

Noble  Capital

*Presents*

# Cypress Creek Village

*351 Cypress Creek Road  
Cedar Park, TX 78613*

9414 Anderson Mill Road, Suite 101  
Austin, Texas 78729

512-249-2800  
[realty@noble-capital.com](mailto:realty@noble-capital.com)

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY, PLEASE CONSULT YOUR NOBLE DEVELOPMENT GROUP, LLC SALES REPRESENTATIVE FOR DETAILS.

## **Confidentiality Agreement**

**Contact: Minka Anderson**  
**Office: (512) 249-2800**

**Cypress Creek Village**

**[www.noble-capital.com](http://www.noble-capital.com)**  
**Fax: (512) 249-2803**

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## Property Profile

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Property Name:	Cypress Creek Village
Year Built:	2007
Site Area:	+/- 2.60 Acres
Building SF:	34,563
Rentable SF:	31,226

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## Investment Overview – Narrative

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Austin Texas: Here is your opportunity to get in on the action that east and west coast investors cannot stop talking about. Noble Development Group is proud to offer for sale, the "new construction" building known as Cypress Creek Village. The property is located just outside NW Austin, in Cedar Park, TX. Situated on a 4 lane road called Cypress Creek Rd, between Hwy 183 and Lakeline Blvd, the building has terrific ingress and egress, with a center turning lane providing easy access to the building. The building's trade area demographics are strong, and the commercial investment real estate fundamentals are bullish in the area. Low vacancy rates, strong rents, population growth boom, supply/demand is in balance, and job forecasts are looking up, all provide a positive forecast. The construction of the Cypress Creek Village should be completed 2nd quarter, 2007. The building was designed and constructed by top notch design and construction firms from the Austin area.

Noble Development Group will be aggressively pre-leasing the building while working on identifying the new owner. This is a great opportunity for an established investor, or for a professional group looking to own vs. lease and have the upside reward from the real estate.

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## Investment Summary

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Offering Price	\$7,796,959	Projected Financing @ 75%:\$5,847,719
TI Allowance	\$744,150 (Based on \$25/ft @31,226 sf)	Projected Financing @ 25%:\$1,949,239
Capitalization Rate	8%	Projected Interest Rate: 7.50%
Price Per Square Feet	\$225.59	NNN: \$5.90
NOI – Actual	N/A	
NOI – Pro-forma	\$623,757 (at 95% occupancy)	

## Investment Summary: Offering

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## Executive Summary

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### Highlights

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- Prime Location – 1/8 mile from Hwy 183
- Warehouse style design
- Upscale Retail Space/Professional Office space
- New construction all around
- Great Demographics
- Within 5 miles of over 42,070 Roof Tops!
- Minutes from Lakeline Mall
- Austin Community College Cypress Creek nearby
- Red Oaks Texas across the street

### General Information

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Cypress Creek Village, a 31,226 rentable square foot development for retail shops and professional offices, is a welcomed addition to the growing Cedar Park community. This class “A” mixed-use (retail/office) building features cutting edge architectural design, excellent location, and ease of accessibility that will prove to be a fantastic investment. The city of Cedar Park is conveniently located just outside NW Austin, and the building is on Cypress Creek Rd, a major artery to the heavily trafficked Hwy 183, which is less than ¼ mile away. Other major roadways providing easy access to the city include FM 1431, Lakeline Blvd, FM 734, Brushy Creek Rd, and Hwy 183-A.

Property Address: 351 Cypress Creek Road  
Cedar Park, TX 78613

County: Williamson

Nearest MSA: Austin – Round Rock

Retail Type: Retail Shops / Professional Office Building

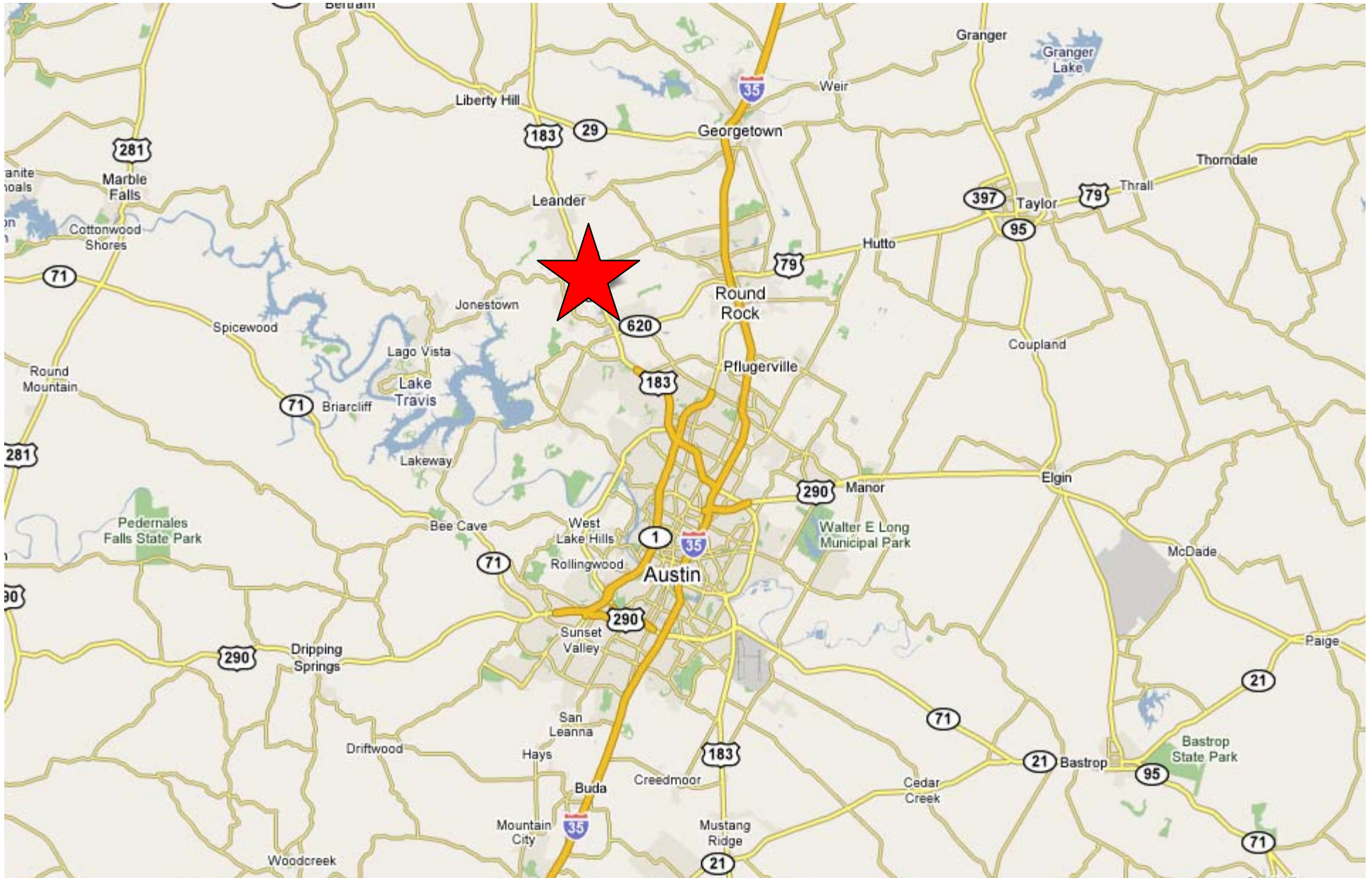
Submarket Type: Suburban/Retail

## Investment Summary: Executive Summary

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Cypress Creek Village

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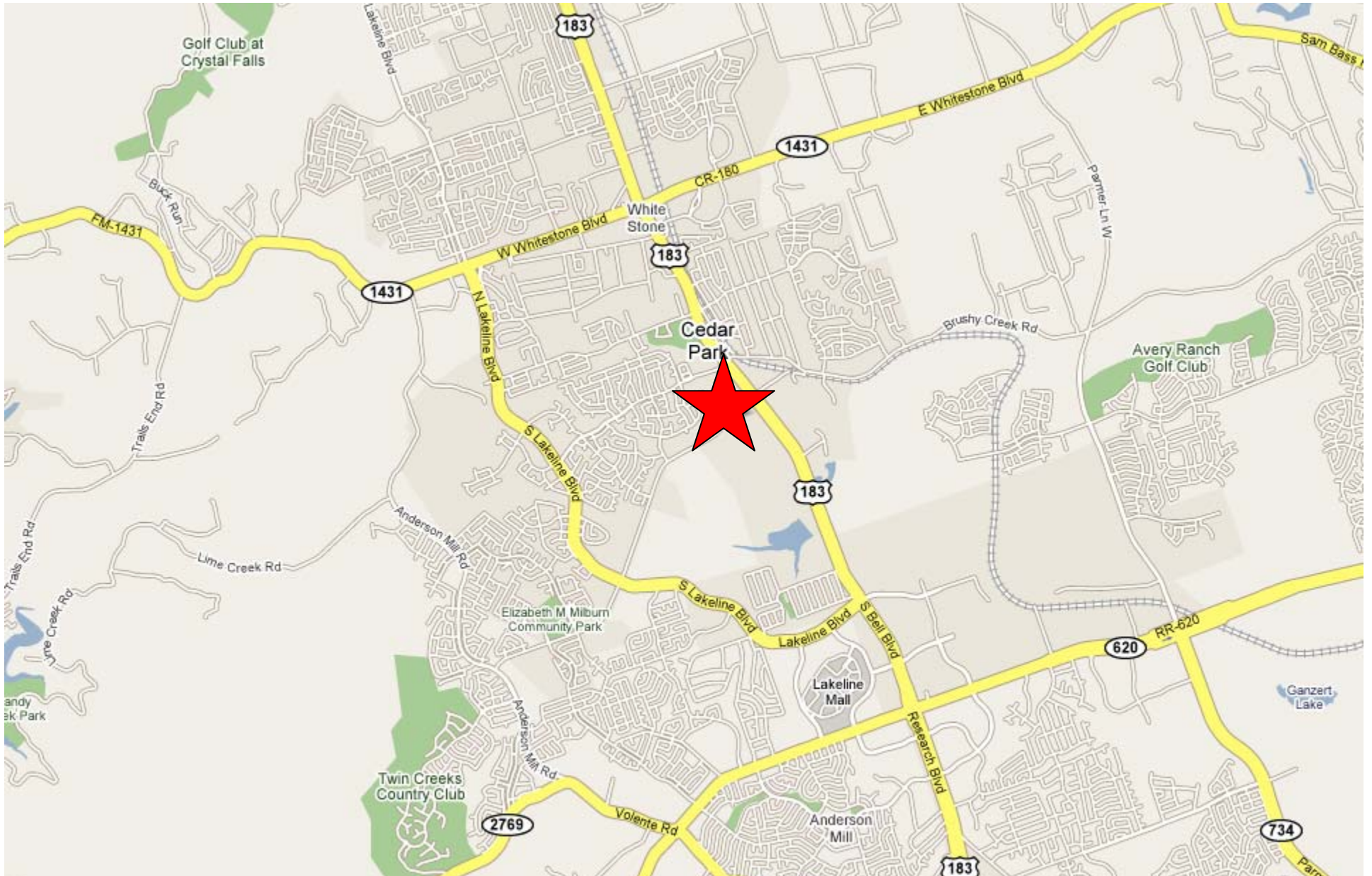


## Investment Summary: Location

Cypress Creek Village

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## Investment Summary: Location

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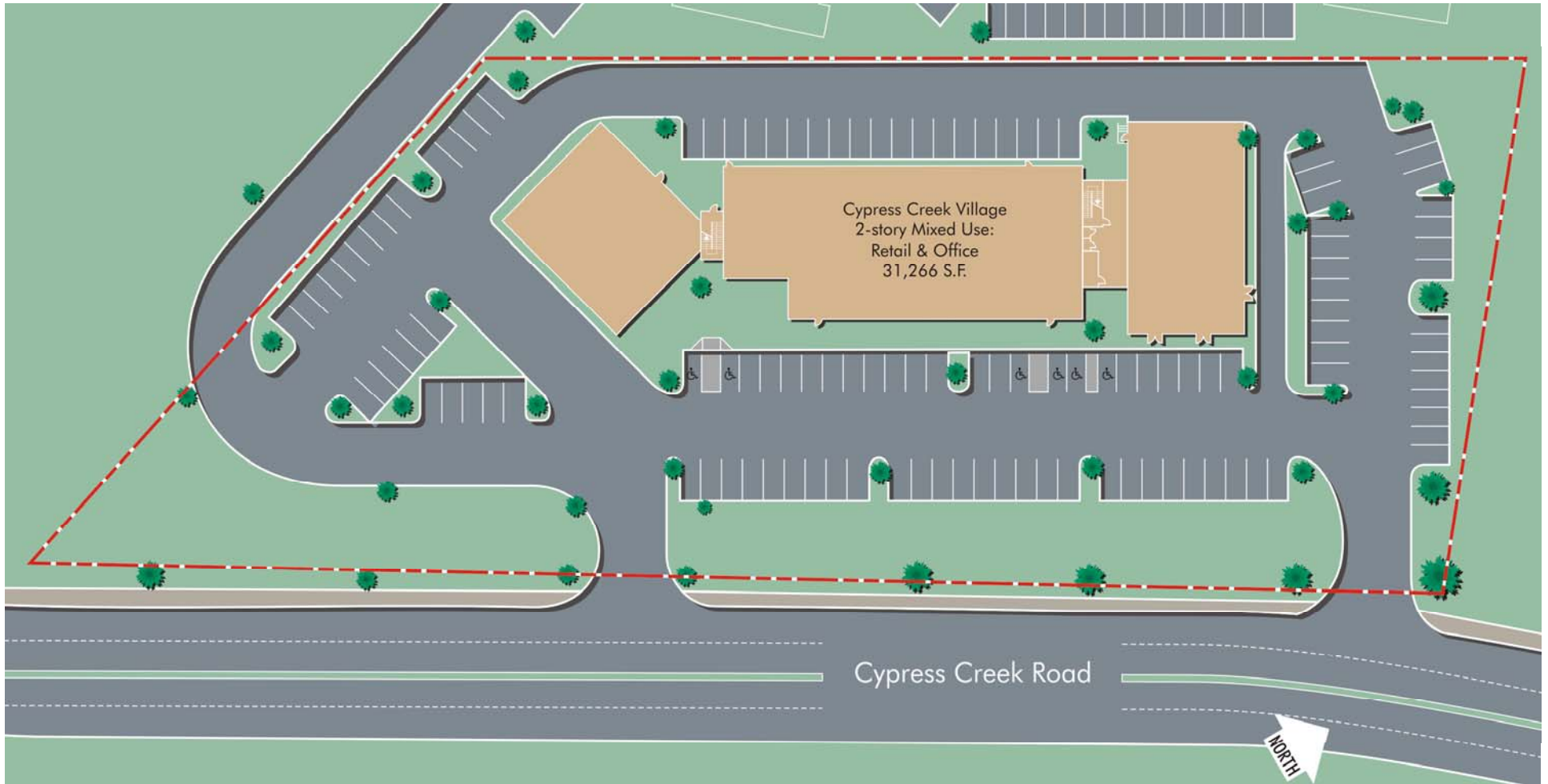
Located within five miles of a population of over 127,532 people who's average income is over \$95,495 and with traffic counts over 18,000 vehicles per day, Cypress Creek Village is positioned for success! Cedar Park's diverse community of aspiring contemporaries and working families has generated a real need for development in this area. This building is the first in a line of higher end developments for a community that continues to grow!

## Investment Summary: Aerial View

Cypress Creek Village

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Located within five miles of a population of over **127,532 people** who's **average income is over \$95,495** and with traffic counts over **18,000 vehicles per day**, Cypress Creek Village is positioned for success! Cedar Park's diverse community of aspiring contemporaries and working families has generated a real need for development in this area. This building is the first in a line of higher end developments for a community that continues to grow!

## Investment Summary: Site Plane

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Cypress Creek Village

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## Investment Summary: Rendering

Cypress Creek Village

Contact: Minka Anderson  
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**Suite  
Number**

N/A

**Tenant Name**

N/A

**Total SF**

N/A

**Annual Revenue**

N/A

**Price per SF**

N/A

<b>TOTAL</b>
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## Tenancy: Rent Rolls

Contact: Minka Anderson  
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Cypress Creek Village

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**Tenant:**

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Occupancy Date:

Leased Area:

Lease Commencement Date:

Lease Term:

Lease Expiration Date:

Security Deposit:

Annual Minimum Rent:

Additional Rent:

Taxes, Insurance, & CAM

Percentage Rent:

Renewal Options:

Guarantor:

Permitted Use:

Tenant Summary:

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**Tenant:**

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Occupancy Date:

Leased Area:

Lease Commencement Date:

Lease Term:

Lease Expiration Date:

Security Deposit:

Annual Minimum Rent:

Additional Rent:

Taxes, Insurance, & CAM

Percentage Rent:

Renewal Options:

Guarantor:

Permitted Use:

Tenant Summary:

## Tenancy: Lease Abstracts

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# Market Analysis

Date Prepared: May 11, 2007

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## Demographics at a Glance <sup>1</sup>

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Miles	Population	Households	Avg. Income
1	7,928	2,514	\$88,750
3	48,731	15,584	\$97,166
5	127,532	42,070	\$95,495

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## Traffic Counts <sup>2</sup>

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Cypress Creek Road W of Hwy 183: 18,000 vpd (2004)  
Hwy 183 NW of Hwy 620/Hwy 45: 56,000 vpd (2004)

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## Economic Development <sup>3</sup>

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### Major Employers:

State of Texas	67,600
University of Texas	21,000
Dell Computer Corp	16,500
AISD	10,714
Federal Government	10,200

### Universities & Colleges:

University of Texas  
Austin Community College

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## Supply & Demand <sup>3</sup>

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Average Retail Rental Rates:	\$26.04 per square foot - Round Rock	\$17.40 per square foot - Austin MSA
Average Vacancy Rates:	8% - Round Rock	8% - Austin MSA

### Sources:

- 1- Site to do Business Online (2005)
- 2- TxDOT
- 3- Real Estate Center Market Overview 2006

# Market Analysis

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## Future Developments Near Cypress Creek Village

1. Texas Department of Transportation
  1. **State Highway 45** Interchange to be completed September 2007.
  2. **State Highway 183-A** to be completed Spring 2007
2. **Austin Community College** Cypress Creek Campus is undergoing a \$100 million expansion.
3. **Red Oaks Texas** – master planned residential development across the street – 521 homes, \$200k-\$500k price range.
3. **Round Rock Hospital** recently completed a \$58 million expansion at the end of 2006.
4. The **City of Cedar Park** is expected to grow to 90,000 residents by 2010.

### Market Analysis: Future Positive Impacts

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## Investment Opportunity Discussion Terms

Project Name	Cypress Creek Village
Project Type	Mixed use Office/ Retail Center
Investment Type	Real Estate Purchase and Hold

Below are general discussion terms on how the deal could be structured. The numbers are approximate only and are not to be relied upon as the final terms. The final terms will be clearly documented in a purchase contract & management/ leasing agreement between the parties.

Categories	Terms	Notes
Developer/ Sponsor:	Noble Capital	Currently owns property, and has originated and managed the entire development from conception. Noble will continue to manage the the last phase of the development including the lease-up and management of the property.
Investor/ Buyer:	TBD	Buyer will obtain a development loan (or pay cash) for the purchase the property. Buyer will enter into a leasing & management agreement with Noble.
Purchase Agreement	Price	\$7,796,959
	Option Period	30 Days
	Closing:	30 Days after expiration of Option Period
	Option Money	\$2500/ Non Refundable & Applicable
	Earnest Money	\$75,000/ Refundable & Applicable
Leasing & Management Agreement	Noble & Buyer will entere into a Leasing & Management Agreement where Noble will be responsible for leasing and managing the property for Buyer. Noble will provide leasing and management reports to buyer on a monthly basis.	
Guarantee from Developer	Noble will guarantee the performance of the property by agreeing to cover all negative cash-flow until the property is stabilized.	
Finance Structure	Development Loan	Buyer will obtain a development loan for the first 24 months. The loan will be interest only through the lease-up
	Permanent Loan	Buyer will refinance into permanent loan once the property has stabilized and reached +/- 80% occupancy.
Financial Summary & Projections (10 year hold)	Debt	\$6,237,567
	Equity-In	\$1,559,392
	Cap Rate (going in):	8.00
	Terminal CAP Rate	7.50
	IRR - Unleveraged	9.27%
	IRR - Leveraged	16.37%

10 Year Cash Flow Analysis - Leveraged with 7.5 Terminal CAP Rate (Before Tax)

end of yr	0	Cash Flows	+ Sales Proceeds	= Total Cash Flows
	0	(\$1,559,392)		(\$1,559,392)
	1	(\$406,015)	\$406,015 *	\$0
	2	\$44,741		\$44,741
	3	\$71,914		\$71,914
	4	\$90,666		\$90,666
	5	\$109,980		\$109,980
	6	\$129,874		\$129,874
	7	\$150,364		\$150,364
	8	\$171,469		\$171,469
	9	\$193,208		\$193,208
	10	\$215,598	\$5,137,242	\$5,352,840

Leveraged IRR

16.37%

\* Paid by Developer

10 Year Cash Flow Analysis - Leveraged with 7.5 Terminal CAP Rate (Before Tax)

end of yr	0	Cash Flows	+ Sales Proceeds	= Total Cash Flows
	0	(\$1,559,392)		(\$1,559,392)
	1	(\$406,015)	\$406,015 *	\$0
	2	\$44,741		\$44,741
	3	\$71,914		\$71,914
	4	\$90,666		\$90,666
	5	\$109,980	\$2,982,401	\$3,092,381

Leveraged IRR

16.64%

\* Paid by Developer

10 Year Cash Flow Analysis - Un-Leveraged with 7.5 Terminal CAP Rate (Before Tax)

end of yr	0	Cash Flows	+ Sales Proceeds	= Total Cash Flows
	0	(\$7,796,959)		(\$7,796,959)
	1	\$61,803		\$61,803
	2	\$512,559		\$512,559
	3	\$625,055		\$625,055
	4	\$643,807		\$643,807
	5	\$663,121		\$663,121
	6	\$683,015		\$683,015
	7	\$703,505		\$703,505
	8	\$724,610		\$724,610
	9	\$746,348		\$746,348
	10	\$768,739	\$10,109,675	\$10,878,414

Un-Leveraged IRR

9.27%

# Offering for Disposition

## OFFERING SUMMARY

### Property Profile

Property Name	<b>Cypress Creek Village</b>	Mixed use Office/ Retail Center
Building SF	<b>34,563</b>	SF
Rentable SF	<b>31,266</b>	SF
Currently Rented	<b>1,500</b>	SF
Currently Vacant	<b>29,766</b>	SF
Rental Rate	<b>\$21.00</b>	Per SF (annually)
NNN	<b>\$5.90</b>	Per SF (annually)
Annual NNN Cost	<b>\$184,469</b>	Total Annual Expenses
TI Allowance	<b>\$25.00</b>	Per SF (rest paid by tenant)
PRI	<b>\$656,586</b>	@ 100% occupancy
Vac & Credit Loss	<b>\$32,829</b>	5% Vacancy
NOI - Pro-Forma	<b>\$623,757</b>	@95% occupancy

### Acquisition

Acquisitions Price	<b>\$7,796,959</b>	Purchase Price Based on 8 CAP
Acquisitions CAP Rate	<b>8.00%</b>	CAP RATE
Price per Square Feet	<b>\$225.59</b>	

### Development Cost Breakdown

TI Allowance/ \$/ SF	<b>\$25</b>	Allowance for TI/ Lease-up Concessions
TI Amount/ Total Allowance	<b>\$744,150</b>	Amount allowed for TI/ Lease-up Concessions
Soft Cost Escrow	<b>\$150,000</b>	Lenders Fees/ Title Fees/ Legal/ Perm Loan etc..
Leasing Commissions	<b>\$125,017</b>	Based on 5% commissions, 4 yr terms,
Total Develop. Cost Remaining	<b>\$1,019,167</b>	Held in Management Escrow
Total paid at closing	<b>\$6,777,792</b>	Paid to Developer at Closing

### Financing Analysis

Acquisition Price	<b>\$7,796,959</b>	
Loan Amount	<b>\$6,237,567</b>	Based on 80% LTC (Loan to Cost)
Equity in at Closing	<b>\$1,559,392</b>	Based on 20% Equity In
Interest Rate	<b>7.50%</b>	Market Perm Finance Rate

### Assumptions

Month	% Leased	NOI Monthly	Gross NOI Annual		% of Performing NOI Received	Un-recovered Expenses	Net NOI Annual
1	5%	\$2,599					
2	10%	\$5,198					
3	15%	\$7,797					
4	20%	\$10,396					
5	25%	\$12,995					
6	30%	\$15,594					
7	35%	\$18,193					
8	40%	\$20,792					
9	45%	\$23,391					
10	50%	\$25,990					
11	55%	\$28,589					
12	60%	\$31,188	\$202,721	Year 1	32.50%	\$124,517	\$78,204
13	65%	\$33,787					
14	70%	\$36,386					
15	75%	\$38,985					
16	80%	\$41,584					
17	85%	\$44,183					
18	90%	\$46,782					
19	95%	\$49,381					
20	100%	\$51,980					
21	100%	\$51,980					
22	100%	\$51,980					
23	100%	\$51,980					
24	100%	\$51,980	\$550,985	Year 2	88.33%	\$21,521	\$529,464
25	100%	\$51,980					
26	100%	\$51,980					
27	100%	\$51,980					
28	100%	\$51,980					
29	100%	\$51,980					
30	100%	\$51,980					
31	100%	\$51,980					
32	100%	\$51,980					
33	100%	\$51,980					
34	100%	\$51,980					
35	100%	\$51,980					
36	100%	\$51,980	\$623,757	Year 3	100.00%	\$0.00	\$623,757

## Annual Property Operating Data - Year 1

Cypress Creek Village  
SF 31,266

ALL FIGURES ARE ANNUAL	\$/SF or \$/Unit	% of GOI	Amount
1 POTENTIAL RENTAL INCOME	21.00		656,586
2 Less: Vacancy & Cr. Losses		5.00% ( % of PRI)	32,829
3 EFFECTIVE RENTAL INCOME			623,757
4 Plus: Other Income (Collectable)			0
5 GROSS OPERATING INCOME	19.95	100.00%	623,757
OPERATING EXPENSES:			
6 Real Estate Taxes	3.26	16.35%	<b>102,000</b>
7 Personal Property Taxes	0.00	0.00%	<b>0</b>
8 Property Insurance	0.51	2.57%	<b>16,000</b>
9 Off/On Site Management	0.84	4.21%	<b>26,250</b>
10 Payroll	0.00	0.00%	<b>0</b>
11 Expenses/ Benefits	0.00	0.00%	<b>0</b>
12 Taxes / Workers' Compensation	0.00	0.00%	<b>0</b>
13 Repairs and Maintenance	0.18	0.91%	<b>5,700</b>
Utilities:			
14 Electrical	0.22	1.12%	<b>7,000</b>
15 Water/ Wastewater	0.27	1.36%	<b>8,500</b>
16 Security	0.00	0.00%	<b>0</b>
17 _____	0.14	0.72%	<b>4,500</b>
18 _____	0.00	0.00%	<b>0</b>
19 Accounting & Legal	0.13	0.64%	<b>4,000</b>
20 Licenses & Permits	0.00	0.00%	<b>0</b>
21 Advertising	0.00	0.00%	<b>0</b>
22 Supplies	0.10	0.48%	<b>3,000</b>
23 Miscellaneous Contract Services			
24 Grounds Maintenance	0.24	1.20%	<b>7,500</b>
25 _____	0.00	0.00%	<b>0</b>
26 _____	0.00	0.00%	<b>0</b>
27 _____	0.00	0.00%	<b>0</b>
28 TOTAL OPERATING EXPENSES	5.90	29.57%	184,450
29 PASS THROUGH EXPENSES			CAM <b>184,450</b>
30 NET OPERATING INCOME			623,757
31 Less: Annual Debt Service			553,141
32 Less: Participation Payments			<b>0</b>
33 Less: Leasing Commissions	0.00	0.00%	<b>0</b>
34 Less: Funded Reserves	0.53	2.63%	<b>16,415</b>
35 CASH FLOW BEFORE TAXES	1.73	8.69%	54,201

Economics: APOD

## Cash Flow Analysis - Un-Leveraged

Property Name	Cypress Creek Village	Purchase Price	\$7,796,959
Prepared For	Disposition Package	Plus Acquisition Cost	
Prepared By	Jadon F. Newman, CCIM	Plus Loan Fees/ Costs	
Date Prepared	#REF!	Less Mortgages	\$0
Tax Rate Assumed	34%	Equals Initial Investment	\$7,796,959

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount			Value	\$4,147,560.00	\$0
Interest Rate			C.R. Method	Straight Line	
Amortization Period			Useful Life	39	
Loan Term			Purchase Date		
Payments/ Year			Future Sale Date		
Periodic Payment			Recapture		
Annual Debt Service			Investments Tax		
Loan Fees/ Costs	\$0.00		Credit (\$\$ or %)		

Taxable Income					
End of Year:	1	2	3	4	5
1 Potential R.I.	656,586	656,586	676,284	696,572	717,469
2 - Vacancy & CL	453,865	105,601	33,814	34,829	35,873
3 = Effective R. I.	202,721	550,985	642,469	661,743	681,596
4 + Other Income	59,946	162,931	184,450	189,984	195,683
5 = G.O.I.	262,667	713,916	826,919	851,727	877,279
6 - Operating Exp.	184,450	184,450	184,450	189,984	195,683
<b>7 = N.O.I.</b>	<b>\$78,217</b>	<b>\$529,466</b>	<b>\$642,469</b>	<b>\$661,743</b>	<b>\$681,596</b>
8 - Interest (1st Mort)	-	-	-	-	-
9 - Interest (2nd Mort)	-	-	-	-	-
10 - Participation Pay	-	-	-	-	-
11 - Cost Recovery-I	101,917	106,348	106,348	106,348	106,348
12 - Cost Recovery-P	-	-	-	-	-
13 - Amort Loan Fees	-	-	-	-	-
14 - Leasing Commis.	-	-	-	-	-
15 = R.E. Taxable Inc.	(23,699)	423,118	536,122	555,396	575,248
16 Tax Liab/ Sav	(8,058)	143,860	182,281	188,835	195,584

Cash Flow					
17 <b>N.O.I.</b>	78,217	529,466	642,469	661,743	681,596
18 - An. Debt Serv.	-	-	-	-	-
19 - Participation Pay	-	-	-	-	-
20 - Leasgin Commis	-	-	-	-	-
21 - Funded Reserves	16,415	16,907	17,414	17,937	18,475
22 = CASH FLOW BT	61,803	512,559	625,055	643,807	663,121
23 - Tax Liab/ Sav	(8,058)	143,860	182,281	188,835	195,584
<b>24 = CASH FLOW AT</b>	<b>\$69,860</b>	<b>\$368,699</b>	<b>\$442,774</b>	<b>\$454,972</b>	<b>\$467,537</b>

Economics: Cash Flow Analysis - Un-Leveraged

## Cash Flow Analysis - Un-Leveraged

<b>Taxable Income</b>					
End of Year:	6	7	8	9	10
1 Potential R.I.	738,993	761,163	783,998	807,518	831,744
2 - Vacancy & CL	36,950	38,058	39,200	40,376	41,587
3 = Effective R. I.	702,044	723,105	744,798	767,142	790,156
4 + Other Income	201,553	207,600	213,828	220,243	226,850
5 = G.O.I.	903,597	930,705	958,626	987,385	1,017,007
6 - Operating Exp.	201,553	207,600	213,828	220,243	226,850
<b>7 = N.O.I.</b>	<b>\$702,044</b>	<b>\$723,105</b>	<b>\$744,798</b>	<b>\$767,142</b>	<b>\$790,156</b>
8 - Interest (1st Mort)	-	-	-	-	-
9 - Interest (2nd Mort)	-	-	-	-	-
10 - Participation Pay	-	-	-	-	-
11 - Cost Recovery-I	106,348	106,348	106,348	106,348	101,917
12 - Cost Recovery-P	-	-	-	-	-
13 - Amort Loan Fees	-	-	-	-	-
14 - Leasing Commis.	-	-	-	-	-
15 = R.E. Taxable Inc.	595,696	616,757	638,450	660,794	688,240
16 Tax Liab/ Sav	202,537	209,697	217,073	224,670	234,002

<b>Cash Flow</b>					
17 <b>N.O.I.</b>	702,044	723,105	744,798	767,142	790,156
18 - An. Debt Serv.	-	-	-	-	\$0
19 - Participation Pay	-	-	-	-	-
20 - Leasgin Commis	-	-	-	-	-
21 - Funded Reserves	19,029	19,600	20,188	20,794	21,417
22 = CASH FLOW BT	683,015	703,505	724,610	746,348	768,739
23 - Tax Liab/ Sav	202,537	209,697	217,073	224,670	234,002
<b>24 = CASH FLOW AT</b>	<b>\$480,478</b>	<b>\$493,808</b>	<b>\$507,537</b>	<b>\$521,678</b>	<b>\$534,737</b>

### CASH FLOWS UN-LEVERAGED

end of yr	0	Cash Flows	+	Sales Proceeds	=	Total Cash Flows
	0	(\$7,796,959)				(\$7,796,959)
	1	\$61,803				\$61,803
	2	\$512,559				\$512,559
	3	\$625,055				\$625,055
	4	\$643,807				\$643,807
	5	\$663,121				\$663,121
	6	\$683,015				\$683,015
	7	\$703,505				\$703,505
	8	\$724,610				\$724,610
	9	\$746,348				\$746,348
	10	\$768,739		\$10,109,675		\$10,878,414

<b>Un-Leveraged IRR</b>	<b>9.27%</b>
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Economics: Cash Flow Analysis - Un-Leveraged

## Cash Flow Analysis - Leveraged

Property Name	Cypress Creek Village	Purchase Price	\$7,796,959
Prepared For	Disposition Package	Plus Acquisition Cost	
Prepared By	Jadon F. Newman, CCIM	Plus Loan Fees/ Costs	
Date Prepared		Less Mortgages	\$6,237,567
Tax Rate Assumed	34%	Equals Initial Investment	\$1,559,392

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount	\$6,237,567.00		Value	\$4,147,560.00	\$0
Interest Rate	7.50%		C.R. Method	Straight Line	
Amortization Period	25		Useful Life	39	
Loan Term	10		Purchase Date		
Payments/ Year	12		Future Sale Date		
Periodic Payment	\$46,095.07		Recapture		
Annual Debt Service	\$553,140.84		Investments Tax		
Loan Fees/ Costs	\$62,375.67		Credit (\$\$ or %)		

Taxable Income					
End of Year:	1	2	3	4	5
1 Potential R.I.	656,586	656,586	676,284	696,572	717,469
2 - Vacancy & CL	453,865	105,601	33,814	34,829	35,873
3 = Effective R. I.	202,721	550,985	642,469	661,743	681,596
4 + Other Income	59,946	162,931	184,450	189,984	195,683
5 = G.O.I.	262,667	713,916	826,919	851,727	877,279
6 - Operating Exp.	184,450	184,450	184,450	189,984	195,683
<b>7 = N.O.I.</b>	<b>\$78,217</b>	<b>\$529,466</b>	<b>\$642,469</b>	<b>\$661,743</b>	<b>\$681,596</b>
8 - Interest (1st Mort)	467,818	467,818	467,818	467,818	467,818
9 - Interest (2nd Mort)	-	-	-	-	-
10 - Participation Pay	-	-	-	-	-
11 - Cost Recovery-I	101,917	106,348	106,348	106,348	106,348
12 - Cost Recovery-P	-	-	-	-	-
13 - Amort Loan Fees	6,238	6,238	6,238	6,238	6,238
14 - Leasing Commis.	-	-	-	-	-
15 = R.E. Taxable Inc.	(497,754)	(50,937)	62,067	81,341	101,193
16 Tax Liab/ Sav	(169,237)	(17,319)	21,103	27,656	34,406

Cash Flow					
17 <b>N.O.I.</b>	78,217	529,466	642,469	661,743	681,596
18 - An. Debt Serv.	467,818	467,818	553,141	553,141	553,141
19 - Participation Pay	-	-	-	-	-
20 - Leasing Commis	-	-	-	-	-
21 - Funded Reserves	16,415	16,907	17,414	17,937	18,475
<b>22 = CASH FLOW BT</b>	<b>(406,015)</b>	<b>44,741</b>	<b>71,914</b>	<b>90,666</b>	<b>109,980</b>
23 - Tax Liab/ Sav	(169,237)	(17,319)	21,103	27,656	34,406
<b>24 = CASH FLOW AT</b>	<b>(\$236,778)</b>	<b>\$62,060</b>	<b>\$50,812</b>	<b>\$63,010</b>	<b>\$75,574</b>

Economic: Cash Flow Analysis - Leveraged

## Cash Flow Analysis - Leveraged

<b>Taxable Income</b>					
End of Year:	6	7	8	9	10
1 Potential R.I.	738,993	761,163	783,998	807,518	831,744
2 - Vacancy & CL	36,950	38,058	39,200	40,376	41,587
3 = Effective R. I.	702,044	723,105	744,798	767,142	790,156
4 + Other Income	201,553	207,600	213,828	220,243	226,850
5 = G.O.I.	903,597	930,705	958,626	987,385	1,017,007
6 - Operating Exp.	201,553	207,600	213,828	220,243	226,850
<b>7 = N.O.I.</b>	<b>\$702,044</b>	<b>\$723,105</b>	<b>\$744,798</b>	<b>\$767,142</b>	<b>\$790,156</b>
8 - Interest (1st Mort)	467,818	467,818	467,818	467,818	467,818
9 - Interest (2nd Mort)	-	-	-	-	-
10 - Participation Pay	-	-	-	-	-
11 - Cost Recovery-I	106,348	106,348	106,348	106,348	101,917
12 - Cost Recovery-P	-	-	-	-	-
13 - Amort Loan Fees	6,238	6,238	6,238	6,238	6,238
14 - Leasing Commis.	-	-	-	-	-
15 = R.E. Taxable Inc.	121,641	142,702	164,395	186,739	214,185
16 Tax Liab/ Sav	41,358	48,519	55,894	63,491	72,823

<b>Cash Flow</b>					
17 <b>N.O.I.</b>	702,044	723,105	744,798	767,142	790,156
18 - An. Debt Serv.	553,141	553,141	553,141	553,141	\$553,141
19 - Participation Pay	-	-	-	-	-
20 - Leasgin Commis	-	-	-	-	-
21 - Funded Reserves	19,029	19,600	20,188	20,794	21,417
<b>22 = CASH FLOW BT</b>	<b>129,874</b>	<b>150,364</b>	<b>171,469</b>	<b>193,208</b>	<b>215,598</b>
23 - Tax Liab/ Sav	41,358	48,519	55,894	63,491	72,823
<b>24 = CASH FLOW AT</b>	<b>\$88,516</b>	<b>\$101,845</b>	<b>\$115,575</b>	<b>\$129,716</b>	<b>\$142,775</b>

### CASH FLOWS UN-LEVERAGED

end of yr	0	Cash Flows	+	Sales Proceeds	=	Total Cash Flows
	0	(\$1,559,392)				(\$1,559,392)
	1	-\$406,015				-\$406,015
	2	\$44,741				\$44,741
	3	\$71,914				\$71,914
	4	\$90,666				\$90,666
	5	\$109,980				\$109,980
	6	\$129,874				\$129,874
	7	\$150,364				\$150,364
	8	\$171,469				\$171,469
	9	\$193,208				\$193,208
	10	\$215,598		\$5,137,242		\$5,352,840

<b>Leveraged IRR</b>	<b>13.73%</b>
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Economic: Cash Flow Analysis - Leveraged

## Future Sale Analysis

Mortgage Balances					
End of Year:	1	2	3	4	5
Principal Balance - 1st Mortg.	#REF!	#REF!	#REF!	#REF!	#REF!
Principal Balance - 2nd Mortg.	\$0	\$0	\$0	\$0	\$0
<b>TOTAL UNPAID BALANCE</b>	#REF!	#REF!	#REF!	#REF!	<b>PLUG</b>

6	7	8	9	10
#REF!	#REF!	#REF!	#REF!	
\$0	\$0	\$0	\$0	\$0
#REF!	#REF!	#REF!	#REF!	<b>PLUG</b>

Calculation of Sale Proceeds			
	Un - Leveraged	Leveraged	Leveraged
	10-yr Disposition	10-yr Disposition	5-yr Disposition
	(At <u>7.5%</u> % cap)	(At <u>7.5%</u> % cap)	(At <u>7.5%</u> % cap)
<b>CALCULATION OF ADJUSTED BASIS</b>			
1 Basis of Acquisition	\$7,796,959	\$7,796,959	\$7,796,959
2 + Capital Additions			
3 - Cost Recovery (Deprec) Taken	\$1,054,615	\$1,054,615	\$527,307
4 - Basis in Partial Sales			
5 = Adjusted Basis of Sale	\$6,742,344	\$6,742,344	\$7,269,651
6 Sale Price	\$10,535,418	\$10,535,418	\$9,087,944
7 - Cost of Sale	\$526,771	\$526,771	\$454,397
8 - Adjusted Basis at Sale (line 5)	\$6,742,344	\$6,742,344	\$7,269,651
9 - Participation Payments on Sale			
10 = Gain or (Loss)	\$3,266,303	\$3,266,303	\$1,363,895
11 - Straight Line Cost Recovery-gain	\$1,054,615	\$1,054,615	\$527,307
12 - Suspended Losses			
13 = Capital Gain From Appreciation	\$2,211,688	\$2,211,688	\$836,588
<b>ITEMS TAXED AS ORDINARY INCOME:</b>			
14 Unamortized Loan Fees (neg)	\$0	\$0	\$31,188
15 +			
16 = Ordinary Taxable Income	\$0	\$0	\$31,188
17 Sale Price	\$10,535,418	\$10,535,418	\$9,087,944
18 - Costs of Sale	\$526,771	\$526,771	\$454,397
19 - Participation Payment on Sale			
20 - Mortgage Balance(s)		<b>\$4,972,433</b>	<b>\$5,721,879</b>
21 + Balance of Funded Reserves	\$101,028	\$101,028	\$70,733
<b>22 = Sale Proceeds Before Tax</b>	<b>\$10,109,675</b>	<b>\$5,137,242</b>	<b>\$2,982,401</b>
23 - Tax (Savings): Ordinary Income at 34% of Line 16	\$0	\$0	\$10,604
24 - Tax: Straight Line Recapture at 25% of Line 11	\$263,654	\$263,654	\$131,827
25 - Tax on Capital Gains at 15% of Line 13	\$331,753	\$331,753	\$125,488
<b>26 = SALE PROCEEDS AFTER TAX</b>	<b>\$9,514,268</b>	<b>\$4,541,835</b>	<b>\$2,714,482</b>

Economic: Future Sale Analysis

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