



**Duration of the program: Forty-eight (48) hours over twelve (12) weeks period,
September 14 - December 14, 2019**

WEEK 7: Saturday: October 26, 2019, 9:00 AM to 1:00 PM

Course 7: License-Permits-Certifications-Insurance

Presenters:

09:00	Welcome	Taylor Smith, Project Coordinator, Monroe Neighborhood Revitalization Program
09:05	Intro. to Speaker	Donald Andrews, Dean, College of Business, Southern University and A&M College, Baton Rouge, LA
09:15	Licenses and Certifications	Ada Womack-Bell, MBA, A & G Consulting Group, LLC, Baton Rouge, LA
10:30	Coffee Break/Stretch	
10:45	Insurance	Eric Porter, Program Founder, ComNet, LLC
11:00	Development/Contracting	J.C. Ceaser, MBA, President, Red Horse Infrastructure Group, LLC
12:45	Testing/Exam Update	Sung No, W. E. Tucker Endowed Professor, SU EDA University Center
12:50	Closing Remarks	Ellen Hill, Head, Planning & Urban Development, City of Monroe, LA
01:00	Dismissal	

CREATING NEIGHBORHOOD DEVELOPERS

*“Licensing Requirements for Contractors in Louisiana
and Certification Programs”*

Presented by:

Ada Womack-Bell, MBA



Louisiana State Licensing Board for Contractors

The Louisiana State Licensing Board for Contractors (LSLBC) was created in 1956 by Act 233 and is governed under Title 37:2150-2192 of the Louisiana Revised Statutes, Chapter 24.

The LSLBC mission is to protect the general public and the integrity of the construction industry.

Through the Commercial Board and its Residential Subcommittee, the LSLBC regulates commercial, industrial, and residential construction projects.



Unlicensed Contractors...

- **Cut corners**
- **Display no skills, knowledge, or competency**
- **Are not insured or bonded to perform construction work**
- **Offer cheaper services to the consumer**
- **“Sounds too good to be true and you get what you pay for”**



Licensed Contractors...

- **Do it the right way!**
- **Take pride in their work**
- **Demonstrate competency and knowledge of construction industry standards**
- **Doing business compliant and legal by the laws of Louisiana and the Federal Government**



LSLBC License Types

- Commercial License
- Residential License
- Mold Remediation License
- Home Improvement Registration

Commercial License

What does Commercial License cover?

- Commercial projects with a value of \$50,000 or more
 - Subcontractor/Specialty Trades for commercial projects with a value of \$50,000 or more
 - Exceptions:
 - Electrical/Mechanical/Plumbing exceeding \$10,000
 - Hazardous materials with a value of \$1 or more
- Hire licensed subcontractors
- More than 19,000 licensed commercial contractors

Commercial License

What are the requirements for licensure?

- Complete and submit an application
- Financial statement with \$10,000 net worth
- Applicant must pass Business & Law exam
- Applicant must pass trade exam, if applicable
- Business entities must be registered with the Louisiana Secretary of State

Electrical, Mechanical & Plumbing Work

Electrical/Mechanical/Plumbing projects exceeding \$10,000 (material and labor combined) requires a Commercial license from the Louisiana State Licensing Board for Contractors.

For Plumbing contractors, contractors must provide a copy of their Master Plumbing License from the State Plumbing Board of Louisiana



Residential License

What does Residential License cover?

- Residential construction or home improvement projects exceeding \$75,000
- Subcontractors/specialty trades for residential projects where the labor and materials exceeds \$7500 for the following specialty classifications: Residential pile driving; residential foundations; residential foundations; residential roofing; residential masonry/stucco; and residential swimming pools
- More than 4,000 licensed residential contractors
- Hire licensed subcontractors

Residential License

What are the requirements for licensure?

- Complete and submit an application
- Financial statement with a minimum of \$10,000 net worth
- Applicant must pass Business and Law exam
- Applicant must pass trade exam, if applicable
- Provide proof of general liability & workers' compensation insurance
- Business entities must be registered with the Louisiana Secretary of State

Licensing Requirements for Building Homes

Residential Building Contractor License

- Single family homes
- A single duplex, triplex, or fourplex

Commercial Building Construction License

- Three or more single family homes built under the same contract in the same subdivision
- Two or more duplexes, triplexes, or fourplexes
- Apartment buildings or condominiums

Residential Specialty Classifications

Effective January 20, 2016, residential subcontractors who bid or perform work in one of the **six new specialty areas** listed below must be licensed for that specialty when the work exceeds \$7,500 (including labor and materials) on any new single family residential home, duplex, triplex, or fourplex.

- Residential pile driving**
- Residential foundations**
- Residential framing**
- Residential roofing**
- Residential masonry/stucco**
- Residential swimming pools**

Residential Subcontract Labor Only Specialty Classifications

Subcontractors working under the direct supervision of a licensed residential building contractor may obtain a **Subcontract Labor Only** specialty classification by:

- Completing and submitting an application
- Submitting an affidavit executed by a licensed residential building contractor that attests to the subcontractor's quality of work and character
- Passing the Law, Rules, and Regulation Exam
- Providing proof of current general liability and workers' compensation insurance

Home Improvement Registration

What does this registration cover?

- Home improvement projects with a value exceeding \$7,500 but not in excess of \$75,000

What are the requirements to obtain registration?

- Complete and submit an application
 - Provide proof of general liability & workers' compensation insurance
 - Business entities must be registered with the Louisiana Secretary of State
- More than 2,200 registered home improvement contractors

Mold Remediation License

What does this license cover?

- Mold Remediation projects with a value of \$1.00 or more including labor and materials

What are the requirements for licensure?

- Complete and submit application
 - Financial statement with a minimum of \$10,000 net worth
 - Applicant must pass Business and Law exam
 - Applicant must complete Louisiana's Unfair Trade and Consumer Protection Law seminar
 - Applicant must provide proof of Mold Remediation certification
 - Provide proof of general liability & workers' compensation insurance
 - Business entities must be registered with the Louisiana Secretary of State
- More than 200 licensed mold remediation contractors

Examinations

- 67 classifications requiring examination
 - See pages 10-16 in binder for list of classifications
 - Most current and updated classifications are found on LSLBC's website www.lacontractor.org
- Examinations are given Monday thru Saturday
- Frequently Administered Exams

Business and Law	1506
Residential Building Contractor	343
Building Construction	303
Electrical Work (Statewide)	212
Mechanical Work (Statewide)	167
- Reciprocity agreements with 22 Boards in 11 States

Examination Testing Locations

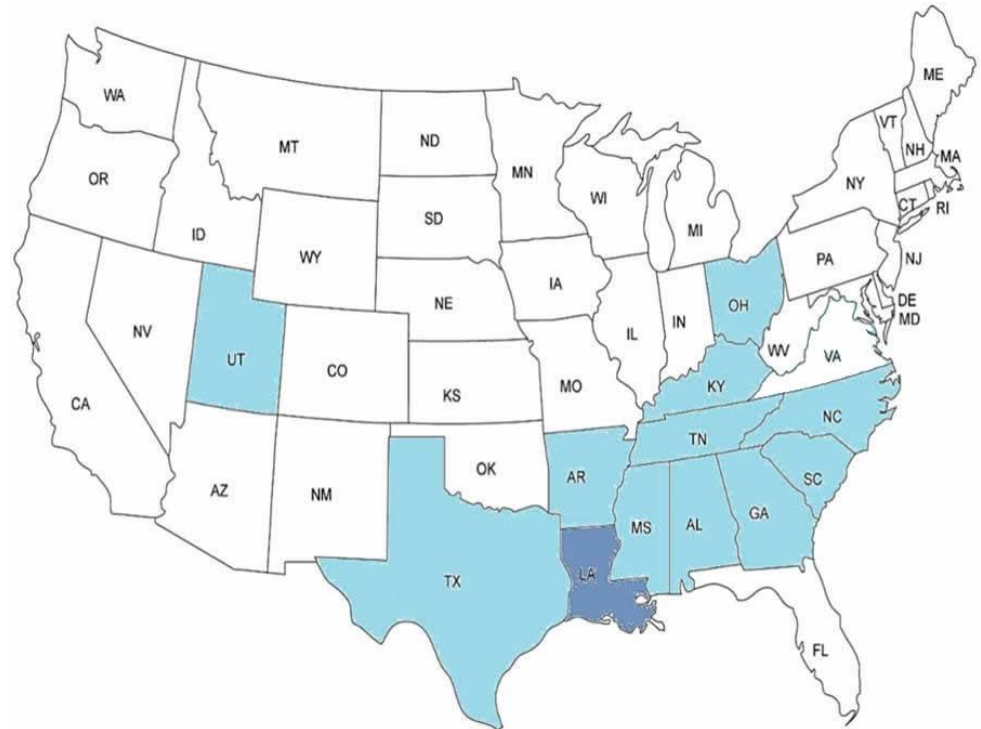
Ten Testing Locations Statewide

- Baton Rouge main office
- Bossier Parish Community College (Bossier City)
- Delgado Community College (New Orleans)
- Fletcher Technical Community College (Shriever)
- LSU-Alexandria
- Louisiana Delta Community College (Monroe)
- Northshore Technical Community College (Mandeville)
- Nunez Community College (Chalmette)
- South Louisiana Community College-Lafayette Campus
- Sowela Technical Community College (Lake Charles)

Reciprocity

- **Louisiana has reciprocity agreements with:**

- Alabama
- Arkansas
- Georgia
- Kentucky
- Mississippi
- North Carolina
- South Carolina
- Ohio
- Texas
- Tennessee
- Utah



Other Agencies Who Require Licensure and Regulation

- ▣ State Fire Marshal
- ▣ State Plumbing Board
- ▣ State Horticulture Commission
- ▣ Department of Natural Resources
- ▣ Department of Health and Hospitals
- ▣ Department of Environmental Quality

Contracts

- We calculate total of all labor and material cost to determine whether a contract reaches licensure limits.



Complaints Filed to LSLBC

Homeowners

Licensed Contractors

Permit Offices

Agencies

Penalties for Violating Licensing Law

- Unlicensed contractors up to 10% of contract value (Commercial & Residential)
- Licensed contractors
 - Maximum of \$1,000 per violation
 - Suspension
 - Revocation of License
 - Probation
- Home Improvement – up to 25% of contract value
- Other legal remedies: cease & desist orders, permanent injunctions, and court costs
- Contractor Fraud - May be imprisoned up to 5 years when convicted
by a law enforcement agency

CONTRACTOR NEWS SOURCE

Bulletin 19-01
January 2019

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

☎ 225.765.2301 or 800.256.1392
✉ info@lslbc.louisiana.gov
★ www.lacontractor.org
Text-to-Verify: 1.855.999.7896

RULES PROMULGATED TO EASE CONTRACTOR LICENSING PROCESS

The Louisiana State Licensing Board for Contractors recently promulgated rules to simplify and streamline the application, examination and renewal processes for licensed contractors and those seeking to become licensed contractors. Changes made in this regard include the following.

1. Insurance documents required for residential builders and residential specialty subcontractors, mold remediation contractors, and home improvement registrants will be collected at application and renewal time only, with contractors certifying that they will maintain continuous coverage while licensed/registered.
2. Residential building contractors will continue to be required to meet the continuing education requirement of 6 hours per year, but will no longer be required to submit continuing education certificates to this office. The contractor will maintain their education certificates for a five-year period and provide copies to this office if requested. Contractors will certify at application and renewal time that they have complied with this requirement.
3. Employees applying to be the Qualifying Party for a contractor will no longer be required to provide copies of payroll documents/payroll checks as evidence of employment. However, the Qualifier/Employee will be required to sign a legal affidavit, along with their employer, that they meet the 120-day mandated employment requirement.
4. Every licensed contractor must have a minimum of one qualifying party designated as the qualifier for the Business and Law examination. The Business and Law exam will be transitioned from an online "pass or fail" test to an online course which qualifiers will be required to complete. This transition for fairness and less burdensome for the applicant is scheduled for the first quarter of 2019.

If we can answer any questions or be of further assistance, please contact us info@lslbc.louisiana.gov.


Licensed Contractor...

IT'S THE LAW

Three ways to verify licensure:

1. LSLBC website www.lacontractor.org
2. LSLBC mobile app - La. Contractor
3. Text-to-Verify 1-855-999-7896

LSLBC website: www.lacontractor.org



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Contact Us

2525 Quail Drive, Baton Rouge, 70808


(225) 765-2301

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Commercial Agenda for October 16


[Click here](#)



We've gone mobile!



Online Forms



Rules & Regulations

Renew Online

Application, Fees, and all regulations involving the renewal process. [Click here](#) for everything you need to know.

Weather the storm

Don't be a victim twice. Learn the the proper steps to check out contractors for your home repairs.

Newsletter

Type your email address below and receive our monthly news letter to stay in the know!



Louisiana Licensing Board for Contractors

Contact Information

Website:

www.lacontractor.org

Phone

1.225.765.2301

1.800.256.1392

SMALL BUSINESS OVERVIEW

Small business is the backbone of our state's economy. More than 97% of businesses in Louisiana are small businesses, and Louisiana Economic Development is committed to connecting small businesses with the services and resources they need to grow and succeed. We help new entrepreneurs realize the dream of business ownership and existing businesses remain competitive.

PROGRAM NAME	BENEFIT	ELIGIBILITY (NOT COMPREHENSIVE)
SMALL AND EMERGING BUSINESS DEVELOPMENT PROGRAM	Provides developmental assistance including entrepreneurial training, marketing, computer skills, accounting, business planning, legal and industry specific assistance	<ul style="list-style-type: none">• At least 51% of the company must be owned by a Louisiana resident, whose personal net worth cannot exceed \$400,000• Business' net worth at the time of application may not exceed \$1.5 million
BONDING ASSISTANCE PROGRAM	Provides bond guarantees up to 25% or \$100,000, whichever is less, for qualifying contractors requiring surety bonds for private or public jobs	<ul style="list-style-type: none">• Business must be certified in the Small and Emerging Business Development Program
LOUISIANA CONTRACTORS ACCREDITATION INSTITUTE	Provides business training focusing on expanding understanding of the construction industry	<ul style="list-style-type: none">• Must have the intent to start or currently have an established construction based Louisiana business
ECONOMIC GARDENING INITIATIVE	Provides Louisiana-based small businesses with accelerated technical assistance and research from an experienced national economic gardening team	<ul style="list-style-type: none">• Must have annual revenue between \$600,000 and \$50 million• Must have at least five employees but not more than 99 employees• Must demonstrate growth in annual revenue and/or jobs in two of the last five years

CEO ROUNDTABLES	Provides peer-to-peer learning that gives executives the opportunity to discuss business practices and management strategies with other executives who deal with similar growth challenges	<ul style="list-style-type: none"> • Should typically have annual revenue between \$600,000 and \$50 million • Should typically have at least five but not more than 100 employees
HUDSON INITIATIVE	Provides small businesses with greater potential for access to state procurement and public contract opportunities	<ul style="list-style-type: none"> • Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees
VETERAN INITIATIVE	Provides veteran-owned and disabled, service oriented veteran-owned small businesses with greater potential for access to state procurement and public contract opportunities	<ul style="list-style-type: none"> • Must be at least 51% owned by a veteran or disabled, service-oriented veteran • Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees



SBA Certifications

Women-Owned Small Business Federal Contracting program

The federal government's goal is to award at least five percent of all federal contracting dollars to women-owned small businesses each year.

Service-disabled Veteran-Owned Small Business program

The federal government's goal is to award at least three percent of all federal contracting dollars to service-disabled veteran-owned small businesses each year.

8(a) Business Development program

The federal government's goal is to award at least five percent of all federal contracting dollars to small disadvantaged businesses each year.

HUBZone program

The federal government's goal is to award at least three percent of all federal contracting dollars to HUBZone-certified small businesses each year.

The SBA guarantees surety bonds

Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed. Many public and private contracts require surety bonds, which are offered by surety companies. The SBA guarantees surety bonds for certain surety companies, which allows the companies to offer surety bonds to small businesses that might not meet the criteria for other sureties.

How the SBA Surety Bond Program works

1



Surety bonds are requested

Some contracts require that the business doing the work be properly bonded.

2



Surety partners with business

Authorized surety companies provide surety bonds to businesses that meet their qualifications.

3



The SBA guarantees

The SBA guarantees surety bonds for private surety companies, so more small businesses can qualify.

4



Small businesses benefit

Small businesses get SBA-guaranteed surety bonds so they can get to work.

Other Certifications

Louisiana Department of Transportation and Development (DOTD)

- **DBE** -The Department's **Disadvantaged Business Enterprise** (DBE) program is designed to remedy ongoing discrimination and the continuing effects of past discrimination in federally-assisted highway, transit, airport, and highway safety financial assistance transportation contracting markets nationwide.
 - The U.S. Department of Transportation's DBE (disadvantaged business enterprise) program provides a vehicle for increasing the participation by MBEs in state and local procurement.
- **SBE** - The **Small Business Element** (SBE) Program was created to remedy past and current discrimination against SBE firms. The intention is to level the playing field for economically disadvantaged individuals wanting to do business with the DOTD on U.S. Department of Transportation federally assisted projects.

National Minority Supplier Development Council (NMSDC)

MBE - MBE Certification. A Minority Business Enterprise certification or MBE certification, defines your business as being owned, operated and controlled by a minority group. Certification is a valuable marketing tool for your small business, and can give you special consideration when bidding on contracts with local government.



Any Questions?

Contact Number

(225) 347-0998

Email

agconsultgroup@gmail.com



Workers' Compensation Presentation

SHERMAN PITTMAN, CHAIRMAN,
GULF STATES INSURANCE ALLIANCE

What is Workers' Compensation

- ▶ Is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence."

Workers' Compensation Benefits

- ▶ Temporary Disability Benefits
- ▶ Supplemental Earnings Benefits
- ▶ Permanent Total Disability Benefits
- ▶ Permanent Partial Disability Benefits
- ▶ Additional Benefits
- ▶ Limitations of Workers' Comp Benefits

Why Workers Compensation Insurance is Needed ?

- ▶ It protects both the employee and the employer.
- ▶ While the majority of companies are responsible and would compensate employees appropriately, there are quite a few that would not.
- ▶ Workers compensation is required by nearly every state.
- ▶ In California, not providing worker's compensation insurance is a criminal offense and can result in a \$10,000 fine and/or imprisonment up to one year.

National Workers Compensation At A Glance

- ▶ Growth for the Past 5 years
- ▶ Current year is flat
- ▶ Medical and indemnity severity are increasing modestly
- ▶ Frequency declined again at the latest point

National Economic Highlights and Their Impact on Workers Compensation

National Economic Indicator	Potential Impact on the Workers Compensation Mark
Private employment growth is expected to continue to slow	The impact on payroll and premium will also slow
Wage growth is poised to accelerate	Upward pressure on payroll and premium as well as indemnity severity
Medical inflation is forecasted to slow and then reaccelerate	Increases in medical costs per claim
Interest rates are still low but expected to increase	Investment income will likely remain muted this year but increase as interest rates rise

*Information obtained from NCCI state advisory forums 2017.

Louisiana May 1, 2018 Filing Average Changes By Industry Group

Overall Change: 0.4%



Manufacturing: -2.3%



Contracting: -0.7%



Office & Clerical: -2.0%



Goods & Services: 1.7%



Miscellaneous: 2.8%

Louisiana May 1, 2018 Loss Cost Filing

Overall Loss Cost Level Change:

0.4%

Change in Experience:	Change in Trend:	Change in Benefits:	Changes in All Other:
4.9%	-3.9%	-0.3%	-0.1%

Weekly Compensation Administration

- ▶ How Much Are Workers' Compensation Benefits in Louisiana?
- ▶ Louisiana Workforce Commission Reports Current Weekly Compensation Benefits Limits As:
 - ▶ Sept. 1, 2017 – Aug 31, 2018
 - ▶ Average Weekly Wage - \$870.00
 - ▶ Maximum Compensation - \$653.00
 - ▶ Minimum Compensation - \$174.00



General Commercial Liability Insurance

- ▶ Commercial liability insurance (also called business liability insurance and commercial general liability insurance) protects your Louisiana business from financial loss resulting from claims of injury or damage caused to other by you or your employees.

What Does A Policy Typically Cover?

- ▶ Bodily Injury
- ▶ Personal Injury
- ▶ Property Damage
- ▶ Advertising Injury
- ▶ Legal Defense and Judgments

Bodily Injury

- ▶ Physical damage to a person other than an employee at your place of business and injuries caused by you or an employee at a client's home or work place.

Personal Injury

- ▶ Libel, slander, copyright infringement, invasion of property or privacy, wrongful eviction, false arrest and similar acts that cause damage to a person's reputation or rights.

Property Damage

- ▶ Damage done to another person's property by you or an employee in the course of conducting your business.

Advertising Injury

- ▶ Losses caused by your advertising.

Legal Defense and Judgments

- ▶ Costs to defend against real and frivolous suits and judgments up to the limit of your coverage.
 - ▶ Note: This generally does not include punitive damages for negligence or willful misconduct.

Louisiana Minimum Business Insurance Requirement

- ▶ Commercial Liability Insurance is not mandatory for businesses operating in Louisiana.
- ▶ Louisiana is a pure comparative negligence fault state.
- ▶ The plaintiff can recover even if he or she is at fault.
- ▶ There are no personal injury caps in Louisiana.
- ▶ The statute of limitations for general personal injury and products liability is 1 year.

How Much Louisiana Commercial Liability Insurance Should You Carry?

- ▶ Each situation is unique, but as a general guideline, the type of Louisiana business you operate or products you manufacture should determine how much Louisiana commercial general liability insurance you need.
- ▶ A good rule of thumb for most small businesses is between \$500,000 and \$1 million.

How Are Premium cost Assessed?

- ▶ Louisiana commercial liability insurance premiums are based on a number of factors including types of service or products you provide, the number of people you employ, how long you've been in business, and your claims history
- ▶ Coverage is typically capped at a specific dollar amount for your policy period

Q & A

Contact Information

- ▶ Southern University and A&M College
 - ▶ P. O. Box 9723
- ▶ Baton Rouge, LA 70813
 - ▶ 225-771-5978

Presenter's Project Proposal

PROJECT SUMMARY

Republic Development Partners is pleased to announce the arrival of ---- This scattered site mix use development, located in----- is centrally positioned in the heart of the downtown business district as well as an up and coming sector which is primed for revitalization. The development site is situated on the corner of ----- a heavily trafficked corridor. For years, this predominantly African American community has been maligned with blight and economic downturn. With multiple Mayoral initiatives spurring neighborhood revitalization, this community is certainly on the rise.

DEVELOPMENT COST INFORMATION

Attached is a proforma with debt service details. Currently, Republic has a lease agreement for the 600 square feet building with a long standing owner of a local apparel store. In addition, there has been serious interest in the café space as well as the potential sports theme structure.

SITE DESCRIPTION

----- is ideally situated on .19 acres. The site is located on the corner of Martin Luther King and Dr. Carver Street, a premium location in the heart of this sector of town.





DEVELOPMENT PROCESS AND FINANCING

Republic Development Partners has recently acquired the site for \$25,000 without any lender debt. The site has set unoccupied for several years due to sudden death of the longtime owner and the subsequent land title issues that pursued. The title issues were resolved and the site was then purchased seven years ago to be rehabbed into a restaurant. The owners invested \$15,000 into one of the properties via electrical work and a commercial hood. However, the owners divorced 2 years after acquisition and the property continued to sit vacant for the last five years. I was able to approach both owners and negotiated the reluctant sale. Republic now seeks a rehab loan in the amount of \$125,000 in order to fully rehab the 3 preexisting structures on the site. Post rehab value is estimated at \$150,000. All of the current buildings are typical Acadian style structures. The objective is to keep the style, yet drastically enhance the quality of the structures. Below are schematic design examples of typical structures of the same style and size.



(Similar to what is currently 900sq ft stick built on slab, utilized previously as a restaurant)



(Similar to what is currently 600sq ft stick built on piers, utilized previously as a Game Room)



(Similar to what is currently 2500sq ft stick built on piers, utilized previously as a Bar)

PLANNING AND DESIGN

The plan for 814 MLK is to rehab the 3 existing structures located on the site and rent the buildings as commercial spaces. An analysis of highest and best use for the current property has yielded the potential type of business that could best utilize the finished spaces.

SPECIAL FEATURES

Soul Food Café: 900 square feet

- Specializing in home cooked Creole cuisine

Apparel Store: 600 square feet

- Providing women apparel and other accessories

Community Event Center: 2,500 square feet

- A quality event center space for special occasions

JC Spreadsheet Table

Note that all actual numbers were intentionally deleted for confidentiality.

1. Input Table

509 Market St	
Gross Building Area	sf
Building Efficiency	
Building Area	sf
Residential Area	
Commercial Area	

Units	Size	#	rentel rates (yr 1)			Price/sf
Commercial Space	0	1	\$	-		
1br/1ba	sf	38	\$	-	/mo	
2br/2ba	sf	24	\$	-	/mo	
3br/2.5ba	sf	1	\$	-	/mo	

	TOTAL	0	64	\$	-	/mo	#DIV/0!
Additional Income		/unit/mo					
CPI							
Vacancy							

<u>Uses Factors</u>	<u>Total</u>
Sale Price	
Construction Costs	/sf of building area
Arch. & Eng.	of construction costs
Financing Fees	of Loan
Legal & Title Insurance	of Loan
Environmental	
Appraisal	
Marketing	
Developer Fee	of hard costs
Misc Fees	of hard costs
Construction Interest	of construction costs per year
Total Soft Costs	\$ -

<u>Bank Financing Factors</u>	-
Cap Rate	
Interest Rate	
Loan Term	
LTV	
DSCR	

<u>Investor Financing Factors</u>	-
Cap Rate	
Interest Rate	
Loan Term	

Sale Factors

RE Commission

Income Tax

Liability

Federal Long Term Capital Gains

Federal Long Term Capital Gains on Recapture of Depreciation

State Tax

Cash Flow Factors

Units	Size	#	rentel rates (yr 1)	Price/sf
Commercial Space	0	1		
1br/1ba	sf	38	/mo	
2br/2ba	sf	24	/mo	
3br/2.5ba	sf	1	/mo	
TOTAL		64	/mo	
Additional Income	/unit/mo			
CPI				
Vacancy				
Variable Costs	EGI			
Reserve For Replacement	EGI			

2. Sources and Uses Table

<u>Sources</u>
Bank Loan Amount
Equity Investor
Developer Equity
SHTC
FHTC
Total Equity
Total Sources

Gap

<u>Uses</u>
Acquisition
Construction
Costs
Soft Costs
-
Total Uses

3. Cash Flow Table

<u>Income Structure</u>		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
Potential Gross Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Vacancy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effective Rent Roll		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effective Gross Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Operating Expenses							
Fixed							
Property Tax		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves for Replacement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOI		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSCR (1.2)	1.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1st Lender Debt Service		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Investor Debt Service		#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Before Tax Cash Flow		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

<u>Sale</u>		
IV (yr 5)		#DIV/0!
Sale Price		#DIV/0!
Less RE Commission	0%	#DIV/0!
Net Sale Price		#DIV/0!
Less Loan Balance		#DIV/0!
Before Tax Equity		
Reversion		#DIV/0!

<u>Before Tax IRR on Equity</u>		
Yr 0	\$	-
Yr 1		#DIV/0!
Yr 2		#DIV/0!
Yr 3		#DIV/0!
Yr 4		#DIV/0!
Yr 5		#DIV/0!
IRR		#####

4. Other Calculations Table

Loan Calculation

Value (yr 0)	#VALUE!
Bank Loan Amount	#VALUE!
Investor Loan Amount	\$ -
Bank Monthly PMT	#VALUE!
Investor Monthly PMT	#NUM!
Bank Annual PMT	#VALUE!
Investor Annual PMT	#NUM!

Insurance Calculation

Bldg Value	\$	-
Insured Value	\$	-
Premium	\$	-

\$0.80 per \$100 of value

Property Tax Calculation

Sale Price	\$	-
Assessed Value	\$	-
Tax rate	#VALUE!	
Property Tax	#VALUE!	

10% of MV of Land + 15% MV of Improvements
150 mils

Bank Amortization Table

Year	Beg. Balance	Debt Serv.	Interest	Principal Reduction	End Balance
1	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
2	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
3	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
4	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
5	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
6	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

Lender Amortization Table

Year	Beg. Balance	Debt Serv.	Interest	Principal Reduction	End Balance
1	\$ -	#NUM!	#NUM!	#NUM!	#NUM!
2	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
3	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
4	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
5	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
6	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!

Depreciation Calculation

Costs	\$ -
Depreciable Book	\$ -
Life	27.5
Annual Depreciation Charge	\$ -

Debt Rate	0.8
Equity Rate	0.2
EDY (Junk Bond Rate)	8%

Debt Service Constant	3.33%
Cap Rate	4.27%