

Northgate Village Development Agreement

Exhibit C

Tax Increment Financing Plan

(Under Separate Cover)

This is a discussion draft prepared by Mitchell, Kristl & Lieber, P.C. as counsel for the Tax Increment Financing Commission of North Kansas City, Missouri. This draft is being circulated for the purpose of soliciting comments and does not constitute a commitment to enter into this Plan but rather provides a basis for continued discussion.

NORTHGATE VILLAGE
TAX INCREMENT FINANCING PLAN
NORTH KANSAS CITY, MISSOURI

Revised: November 15, 1999

**TAX INCREMENT FINANCING COMMISSION
OF NORTH KANSAS CITY, MISSOURI**

PLAN APPROVALS:

PENDING
PENDING

TAX INCREMENT FINANCING COMMISSION APPROVAL
CITY COUNCIL APPROVAL

TABLE OF CONTENTS

	<u>PAGE</u>
SUMMARY	1
TAX INCREMENT FINANCING	2
DEFINITIONS	3
REDEVELOPMENT PLAN AND REDEVELOPMENT AREA	7
STATUTORY FINDINGS	10
REDEVELOPMENT PROGRAM	12
FINANCING PLAN	17
DEVELOPER'S AFFIDAVIT	19
PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN	19

APPENDIX

- EXHIBIT 1 - Location and Legal Description of the Redevelopment
- EXHIBIT 2 - Site Plan
- EXHIBIT 3 - Specific Objectives of the Redevelopment Plan
- EXHIBIT 4 - Conservation Study
- EXHIBIT 5 - But-For Analysis
- EXHIBIT 6 - Development Schedule
- EXHIBIT 7 - Cost-Benefit Analysis
- EXHIBIT 8 - Land Acquisition Map
- EXHIBIT 9 - TIF Architectural Design Review Guidelines
- EXHIBIT 10 - Estimated Redevelopment Project Costs and Reimbursable Project Costs
- EXHIBIT 11 - Schedule of Sources and Uses of Funds
- EXHIBIT 12 - Developer's Affidavit
- EXHIBIT 13 - Developer's Proposal (under separate cover)

1. SUMMARY

The following is a Plan for the comprehensive redevelopment of an area of approximately fifty-six acres commonly known as the Northgate Village generally situated between 23rd and 32nd Streets, and between Burlington and Howell (the "Redevelopment Area") in North Kansas City, Clay County, Missouri (the "City"). The Redevelopment Area is currently utilized as an apartment complex and is zoned multiple-family residential. The area qualifies as a Conservation Area under Missouri's Tax Increment Financing Statute. This Plan calls for the redevelopment of the Redevelopment Area by demolition of the existing Northgate Village apartments and subsequent construction, in fifteen phases, of several commercial buildings, single family residences, patio homes, townhomes, an apartment complex and senior housing, together with all necessary utilities, street improvements, and appurtenances thereto (collectively called the "Redevelopment Project" individual phases of which are referred to as the Phase I-XV Redevelopment Project).

This Plan will make a certain amount of payments in lieu of taxes ("PILOTs") available for use to reimburse project costs incurred by the City on an as-collected basis or to retire bonds or other obligations which may be issued, the proceeds of which will be used to defray Redevelopment Project Costs including the costs of acquisition of the Project Area by the City and certain other costs. This Plan also proposes that, subject to constitutional and statutory limitations, fifty percent (50%) of the taxes imposed by the City or other local taxing districts which are generated by economic activities within the Redevelopment Project Area, while tax increment financing is in effect, excluding licenses, fees or special assessments other than payments in lieu of taxes ("Economic Activity Taxes") be used to reimburse Redevelopment Project Costs on an as-collected basis, or, to retire obligations issued under the Plan. The total cost of the Redevelopment Projects is estimated to be \$82,310,345. The total PILOTs generated by the development over the life of the Plan is estimated to be \$12,875,789. The total Economic Activity Taxes generated by the construction of the Redevelopment Project over the life of the Plan is estimated to be \$2,582,761. Total Payments in Lieu of Tax and Economic Activity Tax generated by the project is projected to be \$15,458,550 and equals about 18.78% of the total cost of the project, and if present-value would be much less. This Plan proposes that all of the City's Project Costs, and interest thereon be reimbursed from TIF revenues, if such TIF revenues and other Project revenues are sufficient. Projections do not anticipate that the City will be fully reimbursed from TIF or other Project revenues.

A request for proposals was mailed to a number of potential developers and published in the newspaper during the summer of 1997. Two proposals were received in response thereto. After a substantial period of negotiations with one of the two proposers, the Commission determined to terminate negotiations with that proposing redeveloper and send out a second request for proposals. A second request for proposals was developed and then mailed to approximately thirty parties, soliciting responses (the "RFP") from possible redevelopers. Newspaper advertisements were also placed, also requesting responses from

proposed redevelopers. Responses to the RFP were to be received on or before February 1, 1999. Six proposals were received. Public Hearings were held on April 14, 1999 and April 15, 1999 wherein five of the respondents presented their plan and responses to the Commission (one respondent withdrew shortly before the public hearing). After the public hearings at which the respondents presented their plans the public was provided an opportunity to comment, all of the proposals were referred to staff for review and recommendation. The public hearing was continued until May 20, 1999. On May 20, 1999, at the public hearing, staff presented its review of the five remaining proposals and its recommendation of which proposal was the best proposal, considering all of the elements of the RFP. After receiving the report of staff at the public hearing, and after again providing the public an opportunity to comment, co-redevelopers were selected with whom to negotiate, on an exclusive basis, the complete transaction, and to prepare a proposed Development Agreement (the "Development Agreement") between the City, the Commission and the Redevelopers.

Since that time, the public hearing has been continued on approximately a monthly basis. During this time, this revised Plan was prepared and a proposed Development Agreement negotiated. On or before November 19, 1999, the revised Plan, the proposed Development Agreement and other information was provided together with a notice of the revised Plan to all of the taxing districts in conformity with the statutory requirements.

Under the Plan, certain individual parcels may be sold to other redevelopers for redevelopment by them. Because the co-redevelopers who were selected does not now own the property, it is contemplated that the property will need to be acquired either by negotiation or be eminent domain. The proposal of the co-redevelopers selected included evidence of the experience, expertise and financial ability sufficient to complete the project. Upon approval of this Plan by the City Council, the Development Agreement will be executed.

2. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 through 99.865 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from Payments in Lieu of Taxes measured by increased assessed valuation on new development and subject to annual appropriation from Economic Activity Taxes resulting from increased economic activities within the Redevelopment Area (collectively referred to as "TIF Revenues").

The existing assessed value of a Redevelopment Project Area as defined herein will be determined when an ordinance approving the Redevelopment Project Area is approved and becomes the certified "Total Initial Equalized Assessed Value." The City may then issue tax increment bonds to finance redevelopment within the Redevelopment Project Area. PILOTs measured by subsequent increases in property tax revenue which would have resulted from

increased valuation had Tax Increment Financing not been adopted, will be segregated from taxes resulting from the Total Initial Equalized Assessed Value as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein. (Section 99.845(2) R.S.Mo.)

In addition, subject to constitutional and statutory limitations, fifty percent (50%) of the total additional revenue from taxes which are imposed by the City, or other taxing districts, and which are generated by economic activities within a Redevelopment Project Area, while Tax Increment Financing remains in effect, excluding personal property taxes, licenses, fees or special assessments other than Payments in Lieu of Taxes shall be allocated to and deposited in a special allocation fund for the retirement of obligations or payment of Redevelopment Project Costs as defined herein. (Section 99.845(2)(3) R.S.Mo.)

3. DEFINITIONS

As used in this Redevelopment Plan, the following terms shall mean:

A. "Blighted area," an Area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete plating, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

B. "City," the City of North Kansas City, Missouri;

C. "Commission," the Tax Increment Financing Commission of North Kansas City, Missouri;

D. "Conservation area," any improved Area within the boundaries of a redevelopment area located within the territorial limits of a City in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a Blighted Area but is detrimental to the public health, safety, morals, or welfare and may become a Blighted Area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this definition;

E. "Economic Activity Taxes," fifty percent (50%) of the total additional revenue from taxes which are imposed by the City or other taxing districts, and which are generated by economic activities within the Redevelopment Area, over the amount of such taxes generated by economic activities within such Redevelopment Area in the calendar year prior to the adoption of the ordinance designating such a Redevelopment Area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed upon sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. If a retail establishment relocates within one year from one facility to another facility within the same county and the City Council finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by the City or other taxing district over the amount of economic activity taxes general by the retail establishment in the calendar year prior to its relocation to the Redevelopment Area.

F. "Economic Development Area," any Area or portion of an area located within the territorial limits of a City, which does not meet the requirements of subdivisions 1 and 3 of Section 99.805 of the Act, and in which the governing body of the City finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

1. discourage commerce, industry or manufacturing from moving their operations to another state; or
2. result in increased employment in the City; or
3. result in preservation or enhancement of the tax base of the City.;

G. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a City to carry out a redevelopment project or to fund outstanding obligations;

H. "Ordinance," an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

I. "Payment in Lieu of Taxes," those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a City not adopted Tax Increment Allocation Financing, and which would result from levies made after the time of the adoption of Tax Increment Allocation Financing during the time the current equalized value of real property in the area selected for the redevelopment project

exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of Section 99.850;

J. "Redevelopment Area," an area designated by a City, in respect to which the City has made a finding that there exist conditions which cause the area to be classified as a Blighted Area, a Conservation Area, an Economic Development Area, an enterprise zone pursuant to sections 135.200 to 135.256, R.S. Mo, or a combination thereof, which includes only those parcels of real property directly and substantially benefitted by the proposed redevelopment project;

K. "Redevelopment Plan" the comprehensive program of a City for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area;

L. "Redevelopment Project," any development project within a redevelopment area in furtherance of the objectives of the Redevelopment Plan;

M. "Redevelopment Project Area," the area selected for a specific redevelopment project;

N. "Redevelopment Project Costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a Redevelopment Plan and a Redevelopment Project. Such costs include, but are not limited to the following:

1. Costs of studies, surveys, plans and specifications;
2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial planning or special services. Except the reasonable costs incurred by the Commission, for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense, which, to be recoverable, shall be included in the costs of a redevelopment plan or project;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

4. Costs of rehabilitation reconstruction, or repair or remodeling of existing buildings and fixtures;¹
5. Cost of construction of public works or improvements;
6. Financing costs, including, but not limited to all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued hereunder accruing during the estimated period of construction of any Redevelopment Project for which such Obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital cost resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a City determines that relocation costs shall be paid or are required to be paid by federal or state law;
9. Payments in lieu of taxes;
10. The Commission has determined that certain planning and special services expenses of the Commission which are not listed as direct project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs to the project. These incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed five percent (5%) of the PILOTs and Economic Activity Taxes paid into the fund.

O. "Taxing Districts," any political subdivision of this state having the power to levy taxes;

¹ Pursuant to Section 99.825 R.S.Mo., "Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings."

P. "Taxing Districts' Capital Costs," those costs of Taxing Districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the Redevelopment Project; and

Q. "Vacant Land," any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

4. REDEVELOPMENT PLAN AND REDEVELOPMENT AREA

The Commission proposes to undertake the redevelopment of the area described in Exhibit 1 attached hereto (the "Redevelopment Area").

For the purpose of redeveloping the Redevelopment Area, this revised Plan has been prepared by the Commission, and may be recommended to the City Council of the City. An earlier draft of this Plan was initially drafted by the Commission on or about June, 1997. Initially, the Commission requested proposals (the "Old RFP") and advertised in the newspaper for responses. Notices of the public hearing were published on July 23, 1997 and August 13, 1997. The initial public hearing occurred on August 21, 1997. The City and Commission received two proposals to the Old RFP within the deadline. One of these developer proponents was selected with whom to negotiate, and negotiations took place over a number of months. The Commission initially passed a resolution providing that developer proponent a period of exclusivity within which to negotiate a transaction. In June of 1998, the negotiations had not yet resulted in a completed proposed transaction and Commission chose to permit the exclusive negotiation period to expire. In October of 1998, when further negotiations had still not resulted in a complete transaction proposal, the Commission chose to terminate further negotiations with that developer proponent.

In December of 1997, the Tax Increment Financing statute was amended. One effect of the amendment was to increase the number of members of the Tax Increment Financing Commission by an additional two. A notice notifying all of the taxing districts of the amendment of the statutory provisions was provided and at all meetings subsequent to the effective date of the new statute, a new Commission member representing the "other" taxing districts has been included and has participated and two Commission members representing Clay County have been included and have participated. Since two Commission members representing the North Kansas City School District and six municipal Commission members have also participated from inception, the statutory requirements have been met.

On or about April 14, 1998, the Commission and City employed Bibb & Associates, Inc. to prepare a study of whether the Redevelopment Area could be renovated (without complete demolition of the entire existing structures) for a commercially reasonable investment (including the amortization of the costs of renovation). That study, entitled "Report on the Whole Neighborhood Revitalization Assessment", dated June 11, 1998 was

prepared, submitted to the Commission and a presentation made to the Commission as a part of the public hearing on this Plan on June 18, 1998. Excerpts of the study include:

A. The complex requires extensive revitalization to return the dwelling units to a standard in keeping with the surrounding neighborhoods. Property maintenance would appear to be minimal.

B. In many types of similar situations, the detracting property generates concerns about urban blight, crime, and in the worst instances, poverty.

C. The study discussed both minor renovation and major renovation scenarios. However, even the major renovation portion of the study did not include any improvements to the following systems: Heating, ventilating, air conditioning, plumbing (other than potential improvements to bathrooms and kitchen which would be accomplished as part of a major renovation), structure, flue dampers, lawn, driveways, garages, foundations, entrance foyers, environmental concerns and below slab issues such as utilities, water and sewer. The study concluded that a major revitalization would cost approximately \$40,203 for a two bedroom unit, and cost approximately \$26.9 million to renovate the entire complex. The renovations would require a rent increase of approximately \$430 per unit per month, if a lender could be found to lend 80% of the cost at 9% interest over 20 years and, in addition, the owner would be willing to provide 20% equity at 15% for 20 years. This would be over and above any existing debt on the apartments.

D. One of the key questions in revitalization projects of the magnitude required for Northgate Village Apartments is the lending communities' willingness to finance the [revitalization] project....Lenders will consider whether or not a revitalization project is...one which a prudent lender will finance due to its demonstrated acceptable level of financial risk.

Based upon that information and other information presented at prior hearings, the Commission concluded that renovation was not feasible because the extensive renovation indicated in the report would not cure all of the inadequate conditions sufficiently and was not financially feasible.

A new request for proposals (the "RFP") was then developed and mailed on or about December 1, 1998, to approximately thirty prospective redevelopers, again soliciting responses and proposals from developers for the redevelopment of the Redevelopment Area. Further, an additional advertisement soliciting responses to the RFP was placed in the Dispatch newspaper on December 9, 1999. The deadline for responses was 12:00 noon; February 1, 1999. Six responses were received by the Commission on a timely basis. One of those six responders withdrew its response a few weeks later. The RFP and advertisements stated that the proposal, which in the opinion of the Commission, will best implement the intent of this Plan shall become a part of this Plan and shall be recommended along with the Plan to the City. Public hearings were then held on April 14, 1999 and April 15, 1999 at which the five

proposers presented their proposals to the Commission. The public was then provided another opportunity to comment. The public hearing was then continued to May 20, 1999, at which time, an extensive analysis of the proposals was presented by staff. The Commission chose one of the proposing developer teams with whom to negotiate and provided for a period of exclusivity in which to negotiate a more complete transaction. Negotiations then ensued and were concluded in November, 1999. This revised Plan is now in conformity to the co-developer's proposal, as revised and amplified.

This Plan will be implemented by construction, in general, of the depicted development described on the site plan attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3. The Commission may recommend to the City Council that bonds or other obligations (which may include a grant or a loan to the Commission of some or all of the funds from the City itself (the "Bonds")) be issued to finance Redevelopment Project Costs in an amount which may be serviced by (i) the PILOTs resulting from the construction of the improvements according to this Plan and (ii) the Economic Activity Taxes, all subject to annual appropriation by the City. In the alternative, the Commission may recommend that Redevelopment Project Costs, as defined herein, be reimbursed to the City to repay it for funds advanced on an as-collected basis as collection of PILOTs and Economic Activity Taxes allow, without the issuance of bonds or other obligations. Upon being deposited in the special allocation fund, PILOTs resulting from improvements in the Redevelopment Project Areas and Economic Activity Taxes, may be used to service any bonds issued including interest on and the cost of issuing the bonds, subject to an annual appropriation by the City.

The general objectives of the Redevelopment Plan are:

1. To eliminate conditions which are detrimental to public health, safety, morals or welfare in the Redevelopment Area and to eliminate and prevent the reoccurrence thereof.
2. To increase residency and employment in the City.
3. To encourage new commerce within the City and discourage existing commerce, industry and manufacturing from moving their operations to another state.
4. To enhance the tax base of the City and the other Taxing Districts by developing the Redevelopment Area to its highest and best use and encouraging private investment in the surrounding area.
5. To stimulate development which would not occur without Tax Increment Financing assistance.

6. Specific objectives of this Redevelopment Plan are set forth in Exhibit 3.

5. STATUTORY FINDINGS

A. Existing Conditions. The Redevelopment Area, including each of the Redevelopment Projects contained therein, qualifies as a "Conservation Area" under Missouri's Tax Increment Financing Statute. The Redevelopment Area has not been subject to growth and development by private enterprise and is not reasonably anticipated to be developed in the future without Tax Increment Financing. The physical conditions of the Redevelopment Area preclude and prevent any further development, and therefore the property will continue to deteriorate. The property and the current development (for a number of reasons cited in the Study and the Report on the Whole Neighborhood Revitalization Assessment) will not support renovation of the property at commercially reasonable levels without complete demolition and therefore the property will continue to deteriorate, jeopardize health, safety or welfare without the adoption of this Tax Increment Financing Plan. Further, this Plan is feasible only if all of the specified Redevelopment Project(s) are designated as such under the Act.

A study of the Redevelopment Area has been conducted documenting existing conditions has been prepared by Rule & Company, Inc., dated November 8, 1999 (herein called the "Conservation Study" or "Study"). That Study, attached as **Exhibit 4**, concluded that more than fifty percent (50%) of the structures in the Redevelopment Area have an age of thirty-five years or more (in fact all of the material structures are approximately fifty years old). Further, the Conservation Study concluded that while the area is not yet blighted, the area is detrimental to the public health, safety, morals or welfare and may become a blighted area because of the presence of at least five of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. The Study concluded that the main potential blighting factors at the subject property are:

1. The improvements are obsolete from the lack of off-street parking, substandard gutters and down spouts, energy inefficiencies, and inadequate kitchen, laundry, and bathroom facilities.
2. Significant deterioration exists in the roof cover, windows, paint (interior and exterior) and floor cover.

3. Numerous life safety and/or code violations impair the property including inadequate fire egress, fire walls, electrical service, and ADA compliance.

The Study further concluded that the property, as of November 4, 1999 is a Conservation Area as defined in the Missouri Tax Increment Financing Statute, Section 99.805(2) R.S.Mo.

B. "But For TIF". The Redevelopment Area has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. Because of the existing condition of the property within the Redevelopment Area, and particularly the condition and location of the area selected for redevelopment projects, the property has not been subject to growth or development in the past. The cost of curing the existing conditions and construction of the improvements contemplated by the Plan is not economically viable, if fully borne by the developer. The use of Tax Increment Financing makes the Plan feasible and thus attractive to private enterprise investment. The "But for" analysis is attached as **Exhibit 5**.

C. Conformance To The Comprehensive Plan. The Redevelopment Plan conforms with the City's Comprehensive Master Plan for the development of the City as a whole.

D. Estimated Date of Completion. The completion of the construction of the Redevelopment Project is expected to occur in the eighth year after acquisition of the property. In any event, the completion of any individual Redevelopment Project and retirement of obligations incurred to finance redevelopment costs will be completed no later than twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project within the Redevelopment Area, provided that no ordinance approving a Redevelopment Project shall be adopted later than ten (10) years from the adoption of the ordinance approving this Redevelopment Plan.

The Development Schedule providing for the completion schedule of each of the individual Project Areas is set forth in the attached **Exhibit 6**.

E. Relocation Assistance Plan. Relocation assistance is anticipated under the Plan. The Commission has adopted a plan for providing relocation assistance to residents of the Redevelopment Area. Relocation assistance will be available to all eligible displaced occupants in conformance with the Relocation Assistance Plan as set forth in Section VI, Paragraph A-2 or as may be required by other state, federal or local laws.

F. Cost-Benefit Analysis. A Cost-Benefit Analysis, showing the economic impact of the Plan on each affected taxing district which is at least partly within the boundaries of the Redevelopment Area is attached as **Exhibit 7**.

G. Gambling Establishment. The Redevelopment Area does not include the initial development or redevelopment of any gambling establishment.

6. REDEVELOPMENT PROGRAM

A. Redevelopment Activities.

1. Acquisition and Clearance. To achieve the redevelopment objectives of this Plan, property or interests therein, including easements and rights-of-way, identified on **Exhibit 8**, "Land Acquisition Map", attached hereto, and made a part of this Plan, may be acquired by purchase, donation, lease or eminent domain in the manner provided for corporations in chapter 523, R.S.Mo. by the City or the Commission. The Property acquired by the City or the Commission shall be cleared as described in this Plan and Development Agreement, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. The City or the Commission may determine that to meet the redevelopment objectives of the Redevelopment Plan, or because the cost of acquisition is determined to be too high, certain property currently listed for acquisition should not be acquired, or the Plan terminated. No property for a Redevelopment Project shall be acquired by eminent domain later than five (5) years from adoption of the ordinance approving the Redevelopment Project of which such Project Area is a part.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods of time and so that the adverse affects of clearance activities may be minimized.

Phasing will be accomplished to minimize (as much as possible) disruption of the current residents of the Northgate Village Apartments at the discretion of the Commission.

The City or Commission may devote the property to temporary uses such as apartment rentals prior to such time as individual parcels of the property are needed for redevelopment. Such uses may include, but are not limited to, rental apartment units, project office facilities, parking or other uses the City or Commission may deem appropriate.

2. Relocation Assistance. In order to achieve the redevelopment objectives of this Redevelopment Plan, it will be necessary to demolish the current Northgate Village apartments in phases. Relocation of the current property owners shall be accomplished primarily by acquisition the property. Any other Relocation Assistance

will be accomplished under the Relocation Policy, which may be amended at the discretion of the City. Relocation of the residents of the apartment units will be accomplished in accordance with the Relocation Policy. After the acquisition of the property, a survey of the current residents will be made, an exact determination of the size and location of the amount of demolition to be accomplished in Phase I will be made and then a more specific relocation plan will be adopted and accomplished.

For the relocation of eligible displaced occupants and businesses in the Redevelopment Area, the City, and where applicable, the Developer will adhere to the following requirements (the "Relocation Policy"):

- ✓ A. Designated Occupants: "Designated Occupants" shall mean handicapped Displaced Occupants and those Displaced Occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Missouri Housing Development Commission based upon the standards established by the Housing and Urban Development Department.
- ✓ B. Displaced Business: "Displaced Business" shall mean any business that moves from real property within the Redevelopment Project Area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in conjunction with the demolition, alteration or repair of said property by the Commission pursuant to R.S.Mo. 99.800 et. seq., as amended.
- ✓ C. Displaced Occupant: "Displaced Occupant" shall mean any occupant who moves from real property within the Redevelopment Project Area as a result of the acquisition of such property, or as a result of written notice to vacate such property, or in connection with the demolition, alteration or repair of said property by the Commission pursuant to R.S.Mo. 99.800 et. seq., as amended.
- ✓ D. Handicapped Occupant: "Handicapped Occupant" shall mean any occupant who is deaf, legally blind, or orthopedically disabled to the extent that acquisition of other residence presents a greater burden than other occupants would encounter or that modification to the residence would be necessary.
- E. Occupant: "Occupant" shall mean a residential occupant of a building having lawful possession thereof, and further shall include any person in lawful possession, whether related by blood or marriage to any other occupant. If there is a document naming more than one person an occupant of a residential unit, the first-named person shall be the occupant for purposes hereunder.

F. Person: "Person" shall mean any individual, firm, partnership, joint venture, association, corporation and any life insurance company, organized under the laws of, or admitted to do business in the State of Missouri, undertaking a redevelopment project in an urban renewal area, whether organized for profit or not, estate, trust, business trust, receiver or trustee appointed by any state or federal court, syndicate, or any other group or combination acting as a unit, and shall include the male as well as the female gender and the plural as well as the singular number.

G. Plan Requirement: The City, and every person approved by the Commission as a developer of property subject to be acquired by the Commission in furtherance of the Plan shall submit to the Commission a more specific relocation plan as part of this Plan prior to implementation. The City shall have primary responsibility for development and implementation of this Relocation Plan.

H. Eligibility: The City or its agent will make payments to all Displaced Occupants and Displaced Businesses which are in occupancy at least ninety (90) days prior to the date said Displaced Occupant or said Displaced Business is required to vacate the premises by the developer, its assigns or any person seeking acquisition powers under the Plan pursuant to R.S.Mo. 99.800 et. seq., as amended.

I. Special Needs of Displaced: The City or its agent will identify needs of Displaced Occupants and Displaced Businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities.

J. Referrals to New Quarters: The City or its agent will provide a program for referrals of Displaced Occupants and Displaced Businesses with provisions for a minimum of three (3) suitable referral sites, a minimum of ninety (90) days notice of referral sites for Handicapped Displaced Occupants and sixty (60) days notice of referral sites for all other Displaced Occupants and Displaced Businesses, prior to the date such Displaced Occupant or Displaced Business is required to vacate the premises; and arrangements for transportation to inspect referral sites to be provided to "Designated Occupants".

K. Notice to Vacate: *handicapped* Every Displaced Occupant and every Displaced Business shall be given a ninety (90) day notice to vacate; provided, however, that the City may elect to reduce the notice time to sixty (60) days if the City extends the relocation payments and benefits set forth below to any affected Displaced Occupant or Displaced Business by said reduction in time.

L. Payments to Occupants: All Displaced Occupants eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the occupant:

(1) A certified lump sum payment of Five Hundred Dollars (\$500.00) to be paid at least thirty (30) days prior to the date the occupant is required to vacate the premises; or

(2) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees, and other initial rehousing deposits, including, if necessary, first and last month's rent and security deposit provided that the rent shall not exceed 150% of the current rent.

M. Handicapped Displaced Occupant Allowance: In addition to the payments provided in subsection (1) hereof, an additional relocation payment shall be provided to Handicapped Displaced Occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and useability of such occupant's prior residence, such amount not to exceed Four Hundred Dollars (\$400.00).

N. Payments to Business: All Displaced Businesses eligible for payments hereunder shall be provided with relocation payments based upon the following, at the option of the business:

(1) A specified lump sum payment of One Thousand Five Hundred Dollars (\$1,500.00) to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or

(2) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installation of all personal equipment and costs for relettering signs and replacement stationery.

O. Waiver of Payments: Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be in writing and filed with the Commission.

P. Notice of Relocation Benefits: All occupants and businesses eligible for relocation benefits under this Plan shall be notified in writing of the

availability of such relocation payments and assistance, such notice to be given concurrent with the notice of referral sites set forth in this Plan.

Q. **Persons Bound by the Relocation Policy:** The City and any developer, if applicable, its assigns or transferees, provided assistance in land acquisition by the Commission, and the Commission itself, is required to comply with all provisions of this Relocation Policy and shall provide a certification to the Commission of compliance with this Relocation Policy. Such certification shall include, among other things, the addresses of all occupied residential buildings and structures within the Redevelopment Area and the names and addresses of occupants and businesses displaced by the City and specific relocation benefits provided to each occupant and business, as well as a sample notice provided each occupant and business.

3. Assemblage and Disposition of Land Land assemblage shall be conducted for (1) sale, lease or conveyance to the Redeveloper(s) or (2) sale, lease, conveyance or dedication for the construction of public improvements or facilities. The terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific planning and design controls than those stated in this Plan.

4. Provision of Public Facilities Adequate public facilities and utilities will be assured to service the entire Redevelopment Area.

5. General Land Use The Site Plan, **Exhibit 2**, attached hereto and made part of this Redevelopment Plan, designates the intended predominant land use categories for which tracts in the Redevelopment Area will be sold, leased, or otherwise conveyed. The Project shall be subject to the applicable provisions of the City's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time. Final uses may be amended or adjusted from time to time to further the redevelopment and meet market conditions.

6. TIF Architectural Design Guidelines The Commission has adopted a set of TIF Architectural Design Review Guidelines which shall be utilized as an additional set of minimum standards in reviewing all proposed improvements in the Redevelopment Area. These TIF Architectural Design Guidelines are attached hereto as **Exhibit 9**. The Commission and the City shall have the authority provided in such Guidelines to review and approve any variances therefrom.

7. Schedule of Projects. The estimated development schedule is set forth in **Exhibit 6**.

7. FINANCING PLAN

1. Estimated Project Costs Redevelopment Project Costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable, in implementing the Plan and the Redevelopment Projects. Reimbursable Project Costs mean and include all reasonable or necessary costs allowed by the Act, incurred in implementing the Plan and Redevelopment Projects which are to be reimbursed to the City from PILOTs, Economic Activity Taxes, land sales or Bond proceeds. If bonds are issued, interest and the cost of issuing the bonds shall be classified as Reimbursable Project Costs. Estimated Redevelopment Project Costs and Reimbursable Project Costs are set out in **Exhibit 10**.

2. Source of Funds Anticipated sources and amounts of funds utilized to pay Redevelopment Project Costs and amounts to be available from those sources are shown on the Schedule of Sources and uses of Funds, attached hereto as **Exhibit 11**. This Plan proposes that all of the costs associated with acquisition of the Redevelopment Area and all of the costs paid by the City either associated with the TIF Plan, the City's cost of construction of the Redevelopment Projects, together with interest thereon, if available, be classified as Reimbursable Project Costs and funded from PILOTs and Economic Activity Taxes, to the extent thereof. If bonds are issued, or other indebtedness incurred, interest and the cost of issuing the bonds shall be classified as Reimbursable Project Costs. The remainder of the costs associated with the construction of the Redevelopment Projects, if any, are to be paid by the co-redevelopers selected to implement this Plan. Calculations of expected proceeds of PILOTs are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated PILOTs are set forth in the Cost-Benefit Analysis, **Exhibit 7** attached hereto. Furthermore, calculations are based on increases in assessed valuation of 3% every two years that can be expected to result from inflation, with no levy increases, which would also increase the PILOTs. If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs. If property is sold to one or more selected developers, land disposition proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs incurred by the City.

3. Payments in Lieu of Taxes

A. Most Recent Assessed Valuation The total initial equalized assessed valuation of the Redevelopment Area according to records at the Clay County Assessor's Office at the time of the adoption of the Plan is \$1,572,870. (Section 99.810 R.S.Mo. requires the most recent equalized assessed valuation.) The current combined ad valorem property tax levy is projected to be 5.66% (excluding 1989 M & M replacement taxes) per \$100 assessed valuation. The current annual ad valorem

tax revenue from the Redevelopment Area is \$89,496. The Total Initial Equalized Assessed Valuation of an area selected for a redevelopment project will be finally redetermined for each phase when an individual phase of the Redevelopment Project is approved by ordinance. The City or the Commission may then issue tax increment bonds to finance redevelopment within the Redevelopment Project. PILOTs measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted, will be segregated from taxes resulting from the Total Initial Equalized Assessed Valuation as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein.

B. Anticipated Assessed Valuation and Payments in Lieu of Taxes. Upon completion of the Redevelopment Project the total assessed valuation of the Redevelopment Area is anticipated to be \$10,429,397. The increase in assessed valuation therefore is anticipated to be \$8,848,196. The increase by year is shown on the Cost Benefit Analysis, **Exhibit 7**, as are the resulting PILOTs available to pay Redevelopment Project Costs incurred by the City. When complete and the Redevelopment Plan is terminated, the Redevelopment Area will annually initially yield an estimated total of \$703,823 in additional real property taxes.

The amount of PILOTs in excess, if any, of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, the payment of Redevelopment Project Costs, including the retention of funds for the payment of future redevelopment costs, will be declared as surplus and will be available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

4. Economic Activity Taxes.

A. Current Economic Activity Tax Revenue. The current total Economic Activity Tax Revenue generated in the Redevelopment Area is 0. The current sales tax rate is 2.375%. Beginning in April 1997, an additional .125% bi-state cultural sales tax was assessed on the Redevelopment Area, but that tax is exempt from TIF revenues.

B. Anticipated Economic Activity Taxes. Upon completion of construction of the retail sites and commencement of their operations, the total annual sales in the Redevelopment Project Areas are estimated to be \$8,323,874. The increase in sales by year is shown on **Exhibit 7**, as are 50% of the resulting Economic Activity Taxes available to pay Reimbursable Project Costs incurred by the City. When complete, and the Plan is terminated, economic activity in the Redevelopment Project Areas will annually yield an estimated \$236,095 in additional Economic Activity Tax revenue.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and repayment to the City of Redevelopment Project Costs incurred by it with interest thereon, if any, will be declared as surplus and will be available for distribution to the various taxing districts in the Redevelopment Project Areas in the manner provided by the Act. Concurrent with the preparation of the annual reports as required by Section 99.865 of the Act, the Commission may estimate the anticipated Economic Activity Taxes which will be generated by economic activities within the Redevelopment Project Area.

5. Nature and Term of Obligations. Without excluding other methods of financing, Bonds may be issued pursuant to this Plan for a term not to exceed 23 years at an interest rate determined by the City. In order to market such Bonds, it is estimated that available project revenues must equal 125% - 175% of the annual debt service payments required for the retirement of the Bonds. Revenues received in excess of 100% of funds necessary for the payment of cost of issuance, principal, and interest on the Bonds may be used to call Bonds in advance of their maturities or used to pay Reimbursable Project Costs or declared as surplus to become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. The latest date of retirement of the Bonds, if issued in 2008, will be 2031. The latest date of retirement of the Bonds, if issued in subsequent years, will be not more than 23 years from the adoption of the ordinance approving subsequent Redevelopment Project Areas.

6. Evidence of Commitments to Finance. The proposal submitted by the co-redevelopers (herein called the "Developer's Proposal") to implement this Plan includes evidence of commitments to finance the Redevelopment Project Costs to be paid by one or more of the co-redevelopers. The City's financial advisor has reviewed the financial commitments and the co-redevelopers' financial statements and found them to be sufficient to perform the co-redevelopers' obligations to develop the Project Areas. Such co-redevelopers' Proposal shall be a part of this Plan and be attached hereto as **Exhibit 13**.

8. CO-REDEVELOPERS' AFFIDAVIT

Co-redevelopers' Affidavit, **Exhibit 12**, is attached hereto.

9. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Redevelopment Plan and Projects may be amended pursuant to the provisions of the Act.

SECTION 1

EXHIBIT 1

LOCATION AND LEGAL DESCRIPTION OF THE REDEVELOPMENT AREA

TRACT 1:

All that part of the Northwest Quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the point of intersection of the West line of Swift Avenue, as now established, with the North line of 23rd Avenue, said point of beginning being 50 feet North, measured along the West line of said Swift Avenue, of a point on the South line of said one-quarter section which is 50 feet West of the Southeast corner thereof; thence West along the North line of said 23rd Avenue (being a line 50 feet North of and parallel to the South line of said one-quarter section) 565 feet, more or less to the point of intersection with a line drawn 213 feet East of and parallel to the East line of U.S. Highway No. 71, also known as Burlington Avenue, as now established; thence North along said line drawn 213 feet East of and parallel to the said East line of U.S. Highway No. 71, a distance of 1616.50 feet, more or less, to its point of intersection with a line drawn 968.16 feet South of and parallel to the North line of said one-quarter section; thence West along said line last described 213 feet, more or less, to the said East line of U.S. Highway No. 71; thence North along the said East line and North and Northeasterly along the East and Southeasterly line of U.S. Highway No. 69, also known as U.S. Highway 169, as now established, to the intersection thereof with a line drawn 30 feet South of and parallel to the North line of said one-quarter section (being the South line of a strip of land now being used for street purposes and called 32nd Avenue); thence East along said line 331.22 feet, more or less, to its intersection with the West line of said Swift Avenue, as now established; thence south along the West line of said Swift Avenue 2556.63 feet, more or less, to the point of beginning.

TRACT 2:

All that part of the Northeast one quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the Southwest corner of Lot 1, Block 4, First Addition to North Kansas City Development Company's North Park Addition to North Kansas City, a subdivision in said Clay County, Missouri, said beginning point being in the East line of Swift Avenue, as now established; thence running North along the East line of said Swift Avenue 847.08 feet, more or less, to its point of intersection with the Southeasterly line of the tract conveyed to the State of Missouri by the deed dated January 30, 1923, recorded in Book B-2 at Page 27, in the Office of the Recorder of Deeds for Clay County, Missouri; thence

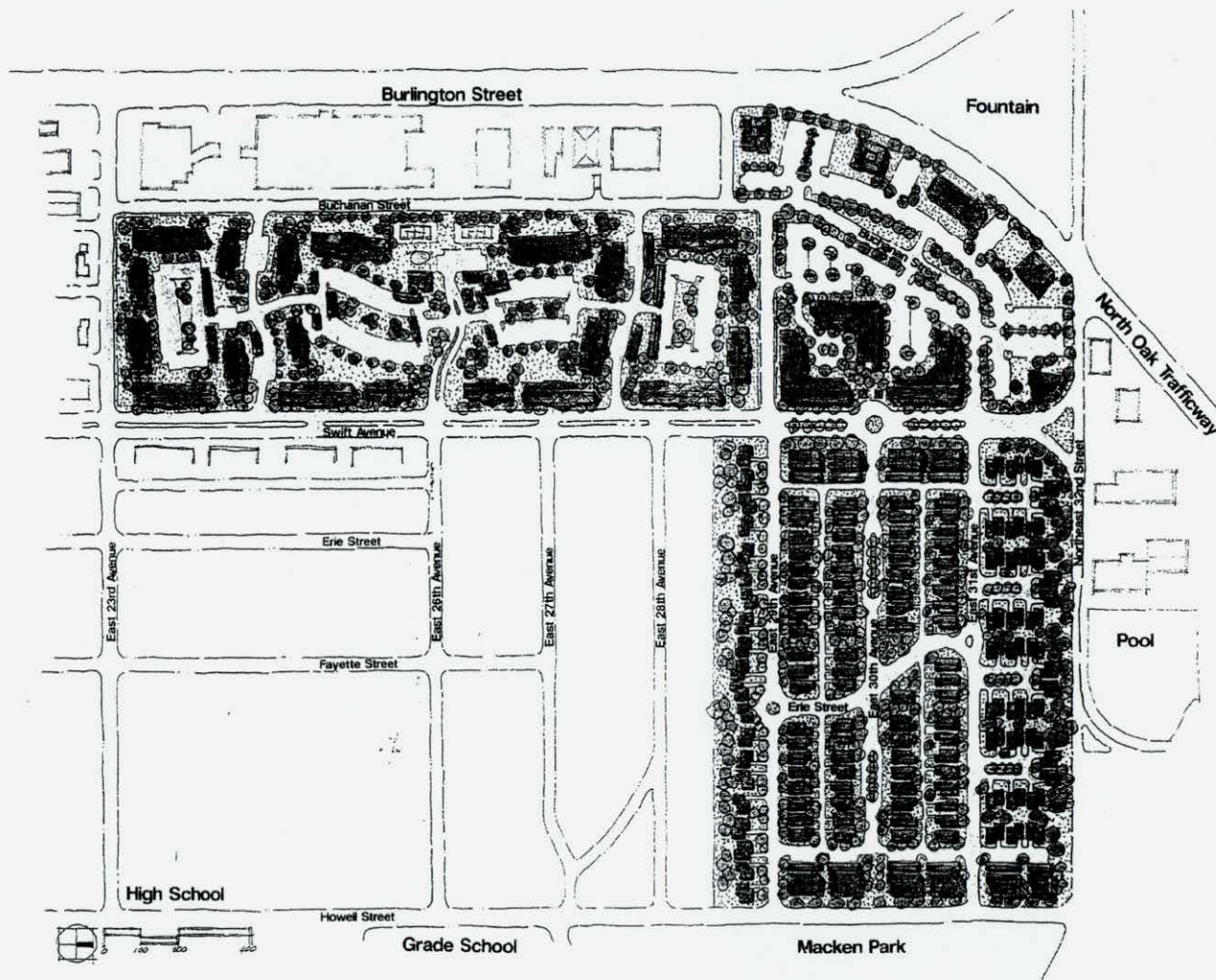
Northeasterly, Easterly and Northeasterly along the Southeasterly, Southerly and Southeasterly line of the tract so conveyed to the State of Missouri to its intersection with the North line of said one-quarter section; thence East along the North line of said one-quarter section to its intersection with the prolongation North of a line drawn 60 feet East of and parallel to the East line of Lot 11, Block 5, in aforesaid First Addition to North Kansas City Development Company's North Park Addition to North Kansas City; thence South along said line last described to its intersection with the prolongation East of the South line of Lots 1 to 11, inclusive, Block 5, in said subdivision; thence West along said line last described and along the South line of Lots 1 to 11, both inclusive, Block 4, in said subdivision to the point of beginning, EXCEPT the East 60 feet in Howell Street.

SECTION 2

EXHIBIT 2

SITE PLAN

Site Plan



Devine deFlon Yaeger Architects
Revised September 9, 1999

Hunt Midwest Real Estate
Rainen Companies

NORTHGATE VILLAGE



SECTION 3

EXHIBIT 3

SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN

1. To cure the conditions identified in the Study, by inter alia, construction of several retail buildings, single family residences, townhouses, patio homes, apartments and possible senior housing.
2. To install, repair, construct, reconstruct and relocate streets, utilities, sidewalk improvements, essential to the preparation of the Redevelopment Area.
3. To upgrade and refurbish utilities, and other infrastructure facilities serving the Redevelopment Area.
4. To vacate any existing public rights-of-way inconsistent with the Plan and to make them a part of the Redevelopment Area.
5. To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas.
6. To promote the health, safety, order, convenience, prosperity and the general welfare of current and prospective residents of the City of North Kansas City, as well as the efficiency and economy of the City.
7. To provide, promote and enhance development and business opportunities in the Redevelopment Area and surrounding areas.
8. To stimulate construction and permanent employment opportunities and increased demand for secondary and support services for the surrounding area.

SECTION 4

EXHIBIT 4

CONSERVATION STUDY

**CONSERVATION STUDY
OF THE
NORTHGATE VILLAGE APARTMENTS**

**2900 SWIFT
NORTH KANSAS CITY, MISSOURI**

**RULE & COMPANY, INC.
Kansas City, Missouri**

Thomas M. Rule, MAI
Brock J. Rule, MAI
Scott J. Belke, MAI
Michael F. Bossert, CFA
Mark L. Visconti
David S. Madsen

RULE & COMPANY

Measurement of Real Estate Values

November 8, 1999

Mr. Michael B. Smith
Assistant to the City Administrator
City of North Kansas City, Missouri
2010 Howell
North Kansas City, Missouri 64116

Dear Mr. Smith:

Per your request, I am pleased to herewith submit my conservation study for the Northgate Village Apartments located at 2900 Swift in North Kansas City, Missouri. This conservation study was performed in accordance with Section 99.805(2) R.S. Mo. of Missouri's Tax Increment Financing (TIF) statutes. An inspection of the property was made on November 4, 1999.

After the foregoing inspection and after a careful study of all pertinent factors, it is my considered opinion that the Northgate Village Apartments is a Conservation Area according to the definition cited above. More than 50% the structures in the proposed redevelopment area are 35 years old or greater, and the presence of at least five other potentially blighting factors indicates that the property is detrimental to the public health, safety, morals, or welfare and may become a blighted area.

The complete analysis employed to reach this determination is contained in the attached report. This study has been prepared for the City of North Kansas City, Missouri to aid in determining if the property is eligible for TIF conservation. Disclosure of the contents of this report are governed by the By-Laws and Regulations of The Appraisal Institute.

**RULE
& COMPANY**

Mr. Smith
November 8, 1999
Page 2

It has been a distinct pleasure to serve you in this assignment.

Very truly yours,
RULE & COMPANY, INC.

A handwritten signature in black ink, appearing to be 'BJR', with a long horizontal line extending to the right.

Brock J. Rule, MAI
Senior Vice President
Missouri State Certified General Real Estate Appraiser (Certificate No. RA 001130)
Kansas Certified General Real Property Appraiser (Certificate No. G-1008)

BJR:sms

TABLE OF CONTENTS

Letter of Transmittal

Table of Contents

Property Data

Photographs of Subject Property 1

Introduction 10

Site Description 12

Improvement Description 15

Interior Photographs 18

The Neighborhood 38

Conservation Analysis

Conservation Analysis 42

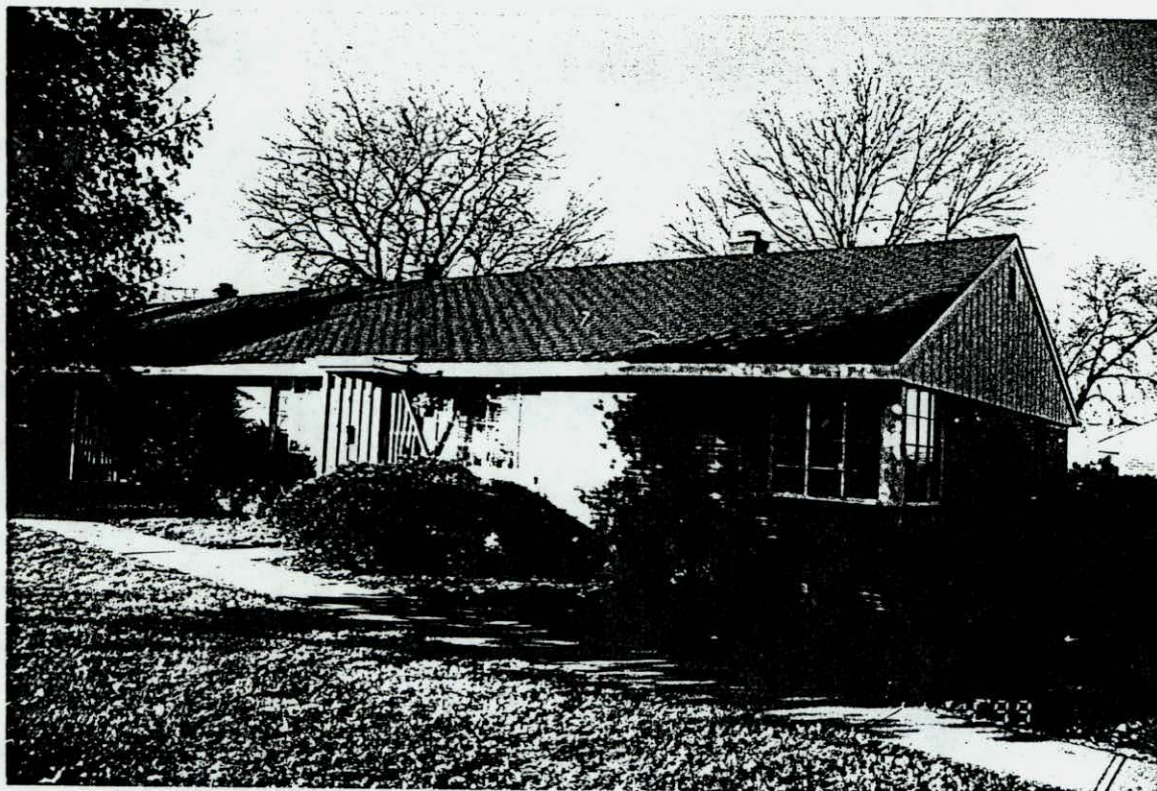
Certificate 47

General Assumptions and Limiting Conditions 48

Addenda

- Legal Description
- Qualifications of Brock J. Rule, MAI
- Company Profile

**PROPERTY
DATA**



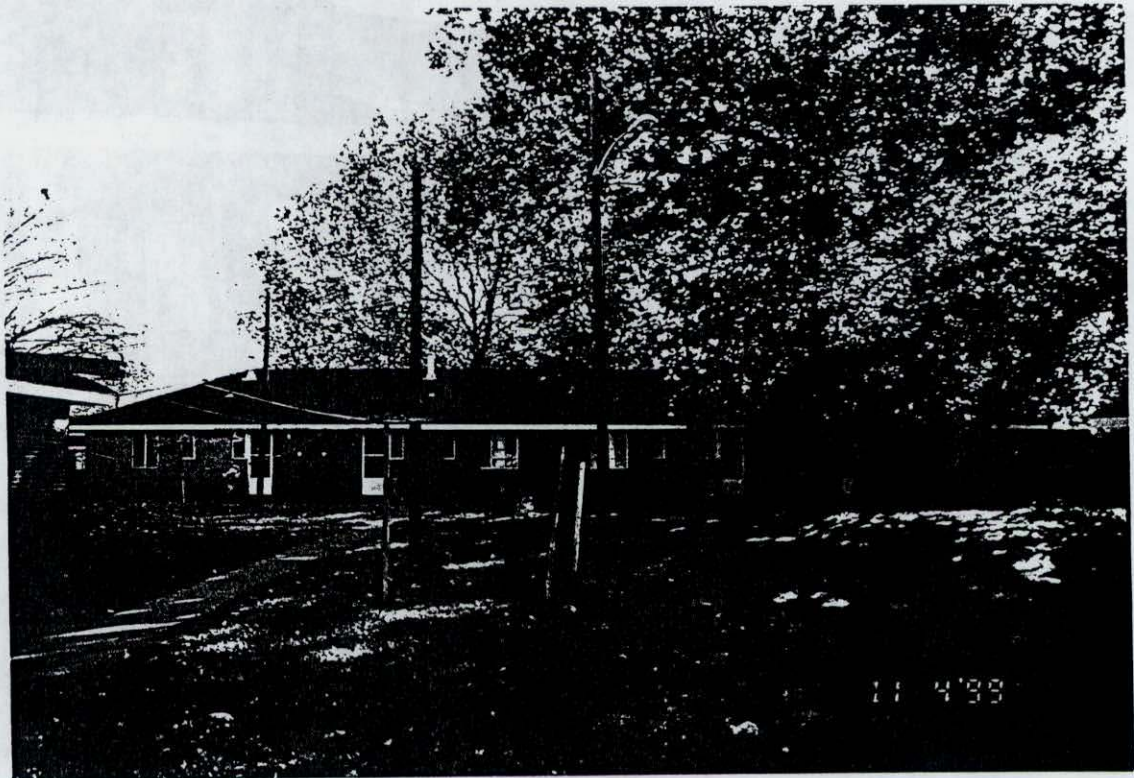
Front Elevation of Building on 25th Avenue



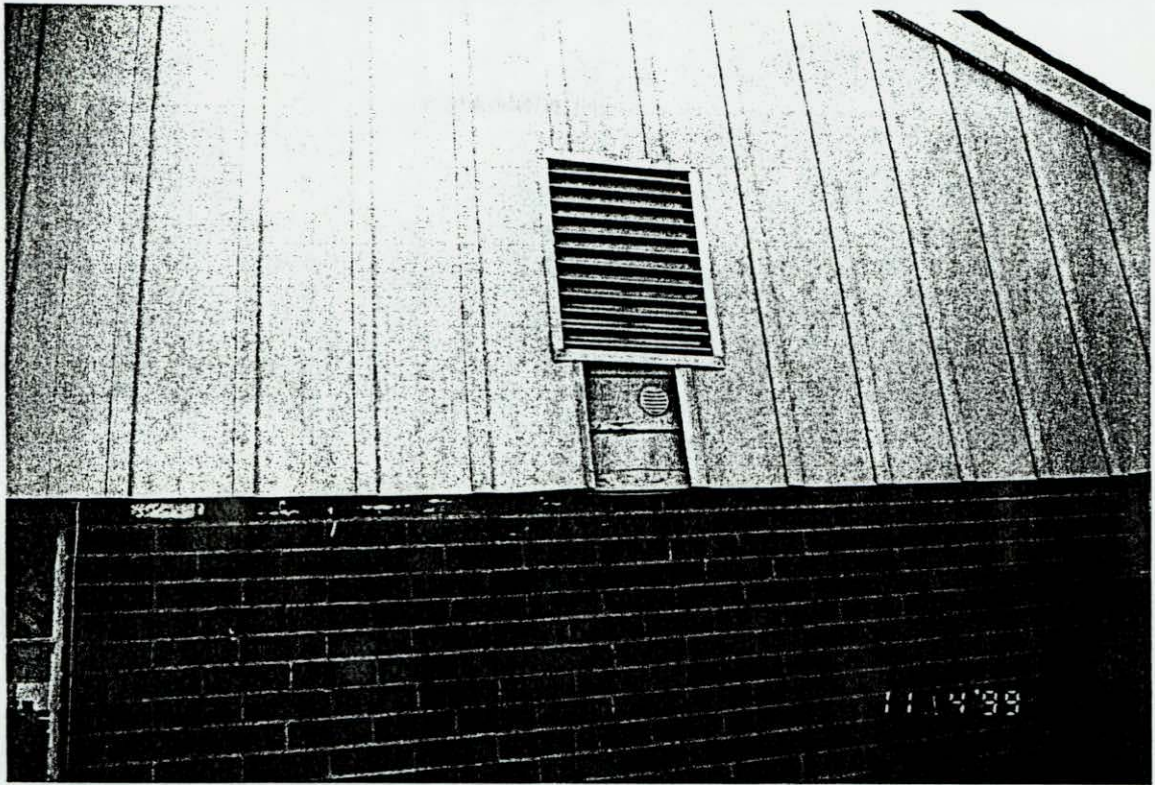
Rear Elevation of Building on 25th Avenue



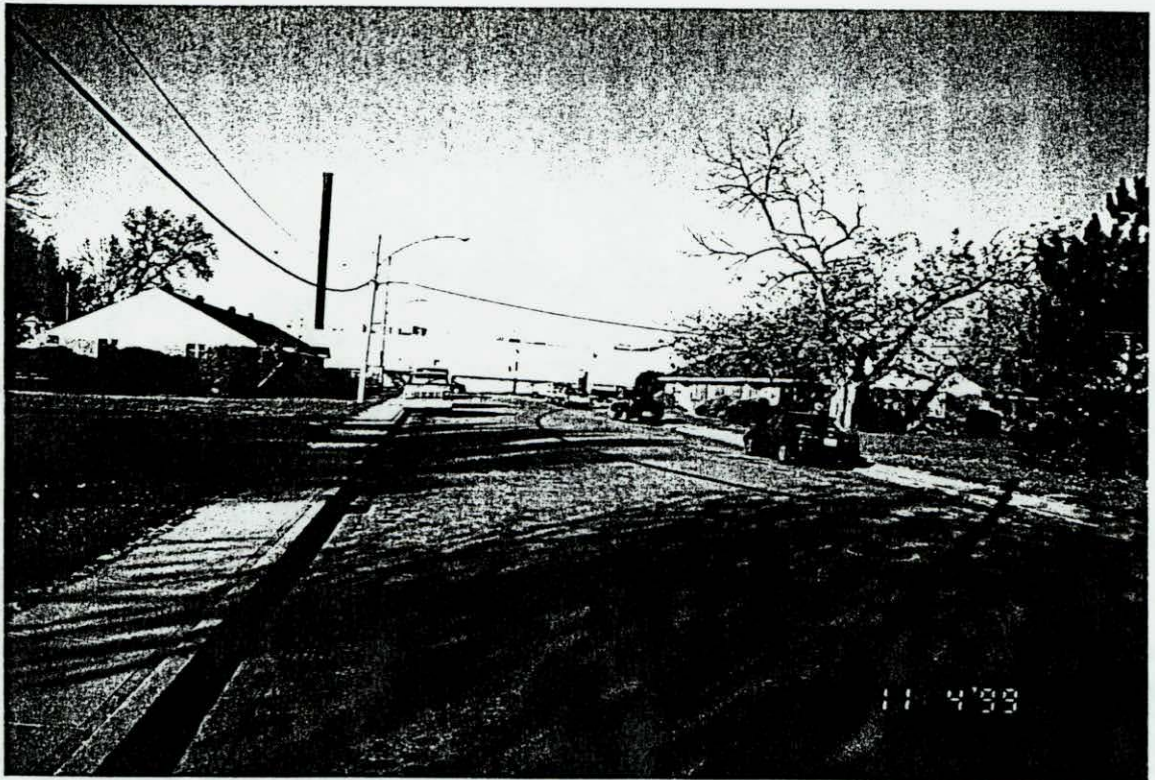
Rear Elevation of Building on 25th Avenue
(Note Erosion From Lack of Gutters)



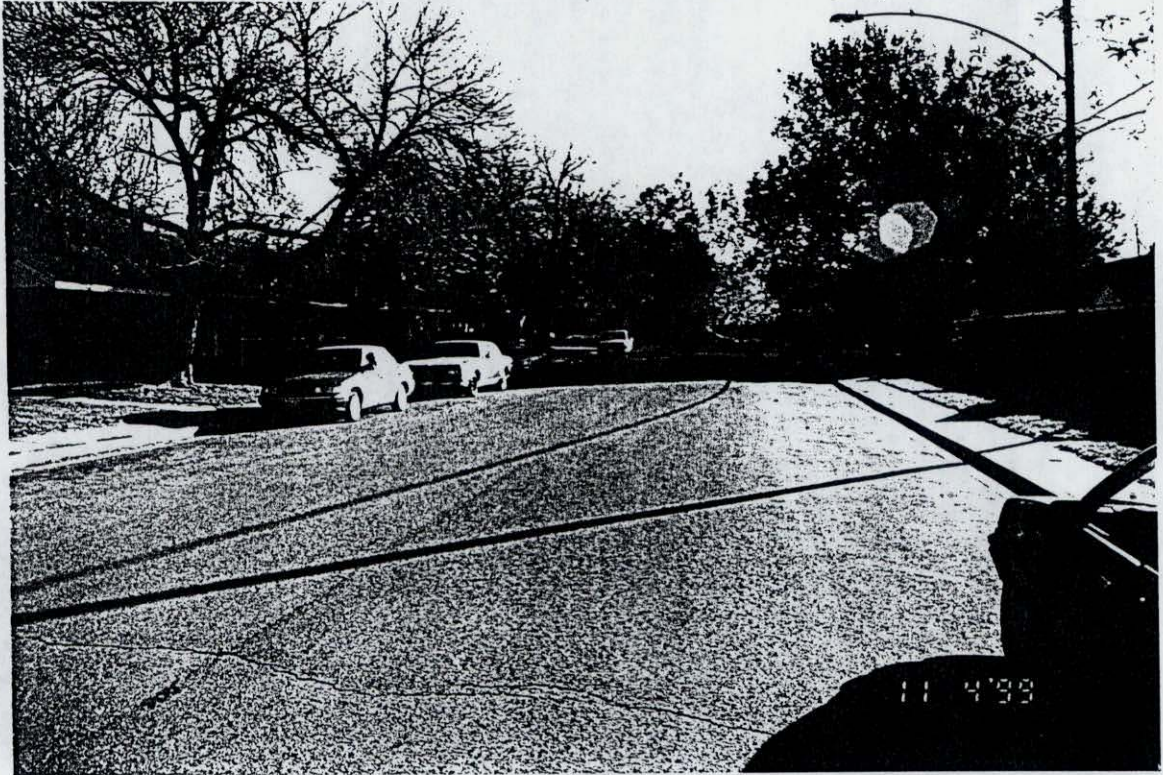
Rear Elevation of Building Near 25th Avenue



Attic Ventilation Modification



Looking West on 25th Avenue



Looking East on 25th Avenue



Front Elevation of Building on Buchanan



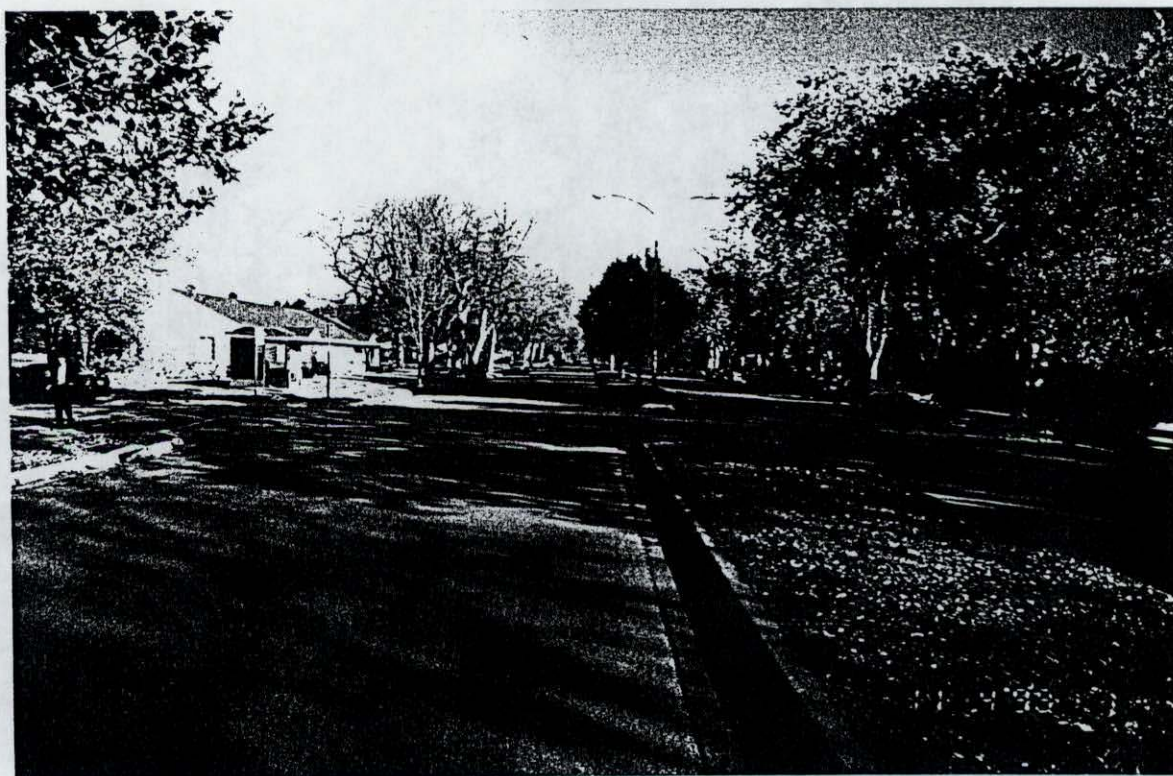
Looking North on Buchanan



Looking South on Buchanan



Front Elevation of Building on Swift



Looking North on Swift



Looking South on Swift



Front Elevation of Another Building on Swift



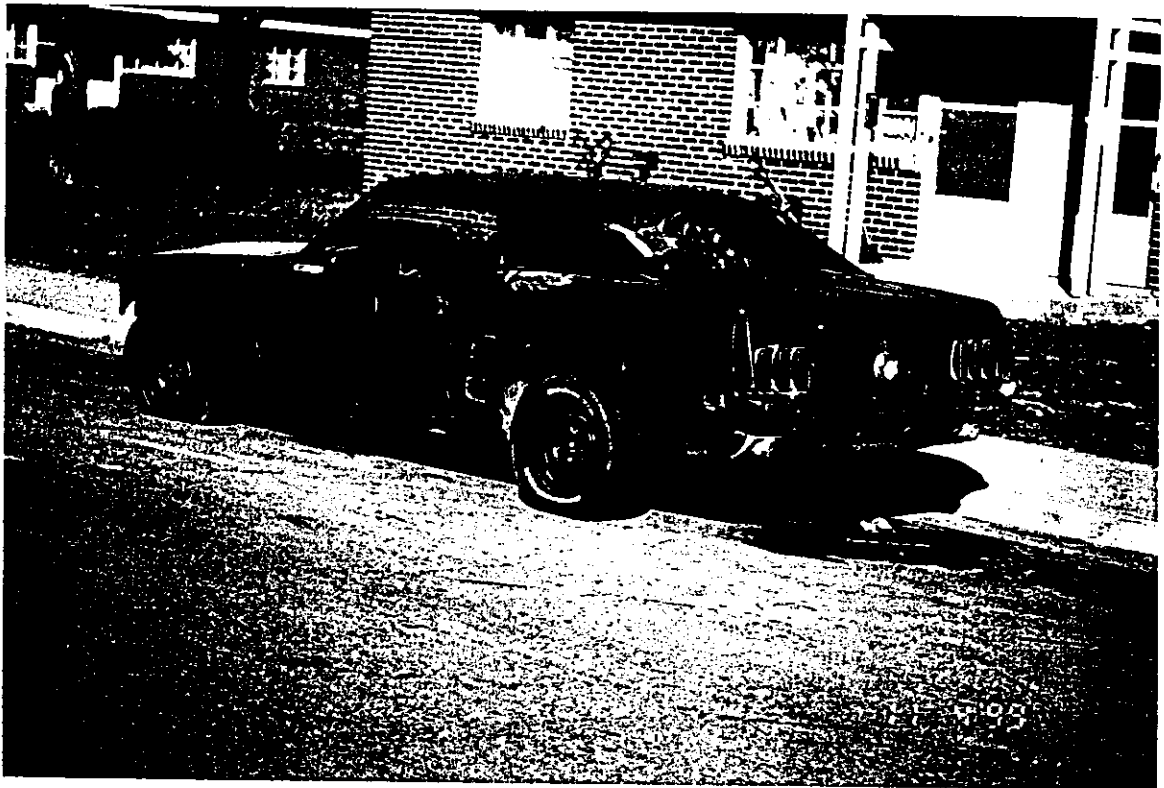
Looking West on 29th Avenue



Front Elevation of Building on 31st Avenue



Looking East on 31st Avenue



Broken Down Car on 31st Avenue

INTRODUCTION

Purpose

The purpose of this study is to investigate whether the subject property is a Conservation Area as defined by Missouri statutes. The property being studied is the Northgate Village Apartments located at 2900 Swift in North Kansas City, Missouri. The date of the study is November 4, 1999, which coincides with the consultant's latest inspection of the property.

Conservation Area Defined

Section 99.805(2) R.S. Mo. of Missouri's Tax Increment Financing (TIF) statutes defines a "Conservation Area" as follows:

Any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning.

The definition further states that a Conservation Area shall meet at least three of the factors provided.

Scope of the Study

This study and report comply with the Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation. No reliance is given to the Departure Rule of USPAP. Furthermore, the consultant has been retained to act as a disinterested third party and to render an unbiased opinion.

The consultant inspected six units on November 4, 1999 as the invitee of the tenants residing in each of the apartments. The inspection consisted of a walking tour of the property. The consultant viewed the living areas and mechanical areas of each unit. A tour of one laundry building was also conducted. An inspection of three units was also performed on April 19, 1998. The 1998 inspection was with the assent of the owner and was escorted by the owner's attorney and the property manager.

The client provided the consultant with the following information:

- legal description

- Report on the Whole Neighborhood Revitalization Assessment (Bibb and Associates, Inc.; Jun-98)
- The Owner's Capital Improvement Plan for Northgate Village Apartments (Aug-98)
- Ownership and Mortgage Certificate (Chicago Title; 10-Dec-96; Order CN96-70144)

The consultant is continually collecting and confirming data. The data collection process includes: (1) a review of publications (general media, business publications, trade publications, the Internet); (2) discussions with real estate market participants (investors, lenders, brokers, appraisers), and (3) searches of the public record. For the subject assignment, the consultant has undertaken a thorough search of all appropriate data sources. All data given primary reliance is reported herein.

Experience

The consultant complies with the Competency Provision of USPAP by virtue of experience with properties of the subject's type including the following.

- Brush Creek Plaza Conservation Study; Kansas City, MO (Mar-95)
- Northgate Village Apartments (appraisal); North Kansas City, MO (May-98)
- 42nd & North Oak Blight Study; Kansas City, MO (May-99)
- Soho South Blight Study; Kansas City, MO (Aug-99)
- Nettleton Home Blight Study; Kansas City, MO (Oct-99)

Legal Description

The lengthy legal description is contained in the **Addenda**.

History of Ownership

The subject is owned by Northgate Apartments, L.P., a Missouri Limited Partnership. The current owners acquired the property on November 26, 1990 (Book 2006; Page 963). No transfers of the subject have occurred in the last three years. The consultant is aware of no pending offer to buy or sell.

SITE DESCRIPTION

Location & Access

The subject site covers a ten-block area in the northwest portion of the city of North Kansas City, Missouri. The site extends from 23rd Avenue on the south to 32nd Avenue on the north and from Burlington Avenue on the west to Howell Street on the east. The site has frontage on several public streets including the following: Buchanan, Swift, Erie, Fayette, Howell (north-south); and 23rd, 25th, 27th, 29th, 31st, and 32nd Avenues (east-west).

The interior public street network gives the subject excellent access. Burlington Avenue connects with Downtown Kansas City, Missouri via the Heart of America Bridge (14 blocks) and with the Broadway Extension, Missouri Highway 9, North Oak Trafficway, U.S. 169, and I-29. Interstate 35, located less than a mile east of the subject site, can be conveniently accessed via Armour Road (Missouri Highway 210).

Land Area

According to Clay County tax records, the subject site contains 50.80 acres. The area of the subject is summarized below by tax parcel number.

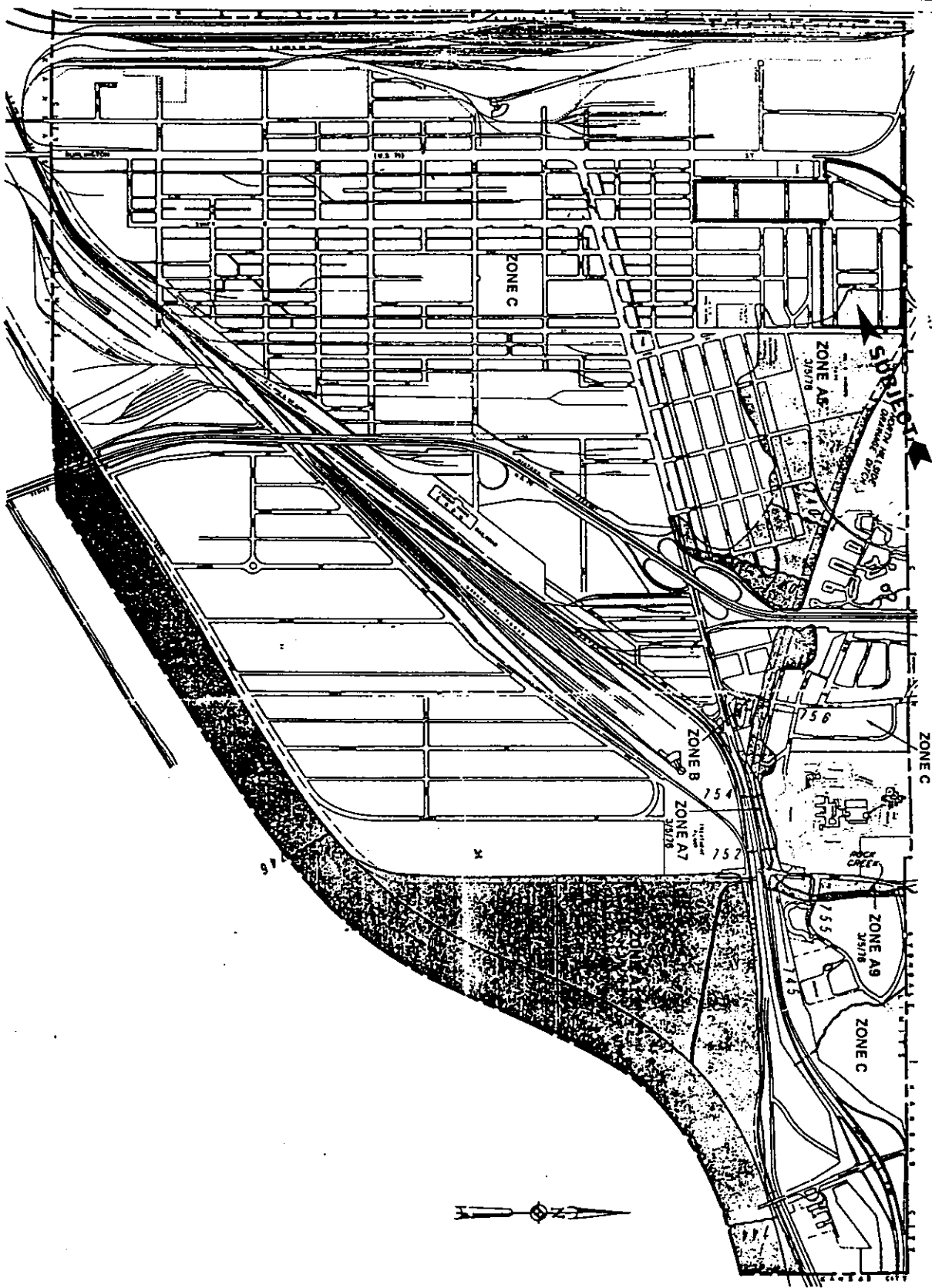
Parcel No.	Acres
17-605-03-1	4.10
17-605-03-2	6.00
17-605-03-3	6.00
17-605-03-4	6.80
17-605-03-5	5.90
17-606-01-1	6.00
17-606-01-2	5.60
17-606-01-3	1.40
17-606-01-4	5.60
17-606-02-1	1.70
17-606-02-2	1.70
Total	50.80

At 50.80 acres, the subject contains approximately 2,212,848 square feet.

Topography

The topography of the site is essentially level and at street grade. According to FEMA Flood Hazard Boundary Map No. H01 (dated 30-Apr-76), approximately 8 acres at the northeast corner of the property lie within Zone A5 of the 100-year flood plain. The North Kansas City, Missouri-Kansas Quadrangle Map prepared by the U.S. Geological Survey (dated 1964; revised 1970) indicates a fairly continuous elevation of 740 feet on the subject property. The flood plain is also approximately 740 feet. Thus, flooding would be expected to be minimal.

Flood Plain Map



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Federal Insurance Administration

NORTH KANSAS CITY, MO
(CLAY CO.)

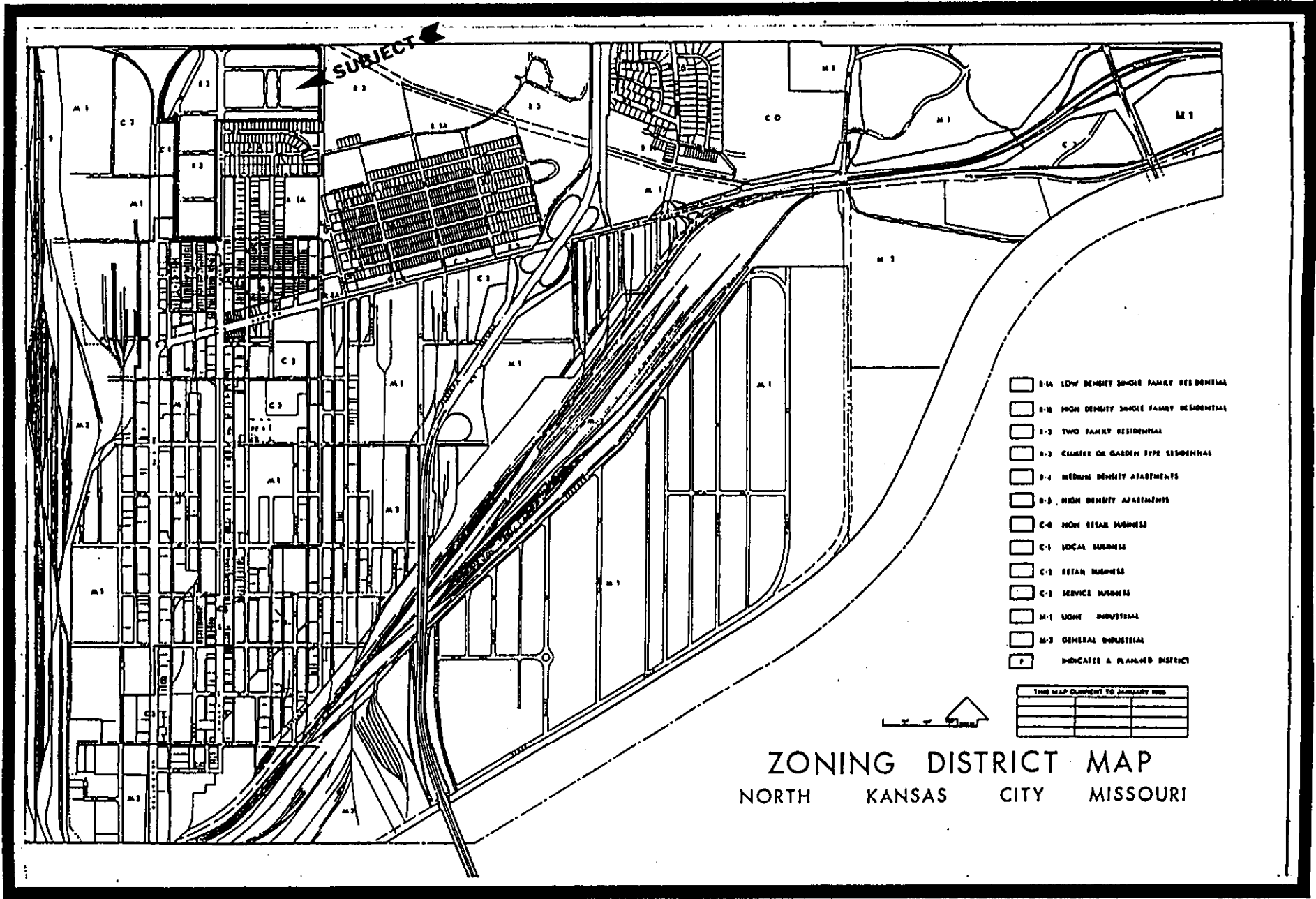
500 0 1000 2000 3000 4000 5000

SCALE IN FEET

FIA FLOOD HAZARD BOUNDARY MAP

FIA FLOOD INSURANCE RATE MAP

Map Revised



Zoning Map

Easements

The consultant was not provided with a title report. Therefore, no evaluation can be made of easements or other restrictions.

Zoning

The subject property is zoned R-3, Cluster or Garden Type Residential. Lower density residential zoning (R-2, R-1b) is to the south and southeast. Burlington is zoned for varying levels of commercial development (C-1, C-3). The R-3 ordinance is included in the **Addenda**. The subject does not conform to density or parking requirements. The minimum lot area is 3,500 square feet per family or 12.4 units per acre. The subject density is 13.1 units per acre (666 units ÷ 50.8 acres). The subject has fewer than 50 off-street parking spaces while the requirement is two spaces per unit. Nevertheless, the subject is a legal, non-conforming use by grandfathering.

On March 7, 1996, the city adopted a Comprehensive Master Plan. The plan designates the subject's Future Land Use to be mixed density residential. Northgate Village is specifically mentioned within the plan. The stated intent for Northgate Village is for a planned unit development to replace the subject's "deteriorating multi-family housing".

Utilities

All utilities are available to the subject property including water, sewers and natural gas.

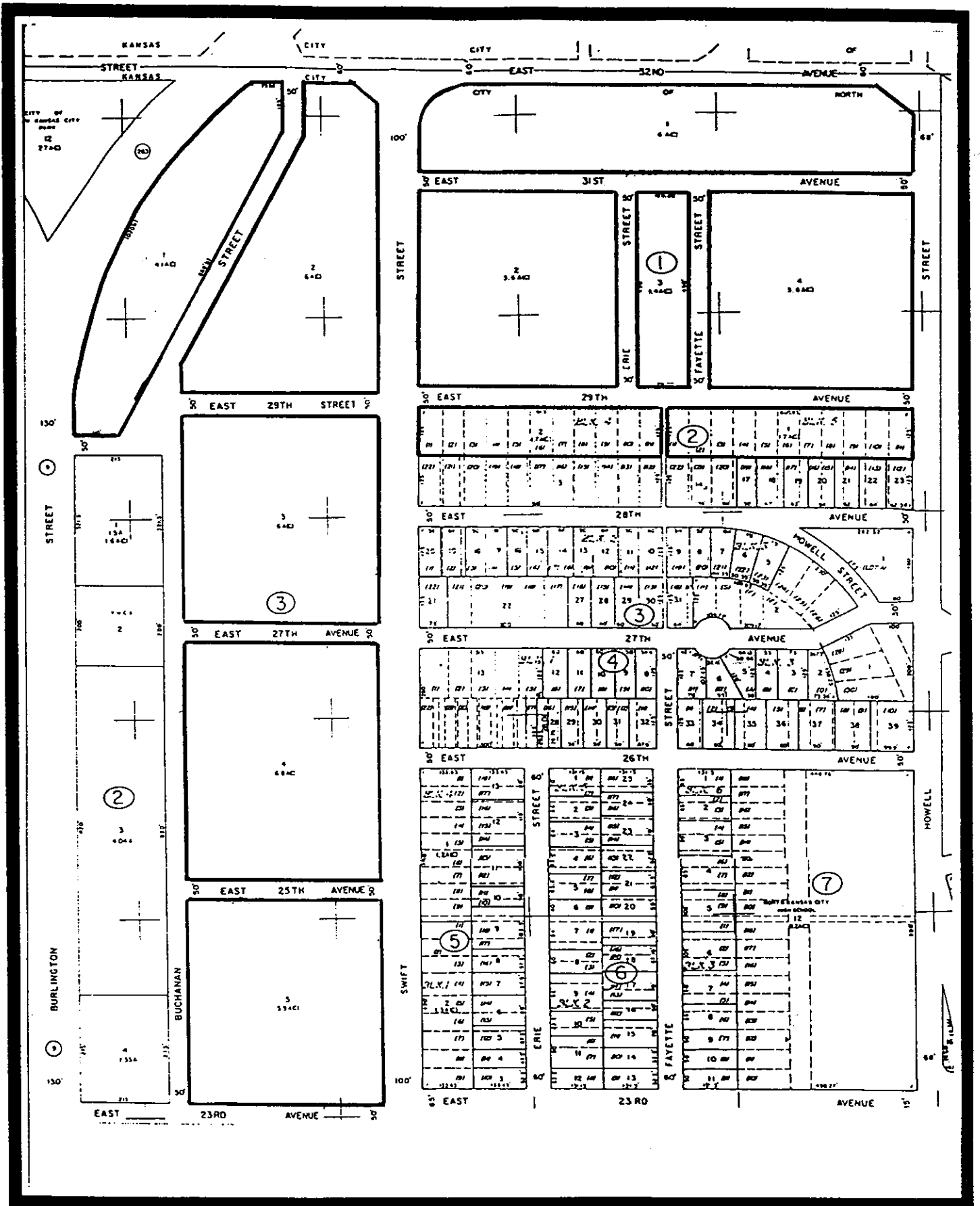
Environmental

The consultant has not been provided with an environmental report for the subject. A general assumption and limiting condition of this appraisal is a lack of any detrimental influence from environmental factors.

Real Estate Taxes

Eleven tax parcels comprise the subject property. The following table summarizes the subject's proposed 1999 assessment data.

Parcel No.	Mkt. Value	Ratio	Assessed
17-605-03-1	\$596,600	19%	\$113,350
17-605-03-2	1,044,100	19%	198,380
17-605-03-3	944,700	19%	179,490
17-605-03-4	944,700	19%	179,490
17-605-03-5	969,500	19%	184,210
17-606-01-1	969,500	19%	184,210
17-606-01-2	1,069,000	19%	203,110
17-606-01-3	198,900	19%	37,790
17-606-01-4	1,044,100	19%	198,380
17-606-02-1	248,600	19%	47,230
17-606-02-2	248,600	19%	47,230
Total	\$8,278,300	19%	\$1,572,870



Tax Map Location



The following is a summary of the project's assessment history.

Year	Assessor's Mkt. Value	Change
1995	\$7,525,800	NA
1996	\$7,525,800	0.0%
1997	\$7,525,800	0.0%
1998	\$7,525,800	0.0%
1999	\$8,278,300	+10.0%

The 1995 to 1997 valuations were the result of an appeal effort by the owner. No appeal has been made for 1999. The subject's 1998 tax burden was \$85,083.42 which translates to \$128 per unit ($\$85,423.67 \div 666$ units).

Conclusion

The subject comprises a large 50.8-acre site conveniently located in North Kansas City, Missouri. The site is conducive to multifamily construction. A small portion at the northeast corner of the site has some floodplain infringement. The improvements are a legal, non-conforming use by density and parking. The Comprehensive Master Plan calls for redevelopment of the subject property because of the deteriorating improvements.

DESCRIPTION OF THE IMPROVEMENTS

Layout

The subject improvements consist of 666 garden apartments contained in 109 one-story buildings. The apartments are served by nine laundry buildings. The apartment buildings are one-unit deep so that each has a front and a rear entrance. The layout includes large courtyard areas. Off-street parking is available for less than 50 cars. However, a substantial amount of on-street parking is available.

Exterior

General Type

1-story, garden-style apartment buildings

Size

The consultant was not provided with building plans, nor was the consultant allowed to measure the improvements.

Foundation

Concrete slab.

Walls

Brick veneer over wood frame; metal panels (bat and board appearance) on gable end. According to Bibb and Associates, Inc. the exterior walls appear to be uninsulated.

Roof

Gable design with wood trusses. Composition shingle covering over plywood sheathing. No gutters or downspouts, except for gutters (only) over doors. According to Bibb and Associates, Inc. the ceiling insulation that exists is non-performing due to age. Also, Bibb's inspection in June 1998 revealed that 95 roofs need to be replaced. Many roofs have are three and four layers thick. The owner appears to have replaced a small number of the roofs since June 1998.

Windows

Single-pane in metal casements. Uninsulated. Side-to-side operation is inadequate for fire egress.

Doors

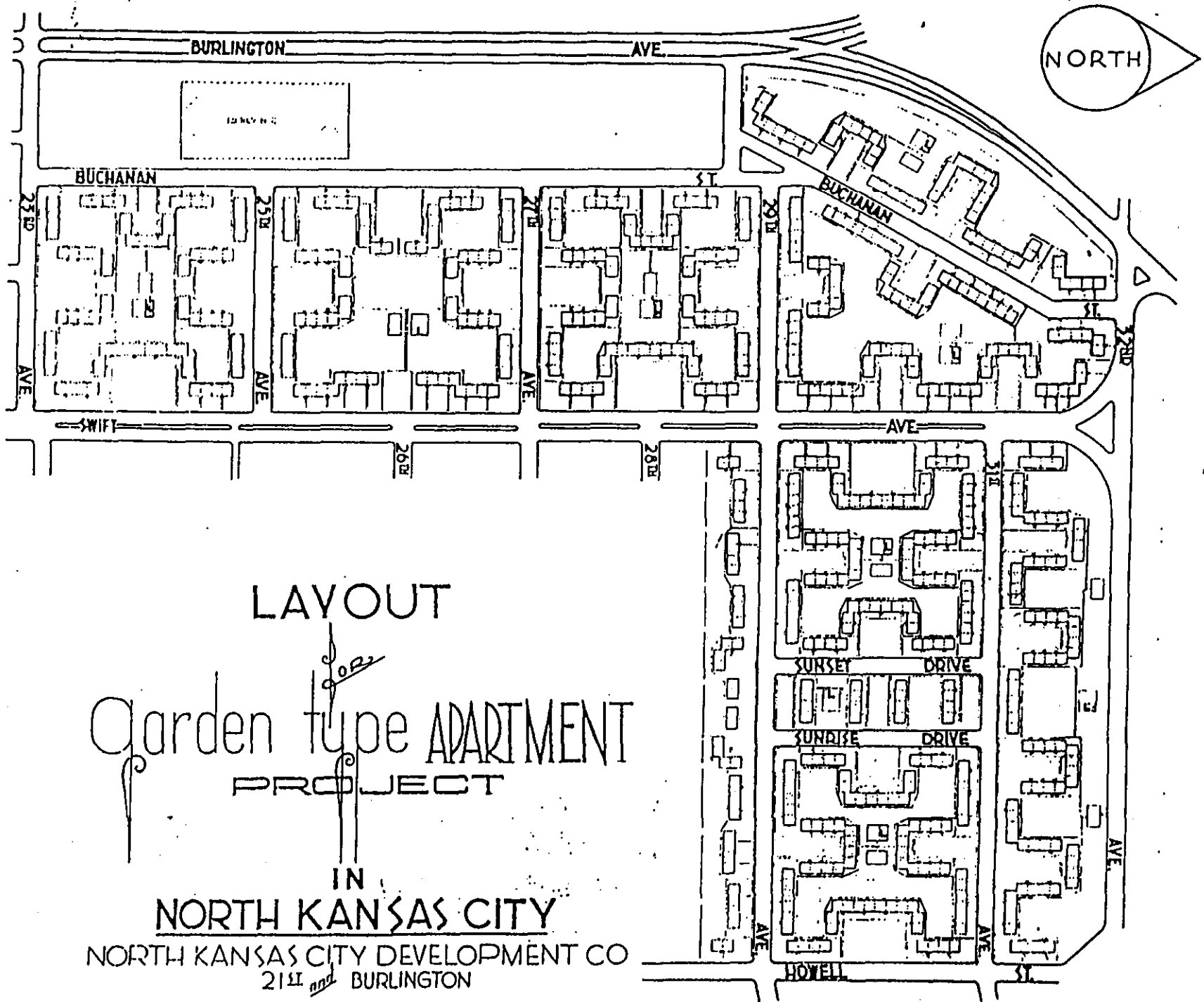
Solid-core, wood doors with metal screen doors. Little weather-stripping.

Other

Small canopy at front entrance. Small concrete pad at rear door.

Quality

Poor to fair. The project has the appearance of W.W.II-era military housing and is reminiscent of the government's Capehart and Wherry styles.



BURLINGTON AVE.

NORTH

BUCHANAN

23RD AVE

25TH AVE

27TH AVE

29TH AVE

SWIFT

26TH

26TH

AVE

LAYOUT

Garden type APARTMENT PROJECT

IN NORTH KANSAS CITY

NORTH KANSAS CITY DEVELOPMENT CO
21st and BURLINGTON

SUNSET DRIVE

SUNDISE DRIVE

HOWELL

AVE

AVE

AVE

ST

Age/Condition

Poor to fair. Built between 1947 and 1950. Age is 49 to 52 years. Structure is sound per Bibb and Associates, Inc. (Jun-98). All windows need upgrades—whether new paint and weatherproofing or total replacement.

Interior

Size

Following is a breakdown of the unit mix:

<u>Unit Type</u>	<u>Number</u>	<u>Size (Sq.Ft.)</u>	<u>Total (Sq.Ft.)</u>
1BR/1BA	36	616	22,176
2BR/1BA	606	730	442,380
3BR/1BA	24	844	20,256
Total/Average	666	728	484,812

Floors

Commercial grade carpeting, asphalt composition tile, or resilient sheet vinyl tile over concrete slab.

Walls

Paint on gypsum board. Baths have tile wainscot or fiberglass panel inserts.

Ceilings

Paint on gypsum board. No texture.

Lighting

Incandescent lighting from attached fixtures.

HVAC

Individual forced-air natural gas furnace. Central air conditioning with pad-mounted condensing units. Individual 30-gallon, gas-fired water heaters. The furnaces were installed in 1965.

Utility Treatment

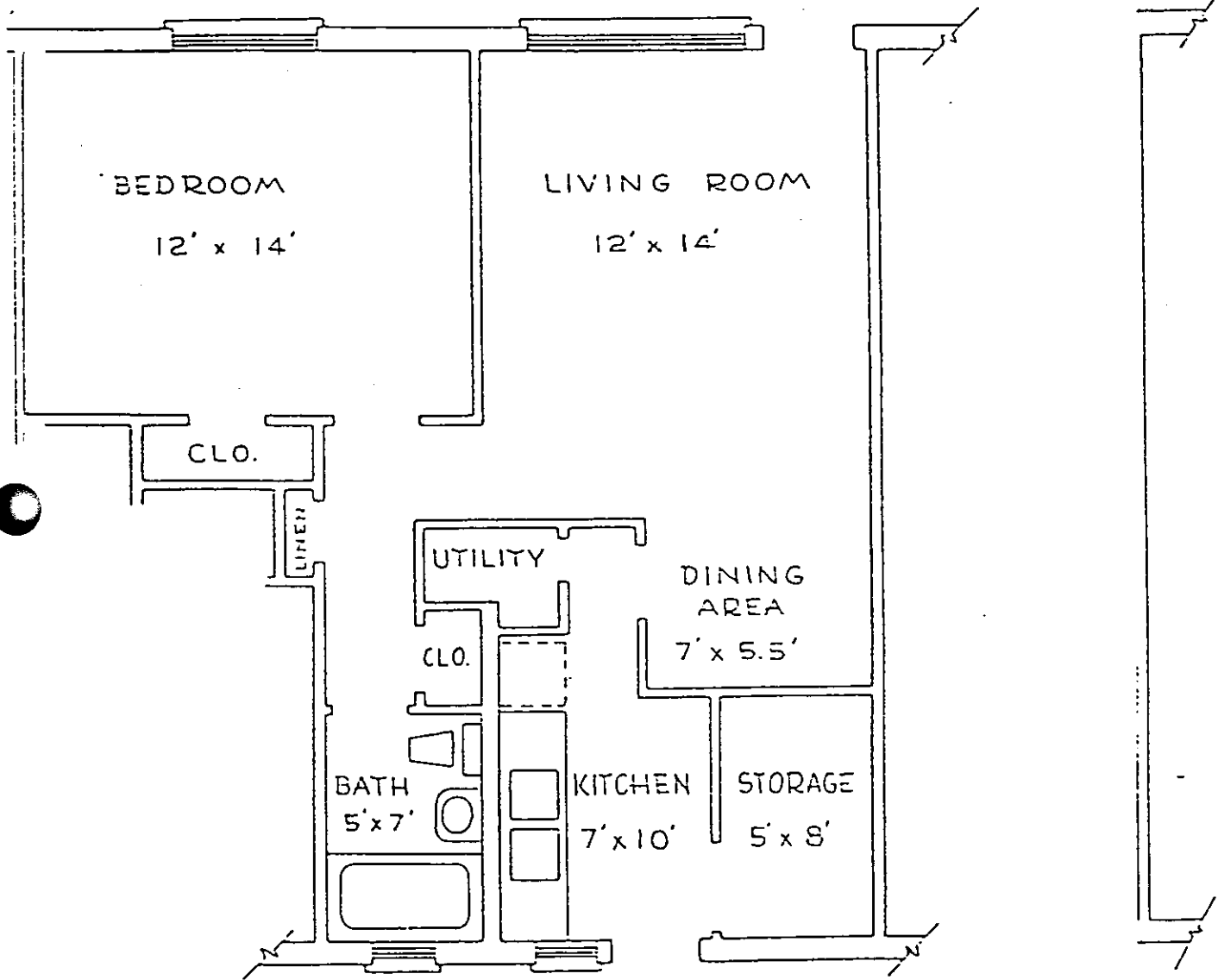
The apartment units are separately metered for electricity and natural gas. The landlord provides cold water. (The tenants pay for heating the water via the gas metering.) The electrical service is two-wire ungrounded.

Kitchen

Equipment includes single metal sink, four-burner gas-fired stove, and a refrigerator. The refrigerator is small, is not frost free and lacks an ice-maker. The stove does not have a hood. Cabinetry above and below counter is metal. Counter is plastic with metal siding. Each kitchen has a 5' x 8' pantry. The sinks do not have disposals. No dishwashers are provided.

Baths

White porcelain tank-flush stool. Wall-hung sink with mirror above. Small medicine cabinet. Shower/tub with 60"-high wainscot and window. The plumbing is galvanized.



FLOOR PLAN

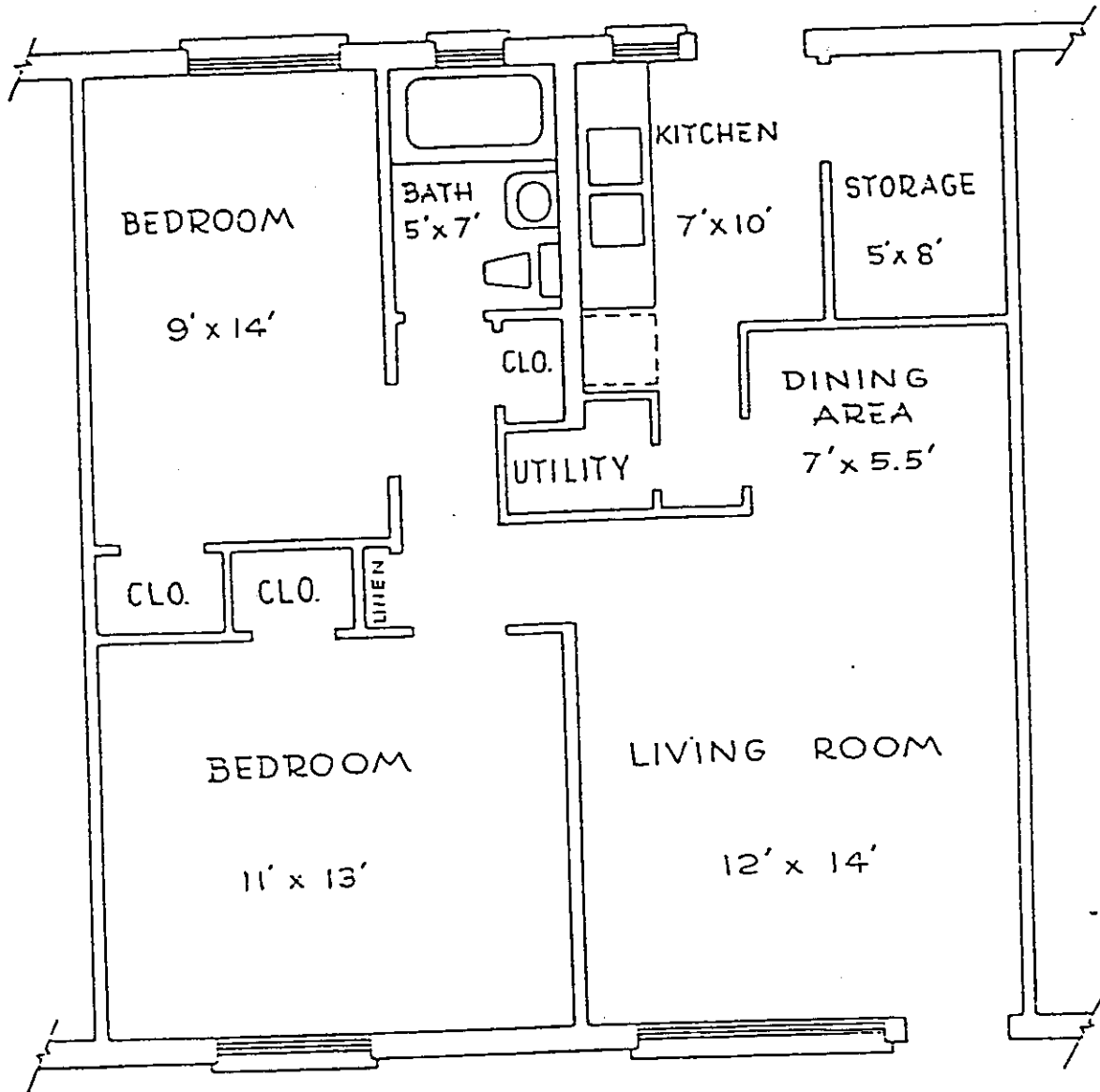
TYPICAL 1-BEDROOM UNIT

616 SQ. FT. A-7

T

31.11.10"

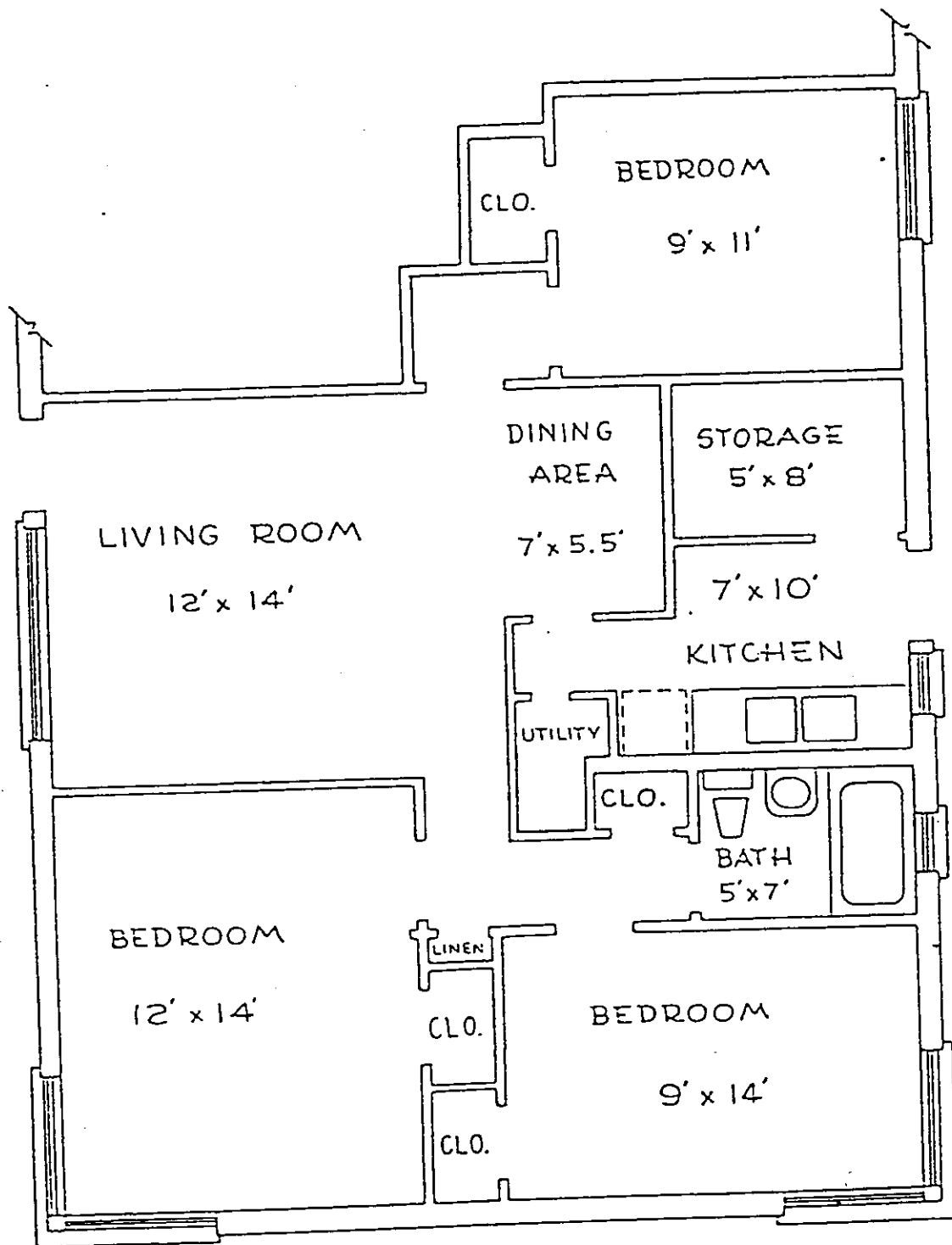
31.11.10"



FLOOR PLAN
 TYPICAL 2-BEDROOM UNIT
 730 SQ. FT.

A-5

SCALE: $\frac{3}{16}'' = 1' 0''$



FLOOR PLAN
 TYPICAL 3-BEDROOM UNIT
 844 SQ. FT.

A-6

SCALE: $\frac{3}{16}'' = 1'0''$

Quality

Poor to fair.

Condition

Poor to fair.

Personal Property

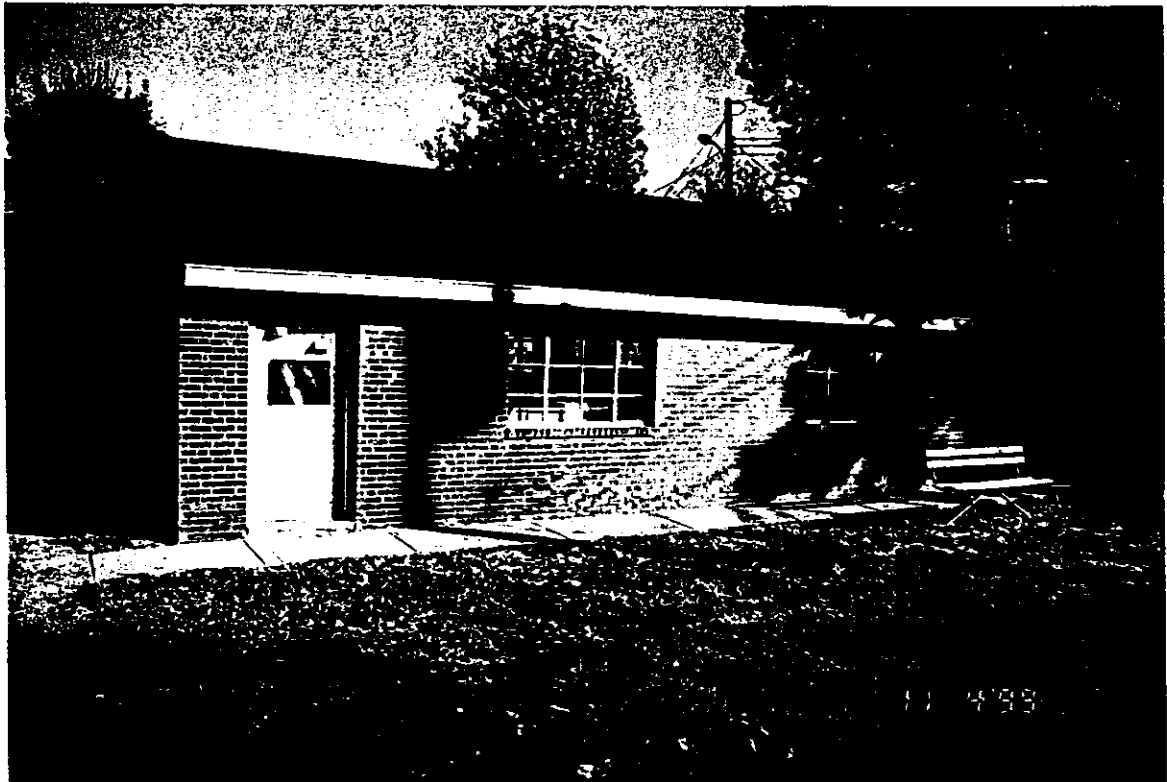
The subject has a typical compliment of personal property in the apartment units (appliances), in the management office (business machines, etc.), and for the maintenance operation (tools, equipment, etc.). Battery-operated smoke and carbon monoxide detectors have been installed, but the overall level of operation appears to be low. Some tenants have installed washers and dryers in their units, for which the landlord has provided some assistance with the hook-ups. The washers and dryers contained in the laundry buildings appear to be leased.

Site Improvements

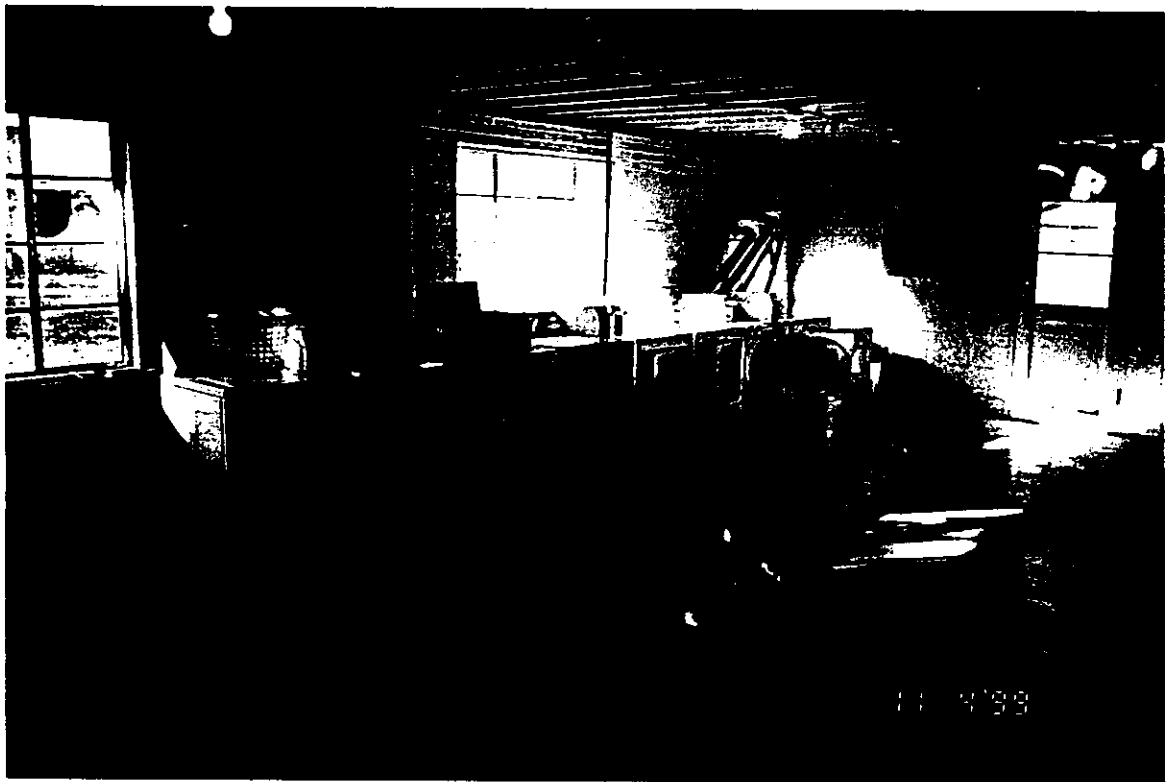
Parking consists of open asphalt paving at the north end of the site that can serve less than 50 cars (0.08 per unit). The complex has no on-site recreational features since the asphalt playgrounds in the courtyard areas have been allowed to deteriorate. Nevertheless, Macken Park is located directly east of the subject property. Also, the owner operates a pool on the north side of 32nd Street in Kansas City, Missouri. The site has minimal landscaping although there are numerous mature trees. Clotheslines are in the rear courtyard areas. Electrical, phone, and cable TV services are brought to the buildings above ground. The overhead utility lines are unsightly. The site improvements are judged to be of poor to fair quality.

Conclusion

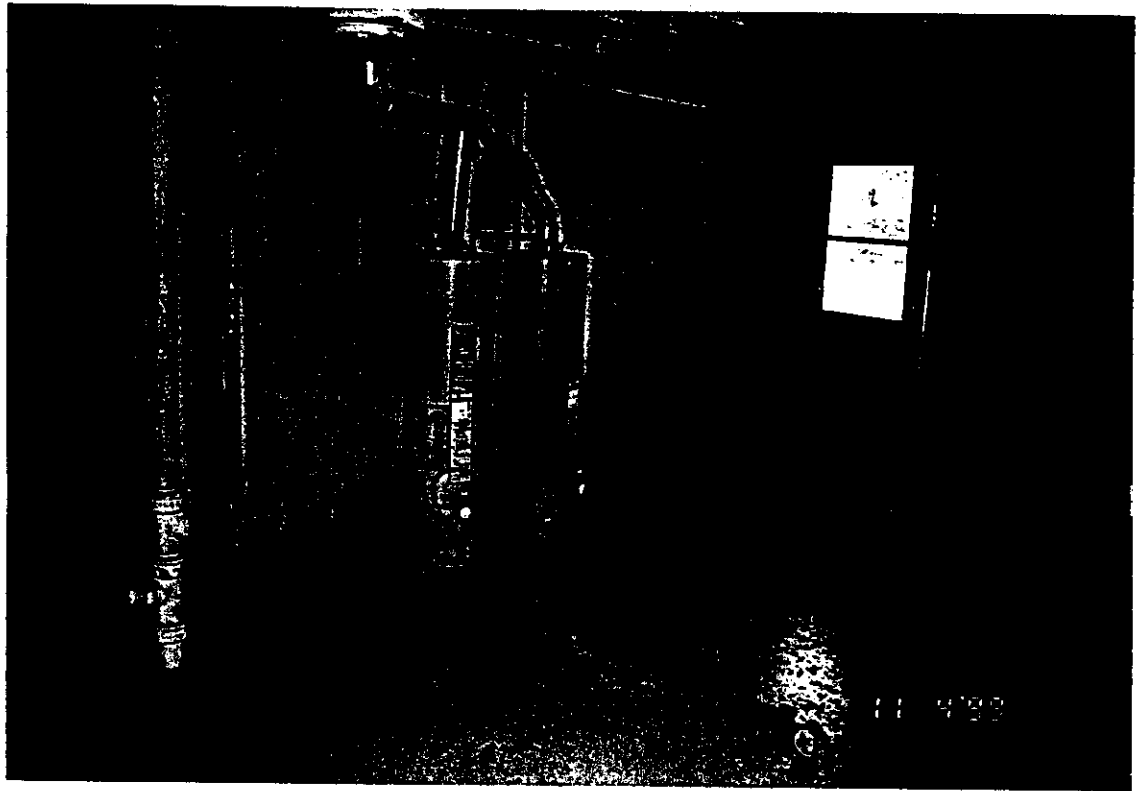
The subject improvements include 666 garden apartment units that are 49 to 52 years old. Marshall & Swift estimates the economic life of fair quality masonry apartment structures to be 45 to 50 years. The improvements exhibit significant physical, functional, and life safety deficiencies.



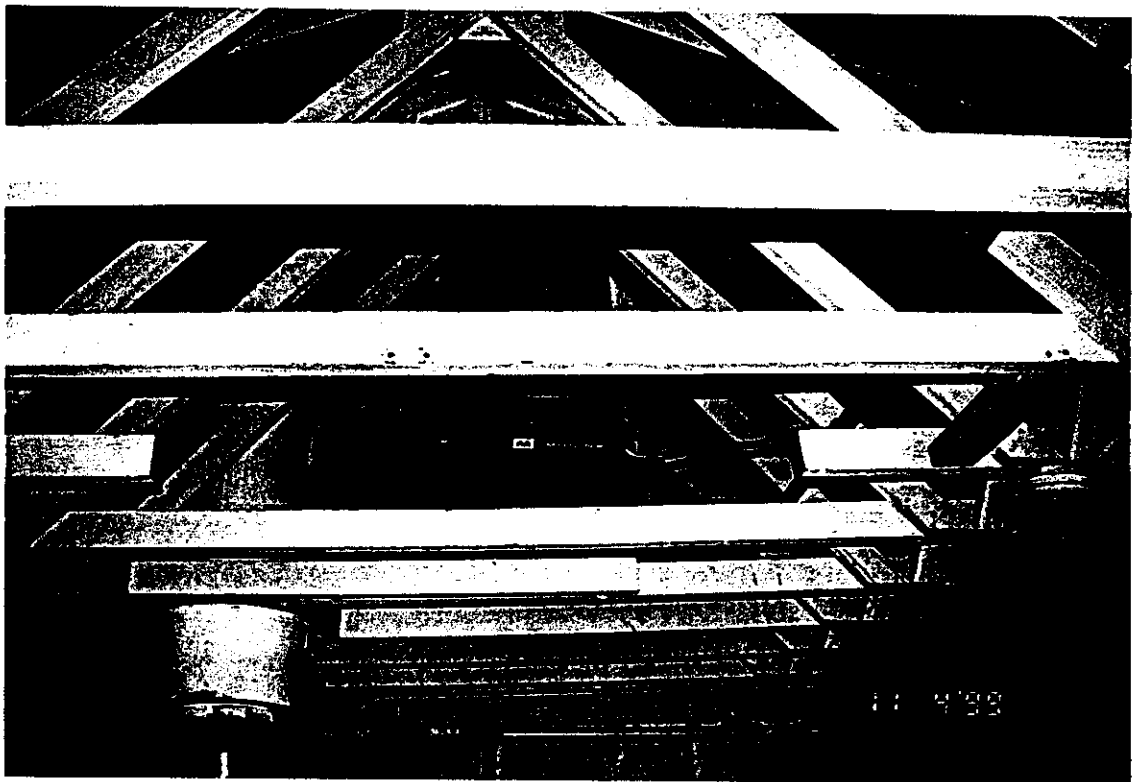
Laundry Building



Interior of Laundry Building



Water Heaters in Laundry Building



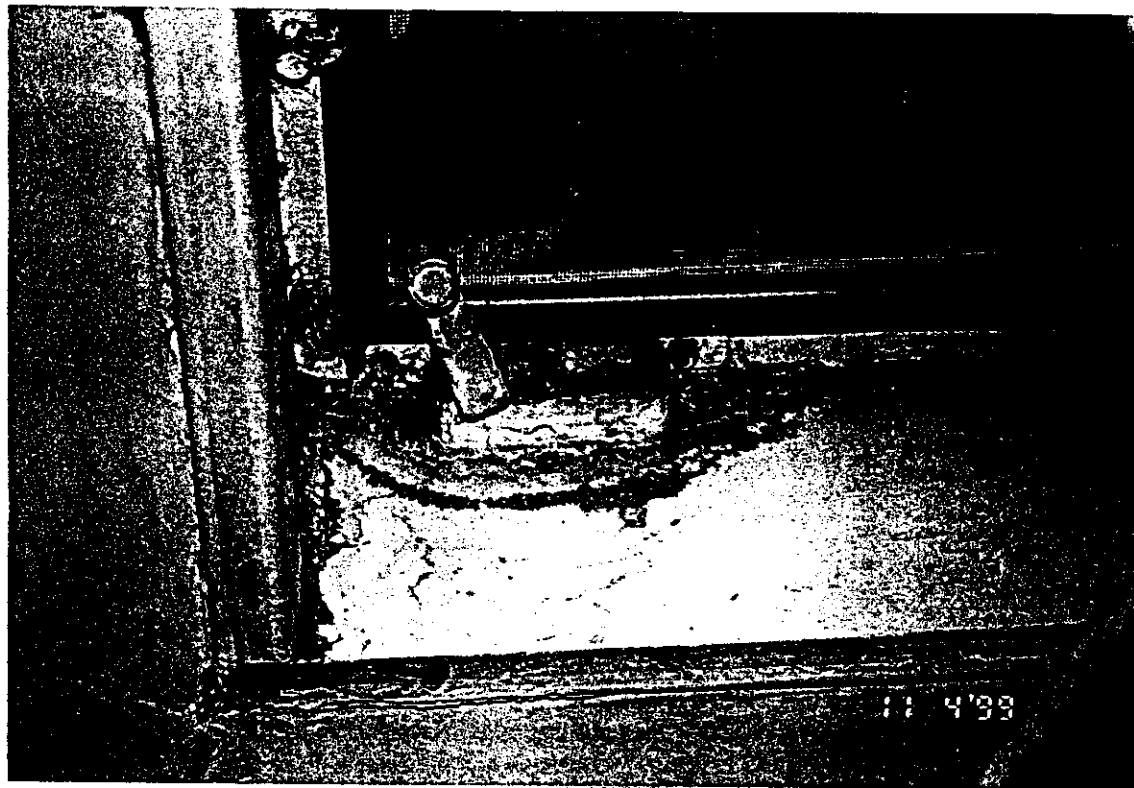
Space Heater in Laundry Building



Broken Window in Laundry Building



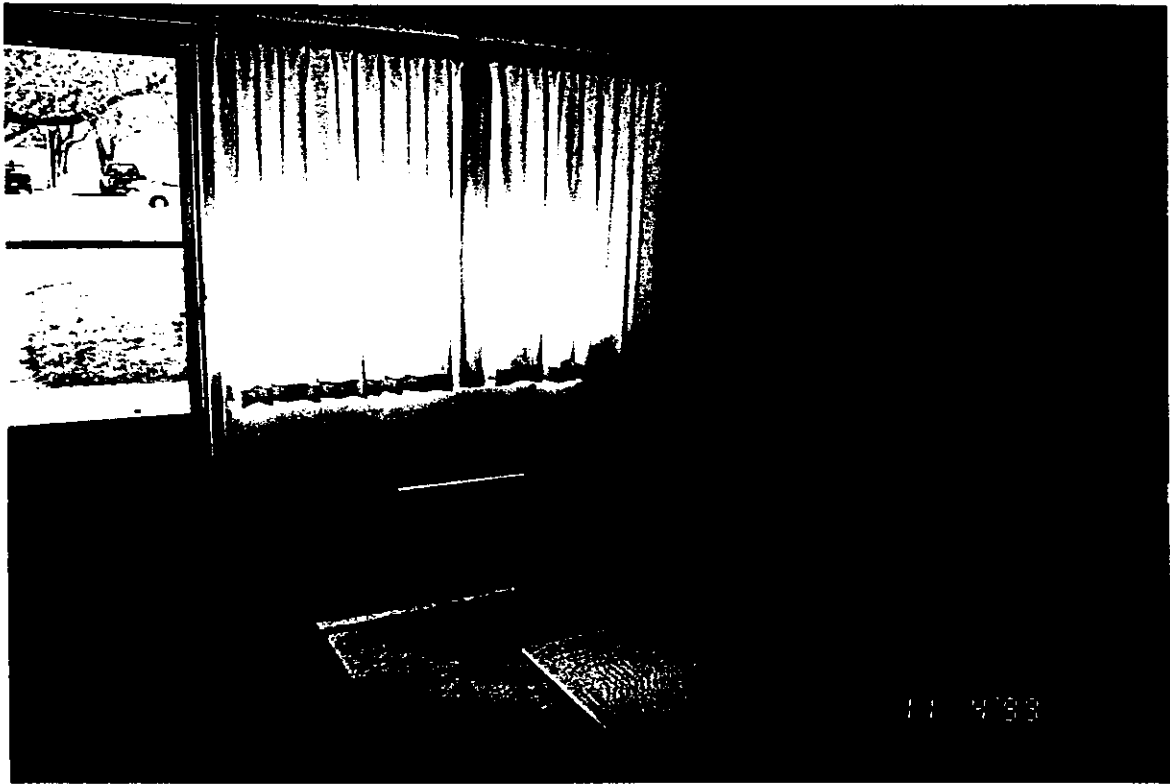
Exterior Window Detail.



Interior Window Detail



Interior Window Detail



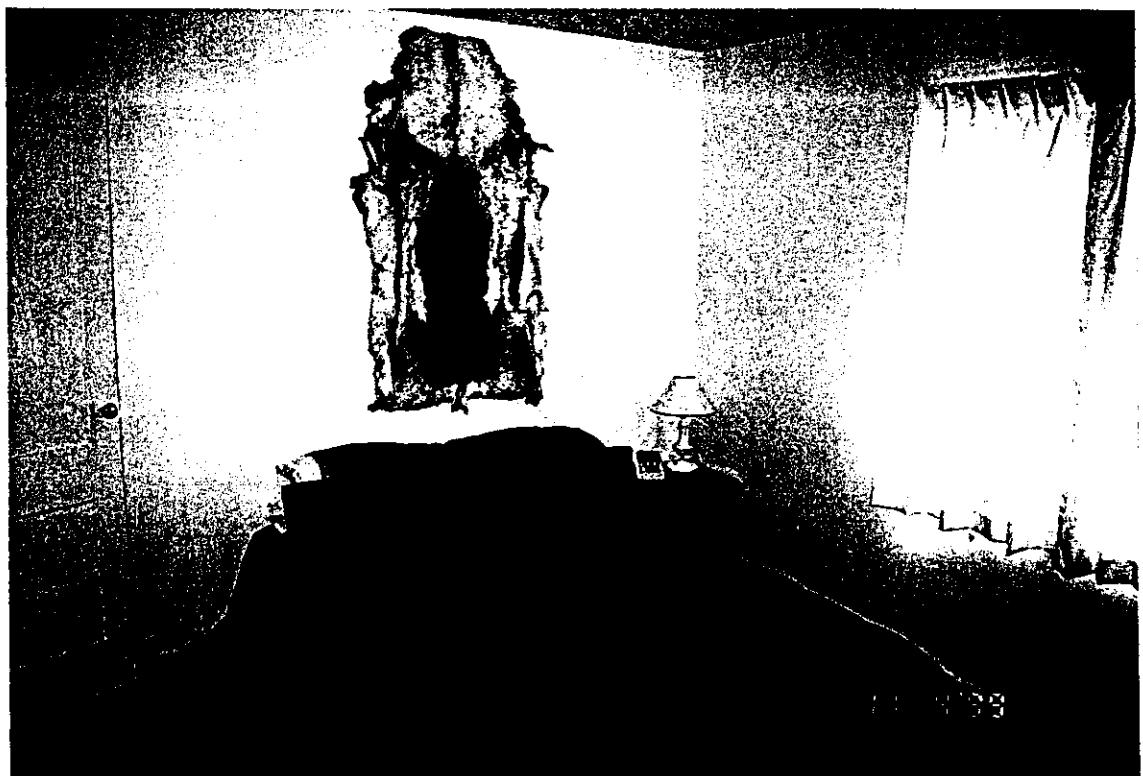
Living Room



Living Room



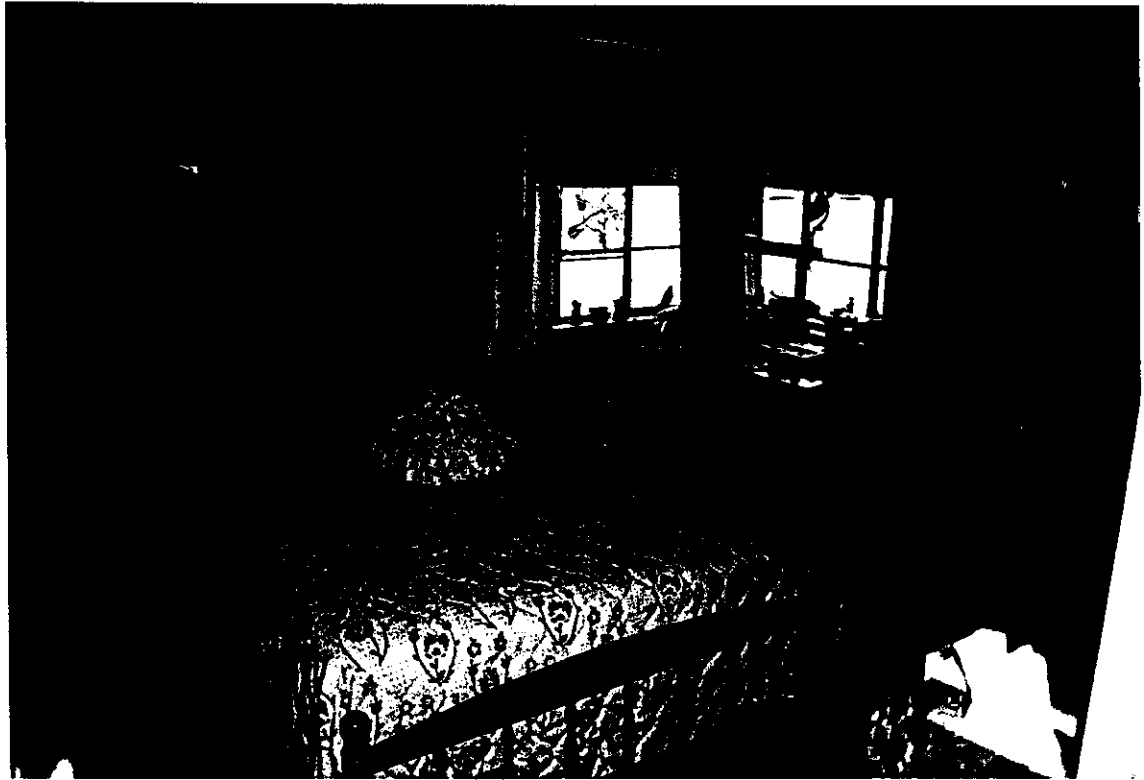
Living Room



Bedroom



Bedroom



Bedroom



Bedroom



Bedroom



Kitchen



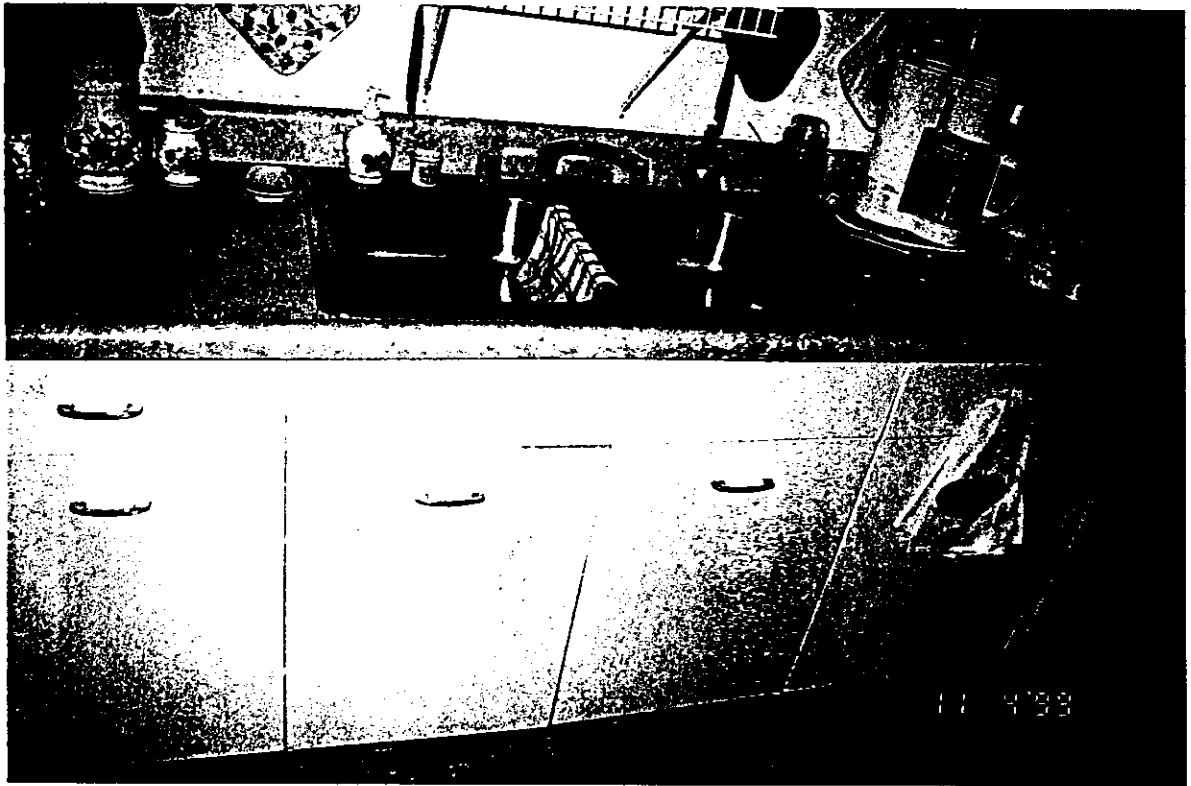
Kitchen



Kitchen



Kitchen



Kitchen



Bathroom Sink



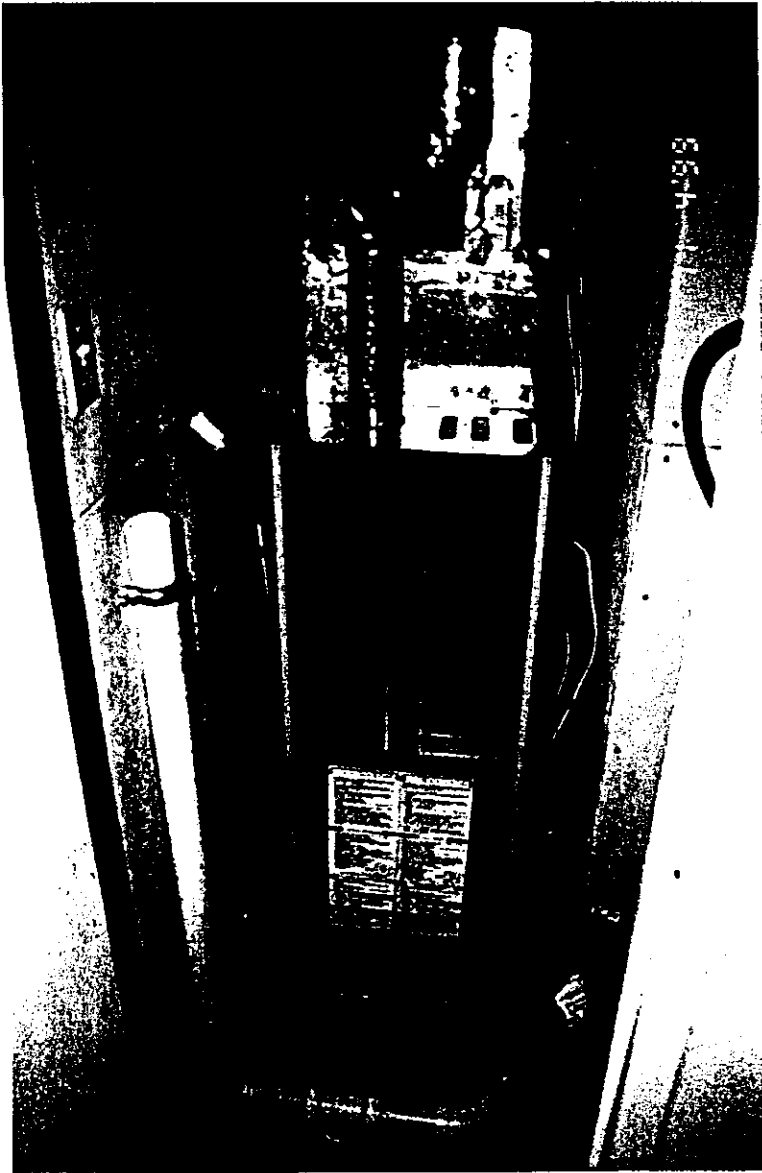
Bathroom



Hallway



Laundry
(Tenant Owned)



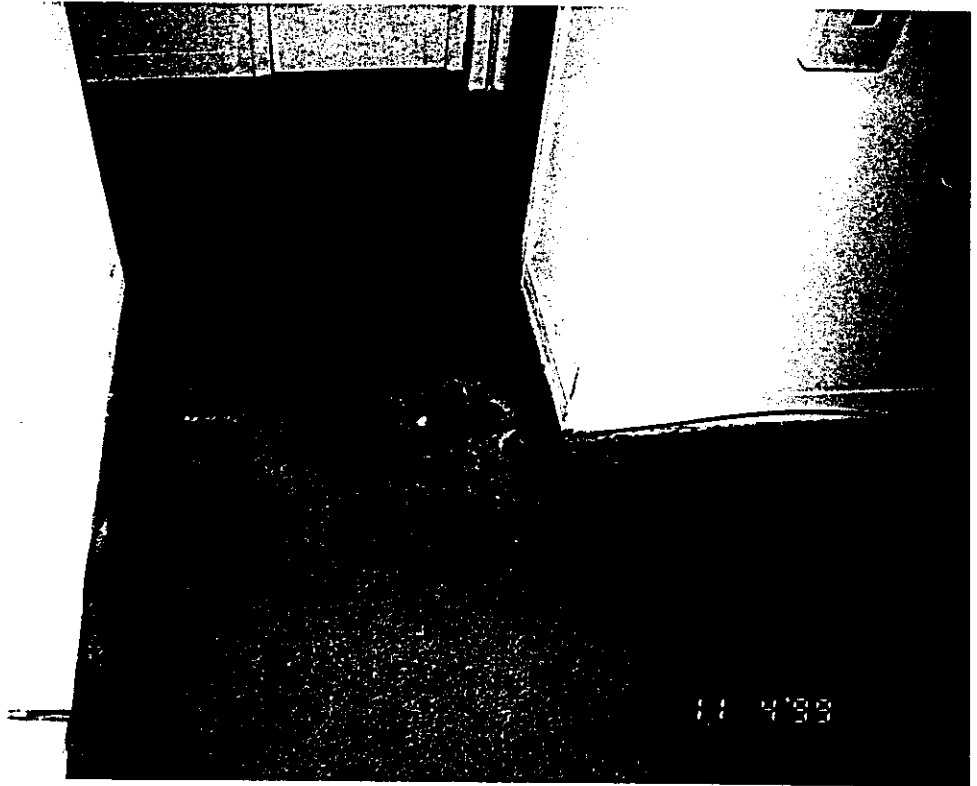
Furnace



Fuse Box



Furnace



Worn Living Room Carpet



Handicap Thermostat Modification

NORTH KANSAS CITY, MISSOURI

Location

North Kansas City is comprised of river-bottom land formed by a loop in the Missouri River. Downtown Kansas City, Missouri is directly south across the Missouri River. North Kansas City is centrally located and has excellent highway access to all parts of the metropolitan area. Three bridges (Paseo, Heart of America, Broadway) cross the Missouri River that connect North Kansas City to Downtown Kansas City, Missouri.

Rail service is excellent with the Burlington-Northern and Norfolk and Southern railways having major facilities in North Kansas City. The old municipal airport adjoins the neighborhood to the west and provides close-in general aviation service.

Demographics

Population

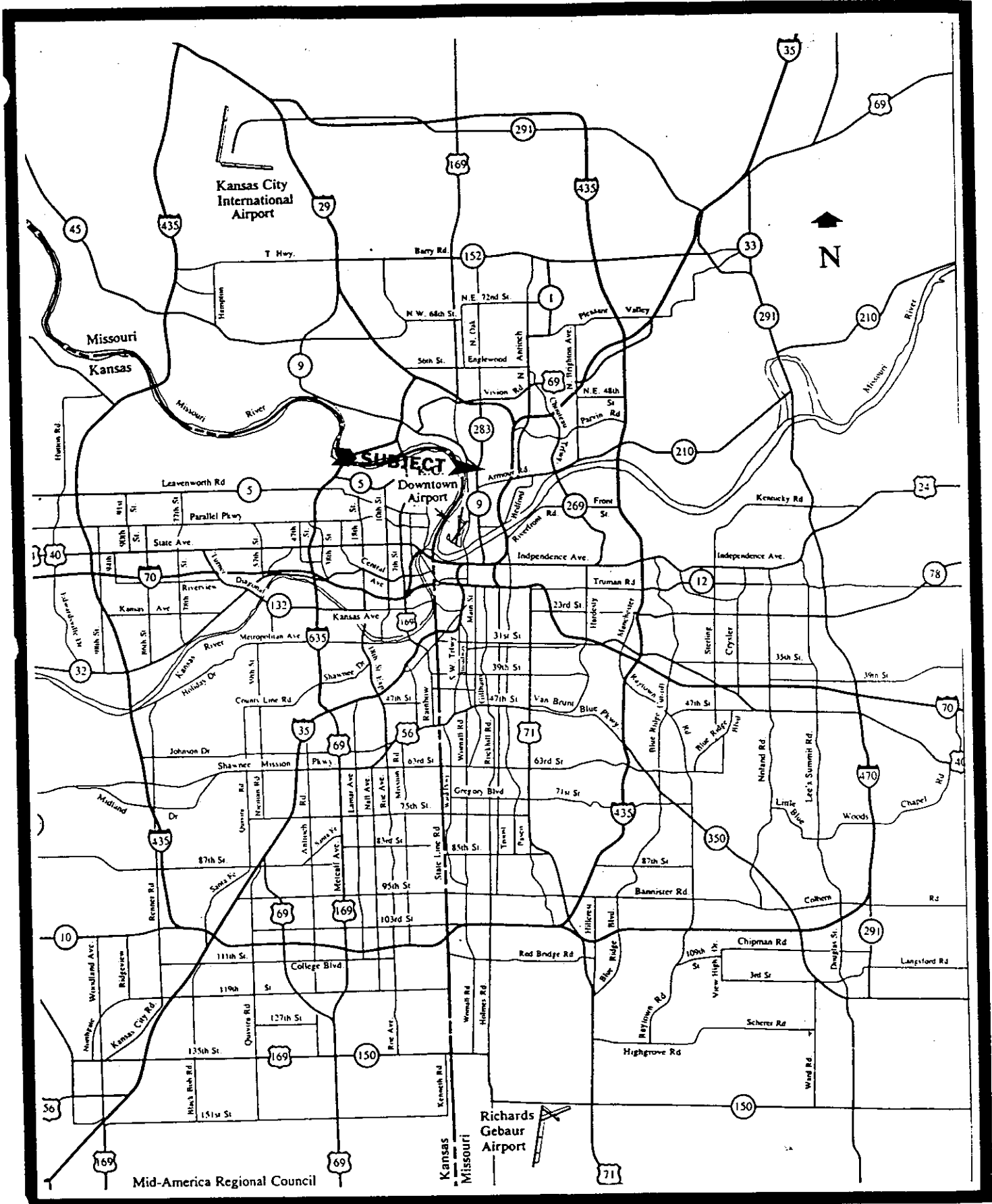
North Kansas City had a population of 4,130 for the 1990 census. A more current estimate is not available. However, the 1999 population of Census Tracts 200 and 201, which are good approximations for the city, is estimated by Claritas, Inc. to be 4,512. The projection for 2004 is for 4,661, which is a compound annual increase of 0.7% per year from 1999. Due to a large industrial and commercial employment base, the daytime population of North Kansas City includes about 23,000 workers.

Households

According to 1999 estimates by Claritas, Inc., Census Tracts 200 and 201 have 2,811 households. The average household size is 1.7 persons. The average household size for the Kansas City metro area (11 counties) is 2.6 persons. The small household size for North Kansas City is a result of a relatively elderly population that includes many renters. The following is an age profile for Census Tracts 200 and 201 and the metro.

Age Cohort	North Kansas City		KC Metro	
	Population	Mix	Population	Mix
Under 10	441	9.0%	239,541	15.3%
10-19	265	6.4%	214,270	13.7%
20-24	319	7.7%	101,752	6.5%
25-34	817	19.8%	287,995	18.4%
35-44	523	12.7%	248,036	15.8%
45-54	437	10.6%	163,106	10.4%
55-64	416	10.1%	129,862	8.3%
66-74	510	12.3%	105,005	6.7%
75 and over	470	11.4%	76,713	4.9%
Total Population	4,130		1,566,280	

The median age in North Kansas City for 1999 was 41.2 years while the metro median is a 34.8 years. For the 1990 Census, 74.3% of North Kansas City households were renters, while the metro renter tenure was 34.6%.



Area Map

Income

North Kansas City has significantly more households earning under \$35,000 per year than the metro area. The following is a breakdown of households by income.

Household Income	North Kansas City		KC Metro	
	Households	Mix	Households	Mix
< \$5,000	90	3.3%	21,503	3.2%
\$5,000-\$9,999	384	14.3%	34,645	5.1%
\$10,000-\$14,999	409	15.2%	38,740	5.7%
\$15,000-\$24,999	783	29.1%	84,633	12.4%
\$25,000-\$34,999	560	20.8%	84,849	12.5%
\$35,000-\$49,999	301	11.2%	117,489	17.2%
\$50,000-\$74,999	116	4.3%	145,726	21.4%
\$75,000-\$99,999	23	0.9%	74,463	10.9%
\$100,000-\$149,999	14	0.5%	49,672	7.3%
> \$150,000	14	0.5%	29,675	4.4%
Totals	2,694		681,395	

The median household income in Census Tracts 200 and 201 is 20,429, while the metro median is \$44,643 (1999 Claritas, Inc.).

Business Patterns

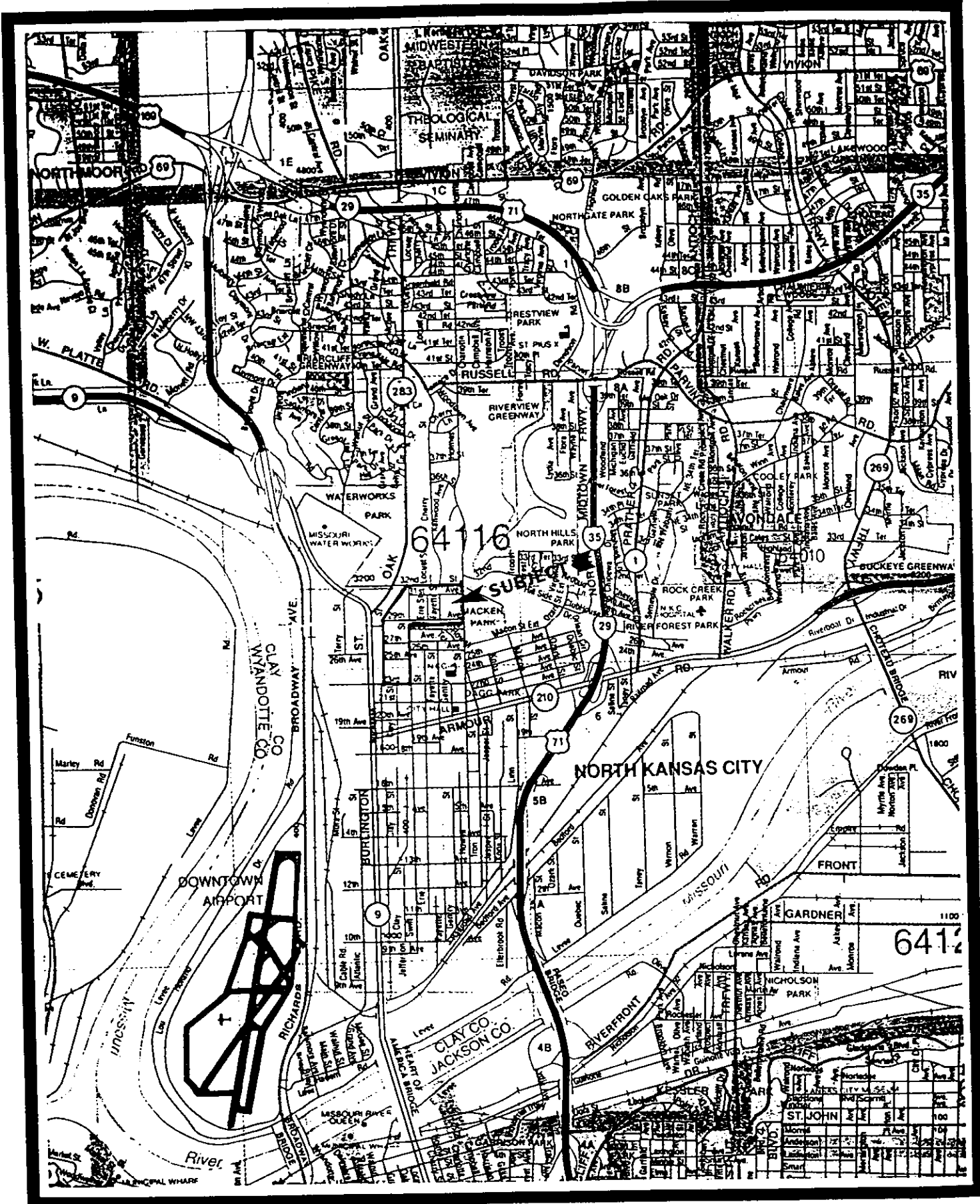
According to the city's economic development staff, approximately 22,000 to 23,000 persons work in North Kansas City. As shown below, the majority (66.1%) of workers in North Kansas City are employed in the manufacturing, trade and services industries.

Industry	NKC	KC Metro
Manufacturing	31.0%	12.8%
Services	21.7%	26.8%
Wholesale Trade	13.4%	6.8%
Transportation & Public Utilities	11.7%	7.3%
Retail Trade	11.1%	18.7%
Finance, Insurance, Real Estate (FIRE)	4.7%	7.0%
Other	3.9%	5.8%
Government	2.5%	14.8%

The foregoing data is for 1997, but is the latest available as of late 1999.

The following outlines the top ten employers in North Kansas City.

Employer	Employees
North Kansas City Hospital	1,425
Harrah's Casino	1,200
Cerner Corporation	1,200
Burlington Northern	500
Henry Wurst, Inc.	250
National Starch & Chemical	217
Prax-Air Surface Technologies	200
Fabri-Quilt, Inc.	180
ADM Milling & Processing	180
Cook Composites & Polymers	170



Neighborhood Map



Retail sales in North Kansas City from October 1997 to September 1998 were \$314,738,900, which equates to \$69,756 per capita. The high per capita sales results from the high daytime population.

Area Development

Most industrial development did not start in North Kansas City until after World War II. The area is devoted principally to warehouses and distribution facilities, although some manufacturing exists. The Paseo Industrial District (700 acres), situated in the southeast corner of the city, has been developed with attractive facilities in the last 15 to 20 years. Farmland Industries, one of Kansas City's largest employers, has extensive holdings in North Kansas City. Burlington Avenue has some commercial uses including two new car dealerships and small grocer.

The city is about 95% developed. A large share of the city is owned by NT Realty (f.k.a. Northtown Devco). NT Realty reports the following occupancy rates for their North Kansas City holdings:

Property Type	Occupancy
Industrial	99%
Office	95%
Retail	87%

The industrial inventory is 2,800,000 square feet, and will be expanded with the development of 27 acres of former floodplain near 16th Avenue and Interstate 35.

A major boon to the area was the opening of Harrah's North Star riverboat casino in September 1994. Harrah's was the second riverboat casino in the metropolitan area. Harrah's expanded in May 1996 by opening the Mardi Gras, a barge that is more spacious than the North Star boat. Together the two Harrah's facilities offer 62,100 square feet of casino space, about 2,000 slot machines, and 100 table games. A 6-story 200-room hotel and 1,087-space parking garage have also been developed at the Harrah's complex. The Harrah's complex generated about 6.4 million admissions in 1998 and resulted in market-leading gaming revenues of \$160 million.

Harrah's leases the riverboat site from the city for annual minimum rent of \$2 million against 2% of adjusted gross win. Harrah's also makes a charitable contribution within the municipality of \$100,000 per year, or 1% of adjusted net operating income, whichever is greater. The gaming taxes have been placed in the city's capital improvements and equipment fund. Gaming taxes have improved the city's already solid financial status and help to ensure that future maintenance needs will be satisfied.

Adjoining Development

Macken Park is located to the east of the subject property across Howell Street. Macken is a large facility with playgrounds, an asphalt walking path, ball diamonds and tennis courts. North Kansas City High School is located south of Macken Park. Older single-family residential development is generally located south of the subject property.

West across Buchanan Street are a new YWCA and a new grocer. The former Tastee Bakery has been redeveloped into a manicuring and retail outlet for home furnishings. A QuikTrip is at the northeast corner of Burlington and 23rd Avenue, while a newer bank is next north. The boundary with Kansas City, Missouri is 32nd Avenue, which is lined with a number of older industrial and commercial uses. These improvements include a small commercial building now used as a temporary labor hall, an auto sales and service center, a union office, an army surplus outlet, and a small swimming pool that maybe used by the subject residents.

Conclusion

The area trend is judged to be upward. North Kansas City is a well established industrial area that has seen some upgrading. Competition from new development in other metro markets will remain strong, but a close in location will ensure North Kansas City's strong market position so long as the area's advanced age does not become a hindrance. Gaming taxes offer an opportunity for the city to seed redevelopment of its many older areas.

CONSERVATION ANALYSIS

CONSERVATION ANALYSIS

Conservation Area Defined

As presented earlier, a Conservation Area is defined as follows:

Any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which **fifty percent or more** of the structures in the area have an age of **thirty-five years or more**. Such an area is **not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area** because of any one or more of the following factors: Dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning [emphasis added].

The definition was amended to state that a Conservation Area shall meet at least **three** of the factors provided (in addition to age). The consultant will analyze each of the 15 components to determine whether the subject is eligible for TIF conservation.

Component 1: Age

The statute stipulates that the redevelopment area be improved (vacant land does not qualify) and that 50% or more of the improvements within a redevelopment area have an age of 35 years or more. The subject is improved with a large garden apartment project whose buildings are at least 49 years old with some being 52 years of age. Marshall & Swift estimates the economic life of fair quality masonry apartment structures to be 45 to 50 years. Therefore, the subject buildings are at or near the end of their economic lives.

Thus, the subject meets the age test for a Conservation Area.

Component 2: Dilapidation

According to Random House, to dilapidate is: "to bring into a state of disrepair, as by misuse of neglect". While the improvements do exhibit disrepair (as will be discussed below), the owners cannot be said to have *entirely* abandoned the property to the extent of misuse or neglect.

Neglect, however, is evident in the playgrounds and the laundry buildings. The playground equipment that once existed has been removed and the associated asphalt paving abandoned. The laundry buildings are sparse structures showing little maintenance as they have numerous broken windows and doors and have not been recently painted. Residents are unlikely to use the laundry buildings in inclement winter because of their lack of weather-tightness.

Dilapidation is present to a minor degree at the subject property.

Component 3: Obsolescence

Obsolescence speaks to the functionality of the improvements. The consultant's inspection revealed the following functional deficiencies.

- The apartments lack off-street parking. Due to the courtyard design many of the units lack convenient access even to the on-street parking.
- Trash enclosures are lacking. Trash is collected by the city from individual cans at the rear of each unit.
- No on-site recreational amenities are present.
- The buildings lack gutters and downspouts. Considerable erosion is evident.
- The single-pane windows lack energy efficiency.
- The exterior walls appear to be uninsulated.
- Only one bathroom is available in the two-bedroom and three-bedroom units.
- Laundry is only available in the common buildings, which are dilapidated.
- Closet space is limited.
- Gas stoves are atypical of modern apartments.
- The number and type of electrical outlets are not up to modern standards.
- Kitchens are small.
- Kitchens lack disposals, dishwashers, and vent hoods.
- No tenant storage space is available.

The subject apartments exhibit a high degree of obsolescence.

Component 4: Deterioration

Deterioration speaks to the level of the maintenance of the improvements. The consultant's inspection revealed the following maintenance deficiencies.

- The roof cover consists of numerous layers of composition shingles. The shingles are curling and are at or near the end of their useful life. In June 1998, Bibb and Associates, Inc. recommended the immediate replacement of 95 of the subject's roofs.
- The windows have not been adequately maintained. Almost all of the windows have peeling paint and deteriorated caulking.
- Exterior paint is peeling in several locations.
- Interior paint is peeling in several locations.
- Floor covering needs replacing in several locations.
- Many of the kitchen appliances need replacing. (Some are original.)
- The furnaces are 34 years old and many need replacing.

The subject apartments exhibit a high degree of deterioration. The Bibb and Associates, Inc. report calls for repairs of between \$11,787,707 to \$26,973,316, which equates to \$17,693 to \$40,500 per unit. The owner's own 1998 capital improvement plan calls for an expenditure of at least \$3,632,000 (\$5,453 per unit). While some of the foregoing expenditures are intended to address functional obsolescence, considerable physical deterioration is also present.

Component 5: Illegal Use Of Structures

The improvements within the redevelopment area, while non-conforming to zoning, are legally used for their intended residential purpose.

Component 6: Code Violations

The building code employed by North Kansas City, Missouri has significantly changed since the 1940s and 1950s when the improvements were originally constructed. Bibb and Associates, Inc. identified a number of life-safety issues related to the building code, including the following.

- The windows do not permit adequate egress in case of fire.
- The apartment buildings lack fire walls.
- The old electrical system requires replacement.
- GFI outlets are lacking.
- Smoke and carbon monoxide detectors are not hard-wired and appear to be frequently inoperable.
- Gas stoves increase the potential for fire and asphyxiation.
- No exterior lighting exists.
- The trash collection scheme and the lack of garbage disposals present the potential for the spread of vermin and disease.
- None of the subject units are ADA compliant.

Bibb and Associates, Inc. indicates that the subject has a high number of building code violations beyond those that threaten life safety.

Component 7: Abandonment

While maintenance is often lacking, the property is managed to the extent that the property cannot be considered to be abandoned.

Component 8: Excessive Vacancies

The owners would not disclose the subject's occupancy to the consultants. However, it is the consultants suspicion that the occupancy is below the Northland submarket average of 96.8% (*Apartment Profiles, 2Q99*).

Component 9: Overcrowding

Overcrowding does not appear to be present at the subject property.

Component 10: Lack of Ventilation, Light or Sanitary Facilities

The stoves are not adequately ventilated, exterior lighting is not present, and sanitation deficiencies do exist. The sanitation issues include poor trash collection and the lack of garbage disposals. Thus, Conservation Component 10 is present at the subject property.

Component 11: Inadequate Utilities

The subject is adequately supplied with water and sewer, electricity and natural gas, even though the overhead service lines are unsightly.

Component 12: Excessive Land Coverage

According to the R-3 zoning standards, the subject has excessive *density* per acre. Nevertheless, the land area not *covered* by buildings is entirely green space since essentially no off-street parking exists. The overall effect is that the property has an open *feel* and is not suffering from excessive land coverage.

Component 13: Deleterious Land Use or Layout

Land use or layout are not deleterious conditions at the subject property.

Component 14: Depreciation of Physical Maintenance

The subject's physical maintenance was previously analyzed under the discussion of **Component 3** and was found to be lacking to a potentially blighting extent.

Component 15: Lack of Community Planning

The subject was originally developed according to community planning (at least to the extent that zoning existed at that time). However, the property does not conform to the current zoning ordinance and is targeted for redevelopment under the recently adopted Comprehensive Master Plan. Therefore, the subject's current use does contribute to and/or represents a lack of community planning.

Conclusion

In addition to the age qualification, the foregoing analysis indicates that certainly three or more of the components of the TIF Conservation definition are present at the Northgate Village Apartments. In fact, the consultant believes at least of five of the potential blighting factors (plus age) exist at the property. The main potential blighting factors at the subject property are:

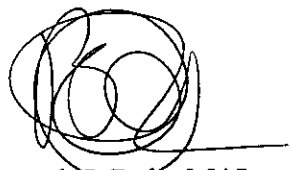
- The improvements are obsolete from the lack of off-street parking, substandard gutters and downspouts, energy inefficiencies, and inadequate kitchen, laundry, and bathroom facilities.
- Significant deterioration exists in the roof cover, windows, paint (interior and exterior), and floor cover.
- Numerous life safety and/or code violations impair the property including inadequate fire egress, fire walls, electrical service, and ADA compliance.

The presence of at least six potentially blighting factors (including age) indicates that the subject property is detrimental to the public health, safety, morals, or welfare and may become a blighted area. Therefore, the consultant has determined that the Northgate Village Apartments, as of November 4, 1999, is a Conservation Area as defined by the Missouri Tax Increment Financing Statute, Section 99.805(2) R.S. Mo.

CERTIFICATE

I certify that, to the best of my knowledge and belief...

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- 6) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- 7) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 8) As of the date of this report, Brock J. Rule, MAI has completed the requirements of the continuing education program of The Appraisal Institute.
- 9) No one provided significant professional assistance to the persons signing this report.



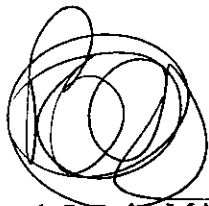
Brock J. Rule, MAI Did Inspect Did Not Inspect
 State Certified General Real Estate Appraiser in Missouri (Certificate No. RA 001130)
 Kansas Certified General Real Property Appraiser (Certificate No. G-1008)

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- 1) No responsibility is assumed for the legal description, or for legal matters and title to the property is assumed to be good and marketable unless otherwise stated.
- 2) It is assumed that the utilization of the land and improvements is within the boundaries or property lines and that there is no encroachment or trespass unless noted in the report.
- 3) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- 4) The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
- 5) Responsible ownership and competent property management are assumed.
- 6) All engineering is assumed to be correct. The site plans and illustrative material in this report are intended only to assist the reader in visualizing the property.
- 7) It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8) Subsurface rights (minerals, oil, etc.) were not considered in making this appraisal, unless specifically stated otherwise.
- 9) It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
- 10) It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined and considered in this appraisal report.
- 11) It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- 12) The distribution of the total valuation in this report between land and improvements applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
- 13) Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without the written consent of the appraiser.
- 14) The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless prior agreements have been made in writing.
- 15) Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation shall be disseminated to the public through

- advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.
- 16) The appraiser has not made an environmental inspection of the site and is not qualified to detect the existence of hazardous materials. Hazardous materials may or may not be present on the property, but the appraiser has no knowledge of their existence on or in this property. The client is
- 17) The Americans With Disabilities Act (ADA) became effective January 26, 1992. Unless otherwise stated in this report, the appraisers have not been provided with a compliance survey; therefore, our conclusions are predicated upon the assumption that the subject is not negatively impacted by issues related to the ADA.
- 18) Unless otherwise stated in this report, problems with Year 2000 compliance were not investigated, nor called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. Problems with Year 2000 compliance of embedded systems and the cost to correct them could affect the value of the property but the appraiser is not qualified to recognize or estimate the cost to solve such problems, unless otherwise stated. The value estimated herein is predicated on the assumption that no such Year 2000 problems exist and no responsibility is assumed for any such problems, nor for any expertise or knowledge required to discover them.



Brock J. Rule, MAI

ADDENDA

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#2140

July 23, 1997

**NOTICE OF PUBLIC HEARING
 REGARDING THE NORTH KANSAS CITY
 NORTHGATE VILLAGE
 TAX INCREMENT FINANCING PLAN**

A public hearing will be held by the Tax Increment Financing Commission (the "Commission") of North Kansas City, Missouri, commencing at 7:00 p.m., Thursday, August 21, 1997, at City Hall, 2010 Howell, North Kansas City, Missouri, regarding the proposed Northgate Village Tax Increment Financing Plan (the "Plan"). The Plan, if approved, would provide for the redevelopment of the Redevelopment Area in several phases, by demolition of the Northgate Village apartments and subsequent construction of several commercial buildings, single family residences, townhouses, apartment complexes and possible senior housing, together with all the necessary utilities, street improvements, and appurtenances.

The Redevelopment Area, as proposed, is generally bound by 32nd Avenue on the north, Howell Street on the east, 23rd Avenue on the South and Burlington Street on the west in North Kansas City, Clay County, Missouri, legally described as follows:

TRACT #1:

All that part of the Northwest Quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the point of intersection of the West line of Swift Avenue, as now established, with the North line of 23rd Avenue, said point of beginning being 50 feet North, measured along the West line of said Swift Avenue, of a point on the south line of said one-quarter section which is 50 feet West of the Southeast corner thereof; thence West along the North line of said 23rd Avenue (being a line 50 feet North of and parallel to the South line of said one-quarter section) 565 feet, more or less to the point of intersection with a line drawn 213 feet East of and parallel to the East line of U.S. Highway No. 71, also known as Burlington Avenue, as now established; thence North along said line drawn 213 feet East of and parallel to the East line of U.S. Highway No. 71, a distance of 1616.50 feet, more or less, to its point of intersection with a line drawn 968.16 feet South of and parallel to the North line of said one-quarter section; thence West along said line last described 213 feet, more or less, to the said East line of U.S. Highway No. 71; thence North along the said East line and North and Northeast-erly along the East and Southeasterly line of U.S. Highway No. 69, also known as U.S. Highway 169, as now established, to the intersection thereof with a line drawn 30 feet South of and parallel to the North line of said one-quarter section (being the Southline of a strip of land now being used for street purposes and called 32nd Avenue); thence East along said line 331.22 feet, more or less, to its intersection with the West line of said Swift Avenue, as now established; thence south along the West line of said Swift Avenue 2556.63 feet, more or less, to the point of beginning.

TRACT 2:

All that part of the Northeast one quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the Southwest corner of Lot 1, Block 4, First Addition to North Kansas City Development Company's North Park Addition to North Kansas City, a subdivision in said Clay County, Missouri, said beginning point being in the East line of Swift Avenue, as now established; thence running North along the East line of said Swift Avenue 847.08 feet, more or less, to its point of intersection with the Southeasterly line of the tract conveyed to the State of Missouri by the deed dated January 30, 1923, recorded in Book B-2 at Page 27, in the office of the Recorder of Deeds for Clay County, Missouri, thence North-easterly, Easterly and Northeastly along the Southeasterly, Southerly, and Southeasterly line of the tract so conveyed to the State of Missouri to its intersection with the North line of said one-quarter section; thence East along the North line of said one-quarter section to its intersection with the prolongation North of a line drawn 60 feet East of and parallel to the East line of Lot 11, Block 5, in aforesaid First Addition to North Kansas City Development Company's North Park Ad-dition to North Kansas City; thence South along said line last described to its intersection with the prolongation East of the South line of Lots 1 to 11, inclusive, Block 5, in said subdivision; thence West along said line last described and along the South line of Lots 1 to 11, both inclusive, Block 4, in said subdivision to the point of beginning, EXCEPT the East 60 feet in Howell Street.

The Plan is available for review by any interested party on or after July 2, 1997 between the hours of 9:00 a.m. and 5:00 p.m. at the offices of the Tax Increment Financing Commission, 2010 How-ell, North Kansas City, Missouri.

Pursuant to section 99.830.3 R.S.Mo., the taxing districts are invited to submit comments to the Commission prior to the date of this public hearing.

Pursuant to section 99.830.2 (3) R.S. Mo., all interested parties will be given an opportunity to be

(Signed) *[Signature]*

scribed and sworn to



CHICAGO TITLE INSURANCE COMPANY

8 EAST FRANKLIN
P. O. Box 620
Kansas City, MO 64068
816/781-8244

OWNERSHIP AND MORTGAGE CERTIFICATE

Order No. CN96-70144

Charge \$440.00

The undersigned company hereby certifies:

(1) That there is no matter appearing of record either in the office of the Recorder of Deeds for Clay County, Missouri, at Liberty, or in the offices of the Clerk of the circuit court of said County or the Clerk of the Probate Court of said County, since the last instrument(s) or record purporting to convey title to the property hereinafter described, which last instrument(s) shows the name of the grantee(s) therein to be:

Special Warranty Deed dated November 26, 1990, recorded November 28, 1990, as Document No. G-82684, in Book 2006, Page 963, between NKC 1985, L.P., a Missouri Limited Partnership, Grantor, to Northgate Apartments, L.P., a Missouri Limited Partnership, Grantee.

(2) That there is no unsatisfied mortgage or deed of trust appearing of record in said Recorder of Deeds office affecting said property which was recorded within a period of thirty (30) years prior to the date hereof, except the following:

a. Deed of Trust dated November 26, 1990, recorded November 28, 1990, as Document No. G-82685, in Book 2006, Page 968, executed by Northgate Apartments, L.P., a Limited Partnership, to David P. Hargrave, Trustee for Bankers Mortgage and Investment Group, Inc., which states that it secures a debt in the principal sum of \$11,220,000.00. (includes other property)

b. Regulatory Agreement for Multifamily Housing Projects coinsured by HUD recorded November 28, 1990, as Document No. G-82686, in Book 2006, Page 975.

c. Assignment of Leases and Rents executed by Northgate Apartments, L.P., a Missouri Limited Partnership, to Bankers Mortgage and Investment Group, Inc. filed November 28, 1990 as Document No. G-82688 in Book 2007 at page 1 to further secure the payment of the note secured by the aforesaid deed of trust.

d. Deed of Trust dated November 26, 1990, recorded as Document No. G-83804, in Book 2009, Page 496, executed by Northgate Apartments, L.P., a limited partnership to David P. Hargrave, Trustee for Bankers Mortgage and Investment Group, Inc., which states that it secures a debt in the principal sum of \$11,220,000.00. (includes other property)

(3) That there is no unsatisfied Financing Statement or Security Agreement appearing of record in the Real Estate Division of said Recorder of Deeds office affecting said property which was recorded since five (5) years to the date hereof, except the following:

Financing Statement executed by Northgate Apartments, L.P. to Bankers Mortgage and Investment Group, Inc. filed for record on November 28, 1990 as Document No. G-82687 in Book M-38 at page 857 affecting the items therein described which have become or may become affixed to the premises in question.

LEGAL DESCRIPTION OF PROPERTY:

PLEASE SEE PAGE 2 FOR COMPLETE LEGAL DESCRIPTION OF THE PROPERTY.

SPECIAL NOTE:

Transfer of ownership, as used above, excludes City tax deeds. Since no search has been made as to whether the grantor(s) in the instruments referred to under (1) above actually owned the property attempted to be conveyed, nor as to whether the above instrument(s) is a valid conveyance, this certificate cannot be relied upon as establishing ownership, but is only intended to show the names of the persons presently appearing to claim ownership as reflected by the above records, and the encumbrances described under (2) above.

Liability of the company under this certificate is limited to the amount paid for the same.

This certificate is dated to include the 10TH day of December, 1996 at 8:00 A.M.

Chicago Title Insurance Company

By: *Anna S. DeWane*

OWNERSHIP AND MORTGAGE CERTIFICATE

PAGE 2

LEGAL DESCRIPTION OF THE PROPERTY:

TRACT 1:

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SPECIAL NOTE:

Transfer of ownership, as used above, excludes City tax deeds. Since no search has been made as to whether the grantor(s) in the instruments referred to under (1) above actually owned the property attempted to be conveyed, nor as to whether the above instrument(s) is a valid conveyance, this certificate cannot be relied upon as establishing ownership, but is only intended to show the names of the persons presently appearing to claim ownership as reflected by the above records, and the encumbrances described under (2) above.

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Chicago Title Insurance Company

By: 

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(NOTE: The foregoing legal descriptions contains the following four (4) tracts:

1. Part of the Northwest Quarter of 14-50-33
2. Part of the Northeast Quarter of 14-50-33
3. Lots 1 - 11, Block 4, NORTH KANSAS CITY NORTH PARK ADDITION
4. Lots 1 - 11, Block 5, NORTH KANSAS CITY NORTH PARK ADDITION

SPECIAL NOTE:

Transfer of ownership, as used above, excludes City tax deeds. Since no search has been made as to whether the grantor(s) in the instruments referred to under (1) above actually owned the property attempted to be conveyed, nor as to whether the above instrument(s) is a valid conveyance, this certificate cannot be relied upon as establishing ownership, but is only intended to show the names of the persons presently appearing to claim ownership as reflected by the above records, and the encumbrances described under (2) above.

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This certificate is dated to include the 10TH day of December, 1996 at 8:00 A.M.

Chicago Title Insurance Company

By: Anna S. O'Neil

QUALIFICATIONS OF BROCK J. RULE, MAI

Education

Rose-Hulman Institute of Technology, Terre Haute, Indiana, Bachelor of Science, Chemical Engineering (1977 to 1981), *cum laude*

The Appraisal Institute

Designation

Brock obtained the MAI designation in 1991 (No. 8810). Brock was a Regional Representative for 1994-95. He is now serving on the Board of Directors of the local Appraisal Institute Chapter.

Continuing Education

Feasibility Analysis and HBU: Nonres (1989)
Rates, Ratios and Reasonableness (1989)
Comprehensive Examination Workshop (1990)
Income Property Demo Appraisal (1990)
Experience Review Training Session (1991)
Reviewing Appraisals (1992)
Condemnation Appraising & Mock Trial (1992)
Tax Increment Financing (Realtors, 1992)
Maximizing the Value of an App Practice (1994)
Stds of Professional App Practice, Part A (1994)
Limited Appraisals & Reporting Options: (1994)
Appraisal Institute Annual Symposium (1994)

The Internet: How to use as a Business Tool (1995)
Assessor's Forum (1995)
Developer's Tax Credit Conference (1995)
Developing on the Info Super Highway (1995)
Stds. of Professional App Practice, Part B (1996)
Appraisal of Retail Properties (1996)
Affordable Housing Valuation (1997)
Introduction to Business Valuation, Part I (1997)
Understanding DCF Software (1998)
Internet Search Strategies (1998)
Detrimental Conditions of Real Estate (1998)
Stds. of Professional Practice, Part C (1999)

Employment

Dow Chemical, U.S.A., Granville, Ohio (1981-1984), Research & Development
Atlantic Richfield Chemical, Philadelphia, Pennsylvania (1984-1985), Corporate Marketing
Rule & Company, Inc., Kansas City, Missouri (1985-present)

Affiliations

Certified General Real Estate Appraiser in Missouri since 1991 (Certificate No. RA 001130)
Certified General Real Property Appraiser in Kansas since 1991 (Certificate No. G-1008)
Who's Who in Kansas City Real Estate 1995, *Kansas City Business Journal*
Commercial Real Estate Institute (CCIM), Affiliate (1997-present)
Urban Land Institute, Associate Member (1993-1997), Co-Chair Programs (1994-1996)
Harvesters-The Community Food Network, Board Of Dir. (1988-1995), President (1991-1993)
Greater Kansas City Day Steering Committee (1988-present)
Mark Twain Bank Kansas City, Business Advisory Council (1993-1995)
Bernard Powell Memorial Award for "Extraordinary Community Leadership and Action" (1994)

COMPANY PROFILE

Rule & Company, Inc. is a commercial real estate appraisal and consulting firm. Our property experience is very broad. Special expertise exists with airport properties, leasehold valuations, secondary use of limestone caves, LIHC apartments, and lodging properties. Geographic coverage is national with emphasis on the Midwest. Our home territory is all of the states of Missouri, Kansas, Nebraska and Iowa. In the last three years we have performed appraisals in more than 20 other states.

Rule & Company, Inc. is quality and customer driven. We strive to provide responsive service, insightful analysis, and detailed market data. Following is a partial list of our recent clientele:

INSTITUTIONS

American General
Balcor
Farm Bureau Life Insurance
Fidelity Mgmt & Research
GE Investments
The Guardian
GNA
John Alden Life
MetLife Capital
Mutual of Omaha
Penn Mutual
Phoenix Mutual
Principal Financial
Sentinel Real Estate
UNUM
Woodmen of the World

BANKS

Banc One
Bank of Kansas
Bank of New York
Citicorp
Commerce Bank
Dickinson Financial
First Bank
First National Bank of Kansas
First Service Corporation
First Union
Hillcrest Bank
Johnson County Bank
Key Bank
Mercantile Bank
MNC Financial
NationsBank
Norwest
Oak Park Bank
Union Bank

United Missouri Bank
Valley View Bank
Wells Fargo

MORTGAGE BANKERS

Charter American Mortgage
Northland Financial
Thellman Financial
Triad Mortgage
United Missouri Mortgage

FNMA DUS, etc.

AMI Capital
Berkshire Financial
Freddie Mac
Midland Mortgage Investment
Paramount Financial
Patrician Financial
PW Funding
Washington Mortgage

ATTORNEYS

Armstrong Teasdale
Craft Fridkin & Rhyne
Farley & Hubbard
King, Hershey Koch & Stone
Lathrop & Gage
Lewis Rice Fingersh
Morrison & Hecker
Polsinelli, White
Shugart Thomson & Kilroy
Stinson Mag & Fizzell
Williams & Barzee

DEVELOPERS

John Brown & Company
Corporate Woods
The Garney Companies
J.C. Nichols Company
The Perot Group
J.A. Peterson Company
Mel Simon & Assoc.
Tower Properties
Trammell Crow
VT Asset Management

SECURITIZATION and REITS

Column Financial
Donalson, Lufkin, Jenrette
Fidelity Investments
Heller Financial
Lehman Brothers
Midland Asset Management
National Realty Funding
Ryland Acceptance
Value Line Mortgage

GOVERNMENTS

City of Kansas City, Missouri
City of Gladstone, Missouri
City of North Kansas City, MO
City of Riverside, Missouri
City of San Jose, California
General Services Admin.
HUD
Clay County, Missouri
Jackson County, Missouri
Platte County, Missouri
U.S. Army Corps of Engineers
U.S. Post Office



SECTION 5

EXHIBIT 5

BUT-FOR ANALYSIS

"But For" Analysis

Revised November 11, 1999

**NORTHGATE VILLAGE TIF PLAN
OF
NORTH KANSAS CITY**

Submitted to:

**Tax Increment Financing Commission
North Kansas City, Missouri**

TABLE OF CONTENTS

Discounted Cash Flow Analysis - Definitions

Schedule I

Estimated Reimbursable TIF Costs

Exhibit "A"

Commercial Development Cash Flow Analysis With TIF

Commercial Development Cash Flow Analysis Without TIF

Exhibit "B"

Single Family & Townhome Cash Flow Analysis With TIF

Single Family & Townhome Cash Flow Analysis Without TIF

Exhibit "C"

Apartments Cash Flow Analysis With TIF

Apartments Cash Flow Analysis Without TIF

Discounted Cash Flow Analyses

INTERNAL RATE OF RETURN (IRR)

Definition: Internal rate of return is the discount rate required for an asset's net present value to be zero. It is the asset's true economic return earned by the asset over its life.

Steps in IRR analysis:

1. Determine the cash flows of each year of the proposed investment.
2. Assume the sum of the present values of each of the annual cash inflows and outflows equals zero.
3. Knowing cash flows and zero NPV, solve for the discount rate. This can be done quickly and easily with computer software. Otherwise, when the cash flow pattern is uneven, iteration must be used to find the IRR.
4. If the IRR is equal to or greater than the organization's cost of capital (or hurdle rate), the investment is acceptable based upon this analysis.

Discounted Cash Flow Analyses

DISCOUNTED CASH FLOW ANALYSES

Definition: An analysis of an investment proposal that takes into account the time value of money.

Two widely used methods of discounted cash flow analysis are the net present value method and the internal rate of return method.

NET PRESENT VALUE (NPV)

Definition: Net present value is the present value of a project's future cash flows less the cost of the initial investment.

Steps in NPV analysis:

1. Determine the cash flows for each year of the proposed investment.
2. Compute the present value of each year's cash flow, using a discount rate that reflects the cost of acquiring capital. This discount rate is often called the hurdle rate or minimum desired rate of return. The higher the discount rate used in a NPV analysis, the lower the present value of all future cash flows will be.
3. Compute the NPV, which is the sum of the present values of each of the annual cash flows.
4. If the NPV is positive, the investment is acceptable based upon this analysis.

Discounted Cash Flow Analyses

ADVANTAGES OF NPV METHOD

1. Easier to compute.
2. Risk can be considered. The farther out into the future a cash flow occurs, the less certain the analyst can be about the amount of the cash flow. It is possible to adjust a NPV analysis for such risk factors by using a higher discount rate for later cash flows than earlier cash flows. It is not possible to include such a risk adjustment in the IRR method, because the analysis solves for only a single discount rate.

UNDERLYING ASSUMPTIONS IN DISCOUNTED CASH FLOW ANALYSES

1. All cash flows are treated as though they occur at year end.
2. Cash flows are assumed to be certain.
3. Cash inflow is immediately reinvested in another project that earns the same rate of return.
4. Money can be borrowed or lent equal to the cost of capital (or hurdle rate).

SCHEDULE: 1
NORTHGATE TIF PLAN
ESTIMATED TIF REIMBURSEABLE COSTS

Cost Description	Commercial Phase I	Senior Apts. Phase I	Apartments Phase I	Apartments Phase II	Residential (102 Units) Phase I	Residential (111 Units) Phase II	TOTALS
Acquisition of Existing Apartments	\$1,225,681	\$770,436	\$1,663,420	\$1,663,420	\$1,838,521	\$1,838,521	\$9,000,000
Subtotal	\$1,225,681	\$770,436	\$1,663,420	\$1,663,420	\$1,838,521	\$1,838,521	\$9,000,000
Relocation of Residents Costs	\$42,727	\$26,857	\$57,987	\$57,987	\$64,091	\$64,091	\$313,740
Subtotal	\$42,727	\$26,857	\$57,987	\$57,987	\$64,091	\$64,091	\$313,740
TIF & Administrative Costs	\$68,093	\$42,802	\$92,412	\$92,412	\$102,140	\$102,140	\$500,000
Subtotal	\$68,093	\$42,802	\$92,412	\$92,412	\$102,140	\$102,140	\$500,000
Building Demolition	\$197,333	\$123,534	\$467,501	\$252,080	\$504,170	\$412,503	\$1,957,121
Subtotal	\$197,333	\$123,534	\$467,501	\$252,080	\$504,170	\$412,503	\$1,957,121
Site Preparation, Grading, & Streets	\$94,463	\$40,325	\$663,539	\$306,543	\$299,438	\$244,997	\$1,649,305
Storm Sewers	\$76,003	\$85,679	\$175,224	\$114,133	\$213,840	\$167,526	\$832,405
Sanitary Sewers	\$26,543	\$34,560	\$78,048	\$40,859	\$223,121	\$161,798	\$584,929
Water Mains	\$37,919	\$30,340	\$30,088	\$36,237	\$82,016	\$48,928	\$265,528
Street Lights	\$20,075	\$13,500	\$61,750	\$30,875	\$44,165	\$36,135	\$206,500
Misc. Utility, Clearing, Erosion Control	\$74,645	\$55,930	\$98,395	\$35,475	\$111,474	\$91,206	\$467,125
Other Costs	\$97,106	\$74,362	\$310,019	\$164,951	\$331,063	\$254,839	\$1,232,340
Subtotal	\$426,754	\$334,696	\$1,417,063	\$729,073	\$1,305,117	\$1,005,429	\$5,218,132
Special Paving Crosswalk Areas	\$36,974	\$23,147	\$33,385	\$33,385	\$200,570	\$164,102	\$491,563
Grading (32nd Street)	\$0	\$0	\$0	\$0	\$7,260	\$5,940	\$13,200
Buchanan Streetscape	\$0	\$0	\$44,506	\$19,074	\$0	\$0	\$63,580
Landscaping / Street Trees	\$24,883	\$15,577	\$29,810	\$13,062	\$54,964	\$44,971	\$183,267
Irrigation	\$23,616	\$14,783	\$69,300	\$29,700	\$30,250	\$24,750	\$192,399
Special Street Lighting	\$10,451	\$6,543	\$31,658	\$12,507	\$15,549	\$12,722	\$89,430
Monuments	\$80,950	\$50,676	\$52,250	\$41,800	\$72,358	\$59,202	\$357,238
Subtotal	\$176,874	\$110,726	\$260,909	\$149,528	\$380,951	\$311,687	\$1,390,675
Construction & Management Fees	\$70,737	\$44,283	\$164,536	\$92,543	\$172,757	\$141,346	\$686,203
Subtotal	\$70,737	\$44,283	\$164,536	\$92,543	\$172,757	\$141,346	\$686,203
Grand Total *	\$2,208,200	\$1,453,334	\$4,123,829	\$3,037,044	\$4,367,747	\$3,875,718	\$19,065,871

EXHIBIT "A"

**Northgate Village Redevelopment Plan
ROI & Cash Flow Projection
WITH TIF Financing - Commercial**

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	TOTALS
Commercial Development							
Number of Sq. Footage Sold	0	57,499	57,499	57,499	57,499	57,499	287,495
Acres Sold		1.32	1.32	1.32	1.32	1.32	6.60
Price/Sq. Ft.	\$0	\$6	\$6	\$6	\$6	\$6	
Total Revenues (\$6/Sq. Ft.)	\$0	\$344,994	\$344,994	\$344,994	\$344,994	\$344,994	1,724,970
Less: Land Costs (\$2/Sq. Ft.)	\$0	\$114,998	\$114,998	\$114,998	\$114,998	\$114,998	574,990
Sales Commissions (7%)	\$0	\$24,150	\$24,150	\$24,150	\$24,150	\$24,150	120,748
Closing Costs (3%)	\$0	\$10,350	\$10,350	\$10,350	\$10,350	\$10,350	51,749
Marketing Costs (2%)	\$0	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	34,499
Real Estate Taxes	\$0	\$6,200	\$5,000	\$3,800	\$2,600	\$1,200	18,800
Less: Development Costs	\$0	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	305,000 *
Commercial Gross Profit		\$121,397	\$122,597	\$123,797	\$124,997	\$126,397	\$619,184
Less: Interest Expense 9%	\$0	\$0	\$0	\$0	\$0	\$0	0
Pre-Tax Income		\$121,397	\$122,597	\$123,797	\$124,997	\$126,397	\$619,184
Less: Capital - Land & Infrastructure	(879,992)	\$0	\$0	\$0	\$0	\$0	(879,992)
Principal Payments		\$0	\$0	\$0	\$0	\$0	0
Add: Recapture Land & Infrastructure		\$175,998	\$175,998	\$175,998	\$175,998	\$175,998	879,990
Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Contributions 100%	\$879,992	\$0	\$0	\$0	\$0	\$0	\$879,992
Cash Flow - Pre-Tax	0	\$297,395	\$298,595	\$299,795	\$300,995	\$302,395	1,499,174
Cummulative Cash Flow Pre-Tax	0	\$297,395	\$595,989	\$895,784	\$1,196,779	\$1,499,174	1,499,174

* Hunt could incur costs of an additional \$159,066 toward certain cost overruns of "Essential Infrastructure" as required by the development agreement.

**NORTHGATE REDEVELOPMENT
COMMERCIAL PROPERTY
Scenario with TIF Funding
Return Analysis**

IRR Analysis

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Totals
Pre-Tax Profits	\$0	\$121,397	\$122,597	\$123,797	\$124,997	\$126,397	\$619,186
Add:							
Recapture of Land & Infrastructure	\$0	\$175,998	\$175,998	\$175,998	\$175,998	\$175,998	\$879,990
Loans	\$0						
Equity Contributions	\$879,992						
Less:							
Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital	(879,992)						
Cash Flow	(\$879,992)	\$297,395	\$298,595	\$299,795	\$300,995	\$302,395	\$619,184

IRR	20.79%
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Northgate Village Redevelopment Plan
ROI & Cash Flow Projection
WITHOUT TIF Financing - Commercial

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	TOTALS
Commercial Development							
Number of Sq. Footage Sold	0	57,499	57,499	57,499	57,499	57,499	287,496
Acres Sold		1.32	1.32	1.32	1.32	1.32	6.60
Price/Sq. Ft.	\$0	\$6	\$6	\$6	\$6	\$6	
Total Revenues (\$6/Sq. Ft.)	\$0	\$344,994	\$344,995	\$344,995	\$344,995	\$344,995	1,724,975
Less: Land Costs (\$2/Sq. Ft.)	\$0	\$244,946	\$244,947	\$244,947	\$244,947	\$245,895	1,225,681
Sales Commissions (7%)	\$0	\$24,150	\$24,150	\$24,150	\$24,150	\$24,150	120,748
Closing Costs (3%)	\$0	\$10,350	\$10,350	\$10,350	\$10,350	\$10,350	51,749
Marketing Costs (2%)	\$0	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	34,499
Real Estate Taxes	\$0	\$6,200	\$5,000	\$3,800	\$2,600	\$1,200	18,800
Less: Development Costs	\$0	\$219,000	\$219,000	\$219,000	\$219,000	\$218,399	1,094,399
Commercial Gross Profit		(\$166,551)	(\$165,351)	(\$164,151)	(\$162,951)	(\$161,899)	(\$820,902)
Less: Interest Expense 9%	\$0	\$0	\$0	\$0	\$0	\$0	0
Pre-Tax Income		(\$166,551)	(\$165,351)	(\$164,151)	(\$162,951)	(\$161,899)	(\$820,902)
Less: Capital - Land & Infrastructure	(2,320,080)	\$0	\$0	\$0	\$0	\$0	(2,320,080)
Principal Payments		\$0	\$0	\$0	\$0	\$0	0
Add: Recapture Land & Infrastructure		\$463,946	\$463,947	\$463,947	\$463,947	\$464,295	2,320,080
Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Contributions 100%	\$2,320,080	\$0	\$0	\$0	\$0	\$0	\$2,320,080
Cash Flow - Pre-Tax	0	\$297,395	\$298,596	\$299,796	\$300,996	\$302,396	1,499,178
Cummulative Cash Flow Pre-Tax	0	\$297,395	\$595,990	\$895,786	\$1,196,782	\$1,499,178	1,499,178
Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NORTHGATE REDEVELOPMENT
Commercial
Scenario without TIF Funding
Return Analysis

IRR Analysis

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Totals
Pre-Tax Profits	\$0	(\$166,551)	(\$165,351)	(\$164,151)	(\$162,951)	(\$161,899)	(\$820,902)
Add:							
Recapture of Land & Infrastructure	\$0	\$463,946	\$463,947	\$463,947	\$463,947	\$464,295	\$2,320,080
Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Contributions	\$2,320,080	\$0	\$0	\$0	\$0	\$0	\$2,320,080
Less:							
Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital - Commercial	(2,320,080)	0	0	0	0	0	(\$2,320,080)
Capital - Towhomes	0	0	0	0	0	0	\$0
Capital - Construction	0	0	0	0	0	0	\$0
Cash Flow - IRR	(\$2,320,080)	\$297,395	\$298,596	\$299,796	\$300,996	\$302,396	(\$820,902)

IRR	-12.96%
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**NORTHGATE REDEVELOPMENT
COMMERCIAL PROPERTY**
With & Without TIF Funding
Net Present Value of Cash Flows

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Totals
With TIF							
Cash Flows	(\$879,992)	\$297,395	\$298,596	\$299,796	\$300,996	\$302,396	\$619,187
NPV @ 10%	\$232,482						
NPV @ 15%	\$107,786						
Without TIF							
Cash Flows	(\$2,320,080)	\$297,395	\$298,596	\$299,796	\$300,996	\$302,396	(\$820,901)
NPV @ 10%	(\$1,076,689)						
NPV @ 15%	(\$1,144,464)						

Northgate Village Redevelopment Plan

Cash Flow Projection

With TIF Financing - Single Family, Patio Homes & Townhomes

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	Yr 7	TOTALS
Single Family & Patio Homes								
No. Homes Sold	0	24	24	25	32	28	0	133
Price/Single Family & Patio Homes	\$0	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$0	\$140,000
Total Revenues	\$0	\$3,360,000	\$3,360,000	\$3,500,000	\$4,480,000	\$3,920,000	\$0	\$18,620,000
Less: Land Costs (\$10,000/Acre)	\$0	\$30,504	\$30,504	\$31,775	\$40,672	\$35,588	\$0	\$169,043
Less: Sales & Marketing Costs (6%)	\$0	\$201,600	\$201,600	\$210,000	\$268,800	\$235,200	\$0	\$1,117,200
Less: Development Costs (\$5,000/ Unit)	\$0	\$120,000	\$120,000	\$125,000	\$160,000	\$140,000	\$0	\$665,000
Less: Construction Costs (\$116,000/Unit)	\$0	\$2,784,000	\$2,784,000	\$2,900,000	\$3,712,000	\$3,248,000	\$0	\$15,428,000
Residential Gross Profit	\$0	\$223,896	\$223,896	\$233,225	\$298,528	\$261,212	\$0	\$1,240,757
Single Family GP/Unit	\$0	\$9,329	\$9,329	\$9,329	\$9,329	\$9,329	\$0	\$9,329
Townhome Development								
No. of Units Sold	0	11	11	10	15	16	16	80
Price/Unit	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,020,000
Total Revenues	\$0	\$1,100,000	\$1,100,000	\$1,000,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,000,000
Less: Land Costs (\$10,000/Acre)	\$0	\$5,632	\$5,632	\$5,120	\$8,192	\$8,192	\$8,192	\$40,960
Less: Sales & Marketing Costs (6%)	\$0	\$66,000	\$66,000	\$60,000	\$96,000	\$96,000	\$96,000	\$480,000
Less: Development Costs (\$4,000 per unit)	\$0	\$44,000	\$44,000	\$40,000	\$64,000	\$64,000	\$64,000	\$320,000
Less: Construction Costs (\$81,000/ Unit)	\$0	\$891,000	\$891,000	\$810,000	\$1,296,000	\$1,296,000	\$1,296,000	\$6,480,000
Townhome Gross Profit	\$0	\$93,368	\$93,368	\$84,880	\$135,808	\$135,808	\$135,808	\$679,040
Townhome GP/ Unit	\$0	\$8,488	\$8,488	\$8,488	\$8,488	\$8,488	\$8,488	\$8,488
TOTAL GROSS PROFIT		\$317,264	\$317,264	\$318,105	\$434,336	\$397,020	\$135,808	\$1,919,797
Interest Expense 9% - Mortgage	\$0	\$179,595	\$179,595	\$164,295	\$148,995	\$103,995	\$0	\$776,475
Pre-Tax Income	\$0	\$137,669	\$137,669	\$153,810	\$285,341	\$293,025	\$135,808	\$1,143,322
Recapture Single Family	\$0	\$2,934,504	\$2,934,504	\$3,056,775	\$3,912,672	\$3,423,588	\$0	\$16,262,043
Recapture Townhomes	\$0	\$940,632	\$940,632	\$855,120	\$1,368,192	\$1,368,192	\$1,368,192	\$6,840,960
Loans	\$1,995,501	\$0	\$0	\$0	\$0	\$0	\$0	\$1,995,501
Equity Contributions 33%	\$990,000	\$0	\$0	\$0	\$0	\$0	\$0	\$990,000
Less:								\$0
Capital Single Family & Patio Homes	(\$417,021)	(\$417,021)						(\$834,042)
Capital Townhomes	(\$180,480)	\$0	\$0	(\$180,480)	\$0	\$0	\$0	(\$360,960)
Capital - Construction	(\$2,388,000)	(\$3,675,000)	(\$3,675,000)	(\$3,710,000)	(\$5,008,000)	(\$2,804,000)	(\$648,000)	(\$21,908,000)
Principal Payments	\$0	\$0	(\$170,000)	(\$170,000)	(\$500,000)	(\$1,155,501)	\$0	(\$1,995,501)
Cash Flow	\$0	(\$79,216)	\$167,805	\$5,225	\$56,205	\$1,125,304	\$856,000	\$2,133,323
Cumulative Cash Flow	\$0	(\$79,216)	\$88,589	\$93,814	\$152,019	\$1,277,323	\$2,133,323	\$2,133,323
Loan Balance	\$1,995,501	\$1,995,501	\$1,825,501	\$1,655,501	\$1,155,501	\$0	\$0	\$0

WORTHGATE REDEVELOPMENT
Single Family, Patio Homes & Townhomes
Scenario with TIF Funding
Return Analysis

IRR Analysis

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Totals
Pre-Tax Profits	\$0	\$137,669	\$137,669	\$153,810	\$285,341	\$293,025	\$135,808	\$1,143,322
Add:								
Recapture of Land & Infrastructure	\$0	\$3,875,136	\$3,875,136	\$3,911,895	\$5,280,864	\$4,791,780	\$1,368,192	\$23,103,003
Loans	\$1,995,501	\$0	\$0	\$0	\$0	\$0	\$0	\$1,995,501
Equity Contributions	\$990,000	\$0	\$0	\$0	\$0	\$0	\$0	\$990,000
Less:								
Principal Payments	\$0	\$0	(\$170,000)	(\$170,000)	(\$500,000)	(\$1,155,501)	\$0	(\$1,995,501)
Capital - Single Family	(\$417,021)	(\$417,021)	\$0	\$0	\$0	\$0	\$0	(\$834,042)
Capital - Townhomes	(\$180,480)	\$0	\$0	(\$180,480)	\$0	\$0	\$0	(\$360,960)
Capital - Construction	(\$2,388,000)	(\$3,675,000)	(\$3,675,000)	(\$3,710,000)	(\$5,008,000)	(\$2,804,000)	(\$648,000)	(\$21,908,000)
Cash Flow	\$0	(\$79,216)	\$167,805	\$5,225	\$58,205	\$1,125,304	\$856,000	\$2,133,323
IRR CASH FLOW	(\$990,000)	(\$79,216)	\$167,805	\$5,225	\$58,205	\$1,125,304	\$856,000	\$1,143,323
IRR	15.75%							

**Northgate Village Redevelopment Plan
Cash Flow Projection
WITHOUT TIF Financing - Single Family, Patio Homes & Townhomes**

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	Yr 7	TOTALS
Single Family & Patio Homes								
No. Homes Sold	0	24	24	25	32	28	0	133
Price/Single Family & Patio Homes	\$0	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$0	\$140,000
Total Revenues	\$0	\$3,360,000	\$3,360,000	\$3,500,000	\$4,480,000	\$3,920,000	\$0	\$18,620,000
Less: Land Costs (\$175,097/Acre)	\$0	\$533,981	\$533,981	\$556,230	\$711,974	\$622,977	\$0	\$2,959,143
Less: Sales & Marketing Costs (6%)	\$0	\$201,600	\$201,600	\$210,000	\$268,800	\$235,200	\$0	\$1,117,200
Less: Development Costs (\$22,807/ Unit)	\$0	\$542,566	\$542,566	\$565,173	\$723,421	\$632,994	\$0	\$3,006,720
Less: Construction Costs (\$116,000/Unit)	\$0	\$2,784,000	\$2,784,000	\$2,900,000	\$3,712,000	\$3,248,000	\$0	\$15,428,000
Residential Gross Profit	\$0	(\$702,147)	(\$702,147)	(\$731,403)	(\$936,196)	(\$819,171)	\$0	(\$3,891,063)
Single Family GP/Unit	\$0	(\$29,256)	(\$29,256)	(\$29,256)	(\$29,256)	(\$29,256)	\$0	(\$29,256)
Townhome Development								
No. of Units Sold	0	11	11	10	16	16	16	80
Price/Unit	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,020,000
Total Revenues	\$0	\$1,100,000	\$1,100,000	\$1,000,000	\$1,800,000	\$1,600,000	\$1,600,000	\$8,000,000
Less: Land Costs (\$175,097/Acre)	\$0	\$98,711	\$98,711	\$89,737	\$143,580	\$143,580	\$143,580	\$717,899
Less: Sales & Marketing Costs (6%)	\$0	\$66,000	\$66,000	\$60,000	\$96,000	\$96,000	\$96,000	\$480,000
Less: Development Costs (\$17,775 per unit)	\$0	\$195,523	\$195,523	\$177,748	\$284,397	\$284,397	\$284,397	\$1,421,986
Less: Construction Costs (\$81,000/ Unit)	\$0	\$891,000	\$891,000	\$810,000	\$1,296,000	\$1,296,000	\$1,296,000	\$6,480,000
Townhome Gross Profit	\$0	(\$151,234)	(\$151,234)	(\$137,486)	(\$219,977)	(\$219,977)	(\$219,977)	(\$1,099,885)
Townhome GP/ Unit	\$0	(\$13,749)	(\$13,749)	(\$13,749)	(\$13,749)	(\$13,749)	(\$13,749)	(\$13,749)
TOTAL GROSS PROFIT		(\$853,381)	(\$853,381)	(\$868,888)	(\$1,156,173)	(\$1,039,148)	(\$219,977)	(\$4,990,948)
Interest Expense 9% - Mortgage	\$0	\$388,429	\$311,074	\$233,720	\$156,366	\$79,011	\$0	\$1,168,600
Pre-Tax Income	\$0	(\$1,241,810)	(\$1,164,455)	(\$1,102,608)	(\$1,312,538)	(\$1,118,159)	(\$219,977)	(\$6,159,548)
Recapture Single Family	\$0	\$3,860,547	\$3,860,547	\$4,021,403	\$5,147,396	\$4,503,971	\$0	\$21,393,863
Recapture Townhomes	\$0	\$1,185,234	\$1,185,234	\$1,077,486	\$1,723,977	\$1,723,977	\$1,723,977	\$8,619,885
Loans	\$4,315,875	\$0	\$0	\$0	\$0	\$0	\$0	\$4,315,875
Equity Contributions 33%	\$2,125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,125,000
Less:								\$0
Capital Single Family	(\$2,982,932)	(\$2,982,931)	\$0	(\$1,069,942)	\$0	\$0	\$0	(\$5,965,863)
Capital Townhomes	(\$1,069,943)	\$0	\$0	(\$3,710,000)	(\$5,008,000)	(\$2,804,000)	(\$648,000)	(\$2,139,885)
Capital - Construction	(\$2,388,000)	(\$3,675,000)	(\$3,675,000)	(\$3,710,000)	(\$5,008,000)	(\$2,804,000)	(\$648,000)	(\$21,908,000)
Principal Payments	\$0	(\$859,493)	(\$859,493)	(\$859,493)	(\$859,493)	(\$877,903)	\$0	(\$4,315,875)
Cash Flow	\$0	(\$3,713,453)	(\$653,167)	(\$1,643,155)	(\$308,659)	\$1,427,886	\$856,000	(\$4,034,548)
Cummulative Cash Flow	\$0	(\$3,713,453)	(\$4,366,620)	(\$6,009,775)	(\$6,318,434)	(\$4,890,548)	(\$4,034,548)	(\$4,034,548)
in Balance	\$4,315,875	\$3,456,382	\$2,596,889	\$1,737,396	\$877,903	\$0	\$0	



NORTHGATE REDEVELOPMENT
Single Family, Patio Homes & Townhomes
Scenario WITHOUT TIF Funding
Return Analysis

IRR Analysis

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Totals
Pre-Tax Profits	\$0	(\$1,241,810)	(\$1,164,455)	(\$1,102,608)	(\$1,312,538)	(\$1,118,159)	(\$219,977)	(\$6,159,548)
Add:								
Recapture of Land & Infrastructure	\$0	\$5,045,781	\$5,045,781	\$5,098,888	\$6,871,373	\$6,227,948	\$1,723,977	\$30,013,748
Loans	\$4,315,875	\$0	\$0	\$0	\$0	\$0	\$0	\$4,315,875
Equity Contributions	\$2,125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,125,000
Less:								
Principal Payments	\$0	(\$859,493)	(\$859,493)	(\$859,493)	(\$859,493)	(\$877,903)	\$0	(\$4,315,875)
Capital - Single Family	(\$2,982,932)	(\$2,982,931)	\$0	\$0	\$0	\$0	\$0	(\$5,965,863)
Capital - Townhomes	(\$1,069,943)	\$0	\$0	(\$1,069,942)	\$0	\$0	\$0	(\$2,139,885)
Capital - Construction	(\$2,388,000)	(\$3,675,000)	(\$3,675,000)	(\$3,710,000)	(\$5,008,000)	(\$2,804,000)	(\$648,000)	(\$21,908,000)
Cash Flow	\$0	(\$3,713,453)	(\$653,167)	(\$1,643,155)	(\$308,659)	\$1,427,886	\$856,000	(\$4,034,548)
IRR CASH FLOW	(\$2,125,000)	(\$3,713,453)	(\$653,167)	(\$1,643,155)	(\$308,659)	\$1,427,886	\$856,000	(\$6,159,548)

IRR	N/A	Negative Cash Flows
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Northgate Redevelopment
Ingle Family, Patio Homes & Townhomes
Net Present Value of Cash Flows

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Totals
With TIF								
Cash Flows	(\$990,000)	(\$79,216)	\$167,805	\$5,225	\$58,205	\$1,125,304	\$856,000	\$1,143,323
NPV @ 10%	\$274,784							
NPV @ 15%	\$29,794							
Without TIF								
Cash Flows	(\$2,125,000)	(\$3,713,453)	(\$653,167)	(\$1,643,155)	(\$308,659)	\$1,427,886	\$856,000	(\$6,159,548)
NPV @ 10%	(\$5,560,204)							
NPV @ 15%	(\$5,239,019)							



**NORTHGATE VILLAGE
NORTH KANSAS CITY, MO**

**AFFORDABLE AND
CONVENTIONAL HOUSING**



**NORTHGATE VILLAGE
AFFORDABLE AND CONVENTIONAL HOUSING
TABLE OF CONTENTS**

	Tab
Northgate Senior Housing With Tax Increment Financing	1
Northgate Senior Housing Without Tax Increment Financing	2
Northgate Conventional Housing With Tax Increment Financing	3
Northgate Conventional Housing Without Tax Increment Financing	4



**NORTHGATE VILLAGE
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
TABLE OF CONTENTS**

	Page
SCHEDULE OF GENERAL ASSUMPTIONS	1
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	2
PHASE I	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	3
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	4
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	5
SCHEDULE OF BASE RENT AND EXPENSES	6
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	7
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	8
PHASE II	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	9
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	10
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	11
SCHEDULE OF BASE RENT AND EXPENSES	12
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	13
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	14
PHASE III	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	15
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	16
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	17
SCHEDULE OF BASE RENT AND EXPENSES	18
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	19
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	20

**NORTHGATE SENIOR HOUSING
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF GENERAL ASSUMPTIONS**

PROJECT INFORMATION:

Project Name	NORTHGATE SENIOR HOUSING
Type Ownership Entity	Limited Partnership
Project Location	North Kansas City, Missouri
Type of Project	New Construction Affordable Housing

	Phase I	Phase II	Phase III	Total
Number of Buildings	3	3	3	9
Total Number of LI Units	36	36	36	108
Total Number Market Rate Units	24	24	24	72
Total Number of Units	60	60	60	180
% of LI Units to Total	60%	60%	60%	60%

Project Schedule

Constr Complete (Placed in Service)	Jan-2002	Jan-2003	Jan-2004
Lease-up	Jun-2002	Jun-2003	Jun-2004

ASSUMPTIONS:

Estimated Vacancy	6.0%	Tax Credit Syndication	
Estimated Increase in Rents	2.5%	Federal	\$0.73
Estimated Increase in Expenses	2.5%	Missouri	\$0.29
Est. Increase in Real Estate Taxes	3.0%		
Replacement Reserve	250	Tax Credit Rate	
Management Fee	5.8%	New Construction	8.25%
Other Income % of Gross Rents	2.0%		
Estimated Increase in Constr Costs	6.0%	Corporate Tax Rate	35%

MORTGAGE TERMS:**MHDC / North Kansas City Loan -**

Phase I	1,691,451	Interest Rate - Blended	5.5%
Phase II	1,735,850	Debt Coverage Ratio	1.20
Phase III	1,779,280	Amortization	40 years
	<u>5,206,581</u>		

SUMMARY OF PROJECT:

Annual Tax Credits	Federal	Missouri
Phase I	162,926	162,926
Phase II	172,825	172,825
Phase III	183,318	183,318
	<u>519,069</u>	<u>519,069</u>

**NORTHGATE SENIOR HOUSING
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS	Phase I	Phase II	Phase III	Total
MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,691,451	1,735,850	1,779,280	5,206,581
Tax Increment Financing	41,667	41,667	41,667	125,000
Development Fee Note	45,204	106,242	174,576	326,022
LIHC Equity Contribution	1,661,843	1,762,816	1,869,847	5,294,506
TOTAL SOURCES OF FUNDS	3,440,165	3,646,575	3,865,369	10,952,109
USES OF FUNDS				
Total Construction Cost	2,720,375	2,883,598	3,056,613	8,660,586
Architect's Fee - Design	66,667	70,667	74,907	212,240
Construction Interest	68,427	72,533	76,885	217,845
Real Estate Taxes	12,500	13,250	14,045	39,795
Insurance	6,000	6,360	6,742	19,102
Other Construction Loan Fee	46,667	49,467	52,435	148,568
Other Permanent Loan Fee	10,000	10,600	11,236	31,836
Environmental Study	1,667	1,767	1,873	5,306
Market Study	1,667	1,767	1,873	5,306
Appraisal	1,667	1,767	1,873	5,306
Title, Recording, Disbursing	10,000	10,600	11,236	31,836
Cost Certification	4,667	4,947	5,243	14,857
Other	11,667	12,367	13,109	37,142
Rent-Up	8,333	8,833	9,363	26,530
Reserves	68,735	72,859	77,231	218,825
Admin	8,312	8,811	9,340	26,463
Land Acquisition	15,000	15,900	16,854	47,754
Developer's Fee	359,482	381,051	403,914	1,144,447
Tax Credit Fee - Application	13,333	14,133	14,981	42,448
Organization (Partnership)	5,000	5,300	5,618	15,918
TOTAL USES OF FUNDS	3,440,165	3,646,575	3,865,369	10,952,109

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

**NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,691,451
Tax Increment Financing	41,667
Development Fee Note	45,204
LIHC Equity Contribution	1,661,843
TOTAL SOURCES OF FUNDS	<u>3,440,165</u>

USES OF FUNDS

Total Construction Cost	2,720,375
Architect's Fee - Design	66,667
Construction Interest	68,427
Real Estate Taxes	12,500
Insurance	6,000
Other Construction Loan Fee	46,667
Other Permanent Loan Fee	10,000
Environmental Study	1,667
Market Study	1,667
Appraisal	1,667
Title, Recording, Disbursing	10,000
Cost Certification	4,667
Other	11,667
Rent-Up	8,333
Reserves	68,735
Admin	8,312
Land Acquisition	15,000
Developer's Fee	359,482
Tax Credit Fee - Application	13,333
Organization (Partnership)	5,000
TOTAL USES OF FUNDS	<u>3,440,165</u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

**NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS**

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE	
			4%	2%
1. Site Work				-
2. Off-Site				
3. Demolition				
4. New Building	41,484	2,489,033		2,489,033
5. Bond Premium	778	46,667		46,667
6. Other Fees	556	33,333		33,333
7. General Requirements				
8. Builder's Overhead				
9. Builder's Profit	2,522	151,342		151,342
10. Total Construction Cost	45,340	2,720,375		2,720,375
11. Architect's Fee - Design	1,111	66,667		66,667
12. Architect's Fee - Supervision				
13. Soil Report				
14. Survey				
15. Engineering				
16. Construction Interest	1,140	68,427		68,427
17. Real Estate Taxes	208	12,500		12,500
18. Insurance	100	6,000		6,000
19. MHDC Financing Fees				
1% Construction Loan Fee				
1.8% Permanent Loan Fee			N/A	N/A
20. Other Construction Loan Fee	778	46,667		46,667
21. Other Permanent Loan Fee	167	10,000	N/A	N/A
22. Other Permanent Financing Costs			N/A	N/A
23. Environmental Study	28	1,667		1,667
24. Market Study	28	1,667		1,667
25. Appraisal	28	1,667		1,667
26. Title, Recording, Disbursing	167	10,000		10,000
27. Legal (Real Estate)				
28. Organization				
29. Cost Certification	78	4,667		4,667
30. Consultant Fee				
31. Relocation				
32. Other	194	11,667		11,667
Rent-Up	139	8,333	N/A	N/A
Reserves	1,146	68,735	N/A	N/A
Admin	139	8,312		8,312
33. Land Acquisition	250	15,000	N/A	N/A
34. Existing Building Acquisition				
35. Developer's Overhead				
36. Developer's Fee	5,991	359,482		359,482
37. Tax Credit Fee - Application	222	13,333		13,333
Tax Credit Fee - Monitoring			N/A	N/A
38. Organization (Partnership)	83	5,000	N/A	N/A
39. Bridge Loan Fees & Expenses			N/A	N/A
40. Tax Opinion			N/A	N/A
41. Other Syndication Costs			N/A	N/A
Total Development Cost	57,336	3,440,165		3,333,097
Less: Portion of federal grant used to finance qualifying development costs				(41,667)
Total Eligible Basis				3,291,430
Multiplied by the applicable fraction			%	60%
Total Qualified Basis				1,974,858
Multiplied by the applicable percentage			%	8.25%
Total Amount of Federal Tax Credit Requested				162,926
Total Amount of State Tax Credit Requested				162,926
Total Tax Credit Equity				1,681,843

NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002

	No Units	Per Unit	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	435	2,088	3,132	5,220	7,308	8,874	10,440	10,440	10,440	10,440	10,440	10,440	10,440	99,702
1b/1b-Market Rate	16	495	1,584	2,376	3,960	5,544	6,732	7,920	7,920	7,920	7,920	7,920	7,920	7,920	75,636
2b/2b-Affordable	12	525	1,260	1,890	3,150	4,410	5,355	6,300	6,300	6,300	6,300	6,300	6,300	6,300	60,165
2b/2b-Market Rate	8	585	936	1,404	2,340	3,276	3,978	4,680	4,680	4,680	4,680	4,680	4,680	4,680	44,664
			5,868	8,802	14,670	20,538	24,939	29,340	29,340	29,340	29,340	29,340	29,340	29,340	280,197
Other Income		2.0%	117	176	293	411	499	587	587	587	587	587	587	587	5,804
			5,985	8,978	14,963	20,949	25,438	29,927	29,927	29,927	29,927	29,927	29,927	29,927	285,801
Vacancy		6.0%	(352)	(528)	(880)	(1,232)	(1,496)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(16,812)
			5,633	8,450	14,083	19,718	23,941	28,168	28,168	28,168	28,168	28,168	28,168	28,168	268,989
OPERATING COSTS															
Payroll	60	1,122	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	67,320
Utilities	60	444	444	666	1,110	1,554	1,887	2,220	2,220	2,220	2,220	2,220	2,220	2,220	21,201
Grounds	60	300	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Management Fee	60	328	328	492	820	1,148	1,394	1,640	1,640	1,640	1,640	1,640	1,640	1,640	15,682
Administration Expense	60	169	845	845	845	845	845	845	845	845	845	845	845	845	10,140
Insurance	60	80	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Real Estate Taxes	60	187	47	94	156	218	265	312	312	468	468	468	468	468	3,745
Advertising	60	282	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,920
Maintenance	60	252	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120
Security/Trash	60	51	255	255	255	255	255	255	255	255	255	255	255	255	3,060
Reserves	60	250	250	375	625	875	1,063	1,250	1,250	1,250	1,250	1,250	1,250	1,250	11,838
			12,349	12,907	13,991	15,075	15,889	16,702	16,702	16,858	16,858	16,858	16,858	16,858	187,905
NET OPERATING INCOME			(6,716)	(4,457)	92	4,641	8,053	11,464	11,464	11,308	11,308	11,308	11,308	11,308	81,084
Low-Income Tax Credits															
Federal			2,715	4,073	6,789	9,504	11,541	13,577	13,577	13,577	13,577	13,577	13,577	13,577	129,662
Missouri			2,715	4,073	6,789	9,504	11,541	13,577	13,577	13,577	13,577	13,577	13,577	13,577	129,662
			5,431	8,146	13,577	19,008	23,081	27,154	27,154	27,154	27,154	27,154	27,154	27,154	259,324

**NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003**

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
1b/1b-Affordable	24	435	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	125,280
1b/1b-Market Rate	18	495	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	95,040
2b/2b-Affordable	12	525	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
2b/2b-Market Rate	8	585	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	58,160
			<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>352,080</u>
Other Income		2.0%	587	587	587	587	587	587	587	587	587	587	587	587	7,042
			<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>359,122</u>
Vacancy		6.0%	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(21,125)
			<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>28,166</u>	<u>337,997</u>
OPERATING COSTS															
Payroll	60	1,122	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	67,320
Utilities	60	444	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	26,640
Grounds	60	300	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Management Fee	60	328	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	19,680
Administration Expense	60	169	845	845	845	845	845	845	845	845	845	845	845	845	10,140
Insurance	60	80	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Real Estate Taxes	60	187	936	936	936	936	936	936	936	936	936	936	936	936	11,234
Advertising	60	282	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,920
Maintenance	60	252	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120
Security/Trash	60	51	255	255	255	255	255	255	255	255	255	255	255	255	3,060
Reserves	60	250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
			<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>207,914</u>
CASH FLOW BEFORE DEBT SERVICE															
			10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	130,083
DEBT SERVICE															
			<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(8,724)</u>	<u>(104,688)</u>
CASH FLOW AFTER DEBT SERVICE															
			<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>25,395</u>
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	162,926
Missouri			13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	13,577	162,926
			<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>27,154</u>	<u>325,852</u>

NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

	Year 3 2002	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES															
1b/1b-Affordable	99,702	125,280	128,412	131,822	134,913	138,288	141,743	145,288	148,919	152,842	156,458	160,369	164,378	168,488	172,700
1b/1b-Market Rate	75,838	95,040	97,418	99,851	102,348	104,908	107,529	110,217	112,973	115,797	118,692	121,659	124,701	127,818	131,014
2b/2b-Affordable	80,185	75,600	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414	96,774	99,194	101,674	104,215
2b/2b-Market Rate	44,894	56,180	57,584	59,003	60,478	61,990	63,540	65,128	66,757	68,428	70,136	71,880	73,667	75,529	77,417
	280,197	352,080	368,882	389,904	379,152	388,830	398,348	408,305	418,512	428,975	439,700	450,892	461,959	473,508	485,348
Other Income	5,804	7,042	7,218	7,398	7,583	7,773	7,967	8,166	8,370	8,580	8,794	9,014	9,239	9,470	9,707
	285,901	359,122	368,100	377,302	386,735	396,403	406,313	416,471	426,883	437,555	448,494	459,706	471,199	482,979	495,053
Vacancy	(18,812)	(21,125)	(21,853)	(22,194)	(22,749)	(23,318)	(23,901)	(24,498)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)
	268,989	337,997	346,447	355,108	363,986	373,085	382,412	391,973	401,772	411,816	422,112	432,664	443,481	454,568	465,932
OPERATING COSTS															
Payroll	67,320	67,320	69,003	70,728	72,498	74,309	76,166	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801
Utilities	21,201	26,840	27,308	27,989	28,688	29,406	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724
Grounds	18,000	18,000	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813
Management Fee	15,682	19,660	20,172	20,678	21,193	21,723	22,268	22,823	23,393	23,978	24,578	25,192	25,822	26,467	27,129
Administration Expense	10,140	10,140	10,394	10,653	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,976
Insurance	4,800	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706	5,848	5,995	6,144	6,298	6,455	6,617
Real Estate Taxes	3,745	11,234	11,571	11,571	11,918	11,918	12,275	12,275	12,644	12,644	13,023	13,023	13,414	13,414	13,818
Advertising	18,920	18,920	17,343	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,758	23,324
Maintenance	15,120	15,120	15,498	15,885	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843
Security/Trash	3,080	3,080	3,137	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218
Reserves	11,938	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,278	18,733	19,201	19,681	20,173	20,678
	187,905	207,914	213,168	218,208	223,721	229,016	234,801	240,364	246,434	252,279	258,649	264,790	271,475	277,928	284,942
CASH FLOW BEFORE DEBT SERVICE	81,084	130,083	133,279	136,900	140,265	144,069	147,812	151,609	155,338	159,537	163,462	167,874	172,006	176,842	180,991
DEBT SERVICE	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)
CASH FLOW AFTER DEBT SERVICE	(23,604)	25,395	28,591	32,212	35,577	39,381	42,923	46,921	50,650	54,849	58,774	63,186	67,318	71,954	76,303
Debt Coverage Ratio		1.24	1.27	1.31	1.34	1.38	1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.69	1.73
LJ Housing Tax Credits															
Federal	129,682	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	33,284			
Missouri	129,682	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	162,928	33,284			
	259,324	325,852	325,852	325,852	325,852	325,852	325,852	325,852	325,852	325,852	325,852	66,528			

NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
2	2001	(1,661,843)								(1,661,843)		
3	2002		81,084	93,030	119,688	(131,634)	129,662	(1,972)	690	259,324	260,014	
4	2003		130,083	92,349	119,688	(81,954)	162,926	80,972	(28,340)	325,852	297,512	
5	2004		133,279	91,630	119,688	(78,040)	162,926	84,886	(29,710)	325,852	296,141	-26.73%
6	2005		136,900	90,872	119,688	(73,661)	162,926	89,265	(31,243)	325,852	294,609	-13.11%
7	2006		140,265	90,073	119,688	(69,496)	162,926	93,430	(32,700)	325,852	293,151	-4.50%
8	2007		144,069	89,229	119,688	(64,848)	162,926	98,078	(34,327)	325,852	291,524	1.20%
9	2008		147,612	88,339	119,688	(60,416)	162,926	102,510	(35,878)	325,852	289,973	5.12%
10	2009		151,609	87,400	119,688	(55,480)	162,926	107,446	(37,606)	325,852	288,245	7.90%
11	2010		155,338	86,409	119,688	(50,760)	162,926	112,166	(39,258)	325,852	286,594	9.93%
12	2011		159,537	85,364	119,688	(45,515)	162,926	117,410	(41,094)	325,852	284,758	11.45%
13	2012		163,462	84,262	119,688	(40,488)	33,264	(7,224)	2,528	66,528	69,056	11.74%
14	2013		167,874	83,098	119,688	(34,912)		(34,912)	12,219	-	12,219	11.79%
15	2014		172,006	81,871	119,688	(29,553)		(29,553)	10,344	-	10,344	11.82%
16	2015		176,642	80,576	119,688	(23,623)		(23,623)	8,268	-	8,268	11.85%
17	2016		180,991	79,210	119,688	(17,908)		(17,908)	6,268	-	6,268	11.86%
		(1,661,843)	2,240,750	1,303,713	1,795,325	(858,288)	1,629,258	770,969	(269,839)	3,258,516	1,326,833	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.

**NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,735,850
Tax Increment Financing	41,667
Development Fee Note	106,242
LIHC Equity Contribution	1,762,816
TOTAL SOURCES OF FUNDS	<u><u>3,646,575</u></u>

USES OF FUNDS

Total Construction Cost	2,883,598
Architect's Fee - Design	70,667
Construction Interest	72,533
Real Estate Taxes	13,250
Insurance	6,360
Other Construction Loan Fee	49,467
Other Permanent Loan Fee	10,600
Environmental Study	1,767
Market Study	1,767
Appraisal	1,767
Title, Recording, Disbursing	10,600
Cost Certification	4,947
Other	12,367
Rent-Up	8,833
Reserves	72,859
Admin	8,811
Land Acquisition	15,900
Developer's Fee	381,051
Tax Credit Fee - Application	14,133
Organization (Partnership)	5,300
TOTAL USES OF FUNDS	<u><u>3,646,575</u></u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

NORTHGATE SENIOR HOUSING - PHASE II
80% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE	
			4%	2%
1. Site Work				-
2. Off-Site				
3. Demolition				
4. New Building	43,973	2,638,375		2,638,375
5. Bond Premium	824	49,467		49,467
6. Other Fees	589	35,333		35,333
7. General Requirements				
8. Builder's Overhead				
9. Builder's Profit	2,674	160,423		160,423
10. Total Construction Cost	48,060	2,883,598		2,883,598
11. Architect's Fee - Design	1,178	70,667		70,667
12. Architect's Fee - Supervision				
13. Soil Report				
14. Survey				
15. Engineering				
16. Construction Interest	1,209	72,533		72,533
17. Real Estate Taxes	221	13,250		13,250
18. Insurance	106	6,360		6,360
19. MHDC Financing Fees				
1% Construction Loan Fee				
1.8% Permanent Loan Fee			N/A	N/A
20. Other Construction Loan Fee	824	49,467		49,467
21. Other Permanent Loan Fee	177	10,600	N/A	N/A
22. Other Permanent Financing Costs			N/A	N/A
23. Environmental Study	29	1,767		1,767
24. Market Study	29	1,767		1,767
25. Appraisal	29	1,767		1,767
26. Title, Recording, Disbursing	177	10,600		10,600
27. Legal (Real Estate)				
28. Organization				
29. Cost Certification	82	4,947		4,947
30. Consultant Fee				
31. Relocation				
32. Other	206	12,367		12,367
Rent-Up	147	8,833	N/A	N/A
Reserves	1,214	72,859	N/A	N/A
Admin	147	8,811		8,811
33. Land Acquisition	265	15,900	N/A	N/A
34. Existing Building Acquisition				
35. Developer's Overhead				
36. Developer's Fee	6,351	381,051		381,051
37. Tax Credit Fee - Application	236	14,133		14,133
Tax Credit Fee - Monitoring			N/A	N/A
38. Organization (Partnership)	88	5,300	N/A	N/A
39. Bridge Loan Fees & Expenses			N/A	N/A
40. Tax Opinion			N/A	N/A
41. Other Syndication Costs			N/A	N/A
Total Development Cost	60,776	3,646,575		3,533,082
Less: Portion of federal grant used to finance qualifying development costs				(41,867)
Total Eligible Basis				3,491,418
Multiplied by the applicable fraction			%	80%
Total Qualified Basis				2,094,849
Multiplied by the applicable percentage			%	8.25%
Total Amount of Federal Tax Credit Requested			172,825	\$0.73 1,261,623
Total Amount of State Tax Credit Requested			172,825	\$0.29 501,193
Total Tax Credit Equity				<u>1,762,816</u>

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-02	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	448	2,140	3,210	5,351	7,491	9,096	10,701	10,701	10,701	10,701	10,701	10,701	10,701	102,195
1b/1b-Market Rate	16	507	1,624	2,435	4,059	5,683	6,900	8,118	8,118	8,118	8,118	8,118	8,118	8,118	77,527
2b/2b-Affordable	12	538	1,292	1,937	3,229	4,520	5,489	6,458	6,458	6,458	6,458	6,458	6,458	6,458	61,669
2b/2b-Market Rate	8	600	959	1,439	2,399	3,358	4,077	4,797	4,797	4,797	4,797	4,797	4,797	4,797	45,811
			8,015	9,022	15,037	21,051	25,562	30,074	30,074	30,074	30,074	30,074	30,074	30,074	267,202
Other Income		2.0%	120	180	301	421	511	601	601	601	601	601	601	601	5,744
			8,135	9,202	15,337	21,472	26,074	30,675	30,675	30,675	30,675	30,675	30,675	30,675	292,946
Vacancy		8.0%	(361)	(541)	(902)	(1,263)	(1,534)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(17,232)
			5,774	8,661	14,435	20,209	24,540	28,871	28,871	28,871	28,871	28,871	28,871	28,871	275,714
OPERATING COSTS															
Payroll	80	1,150	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	69,003
Utilities	80	455	455	663	1,138	1,593	1,934	2,276	2,276	2,276	2,276	2,276	2,276	2,276	21,731
Grounds	80	308	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	18,450
Management Fee	80	336	336	504	841	1,177	1,429	1,681	1,681	1,681	1,681	1,681	1,681	1,681	16,054
Administration Expense	80	173	866	866	866	866	866	866	866	866	866	866	866	866	10,394
Insurance	60	82	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Real Estate Taxes	60	192	48	96	160	224	272	320	320	480	480	480	480	480	3,837
Advertising	80	289	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	17,343
Maintenance	80	258	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	15,498
Security/Trash	60	52	261	261	261	261	261	261	261	261	261	261	261	261	3,137
Reserves	80	256	256	384	641	897	1,089	1,281	1,281	1,281	1,281	1,281	1,281	1,281	12,236
			12,658	13,228	14,341	15,452	16,286	17,119	17,119	17,279	17,279	17,279	17,279	17,279	192,601
NET OPERATING INCOME			(6,883)	(4,568)	95	4,757	8,254	11,751	11,751	11,591	11,591	11,591	11,591	11,591	83,112
Low-Income Tax Credits															
Federal			2,880	4,321	7,201	10,081	12,242	14,402	14,402	14,402	14,402	14,402	14,402	14,402	137,540
Missouri			2,880	4,321	7,201	10,081	12,242	14,402	14,402	14,402	14,402	14,402	14,402	14,402	137,540
			5,761	8,641	14,402	20,163	24,484	28,804	28,804	28,804	28,804	28,804	28,804	28,804	275,080

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
1b/1b-Affordable	24	448	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	128,412
1b/1b-Market Rate	16	507	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	97,416
2b/2b-Affordable	12	538	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	77,490
2b/2b-Market Rate	8	600	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	57,564
			30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	360,882
Other Income		2.0%	601	601	601	601	601	601	601	601	601	601	601	601	7,218
			30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	368,100
Vacancy		6.0%	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(21,653)
			28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	348,447
OPERATING COSTS															
Payroll	60	1,150	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	69,003
Utilities	60	455	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	27,306
Grounds	60	308	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	18,450
Management Fee	60	336	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	20,172
Administration Expense	60	173	866	866	866	866	866	866	866	866	866	866	866	866	10,394
Insurance	60	82	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Real Estate Taxes	60	192	959	959	959	959	959	959	959	959	959	959	959	959	11,511
Advertising	60	289	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	17,343
Maintenance	60	258	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	15,498
Security/Trash	60	52	261	261	261	261	261	261	261	261	261	261	261	261	3,137
Reserves	60	256	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	15,375
			17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	213,108
CASH FLOW BEFORE DEBT SERVICE															
			11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	133,339
DEBT SERVICE															
			(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(107,436)
CASH FLOW AFTER DEBT SERVICE															
			2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	25,903
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	172,825
Missouri			14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	14,402	172,825
			28,804	28,804	28,804	28,804	28,804	28,804	28,804	28,804	28,804	28,804	28,804	28,804	345,650

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2017

	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017
REVENUES															
1b/1b-Affordable	102,195	128,412	131,822	134,913	138,286	141,743	145,286	148,919	152,642	156,458	160,369	164,378	168,488	172,700	177,017
1b/1b-Market Rate	77,527	97,418	99,851	102,348	104,908	107,529	110,217	112,973	115,797	118,692	121,659	124,701	127,818	131,014	134,289
2b/2b-Affordable	61,669	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414	96,774	99,194	101,674	104,215	106,821
2b/2b-Market Rate	45,811	57,564	59,003	60,478	61,990	63,540	65,128	66,757	68,426	70,136	71,890	73,687	75,526	77,417	79,353
	<u>287,202</u>	<u>360,882</u>	<u>369,904</u>	<u>379,152</u>	<u>388,630</u>	<u>398,346</u>	<u>408,305</u>	<u>418,512</u>	<u>428,975</u>	<u>439,700</u>	<u>450,692</u>	<u>461,959</u>	<u>473,508</u>	<u>485,346</u>	<u>497,480</u>
Other Income	5,744	7,218	7,398	7,583	7,773	7,967	8,166	8,370	8,580	8,794	9,014	9,239	9,470	9,707	9,950
	<u>292,946</u>	<u>368,100</u>	<u>377,302</u>	<u>386,735</u>	<u>396,403</u>	<u>406,313</u>	<u>416,471</u>	<u>426,883</u>	<u>437,555</u>	<u>448,494</u>	<u>459,706</u>	<u>471,199</u>	<u>482,979</u>	<u>495,053</u>	<u>507,429</u>
Vacancy	(17,232)	(21,653)	(22,194)	(22,749)	(23,318)	(23,901)	(24,498)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)	(29,849)
	<u>275,714</u>	<u>346,447</u>	<u>355,108</u>	<u>363,986</u>	<u>373,085</u>	<u>382,412</u>	<u>391,973</u>	<u>401,772</u>	<u>411,816</u>	<u>422,112</u>	<u>432,664</u>	<u>443,481</u>	<u>454,568</u>	<u>465,932</u>	<u>477,581</u>
OPERATING COSTS															
Payroll	69,003	89,003	70,728	72,496	74,309	76,166	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801	95,121
Utilities	21,731	27,308	27,989	28,688	29,408	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724	37,642
Grounds	18,450	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434
Management Fee	16,054	20,172	20,676	21,193	21,723	22,266	22,823	23,393	23,976	24,572	25,182	25,822	26,487	27,129	27,807
Administration Expense	10,394	10,394	10,853	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,976	14,328
Insurance	4,920	4,920	5,043	5,189	5,298	5,431	5,587	5,708	5,848	5,995	6,144	6,298	6,455	6,617	6,782
Real Estate Taxes	3,837	11,511	11,511	11,856	11,856	12,212	12,212	12,578	12,578	12,956	12,956	13,344	13,344	13,745	13,745
Advertising	17,343	17,343	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,756	23,324	23,908
Maintenance	15,498	15,498	15,895	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843	21,364
Security/Trash	3,137	3,137	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218	4,324
Reserves	12,236	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,278	18,733	19,201	19,681	20,173	20,678	21,195
	<u>192,601</u>	<u>213,108</u>	<u>218,148</u>	<u>223,659</u>	<u>228,954</u>	<u>234,737</u>	<u>240,300</u>	<u>246,369</u>	<u>252,214</u>	<u>258,582</u>	<u>264,723</u>	<u>271,405</u>	<u>277,857</u>	<u>284,870</u>	<u>291,848</u>
CASH FLOW BEFORE DEBT SERVICE	83,112	133,339	136,960	140,327	144,131	147,675	151,672	155,403	159,603	163,530	167,942	172,076	176,711	181,062	185,932
DEBT SERVICE	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)	(107,438)
CASH FLOW AFTER DEBT SERVICE	(24,324)	25,903	29,524	32,891	36,695	40,239	44,238	47,967	52,167	56,094	60,506	64,640	69,275	73,628	78,496
Debt Coverage Ratio		1.24	1.27	1.31	1.34	1.37	1.41	1.45	1.49	1.52	1.56	1.60	1.64	1.69	1.73
LI Housing Tax Credits															
Federal	137,540	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	35,285			
Missouri	137,540	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	172,825	35,285			
	<u>275,080</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>345,650</u>	<u>70,570</u>			

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2017

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
3	2002	(1,762,816)								(1,762,816)		
4	2003		83,112	95,472	126,961	(139,320)	137,540	(1,780)	623	275,080	275,703	
5	2004		133,339	94,773	126,961	(88,395)	172,825	84,431	(29,551)	345,650	316,099	
6	2005		136,960	94,036	126,961	(84,036)	172,825	88,789	(31,076)	345,650	314,574	-26.69%
7	2006		140,327	93,258	126,961	(79,892)	172,825	92,933	(32,527)	345,650	313,123	-13.07%
8	2007		144,131	92,437	126,961	(75,266)	172,825	97,559	(34,146)	345,650	311,505	-4.46%
9	2008		147,675	91,571	126,961	(70,857)	172,825	101,968	(35,689)	345,650	309,961	1.24%
10	2009		151,672	90,658	126,961	(65,946)	172,825	106,879	(37,408)	345,650	308,242	5.16%
11	2010		155,403	89,694	126,961	(61,252)	172,825	111,573	(39,051)	345,650	306,599	7.94%
12	2011		159,803	88,677	126,961	(56,035)	172,825	116,790	(40,876)	345,650	304,774	9.97%
13	2012		163,530	87,605	126,961	(51,036)	172,825	121,789	(42,626)	345,650	303,024	11.49%
14	2013		167,942	86,473	126,961	(45,492)	35,285	(10,207)	3,572	70,570	74,143	11.78%
15	2014		172,076	85,280	126,961	(40,164)		(40,164)	14,058	-	14,058	11.83%
16	2015		176,711	84,020	126,961	(34,269)		(34,269)	11,994	-	11,994	11.87%
17	2016		181,062	82,691	126,961	(28,590)		(28,590)	10,006	-	10,006	11.90%
18	2017		185,932	81,290	126,961	(22,318)		(22,318)	7,811	-	7,811	11.92%
		(1,762,816)	2,299,476	1,337,934	1,904,409	(942,867)	1,728,251	785,384	(274,884)	3,456,502	1,418,802	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,779,280
Tax Increment Financing	41,667
Development Fee Note	174,576
LIHC Equity Contribution	1,869,847
TOTAL SOURCES OF FUNDS	<u><u>3,865,369</u></u>

USES OF FUNDS

Total Construction Cost	3,056,613
Architect's Fee - Design	74,907
Construction Interest	76,885
Real Estate Taxes	14,045
Insurance	6,742
Other Construction Loan Fee	52,435
Other Permanent Loan Fee	11,236
Environmental Study	1,873
Market Study	1,873
Appraisal	1,873
Title, Recording, Disbursing	11,236
Cost Certification	5,243
Other	13,109
Rent-Up	9,363
Reserves	77,231
Admin	9,340
Land Acquisition	16,854
Developer's Fee	403,914
Tax Credit Fee - Application	14,981
Organization (Partnership)	5,618
TOTAL USES OF FUNDS	<u><u>3,865,369</u></u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

**NORTHGATE SENIOR HOUSING - PHASE III
80% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS**

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE		
			4%	9%	
1. Site Work				-	
2. Off-Site					
3. Demolition					
4. New Building	46,611	2,796,677		2,796,677	
5. Bond Premium	874	52,435		52,435	
6. Other Fees	624	37,453		37,453	
7. General Requirements		-		-	
8. Builder's Overhead				-	
9. Builder's Profit	2,834	170,048		170,048	
10. Total Construction Cost	50,944	3,056,613		3,056,613	
11. Architect's Fee - Design	1,248	74,907		74,907	
12. Architect's Fee - Supervision				-	
13. Soil Report				-	
14. Survey				-	
15. Engineering				-	
16. Construction Interest	1,281	76,885		76,885	
17. Real Estate Taxes	234	14,045		14,045	
18. Insurance	112	6,742		6,742	
19. MHDC Financing Fees					
1% Construction Loan Fee					
1.8% Permanent Loan Fee			N/A	N/A	
20. Other Construction Loan Fee	874	52,435		52,435	
21. Other Permanent Loan Fee	187	11,236	N/A	N/A	
22. Other Permanent Financing Costs			N/A	N/A	
23. Environmental Study	31	1,873		1,873	
24. Market Study	31	1,873		1,873	
25. Appraisal	31	1,873		1,873	
26. Title, Recording, Disbursing	187	11,236		11,236	
27. Legal (Real Estate)				-	
28. Organization					
29. Cost Certification	87	5,243		5,243	
30. Consultant Fee				-	
31. Relocation					
32. Other	218	13,109		13,109	
Rent-Up	156	9,363	N/A	N/A	
Reserves	1,287	77,231	N/A	N/A	
Admin	156	9,340		9,340	
33. Land Acquisition	281	16,854	N/A	N/A	
34. Existing Building Acquisition					
35. Developer's Overhead					
36. Developer's Fee	6,732	403,914		403,914	
37. Tax Credit Fee - Application	250	14,981		14,981	
Tax Credit Fee - Monitoring			N/A	N/A	
38. Organization (Partnership)	94	5,618	N/A	N/A	
39. Bridge Loan Fees & Expenses			N/A	N/A	
40. Tax Opinion			N/A	N/A	
41. Other Syndication Costs			N/A	N/A	
Total Development Cost	64,423	3,865,369		3,745,067	
Less: Portion of federal grant used to finance qualifying development costs				(41,667)	
Total Eligible Basis				3,703,401	
Multiplied by the applicable fraction			%	60%	
Total Qualified Basis				2,222,040	
Multiplied by the applicable percentage			%	8.25%	
Total Amount of Federal Tax Credit Requested			183,318	\$0.73	1,338,224
Total Amount of State Tax Credit Requested			183,318	\$0.29	531,623
Total Tax Credit Equity					1,869,847

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004**

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	457	2,194	3,291	5,484	7,678	9,323	10,969	10,969	10,969	10,969	10,969	10,969	10,969	104,749
1b/1b-Market Rate	16	520	1,664	2,496	4,160	5,825	7,073	8,321	8,321	8,321	8,321	8,321	8,321	8,321	79,465
2b/2b-Affordable	12	552	1,324	1,986	3,309	4,633	5,826	6,619	6,619	6,619	6,619	6,619	6,619	6,619	63,211
2b/2b-Market Rate	8	615	983	1,475	2,458	3,442	4,179	4,917	4,917	4,917	4,917	4,917	4,917	4,917	46,957
			6,165	9,248	15,413	21,578	26,202	30,825	30,825	30,825	30,825	30,825	30,825	30,825	294,382
Other Income		2.0%	123	185	308	432	524	617	617	617	617	617	617	617	5,888
			6,288	9,433	15,721	22,009	26,726	31,442	31,442	31,442	31,442	31,442	31,442	31,442	300,270
Vacancy		6.0%	(370)	(555)	(925)	(1,295)	(1,572)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(17,663)
			5,918	8,878	14,796	20,715	25,153	29,592	29,592	29,592	29,592	29,592	29,592	29,592	282,607
OPERATING COSTS															
Payroll	60	1,179	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	70,728
Utilities	60	466	466	700	1,166	1,633	1,983	2,332	2,332	2,332	2,332	2,332	2,332	2,332	22,274
Grounds	60	315	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	18,911
Management Fee	60	345	345	517	862	1,206	1,465	1,723	1,723	1,723	1,723	1,723	1,723	1,723	16,455
Administration Expense	60	178	888	888	888	888	888	888	888	888	888	888	888	888	10,653
Insurance	60	84	420	420	420	420	420	420	420	420	420	420	420	420	5,043
Real Estate Taxes	60	197	66	98	164	229	279	328	328	492	492	492	492	492	3,949
Advertising	60	296	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	17,777
Maintenance	60	285	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,685
Security/Trash	60	54	268	268	268	268	268	268	268	268	268	268	268	268	3,215
Reserves	60	263	263	394	657	919	1,116	1,313	1,313	1,313	1,313	1,313	1,313	1,313	12,542
			12,960	13,560	14,899	15,839	16,693	17,547	17,547	17,711	17,711	17,711	17,711	17,711	197,433
NET OPERATING INCOME			(7,072)	(4,682)	97	4,876	8,460	12,045	12,045	11,881	11,881	11,881	11,881	11,881	85,174
Low-income Tax Credits															
Federal			3,055	4,583	7,638	10,694	12,985	15,277	15,277	15,277	15,277	15,277	15,277	15,277	145,891
Missouri			3,055	4,583	7,638	10,694	12,985	15,277	15,277	15,277	15,277	15,277	15,277	15,277	145,891
			6,111	9,166	15,277	21,387	25,970	30,553	30,553	30,553	30,553	30,553	30,553	30,553	291,782

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005**

	No Units	Per Unit	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
REVENUES															
1b/1b-Affordable	24	457	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	131,822
1b/1b-Market Rate	16	520	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	99,851
2b/2b-Affordable	12	552	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	79,427
2b/2b-Market Rate	8	615	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	59,003
			30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	369,904
Other Income		2.0%	617	617	617	617	617	617	617	617	617	617	617	617	7,398
			31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	377,302
Vacancy		6.0%	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(22,194)
			29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	355,108
OPERATING COSTS															
Payroll	60	1,179	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	70,728
Utilities	60	466	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,989
Grounds	60	315	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	18,911
Management Fee	60	345	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	20,676
Administration Expense	60	178	888	888	888	888	888	888	888	888	888	888	888	888	10,653
Insurance	60	84	420	420	420	420	420	420	420	420	420	420	420	420	5,043
Real Estate Taxes	60	197	983	983	983	983	983	983	983	983	983	983	983	983	11,799
Advertising	60	296	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	17,777
Maintenance	60	265	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,885
Security/Trash	60	54	268	268	268	268	268	268	268	268	268	268	268	268	3,215
Reserves	60	263	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	15,759
			18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	218,436
CASH FLOW BEFORE DEBT SERVICE															
			11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	136,672
DEBT SERVICE															
			(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(110,124)
CASH FLOW AFTER DEBT SERVICE															
			2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	26,548
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	183,318
Missouri			15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	15,277	183,318
			30,553	30,553	30,553	30,553	30,553	30,553	30,553	30,553	30,553	30,553	30,553	30,553	366,637

NORTHGATE SENIOR HOUSING - PHASE III
80% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2018

	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017	Year 19 2018
REVENUES															
1b/1b-Affordable	104,749	131,822	134,913	138,288	141,743	145,268	148,919	152,842	158,458	160,389	164,378	168,488	172,700	177,017	181,443
1b/1b-Market Rate	79,465	99,851	102,348	104,908	107,529	110,217	112,973	115,797	118,892	121,859	124,701	127,818	131,014	134,289	137,848
2b/2b-Affordable	83,211	79,427	81,413	83,448	85,534	87,873	89,865	92,111	94,414	96,774	99,194	101,674	104,215	106,821	109,491
2b/2b-Market Rate	48,957	50,003	60,478	81,990	63,540	66,128	68,757	68,428	70,138	71,890	73,687	75,529	77,417	79,353	81,338
	294,382	369,904	379,152	388,630	388,346	408,305	418,512	428,975	438,700	450,692	461,959	473,508	485,346	497,480	509,917
Other Income	5,888	7,398	7,583	7,773	7,967	8,166	8,370	8,580	8,784	9,014	9,239	9,470	9,707	9,950	10,198
	300,270	377,302	386,735	396,403	406,313	418,471	428,883	437,555	448,484	459,706	471,199	482,979	495,053	507,429	520,115
Vacancy	(17,863)	(22,194)	(22,749)	(23,318)	(23,901)	(24,498)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)	(29,849)	(30,595)
	282,807	355,108	363,986	373,085	382,412	391,973	401,772	411,816	422,112	432,664	443,481	454,568	465,932	477,581	489,520
OPERATING COSTS															
Payroll	70,728	70,728	72,498	74,309	76,168	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801	95,121	97,499
Utilities	22,274	27,989	28,688	29,406	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724	37,642	38,583
Grounds	18,911	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434	26,069
Management Fee	16,455	20,878	21,193	21,723	22,268	22,823	23,393	23,978	24,578	25,192	25,822	26,467	27,129	27,807	28,503
Administration Expense	10,883	10,883	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,306	13,637	13,978	14,328	14,686
Insurance	5,043	5,043	5,169	5,298	5,431	5,567	5,706	5,848	5,995	6,144	6,298	6,456	6,617	6,782	6,952
Real Estate Taxes	3,949	11,799	12,153	12,153	12,517	12,517	12,893	12,893	13,279	13,279	13,678	13,678	14,088	14,088	14,511
Advertising	17,777	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,758	23,324	23,908	24,505
Maintenance	15,885	15,885	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843	21,364	21,898
Security/Trash	3,215	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218	4,324	4,432
Reserves	12,542	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195	21,724
	197,433	218,436	223,955	229,250	235,042	240,606	246,883	252,528	258,606	265,048	271,739	278,191	285,214	291,992	299,382
CASH FLOW BEFORE DEBT SERVICE	83,112	133,339	140,030	143,835	147,370	151,367	155,089	159,288	163,206	167,818	171,742	176,378	180,719	185,589	190,158
DEBT SERVICE	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)
CASH FLOW AFTER DEBT SERVICE	(27,012)	23,215	29,906	33,711	37,246	41,243	44,965	49,164	53,082	57,494	61,618	66,254	70,595	75,465	80,034
Debt Coverage Ratio		1.21	1.27	1.31	1.34	1.37	1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.69	1.73
LJ Housing Tax Credits															
Federal	145,891	183,318	183,318	183,318	183,318	183,318	183,318	183,318	183,318	183,318	37,427				
Missouri	145,891	183,318	183,318	183,318	183,318	183,318	183,318	183,318	183,318	183,318	37,427				
	291,782	366,637	366,637	366,637	366,637	366,637	366,637	366,637	366,637	366,637	74,855				

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2019**

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
4	2003	(1,869,847)								(1,869,847)		
5	2004		83,112	97,860	134,669	(149,417)	145,891	(3,526)	1,234	291,782	293,016	
6	2005		133,339	97,144	134,669	(98,474)	183,318	84,844	(29,695)	366,637	336,941	
7	2006		140,030	96,388	134,669	(91,027)	183,318	92,291	(32,302)	366,637	334,335	-26.60%
8	2007		143,835	95,591	134,669	(86,425)	183,318	96,893	(33,913)	366,637	332,724	-12.99%
9	2008		147,370	94,750	134,669	(82,049)	183,318	101,269	(35,444)	366,637	331,192	-4.38%
10	2009		151,367	93,862	134,669	(77,164)	183,318	106,154	(37,154)	366,637	329,483	1.31%
11	2010		155,089	92,926	134,669	(72,506)	183,318	110,812	(38,784)	366,637	327,853	5.23%
12	2011		159,288	91,938	134,669	(67,319)	183,318	115,999	(40,600)	366,637	326,037	8.01%
13	2012		163,206	90,896	134,669	(62,359)	183,318	120,959	(42,336)	366,637	324,301	10.04%
14	2013		167,618	89,797	134,669	(56,848)	183,318	126,471	(44,265)	366,637	322,372	11.55%
15	2014		171,742	88,637	134,669	(51,564)	37,427	(14,136)	4,948	74,855	79,803	11.85%
16	2015		176,378	87,413	134,669	(45,705)		(45,705)	15,997	-	15,997	11.90%
17	2016		180,719	86,122	134,669	(40,073)		(40,073)	14,025	-	14,025	11.94%
18	2017		185,589	84,760	134,669	(33,841)		(33,841)	11,844	-	11,844	11.98%
19	2018		190,158	83,323	134,669	(27,834)		(27,834)	9,742	-	9,742	12.00%
		(1,869,847)	2,348,839	1,371,409	2,020,037	(1,042,606)	1,833,183	790,577	(276,702)	3,666,367	1,519,818	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.



**NORTHGATE VILLAGE
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
TABLE OF CONTENTS**

	Page
SCHEDULE OF GENERAL ASSUMPTIONS	21
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	22
PHASE I	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	23
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	24
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	25
SCHEDULE OF BASE RENT AND EXPENSES	26
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	27
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	28
PHASE II	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	29
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	30
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	31
SCHEDULE OF BASE RENT AND EXPENSES	32
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	33
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	34
PHASE III	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	35
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS AND ELIGIBLE BASIS	36
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	37
SCHEDULE OF BASE RENT AND EXPENSES	38
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	39
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN	40

**NORTHGATE SENIOR HOUSING
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF GENERAL ASSUMPTIONS**

PROJECT INFORMATION:

Project Name	NORTHGATE SENIOR HOUSING
Type Ownership Entity	Limited Partnership
Project Location	North Kansas City, Missouri
Type of Project	New Construction Affordable Housing

	Phase I	Phase II	Phase III	Total
Number of Buildings	3	3	3	9
Total Number of LI Units	36	36	36	108
Total Number Market Rate Units	24	24	24	72
Total Number of Units	60	60	60	180
% of LI Units to Total	60%	60%	60%	60%

Project Schedule

Constr Complete (Placed in Service)	Jan-2002	Jan-2003	Jan-2004
Lease-up	Jun-2002	Jun-2003	Jun-2004

ASSUMPTIONS:

Estimated Vacancy	6.0%	Tax Credit Syndication	
Estimated Increase in Rents	2.5%	Federal	\$0.73
Estimated Increase in Expenses	2.5%	Missouri	\$0.29
Est. Increase in Real Estate Taxes	3.0%		
Replacement Reserve	250	Tax Credit Rate	
Management Fee	5.8%	New Construction	8.25%
Other Income % of Gross Rents	2.0%		
Estimated Increase in Constr Costs	6.0%	Corporate Tax Rate	35%

MORTGAGE TERMS:

MHDC / North Kansas City Loan -

Phase I	1,891,451	Interest Rate - Blended	5.5%
Phase II	1,735,850	Debt Coverage Ratio	1.20
Phase III	1,779,280	Amortization	40 years
	<u>5,206,581</u>		

SUMMARY OF PROJECT:

Annual Tax Credits	Federal	Missouri
Phase I	164,968	164,968
Phase II	174,888	174,888
Phase III	185,381	185,381
	<u>525,257</u>	<u>525,257</u>

**NORTHGATE SENIOR HOUSING
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Total</u>
MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,691,451	1,735,850	1,779,280	5,206,581
Tax Increment Financing	-	-	-	-
Development Fee Note	460,008	521,046	589,380	1,570,434
LIHC Equity Contribution	1,682,881	1,783,853	1,890,885	5,357,618
TOTAL SOURCES OF FUNDS	<u>3,834,340</u>	<u>4,040,750</u>	<u>4,259,544</u>	<u>12,134,633</u>

USES OF FUNDS

Total Construction Cost	3,114,550	3,277,772	3,450,788	9,843,110
Architect's Fee - Design	66,667	70,667	74,907	212,240
Construction Interest	68,427	72,533	76,885	217,845
Real Estate Taxes	12,500	13,250	14,045	39,795
Insurance	6,000	6,360	6,742	19,102
Other Construction Loan Fee	46,667	49,467	52,435	148,568
Other Permanent Loan Fee	10,000	10,600	11,236	31,836
Environmental Study	1,667	1,767	1,873	5,306
Market Study	1,667	1,767	1,873	5,306
Appraisal	1,667	1,767	1,873	5,306
Title, Recording, Disbursing	10,000	10,600	11,236	31,836
Cost Certification	4,667	4,947	5,243	14,857
Other	11,667	12,367	13,109	37,142
Rent-Up	8,333	8,833	9,363	26,530
Reserves	68,735	72,859	77,231	218,825
Admin	8,312	8,811	9,340	26,463
Land Acquisition	15,000	15,900	16,854	47,754
Developer's Fee	359,482	381,051	403,914	1,144,447
Tax Credit Fee - Application	13,333	14,133	14,981	42,448
Organization (Partnership)	5,000	5,300	5,618	15,918
TOTAL USES OF FUNDS	<u>3,834,340</u>	<u>4,040,750</u>	<u>4,259,544</u>	<u>12,134,633</u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

**NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,691,451
Tax Increment Financing	-
Development Fee Note	460,008
LIHC Equity Contribution	1,682,881
TOTAL SOURCES OF FUNDS	<u>3,834,340</u>

USES OF FUNDS

Total Construction Cost	3,114,550
Architect's Fee - Design	66,667
Construction Interest	68,427
Real Estate Taxes	12,500
Insurance	6,000
Other Construction Loan Fee	46,667
Other Permanent Loan Fee	10,000
Environmental Study	1,667
Market Study	1,667
Appraisal	1,667
Title, Recording, Disbursing	10,000
Cost Certification	4,667
Other	11,667
Rent-Up	8,333
Reserves	68,735
Admin	8,312
Land Acquisition	15,000
Developer's Fee	359,482
Tax Credit Fee - Application	13,333
Organization (Partnership)	5,000
TOTAL USES OF FUNDS	<u>3,834,340</u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE	
			4%	2%
1. TIF Costs	6,570	394,175		-
2. Off-Site				
3. Demolition				
4. New Building	41,484	2,489,033		2,489,033
5. Bond Premium	778	46,667		46,667
6. Other Fees	556	33,333		33,333
7. General Requirements		-		-
8. Builder's Overhead				-
9. Builder's Profit	2,522	151,342		151,342
10. Total Construction Cost	51,909	3,114,550		2,720,375
11. Architect's Fee - Design	1,111	66,667		66,667
12. Architect's Fee - Supervision				-
13. Soil Report				-
14. Survey				-
15. Engineering				-
16. Construction Interest	1,140	68,427		68,427
17. Real Estate Taxes	208	12,500		12,500
18. Insurance	100	6,000		6,000
19. MHDC Financing Fees				
1% Construction Loan Fee				
1.8% Permanent Loan Fee			N/A	N/A
20. Other Construction Loan Fee	778	46,667		46,667
21. Other Permanent Loan Fee	167	10,000	N/A	N/A
22. Other Permanent Financing Costs			N/A	N/A
23. Environmental Study	28	1,667		1,667
24. Market Study	28	1,667		1,667
25. Appraisal	28	1,667		1,667
26. Title, Recording, Disbursing	167	10,000		10,000
27. Legal (Real Estate)				-
28. Organization				
29. Cost Certification	78	4,667		4,667
30. Consultant Fee				-
31. Relocation				
32. Other	194	11,667		11,667
Rent-Up	139	8,333	N/A	N/A
Reserves	1,146	68,735	N/A	N/A
Admin	139	8,312		8,312
33. Land Acquisition	250	15,000	N/A	N/A
34. Existing Building Acquisition				
35. Developer's Overhead				
36. Developer's Fee	5,991	359,482		359,482
37. Tax Credit Fee - Application	222	13,333		13,333
Tax Credit Fee - Monitoring			N/A	N/A
38. Organization (Partnership)	83	5,000	N/A	N/A
39. Bridge Loan Fees & Expenses			N/A	N/A
40. Tax Opinion			N/A	N/A
41. Other Syndication Costs			N/A	N/A
Total Development Cost	63,906	3,834,340		3,333,097
Less: Portion of federal grant used to finance qualifying development costs				
Total Eligible Basis				3,333,097
Multiplied by the applicable fraction			%	60%
Total Qualified Basis				1,999,858
Multiplied by the applicable percentage			%	8.25%
Total Amount of Federal Tax Credit Requested				164,988
Total Amount of State Tax Credit Requested				164,988
Total Tax Credit Equity				<u>1,682,881</u>

NORTHGATE SENIOR HOUSING - PHASE I
80% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002

	No Units	Per Unit	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	435	2,088	3,132	5,220	7,308	8,874	10,440	10,440	10,440	10,440	10,440	10,440	10,440	99,702
1b/1b-Market Rate	16	495	1,584	2,376	3,960	5,544	6,732	7,920	7,920	7,920	7,920	7,920	7,920	7,920	75,636
2b/2b-Affordable	12	525	1,260	1,890	3,150	4,410	5,355	6,300	6,300	6,300	6,300	6,300	6,300	6,300	60,165
2b/2b-Market Rate	8	585	936	1,404	2,340	3,276	3,978	4,680	4,680	4,680	4,680	4,680	4,680	4,680	44,664
			5,868	8,802	14,670	20,538	24,939	29,340	29,340	29,340	29,340	29,340	29,340	29,340	280,197
Other Income		2.0%	117	176	293	411	499	587	587	587	587	587	587	587	5,604
			5,985	8,978	14,963	20,949	25,438	29,927	29,927	29,927	29,927	29,927	29,927	29,927	285,801
Vacancy		8.0%	(352)	(528)	(880)	(1,232)	(1,496)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(16,812)
			5,633	8,450	14,083	19,716	23,941	28,166	28,166	28,166	28,166	28,166	28,166	28,166	268,989
OPERATING COSTS															
Payroll	60	1,122	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	67,320
Utilities	60	444	444	666	1,110	1,554	1,887	2,220	2,220	2,220	2,220	2,220	2,220	2,220	21,201
Grounds	60	300	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Management Fee	60	328	328	492	820	1,148	1,394	1,640	1,640	1,640	1,640	1,640	1,640	1,640	15,682
Administration Expense	60	169	845	845	845	845	845	845	845	845	845	845	845	845	10,140
Insurance	60	80	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Real Estate Taxes	60	187	47	94	158	218	265	312	312	468	468	468	468	468	3,745
Advertising	60	282	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,920
Maintenance	60	252	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120
Security/Trash	60	51	255	255	255	255	255	255	255	255	255	255	255	255	3,060
Reserves	60	250	250	375	625	875	1,063	1,250	1,250	1,250	1,250	1,250	1,250	1,250	11,938
			12,349	12,907	13,991	15,075	15,689	16,702	16,702	16,858	16,858	16,858	16,858	16,858	187,905
NET OPERATING INCOME			(6,716)	(4,457)	92	4,641	8,053	11,464	11,464	11,308	11,308	11,308	11,308	11,308	61,084
Low-Income Tax Credits															
Federal			2,750	4,125	6,875	9,624	11,687	13,749	13,749	13,749	13,749	13,749	13,749	13,749	131,303
Missouri			2,750	4,125	6,875	9,624	11,687	13,749	13,749	13,749	13,749	13,749	13,749	13,749	131,303
			5,500	8,249	13,749	19,249	23,373	27,498	27,498	27,498	27,498	27,498	27,498	27,498	262,606

NORTHGATE SENIOR HOUSING - PHASE I
80% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
1b/1b-Affordable	24	435	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	125,280
1b/1b-Market Rate	16	495	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	95,040
2b/2b-Affordable	12	525	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
2b/2b-Market Rate	8	565	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	4,680	56,160
			<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>29,340</u>	<u>352,080</u>
Other Income		2.0%	587	587	587	587	587	587	587	587	587	587	587	587	7,042
			<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>29,927</u>	<u>359,122</u>
Vacancy		6.0%	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(21,125)
			<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>28,168</u>	<u>337,997</u>
OPERATING COSTS															
Payroll	60	1,122	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	67,320
Utilities	60	444	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	26,640
Grounds	60	300	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Management Fee	60	328	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	19,680
Administration Expense	60	169	845	845	845	845	845	845	845	845	845	845	845	845	10,140
Insurance	60	80	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Real Estate Taxes	60	187	936	936	936	936	936	936	936	936	936	936	936	936	11,234
Advertising	60	282	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,920
Maintenance	60	252	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120
Security/Trash	60	51	255	255	255	255	255	255	255	255	255	255	255	255	3,060
Reserves	60	250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
			<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>207,914</u>
CASH FLOW BEFORE DEBT SERVICE															
			10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	10,840	130,083
DEBT SERVICE															
			(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(8,724)	(104,688)
CASH FLOW AFTER DEBT SERVICE															
			<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>2,116</u>	<u>25,395</u>
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	164,988
Missouri			13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	13,749	164,988
			<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>	<u>329,977</u>

NORTHGATE SENIOR HOUSING - PHASE I
80% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

	Year 3 2002	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES															
1b/1b-Affordable	99,702	125,280	128,412	131,622	134,913	138,288	141,743	145,288	148,919	152,642	156,458	160,369	164,378	168,488	172,700
1b/1b-Market Rate	75,838	95,040	97,418	99,951	102,348	104,908	107,529	110,217	112,973	115,797	118,692	121,659	124,701	127,818	131,014
2b/2b-Affordable	80,165	75,600	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414	96,774	99,194	101,674	104,215
2b/2b-Market Rate	44,894	56,160	57,584	59,003	60,478	61,990	63,540	65,128	66,757	68,428	70,136	71,890	73,687	75,529	77,417
	280,197	352,080	380,882	389,904	379,152	388,830	398,346	408,505	418,512	428,975	439,700	450,692	461,959	473,506	485,346
Other Income	5,604	7,042	7,218	7,399	7,583	7,773	7,967	8,166	8,370	8,580	8,794	9,014	9,239	9,470	9,707
	285,801	359,122	388,100	377,302	386,735	396,603	406,313	416,471	426,883	437,555	448,494	459,706	471,199	482,979	495,053
Vacancy	(16,812)	(21,125)	(21,653)	(22,194)	(22,749)	(23,318)	(23,901)	(24,498)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)
	268,989	337,997	346,447	355,108	363,986	373,085	382,412	391,973	401,772	411,816	422,112	432,664	443,481	454,568	465,932
OPERATING COSTS															
Payroll	67,320	67,320	69,003	70,728	72,496	74,309	76,166	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801
Utilities	21,201	26,640	27,308	27,989	28,688	29,408	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724
Grounds	18,000	18,000	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813
Management Fee	15,982	19,680	20,172	20,676	21,193	21,723	22,266	22,823	23,393	23,978	24,578	25,192	25,822	26,467	27,129
Administration Expense	10,140	10,140	10,394	10,653	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,978
Insurance	4,800	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706	5,848	5,995	6,144	6,298	6,455	6,617
Real Estate Taxes	3,745	11,234	11,571	11,571	11,918	11,918	12,275	12,275	12,644	12,644	13,023	13,023	13,414	13,414	13,816
Advertising	16,920	16,920	17,343	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,756	23,324
Maintenance	15,120	15,120	15,498	15,885	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843
Security/Trash	3,060	3,060	3,137	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218
Reserves	11,938	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678
	167,905	207,914	213,168	218,208	223,721	229,016	234,801	240,364	246,434	252,279	258,649	264,790	271,475	277,926	284,942
CASH FLOW BEFORE DEBT SERVICE	81,084	130,083	133,279	136,900	140,265	144,069	147,612	151,609	155,338	159,537	163,462	167,874	172,008	176,642	180,991
DEBT SERVICE	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)	(104,688)
CASH FLOW AFTER DEBT SERVICE	(23,604)	25,395	28,591	32,212	35,577	39,381	42,923	46,921	50,650	54,849	58,774	63,186	67,318	71,954	76,303
Debt Coverage Ratio		1.24	1.27	1.31	1.34	1.38	1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.69	1.73
LI Housing Tax Credits															
Federal	131,303	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988
Missouri	131,303	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988	164,988
	262,606	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977	329,977

NORTHGATE SENIOR HOUSING - PHASE I
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
2	2001	(1,682,881)								(1,682,881)		
3	2002		81,084	93,030	121,204	(133,149)	131,303	(1,846)	646	262,606	263,252	
4	2003		130,083	92,349	121,204	(83,469)	164,988	81,519	(28,532)	329,977	301,445	
5	2004		133,279	91,630	121,204	(79,555)	164,988	85,433	(29,902)	329,977	300,075	-26.71%
6	2005		136,900	90,872	121,204	(75,176)	164,988	89,813	(31,434)	329,977	298,542	-13.10%
7	2006		140,265	90,073	121,204	(71,011)	164,988	93,977	(32,892)	329,977	297,085	-4.49%
8	2007		144,069	89,229	121,204	(66,363)	164,988	98,625	(34,519)	329,977	295,458	1.21%
9	2008		147,612	88,339	121,204	(61,931)	164,988	103,057	(36,070)	329,977	293,907	5.13%
10	2009		151,609	87,400	121,204	(56,995)	164,988	107,993	(37,798)	329,977	292,179	7.92%
11	2010		155,338	86,409	121,204	(52,275)	164,988	112,713	(39,450)	329,977	290,527	9.95%
12	2011		159,537	85,364	121,204	(47,031)	164,988	117,958	(41,285)	329,977	288,691	11.46%
13	2012		163,462	84,262	121,204	(42,003)	33,685	(8,318)	2,911	67,370	70,281	11.76%
14	2013		167,874	83,098	121,204	(36,427)		(36,427)	12,750	-	12,750	11.80%
15	2014		172,006	81,871	121,204	(31,068)		(31,068)	10,874	-	10,874	11.84%
16	2015		176,642	80,576	121,204	(25,138)		(25,138)	8,798	-	8,798	11.87%
17	2016		180,991	79,210	121,204	(19,423)		(19,423)	6,798	-	6,798	11.88%
		(1,682,881)	2,240,750	1,303,713	1,818,053	(881,016)	1,649,883	768,867	(269,104)	3,299,766	1,347,782	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.

**NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,735,850
Tax Increment Financing	-
Development Fee Note	521,046
LHC Equity Contribution	1,783,853
TOTAL SOURCES OF FUNDS	<u>4,040,750</u>

USES OF FUNDS

Total Construction Cost	3,277,772
Architect's Fee - Design	70,667
Construction Interest	72,533
Real Estate Taxes	13,250
Insurance	6,360
Other Construction Loan Fee	49,467
Other Permanent Loan Fee	10,600
Environmental Study	1,767
Market Study	1,767
Appraisal	1,767
Title, Recording, Disbursing	10,600
Cost Certification	4,947
Other	12,367
Rent-Up	8,833
Reserves	72,859
Admin	8,811
Land Acquisition	15,900
Developer's Fee	381,051
Tax Credit Fee - Application	14,133
Organization (Partnership)	5,300
TOTAL USES OF FUNDS	<u>4,040,750</u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE	
			4%	2%
1. TIF Costs	6,570	394,175		-
2. Off-Site				
3. Demolition				
4. New Building	43,973	2,638,375		2,638,375
5. Bond Premium	824	49,467		49,467
6. Other Fees	589	35,333		35,333
7. General Requirements		-		-
8. Builder's Overhead				-
9. Builder's Profit	2,674	160,423		160,423
10. Total Construction Cost	48,060	3,277,772		2,883,598
11. Architect's Fee - Design	1,178	70,667		70,667
12. Architect's Fee - Supervision				-
13. Soil Report				-
14. Survey				-
15. Engineering				-
16. Construction Interest	1,209	72,533		72,533
17. Real Estate Taxes	221	13,250		13,250
18. Insurance	106	6,360		6,360
19. MHDC Financing Fees				
1% Construction Loan Fee				
1.8% Permanent Loan Fee			N/A	N/A
20. Other Construction Loan Fee	824	49,467		49,467
21. Other Permanent Loan Fee	177	10,600	N/A	N/A
22. Other Permanent Financing Costs			N/A	N/A
23. Environmental Study	29	1,767		1,767
24. Market Study	29	1,767		1,767
25. Appraisal	29	1,767		1,767
26. Title, Recording, Disbursing	177	10,600		10,600
27. Legal (Real Estate)		-		-
28. Organization				
29. Cost Certification	82	4,947		4,947
30. Consultant Fee				-
31. Relocation				
32. Other	206	12,367		12,367
Rent-Up	147	8,833	N/A	N/A
Reserves	1,214	72,859	N/A	N/A
Admin	147	8,811		8,811
33. Land Acquisition	265	15,900	N/A	N/A
34. Existing Building Acquisition				
35. Developer's Overhead				
36. Developer's Fee	6,351	381,051		381,051
37. Tax Credit Fee - Application	236	14,133		14,133
Tax Credit Fee - Monitoring			N/A	N/A
38. Organization (Partnership)	88	5,300	N/A	N/A
39. Bridge Loan Fees & Expenses			N/A	N/A
40. Tax Opinion			N/A	N/A
41. Other Syndication Costs			N/A	N/A
Total Development Cost	60,776	4,040,750	-	3,533,082
Less: Portion of federal grant used to finance qualifying development costs				-
Total Eligible Basis				3,533,082
Multiplied by the applicable fraction			%	60%
Total Qualified Basis				2,119,849
Multiplied by the applicable percentage			%	8.25%
Total Amount of Federal Tax Credit Requested			174,888	\$0.73 1,276,679
Total Amount of State Tax Credit Requested			174,888	\$0.29 507,174
Total Tax Credit Equity				<u>1,783,853</u>

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-02	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	446	2,140	3,210	5,351	7,491	9,096	10,701	10,701	10,701	10,701	10,701	10,701	10,701	102,185
1b/1b-Market Rate	16	507	1,624	2,435	4,059	5,683	6,900	8,118	8,118	8,118	8,118	8,118	8,118	8,118	77,527
2b/2b-Affordable	12	538	1,292	1,937	3,229	4,520	5,489	6,458	6,458	6,458	6,458	6,458	6,458	6,458	61,669
2b/2b-Market Rate	8	600	959	1,439	2,399	3,358	4,077	4,797	4,797	4,797	4,797	4,797	4,797	4,797	45,811
			6,015	9,022	15,037	21,051	25,562	30,074	30,074	30,074	30,074	30,074	30,074	30,074	287,202
Other Income		2.0%	120	180	301	421	511	601	601	601	601	601	601	601	5,744
			6,135	9,202	15,337	21,472	26,074	30,675	30,675	30,675	30,675	30,675	30,675	30,675	292,946
Vacancy		6.0%	(381)	(541)	(902)	(1,263)	(1,534)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(17,232)
			5,774	8,661	14,435	20,209	24,540	28,871	28,871	28,871	28,871	28,871	28,871	28,871	275,714
OPERATING COSTS															
Payroll	60	1,150	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	69,003
Utilities	60	455	455	683	1,138	1,593	1,934	2,278	2,278	2,278	2,278	2,278	2,278	2,278	21,731
Grounds	60	308	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	18,450
Management Fee	60	338	338	504	841	1,177	1,429	1,681	1,681	1,681	1,681	1,681	1,681	1,681	16,054
Administration Expense	60	173	866	866	866	866	866	866	866	866	866	866	866	866	10,394
Insurance	60	82	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Real Estate Taxes	60	192	48	96	160	224	272	320	320	480	480	480	480	480	3,837
Advertising	60	289	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	17,343
Maintenance	60	258	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	15,498
Security/Trash	60	52	261	261	261	261	261	261	261	261	261	261	261	261	3,137
Reserves	60	256	256	384	641	897	1,089	1,281	1,281	1,281	1,281	1,281	1,281	1,281	12,236
			12,658	13,229	14,341	15,452	16,266	17,119	17,119	17,279	17,279	17,279	17,279	17,279	192,601
NET OPERATING INCOME			(6,883)	(4,568)	95	4,757	8,254	11,751	11,751	11,591	11,591	11,591	11,591	11,591	83,112
Low-Income Tax Credits															
Federal			2,915	4,372	7,287	10,202	12,388	14,574	14,574	14,574	14,574	14,574	14,574	14,574	139,181
Missouri			2,915	4,372	7,287	10,202	12,388	14,574	14,574	14,574	14,574	14,574	14,574	14,574	139,181
			5,830	8,744	14,574	20,404	24,776	29,148	29,148	29,148	29,148	29,148	29,148	29,148	278,363

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
1b/1b-Affordable	24	446	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	10,701	128,412
1b/1b-Market Rate	18	507	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	8,118	97,418
2b/2b-Affordable	12	538	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	77,490
2b/2b-Market Rate	8	600	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	4,797	57,564
			30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	30,074	360,882
Other Income		2.0%	601	601	601	601	601	601	601	601	601	601	601	601	7,218
			30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	30,675	368,100
Vacancy		6.0%	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(1,804)	(21,653)
			28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	28,871	346,447
OPERATING COSTS															
Payroll	60	1,150	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	69,003
Utilities	60	455	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	27,306
Grounds	60	306	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	18,450
Management Fee	60	336	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	20,172
Administration Expense	60	173	866	866	866	866	866	866	866	866	866	866	866	866	10,394
Insurance	60	82	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Real Estate Taxes	60	192	959	959	959	959	959	959	959	959	959	959	959	959	11,511
Advertising	60	289	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	17,343
Maintenance	60	258	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	15,498
Security/Trash	60	52	261	261	261	261	261	261	261	261	261	261	261	261	3,137
Reserves	60	258	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	15,375
			17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759	213,108
CASH FLOW BEFORE DEBT SERVICE															
			11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	11,112	133,339
DEBT SERVICE															
			(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(8,953)	(107,436)
CASH FLOW AFTER DEBT SERVICE															
			2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	2,159	25,903
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	174,888
Missouri			14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	14,574	174,888
			29,148	29,148	29,148	29,148	29,148	29,148	29,148	29,148	29,148	29,148	29,148	29,148	349,775

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2017

	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017
REVENUES															
1b/1b-Affordable	102,195	128,412	131,922	134,913	138,286	141,743	145,266	148,919	152,642	156,458	160,389	164,378	168,488	172,700	177,017
1b/1b-Market Rate	77,527	97,418	99,851	102,348	104,906	107,529	110,217	112,973	115,797	118,692	121,659	124,701	127,818	131,014	134,289
2b/2b-Affordable	61,869	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414	96,774	99,194	101,674	104,215	106,821
2b/2b-Market Rate	45,811	67,584	59,003	60,478	61,990	63,540	65,128	66,757	68,426	70,138	71,890	73,687	75,529	77,417	79,353
	287,202	360,882	369,904	379,152	388,830	398,346	408,305	418,512	428,975	439,700	450,692	461,959	473,508	485,346	497,480
Other Income	5,744	7,218	7,398	7,583	7,773	7,987	8,188	8,370	8,580	8,794	9,014	9,239	9,470	9,707	9,950
	292,946	368,100	377,302	386,735	396,403	406,313	416,471	426,883	437,555	448,494	459,706	471,199	482,979	495,053	507,429
Vacancy	(17,232)	(21,653)	(22,194)	(22,749)	(23,318)	(23,901)	(24,496)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)	(29,849)
	275,714	346,447	355,108	363,986	373,085	382,412	391,973	401,772	411,816	422,112	432,664	443,481	454,568	465,932	477,581
OPERATING COSTS															
Payroll	69,003	69,003	70,728	72,498	74,309	76,166	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801	95,121
Utilities	21,731	27,308	27,989	28,668	29,408	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724	37,642
Grounds	18,450	18,450	18,911	19,364	19,869	20,385	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434
Management Fee	18,054	20,172	20,878	21,193	21,723	22,266	22,823	23,393	23,978	24,578	25,192	25,822	26,467	27,129	27,807
Administration Expense	10,394	10,394	10,853	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,978	14,328
Insurance	4,920	4,920	5,043	5,169	5,298	5,431	5,567	5,708	5,848	5,995	6,144	6,298	6,455	6,617	6,782
Real Estate Taxes	3,837	11,511	11,511	11,856	11,856	12,212	12,212	12,578	12,578	12,956	12,956	13,344	13,344	13,745	13,745
Advertising	17,343	17,343	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,758	23,324	23,908
Maintenance	15,498	15,498	15,885	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843	21,364
Security/Trash	3,137	3,137	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218	4,324
Reserves	12,236	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,278	18,733	19,201	19,681	20,173	20,678	21,195
	192,801	213,108	218,148	223,659	228,954	234,737	240,300	246,389	252,214	258,582	264,723	271,405	277,857	284,870	291,648
CASH FLOW BEFORE DEBT SERVICE	83,112	133,339	138,960	140,327	144,131	147,675	151,672	155,403	159,603	163,530	167,942	172,078	176,711	181,082	185,932
DEBT SERVICE	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)	(107,436)
CASH FLOW AFTER DEBT SERVICE	(24,324)	25,903	29,524	32,891	36,695	40,239	44,236	47,967	52,167	56,094	60,506	64,640	69,275	73,628	78,496
Debt Coverage Ratio		1.24	1.27	1.31	1.34	1.37	1.41	1.45	1.49	1.52	1.56	1.60	1.64	1.69	1.73
LI Housing Tax Credits															
Federal	139,181	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	35,708
Missouri	139,181	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	174,888	35,708
	278,363	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	349,775	71,412

NORTHGATE SENIOR HOUSING - PHASE II
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2017

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
3	2002	(1,783,853)								(1,783,853)		
4	2003		83,112	95,472	128,476	(140,835)	139,181	(1,654)	579	278,363	278,942	
5	2004		133,339	94,773	128,476	(89,910)	174,888	84,978	(29,742)	349,775	320,033	
6	2005		136,960	94,036	128,476	(85,551)	174,888	89,336	(31,268)	349,775	318,507	-26.68%
7	2006		140,327	93,258	128,476	(81,407)	174,888	93,481	(32,718)	349,775	317,057	-13.06%
8	2007		144,131	92,437	128,476	(76,782)	174,888	98,106	(34,337)	349,775	315,438	-4.45%
9	2008		147,675	91,571	128,476	(72,372)	174,888	102,516	(35,881)	349,775	313,895	1.25%
10	2009		151,672	90,658	128,476	(67,461)	174,888	107,428	(37,599)	349,775	312,178	5.17%
11	2010		155,403	89,894	128,476	(62,767)	174,888	112,121	(39,242)	349,775	310,533	7.96%
12	2011		159,803	88,877	128,476	(57,551)	174,888	117,337	(41,068)	349,775	308,707	9.99%
13	2012		163,530	87,805	128,476	(52,551)	174,888	122,337	(42,818)	349,775	306,957	11.50%
14	2013		167,942	86,473	128,476	(47,007)	35,706	(11,301)	3,955	71,412	75,368	11.80%
15	2014		172,076	85,280	128,476	(41,680)		(41,680)	14,588	-	14,588	11.85%
16	2015		176,711	84,020	128,476	(35,785)		(35,785)	12,525	-	12,525	11.89%
17	2016		181,062	82,691	128,476	(30,105)		(30,105)	10,537	-	10,537	11.92%
18	2017		185,932	81,290	128,476	(23,833)		(23,833)	8,341	-	8,341	11.94%
		(1,783,853)	2,299,476	1,337,934	1,927,136	(965,594)	1,748,876	783,281	(274,149)	3,497,752	1,439,750	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

MHDC/NKC Funds @ 5.5 % for 40 years (1)	1,779,280
Tax Increment Financing	-
Development Fee Note	589,380
LIHC Equity Contribution	1,890,885
TOTAL SOURCES OF FUNDS	<u>4,259,544</u>

USES OF FUNDS

Total Construction Cost	3,450,788
Architect's Fee - Design	74,907
Construction Interest	76,885
Real Estate Taxes	14,045
Insurance	6,742
Other Construction Loan Fee	52,435
Other Permanent Loan Fee	11,236
Environmental Study	1,873
Market Study	1,873
Appraisal	1,873
Title, Recording, Disbursing	11,236
Cost Certification	5,243
Other	13,109
Rent-Up	9,363
Reserves	77,231
Admin	9,340
Land Acquisition	16,854
Developer's Fee	403,914
Tax Credit Fee - Application	14,981
Organization (Partnership)	5,618
TOTAL USES OF FUNDS	<u>4,259,544</u>

(1) Assumes North Kansas City will provide available funds to MHDC to fully fund the required loan at a blended rate of 5.5 %.

NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COST AND ELIGIBLE BASIS

ITEM	\$/Unit	Total	ADJUSTED BASIS BY CREDIT TYPE	
			4%	9%
1. TIF Costs	6,570	394,175		-
2. Off-Site				
3. Demolition				
4. New Building	46,611	2,796,677		2,796,677
5. Bond Premium	874	52,435		52,435
6. Other Fees	624	37,453		37,453
7. General Requirements				
8. Builder's Overhead				
9. Builder's Profit	2,834	170,048		170,048
10. Total Construction Cost	50,944	3,450,788		3,056,613
11. Architect's Fee - Design	1,248	74,907		74,907
12. Architect's Fee - Supervision				
13. Soil Report				
14. Survey				
15. Engineering				
16. Construction Interest	1,281	76,885		76,885
17. Real Estate Taxes	234	14,045		14,045
18. Insurance	112	6,742		6,742
19. MHDC Financing Fees				
1% Construction Loan Fee				
1.8% Permanent Loan Fee			N/A	N/A
20. Other Construction Loan Fee	874	52,435		52,435
21. Other Permanent Loan Fee	187	11,236	N/A	N/A
22. Other Permanent Financing Costs			N/A	N/A
23. Environmental Study	31	1,873		1,873
24. Market Study	31	1,873		1,873
25. Appraisal	31	1,873		1,873
26. Title, Recording, Disbursing	187	11,236		11,236
27. Legal (Real Estate)				
28. Organization				
29. Cost Certification	87	5,243		5,243
30. Consultant Fee				
31. Relocation				
32. Other	218	13,109		13,109
Rent-Up	156	9,363	N/A	N/A
Reserves	1,287	77,231	N/A	N/A
Admin	156	9,340		9,340
33. Land Acquisition	281	16,854	N/A	N/A
34. Existing Building Acquisition				
35. Developer's Overhead				
36. Developer's Fee	6,732	403,914		403,914
37. Tax Credit Fee - Application	250	14,981		14,981
Tax Credit Fee - Monitoring			N/A	N/A
38. Organization (Partnership)	94	5,618	N/A	N/A
39. Bridge Loan Fees & Expenses			N/A	N/A
40. Tax Opinion			N/A	N/A
41. Other Syndication Costs			N/A	N/A
Total Development Cost	64,423	4,259,544		3,745,067
Less: Portion of federal grant used to finance qualifying development costs				
Total Eligible Basis				3,745,067
Multiplied by the applicable fraction			%	80%
Total Qualified Basis				2,247,040
Multiplied by the applicable percentage			%	8.25%
Total Amount of Federal Tax Credit Requested				185,381
			\$0.73	1,353,280
Total Amount of State Tax Credit Requested				185,381
			\$0.29	537,604
Total Tax Credit Equity				<u>1,890,885</u>

NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
% Leased up			20%	30%	50%	70%	85%	100%	100%	100%	100%	100%	100%	100%	
1b/1b-Affordable	24	457	2,194	3,291	5,484	7,878	9,323	10,969	10,969	10,969	10,969	10,969	10,969	10,969	104,749
1b/1b-Market Rate	16	520	1,664	2,496	4,160	5,825	7,073	8,321	8,321	8,321	8,321	8,321	8,321	8,321	79,465
2b/2b-Affordable	12	552	1,324	1,986	3,309	4,633	5,626	6,619	6,619	6,619	6,619	6,619	6,619	6,619	63,211
2b/2b-Market Rate	8	615	983	1,475	2,458	3,442	4,179	4,917	4,917	4,917	4,917	4,917	4,917	4,917	46,957
			<u>8,165</u>	<u>9,248</u>	<u>15,413</u>	<u>21,576</u>	<u>26,202</u>	<u>30,825</u>	<u>30,825</u>	<u>30,825</u>	<u>30,825</u>	<u>30,825</u>	<u>30,825</u>	<u>30,825</u>	<u>294,382</u>
Other Income		2.0%	123	185	308	432	524	617	617	617	617	617	617	617	5,888
			<u>8,288</u>	<u>9,433</u>	<u>15,721</u>	<u>22,009</u>	<u>26,726</u>	<u>31,442</u>	<u>31,442</u>	<u>31,442</u>	<u>31,442</u>	<u>31,442</u>	<u>31,442</u>	<u>31,442</u>	<u>300,270</u>
Vacancy		6.0%	(370)	(555)	(925)	(1,295)	(1,572)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(17,663)
			<u>5,918</u>	<u>8,878</u>	<u>14,796</u>	<u>20,715</u>	<u>25,153</u>	<u>29,592</u>	<u>29,592</u>	<u>29,592</u>	<u>29,592</u>	<u>29,592</u>	<u>29,592</u>	<u>29,592</u>	<u>282,607</u>
OPERATING COSTS															
Payroll	60	1,179	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	70,728
Utilities	60	466	466	700	1,166	1,633	1,963	2,332	2,332	2,332	2,332	2,332	2,332	2,332	22,274
Grounds	60	315	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	18,911
Management Fee	60	345	345	517	862	1,208	1,465	1,723	1,723	1,723	1,723	1,723	1,723	1,723	16,455
Administration Expense	60	178	688	888	888	888	888	888	888	888	888	888	888	888	10,653
Insurance	60	84	420	420	420	420	420	420	420	420	420	420	420	420	5,043
Real Estate Taxes	60	197	66	98	164	229	279	328	328	492	492	492	492	492	3,949
Advertising	60	296	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	17,777
Maintenance	60	265	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,885
Security/Trash	60	54	268	268	268	268	268	268	268	268	268	268	268	268	3,215
Reserves	60	263	263	394	657	919	1,116	1,313	1,313	1,313	1,313	1,313	1,313	1,313	12,542
			<u>12,990</u>	<u>13,560</u>	<u>14,699</u>	<u>15,839</u>	<u>16,693</u>	<u>17,547</u>	<u>17,547</u>	<u>17,711</u>	<u>17,711</u>	<u>17,711</u>	<u>17,711</u>	<u>17,711</u>	<u>197,433</u>
NET OPERATING INCOME			<u>(7,072)</u>	<u>(4,682)</u>	<u>97</u>	<u>4,876</u>	<u>8,460</u>	<u>12,045</u>	<u>12,045</u>	<u>11,881</u>	<u>11,881</u>	<u>11,881</u>	<u>11,881</u>	<u>11,881</u>	<u>85,174</u>
Low-Income Tax Credits															
Federal			3,090	4,635	7,724	10,814	13,131	15,448	15,448	15,448	15,448	15,448	15,448	15,448	147,532
Missouri			3,090	4,635	7,724	10,814	13,131	15,448	15,448	15,448	15,448	15,448	15,448	15,448	147,532
			<u>6,179</u>	<u>9,269</u>	<u>15,448</u>	<u>21,628</u>	<u>26,262</u>	<u>30,897</u>	<u>30,897</u>	<u>30,897</u>	<u>30,897</u>	<u>30,897</u>	<u>30,897</u>	<u>30,897</u>	<u>295,064</u>

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005**

	No Units	Per Unit	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
REVENUES															
1b/1b-Affordable	24	457	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	10,969	131,622
1b/1b-Market Rate	18	520	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	8,321	99,851
2b/2b-Affordable	12	552	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	6,619	79,427
2b/2b-Market Rate	8	615	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	4,917	59,003
			30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	30,825	389,904
Other Income		2.0%	617	617	617	617	617	617	617	617	617	617	617	617	7,398
			31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	31,442	377,302
Vacancy		6.0%	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(22,184)
			29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	29,592	355,108
OPERATING COSTS															
Payroll	60	1,179	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	70,728
Utilities	60	466	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,989
Grounds	60	315	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	18,911
Management Fee	60	345	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	20,676
Administration Expense	60	178	888	888	888	888	888	888	888	888	888	888	888	888	10,653
Insurance	60	84	420	420	420	420	420	420	420	420	420	420	420	420	5,043
Real Estate Taxes	60	197	983	983	983	983	983	983	983	983	983	983	983	983	11,799
Advertising	60	296	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	17,777
Maintenance	60	265	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,885
Security/Trash	60	54	268	268	268	268	268	268	268	268	268	268	268	268	3,215
Reserves	60	263	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	15,759
			18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	18,203	218,436
CASH FLOW BEFORE DEBT SERVICE															
			11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	11,389	136,672
DEBT SERVICE															
			(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(9,177)	(110,124)
CASH FLOW AFTER DEBT SERVICE															
			2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	26,548
Debt Coverage Ratio															
			1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
LI Housing Tax Credits															
Federal			15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	185,381
Missouri			15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	15,448	185,381
			30,897	30,897	30,897	30,897	30,897	30,897	30,897	30,897	30,897	30,897	30,897	30,897	370,762

**NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2018**

	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017	Year 19 2018
REVENUES															
1b/1b-Affordable	104,749	131,822	134,913	138,266	141,743	145,296	148,919	152,642	156,458	160,369	164,378	168,488	172,700	177,017	181,443
1b/1b-Market Rate	79,465	99,851	102,348	104,906	107,529	110,217	112,973	115,797	118,692	121,659	124,701	127,818	131,014	134,289	137,646
2b/2b-Affordable	63,211	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414	96,774	99,194	101,674	104,215	106,821	109,491
2b/2b-Market Rate	48,957	59,003	60,478	61,990	63,540	65,128	66,757	68,426	70,136	71,890	73,687	75,529	77,417	79,353	81,336
	294,382	369,904	379,152	388,630	398,348	408,305	418,512	428,975	439,700	450,692	461,959	473,508	485,346	497,480	509,917
Other Income	5,888	7,398	7,583	7,773	7,967	8,166	8,370	8,580	8,794	9,014	9,239	9,470	9,707	9,950	10,198
Vacancy	(17,683)	(22,194)	(22,749)	(23,318)	(23,901)	(24,498)	(25,111)	(25,739)	(26,382)	(27,042)	(27,718)	(28,411)	(29,121)	(29,849)	(30,595)
	282,607	355,108	363,986	373,085	382,412	391,973	401,772	411,818	422,112	432,664	443,481	454,588	465,932	477,581	489,520
OPERATING COSTS															
Payroll	70,728	70,728	72,496	74,309	76,166	78,071	80,022	82,023	84,073	86,175	88,330	90,538	92,801	95,121	97,499
Utilities	22,274	27,989	28,688	29,406	30,141	30,894	31,667	32,458	33,270	34,101	34,954	35,828	36,724	37,642	38,583
Grounds	18,911	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434	26,069
Management Fee	16,455	20,876	21,193	21,723	22,268	22,827	23,399	23,978	24,578	25,192	25,822	26,467	27,129	27,807	28,503
Administration Expense	10,653	10,653	10,920	11,193	11,472	11,759	12,053	12,355	12,663	12,980	13,305	13,637	13,978	14,328	14,686
Insurance	5,043	5,043	5,199	5,298	5,431	5,567	5,706	5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952
Real Estate Taxes	3,949	11,799	12,183	12,183	12,817	12,817	12,893	12,893	13,279	13,279	13,678	13,678	14,088	14,088	14,511
Advertising	17,777	17,777	18,221	18,677	19,143	19,622	20,113	20,615	21,131	21,659	22,201	22,766	23,324	23,908	24,505
Maintenance	15,885	15,885	16,283	16,690	17,107	17,535	17,973	18,422	18,883	19,355	19,839	20,335	20,843	21,364	21,898
Security/Trash	3,215	3,215	3,295	3,378	3,462	3,549	3,637	3,728	3,822	3,917	4,015	4,115	4,218	4,324	4,432
Reserves	12,542	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195	21,724
	197,433	218,438	223,955	229,250	235,042	240,606	246,683	252,528	258,906	265,046	271,739	278,191	285,214	291,902	299,362
CASH FLOW BEFORE DEBT SERVICE	83,112	133,339	140,030	143,835	147,370	151,367	155,089	159,288	163,208	167,618	171,742	176,378	180,719	185,589	190,158
DEBT SERVICE	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)	(110,124)
CASH FLOW AFTER DEBT SERVICE	(27,012)	23,215	29,906	33,711	37,248	41,243	44,965	49,164	53,082	57,494	61,618	66,254	70,595	75,465	80,034
Debt Coverage Ratio		1.21	1.27	1.31	1.34	1.37	1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.69	1.73
LI Housing Tax Credits															
Federal	147,532	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381
Missouri	147,532	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381	185,381
	295,064	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762	370,762

NORTHGATE SENIOR HOUSING - PHASE III
60% AFFORDABLE/40% MARKET RATE
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2019

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Rental Income(Loss)	(1) State Tax Deduction	Net Income (Loss)	Tax Savings (Costs)	Tax Credits	Net Benefit	IRR	
4	2003	(1,890,885)								(1,890,885)		
5	2004		83,112	97,860	136,184	(150,932)	147,532	(3,400)	1,190	295,064	296,255	
6	2005		133,339	97,144	136,184	(99,989)	185,381	85,391	(29,887)	370,762	340,875	
7	2006		140,030	96,388	136,184	(92,542)	185,381	92,839	(32,493)	370,762	338,268	-26.59%
8	2007		143,835	95,591	136,184	(87,940)	185,381	97,440	(34,104)	370,762	336,658	-12.98%
9	2008		147,370	94,750	136,184	(83,564)	185,381	101,817	(35,636)	370,762	335,126	-4.37%
10	2009		151,367	93,862	136,184	(78,679)	185,381	106,701	(37,345)	370,762	333,416	1.32%
11	2010		155,089	92,926	136,184	(74,022)	185,381	111,359	(38,976)	370,762	331,786	5.24%
12	2011		159,288	91,938	136,184	(68,834)	185,381	116,547	(40,791)	370,762	329,970	8.02%
13	2012		163,206	90,896	136,184	(63,875)	185,381	121,506	(42,527)	370,762	328,234	10.05%
14	2013		167,618	89,797	136,184	(58,363)	185,381	127,018	(44,456)	370,762	326,305	11.56%
15	2014		171,742	88,637	136,184	(53,079)	37,849	(15,230)	5,331	75,697	81,028	11.86%
16	2015		176,378	87,413	136,184	(47,220)		(47,220)	16,527	-	16,527	11.92%
17	2016		180,719	86,122	136,184	(41,588)		(41,588)	14,556	-	14,556	11.96%
18	2017		185,589	84,760	136,184	(35,356)		(35,356)	12,374	-	12,374	11.99%
19	2018		190,158	83,323	136,184	(29,350)		(29,350)	10,272	-	10,272	12.02%
		(1,890,885)	2,348,839	1,371,409	2,042,764	(1,065,333)	1,853,808	788,475	(275,966)	3,707,617	1,540,766	

(1) Reduction in state income tax deduction equal to the Missouri tax credits.



**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
TABLE OF CONTENTS**

	Page
SCHEDULE OF GENERAL ASSUMPTIONS	41
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	42
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES	43
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES INCLUDING DEVELOPMENT FEE	44
SCHEDULE OF INTERNAL RATE OF RETURN BEFORE TAXES	45
PHASE I	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	46
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	47
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	48
SCHEDULE OF BASE RENT AND EXPENSES	49
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	50
PHASE II	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	51
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	52
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	53
SCHEDULE OF BASE RENT AND EXPENSES	54
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	55
PHASE III	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	56
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	57
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	58
SCHEDULE OF BASE RENT AND EXPENSES	59
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	60

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF GENERAL ASSUMPTIONS**

PROJECT INFORMATION:

Project Name	NORTHGATE HOUSING
Type Ownership Entity	Limited Partnership
Project Location	North Kansas City, Missouri
Type of Project	New Construction

Project Schedule	Phase I	Phase II	Phase III	Total
Number of Buildings				
Total Number of Units	204	98	98	400
Constr Complete (Placed in Service)	Jan-2002	Jan-2003	Jan-2004	
Lease-up	Dec-2002	May-2003	May-2004	

ASSUMPTIONS:

Estimated Vacancy	7.0%		# Units	SF	Rents
Estimated Increase in Rents	2.5%	1b/1b	100	750	675
Estimated Increase in Expenses	2.5%	1b/1b	100	875	725
Est. Increase in Real Estate Taxes	3.0%	2b/2b	100	1000	775
Replacement Reserve	200	2b/2b	100	1100	860
Management Fee	4.0%				
Other Income % of Gross Rents	2.0%				
Estimated Increase in Constr Costs	8.0%		Average Square Foot per Unit	931	
Capitalization Rate	10.0%		Average Cost per Square Foot	\$64.64	
Corporate Tax Rate	35.0%		Average Cost per Unit	\$60,177	

MORTGAGE TERMS:

Conventional Loan

Phase I	9,834,728
Phase II	5,000,009
Phase III	5,292,021
Total	<u>20,126,758</u>

Interest Rate :	
Construction Loan	8.5%
Permanent Loan	8.0%
Loan to Value	80%
Amortization	25 years

SUMMARY OF PROJECT:

Equity Proceeds	3,998,690
Internal Rate of Return (IRR)	18.54%

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

	<u>PHASE I</u>	<u>PHASE II</u>	<u>PHASE III</u>	<u>TOTAL</u>
SOURCES OF FUNDS				
Conventional Loan @ 7.5 % for 25 years	9,834,728	5,000,009	5,292,021	20,126,758
Tax Increment Financing	526,830	253,085	253,085	1,033,000
Equity Contribution	1,931,852	996,917	1,069,920	3,998,690
TOTAL SOURCES OF FUNDS	<u>12,293,411</u>	<u>6,250,011</u>	<u>6,615,026</u>	<u>25,158,448</u>

USES OF FUNDS

Total Construction Cost	10,875,750	5,538,103	5,870,389	22,284,241
Architect's Fee - Design	155,945	79,410	84,174	319,529
Construction Interest	348,815	177,338	187,694	713,848
Real Estate Taxes	30,600	15,582	16,517	62,699
Insurance	22,950	11,687	12,388	47,024
Other Construction Loan Fee	122,400	62,328	66,068	250,796
Other Permanent Loan Fee	102,000	51,940	55,056	208,996
Environmental Study	5,100	2,597	2,753	10,450
Appraisal	5,100	2,597	2,753	10,450
Title, Recording, Disbursing	5,100	2,597	2,753	10,450
Other	51,000	25,970	27,528	104,498
Lease-Up	127,500	64,925	68,821	261,246
Reserves	-	-	-	-
Land Acquisition	102,000	51,940	55,056	208,996
Developer's Fee	336,600	161,700	161,700	660,000
Organization (Partnership)	2,550	1,299	1,376	5,225
TOTAL USES OF FUNDS	<u>12,293,411</u>	<u>6,250,011</u>	<u>6,615,026</u>	<u>25,158,448</u>

NORTHGATE VILLAGE
 CONVENTIONAL APARTMENTS
 WITH TAX INCREMENT FINANCING
 SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES
 FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Tax Savings/ (Costs)	Cash Flow	Net Benefit	IRR	
2	2001	3,998,690						(3,998,690)		
3	2002		803,986	786,778	877,289	(860,081)	301,028	301,028		
4	2003		1,791,627	1,176,017	877,289	(261,679)	91,588	417,664	509,252	
5	2004		2,436,661	1,582,284	877,289	(22,912)	8,019	741,428	749,447	
6	2005		2,510,406	1,558,031	877,289	75,086	(26,280)	646,307	620,027	
7	2006		2,572,101	1,531,837	877,289	162,975	(57,041)	708,002	650,961	-9.74%
8	2007		2,641,889	1,503,548	877,289	261,052	(91,368)	777,789	686,421	-3.27%
9	2008		2,706,839	1,472,996	877,289	356,554	(124,794)	842,740	717,946	1.33%
10	2009		2,780,159	1,439,999	877,289	462,871	(162,005)	916,060	754,055	4.72%
11	2010		2,848,533	1,404,363	877,289	566,881	(198,408)	984,434	786,026	7.25%
12	2011		2,925,565	1,365,876	877,289	682,400	(238,840)	1,061,466	822,626	9.19%
13	2012		2,997,541	1,324,310	877,289	795,941	(278,579)	1,133,442	854,862	10.69%
14	2013		3,078,473	1,279,419	877,289	921,764	(322,618)	1,214,374	891,756	11.87%
15	2014		3,154,236	1,230,937	877,289	1,046,010	(366,104)	1,290,137	924,033	12.81%
16	2015		3,239,265	1,178,576	877,289	1,183,400	(414,190)	1,375,166	960,976	13.57%
17	2016		3,319,012	1,122,026	877,289	1,319,697	(461,894)	1,454,913	993,019	14.19%
	Sale				19,657,396	(6,880,089)	19,741,235	12,861,146	18.54%	
		<u>3,998,690</u>	<u>39,806,293</u>	<u>19,956,997</u>	<u>13,159,335</u>	<u>26,347,357</u>	<u>(9,221,575)</u>	<u>13,563,922</u>	<u>7,223,746</u>	

NOI in Year 17		3,319,012
Capitalization Rate		<u>10.00%</u>
Gross Sales Price		33,190,121
Less: Mortgage		(13,075,497)
Less: Brokerage Fee	1.00%	(331,901)
Less: Closing Costs	0.125%	<u>(41,488)</u>
Net Sales Proceeds		19,741,235
Add: Mortgage		13,075,497
Less: Accumulated Depreciation		<u>(13,159,335)</u>
Estimated Gain on Sale		<u>19,657,396</u>

NORTHGATE VILLAGE
 CONVENTIONAL APARTMENTS
 WITH TAX INCREMENT FINANCING
 SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES INCLUDING DEVELOPMENT FEE
 FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2018

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Tax Savings/ (Costs)	Development Fee After Taxes	Cash Flow	Net Benefit	IRR
2	2001	3,998,690							(3,998,690)	
3	2002		803,988	786,778	877,289	(860,081)	301,028	218,790	519,818	
4	2003		1,791,827	1,178,017	877,289	(261,879)	91,588	105,105	417,664	
5	2004		2,438,881	1,582,284	877,289	(22,912)	8,019	105,105	741,428	
6	2005		2,510,408	1,558,031	877,289	75,088	(26,280)		646,307	
7	2006		2,572,101	1,531,837	877,289	182,975	(57,041)		708,002	-6.30%
8	2007		2,641,889	1,503,548	877,289	261,052	(91,368)		777,789	-0.37%
9	2008		2,706,839	1,472,908	877,289	356,554	(124,794)		842,740	3.88%
10	2009		2,780,159	1,439,999	877,289	462,871	(162,005)		916,060	7.01%
11	2010		2,848,533	1,404,363	877,289	566,881	(198,408)		984,434	9.35%
12	2011		2,925,565	1,365,876	877,289	682,400	(238,840)	1,061,468	822,626	11.14%
13	2012		2,997,541	1,324,310	877,289	795,941	(278,579)	1,133,442	854,882	12.52%
14	2013		3,078,473	1,279,419	877,289	921,764	(322,618)	1,214,374	891,756	13.61%
15	2014		3,154,236	1,230,937	877,289	1,046,010	(368,104)	1,290,137	924,033	14.47%
16	2015		3,239,265	1,178,576	877,289	1,183,400	(414,190)	1,375,166	960,976	15.17%
17	2016		3,319,012	1,122,028	877,289	1,319,897	(461,894)	1,454,913	993,019	15.73%
	Sale				19,657,398	(8,880,089)		19,741,235	12,861,148	19.77%
		3,998,690	39,806,293	19,956,997	13,159,335	28,347,357	(9,221,575)	429,000	13,563,922	7,852,748

NOI in Year 15	3,319,012
Capitalization Rate	<u>10.00%</u>
Gross Sales Price	33,190,121
Less: Mortgage	(13,075,497)
Less: Brokerage Fee	1.00% (331,901)
Less: Closing Costs	0.125% <u>(41,488)</u>
Net Sales Proceeds	19,741,235
Add: Mortgage	13,075,497
Less: Accumulated Depreciation	<u>(13,159,335)</u>
Estimated Gain on Sale	<u>19,657,398</u>

NORTHGATE VILLAGE
 CONVENTIONAL APARTMENTS
 WITH TAX INCREMENT FINANCING
 SCHEDULE OF INTERNAL RATE OF RETURN BEFORE TAXES
 FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Development Fee	Cash Flow	Net Benefit	IRR	
2	2001	3,998,690						(3,998,690)		
3	2002		803,986	786,778	877,289	(860,081)	336,600	336,600		
4	2003		1,791,627	1,176,017	877,289	(261,679)	161,700	417,664	579,364	
5	2004		2,436,661	1,582,284	877,289	(22,912)	161,700	741,428	903,128	
6	2005		2,510,406	1,558,031	877,289	75,086		646,307	646,307	
7	2006		2,572,101	1,531,837	877,289	162,975		708,002	708,002	-6.74%
8	2007		2,641,889	1,503,548	877,289	261,052		777,789	777,789	-0.31%
9	2008		2,706,839	1,472,996	877,289	356,554		842,740	842,740	4.33%
10	2009		2,780,159	1,439,999	877,289	462,871		916,060	916,060	7.77%
11	2010		2,848,533	1,404,363	877,289	566,881		984,434	984,434	10.34%
12	2011		2,925,565	1,365,876	877,289	682,400		1,061,466	1,061,466	12.32%
13	2012		2,997,541	1,324,310	877,289	795,941		1,133,442	1,133,442	13.85%
14	2013		3,078,473	1,279,419	877,289	921,764		1,214,374	1,214,374	15.06%
15	2014		3,154,236	1,230,937	877,289	1,046,010		1,290,137	1,290,137	16.02%
16	2015		3,239,265	1,178,576	877,289	1,183,400		1,375,166	1,375,166	16.79%
17	2016		3,319,012	1,122,026	877,289	1,319,697		1,454,913	1,454,913	17.42%
	Sale					19,657,396		19,741,235	19,741,235	21.90%
		<u>3,998,690</u>	<u>39,806,293</u>	<u>19,956,997</u>	<u>13,159,335</u>	<u>26,347,357</u>	<u>660,000</u>	<u>13,563,922</u>	<u>10,225,232</u>	

NOI in Year 15	3,319,012
Capitalization Rate	<u>10.00%</u>
Gross Sales Price	33,190,121
Less: Mortgage	(13,075,497)
Less: Brokerage Fee	1.00% (331,901)
Less: Closing Costs	0.125% <u>(41,488)</u>
Net Sales Proceeds	19,741,235
Add: Mortgage	13,075,497
Less: Accumulated Depreciation	<u>(13,159,335)</u>
Estimated Gain on Sale	<u>19,657,396</u>

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	9,834,728	80.00%
Tax Increment Financing	526,830	4.29%
Equity Contribution	1,931,852	15.71%
TOTAL SOURCES OF FUNDS	<u>12,293,411</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	10,875,750
Architect's Fee - Design	155,945
Construction Interest	348,815
Real Estate Taxes	30,600
Insurance	22,950
Other Construction Loan Fee	122,400
Other Permanent Loan Fee	102,000
Environmental Study	5,100
Appraisal	5,100
Title, Recording, Disbursing	5,100
Other	51,000
Lease-Up	127,500
Reserves	-
Land Acquisition	102,000
Developer's Fee	336,600
Organization (Partnership)	2,550
TOTAL USES OF FUNDS	<u>12,293,411</u>

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	\$/Unit	Total
1. Site Work	1,875	382,500
2. Off-Site		
3. Demolition		
4. New Building	51,438	10,493,250
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	53,313	10,875,750
11. Architect's Fee - Design	764	155,945
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	1,710	348,815
17. Real Estate Taxes	150	30,800
18. Insurance	113	22,950
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	600	122,400
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	500	102,000
23. Environmental Study	25	5,100
24. Market Study	-	-
25. Appraisal	25	5,100
26. Title, Recording, Disbursing	25	5,100
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	250	51,000
Lease-Up	625	127,500
Reserves	-	-
Admin	-	-
33. Land Acquisition	500	102,000
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	338,800
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	13	2,550
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	60,262	12,293,411
Less: Portion of TIF used to finance development costs		(526,830)
Net Development Cost		11,766,581

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002**

	No Units	Per Unit	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	100	120	140	160	180	200	204	
1b/1b-Market Rate	51	675	-	3,375	6,750	10,125	13,500	16,875	20,250	23,625	27,000	30,375	33,750	34,425	220,050
1b/1b-Market Rate	51	725	-	3,625	7,250	10,875	14,500	18,125	21,750	25,375	29,000	32,625	36,250	36,975	236,350
2b/2b-Market Rate	51	775	-	3,875	7,750	11,625	15,500	19,375	23,250	27,125	31,000	34,875	38,750	39,525	262,650
2b/2b-Market Rate	51	850	-	4,300	8,600	12,900	17,200	21,500	25,800	30,100	34,400	38,700	43,000	43,860	280,360
			-	15,175	30,350	45,525	60,700	75,875	91,050	106,225	121,400	136,575	151,750	154,785	989,410
Other Income		2.0%	-	304	607	911	1,214	1,518	1,821	2,125	2,428	2,732	3,035	3,098	19,786
			-	15,479	30,957	46,436	61,914	77,393	92,871	108,350	123,828	139,307	154,785	157,881	1,009,198
Vacancy		7.0%	-	(1,062)	(2,125)	(3,187)	(4,249)	(5,311)	(6,374)	(7,436)	(8,498)	(9,560)	(10,623)	(10,835)	(69,259)
			-	14,416	28,833	43,249	57,665	72,081	86,498	100,914	115,330	129,748	144,163	147,046	939,940
OPERATING COSTS															
Payroll	204	625													-
Utilities	204	325													-
Grounds	204	120													-
Management Fee	204	419													-
Other Expenses	204	75	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	75,548
Insurance	204	100													-
Real Estate Taxes	204	515		429	858	1,287	1,716	2,145	2,574	3,003	3,432	3,861	6,948	8,752	35,007
Advertising	204	111													-
Maintenance	204	220													-
Security/Trash	204	51													-
Reserves	204	200		333	667	1,000	1,333	1,667	3,400	3,400	3,400	3,400	3,400	3,400	25,400
			6,298	7,058	7,820	8,583	9,345	10,107	12,270	12,699	13,128	13,557	16,644	18,446	135,953
NET OPERATING INCOME			(6,298)	7,358	21,012	34,666	48,320	61,974	74,228	88,215	102,202	116,189	127,519	128,598	803,986

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003**

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
1b/1b-Market Rate	51	675	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	413,100
1b/1b-Market Rate	51	725	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	443,700
2b/2b-Market Rate	51	775	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	474,300
2b/2b-Market Rate	51	860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	528,320
			154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	1,857,420
Other Income		2.0%	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	37,148
			157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	1,894,568
Vacancy		7.0%	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(130,019)
			147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	1,764,549
OPERATING COSTS															
Payroll	204	625	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	127,500
Utilities	204	325	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	66,300
Grounds	204	120	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	24,480
Management Fee	204	346	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	70,582
Administration Expense	204	75	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	15,300
Insurance	204	100	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Real Estate Taxes	204	515	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	105,028
Advertising	204	111	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	22,644
Maintenance	204	220	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	44,880
Security/Trash	204	51	867	867	867	867	867	867	867	867	867	867	867	867	10,404
Reserves	204	200	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	40,800
			45,693	45,693	45,693	45,693	45,693	45,693	45,693	45,693	45,693	45,693	45,693	45,693	548,319
CASH FLOW BEFORE DEBT SERVICE															
			101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	1,216,230
DEBT SERVICE															
			(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(75,906)	(910,872)
CASH FLOW AFTER DEBT SERVICE															
			25,446	25,446	25,446	25,446	25,446	25,446	25,446	25,446	25,446	25,446	25,446	25,446	305,357
Debt Coverage Ratio															
			1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016**

	Year 3 2002	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES															
1b/1b-Market Rate	220,050	413,100	423,428	434,013	444,864	455,985	467,385	479,089	491,046	503,322	515,905	528,803	542,023	555,574	569,483
1b/1b-Market Rate	236,350	443,700	454,793	466,162	477,818	489,762	502,008	514,556	527,420	540,605	554,120	567,974	582,173	596,727	611,645
2b/2b-Market Rate	252,650	474,300	486,158	498,311	510,769	523,538	536,627	550,043	563,794	577,888	592,336	607,144	622,323	637,881	653,828
2b/2b-Market Rate	<u>280,360</u>	<u>526,320</u>	<u>539,478</u>	<u>552,965</u>	<u>566,789</u>	<u>580,959</u>	<u>595,483</u>	<u>610,370</u>	<u>626,829</u>	<u>641,270</u>	<u>657,302</u>	<u>673,734</u>	<u>690,577</u>	<u>707,842</u>	<u>725,538</u>
	989,410	1,857,420	1,903,856	1,951,452	2,000,238	2,050,244	2,101,500	2,154,038	2,207,889	2,263,086	2,319,663	2,377,655	2,437,096	2,498,023	2,560,474
Other Income	19,788	37,149	38,077	39,029	40,005	41,005	42,030	43,081	44,158	45,262	46,393	47,553	48,742	49,960	51,209
	1,009,198	1,894,568	1,941,933	1,990,481	2,040,243	2,091,249	2,143,530	2,197,119	2,252,046	2,308,348	2,366,058	2,425,208	2,485,838	2,547,984	2,611,683
Vacancy	(89,259)	(130,019)	(133,270)	(136,602)	(140,017)	(143,517)	(147,105)	(150,783)	(154,552)	(158,418)	(162,378)	(166,438)	(170,597)	(174,862)	(179,233)
	<u>939,940</u>	<u>1,764,549</u>	<u>1,808,663</u>	<u>1,853,879</u>	<u>1,900,226</u>	<u>1,947,732</u>	<u>1,996,425</u>	<u>2,046,336</u>	<u>2,097,494</u>	<u>2,149,932</u>	<u>2,203,680</u>	<u>2,258,772</u>	<u>2,315,241</u>	<u>2,373,122</u>	<u>2,432,450</u>
OPERATING COSTS															
Payroll	-	127,500	130,688	133,955	137,304	140,736	144,255	147,861	151,557	155,346	159,230	163,211	167,291	171,473	175,780
Utilities	-	66,300	67,958	69,656	71,398	73,183	75,012	76,888	78,810	80,780	82,800	84,870	86,991	89,166	91,395
Grounds	-	24,480	25,092	25,719	26,362	27,021	27,697	28,389	29,099	29,827	30,572	31,336	32,120	32,923	33,746
Management Fee	-	70,582	72,347	74,155	76,009	77,909	79,857	81,853	83,900	85,997	88,147	90,351	92,610	94,925	97,298
Administration Expense	75,548	15,300	15,683	16,075	16,476	16,888	17,311	17,743	18,187	18,642	19,108	19,585	20,075	20,577	21,091
Insurance	-	20,400	20,910	21,433	21,969	22,518	23,081	23,658	24,249	24,855	25,477	26,114	26,767	27,436	28,122
Real Estate Taxes	35,007	105,029	108,180	108,180	111,426	111,426	114,768	114,768	118,212	118,212	121,758	121,758	125,411	125,411	129,173
Advertising	-	22,644	23,210	23,790	24,385	24,995	25,620	26,260	26,917	27,590	28,279	28,986	29,711	30,454	31,215
Maintenance	-	44,880	46,002	47,152	48,331	49,539	50,778	52,047	53,348	54,682	56,049	57,450	58,886	60,359	61,868
Security/Trash	-	10,404	10,664	10,931	11,204	11,484	11,771	12,065	12,367	12,678	12,993	13,318	13,651	13,992	14,342
Reserves	25,400	40,800	41,820	42,868	43,937	45,036	46,161	47,315	48,489	49,711	50,954	52,227	53,533	54,871	56,243
	<u>135,953</u>	<u>548,319</u>	<u>562,552</u>	<u>573,912</u>	<u>588,800</u>	<u>600,735</u>	<u>618,310</u>	<u>628,849</u>	<u>645,144</u>	<u>658,317</u>	<u>675,366</u>	<u>689,206</u>	<u>707,045</u>	<u>721,588</u>	<u>740,253</u>
CASH FLOW BEFORE DEBT SERVICE	803,986	1,216,230	1,248,110	1,279,967	1,311,426	1,346,997	1,380,115	1,417,487	1,452,350	1,491,614	1,528,314	1,569,565	1,608,196	1,651,536	1,692,197
DEBT SERVICE	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)	(910,872)
CASH FLOW AFTER DEBT SERVICE	<u>(106,886)</u>	<u>305,357</u>	<u>335,238</u>	<u>369,095</u>	<u>400,553</u>	<u>436,125</u>	<u>469,243</u>	<u>506,615</u>	<u>541,478</u>	<u>580,742</u>	<u>617,441</u>	<u>658,693</u>	<u>697,323</u>	<u>740,664</u>	<u>781,325</u>
Debt Coverage Ratio		1.34	1.37	1.41	1.44	1.48	1.52	1.56	1.59	1.64	1.68	1.72	1.77	1.81	1.86

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	5,000,009	80.00%
Tax Increment Financing	253,085	4.05%
Equity Contribution	996,917	15.95%
TOTAL SOURCES OF FUNDS	<u>6,250,011</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	5,538,103
Architect's Fee - Design	79,410
Construction Interest	177,338
Real Estate Taxes	15,582
Insurance	11,687
Other Construction Loan Fee	62,328
Other Permanent Loan Fee	51,940
Environmental Study	2,597
Appraisal	2,597
Title, Recording, Disbursing	2,597
Other	25,970
Lease-Up	64,925
Reserves	-
Land Acquisition	51,940
Developer's Fee	161,700
Organization (Partnership)	1,299
TOTAL USES OF FUNDS	<u>6,250,011</u>

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	\$/Unit	Total
1. Site Work	1,988	194,775
2. Off-Site		
3. Demolition		
4. New Building	54,524	5,343,328
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	56,511	5,538,103
11. Architect's Fee - Design	810	79,410
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	1,810	177,338
17. Real Estate Taxes	159	15,582
18. Insurance	119	11,687
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	636	62,328
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	530	51,940
23. Environmental Study	27	2,597
24. Market Study	-	-
25. Appraisal	27	2,597
26. Title, Recording, Disbursing	27	2,597
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	265	25,970
Lease-Up	663	64,925
Reserves	-	-
Admin	-	-
33. Land Acquisition	530	51,940
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	161,700
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	13	1,299
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	63,778	6,250,011
Less: Portion of TIF used to finance development costs		(253,085)
Net Development Cost		5,996,926

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003**

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	98	98	98	98	98	98	98	
1b/1b-Market Rate	24	692	-	3,389	8,778	10,166	13,555	16,805	16,805	16,805	16,605	16,605	16,605	16,605	150,123
1b/1b-Market Rate	25	743	-	3,791	7,583	11,374	15,166	18,578	18,578	18,578	18,578	18,578	18,578	18,578	167,961
2b/2b-Market Rate	24	794	-	3,891	7,782	11,672	15,563	19,065	19,065	19,065	19,065	19,065	19,065	19,065	172,363
2b/2b-Market Rate	25	882	-	4,497	8,995	13,492	17,990	22,038	22,038	22,038	22,038	22,038	22,038	22,038	199,237
			-	15,588	31,137	46,705	62,274	76,286	76,286	76,286	76,286	76,286	76,286	76,286	669,684
Other Income		2.0%	-	311	623	934	1,245	1,528	1,528	1,528	1,528	1,528	1,528	1,528	13,794
			-	15,880	31,760	47,640	63,519	77,811	77,811	77,811	77,811	77,811	77,811	77,811	703,478
Vacancy		7.0%	-	(1,090)	(2,180)	(3,289)	(4,359)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(48,278)
			-	14,790	29,580	44,370	59,160	72,471	72,471	72,471	72,471	72,471	72,471	72,471	655,200
OPERATING COSTS															
Payroll	98	641													-
Utilities	98	333													-
Grounds	98	123													-
Management Fee	98	429													-
Other Expenses	98	77	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	47,411
Insurance	98	103													-
Real Estate Taxes	98	528	-	293	587	880	1,174	1,438	2,099	2,157	2,157	2,157	2,157	2,157	17,256
Advertising	98	114													-
Maintenance	98	226													-
Security/Trash	98	52													-
Reserves	98	205	-	342	683	1,025	1,387	1,874	1,874	1,874	1,874	1,874	1,874	1,874	15,136
			3,951	4,588	5,221	5,856	6,491	7,063	7,724	7,782	7,782	7,782	7,782	7,782	79,803
NET OPERATING INCOME			(3,951)	10,204	24,359	38,514	52,869	65,408	84,747	84,889	84,889	84,889	84,889	84,889	575,397

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004**

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
1b/1b-Market Rate	24	692	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	199,260
1b/1b-Market Rate	25	743	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	222,938
2b/2b-Market Rate	24	794	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	228,780
2b/2b-Market Rate	25	882	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	264,450
			76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	915,428
Other Income		2.0%	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	18,309
			77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	933,738
Vacancy		7.0%	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(64,080)
			72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	869,658
OPERATING COSTS															
Payroll	98	641	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	62,781
Utilities	98	333	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	32,846
Grounds	98	123	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	12,054
Management Fee	98	355	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	34,786
Administration Expense	98	77	628	628	628	628	628	628	628	628	628	628	628	628	7,534
Insurance	98	103	837	837	837	837	837	837	837	837	837	837	837	837	10,045
Real Estate Taxes	98	528	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	51,765
Advertising	98	114	929	929	929	929	929	929	929	929	929	929	929	929	11,150
Maintenance	98	226	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	22,099
Security/Trash	98	52	427	427	427	427	427	427	427	427	427	427	427	427	5,123
Reserves	98	205	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	20,090
			22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	270,074
CASH FLOW BEFORE DEBT SERVICE															
			49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	599,583
DEBT SERVICE															
			(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(38,591)	(463,091)
CASH FLOW AFTER DEBT SERVICE															
			11,374	11,374	11,374	11,374	11,374	11,374	11,374	11,374	11,374	11,374	11,374	11,374	136,492
Debt Coverage Ratio															
			1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2018**

	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES														
1b/1b-Market Rate	150,123	199,260	204,242	209,348	214,581	219,946	225,444	231,081	236,858	242,779	248,648	255,070	261,448	267,983
1b/1b-Market Rate	167,961	222,938	228,511	234,224	240,079	246,081	252,233	258,539	265,003	271,628	278,418	285,379	292,513	299,826
2b/2b-Market Rate	172,363	228,780	234,500	240,362	246,371	252,530	258,844	265,315	271,948	278,746	285,715	292,858	300,179	307,684
2b/2b-Market Rate	199,237	284,450	271,081	277,838	284,784	291,903	299,201	306,681	314,348	322,207	330,262	338,518	346,981	355,656
Other Income	688,684	915,428	938,313	961,771	985,815	1,010,481	1,035,722	1,061,615	1,088,156	1,115,360	1,143,244	1,171,825	1,201,120	1,231,148
	13,794	18,309	18,766	19,235	19,716	20,209	20,714	21,232	21,763	22,307	22,865	23,436	24,022	24,623
	703,478	933,736	957,079	981,006	1,005,532	1,030,670	1,056,437	1,082,848	1,109,919	1,137,667	1,166,108	1,195,261	1,225,143	1,255,771
Vacancy	(48,278)	(64,080)	(65,682)	(67,324)	(69,007)	(70,732)	(72,501)	(74,313)	(76,171)	(78,075)	(80,027)	(82,028)	(84,078)	(86,180)
	655,200	869,656	891,398	913,682	936,525	959,938	983,936	1,008,534	1,033,748	1,059,592	1,086,061	1,113,233	1,141,064	1,169,591
OPERATING COSTS														
Payroll	-	62,781	64,351	65,960	67,609	69,299	71,031	72,807	74,627	76,493	78,405	80,365	82,374	84,434
Utilities	-	32,848	33,462	34,289	35,156	36,035	36,938	37,860	38,808	39,776	40,771	41,790	42,835	43,906
Grounds	-	12,064	12,355	12,664	12,981	13,305	13,638	13,979	14,328	14,687	15,054	15,430	15,816	16,211
Management Fee	-	34,786	35,658	36,547	37,461	38,398	39,357	40,341	41,350	42,384	43,443	44,529	45,643	46,784
Administration Expense	47,411	7,534	7,722	7,915	8,113	8,316	8,524	8,737	8,955	9,179	9,409	9,644	9,885	10,132
Insurance	-	10,045	10,296	10,554	10,817	11,088	11,365	11,649	11,940	12,239	12,545	12,858	13,180	13,509
Real Estate Taxes	17,256	51,765	51,765	53,318	53,318	54,918	54,918	56,565	56,565	58,262	58,262	60,010	60,010	61,810
Advertising	-	11,150	11,429	11,714	12,007	12,307	12,615	12,931	13,254	13,585	13,925	14,273	14,630	14,995
Maintenance	-	22,099	22,651	23,218	23,798	24,393	25,003	25,628	26,269	26,925	27,599	28,289	28,996	29,721
Security/Trash	-	5,123	5,251	5,382	5,517	5,655	5,796	5,941	6,090	6,242	6,398	6,558	6,722	6,890
Reserves	15,138	20,090	20,582	21,107	21,635	22,176	22,730	23,298	23,881	24,478	25,090	25,717	26,360	27,019
	79,803	270,074	275,531	282,678	288,412	295,889	301,914	309,736	318,065	324,250	330,899	339,463	348,449	355,411
CASH FLOW BEFORE DEBT SERVICE	575,397	599,583	615,866	631,004	648,112	664,048	682,023	698,799	717,683	735,342	755,182	773,770	794,615	814,180
DEBT SERVICE	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)	(463,091)
CASH FLOW AFTER DEBT SERVICE	112,307	305,357	152,776	167,914	185,022	200,958	218,932	235,708	254,592	272,251	292,091	310,680	331,524	351,089
Debt Coverage Ratio	1.24	1.29	1.33	1.36	1.40	1.43	1.47	1.51	1.55	1.59	1.63	1.67	1.72	1.76

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	5,292,021	80.00%
Tax Increment Financing	253,085	3.83%
Equity Contribution	1,069,920	16.17%
TOTAL SOURCES OF FUNDS	<u>6,615,026</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	5,870,389
Architect's Fee - Design	84,174
Construction Interest	187,694
Real Estate Taxes	16,517
Insurance	12,388
Other Construction Loan Fee	66,068
Other Permanent Loan Fee	55,056
Environmental Study	2,753
Appraisal	2,753
Title, Recording, Disbursing	2,753
Other	27,528
Lease-Up	68,821
Reserves	-
Land Acquisition	55,056
Developer's Fee	161,700
Organization (Partnership)	1,376
TOTAL USES OF FUNDS	<u>6,615,026</u>

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	\$/Unit	Total
1. Site Work	2,107	206,462
2. Off-Site		
3. Demolition		
4. New Building	57,795	5,663,927
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	59,902	5,870,389
11. Architect's Fee - Design	859	84,174
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	1,915	187,694
17. Real Estate Taxes	169	16,517
18. Insurance	126	12,388
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	674	66,068
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	562	55,056
23. Environmental Study	28	2,753
24. Market Study	-	-
25. Appraisal	28	2,753
26. Title, Recording, Disbursing	28	2,753
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	281	27,528
Lease-Up	702	68,821
Reserves	-	-
Admin	-	-
33. Land Acquisition	562	55,056
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	161,700
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	14	1,376
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	67,500	6,615,028
Less: Portion of TIF used to finance development costs		(253,085)
Net Development Cost		6,361,941

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004**

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	98	98	98	98	98	98	98	
1b/1b-Market Rate	24	709	-	3,473	6,947	10,420	13,894	17,020	17,020	17,020	17,020	17,020	17,020	17,020	153,876
1b/1b-Market Rate	25	782	-	3,888	7,772	11,659	15,545	19,043	19,043	19,043	19,043	19,043	19,043	19,043	172,160
2b/2b-Market Rate	24	814	-	3,988	7,976	11,964	15,952	19,542	19,542	19,542	19,542	19,542	19,542	19,542	176,672
2b/2b-Market Rate	25	904	-	4,610	9,220	13,830	18,440	22,588	22,588	22,588	22,588	22,588	22,588	22,588	204,216
			-	15,958	31,915	47,873	63,831	78,193	78,193	78,193	78,193	78,193	78,193	78,193	708,928
Other Income		2.0%	-	319	638	957	1,277	1,584	1,584	1,584	1,584	1,584	1,584	1,584	14,139
			-	18,277	32,554	48,831	65,107	79,757	79,757	79,757	79,757	79,757	79,757	79,757	721,065
Vacancy		7.0%	-	(1,117)	(2,234)	(3,351)	(4,468)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(49,485)
			-	15,160	30,320	45,479	60,639	74,283	74,283	74,283	74,283	74,283	74,283	74,283	671,580
OPERATING COSTS															
Payroll	98	657													-
Utilities	98	341													-
Grounds	98	126													-
Management Fee	98	440													-
Other Expenses	98	79	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	47,411
Insurance	98	105													-
Real Estate Taxes	98	541	-	451	602	902	1,203	1,263	2,211	2,211	2,211	2,211	2,211	2,211	17,686
Advertising	98	117													-
Maintenance	98	231													-
Security/Trash	98	54													-
Reserves	98	210	-	350	700	1,051	1,401	1,716	1,716	1,716	1,716	1,716	1,716	1,716	15,514
			3,951	4,752	5,253	5,904	6,555	6,930	7,878	7,878	7,878	7,878	7,878	7,878	80,612
NET OPERATING INCOME			(3,951)	10,408	25,067	39,576	54,084	67,353	66,405	66,405	66,405	66,405	66,405	66,405	590,968

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005**

	No Units	Per Unit	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
REVENUES															
1b/1b-Market Rate	24	709	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	204,242
1b/1b-Market Rate	25	782	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	228,511
2b/2b-Market Rate	24	814	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	234,500
2b/2b-Market Rate	25	904	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	271,061
			78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	938,313
Other Income		2.0%	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	18,768
			79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	957,079
Vacancy		7.0%	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(85,682)
			74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	891,398
OPERATING COSTS															
Payroll	98	657	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	84,351
Utilities	98	341	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	33,462
Grounds	98	126	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,355
Management Fee	98	364	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	35,658
Administration Expense	98	79	644	644	644	644	644	644	644	644	644	644	644	644	7,722
Insurance	98	105	858	858	858	858	858	858	858	858	858	858	858	858	10,296
Real Estate Taxes	98	541	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	53,059
Advertising	98	117	952	952	952	952	952	952	952	952	952	952	952	952	11,429
Maintenance	98	231	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	22,651
Security/Trash	98	54	438	438	438	438	438	438	438	438	438	438	438	438	5,251
Reserves	98	210	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	20,592
			23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	276,825
CASH FLOW BEFORE DEBT SERVICE															
			51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	614,572
DEBT SERVICE															
			(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(40,845)	(480,138)
CASH FLOW AFTER DEBT SERVICE															
			10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	124,436
Debt Coverage Ratio															
			1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITH TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2017**

	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017
REVENUES														
1b/1b-Market Rate	153,876	204,242	209,348	214,581	219,946	225,444	231,081	236,858	242,779	248,848	255,070	261,446	267,963	274,682
1b/1b-Market Rate	172,160	228,511	234,224	240,079	246,081	252,233	258,539	265,003	271,628	278,419	285,379	292,513	299,826	307,322
2b/2b-Market Rate	176,672	234,500	240,362	246,371	252,530	258,844	265,315	271,948	278,746	285,715	292,858	300,179	307,684	315,376
2b/2b-Market Rate	204,218	271,061	277,636	284,784	291,903	299,201	306,681	314,348	322,207	330,262	338,518	346,961	355,656	364,547
	706,926	938,313	961,771	985,815	1,010,461	1,035,722	1,061,615	1,088,156	1,115,360	1,143,244	1,171,825	1,201,120	1,231,148	1,261,927
Other Income	14,139	16,766	19,235	19,716	20,209	20,714	21,232	21,763	22,307	22,865	23,436	24,022	24,623	25,239
	721,065	957,079	981,006	1,005,532	1,030,670	1,056,437	1,082,848	1,109,919	1,137,667	1,166,108	1,195,261	1,225,143	1,255,771	1,287,165
Vacancy	(49,485)	(65,682)	(67,324)	(69,007)	(70,732)	(72,501)	(74,313)	(76,171)	(78,075)	(80,027)	(82,028)	(84,078)	(86,180)	(88,335)
	671,580	891,396	913,682	936,525	959,938	983,936	1,008,534	1,033,748	1,059,592	1,086,081	1,113,233	1,141,064	1,169,591	1,198,831
OPERATING COSTS														
Payroll	-	64,351	65,960	67,609	69,299	71,031	72,807	74,627	76,493	78,405	80,365	82,374	84,434	86,545
Utilities	-	33,462	34,299	35,156	36,035	36,938	37,860	38,806	39,776	40,771	41,790	42,835	43,906	45,003
Grounds	-	12,355	12,664	12,981	13,305	13,638	13,979	14,328	14,687	15,054	15,430	15,816	16,211	16,617
Management Fee	-	35,656	36,547	37,461	38,398	39,357	40,341	41,350	42,384	43,443	44,529	45,643	46,784	47,953
Administration Expense	47,411	7,722	7,915	8,113	8,316	8,524	8,737	8,955	9,179	9,409	9,644	9,885	10,132	10,385
Insurance	-	10,296	10,554	10,817	11,088	11,365	11,649	11,940	12,239	12,545	12,858	13,180	13,509	13,847
Real Estate Taxes	17,686	53,059	54,651	54,651	56,291	56,291	57,979	57,979	59,719	59,719	61,510	61,510	63,356	63,356
Advertising	-	11,429	11,714	12,007	12,307	12,615	12,931	13,254	13,585	13,925	14,273	14,630	14,995	15,370
Maintenance	-	22,651	23,218	23,798	24,393	25,003	25,628	26,269	26,925	27,599	28,289	28,996	29,721	30,464
Security/Trash	-	5,251	5,382	5,517	5,655	5,796	5,941	6,090	6,242	6,398	6,558	6,722	6,890	7,062
Reserves	15,514	20,592	21,107	21,635	22,176	22,730	23,298	23,881	24,478	25,090	25,717	26,360	27,019	27,694
	80,612	276,825	284,011	289,745	297,262	303,286	311,150	317,479	325,706	332,356	340,963	347,950	356,956	364,296
CASH FLOW BEFORE DEBT SERVICE	590,968	614,572	629,671	646,779	662,675	680,650	697,384	716,268	733,885	753,725	772,270	793,114	812,635	834,535
DEBT SERVICE	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)	(490,136)
CASH FLOW AFTER DEBT SERVICE	100,832	124,436	139,535	156,643	172,539	190,514	207,248	226,132	243,749	263,589	282,134	302,978	322,499	344,399
Debt Coverage Ratio	1.21	1.25	1.28	1.32	1.35	1.39	1.42	1.46	1.50	1.54	1.58	1.62	1.66	1.70



**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
TABLE OF CONTENTS**

	Page
SCHEDULE OF GENERAL ASSUMPTIONS	61
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	62
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES	63
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES INCLUDING DEVELOPMENT FEE	64
SCHEDULE OF INTERNAL RATE OF RETURN BEFORE TAXES	65
PHASE I	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	66
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	67
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	68
SCHEDULE OF BASE RENT AND EXPENSES	69
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	70
PHASE II	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	71
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	72
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	73
SCHEDULE OF BASE RENT AND EXPENSES	74
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	75
PHASE III	
SCHEDULE OF PROJECTED SOURCES AND USES OF FUNDS	76
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS	77
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR	78
SCHEDULE OF BASE RENT AND EXPENSES	79
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE	80

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF GENERAL ASSUMPTIONS**

PROJECT INFORMATION:

Project Name	NORTHGATE HOUSING
Type Ownership Entity	Limited Partnership
Project Location	North Kansas City, Missouri
Type of Project	New Construction

Project Schedule

	Phase I	Phase II	Phase III	Total
Number of Buildings				
Total Number of Units	204	98	98	400
Constr Complete (Placed in Service)	Jan-2002	Jan-2003	Jan-2004	
Lease-up	Dec-2002	May-2003	May-2004	

ASSUMPTIONS:

Estimated Vacancy	7.0%		# Units	SF	Rents
Estimated Increase in Rents	2.5%	1b/1b	100	750	675
Estimated Increase in Expenses	2.5%	1b/1b	100	875	725
Est. Increase in Real Estate Taxes	3.0%	2b/2b	100	1000	775
Replacement Reserve	200	2b/2b	100	1100	860
Management Fee	4.0%				
Other Income % of Gross Rents	2.0%				
Estimated Increase in Constr Costs	6.0%		Average Square Foot per Unit	931	
Capitalization Rate	10.0%		Average Cost per Square Foot	\$79.65	
Corporate Tax Rate	35.0%		Average Cost per Unit	\$74,155	

MORTGAGE TERMS:**Conventional Loan**

Phase I	12,182,748
Phase II	6,195,658
Phase III	6,559,408
Total	<u>24,937,814</u>

Interest Rate :	
Construction Loan	8.5%
Permanent Loan	8.0%
Loan to Value	80%
Amortization	25 years

SUMMARY OF PROJECT:

Equity Proceeds	8,234,454
Internal Rate of Return (IRR)	9.87%

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS	PHASE I	PHASE II	PHASE III	TOTAL
Conventional Loan @ 7.5 % for 25 years	12,182,748	6,195,658	6,559,408	24,937,814
Tax Increment Financing	-	-	-	-
Equity Contribution	3,045,687	1,548,914	1,639,852	6,234,454
TOTAL SOURCES OF FUNDS	15,228,435	7,744,572	8,199,260	31,172,268

USES OF FUNDS

Total Construction Cost	13,727,288	6,990,150	7,409,559	28,126,998
Architect's Fee - Design	155,945	79,410	84,174	319,529
Construction Interest	432,302	219,851	232,758	884,911
Real Estate Taxes	30,600	15,582	16,517	62,699
Insurance	22,950	11,687	12,388	47,024
Other Construction Loan Fee	122,400	62,328	66,068	250,796
Other Permanent Loan Fee	102,000	51,940	55,056	208,996
Environmental Study	5,100	2,597	2,753	10,450
Appraisal	5,100	2,597	2,753	10,450
Title, Recording, Disbursing	5,100	2,597	2,753	10,450
Other	51,000	25,970	27,528	104,498
Lease-Up	127,500	64,925	68,821	261,246
Reserves	-	-	-	-
Land Acquisition	102,000	51,940	55,056	208,996
Developer's Fee	336,600	161,700	161,700	660,000
Organization (Partnership)	2,550	1,299	1,376	5,225
TOTAL USES OF FUNDS	15,228,435	7,744,572	8,199,260	31,172,268

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016**

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Tax Savings/ (Costs)	Cash Flow	Net Benefit	IRR
2 2001	6,234,454							(6,234,454)	
3 2002		803,986	974,620	1,133,537	(1,304,171)	456,460		456,460	
4 2003		1,791,627	1,456,941	1,133,537	(798,851)	279,598	89,457	369,055	
5 2004		2,436,661	1,960,515	1,133,537	(657,391)	230,087	189,107	419,194	
6 2005		2,510,406	1,930,465	1,133,537	(553,596)	193,759	200,717	394,476	
7 2006		2,572,101	1,898,011	1,133,537	(459,447)	160,806	262,412	423,218	
8 2007		2,641,889	1,862,960	1,133,537	(354,609)	124,113	332,199	456,312	-20.85%
9 2008		2,706,839	1,825,106	1,133,537	(251,804)	88,131	397,150	485,281	-15.20%
10 2009		2,780,159	1,784,222	1,133,537	(137,600)	48,160	470,470	518,630	-10.84%
11 2010		2,848,533	1,740,069	1,133,537	(25,073)	8,775	538,844	547,619	-7.44%
12 2011		2,925,565	1,692,383	1,133,537	99,646	(34,876)	615,876	581,000	-4.73%
13 2012		2,997,541	1,640,862	1,133,537	223,122	(78,093)	687,852	609,759	-2.55%
14 2013		3,078,473	1,585,261	1,133,537	359,675	(125,886)	768,784	642,897	-0.77%
15 2014		3,154,236	1,525,190	1,133,537	495,509	(173,428)	844,547	671,119	0.70%
16 2015		3,239,265	1,460,314	1,133,537	645,414	(225,895)	929,576	703,681	1.93%
17 2016		3,319,012	1,390,247	1,133,537	795,228	(278,330)	1,009,323	730,993	2.95%
Sale					15,813,677	(5,534,787)	16,615,721	11,080,934	9.87%
	<u>6,234,454</u>	<u>39,806,293</u>	<u>24,727,186</u>	<u>17,003,055</u>	<u>13,889,729</u>	<u>(4,861,405)</u>	<u>7,336,313</u>	<u>1,775,241</u>	

NOI in Year 17		3,319,012
Capitalization Rate		<u>10.00%</u>
Gross Sales Price		33,190,121
Less: Mortgage		(16,201,011)
Less: Brokerage Fee	1.00%	(331,901)
Less: Closing Costs	0.125%	<u>(41,488)</u>
Net Sales Proceeds		16,615,721
Add: Mortgage		16,201,011
Less: Accumulated Depreciation		<u>(17,003,055)</u>
Estimated Gain on Sale		<u>15,813,677</u>

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET BENEFIT AND INTERNAL RATE OF RETURN AFTER TAXES INCLUDING DEVELOPMENT FEE
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016**

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Tax Savings/ (Costs)	Development Fee After Taxes	Cash Flow	Net Benefit	IRR
2 2001	6,234,454								(6,234,454)	
3 2002		803,988	974,820	1,133,537	(1,304,171)	458,480	218,790		675,250	
4 2003		1,791,627	1,456,941	1,133,537	(798,851)	279,598	105,105	89,457	474,160	
5 2004		2,436,681	1,960,515	1,133,537	(657,391)	230,087	105,105	189,107	524,299	
6 2005		2,510,408	1,930,465	1,133,537	(553,596)	193,759		200,717	394,478	
7 2006		2,572,101	1,898,011	1,133,537	(459,447)	160,808		262,412	423,218	-25.79%
8 2007		2,641,889	1,862,960	1,133,537	(354,809)	124,113		332,199	456,312	-18.82%
9 2008		2,706,839	1,825,106	1,133,537	(251,804)	88,131		397,150	485,281	-13.51%
10 2009		2,780,159	1,784,222	1,133,537	(137,800)	48,160		470,470	518,830	-9.38%
11 2010		2,848,533	1,740,069	1,133,537	(25,073)	8,775		538,844	547,819	-8.14%
12 2011		2,925,565	1,692,383	1,133,537	99,846	(34,876)		615,876	581,000	-3.55%
13 2012		2,997,541	1,640,882	1,133,537	223,122	(78,093)		687,852	609,759	-1.47%
14 2013		3,078,473	1,585,261	1,133,537	359,875	(125,886)		768,784	642,897	0.24%
15 2014		3,154,236	1,525,190	1,133,537	495,509	(173,428)		844,547	671,119	1.64%
16 2015		3,239,265	1,460,314	1,133,537	645,414	(225,895)		929,576	703,681	2.81%
17 2016		3,319,012	1,390,247	1,133,537	795,228	(278,330)		1,009,323	730,993	3.79%
Sale					15,813,877	(5,534,787)		16,615,721	11,080,934	10.50%
	<u>6,234,454</u>	<u>39,806,293</u>	<u>24,727,188</u>	<u>17,003,055</u>	<u>13,989,729</u>	<u>(4,861,405)</u>	<u>429,000</u>	<u>7,336,313</u>	<u>2,204,241</u>	

NOI in Year 15		3,319,012
Capitalization Rate		<u>10.00%</u>
Gross Sales Price		33,190,121
Less: Mortgage		(16,201,011)
Less: Brokerage Fee	1.00%	(331,901)
Less: Closing Costs	0.125%	<u>(41,488)</u>
Net Sales Proceeds		16,615,721
Add: Mortgage		16,201,011
Less: Accumulated Depreciation		<u>(17,003,055)</u>
Estimated Gain on Sale		<u>15,813,877</u>

**NORTHGATE VILLAGE
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF INTERNAL RATE OF RETURN BEFORE TAXES
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2016**

Year	Equity	NOI	Mortgage Interest	Depreciation	Net Income (Loss)	Development Fee	Cash Flow	Net Benefit	IRR
2 2001	6,234,454							(6,234,454)	
3 2002		803,986	974,620	1,133,537	(1,304,171)	336,600		336,600	
4 2003		1,791,627	1,456,941	1,133,537	(798,851)	161,700	89,457	251,157	
5 2004		2,436,661	1,960,515	1,133,537	(657,391)	161,700	189,107	350,807	
6 2005		2,510,406	1,930,465	1,133,537	(553,596)		200,717	200,717	
7 2006		2,572,101	1,898,011	1,133,537	(459,447)		262,412	262,412	
8 2007		2,641,889	1,862,960	1,133,537	(354,609)		332,199	332,199	
9 2008		2,706,839	1,825,106	1,133,537	(251,804)		397,150	397,150	#NUM!
10 2009		2,780,159	1,784,222	1,133,537	(137,600)		470,470	470,470	-15.23%
11 2010		2,848,533	1,740,069	1,133,537	(25,073)		538,844	538,844	-10.89%
12 2011		2,925,565	1,692,383	1,133,537	99,646		615,876	615,876	-7.39%
13 2012		2,997,541	1,640,882	1,133,537	223,122		687,852	687,852	-4.57%
14 2013		3,078,473	1,585,261	1,133,537	359,675		768,784	768,784	-2.25%
15 2014		3,154,236	1,525,190	1,133,537	495,509		844,547	844,547	-0.34%
16 2015		3,239,265	1,460,314	1,133,537	645,414		929,576	929,576	1.26%
17 2016		3,319,012	1,390,247	1,133,537	795,228		1,009,323	1,009,323	2.60%
Sale					15,813,677		16,615,721	16,615,721	11.04%
	<u>6,234,454</u>	<u>39,806,293</u>	<u>24,727,186</u>	<u>17,003,055</u>	<u>13,889,729</u>	<u>660,000</u>	<u>7,336,313</u>	<u>1,761,860</u>	

NOI in Year 15	3,319,012
Capitalization Rate	<u>10.00%</u>
Gross Sales Price	33,190,121
Less: Mortgage	(16,201,011)
Less: Brokerage Fee	1.00% (331,901)
Less: Closing Costs	0.125% <u>(41,488)</u>
Net Sales Proceeds	16,615,721
Add: Mortgage	16,201,011
Less: Accumulated Depreciation	<u>(17,003,055)</u>
Estimated Gain on Sale	<u>15,813,677</u>

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	12,182,748	80.00%
Tax Increment Financing	-	0.00%
Equity Contribution	3,045,687	20.00%
TOTAL SOURCES OF FUNDS	<u>15,228,435</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	13,727,288
Architect's Fee - Design	155,945
Construction Interest	432,302
Real Estate Taxes	30,600
Insurance	22,950
Other Construction Loan Fee	122,400
Other Permanent Loan Fee	102,000
Environmental Study	5,100
Appraisal	5,100
Title, Recording, Disbursing	5,100
Other	51,000
Lease-Up	127,500
Reserves	-
Land Acquisition	102,000
Developer's Fee	336,600
Organization (Partnership)	2,550
TOTAL USES OF FUNDS	<u>15,228,435</u>

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	<u>\$/Unit</u>	<u>Total</u>
1. Site Work	1,875	382,500
2. Other TIF Costs	13,978	2,851,538
3. Demolition		
4. New Building	51,438	10,493,250
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	67,291	13,727,288
11. Architect's Fee - Design	764	155,945
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	2,119	432,302
17. Real Estate Taxes	150	30,600
18. Insurance	113	22,950
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	600	122,400
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	500	102,000
23. Environmental Study	25	5,100
24. Market Study	-	-
25. Appraisal	25	5,100
26. Title, Recording, Disbursing	25	5,100
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	250	51,000
Lease-Up	625	127,500
Reserves	-	-
Admin	-	-
33. Land Acquisition	500	102,000
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	338,600
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	13	2,550
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	74,649	15,228,435

Less: Portion of TIF used to finance development costs

Net Development Cost

15,228,435

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002**

	No Units	Per Unit	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	100	120	140	160	180	200	204	
1b/1b-Market Rate	51	675	-	3,375	6,750	10,125	13,500	16,875	20,250	23,625	27,000	30,375	33,750	34,425	220,050
1b/1b-Market Rate	51	725	-	3,625	7,250	10,875	14,500	18,125	21,750	25,375	29,000	32,625	36,250	36,975	236,350
2b/2b-Market Rate	51	775	-	3,875	7,750	11,625	15,500	19,375	23,250	27,125	31,000	34,875	38,750	39,525	252,650
2b/2b-Market Rate	51	860	-	4,300	8,600	12,900	17,200	21,500	25,800	30,100	34,400	38,700	43,000	43,860	280,360
			-	15,175	30,350	45,525	60,700	75,875	91,050	106,225	121,400	136,575	151,750	154,785	989,410
Other Income		2.0%	-	304	607	911	1,214	1,518	1,821	2,125	2,428	2,732	3,035	3,096	19,788
			-	15,479	30,957	46,436	61,914	77,393	92,871	108,350	123,828	139,307	154,785	157,881	1,009,198
Vacancy		7.0%	-	(1,062)	(2,125)	(3,187)	(4,249)	(5,311)	(6,374)	(7,436)	(8,498)	(9,560)	(10,623)	(10,635)	(69,259)
			-	14,416	28,833	43,249	57,665	72,081	86,498	100,914	115,330	129,746	144,163	147,046	939,940
OPERATING COSTS															
Payroll	204	625													-
Utilities	204	325													-
Grounds	204	120													-
Management Fee	204	419													-
Other Expenses	204	75	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	6,298	75,546
Insurance	204	100													-
Real Estate Taxes	204	515		429	858	1,287	1,716	2,145	2,574	3,003	3,432	3,861	6,948	8,752	35,007
Advertising	204	111													-
Maintenance	204	220													-
Security/Trash	204	51													-
Reserves	204	200													-
			-	333	667	1,000	1,333	1,667	3,400	3,400	3,400	3,400	3,400	3,400	25,400
			6,298	7,058	7,820	8,583	9,345	10,107	12,270	12,899	13,128	13,557	16,644	18,448	135,953
NET OPERATING INCOME			<u>(6,298)</u>	<u>7,358</u>	<u>21,012</u>	<u>34,666</u>	<u>48,320</u>	<u>61,974</u>	<u>74,228</u>	<u>88,215</u>	<u>102,202</u>	<u>116,189</u>	<u>127,519</u>	<u>128,598</u>	<u>803,986</u>

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003**

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
1b/1b-Market Rate	51	675	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	34,425	413,100
1b/1b-Market Rate	51	725	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	36,975	443,700
2b/2b-Market Rate	51	775	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	39,525	474,300
2b/2b-Market Rate	51	880	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	43,860	526,320
			154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	154,785	1,857,420
Other Income		2.0%	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	3,096	37,148
			157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	157,881	1,894,568
Vacancy		7.0%	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(10,835)	(130,019)
			147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	147,046	1,764,549
OPERATING COSTS															
Payroll	204	625	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	10,825	127,500
Utilities	204	325	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	66,300
Grounds	204	120	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	24,480
Management Fee	204	348	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	70,582
Administration Expense	204	75	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	15,300
Insurance	204	100	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Real Estate Taxes	204	515	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	105,029
Advertising	204	111	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	1,887	22,844
Maintenance	204	220	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	44,880
Security/Trash	204	51	867	867	867	867	867	867	867	867	867	867	867	867	10,404
Reserves	204	200	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	40,800
			45,893	45,893	45,893	45,893	45,893	45,893	45,893	45,893	45,893	45,893	45,893	45,893	548,319
CASH FLOW BEFORE DEBT SERVICE															
			101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	101,352	1,216,230
DEBT SERVICE															
			(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(94,028)	(1,128,341)
CASH FLOW AFTER DEBT SERVICE															
			7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	7,324	87,889
Debt Coverage Ratio															
			1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08

**NORTHGATE VILLAGE - PHASE I
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2018**

	Year 3 2002	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES															
1b/1b-Market Rate	220,050	413,100	423,428	434,013	444,864	455,985	467,385	479,069	491,048	503,322	515,905	528,803	542,023	555,574	569,483
1b/1b-Market Rate	238,350	443,700	454,793	466,182	477,816	489,762	502,006	514,556	527,420	540,805	554,120	567,974	582,173	596,727	611,645
2b/2b-Market Rate	252,650	474,300	486,158	498,311	510,769	523,539	536,627	550,043	563,794	577,888	592,338	607,144	622,323	637,881	653,626
2b/2b-Market Rate	<u>280,360</u>	<u>528,320</u>	<u>539,478</u>	<u>552,965</u>	<u>566,789</u>	<u>580,959</u>	<u>595,483</u>	<u>610,370</u>	<u>625,629</u>	<u>641,270</u>	<u>657,302</u>	<u>673,734</u>	<u>690,577</u>	<u>707,842</u>	<u>725,539</u>
Other Income	989,410	1,857,420	1,903,858	1,951,452	2,000,238	2,050,244	2,101,500	2,154,038	2,207,889	2,283,088	2,319,863	2,377,855	2,437,096	2,498,023	2,560,474
	19,788	37,148	38,077	39,029	40,005	41,005	42,030	43,081	44,158	45,262	46,393	47,553	48,742	49,960	51,209
Vacancy	<u>1,008,198</u>	<u>1,894,588</u>	<u>1,941,933</u>	<u>1,990,481</u>	<u>2,040,243</u>	<u>2,091,249</u>	<u>2,143,530</u>	<u>2,197,119</u>	<u>2,252,046</u>	<u>2,308,348</u>	<u>2,366,056</u>	<u>2,425,208</u>	<u>2,485,838</u>	<u>2,547,984</u>	<u>2,611,683</u>
	<u>(69,259)</u>	<u>(130,019)</u>	<u>(133,270)</u>	<u>(138,602)</u>	<u>(140,017)</u>	<u>(143,517)</u>	<u>(147,105)</u>	<u>(150,783)</u>	<u>(154,552)</u>	<u>(158,416)</u>	<u>(162,378)</u>	<u>(166,436)</u>	<u>(170,597)</u>	<u>(174,862)</u>	<u>(178,233)</u>
	<u>939,940</u>	<u>1,764,549</u>	<u>1,808,663</u>	<u>1,853,879</u>	<u>1,900,226</u>	<u>1,947,732</u>	<u>1,996,425</u>	<u>2,046,336</u>	<u>2,097,494</u>	<u>2,149,932</u>	<u>2,203,680</u>	<u>2,258,772</u>	<u>2,315,241</u>	<u>2,373,122</u>	<u>2,432,450</u>
OPERATING COSTS															
Payroll	-	127,500	130,888	133,955	137,304	140,736	144,255	147,861	151,557	155,348	159,230	163,211	167,291	171,473	175,760
Utilities	-	66,300	67,958	69,656	71,398	73,183	75,012	76,888	78,810	80,780	82,800	84,870	86,991	89,166	91,395
Grounds	-	24,480	25,092	26,719	28,362	27,021	27,897	28,389	29,099	29,827	30,572	31,336	32,120	32,823	33,746
Management Fee	-	70,682	72,347	74,155	76,009	77,909	79,857	81,853	83,900	85,997	88,147	90,351	92,610	94,925	97,298
Administration Expense	75,548	15,300	15,683	16,075	16,476	16,888	17,311	17,743	18,187	18,642	19,108	19,585	20,075	20,577	21,091
Insurance	-	20,400	20,910	21,433	21,969	22,518	23,081	23,658	24,249	24,855	25,477	26,114	26,767	27,436	28,122
Real Estate Taxes	35,007	105,029	106,180	108,180	111,428	114,788	118,212	121,768	125,447	129,248	133,172	137,219	141,391	145,689	150,114
Advertising	-	22,644	23,210	23,790	24,385	24,995	25,620	26,260	26,917	27,590	28,279	28,986	29,711	30,454	31,215
Maintenance	-	44,880	46,002	47,152	48,331	49,539	50,776	52,047	53,348	54,682	56,049	57,450	58,896	60,389	61,928
Security/Trash	-	10,404	10,664	10,931	11,204	11,484	11,771	12,065	12,367	12,676	12,993	13,318	13,651	13,992	14,342
Reserves	25,400	40,800	41,820	42,866	43,937	45,036	46,161	47,315	48,498	49,711	50,954	52,227	53,533	54,871	56,243
	<u>135,953</u>	<u>548,319</u>	<u>562,552</u>	<u>573,812</u>	<u>586,800</u>	<u>600,735</u>	<u>616,310</u>	<u>628,849</u>	<u>645,144</u>	<u>658,317</u>	<u>675,366</u>	<u>689,208</u>	<u>707,045</u>	<u>721,586</u>	<u>740,253</u>
CASH FLOW BEFORE DEBT SERVICE	803,986	1,216,230	1,246,110	1,279,987	1,311,426	1,346,997	1,380,115	1,417,487	1,452,350	1,491,614	1,528,314	1,569,565	1,608,196	1,651,536	1,692,197
DEBT SERVICE	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>	<u>(1,128,341)</u>
CASH FLOW AFTER DEBT SERVICE	<u>(324,355)</u>	<u>87,889</u>	<u>117,769</u>	<u>151,626</u>	<u>183,085</u>	<u>218,656</u>	<u>251,774</u>	<u>289,146</u>	<u>324,009</u>	<u>363,273</u>	<u>399,973</u>	<u>441,224</u>	<u>479,855</u>	<u>523,195</u>	<u>563,856</u>
Debt Coverage Ratio		1.08	1.10	1.13	1.16	1.19	1.22	1.26	1.29	1.32	1.35	1.39	1.43	1.46	1.50

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	6,195,658	80.00%
Tax Increment Financing	-	0.00%
Equity Contribution	1,548,914	20.00%
TOTAL SOURCES OF FUNDS	<u>7,744,572</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	6,990,150
Architect's Fee - Design	79,410
Construction Interest	219,851
Real Estate Taxes	15,582
Insurance	11,687
Other Construction Loan Fee	62,328
Other Permanent Loan Fee	51,940
Environmental Study	2,597
Appraisal	2,597
Title, Recording, Disbursing	2,597
Other	25,970
Lease-Up	64,925
Reserves	-
Land Acquisition	51,940
Developer's Fee	161,700
Organization (Partnership)	1,299
TOTAL USES OF FUNDS	<u>7,744,572</u>

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	\$/Unit	Total
1. Site Work	1,988	194,775
2. Other TIF Costs	14,817	1,452,048
3. Demolition		
4. New Building	54,524	5,343,328
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	71,328	6,990,150
11. Architect's Fee - Design	810	79,410
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	2,243	219,851
17. Real Estate Taxes	159	15,582
18. Insurance	119	11,687
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	636	62,328
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	530	51,940
23. Environmental Study	27	2,597
24. Market Study	-	-
25. Appraisal	27	2,597
26. Title, Recording, Disbursing	27	2,597
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	265	25,970
Lease-Up	663	64,925
Reserves	-	-
Admin	-	-
33. Land Acquisition	530	51,940
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	161,700
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	13	1,299
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	79,026	7,744,572
Less: Portion of TIF used to finance development costs		-
Net Development Cost		<u>7,744,572</u>

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003**

	No Units	Per Unit	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	98	98	98	98	98	98	98	
1b/1b-Market Rate	24	692	-	3,389	6,778	10,168	13,555	16,805	16,805	16,805	16,805	16,805	16,805	16,805	150,123
1b/1b-Market Rate	25	743	-	3,791	7,583	11,374	15,166	18,578	18,578	18,578	18,578	18,578	18,578	18,578	167,961
2b/2b-Market Rate	24	794	-	3,891	7,782	11,672	15,563	19,065	19,065	19,065	19,065	19,065	19,065	19,065	172,363
2b/2b-Market Rate	25	882	-	4,497	8,995	13,492	17,990	22,038	22,038	22,038	22,038	22,038	22,038	22,038	199,237
			-	15,568	31,137	46,705	62,274	78,286	78,286	78,286	78,286	78,286	78,286	78,286	689,654
Other Income		2.0%	-	311	623	934	1,245	1,526	1,526	1,526	1,526	1,526	1,526	1,526	13,794
			-	15,880	31,760	47,640	63,519	77,811	77,811	77,811	77,811	77,811	77,811	77,811	703,478
Vacancy		7.0%	-	(1,090)	(2,180)	(3,269)	(4,359)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(48,278)
			-	14,790	29,580	44,370	59,160	72,471	72,471	72,471	72,471	72,471	72,471	72,471	655,200
OPERATING COSTS															
Payroll	98	641													-
Utilities	98	333													-
Grounds	98	123													-
Management Fee	98	429													-
Other Expenses	98	77	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	47,411
Insurance	98	103													-
Real Estate Taxes	98	528	-	293	587	880	1,174	1,438	2,099	2,157	2,157	2,157	2,157	2,157	17,256
Advertising	98	114													-
Maintenance	98	228													-
Security/Trash	98	52													-
Reserves	98	205	-	342	683	1,025	1,367	1,674	1,674	1,674	1,674	1,674	1,674	1,674	15,136
			3,951	4,586	5,221	5,856	6,491	7,063	7,724	7,782	7,782	7,782	7,782	7,782	79,803
NET OPERATING INCOME			(3,951)	10,204	24,359	38,514	52,669	65,408	64,747	64,689	64,689	64,689	64,689	64,689	575,397

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004**

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
1b/1b-Market Rate	24	692	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	16,605	199,260
1b/1b-Market Rate	25	743	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	222,938
2b/2b-Market Rate	24	794	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	19,065	228,780
2b/2b-Market Rate	26	682	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	284,450
			76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	76,286	915,428
Other Income		2.0%	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	18,309
			77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	77,811	933,736
Vacancy		7.0%	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(5,340)	(64,080)
			72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	72,471	869,656
OPERATING COSTS															
Payroll	98	641	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	62,781
Utilities	98	333	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	32,646
Grounds	98	123	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	12,054
Management Fee	98	355	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	34,786
Administration Expense	98	77	628	628	628	628	628	628	628	628	628	628	628	628	7,534
Insurance	98	103	837	837	837	837	837	837	837	837	837	837	837	837	10,045
Real Estate Taxes	98	528	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	51,765
Advertising	98	114	929	929	929	929	929	929	929	929	929	929	929	929	11,150
Maintenance	98	228	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	22,099
Security/Trash	98	52	427	427	427	427	427	427	427	427	427	427	427	427	5,123
Reserves	98	205	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	20,090
			22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	22,506	270,074
CASH FLOW BEFORE DEBT SERVICE															
			49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	599,583
DEBT SERVICE															
			(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(47,819)	(573,829)
CASH FLOW AFTER DEBT SERVICE															
			2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	25,754
Debt Coverage Ratio															
			1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04

**NORTHGATE VILLAGE - PHASE II
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2016**

	Year 4 2003	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016
REVENUES														
1b/1b-Market Rate	150,123	199,260	204,242	209,348	214,581	219,948	225,444	231,081	236,858	242,779	248,848	255,070	261,446	267,983
1b/1b-Market Rate	167,961	222,938	228,511	234,224	240,079	246,081	252,233	258,539	265,003	271,628	278,418	285,379	292,513	299,826
2b/2b-Market Rate	172,363	228,780	234,500	240,362	246,371	252,530	258,844	265,315	271,948	278,746	285,715	292,858	300,179	307,684
2b/2b-Market Rate	199,237	284,450	271,081	277,838	284,784	291,903	299,201	306,881	314,348	322,207	330,262	338,518	346,981	355,656
	689,684	915,428	938,313	961,771	985,815	1,010,481	1,035,722	1,061,815	1,088,158	1,115,360	1,143,244	1,171,825	1,201,120	1,231,148
Other Income	13,784	18,309	18,766	19,235	19,716	20,209	20,714	21,232	21,763	22,307	22,865	23,436	24,022	24,623
	703,478	933,736	957,079	981,006	1,005,532	1,030,670	1,056,437	1,082,848	1,109,919	1,137,667	1,166,108	1,195,261	1,225,143	1,255,771
Vacancy	(48,278)	(64,080)	(65,682)	(67,324)	(69,007)	(70,732)	(72,501)	(74,313)	(76,171)	(78,075)	(80,027)	(82,028)	(84,078)	(86,180)
	655,200	869,656	891,398	913,682	936,525	959,938	983,936	1,008,534	1,033,748	1,059,592	1,086,081	1,113,233	1,141,064	1,169,591
OPERATING COSTS														
Payroll	-	62,781	84,351	65,960	67,609	69,299	71,031	72,807	74,627	76,493	78,405	80,365	82,374	84,434
Utilities	-	32,648	33,462	34,299	35,156	36,035	36,936	37,860	38,806	39,776	40,771	41,790	42,835	43,906
Grounds	-	12,054	12,355	12,664	12,981	13,305	13,638	13,979	14,328	14,687	15,054	15,430	15,816	16,211
Management Fee	-	34,788	35,656	36,547	37,461	38,398	39,357	40,341	41,350	42,384	43,443	44,529	45,643	46,784
Administration Expense	47,411	7,534	7,722	7,915	8,113	8,316	8,524	8,737	8,955	9,179	9,409	9,644	9,885	10,132
Insurance	-	10,045	10,296	10,554	10,817	11,088	11,365	11,649	11,940	12,239	12,545	12,858	13,180	13,509
Real Estate Taxes	17,258	51,765	51,765	53,318	53,318	54,918	54,918	56,565	56,565	58,262	58,262	60,010	60,010	61,810
Advertising	-	11,150	11,429	11,714	12,007	12,307	12,615	12,931	13,254	13,585	13,925	14,273	14,630	14,995
Maintenance	-	22,099	22,651	23,218	23,798	24,393	25,003	25,628	26,269	26,925	27,599	28,289	28,996	29,721
Security/Trash	-	5,123	5,251	5,382	5,517	5,655	5,796	5,941	6,090	6,242	6,398	6,558	6,722	6,890
Reserves	15,136	20,090	20,592	21,107	21,635	22,176	22,730	23,298	23,881	24,478	25,090	25,717	26,360	27,019
	79,803	270,074	275,531	282,678	288,412	295,889	301,914	309,736	316,065	324,250	330,899	339,463	348,449	355,411
CASH FLOW BEFORE DEBT SERVICE	575,397	599,583	615,866	631,004	648,112	664,048	682,023	698,799	717,683	735,342	755,182	773,770	794,615	814,180
DEBT SERVICE	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)	(573,829)
CASH FLOW AFTER DEBT SERVICE	1,568	87,889	42,037	57,175	74,283	90,219	108,193	124,969	143,854	161,513	181,353	199,941	220,786	240,351
Debt Coverage Ratio	1.00	1.04	1.07	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.32	1.35	1.38	1.42

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF PROJECTED SOURCES & USES OF FUNDS**

SOURCES OF FUNDS

Conventional Loan @ 7.5 % for 25 years	6,559,408	80.00%
Tax Increment Financing	-	0.00%
Equity Contribution	1,639,852	20.00%
TOTAL SOURCES OF FUNDS	<u>8,199,260</u>	<u>100.00%</u>

USES OF FUNDS

Total Construction Cost	7,409,559
Architect's Fee - Design	84,174
Construction Interest	232,758
Real Estate Taxes	16,517
Insurance	12,388
Other Construction Loan Fee	66,068
Other Permanent Loan Fee	55,056
Environmental Study	2,753
Appraisal	2,753
Title, Recording, Disbursing	2,753
Other	27,528
Lease-Up	68,821
Reserves	-
Land Acquisition	55,056
Developer's Fee	161,700
Organization (Partnership)	1,376
TOTAL USES OF FUNDS	<u>8,199,260</u>

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF ESTIMATED CONSTRUCTION COSTS**

ITEM	\$/Unit	Total
1. Site Work	2,107	208,482
2. Other TIF Costs	15,706	1,539,171
3. Demolition		
4. New Building	57,795	5,663,927
5. Bond Premium	-	-
6. Other Fees	-	-
7. General Requirements		
8. Builder's Overhead		
9. Builder's Profit	-	-
10. Total Construction Cost	75,608	7,409,559
11. Architect's Fee - Design	859	84,174
12. Architect's Fee - Supervision		
13. Soil Report		
14. Survey		
15. Engineering		
16. Construction Interest	2,375	232,758
17. Real Estate Taxes	169	16,517
18. Insurance	126	12,388
19. MHDC Financing Fees		
1% Construction Loan Fee		
1.8% Permanent Loan Fee		
20. Other Construction Loan Fee	674	66,068
21. Other Permanent Loan Fee	-	-
22. Other Permanent Financing Costs	562	55,058
23. Environmental Study	28	2,753
24. Market Study	-	-
25. Appraisal	28	2,753
26. Title, Recording, Disbursing	28	2,753
27. Legal (Real Estate)		
28. Organization		
29. Cost Certification	-	-
30. Consultant Fee		
31. Relocation		
32. Other	281	27,528
Lease-Up	702	68,821
Reserves	-	-
Admin	-	-
33. Land Acquisition	562	55,058
34. Existing Building Acquisition		
35. Developer's Overhead		
36. Developer's Fee	1,650	181,700
37. Tax Credit Fee - Application		
Tax Credit Fee - Monitoring		
38. Organization (Partnership)	14	1,378
39. Bridge Loan Fees & Expenses		
40. Tax Opinion		
41. Other Syndication Costs		
Total Development Cost	83,666	8,199,260
Less: Portion of TIF used to finance development costs		-
Net Development Cost		8,199,260

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF NET OPERATING INCOME FOR INITIAL YEAR
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004**

	No Units	Per Unit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL
REVENUES															
Units Leased			-	20	40	60	80	98	98	98	98	98	98	98	
1b/1b-Market Rate	24	709	-	3,473	6,947	10,420	13,894	17,020	17,020	17,020	17,020	17,020	17,020	17,020	153,876
1b/1b-Market Rate	25	782	-	3,888	7,772	11,659	15,545	19,043	19,043	19,043	19,043	19,043	19,043	19,043	172,160
2b/2b-Market Rate	24	814	-	3,988	7,976	11,964	15,952	19,542	19,542	19,542	19,542	19,542	19,542	19,542	176,672
2b/2b-Market Rate	25	904	-	4,610	9,220	13,830	18,440	22,588	22,588	22,588	22,588	22,588	22,588	22,588	204,218
			-	15,958	31,915	47,873	63,831	78,193	78,193	78,193	78,193	78,193	78,193	78,193	706,926
Other Income		2.0%	-	319	638	957	1,277	1,564	1,564	1,564	1,564	1,564	1,564	1,564	14,139
			-	18,277	32,554	48,831	65,107	79,757	79,757	79,757	79,757	79,757	79,757	79,757	721,065
Vacancy		7.0%	-	(1,117)	(2,234)	(3,351)	(4,468)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(49,455)
			-	15,160	30,320	45,479	60,639	74,283	74,283	74,283	74,283	74,283	74,283	74,283	671,580
OPERATING COSTS															
Payroll	98	857	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	98	341	-	-	-	-	-	-	-	-	-	-	-	-	-
Grounds	98	128	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	98	440	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	98	79	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	47,411
Insurance	98	105	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	98	541	-	451	602	902	1,203	1,263	2,211	2,211	2,211	2,211	2,211	2,211	17,686
Advertising	98	117	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	98	231	-	-	-	-	-	-	-	-	-	-	-	-	-
Security/Trash	98	54	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	98	210	-	350	700	1,051	1,401	1,716	1,716	1,716	1,716	1,716	1,716	1,716	15,514
			3,951	4,752	5,253	5,904	6,555	6,930	7,878	7,878	7,878	7,878	7,878	7,878	80,612
NET OPERATING INCOME			(3,951)	10,408	25,067	39,576	54,084	67,353	66,405	66,405	66,405	66,405	66,405	66,405	590,968

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF BASE RENT AND EXPENSES
FOR THE PERIOD BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005**

	No Units	Per Unit	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
REVENUES															
1b/1b-Market Rate	24	709	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	17,020	204,242
1b/1b-Market Rate	25	782	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	19,043	228,511
2b/2b-Market Rate	24	814	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	19,542	234,600
2b/2b-Market Rate	25	904	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588	271,061
			78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	78,193	938,313
Other Income		2.0%	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	18,768
			79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	79,757	957,079
Vacancy		7.0%	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(5,473)	(65,682)
			74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	74,283	891,398
OPERATING COSTS															
Payroll	98	657	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	5,363	64,351
Utilities	98	341	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	2,789	33,462
Grounds	98	128	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,355
Management Fee	98	364	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	35,856
Administration Expense	98	79	644	644	644	644	644	644	644	644	644	644	644	644	7,722
Insurance	98	105	858	858	858	858	858	858	858	858	858	858	858	858	10,298
Real Estate Taxes	98	541	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	53,059
Advertising	98	117	952	952	952	952	952	952	952	952	952	952	952	952	11,429
Maintenance	98	231	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	22,851
Security/Trash	98	54	438	438	438	438	438	438	438	438	438	438	438	438	5,251
Reserves	98	210	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	20,592
			23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	23,069	278,825
CASH FLOW BEFORE DEBT SERVICE															
			51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214	614,572
DEBT SERVICE															
			(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(50,827)	(607,519)
CASH FLOW AFTER DEBT SERVICE															
			588	588	588	588	588	588	588	588	588	588	588	588	7,053
Debt Coverage Ratio															
			1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01

**NORTHGATE VILLAGE - PHASE III
CONVENTIONAL APARTMENTS
WITHOUT TAX INCREMENT FINANCING
SCHEDULE OF CASH FLOW AFTER DEBT SERVICE
FOR THE PERIOD BEGINNING JANUARY 1, 2004 AND ENDING DECEMBER 31, 2017**

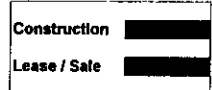
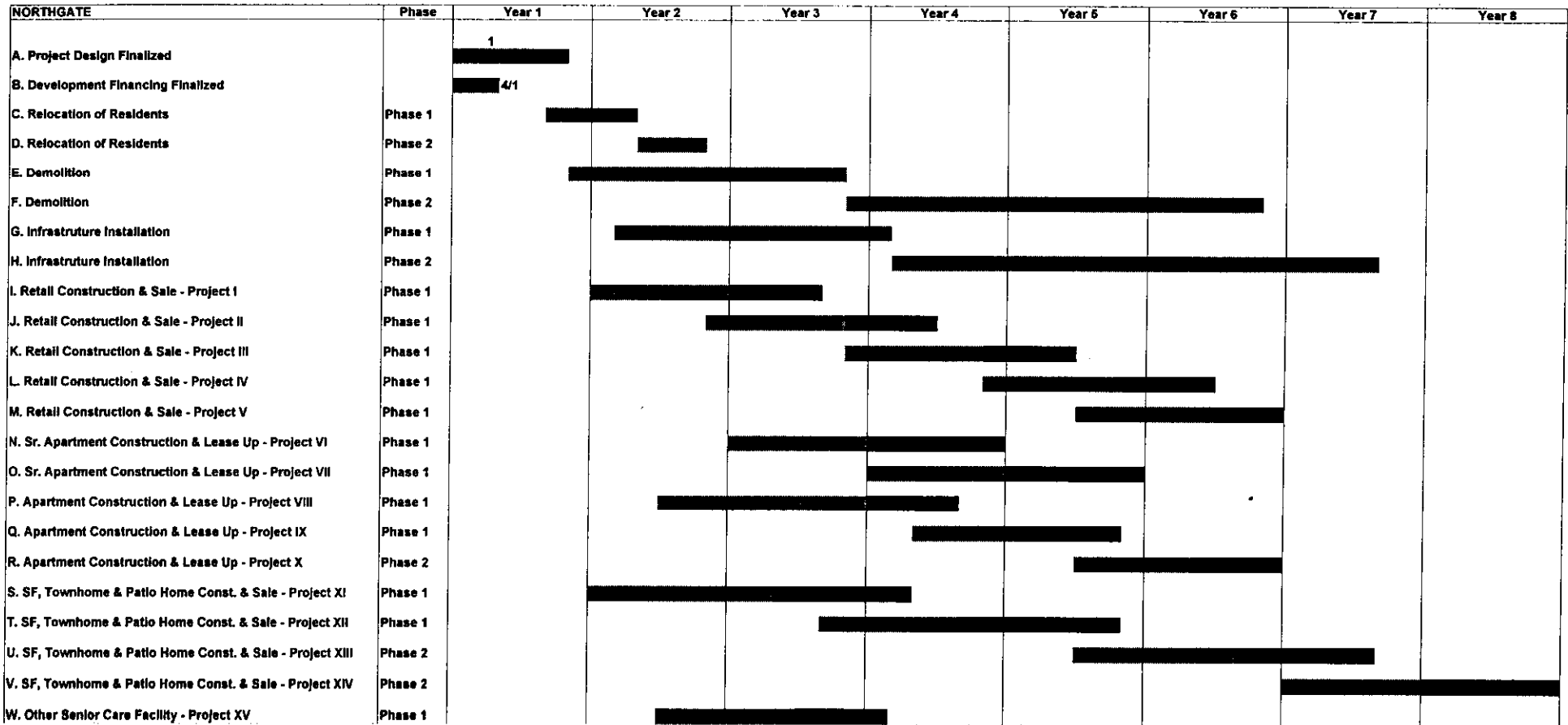
	Year 5 2004	Year 6 2005	Year 7 2006	Year 8 2007	Year 9 2008	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	Year 16 2015	Year 17 2016	Year 18 2017
REVENUES														
1b/1b-Market Rate	153,878	204,242	209,348	214,581	219,946	225,444	231,081	236,858	242,779	248,848	255,070	261,446	267,983	274,682
1b/1b-Market Rate	172,160	228,511	234,224	240,079	246,081	252,233	258,539	265,003	271,628	278,418	285,379	292,513	299,826	307,322
2b/2b-Market Rate	178,672	234,500	240,362	246,371	252,530	258,844	265,315	271,948	278,746	285,715	292,858	300,179	307,684	315,376
2b/2b-Market Rate	204,218	271,061	277,838	284,784	291,903	299,201	306,681	314,348	322,207	330,262	338,518	346,981	355,656	364,547
	706,926	938,313	961,771	985,815	1,010,461	1,035,722	1,061,615	1,088,156	1,115,360	1,143,244	1,171,825	1,201,120	1,231,148	1,261,927
Other Income	14,139	18,766	19,235	19,716	20,209	20,714	21,232	21,763	22,307	22,865	23,436	24,022	24,623	25,239
	721,065	957,079	981,006	1,005,532	1,030,670	1,056,437	1,082,848	1,109,919	1,137,667	1,166,108	1,195,261	1,225,143	1,255,771	1,287,165
Vacancy	(49,485)	(65,682)	(67,324)	(69,007)	(70,732)	(72,501)	(74,313)	(76,171)	(78,075)	(80,027)	(82,028)	(84,078)	(86,180)	(88,335)
	671,580	891,398	913,682	936,525	959,938	983,936	1,008,534	1,033,748	1,059,592	1,086,081	1,113,233	1,141,064	1,169,591	1,198,831
OPERATING COSTS														
Payroll	-	64,351	65,960	67,809	69,299	71,031	72,807	74,627	76,493	78,405	80,365	82,374	84,434	86,545
Utilities	-	33,462	34,299	35,158	36,035	36,936	37,860	38,806	39,776	40,771	41,790	42,835	43,906	45,003
Grounds	-	12,355	12,664	12,981	13,305	13,638	13,979	14,328	14,687	15,054	15,430	15,816	16,211	16,617
Management Fee	-	35,656	36,647	37,481	38,398	39,357	40,341	41,360	42,384	43,443	44,529	45,643	46,784	47,953
Administration Expense	47,411	7,722	7,815	8,113	8,316	8,524	8,737	8,955	9,179	9,409	9,644	9,885	10,132	10,385
Insurance	-	10,206	10,554	10,817	11,088	11,365	11,649	11,940	12,239	12,545	12,858	13,180	13,509	13,847
Real Estate Taxes	17,686	63,059	54,651	54,651	56,291	56,291	57,979	57,979	59,719	59,719	61,510	61,510	63,356	63,356
Advertising	-	11,429	11,714	12,007	12,307	12,615	12,931	13,254	13,585	13,925	14,273	14,630	14,995	15,370
Maintenance	-	22,651	23,218	23,798	24,393	25,003	25,628	26,269	26,925	27,598	28,289	28,996	29,721	30,464
Security/Trash	-	5,251	5,382	5,517	5,655	5,796	5,941	6,090	6,242	6,398	6,558	6,722	6,890	7,062
Reserves	15,514	20,592	21,107	21,635	22,176	22,730	23,298	23,881	24,478	25,090	25,717	26,360	27,019	27,694
	80,612	276,825	284,011	289,745	297,262	303,286	311,150	317,479	325,706	332,356	340,963	347,950	356,956	364,296
CASH FLOW BEFORE DEBT SERVICE	590,968	614,572	629,671	646,779	662,675	680,650	697,384	716,268	733,885	753,725	772,270	793,114	812,635	834,535
DEBT SERVICE	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)	(607,519)
CASH FLOW AFTER DEBT SERVICE	(16,550)	7,053	22,152	39,260	55,157	73,131	89,865	108,750	126,366	146,206	164,751	185,596	205,116	227,016
Debt Coverage Ratio	0.97	1.01	1.04	1.08	1.09	1.12	1.15	1.18	1.21	1.24	1.27	1.31	1.34	1.37

SECTION 6

EXHIBIT 6

DEVELOPMENT SCHEDULE

NORTHGATE TIMELINE



SECTION 7

EXHIBIT 7

COST-BENEFIT ANALYSIS

Cost Benefit Analysis

Revised November 11, 1999

**NORTHGATE VILLAGE TIF PLAN
OF
NORTH KANSAS CITY**

Submitted to:

**Tax Increment Financing Commission
North Kansas City, Missouri**

Table of Contents

I. Introduction

II. TIF Financing Assumptions

III. Estimated Annual Summary of TIF Revenues

Table 1: Property and Sales Taxes If Property Not Developed

Table 2: Projection of Property Taxes If Development Occurs

Table 3: Projection of Pilots If Development Occurs

Table 4: Projection of Sales Taxes If Development Occurs

Table 5: Projection of Pilots and Eats If Development Occurs

Table 6: Property Taxes Per Jurisdiction If Property Not Developed

Table 7: Projected Property Taxes Per Jurisdiction If Development Occurs

Table 8: Projected Sales Tax Per Jurisdiction If Development Occurs

I. INTRODUCTION

The purpose of this study is to illustrate the economic impact of the proposed TIF Plan of Northgate Village located in North Kansas City. The tables enclosed illustrate the effect the development would have on the local taxing authorities.

The attached tables show sales and real estate taxes that would be generated if the TIF Plan occurs and as if the TIF Plan did not occur. The most that could be hoped for, leaving the property undeveloped, would be increases in inflation over the next 20 plus years.

The TIF revenues would be used to reimburse the developers for infrastructure, demolition and other development costs. The TIF Plan would be divided into 15 phases with the commercial development having five phases, single family, patio homes & townhomes having four phases and apartments having six phases.

Assumptions used for inflation and the phasing of the project are included in Section II of this study with a summary of total TIF revenues generated over the life of the project are included in Section III.

All of the tables set forth projections over the twenty-three (23) year period as provided in the Real Property Tax Increment Allocation Redevelopment Act., R.S.MO. 99.800 et seq. (the "Act").

**SECTION: II
NORTHGATE VILLAGE
TIF PLAN
TIF FINANCING ASSUMPTIONS**

11/10/99

Commercial Assumptions:	Demolition & Construction:	Project I	Project II	Project III	Project IV	Project V
- 5 Projects	Year Demolition Begins	0	0	0	0	0
- 5 Years to Full Occupancy	Year Demolition Ends	1	1	1	1	1
- 30,000 Sq. Ft. Retail Space	Year Construction Begins	1	2	3	4	5
- 30,000 Sq. Ft. * \$100/Sq. Ft = \$3,000,000 Market Value	Year Construction Ends	2	3	4	5	6
- Sales Tax EATS= 30,000 Sq. Ft. * \$250 Sales Rev./Sq. Ft., multiplied by 1.1875%	Year TIF Begins	2	3	4	5	6
- Utilities = \$2/Sq. Ft. * 5%	Year TIF Ends	24	25	26	27	28
- Real Estate Pilots = ((\$3,000,000 MV * 32% Levy) * \$5.66) / 100 Base	Number of Sq. Ft.	8,000	8,000	8,000	8,000	8,000
- All Real Estate Taxes are Calculated on Assessed Value (90% of Market Value)						
- All EAT's Calculations Reflect a 1.5% Inflation Factor Per Year.						
- Real Estate Tax Calculations Reflect a 3.0% Inflation Factor Every 2 Years						

37907

Apartment Assumptions:	Demolition & Construction:	Project VIII	Project VI	Project VII
- 3 Projects Regular Apartments & 3 Projects Senior Apartments	Regular Apartments:			
- Reg. Apts(3 Projects) - Full Occup. in Year 4, Senior Apts(3 Projects) - Full Occup. in Year 4	Year Demolition Begins	1	2	3
- 400 Regular Apartments	Year Demolition Ends	2	3	4
- 180 Senior Apartments	Year Construction Begins	2	3	4
- Real Estate Levy & Rate - 19% Levy, \$5.66 Rate	Year Construction Ends	3	4	5
- All Real Estate Taxes are Calculated Based Upon 85% of Stabilized NOI without R.E. Taxes, 11.5 Cap. Rate	Year TIF Begins	3	4	5
- Real Estate Tax Calculations Reflect a 3.0% Inflation Factor Every 2 Years	Year TIF Ends	25	28	27
	Number of Units	204	98	98
	Senior Apartments:			
	Year Demolition Begins	0	0	0
	Year Demolition Ends	1	1	1
	Year Construction Begins	2	3	4
	Year Construction Ends	3	4	5
	Year TIF Begins	3	4	5
	Year TIF Ends	25	26	27
	Number of Units	60	60	60

Market Value

SECTION: II
NORTHGATE VILLAGE
TIF PLAN
TIF FINANCING ASSUMPTIONS

11/10/99

Residential Single Family, Patio Home, & Townhome - 4 Projects	Project XI	Project XII	Project XIII	Project XIV
Residential Single Family & Patio Home Assumptions:	Demolition & Construction:			
- 5 Years to Full Occupancy	0	1	3	4
- 133 Residential Homes & Patio Homes * \$140,000/Home = \$18,620,000 Market Value	1	2	4	5
- Real Estate Pilots = $(\$18,620,000 \text{ MV} * 19\% \text{ Levy}) * \$5.66 / 100 \text{ Base}$ <i>1990?</i>	1	2	3	4
- All Real Estate Taxes are Calculated on Assessed Value (90% of Market Value)	2	3	4	5
- Real Estate Tax Calculations Reflect a 3.0% Inflation Factor Every 2 Years	24	25	26	27
	85	16	77	35
Residential Townhome Assumptions:	Demolition & Construction:			
- 7 Years to Full Occupancy	0	1	3	4
- 80 Townhome Units * \$100,000/Unit = \$8,000,000 Market Value	1	2	4	5
- Real Estate Pilots = $(\$8,000,000 \text{ MV} * 19\% \text{ Levy}) * \$5.66 / 100 \text{ Base}$ <i>1990?</i>	1	2	5	6
- All Real Estate Taxes are Calculated on Assessed Value (90% of Market Value)	2	3	6	7
- Real Estate Tax Calculations Reflect a 3.0% Inflation Factor Every 2 Years	2	3	6	7
	24	25	26	27
	20	20	20	20
Cumulative Units Constructed	54	107	160	213

**Tax Increment Financing Commission For The City Of
North Kansas City, Missouri
Northgate TIF Plan
Cost Benefit Analysis**

Table 1: Property and Sales Taxes If Property Not Developed

Year	Appraised Value	Assessed Value Of 19%	Tax Rate Equals \$5.66/\$100	Real Property Taxes	Cumulative Real Property Taxes	Sales Taxes
1	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$89,496	\$0
2	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$178,992	\$0
3	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$268,488	\$0
4	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$357,984	\$0
5	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$447,480	\$0
6	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$536,976	\$0
7	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$626,472	\$0
8	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$715,968	\$0
9	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$805,464	\$0
10	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$894,960	\$0
11	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$984,456	\$0
12	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,073,952	\$0
13	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,163,448	\$0
14	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,252,944	\$0
15	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,342,440	\$0
16	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,431,936	\$0
17	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,521,432	\$0
18	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,610,928	\$0
19	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,700,424	\$0
20	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,789,920	\$0
21	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,879,416	\$0
22	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$1,968,912	\$0
23	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,058,408	\$0
24	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,147,904	\$0
25	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,237,400	\$0
26	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,326,896	\$0
27	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,416,392	\$0
28	\$8,322,112	\$1,581,201	\$0.0566	\$89,496	\$2,505,888	\$0
			Total	\$2,505,888		

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS**

TABLE 2: PROJECTION OF PROPERTY TAXES IF DEVELOPMENT OCCURS

YEAR	APPRAISED VALUE	ASSESSED VALUE 19% OR 32%	TAX RATE EQUALS \$5.66	PROJECTED REAL PROPERTY TAXES	CUMULATIVE REAL PROPERTY TAXES
1	\$0	\$0	\$5.66	\$0	\$0
2	\$6,529,473	\$1,310,797	\$5.66	\$74,191	\$74,191
3	\$17,054,119	\$3,384,887	\$5.66	\$191,585	\$265,776
4	\$31,094,158	\$6,124,797	\$5.66	\$346,664	\$612,439
5	\$42,919,608	\$8,452,612	\$5.66	\$478,418	\$1,090,857
6	\$49,423,381	\$9,762,800	\$5.66	\$552,574	\$1,643,432
7	\$52,872,991	\$10,429,397	\$5.66	\$590,304	\$2,233,735
8	\$52,872,991	\$10,429,397	\$5.66	\$590,304	\$2,824,039
9	\$54,459,181	\$10,742,279	\$5.66	\$608,013	\$3,432,052
10	\$54,459,181	\$10,742,279	\$5.66	\$608,013	\$4,040,065
11	\$56,092,956	\$11,064,547	\$5.66	\$626,253	\$4,666,319
12	\$56,092,956	\$11,064,547	\$5.66	\$626,253	\$5,292,572
13	\$57,775,745	\$11,396,483	\$5.66	\$645,041	\$5,937,613
14	\$57,775,745	\$11,396,483	\$5.66	\$645,041	\$6,582,654
15	\$59,509,017	\$11,738,378	\$5.66	\$664,392	\$7,247,046
16	\$59,509,017	\$11,738,378	\$5.66	\$664,392	\$7,911,438
17	\$61,294,287	\$12,090,529	\$5.66	\$684,324	\$8,595,762
18	\$61,294,287	\$12,090,529	\$5.66	\$684,324	\$9,280,086
19	\$63,133,116	\$12,453,245	\$5.66	\$704,854	\$9,984,940
20	\$63,133,116	\$12,453,245	\$5.66	\$704,854	\$10,689,793
21	\$65,027,110	\$12,826,842	\$5.66	\$725,999	\$11,415,793
22	\$65,027,110	\$12,826,842	\$5.66	\$725,999	\$12,141,792
23	\$66,977,923	\$13,211,648	\$5.66	\$747,779	\$12,889,571
24	\$66,977,923	\$13,211,648	\$5.66	\$747,779	\$13,637,351
25	\$68,987,261	\$13,607,997	\$5.66	\$770,213	\$14,407,563
26	\$68,987,261	\$13,607,997	\$5.66	\$770,213	\$15,177,776
27	\$71,056,878	\$14,016,237	\$5.66	\$793,319	\$15,971,095
28	\$71,056,878	\$14,016,237	\$5.66	\$793,319	\$16,764,414
			TOTAL	\$16,764,414	

Assumptions:

- All tax computations are based on the total land in use during each year.
- Development costs are layered throughout the development in 14 separate phases.
- Appraised values reflect a 3.0% inflation factor every 2 years.
Assessed Value = 32% for Commercial, 19% for Residential.
- Missouri tax of \$.03 per \$100 of assessed value is not included.

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS
TABLE 3: PROJECTION OF PILOTS IF DEVELOPMENT OCCURS**

YEAR	FROZEN APPRAISED VALUE	FROZEN ASSESSED VALUE	FROZEN PROPERTY TAXES	PROJECTED REAL PROPERTY TAXES	PILOTS*	CUMULATIVE PILOTS
1	\$0	\$0	\$0	\$0	\$0	\$0
2	\$1,076,902	\$204,611	\$11,581	\$74,191	\$62,610	\$62,610
3	\$3,890,552	\$739,205	\$41,839	\$191,585	\$149,746	\$212,356
4	\$5,825,460	\$1,106,837	\$62,647	\$346,664	\$284,016	\$496,372
5	\$7,763,716	\$1,475,106	\$83,491	\$478,418	\$394,926	\$891,298
6	\$8,155,663	\$1,549,576	\$87,706	\$552,574	\$464,868	\$1,356,166
7	\$8,322,112	\$1,581,201	\$89,496	\$590,304	\$500,808	\$1,856,974
8	\$8,322,112	\$1,581,201	\$89,496	\$590,304	\$500,808	\$2,357,782
9	\$8,322,112	\$1,581,201	\$89,496	\$608,013	\$518,517	\$2,876,299
10	\$8,322,112	\$1,581,201	\$89,496	\$608,013	\$518,517	\$3,394,816
11	\$8,322,112	\$1,581,201	\$89,496	\$626,253	\$536,757	\$3,931,573
12	\$8,322,112	\$1,581,201	\$89,496	\$626,253	\$536,757	\$4,468,330
13	\$8,322,112	\$1,581,201	\$89,496	\$645,041	\$555,545	\$5,023,875
14	\$8,322,112	\$1,581,201	\$89,496	\$645,041	\$555,545	\$5,579,420
15	\$8,322,112	\$1,581,201	\$89,496	\$664,392	\$574,896	\$6,154,316
16	\$8,322,112	\$1,581,201	\$89,496	\$664,392	\$574,896	\$6,729,212
17	\$8,322,112	\$1,581,201	\$89,496	\$684,324	\$594,828	\$7,324,040
18	\$8,322,112	\$1,581,201	\$89,496	\$684,324	\$594,828	\$7,918,868
19	\$8,322,112	\$1,581,201	\$89,496	\$704,854	\$615,358	\$8,534,226
20	\$8,322,112	\$1,581,201	\$89,496	\$704,854	\$615,358	\$9,149,584
21	\$8,322,112	\$1,581,201	\$89,496	\$725,999	\$636,503	\$9,786,087
22	\$8,322,112	\$1,581,201	\$89,496	\$725,999	\$636,503	\$10,422,590
23	\$8,322,112	\$1,581,201	\$89,496	\$747,779	\$658,283	\$11,080,873
24	\$8,322,113	\$1,581,201	\$89,496	\$747,779	\$658,283	\$11,739,156
25	\$7,240,283	\$1,375,654	\$77,862	\$770,213	\$586,572	\$12,325,728
26	\$4,430,723	\$841,837	\$47,648	\$770,213	\$350,083	\$12,675,811
27	\$2,330,203	\$442,739	\$25,059	\$793,319	\$188,048	\$12,863,859
28	\$226,334	\$43,004	\$2,434	\$793,319	\$11,930	\$12,875,789
			TOTAL	\$2,051,195	\$16,764,414	\$12,875,789

* Certain TIF phases begin to discontinue in Year 24.

**Tax Increment Financing Commission For The City Of
North Kansas City, Missouri
Northgate TIF Plan
Cost Benefit Analysis**

Table 4: Projection of Sales Tax If Development Occurs

Year	Annual Sales	Total Local Sales Taxes <i>@ 2.375%</i>	Local Taxing Entities Total	Sales Tax EATS Paid For Development
1	\$0	\$0	\$0	\$0
2	\$1,500,042	\$35,626	\$17,813	\$17,813
3	\$3,045,053	\$72,320	\$36,160	\$36,160
4	\$4,636,126	\$110,108	\$55,054	\$55,054
5	\$6,274,105	\$149,010	\$74,505	\$74,505
6	\$7,960,253	\$189,056	\$94,528	\$94,528
7	\$8,079,663	\$191,892	\$95,946	\$95,946
8	\$8,200,842	\$194,770	\$97,385	\$97,385
9	\$8,323,874	\$197,692	\$98,846	\$98,846
10	\$8,448,758	\$200,658	\$100,329	\$100,329
11	\$8,575,495	\$203,668	\$101,834	\$101,834
12	\$8,704,084	\$206,722	\$103,361	\$103,361
13	\$8,834,695	\$209,824	\$104,912	\$104,912
14	\$8,967,242	\$212,972	\$106,486	\$106,486
15	\$9,101,726	\$216,166	\$108,083	\$108,083
16	\$9,238,232	\$219,408	\$109,704	\$109,704
17	\$9,376,842	\$222,700	\$111,350	\$111,350
18	\$9,517,474	\$226,040	\$113,020	\$113,020
19	\$9,660,211	\$229,430	\$114,715	\$114,715
20	\$9,805,137	\$232,872	\$116,436	\$116,436
21	\$9,952,168	\$236,364	\$118,182	\$118,182
22	\$10,101,474	\$239,910	\$119,955	\$119,955
23	\$10,252,968	\$243,508	\$121,754	\$121,754
24	\$10,406,821	\$247,162	\$123,581	\$123,581
25	\$10,562,863	\$250,868	\$150,521	\$100,347
26	\$10,721,263	\$254,630	\$178,241	\$76,389
27	\$10,882,105	\$258,450	\$206,760	\$51,690
28	\$11,045,389	\$262,328	\$236,095	\$26,233
Totals	\$0	\$5,514,154	\$3,015,556	\$2,498,598

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS
TABLE 5: PROJECTION OF PILOTS & EATS
IF DEVELOPMENT OCCURS**

YEAR	PAYMENTS IN LIEU OF TAXES (PILOTS)	SALES TAX EATS	UTILITIES EATS	TOTAL PILOTS PLUS EATS	CUMULATIVE PILOTS PLUS EATS
1	\$0	\$0	\$0	\$0	\$0
2	\$62,610	\$17,813	\$600	\$81,023	\$81,023
3	\$149,746	\$36,160	\$1,218	\$187,124	\$268,147
4	891,295 \$284,016	193,532 \$55,054	682 \$1,854	\$340,924	\$609,071
5	\$394,926	\$74,505	\$2,510	\$471,941	\$1,081,012
6	\$464,868	\$94,528	\$3,184	\$562,580	\$1,643,592
7	\$500,808	\$95,946	\$3,232	\$599,986	\$2,243,578
8	2,503,518 \$500,808	487,034 \$97,385	16,409 \$3,280	\$601,473	\$2,845,051
9	\$518,517	\$98,846	\$3,330	\$620,693	\$3,465,744
10	\$518,517	\$100,329	\$3,379	\$622,225	\$4,087,969
11	\$536,757	\$101,834	\$3,430	\$642,021	\$4,729,990
12	\$536,757	\$103,361	\$3,482	\$643,600	\$5,373,590
13	2,759,500 \$555,545	524,676 \$104,912	17,674 \$3,534	\$663,991	\$6,037,581
14	\$555,545	\$106,486	\$3,587	\$665,618	\$6,703,199
15	\$574,896	\$108,083	\$3,641	\$686,620	\$7,389,819
16	\$574,896	\$109,704	\$3,695	\$688,295	\$8,078,114
17	\$594,828	\$111,350	\$3,751	\$709,929	\$8,788,043
18	2,995,258 \$594,828	465,335 \$113,020	19,039 \$3,807	\$711,655	\$9,499,698
19	\$615,358	\$114,715	\$3,864	\$733,937	\$10,233,635
20	\$615,358	\$116,436	\$3,922	\$735,716	\$10,969,351
21	\$636,503	\$118,182	\$3,981	\$758,666	\$11,728,017
22	\$636,503	\$119,955	\$4,041	\$760,499	\$12,488,516
23	3,176,144 \$658,283	583,819 \$121,754	19,664 \$4,101	\$784,138	\$13,272,654
24	\$658,283	\$123,581	\$4,163	\$786,027	\$14,058,681
25	\$586,572	\$100,347	\$3,380	\$690,299	\$14,748,980
26	\$350,083	\$76,389	\$2,573	\$429,045	\$15,178,025
27	550,001 \$188,048	154,312 \$51,690	5198 \$1,741	\$241,479	\$15,419,504
28	\$11,930	\$26,233	\$884	\$39,047	\$15,458,550
TOTALS	\$12,875,789	\$2,498,598	\$84,163	\$15,458,550	

Assumptions:

In year 24 phases within the commercial development begin to phase out
diminishing the 50% - 50% split.

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS**

TABLE 6: PROPERTY TAXES PER JURISDICTION IF PROPERTY NOT DEVELOPED

YEAR	ASSESSED VALUE	REAL PROPERTY TAXES \$5.66 / 100	CITY \$0.72	HEALTH \$0.10	MENTAL HEALTH \$0.09	HANDICAP \$0.12	KCJC \$0.23	SCHOOL DISTRICT \$4.31	COUNTY \$0.09	TAXING ENTITIES TOTAL \$5.66
1	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
2	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
3	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
4	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
5	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
6	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
7	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
8	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
9	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
10	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
11	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
12	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
13	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
14	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
15	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
16	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
17	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
18	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
19	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
20	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
21	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
22	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
23	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
24	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
25	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
26	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
27	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
28	\$1,581,201	\$89,496	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496
TOTALS		\$2,505,888	\$318,770	\$44,274	\$39,846	\$53,128	\$101,829	\$1,908,193	\$39,846	\$2,505,887

Assumptions:

- Missouri tax of \$.03 per 100 of assessed value is not included.

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS**

TABLE 7: PROJECTED PROPERTY TAXES PER JURISDICTION IF DEVELOPMENT OCCURS

YEAR	FROZEN ASSESSED VALUE	PROJECTED ASSESSED VALUE	FROZEN PROPERTY TAXES	PILOTS*	TOTAL REAL PROPERTY TAXES	CITY \$0.72	HEALTH \$0.10	MENTAL HEALTH \$0.09	HANDICAP \$0.12	KCJC \$0.23	SCHOOL DISTRICT \$4.31	COUNTY \$0.09	TAXING ENTITIES TOTAL \$5.66	PILOTS* PAID FOR DEVELOPMENT
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$204,811	\$1,310,797	\$11,581	\$62,610	\$74,191	\$1,473	\$205	\$184	\$246	\$471	\$8,819	\$184	\$11,581	\$62,610
3	\$739,205	\$3,384,887	\$41,839	\$149,746	\$191,585	\$5,322	\$739	\$665	\$887	\$1,700	\$31,860	\$665	\$41,839	\$149,746
4	\$1,106,837	\$6,124,797	\$62,647	\$284,016	\$346,664	\$7,969	\$1,107	\$996	\$1,328	\$2,546	\$47,705	\$996	\$62,648	\$284,016
5	\$1,475,106	\$8,452,612	\$83,491	\$394,926	\$478,418	\$10,621	\$1,475	\$1,328	\$1,770	\$3,393	\$63,577	\$1,328	\$83,492	\$394,926
6	\$1,549,576	\$9,762,800	\$87,706	\$464,868	\$552,574	\$11,157	\$1,550	\$1,395	\$1,859	\$3,564	\$66,787	\$1,395	\$87,706	\$464,868
7	\$1,581,201	\$10,429,397	\$89,496	\$500,808	\$590,304	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$500,808
8	\$1,581,201	\$10,429,397	\$89,496	\$500,808	\$590,304	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$500,808
9	\$1,581,201	\$10,742,279	\$89,496	\$518,517	\$608,013	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$518,517
10	\$1,581,201	\$10,742,279	\$89,496	\$518,517	\$608,013	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$518,517
11	\$1,581,201	\$11,064,547	\$89,496	\$536,757	\$626,253	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$536,757
12	\$1,581,201	\$11,064,547	\$89,496	\$536,757	\$626,253	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$536,757
13	\$1,581,201	\$11,396,483	\$89,496	\$555,545	\$645,041	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$555,545
14	\$1,581,201	\$11,396,483	\$89,496	\$555,545	\$645,041	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$555,545
15	\$1,581,201	\$11,738,378	\$89,496	\$574,896	\$664,392	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$574,896
16	\$1,581,201	\$11,738,378	\$89,496	\$574,896	\$664,392	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$574,896
17	\$1,581,201	\$12,090,529	\$89,496	\$594,828	\$684,324	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$594,828
18	\$1,581,201	\$12,090,529	\$89,496	\$594,828	\$684,324	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$594,828
19	\$1,581,201	\$12,453,245	\$89,496	\$615,358	\$704,854	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$615,358
20	\$1,581,201	\$12,453,245	\$89,496	\$615,358	\$704,854	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$615,358
21	\$1,581,201	\$12,826,842	\$89,496	\$636,503	\$725,999	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$636,503
22	\$1,581,201	\$12,826,842	\$89,496	\$636,503	\$725,999	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$636,503
23	\$1,581,201	\$13,211,648	\$89,496	\$658,283	\$747,779	\$11,385	\$1,581	\$1,423	\$1,897	\$3,637	\$68,150	\$1,423	\$89,496	\$658,283
24	\$1,581,201	\$13,211,648	\$89,496	\$658,283	\$747,779	\$11,384	\$1,584	\$1,432	\$1,897	\$3,634	\$68,134	\$1,431	\$89,496	\$658,283
25	\$1,375,654	\$13,607,997	\$77,862	\$586,572	\$770,213	\$23,359	\$3,250	\$2,938	\$3,893	\$7,456	\$139,806	\$2,938	\$183,641	\$586,572
26	\$841,837	\$13,607,997	\$47,648	\$350,083	\$770,213	\$53,440	\$7,436	\$6,722	\$8,907	\$17,057	\$319,845	\$6,722	\$420,130	\$350,083
27	\$442,739	\$14,016,237	\$25,059	\$188,048	\$793,319	\$76,990	\$10,713	\$9,684	\$12,832	\$24,574	\$460,793	\$9,684	\$605,271	\$188,048
28	\$43,004	\$14,016,237	\$2,434	\$11,930	\$793,319	\$99,393	\$13,831	\$12,502	\$16,565	\$31,724	\$594,871	\$12,502	\$781,389	\$11,930
			\$2,051,195	\$12,875,789	\$16,764,414	\$494,648	\$68,770	\$62,039	\$82,441	\$157,943	\$2,960,741	\$62,038	\$3,888,625	\$12,875,789

* Certain TIF phases begin to discontinue in Year 24.
 - All tax computations are based on the total land in use during each year.
 - Missouri tax of \$.03 per \$100 of assessed value is not included.
 - All tax computations are based on the total land in use during each year.
 - Missouri tax of \$.03 per \$100 of assessed value is not included.
 - All tax computations are based on the total land in use during each year.

**TAX INCREMENT FINANCING COMMISSION FOR THE CITY OF
NORTH KANSAS CITY, MISSOURI
NORTHGATE TIF PLAN
COST BENEFIT ANALYSIS**

TABLE 8: PROJECTED SALES TAX PER JURISDICTION IF DEVELOPMENT OCCURS

YEAR	TOTAL ANNUAL SALES	TOTAL LOCAL SALES TAXES @ 2.375%	ONE-HALF LOCAL SALES TAXES	CITY GENERAL @ 1%	CITY TRANS @ .5%	COUNTY GENERAL @ .75%	COUNTY JAIL @ .125%	LOCAL TAXING ENTITIES TOTAL 1.1875%/2.375%	SALES TAX EATS PAID FOR DEVELOPMENT
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$1,500,042	\$35,626	\$17,813	\$7,500	\$3,750	\$5,625	\$938	\$17,813	\$17,813
3	\$3,045,053	\$72,320	\$36,160	\$15,225	\$7,613	\$11,419	\$1,903	\$36,160	\$36,160
4	\$4,636,126	\$110,108	\$55,054	\$23,181	\$11,590	\$17,385	\$2,898	\$55,054	\$55,054
5	\$6,274,105	\$149,010	\$74,505	\$31,371	\$15,685	\$23,528	\$3,921	\$74,505	\$74,505
6	\$7,960,253	\$189,056	\$94,528	\$39,801	\$19,901	\$29,851	\$4,975	\$94,528	\$94,528
7	\$8,079,663	\$191,892	\$95,946	\$40,398	\$20,199	\$30,299	\$5,050	\$95,946	\$95,946
8	\$8,200,842	\$194,770	\$97,385	\$41,004	\$20,502	\$30,753	\$5,126	\$97,385	\$97,385
9	\$8,323,874	\$197,692	\$98,846	\$41,619	\$20,810	\$31,215	\$5,202	\$98,846	\$98,846
10	\$8,448,758	\$200,658	\$100,329	\$42,244	\$21,122	\$31,683	\$5,280	\$100,329	\$100,329
11	\$8,575,495	\$203,668	\$101,834	\$42,877	\$21,439	\$32,158	\$5,360	\$101,834	\$101,834
12	\$8,704,084	\$206,722	\$103,361	\$43,520	\$21,760	\$32,640	\$5,440	\$103,361	\$103,361
13	\$8,834,695	\$209,824	\$104,912	\$44,173	\$22,087	\$33,130	\$5,522	\$104,912	\$104,912
14	\$8,967,242	\$212,972	\$106,486	\$44,836	\$22,418	\$33,627	\$5,605	\$106,486	\$106,486
15	\$9,101,726	\$216,166	\$108,083	\$45,509	\$22,754	\$34,131	\$5,689	\$108,083	\$108,083
16	\$9,238,232	\$219,408	\$109,704	\$46,191	\$23,096	\$34,643	\$5,774	\$109,704	\$109,704
17	\$9,376,842	\$222,700	\$111,350	\$46,884	\$23,442	\$35,163	\$5,861	\$111,350	\$111,350
18	\$9,517,474	\$226,040	\$113,020	\$47,587	\$23,794	\$35,691	\$5,948	\$113,020	\$113,020
19	\$9,660,211	\$229,430	\$114,715	\$48,301	\$24,151	\$36,226	\$6,038	\$114,715	\$114,715
20	\$9,805,137	\$232,872	\$116,436	\$49,026	\$24,513	\$36,769	\$6,128	\$116,436	\$116,436
21	\$9,952,168	\$236,364	\$118,182	\$49,761	\$24,880	\$37,321	\$6,220	\$118,182	\$118,182
22	\$10,101,474	\$239,910	\$119,955	\$50,507	\$25,254	\$37,881	\$6,313	\$119,955	\$119,955
23	\$10,252,968	\$243,508	\$121,754	\$51,265	\$25,632	\$38,449	\$6,408	\$121,754	\$121,754
24	\$10,406,821	\$247,162	\$123,581	\$52,034	\$26,017	\$39,026	\$6,504	\$123,581	\$123,581
25	\$10,562,863	\$250,868	\$125,434	\$53,377	\$26,689	\$40,533	\$6,600	\$125,434	\$125,434
26	\$10,721,263	\$254,630	\$127,315	\$55,049	\$27,524	\$42,087	\$6,700	\$127,315	\$127,315
27	\$10,882,105	\$258,450	\$129,225	\$57,057	\$28,528	\$43,693	\$6,800	\$129,225	\$129,225
28	\$11,045,389	\$262,328	\$131,164	\$59,408	\$29,704	\$45,356	\$7,000	\$131,164	\$131,164
		\$5,514,154	\$2,757,077	\$1,269,708	\$634,854	\$952,281	\$158,713	\$3,015,556	\$2,498,598
								\$2,498,598	
								<u>\$5,514,154</u>	

Assumptions:

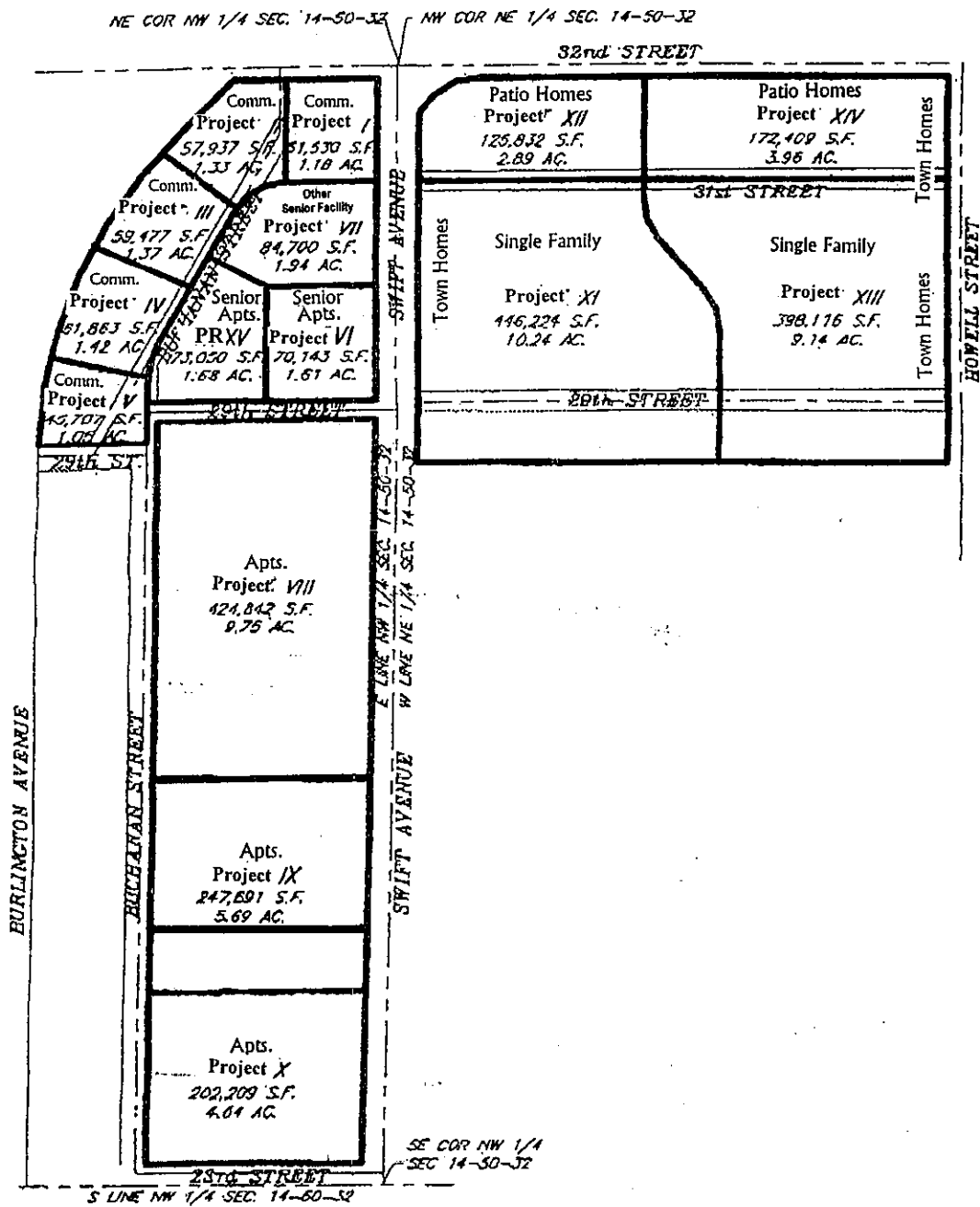
- Missouri tax of \$.03 per 100 of assessed value is not included.
- Assumed a 1.5% inflation factor per year for assessed value.
- In year 24 phases within the commercial development begin to phase out diminishing the 50% - 50% split.

SECTION 8

EXHIBIT 8

LAND ACQUISITION MAP

NORTH GATE - TIF TRACTS



SECTION 9

EXHIBIT 9

TIF ARCHITECTURAL DESIGN GUIDELINES

North Kansas City, Missouri
TIF Architectural Design Guidelines

1. DESIGN REVIEW PROCEDURES

Prior to the approval of any project or, in the case of a single project plan prior to issuance of any development approval by the City, the Redeveloper shall submit such information as is required by Section 7 of this Agreement.

2. GENERAL PROCEDURES

- A. All development shall comply with the terms of the City of North Kansas City's Zoning Ordinance in force at the time site plan approval is sought from the TIF Commission and other appropriate bodies.
- B. Questions regarding interpretation of these Guidelines shall be referred to the TIF Commission with appeal available to the City Council. Any conflict between these Guidelines and the North Kansas City Zoning Ordinance shall be resolved in favor of the more restrictive provision.
- C. All design review shall be undertaken by the TIF Commission.
- D. Variance from the terms of these Guidelines may be considered by the TIF Commission based upon evidence of: (1) difficulty of compliance or (2) inapplicability of specific terms provided by the Redeveloper. Final variance approval may be granted by the City Council.
- E. Design and development of the Redevelopment Area shall conform to the TIF Plan approved by the TIF Commission and the City and the terms of this Agreement to which these Guidelines are an appendix. This includes conformance to descriptive references within the Plan and the designs expressed in any illustrative plan or profile sheets included therein.
- F. The TIF Commission reserves the right to refer specific development plans to an appropriate consultant for comment based on these guidelines.
- G. The TIF Commission will enforce these Guidelines through the City's inspection process or other appropriate means.

3. RESIDENTIAL DESIGN

A. **Materials/Building.** The exterior finish of all residential structures shall consist of one or more of the following: brick, stone, wood (clapboard, shingle, drop siding, primed board, board and batten), and stucco/plaster. Faux versions of these materials, including high quality vinyl siding, may be acceptable pending design review.



1. Dryvit and/or EFIS for single family residences are discouraged and shall be used only pursuant to design review.
2. Brick that is artificially colored or distressed is subject to City review.
3. Old (previously used) or frosted brick is not acceptable except as a paving material pending design review.
4. Sheet metal or ornamental metal panels are prohibited.
5. Two wall materials may be combined horizontally on one façade. The heavier material must be below.
6. Exterior chimneys shall be finished in brick, stone or stucco.
7. Gutters and downspouts shall be made of copper, galvanized metal, or prefinished aluminum.

B. **Materials/Roof.** Composite shingles, slate, and clay tile are permissible.

1. Roof materials should not have a reflective finish and should incorporate a color that compliments the overall character of the building.
2. Roof pitches should reflect the character of the surrounding neighborhoods.

porches shall generally be located on the front of the dwelling facing the sidewalk, but may occasionally be located on the side wall of a dwelling. The size of front entry porches shall be a minimum of 5 feet deep from the front wall of the dwelling to the enclosing porch rail, and a minimum of 8 feet long. Front porches may encroach into the front yard set-back.

2. Multi-family. First floor dwellings shall be provided with a terrace, and upper floor units shall be provided with a balcony, both with a minimum of 64 s.f. of usable area. Both terraces and balconies shall be recessed a minimum of 50% inside the exterior building wall of the dwelling. Terraces that are not fully recessed shall be provided with a transparent fence or low landscaping. Alternative outdoor spaces may be provided in-lieu of terraces or balconies pending design review.
 3. Balconies, stoops, stairs, chimneys, open porches, bay windows and raised doorways shall be permitted to extend within the minimum front setback to a maximum of 12 feet. Open decks and patios may extend 12 feet into a rear yard setback.
- H. Overhanging eaves may expose rafters. Flush eaves shall be finished by profiled molding or gutters.
- I. Windows shall be set to the inside of the building face wall.
- J. All rooftop equipment shall be enclosed in building material that matches the structure or is visually compatible with the structure.
- K. All construction shall conform in street orientation and massing to adjacent neighborhoods. Multifamily buildings shall have an appropriate mix of 2 and 3 story buildings.
- L. Within the Redevelopment Area, there shall be a generally continuous network of alleyways to the rear of single-family lots that shall connect to public streets within the neighborhood. Alleys in single-family residential neighborhoods shall be 20 to 24 feet wide containing a vehicular pavement width of at least 16 feet
- M. Single family development shall include a mix of housing styles and designs. There should be no discernable sequence or repetitive pattern to exterior façade design. To encourage a variety of façade types, no single exterior design may be located closer than four contiguous dwelling units to an identical exterior design within a facing block.
- N. Fence style and design shall be generally complementary to the construction materials, with ultimate design approval provided by the Home Owners Association.

C. **Color.** Application of color should reflect the existing and desired context of the neighborhood and surrounding areas (such as the single family homes on Fayette and Erie between E26th and E23rd), providing a complementary diversity.

1. Accent color may be provided through appropriate paint, accent features, lighting, and materials that serve to complement the architectural elements and lines within the neighborhood.
2. Monochromatic color schemes are acceptable.
3. Brick and glazing shall not be painted.
4. Stains and paints used for exterior walls shall conform to the existing appearance and character of the surrounding residential neighborhoods.

D. **Windows.** Colored or mirrored glazing is not acceptable. Insulated glazing and double paned insulated glazing are acceptable. Simulated true divided light is acceptable. Exterior snap-in grills are not acceptable.

E. **Entries.** Main building entries should face a public street or public open space such as a courtyard or greenspace. Secondary and upper floor entries from the interior of a block are acceptable. The front door to single-family homes and townhouses must be visible from the street.

F. **Façade.**

1. Multifamily buildings shall avoid long, monotonous, uninterrupted walls or roof planes. Building wall offsets, including projections, recesses, and changes in floor level shall be used to relieve the visual effect of a single, long wall. Similarly, roof-line offsets shall be provided in order to enhance architectural interest, to add variety to the massing of a building, and to relieve the effect of a single, long roof. The exterior of a townhouse may be designed to appear as a single building, such as a large, single-family detached dwelling.
2. Window and door openings are to be proportional to the building and wall size and proportion.

G. **Porch/Patio.**

1. Single Family. A minimum of 75% of dwelling units shall have a front entrance articulated with a covered front entry porch. Wrap-around or side porches may be acceptable where a front porch is impractical. Front



- O. A minimum of 8% of residentially designated areas (single and multi-family) shall be maintained as usable, publicly accessible greenspace, either passive or active, not including landscaped buffers or project amenities (such as swimming pools and playing courts).

4. COMMERCIAL DESIGN

- A. **General.** Commercial uses in commercial areas can be mixed and integrated provided such commercial uses conform to the "Permitted Uses and Restrictive Covenants" specified in the Development Agreement. Multi-building complexes, including building on adjacent lots in different ownership, shall exhibit a unity of design through the use of similar elements including, but not limited to: heights, roof lines, materials, colors, ornamentation and decoration, window arrangement, sign location on façades, and other themes.
- B. **Materials.** At least 80% of the exterior finish material on all façades that face a street or provide public access shall be constructed of glass, brick, marble, real or cast stone, coarsely textured stucco, concrete, or wood. Dryvit or EFIS shall not be allowed.
1. Concrete may be either precast (excluding T-sections) or cast-in-place, with an exposed aggregate, bush-hammered, or similarly textured finish, including surface (painted) application of a sand or aggregate finish or casting of facing brick into the surface to give the appearance of a masonry wall.
 2. Metal is permitted in a decorative or accessory role, using only concealed fasteners.
 3. The use of wood may be limited by design review.
 4. Two wall materials may be combined horizontally on one façade. The heavier material must be below.
 5. Balconies, railings and porch structures shall be metal, wood, cast concrete or stone.
- C. **Colors.** The primary colors of building exteriors shall be compatible with the colors of adjacent buildings and in character with the surrounding area, such as buildings at the intersection of Swift and Armour, generally providing a complementary diversity. Trim may be of a contrasting color.

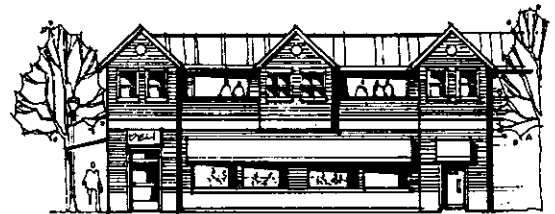
D. Façade. Blank walls shall not face a public street or places of public access.

1. Walls facing a public street shall include windows and architectural features customarily found on the front façade of a building, such as awnings, cornice work, edge detailing, or decorative finish materials.



2. Façade openings, including porches, windows, and colonnades shall be vertical in proportion.
3. All entrances to a building shall be defined and articulated by architectural elements such as lintels, pediments, pilasters, columns, porticoes, porches, overhangs, railings, balustrades, and others, where appropriate. Any such element used shall be architecturally compatible with the style, materials, colors, and details of the building as a whole, as shall the doors.
4. All sides of a building shall include similar details and materials so as to achieve four-sided architecture and restrict the appearance of the back of a building facing surrounding uses.

5. Retail storefronts are a key design consideration of a building and shall be integrally designed with the upper floors to be compatible with the overall façade character. Ground floor retail, and restaurant uses shall have large pane display windows. Such windows shall be framed by the surrounding wall and shall not exceed 75% of the total ground level façade. Buildings with multiple storefronts shall be unified through the use of architecturally compatible materials, colors, details, awnings, signage, and lighting fixtures.



6. The glazed area of a façade above the first floor shall not exceed 35% of the total area, with each façade being calculated independently.
7. In commercial buildings, the difference between ground floor commercial uses and entrances for upper level commercial uses shall be reflected by the differences in façade treatment. Storefronts and other ground floor entrances shall be accentuated through cornice lines. Further differentiation can be achieved through distinct but compatible exterior materials, signs, awnings and exterior lighting.

E. **Orientation.** Primary, ground-floor commercial building entrances may orient to plazas, parks or streets. Where a commercial building orients to an interior block or parking lot, a courtyard or green space shall buffer the entry of the building from the sidewalk and pavement. The orientation shall be complementary to the use and location of surrounding commercial buildings and residences. Secondary entrances from the interior of a block are permitted.

F. **Glass/Windows.** Glass shall be clear or lightly tinted only. Opaque applications shall not be applied to the glass surface. Windows shall be set to the inside of the building face wall. Sliding doors and sliding windows are permitted in façades facing a public street with justification and pending design review.

G. **Roofs.** Pitched roofs are preferred in-lieu of flat roofs.

1. Pitch shall be at least ¼ inch vertical to 12 inches horizontal.
2. Cantilevered mansard roofs are prohibited.
3. All rooftop equipment shall be enclosed in building material that matches the structure or is visually compatible with the structure.
4. Skylights shall be flat.
5. Parapets may be appropriate pending design review.

H. **Site Design.**

1. Parking lot pavement shall be shielded from the street by low berming to the maximum extent possible. Loading areas shall be buffered with landscape materials in conjunction with earthen berms. Other appropriate screening options may be permitted pursuant to design review.
2. The site shall provide a pedestrian-oriented environment to the extent possible, including measures for safety and ease of movement between streets and buildings, across parking lots, and between buildings; shelter from inclement weather, and use and enjoyment of outdoor space.
3. The Redeveloper shall submit a conceptual sign package to the City.

5. COMMUNITY DESIGN

- A. All building and parking lot design shall comply with applicable ADA accessibility requirements.
- B. A sidewalk network shall be provided on both sides of the street throughout the Redevelopment Area that interconnects all dwellings with

other units, non-residential structures and common areas. Sidewalks shall be separate and distinct from motor vehicle circulation to the greatest extent possible, and shall be of a barrier-free design.

C. Sidewalks shall be a minimum of 4 feet in width, expanding to 5-6 feet along major pedestrian routes and in commercial areas.

D. Walkways shall be raised and curbed along commercial buildings and within parking lots, where suitable. Pedestrian street crossings shall be clearly delineated by a change in pavement color and/or texture. All sidewalks and other pedestrian walkways shall have appropriate lighting, using poles and fixtures consistent with the character of the neighborhood.

E. Street lights shall be decorative and blend with the character of the community and conform with all applicable North Kansas City standards.

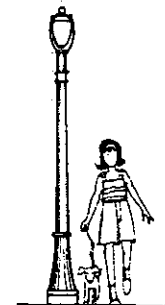
F. Streets and sites shall be provided with adequate lighting, while minimizing adverse impacts, such as glare and overhead sky glow, on adjacent properties and the public right-of-way.

G. Along all parking areas, walkways, courtyards, and common/open space areas, 12 foot high decorative lamp posts shall be provided at regular intervals, as determined by design review. In parking lots, post heights may be extended to a maximum of 16 feet.

H. Gateways and focal points shall be indicated by community markers, public art, or other appropriate features.

I. The pedestrian streetscape shall be reinforced by shade tree plantings, walls, ornamental trees, hedges, or appropriate fences, such as wrought iron (and not including chain link).

J. Exterior public and semi-public spaces, such as courtyards and plazas, shall be designed to be functional, to enhance surrounding buildings, and to provide amenities to users, in the form of textured paving, lighting and street trees. Courtyards shall have recognizable edges defined on at least three sides by buildings, walls, and/or elements of landscaping in order to create a strong sense of enclosure.



- K. On-street parking is permissible throughout the Redevelopment Area where street width is sufficient and shall be counted toward mandatory parking requirements.



**North Kansas City Development
Area Calculations
Project Number 98063, 11/12/99**

Multi Family

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	874,742	161,565	181,749	449,184	82,244
Acres	20.08	3.71	4.17	10.31	1.89
Percent	100%	18%	21%	51%	9%

Single Family

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	745,981	173,741	18,203	447,073	106,964
Acres	17.13	3.99	0.42	10.26	2.46
Percent	100%	23%	2%	60%	14%

Retail

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	276,514	31,350	92,988	98,890	53,286
Acres	6.35	0.72	2.13	2.27	1.22
Percent	100%	11%	34%	36%	19%

Elderly Housing

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	227,893	52,538	86,224	11,324	77,807
Acres	5.23	1.21	1.98	0.26	1.79
Percent	100%	23%	38%	5%	34%

Town House

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	178,800	66,581	44,982	44,994	22,244
Acres	4.10	1.53	1.03	1.03	0.51
Percent	100%	37%	25%	25%	12%

Totals

Unit	Property	Building	Paving	Green Space	
				Private	Public
Square Feet	2,303,930	485,775	424,146	1,051,465	342,545
Acres	52.89	11.15	9.74	24.14	7.86
Percent	100%	21%	18%	46%	15%

SECTION 10

EXHIBIT 10

ESTIMATED REDEVELOPMENT PROJECT COSTS
AND
REIMBURSABLE PROJECT COSTS

Exhibit 10

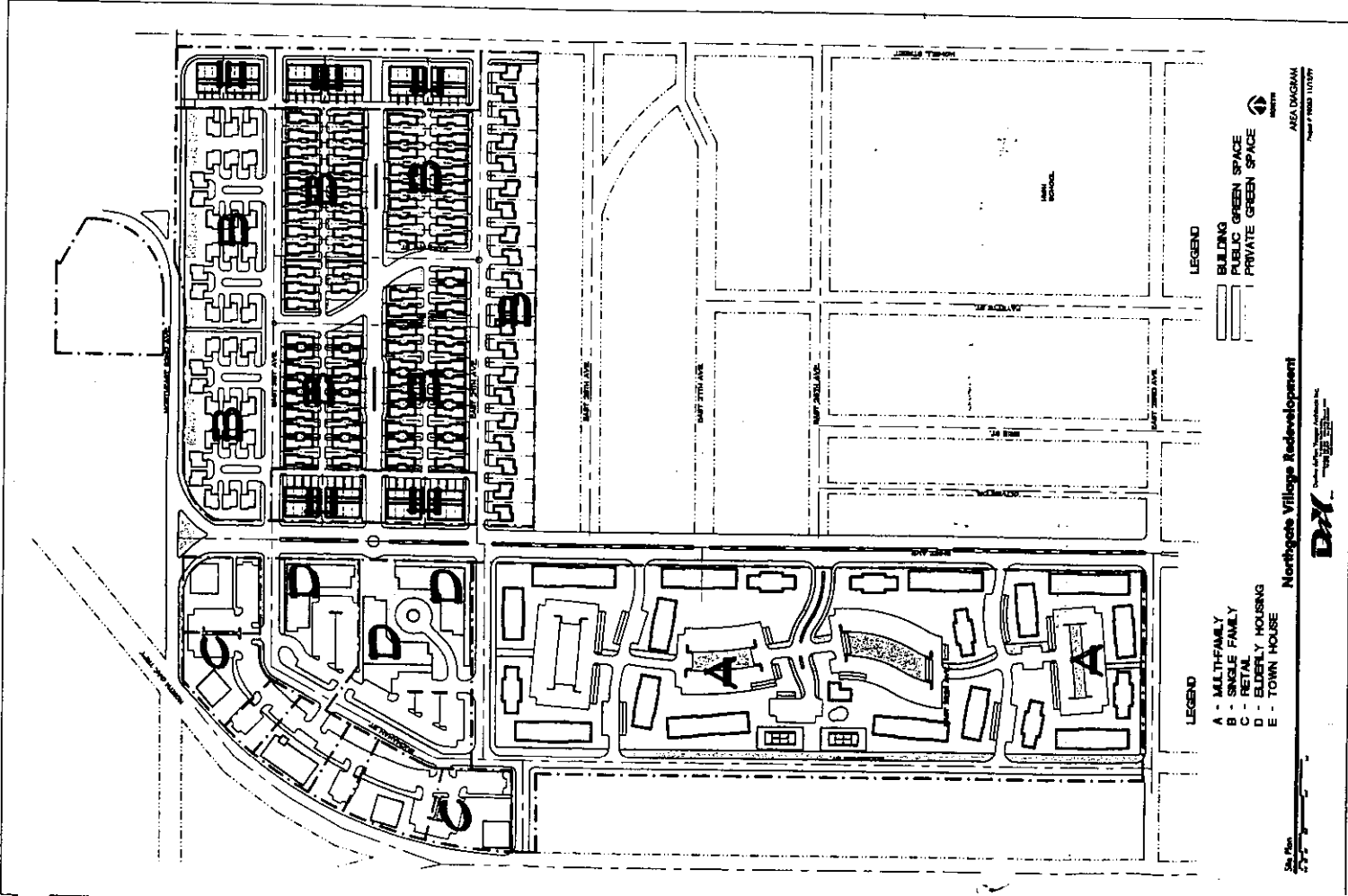
Estimated Redevelopment Project Cost

	Estimated Project Costs	Reimbursable Costs From TIF Revenues or Other Public Funds	Developer Funds Other Private Investment
Acquisition of Existing Apartments	\$9,000,000	\$9,000,000	
Construction Management Fee	\$686,203	\$686,203	
Building Demolition*	\$1,957,121	\$1,957,121	
Essential Infrastructure	\$5,523,130	\$5,059,000	\$464,130
Amenities	\$1,390,675	\$1,390,675	
Relocation of Residents Costs	\$313,740	\$313,740	
TIF & Administrative Costs	\$500,000	\$500,000	
Sub-Total	\$19,370,869	\$18,906,739	\$464,130
On Site Construction:			
Apartments Phase I	\$12,191,411		\$12,191,411
Apartments Phase II	\$6,198,071		\$6,198,071
Apartments Phase III	\$6,559,970		\$6,559,970
Senior Apts. Phase I	\$3,425,165		\$3,425,165
Senior Apts. Phase II	\$3,630,675		\$3,630,675
Senior Apts. Phase III	\$3,848,515		\$3,848,515
30,000 Sq. Ft. Commerical**	\$1,795,002		\$1,795,002
98 Single Family Homes	\$12,548,451		\$12,548,451
35 Patio Homes	\$4,481,590		\$4,481,590
80 Townhomes	\$7,251,634		\$7,251,634
Land Acquisition Costs***	\$1,008,992		\$1,008,992
Total	\$82,310,345	\$18,906,739	\$63,403,606

* Demolition costs do NOT include the cost for potential environmental issues such as lead paint, asbestos walls, asbestos shingles and other uncertainties.

** Commercial construction costs of \$1,795,002 yields a cost of \$359,000 per pad site.

*** Land costs paid by developer.



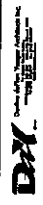
LEGEND

- A - MULTIFAMILY
- B - SINGLE FAMILY
- C - RETAIL
- D - ELDERLY HOUSING
- E - TOWN HOUSE

LEGEND

- BUILDING
- PUBLIC GREEN SPACE
- PRIVATE GREEN SPACE

Northgate Village Redevelopment



AREA DIAGRAM
NOVEMBER 2000

SECTION 11

EXHIBIT 11

SCHEDULE OF SOURCES AND USES

Sources & Uses of Funds

SOURCES OF FUNDS	Total All Costs	Public Funding	Private Funding
Projected 23 Years of TIF Revenues	\$ 15,458,550	\$ 15,458,550	\$ -
Income from Existing Apartments	1,261,845	1,261,845	-
Land Sale Proceeds Paid to City	1,008,992	1,008,992	-
Other City Funds	1,177,352	1,177,352	-
Private Debt	52,240,418	-	52,240,418
Private Equity	11,163,188	-	11,163,188
Total Sources	\$ 82,310,345	\$ 18,906,739	\$ 63,403,606
USES OF FUNDS			
Acquisition of Existing Apartments	\$ 9,000,000	\$ 9,000,000	\$ -
Construction Management Fee	686,203	686,203	-
Building Demolition	1,957,121	1,957,121	-
Essential Infrastructure	5,523,130	5,059,000	464,130
Redevelopment Amenities Package	1,390,675	1,390,675	-
Relocation of Residents Costs	313,740	313,740	-
TIF & Administrative Costs	500,000	500,000	-
Apartments Phase I	12,191,411		12,191,411
Apartments Phase II	6,198,071		6,198,071
Apartments Phase III	6,559,970		6,559,970
Senior Apts. Phase I	3,425,165		3,425,165
Senior Apts. Phase II	3,630,675		3,630,675
Senior Apts. Phase III	3,848,515		3,848,515
30,000 Sq. Ft. Commercial	1,795,002		1,795,002
98 Single Family Homes	12,548,451		12,548,451
35 Patio Homes	4,481,590		4,481,590
80 Townhomes	7,251,634		7,251,634
Payment of Land Acquisition Costs	1,008,992		1,008,992
Total Uses	\$ 82,310,345	\$ 18,906,739	\$ 63,403,606

SECTION 12

EXHIBIT 12

DEVELOPER'S AFFIDAVIT

APPLICANTS'/REDEVELOPERS' AFFIDAVIT

STATE OF MISSOURI)
) S.S.
COUNTY OF CLAY)

Pursuant to Subsection 99.820.1(1), R.S.Mo., 1986, as amended, the undersigned Applicants/Redevelopers, as described and identified in the Application for Tax Increment Financing for the Northgate Village Redevelopment Plan (the "Plan") of the City of North Kansas City, Missouri (the "Application"), to which this Affidavit is attached or with which this Affidavit is submitted, state and depose upon oath as follows:

1. The Redevelopment Area, as set forth in the City's Request for Qualifications and Proposals for the Northgate Village Redevelopment Plan (the "RFP"), the proposed Plan itself and Sections 12 and 13 of the Applicants'/Redevelopers' February 1, 1999 Response to the RFP (the "RFP Response") consists of approximately 56 acres located in North Kansas City (the "City"), Clay County, Missouri, and is legally described as shown on Exhibit A attached to this Affidavit.
2. The Redevelopment Area, on the whole, is a conservation area (as defined in The Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800, et seq., R.S.Mo., 1986, as amended) because 50% or more of the structures in the Redevelopment Area have an age of 35 years or more and within the Redevelopment Area there exists, among others, the following factors: the presence of structures below minimum code standards, deleterious land use or layout, depreciation of physical maintenance, lack of community planning, obsolescence, deterioration and dilapidation, all as shown in the conservation study performed for the City. The Redevelopment Area has been allowed to deteriorate and not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. In addition, the cost of curing the existing conditions and construction of improvements pursuant to the Plan are not economically viable if fully born by the Redevelopers.
3. The cost/benefit analyses showing the economic impact of the Plan on each taxing district submitted by the Applicants/Redevelopers, for the various Plan projects, show: (i) the estimated returns on investment to the Redevelopers with and without tax increment financing and (ii) that the Plan projects are not economically viable to the Redevelopers without such assistance.
4. The information submitted by the Redevelopers in the RFP Response, all other submittals to the City and the statements and averments in this Affidavit are, to the best of our knowledge and belief, true, accurate and complete in all material respects.

FURTHER, AFFIANTS SAITH NAUGHT.

HUNT MIDWEST REAL ESTATE
DEVELOPMENT, INC.

By: [Signature]
Lee A. Derrough, President

NORTHGATE VILLAGE RETAIL, L.L.C.

By: Hunt Midwest Real Estate Development, Inc.

By: [Signature]
Lee A. Derrough, President

THE RAINEN COMPANIES, INC.

By: [Signature]
Michael Rainen, President

Subscribed and sworn to before me, the undersigned Notary Public in and for said County and State, this 17th day of November, 1999.

[Signature]
Signature of Notary

Marsha A. Wilson
Typed/Printed Name of Notary

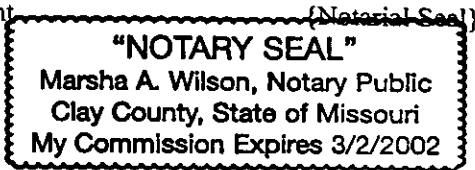


Exhibit A

(Legal Description)

TRACT 1:

All that part of the Northwest Quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the point of intersection of the West line of Swift Avenue, as now established, with the North line of 23rd Avenue, said point of beginning being 50 feet North, measured along the West line of said Swift Avenue, of a point on the South line of said one-quarter section which is 50 feet West of the Southeast corner thereof; thence West along the North line of said 23rd Avenue (being a line 50 feet North of and parallel to the South line of said one-quarter section) 565 feet, more or less to the point of intersection with a line drawn 213 feet East of and parallel to the East line of U.S. Highway No. 71, also known as Burlington Avenue, as now established; thence North along said line drawn 213 feet East of and parallel to the said East line of U.S. Highway No. 71, a distance of 1616.50 feet, more or less, to its point of intersection with a line drawn 968.16 feet South of and parallel to the North line of said one-quarter section; thence West along said line last described 213 feet, more or less, to the said East line of U.S. Highway No. 71; thence North along the said East line and North and Northeasterly along the East and Southeasterly line of U.S. Highway No. 69, also known as U.S. Highway 169, as now established, to the intersection thereof with a line drawn 30 feet South of and parallel to the North line of said one-quarter section (being the South line of a strip of land now being used for street purposes and called 32nd Avenue); thence East along said line 331.22 feet, more or less, to its intersection with the West line of said Swift Avenue, as now established; thence south along the West line of said Swift Avenue 2556.63 feet, more or less, to the point of beginning.

TRACT 2:

All that part of the Northeast one quarter of Section 14, Township 50, Range 33, in North Kansas City, Clay County, Missouri, described as follows: Beginning at the Southwest corner of Lot 1, Block 4, First Addition to North Kansas City Development Company's North Park Addition to North Kansas City, a subdivision in said Clay County, Missouri, said beginning point being in the East line of Swift Avenue, as now established; thence running North along the East line of said Swift Avenue 847.08 feet, more or less, to its point of intersection with the Southeasterly line of the tract conveyed to the State of Missouri by the deed dated January 30, 1923, recorded in Book B-2 at Page 27, in the Office of the Recorder of Deeds for Clay County, Missouri; thence Northeasterly, Easterly and Northeasterly along the Southeasterly, Southerly and Southeasterly line of the tract so conveyed to the State of Missouri to its intersection with the North line of said one-quarter section; thence East along the North line of said one-quarter section to its intersection with the prolongation North of a line drawn 60 feet East of and parallel to the East line of Lot 11, Block 5, in aforesaid First Addition to North Kansas City Development Company's North Park Addition to North Kansas City; thence South along said line last described to its intersection with the prolongation East of the South line of Lots 1 to 11, inclusive, Block 5, in said subdivision; thence West along said line last described and along the South line of Lots 1 to 11; both inclusive, Block 4, in said subdivision to the point of beginning, EXCEPT the East 60 feet in Howell Street.

SECTION 13

Northgate Village TIF Plan

Exhibit 13

Hunt-Midwest/Rainen Proposal of 2/1/99

(Under Separate Cover)