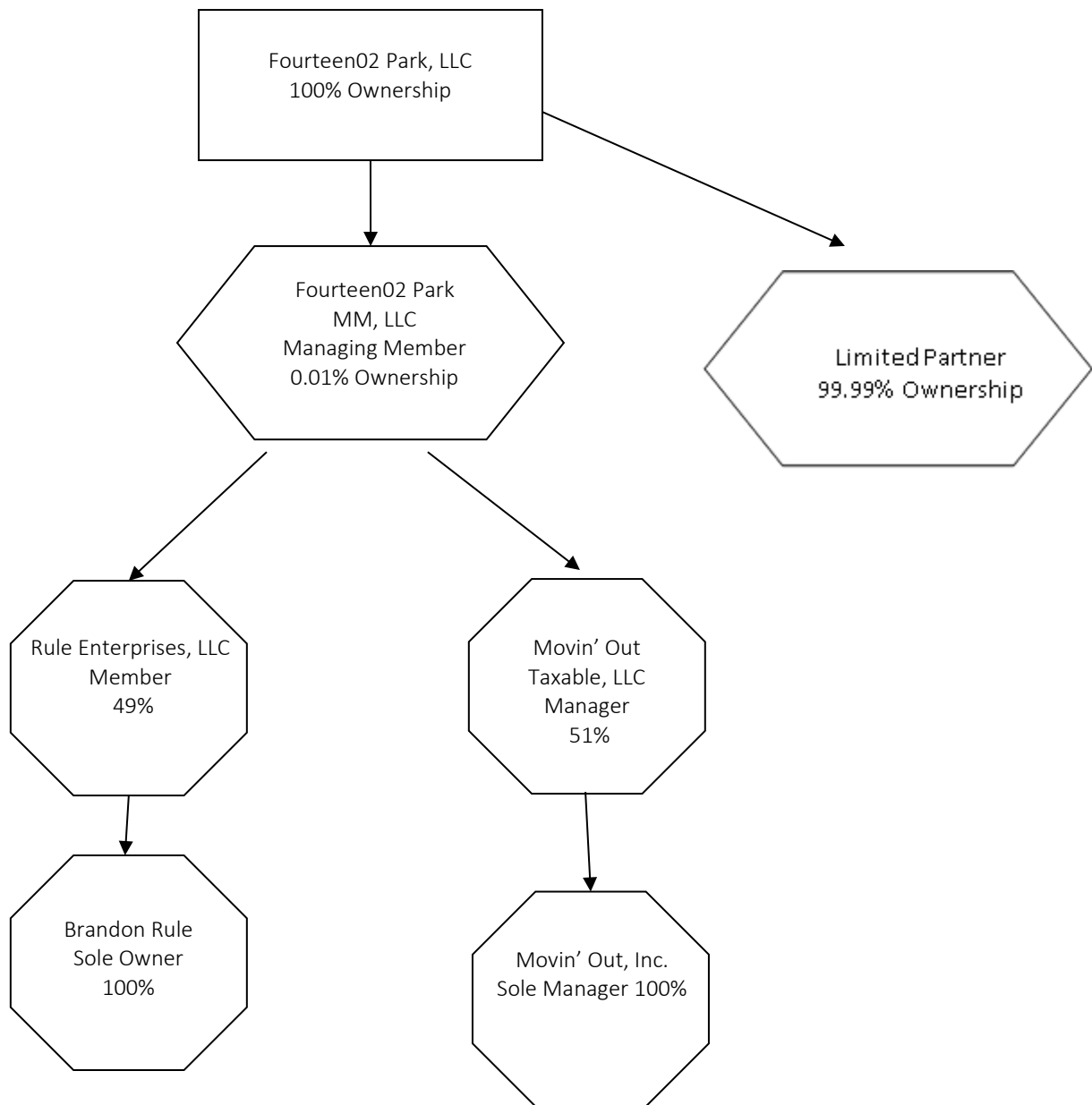


**Rule Enterprises - Truman Olson**  
**CDD AHF Application Supplemental Questions – UPDATE**

Response Requested by Monday, Jan. 13, 2020

Describe the project’s organizational structure. Please attach an organizational chart in tree format detailing the roles of the applicant, all partners, and the ownership interest percentages of each party. Specify who is manager/controlling party of the managing member.



***DRAFT***

**Madison Grocery 4%**

Low-Income Housing Tax Credit Financial Analysis  
January 17, 2020

**PROJECT INFORMATION**

Partnership	Madison Grocery 4%
County	Dane
Type	New Construction
LIHTC Type	4% - FAMILY
Number of Units	150
LP Formation	2021
	1
Construction Start	2021
	1
Construction Period	12
Operations	2021
	9
Starting Month of Depreciation	9
Starting Month of Lease-Up	1
Absorption Rate (Mos.)	8
Credit % - 30% PV (Jan '20)	3.18%
Credit % - 70% PV	9.00%
Qualified Census Tract - DDA	100.00%
Project Cost	\$ 32,682,082
First Mortgage - WHEDA	\$ 14,114,404
City of Madison Funds	\$ 900,000
Misc Sources	\$ 100
City of Madison Funds - Deferred	\$ 900,000
LIHTC Equity	\$ 8,714,549
State LIHTC Equity	\$ 3,992,224
Deferred Dev Fee	\$ 2,570,805
Subordinate Mortgage - WHEDA	\$ 1,490,000
AHP Funds	\$ -

**FINANCING ASSUMPTIONS**

Construction Loan- Max	\$ 22,169,596
Construction Loan - Necessary	\$ 22,169,596
Interest rate	4.40%
Term (months)	18
<b>First Mortgage - WHEDA</b>	<b>\$ 14,114,404</b>
Interest Rate	4.80%
Amortization (years)	35
Term (years)	35
Start Month	10
Start Year	2022
DCR	1.200
<b>Subordinate Mortgage - WHEDA</b>	<b>\$ 1,490,000</b>
Interest Rate	3.00%
Amortization (years)	35
Term (years)	19
Start Month	10
Start Year	2022
<b>City of Madison Funds - Deferred</b>	<b>\$ 900,000</b>
Interest Rate	0.00%
<b>City of Madison Funds</b>	<b>\$ 900,000</b>
Interest Rate	2.75%
Amortization	30
Term	16
Start Month	10
Start Year	2022
<b>AHP Funds</b>	<b>\$ -</b>
Interest Rate	0.00%
Amortization (years)	30
Term (years)	30
Start Month	10
Start Year	2022
<b>GP Equity</b>	<b>\$ 100</b>
<b>Deferred Developer Fee</b>	<b>\$ 2,570,805</b>
WHEDA Required Portion	2,518,168
Additional Deferred Portion - GAP	52,637

**SYNDICATION INFORMATION**

Limited Partner's Capital Contribution				Percent of Ownership	
Investor Federal LIHTC Equity	\$ 8,714,549	38.88%		General Partner	0.01%
Investor State LIHTC Equity	3,992,224			Limited Partner	99.99%
Total Investor Capital	12,706,773			Total	100.00%
Investor Federal Tax Rate	21.00%			Cash Flow Distribution	
1st Contribution	Date: 01/01/2021			General Partner	0.01%
Closing	F LIHTC 1,307,182			Limited Partner	99.99%
Part I and II	S LIHTC 598,834			Total	100.00%
	Total 1,906,016			Income, Loss & Credits	
2nd Contribution	Date: 01/01/2022			General Partner	0.0100%
Completion	F LIHTC 5,228,729			Limited Partner	99.99%
60.00%	S LIHTC 2,395,334			Total	100.00%
	Total 7,624,064			Sale Proceeds Distribution	
3rd Contribution	Date: 10/01/2022			General Partner	90.00%
Perm Conv	F LIHTC 1,742,910			Limited Partner	10.00%
20.00%	S LIHTC 798,445			Total	100.00%
	Total 2,541,355				
4th Contribution	Date: 10/01/2022				
8609	F LIHTC 435,727				
5.0%	S LIHTC 199,611				
	Total 635,339				
Price Per Credit					
Federal Low Income Housing	\$ 0.9300				
State Low Income Housing	\$ 0.7100				
<b>Developer Fee Pay-in Schedule</b>		2,465,531			
1st Contribution	Date: 05/01/2021				
Closing	25% \$ 616,383				
2nd Contribution	Date: 06/01/2022				
Completion	25% 616,383				
3rd Contribution	Date: 01/01/2023				
Perm Conv	50% \$ 1,232,765				

**OPERATING EXPENSES**

	Total	Per Unit	
Administrative	\$ 174,726	1,165	
Maintenance	74,500	497	
Operating	261,015	1,740	
Real Estate Taxes	180,000	1,200	
	690,241	4,602	
Replacement Reserve	45,000	300	
Property Management Fee	6% 110,759	738	
<b>Total</b>	<b>846,000</b>	<b>5,640</b>	\$ 470.00

Annual Operating Exp. Increase	3.00%
Annual Real Estate Tax Increase	3.00%
Annual Management Fee Increase	3.00%
Annual Reserve Increase	3.00%
Interest rate on reserves	0.00%

**CASH FLOW DISTRIBUTION**

LP Asset Management Fee	\$ 3,000	Annually
Deferred Developpr Fee	100%	
City of Madison Funds	100%	
GP Partnership Management Fee	90%	of remaining cash flow, non accruing

**RENTAL INCOME**

Number of Bedrooms	Units	AMI Set Aside %	Unit Type	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Monthly Rent
1 Bedroom	25	30%	LIHTC	1.0	650	485	80	565	12,125
1 Bedroom	40	50%	LIHTC	1.0	650	861	80	941	34,440
2 Bedroom	5	30%	LIHTC	2.0	950	583	95	678	2,915
2 Bedroom	-	50%	LIHTC	2.0	950	1,035	95	1,130	-
2 Bedroom	50	80%	LIHTC	2.0	950	1,386	95	1,481	69,275
3 Bedroom	24	50%	LIHTC	2.0	1,250	1,194	111	1,305	28,656
3 Bedroom TH	6	80%	LIHTC	2.0	1,250	1,500	111	1,611	9,000
<b>Total</b>	<b>150</b>	<b>57.20%</b>			<b>132,000</b>				<b>156,411</b>

Applicable Fraction 100.00% 100.00%  
62.67% AHP

**Base Gross Residential Rent**

Base Gross Residential Rent	\$ 1,876,932
Rent Increases	2.00%
Residential Vacancy Loss	7.00%
<b>Commercial Income - Grocery Store</b>	\$0
Rent Increases	2.00%
Residential Vacancy Loss	20.00%

	Annually	PUPM
Parking	\$ 81,000	\$ 45.00
Pet Fee	\$ 27,000	\$ 30.00
	\$ 108,000	\$ 75

		77,940
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SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage - WHEDA	\$ -	\$ 14,114,404	\$ 14,114,404
AHP Funds	-	-	-
Second Mortgage - WHEDA	1,490,000	-	1,490,000
City of Madison Funds	900,000	-	900,000
GP Equity	100	-	100
City of Madison Funds - Deferred	900,000	-	900,000
LIHTC Equity	1,307,182	7,407,367	8,714,549
State Equity	598,834	3,393,390	3,992,224
Deferred Dev Fee - WHEDA Required	-	2,518,168	2,518,167.93
Deferred Dev Fee - GAP	-	52,637	52,637
Construction Loan	22,191,946	(22,191,946)	-
<b>Total Sources Of Funds</b>	<b>\$ 27,388,062</b>	<b>\$ 5,294,020</b>	<b>\$ 32,682,082</b>

WHEDA 2019 85% RULE	
COMMITTED	14,114,404
UNCOMMITTED	0
COMMITTED	1,490,000
UNCOMMITTED	0
COMMITTED	100
UNCOMMITTED	0
COMMITTED	8,714,549
UNCOMMITTED	3,992,224
UNCOMMITTED	0
UNCOMMITTED	0
	28,311,277

51.05%  
27,779,770  
(531,507)  
86.63% OK  
-1.626%

USES OF FUNDS	Total Construction	Post Construction	Total Permanent
<b>Acquisition &amp; Site Costs</b>			
Land Costs	1,200,000	-	1,200,000
Site Utilities	115,000	-	115,000
Sitework	300,000	-	300,000
Park Impact Fees	212,800	-	212,800
Permit Fees	100,000	-	100,000
<b>Construction &amp; Commercial Costs</b>			
Residential Construction NC	18,210,000	-	18,210,000
Garage	375,000	-	375,000
Commercial	-	-	-
General Requirements	950,000	-	950,000
Contractor Overhead	399,000	-	399,000
Contractor Profit	1,017,450	-	1,017,450
Construction Contingency	1,068,323	-	1,068,323
FF&E (GC)	250,000	-	250,000
FF&E (Owner)	50,000	-	50,000
Signage / Branding	15,000	-	15,000
Utility / Cable Connections	60,000	-	60,000
Plan / Examination Fees	50,000	-	50,000
Temp Heat	15,000	-	15,000
<b>Engineering &amp; Architectural</b>			
Architecture: Design	550,000	-	550,000
Architect: Supervision	40,000	-	40,000
Engineering	10,000	-	10,000
Architect Reimbursables	15,000	-	15,000
Survey	10,000	-	10,000
Geotech/Soils	50,000	-	50,000
Construction Material Testing	10,000	-	10,000
Green Consultant	15,000	-	15,000
Development Consultant	50,000	-	50,000
<b>Construction Interest &amp; Fees</b>			
Insurance	40,000	-	40,000
Construction Interest	557,023	-	557,023
Construction Loan Origination - 1%	221,696	-	221,696
LOC Fee	10,000	-	10,000
Construction Period Taxes	25,000	-	25,000
Lender Inspection	12,000	-	12,000
<b>Perm Financing</b>			
Perm Origination Fee - 1.5%	211,716	-	211,716
Subordinate Origination Fee - 1.5%	22,350	-	22,350
Perm Loan App Fee	500	-	500
Perm Lender Documentation Fees	15,000	-	15,000
<b>Soft Costs</b>			
Market Study	6,500	-	6,500
Appraisal	5,000	-	5,000
Environmental Reports	61,500	-	61,500
Tax Credit Fees	150,821	-	150,821
Marketing	50,000	-	50,000
Title and Recording	45,000	-	45,000
Consulting	75,000	-	75,000
Accounting	25,000	-	25,000
GP Legal Fees	100,000	-	100,000
<b>Syndication Costs</b>			
Organizational	-	-	-
<b>Developer Fees / Reserves</b>			
Developer Fee	616,383	4,419,953	5,036,335.86
Operating and DS Reserve - 6 months	-	874,067	874,067
Rent Up Reserve	-	-	-
<b>Total Uses Of Funds</b>	<b>\$ 27,388,062</b>	<b>\$ 5,294,020</b>	<b>\$ 32,682,082</b>

Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 20 Yr/SL	Amortization	Non Depreciable/ Amortizable	4.0% Eligible Basis
-	-	115,000	-	1,200,000	115,000
212,800	-	300,000	-	-	212,800
100,000	-	-	-	-	100,000
18,210,000	-	-	-	-	18,210,000
375,000	-	-	-	375,000	-
950,000	-	-	-	-	950,000
399,000	-	-	-	-	399,000
1,017,450	-	-	-	-	1,017,450
1,068,323	-	-	-	-	1,068,323
250,000	250,000	-	-	-	250,000
50,000	50,000	-	-	-	50,000
15,000	-	-	-	-	15,000
60,000	-	-	-	-	60,000
50,000	-	-	-	-	50,000
15,000	-	-	-	-	15,000
550,000	-	-	-	-	550,000
40,000	-	-	-	-	40,000
10,000	-	-	-	-	10,000
15,000	-	-	-	-	15,000
10,000	-	-	-	-	10,000
50,000	-	-	-	-	50,000
10,000	-	-	-	-	10,000
50,000	-	-	-	-	50,000
10,000	-	-	-	-	10,000
15,000	-	-	-	-	15,000
50,000	-	-	-	-	50,000
40,000	-	-	-	-	40,000
557,023	-	-	-	83,554	473,470
221,696	-	-	221,696	-	10,000
10,000	-	-	-	-	25,000
25,000	-	-	-	-	12,000
211,716	-	-	211,716	-	
22,350	-	-	22,350	-	
500	-	-	500	-	
15,000	-	-	15,000	-	
6,500	-	-	-	-	6,500
5,000	-	-	-	-	5,000
61,500	-	-	-	-	61,500
150,821	-	-	150,821	-	
50,000	-	-	-	50,000	
45,000	-	-	-	-	45,000
75,000	-	-	-	-	75,000
25,000	17,500	-	-	7,500	17,500
100,000	-	-	-	-	100,000
-	-	-	-	-	
5,036,336	-	-	-	-	5,036,336
-	-	-	-	874,067	
-	-	-	-	-	
<b>\$ 29,129,878</b>	<b>\$ 300,000</b>	<b>\$ 415,000</b>	<b>\$ 622,083</b>	<b>\$ 2,590,120</b>	<b>\$ 29,469,878</b>

ACQUISITION CREDIT	
Acquisition price	1,200,000
Less: Land & other non-depreciable costs	(1,200,000)
Less: Other	-
Adjusted Eligible Basis	-
Qualified Census Tract Adjustment	100.00%
Eligible Basis	-
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	-
Credit Percentage (30% PV)	3.18%
<b>Potential Annual Credit</b>	<b>-</b>

CONSTRUCTION / REHAB CREDIT	
Eligible Building Basis	29,469,878
Less: Acquisition Credit	-
Less: Federal HTC - Residential	-
Adjusted Eligible Basis	29,469,878
Qualified Census Tract Adjustment	100.00%
Eligible Basis	29,469,878
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	29,469,878
Credit Percentage (30% PV)	3.18%
<b>Potential Annual Credit</b>	<b>937,142</b>

LIH CREDIT ANALYSIS	FED Credit	State Credit
Annual LIH Credit Calculated	937,142	937,142
Annual LIH Credit Reserved	937,142	937,142
Minimum Credit or Allocation	937,142	937,142
Total Tax Credit	9,371,420	5,622,852
Investor Percentage	99.99%	100.00%
Tax Credits for Syndication	9,370,483	5,622,852
Price per Credit	0.9300	0.7100
<b>Federal LIHTC Equity Raised</b>	<b>8,714,549</b>	<b>3,992,224</b>

Madison Grocery 4%		WHEDA CASH FLOW															PAGE 8
FORECAST OF NET CASH FLOW FROM OPERATIONS		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	TOTAL
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Income</b>																	
Rental Income		\$ 1,876,932	\$ 1,914,471	\$ 1,952,760	\$ 1,991,815	\$ 2,031,652	\$ 2,072,285	\$ 2,113,730	\$ 2,156,005	\$ 2,199,125	\$ 2,243,107	\$ 2,287,970	\$ 2,333,729	\$ 2,380,404	\$ 2,428,012	\$ 2,476,572	\$ 32,458,568
Less: Vacancy	-7.0%	(131,385)	(134,013)	(136,693)	(139,427)	(142,216)	(145,060)	(147,961)	(150,920)	(153,939)	(157,018)	(160,158)	(163,361)	(166,628)	(169,961)	(173,360)	(2,272,100)
Other Income		108,000	110,160	112,363	114,610	116,903	119,241	121,626	124,058	126,539	129,070	131,651	134,284	136,970	139,710	142,504	1,867,689
Less: Vacancy	-7.0%	(7,560)	(7,711)	(7,865)	(8,023)	(8,183)	(8,347)	(8,514)	(8,684)	(8,858)	(9,035)	(9,216)	(9,400)	(9,588)	(9,780)	(9,975)	(130,738)
<b>Effective Gross Income</b>		<b>1,845,987</b>	<b>1,882,906</b>	<b>1,920,565</b>	<b>1,958,976</b>	<b>1,998,155</b>	<b>2,038,119</b>	<b>2,078,881</b>	<b>2,120,459</b>	<b>2,162,868</b>	<b>2,206,125</b>	<b>2,250,248</b>	<b>2,295,253</b>	<b>2,341,158</b>	<b>2,387,981</b>	<b>2,435,740</b>	<b>31,923,419</b>
<b>Expenses</b>																	
Operating Expenses		510,241	525,548	541,314	557,554	574,281	591,509	609,254	627,532	646,358	665,749	685,721	706,293	727,481	749,306	771,785	9,489,925
Real Estate Taxes		180,000	185,400	190,962	196,691	202,592	208,669	214,929	221,377	228,019	234,859	241,905	249,162	256,637	264,336	272,266	3,347,804
Management Fee		110,759	114,082	117,504	121,030	124,660	128,400	132,252	136,220	140,306	144,516	148,851	153,317	157,916	162,654	167,533	2,060,001
Reserve for Replacement	3.0%	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067	836,951
<b>Total Operating Expenses</b>		<b>846,000</b>	<b>871,380</b>	<b>897,521</b>	<b>924,447</b>	<b>952,180</b>	<b>980,746</b>	<b>1,010,168</b>	<b>1,040,473</b>	<b>1,071,687</b>	<b>1,103,838</b>	<b>1,136,953</b>	<b>1,171,062</b>	<b>1,206,194</b>	<b>1,242,380</b>	<b>1,279,651</b>	<b>15,734,681</b>
<b>Net Operating Income</b>		<b>999,987</b>	<b>1,011,526</b>	<b>1,023,043</b>	<b>1,034,529</b>	<b>1,045,975</b>	<b>1,057,373</b>	<b>1,068,713</b>	<b>1,079,985</b>	<b>1,091,180</b>	<b>1,102,287</b>	<b>1,113,294</b>	<b>1,124,191</b>	<b>1,134,964</b>	<b>1,145,601</b>	<b>1,156,089</b>	<b>16,188,738</b>
<b>Debt Service</b>																	
First Mortgage - WHEDA		833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	833,322	12,499,835
<b>Total Debt Service</b>		<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>833,322</b>	<b>12,499,835</b>
DCR 1st Mtg		1.200	1.214	1.228	1.241	1.255	1.269	1.282	1.296	1.309	1.323	1.336	1.349	1.362	1.375	1.387	
DCR All Loans		1.200	1.214	1.228	1.241	1.255	1.269	1.282	1.296	1.309	1.323	1.336	1.349	1.362	1.375	1.387	
<b>Cash Flow</b>																	
		166,664	178,204	189,721	201,207	212,653	224,050	235,390	246,663	257,858	268,965	279,972	290,868	301,642	312,279	322,767	3,688,903
<b>Asset Management Fee</b>	3.0%	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	55,797
<b>Cash Flow</b>		<b>163,664</b>	<b>175,114</b>	<b>186,538</b>	<b>197,928</b>	<b>209,276</b>	<b>220,573</b>	<b>231,808</b>	<b>242,973</b>	<b>254,058</b>	<b>265,050</b>	<b>275,940</b>	<b>286,716</b>	<b>297,364</b>	<b>307,873</b>	<b>318,229</b>	<b>3,633,106</b>
<b>Debt Service</b>																	
Second Mortgage - WHEDA		68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	68,811	1,032,168
<b>Total Debt Service</b>		<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>68,811</b>	<b>1,032,168</b>
DCR All Mtg		1.108	1.121	1.134	1.15	1.16	1.17	1.18	1.20	1.21	1.22	1.23	1.25	1.26	1.27	1.28	
<b>Cash Flow</b>		<b>94,853</b>	<b>106,303</b>	<b>117,727</b>	<b>129,117</b>	<b>140,465</b>	<b>151,761</b>	<b>162,997</b>	<b>174,162</b>	<b>185,246</b>	<b>196,239</b>	<b>207,129</b>	<b>217,904</b>	<b>228,553</b>	<b>239,062</b>	<b>249,418</b>	<b>2,600,938</b>
<b>Deferred Developer Fee - GAP</b>																	
Payment	2,570,805	94,853	106,303	117,727	129,117	140,465	151,761	162,997	174,162	185,246	196,239	207,129	217,904	228,553	239,062	249,418	2,570,805
Current Balance		2,475,952	2,369,649	2,251,922	2,122,805	1,982,340	1,830,578	1,667,581	1,493,419	1,308,173	1,111,934	904,805	686,900	458,347	219,285	-	-
<b>Cash Flow Available</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,133</b>	<b>30,133</b>
<b>Debt Service- Soft Loans</b>																	
City of Madison Funds	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,133	30,133
<b>Total Debt Service- Soft Loans</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,133</b>	<b>30,133</b>
<b>Net Cash Flow for GP Fees</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GP Partnership Management Fee</b>	90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Available Cash Flow for Distribution</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
General Partner	0.01%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Partner	99.9900%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Annual Expense	Expense per Unit <b>150</b>	% Gross Potential Rent
<b>Administrative</b>			
Management Fee - 6.0% EGI	110,759	738.39	5.9%
Marketing	6,000	40.00	0.3%
Audit Expense	7,200	48.00	0.4%
Bad Debt - 0.50% EGI	9,230	61.53	0.5%
Software Expense	6,750	45.00	0.4%
Fire Alarm & Elevator Monitoring Fees	900	6.00	0.0%
Lender Inspection Fees	350	2.33	0.0%
RightSource Compliance	13,500	90.00	0.7%
Legal Expense	750	5.00	0.0%
Phone / Internet / Cable	27,396	182.64	1.5%
Office Expenses	7,500	50.00	0.4%
Manager Salaries	88,400	589.33	4.7%
<b>Subtotal Administrative</b>	<b>278,735</b>	<b>1,858.23</b>	<b>14.9%</b>
<b>Maintenance:</b>			
Maintenance & Repair	30,000	200.00	1.6%
Elevator	3,000	20.00	0.2%
Grounds	6,000	40.00	0.3%
Painting / Decorating	15,000	100.00	0.8%
Furnishing Replacement	3,000	20.00	0.2%
Pest Control	15,000	100.00	0.8%
Security Payroll / Contract	2,500	16.67	0.1%
<b>Subtotal Maintenance</b>	<b>74,500</b>	<b>496.67</b>	<b>4.0%</b>
<b>Operating:</b>			
Water	15,000	100.00	0.8%
Electric	22,500	150.00	1.2%
Gas	22,500	150.00	1.2%
Sewer	15,000	100.00	0.8%
Payroll	31,200	208.00	1.7%
Supplies	15,000	100.00	0.8%
Cleaning Expense	18,750	125.00	1.0%
Trash Removal	30,000	200.00	1.6%
Payroll Taxes	9,568	63.79	0.5%
Insurance	25,000	166.67	1.3%
Worksman's Comp	5,860	39.07	0.3%
Health Insurance	29,900	199.33	1.6%
Unemployment Insurance	3,708	24.72	0.2%
<b>INCREASE IN OPEX</b>	<b>12,029</b>	<b>80.19</b>	<b>0.6%</b>
Snow Removal	5,000	33.33	0.3%
<b>Subtotal Operating</b>	<b>261,015</b>	<b>1,740.10</b>	<b>13.9%</b>
<b>Real Estate Taxes:</b>	<b>180,000</b>	<b>1,200.00</b>	<b>9.6%</b>
<b>Total Annual Expenses</b>	<b>801,000</b>	<b>5,340.00</b>	<b>42.7%</b>
<b>Tax Credit Monitoring Expense</b>	<b>6,750</b>	<b>45.00</b>	<b>0.4%</b>
<b>Replacement Reserve:</b>	<b>45,000</b>	<b>300.00</b>	<b>2.4%</b>
<b>Total Annual Expenses w/Reserves</b>	<b>846,000</b>	<b>5,640.00</b>	<b>45.1%</b>

PUPM 470.00