

Cash Flow Analysis

Radiance Senior Living

Scenario 2 (Lease of Units)

(in Dollars)

	Y1 <u>2004</u>	Y2 <u>2005</u>	Y3 <u>2006</u>	Y4 <u>2007</u>	Y5 <u>2008</u>	Y6 <u>2009</u>	Y7 <u>2010</u>	Y8 <u>2011</u>	Y9 <u>2012</u>	Y10 <u>2013</u>	<u>Total</u>
Deposits		500,000	2,000,000	2,000,000	1,560,000						6,060,000

Revenue

Interest on Deposits (@ 5.5%)		27,500	137,500	247,500	333,300	333,300	333,300	333,300	333,300	333,300	
Service Fee				500,000	600,000	700,000	800,000	800,000	800,000	800,000	5,000,000
Total Revenue (A)	-	27,500	137,500	747,500	933,300	1,033,300	1,133,300	1,133,300	1,133,300	1,133,300	7,412,300

Operating Costs

Operating Expenses (1% incr)				140,000	141,400	142,814	144,242	145,685	147,141	148,613	1,009,895
Administrative Expenses				5,000	10,000	10,000	10,000	10,000	10,000	10,000	65,000
Maintenance Expenses				20,000	20,000	20,000	20,000	20,000	20,000	20,000	140,000
Future Maintenance Exp					20,000	20,000	20,000	20,000	20,000	20,000	120,000
Marketing Costs						15,000	15,000	15,000	15,000	15,000	75,000
Accounting & Legal Fees				3,000	3,000	3,000	3,000	3,000	3,000	3,000	21,000
Salaries			144,000	146,880	149,818	152,814	155,870	158,988	162,167	165,411	1,235,948
Total Operating Costs (B)	-	-	144,000	314,880	344,218	363,628	368,112	372,672	377,309	382,024	2,666,842

Construction Costs

Purchase of Land		700,000									700,000
Construction		100,000	2,200,000	1,500,000	200,000						4,000,000
Consulting Expense	5,000	50,000	52,222	50,000	25,000						182,222
Permits		15,000									15,000
Legal & Accounting Fees		5,000	5,000	5,000							15,000
Marketing Costs	10,000	10,000	10,000	10,000	10,000						50,000
Administrative Expenses	1,000	2,000	2,000	2,000	2,000	1,000					10,000
Closing Costs		6,000	1,000	1,000	1,000	1,000					10,000
Cash for Unsold Units					10,000	10,000	10,000				30,000
Printing & Bidding Costs	5,000	10,000									15,000
Misc Expenses	15,000	40,000	40,000	24,000	15,000						134,000
Total Construction Costs ©	36,000	938,000	2,310,222	1,592,000	263,000	12,000	10,000	-	-	-	5,161,222

Depreciation	32,400	126,200	357,222	516,422	542,722	543,922	544,922	544,922	544,922	544,922	
Earning before Interest & Taxes	(32,400)	(98,700)	(363,722)	(83,802)	46,360	125,750	220,265	215,706	211,069	206,354	446,880
Interest Expense (7.5%)	2,700	70,988	244,742	331,695	307,239	257,914	201,274	144,227	87,528	31,182	1,679,489
Taxes (30%)	-	-	-	-	-	-	-	21,443	37,062	52,552	
Net Profit	(35,100)	(169,688)	(608,464)	(415,497)	(260,879)	(132,164)	18,991	50,035	86,479	122,620	

Plus Depreciation	32,400	126,200	357,222	516,422	542,722	543,922	544,922	544,922	544,922	544,922	
Profit	(2,700)	(43,488)	(251,242)	100,925	281,843	411,758	563,913	594,957	631,401	667,543	2,954,911
Cummulative Profit	(2,700)	(46,188)	(297,429)	(196,504)	85,339	497,098	1,061,011	1,655,968	2,287,369	2,954,911	