3,638,237)	($3,747,167)	($3,859,360)	($3,974,912)	($4,093,926)
	NPV @ Years 1-55 @ Discount Rate							
	NPV @ Years 56-90 @ Discount Rate							
VI.	Total Net Operating Income After Ground Lease	$13,148,133	$13,497,449	$13,855,231	$14,221,654	$14,596,893	$14,981,130	$15,374,545
VII.	(Less) Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	$0	$0	$0
	(Less) Debt Service - Section 8	$0	$0	$0	$0	$0	$0	$0
	(Less) Debt Service - MHP	$0	$0	$0	$0	$0	$0	$0
	Total Debt Service	($5,217,600)	($5,217,600)	($5,217,600)	($5,217,600)	$0	$0	$0
VIII.	Project Cash Flow - Residential	$7,930,533	$8,279,849	$8,637,631	$9,004,054	$14,596,893	$14,981,130	$15,374,545
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0	$0	$0	$0	$0	$0
	Total Asset Management Fees	$0	$0	$0	$0	$0	$0	$0
X.	Residential Cash Flow Available for Distribution	$7,930,533	$8,279,849	$8,637,631	$9,004,054	$14,596,893	$14,981,130	$15,374,545

TABLE 2

CASH FLOW PROJECTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		89	90
Retail			
I.	Gross Scheduled Income (GSI)		
	Retail - Broadway	$801,115	$821,143
	Retail - 9th Avenue	$421,640	$432,181
	Total - Retail	$1,222,755	$1,253,324
	(Less) Vacancy - Retail - Broadway	($80,112)	($82,114)
	(Less) Vacancy - Retail - 9th Avenue	($42,164)	($43,218)
II.	Effective Gross Income (EGI) - Retail	$1,100,479	$1,127,991
III.	Operating Expenses - Retail	$0	$0
IV.	Total Net Operating Income - Retail	$1,100,479	$1,127,991
V.	(Less) Debt Service	$0	$0
	(Less) Management Fee	($55,024)	($56,400)
	(Less) Deposit to Retail Operating Reserve	($110,048)	($112,799)
VI.	Project Cash Flow - Retail	$935,407	$958,793
VII.	(Less) Ground Lease Payment - Retail	($701,556)	($719,094)
	NPV @ Years 1-55 @ Discount Rate		
	NPV @ Years 56-90 @ Discount Rate		
VIII.	Net Cash Flow After Ground Lease - Retail	$233,852	$239,698
IX.	(Less) Deposit to Residential Operating Reserve	$0	$0
X.	Retail Cash Flow Available for Distribution	$233,852	$239,698

		89	90
Residential			
I.	Gross Scheduled Income (GSI)		
	Residential-MHSA	$0	$0
	Residential-Section 8 Units	$0	$0
	Residential-Other Units	$43,866,973	$45,182,982
	Total - Residential	$43,866,973	$45,182,982
	Add: Section 8 Subsidy	$0	$0
	Add: MHSA Operating Subsidy	$0	$0
	Add: Other Income	$517,277	$530,209
	Add: Parking Income	$0	$0
	Total Income	$44,384,249	$45,713,190
	(Less) Vacancy - Residential	($2,193,349)	($2,259,149)
	(Less) Vacancy - Parking/Other	($25,864)	($26,510)
II.	Effective Gross Income (EGI)	$42,165,037	$43,427,531
III.	Operating Expenses	($22,171,212)	($22,895,131)
IV.	Total Net Operating Income	$19,993,825	$20,532,400
V.	Ground Lease Payment - Residential	($4,216,504)	($4,342,753)
	NPV @ Years 1-55 @ Discount Rate		
	NPV @ Years 56-90 @ Discount Rate		
VI.	Total Net Operating Income After Ground Lease	$15,777,322	$16,189,647
VII.	(Less) Debt Service	$0	$0
	(Less) Debt Service - Section 8	$0	$0
	(Less) Debt Service - MHP	$0	$0
	Total Debt Service	$0	$0
VIII.	Project Cash Flow - Residential	$15,777,322	$16,189,647
IX.	(Less) Limited Partner Asset Mgmt. Fee	$0	$0
	(Less) General Partner Asset Mgmt. Fee	$0	$0
	Total Asset Management Fees	$0	$0
X.	Residential Cash Flow Available for Distribution	$15,777,322	$16,189,647

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		1	2	3	4	5	6	7	8	9
I. Developer Fee Repayment										
Retail Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$28,447	$29,158	$29,887	$30,634
Residential Cash Flow Available for Distribution		$45,401	$46,535	$47,316	$47,722	$47,730	$47,315	$46,452	$45,113	$43,271
Total Cash Flow for Developer Fee Repayment		$45,401	$46,535	$47,316	$47,722	$47,730	$75,762	$75,610	$75,000	$73,906
Beginning Balance		$500,000	$476,399	$450,635	$422,967	$393,687	$363,121	$303,191	$240,801	$176,300
Interest	4.36%	$21,800	$20,771	$19,648	$18,441	$17,165	$15,832	$13,219	$10,499	$7,687
(Less) Cash Flow Credit of		($45,401)	($46,535)	($47,316)	($47,722)	($47,730)	($75,762)	($75,610)	($75,000)	($73,906)
Ending Balance		$476,399	$450,635	$422,967	$393,687	$363,121	$303,191	$240,801	$176,300	$110,081
II. Cash Flow Available for Distribution										
Retail Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$28,447	$29,158	$29,887	$30,634
Residential Cash Flow Available for Distribution		$45,401	$46,535	$47,316	$47,722	$47,730	$47,315	$46,452	$45,113	$43,271
(Less) Developer Fee Repayment		($45,401)	($46,535)	($47,316)	($47,722)	($47,730)	($75,762)	($75,610)	($75,000)	($73,906)
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0	$0	$0	$0
Add: Cash from Operating Reserve Fund		$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0	$0	$0	$0
III. Agency Loan Repayment										
Beginning Balance		$21,873,000	$22,091,730	$22,310,460	$22,529,190	$22,747,920	$22,966,650	$23,185,380	$23,404,110	$23,622,840
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$22,091,730	$22,310,460	$22,529,190	$22,747,920	$22,966,650	$23,185,380	$23,404,110	$23,622,840	$23,841,570
NPV of Payments to Agency @ Years 1-55 (1)	10.0%	$189,000								
IV. MHP Loan Repayment										
Beginning Balance		$10,000,000	$10,258,000	$10,516,000	$10,774,000	$11,032,000	$11,290,000	$11,548,000	$11,806,000	$12,064,000
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$10,258,000	$10,516,000	$10,774,000	$11,032,000	$11,290,000	$11,548,000	$11,806,000	$12,064,000	$12,322,000
V. MHSA Loan Repayment										
Beginning Balance		$2,000,000	$2,060,000	$2,120,000	$2,180,000	$2,240,000	$2,300,000	$2,360,000	$2,420,000	$2,480,000
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$2,060,000	$2,120,000	$2,180,000	$2,240,000	$2,300,000	$2,360,000	$2,420,000	$2,480,000	$2,540,000

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE
FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		10	11	12	13	14	15	16	17	18	19
I. Developer Fee Repayment											
Retail Cash Flow Available for Distribution		$31,400	$34,078								
Residential Cash Flow Available for Distribution		$40,897	$37,960								
Total Cash Flow for Developer Fee Repayment		$72,297	$72,039								
Beginning Balance		$110,081	$42,583								
Interest	4.36%	$4,800	$1,857								
(Less) Cash Flow Credit of		($72,297)	($44,439)								
Ending Balance		$42,583	$0								
II. Cash Flow Available for Distribution											
Retail Cash Flow Available for Distribution		$31,400	$34,078	$34,930	$35,804	$36,699	$37,616	$38,557	$39,521	$40,509	$41,521
Residential Cash Flow Available for Distribution		$40,897	$37,960	$34,428	$30,268	$25,445	$19,922	($71,758)	($84,530)	($98,263)	($113,003)
(Less) Developer Fee Repayment		($72,297)	($44,439)	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$27,599	$69,359	$66,072	$62,143	$57,538	($33,201)	($45,010)	($57,755)	($71,482)
Add: Cash from Operating Reserve Fund		$0	$0	$0	$0	$0	$0	$33,201	$45,010	$57,755	$71,482
Net Cash Flow Available for Distribution		$0	$27,599	$69,359	$66,072	$62,143	$57,538	$0	$0	$0	$0
III. Agency Loan Repayment											
Beginning Balance		$23,841,570	$24,060,300	$24,270,119	$24,466,455	$24,663,853	$24,862,519	$25,062,672	$25,281,402	$25,500,132	$25,718,862
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	($8,911)	($22,394)	($21,332)	($20,064)	($18,577)	$0	$0	$0	$0
Ending Balance		$24,060,300	$24,270,119	$24,466,455	$24,663,853	$24,862,519	$25,062,672	$25,281,402	$25,500,132	$25,718,862	$25,937,592
NPV of Payments to Agency @ Years 1-55 (1)	10.0%										
IV. MHP Loan Repayment											
Beginning Balance		$12,322,000	$12,580,000	$12,833,926	$13,081,688	$13,329,935	$13,578,762	$13,828,269	$14,086,269	$14,344,269	$14,602,269
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	($4,074)	($10,238)	($9,753)	($9,173)	($8,493)	$0	$0	$0	$0
Ending Balance		$12,580,000	$12,833,926	$13,081,688	$13,329,935	$13,578,762	$13,828,269	$14,086,269	$14,344,269	$14,602,269	$14,860,269
V. MHSA Loan Repayment											
Beginning Balance		$2,540,000	$2,600,000	$2,659,185	$2,717,138	$2,775,187	$2,833,352	$2,891,654	$2,951,654	$3,011,654	$3,071,654
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	($815)	($2,048)	($1,951)	($1,835)	($1,699)	$0	$0	$0	$0
Ending Balance		$2,600,000	$2,659,185	$2,717,138	$2,775,187	$2,833,352	$2,891,654	$2,951,654	$3,011,654	$3,071,654	$3,131,654

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		20	21	22	23	24	25	26	27	28	29
I. Developer Fee Repayment											
Retail Cash Flow Available for Distribution											
Residential Cash Flow Available for Distribution											
Total Cash Flow for Developer Fee Repayment											
Beginning Balance											
Interest	4.36%										
(Less) Cash Flow Credit of											
Ending Balance											
II. Cash Flow Available for Distribution											
Retail Cash Flow Available for Distribution		$42,559	$43,623	$44,714	$45,832	$46,977	$48,152	$49,356	$50,590	$51,854	$53,151
Residential Cash Flow Available for Distribution		($128,799)	($144,584)	($165,140)	($187,057)	($210,400)	($235,235)	($261,632)	($289,663)	($319,403)	($350,931)
(Less) Developer Fee Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		($86,240)	($100,961)	($120,426)	($141,226)	($163,423)	($187,083)	($212,276)	($239,073)	($267,549)	($297,780)
Add: Cash from Operating Reserve Fund		$86,240	$100,961	$120,426	$141,226	$11,047	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
III. Agency Loan Repayment											
Beginning Balance		$25,937,592	$26,156,322	$26,375,052	$26,593,782	$26,812,512	$27,031,242	$27,249,972	$27,468,702	$27,687,432	$27,906,162
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$26,156,322	$26,375,052	$26,593,782	$26,812,512	$27,031,242	$27,249,972	$27,468,702	$27,687,432	$27,906,162	$28,124,892
NPV of Payments to Agency @ Years 1-55 (1)	10.0%										
IV. MHP Loan Repayment											
Beginning Balance		$14,860,269	$15,118,269	$15,376,269	$15,634,269	$15,892,269	$16,150,269	$16,408,269	$16,666,269	$16,924,269	$17,182,269
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$15,118,269	$15,376,269	$15,634,269	$15,892,269	$16,150,269	$16,408,269	$16,666,269	$16,924,269	$17,182,269	$17,440,269
V. MHSA Loan Repayment											
Beginning Balance		$3,131,654	$3,191,654	$3,251,654	$3,311,654	$3,371,654	$3,431,654	$3,491,654	$3,551,654	$3,611,654	$3,671,654
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$3,191,654	$3,251,654	$3,311,654	$3,371,654	$3,431,654	$3,491,654	$3,551,654	$3,611,654	$3,671,654	$3,731,654

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		30	31	32	33	34	35	36	37	38	39
I. Developer Fee Repayment											
Retail Cash Flow Available for Distribution											
Residential Cash Flow Available for Distribution											
Total Cash Flow for Developer Fee Repayment											
Beginning Balance											
Interest	4.36%										
(Less) Cash Flow Credit of											
Ending Balance											
II. Cash Flow Available for Distribution											
Retail Cash Flow Available for Distribution		$54,479	$55,841	$57,237	$58,668	$60,135	$61,639	$63,179	$64,759	$66,378	$68,037
Residential Cash Flow Available for Distribution		($384,329)	($203,194)	($240,589)	($280,119)	($321,879)	($365,969)	($412,494)	($461,561)	($513,282)	($567,774)
(Less) Developer Fee Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		($329,849)	($147,353)	($183,352)	($221,450)	($261,744)	($304,331)	($349,315)	($396,802)	($446,904)	($499,737)
Add: Cash from Operating Reserve Fund		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
III. Agency Loan Repayment											
Beginning Balance		$28,124,892	$28,343,622	$28,562,352	$28,781,082	$28,999,812	$29,218,542	$29,437,272	$29,656,002	$29,874,732	$30,093,462
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$28,343,622	$28,562,352	$28,781,082	$28,999,812	$29,218,542	$29,437,272	$29,656,002	$29,874,732	$30,093,462	$30,312,192
NPV of Payments to Agency @ Years 1-55 (1)	10.0%										
IV. MHP Loan Repayment											
Beginning Balance		$17,440,269	$17,698,269	$17,956,269	$18,214,269	$18,472,269	$18,730,269	$18,988,269	$19,246,269	$19,504,269	$19,762,269
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$17,698,269	$17,956,269	$18,214,269	$18,472,269	$18,730,269	$18,988,269	$19,246,269	$19,504,269	$19,762,269	$20,020,269
V. MHSA Loan Repayment											
Beginning Balance		$3,731,654	$3,791,654	$3,851,654	$3,911,654	$3,971,654	$4,031,654	$4,091,654	$4,151,654	$4,211,654	$4,271,654
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$3,791,654	$3,851,654	$3,911,654	$3,971,654	$4,031,654	$4,091,654	$4,151,654	$4,211,654	$4,271,654	$4,331,654

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		40	41	42	43	44	45	46	47	48	49
I. Developer Fee Repayment											
Retail Cash Flow Available for Distribution											
Residential Cash Flow Available for Distribution											
Total Cash Flow for Developer Fee Repayment											
Beginning Balance											
Interest	4.36%										
(Less) Cash Flow Credit of											
Ending Balance											
II. Cash Flow Available for Distribution											
Retail Cash Flow Available for Distribution		$69,738	$71,482	$73,269	$75,101	$76,978	$78,902	$80,875	$82,897	$84,969	$87,094
Residential Cash Flow Available for Distribution		($625,159)	($685,562)	($749,116)	($815,957)	($886,227)	($960,074)	($1,037,651)	($1,119,119)	($1,204,643)	($1,294,396)
(Less) Developer Fee Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		($555,420)	($614,080)	($675,847)	($740,856)	($809,249)	($881,171)	($956,776)	($1,036,222)	($1,119,674)	($1,207,303)
Add: Cash from Operating Reserve Fund		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
III. Agency Loan Repayment											
Beginning Balance		$30,312,192	$30,530,922	$30,749,652	$30,968,382	$31,187,112	$31,405,842	$31,624,572	$31,843,302	$32,062,032	$32,280,762
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$30,530,922	$30,749,652	$30,968,382	$31,187,112	$31,405,842	$31,624,572	$31,843,302	$32,062,032	$32,280,762	$32,499,492
NPV of Payments to Agency @ Years 1-55 (1)	10.0%										
IV. MHP Loan Repayment											
Beginning Balance		$20,020,269	$20,278,269	$20,536,269	$20,794,269	$21,052,269	$21,310,269	$21,568,269	$21,826,269	$22,084,269	$22,342,269
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$20,278,269	$20,536,269	$20,794,269	$21,052,269	$21,310,269	$21,568,269	$21,826,269	$22,084,269	$22,342,269	$22,600,269
V. MHSA Loan Repayment											
Beginning Balance		$4,331,654	$4,391,654	$4,451,654	$4,511,654	$4,571,654	$4,631,654	$4,691,654	$4,751,654	$4,811,654	$4,871,654
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Balance		$4,391,654	$4,451,654	$4,511,654	$4,571,654	$4,631,654	$4,691,654	$4,751,654	$4,811,654	$4,871,654	$4,931,654

TABLE 3

DEVELOPER FEE REPAYMENT AND CASH FLOW AVAILABLE FOR DISTRIBUTION
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		50	51	52	53	54	55
I. Developer Fee Repayment							
Retail Cash Flow Available for Distribution							
Residential Cash Flow Available for Distribution							
Total Cash Flow for Developer Fee Repayment							
Beginning Balance							
Interest	4.36%						
(Less) Cash Flow Credit of							
Ending Balance							
II. Cash Flow Available for Distribution							
Retail Cash Flow Available for Distribution		$89,271	$91,503	$93,790	$96,135	$98,538	$101,002
Residential Cash Flow Available for Distribution		($1,388,558)	($1,487,315)	($1,590,861)	($1,699,397)	($1,813,134)	($1,932,288)
(Less) Developer Fee Repayment		$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		($1,299,287)	($1,395,812)	($1,497,070)	($1,603,262)	($1,714,595)	($1,831,286)
Add: Cash from Operating Reserve Fund		$0	$0	$0	$0	$0	$0
Net Cash Flow Available for Distribution		$0	$0	$0	$0	$0	$0
III. Agency Loan Repayment							
Beginning Balance		$32,499,492	$32,718,222	$32,936,952	$33,155,682	$33,374,412	$33,593,142
Interest	1.0%	$218,730	$218,730	$218,730	$218,730	$218,730	$218,730
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0
Ending Balance		$32,718,222	$32,936,952	$33,155,682	$33,374,412	$33,593,142	$33,812,000
NPV of Payments to Agency @ Years 1-55 (1)	10.0%						
IV. MHP Loan Repayment							
Beginning Balance		$22,600,269	$22,858,269	$23,116,269	$23,374,269	$23,632,269	$23,890,269
Interest	3.0%	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
(Less) Debt Service - MHP		($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0
Ending Balance		$22,858,269	$23,116,269	$23,374,269	$23,632,269	$23,890,269	$24,148,000
V. MHSA Loan Repayment							
Beginning Balance		$4,931,654	$4,991,654	$5,051,654	$5,111,654	$5,171,654	$5,231,654
Interest	3.0%	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000
(Less) Debt Service - MHSA		$0	$0	$0	$0	$0	$0
(Less) Cash Flow Credit of		$0	$0	$0	$0	$0	$0
Ending Balance		$4,991,654	$5,051,654	$5,111,654	$5,171,654	$5,231,654	$5,292,000

TABLE 4

DEVELOPMENT COSTS
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

	Totals	Per Unit		Comments
I. Direct Costs (1)				
Off-Site Improvements (2)	$0	$0	$0	Per SF Site Area
On-Sites/Landscaping	$1,042,000	$4,168	$42	Per SF Site Area
Demolition	$0	$0	$0	Per SF Site Area
Parking	$6,151,000	$24,604	$51,258	Per Space
Shell Construction	$36,720,000	$146,880	$231	Per SF GBA
Tenant Improvements	$170,000	$680	$29	Per SF GBA-Retail
FF&E/Amenities	$900,000	$3,600		Allowance
Contingency	$4,348,965	$17,396	9.7%	of Directs
Total Direct Costs	$49,331,965	$197,328	$311	Per SF GBA
II. Indirect Costs				
Architecture & Engineering	$3,085,900	$12,344	6.3%	of Directs
Permits & Fees (2)	$3,428,188	$13,713	$22	Per SF GBA
Legal & Accounting	$136,790	$547	0.3%	of Directs
Taxes & Insurance	$1,276,310	$5,105	2.6%	of Directs
Developer Fee	$2,500,000	$10,000	5.1%	of Directs
Marketing/Lease-Up	$500,000	$2,000	1.0%	of Directs
Contingency	$400,000	$1,600	3.7%	of Indirects
Total Indirect Costs	$11,327,188	$45,309	23.0%	of Directs
III. Financing Costs				
Loan Fees	$658,487	$2,634	1.3%	of Directs
Interest During Construction (3)	$3,565,659	$14,263	7.2%	of Directs
Interest During Lease-Up	$0	$0	0.0%	of Directs
Title/Recording/Escrow	$90,000	$360	0.2%	of Directs
TCAC/Syndication Fees	$204,370	$817	0.4%	of Directs
Operating Lease-Up/Reserves	$480,924	$1,924	1.0%	of Directs
Capitalized Operating Reserve	$0	$0	0.0%	of Directs
Total Financing Costs	$4,999,440	$19,998	10.1%	of Directs
IV. Total Costs Excluding Land	**$65,658,593**	**$262,634**	**$413**	**Per SF GBA**
Or Say (Rounded)	**$65,659,000**			

(1) Includes payment of prevailing wages.
(2) Per Developer; not verified by KMA or CCDC.
(3) Includes deferred interest on Agency Loan.

TABLE 5

NET OPERATING INCOME - RESIDENTIAL
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

			# of Units	$/Month	Total Annual
I.	**Gross Scheduled Income**				
	A. Rental Income				
	Living Unit/Studio	@ 20% AMI - MHSA	25	$284	$85,200
	Living Unit/Studio	@ 30% AMI - Section 8	50	$428	$256,800
	Living Unit/Studio	@ 30% AMI	13	$428	$66,768
	Living Unit/Studio	@ 40% AMI	62	$573	$426,312
	Living Unit/Studio	@ 60% AMI - CRL	26	$781	$243,672
	One Bedroom	@ 60% AMI - CRL	72	$893	$771,552
	One Bedroom	Manager	2	$0	$0
	B.	Subtotal	250	$617	$1,850,304
	C.	Add: Section 8 Income (1)	50	$325	$195,000
	D.	Total - Residential GSI	250	$682	$2,045,304
	E. Add: Other Income		$6	/Unit/Month	$18,000
	Add: Parking Income				$0
	F. Total Gross Scheduled Income (GSI)				**$2,063,304**
II.	**Effective Gross Income (EGI)**				
	(Less) Vacancy - Residential		10.0%	of GSI	($204,530)
	(Less) Vacancy - Other Income / Parking		10.0%	of GSI	($1,800)
	Total Effective Gross Income (EGI)				$1,856,974
III.	**Operating Expenses**				
	(Less) Operating Expenses		$4,255	/Unit/Year	($1,063,803)
	(Less) Property Management Fee		$480	/Unit/Year	($120,000)
	(Less) Services/Amenities		$260	/Unit/Year	($65,000)
	(Less) Property Taxes		$51	/Unit/Year	($12,750)
	(Less) Replacement Reserves		$600	/Unit/Year	($150,000)
	(Less) SDHC Monitoring Fee		$50	/Unit/Year	($12,450)
	(Less) MHSA Monitoring Fee		$34	/Unit/Year	($8,400)
	Total Expenses		$5,730	/Unit/Year	($1,432,403)
			77%	of EGI	
IV.	**Net Operating Income (NOI)**				**$424,571**
V.	**Add: MHSA Operating Subsidy**		**$2,322**	**/MHSA Unit**	**$58,040**
VI.	**Total Net Operating Income**				**$482,611**

(1) Reflects the difference between Section 8 rent and rent at 60% AMI.

TABLE 6

RESIDUAL LAND VALUE
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		Total	Per Unit	%
I.	**Sources of Funds**			
	Supportable Debt (1)	$4,453,000	$17,812	12%
	Market Value of Tax Credits (2)	$19,415,000	$77,660	51%
	CalHFA (MHSA) (3)	$2,000,000	$8,000	5%
	Multi-Family Housing Program (MHP) (4)	$10,000,000	$40,000	26%
	FHLB Affordable Housing Program	$1,000,000	$4,000	3%
	Deferred Developer Overhead Fee (5)	$500,000	$2,000	1%
	Deferred Agency Interest	$395,000	$1,580	1%
II.	**Total Warranted Investment**	$37,763,000	$151,052	100%
	(Less) Development Costs	($65,659,000)	($262,636)	
III.	**Residual Land Value**	**($27,896,000)**	**($112,000)**	

TABLE 6 (CONT'D.)

FINANCING DEFICIT
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

(1)	Supportable Debt		
	Residential NOI		$482,611
	Retail NOI		$0
	Total NOI		$482,611
	Interest Rate		6.00%
	Term (in years)		30
	Debt Coverage Ratio		2.23
	Annual Debt Service		$216,486
	Supportable Debt		$3,009,000
(1)	Supportable Debt - Section 8		
	Interest Rate		6.00%
	Term (in years)		15
	Debt Coverage Ratio (cumulative)		1.33
	Annual Debt Service		$146,224
	Supportable Debt (Annual Amortization)		$1,444,000
(2)	Low Income Housing Tax Credits (Federal)		
	Estimate of Eligible Basis:		
	Total Development Costs		$65,659,000
	(Less) Ineligible Costs		($2,945,760)
	Eligible Basis		$62,713,240
	Tax Credit Proceeds:		
	Maximum Eligible Basis		$62,713,240
	Tax Credit Qualified Units/Applicable Factor	96.22%	$60,342,694
	(Less) Voluntary Credit Reduction		$60,342,694
	Impacted Bonus Factor	130%	$78,445,502
	Tax Credit Rate @	3.30%	$2,588,702
	Total Tax Credits @		$25,887,016
	Limited Partner Share	100.0%	$25,887,016
	Present Market Value @	75.0%	$19,415,000
(3)	CalHFA (MHSA)		
	Number of MHSA Units		25
	Cost Per Unit		$262,634
	One-third (1/3) of Cost		$88,000
	Subsidy Per Unit (Lesser of 1/3 of development costs or $100,000)		$80,000
	Total		$2,000,000
	Annual Debt Service		$0
	Debt Coverage Ratio (cumulative)		-

TABLE 6 (CONT'D.)

FINANCING DEFICIT
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

(4)	Multi-Family Housing Program (MHP)				
	Studio	@ 20% AMI	$144,658	25	$3,616,450
	Studio	@ 30% AMI	$124,780	63	$7,861,140
	Total			88	$11,477,590
	Maximum Loan Amount				$10,000,000
	Annual Debt Service (MHP Only)			0.42%	$42,000
	Debt Coverage Ratio (cumulative)				1.19
(5)	Developer Fee				$2,500,000
	Total Deferred Developer Overhead Fee			20%	$500,000

TABLE 7

ESTIMATE OF FAIR MARKET VALUE OF LEASEHOLD INTEREST AT YEAR 56
NINTH AND BROADWAY
CENTRE CITY DEVELOPMENT CORPORATION

		Year 56
I.	**Supportable Debt**	
	Residential Net Operating Income Before Ground Lease (Year 56)	$8,115,000
	Debt Service Coverage	1.25
	Interest	8.0%
	Term (Years)	30
	Annual Debt Service	$6,492,000
	Supportable Debt	$73,729,000
II.	**Warranted Equity Investment** (1)	
	Year 56 Retail Cash Flow Before Ground Lease	$414,108
	Year 56 Residential Cash Flow Before Ground Lease and After Debt Service	$1,623,000
	Total Cash Flow	$2,037,108
	Target IRR on Equity Investment	17.5%
	Maximum Warranted Equity Investment	$20,500,000
III.	**Fair Market Value of Leased Premises at Year 56**	**$94,229,000**
IV.	**Discounted to Year 1 @ 10.0% discount rate**	**$453,000**