

EXHIBIT "D"
PRELIMINARY PROJECT BUDGET

	50 units Budget
ACQUISITION COSTS	
Purchase Price	\$ 2,800,000
Other Acquisition Costs	\$ -
TOTAL ACQUISITION COSTS	\$ 2,800,000
PROFESSIONAL FEES	
Architecture & Engineering	\$ 2,400,000
Other Professional / Consulting	\$ 600,000
TOTAL PROFESSIONAL FEES	\$ 3,000,000
FEES AND PERMITS	
City/County Fees and Permits	\$ 1,650,000
Utility Fees/Costs	\$ 850,000
TOTAL FEES AND PERMITS	\$ 2,500,000
CONSTRUCTION COSTS	
Offsite Improvements	\$ 1,166,344
Site Improvements	\$ 4,485,019
Residential Structures (Community Building Included)	\$ 11,335,877
Contractor Contingency	\$ 379,659
General Conditions	\$ 1,586,521
Contractor Profit	\$ 947,671
Contractor Insurance	\$ 56,860
Construction Bond Premiums	\$ 189,534
Construction Contingency	\$ 1,007,375
Construction Management	\$ 200,000
TOTAL CONSTRUCTION COSTS	\$ 21,354,860
FINANCING COSTS	
Gap Loan Costs	\$ 25,000
Construction Loan Costs	\$ 150,000
Construction Loan Fees	\$ 156,000
Construction Period Interest	\$ 677,000
Post-Construction Interest	\$ 345,000
Permanent Loan Costs	\$ 50,000
TCAC Fees	\$ 132,000
Misc. Finance Costs	\$ 50,000
TOTAL FINANCING COSTS	\$ 1,585,000
OTHER COSTS	
Furnishings, Fixtures & Equipment	\$ 300,000
Marketing Costs	\$ 185,000
Legal Fees	\$ 300,000
Soft Cost Contingency	\$ 100,000
Accounting / Audit / Insurance	\$ 515,000
Developer Fees	\$ 2,500,000
Other Costs / Reserves	\$ 155,725
Market Study	\$ 19,500
TOTAL OTHER COSTS	\$ 4,075,225
TOTAL DEVELOPMENT COSTS	\$ 35,315,085

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	\$ 12,600
Tenant Relations	\$ 800
Misc. Administrative	\$ 4,500
TOTAL ADMINISTRATION	\$ 35,800
MANAGEMENT FEE	
Contract Management	\$ 43,800
TOTAL MANAGEMENT	\$ 43,800
OPERATING	
Electricity	\$ 10,750
Water	\$ 46,500
Rubbish Removal	\$ 19,500
TOTAL OPERATING	\$ 76,750
MAINTENANCE	
Security	\$ 1,700
Grounds	\$ 14,000
Repairs	\$ 3,500
Misc. Maintenance	\$ 12,900
TOTAL MAINTENANCE	\$ 32,100
SALARIES AND BENEFITS	
Office Salaries	\$ 47,250
Maintenance Salaries	\$ 58,240
Payroll Taxes and Benefits	\$ 30,160
TOTAL SALARIES AND BENEFITS	\$ 135,650
TAXES AND INSURANCE	
Real Estate Taxes	\$ 2,500
Insurance	\$ 82,500
TOTAL TAXES AND INSURANCE	\$ 85,000
RESERVES AND OTHER EXPENSES	
Replacement Reserves	\$ 15,000
Social Programs	\$ 22,800
TOTAL RESERVES AND OTHER COSTS	\$ 37,800
TOTAL OPERATING EXPENSES	\$ 448,600

EXHIBIT "D"
SOURCES AND USES OF FUNDS

Construction Sources and Uses

Construction Sources		
Construction Loan	\$	15,451,961
GP Equity	\$	100
Tax Credit Equity	\$	1,622,299
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	8,737,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Deferred Developer Fee	\$	1,250,000
Deferred Operating Deficit Reserve	\$	155,725
Deferred TCAC Monitoring Fees	\$	35,000
Total Construction Sources	\$	35,315,085
Construction Uses		
Total Development Cost	\$	35,315,085
Amount Over/(Under)	\$	-

Permanent Sources and Uses

Permanent Sources		
Tax Credit Equity	\$	16,222,985
GP Equity	\$	100
Permanent Financing	\$	2,292,000
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	8,737,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Total Permanent Sources	\$	35,315,085
Uses		
Total Development Cost	\$	35,315,085
Amount Over/(Under)	\$	-

EXHIBIT "D"
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	688,848	709,513	730,799	752,723	775,304	798,564	822,521	847,196	872,612	898,790	925,754	953,527	982,133	1,011,597	1,041,944
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%	(34,622)	(35,661)	(36,731)	(37,833)	(38,968)	(40,137)	(41,341)	(42,581)	(43,859)	(45,174)	(46,530)	(47,925)	(49,363)	(50,844)	(52,369)
EFFECTIVE GROSS INCOME	657,826	677,560	697,887	718,824	740,389	762,600	785,478	809,043	833,314	858,313	884,063	910,584	937,902	966,039	995,020
EXPENSES															
Administrative	(35,800)	(36,874)	(37,980)	(39,120)	(40,293)	(41,502)	(42,747)	(44,029)	(45,350)	(46,711)	(48,112)	(49,556)	(51,042)	(52,574)	(54,151)
Management Fee	(43,800)	(45,114)	(46,467)	(47,861)	(49,297)	(50,776)	(52,299)	(53,868)	(55,485)	(57,149)	(58,864)	(60,629)	(62,448)	(64,322)	(66,251)
Operating	(76,750)	(79,053)	(81,424)	(83,867)	(86,383)	(88,974)	(91,644)	(94,393)	(97,225)	(100,141)	(103,146)	(106,240)	(109,427)	(112,710)	(116,091)
Maintenance	(32,100)	(33,063)	(34,055)	(35,077)	(36,129)	(37,213)	(38,329)	(39,479)	(40,663)	(41,883)	(43,140)	(44,434)	(45,767)	(47,140)	(48,554)
Salaries	(135,650)	(139,720)	(143,911)	(148,228)	(152,675)	(157,256)	(161,973)	(166,832)	(171,837)	(176,992)	(182,302)	(187,771)	(193,404)	(199,207)	(205,183)
Taxes (escalated at 2.00%)	(2,500)	(2,550)	(2,601)	(2,653)	(2,706)	(2,760)	(2,815)	(2,872)	(2,929)	(2,988)	(3,047)	(3,108)	(3,171)	(3,234)	(3,299)
Insurance	(82,500)	(84,975)	(87,524)	(90,150)	(92,854)	(95,640)	(98,509)	(101,465)	(104,509)	(107,644)	(110,873)	(114,199)	(117,625)	(121,154)	(124,789)
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	(448,600)	(461,583)	(474,955)	(488,728)	(502,913)	(519,023)	(534,071)	(549,570)	(565,534)	(581,975)	(600,560)	(618,002)	(635,966)	(654,469)	(673,526)
NET OPERATING INCOME	209,226	215,977	222,932	230,096	237,476	243,577	251,407	259,472	267,780	276,338	283,503	292,583	301,936	311,570	321,494