

DORSEY DRIVE

The cost estimates provided below reflect pricing for a multiple lot subdivision.

TABLE 7: DORSEY DRIVE ~ PROJECT SUMMARY
July 2004

Unit Type	Number of Units	Square Ft. per Unit	Price per Sq. Ft.	Sales Price per Unit	Total Sales Income
Residential Units	39				
Type A 80% AMI	4	1,327	NA	\$210,000	\$840,000
Type A 120% AMI	4	1,327	NA	\$315,000	\$1,260,000
Type A Market	0	1,327	\$245	\$325,115	\$0
Type B 80% AMI	8	1,145	NA	\$195,000	\$1,560,000
Type B 120% AMI	8	1,145	NA	\$290,000	\$2,320,000
Type B Market	0	1,145	\$255	\$291,975	\$0
Type C 80% AMI	7	1,013	NA	\$175,000	\$1,225,000
Type C 120% AMI	8	1,013	NA	\$262,000	\$2,096,000
Type C Market	0	1,013	\$265	\$268,445	\$0
Totals	39	44,131			\$9,301,000
				Construction Loan 85% LTV	\$7,905,850

* AMI - Adjusted Median Income: Income adjusted for family size

TABLE 8: DORSEY DRIVE ~ DEVELOPMENT BUDGET
July 2004

Project Cost	Item	Uses	Cost	Subtotal
Purchase price	1.00	Land Cost		\$679,535
On Site Cost	2.00	On and Off-Sites		\$585,000
Off-Site Costs	3.00	Included Above		Included
Construction Costs	4.00	Home Construction		\$3,751,135
Contingency	5.00	Contingency 10% of hard costs		\$375,114
Project Overhead	6.00	Professional Fees and Entitlements		\$1,076,050
	6.10	Architecture and Engineering	\$187,557	
	6.20	Survey	\$7,500	
	6.30	Hazardous Materials and Soil Analysis	\$10,000	
	6.40	Legal and Accounting	\$20,000	
	6.50	Entitlements & Building Permit	\$552,692	
	6.60	School District	\$94,440	
	6.70	Park Fees (Quimby)	\$203,861	
Closing Costs	7.00	Taxes, Escrow, Title Insurance and Bank Costs		\$28,000
Interest Reserve	8.00	Construction Loan Interest		\$547,875
Loan Fee	9.00	Loan Fee 1.5%		\$118,588
Marketing Overhead	10.00	Marketing / Advertising and Operating Reserves		\$40,000
Environment Reports	11.00	Phase I Environmental Assessment		\$4,500
Appraisal Fee	12.00	Appraisal Report		\$7,500
Contingency	13.00	Soft Cost Contingency 5%		\$91,126
Sale Commissions	14.00	Residential Sales Commissions 2%		\$186,020
Closing Costs	15.00	Escrow and Title Closing Costs \$800/unit		\$31,200
Profit and Overhead	16.00	Developer Profit and Overhead (13% of Revenue)		\$1,209,130
Total				\$8,730,772

GAP / EXCESS PROCEEDS
\$570,228

EAST BENNETT STREET

The cost estimates provided below reflect pricing for a multiple lot subdivision.

TABLE 9: EAST BENNETT STREET ~ PROJECT SUMMARY

July 2004

Unit Type	Number of Units	Square Ft. per Unit	Price per Sq. Ft.	Sales Price per Unit	Total Sales Income
Residential Units	44				
Type A 80% AMI*	18	1,327	NA	\$210,000	\$3,780,000
Type A 120% AMI*	18	1,327	NA	\$315,000	\$5,670,000
Type A Market	0	1,327	\$245	\$325,115	\$0
Type B 80% AMI*	4	1,145	NA	\$195,000	\$780,000
Type B 120% AMI*	4	1,145	NA	\$290,000	\$1,160,000
Type B Market	0	1,145	\$255	\$291,975	\$0
Type C 80% AMI*	0	1,013	NA	\$175,000	\$0
Type C 120% AMI*	0	1,013	NA	\$262,000	\$0
Type C Market	0	1,013	\$265	\$268,445	\$0
Totals	44	56,932			\$11,390,000
		Construction Loan 85% LTV			\$9,681,500

* AMI - Adjusted Median Income: Income adjusted for family size

TABLE 10: EAST BENNETT STREET ~ DEVELOPMENT BUDGET

July 2004

Project Cost	Item	Uses	Cost	Subtotal
Purchase price	1.00	Land Cost		\$740,520
On Site Cost	2.00	On and Off-Sites		\$880,000
Off-Site Costs	3.00	Included Above		Included
Construction Costs	4.00	Home Construction		\$4,839,220
Contingency	5.00	Contingency 10% of hard costs		\$483,922
Soft Costs	6.00	Professional Fees and Entitlements		\$1,277,935
	6.10	Architecture and Engineering	\$241,961	
	6.20	Survey	\$7,500	
	6.30	Hazardous Materials and Soil Analysis	\$10,000	
	6.40	Legal and Accounting	\$20,000	
	6.50	Entitlements & Building Permit	\$646,642	
	6.60	School District	\$121,834	
	6.70	Park Fees (Quimby)	\$229,997	
Closing Costs	7.00	Taxes, Escrow, Title Insurance and Bank Costs		\$28,000
Interest Reserve	8.00	Construction Loan Interest		\$670,928
Loan Fee	9.00	Loan Fee 1.5%		\$145,223
Marketing Overhead	10.00	Marketing / Advertising and Operating Reserves		\$40,000
Environment Reports	11.00	Phase I Environmental Assessment		\$4,500
Appraisal Fee	12.00	Appraisal Report		\$7,500
Contingency	13.00	Soft Cost Contingency 5%		\$108,704
Sale Commissions	14.00	Residential Sales Commissions 2%		\$227,800
Closing Costs	15.00	Escrow and Title Closing Costs \$800/unit		\$35,200
Profit and Overhead	16.00	Developer Profit and Overhead (13% of Revenue)		\$1,480,700
Total				\$10,970,151

GAP / EXCESS PROCEEDS

\$419,849

SOUTH AUBURN

The cost estimates provided below reflect pricing for a multiple lot subdivision.

TABLE 11: SOUTH AUBURN ~ PROJECT SUMMARY
July 2004

Unit Type	Number of Units	Square Ft. per Unit	Price per Sq. Ft.	Sales Price per Unit	Total Sales Income
Residential Units	38				
Type A 80% AMI	14	1,327	NA	\$210,000	\$2,940,000
Type A 120% AMI	15	1,327	NA	\$315,000	\$4,725,000
Type A Market	0	1,327	\$245	\$325,115	\$0
Type B 80% AMI	4	1,145	NA	\$195,000	\$780,000
Type B 120% AMI	5	1,145	NA	\$290,000	\$1,450,000
Type B Market	0	1,145	\$255	\$291,975	\$0
Type C 80% AMI	0	1,013	NA	\$175,000	\$0
Type C 120% AMI	0	1,013	NA	\$262,000	\$0
Type C Market	0	1,013	\$265	\$268,445	\$0
Totals	38	48,788			\$9,895,000
		Construction Loan 85% LTV			\$8,410,750

* AMI - Adjusted Median Income: Income adjusted for family size

TABLE 12: SOUTH AUBURN ~ DEVELOPMENT BUDGET
July 2004

Project Cost	Item	Uses	Cost	Subtotal
Purchase price	1.00	Land Cost		\$1,524,600
On Site Cost	2.00	On and Off-Sites		\$1,140,000
Off-Site Costs	3.00	Included Above		Included
Construction Costs	4.00	Home Construction		\$4,146,980
Contingency	5.00	Contingency 10% of hard costs		\$414,698
Project Overhead	6.00	Professional Fees and Entitlements		\$1,106,751
	6.10	Architecture and Engineering	\$207,349	
	6.20	Survey	\$7,500	
	6.30	Hazardous Materials and Soil Analysis	\$10,000	
	6.40	Legal and Accounting	\$20,000	
	6.50	Entitlements & Building Permit	\$558,862	
	6.60	School District	\$104,406	
	6.70	Park Fees (Quimby)	\$198,634	
Closing Costs	7.00	Taxes, Escrow, Title Insurance and Bank Costs		\$28,000
Interest Reserve	8.00	Construction Loan Interest		\$582,865
Loan Fee	9.00	Loan Fee 1.5%		\$126,161
Marketing Overhead	10.00	Marketing / Advertising & Operating Reserves		\$40,000
Environment Reports	11.00	Phase I Environmental Assessment		\$4,500
Appraisal Fee	12.00	Appraisal Report		\$7,500
Contingency	13.00	Soft Cost Contingency 5%		\$94,789
Sale Commissions	14.00	Residential Sales Commissions 2%		\$197,900
Closing Costs	15.00	Escrow and Title Closing Costs \$800/unit		\$30,400
Profit and Overhead	16.00	Developer Profit and Overhead (13% of Revenue)		\$1,286,350
Total				\$10,731,494

GAP / EXCESS PROCEEDS
(\$836,494)

COST ESTIMATES

The cost estimates provided below reflect pricing for a multiple lot subdivision.

PROTOTYPE UNIT COST ESTIMATES		July 2004		
		plan 1327 A	plan 1145 B	plan 1013 C
line item	description	model	model	model
1	Appliances	1,072.00	1,072.00	1,072.00
2	Cabinets	3,145.00	2,875.00	2,605.00
3	Carpet & Vinyl	2,322.00	2,003.00	1,772.00
4	Ceramic Tile	1,350.00	1,223.00	1,223.00
5	Cultured Marble	640.00	450.00	275.00
6	Doors & Trim	1,950.00	1,865.00	1,735.00
7	Drywall	6,245.00	4,608.00	4,265.00
8	Electrical	4,030.00	3,985.00	3,915.00
9	Electrical Fixtures	525.00	480.00	430.00
10	Fencing	800.00	1,100.00	1,100.00
11	Finale Clean	358.00	309.00	273.00
12	Finish Carpentry	1,375.00	1,260.00	1,210.00
13	Finish & Rough Grading	450.00	450.00	450.00
15	Flatwork Walks/Drives	1,580.00	1,325.00	420.00
16	Foundations	7,820.00	7,490.00	6,995.00
17	Framing Labor/Lumber/Truss	28,662.00	26,350.00	24,750.00
18	Garage Doors	280.00	0.00	0.00
19	Hardware	360.00	325.00	280.00
20	HVAC	5,585.00	5,325.00	4,875.00
21	Insulation	1,161.00	981.00	880.00
22	Landscaping	880.00	880.00	880.00
23	Masonry	1,325.00	1,325.00	1,325.00
24	Mirrors & Enclosures	520.00	315.00	195.00
25	Painting	2,995.00	2,580.00	2,290.00
26	Plumbing	9,945.00	9,245.00	8,635.00
27	Roofing	2,600.00	2,450.00	2,270.00
28	Rough Clean	464.00	400.00	355.00
29	Security Systems	168.00	151.00	146.00
30	Soil Pretreat	120.00	120.00	120.00
31	Stair Railings	525.00	473.00	473.00
32	Stucco	7,946.00	7,185.00	6,805.00
33	Windows	1,975.00	2,275.00	2,080.00
SUBTOTAL		99,173.00	90,875.00	84,099.00
Overhead/Supervision		2,975.19	2,726.25	2,522.97
Profit		3,064.45	2,808.04	2,598.66
TOTAL		105,212.64	96,409.29	89,220.63
cost per square foot		\$79.29	\$84.20	\$88.08

AFFORDABILITY ANALYSIS

AFFORDABILITY		July 2004					
	Income Required	80%	120%	80%	120%	80%	120%
	# of Bedrooms	2	2	3	3	4	4
Per Unit Cost/Sales Price		175,000	262,000	195,000	290,000	210,000	315,000
Downpayment		(8,750)	(13,100)	(9,750)	(14,500)	(10,500)	(15,750)
Homebuyer Assistance							
Loan Amount Needed		166,250	248,900	185,250	275,500	199,500	299,250
Payment (P+I)		(901)	(1,348)	(1,003)	(1,492)	(1,081)	(1,621)
Taxes		(146)	(218)	(163)	(242)	(175)	(263)
Insurance		(44)	(66)	(49)	(73)	(53)	(79)
Mello Roos (Special Assessments)		0	0	0	0	0	0
Flood Insurance		\$0	\$0	\$0	\$0	\$0	\$0
HOA		0	0	0	0	0	0
Mortgage Insurance		(58)	(87)	(65)	(97)	(70)	(105)
Monthly Payment		(1,148)	(1,719)	(1,280)	(1,903)	(1,378)	(2,067)
Annual Income Required		\$45,938	\$68,775	\$51,188	\$76,125	\$55,125	\$82,688
Annual Required Income as % Median		80%	120%	80%	120%	80%	120%

ASSUMPTIONS

Interest Rate	6.5%	Taxes	0.01
Loan Term	30	Insurance	0.003
Down Payment %	5%	Mello Roos	0
Homebuyer Assistance	0	Flood Insurance	0
Mortgage Insurance	0.004	Income % to Housing Cost	30%
HOA	0		

Size of Household	MFI	Homebuyer Income	
		80%	120%
2004 Incomes	100%		
1 person	\$44,500	\$35,600	\$53,400
2 person	\$50,900	\$40,700	\$61,050
3 person	\$57,200	\$45,800	\$68,650
4 person	\$63,600	\$50,900	\$76,300
5 person	\$68,700	\$54,950	\$82,400
6 person	\$73,800	\$59,000	\$88,500