

Footnotes and Explanations

Please explain any discrepancies and note any additional information relating to the data provided on this report in the space below. Attach additional pages if needed.

On October 25, 2012, the Capital Source loan was paid off and refinanced through Capital Funding Corporation with a HUD-insured mortgage in the amount \$10,837,800.

Calculating allowable interest. The interest income recorded will be used to offset against interest expense.

Capital Funding Interest Expense	195,979
Capital Funding Amort of Deferred Financing	<u>12,309</u>
Total Interest Expense	208,288
Allowable Percentage	<u>56.30%</u>

Net Claimed Mtg Interest	117,266
Less: Interest Income Recovery	(1,440)
Plus: Mortgage Insurance Premiums	<u>40,826</u>

Total shown on Page 7, L/T Interest Claimed	<u>156,652</u>
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