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**RE: Low Income Housing Tax Credits
Excel Program for Internal Use**

Color Printer Recommended

Enclosed please find an example of a spreadsheet program that I wrote in 1994, in Excel 4.0, to use for projections and valuation purposes for Low Income Housing Tax Credit developments. The 16page printout includes the following detailed analysis:

Assumption Page	Page 1
Cash flow projections	Pages 2-4
Projected Cost, Eligible Basis and Tax Credits	Page 5
Cash to Tax, Benefits	Pages 6-8
General & Limited Partner Capital Accounts, IRR	Page 9
Projected Balance Sheet	Pages 10-12
Organizational Structure	Page 13
Graphs: Cash Flows	Page 14
Graphs: Construction Costs	Page 15
Graphs: Cash Flows	Page 16

Please review this spreadsheet and call me if you have any questions. I have developed other similar spreadsheets for more specific uses for other real estate purposes.

Sincerely,

William E. Bryant, CPA, CVA

Low Income Housing Limited Partnership

Scenario: MASTER

ASSUMPTIONS

TOTAL UNITS	36
VACANCY RATE	5.00%
MANAGEMENT FEE	5.00%
Set Aside Reserves from Equity	
Replacement	\$9,000
Operating	\$18,000
Debt	\$9,000
Escrow/Subsidy	0

Annual Interest Earnings on Reserves:	
Replacement	4.50%
Operating	4.00%
Debt	4.00%
Escrow/Subsidy	4.50%
Security Deposits	4.00%

Permanent Mortgage	1,080,000
Interest Rate	9.25%
Loan Amortization	25
Annual Debt Service	\$110,987
Loan Term	15
Balloon Payment	\$722,388

Property Taxes**	48,600
Property Tax Base	500
TIF Percentage**	65%

Construction Loan	1,225,115
Construction Interest †	9.50%

MEDIAN INCOME:***	\$51,000
County:	Washington

UNIT SQUARE FOOTAGE		
ONE Bedroom	721	
TWO Bedroom	1,006	
THREE Bedroom	1,145	

PARTNERSHIP ALLOCATIONS & EFFECTIVE CASH SPLIT

	CASH FLOW:	TAX LOSSES:
GEN Partner	70%	1%
LTD Partner	30%	99%
Syndication NPV =	65%	

FIRST YEAR INFORMATION	
First Year	1997
of Operations	
Number of Full Months (C/O)	4

PERMANENT MORGAGE RE-PRICING (ARM) After December 31, 1998

Each # Years	0	% Increase	2.00%	Maximum	14.00%
N/A- Use Fixed Amortization Rate					

PROJECT COMMENTS:

Certificate of Occupancy (C/O) expected to be issued by September 1, 1997
 Project is in a Higher Area Median Income.
 Total Tax Increment Financing (TIF) support is \$570,137 over 15 Years.

Garages are attached and are included within the monthly rent.
 Need to verify and compare MHFA Rents to Market Rents in the area.

NOTES:

- A. Upon C/O the estimated Appraised Value is \$1,944,000 (\$54,000 per Unit)
- B. The proposed Permanent Loan is \$1,080,000 (\$30,000 per Unit). LTV = 55.56%
- C. The Total Project Cost of \$1,964,635 is before the Developer Fee is added, (54.97% LT)
- D. The Rent-Up Vacancy Allowances are: Year 1 = 13.00% & Year 2 = 8.00%.
- E. Debt Service includes Construction Interest from Certificate of Occupancy (C/O).
- F. Proposed Permanent Loan closes in February of 1998 - 5 Months after C/O.

TRENDING RATES:

Period	Income	Expenses
Years 1 to 5	1.00%	2.00%
Years 6 to 10	1.50%	2.50%
Years 11 to 15	2.00%	3.00%
Years 16 to 20	3.00%	3.50%
Years 21 to 25	3.00%	4.00%
Years 26 to 30	3.50%	4.50%

PROJECT COST:	Per Unit	Total
LAND COST	\$3,500	\$126,000
CONSTRUCTION COST	\$47,997	\$1,727,875
SOFT & SYND. COSTS	\$3,077	\$110,760
TOTAL	\$54,573	\$1,964,635

ACTUAL SCHEDULED RENTS FOR PROJECT

Project Units:	Bedroom Size	Actual Rents	Per Month	Total By Unit
9	ONE	\$425	Per Month	\$3,825
18	TWO	\$475	Per Month	\$8,550
9	THREE	\$525	Per Month	\$4,725
36		Total Monthly Rents		\$17,100

Additional Per Unit/Month Charges

Garages	\$20	Storage	\$10
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MHFA GROSS RENT & UTILITY ALLOWANCE

PER GUIDELINES	MHFA* LESS	Net RENT
MHFA UNIT	Rent \$ UTILITIES	Per Month
ONE Bedroom	574 \$42	\$532
TWO Bedroom	689 \$51	\$638
THREE Bedroom	796 \$62	\$734

NOTE*: The MHFA GROSS RENT is based upon the County Area Median Income ("40-60 Test"). We must then subtract any Utilities that are paid by the Tenant, this equals the NET MHFA RENTS allowed. Please notice that the ACTUAL SCHEDULED RENTS must always be less than the Net MHFA RENT allowed.

NOTE:** Property Taxes are based upon the lower rates, Title II (2.3 vs 3.4), due to Low Income Housing (IRC 42). The Tax Increment Financing (TIF) allows for a rebate of the Property Taxes returned to the LIHTC Project.

NOTE*:** The Annual Income Limits are based upon Bedroom Size:
 One Bedroom = \$22,950
 Two Bedroom = \$27,540
 Three Bedroom = \$31,824

Low Income Housing Limited Partnership

Scenario: MASTER	CASH FLOW PROJECTION											
	Part Year (September)											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
OPERATING REVENUE:												
Gross Rents - One Bedrooms	15,300	46,359	46,823	47,291	47,764	48,480	49,207	49,945	50,695	51,455	52,484	53,534
Gross Rents - Two Bedrooms	34,200	103,626	104,662	105,709	106,766	108,367	109,993	111,643	113,318	115,017	117,318	119,664
Gross Rents - Three Bedrooms	18,900	57,267	57,840	58,418	59,002	59,887	60,786	61,697	62,623	63,562	64,833	66,130
GROSS RENTAL	68,400	207,252	209,325	211,418	213,532	216,735	219,986	223,286	226,635	230,035	234,635	239,328
OTHER INCOME:												
Garage/Storage/Laundry/Other	4,320	13,090	13,220	13,353	13,486	13,689	13,894	14,102	14,314	14,528	14,819	15,115
Interest Income: Reserve/Escrow	655	2,311	2,658	3,005	3,359	2,093	2,448	2,804	3,161	3,525	2,270	2,637
Tax Increment Financing		31,897	32,541	33,199	33,869	34,724	35,600	36,498	37,419	38,362	39,523	40,718
Interest Income: Sec. Deposits	228	684	684	684	684	684	684	684	684	684	684	684
TOTAL INCOME	73,603	255,233	258,428	261,658	264,930	267,924	272,612	277,374	282,212	287,134	291,931	298,483
LESS: Vacancy Allowance (D)	(8,892)	(16,580)	(10,466)	(10,571)	(10,677)	(10,837)	(10,999)	(11,164)	(11,332)	(11,502)	(11,732)	(11,966)
NET RENTAL	64,711	238,653	247,962	251,087	254,253	257,088	261,613	266,210	270,880	275,633	280,200	286,516
OPERATING EXPENSES:												
\$1,875 Accounting	1,875	1,912	1,951	1,990	2,029	2,080	2,132	2,185	2,240	2,296	2,365	2,436
\$7,466 Asset Mgmt Fee	2,489	7,466	7,466	7,466	7,466	7,466	7,466	7,466	7,466	7,466	7,466	7,466
\$900 Advert/Promo	300	918	936	955	974	999	1,024	1,049	1,075	1,102	1,135	1,169
\$2,625 Insurance (Pd & PITI)	3,281	2,678	2,731	2,786	2,842	2,913	2,985	3,060	3,137	3,215	3,311	3,411
Management Fee	2,975	9,534	9,943	10,042	10,143	10,295	10,449	10,606	10,765	10,927	11,145	11,368
\$6,750 Payroll/Taxes	2,250	6,885	7,023	7,163	7,306	7,489	7,676	7,868	8,065	8,267	8,515	8,770
Real Estate Taxes	250	49,572	50,563	51,575	52,606	53,921	55,269	56,651	58,067	59,519	61,305	63,144
\$3,600 Repairs & Maint.	1,200	3,672	3,745	3,820	3,897	3,994	4,094	4,196	4,301	4,409	4,541	4,677
Replacement Res.	2,400	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Escrow	8,262	496	506	516	658	674	691	708	726	893	920	947
\$720 Resident Turnover	240	734	749	764	779	799	819	839	860	882	908	935
\$900 Snow/Lawn/Garden	300	918	936	955	974	999	1,024	1,049	1,075	1,102	1,135	1,169
\$3,600 Trash Removal	1,200	3,672	3,745	3,820	3,897	3,994	4,094	4,196	4,301	4,409	4,541	4,677
\$7,020 Utilities - Common	2,340	7,160	7,304	7,450	7,599	7,789	7,983	8,183	8,388	8,597	8,855	9,121
\$900 Other Misc.	300	918	936	955	974	999	1,024	1,049	1,075	1,102	1,135	1,169
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	29,662	103,735	105,735	107,457	109,344	111,609	113,930	116,307	118,742	121,385	124,477	127,660
OPERATING CASH FLOW (OCF)	\$35,049	\$134,919	\$142,227	\$143,630	\$144,910	\$145,478	\$147,683	\$149,903	\$152,139	\$154,248	\$155,722	\$158,856
LESS: DEBT SERVICE (Note E) (Fixed Amortization)	\$38,795	\$111,437	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987
NET CASH on CASH FLOW	(\$3,747)	\$23,482	\$31,240	\$32,643	\$33,923	\$34,491	\$36,696	\$38,916	\$41,152	\$43,260	\$44,735	\$47,869
DEBT SERVICE COVERAGE	0.90	1.21	1.28	1.29	1.31	1.31	1.33	1.35	1.37	1.39	1.40	1.43
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Year 1- Temporary GP Subordinated Loan												

Low Income Housing Limited Partnership

CASH FLOW PROJECTION

Scenario: MASTER

Ptr Ends-August

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUE:												
Gross Rents - One Bedrooms	54,605	55,697	56,811	58,515	60,270	62,078	63,941	65,859	67,835	69,870	71,966	74,125
Gross Rents - Two Bedrooms	122,057	124,498	126,988	130,798	134,722	138,764	142,927	147,214	151,631	156,180	160,865	165,691
Gross Rents - Three Bedrooms	67,453	68,802	70,178	72,283	74,452	76,685	78,986	81,355	83,796	86,310	88,899	91,566
GROSS RENTAL	244,115	248,997	253,977	261,596	269,444	277,527	285,853	294,429	303,261	312,359	321,730	331,382
OTHER INCOME:												
Garage/Storage/Laundry/Other	15,418	15,726	16,041	16,522	17,018	17,528	18,054	18,595	19,153	19,728	20,320	20,929
Interest Income: Reserve/Escrow	3,005	3,374	3,752	2,512	2,895	3,279	3,665	4,063	2,844	3,248	3,654	4,065
Tax Increment Financing	41,950	43,218	44,524	46,094	0	0	0	0	0	0	0	0
Interest Income: Sec. Deposits	684	684	684	684	684	684	684	684	684	684	684	684
TOTAL INCOME	305,171	311,999	318,978	327,408	290,040	299,018	308,256	317,771	325,943	336,019	346,388	357,060
LESS: Vacancy Allowance	(12,206)	(12,450)	(12,699)	(13,080)	(13,472)	(13,876)	(14,293)	(14,721)	(15,163)	(15,618)	(16,087)	(16,569)
NET RENTAL	292,965	299,549	306,279	314,329	276,568	285,142	293,964	303,050	310,780	320,401	330,302	340,491
OPERATING EXPENSES:												
Accounting	2,509	2,584	2,662	2,755	2,851	2,951	3,055	3,161	3,288	3,419	3,556	3,698
Asset Mgmt Fee	7,466	7,466	7,466	4,977	0	0	0	0	0	0	0	0
Advert/Promo	1,204	1,241	1,278	1,322	1,369	1,417	1,466	1,518	1,578	1,641	1,707	1,775
Insurance	3,513	3,618	3,727	3,857	3,992	4,132	4,277	4,426	4,604	4,788	4,979	5,178
Management Fee	11,595	11,827	12,064	12,426	12,799	13,183	13,578	13,985	14,405	14,837	15,282	15,741
Payroll/Taxes	9,033	9,304	9,583	9,919	10,266	10,625	10,997	11,382	11,837	12,311	12,803	13,315
Real Estate Taxes	65,038	66,989	68,999	71,414	73,913	76,500	79,178	81,949	85,227	88,636	92,182	95,869
Repairs & Maint.	4,818	4,962	5,111	5,290	5,475	5,667	5,865	6,070	6,313	6,566	6,828	7,101
Replacement Res.	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Escrow	976	1,005	1,207	1,250	1,293	1,339	1,386	1,639	1,705	1,773	1,844	1,917
Resident Turnover	964	992	1,022	1,058	1,095	1,133	1,173	1,214	1,263	1,313	1,366	1,420
Snow/Lawn/Garden	1,204	1,241	1,278	1,322	1,369	1,417	1,466	1,518	1,578	1,641	1,707	1,775
Trash Removal	4,818	4,962	5,111	5,290	5,475	5,667	5,865	6,070	6,313	6,566	6,828	7,101
Utilities - Common	9,394	9,676	9,967	10,315	10,676	11,050	11,437	11,837	12,311	12,803	13,315	13,848
Other Misc.	1,204	1,241	1,278	1,322	1,369	1,417	1,466	1,518	1,578	1,641	1,707	1,775
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	130,936	134,308	137,952	139,718	139,143	143,697	148,408	153,488	159,199	165,135	171,304	177,716
OPERATING CASH FLOW (OCF)	\$162,029	\$165,241	\$168,327	\$174,610	\$137,425	\$141,445	\$145,555	\$149,562	\$151,580	\$155,266	\$158,998	\$162,775
LESS: DEBT SERVICE (Fixed Amortization)	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987	110,987
NET CASH on CASH FLOW	\$51,042	\$54,253	\$57,340	\$63,623	\$26,438	\$30,458	\$34,568	\$38,575	\$40,593	\$44,279	\$48,011	\$51,788
DEBT SERVICE COVERAGE	1.46	1.49	1.52	1.57	1.24	1.27	1.31	1.35	1.37	1.40	1.43	1.47
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24

PTR Ended

Low Income Housing Limited Partnership

CASH FLOW PROJECTION

Scenario: MASTER

	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUE:							
Gross Rents - One Bedrooms	76,349	79,021	81,787	84,649	87,612	90,678	93,852
Gross Rents - Two Bedrooms	170,662	176,635	182,817	189,216	195,838	202,693	209,787
Gross Rents - Three Bedrooms	94,313	97,614	101,031	104,567	108,226	112,014	115,935
GROSS RENTAL	341,323	353,270	365,634	378,431	391,677	405,385	419,574
OTHER INCOME:							
Garage/Storage/Laundry/Other	21,557	22,312	23,093	23,901	24,737	25,603	26,499
Interest Income: Reserve/Escrow	4,490	3,299	3,733	4,173	4,617	5,067	3,902
Tax Increment Financing	0	0	0	0	0	0	0
Interest Income: Sec. Deposits	684	684	684	684	684	684	684
TOTAL INCOME	368,054	379,565	393,144	407,189	421,715	436,739	450,659
LESS: Vacancy Allowance	(17,066)	(17,663)	(18,282)	(18,922)	(19,584)	(20,269)	(20,979)
NET RENTAL	350,988	361,901	374,863	388,267	402,131	416,470	429,681
OPERATING EXPENSES:							
Accounting	3,846	4,019	4,200	4,389	4,587	4,793	5,009
Administration Fee	0	0	0	0	0	0	0
Advert/Promo	1,846	1,929	2,016	2,107	2,202	2,301	2,404
Insurance	5,385	5,628	5,881	6,146	6,422	6,711	7,013
Management Fee	16,213	16,780	17,368	17,975	18,605	19,256	19,930
Payroll/Taxes	13,848	14,471	15,122	15,803	16,514	17,257	18,033
Real Estate Taxes	99,704	104,190	108,879	113,778	118,898	124,249	129,840
Repairs & Maint.	7,385	7,718	8,065	8,428	8,807	9,204	9,618
Replacement Res.	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Escrow	2,243	2,344	2,450	2,560	2,675	2,796	2,921
Resident Turnover	1,477	1,544	1,613	1,686	1,761	1,841	1,924
Snow/Lawn/Garden	1,846	1,929	2,016	2,107	2,202	2,301	2,404
Trash Removal	7,385	7,718	8,065	8,428	8,807	9,204	9,618
Utilities - Common	14,402	15,050	15,727	16,435	17,174	17,947	18,755
Other Misc.	1,846	1,929	2,016	2,107	2,202	2,301	2,404
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
TOTAL EXPENSES	184,628	192,450	200,619	209,149	218,057	227,359	237,074
OPERATING CASH FLOW (OCF)	\$166,360	\$169,451	\$174,244	\$179,119	\$184,074	\$189,111	\$192,607
LESS: DEBT SERVICE (Fixed Amortization)	110,987	110,987	9,249	0	0	0	0
NET CASH on CASH FLOW	\$55,373	\$58,464	\$164,995	\$179,119	\$184,074	\$189,111	\$192,607
DEBT SERVICE COVERAGE	1.50	1.53	18.84	PAID	PAID	PAID	PAID
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31

Low Income Housing Limited Partnership

Scenario: MASTER

Total Units 36

Project Cost Assumptions

LAND COST	126,000
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CONSTRUCTION COSTS:	
Site Work	60,000
Off-Site Improvements	30,000
New Construction	1,234,575
General Requirements	56,250
Contractor Overhead	66,000
Other Fees	18,750
Contingency	36,000
Architect Design & Sup.	27,000
Real Estate Attorney	7,500
Other Consulting	
Insurance	6,600
Interest (Construction)	81,000
Const. Loan Points (2.5%)	34,200
Taxes	250
Performance Bond	18,000
City Fees (SAC &WAC)	48,000
Other Costs	3,750
Total Construction Costs	1,727,875

SOFT COSTS:	
Permanent Loan Points (2%)	21,600
Title & Recording	18,750
Legal Counsel	14,055
MAI Appraisal	2,700
Market Study	2,700
Environmental Report	3,150
Tax Credit Fees	1,080
Bridge Loan Fees	7,200
Other Fees	0
Rent-Up Reserve	
Total Soft Costs	71,235

SYNDICATION COSTS:	
Partnership Organization	12,000
Tax Opinion	13,125
Accounting	2,400
Administration Fee	4,500
Total Syndication Costs	32,025

Summary of Project Costs before Developer Fee Calculation	
Land Cost	126,000
Construction	1,727,875
Soft Costs	71,235
Syndication Costs	32,025
Other Cost:	7,500
Sub-Total Project Cost	1,964,635

MHFA Developer Fee Calculation:	
Sub-Total Project costs	1,964,635
Times MHFA Fee Rate	15.00%
Equals: Developer Fee - Per MHFA	294,695
Total Project Cost - MHFA	2,259,330

MHFA Developer Fee:
The MHFA Developer Fee calculation adds to the eligible basis of the Project. This Fee must be paid within the Compliance Period in order to maintain the stated eligible tax credit basis for which the annual credit is calculated. If not, the eligible basis is reduced and possible Tax Credit Recapture could result.

Project Relative Area Cost Percentage	
Construction Costs	100.00%
Soft Costs	100.00%
Syndication Costs	100.00%

Note: Use the above Percentage Table to adjust for the cost of Construction, Soft Costs and Syndication Costs in Project Areas which may have greater or lessor Relative Area Costs based upon the local living standards (COLA).

TAX CREDIT CALCULATION:	
Total Project Cost - MHFA	2,259,330
Less:	
LAND Cost	(126,000)
Permanent Loan Fees	(21,600)
Partnership Organization	(12,000)
Tax Opinion	(13,125)
Rent-Up Resr/Basis Adj.	(104,400)
Tax Credit & Bridge Loan Fees	(8,280)
Equals: Eligible Basis MHFA	1,973,925
Times % Low-Income Tenants	100%
Equals: Qualified Basis	1,973,925
Times Tax Credit Percentage	9.00%
Equals: Annual Tax Credit Award	177,653
Times Allocation Percentage	99%
Equals: Amount to Limited Partner	175,877
Times: 10 Year Period	
Equals: Full Tax Credit Award	1,758,767
Times: NPV Syndication %	65%
Equals: Limited Partner Contribution	1,143,199

Annual Allocation of Tax Credits (100%)		
Year 1	\$59,218	4 Months
Years 2 Thru 10	\$177,653	Full Years
Year 11	\$118,435	8 Months

Tax Credit Allocation per Unit	\$4,935
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Projected Appraised Values	
Upon Completion in Year 1:	
Per Unit	\$54,000
Total Project	\$1,944,000
Appraised Equity	\$864,000
(W/O Developer Fee - Less Loan Balance)	

For Sale or Re-Finance after Year 15:	
Per Unit	\$46,000
Total Project	\$1,656,000
Appraised Equity	\$888,251
(W/O Developer Fee - Less Loan Balance)	
Percent Ratio/Orig	85.19%
Percent +/- of Original	-14.81%

Low Income Housing Limited Partnership

Scenario: MASTER	PARTNERSHIP CASH & TAX DISTRIBUTIONS:											
	Part Year (September)											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
TABLE I:												
NET CASH on CASH FLOW	(3,747)	23,482	31,240	32,643	33,923	34,491	36,696	38,916	41,152	43,260	44,735	47,869
LESS: Interest Inc. & GP Mgmt Fee	0	(10,461)	(10,807)	(11,155)	(11,508)	(10,243)	(10,598)	(10,954)	(11,310)	(11,674)	(10,420)	(10,786)
Equals: Cash Available for Split (Subject to Priority Distribution)	(3,747)	\$13,021	\$20,433	\$21,489	\$22,414	\$24,249	\$26,098	\$27,962	\$29,841	\$31,586	\$34,316	\$37,083
30% LIMITED PARTNERS	0	0	0	0	0	7,275	7,829	8,389	8,952	9,476	10,295	11,125
70% GENERAL PARTNERS	(3,747)	13,021	20,433	21,489	22,414	16,974	18,269	19,574	20,889	22,110	24,021	25,958
PLUS: Interest Inc. & GP Mgmt Fee	0	10,461	10,807	11,155	11,508	10,243	10,598	10,954	11,310	11,674	10,420	10,786
Total Cash Flow to General Partners	(3,747)	23,482	31,240	32,643	33,923	27,217	28,866	30,527	32,199	33,785	34,441	36,744
TABLE II: CONVERSION OF NET CASH to TAX INCOME	(\$3,747)	\$23,482	\$31,240	\$32,643	\$33,923	\$34,491	\$36,696	\$38,916	\$41,152	\$43,260	\$44,735	\$47,869
ADDBACKS:												
Replacement Reserve	2,400	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Excrow	8,262	496	506	516	658	674	691	708	726	893	920	947
Principle Portion of Debt (F)	0	10,564	12,589	13,804	15,137	16,598	18,200	19,957	21,883	23,995	26,311	28,851
Other Addbacks:												
Total Addbacks	10,662	18,260	20,295	21,520	22,994	24,472	26,091	27,865	29,809	32,088	34,431	36,998
SUBTRACTIONS:												
Depreciation: Equipment	1,258	6,465	4,617	3,297	2,358	2,358	2,358	1,175	2,515			
Depreciation: Building	20,400	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013
Amortization: Organ. & Finance	1,192	3,575	3,575	3,575	3,575	3,575	3,575	3,575	3,575	3,575	3,575	3,575
Amortized Developer Fees	3,572	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716
GP Management Fee & Incentive Fee	0	10,461	10,807	11,155	12,987	27,217	28,866	30,527	32,199	33,785	34,441	36,744
Depreciation: Improvements						1,309	1,309	1,309	1,309	1,309	2,618	2,618
TOTAL SUBTRACTIONS	26,421	95,231	93,729	92,757	93,649	109,188	110,838	111,316	114,328	113,398	115,363	117,667
NET TAXABLE INCOME (LOSS)	(\$19,506)	(\$53,489)	(\$42,195)	(\$38,593)	(\$36,732)	(\$50,225)	(\$48,051)	(\$44,535)	(\$43,368)	(\$38,050)	(\$36,197)	(\$32,800)
PARTNERSHIP DISTRIBUTION												
1% GENERAL PARTNERS	(195)	(535)	(422)	(386)	(367)	(502)	(481)	(445)	(434)	(380)	(362)	(328)
99% LIMITED PARTNERS	(19,311)	(52,954)	(41,773)	(38,207)	(36,365)	(49,723)	(47,571)	(44,090)	(42,934)	(37,669)	(35,835)	(32,472)
TABLE III: LIMITED PARTNER BENEFITS												
39% Federal Tax Offset	7,531	20,652	16,291	14,901	14,182	19,392	18,553	17,195	16,744	14,691	13,976	12,664
9.5% State Tax Offset	1,835	5,031	3,968	3,630	3,455	4,724	4,519	4,189	4,079	3,579	3,404	3,085
Total	9,366	25,683	20,260	18,531	17,637	24,115	23,072	21,384	20,823	18,270	17,380	15,749
PLUS: Annual Tax Credit	58,626	175,877	175,877	175,877	175,877	175,877	175,877	175,877	175,877	175,877	117,251	N/A
TOTAL TAX BENEFITS	67,991	201,560	196,136	194,407	193,514	199,992	198,948	197,260	196,700	194,146	134,631	15,749
PLUS: CASH DISTRIBUTION	0	0	0	0	0	7,275	7,829	8,389	8,952	9,476	10,295	11,125
ANNUAL TAX & CASH SAVINGS	\$67,991	\$201,560	\$196,136	\$194,407	\$193,514	\$207,267	\$206,778	\$205,649	\$205,652	\$203,622	\$144,926	\$26,874
Annual Return on Investment of \$ 1,143,199	5.95%	17.63%	17.16%	17.01%	16.93%	18.13%	18.09%	17.99%	17.99%	17.81%	12.68%	2.35%
CUMULATIVE CASH BENEFIT	67,991	269,551	465,687	660,095	853,608	1,060,875	1,267,653	1,473,302	1,678,954	1,882,576	2,027,502	2,054,376

Low Income Housing Limited Partnership

PARTNERSHIP CASH & TAX DISTRIBUTIONS:

Scenario: MASTER

Ptr Ends-August

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
TABLE I:												
NET CASH on CASH FLOW	51,042	54,253	57,340	63,623	26,438	30,458	34,568	38,575	40,593	44,279	48,011	51,788
LESS: Interest Inc. & GP Mgmt Fee	(11,154)	(11,524)	(11,902)	(8,174)	(3,579)	(3,963)	(4,349)	(4,747)	(3,528)	(3,932)	(4,338)	(4,749)
Equals: Cash Available for Split (Subject to Priority Distribution)	\$39,887	\$42,730	\$45,438	\$55,450	\$22,859	\$26,495	\$30,219	\$33,828	\$37,065	\$40,347	\$43,672	\$47,040
	(Ptr Ended)											
30% LIMITED PARTNERS	11,966	12,819	13,631	11,090	0	0	0	0	0	0	0	0
70% GENERAL PARTNERS	27,921	29,911	31,807	44,360	22,859	26,495	30,219	33,828	37,065	40,347	43,672	47,040
PLUS: Interest Inc. & GP Mgmt Fee	11,154	11,524	11,902	8,174	3,579	3,963	4,349	4,747	3,528	3,932	4,338	4,749
Total Cash Flow to General Partners	39,075	41,434	43,709	52,533	26,438	30,458	34,568	38,575	40,593	44,279	48,011	51,788
TABLE II: CONVERSION OF NET CASH TO TAX INCOME	\$51,042	\$54,253	\$57,340	\$63,623	\$26,438	\$30,458	\$34,568	\$38,575	\$40,593	\$44,279	\$48,011	\$51,788
ADDBACKS:												
Replacement Reserve	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Excrow	976	1,005	1,207	1,250	1,293	1,339	1,386	1,639	1,705	1,773	1,844	1,917
Principle Portion of Debt	31,636	34,689	38,038	41,709	45,735	50,150	54,990	60,298	66,118	72,500	79,499	87,172
Other Addbacks:												
Total Addbacks	39,811	42,894	46,445	50,159	54,229	58,688	63,576	69,137	75,023	81,473	88,542	96,289
SUBTRACTIONS:												
Depreciation: Equipment												
Depreciation: Building	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013	64,013
Amortization: Soft Costs	3,575	3,575	3,575	2,383								
Amortized Developer Fees	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716
GP Management Fee & Incentive Fee	39,075	41,434	43,709	52,533	26,438	30,458	34,568	38,575	40,593	44,279	48,011	51,788
Depreciation: Improvements	2,618	2,618	2,618	3,927	3,927	3,927	3,927	3,927	5,236	5,236	5,236	5,236
TOTAL SUBTRACTIONS	119,998	122,357	124,631	133,574	105,095	109,115	113,225	117,232	120,559	124,245	127,977	131,754
	(Ptr Ended)											
NET TAXABLE INCOME (LOSS)	(\$29,145)	(\$25,210)	(\$20,846)	(\$19,791)	(\$24,428)	(\$19,968)	(\$15,081)	(\$9,520)	(\$4,943)	\$1,507	\$8,576	\$16,323
PARTNERSHIP DISTRIBUTION												
1% GENERAL PARTNERS	(291)	(252)	(208)	(6,729)	(24,428)	(19,968)	(15,081)	(9,520)	(4,943)	1,507	8,576	16,323
99% LIMITED PARTNERS	(28,854)	(24,958)	(20,638)	(13,062)	Year 16 - Assume General Partners will become 100% Owners.							
TABLE III: LIMITED PARTNER BENEFITS												
Federal Tax Offset	11,253	9,733	8,049	5,094	Internal Rate of Return for Limited Partners							
State Tax Offset	2,741	2,371	1,961	1,241	The overall Internal Rate of Return (IRR) for the Limited Partners is based upon the Projected Benefits that they receive on their initial Equity Investment of \$1,143,199. These benefits include the Flow -thru of Annual Tax Credits in the amount of \$175,877 over a 11 year period. Plus Tax Losses which may offset Regular Taxable Income, some Cash Flow over the 15 years of Operations and return of the Invested Amount. The IRR = 13.96% (without Annual Asset Management Fee of \$7,466). The IRR = 14.58% (with Annual Asset Management Fee of \$7,466).							
Total	13,994	12,104	10,009	6,335								
PLUS: Annual Tax Credit	N/A	N/A	N/A	N/A	The IRR: Without the annual asset management fee and before the return of the Invested Amount is 10.90% The IRR: With the annual asset management fee and before the return of the Invested Amount is 11.76%.							
TOTAL TAX BENEFITS	13,994	12,104	10,009	6,335								
PLUS: CASH DISTRIBUTION	11,966	12,819	13,631	11,090								
ANNUAL TAX & CASH SAVINGS	\$25,960	\$24,923	\$23,641	\$17,425								
Annual Return on Investment of \$ 1,143,199	2.27%	2.18%	2.07%	1.52%								
	(Ptr Ended)											
CUMULATIVE CASH BENEFIT	2,080,336	2,105,259	2,128,900	2,146,325	See Page 9 for detailed Partner Analysis for Limited Partners.							

Low Income Housing Limited Partnership

PARTNERSHIP CASH & TAX DISTRIBUTIONS:

Scenario: MASTER

TABLE I:

	2021	2022	2023	2024	2025	2026	2027
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31
NET CASH on CASH FLOW	55,373	58,464	164,995	179,119	184,074	189,111	192,607
LESS: Interest Income Portion	(5,174)	(3,983)	(4,417)	(4,857)	(5,301)	(5,751)	(4,586)
Equals: Cash Available for Split	\$50,199	\$54,481	\$160,578	\$174,262	\$178,773	\$183,360	\$188,021

N/A LIMITED PARTNERS	0	0	0	0	0	0	0
100% GENERAL PARTNERS	50,199	54,481	160,578	174,262	178,773	183,360	188,021
PLUS: Interest Income Portion	5,174	3,983	4,417	4,857	5,301	5,751	4,586
Total Cash Flow to General Partners	55,373	58,464	164,995	179,119	184,074	189,111	192,607

TABLE II: CONVERSION OF

NET CASH to TAX INCOME	\$55,373	\$58,464	\$164,995	\$179,119	\$184,074	\$189,111	\$192,607
ADDBACKS:							
Replacement Reserve	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RE Tax Excrow	2,243	2,344	2,450	2,560	2,675	2,796	2,921
Principle Portion of Debt	95,586	104,813	9,178	0	0	0	0
Other Addbacks:							
Total Addbacks	105,030	114,357	18,828	9,760	9,875	9,996	10,121

SUBTRACTIONS:

Depreciation: Equipment							
Depreciation: Building	64,013	64,013	64,013	33,062	40,800	0	0
Amortization: Soft Costs							
Amortized Developer Fees	10,716	10,716	10,716	5,358	7,144	0	0
Bonus: Incentive Fees	55,373	58,464	164,995	179,119	184,074	189,111	192,607
Depreciation: Improvements	5,236	6,545	6,545	6,545	6,545	6,545	7,855
TOTAL SUBTRACTIONS	135,339	139,739	246,270	224,084	238,564	195,656	200,461

NET TAXABLE INCOME (LOSS) \$25,064 \$33,082 (\$62,447) (\$35,205) (\$44,614) \$3,450 \$2,267

PARTNERSHIP DISTRIBUTION

100% GENERAL PARTNERS	25,064	33,082	(62,447)	(35,205)	(44,614)	3,450	2,267
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General Partner Notes and Comments:

Summary of Post Limited Partnership Period: September of 2012 Thru December of 2027

	Original "As-is"	Old Loan	Net Operating Cash Flow	Less Debt Service	Positive Cash Flow	Taxable Income/ (Losses)
Year 16 Debt Service	\$110,987	\$1,080,000	\$2,515,776	(1,156,115)	\$1,359,660	(\$134,933)
		(Fixed Rate Amortization)				
	Re-Financed in Year 16	New Loan	Net Operating Cash Flow	Less Debt Service	Positive Cash Flow	Refinancing Proceeds in Year 16
Year 16 Debt Service	\$107,097	\$1,042,146	\$2,515,776	(1,642,154)	\$873,622	\$1,042,146 New Loan Balance
		(Fixed Rate Amortization)				(\$736,830) Old Loan Balance
						\$305,316 Net Proceeds

NOTES: The Positive Cash Flow Difference of \$486,039 is due to 15 Full Years of Debt Service remaining if the Loan is Refinanced. The New Loan of \$1,042,146 is Financed at: Rate = 9.25% Amortization = 25 Years. The TIF Revenues are subtracted to arrive at Operating Cash Flow (OCF). The Project must remain a Low Income Housing Facility thru year 30.

Refinance & Buy-Out Limited Partner

After the 15 Year Compliance Period is ended, the Project will have a Loan Balance of \$736,830. The Loan-to-Cost (LTC) will equal 37.50% and the Project will have Hard Equity of \$1,227,805 at that time.

If the Appraised Value is revised to \$1,656,000 the new Loan-To-Value (LTV) will be 44.49% with projected Soft Equity of \$919,170. The General Partners may use re-financing proceeds to Buy-Out the Limited Partners, but they must also contribute Equity of \$613,854 in order to own 100% of the Partnership and still maintain a Debt Service Coverage (DSC) of 1.20 or better in Year 16 (adjusted for without TIF). The new loan is \$1,042,146 and the new Annual Debt is \$107,097. The Revised DSC is:
 Yr 16= 1.63 Yr 17= 1.28 Yr 18= 1.32
 Yr 19= 1.36 Yr 20= 1.40 Yr 21= 1.42

Net Cash In/Out Flow Review

Post Limited Partnership Years 16-31

Appraised Value of LP Interest	\$919,170
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Add: New Loan Proceeds	1,042,146
Less: Pay-off Old Loan	(736,830)
Equals Net Cash Available	305,316

Net Cash Out to Buy LP	613,854
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Post LP Net Cash Flow In	873,622
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Straight Cash In/Out Yrs 16-31	259,768
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Low Income Housing Limited Partnership

Scenario: MASTER

PARTNER ANALYSIS

15 year Compliance Period: September of 1997 Thru August of 2012

GENERAL PARTNER:

Ownership is 1% and Cash split is 70%. Cash includes payment of Deferred Fees, GP Mgmt Fee and Interest Income. GP's also receive a 1% Tax Credit which is \$1,777 each year for 10 years.

GENERAL PARTNER - CASH FLOW			
Year	Operational Cash Split	Interest Inc. & Mgmt Fee	Total Annual Cash Flows
1997	(\$3,747)	\$0	(\$3,747)
1998	\$13,021	\$10,461	\$23,482
1999	\$20,433	\$10,807	\$31,240
2000	\$21,489	\$11,155	\$32,643
2001	\$22,414	\$11,508	\$33,923
2002	\$16,974	\$10,243	\$27,217
2003	\$18,269	\$10,598	\$28,866
2004	\$19,574	\$10,954	\$30,527
2005	\$20,889	\$11,310	\$32,199
2006	\$22,110	\$11,674	\$33,785
2007	\$24,021	\$10,420	\$34,441
2008	\$25,958	\$10,786	\$36,744
2009	\$27,921	\$11,154	\$39,075
2010	\$29,911	\$11,524	\$41,434
2011	\$31,807	\$11,902	\$43,709
2012	\$29,573	\$5,449	\$35,022
Total	\$340,616	\$159,944	\$500,561

Proposed Project Profit - Developer Fee	
Sub-Total Project Costs	1,964,635
Less: Permanent Mortgage	(1,080,000)
Less: GP Loans/Capital	(18,000)
Equals: Equity Needed	866,635
Limited Partner Contribution	1,143,199
Less: Equity Needed	(866,635)
Less: Reserves	(36,000)
Less: GP Loans/Capital Re-Paid	(18,000)
Equals: Tentative Profit Capitalize	222,564

General Partner Cash Distribution Summary	
Managing General Partner Fee	\$109,496
Net Deferred Developer Fee	\$36,131
Initial GP Subordinated Loan	\$36,000
(Set-up from Equity for Reserve)	
Less: GP Loans/Def Fees not Paid	\$0
GP Bonus Fees & Cash Split	\$318,934
Total Operating Cash Flow	\$500,561

Add Inital Profit /Syndication	\$222,564
Total Overall Cash-Flow & Profit	\$723,124

MHFA Developer Fee vs Project Profit

The MHFA Developer Fee of \$294,695 is the amount allowed toward the Eligible Basis for the Tax Credit Calculation. The initial Project Profit of \$222,564 is received upon final Syndication. The difference of \$72,131 is a Deferred Fee & GP Loan, which is paid upon Cash Priority Distributions (13 & 16).

Syndication Proceeds - Capital Contributions

Total LP Capital Contributions		\$1,143,199
Scheduled Installments:		
Installment - ONE	55.00%	\$628,759
Installment - TWO	15.00%	\$171,480
Installment - THREE	10.00%	\$114,320
Installment - FOUR	10.00%	\$114,320
Installment - FIVE	10.00%	\$114,320
Installment - SIX		\$0
Installment - SEVEN		\$0
TOTAL	100.00%	\$1,143,199

Sinking Fund:

If the LP Invested Amount is re-paid in Year 15 by establishing a Sinking Fund, the annual Set-Aside reserve must be \$57,143.

LIMITED PARTNER:

Ownership is 99% and Cash split is 30%.

If GP Developer Fees were deferred - see Priority of Cash Distribution (page 13).

LIMITED PARTNER - CASH ANALYSIS ON INVESTMENT					
Year	Operational Cash Flows	Tax Credits Offset	Tax Loss Benefits	Total Cash Benefits	Cumulative Total
1997	\$0	\$58,626	\$9,366	\$67,991	\$67,991
1998	\$0	\$175,877	\$25,683	\$201,560	\$269,551
1999	\$0	\$175,877	\$20,260	\$196,136	\$465,687
2000	\$0	\$175,877	\$18,531	\$194,407	\$660,095
2001	\$0	\$175,877	\$17,637	\$193,514	\$853,608
2002	\$7,275	\$175,877	\$24,115	\$207,267	\$1,060,875
2003	\$7,829	\$175,877	\$23,072	\$206,778	\$1,267,653
2004	\$8,389	\$175,877	\$21,384	\$205,649	\$1,473,302
2005	\$8,952	\$175,877	\$20,823	\$205,652	\$1,678,954
2006	\$9,476	\$175,877	\$18,270	\$203,622	\$1,882,576
2007	\$10,295	\$117,251	\$17,380	\$144,926	\$2,027,502
2008	\$11,125	0	\$15,749	\$26,874	\$2,054,376
2009	\$11,966	0	\$13,994	\$25,960	\$2,080,336
2010	\$12,819	0	\$12,104	\$24,923	\$2,105,259
2011	\$13,631	0	\$10,009	\$23,641	\$2,128,900
2012	\$11,090	0	\$6,335	\$17,425	\$2,146,325
Total	\$112,847	\$1,758,767	\$274,711	\$2,146,325	

LIMITED PARTNER - CAPITAL ACCOUNT			
INITIAL CAPITAL CONTRIBUTION		\$1,143,199	
Year	Less: Cash Distribution	Plus: Taxable Income/Loss	Ending Balance
1997	\$0	(\$19,311)	\$1,123,888
1998	\$0	(\$52,954)	\$1,070,934
1999	\$0	(\$41,773)	\$1,029,161
2000	\$0	(\$38,207)	\$990,954
2001	\$0	(\$36,365)	\$954,589
2002	\$7,275	(\$49,723)	\$897,592
2003	\$7,829	(\$47,571)	\$842,192
2004	\$8,389	(\$44,090)	\$789,713
2005	\$8,952	(\$42,934)	\$737,827
2006	\$9,476	(\$37,669)	\$690,682
2007	\$10,295	(\$35,835)	\$644,552
2008	\$11,125	(\$32,472)	\$600,955
2009	\$11,966	(\$28,854)	\$560,135
2010	\$12,819	(\$24,958)	\$522,358
2011	\$13,631	(\$20,638)	\$488,089
2012	\$11,090	(\$13,062)	\$463,937
Total	\$112,847	(\$566,415)	

INVESTMENT ANALYSIS:

The Capital Contribution of \$1,143,199 will entitle the Limited Partners to receive many benefits during the 15 year Compliance Period. This includes Operational Cash Flows and Tax Benefits due to Tax Losses, as well as direct Tax Credits for the first 10 years. The sum total of these Cash or Cash Equivalents equal \$2,146,325. The ending Capital Account is \$463,937.

The overall Internal Rate of Return (IRR) on the initial Capital Contribution of \$1,143,199 is calculated based upon the annual cash and cash equivalent benefits received during the 15 Year Compliance Period plus Invested Amount in year 16. The IRR = 13.96%

Year 16: Invested Amount = \$1,272,848

The IRR before Invested Amount = 10.90%

Low Income Housing Limited Partnership

Scenario: MASTER	PROJECTED BALANCE SHEET DECEMBER 31, XX											
	Part Year (September)											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>ASSETS</u>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Cash Account (Sec. Deposits)	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
Set Aside Reserve Account	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Replacement Res & Tax Escrow	19,662	27,358	35,063	42,779	50,637	22,511	30,402	38,310	46,236	54,328	26,448	34,595
Current Assets	63,762	71,458	79,163	86,879	94,737	66,611	74,502	82,410	90,336	98,428	70,548	78,695
Building (36 Units)	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610
Less: Accumulated Depreciation	(20,400)	(84,413)	(148,427)	(212,440)	(276,453)	(340,467)	(404,480)	(468,494)	(532,507)	(596,520)	(660,534)	(724,547)
Capital Improvements						36,000	36,000	36,000	36,000	36,000	72,000	72,000
Less Accumulated Depreciation						(1,309)	(2,618)	(3,927)	(5,236)	(6,545)	(9,164)	(11,782)
Residential Equipment	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400
Less Accumulated Depreciation	(1,258)	(7,723)	(12,340)	(15,638)	(17,995)	(20,353)	(22,710)	(23,885)	(26,400)	(26,400)	(26,400)	(26,400)
Land	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Net Property & Equip.	1,889,352	1,818,874	1,750,243	1,682,932	1,616,561	1,584,881	1,517,201	1,450,704	1,382,866	1,317,544	1,286,912	1,220,281
Intangible Assets:												
Developer Fee - Initial Profit	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564
Developer Fee - Def & GP Resr	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131
Financing Fees	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Organizational Fees	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025
Less: Accumulated Amortization	(4,764)	(19,055)	(33,346)	(47,637)	(61,929)	(76,220)	(90,511)	(104,802)	(119,093)	(133,385)	(147,676)	(161,967)
Net Intangible Assets	343,557	329,265	314,974	300,683	286,392	272,101	257,809	243,518	229,227	214,936	200,645	186,353
TOTAL ASSETS	2,296,671	2,219,597	2,144,380	2,070,494	1,997,690	1,923,593	1,849,512	1,776,632	1,702,429	1,630,908	1,558,105	1,485,329
LIABILITIES & EQUITY												
Deferred Fees Payable	39,878	26,857	6,425	0	0	0	0	0	0	0	0	0
General Partner Subordinated Loans	36,000	36,000	36,000	20,936	0	0	0	0	0	0	0	0
Security Deposits	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
NON - RECOURSE DEBT (F)	1,080,000	1,069,436	1,056,847	1,043,043	1,027,906	1,011,308	993,108	973,152	951,269	927,274	900,962	872,112
Total Liabilities	1,172,978	1,149,393	1,116,371	1,081,078	1,045,006	1,028,408	1,010,208	990,252	968,369	944,374	918,062	889,212
Contributed Capital - Net	1,143,199	1,143,199	1,143,199	1,143,199	1,143,199	1,135,924	1,128,095	1,119,706	1,110,753	1,101,278	1,090,983	1,079,858
Retained Earnings		(19,506)	(72,995)	(115,190)	(153,783)	(190,515)	(240,740)	(288,791)	(333,326)	(376,693)	(414,743)	(450,941)
Current Year Income/(Loss)	(19,506)	(53,489)	(42,195)	(38,593)	(36,732)	(50,225)	(48,051)	(44,535)	(43,368)	(38,050)	(36,197)	(32,800)
Total Equity	1,123,693	1,070,204	1,028,009	989,416	952,684	895,184	839,304	786,380	734,060	686,534	640,042	596,118
TOTAL LIABILITIES & EQUITY	2,296,671	2,219,597	2,144,380	2,070,494	1,997,690	1,923,593	1,849,512	1,776,632	1,702,429	1,630,908	1,558,105	1,485,329

NOTES:

The Project undergoes a rehabilitation of \$36,000 every 5 years which is drawn from the Replacement Reserve Account.

The Limited Partner Contributed Capital Account is reduced by Cash Distributions and Tax Losses (See Page 9, Partner Analysis).

Cash disbursed to the General Partner is assumed to be in the form of an Incentive Bonus (after deferred fees paid), which allows for a Tax Expense for the Limited Partnership.

Cash disbursed to the Limited Partners are assumed to be a "Return of Capital", which is not a Taxable Distribution nor a Tax Deduction for the Partnership.

The Total Equity listed above includes 100% of the Tax Losses. To Calculate the Limited Partner Ending Capital Account

please add 1% of the Retained Earnings and Current Year Net Income back to the Total Equity. The 1% addback represents the

General Partner's share of Losses. Any Deferred Developer Fees must be paid within the Compliance Period in order to avoid Tax Credit recapture.

Low Income Housing Limited Partnership

Scenario:
MASTER

PROJECTED BALANCE SHEET DECEMBER 31, XX
Ptr Ends-August

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
ASSETS												
Cash Account (Sec. Deposits)	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
Set Aside Reserve Account	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Replacement Res & Tax Escrow	42,771	50,975	59,383	31,833	40,326	48,865	57,451	66,290	39,194	48,167	57,210	66,328
Current Assets	86,871	95,075	103,483	75,933	84,426	92,965	101,551	110,390	83,294	92,267	101,310	110,428
Building (36 Units)	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610
Less: Accumulated Depreciation	(788,561)	(852,574)	(916,587)	(980,601)	(1,044,614)	(1,108,628)	(1,172,641)	(1,236,654)	(1,300,668)	(1,364,681)	(1,428,695)	(1,492,708)
Capital Improvements	72,000	72,000	72,000	108,000	108,000	108,000	108,000	108,000	144,000	144,000	144,000	144,000
Less Accumulated Depreciation	(14,400)	(17,018)	(19,636)	(23,564)	(27,491)	(31,418)	(35,345)	(39,273)	(44,509)	(49,745)	(54,982)	(60,218)
Residential Equipment	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400
Less Accumulated Depreciation	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)
Land	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Net Property & Equip.	1,153,649	1,087,018	1,020,386	988,445	920,505	852,564	784,623	716,683	683,433	614,183	544,933	475,684
Intangible Assets:												
Developer Fee - Initial Profit	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564	222,564
Developer Fee - Def & GP Resr	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131	72,131
Financing Fees	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Organizational Fees	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025	32,025
Less: Accumulated Amortization	(176,258)	(190,549)	(204,841)	(217,940)	(228,656)	(239,372)	(250,089)	(260,805)	(271,521)	(282,237)	(292,953)	(303,670)
Net Intangible Assets	172,062	157,771	143,480	130,380	119,664	108,948	98,232	87,516	76,799	66,083	55,367	44,651
TOTAL ASSETS	1,412,582	1,339,864	1,267,349	1,194,758	1,124,595	1,054,477	984,406	914,588	843,526	772,533	701,611	630,762
LIABILITIES & EQUITY												
				PTR Ended								
Deferred Fees Payable	0	0	0	0	0	0	0	0	0	0	0	0
General Partner Subordinated Loans	0	0	0	0	0	0	0	0	0	0	0	0
Security Deposits	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100	17,100
NON - RECOURSE DEBT	840,476	805,787	767,749	726,040	680,305	630,155	575,165	514,867	448,748	376,248	296,749	209,577
Total Liabilities	857,576	822,887	784,849	743,140	697,405	647,255	592,265	531,967	465,848	393,348	313,849	226,677
Contributed Capital - Net	1,067,892	1,055,073	1,041,442	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352
Retained Earnings	(483,741)	(512,886)	(538,096)	(558,942)	(578,733)	(603,161)	(623,130)	(638,211)	(647,730)	(652,673)	(651,166)	(642,590)
Current Year Income/(Loss)	(29,145)	(25,210)	(20,846)	(19,791)	(24,428)	(19,968)	(15,081)	(9,520)	(4,943)	1,507	8,576	16,323
Total Equity	555,006	516,977	482,500	451,618	427,190	407,222	392,141	382,621	377,678	379,185	387,762	404,085
TOTAL LIABILITIES & EQUITY	1,412,582	1,339,864	1,267,349	1,194,758	1,124,595	1,054,477	984,406	914,588	843,526	772,533	701,611	630,762
				PTR Ended								

NOTES:

The Project undergoes a rehabilitation of \$36,000 every 5 years which is drawn from the Replacement Reserve Account.

The Limited Partner Contributed Capital Account is reduced by Cash Distributions and Tax Losses (See Page 9, Partner Analysis).

Cash disbursed to the General Partner is assumed to be in the form of an Incentive Bonus (after deferred fees paid), which allows for a Tax Expense for the Limited Partnership.

Cash disbursed to the Limited Partners are assumed to be a "Return of Capital" , which is not a Taxable Distribution nor a Tax Deduction for the Partnership.

The Total Equity listed above includes 100% of the Tax Losses. To Calculate the Limited Partner Ending Capital Account

please add 1% of the Retained Earnings and Current Year Net Income back to the Total Equity. The 1% addback represents the

General Partner's share of Losses. Any Deferred Developer Fees must be paid within the Compliance Period in order to avoid Tax Credit recapture.

Low Income Housing Limited Partnership

PROJECTED BALANCE SHEET DECEMBER 31, XX

Scenario:
MASTER

	2021	2022	2023	2024	2025	2026	2027
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31
ASSETS							
Cash Account (Sec. Deposits)	17,100	17,100	17,100	17,100	17,100	17,100	17,100
Set Aside Reserve Account	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Replacement Reserve Account	75,771	49,315	58,965	68,725	78,600	88,596	62,717
Current Assets	119,871	93,415	103,065	112,825	122,700	132,696	106,817
Building (36 Units)	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610	1,758,610
Less: Accumulated Depreciation	(1,556,721)	(1,620,735)	(1,684,748)	(1,717,810)	(1,758,610)	(1,758,610)	(1,758,610)
Capital Improvements	144,000	180,000	180,000	180,000	180,000	180,000	216,000
Less Accumulated Depreciation	(65,455)	(72,000)	(78,545)	(85,091)	(91,636)	(98,182)	(106,036)
Residential Equipment	26,400	26,400	26,400	26,400	26,400	26,400	26,400
Less Accumulated Depreciation	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)	(26,400)
Land	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Net Property & Equip.	406,434	371,875	301,316	261,709	214,364	207,818	235,964
Intangible Assets:							
Developer Fee - Initial Profit	222,564	222,564	222,564	222,564	222,564	222,564	222,564
Developer Fee - Def & GP Resr	72,131	72,131	72,131	72,131	72,131	72,131	72,131
Financing Fees	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Organizational Fees	32,025	32,025	32,025	32,025	32,025	32,025	32,025
Less: Accumulated Amortization	(314,386)	(325,102)	(335,818)	(341,176)	(348,320)	(348,320)	(348,320)
Net Intangible Assets	33,935	23,218	12,502	7,144	0	0	0
TOTAL ASSETS	560,240	488,509	416,884	381,678	337,064	340,514	342,781
LIABILITIES & EQUITY							
Deferred Fees Payable	0	0	0	0	0	0	0
General Partner Subordinated Loans	0	0	0	0	0	0	0
Security Deposits	17,100	17,100	17,100	17,100	17,100	17,100	17,100
NON - RECOURSE DEBT	113,991	9,178	0	0	0	0	0
Total Liabilities	131,091	26,278	17,100	17,100	17,100	17,100	17,100
Contributed Capital - Net	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352	1,030,352
Retained Earnings	(626,266)	(601,203)	(568,121)	(630,568)	(665,773)	(710,388)	(706,937)
Current Year Income/(Loss)	25,064	33,082	(62,447)	(35,205)	(44,614)	3,450	2,267
Total Equity	429,149	462,231	399,784	364,578	319,964	323,414	325,681
TOTAL LIABILITIES & EQUITY	560,240	488,509	416,884	381,678	337,064	340,514	342,781

Partnership Life Ends in the 40th Year

NOTES:

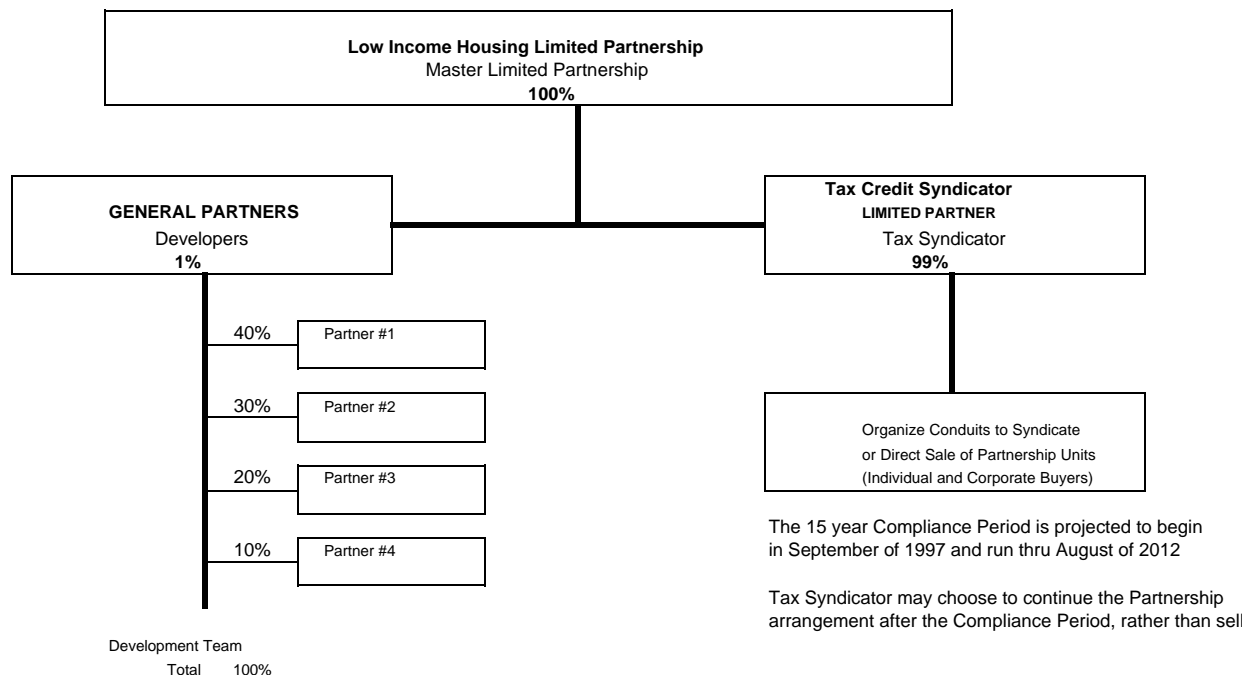
The Project undergoes a rehabilitation of \$36,000 every 5 years which is drawn from the Replacement Reserve Account.

The Limited Partnership has probably ended in year 15. The General Partners have either elected to purchase the Limited Partnership Interest, or the Project has been sold with net proceeds (if any) split after repayment of respective contributed equity, loans as well as outside obligations (see pages 9 & 16).

Scenario: MASTER

Low Income Housing Limited Partnership

ORGANIZATIONAL STRUCTURE



NOTE: The above organizational chart illustrates the respective ownership of the Master Limited Partnership for Income Tax purposes which is currently projected to be 1% for the General Partners and 99% for the Limited Partners.

TERMS: The Net Cash Flow split is the same as the Tax Ownership, however the Bonus Incentive Fee is a prior distribution that effectively achieves a cash split from Operations to net 70% to the General Partners and 30% to the Limited Partners. The Priority of Cash Distribution should repay any Deferred Developer Fees before any Net Cash is distributed to the Limited Partners - Investment Group.

Based upon our Assumptions we Project the Priority of Cash Distributions from operations over the 15 Year Period to be as follows:

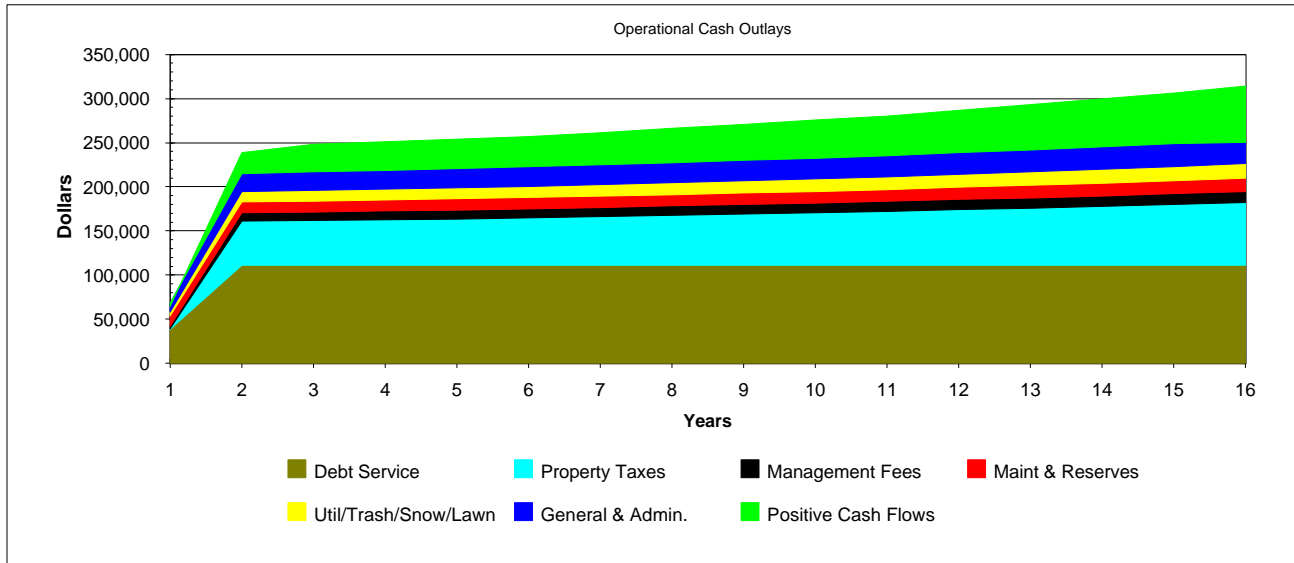
PRIORITY	AMOUNT	DESCRIPTION
First	\$7,466	Annual Asset Management Fee (already included in Operating Expenses).
Second	As Needed	To maintain the Operating Reserve Account at a holding balance of \$36,000.
Third	\$7,466	Annual Managing General Partner(s) Fee (matching fee).
Fourth	\$36,131	Net Deferred Developer Fee (subtract Subordinated Loan) projected to be paid off sometime between years 3 and 4.
Fifth	\$36,000	Set-up Initial GP Subordinated Loan (Operating Reserve), projected to be paid in full between years 4 and 5.
Sixth	Sub-Total	Bonus Incentive Fee paid to the General Partners based upon an effective split of 70% of the available cash.
Seventh	Net Cash	To be disbursed 1% to the General Partners and 99% to the Limited Partners.

NOTE: The Priority of distribution from a Sale or Re-Finance includes additional provisions to account for the Loan Balance and Invested Amount.

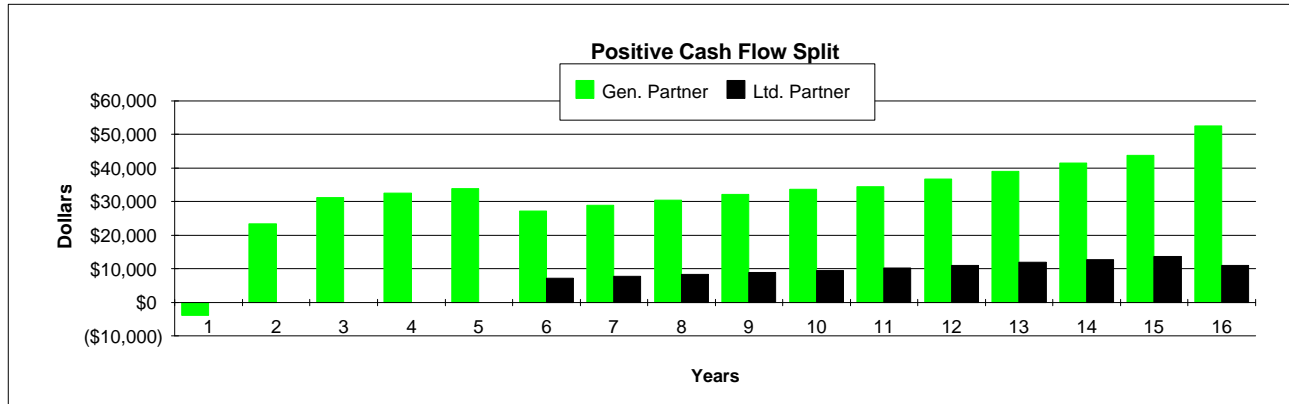
Low Income Housing Limited Partnership

CASH FLOW ANALYSIS

Scenario: MASTER



II.

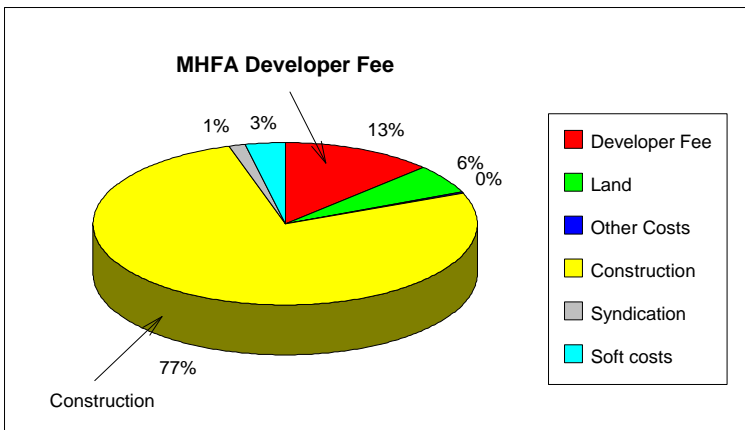


NOTE: THE INTENT IS TO DISBURSE 70% OF THE NET POSITIVE CASH FLOWS TO THE GENERAL PARTNERS BY INCENTIVE BONUS FEES AFTER DEFERRED FEES, WHILE THE LIMITED PARTNER RECEIVES THE REMAINING 30% OF THE NET POSITIVE CASH FLOWS. THE LIMITED PARTNER-TAX SYNDICATOR ALSO RECEIVES AN ANNUAL ASSET MANAGEMENT FEE OF \$7,466 AND THE MANAGING GENERAL PARTNER IS ENTITLED TO A SIMILAR MATCHING FEE WHICH IS A SUBORDINATED FEE.

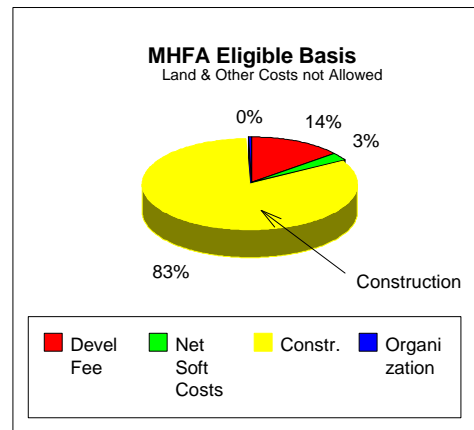
Low Income Housing Limited Partnership

Scenario: MASTER

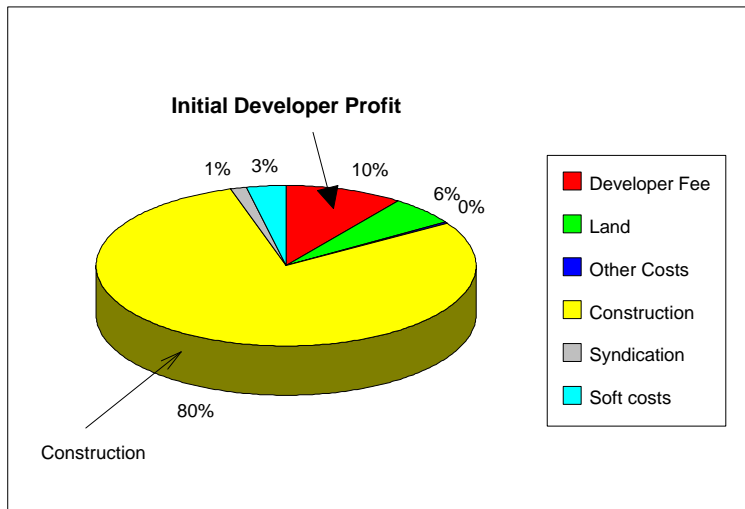
Project Cost - Developer Fee - Syndication Proceeds



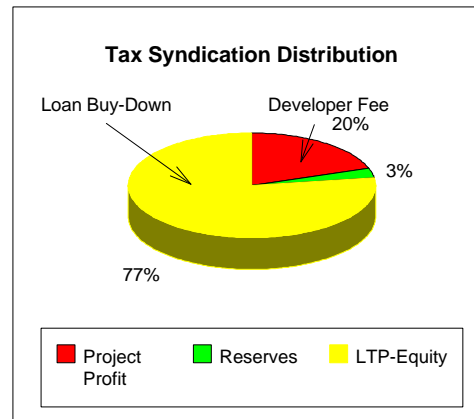
The MHFA Developer Fee is \$294,695 and the MHFA Project Cost is \$2,259,330.



The MHFA Eligible Basis is \$1,973,925.



The Initial Developer Profit is \$222,564 and the Initial Project Cost is \$2,187,199.



The Total Syndication Proceeds are \$1,143,199 (NPV).

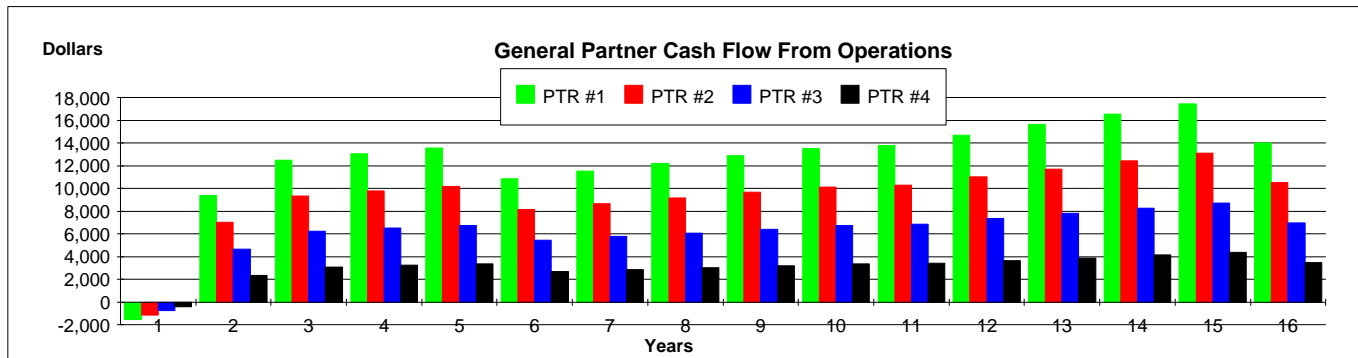
NOTE: If the Initial Project Cost is Lower than the MHFA Project Cost, as a result of a lower initial Developer Profit, the amount of the Deferred Developer Fees must be paid within the Compliance Period to make them equal (see pages 5, 9 & 10 plus Notes on Page13).

Low Income Housing Limited Partnership

Scenario: MASTER

Cash Flow Analysis - General Partners

15 year Compliance Period: September of 1997 Thru August of 2012



ONE: Initial Profit upon Final Syndication

Initial Developer Profit	40.00% Profit Share PTR #1	30.00% Profit Share PTR #2	20.00% Profit Share PTR #3	10.00% Profit Share PTR #4
\$222,564	\$89,026	\$66,769	\$44,513	\$22,256

TWO: Cash Flow From Operations

Cash Flow Operations YEAR	General Partner Mgmt Fee	Deferred Developer Fee	GP Subordinate Loans	Bonus Fee & Positive Cash Flow	Total Annual Cash Flows	40.00% Annual \$		30.00% Annual \$		20.00% Annual \$		10.00% Annual \$	
						PTR #1 Cash-Flow	Tax Credit Allocation	PTR #2 Cash-Flow	Tax Credit Allocation	PTR #3 Cash-Flow	Tax Credit Allocation	PTR #4 Cash-Flow	Tax Credit Allocation
1997	0	0	(3,747)	0	(\$3,747)	-1,499	237	-1,124	178	-749	118	-375	59
1998	7,466	16,016	0	0	\$23,482	9,393	711	7,044	533	4,696	355	2,348	178
1999	7,466	20,115	3,659	0	\$31,240	12,496	711	9,372	533	6,248	355	3,124	178
2000	7,466	0	25,178	0	\$32,643	13,057	711	9,793	533	6,529	355	3,264	178
2001	7,466	0	10,910	15,547	\$33,923	13,569	711	10,177	533	6,785	355	3,392	178
2002	7,466	0	0	19,751	\$27,217	10,887	711	8,165	533	5,443	355	2,722	178
2003	7,466	0	0	21,401	\$28,866	11,547	711	8,660	533	5,773	355	2,887	178
2004	7,466	0	0	23,062	\$30,527	12,211	711	9,158	533	6,105	355	3,053	178
2005	7,466	0	0	24,734	\$32,199	12,880	711	9,660	533	6,440	355	3,220	178
2006	7,466	0	0	26,319	\$33,785	13,514	711	10,135	533	6,757	355	3,378	178
2007	7,466	0	0	26,975	\$34,441	13,776	474	10,332	355	6,888	237	3,444	118
2008	7,466	0	0	29,279	\$36,744	14,698	0	11,023	0	7,349	0	3,674	0
2009	7,466	0	0	31,610	\$39,075	15,630	0	11,723	0	7,815	0	3,908	0
2010	7,466	0	0	33,969	\$41,434	16,574	0	12,430	0	8,287	0	4,143	0
2011	7,466	0	0	36,243	\$43,709	17,483	0	13,113	0	8,742	0	4,371	0
2012	4,977	0	0	30,045	\$35,022	14,009	0	10,507	0	7,004	0	3,502	0
Totals	109,496	36,131	36,000	318,934	\$500,561	200,224	7,106	150,168	5,330	100,112	3,553	50,056	1,777

THREE: 3rd Party Sale

The projected Sales Proceeds in year 2012 is based upon a Value using Net Operating Income (NOI) of \$129,766 without the Tax Escrow Payment or TIF Income and apply various Cap-Rates.

Net Operating Income Year 16	Less-Loan Balance	Equals Cash Available	Less: Priority LP Sec 6.2B	Less: Ltd Ptr Invested \$\$ (Appraised \$ = \$919,170)	GP Net \$\$ Sales = 70%	Disburse 70% Res \$58,833	General Partner Total Cash Dist.	40.00% PTR #1	30.00% PTR #2	20.00% PTR #3	10.00% PTR #4		
\$129,766													
Cap = 9.0%	\$1,441,846	(\$736,830)	\$705,016	\$0	(1,272,848)	LP Shortfall	\$0	\$41,183	\$41,183	\$16,473	\$12,355	\$8,237	\$4,118
Cap = 10.0%	\$1,297,662	(\$736,830)	\$560,831	\$0	(1,272,848)	LP Shortfall	\$0	\$41,183	\$41,183	\$16,473	\$12,355	\$8,237	\$4,118
Cap = 11.0%	\$1,179,692	(\$736,830)	\$442,862	\$0	(1,272,848)	LP Shortfall	\$0	\$41,183	\$41,183	\$16,473	\$12,355	\$8,237	\$4,118
Cap = 12.0%	\$1,081,385	(\$736,830)	\$344,555	\$0	(1,272,848)	LP Shortfall	\$0	\$41,183	\$41,183	\$16,473	\$12,355	\$8,237	\$4,118
Appraised \$	\$1,656,000	(\$736,830)	\$919,170	\$0	(1,272,848)	LP Shortfall	\$0	\$41,183	\$41,183	\$16,473	\$12,355	\$8,237	\$4,118