

## Development Cost Budget

	Total Costs	Per Unit	Per NSF
<b>Construction Costs (Building &amp; Site)</b>			
Existing Buildings	\$ 18,500,000	\$ 154,167	\$ 137.43
Land	\$ -	\$ -	\$ -
Renovation Expenses	\$ 3,197,682	\$ 26,647	\$ 23.75
<b>TOTAL CONSTRUCTION COSTS</b>	<b>\$ 21,697,682</b>	<b>\$ 180,814</b>	<b>\$ 161.18</b>
<b>Permits and Fees</b>			
Impact Fees (Non-Utility)	\$ -	\$ -	\$ -
<b>TOTAL PERMITS AND FEES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Technical Fees</b>			
Architect Fees -- Design	\$ -	\$ -	\$ -
Architect Fees -- Supervision	\$ -	\$ -	\$ -
Surveying	\$ -	\$ -	\$ -
Engineering/Soil Testing	\$ -	\$ -	\$ -
<b>TOTAL TECHNICAL FEES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Interest</b>			
Property Insurance	\$ 28,000	\$ 233	\$ 0.21
Property Taxes	\$ -	\$ -	\$ -
Construction Interest	\$ 1,500,000	\$ 12,500	\$ 11.14
Insurance Reserve	\$ 500,000	\$ 4,167	\$ 3.71
<b>TOTAL INTERIM COSTS</b>	<b>\$ 2,028,000</b>	<b>\$ 16,900</b>	<b>\$ 15.07</b>
<b>Financing Costs</b>			
Construction Loan Fee	\$ 169,284	\$ 1,411	\$ 1.26
Construction Inspection Fees	\$ 3,000	\$ 25	\$ 0.02
Equity Investor	\$ -		
<b>TOTAL FINANCING COSTS</b>	<b>\$ 172,284</b>	<b>\$ 1,436</b>	<b>\$ 1.28</b>
<b>Soft Development Costs</b>			
Appraisal	\$ 10,000	\$ 83	\$ 0.07
Title/Recording/Doc Stamps	\$ 1,500	\$ 13	\$ 0.01
Environmental Report	\$ 7,500	\$ 63	\$ 0.06
Legal	\$ 50,000	\$ 417	\$ 0.37
Working Capital	\$ 50,000	\$ 417	\$ 0.37
<b>TOTAL SOFT COSTS</b>	<b>\$ 119,000</b>	<b>\$ 992</b>	<b>\$ 0.88</b>
<b>Developer Fees</b>			
Developer Fee - Closing	\$ 250,000	\$ 2,083	\$ 1.86
Developer Fee - 50% at 15% Pref to Investors	\$ 250,000	\$ 2,083	\$ 1.86
Developer Fee - Monthly Management Fee	\$ 360,000	\$ 3,000	\$ 2.67
<b>TOTAL DEVELOPER FEES</b>	<b>\$ 860,000</b>	<b>\$ 4,167</b>	<b>\$ 3.71</b>
<b>Project Reserves</b>			
Initial Marketing Costs	\$ 75,000	\$ 625	\$ 0.56
Operating Reserves	\$ 50,000	\$ 417	\$ 0.37
<b>TOTAL PROJECT RESERVES</b>	<b>\$ 125,000</b>	<b>\$ 1,042</b>	<b>\$ 0.93</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$ 25,001,967</b>	<b>\$ 205,350</b>	<b>\$ 183.05</b>
<b>Total Development Costs</b>	<b>\$ 25,001,967</b>		
<b>Equity</b>	<b>\$ 5,750,452</b>		
<b>Construction Loan</b>	<b>\$ 19,251,514</b>		