

**WASHINGTON STUDIOS RECAPITALIZATION
DULUTH, MN
CAPITAL BUDGET SUMMARY**

SOURCES 5/8/2018

	DCR	Total	Residential	Commercial	% of TDC	Rate	Term
Residential First Mortgage	1.20	\$600,000	\$600,000	\$0	4%	5.40%	30
Commercial First Mortgage		\$0	\$0	\$0	0%	7.00%	30
Gap		\$0	\$0	\$0	0%	1.00%	50
Other		\$0	\$0	\$0	0%	1.00%	30
Other (Existing Reserves)		\$134,070	\$134,070	\$0	1%	NA	NA
Reserve Contributions		\$0	\$0	\$0	0%	1.00%	30
GP Capital Contribution (Acquisition)		\$4,875,000	\$4,875,000	\$0	37%	0.00%	NA
GP Capital Contribution (Reinvested Fee)		\$1,500,000	\$1,500,000	\$0	11%	0.00%	NA
Private Sector Philanthropic/Cultural Facility Funds		\$0	\$0	\$0	0%	1.00%	30
GP Capital Contribution		\$0	\$0	\$0	0%	NA	NA
Deferred Developer Fee		\$0	\$0	\$0	0%	0.00%	12
LP Federal/State Historic TC		\$0	\$0	\$0	0%		NA
LP Equity - State LIHTC		\$0	\$0	\$0	0%		NA
LP Equity - LIHTC		\$4,270,648	\$4,270,648	\$0	32%		NA
TOTAL PERMANENT FINANCING		\$11,379,718	\$11,379,718	\$0	85%		
SURPLUS/(DEFICIT)		-\$1,962,146	-\$1,962,146	\$0			

USES

	%HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Non Cap.	Per Unit
Acquisition					100.00%	0.00%					
Land	0%	0%	0%	\$390,000	\$390,000	\$0	\$0	\$0	\$0	\$390,000	\$10,000
Building	0%	100%	0%	\$4,485,000	\$4,485,000	\$0	\$4,485,000	\$0	\$4,485,000	\$0	\$115,000
Other - Site Improvements	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs											
Pre-construction holding	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Improvements	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs: New	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs: Rehab	100%	100%	0%	\$4,891,794	\$4,891,794	\$0	\$4,891,794	\$4,891,794	\$4,891,794	\$0	\$125,431
Construction Contingency	100%	100%	0%	\$489,179	\$489,179	\$0	\$489,179	\$489,179	\$489,179	\$0	\$12,543
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Escalation	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Fees (Construction-Related)											
Architect: Design	100%	100%	0%	\$242,144	\$242,144	\$0	\$242,144	\$242,144	\$242,144	\$0	\$6,209
Architect: Supervision	100%	100%	0%	\$80,715	\$80,715	\$0	\$80,715	\$80,715	\$80,715	\$0	\$2,070
Architectural Reimbursements	100%	100%	0%	\$10,000	\$10,000	\$0	\$10,000	\$10,000	\$10,000	\$0	\$256
Engineer/Survey	100%	100%	0%	\$15,000	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$0	\$385
Permits/Impact Fees	100%	100%	0%	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$25,000	\$0	\$641
Architect Pre-Design	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Interim Costs											
Hazard Insurance	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Liability Insurance	100%	100%	0%	\$30,000	\$30,000	\$0	\$30,000	\$30,000	\$30,000	\$0	\$769
Payment/Performance Bond	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Credit Report	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Period Interest	100%	0%	0%	\$250,000	\$250,000	\$0	\$0	\$250,000	\$0	\$250,000	\$6,410
Construction Loan Origination	100%	100%	0%	\$75,000	\$75,000	\$0	\$75,000	\$75,000	\$75,000	\$0	\$1,923
Credit Enhancement	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inspection Fees	100%	100%	0%	\$35,000	\$35,000	\$0	\$35,000	\$35,000	\$35,000	\$0	\$897
Lender Legal	100%	100%	0%	\$50,000	\$50,000	\$0	\$50,000	\$50,000	\$50,000	\$0	\$1,282
Construction Period Taxes	100%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Financing											
Issuer Costs	50%	50%	0%	\$35,000	\$35,000	\$0	\$17,500	\$17,500	\$17,500	\$17,500	\$897
Underwriter Costs	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FHA/Mortgagee Costs	50%	50%	0%	\$6,000	\$6,000	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$154
FHA MIP	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Issuance	0%	0%	0%	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$1,282
Title and Recording	100%	100%	0%	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$25,000	\$0	\$641
Lender Legal Fees	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fees	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs											
Feasibility Study (artist survey)	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Study	0%	0%	0%	\$4,500	\$4,500	\$0	\$0	\$0	\$0	\$4,500	\$115
Environmental Study	100%	100%	0%	\$7,500	\$7,500	\$0	\$7,500	\$7,500	\$7,500	\$0	\$192
Tax Credit Fees	0%	0%	0%	\$36,000	\$36,000	\$0	\$0	\$0	\$0	\$36,000	\$923
Compliance Fees	0%	0%	0%	\$975	\$975	\$0	\$0	\$0	\$0	\$975	\$25
Rent-up expense - marketing/adv	0%	0%	0%	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$15,000	\$385
Appraisal	50%	50%	0%	\$8,500	\$8,500	\$0	\$4,250	\$4,250	\$4,250	\$4,250	\$218
Cost Certificate - & other account	0%	0%	0%	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$256
Historic Consultant	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Syndication Cost											
Organization	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge Loan Interest	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Opinion	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PV Adjustment	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Syndicator Due Diligence Fee	0%	0%	0%	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$1,282
Other	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fees											
Overhead	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fee	95%	95%	0%	\$1,750,000	\$1,750,000	\$0	\$1,662,500	\$1,662,500	\$1,662,500	\$87,500	\$44,872
Consultant	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal											
Organization Legal	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Finance Legal	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Legal	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Legal	100%	100%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Syndication Legal	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner Legal	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0%	0%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves											
Lease Up Months:	0%	0%	0%	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Months:	0%	0%	0%	6	\$154,143	\$154,143	\$0	\$0	\$0	\$154,143	\$3,952
Debt Service Re Months:	0%	0%	0%	6	\$20,414	\$20,414	\$0	\$0	\$0	\$20,414	\$523
Soft Cost Contingency	50%	50%	0%	\$100,000	\$100,000	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$2,564
Other	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	50%	50%	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEVELOPMENT COSTS				\$13,341,863	\$13,341,863	\$0	\$12,198,582	\$7,963,582	\$12,198,582	\$1,143,282	\$342,099