

Eric

MEMORANDUM

To: USF&G Realty Advisors Investment Committee  
From: Diane Olmstead  
Date: May 4, 1990  
Re: St. Andrews Apartments at Westwood

I would like to present the above referenced investment to the USF&G Realty Advisors Investment Committee. Please review and comment at your earliest convenience.

Attached are the following exhibits:

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- \_\_\_ Approve without Conditions  
\_\_\_ Approve with Conditions (see below)  
\_\_\_ Disapprove

\_\_\_\_\_  
Committee Member

\_\_\_\_\_  
Date

Conditions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ST. ANDREWS APARTMENTS AT WESTWOOD**  
**ORLANDO, ORANGE COUNTY, FLORIDA**

**USF&G Realty Advisors, Inc.**  
**Equitable Bank Center, Tower II**  
**100 South Charles Street, Suite 1100**  
**Baltimore, Maryland 21201**

**ST. ANDREWS APARTMENTS AT WESTWOOD  
ORLANDO, ORANGE COUNTY, FLORIDA**

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Exhibit I-1  
Letter of Intent  
St. Andrews Apartments at Westwood

**USF&G/Legg Mason  
Realty Partners  
Limited Partnership**

May 4, 1990

Mr. James Easterling  
Cambridge Development Group  
Suite 300  
10101 Southwest Freeway  
Houston, Texas 77074

Dear Jim:

This letter summarizes the terms on which USF&G Legg Mason Realty Partners Limited Partnership or its designee (the "Purchaser") is willing to consider purchasing the Property (as defined below) from you (the "Seller").

The Property is located at International Drive and Westwood Boulevard in Orlando, Orange County, Florida. Commonly known as the St. Andrews Apartments at Westwood, the Property consists of 16 two- and three-story garden-style buildings containing not less than 216,560 net rentable square feet. The Property also consists of 449 parking spaces and all personal property used for the operation of the Property (the "Property").

The total purchase price for the Property shall not exceed \$13,650,000 or \$52,702.70 per unit. The price is subject to adjustment downward, based upon Purchaser's review of financial information Seller has presented to Purchaser and upon Purchaser's due diligence review of the Property (as adjusted, the "Purchase Price"). Seller agrees to issue a personal guarantee to the Purchaser for the net operating income of \$1,220,780 for the 12-month period immediately following closing. In addition, Seller will escrow \$100,000 of purchase price to be used to pay for additional landscaping improvements as detailed in a landscaping plan acceptable to Purchaser.

Mr. James Easterling  
May 4, 1990  
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The foregoing is a brief summary statement of Purchaser's present intent and does not constitute an offer or agreement to purchase the Property and is not binding on either Purchaser or Seller. The Purchaser will use reasonable efforts to conduct due diligence review of the Property, with the cooperation of Seller, within a 45-day period from the date of this letter. Seller will provide such documentation and information as is reasonably requested by Purchaser to conduct said due diligence including the verification of all income and expenses directly related to the corporate rental units. Seller will allow Purchaser access to the Property as and when reasonably necessary during such 45-day period and thereafter as provided below and will refrain from offering the Property for a period of 45 days from the date of this letter. If the Purchaser decides to proceed further, it shall deliver to Seller a purchase contract which the Seller and Purchaser will negotiate during the 45-day review period (the "Contract") which will include, without limitation, the following:

a) a provision in which Seller will agree to develop and effect a landscaping plan acceptable to Purchaser for an additional \$100,000 of landscaping to be paid by Seller,

b) a provision in which Seller will agree to provide the Purchaser any information concerning the Property, the Loan, or tenants which Purchaser desires to review,

c) a provision in which Seller will agree to permit access to the property and its records by Purchaser and its agents for the purposes of conducting a physical inspection and any other due diligence,

d) a provision giving Purchaser a reasonable period of time in which to determine its desire to purchase the Property based upon its due diligence review,

e) a provision which provides that, if Purchaser determines to purchase the Property, the closing must occur on or before June 28, 1990, and

f) such other provisions as Purchaser and its counsel shall determine to be necessary to consummate the transactions described herein.

Mr. James Easterling  
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This letter is subject in all respects to finalizing a Contract mutually acceptable to purchaser and seller.

Very Truly Yours,

USF&G LEGG MASON REALTY PARTNERS  
LIMITED PARTNERSHIP

By: \_\_\_\_\_  
Mr. Gary L. Burke

Acknowledged and accepted:

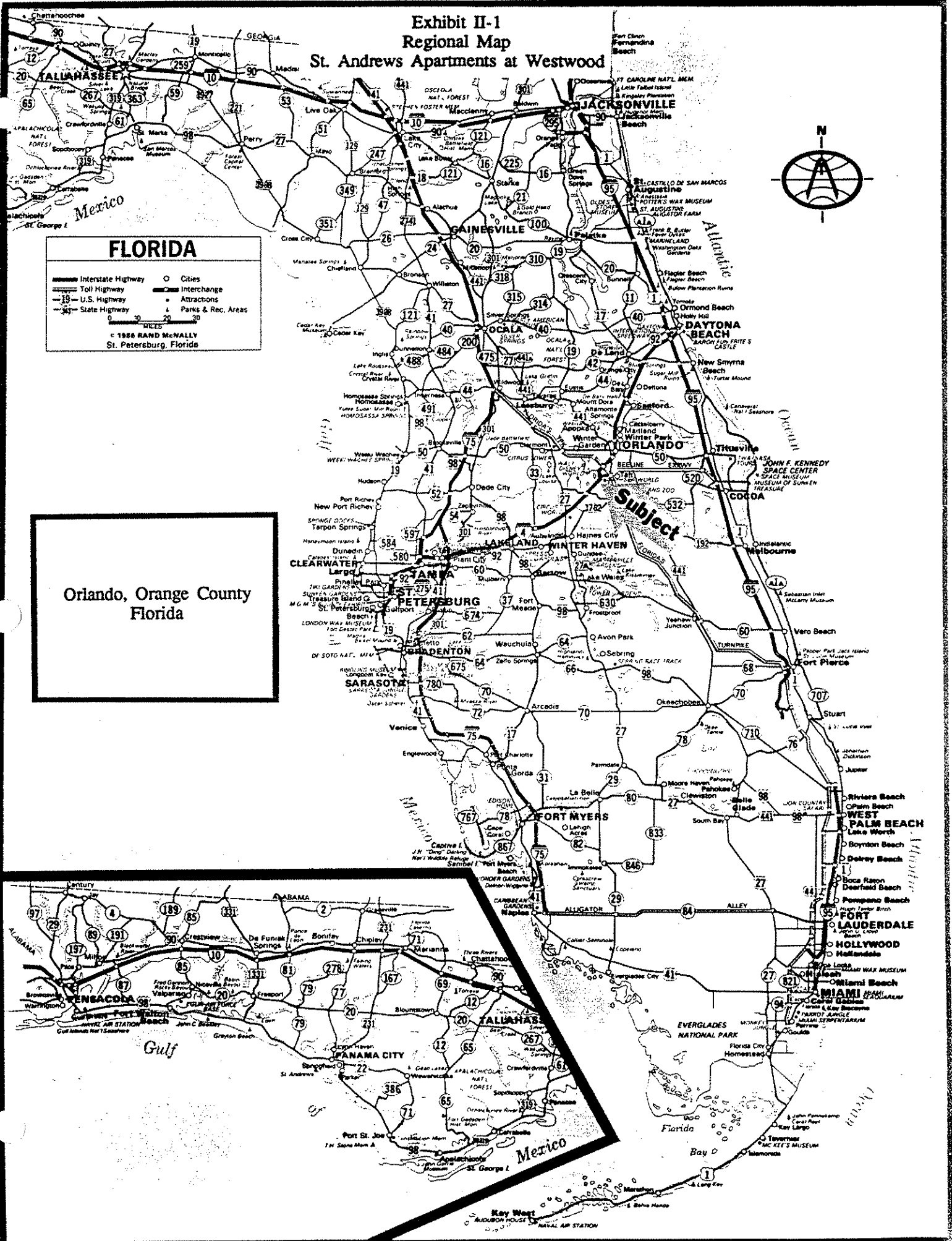
Cambridge Development Group

By: \_\_\_\_\_

Date: \_\_\_\_\_

cc: Mr. Ronald A. Hughes  
Mr. Richard J. Himelfarb  
Mr. Daniel B. Kohlhepp  
Ms. Diane Olmstead  
Mr. Paul M. Whalen  
Mr. Mark L. Findura  
Mr. Charles Werhane

# Exhibit II-1 Regional Map St. Andrews Apartments at Westwood





## St. Andrews Apartments at Westwood

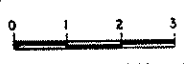


Exhibit II-4

St. Andrews Apartments at Westwood

GOLF COURSE

WESTWOOD LAKE BLVD.

SITE PLAN  
SCALE 1" = 60'-0"

DATA

72	A	ONE BEDROOM ONE BATH	644 S.F.
72	B	ONE BEDROOM ONE BATH	686 S.F.
64	C	TWO BEDROOM TWO BATH	850 S.F.
51	D	TWO BEDROOM TWO BATH	956 S.F.
259	TOTAL		198,916 S.F.

PARKING 468 SPACES

RETENTION POND

TURKEY LAKE RD.

LAKE WILLIS

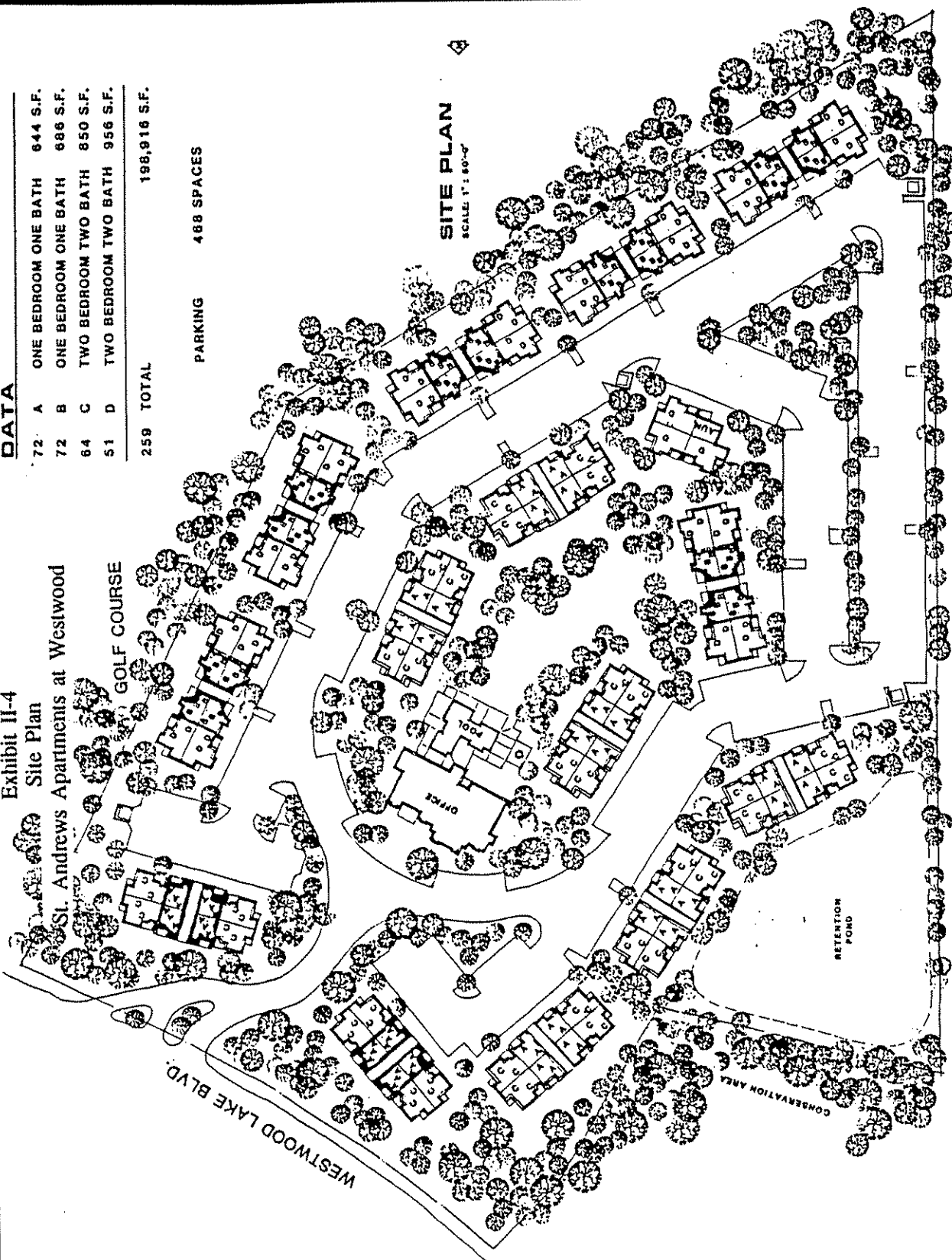


Exhibit II-5  
Aerial Photograph  
St. Andrews Apartments at Westwood



Exhibit II-6A  
Summary Description  
St. Andrews Apartments at Westwood

**DESCRIPTION**

The property consists of a 259 unit apartment project with 216,560 square feet of total leasable area on 14.4 acres at International Drive and Westwood Boulevard, on the south side of the Beeline Expressway. The property is in the 4,644 acre Westwood Planned Unit Development in Orlando, Orange County, Florida. This PUD is approximately 60% developed and is currently in a state of transition from undeveloped acreage to becoming a diversified commercial area. Developments in the area include; Sea World, Harcourt, Brace, Jovanovich Headquarters, The Wynfield Inn, Sheraton World Hotel, Stouffer Resort Hotel, a medical facility, Town Center Shopping Center, six new apartment complexes and an office center. The Westwood PUD contains an 18 hole golf course known as The International Golf Club.

**CONSTRUCTION**

The construction of this development consists of wood frame with hard board siding. The floors and roofs are prefabricated wood trusses with plywood decking and light weight concrete topping on the floors. The roofs are composition shingle. The exterior doors are insulated metal. The windows are painted aluminum frames.

**SITE DATA**

The subject site consists of approximately 14.4 acres or 627,264 square feet of land area. The site has approximately 500 feet of frontage and has access on the southwestern side of Westwood Boulevard, on the eastern and southeastern border of the subject site is lies 14th hole of the International Golf Club.

The property is zoned for multi-family apartments with a density of 18 units per acre.

**STREET IMPROVEMENTS**

Upright curbs

**UTILITIES/SERVICES**

Orange County:            Water, Sewer, Gas, Electric, Fire, Police

**UNIT AMENITIES**

Storage Closet  
Full sized washer and dryer connections  
Microwave  
Frost free refrigerator with icemaker  
Dishwasher and disposal  
Ceiling fan  
Bedrooms all designed for king-sized bed  
Mini-blinds  
Cathedral/vaulted ceiling on top floor  
Steel entry doors with viewer  
Smoke detectors  
Golf course units available

PROJECT AMENITIES

On fairway of International Golf Club  
Swimming pool  
Whirlpool spa  
Clubroom and party veranda  
Indoor racquetball court with glass wall  
Exercise room with Nautilus weight equipment  
Putting green  
Beautiful landscaping  
Car wash area  
Outdoor barbecue grills  
24-hour emergency maintenance service

ACCESS

Via Westwood, International Drive and Turkey Lake Road. Subject is located within two miles of Interstate 4.

TRAVEL DISTANCES

Approximate distances to the following key area locations are as follows:

<u>Location</u>	<u>Approximate No. of Miles</u>
BeeLine (528) Expressway & I-4	2.0
Disney World/Epcot	6.0
MCA Universal Studios	7.5
Martin Marietta headquarters	3.5
Orlando International Airport	10.0
Downtown Orlando	12.0
Sea World & HBJ Headquarters	1.5

Southern Bell Telephone: Telephone

DEVELOPER

Cambridge Development Group, a Florida Corporation.

Exhibit II-6B  
Property Photograph  
St. Andrews Apartments at Westwood



Exhibit II-6C

Property Photograph

St. Andrews Apartments at Westwood





Exhibit II-6D  
Property Photograph  
St. Andrews Apartments at Westwood

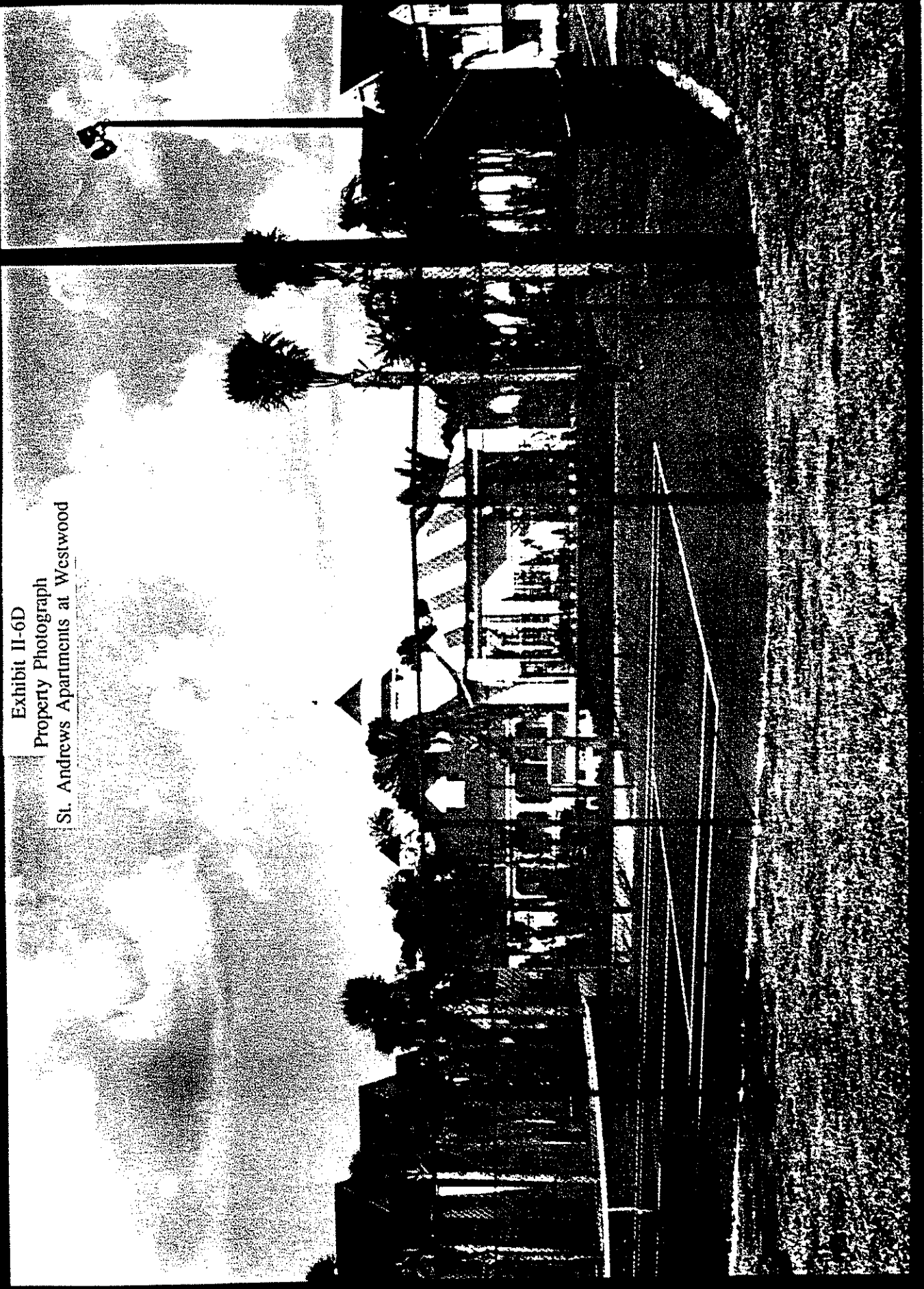
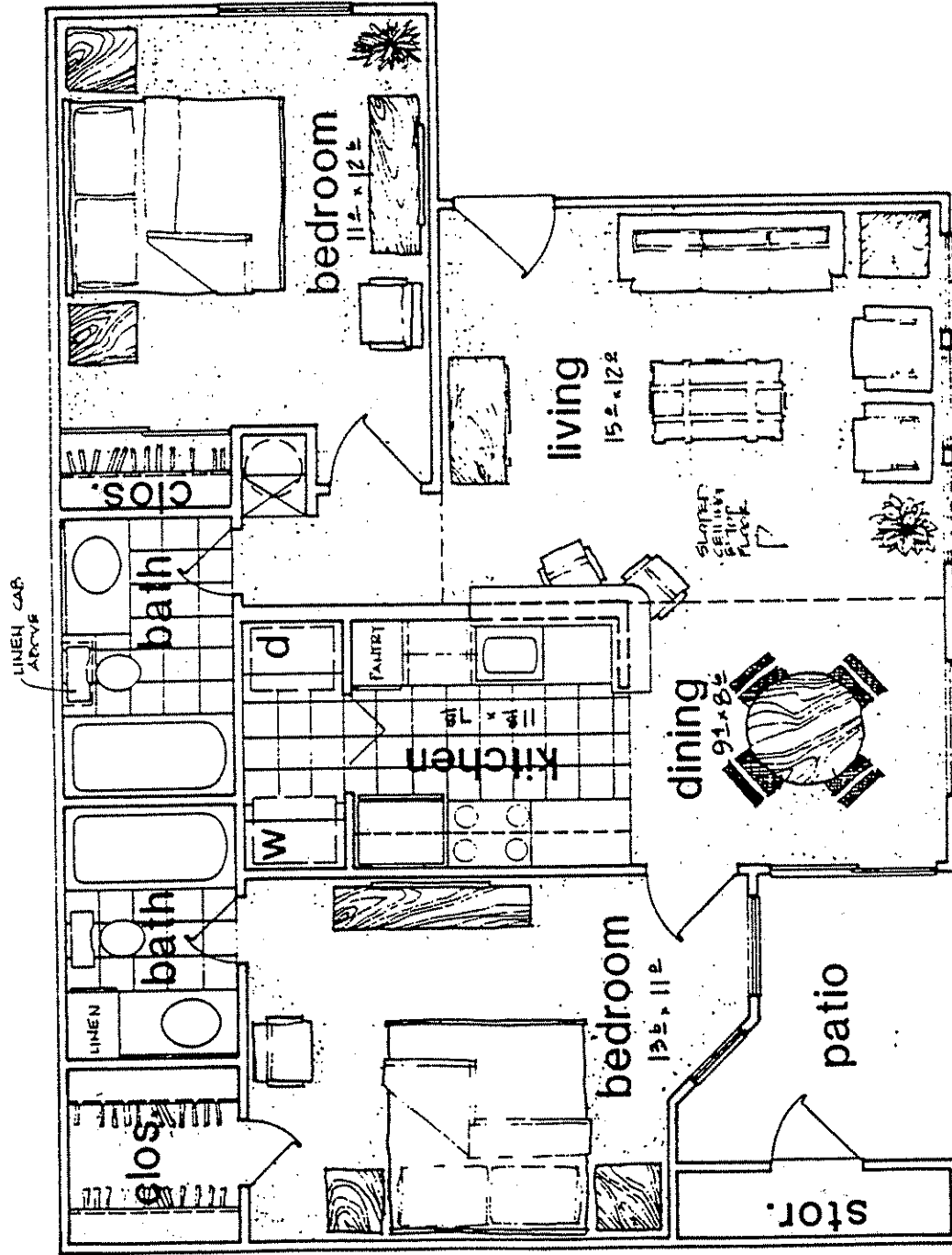


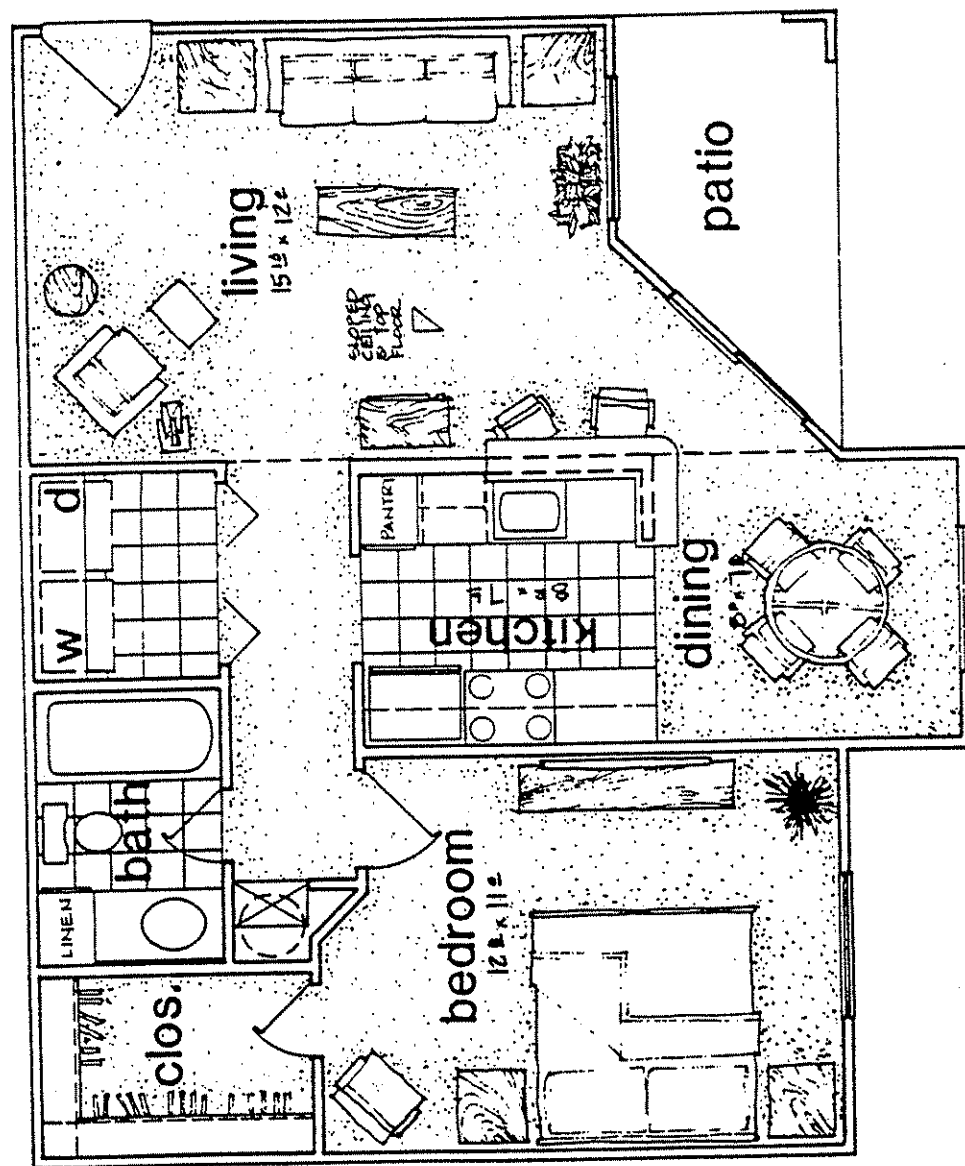


Exhibit II-6E (Continued)  
 Floor Plans  
 St. Andrews Apartments at Westwood



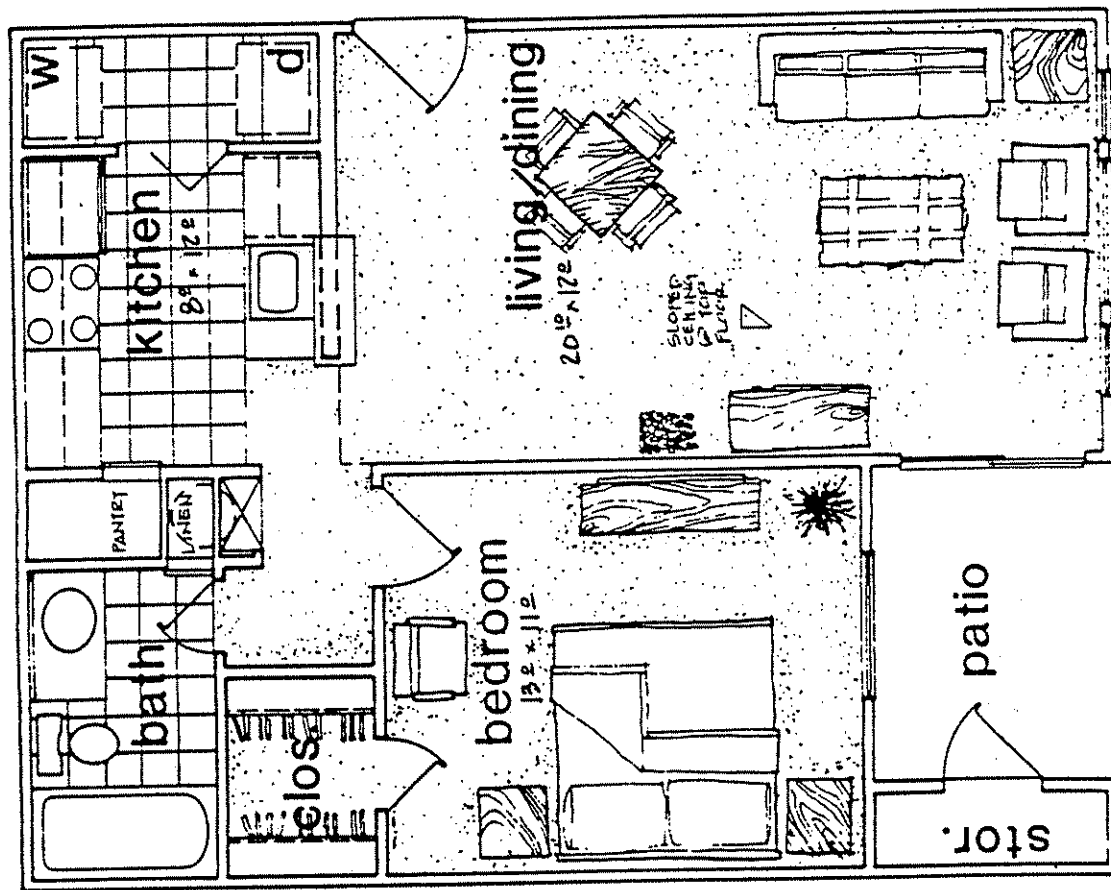
**C UNIT**  
 TWO BEDROOM TWO BATH  
 850 S.F.

Exhibit II-6E (Continued)  
 Floor Plans  
 St. Andrews Apartments at Westwood



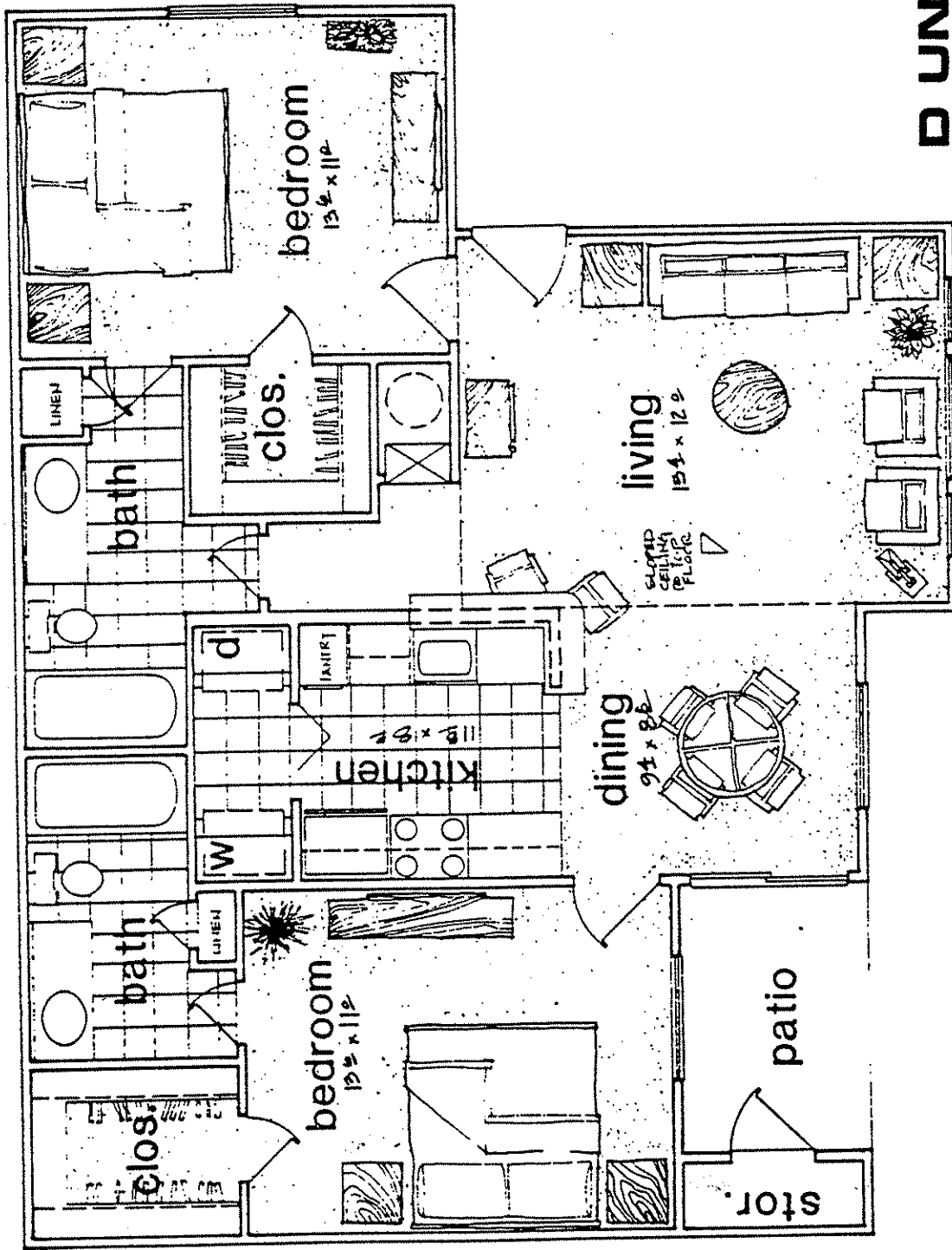
**B UNIT**  
 ONE BEDROOM ONE BATH  
 686 S.F.

Exhibit II-6E  
 Floor Plans  
 St. Andrews Apartments at Westwood



**A UNIT**  
 ONE BEDROOM ONE BATH  
 644 S.F.

Exhibit II-6E (Continued)  
 Floor Plans  
 St. Andrews Apartments at Westwood



**D UNIT**

TWO BEDROOM TWO BATH

956 S.F.

Exhibit III-1A  
Regional Economic Summary  
St. Andrews Apartments at Westwood

METROPOLITAN ORLANDO AREA DATA

GENERAL

The Orlando MSA has been identified as the 46th most populated area of the 281 Metropolitan Statistical Areas in the nation. It is located in East-Central Florida and encompasses an area of some 2,518 square miles, including areas in Orange, Seminole and Osceola Counties. Orlando, Winter Park, South Seminole County and Sanford account for nearly 300 square miles and are considered to be the primary centers of population, with Orlando being the major city. Developmental emphasis in these and other areas have created cluster communities throughout the metropolitan area in general.

Metropolitan Orlando is experiencing strong growth. According to the U.S. Census Bureau, metropolitan Orlando is the second fastest growing location in the United States. It is predicted that by year 2000, it will be the 25th largest metropolitan region in the nation. This has further been supported by such national publications as the National Real Estate Investor, Sales and Market Management, and National Planning Association.

POPULATION AND EMPLOYMENT

The present population in the Orlando MSA is in excess of 1,000,000 persons, making it the largest inland group in the state and ranking fifth in Florida. The area experienced a 52% increase in population from 1980 to 1988, with experts predicting that 1.1 million people will reside in the metropolitan area by the end of 1990. The MSA ranked No. 1 on Sales and Marketing Management's list of "major U.S. market population growth cities." The projected growth rate of 17% from 1986 to 1990 shows Orlando out-pacing the state and nation with 13% and 5%, respectively (see table).

POPULATION TREND

<u>County</u>	<u>1980</u>	<u>Actual</u>	<u>Estimated</u>	<u>Percentage Change</u>	
		<u>1988</u>	<u>1990</u>	<u>1988-90</u>	<u>1988-90</u>
Orange	442,145	623,425	665,300	6.7%	41%
Osceola	43,944	94,041	105,600	12.3%	114%
Seminole	464,881	267,108	290,600	8.8%	62%
Orlando MSA	650,570	984,574	1,061,500	7.8%	52%

Source: The Economic Development Commission of Mid-Florida and The Bureau of Economic and Business Research

The labor drawing area had a total work force during 1988 of approximately 637,028 persons. Non-agricultural employment for 1988 totaled 502,600 jobs, an increase of 28,900 new jobs over the fiscal year. Service and trade occupations account for a majority of these new jobs. A recent study prepared by the University of Central Florida identifies tourism, manufacturing and the emergence of Orlando as a state and regional center for service and distribution as the catalyst that fueled the economic growth between 1980 and 1988. Construction, Finance, Insurance, Real Estate and Trade sectors showed strong gain over the nine year period. The service sector continued to increase its overall share of the work force. The metropolitan Orlando unemployment rate for 1988 was 4.5%. Unemployment estimates for the state and nation were 5.1% and 6.1%, respectively.

Exhibit III-1A (Continued)  
Regional Economic Summary  
St. Andrews Apartments at Westwood

NON-AGRICULTURAL EMPLOYMENT  
ORLANDO MSA (IN THOUSANDS) FOR MONTH OF MAY

<u>Employment Sector</u>	<u>1987</u>	<u>1988</u>	<u>Change From</u> <u>1987-1988</u>	
			<u>No.</u>	<u>%</u>
Construction	33.9	37.3	3.4	10.0
Manufacturing	53.3	57.3	4.0	7.5
Transportation and Public Utilities	24.8	25.6	.8	3.2
Wholesale and Retail Trade	121.3	130.6	9.3	7.7
Finance, Insurance and Real Estate	32.3	33.2	.9	2.8
Services	153.8	161.2	7.4	4.8
Government	<u>54.3</u>	<u>57.4</u>	<u>3.1</u>	<u>5.7</u>
Total	473.7	502.6	28.9	6.1

Source: Department of Labor and Employment Security, Division of Labor,  
"Labor Market Trends"

Below is a listing of the top 10 major employers in the Orlando area:

1. Walt Disney World Company	24,000-26,000
2. Martin Marietta Electronic & Missile Group	15,000
3. Orange County Public Schools	16,000
4. Orlando International Airport	6,270
5. U.S. Postal Service	5,815
6. Naval Training Center	5,808
7. Florida Hospital	5,459
8. AT&T	5,000
9. Seminole County Public Schools	4,615
10. Orlando Regional Medical Center	4,000

LOCATION AND TRANSPORTATION

Orlando's central location in this state is demonstrated by its proximity to the state capitol, major Florida trade ports, NASA and the coasts.

Distances from Select Locations Throughout the State

	<u>Miles</u>
Tallahassee	242
Jacksonville	140
Tampa/St. Petersburg	85
Miami	236
Kennedy Space Center	52
Atlantic Ocean (East)	50
Gulf of Mexico (West)	87

Source: Economic Development Commission of Mid-Florida

Exhibit III-1A (Continued)  
Regional Economic Summary  
St. Andrews Apartments at Westwood

An extensive highway network connects the area to all major cities in the state and is considered to be one of the most important factors influencing the area's continued growth as a distribution center. Two of the state's most important highway arteries, Interstate 4 and Florida's Turnpike, traverse the metropolitan Orlando area.

The Sunshine State Parkway (Florida Turnpike), a toll road, is the state's major north/south route which, via the interstate highway system, connects Mid-West United States to Miami. Interstate 4 is the major east/west artery in Central Florida, servicing the rapidly growing corridor between the Tampa/St. Petersburg area and Daytona Beach. The 14 mile long Holland East/West Expressway opened in November 1973 and greatly facilitates the flow of local urban traffic within the metropolitan area. This expressway, is currently undergoing extensive expansion. Another expressway, the Beeline Expressway, extends from Interstate 4 to Kennedy Space Center at Cape Canaveral and to Port Canaveral, a deep water port serving extending cruise lines, military, fishing and charter operations. The Beeline also intersects Interstate 95, 30 miles to the east of Orlando. Interstate 95 is the main highway servicing the east coast of both Florida and the continental United States.

Orlando has been designated an international port of entry largely due to the Orlando International Airport, which opened at an original cost of \$300 million in September 1981. The airport was doubled in capacity during 1988. It is situated on a 10,640 acre site and is located approximately 8 miles south of the Downtown Orlando Business District. With an estimated 16,500,000 passengers last year, it is the nation's 21st largest airport. Projections indicate 21 million passengers will travel through the airport in 1990 and 24 million by 1992. It was designed to expand to more than twice its original size for future growth.

#### GROWTH ACTIVITY OVERVIEW

The metropolitan Orlando area continues to draw national attention as a dynamic growth city. 1988 is characterized as a period of significant growth in construction, coupled with increases in demand, strengthen the area's economic base. Massive investment in public works projects and the tourism industry continue to fuel economic growth in the area.

The \$100 million downtown Orlando Arena and the \$85 + million Orange County Convention and Civic Center expansions are just two projects recently completed by local municipalities. In January 1989 Phase II of the convention facility was completed, expanding the facility to 850,000 square feet, making the center the 29th largest in the nation. Plans are to increase the size to 2,000,000 square feet by the year 1993. Extensive road improvement projects in all three counties will greatly facilitate growth in the coming year. The tourism industry has begun aggressive expansion as Disney leads the way with investments nearing \$1 billion in new projects. Several new hotels, the MGM Studio and Studio Tour, and the Pleasure Island nighttime entertainment complex are four such projects on the horizon, with expected completion by 1991.

#### ORLANDO APARTMENT MARKET

According to a survey conducted by The Central Florida Multi-Housing Association as of June 1989, the overall occupancy rate of Metropolitan Orlando Apartment Complexes, which consist of Orange, Seminole and Osceola Counties, is approximately 94 percent. This is up from approximately 91 percent, which represents the results of their similar survey conducted in March. Rents have increased an estimated 15 percent in the past eighteen months, and landlords indicate there are expected increases on the way.

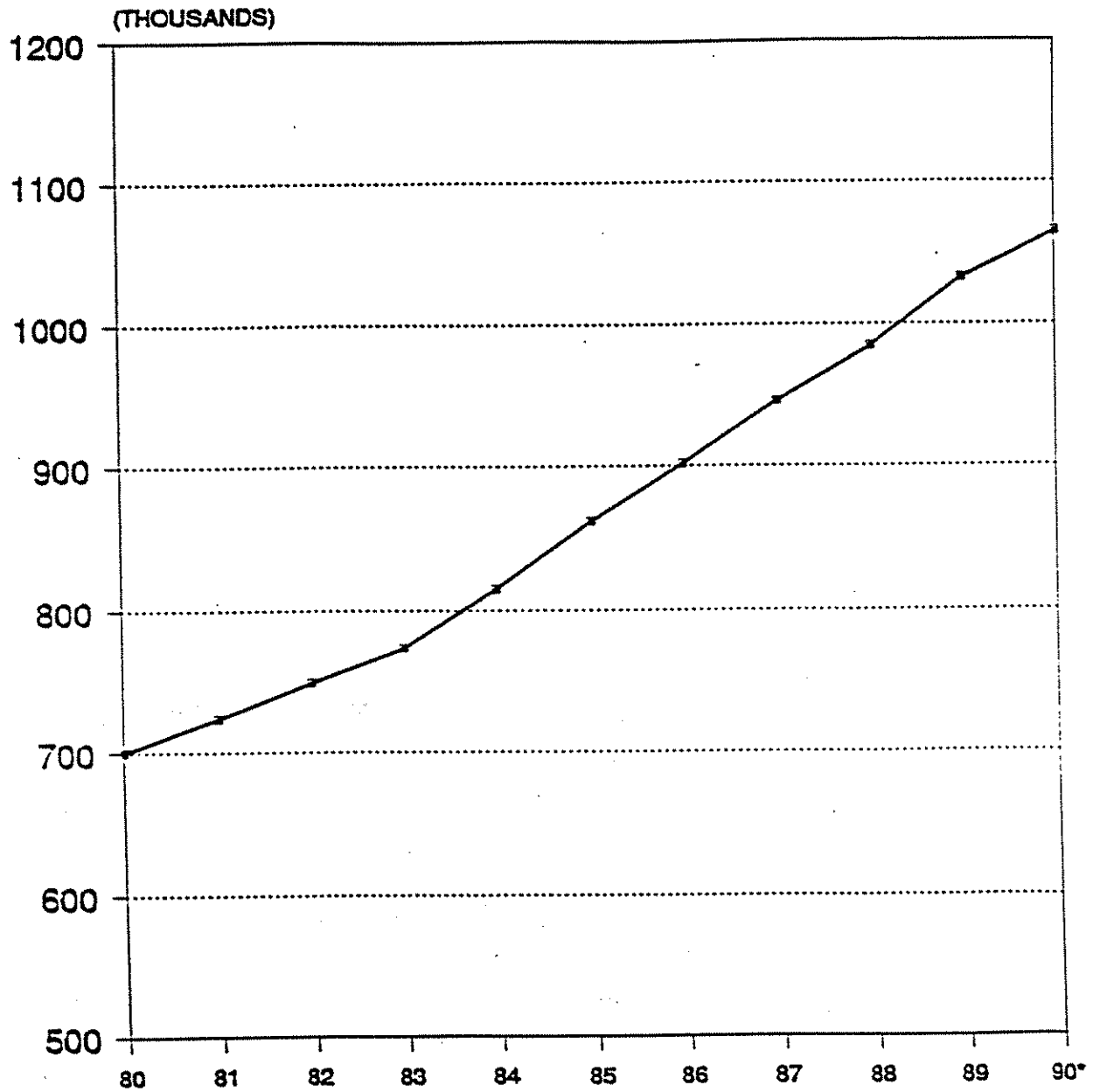
Exhibit III-1A (Continued)  
Regional Economic Summary  
St. Andrews Apartments at Westwood

About 7,000 apartments are rented annually in the Orlando market.

The southeast area had the highest occupancy level in 95.7 percent. The northeast sector was the weakest but was still high at 92.2 percent occupancy. The southwest area was at 92.9 percent. The northwest quadrant was at 93.9%. Rents are expected to continue to rise particularly in new upper end complexes.

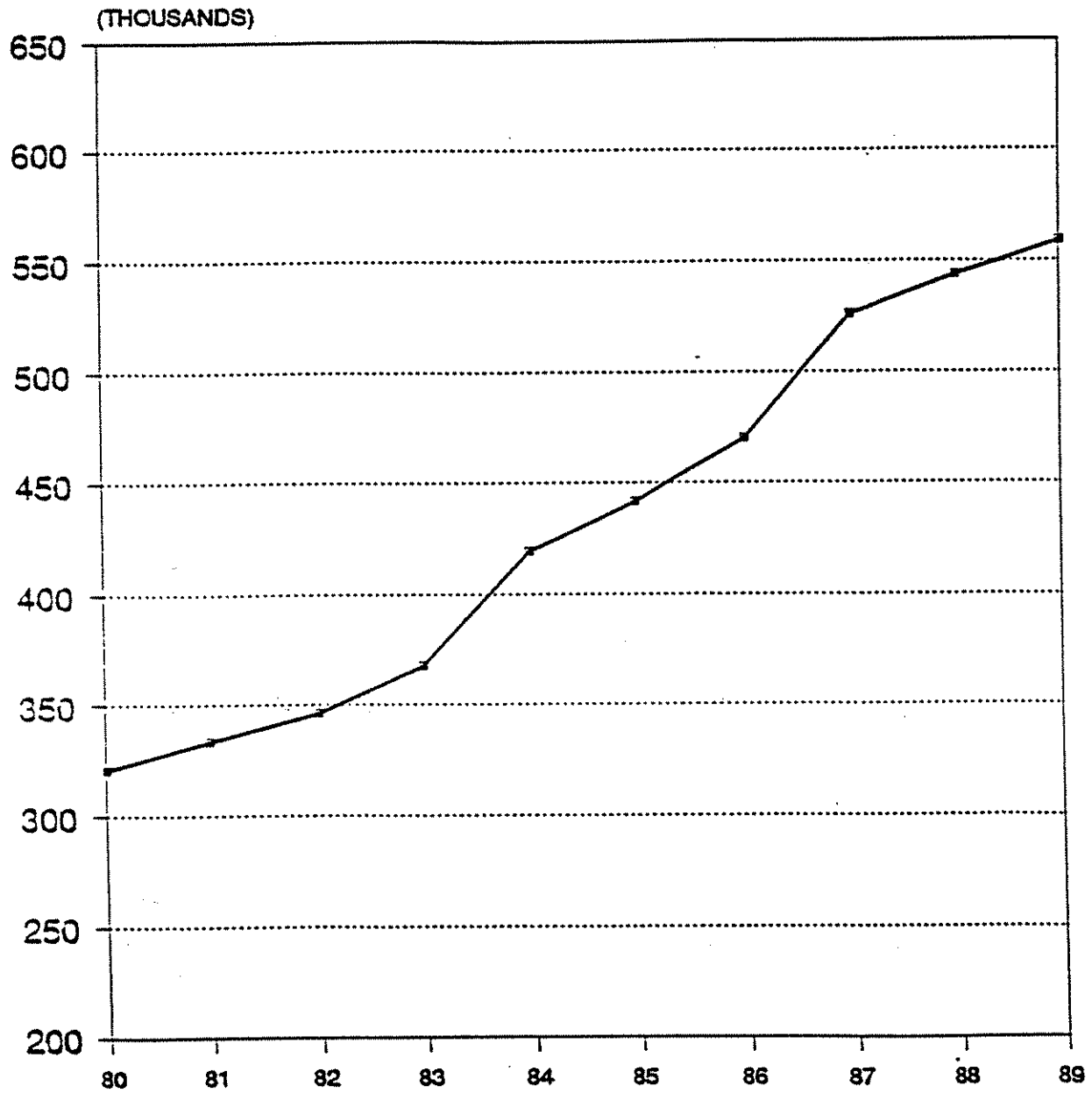


Exhibit III-1B  
Population Growth  
Orlando, Florida



THE COUNCIL QUARTERLY  
\* NOTE - PROJECTED

Exhibit III-1C  
Employment Growth  
Orlando, Florida



THE COUNCIL QUARTERLY

Exhibit III-1D  
Composition of Employment Base  
Orlando, Florida

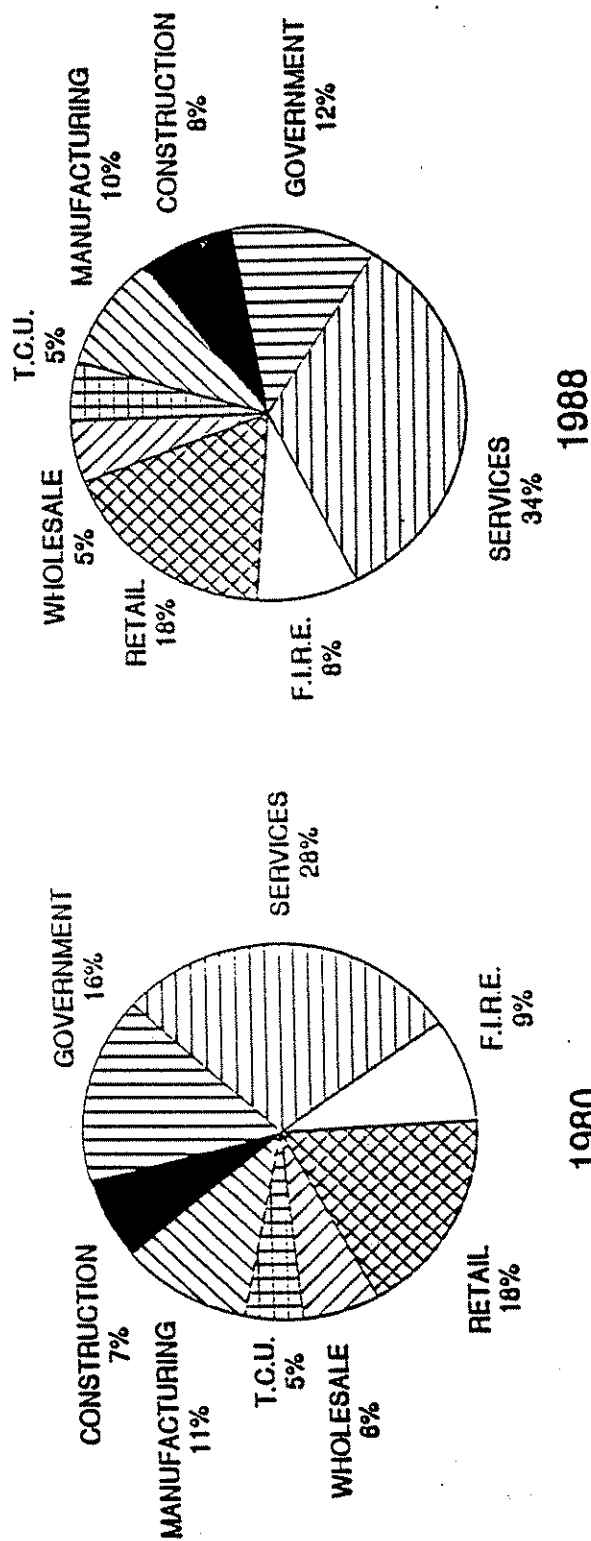
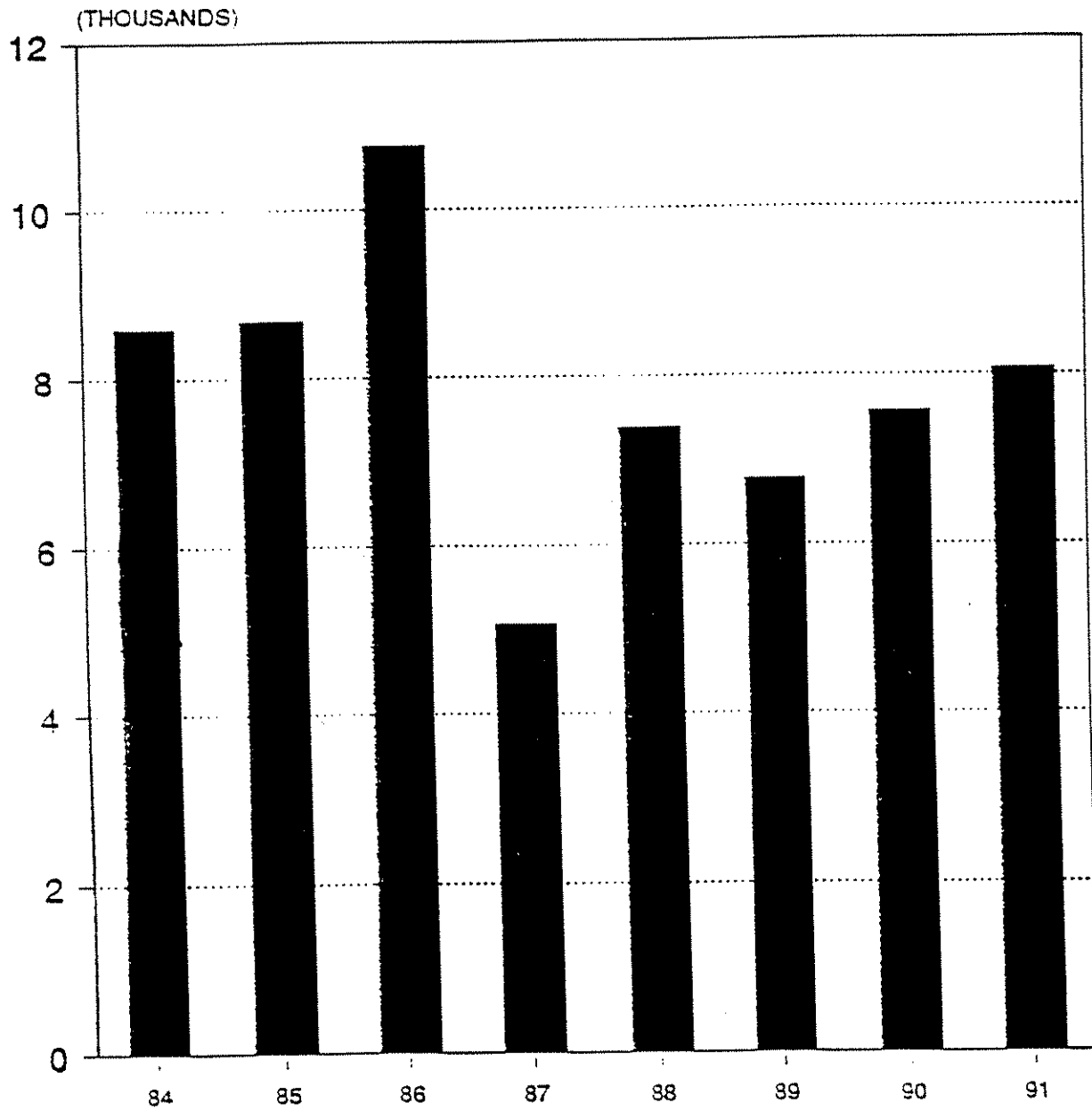
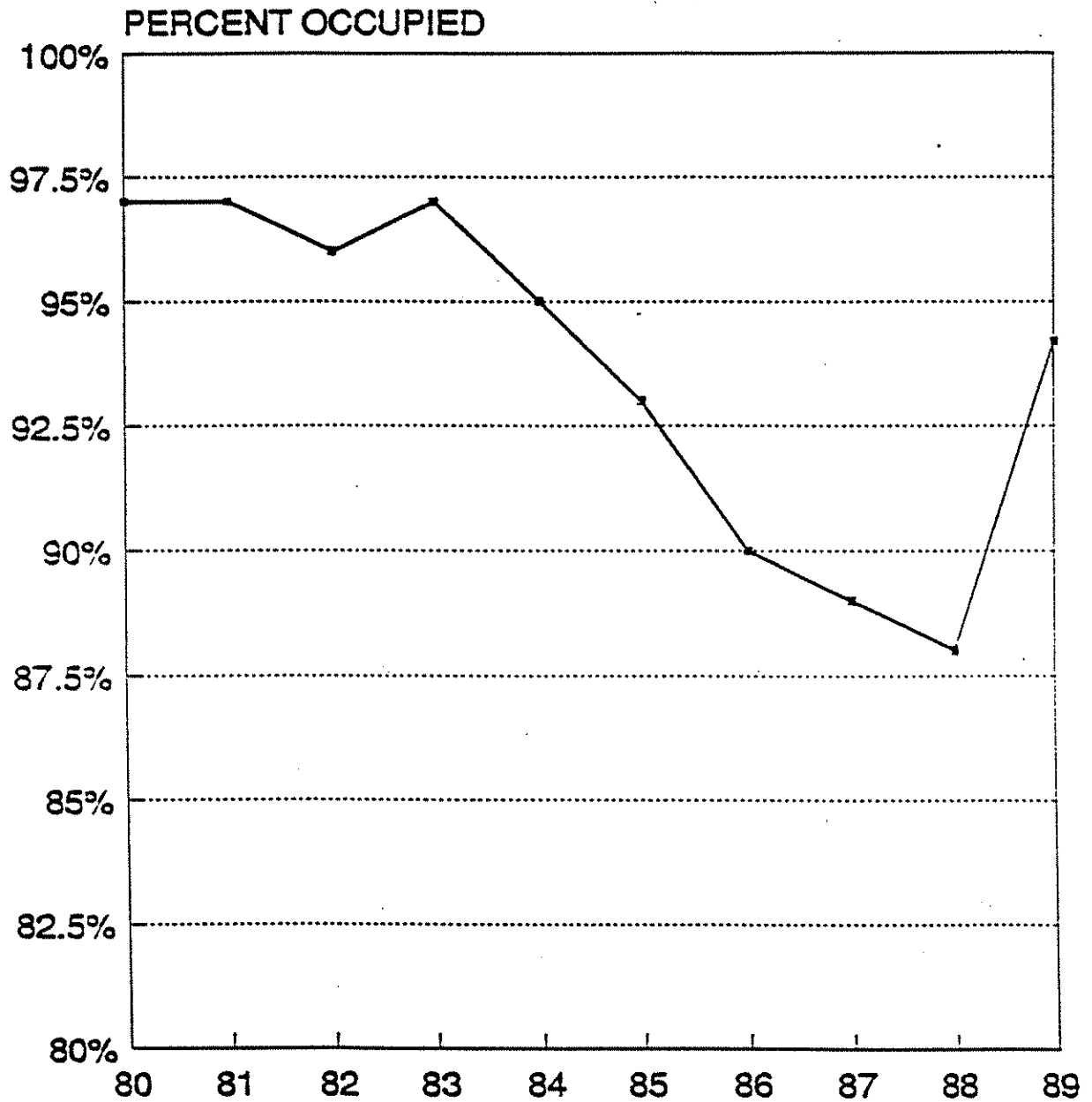


Exhibit III-1E  
Annual Multifamily Starts  
Orlando, Florida



FISHKIND & ASSOCIATES, INC.  
NOTE - NUMBER INCLUDES FOR-SALE CONDOS

Exhibit III-1F  
Historic Occupancy  
Orlando, Florida



CENTRAL FLORIDA MULTI-HOUSING ASSOC.  
1989 OCCUPANCY AS OF 10/89

Exhibit III-2A  
Neighborhood Data  
St. Andrews Apartments at Westwood

SOUTHWEST ORLANDO AREA

The southwest quadrant of the Orlando metropolitan area is generally characterized by tourism and commercial development. The International Drive area is considered to be the primary tourist oriented corridor in metropolitan Orlando which was developed in response to the influence of Walt Disney World/EPCOT Center, Sea World, and other tourist attractions in the area. Developments consist predominantly of hotels, restaurants, fast food franchises, souvenir shops and other tourist oriented facilities. The area is divided into 3 major segments.

The Northern Sector is defined as that portion of International Drive which is north of Sand Lake Road to the northern terminus point at Oak Ridge Road. This area is fully developed with projects targeted for the tourism/hospitality industry. The dense commercial activity is characterized by high traffic volumes of both vehicular and foot traffic. Retail rental rates are the highest in the sector. Due to limited land supply, land values have escalated dramatically over the past several years causing development to move south to the Plaza International area. Universal/MCA Studios will serve as the northernmost major tourism attraction anchor.

The Plaza International Sector is the area of International Drive located south of Sand Lake Road extending to the Beeline Expressway. Due to growth pressures emanating from the northern sector, this area has emerged into a major tourism/consumer corridor over the last several years typifying the existing northern sector developments. This portion is four laned with a landscaped median and supports a variety of restaurants, hotels, and retail shopping facilities. The 850,000 square foot Orange County Convention/Civic Center is located at the southernmost boundary of this sector. It is scheduled to grow to 2.1 million square feet within the next five (5) years. Property values in this sector have been rapidly appreciating when compared to other properties in the metropolitan Orlando area.

The Orangewood N-2 Development Sector is the area of International Drive south of the Beeline Expressway to the current terminus point. This sector is approximately 50 percent developed and is currently in a state of transition from undeveloped acreage to becoming a diversified commercial area. Developments in the area include Sea World, Harcourt Brace Jovanovich headquarters, the Wynfield Inn, Sheraton World, and Stouffer Resort hotels, a medical facility, Towne Center Shopping Center, 6 new apartment complexes, and an office center. The Orangewood PUD contains an 18 hole golf course names The International Golf Club. This facility was opened in 1986. Property values have also been escalating rapidly in the area.

Orangewood N-2

Orangewood N-2 is a plated sub-division containing a gross land area of approximately 584.7 acres. The property is bordered by Central Florida Parkway to the north. Westwood Boulevard to the west and south, and International Drive to the east. There are a total of 17 tracts in the development, all of which are fully developed.

Interstate 4 Interchange

The Department of Transportation of the State of Florida has approved the half interchange proposed for the intersection of Central Florida Parkway and I-4, at the northwest corner of Orangewood N-2. This interchange will permit direct access to I-4 for southbound traffic from Central Florida Parkway, and to Central Florida parkway from northbound traffic on I-4.

Exhibit III-2A (Continued)  
Neighborhood Data  
St. Andrews Apartments at Westwood

The approved interchange will provide direct access from the south to visitors of Sea World and the HBJ headquarters complex. This is viewed as a significant advantage since approximately 60 percent of Sea World visitors arrive from south of the Park, including those coming from Disney World/EPCOT and Walt Disney World Village. It will also provide direct access from I-4 to the Florida Mall via Central Florida Parkway

Central Florida Parkway Extension

HBJ has received a \$2 million grant from the State of Florida Department of Commerce for the extension of the Central Florida Parkway to State Road 441. This grant is part of a state fund available for projects which significantly enhance the economic development of the State of Florida. The \$2 million grant was utilized for the construction of this roadway which was completed in August 1989.

International Drive Extension

The 3.5 mile extension of International Drive from the South end of Orangewood N-2 to State Road 535 was approved by the Orange County Board of Commissioners in a development agreement executed on December 21, 1987. A group of six property owners control approximately 90 percent of the land to be utilized for this extension, and condemnation power for the remaining 10 percent is included in the development agreement. The six property owners have dedicated right-of-ways and each has funded their pro rata share of the extension. On April 14, 1988 all final approvals and the necessary \$8 million funding was announced. Construction has commenced. Completion is expected by December 1990.

This extension has a major impact on the neighborhood, as it will provide the second form of direct access through Neighborhood N-2 to the main entrance of Disney World and EPCOT Center. The anticipated value of property along this extension is best demonstrated by the fact that parcels with no approved zoning or sewer have been sold at average prices of \$250,000 to \$300,000 per acre.

All of these planned improvements will have a very positive impact relative to the absorption and value of the remaining parcels in the Orangewood and Westwood PUD's.

## Competitive Property survey

[illegible]

400



Exhibit III-2A (cont'd)  
Competitive Property Survey  
St. Andrews Apartments at Westwood

Map #	Property Name and Address	Unit Type	Unit Mix	Area (SF)	Monthly Rent	Rent (/SF)	Developer	Date Completed	Occ.	Comments
4	Hidden Lake 4150 Kirkman Road	1BR/1BA	48	540	\$445	\$0.82	Lincoln Properties	1986	98%	Amenities: Pool, tennis court, washer/dryer, screened patios.
		1BR/1BA	64	617	\$475	\$0.77				
		1BR/1BA	32	696	\$495	\$0.71				
		2BR/2BA	16	873	\$575	\$0.66				
		2BR/2BA	32	954	\$605	\$0.63				
		2BR/2BA	4	1078	\$675	\$0.63				
				196						
5	Windemere Lakes Phase I 5993 Oakshadow Street	1BR/1BA	120	659	\$480	\$0.73	Walsh Corporation	1987	98%	Amenities: Pool(2), tennis courts, clubhouse, washer/dryer connections. Lakefront views.
		1BR/1BA	24	742	\$525	\$0.71				
		2BR/2BA	72	855	\$585	\$0.68				
		2BR/2BA	44	1030	\$625	\$0.61				
		3BR/2BA	16	1240	\$795	\$0.64				
						276				
6	Victoria Pointe 6085 Westgate Drive	1BR/1BA	16	659	\$450	\$0.68	LeCasse Corporation	'87,'89	96%	Amenities: Pool, tennis and racquetball court, clubhouse microwave, washer/dryer, some fireplaces.
		1BR/1BA	8	791	\$485	\$0.61				
		1BR/1BA	90	1030	\$510	\$0.50				
		1BR/1BA	66	1182	\$585	\$0.49				
		2BR/1BA	24	977	\$585	\$0.60				
		2BR/1BA	24	1257	\$650	\$0.52				
		2BR/2BA	112	1106	\$620	\$0.56				
		2BR/2BA	60	1540	\$715	\$0.46				
				400						
7	The Advantages 6101 Westgate Drive	1BR/1BA	56	675	\$505	\$0.75	Greener & Associates	1988	95%	Amenities: Pool, tennis court, clubhouse, washer/dryer connections.
		1BR/1BA	84	691	\$510	\$0.74				
		2BR/1BA	28	842	\$575	\$0.68				
		2BR/1BA	84	972	\$610	\$0.63				
				252						

Exhibit III-2A (cont'd)  
Competitive Property Survey  
St. Andrews Apartments at Westwood

Map #	Property Name and Address	Unit Type	Unit Mix	Area (SF)	Monthly Rent	Rent (/SF)	Developer	Date Completed	Occ.	Comments
8	Pine Club Apartments 1417 Kirkman Road	1BR/1BA	36	546	\$450	\$0.82	PAC Land	1989	81%	Amenities: Pool, tennis court, washer/dryers.
		1BR/1BA	96	648	\$490	\$0.76				
		1BR/1BA	32	661	\$490	\$0.74				
		2BR/2BA	84	903	\$600	\$0.66				
		2BR/2BA	40	900	\$600	\$0.67				
		3BR/2BA	24	1024	\$690	\$0.67				
			312							
9	Copper Terrace 1801 Kirkman Road	1BR/1BA		723	\$490	\$0.68	Loup	1989	55%	Under construction and lease-up.
		1BR/1BA		736	\$510	\$0.69	Miller			
		1BR/1BA		755	\$520	\$0.69				
		2BR/2BA		1015	\$655	\$0.65				
		2BR/2BA		1015	\$715	\$0.70				
			300							
10	Monte Vista 6421 Conroy Road	1BR/1BA	84	550	\$450	\$0.82	Embrey	1989	50%	Under construction and lease-up.
		1BR/1BA	72	658	\$490	\$0.74				
		1BR/1BA	40	732	\$530	\$0.72				
		2BR/2BA	72	911	\$655	\$0.72				
		2BR/2BA	56	1019	\$705	\$0.69				
		2BR/2BA	36	1145	\$770	\$0.67				
			360							
11	The Greens 1658 South Hlawassee	1BR/1BA		740	\$570	\$0.77	ContraVest	1989		Under construction and lease-up.
		2BR/2BA		1040	\$740	\$0.71				
			200							

Exhibit III - 3C  
Potential Development Sites  
St. Andrews Apartments at Westwood

Map No.	Property Owner	Comments
1)	Busch Properties	Purchased land as part of their 1.1 billion dollar acquisition of Harcourt, Brace, Jovanovich. Well capitalized, they have indicated they have no intention of down zoning sites in their portfolio and will develop the property in an orderly process. Investment basis for the land appears to be no less than \$200,000 per acre.
2)	Vista Group	No sites available that are not under contract or which have appropriate site configuration for the development of apartments. Last apartment sale was a 384 unit site located on the north side of the International Golf Course. Vista, which purchased this land from HBJ in 1988 for \$12,000 per unit and recently sold it to Marriott for \$23,000, considers this their benchmark price (see land sale comparables 1 and 2).
3)	Marriott	Currently has six sites they are considering for development. Two have been purchased for time share use and four are being planned for hotel development. Likely to proceed with a Marriott Village containing 950 units with approximately 400 time share units (see Land Sale Comparables 1 and 2).
4)	Goodman & Rossman	These well-to-do families have placed this land in a trust for their children and have taken a buy-and-hold strategy toward its development, typically selling to highest bidder only after the surrounding area has been completely built out. Having held this acreage for approximately 15 years, their basis is very low.
5)	Vista Group	Approximately 1300 acres (700 useable) with plans for single family development and a golf course. One 400-unit apartment site planned. Presently being marketed for \$10,000 per unit without appropriate zoning. Completion of the PUD Development of Regional Impact study is anticipated in late 1991.
6)		Currently being marketed at \$8,500 per unit, this parcel is planned for development of 360 units.

# Exhibit III-3D Map of Sites of Potential Development St. Andrews Apartments at Westwood



Exhibit III-3E  
Land Sale Comparables  
St. Andrews Apartments at Westwood

**LAND COMPARABLE #1**

**PROPERTY:** Parcel #2 Westwood Development

**SELLER:** Florida Land Company

**BUYER:** Trammell Crow Company

**STATUS:** Signed contract--eventually sold to Marriott for time share development.  
(See Land Comparable #2)

**ACRES:** 18

**NUMBER OF UNITS:** 216

**NUMBER OF UNITS  
PER ACRE:** 12

**PRICE:** \$2,340,000

**PRICE PER  
APARTMENT UNIT:** \$10,833  
(See Sites for Potential Development #3)

**LAND COMPARABLE #2**

**PROPERTY:** Parcel #2 Westwood Development

**SELLER:** Trammell Crow Company

**BUYER:** Marriott Time Share Resorts

**STATUS:** Closed

**ACRES:** 18

**NUMBER OF UNITS:** 216

**NUMBER OF UNITS  
PER ACRE:** 12

**PRICE:** \$4,968,000

**PRICE PER  
APARTMENT UNIT:** \$23,000  
(See Sites for Potential Development #3)

Exhibit III-3E (Continued)  
Land Sale Comparables  
St. Andrews Apartments at Westwood

**LAND COMPARABLE #3**

<b>PROPERTY:</b>	Tract #14 Westwood Development
<b>SELLER:</b>	Florida Land Company
<b>BUYER:</b>	Hanover Group - Broadwater Apartments
<b>STATUS:</b>	Sold
<b>ACRES:</b>	22.8
<b>NUMBER OF UNITS:</b>	408
<b>NUMBER OF UNITS PER ACRE:</b>	18
<b>PRICE:</b>	\$3,345,600
<b>PRICE PER APARTMENT UNIT:</b>	\$8,200 (See Sites for Potential Development #3)

**LAND COMPARABLE #4**

<b>PROPERTY:</b>	Tract #13 Westwood Development
<b>SELLER:</b>	Florida Land Company
<b>BUYER:</b>	Granada Monterey Apartments
<b>STATUS:</b>	Sold
<b>ACRES:</b>	18.3
<b>NUMBER OF UNITS:</b>	252
<b>NUMBER OF UNITS PER ACRE:</b>	18
<b>PRICE:</b>	\$2,142,000
<b>PRICE PER APARTMENT UNIT:</b>	\$8,500

Exhibit III-3E (Continued)  
Land Sale Comparables  
St. Andrews Apartments at Westwood

**LAND COMPARABLE #5**

<b>PROPERTY:</b>	Fenton/Vista Group
<b>SELLER:</b>	Vista Group
<b>BUYER:</b>	Marriott Time Share
<b>STATUS:</b>	Closed
<b>ACRES:</b>	21.3
<b>NUMBER OF UNITS:</b>	384
<b>NUMBER OF UNITS PER ACRE:</b>	18
<b>PRICE:</b>	\$8,823,000
<b>PRICE PER APARTMENT UNIT:</b>	\$23,000

**Exhibit III-3F**

## Map of Land Sale Comparables

## St. Andrews Apartments at Westwood

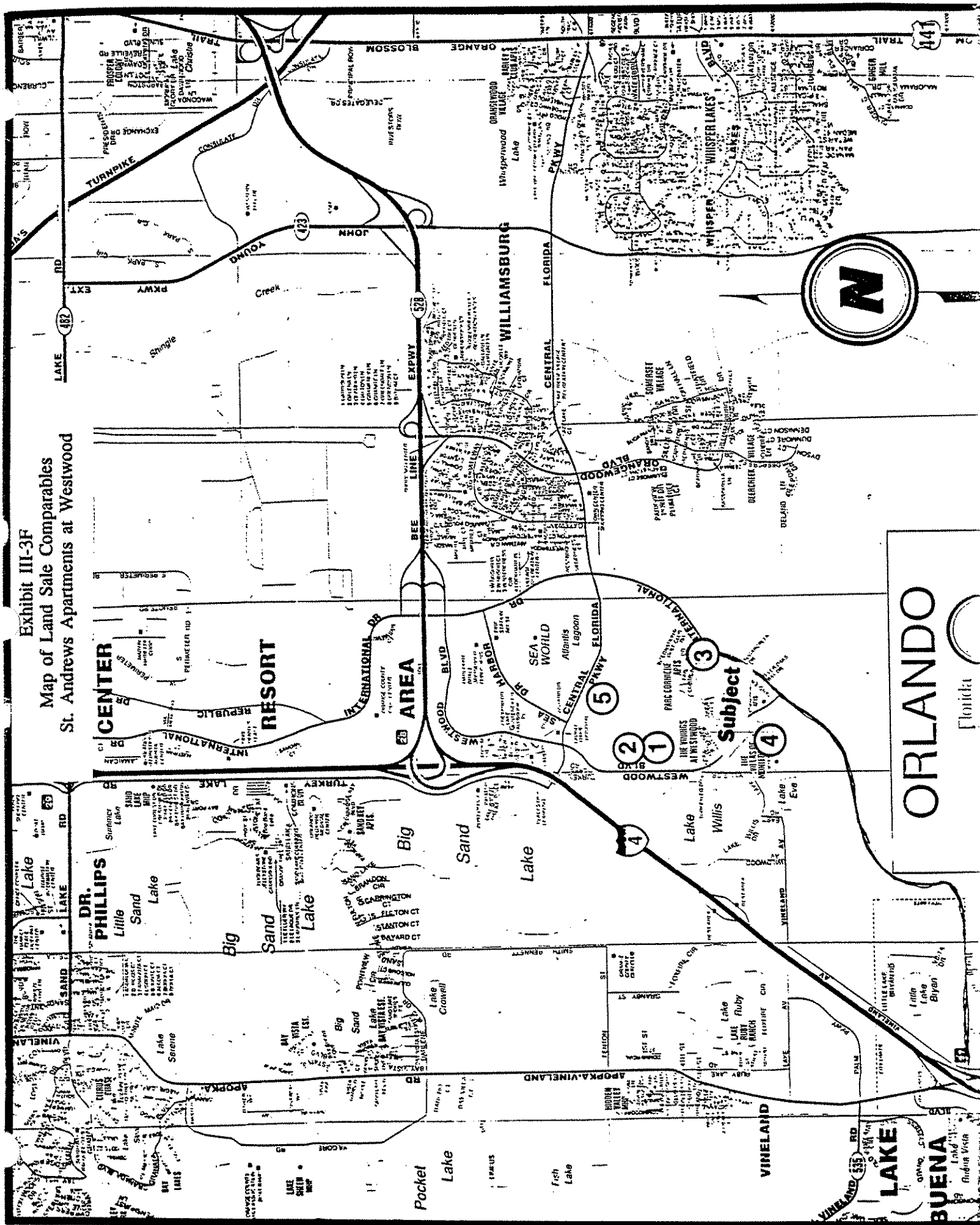




Exhibit V - 1  
Assumptions to Cash Flow Summaries  
St. Andrews Apartments at Westwood

	Conservative	Most Likely	Optimistic
Total Number of Units	259	259	259
Total Area (net living area, SF)	216,560	216,560	216,560
Initial Rental Rate	\$0.69	\$0.69	\$0.69
Other Income (\$/unit/month)	\$6.00	\$6.00	\$6.00
Growth Rate (Income)	5.00%	5.00%	5.00%
Growth Rate (Expenses)	5.00%	5.00%	5.00%
Vacancy Allowance Throughout	7.00%	7.00%	7.00%
Average Operating Expenses (\$/unit/year)	\$2,442	\$2,456	\$2,456
Average Fixed Expenses (\$/unit/year)	\$1,312	\$1,312	\$1,312
Average Variable Expenses (\$/unit/year)	\$1,130	\$1,144	\$1,144
Capital Reserve (\$/unit/year)	\$100	\$100	\$100
Initial Capitalization Rate	7.68%	8.19%	8.19%
Terminal Capitalization Rate	8.75%	8.75%	8.75%
Sale Expenses	3.00%	3.00%	3.00%
Purchase Price	\$13,800,000	13,800,000	13,800,000
Percentage Leverage	60.0%	60.0%	60.0%

Note : Terms of Leverage

Principal Balance:	8,280,000
Interest Rate:	10.0%
Repayment Type:	- balloon
	- interest only annual payments
Term:	- through duration of project

Exhibit V - 2  
Pro Forma Income and Expenses  
St. Andrews Apartments at Westwood

	Conservative	Most Likely	Optimistic
Rental Income	1,800,900	1,800,900	1,800,900
Corporate Unit Premiums	0	79,200	79,200
Plus: Other Income @ \$6.00 /unit/month	18,648	18,648	18,648
Equals: Gross Income	1,819,548	1,898,748	1,898,748
Less: Vacancy @ 7.00%	127,368	132,912	132,912
Equals: Effective Gross Income	1,692,180	1,765,836	1,765,836
Operating Expenses			
Real Estate Taxes	202,020	202,020	202,020
Community Assessments	12,828	12,828	12,828
Insurance	31,764	31,764	31,764
Utilities	93,132	93,132	93,132
Total Fixed Expenses	339,744	339,744	339,744
Payroll and Related	110,100	110,100	110,100
Maintenance and Services	76,340	76,340	76,340
Marketing	21,601	21,601	21,601
Management @ 5.00%	84,609	88,292	88,292
Total Variable Expenses	292,650	296,333	296,333
Less: Total Operating Expenses	632,394	636,077	636,077
Equals: Net Operating Income	1,059,786	1,129,759	1,129,759
Less: Capital Reserve @ \$100 /unit	25,900	25,900	25,900
Equals: NOI After Reserves	1,033,886	1,103,859	1,103,859
Less: Debt Service	828,000	828,000	828,000
Equals: Net Cash Flow	205,886	275,859	275,859
Loan To Value Ratio	0.60	0.60	0.60
Indicated Debt Service Ratio	1.28	1.36	1.36
Estimated Yield on Total Capital (IRR)	11.29%	11.42%	12.02%
First Year Return on Invested Capital	7.50%	8.00%	8.00%
Estimated Yield on Total Equity (IRR)	12.74%	13.02%	14.24%
First Year Return on Invested Equity	3.70%	5.00%	5.00%

**Exhibit V - 3A  
Cash Flow Summary  
St. Andrews Apartments at Westwood  
Conservative Case**

**GROSS INCOME:**

Unit Type	# of Units	SF per Unit	Total SF	Monthly Rent	Rent Per SF	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1BR/1BA	72	712	51,264	\$485	\$6.80	\$419,040	\$439,992	\$461,992	\$485,091	\$509,346	\$534,813	\$561,554	\$589,631	\$619,113	\$650,869	\$682,572
1BR/1BA	72	742	53,424	\$535	\$6.72	\$462,240	\$485,352	\$509,620	\$535,101	\$561,856	\$589,948	\$619,446	\$650,418	\$682,939	\$717,086	\$752,940
1BR/1BA	64	932	59,648	\$615	\$6.66	\$472,320	\$495,936	\$520,733	\$546,769	\$574,108	\$602,813	\$632,954	\$664,602	\$697,832	\$732,723	\$769,360
1BR/1BA	51	1,024	52,224	\$665	\$6.65	\$406,980	\$427,329	\$448,695	\$471,130	\$494,687	\$519,421	\$545,392	\$572,662	\$601,295	\$631,360	\$662,928
259	836	216,560	\$566	\$6.68	1,760,580	1,840,609	1,941,039	2,038,091	2,139,996	2,246,996	2,359,346	2,477,313	2,601,179	2,731,237	2,867,799	
+ Corporate Unit Premium					0	0	0	0	0	0	0	0	0	0	0	0
+ Other Premiums					40,320	42,336	44,433	46,675	49,009	51,460	54,033	56,734	59,571	62,550	65,677	
+ Other Income @				\$6.00 /unit/mo.	18,648	19,580	20,559	21,587	22,667	23,800	24,990	26,240	27,552	28,929	30,376	
- Vacancy Allowance @				7.02	(127,368)	(133,737)	(140,424)	(147,445)	(154,817)	(162,558)	(170,686)	(179,220)	(188,181)	(197,598)	(207,470)	
= Effective Gross Income					1,692,180	1,776,789	1,865,628	1,958,909	2,056,855	2,159,698	2,267,683	2,381,067	2,500,120	2,623,126	2,756,382	
Operating Expenses					(345,765)	(363,053)	(381,206)	(400,266)	(420,280)	(441,293)	(463,358)	(486,526)	(510,852)	(536,395)	(563,215)	
Taxes					(202,020)	(212,121)	(222,727)	(233,863)	(245,557)	(257,834)	(270,726)	(284,262)	(298,476)	(313,399)	(329,069)	
Management @				5.02	(84,609)	(88,839)	(93,281)	(97,945)	(102,843)	(107,985)	(113,384)	(119,053)	(125,006)	(131,256)	(137,819)	
- Total Expenses					(632,394)	(664,014)	(697,214)	(732,075)	(768,679)	(807,113)	(847,468)	(889,842)	(934,334)	(981,051)	(1,030,103)	
= Net Operating Income					1,059,786	1,112,775	1,168,414	1,226,834	1,288,176	1,352,585	1,420,214	1,491,225	1,565,786	1,644,075	1,726,279	
- Capital Reserve @				\$100 /unit	(25,900)	(27,195)	(28,555)	(29,782)	(31,482)	(33,056)	(34,708)	(36,444)	(38,266)	(40,179)	(42,188)	
= NOI After Reserves					1,033,886	1,085,580	1,139,859	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	1,603,896	1,684,091	
- Debt Service					(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	
= Net Cash Flow					205,886	257,580	311,859	368,852	428,694	491,529	557,506	626,781	699,520	775,896	856,091	
Projected Sales Price - 11th year NOI capped @							8.75%								19,728,905	
- Capital Reserves															(42,188)	
- Sale Expenses @				3.02											(591,867)	
= Proceeds From Sale															19,094,849	
- Outstanding Debt															(8,280,000)	
= Cash Proceeds From Sale															10,814,849	
Purchase Price					\$13,800,000											
GAR					7.68%											

**PROJECT YIELD ANALYSIS**

**Return On Invested Capital**

Invested Capital	(13,800,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI After Reserves	1,033,886	1,085,580	1,139,859	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	1,603,896						
Proceeds From Sale	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,094,849	
Total Cash Flow	(13,800,000)	1,033,886	1,085,580	1,139,859	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	20,698,745					
Estimated Yield on Total Capital (IRR)		11.29%														
Annual Return on Invested Capital		7.52	7.92	8.32	8.72	9.12	9.62	10.02	10.32	11.12	11.62					

**Return On Total Equity**

Invested Equity	(5,520,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	205,886	257,580	311,859	368,852	428,694	491,529	557,506	626,781	699,520	775,896						
Cash Proceeds From Sale	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,814,849					
Net Cash Flow	(5,520,000)	205,886	257,580	311,859	368,852	428,694	491,529	557,506	626,781	699,520	11,590,745					
Estimated Yield on Total Equity (IRR)		12.74%														
Annual Return On Invested Equity		3.72	4.72	5.62	6.72	7.82	8.92	10.12	11.42	12.72	14.12					
Loan To Value Ratio		60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02					
Debt Service Ratio		1.28	1.34	1.41	1.48	1.56	1.63	1.72	1.80	1.89	1.99					

Exhibit V - 3B  
Cash Flow Summary  
St. Andrews Apartments at Westwood  
Most Likely Case

GROSS INCOME:

Unit Type	# of Units	SF per Unit	Total SF	Mnthly Rent	Rent Per SF	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1BR/1BA	72	712	51,264	\$485	\$0.68	\$419,040	\$439,992	\$461,992	\$485,091	\$509,346	\$534,813	\$561,554	\$589,631	\$619,113	\$650,069	\$682,572
1BR/1BA	72	742	53,424	\$535	\$0.72	\$462,240	\$485,352	\$509,620	\$535,101	\$561,856	\$589,948	\$619,446	\$650,418	\$682,939	\$717,086	\$752,940
1BR/1BA	64	932	59,648	\$615	\$0.66	\$472,320	\$495,936	\$520,733	\$546,769	\$574,108	\$602,813	\$632,954	\$664,602	\$697,852	\$732,723	\$769,360
1BR/1BA	51	1,024	52,224	\$665	\$0.65	\$406,980	\$427,329	\$448,695	\$471,130	\$494,607	\$519,421	\$545,392	\$572,662	\$601,295	\$631,360	\$662,928
259	836	216,560	\$566	\$0.68		1,760,580	1,840,609	1,941,039	2,038,091	2,139,996	2,246,996	2,359,346	2,477,313	2,601,179	2,731,237	2,867,799
+ Corporate Unit Premium						79,200	53,064	26,136	0	0	0	0	0	0	0	0
+ Other Premiums						40,320	42,336	44,453	46,675	49,009	51,460	54,033	56,734	59,571	62,550	65,677
+ Other Income @				\$6.00 /unit/mo.		18,648	19,580	20,559	21,587	22,667	23,800	24,990	26,240	27,552	28,929	30,376
- Vacancy Allowance @				7.0%		(132,912)	(137,451)	(142,253)	(147,445)	(154,817)	(162,558)	(170,686)	(179,220)	(188,181)	(197,590)	(207,470)
= Effective Gross Income						1,765,036	1,826,138	1,889,935	1,958,909	2,056,855	2,159,698	2,267,683	2,381,067	2,500,120	2,625,126	2,756,382
Operating Expenses						(345,765)	(363,053)	(381,206)	(400,266)	(420,280)	(441,293)	(463,358)	(486,526)	(510,852)	(536,395)	(563,215)
Taxes						(202,020)	(212,121)	(222,727)	(233,863)	(245,557)	(257,834)	(270,726)	(284,262)	(298,476)	(313,399)	(329,069)
Management @				5.0%		(88,292)	(91,307)	(94,497)	(97,945)	(102,843)	(107,985)	(113,384)	(119,053)	(125,006)	(131,256)	(137,819)
- Total Expenses						(636,077)	(666,481)	(698,430)	(732,075)	(768,679)	(807,113)	(847,468)	(889,842)	(934,334)	(981,051)	(1,030,103)
= Net Operating Income						1,129,759	1,159,657	1,191,505	1,226,834	1,288,176	1,352,585	1,420,214	1,491,225	1,565,786	1,644,075	1,726,279
- Capital Reserve @				\$100 /unit		(25,900)	(27,195)	(28,555)	(29,982)	(31,482)	(33,056)	(34,708)	(36,444)	(38,266)	(40,179)	(42,188)
= NOI After Reserves						1,103,859	1,132,462	1,162,950	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	1,603,896	1,684,091
- Debt Service						(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)
= Net Cash Flow						275,859	304,462	334,950	368,852	428,694	491,529	557,506	626,781	699,520	775,896	856,091
Projected Sales Price - 11th year NOI capped @							8.75%								19,728,905	
- Capital Reserves															(42,188)	
- Sale Expenses @					3.0%										(591,867)	
= Proceeds From Sale															19,094,849	
- Outstanding Debt															(8,280,000)	
= Cash Proceeds From Sale															10,814,849	
Purchase Price						\$13,800,000										
QAR						8.1%										

PROJECT YIELD ANALYSIS

Return On Invested Capital

Invested Capital	(13,800,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI After Reserves		1,103,859	1,132,462	1,162,950	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	1,603,896					
Proceeds From Sale		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,094,849				
Total Cash Flow	(13,800,000)	1,103,859	1,132,462	1,162,950	1,196,852	1,256,694	1,319,529	1,385,506	1,454,781	1,527,520	20,698,745					
Estimated Yield on Total Capital (IRR)		11.42%														
Annual Return on Invested Capital		8.0%	8.2%	8.4%	8.7%	9.1%	9.6%	10.0%	10.5%	11.1%	11.6%					

Return On Total Equity

Invested Equity	(5,520,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow		275,859	304,462	334,950	368,852	428,694	491,529	557,506	626,781	699,520	775,896					
Cash Proceeds From Sale		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,814,849				
Net Cash Flow	(5,520,000)	275,859	304,462	334,950	368,852	428,694	491,529	557,506	626,781	699,520	11,590,745					
Estimated Yield on Total Equity (IRR)		13.02%														
Annual Return On Invested Equity		5.0%	5.5%	6.1%	6.7%	7.8%	8.9%	10.1%	11.4%	12.7%	14.1%					
Loan To Value Ratio		60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%					
Debt Service Ratio		1.36	1.40	1.44	1.48	1.56	1.63	1.72	1.80	1.89	1.99					

**Exhibit V - 3C**  
**Cash Flow Summary**  
**St. Andrews Apartments at Westwood**  
**Optimistic Case**

**GROSS INCOME:**

Unit Type	# of Units	SF per Unit	Total SF	Monthly Rent	Rent Per SF	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1BR/1BA	72	712	51,264	\$485	\$0.60	\$419,040	\$439,992	\$461,992	\$485,091	\$509,346	\$534,813	\$561,554	\$589,631	\$619,113	\$650,069	\$682,572
1BR/1BA	72	742	53,424	\$535	\$0.72	\$462,240	\$485,352	\$509,620	\$533,101	\$561,856	\$589,940	\$619,496	\$650,418	\$682,939	\$717,086	\$752,940
1BR/1BA	64	932	59,648	\$615	\$0.66	\$472,320	\$495,936	\$520,733	\$546,769	\$574,108	\$602,813	\$632,954	\$664,402	\$697,832	\$732,723	\$769,360
1BR/1BA	51	1,024	52,224	\$665	\$0.65	\$404,980	\$427,329	\$448,695	\$471,130	\$494,687	\$519,421	\$545,392	\$572,462	\$601,293	\$631,360	\$662,920
259	836	216,560	\$566	\$0.60		1,760,380	1,848,609	1,941,039	2,038,091	2,139,996	2,246,996	2,359,346	2,477,313	2,601,179	2,731,237	2,867,799
+ Corporate Unit Premium						79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200
+ Other Premiums						40,320	42,336	44,453	46,675	49,009	51,460	54,033	56,734	59,571	62,550	65,677
+ Other Income @			\$6.00 /unit/mo.			18,648	19,580	20,559	21,587	22,667	23,800	24,990	26,240	27,552	28,929	30,376
- Vacancy Allowance @			7.02			(132,912)	(139,281)	(145,968)	(152,989)	(160,361)	(168,102)	(176,230)	(184,764)	(193,725)	(203,134)	(213,014)
= Effective Gross Income						1,765,036	1,850,445	1,939,284	2,032,565	2,130,511	2,233,354	2,341,339	2,454,723	2,573,776	2,698,782	2,830,038
Operating Expenses						(345,765)	(363,053)	(381,206)	(400,266)	(420,280)	(441,293)	(463,358)	(486,526)	(510,852)	(536,395)	(563,215)
Taxes						(202,020)	(212,121)	(222,727)	(233,863)	(245,557)	(257,834)	(270,726)	(284,262)	(298,476)	(313,399)	(329,069)
Management @				5.02		(88,292)	(92,522)	(96,964)	(101,620)	(106,526)	(111,668)	(117,067)	(122,736)	(128,689)	(134,939)	(141,502)
- Total Expenses						(636,077)	(667,696)	(700,897)	(735,758)	(772,362)	(810,796)	(851,151)	(893,525)	(938,017)	(984,733)	(1,033,786)
= Net Operating Income						1,129,759	1,182,748	1,238,387	1,296,808	1,358,149	1,422,558	1,490,187	1,561,198	1,635,759	1,714,049	1,796,252
- Capital Reserve @				\$100 /unit		(25,900)	(27,195)	(28,555)	(29,982)	(31,482)	(33,056)	(34,708)	(36,444)	(38,266)	(40,179)	(42,188)
= NOI After Reserves						1,103,859	1,155,553	1,209,832	1,266,825	1,326,668	1,389,502	1,455,479	1,524,754	1,597,493	1,673,869	1,754,064
- Debt Service						(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)	(828,000)
= Net Cash Flow						275,859	327,553	381,832	438,825	498,668	561,502	627,479	696,754	769,493	845,869	926,064
Projected Sales Price - 11th year NOI capped @							8.75%								20,328,598	
- Capital Reserves															(42,188)	
- Sale Expenses @				3.02											(615,858)	
= Proceeds From Sale															19,870,552	
- Outstanding Debt															(8,286,880)	
= Cash Proceeds From Sale															11,583,672	
Purchase Price			\$13,800,000													
DAR			8.192													

**PROJECT YIELD ANALYSIS**

**Return On Invested Capital**

Invested Capital	(13,800,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI After Reserves		1,103,859	1,155,553	1,209,832	1,266,825	1,326,668	1,389,502	1,455,479	1,524,754	1,597,493	1,673,869	1,754,064	1,839,869	1,920,869	1,997,869	2,070,869
Proceeds From Sale		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Cash Flow	(13,800,000)	1,103,859	1,155,553	1,209,832	1,266,825	1,326,668	1,389,502	1,455,479	1,524,754	1,597,493	1,673,869	1,754,064	1,839,869	1,920,869	1,997,869	2,070,869
Estimated Yield on Total Capital (IRR)		12.022														
Annual Return on Invested Capital		8.02	8.42	8.82	9.22	9.62	10.02	10.42	10.82	11.22	11.62	12.02	12.42	12.82	13.22	13.62

**Return On Total Equity**

Invested Equity	(5,520,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow		275,859	327,553	381,832	438,825	498,668	561,502	627,479	696,754	769,493	845,869	926,064	1,000,000	1,070,000	1,140,000	1,210,000
Cash Proceeds From Sale		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Cash Flow	(5,520,000)	275,859	327,553	381,832	438,825	498,668	561,502	627,479	696,754	769,493	845,869	926,064	1,000,000	1,070,000	1,140,000	1,210,000
Estimated Yield on Total Equity (IRR)		14.242														
Annual Return On Invested Equity		5.02	5.92	6.92	7.92	8.92	9.92	10.92	11.92	12.92	13.92	14.92	15.92	16.92	17.92	18.92
Loan To Value Ratio		60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02	60.02
Debt Service Ratio		1.36	1.43	1.50	1.57	1.60	1.72	1.80	1.89	1.99	2.09	2.19	2.29	2.39	2.49	2.59