

EXHIBIT "D"
PRELIMINARY PROJECT BUDGET

	50 units Budget
ACQUISITION COSTS	
Purchase Price	\$ 2,800,000
TOTAL ACQUISITION COSTS	\$ 2,800,000
PROFESSIONAL FEES	
Architecture & Engineering	\$ 2,200,000
Other Professional / Consulting	\$ 700,000
TOTAL PROFESSIONAL FEES	\$ 2,900,000
FEES AND PERMITS	
City/County Fees and Permits	\$ 1,900,000
Utility Fees/Costs	\$ 700,000
TOTAL FEES AND PERMITS	\$ 2,600,000
CONSTRUCTION COSTS	
Offsite Improvements	\$ 280,358
Site Improvements	\$ 3,432,371
Residential Structures (Community Building Included)	\$ 13,278,471
Contractor Contingency	\$ 679,648
General Conditions	\$ 1,019,472
Contractor Overhead	\$ 540,320
Contractor Profit	\$ 900,534
Contractor Insurance	\$ 194,515
Construction Contingency	\$ 1,016,285
Construction Management	\$ 215,000
TOTAL CONSTRUCTION COSTS	\$ 21,556,974
FINANCING COSTS	
Gap Loan Costs	\$ 25,000
Construction Loan Costs	\$ 150,000
Construction Loan Fees	\$ 91,000
Construction Period Interest	\$ 771,000
Post-Construction Interest	\$ 290,000
Permanent Loan Costs	\$ 50,000
Permanent Loan Fees	\$ 25,999
Bond Issuance Costs	\$ 350,000
TCAC Fees	\$ 51,500
Misc. Finance Costs	\$ 50,000
TOTAL FINANCING COSTS	\$ 1,854,499
OTHER COSTS	
Furnishings, Fixtures & Equipment	\$ 300,000
Marketing Costs	\$ 200,000
Legal Fees	\$ 400,000
Soft Cost Contingency	\$ 82,303
Accounting / Audit / Insurance	\$ 426,000
Permanently Deferred Developer Fee	\$ 1,798,000
Cash Developer Fees	\$ 2,500,000
Other Costs / Reserves	\$ 155,934
Market Study	\$ 14,500
TOTAL OTHER COSTS	\$ 5,876,737
TOTAL DEVELOPMENT COSTS	\$ 37,588,210

EXHIBIT "D"
PRELIMINARY OPERATING EXPENSES

	50 Units Budget
RENTING	
Advertising	\$ 450
Misc. Renting	\$ 1,250
TOTAL RENTING	\$ 1,700
ADMINISTRATION	
Office	\$ 1,300
Legal	\$ 1,600
Audit	\$ 15,000
Telephone/Computer	\$ 15,000
Tenant Relations	\$ 800
Misc. Administrative	\$ 4,500
TOTAL ADMINISTRATION	\$ 38,200
MANAGEMENT FEE	
Contract Management	\$ 42,000
TOTAL MANAGEMENT	\$ 42,000
OPERATING	
Electricity	\$ 429
Water	\$ 23,724
Gas	\$ -
Sewer	\$ 17,851
Exterminating	\$ 1,000
Rubbish Removal	\$ 12,180
Misc. Operating	\$ 1,500
TOTAL OPERATING	\$ 56,684
MAINTENANCE	
Security	\$ 1,700
Grounds	\$ 14,000
Repairs	\$ 3,500
Elevator	\$ -
Misc. Maintenance	\$ 7,500
TOTAL MAINTENANCE	\$ 26,700
SALARIES AND BENEFITS	
Office Salaries	\$ 52,740
Maintenance Salaries	\$ 58,240
Payroll Taxes and Benefits	\$ 30,160
TOTAL SALARIES AND BENEFITS	\$ 141,140
TAXES AND INSURANCE	
Real Estate Taxes	\$ 1,500
Business Taxes and Licenses	\$ 1,276
Insurance	\$ 50,000
TOTAL TAXES AND INSURANCE	\$ 52,776
RESERVES AND OTHER EXPENSES	
Replacement Reserves	\$ 15,000
Social Programs	\$ 22,800
TOTAL RESERVES AND OTHER COSTS	\$ 37,800
TOTAL OPERATING EXPENSES	\$ 397,000

EXHIBIT "D"
SOURCES AND USES OF FUNDS

Construction Sources and Uses

Construction Sources		
Tax Exempt Construction Loan	\$	8,938,318
Taxable Construction Loan	\$	5,008,837
Tax Credit Equity	\$	1,422,121
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	10,837,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Land Acquisition Loan (City of Fontana) - Accrued Interest	\$	15,000
Residual Receipts Loan (City of Fontana) - Accrued Interest	\$	53,000
Residual Receipts Loan (Fontana Housing Authority) - Accrued Interest	\$	26,000
Deferred Developer Fee	\$	3,048,000
Deferred Operating Deficit Reserve	\$	155,934
Deferred TCAC Monitoring Fees	\$	21,000
Total Construction Sources	\$	37,588,210
Construction Uses		
Total Development Cost	\$	37,588,210
Amount Over/(Under)	\$	-

Permanent Sources and Uses

Permanent Sources		
Tax Credit Equity	\$	14,221,210
Permanent Financing	\$	2,575,000
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	10,837,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Land Acquisition Loan (City of Fontana) - Accrued Interest	\$	15,000
Residual Receipts Loan (City of Fontana) - Accrued Interest	\$	53,000
Residual Receipts Loan (Fontana Housing Authority) - Accrued Interest	\$	26,000
Deferred Developer Fee	\$	1,798,000
Total Permanent Sources	\$	37,588,210
Uses		
Total Development Cost	\$	37,588,210
Amount Over/(Under)	\$	-

15 YEAR CASH FLOW PROJECTIONS

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME																
Gross Rental Income		700,776	721,799	743,453	765,757	788,730	812,391	836,763	861,866	887,722	914,354	941,784	970,038	999,139	1,029,113	1,059,987
Laundry Income		3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445
Vacancy @ 5.0%		(35,219)	(36,275)	(37,364)	(38,485)	(39,639)	(40,828)	(42,053)	(43,315)	(44,614)	(45,953)	(47,331)	(48,751)	(50,214)	(51,720)	(53,272)
EFFECTIVE GROSS INCOME		669,157	689,232	709,909	731,206	753,142	775,737	799,009	822,979	847,668	873,098	899,291	926,270	954,058	982,680	1,012,160
EXPENSES																
Administrative		(38,200)	(39,346)	(40,526)	(41,742)	(42,994)	(44,284)	(45,613)	(46,981)	(48,391)	(49,842)	(51,338)	(52,878)	(54,464)	(56,098)	(57,781)
Management Fee		(42,000)	(43,260)	(44,558)	(45,895)	(47,271)	(48,690)	(50,150)	(51,655)	(53,204)	(54,800)	(56,444)	(58,138)	(59,882)	(61,678)	(63,529)
Operating		(56,684)	(58,385)	(60,136)	(61,940)	(63,798)	(65,712)	(67,684)	(69,714)	(71,806)	(73,960)	(76,179)	(78,464)	(80,818)	(83,242)	(85,740)
Maintenance		(26,700)	(27,501)	(28,326)	(29,176)	(30,051)	(30,953)	(31,881)	(32,838)	(33,823)	(34,837)	(35,883)	(36,959)	(38,068)	(39,210)	(40,386)
Salaries		(141,140)	(145,374)	(149,735)	(154,227)	(158,854)	(163,620)	(168,529)	(173,584)	(178,792)	(184,156)	(189,680)	(195,371)	(201,232)	(207,269)	(213,487)
Taxes (escalated at 2.00%)		(2,776)	(2,832)	(2,888)	(2,946)	(3,005)	(3,065)	(3,126)	(3,189)	(3,253)	(3,318)	(3,384)	(3,452)	(3,521)	(3,591)	(3,663)
Insurance		(50,000)	(51,500)	(53,045)	(54,636)	(56,275)	(57,964)	(59,703)	(61,494)	(63,339)	(65,239)	(67,196)	(69,212)	(71,288)	(73,427)	(75,629)
Renting		(1,700)	(1,751)	(1,804)	(1,858)	(1,913)	(1,971)	(2,030)	(2,091)	(2,154)	(2,218)	(2,285)	(2,353)	(2,424)	(2,497)	(2,571)
Social Programs		(22,800)	(23,484)	(24,189)	(24,914)	(25,662)	(26,431)	(27,224)	(28,041)	(28,882)	(29,749)	(30,641)	(31,561)	(32,507)	(33,483)	(34,487)
Replacement Reserves		(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(18,150)	(18,150)	(18,150)	(18,150)	(18,150)
TOTAL OPERATING EXPENSES		(397,000)	(408,432)	(420,207)	(432,334)	(444,825)	(459,189)	(472,440)	(486,086)	(500,142)	(514,619)	(531,179)	(546,536)	(562,353)	(578,644)	(595,423)
NET OPERATING INCOME		272,157	280,800	289,702	298,872	308,318	316,547	326,569	336,893	347,526	358,479	368,112	379,734	391,705	404,036	416,737
DEBT SERVICE																
Permanent Financing		(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)
Cash Flow After Debt Service		45,424	54,066	62,969	72,139	81,584	89,814	99,836	110,159	120,793	131,746	141,379	153,000	164,972	177,302	190,004
SLP Fee		(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)
Partnership Administration Fee		(30,000)	(30,900)	(31,827)	(32,782)	(33,765)	(34,778)	(35,822)	(36,896)	(38,003)	(39,143)	(40,317)	(41,527)	(42,773)	(44,056)	(45,378)
Cash Flow After Fees		10,424	18,016	25,837	33,893	42,191	49,239	58,044	67,114	76,456	86,079	94,342	104,552	115,070	125,904	137,063
Less: Payment From Available Cash Flow		(10,424)	(18,016)	(25,837)	(33,893)	(42,191)	(49,239)	(58,044)	(67,114)	(76,456)	(86,079)	(94,342)	(104,552)	(115,070)	(125,904)	(137,063)
Net Cash Flow After Developer Fee Repayment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0