

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 January 30, 2013, the mortgage loan with Capital Funding Group was paid off and refinanced through a new Capital Funding HUD-insured mortgage in the amount of \$6,537,500.

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

Mortgage Interest Expense	158,259
Amort of Deferred Financing	<u>2,789</u>
Total Interest Expense	161,048
Allowable Percentage	<u>75.22%</u>
Net Claimed Mtg Interest	121,140
Less: Interest Income Recovery	(549)
Plus: Mortgage Insurance Premiums	<u>29,604</u>
Total Mortgage Interest Claimed	<u>150,195</u>