TRAMMELL CROW APARTMENT PROJECT
BEAVERTON, OREGON

Piedmont Realty Advisors
1150 Connecticut Avenue, N.W.
Suite 705
Washington, D.C. 20036

June 22, 1987

PIEDMONT REALTY ADVISORS
1150 CONNECTICUT AVENUE, N. W.
SUITE 705
WASHINGTON, D. C. 20036
202-822-9000

June 22, 1987

Mr. Ronald A. Hughes
Assistant Vice President
USF&G
100 Light Street
Baltimore, Maryland 21202

Re: Trammell Crow Apartment Project
Beaverton, Oregon

Dear Mr. Hughes:

This letter and the enclosed exhibits will serve as the investment report for the 204-unit apartment project being developed in Beaverton, Oregon by the Trammell Crow Residential Company. This letter and the exhibits follow the format of Piedmont's typical investment report, but in summary form. Additionally, USF&G will receive copies of H.U.D. application and processing materials, thereby providing full documentation of a second underwriting process. The signed application letter is presented as Exhibit 1.

THE PROPERTY

Location -- The subject property is located in Beaverton, Oregon, approximately ten miles west of downtown Portland (see Exhibit 2). Specifically, the site is located on Murray Boulevard, one-quarter mile north of the intersection with Old Scholl's Ferry Road (see Exhibit 3). The major thoroughfares for the area are Murray Boulevard for north/south travel, and Old Scholl's Ferry Road for east/west travel. Two miles east of the subject Old Scholl's Ferry Road intersects Highway 217 which provides freeway access throughout the Portland area.

The intersection of Old Scholl's Ferry Road and Highway 217 also serves as a major retail and employment hub for the area. Washington Square Mall is located at this intersection with 121 retail tenants anchored by Nordstrom's, Sears and Penneys. Community retail centers and satellite retail establishments are located along Old Scholl's Ferry Road as well.

Employment at this location is provided by the mall, the Koll Business Center (678,000 square feet), Nimbus Technology Center (575,000 square feet) and Koll Creekside Center (491,000 square feet). Another major employment center for the area is the Sunset Highway corridor, eight miles north of the subject on Murray Boulevard. The Sunset Corridor is home to numerous high-tech firms such as Tektronix, Intel, National Semiconductor, and Floating Point Systems. Exhibit 4 lists major employers in the area.

Adjacent land uses around the subject site are predominantly built-out residential developments to the north and east. To the south and west of the subject are open rolling hills.

The adjacent land uses immediately surrounding the subject will be controlled by the planned unit development of Columbia-Willamette, a subsidiary of Portland General Electric (see Exhibit 5). The P.U.D. is 158 acres in size located in the northwestern corner of Old Scholl's Ferry Road and Murray Boulevard. The subject site is in the northeast corner of the P.U.D. This development plans for 350-single family homes, a day care center, office space, community retail, and eleven acres of open recreational area. This P.U.D. will provide convenient, high quality amenities to the subject property.

The Site -- The site is a 10.21 acre parcel at the crest of one of the many gently rolling hills in Beaverton. The site will be graded to preserve the rolling topography, thereby breaking up the architectural lines, and affording a view of Mt. Hood to several of the units. Soils are of a predominantly clay-like material with no unusual conditions. All utilities are available at the site, and the intended improvements fully conform with applicable zoning requirements.

The Improvements -- The improvements will consist of 204 apartment units in thirteen buildings of two and three-story design. Construction will be of wood frame with exteriors of cedar siding. The project will feature a swimming pool, jacuzzi, clubhouse, and exercise room. The project will have 110 carports and 211 surface parking spaces for a total ratio of 1.57 spaces per unit. Overall density for the project will be 20 units per acre (see Exhibit 6).

The 204 units will be comprised of 116 one-bedroom units (57% of total) and 88 two-bedroom units (43%). (See Exhibit 7.) The net rentable area of the project will total 154,176 square feet or an average of 755 square feet per unit. The floor plans will incorporate the same design used in other successful Trammell Crow developments (see Exhibits 8-13). Unit interiors will feature European style cabinetry, dishwashers, frost-free refrigerators, walk-in closets, and a patio or deck. Selected units will also have washer/dryer hookups, and/or woodburning fireplaces.

The Budget -- The development budget is presented in Exhibit 14. Overall the costs of $41,666 per unit and $55.13 per square foot are approximately 5% higher than for competing projects in the Beaverton area. This is due to the premium paid for the site in a master planned community and the prevailing wage payments necessary to conform with the Davis-Bacon Act and other H.U.D. requirements. This slight cost premium should not be a competitive disadvantage for the project.

Conclusion -- The subject property is located on the edge of growth in the Beaverton area with very good access to employment, shopping, and highways. The Trammell Crow Residential Company will use proven development concepts from other Trammell Crow projects, and the quality and amenities of the surrounding P.U.D. should distinguish this project from its competition.

THE MARKET OVERVIEW

The Portland MSA had a population of 1,292,700 in 1986 and has shown steady growth over the past five years (see Exhibit 15). Once heavily dependent upon the wood products industry, Portland has diversified very well in recent years, particularly as a result of large west coast employers seeking lower cost alternatives to California locations. Exhibit 16 provides background on unemployment statistics for Portland (total employment up significantly in 1986 with unemployment at 6.6%).

The overall trend of growth for Portland has been from east to west, with the subject site representing the edge of growth for the Beaverton area. As a result of recent multi-family developments in this area, and particularly along Murray Boulevard several excellent comparables exist for both rental rates and absorption for the subject property.

Exhibit 17 provides rent comparables for directly competitive properties on Murray Boulevard. The top of the market from a quality standpoint is Sorrento Bluff, completed in 1984 and the first of the new projects in the area. The project has low density (10 units/acre), good floor plans, and spectacular views of Mt. Hood. The project has been 90%+ leased since completion, and in light of current competition could raise rents approximately $50 per month today. Current average rents are $470 per month and $.56 per square foot.

The Regency Apartments and Endicott Woods are two new projects of lesser quality than the subject (high density, lower amenities, less attractive sites) that have leased-up very well over the past year. Both came on the market in 1986, and both are currently 92%+ leased. Regency recently achieved an across-the-board rent hike of $15 per month.

The competitive niche Trammell Crow Residential Company has chosen in this market is to offer slightly smaller units (750 square feet average vs. competitors' 850 square feet) at the lowest monthly rent ($453 vs. competitors' $475). This strategy has worked well in other markets, and also gives Crow the highest income per square foot ($.60 vs. competitors' $.51-.58). The demonstrated demand in the area combined with the lowest monthly rent should allow the subject property to perform very well in this marketplace.

There are 300 units in two competitive properties that are currently under construction on the east side of Murray Boulevard, just south of the subject. The developer, G.S.L. Properties, was unwilling to provide rent projections or unit sizes so comparisons are unavailable. However, these projects should be completed in mid-1987, allowing an adequate 12-month time frame for lease-up of these 300 units before the subject property is complete.

THE BORROWER/DEVELOPER

The borrowing entity for the investment will be a limited partnership. The general partner will be an affiliate of the Trammell Crow Company, the limited partner will be an affiliate of USF&G.

In response to the new tax legislation, the Trammell Crow organization has been restructured along corporate rather than partnership lines. The developer of the project will be TCR Residential Seattle, Inc., formerly Crow-Western Company Northwest. The President of this new entity is Robert L. Bevan. Mr. Bevan's experience includes being an operating partner for Crow-Western, President of L.B. Nelson Corporation (a diversified real estate company) and Vice President and Regional Manager for Levitt Residential Communities.

Other directors and officers of TCR Residential Seattle, Inc. include J. Ronald Terwilliger (President, Trammell Crow Residential Company), John Carmichael (Regional Vice President of Trammell Crow Residential Company), and Harlon Crow. Major stockholders in TCR Residential Seattle, Inc. include these officers and directors, as well as Trammell Crow Residential Company.

Management will be provided by Brentwood Management. This is the in-house management arm of Trammell Crow Residential which is responsible for the day-to-day management of over 40,000 apartment units.

RISK/RETURN

This transaction is the first investment under the H.U.D. Insured Participating Investment structure. As such, the risk/return characteristics are significantly different than for a conventional participating mortgage.

This investment has been structured and analyzed as a combination of two separate transactions: a H.U.D. insured first mortgage and an equity joint venture. This structure provides the ability to use documentation that would create a true participating mortgage and to pass the mortgage through GNMA to create mortgage backed securities. Since the debt/equity structure is the most straight forward from both legal and analytical standpoints, the investment is being presented in this format.

The debt portion involves a $7,800,000 first mortgage that will be insured by H.U.D./F.H.A. under Section 221(d)(4) of the National Housing Act. This insurance provides a full faith and credit guarantee by the U.S. Government of principal and interest to the investor. However, recent regulatory changes by H.U.D. require a nine-month waiting period between first default and exercising the mortgage insurance. This potential loss of nine months interest in the event of default would have an adverse impact on yield. This risk can be fully addressed by passing the mortgage through GNMA to create mortgage backed securities that are fully insured with regard to all principal and interest by the full faith and credit of the U.S. Government. This reinsurance through GNMA would completely eliminate the risk of default for the debt portion of the investment.

The debt will receive an interest rate of 8.75%. In addition to this base mortgage rate, the project must pay 50 basis points per year in mortgage insurance premiums to H.U.D., and 28 basis points as amortization on a 40-year schedule. This totals to a 9.53% constant to the project, with an interest rate of 8.75% net to the investor. If GNMA reinsurance is chosen, the 25 basis point GNMA fee would be taken from the mortgage rate, yielding the investor a net interest rate of 8.50% with no risk of default.

The equity portion of this investment totals a maximum of $950,000, and is funded in three stages. $500,000 is funded at completion of the project at the same time the $7,800,000 mortgage is funded. $200,000 remains in place for 12 months after initial funding to be drawn upon in the event of negative cash flows. After 12 months any balance remaining of the $200,000 may be earned out by the developer based on a formula which requires the project to cover all debt service and a 9.5% cash return on all equity for any earned contributions. An additional $150,000 in equity will be available to Crow only if certifiable costs (as defined by H.U.D.) exceed the mortgage amount of $7,800,000. This provides Crow with an "equity cushion" in the event of cost overruns, but it is expected that this contribution will not be necessary.

In the event that the entire $950,000 in equity is contributed, the total investment in the project will be $8,750,000, of which $7,800,000 (89%) will be government insured. In the more likely event of $700,000 in equity being contributed, the total investment will be $8,500,000 of which $7,800,000 (92%) will be insured.

The equity investment will receive a 9.5% cumulative preferred return, 50% of net cash flow, and 50% of residual value at sale or refinancing. Due to the very high leverage given in this structure, the returns to equity are projected at 24.41% assuming 5% inflation and 35% expenses (see Exhibit 18). Under this scenario the return to total capital (debt and equity) is projected at 11.33%. This projected return of 24.41% to equity and 11.33% to total capital is the "most likely" case.

The major benefit of this program's structure is the ability of the investment to perform even under adverse economic conditions. As a demonstration of the resiliency that this structure provides, Exhibit 19 is a yield projection under extremely pessimistic assumptions. Given inflation of 2% per year, expenses of 39%, vacancy of 10%, and an equity amount of $1,200,000 (for USF&G to cover all negative cash flows) the equity yield remains positive at 3.35% while the return to total capital is 7.91%.

The worst possible case would arise if the property defaulted, thereby wiping out the equity contribution. In this event, given an 8.75% interest rate, a 1% origination fee, and an 8% equity contribution, the "break-even holding period" on total capital would be 10 months. That is, the interest earned over a ten-month period would equal the equity contribution thereby preserving the total capital amount.

Conclusion -- While this investment carries the market and operating risks associated with any apartment investment, the combination of a major national developer and management company, a strong rental market, and an extremely resilient investment structure provide USF&G with an attractive rate of return and unusually low risk. We therefore recommend that USF&G issue a commitment to fund a first mortgage of $7,800,000 and enter into a joint venture agreement with a maximum contribution of $950,000 subject to receipt of a firm commitment to insure from H.U.D. under the terms and conditions outlined in Exhibit 1. If you have any questions, please call me.

Sincerely,

William C. Hunter

WCH:clg
Enclosures

EXHIBITS

LIST OF EXHIBITS

Exhibit 1

APPLICATION LETTER

PIEDMONT REALTY ADVISORS
1150 CONNECTICUT AVENUE, N. W.
SUITE 705
WASHINGTON, D. C. 20036
202-822-9000

February 13, 1987

Mr. Ronald A. Yoda
Crow-Western Company
325 East Hillcrest Drive, Suite 212
Thousand Oaks, California 91360

Re: H.U.D. Insured First Mortgage
Beaverton Apartments
Beaverton, Oregon

Dear Ron:

Piedmont Realty Advisors is prepared to recommend to its client's Real Estate Investment Committee that it issue a commitment for a participating first mortgage on the above captioned property subject to the following terms and conditions:

Property:	A 204-Unit Apartment Project containing 13 Buildings of wood frame construction. The project will include a swimming pool, jacuzzi, clubhouse, exercise room, 110 carports, and a total of 321 parking spaces.
Location:	Murray Road and Old Scholl's Ferry Road, Beaverton, Oregon.
Land Area:	10.21 Acres
Borrower:	A limited partnership to be formed by Crow-Western Company, N.W. or affiliate in conformance with the terms outlined in Exhibit A.
Lender:	USF&G Realty Company
Loan Amount:	$7,800,000.
Interest Rate:	8.75%.
Loan Constant:	9.53% which includes mortgage insurance premiums and amortization.
Term:	40 Years
Amortization:	Forty-year schedule, as required by H.U.D.

Call Option: Subject to conforming with H.U.D. regulations at time of funding, Lender has right to call loan due anytime after the 10th loan year. Lender will give Borrower six months written notice of intent to call the loan.

Prepayment: Subject to conforming with H.U.D. regulations at time of funding, there will be no prepayment through year 10, and a prepayment fee of 1% of the outstanding loan balance in year 11 and thereafter. There will be no prepayment fee if Lender exercises its call option.

Additional Interest

A. Operations: In conjunction with the equity joint venture described in Exhibit A, Lender will receive 50% of the project's cash flow available for distribution. Cash flow available for distribution is defined in Exhibit B. Lender reserves the right to allocate participations between the mortgage and joint venture in any way, but in any event the total participations will equal 50%.

B. Sale or Refinancing: In conjunction with the equity joint venture described in Exhibit A, Lender will receive 50% of sales proceeds available for distribution as defined in Exhibit C or 50% of refinancing proceeds as defined in Exhibit D. Lender reserves the right to allocate participations between the mortgage and the joint venture in any way, but in any event the total participations will equal 50%.

Mortgage Fees: Fees will total $273,000, including H.U.D. Commitment and Inspection Fees, H.U.D. Mortgage Fees, and USF&G Commitment Fees. All fees will be paid directly to USF&G's custodial account, with appropriate distributions made therefrom. Fees will be payable as follows:

$73,400 USF&G Application Fee. These funds will be applied to the H.U.D. Commitment Fee of 30 basis points ($23,400) which may be paid as 15 basis points for a Conditional Commitment then an additional 15 basis points for a Firm Commitment. These H.U.D. fees are payable upon submission of an application to H.U.D. and are non-refundable. The balance of the Application Fee ($50,000) will be earned upon receipt of a Firm Commitment to Insure from H.U.D. or will be refunded in the event that H.U.D. does not issue a Firm Commitment.

$199,600 USF&G Commitment Fee. Upon receipt of a Firm Commitment to Insure from H.U.D., USF&G will issue the loan Commitment documents. The Commitment Fee will be $199,600 in cash which is earned upon Borrower's acceptance of the loan Commitment.

Initial Funding: Full loan amount will be funded upon receipt of certificate of occupancy and final endorsement of the mortgage insurance by H.U.D.

Letter of Credit: Upon funding of the loan, the Borrower will commit to fund $200,000 in a Letter of Credit or other form acceptable to H.U.D. to cover operating deficits during the first 12 months of the loan. (See joint venture letter, "Subsequent Contributions".)

Contingencies:

A. H.U.D. Insurance: The principal amount of this loan and payments of principal and interest must be fully insured by the United States Department of Housing and Urban Development pursuant to Section 221(d)(4) of the National Housing Act, as amended.

B. Plans and Specifications: Lender reserves the right to approve the plans and specifications for all proposed improvements and to approve any changes, modifications, or corrections to the plans during construction.

C. Committee Approval: This application must be approved by the Lender's Investment Committee by February 28, 1987.

D. Tri-Party Agreement: RLB ~~The commitment is contingent upon~~ The Lender, Borrower, and Interim Lender will entering in to an acceptable tri-party agreement within 90 days after acceptance of the commitment. RLB

E. Secondary Financing: Lender will not permit secondary financing on the property.

F. Budget Approval: Lender reserves the right to review and approve annual operating and capital budgets.

Mr. Ronald A. Yoda
February 13, 1987
Page Four

G. Market Value Appraisal: Lender will receive a market value estimate of the property from Rees and Associates which is not less than $9,750,000.

H. Partnership Documents: The commitment will be contingent upon the Lender's approval of the borrowing entity's partnership agreement.

If the terms outlined in this letter are acceptable to you, please sign below by February 18, 1987. An application fee of $73,400 will be paid upon written approval by Lender's committee and USF&G Investment Committee. The application fee should be wired to a custodial account. Please call me for wiring instructions. This application fee will be applied towards H.U.D. commitment fees, and any funds paid to H.U.D. are non-refundable. If H.U.D. does not issue a Firm Commitment to Insure any funds remaining of the $73,400 will be refunded to the Borrower. The Application Fee will be earned in full upon receipt of a Firm Commitment to Insure from H.U.D. RLB/WH

Sincerely,

William C. Hunter

Accepted:

R. Bellan   2/18/87
Name   Date

Division Partner
Title

Exhibit A
EQUITY JOINT VENTURE

Piedmont Realty Advisors is prepared to recommend to its client's Investment Committee that it issue a commitment to enter into a joint venture agreement with Crow-Western Company N.W. subject to the following terms and conditions:

Property: A 204-Unit Apartment Project containing 13 Buildings of wood frame construction. The project will include a swimming pool, jacuzzi, clubhouse, exercise room, 110 carports, and a total of 321 parking spaces.

Location: Murray Road and Old Scholl's Ferry Road, Beaverton, Oregon.

Land Area: 10.21 Acres

Total Project Cost: $8,650,000.

Maximum Equity Investment: $850,000.

Parties: A limited partnership to be formed by Crow-Western Company-NW or affiliate (Crow), and an affiliate of United States Fidelity and Guaranty Company (USF&G).

Ownership Structure: A Limited partnership in which USF&G is a limited partner and Crow is a general partner.

Basic Responsibilities:

<u>USF&G</u>

1. Provide Equity Capital

<u>Crow</u>

1. Pay all Application, Commitment, and Joint Venture Fees;
2. Delivery of completed project with acceptable title;
3. Leasing;

4. Property Management. Property may be contracted to Brentwood. During lease-up, management fees will be 5% of 90% of pro forma rents until the earlier of 90% occupancy or nine months after first certificate of occupancy. Thereafter, management fees will be 5% of collected gross income.

Initial Contributions: USF&G

Upon completion of the project, receipt of final certificate of occupancy, and upon funding of a H.U.D. insured first mortgage of $7,800,000, USF&G will make an initial equity contribution of $500,000.

Crow shall be allowed a capital withdrawal in the amount of the initial equity contribution and any subsequent equity contributions pursuant to the earnout provision described below. ~~Provided at the request of USF&G the partnership will make an election under Section 754 of the Internal Revenue Code for the year in which the capital withdrawal occurs.~~ RLB/[illegible]

Subsequent Contributions:

1. USF&G will commit to fund an additional $200,000 in a Letter of Credit or other form acceptable to H.U.D. to cover operating deficits for the first 12 months of the partnership. Any unfunded balance of the $200,000 remaining after 12 months may be earned out based on the formula that is attached as Exhibit E, using a 9.5% capitalization rate. Earnout distributions may be made quarterly, and the earnout period will terminate 24 months after initial funding.

2. USF&G will commit to fund up to an additional $150,000 exclusively for construction cost overruns. This contribution will be made only at initial funding, and only to the extent that Certifiable Costs as defined by H.U.D. exceed the mortgage amount of $7,800,000. USF&G reserves the right to re-process the mortgage insurance through H.U.D. to include the additional costs in a higher mortgage amount, not to exceed $7,950,000. as long as it doesn't delay construction and/or add additional costs exceeding $10,000. RLB/[illegible]

Cash Deficits: Cash deficits occurring after the first of 1) 12 months after formation of the partnership, or, 2) exhaustion of the $200,000 letter of credit will be funded 50-50 by Crow and USF&G as Additional Equity contributions, or, with the consent of both parties, a third party lender.

Failure to Contribute Additional Equity: If either party fails to contribute its 50% share of Additional Equity, the other party may contribute the required Additional Equity, and the contributing party will receive an additional 1% of ownership in the partnership for each $2,500 contributed on behalf of the non-contributing party. If either party contributes $62,500 on behalf of the non-contributing party, the buy-sell provisions will be activated. These provisions will be the sole remedy for failure to contribute additional equity.

Distribution of Cash Flows:

USF&G

1. 9.5% cumulative preferred return compounded annually on Initial and Subsequent Equity Contributions, earned from the time of funding.

2. In conjunction with the H.U.D. insured first mortgage, USF&G will receive 50% of cash flow available for distribution. Cash flow available for distribution is defined in Exhibit B. USF&G reserves the right to allocate participations between the mortgage and the joint venture in any way, but in any event the total participations will equal 50%.

Crow

50% of cash flow available for distribution.

Allocation of Profits and Losses: Income for tax purposes will be allocated in accordance with cash distributions (including cumulative preferred return) up to the amount of the cash distributions, with the remainder allocated 50% to USF&G and 50% to Crow. Losses will be shared 50-50.

Distribution of Sale Proceeds:

USF&G

In conjunction with the H.U.D. insured first mortgage, USF&G will receive 50% of sales proceeds available for distribution as defined in Exhibit C or 50% of refinancing proceeds as defined in Exhibit D. USF&G reserves the right to allocate participations between the mortgage and the joint venture in any way, but in any event the total participations will equal 50%.

Crow

50% of Sales or Refinancing Proceeds available for distribution.

Lock in Period: Unless agreed upon by both parties, there will be no sale of the property for five years.

Refinancing: Unless agreed upon by both parties, there will be no refinancing or prepayment of the H.U.D. insured mortgage for ten years. In the event that the property is refinanced or the loan is prepaid in full, any participations associated with the mortgage will transfer to this joint venture to the benefit of USF&G. If the property is refinanced or the loan is prepaid after the tenth year, Crow will pay Lender a 1% prepayment penalty in year 11 and thereafter. Refinancing proceeds will be distributed as defined in Exhibit D.

Buy/Sell Provisions: Acceptable buy/sell provisions will be included in the Partnership Agreement.

Joint Venture Fee: $24,500 payable upon acceptance of Joint Venture Commitment.

Contingencies:

A. H.U.D. Mortgage: The joint venture agreement will be contingent upon H.U.D. issuing a final endorsement to insure the first mortgage in the amount of $7,800,000 pursuant to Section 221(d)(4) of the National Housing Act. This joint venture will also be contingent upon funding of said mortgage.

B. Plans and Specifications:	USF&G reserves the right to approve the plans and specifications for all proposed improvements and to approve any changes, modifications, or corrections to the plans during construction.
C. Committee Approval:	This application must be approved by USF&G's Investment Committee by February 28, 1987.
D. Secondary Financing:	USF&G will not permit secondary financing on the property.
E. Budget Approval:	USF&G reserves the right to review and approve annual operating and capital budgets.
F. Market Value Appraisal:	The joint venture agreement will be contingent upon USF&G receiving a market value appraisal from Rees and Associates for not less than $9,750,000.
G. Partnership Documents:	This joint venture agreement will be contingent upon USF&G's approval of the partnership documents.

Exhibit B

DEFINITION OF CASH FLOW AVAILABLE FOR DISTRIBUTION

Line		Item
A		Actual Gross Collected Income
B	Less:	Approved Operating Expenses
C	Equals:	Net Operating Income
D	Less:	First Mortgage Debt Service and all other partnership debt,
E		Any Expenditures or Reserves Required by H.U.D.
F	Equals:	Surplus Cash as Defined by H.U.D. Regulatory Agreement
G	Less:	Cumulative Preferred Return
H	Equals:	Cash Flow Available for Distribution

RLB [illegible]

Exhibit C

DEFINITION OF SALE PROCEEDS AVAILABLE FOR DISTRIBUTION

<u>Line</u>

A. Gross Sales Price

Less:

B. Actual Sales Expenses to Unrelated Third Parties not to exceed 2% of Gross Sales Price.

C. Outstanding First Mortgage Balance.

D. Any H.U.D. Required Reserves.

E. Other Third Party Debt.

F. USF&G's Initial and Subsequent Equity Contributions.

G. USF&G's Unpaid Cumulative Preferred Return.

H. Pro-Rata Repayment of Both Parties' Additional Equity Contributions.

Equals:

I. Sales Proceeds Available for Distribution.

Exhibit D

DISTRIBUTION OF REFINANCING PROCEEDS

Line

A. Net New Loan Proceeds

Less:

B. Outstanding First Mortgage Balance

C. Other Third Party Debt

D. USF&G's Unpaid Cumulative Preferred Return

E. Pro-Rata Repayment of Both Parties' Additional Equity Contributions

Equals:

F. Refinancing Proceeds Available for Distribution

Exhibit E
EARNOUT CALCULATION

Line		Item	Example
A.		Actual Collected Quarterly Gross Income	$ 300,000
B.		Annualized	X 4
C.	Equals:	Annualized Collected Gross Income	$ 1,200,000
D.	Less:	The Greater of Annualized Actual Operating Expenses or $1,950 per Unit	- 397,800
E.	Equals:	Annualized Net Operating Income	$ 802,200
F.	Less:	Annual Debt Service on First Mortgage	- 743,340
G.	Less:	.095 Times All Initial and Subsequent Equity Contributions by USF&G	- 47,500
H.	Equals:	Earnout NOI	$ 11,360
I.	Divided By:	.095	.095
J.	Equals:	Amount Earned for Current Distribution	$ 119,579

Trammell Crow Company

Residential
11400 S.E. 8th Street
Suite 235
Bellevue, Washington 9800-
206/453-9030

February 18, 1987

Mr. William Hunter
Piedmont Realty Advisors
1150 Connecticut Avenue N.W. - #705
Washington, D.C. 20036

Dear Bill:

I have enclosed an executed agreement regarding the financing of the Beaverton apartment project in Beaverton, Oregon

I have initialed some changes to the letter in accordance with your conversation with Ron Yoda.

Through this letter, I also want to clarify four items in the Agreement:

1. As Ron discussed with you, we need to know soon who is the lender and who is the equity joint venture partner. This knowledge is very important for income tax purposes.

2. In the paragraph on prepayment, it is understood that in the case of using insurance proceeds or a condemnation, the prepayment penalty is waived.

3. All financing fees, joint venture fees and any prepayment penalty are expenses of the partnership.

4. Crow will use its best efforts to proceed with preparation of the HUD Conditional Commitment application as quickly as possible. We will cooperate with the HUD approved mortgagee. The application fee will be wired to the custodial account just prior to our submission to HUD of the application for Conditional Commitment.

Bill, we at Trammell Crow look forward to working with you and Piedmont on this project.

Sincerely yours,

RL BeVan

Robert L. BeVan
Division Partner

KAB/cfg

Enclosure

PIEDMONT REALTY ADVISORS
1150 CONNECTICUT AVENUE, N. W.
SUITE 705
WASHINGTON, D. C. 20036

202-822-9000

April 15, 1987

Mr. Ronald A. Yoda
Partner
Trammell Crow Company
325 East Hillcrest Drive, Suite 212
Thousand Oaks, California 91360

Re: H.U.D. Insured First Mortgage
Beaverton Apartments
Beaverton, Oregon

Dear Ron:

With regard to that certain Application Letter dated February 13, 1987 from Piedmont Realty Advisors to you concerning the above referenced project, Piedmont Realty Advisors is prepared to amend that letter as follows:

Change #1

Loan Amount: $7,650,000. This amount will be subject to change upon final H.U.D. processing and Cost Certification. If H.U.D. does not issue a Firm Commitment for at least $7,650,000, Crow may withdraw from the terms of this application. In the event certifiable costs exceed $7,800,000 the loan amount may be increased up to $7,800,000 in accord with the interest rate provisions described below.

Change #2

Interest Rate: 8.50%. In the event Certifiable Costs exceed $7,800,000 this interest rate may be reduced by up to 20 basis points in order to increase the loan amount and cover the excess Certifiable Costs. In the event this rate is reduced USF&G will receive additional participations in cash flow and sale proceeds (as described in Exhibit A) at the rate of 3% participations for each 10 basis point reduction in the interest rate.

In the event H.U.D. underwriting will allow a higher interest rate for a mortgage of $7,650,000, the interest rate may increase by up to 25 basis points. An increase in the interest rate will cause a reduction of the cumulative preferred return of 10 basis points for each 1 basis point increase in the interest rate.

Change #3

Loan Constant: 9.30%, or as adjusted.

Change #4

Mortgage Fees: In paragraph 1 of this section, the amount $273,000 is changed to $267,750.

In paragraph 2, USF&G's Application Fee will be $72,950, and the H.U.D. Commitment Fee will be $22,950.

In paragraph 3, USF&G's Commitment Fee will be $194,800.

The following changes concern Exhibit A of that certain letter dated February 13, 1987.

Change #5

Initial Contributions: The mortgage amount is changed to read "at least $7,650,000" and the initial equity contribution is changed to $650,000.

Change #6

Subsequent Contributions: Item 2 of this section is deleted.

Change #7

Distribution of Cash Flows: USF&G's cumulative preferred return will be 12.0% or as adjusted by increases in the interest rate as described above. Participations in cash flow may also be adjusted by changes in the interest rate as described above.

Change #8

Distribution of Sale Proceeds: USF&G's participation in sale or refinancing proceeds may be adjusted by changes in the interest rate as described above.

Change #9

Joint Venture Fee: The fee will be $29,750.

Change #10

Contingency A: The mortgage amount is changed to read "at least $7,650,000".

Change #11

Exhibit E Earnout Calculation: Line F will be changed to reflect actual annual debt service when known. Line G is changed to read "the Cumulative Preferred Rate times all Initial and Subsequent Equity Contributions by USF&G".

If these changes are acceptable to you, please have the appropriate party sign and date below and return a copy to me. I look forward to getting this project underway.

Sincerely,

William C. Hunter

Agreed and Accepted:

R. Bellan
Name

4/16/87
Date

Partner
Title

Exhibit 2

REGIONAL LOCATION MAP

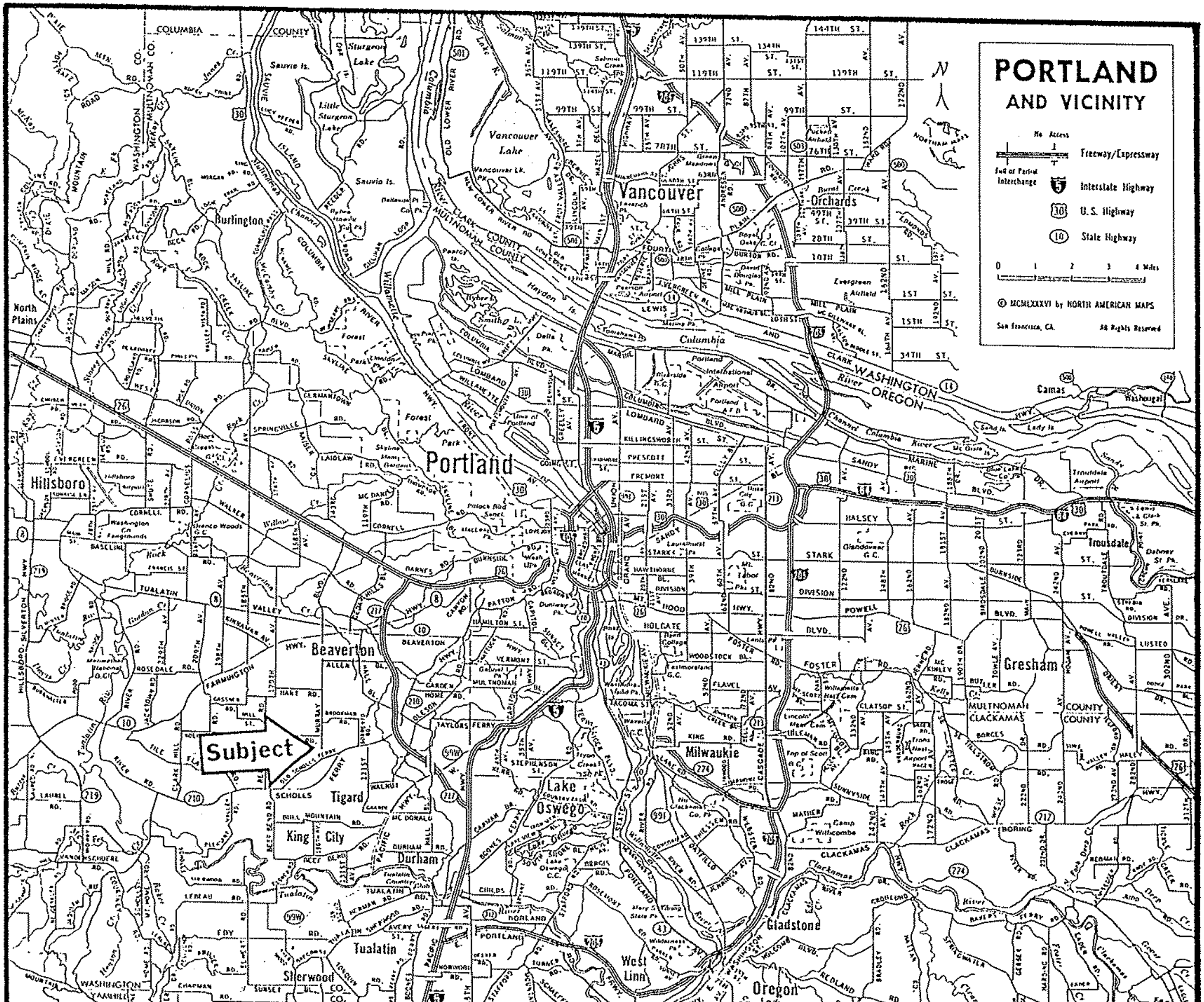


Exhibit 3

LOCAL MAP

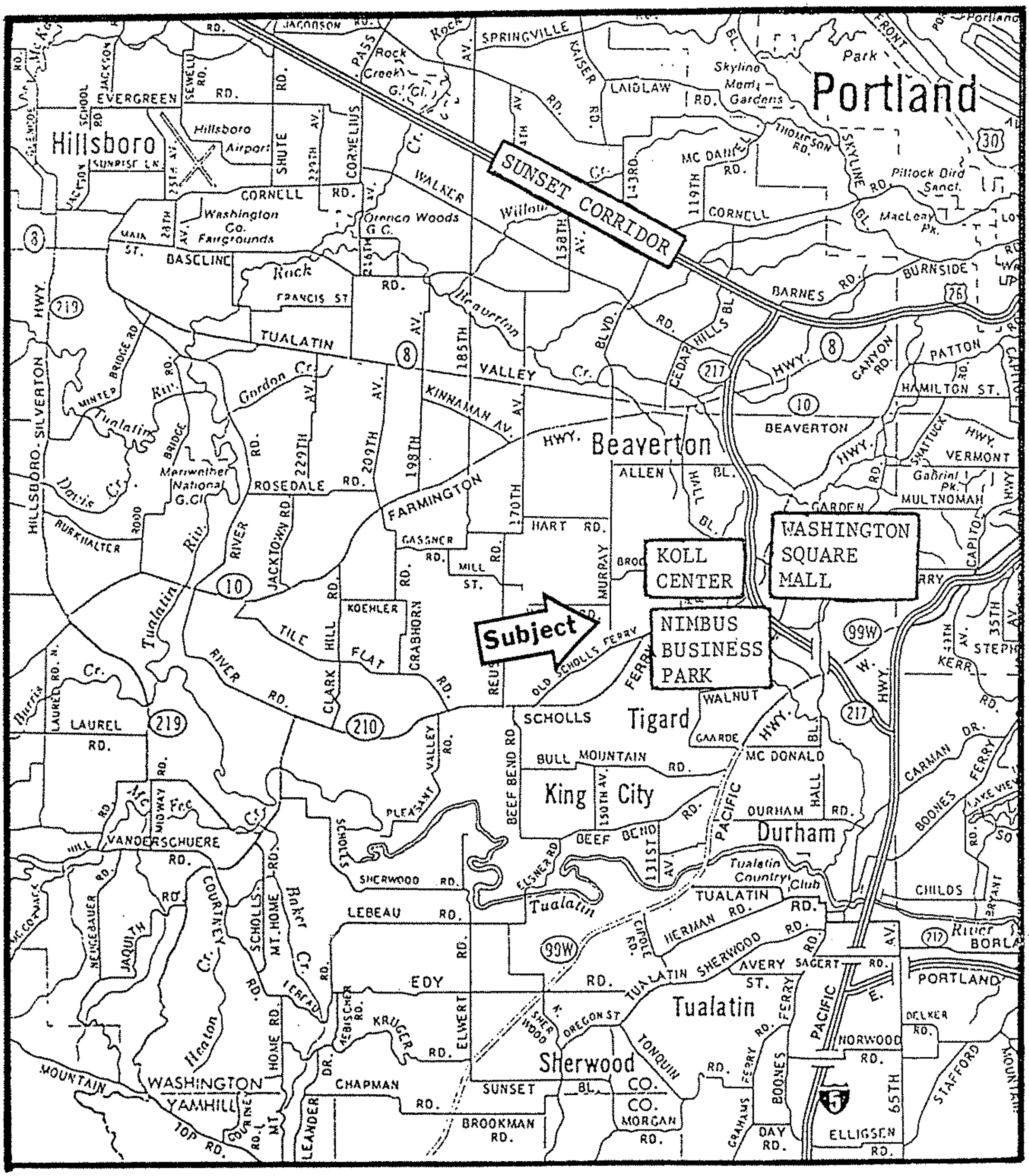


Exhibit 4
LEADING EMPLOYERS IN TUALATIN VALLEY

Key	Firm Name	Location	Number of Employees
1A	Tektronics	Beaverton	8,697
1A	Tektronics	Forest Grove	536
1B	Tektronics	Sunset Corridor	1,208
1C	Tektronics	Wilsonville	2,020
2A	Intel	Aloha	1,700
2B	Intel	Hillsboro	2,700
3	Floating Point Systems	Beaverton	1,161
4	Electro Scientific Industries	Beaverton	841
5	Nike, Inc.	Beaverton	652
6	Pay Less	Wilsonville	640
7	Leupold and Stevens	Beaverton	508
8	Stanton Industries	Tualatin	475
9	Mentor Graphics	Beaverton	400
10	Frito Lay/Grandm's	Beaverton	380
11	Farmers Insurance	Tualatin	375
12	Western Craft Paper	Beaverton	310
13	Viewmaster	Beaverton	300
14	Sidereal	Portland	250
15	Spacelabs	Hillsboro	245
16	Lamb-Weston	Tigard	235
17	Oregon Graduate Center	Beaverton	210
18	Metheus Corporation	Beaverton	210
19	Gerber Legendary Blades	Tigard	200
20	Sentrol	Tigard	200

Exhibit 4A
MAP OF MAJOR EMPLOYERS

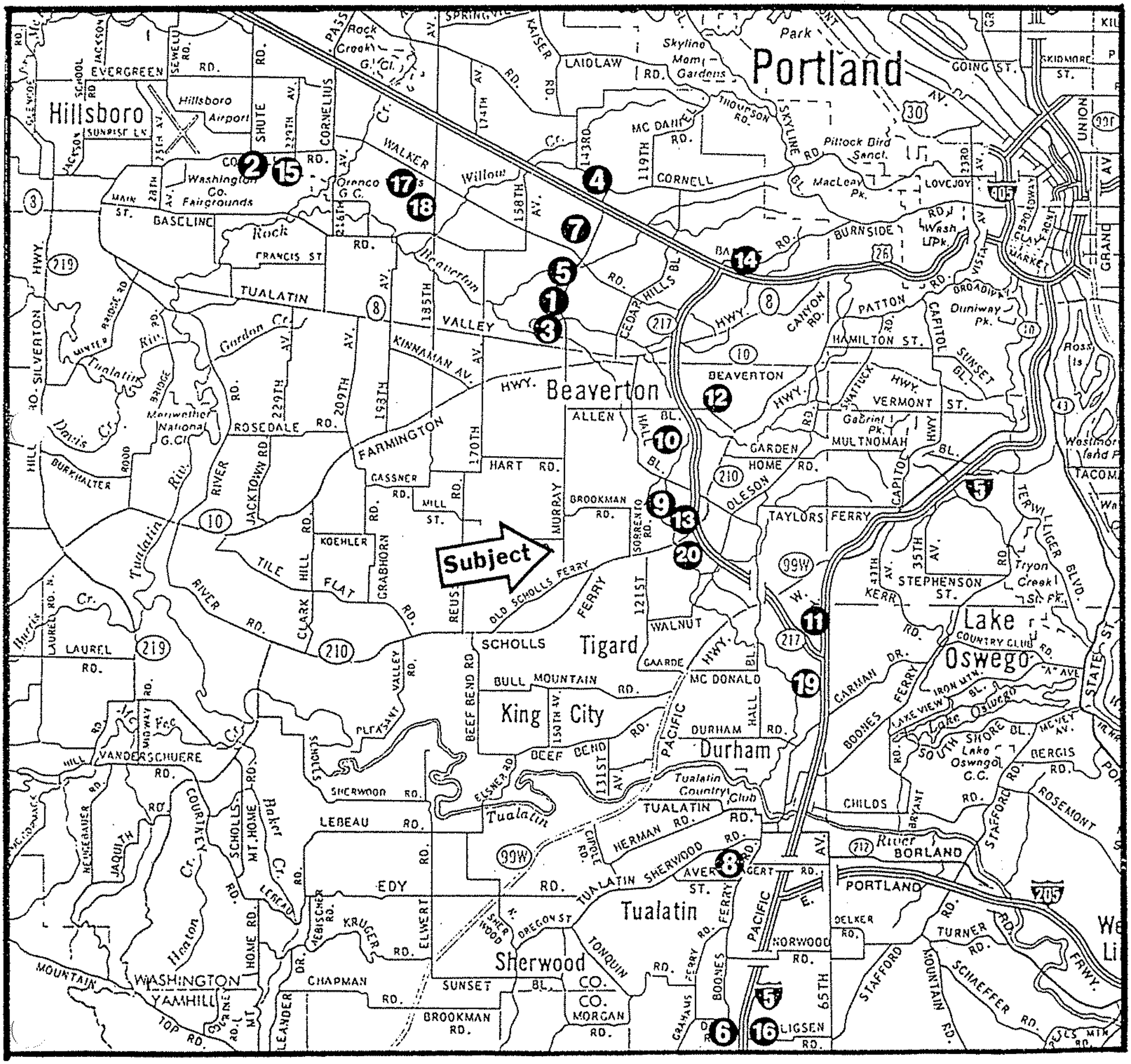


Exhibit 5
MASTER PLAN
COLUMBIA-WILLAMETTE P.U.D.

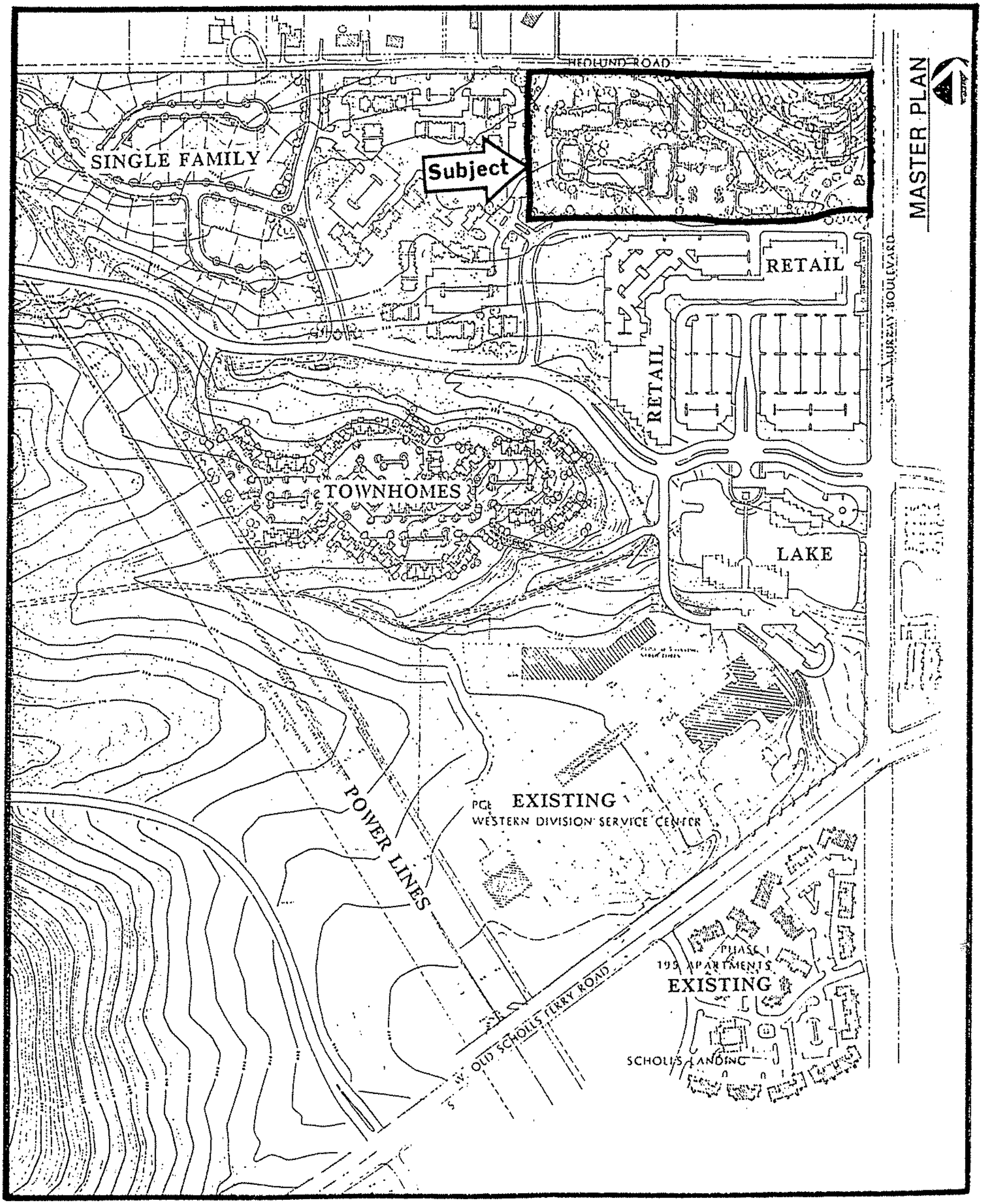


Exhibit 6
SITE PLAN

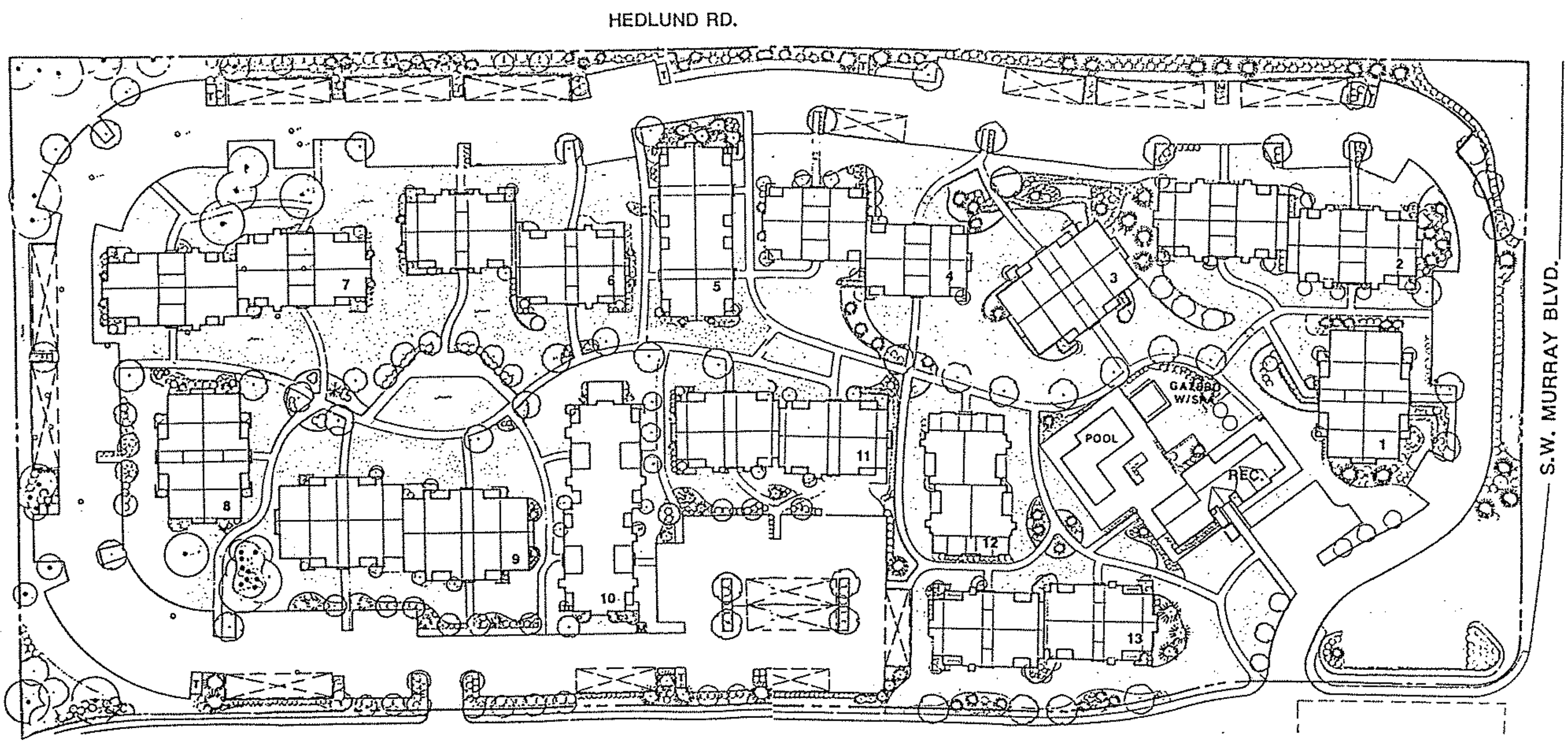


Exhibit 7
UNIT BREAKDOWN

TYPICAL UNIT DATA AND CURRENT RENTS

Type	Quantity	%	Description	Net Area S.F.	Patio/Deck S.F.	Total Area S.F.	Gross Area Unit Type	Current Income	Monthly Income
A-1	20	10	1BR/1B	542	45	587	11,740	$375	$7,500
A-2	40	20	1BR/1B	625	55	680	27,200	$395	$15,800
A-4	56	27	1BR/1B	735	75	810	45,360	$440	$24,640
B-3	40	20	2BR/1B	779	76	855	34,200	$460	$18,400
B-1	40	20	2BR/2B	947	87	1,034	41,360	$540	$21,600
C-2	8	3	2BR/2B	1,017	104	1,121	8,968	$560	$4,480
	204	100%					168,828		$92,420

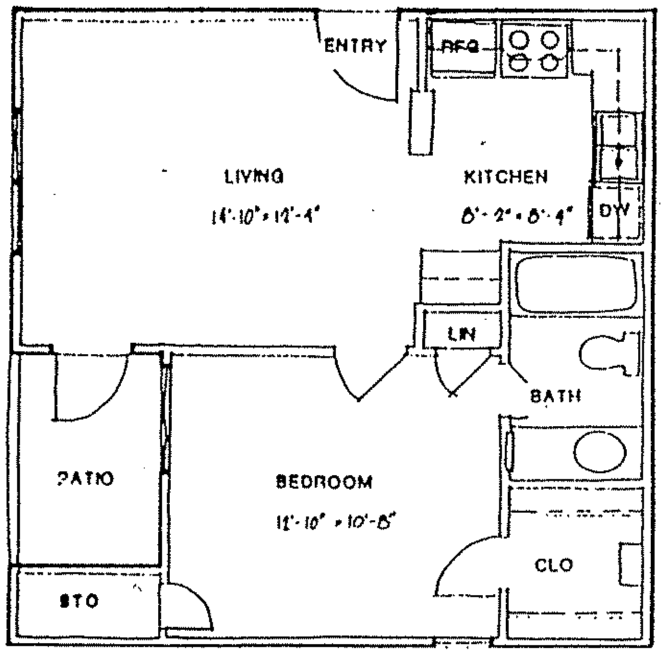
Total Number of Units	204
Average Unit Size Gross	828
Building Area	168,828
Breezeways	9,178
Recreation Bldg./Laundr	3,500
Total Building Area	181,506

Site Data

Land Area	10.21 Acres
Density	20

Note: All dimensions are approximate

Exhibit 8
FLOOR PLAN - UNIT A1



UNIT A1

Exhibit 9
FLOOR PLAN - UNIT A2

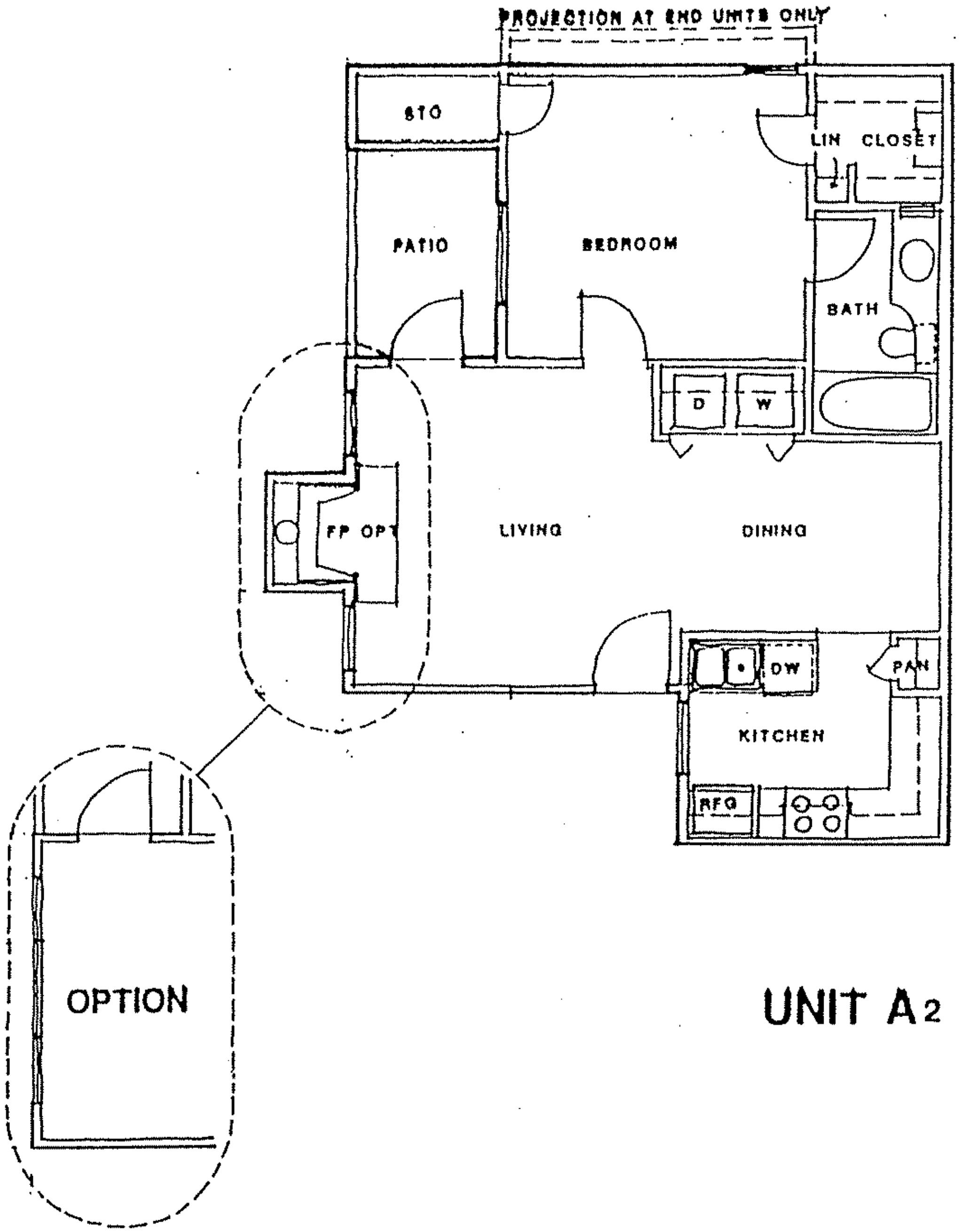
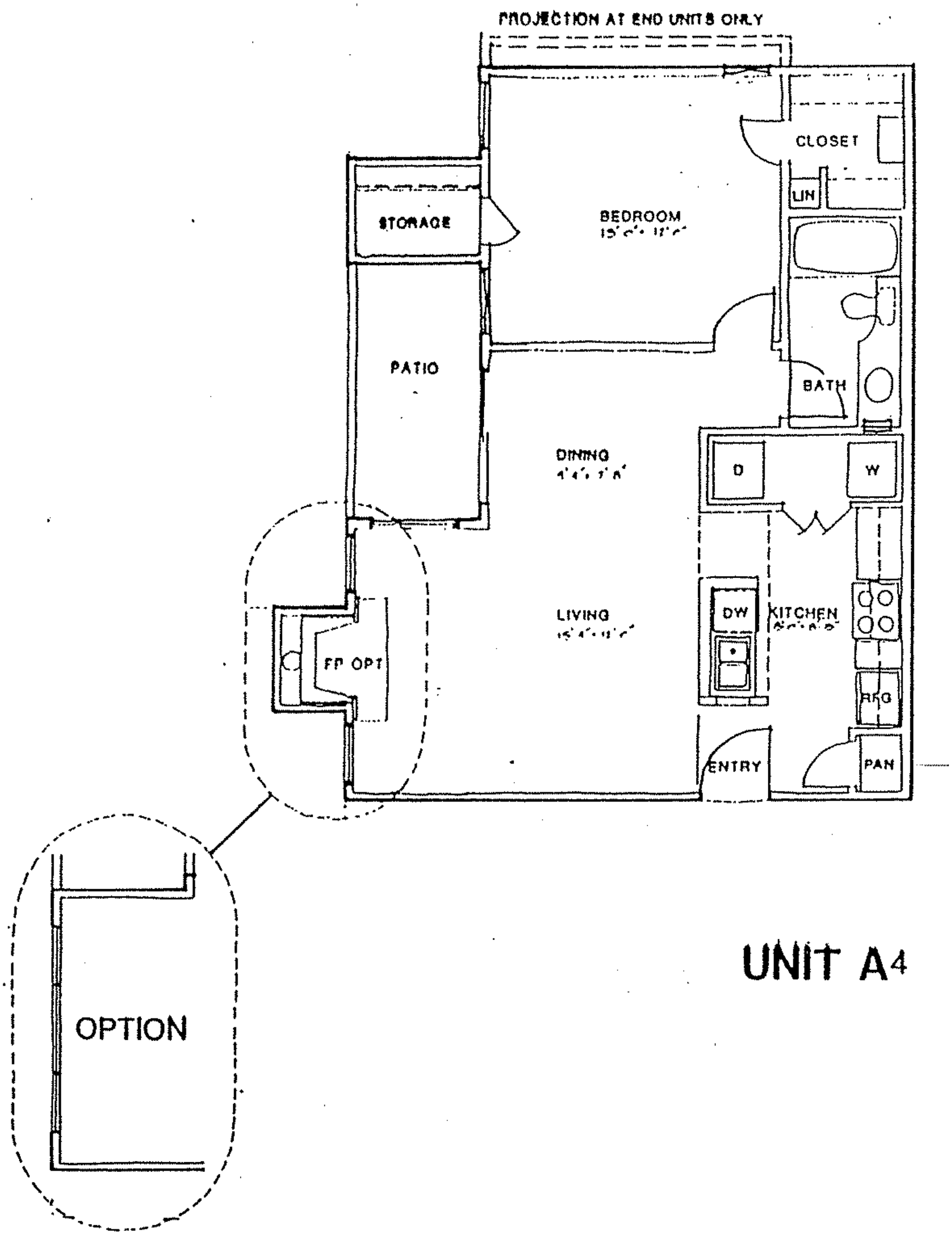
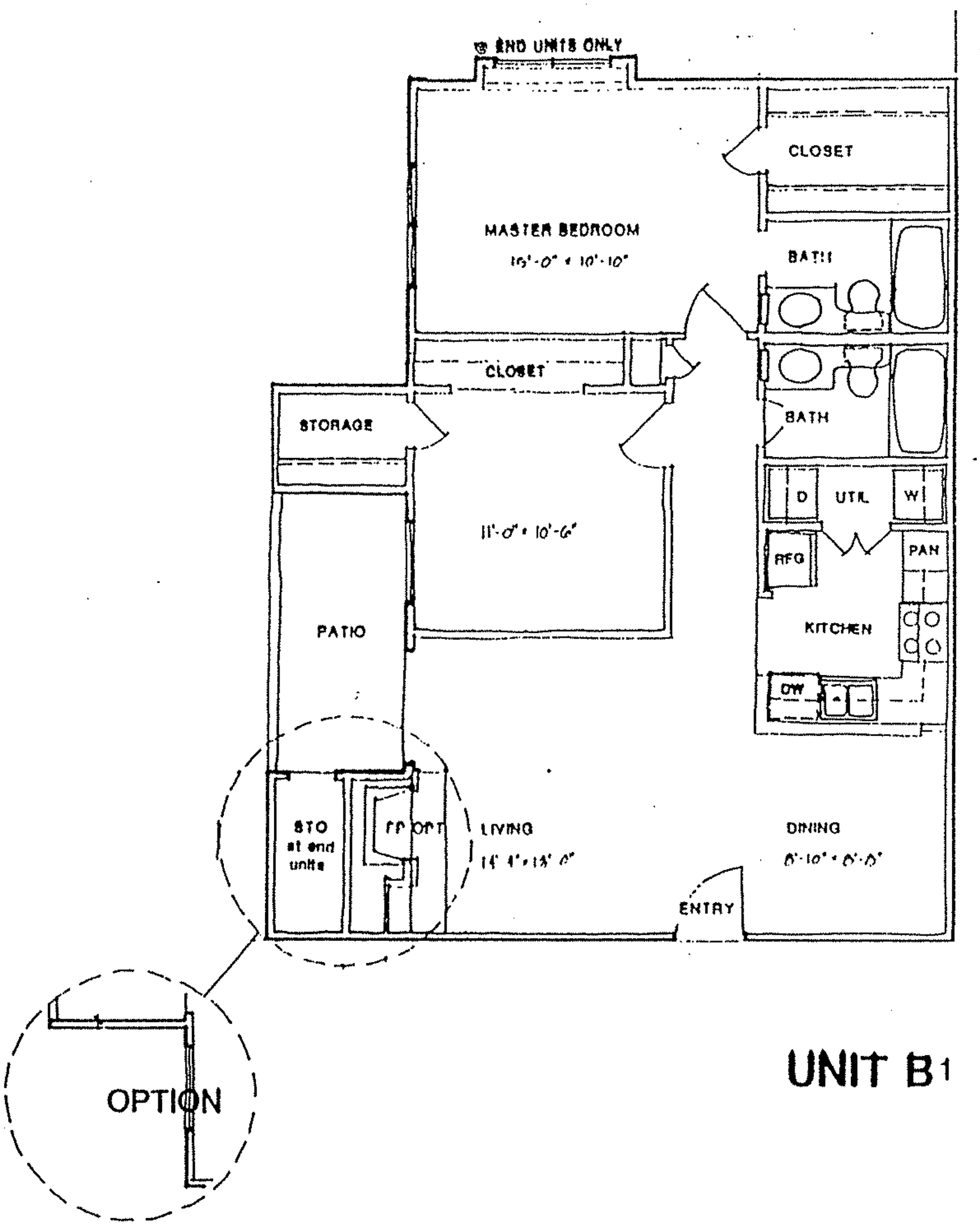


Exhibit 10
FLOOR PLAN - UNIT A4



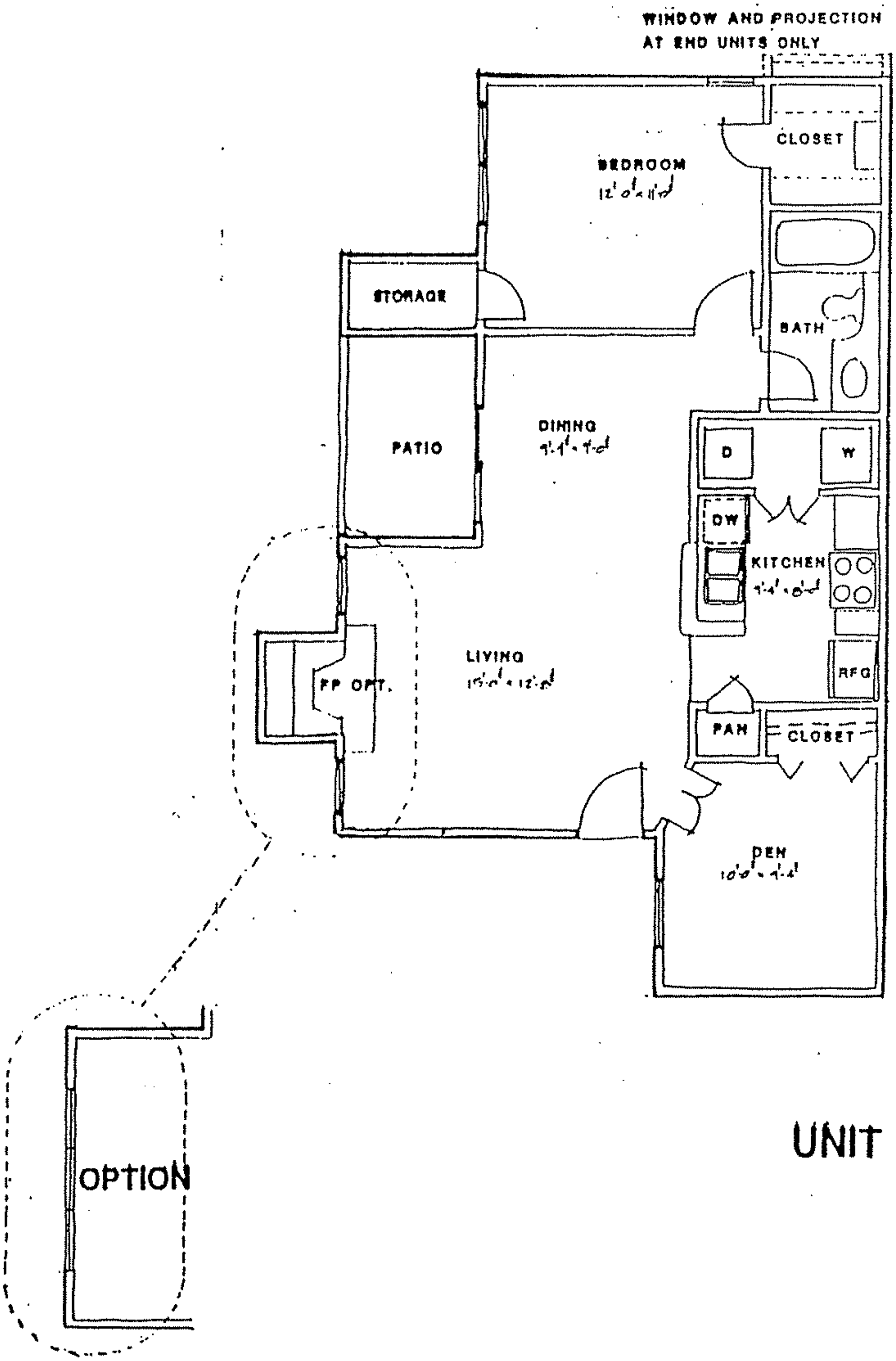
UNIT A4

Exhibit 11
FLOOR PLAN - UNIT B1



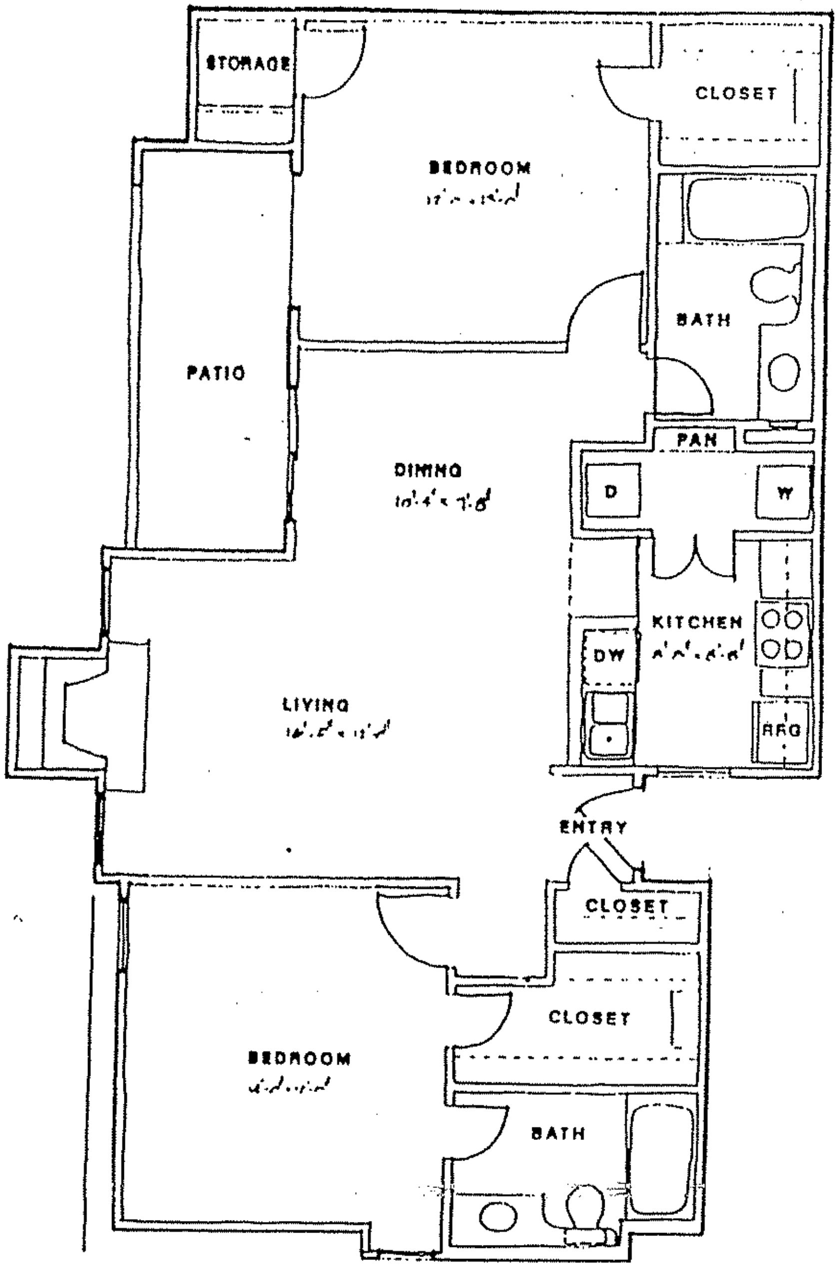
UNIT B1

Exhibit 12
FLOOR PLAN - UNIT B3



UNIT B3

Exhibit 13
FLOOR PLAN - UNIT C2



UNIT C2

Exhibit 14

DEVELOPMENT BUDGET

Land Acquisition	$1,045,000
Construction Costs	5,410,000
General Contractor's Fee	250,000
Interest	795,000
Loan Fees	300,000
Pre-Leasing Costs	150,000
Legal, Closing and Taxes	150,000
Offsite Overhead	300,000
Reserves and Contingencies	100,000
	$8,500,000

Cost Per Unit	$41,666
Cost Per Square Foot	$55.13

Exhibit 15

POPULATION GROWTH IN THE PORTLAND METROPOLITAN AREA
BY COUNTY AND SELECTED CITIES

	1970	1980	1981	1982	1983	1984	1985	1986
Portland MSA	1,007,130	1,238,875	1,257,100	1,267,900	1,258,500	1,270,500	1,281,400	1,292,700
Multnomah County	554,668	558,877	561,400	564,500	557,500	562,300	561,800	566,200
Portland	397,967	364,891	366,960	367,000	365,000	371,500	379,000	398,160
Gresham	10,030	32,704	33,920	34,375	34,340	36,370	37,480	42,712
Washington County	157,920	245,860	253,800	259,700	257,400	260,200	268,000	273,300
Beaverton	18,557	31,948	31,500	33,640	33,050	33,450	33,950	35,025
Hillsboro	14,675	30,666	28,650	29,240	29,650	29,750	30,270	30,520
Tigard	5,302	11,970	15,100	18,000	18,200	18,450	20,250	20,765
Clackamas County	166,088	241,911	246,100	245,100	243,600	246,300	248,200	248,200
Lake Oswego	14,597	22,527	23,240	22,810	22,715	23,500	24,200	26,035
Milwaukie	16,444	17,824	17,930	17,720	17,350	17,475	17,375	17,685

Note: Washington County population grew by 3% between 1984 and 1985.
Source: Portland State Population Research Center

Exhibit 16

EMPLOYMENT AND UNEMPLOYMENT IN METROPOLITAN PORTLAND

Year		Civilian Labor Force	Total Employment	Unemployed	Unemployment Rate Portland	Unemployment Rate Oregon
1980		624,900	586,000	39,900	6.3%	8.3%
1981		659,500	607,100	52,400	7.9%	9.9%
1982		659,100	592,600	66,500	10.1%	11.5%
1983		666,200	598,800	67,400	10.1%	10.8%
1984		656,100	602,300	53,800	8.2%	9.4%
1983*		615,500	555,400	60,100	9.8%	10.8%
1984		614,800	566,400	48,400	7.9%	9.4%
1985	April	608,700	558,900	49,800	8.2%	10.2%
	May	605,400	557,700	47,700	7.9%	9.7%
	June	612,900	564,200	48,700	7.9%	9.8%
	Dec.	628,300	588,700	39,600	6.3%	7.8%
1986	Jan.	606,100	563,300	42,800	7.1%	9.3%
	Feb.	603,500	557,700	45,800	7.6%	9.7%
	Mar.	602,500	555,000 **	47,500 **	7.9% **	9.8% **
	May	598,700	553,300	46,500	7.8%	9.2%
	June	610,800 **	562,500	48,300	7.9%	8.9%
	Aug.	611,900	566,300	45,600	7.5%	8.3%
	Nov.	631,200	595,400	41,800	6.6%	7.4%

* Current employment figures are not comparable with earlier series. New series includes Yamhill County and deletes Clark County.

** Preliminary estimates

Exhibit 17
RENT COMPARABLES

Unit	(1) REGENCY Mix	Rent	S.F.	$/S.F.	(2) SORRENTO BLUFF Mix	Rent	S.F.	$/S.F.	(3) MEADOW CREEK Mix	Rent	S.F.	$/S.F.	(4) SCHOLL'S LANDING Mix	Rent	S.F.	$/S.F.	(5) ENDICOTT WOODS Mix	Rent	S.F.	$/S.F.	SUBJECT Mix	Rent	S.F.	$/S.F.
1BR/1B	8	$425	700	$0.61	48	$420	685	$0.61	56	$399	612	$0.65	38	$395	628	$0.63		$395-425	748	$.53-.57	20	$375	542	$0.69
1BR/1B	10	$440	730	$0.60					40	$419	683	$0.61									40	$395	625	$0.63
1BR/1B					12	$495	900	$0.55	56	$439	709	$0.62	24	$415	708	$0.59					56	$440	735	$0.60
2BR/2B																		$470-495	884	$.53-.56	40	$460	779	$0.59
2BR/1B					60	$495	915	$0.44					91	$495	875	$0.56								
2BR/2B	84	$490	980	$0.50					20	$499	863	$0.58												
2BR/2B	28	$525	1,040	$0.50					56	$519	920	$0.56	42	$525	923	$0.57		$495-530	974	$.51-.54	40	$540	947	$0.57
2BR/2B									56	$549	1,024	$0.54									8	$560	1,017	$0.55
2BR/2B									20	$589	1,090	$0.54												
3BR/2B	7	$525	1,190	$0.44	7	$570	1,065	$0.54																

	(1) REGENCY	(2) SORRENTO BLUFF	(3) MEADOW CREEK	(4) SCHOLL'S LANDING	(5) ENDICOTT WOODS	SUBJECT
Total Units	137 Units	127 Units	304 Units	195		204
Average Size	968 S.F.	835 S.F.	820 S.F.	816 S.F.		756 S.F.
Average Rent	$489	$470	$478	$472		$453
Average $/S.F.	$.51	$.56	$.58	$.58		$.60
Year Completed	1986	1984	1985	1985-1986	June 1986	Proposed
Absorption	11 Units/Month		17 Units/Month	22 Units/Month		
Occupancy	95%	95%	85%	95.5%	92%	

Exhibit 17A
MAP OF RENT COMPARABLES

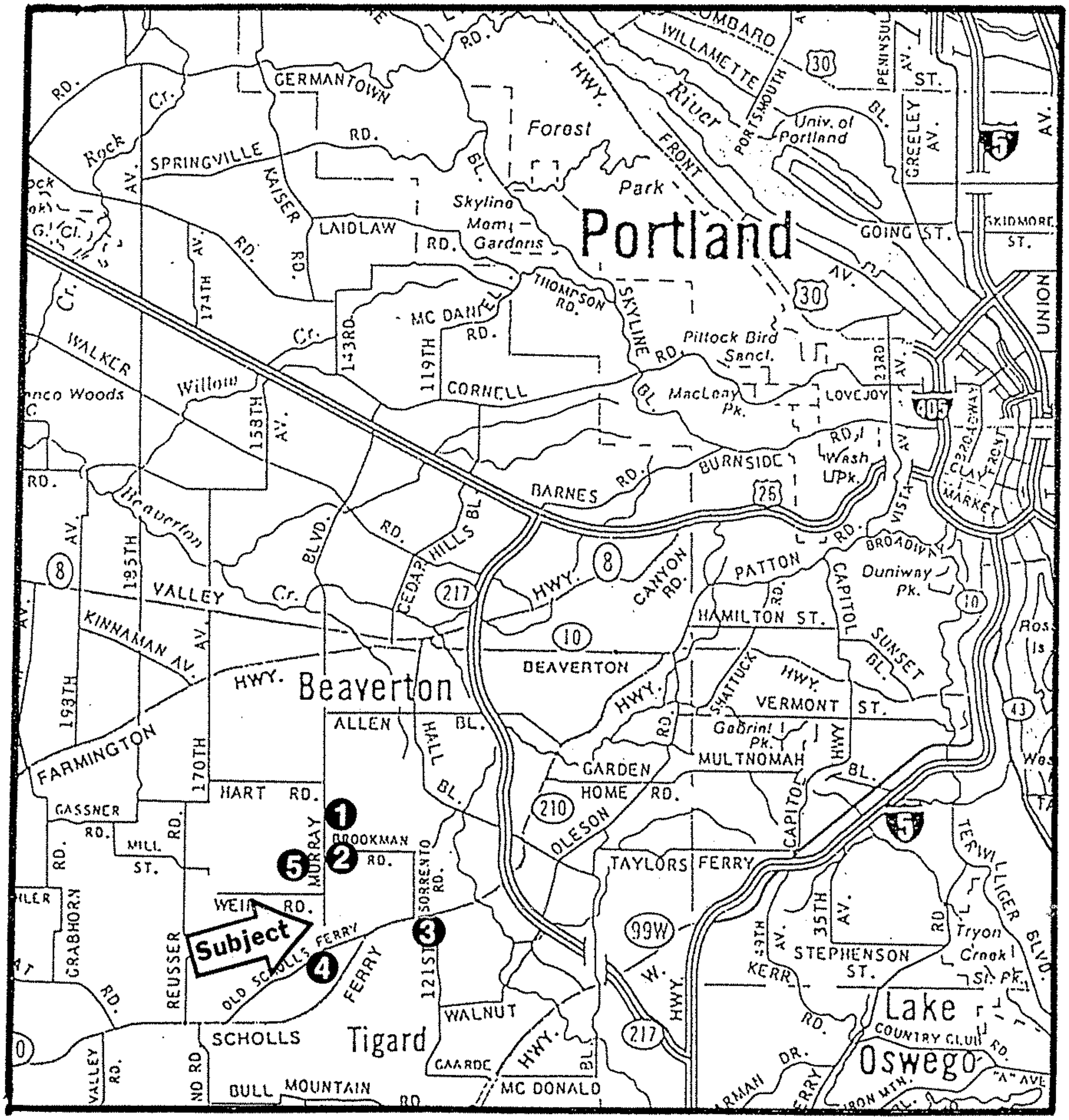


Exhibit 18
FINANCIAL ANALYSIS - MOST LIKELY SCENARIO

BEAVERTON APTS.	RETURNS:	8.75% DEBT	NOTES: CUMPREF GETS PAID FIRST
CROW WESTERN		24.41% EQUITY	PARKING INC INCLUDED IN OTHER
BEAVERTON, OR.		11.33% TOTAL	CURRENT RENTS=1986, 89=2 YRS INFLATION
			VALUE ON CURRENT NOI

ASSUMPTIONS									NET RENTABLE	RENT/MO	$/NRA	# OF UNITS	COST/UNIT	41,667
LOAN AMT	7,800,000	EQUITY AMT.	700,000	INFLATION	5.00%		CURRENT	1/1	542	375	0.69	20	COST/FOOT	55.13
NOTE RATE	8.75%	PARTICIPATION	50.00%	VACANCY	5.00%		RENTS	1/1	625	395	0.63	40	AVG. UNIT SF	756
AMORT	40	PFRD RET RATE	9.50%	EXPENSES	35.00%	2,059		1/1	735	440	0.60	56		
FEES	0.75%			CAP RATE	9.00%	2.72		2/1	779	460	0.59	40		
PARTICIPATION	0.00%			BOND FEES	0			2/2	947	540	0.57	40		
				OTHER INCOME	15			2/2	1,017	560	0.55	8		
								TOTALS	154,176	92,420	0.60	204		

YEAR	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
RENT	1,222,717	1,283,852	1,348,045	1,415,447	1,486,220	1,560,531	1,638,557	1,720,485	1,806,509	1,896,835	1,991,676	2,091,260
OTHER INC	40,484	42,508	44,633	46,865	49,208	51,669	54,252	56,965	59,813	62,804	65,944	69,241
VACANCY	(63,160)	(66,318)	(69,634)	(73,116)	(76,771)	(80,610)	(84,640)	(88,872)	(93,316)	(97,982)	(102,881)	(108,025)
EFF. GROSS	1,200,040	1,260,042	1,323,045	1,389,197	1,458,657	1,531,589	1,608,169	1,688,577	1,773,006	1,861,657	1,954,739	2,052,476
EXPENSES	(420,014)	(441,015)	(463,066)	(486,219)	(510,530)	(536,056)	(562,859)	(591,002)	(620,552)	(651,580)	(684,159)	(718,367)
BOND FEES	(0)	(0)	(0)	(0)								
NOI	780,026	819,028	859,979	902,978	948,127	995,533	1,045,310	1,097,575	1,152,454	1,210,077	1,270,581	1,334,110
VALUE	8,666,958	9,100,306	9,555,322	10,033,088	10,534,742	11,061,479	11,614,553	12,195,281	12,805,045	13,445,297	14,117,562	14,823,440
LOAN INFORMATION												
PAYMENT	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181
INTEREST	682,500	680,340	677,992	675,438	672,660	669,640	666,355	662,783	658,898	654,673	650,079	645,082
AMORTIZATION	24,681	26,840	29,189	31,743	34,520	37,541	40,826	44,398	48,283	52,508	57,102	62,099
ENDING BAL	7,775,319	7,748,479	7,719,290	7,687,547	7,653,026	7,615,485	7,574,659	7,530,261	7,481,978	7,429,471	7,372,368	7,310,270
FEES	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500
CASH FLOW	14,345	53,347	94,298	137,297	182,446	229,852	279,629	331,894	386,773	444,396	504,900	568,429
CF AFTER CP	0	0	0	16,989	115,946	163,352	213,129	265,394	320,273	377,896	438,400	501,929
ADD'L INT	0	0	0	0	0	0	0	0	0	0	0	0
SALE PROCEEDS												0
EQUITY RETURN	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
EQUITY BAL.	700,000	752,155	770,263	749,139	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
PFRD DUE	66,500	71,455	73,175	71,168	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500
PFRD REC'D	14,345	53,347	73,175	71,168	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500
PAYDOWN	0	0	21,123	49,139	0	0	0	0	0	0	0	0
ADD'L INT	0	0	0	8,495	57,973	81,676	106,564	132,697	160,137	188,948	219,200	250,964
SALE PROCEEDS												3,258,351
ENDING BAL	752,155	770,263	749,139	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
SUMMARY CASH FLOWS												
DEBT	IRR	8.75%										
(7,800,000)	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	8,017,451
EQUITY	IRR	24.41%										
(700,000)	14,345	53,347	94,298	128,802	124,473	148,176	173,064	199,197	226,637	255,448	285,700	4,275,815
TOTAL CAPITA	IRR	11.33%										
(8,500,000)	721,526	760,528	801,479	835,983	831,654	855,357	880,245	906,378	933,817	962,629	992,881	12,293,266

Exhi 19
FINANCIAL ANALYSIS - WORST CASE SCENARIO

BEAVERTON APTS.	RETURNS:	8.75% DEBT	NOTES: CUMPREF GETS PAID FIRST
CROW WESTERN		3.35% EQUITY	PARKING INC INCLUDED IN OTHER
BEAVERTON, OR.		7.91% TOTAL	CURRENT RENTS=1986, 89=2 YRS INFLATION
			VALUE ON CURRENT NOI

ASSUMPTIONS									NET RENTABLE	RENT/MO	$/NRA	# OF UNITS	COST/UNIT	44,118
LOAN AMT	7,800,000	EQUITY AMT.	1,200,000	INFLATION	2.00%		CURRENT	1/1	542	375	0.69	20	COST/FOOT	58.37
NOTE RATE	8.75%	PARTICIPATION	50.00%	VACANCY	10.00%		RENTS	1/1	625	395	0.63	40	AVG. UNIT SF	756
AMORT	40	PFRD RET RATE	9.50%	EXPENSES	39.00%	2,051		1/1	735	440	0.60	56		
FEES	0.75%			CAP RATE	9.00%	2.71		2/1	779	460	0.59	40		
PARTICIPATION	0.00%			BOND FEES	0			2/2	947	540	0.57	40		
				OTHER INCOME	15			2/2	1,017	560	0.55	8		
								TOTALS	154,176	92,420	0.60	204		

YEAR	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
RENT	1,153,845	1,176,922	1,200,461	1,224,470	1,248,959	1,273,938	1,299,417	1,325,405	1,351,914	1,378,952	1,406,531	1,434,661
OTHER INC	38,203	38,968	39,747	40,542	41,353	42,180	43,023	43,884	44,761	45,657	46,570	47,501
VACANCY	(119,205)	(121,589)	(124,021)	(126,501)	(129,031)	(131,612)	(134,244)	(136,929)	(139,668)	(142,461)	(145,310)	(148,216)
EFF. GROSS	1,072,844	1,094,301	1,116,187	1,138,510	1,161,281	1,184,506	1,208,196	1,232,360	1,257,008	1,282,148	1,307,791	1,333,946
EXPENSES	(418,409)	(426,777)	(435,313)	(444,019)	(452,899)	(461,957)	(471,197)	(480,621)	(490,233)	(500,038)	(510,038)	(520,239)
BOND FEES	(0)	(0)	(0)	(0)								
NOI	654,435	667,523	680,874	694,491	708,381	722,549	737,000	751,740	766,775	782,110	797,752	813,707
VALUE	7,271,497	7,416,927	7,565,266	7,716,571	7,870,902	8,028,320	8,188,887	8,352,664	8,519,718	8,690,112	8,863,914	9,041,193
LOAN INFORMATION												
PAYMENT	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181
INTEREST	682,500	680,340	677,992	675,438	672,660	669,640	666,355	662,783	658,898	654,673	650,079	645,082
AMORTIZATION	24,681	26,840	29,189	31,743	34,520	37,541	40,826	44,398	48,283	52,508	57,102	62,099
ENDING BAL	7,775,319	7,748,479	7,719,290	7,687,547	7,653,026	7,615,485	7,574,659	7,530,261	7,481,978	7,429,471	7,372,368	7,310,270
FEES	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500
CASH FLOW	(111,246)	(98,157)	(84,807)	(71,189)	(57,300)	(43,132)	(28,681)	(13,941)	1,094	16,429	32,071	48,027
CF AFTER CP	(111,246)	(98,157)	(84,807)	(71,189)	(57,300)	(43,132)	(28,681)	(13,941)	0	0	0	0
ADD'L INT	0	0	0	0	0	0	0	0	0	0	0	0
SALE PROCEEDS												0
EQUITY RETURN	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
EQUITY BAL.	1,200,000	1,314,000	1,438,830	1,575,519	1,725,193	1,889,086	2,068,550	2,265,062	2,480,243	2,714,772	2,956,246	3,205,018
PFRD DUE	114,000	124,830	136,689	149,674	163,893	179,463	196,512	215,181	235,623	257,903	280,843	304,477
PFRD REC'D	0	0	0	0	0	0	0	0	1,094	16,429	32,071	48,027
PAYDOWN	0	0	0	0	0	0	0	0	0	0	0	0
ADD'L INT	0	0	0	0	0	0	0	0	0	0	0	0
SALE PROCEEDS												0
ENDING BAL	1,314,000	1,438,830	1,575,519	1,725,193	1,889,086	2,068,550	2,265,062	2,480,243	2,714,772	2,956,246	3,205,018	3,461,468
SUMMARY CASH FLOWS												
DEBT	IRR	8.75%										
(7,800,000)	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	8,017,451
EQUITY	IRR	3.35%										
(1,200,000)	0	0	0	0	0	0	0	0	1,094	16,429	32,071	1,730,923
TOTAL CAPITA	IRR	7.91%										
(9,000,000)	707,181	707,181	707,181	707,181	707,181	707,181	707,181	707,181	708,275	723,610	739,252	9,748,374