

Profit & Loss Statement

Independence USU, LLC Student Apartments

<u>INCOME</u>	<u>Projected</u>	<u>%</u>	
Rents	3,530,940	88.1%	
Retail Space	153,000	3.8%	
Parking Fees	69,345	1.7%	
Resident Charges	52,964	1.3%	
Applied Security Deposits	149,380	3.7%	
Late Fees	17,655	0.4%	
Misc. Income	35,309	0.9%	
TOTAL INCOME	4,008,593	100.0%	Percentage of Total Income
EXPENSES			
1 Property Tax	170,000	4.2%	
2 Insurance	25,000	0.6%	
3 Utilities	189,000	4.7%	
4 Office & Administration	229,890	5.7%	
5 Repair & Maintenance	146,500	3.7%	
6 Capital Replacement	94,400	2.4%	
7 Other	249,785	6.2%	
TOTAL EXPENSES	1,104,575	27.6%	
NET OPERATING INCOME	2,904,018	72.4%	
8 <u>Long Term Financing</u>			
Annual Mortgage (Loan 26,147,091)	2,302,297	57.4%	
TOTAL NET PROFIT	601,721	15.0%	
CAP RATE	6.5%		
PROPERTY VALUATION	44,677,202		

Conventional Financing

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Address: STREET Mortgage Amortization: 30 years
 Address: Logan Utah Mortgage Amount: (ENTER MIN of 1 - 4) **26,147,091**
 Ownership: Independence USU, LLC
 Address: 650 E 1000 N
 Logan, UT 84341
 Contacts: John Brandley

Phone: (435) 760-9333 Loan Term: 40 Years
 Value @ 6.25% CAP 46,067,495
 Construction Equity Required 4,000,000

Pro Forma Operating Statement

	Units	PUPM	PUPA	Monthly	Annualized
Revenue					
Gross Rental					4,000,593
Ancillary Income		0	0	23,976	0
Gross Potential Income				346,896	4,000,593
Effective Gross Income				346,896	4,000,593
Expenses					
	% of EGI	PUPM	PUPA	Notes	As Adjusted
Advertising and Promotion	1.42%	22	263		56,700
Management Fee	4.00%	62	741		160,024
Administrative	1.18%	18	219		47,304
Elevator	0.00%	0	0		0
Electricity	0.69%	11	128		27,540
Water and Sewer	2.79%	43	518		111,780
Gas	0.24%	4	45		9,720
Garbage	0.47%	7	87		18,792
Payroll					195,000
Other Operating	0.50%	8	93		20,088
Decorating	0.38%	6	71		15,228
Repairs	0.85%	13	158		34,020
Exterminating	0.02%	0	3		731
Insurance	2.07%	32	383		82,620
Grounds	0.69%	11	128		27,540
Other	0.24%	4	45		9,720
Reserves	2.83%	44	525		113,400
Real Estate Taxes					170,000
PLUG					
Other Taxes	0.53%	8	98		21,168
Total Expenses	28.03%	540	6,484		1,121,375
Net Operating Income					2,879,218
Debt Service				1.25	2,302,297
MIP					0
Net Cash Flow					576,921

RETURN ON COST	9.6%	VALUE @	6.25% CAP Rate	46,067,495
Cash on Cash	14.4%	VALUE @	6.50% CAP Rate	44,295,669
Leveraged Return	24.1%	VALUE @	6.75% CAP Rate	42,655,088
(Including 10 Year Ave. Loan Amortization)				

Conventional Financing

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		Estimate of Project Cost	
1-3	Land Improvements	1.45	250,000
4	Main Buildings	70.00	12,096,000
5	Furniture	925	599,400
6	Garages		3,240,000
7	Clubhouse		531,000
8	Total Structures		16,466,400
9	Subtotal	77,391	16,716,400
10	General Requirements (contractor to provide cost breakdown)	12.42%	2,077,000
11	Subtotal		18,793,400
14	Subtotal		18,793,400
15	Bond Premium		NA
16	Other Fees (Impact Fees)	2,102 per unit	454,032
Other Fees are permits, taps, impact fees, appraisal, market study, etc.			
17	Estimated Total Cost of Construction		19,247,432
18	Architect's & Engineer's Fee - Design	2.50%	481,186
19	Architect's Fee - Supervision	0.00%	Included
20	Total For All Improvements		19,728,618
Gross Area (Square Feet) 172,800			
21	Cost per Gross S. F.	\$114.17	
22	Construction Time	18 months	
23	Debt Service	26,147,091	
for 18 months at 8.000%			
24	Taxes during construction		3,486,849
25	Insurance, Builders Risk		0
			115,067
29	Loan Origination Fee	0.75%	196,103
30	CITY CONTRIBUTION		0
31	Lender Legal		0
32	Architectural Review		Included
33	Title and Recording		0
34	Total Charges and Financing		3,798,019
35	Legal (Borrower)		50,000
36	Consultant Fee & Misc. Soft Costs		849,780
37	Cost Certification Audit (Owner Only)		-
38	Subtotal		899,780
39	Builder Fee (deferred)	4.0%	977,057
40	Developer Fee (deferred)	3.0%	732,793
41	Accounting Fee		10,823
42	Other		
43	Other		
44	Other		
45	Total Estimated Development Cost		26,147,091
46	Land Value	129,373 SQft	\$ 30.91 4,000,000
47	Total Estimated Replacement Cost		30,147,091
48	Replacement Cost per Dwelling Unit		139,570

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Uses of Funds	<u>Estimate</u>
Total Development Costs, Before Land	26,147,091
Outstanding Land Indebtedness	<u>2,500,000</u>
Subtotal	28,647,091
Estimated Mortgage Amount	<u>26,147,091</u>
Cash Required to Close Loan (Before BSPRA Credit)	2,500,000
Settlement Requirements	
Cash:	
Reserve for Initial Operating Deficit, refundable	0
Reserve for Working Capital, refundable % of Loan	0.0% 0
Contractor Profit	0
Offsites	<u>0</u>
Demolition	<u>0</u>
Subtotal	<u>2,500,000</u>
Letters of Credit can be substituted at closing for these items:	
Working Capital Escrow	
Initial Operating Deficit	
Total Estimated Settlement Requirements	<u>2,500,000</u>
Sources of Funds	
Builder Fee	977,057
Development Fee	732,793
Land Equity	<u>1,500,000</u>
Subtotal	<u>3,209,850</u>
Cash Required (Available) at Loan Closing	<u>(709,850)</u>

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Rental Revenues						
<u>Type</u>	<u>Units</u>	<u>Area</u>	<u>Market Rent</u>	<u>Rent per sf</u>	<u>Monthly Income</u>	<u>Rent per Bed</u>
1 Bed / 1 Bath-Doubles	2	108	320	790	2.47	85,320
4 Bed / 3 Bath-Singles	4	108	1,280	2,200	1.72	237,600
Total	<u>648</u>	<u>216</u>	<u>172,800</u>		<u>1.87</u>	<u>322,920</u>
			% of Hard Costs			1.64%
 Ancillary Income						
				PUPM		
Other Income			216	111	23,976	
Garages			0	0	<u>0</u>	
					<u>23,976</u>	

Conventional Financing

Independence USU, LLC Student Apartments

Cash Flow Projections

Hold Period: 5 Years

	Rent Growth	Expense Growth	Reserves	Residual CAP	Transaction Costs						
	2.00%	2.00%	2.00%	6.25%	3.00%						
Year	Initial Investment	Effective Gross Income	Operating Expenses	Net Operating Income	Debt Service	Reserves	Net Residual Value	Net Cash Flow	Operating Cash on Cash	Ending Loan	Residual Value
0	(5,030,742)							(5,030,742)			
1		3,580,597	(1,104,575)	2,476,022	(1,309,957)	(49,520)	0	1,116,545	22.2%	-18,842,201	39,616,360
2		3,652,209	(1,126,666)	2,525,543	(1,309,957)	(50,511)	0	1,165,075	23.2%	-18,517,389	40,408,687
3		3,725,253	(1,149,200)	2,576,054	(1,309,957)	(51,521)	0	1,214,576	24.1%	-18,177,656	41,216,861
4		3,799,758	(1,172,184)	2,627,575	(1,309,957)	(52,551)	0	1,265,066	25.1%	-18,060,979	42,041,198
5		3,875,754	(1,195,627)	2,680,126	(1,309,957)	(53,603)	24,144,910	25,461,476	506.1%	-17,450,652	42,882,022
6		0	0	0	0	0	0	0	0.0%	-17,323,007	0
7		0	0	0	0	0	0	0	0.0%	-16,655,316	0
8		0	0	0	0	0	0	0	0.0%	-16,515,674	0
9		0	0	0	0	0	0	0	0.0%	-15,785,226	0
10		0	0	0	0	0	0	0	0.0%	-15,319,978	0

IRR 51.5%

Income Schedule

Independence USU, LLC Student Apartments

School Year	Square Foot		Qualities				Rents					Scheduled Rents	Vacancy					Gross Rents	%
	Unit	Total	Beds / Unit	Beds	Rooms	Units	Month	School Year	Room	Unit	Square Foot		%	Beds	Rooms	Units	Dollars		
5 Bedroom / 3 Bath 4 Private Room / Private Bath 1 Shared Room / Shared Bath 5 Bed/3 Bath Totals	1,400	151,200	4	432	216	108	\$650	\$5,850	\$650	\$2,600	\$2.79	\$280,800	5%	22	11	5	\$14,040	\$266,760	
			2	216	216		\$450	\$4,050	\$900	\$900	\$1.93	\$97,200	5%	11	11		\$4,860	\$92,340	
			6	648	432		Total	\$3,500	\$2.50	\$378,000	5%	32	22	\$18,900	\$359,100				
TOTALS	1,400	151,200	648	432	108	MONTHLY SCHOOL YEAR RENTS					\$378,000	5%	32	22	5	\$18,900	\$359,100		
ANNUAL SCHOOL YEAR RENTS											\$3,402,000						\$170,100	\$3,231,900	81%

Summer	Units	Rents					Scheduled Rents	Vacancy					Gross Rents	
		Month	Summer	Room	Unit	Square Foot		%	Beds	Rooms	Units	Dollars		
Summer Citizens	76	\$800	\$2,400	\$800	\$800	\$0.57	\$60,800	0%	0	0	0	\$0	\$60,800	
5 Bedroom 3 Bath 5 Bed/3 Bath Totals	27	\$240	\$720	\$240	\$1,440	\$4.11	\$38,880	0%	0	0	0	\$0	\$38,880	
Vacant Units	5													
TOTALS	103	MONTHLY SUMMER RENTS					\$99,680	0%	0	0	0	\$0	\$99,680	
ANNUAL SUMMER RENTS						\$299,040						\$0	\$299,040	7%

Retained Deposits	Deposit Amount	Qty Deposits	Total Deposits	% Retained	Total Retained	
Annual School Year	\$500	616	\$307,800	35%	\$107,730	
Summer	\$500	238	\$119,000	35%	\$41,650	
Total Retained Deposits					\$149,380	4%

Parking	Permit Cost	Spaces	Gross Revenue	% Vacant	Total	
School Year	\$150	324	\$48,600	5%	\$46,170	
Summer	\$75	238	\$24,300	5%	\$23,175	
Total Parking Revenue					\$69,345	2%

Retail Space	Cost /Sq. Ft	Total Sq. Ft	Gross Revenue	% Vacant	Total
Commercial Lease	\$20	8,500	\$170,000	10%	\$153,000

Other Revenues	Gross Rents	% of Rents	Total
Late Fees	3,530,940	0.5%	\$17,655
Resident Charges		1.5%	\$52,964
Miscellaneous		1.0%	\$35,309
Total Other Revenues			\$105,928

TOTAL ANNUAL REVENUE	\$4,008,593
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PROPERTY #2 - DEBT SERVICE

Independence USU, LLC Student Apartments

Years	Interest	Loan	Monthly Payment	Annual Payment
30	8.00%	26,147,091	191,858	2,302,297

LOAN AMORTIZATION							Years
#	Payment	Interest	Principle	Balance	Annual Interest	Annual Principle	
1	\$191,858	\$174,314	\$17,544	\$26,129,547			1
2	\$191,858	\$174,197	\$17,661	\$26,111,886			
3	\$191,858	\$174,079	\$17,779	\$26,094,107			
4	\$191,858	\$173,961	\$17,897	\$26,076,210			
5	\$191,858	\$173,841	\$18,017	\$26,058,193			
6	\$191,858	\$173,721	\$18,137	\$26,040,056			
7	\$191,858	\$173,600	\$18,258	\$26,021,798			
8	\$191,858	\$173,479	\$18,379	\$26,003,419			
9	\$191,858	\$173,356	\$18,502	\$25,984,917			
10	\$191,858	\$173,233	\$18,625	\$25,966,292			
11	\$191,858	\$173,109	\$18,749	\$25,947,542			
12	\$191,858	\$172,984	\$18,874	\$25,928,668	\$2,083,874	\$218,423	
1	\$191,858	\$172,858	\$19,000	\$25,909,667			2
2	\$191,858	\$172,731	\$19,127	\$25,890,540			
3	\$191,858	\$172,604	\$19,254	\$25,871,286			
4	\$191,858	\$172,475	\$19,383	\$25,851,903			
5	\$191,858	\$172,346	\$19,512	\$25,832,391			
6	\$191,858	\$172,216	\$19,642	\$25,812,749			
7	\$191,858	\$172,085	\$19,773	\$25,792,976			
8	\$191,858	\$171,953	\$19,905	\$25,773,071			
9	\$191,858	\$171,820	\$20,038	\$25,753,033			
10	\$191,858	\$171,687	\$20,171	\$25,732,862			
11	\$191,858	\$171,552	\$20,306	\$25,712,556			
12	\$191,858	\$171,417	\$20,441	\$25,692,115	\$2,065,745	\$236,552	
1	\$191,858	\$171,281	\$20,577	\$25,671,538			3
2	\$191,858	\$171,144	\$20,715	\$25,650,823			
3	\$191,858	\$171,005	\$20,853	\$25,629,971			
4	\$191,858	\$170,866	\$20,992	\$25,608,979			
5	\$191,858	\$170,727	\$21,132	\$25,587,848			
6	\$191,858	\$170,586	\$21,272	\$25,566,575			
7	\$191,858	\$170,444	\$21,414	\$25,545,161			
8	\$191,858	\$170,301	\$21,557	\$25,523,604			
9	\$191,858	\$170,157	\$21,701	\$25,501,903			
10	\$191,858	\$170,013	\$21,845	\$25,480,058			

11	\$191,858	\$169,867	\$21,991	\$25,458,067			4
12	\$191,858	\$169,720	\$22,138	\$25,435,929	\$2,046,111	\$256,186	
1	\$191,858	\$169,573	\$22,285	\$25,413,644			
2	\$191,858	\$169,424	\$22,434	\$25,391,210			
3	\$191,858	\$169,275	\$22,583	\$25,368,627			
4	\$191,858	\$169,124	\$22,734	\$25,345,893			
5	\$191,858	\$168,973	\$22,885	\$25,323,007			
6	\$191,858	\$168,820	\$23,038	\$25,299,969			
7	\$191,858	\$168,666	\$23,192	\$25,276,778			
8	\$191,858	\$168,512	\$23,346	\$25,253,431			
9	\$191,858	\$168,356	\$23,502	\$25,229,929			
10	\$191,858	\$168,200	\$23,659	\$25,206,271			
11	\$191,858	\$168,042	\$23,816	\$25,182,455			
12	\$191,858	\$167,883	\$23,975	\$25,158,480	\$2,024,848	\$277,449	5
1	\$191,858	\$167,723	\$24,135	\$25,134,345			
2	\$191,858	\$167,562	\$24,296	\$25,110,049			
3	\$191,858	\$167,400	\$24,458	\$25,085,591			
4	\$191,858	\$167,237	\$24,621	\$25,060,970			
5	\$191,858	\$167,073	\$24,785	\$25,036,185			
6	\$191,858	\$166,908	\$24,950	\$25,011,235			
7	\$191,858	\$166,742	\$25,117	\$24,986,119			
8	\$191,858	\$166,574	\$25,284	\$24,960,835			
9	\$191,858	\$166,406	\$25,453	\$24,935,382			
10	\$191,858	\$166,236	\$25,622	\$24,909,760			
11	\$191,858	\$166,065	\$25,793	\$24,883,967			
12	\$191,858	\$165,893	\$25,965	\$24,858,002	\$2,001,819	\$300,478	6
1	\$191,858	\$165,720	\$26,138	\$24,831,864			
2	\$191,858	\$165,546	\$26,312	\$24,805,552			
3	\$191,858	\$165,370	\$26,488	\$24,779,064			
4	\$191,858	\$165,194	\$26,664	\$24,752,399			
5	\$191,858	\$165,016	\$26,842	\$24,725,557			
6	\$191,858	\$164,837	\$27,021	\$24,698,536			
7	\$191,858	\$164,657	\$27,201	\$24,671,335			
8	\$191,858	\$164,476	\$27,383	\$24,643,953			
9	\$191,858	\$164,293	\$27,565	\$24,616,388			
10	\$191,858	\$164,109	\$27,749	\$24,588,639			
11	\$191,858	\$163,924	\$27,934	\$24,560,705			
12	\$191,858	\$163,738	\$28,120	\$24,532,585	\$1,976,880	\$325,417	7
1	\$191,858	\$163,551	\$28,308	\$24,504,277			
2	\$191,858	\$163,362	\$28,496	\$24,475,781			
3	\$191,858	\$163,172	\$28,686	\$24,447,095			
4	\$191,858	\$162,981	\$28,877	\$24,418,217			
5	\$191,858	\$162,788	\$29,070	\$24,389,147			
6	\$191,858	\$162,594	\$29,264	\$24,359,884			
7	\$191,858	\$162,399	\$29,459	\$24,330,425			
8	\$191,858	\$162,203	\$29,655	\$24,300,769			
9	\$191,858	\$162,005	\$29,853	\$24,270,917			

10	\$191,858	\$161,806	\$30,052	\$24,240,865			8
11	\$191,858	\$161,606	\$30,252	\$24,210,612			
12	\$191,858	\$161,404	\$30,454	\$24,180,158	\$1,949,870	\$352,427	
1	\$191,858	\$161,201	\$30,657	\$24,149,501			
2	\$191,858	\$160,997	\$30,861	\$24,118,640			
3	\$191,858	\$160,791	\$31,067	\$24,087,573			
4	\$191,858	\$160,584	\$31,274	\$24,056,298			
5	\$191,858	\$160,375	\$31,483	\$24,024,816			
6	\$191,858	\$160,165	\$31,693	\$23,993,123			
7	\$191,858	\$159,954	\$31,904	\$23,961,219			
8	\$191,858	\$159,741	\$32,117	\$23,929,102			
9	\$191,858	\$159,527	\$32,331	\$23,896,772			
10	\$191,858	\$159,312	\$32,546	\$23,864,225			
11	\$191,858	\$159,095	\$32,763	\$23,831,462			
12	\$191,858	\$158,876	\$32,982	\$23,798,480	\$1,920,619	\$381,678	
1	\$191,858	\$158,657	\$33,202	\$23,765,279			
2	\$191,858	\$158,435	\$33,423	\$23,731,856			
3	\$191,858	\$158,212	\$33,646	\$23,698,210			
4	\$191,858	\$157,988	\$33,870	\$23,664,340			
5	\$191,858	\$157,762	\$34,096	\$23,630,244			
6	\$191,858	\$157,535	\$34,323	\$23,595,921			
7	\$191,858	\$157,306	\$34,552	\$23,561,369			
8	\$191,858	\$157,076	\$34,782	\$23,526,587			
9	\$191,858	\$156,844	\$35,014	\$23,491,573			
10	\$191,858	\$156,610	\$35,248	\$23,456,325			
11	\$191,858	\$156,376	\$35,483	\$23,420,843			
12	\$191,858	\$156,139	\$35,719	\$23,385,123	\$1,888,940	\$413,357	
1	\$191,858	\$155,901	\$35,957	\$23,349,166			
2	\$191,858	\$155,661	\$36,197	\$23,312,969			
3	\$191,858	\$155,420	\$36,438	\$23,276,531			
4	\$191,858	\$155,177	\$36,681	\$23,239,850			
5	\$191,858	\$154,932	\$36,926	\$23,202,924			
6	\$191,858	\$154,686	\$37,172	\$23,165,752			
7	\$191,858	\$154,438	\$37,420	\$23,128,332			
8	\$191,858	\$154,189	\$37,669	\$23,090,663			
9	\$191,858	\$153,938	\$37,920	\$23,052,743			
10	\$191,858	\$153,685	\$38,173	\$23,014,570			
11	\$191,858	\$153,430	\$38,428	\$22,976,142			
12	\$191,858	\$153,174	\$38,684	\$22,937,458	\$1,854,632	\$447,665	
1	\$191,858	\$152,916	\$38,942	\$22,898,516			
2	\$191,858	\$152,657	\$39,201	\$22,859,315			
3	\$191,858	\$152,395	\$39,463	\$22,819,852			
4	\$191,858	\$152,132	\$39,726	\$22,780,127			
5	\$191,858	\$151,868	\$39,991	\$22,740,136			
6	\$191,858	\$151,601	\$40,257	\$22,699,879			
7	\$191,858	\$151,333	\$40,526	\$22,659,353			
8	\$191,858	\$151,062	\$40,796	\$22,618,558			

9	\$191,858	\$150,790	\$41,068	\$22,577,490			
10	\$191,858	\$150,517	\$41,341	\$22,536,148			
11	\$191,858	\$150,241	\$41,617	\$22,494,531			
12	\$191,858	\$149,964	\$41,895	\$22,452,637	\$1,817,476	\$484,821	
1	\$191,858	\$149,684	\$42,174	\$22,410,463			12
2	\$191,858	\$149,403	\$42,455	\$22,368,008			
3	\$191,858	\$149,120	\$42,738	\$22,325,270			
4	\$191,858	\$148,835	\$43,023	\$22,282,247			
5	\$191,858	\$148,548	\$43,310	\$22,238,937			
6	\$191,858	\$148,260	\$43,599	\$22,195,339			
7	\$191,858	\$147,969	\$43,889	\$22,151,450			
8	\$191,858	\$147,676	\$44,182	\$22,107,268			
9	\$191,858	\$147,382	\$44,476	\$22,062,791			
10	\$191,858	\$147,085	\$44,773	\$22,018,019			
11	\$191,858	\$146,787	\$45,071	\$21,972,947			
12	\$191,858	\$146,486	\$45,372	\$21,927,576	\$1,777,236	\$525,061	
1	\$191,858	\$146,184	\$45,674	\$21,881,901			13
2	\$191,858	\$145,879	\$45,979	\$21,835,923			
3	\$191,858	\$145,573	\$46,285	\$21,789,637			
4	\$191,858	\$145,264	\$46,594	\$21,743,043			
5	\$191,858	\$144,954	\$46,904	\$21,696,139			
6	\$191,858	\$144,641	\$47,217	\$21,648,922			
7	\$191,858	\$144,326	\$47,532	\$21,601,390			
8	\$191,858	\$144,009	\$47,849	\$21,553,541			
9	\$191,858	\$143,690	\$48,168	\$21,505,373			
10	\$191,858	\$143,369	\$48,489	\$21,456,884			
11	\$191,858	\$143,046	\$48,812	\$21,408,072			
12	\$191,858	\$142,720	\$49,138	\$21,358,935	\$1,733,656	\$568,641	
1	\$191,858	\$142,393	\$49,465	\$21,309,469			14
2	\$191,858	\$142,063	\$49,795	\$21,259,674			
3	\$191,858	\$141,731	\$50,127	\$21,209,547			
4	\$191,858	\$141,397	\$50,461	\$21,159,086			
5	\$191,858	\$141,061	\$50,798	\$21,108,289			
6	\$191,858	\$140,722	\$51,136	\$21,057,153			
7	\$191,858	\$140,381	\$51,477	\$21,005,676			
8	\$191,858	\$140,038	\$51,820	\$20,953,855			
9	\$191,858	\$139,692	\$52,166	\$20,901,690			
10	\$191,858	\$139,345	\$52,513	\$20,849,176			
11	\$191,858	\$138,995	\$52,864	\$20,796,313			
12	\$191,858	\$138,642	\$53,216	\$20,743,096	\$1,686,459	\$615,838	
1	\$191,858	\$138,287	\$53,571	\$20,689,526			15
2	\$191,858	\$137,930	\$53,928	\$20,635,598			
3	\$191,858	\$137,571	\$54,287	\$20,581,310			
4	\$191,858	\$137,209	\$54,649	\$20,526,661			
5	\$191,858	\$136,844	\$55,014	\$20,471,647			
6	\$191,858	\$136,478	\$55,380	\$20,416,267			
7	\$191,858	\$136,108	\$55,750	\$20,360,517			

8	\$191,858	\$135,737	\$56,121	\$20,304,396		
9	\$191,858	\$135,363	\$56,495	\$20,247,900		
10	\$191,858	\$134,986	\$56,872	\$20,191,028		
11	\$191,858	\$134,607	\$57,251	\$20,133,777		
12	\$191,858	\$134,225	\$57,633	\$20,076,144	\$1,635,345	\$666,952
1	\$191,858	\$133,841	\$58,017	\$20,018,127		
2	\$191,858	\$133,454	\$58,404	\$19,959,723		
3	\$191,858	\$133,065	\$58,793	\$19,900,930		
4	\$191,858	\$132,673	\$59,185	\$19,841,745		
5	\$191,858	\$132,278	\$59,580	\$19,782,165		
6	\$191,858	\$131,881	\$59,977	\$19,722,188		
7	\$191,858	\$131,481	\$60,377	\$19,661,811		
8	\$191,858	\$131,079	\$60,779	\$19,601,032		
9	\$191,858	\$130,674	\$61,185	\$19,539,847		
10	\$191,858	\$130,266	\$61,592	\$19,478,255		
11	\$191,858	\$129,855	\$62,003	\$19,416,252		
12	\$191,858	\$129,442	\$62,416	\$19,353,835	\$1,579,988	\$722,309
1	\$191,858	\$129,026	\$62,833	\$19,291,003		
2	\$191,858	\$128,607	\$63,251	\$19,227,751		
3	\$191,858	\$128,185	\$63,673	\$19,164,078		
4	\$191,858	\$127,761	\$64,098	\$19,099,981		
5	\$191,858	\$127,333	\$64,525	\$19,035,456		
6	\$191,858	\$126,903	\$64,955	\$18,970,501		
7	\$191,858	\$126,470	\$65,388	\$18,905,113		
8	\$191,858	\$126,034	\$65,824	\$18,839,289		
9	\$191,858	\$125,595	\$66,263	\$18,773,026		
10	\$191,858	\$125,154	\$66,705	\$18,706,321		
11	\$191,858	\$124,709	\$67,149	\$18,639,172		
12	\$191,858	\$124,261	\$67,597	\$18,571,575	\$1,520,037	\$782,260
1	\$191,858	\$123,811	\$68,048	\$18,503,527		
2	\$191,858	\$123,357	\$68,501	\$18,435,026		
3	\$191,858	\$122,900	\$68,958	\$18,366,068		
4	\$191,858	\$122,440	\$69,418	\$18,296,651		
5	\$191,858	\$121,978	\$69,880	\$18,226,770		
6	\$191,858	\$121,512	\$70,346	\$18,156,424		
7	\$191,858	\$121,043	\$70,815	\$18,085,609		
8	\$191,858	\$120,571	\$71,287	\$18,014,321		
9	\$191,858	\$120,095	\$71,763	\$17,942,559		
10	\$191,858	\$119,617	\$72,241	\$17,870,318		
11	\$191,858	\$119,135	\$72,723	\$17,797,595		
12	\$191,858	\$118,651	\$73,207	\$17,724,388	\$1,455,110	\$847,187
1	\$191,858	\$118,163	\$73,696	\$17,650,692		
2	\$191,858	\$117,671	\$74,187	\$17,576,505		
3	\$191,858	\$117,177	\$74,681	\$17,501,824		
4	\$191,858	\$116,679	\$75,179	\$17,426,645		
5	\$191,858	\$116,178	\$75,680	\$17,350,964		
6	\$191,858	\$115,673	\$76,185	\$17,274,779		

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7	\$191,858	\$115,165	\$76,693	\$17,198,086				
8	\$191,858	\$114,654	\$77,204	\$17,120,882				
9	\$191,858	\$114,139	\$77,719	\$17,043,163				
10	\$191,858	\$113,621	\$78,237	\$16,964,926				
11	\$191,858	\$113,100	\$78,759	\$16,886,168				
12	\$191,858	\$112,574	\$79,284	\$16,806,884	\$1,384,793	\$917,504		
1	\$191,858	\$112,046	\$79,812	\$16,727,072			20	
2	\$191,858	\$111,514	\$80,344	\$16,646,727				
3	\$191,858	\$110,978	\$80,880	\$16,565,848				
4	\$191,858	\$110,439	\$81,419	\$16,484,428				
5	\$191,858	\$109,896	\$81,962	\$16,402,467				
6	\$191,858	\$109,350	\$82,508	\$16,319,958				
7	\$191,858	\$108,800	\$83,058	\$16,236,900				
8	\$191,858	\$108,246	\$83,612	\$16,153,288				
9	\$191,858	\$107,689	\$84,170	\$16,069,118				
10	\$191,858	\$107,127	\$84,731	\$15,984,388				
11	\$191,858	\$106,563	\$85,296	\$15,899,092				
12	\$191,858	\$105,994	\$85,864	\$15,813,228	\$1,308,641	\$993,656		
1	\$191,858	\$105,422	\$86,437	\$15,726,791			21	
2	\$191,858	\$104,845	\$87,013	\$15,639,779				
3	\$191,858	\$104,265	\$87,593	\$15,552,186				
4	\$191,858	\$103,681	\$88,177	\$15,464,009				
5	\$191,858	\$103,093	\$88,765	\$15,375,244				
6	\$191,858	\$102,502	\$89,356	\$15,285,888				
7	\$191,858	\$101,906	\$89,952	\$15,195,935				
8	\$191,858	\$101,306	\$90,552	\$15,105,384				
9	\$191,858	\$100,703	\$91,156	\$15,014,228				
10	\$191,858	\$100,095	\$91,763	\$14,922,465				
11	\$191,858	\$99,483	\$92,375	\$14,830,090				
12	\$191,858	\$98,867	\$92,991	\$14,737,099	\$1,226,168	\$1,076,129		
1	\$191,858	\$98,247	\$93,611	\$14,643,488			22	
2	\$191,858	\$97,623	\$94,235	\$14,549,253				
3	\$191,858	\$96,995	\$94,863	\$14,454,390				
4	\$191,858	\$96,363	\$95,495	\$14,358,895				
5	\$191,858	\$95,726	\$96,132	\$14,262,763				
6	\$191,858	\$95,085	\$96,773	\$14,165,990				
7	\$191,858	\$94,440	\$97,418	\$14,068,572				
8	\$191,858	\$93,790	\$98,068	\$13,970,504				
9	\$191,858	\$93,137	\$98,721	\$13,871,783				
10	\$191,858	\$92,479	\$99,380	\$13,772,403				
11	\$191,858	\$91,816	\$100,042	\$13,672,361				
12	\$191,858	\$91,149	\$100,709	\$13,571,652	\$1,136,850	\$1,165,447		
			Balloon	\$13,571,652				

Loan Amortization

Independence USU, LLC Student Apartments

PROPERTY VALUATION

2012

39,422,539

2034

\$65,441,415

Years	Payment	Interest	Principle	Balance	Annual Appreciation	Annual Depreciation
					\$1,182,676.17	\$1,791,934
1	\$1,010,954	\$795,831	\$215,123	\$15,041,237	\$39,422,539	\$39,422,539
2	\$1,010,954	\$784,262	\$226,692	\$14,814,545	\$40,605,215	\$37,630,605
3	\$1,010,954	\$772,070	\$238,884	\$14,575,660	\$41,787,891	\$35,838,672
4	\$1,010,954	\$759,222	\$251,732	\$14,323,928	\$42,970,567	\$34,046,738
5	\$1,010,954	\$745,684	\$265,271	\$14,058,658	\$44,153,244	\$32,254,805
6	\$1,010,954	\$731,417	\$279,537	\$13,779,120	\$45,335,920	\$30,462,871
7	\$1,010,954	\$716,383	\$294,571	\$13,484,549	\$46,518,596	\$28,670,937
8	\$1,010,954	\$700,540	\$310,414	\$13,174,135	\$47,701,272	\$26,879,004
9	\$1,010,954	\$683,845	\$327,109	\$12,847,026	\$48,883,948	\$25,087,070
10	\$1,010,954	\$666,253	\$344,701	\$12,502,325	\$50,066,624	\$23,295,137
11	\$1,010,954	\$647,714	\$363,240	\$12,139,085	\$51,249,301	\$21,503,203
12	\$1,010,954	\$628,179	\$382,776	\$11,756,309	\$52,431,977	\$19,711,269
13	\$1,010,954	\$607,592	\$403,362	\$11,352,947	\$53,614,653	\$17,919,336
14	\$1,010,954	\$585,899	\$425,056	\$10,927,891	\$54,797,329	\$16,127,402
15	\$1,010,954	\$563,038	\$447,916	\$10,479,975	\$55,980,005	\$14,335,469
16	\$1,010,954	\$538,948	\$472,006	\$10,007,969	\$57,162,681	\$12,543,535
17	\$1,010,954	\$513,563	\$497,391	\$9,510,578	\$58,345,358	\$10,751,602
18	\$1,010,954	\$486,812	\$524,142	\$8,986,437	\$59,528,034	\$8,959,668
19	\$1,010,954	\$458,623	\$552,331	\$8,434,106	\$60,710,710	\$7,167,734
20	\$1,010,954	\$428,918	\$582,036	\$7,852,069	\$61,893,386	\$5,375,801
21	\$1,010,954	\$397,615	\$613,339	\$7,238,730	\$63,076,062	\$3,583,867
22	\$1,010,954	\$364,628	\$646,326	\$6,592,404	\$64,258,738	\$1,791,934
	\$22,240,993	\$13,577,036	\$8,663,956		\$65,441,415	(\$0)
			Balloon	\$6,592,404		

PRO FORMA
Independence USU, LLC Student Apartments

Revenue based on Listed Occupancy for 9 Month School Year, Summer Rents, Retail, Parking Pass, & Retained Deposits

Independence USU, LLC	Pre-Open	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-Year Totals
Independence USU, LLC Long Term Financing	\$ 26,147,091											\$ 26,147,091
<i>Initial Capital Returned</i>	\$ -											
<i>Partnership Buyout</i>	\$ -											
<i>Land Costs</i>	\$ 2,500,000											
<i>Cost to Build</i>	\$ 20,208,742											
<i>Development Costs</i>	\$ 1,988,265											
	\$ 24,697,007											
Capital Reservation for Contingencies	\$ 1,450,084											
Gross Revenue												
Equity/Loans/Financing	Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Year Residential Rents	5%	\$ 3,231,900	\$ 3,328,857	\$ 3,425,814	\$ 3,522,771	\$ 3,619,728	\$ 3,716,685	\$ 3,813,642	\$ 3,910,599	\$ 4,007,556	\$ 4,104,513	\$ 36,682,065
Retail Leasing	10%	\$ 153,000	\$ 157,590	\$ 162,180	\$ 166,770	\$ 171,360	\$ 175,950	\$ 180,540	\$ 185,130	\$ 189,720	\$ 194,310	\$ 1,736,550
Summer Residential Rents	0%	\$ 299,040	\$ 308,011	\$ 316,982	\$ 325,954	\$ 334,925	\$ 343,896	\$ 352,867	\$ 361,838	\$ 370,810	\$ 379,781	\$ 3,394,104
Parking Passes		\$ 69,345	\$ 71,425	\$ 73,506	\$ 75,586	\$ 77,666	\$ 79,747	\$ 81,827	\$ 83,907	\$ 85,988	\$ 88,068	\$ 787,065
Retained Deposit		\$ 149,380	\$ 153,861	\$ 158,343	\$ 162,824	\$ 167,306	\$ 171,787	\$ 176,268	\$ 180,750	\$ 185,231	\$ 189,713	\$ 1,695,463
Other Revenue		\$ 105,928	\$ 109,106	\$ 112,284	\$ 115,462	\$ 118,640	\$ 121,817	\$ 124,995	\$ 128,173	\$ 131,351	\$ 134,529	\$ 1,202,285
Total Revenue		\$ 4,008,593	\$ 4,128,851	\$ 4,249,109	\$ 4,369,366	\$ 4,489,624	\$ 4,609,882	\$ 4,730,140	\$ 4,850,398	\$ 4,970,655	\$ 5,090,913	\$ 45,497,532
Operating Expenses												
Maintenance		\$ 146,500	\$ 150,895	\$ 155,290	\$ 159,685	\$ 164,080	\$ 168,475	\$ 172,870	\$ 177,265	\$ 181,660	\$ 186,055	\$ 1,662,775
Insurance		\$ 25,000	\$ 25,750	\$ 26,500	\$ 27,250	\$ 28,000	\$ 28,750	\$ 29,500	\$ 30,250	\$ 31,000	\$ 31,750	\$ 283,750
Property Taxes		\$ 170,000	\$ 175,100	\$ 180,200	\$ 185,300	\$ 190,400	\$ 195,500	\$ 200,600	\$ 205,700	\$ 210,800	\$ 215,900	\$ 1,929,500
Utilities		\$ 189,000	\$ 194,670	\$ 200,340	\$ 206,010	\$ 211,680	\$ 217,350	\$ 223,020	\$ 228,690	\$ 234,360	\$ 240,030	\$ 2,145,150
Management Fee		\$ 229,890	\$ 236,787	\$ 243,683	\$ 250,580	\$ 257,477	\$ 264,374	\$ 271,270	\$ 278,167	\$ 285,064	\$ 291,960	\$ 2,609,252
Capital Replacement		\$ 94,400	\$ 97,232	\$ 100,064	\$ 102,896	\$ 105,728	\$ 108,560	\$ 111,392	\$ 114,224	\$ 117,056	\$ 119,888	\$ 1,071,440
Other		\$ 249,785	\$ 252,617	\$ 255,449	\$ 258,281	\$ 261,113	\$ 263,945	\$ 266,777	\$ 269,609	\$ 272,441	\$ 275,273	\$ 2,625,290
Total Operating Expenses		\$ -	\$ 1,104,575	\$ 1,133,051	\$ 1,161,526	\$ 1,190,002	\$ 1,218,478	\$ 1,246,954	\$ 1,275,429	\$ 1,303,905	\$ 1,332,381	\$ 12,327,157
Debt Servicing												
Long Term Financing		\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 20,720,674
Total Debt Service Coverage		\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 2,302,297	\$ 20,720,674
Net Profit		\$ -	\$ 601,721	\$ 693,503	\$ 785,285	\$ 877,067	\$ 968,849	\$ 1,060,631	\$ 1,152,414	\$ 1,244,196	\$ 1,335,978	\$ 12,449,701
<p><i>This Brochure contains forward-looking statements that reflect the current view of the Independence USU, LLC relating to future events or future financial performance. These forward-looking statements can sometimes be recognized by the use of Although Independence USU, LLC has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause the forward-looking statements not to come true as described in these materials. This brochure is not an offer to sell interests in Independence USU, LLC. Any such offer can only be made through the Independence USU, LLC's Confidential Private Placement Memorandum when it accompanies this brochure.</i></p>												