

Acord Park Drive @ Belmont
 BELMONT, MA
 September 28, 2006

DEVELOPMENT BUDGET

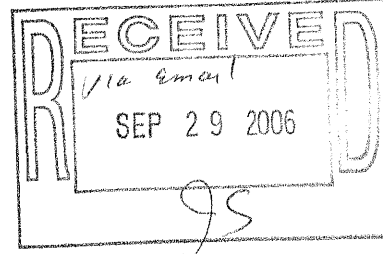
	Per Unit	Total
Hard Costs		
Acquisition	29,699	8,880,000
Site Preparation (any unusual site conditions which require wetlands crossing, blasting, etc.)		2,950,000
Offsites (traffic, uplands/wetlands work, trail, kiosk)	669	200,000
Construction (units)	145,281	\$43,439,043
Construction (parking)	0	\$0
FF&E	2,007	600,000
Contingency	7,891	2,359,452
Sub-Total Hard Costs	195,413	58,428,495

Soft Costs		
Permits & surveys/hook-up fees/mitigation	2,826	845,000
Architecture & Engineering	4,013	1,200,000
Legal, Title & Recording	1,472	440,000
Accounting & Cost Certification	201	60,000
Civil/Environmental /Geotech Engineering	669	200,000
Finance Fees	6,346	1,897,477
Taxes	936	280,000
Insurance	518	155,000
Construction Loan Interest	14,146	4,229,792
Rent up & Marketing	1,839	550,000
Appraisal/Market Study/other studies/fees/due diligence	84	25,000
Construction Management/Owner's rep	0	0
Inspections - lender	0	0
Development consultant	0	0
Lease-up deficit	1,154	345,000
Soft Cost Contingency	1,710	511,363
Maximum Allowable 40B Developer Fee	25,439	7,606,363
Sub-Total Soft Costs	61,354	18,344,995
TOTAL DEVELOPMENT COSTS	256,768	76,773,490

DEVELOPMENT SOURCES	
Permanent Loan ⁽²⁾	63,249,229
Developer Equity at permanent loan closing ⁽³⁾	13,524,261
TOTAL DEVELOPMENT SOURCES	76,773,490

(2) Calculations shown on Operating Expense Schedule
 (3) Developer equity is the difference between the as-is appraised value at stabilization and the permanent loan

Assumptions			
Hard Costs			
Number of Units	299		
Number of below ground parking spaces	250		
Total GSF	337,884		
Construction cost per SF	\$128.56		
% of Construction/Stiework for Contingency	5%		
Construction Period (in years)	1.5		
Interest during construction	5.35 (tax exempt bonds)		
Soft Costs			
Soft Cost Contingency (excluding Developer OH, and Fee)	5%		
Finance Fee/Credit enhancement	3.0%		



Calculation of Maximum Allowable 40B Developer Fee

A.		
	Appraisal i.	\$8,880,000
	Carrying Costs ii.	\$250,000
	Allowable Acquisition Cost	\$9,130,000

B.		
	Allowable Acquisition Cost * 5%	\$456,500.00

C.		
	Hard Costs i.	\$58,428,494.95
	Soft Costs ii.	10,738,633
	Allowable Acquisition Cost iii.	\$456,500.00
	Adjusted TDC	\$69,623,627.46

DHCD Maximum Allowable Developer Fee

15% of 1st \$3,000,000 of Adjusted TDC	i.	\$450,000
12.5% of the next \$2,000,000 of Adjusted TDC	ii.	\$250,000
10% of the difference between Adjusted TDC and \$5,000,000	iii.	\$6,462,363
DHCD Maximum Allowable Developer Fee		\$7,162,363

5% of Acquisition	\$444,000
DHCD Maximum Allowable 40B Developer Fee	\$7,606,363

Acord Park Drive @ Belmont
BELMONT, MA

Number of Units: 299

	Units	Maximum Rent @ 50% Allowance	Utility Rent /Month
RENTAL REVENUES			
Affordable 1 1 BR	32	\$ 788.00	116
Affordable 1 2 BR	23	\$ 946.00	157
Affordable 1 3 BR	5	\$ 1,093.00	197
Market 1 BR	127		
Market 2 BR	93		
Market 3 BR	19		
Total Units	299		

Gross Rental Income	6,556,524
Other Income - parking	75
Other Income - Misc	18
Total "OTHER" Income	267,840
TOTAL GROSS INCOME	6,824,364

	Total	Per Unit
OPERATING EXPENSES		
MANAGEMENT FEE	191,355	640
ADMINISTRATION	300,000	1,003
MAINTENANCE	225,000	753
UTILITIES	350,000	1,171
TAXES	450,000	1,505
INSURANCE	100,000	334
MONITORING FEE	15,000	50
REPLACEMENT RESERVES	85,000	284
TOTAL OPERATING EXPENSES	1,716,355	5,740

OPERATING PRO-FORMA- initial yr - stabilized occupancy

Gross Rental Income	6,556,524
Other Income (parking + miscellaneous)	267,840
(less) Vacancy and Bad Debt -afford units	(10,591)
(less) Vacancy and Bad Debt -mrkt units	(421,887)
(less) Vacancy on Other Income	(13,392)
Effective Total Income	6,378,494
(less) Annual Operating Expenses	(1,716,355)
NET OPERATING INCOME	4,662,139
Debt Service Coverage Ratio	1.10
Available for debt service	4,238,308
Supportable Loan	63,249,229

Assumptions	
Vacancy & Bad Debt (Affordable Units)	2%
Vacancy & Bad Debt (Market Units)	7%
Vacancy & Bad Debt (Market Units)	5.00%
Management Fee (as a % of total effective income)	3.00%
Op. Exp. increase from original estimates based on the addition of 80 units	0
Number of Months	12
Loan	
Interest Rate	5.35%
Term	30
Debt Service Coverage Ratio	1.1

216000
51840

2592000

2800080

Assumptions
Rate of Growth Income 1.03
Rate of Growth Expenses 1.030
Year 1 is the first year of stabilized occupancy

ANNUAL RENTAL INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rental Income	6,556,524	6,753,220	6,955,816	7,164,491	7,379,426	7,600,808	7,828,833	8,063,698	8,305,608	8,554,777
Other Income	267,840	275,875	284,151	292,676	301,456	310,500	319,815	329,409	339,292	349,470
TOTAL GROSS INCOME	6,824,364	7,029,095	7,239,968	7,457,167	7,680,882	7,911,308	8,148,648	8,393,107	8,644,900	8,904,247
(less) Vacancy and Bad Debt-afford units	(10,591)	(10,909)	(11,236)	(11,574)	(11,921)	(12,278)	(12,647)	(13,026)	(13,417)	(13,819)
(less) Vacancy and Bad Debt-mkt units	(421,887)	(434,543)	(447,580)	(461,007)	(474,837)	(489,082)	(503,755)	(518,867)	(534,433)	(550,466)
(less) Vacancy and Bad Debt-other	(13,392)	(13,784)	(14,208)	(14,634)	(15,073)	(15,525)	(15,991)	(16,470)	(16,965)	(17,474)
NET RENTAL INCOME	6,378,494	6,569,849	6,766,944	6,969,953	7,179,051	7,394,423	7,616,255	7,844,743	8,080,085	8,322,488
ANNUAL OPERATING EXPENSES										
Management Fee	191,355	197,085	203,008	209,099	215,372	221,833	228,488	235,342	242,403	249,675
Administration	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Maintenance	225,000	231,750	238,703	245,864	253,239	260,837	268,662	276,722	285,023	293,574
Utilities	350,000	360,500	371,315	382,454	393,928	405,746	417,918	430,456	443,370	456,671
Real Estate Taxes	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148
Insurance	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Tax Credit Monitoring Fee	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Replacement Reserves	85,000	87,550	90,177	92,882	95,668	98,538	101,494	104,539	107,675	110,906
SUB-TOTAL OPERATING EXPENSES	1,716,355	1,767,845	1,820,881	1,875,507	1,931,772	1,989,726	2,048,417	2,110,900	2,174,227	2,239,454
NET OPERATING INCOME	4,662,139	4,802,003	4,946,063	5,094,445	5,247,279	5,404,697	5,566,838	5,733,843	5,905,858	6,083,034
Debt Service	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)	(4,238,308)
NET CASH FLOW	423,831	563,695	707,755	856,137	1,008,970	1,166,389	1,328,530	1,495,535	1,667,550	1,844,726
Return on Equity	3.1%	4.2%	5.2%	6.3%	7.5%	8.6%	9.8%	11.1%	12.3%	13.5%

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September 28, 2006

FINANCIAL PERFORMANCE INDICATORS

Benchmark - 10 YR TREASURY RATE (September 27, 2006)	4.87%
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RETURN ON TOTAL COST (NOI/TOTAL DEVELOPMENT COSTS) (1)	
Estimated Project ROTC	6.07%
Uneconomic Minimum Threshold	7.37%
Over/Under	-1.30%
INTERNAL RATE OF RETURN (2) (3)	
Project IRR	8.34%
Uneconomic Minimum Threshold	11.37%
Over/Under	-3.03%

- (1) The uneconomic minimum threshold was determined by adding 250 basis points to the 10 Yr. Treasury - consistent with 11/05 MHP 40B guidelines
(2) The uneconomic minimum threshold was determined by adding 650 basis points to the 10 Yr. Treasury - consistent with 11/05 MHP 40B guidelines
(3) IRR based on cap rate of 8% and transaction costs associated with the sale @3%

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Capitalized Value Assumptions

Year 11 NOI	6,265,525
CAP Rate	6.0%
Estimated Sales Value year 10	\$104,425,418
Transaction Costs	3%
Sale Proceeds	\$101,292,656

IRR 8.340%

IRR Schedule

Year of Project	Year -2	Year -1	Year 0	1	2	3	4	5	6	7	8	9	10
	(1,000,000)	(37,886,745)	(37,886,745)	4,662,139	4,802,003	4,946,063	5,094,445	5,247,279	5,404,697	5,566,838	5,733,843	5,905,858	\$107,375,690

**ACORN PARK
BELMONT, MA**

9/16/2006

Pricing is based upon ADD, Inc. five building plan and Rizzo Associates correlating site design. The total gross square footage included in this proposal is 337,884 plus 85,000sf of garage

Sitework/Utilities	\$	2,980,000
Landscaping	\$	223,000
Fountain	\$	84,000
Swimming Pool	\$	165,000
Concrete	\$	2,120,000
Masonry	\$	1,462,000
Misc. Metals	\$	681,000
Rough Carpentry	\$	9,575,000
Siding	\$	974,000
Finish Carpentry	\$	2,788,000
Roofing & Insulation	\$	635,000
Doors & Windows	\$	2,650,000
Drywall	\$	2,485,000
Floor Finishes	\$	1,555,000
Painting	\$	1,250,000
Elevators	\$	955,000
Appliances	\$	405,000
Fire Extinguishers	\$	16,000
Toilet Accessories	\$	169,000
Signage & Mailboxes	\$	78,000
Window Blinds	\$	84,000
Sprinkler	\$	1,146,000
Plumbing	\$	2,905,000
HVAC	\$	3,792,000
Garage Exhaust System	\$	321,000
Electric & Fire Alarm	\$	2,548,000
General Conditions	\$	2,248,000
Overhead & Profit	\$	2,095,000
	\$	46,389,000
Offsites - (inc. traffic, wetlands, conservation)	\$	520,860

PROJECT ESTIMATE TABULATIONS

LOCATION: Belmont, MA

DATE:

9/26/2006

ITEM NO.	WORK ACTIVITY	QUANTITY	UNIT	UNIT PRICE	TOTAL
2000	PERMITS & FEES				
	Site Development Fees		LS		\$0.00
	Traffic Impact Fees		LS		\$0.00
	Assessment Fees		LS		\$0.00
	Building Permit Fees		LS		\$0.00
	Engineering Fees		LS		\$0.00
	Other Miscellaneous Fees		LS		\$0.00
	SUBTOTAL				\$0.00
2050	DEMOLITION				
	Building/ Structure		SF	\$5.00	\$/SF \$0.00
	Paving		SY	\$4.00	\$/SY \$0.00
	Curb-Remove		LF	\$5.00	\$/LF \$0.00
	Sewer Pipe - Remove		SF	\$15.00	\$/SF \$0.00
	Sewer Manhole - Remove and Backfill		EA	\$500.00	\$/EA \$0.00
	Drain Pipe - Remove		LF	\$15.00	\$/LF \$0.00
	Drain Manhole - Remove		EA	\$25.00	\$/EA \$0.00
	Catchbasin - Remove and Backfill		EA	\$200.00	\$/EA \$0.00
	FES		EA	\$300.00	\$/EA \$0.00
	Water main - Remove		LF	\$15.00	\$/LF \$0.00
	Hydrants - Remove		EA	\$500.00	\$/EA \$0.00
	Site Light Poles/Foundation - Remove		EA	\$1,000.00	\$/EA \$0.00
	SUBTOTAL				\$0.00
2100	SITE PREPARATION				
001	Site Clearing	7.3	Acres	\$5,000.00	\$/Acre \$36,500.00
002	Strip, Screen and Reuse - 6" Topsoil	3,610	CY	\$10.00	\$/CY \$36,100.00
003	Strip and Export Surplus - 6" Topsoil	2,170	CY	\$18.00	\$/CY \$39,060.00
	SUBTOTAL				\$111,660.00
2270	EROSION CONTROL				
001	Silt Fence	1,700	LF	\$7.00	\$/LF \$11,900.00
002	Haybales	340	EA	\$5.00	\$/EA \$1,700.00
003	Construction Entrance	33	TON	\$40.00	\$/TON \$1,320.00
004	Inlet Protection	12	EA	\$150.00	\$/EA \$1,800.00
005	Laydown Area and access drive	1	LS	\$10,000.00	\$/LS \$10,000.00

2200	EARTHWORK					
001	Cut to Fill Onsite	<u>7,722</u>	<u>CY</u>	<u>\$8.00</u>	<u>\$/CY</u>	<u>\$61,776.00</u>
002	Rock Excavation		<u>CY</u>		<u>\$/CY</u>	<u>\$0.00</u>
003	Import and Place "Structural Fill"	<u>3,200</u>	<u>CY</u>	<u>\$40.00</u>	<u>\$/CY</u>	<u>\$128,000.00</u>
004	Import and Place "Crushed Gravel"	<u>3,500</u>	<u>CY</u>	<u>\$40.00</u>	<u>\$/CY</u>	<u>\$140,000.00</u>
005	Import and place ordinary Fill		<u>CY</u>	<u>\$40.00</u>	<u>\$/CY</u>	<u>\$0.00</u>
006	Export Material	<u>39,460</u>	<u>CY</u>	<u>\$6.00</u>	<u>\$/CY</u>	<u>\$236,760.00</u>
007	Building Undercut (If not included		<u>CY</u>		<u>\$/CY</u>	<u>\$0.00</u>
008	under Cut/Fill Onsite)					
	SUBTOTAL					<u><u>\$566,536.00</u></u>
2900	LANDSCAPING					
001	Landscaping (Allowance)	<u>1</u>	<u>LS</u>	<u>\$100,000.00</u>	<u>LS</u>	<u>\$100,000.00</u>
002	Irrigation System (Allowance)	<u>1</u>	<u>LS</u>	<u>\$70,000.00</u>	<u>LS</u>	<u>\$70,000.00</u>
	SUBTOTAL					<u><u>\$170,000.00</u></u>
2500	ASPHALT PAVING					
	Heavy Duty Paving					
001	Surface Course	<u>940</u>	<u>TON</u>	<u>\$70.00</u>	<u>\$/TON</u>	<u>\$65,800.00</u>
002	Binder Course	<u>1,600</u>	<u>TON</u>	<u>\$70.00</u>	<u>\$/TON</u>	<u>\$112,000.00</u>
003	Pavement Striping	<u>1</u>	<u>LS</u>	<u>\$5,000.00</u>	<u>\$/LS</u>	<u>\$5,000.00</u>
004	Geoblock Emergency Access Drive	<u>23,000</u>	<u>SF</u>	<u>\$6.00</u>	<u>\$/SF</u>	<u>\$138,000.00</u>
	SUBTOTAL					<u><u>\$320,800.00</u></u>
2505	CONCRETE PAVING					
001	Bituminous Concrete Walkway	<u>200</u>	<u>TON</u>	<u>\$35.00</u>	<u>\$/SF</u>	<u>\$7,000.00</u>
	SUBTOTAL					<u><u>\$7,000.00</u></u>
2508	TRAFFIC SIGNAGE					
001	Handicap Signs	<u>9</u>	<u>EA</u>	<u>\$140.00</u>	<u>\$/EA</u>	<u>\$1,260.00</u>
002	Stop Signs	<u>3</u>	<u>EA</u>	<u>\$120.00</u>	<u>\$/EA</u>	<u>\$360.00</u>
003	Keep Right Signs	<u>2</u>	<u>EA</u>	<u>\$120.00</u>	<u>\$/EA</u>	<u>\$240.00</u>
	SUBTOTAL					<u><u>\$1,860.00</u></u>
2525	CURBING					
001	Precast Concrete Curb	<u>4,500</u>	<u>LF</u>	<u>\$18.00</u>	<u>\$/LF</u>	<u>\$81,000.00</u>
002	Vertical Granite Curb	<u>950</u>	<u>LF</u>	<u>\$30.00</u>	<u>\$/LF</u>	<u>\$28,500.00</u>
	SUBTOTAL					<u><u>\$109,500.00</u></u>

2600	OFFSITE UTILITIES					
001	10" DICL Watermain Extension	4,000	LF	\$100.00	\$/LF	\$400,000.00
002	10" - 45 Degree Bends	4	EA	\$300.00	\$/EA	\$1,200.00
003	10" - 90 Degree Bends	2	EA	\$300.00	\$/EA	\$600.00
004	10" X 8" Reducer	2	EA	\$500.00	\$/EA	\$1,000.00
005	8" DICL Watermain	50	LF	\$100.00	\$/LF	\$5,000.00
006	8" Gate Valve	2	EA	\$400.00	\$/EA	\$800.00
007	3" Forced Main Sewer Extension	2,400	LF	\$75.00	\$/LF	\$180,000.00
	SUBTOTAL					\$588,600.00
2720	STORMWATER MANAGEMENT					
001	12" HDPE Drain Pipe	1,300	LF	\$35.00	\$/LF	\$45,500.00
002	10" HDPE Drain Pipe	100	LF	\$35.00	\$/LF	\$3,500.00
003	Catch Basin	13	EA	\$2,500.00	\$/EA	\$32,500.00
004	Frame and Grate	13	EA	\$300.00	\$/EA	\$3,900.00
005	Catch Basin Hood	13	EA	\$200.00	\$/EA	\$2,600.00
006	Drain Manhole	14	EA	\$3,500.00	\$/EA	\$49,000.00
007	Frame and Cover	14	EA	\$300.00	\$/EA	\$4,200.00
008	10" Flared End Sections	4	EA	\$800.00	\$/EA	\$3,200.00
009	Oil/Grit Separators	8	EA	\$20,000.00	\$/EA	\$160,000.00
010	Underground Detention Structures	3	EA	\$50,000.00	\$/EA	\$150,000.00
011	Underground Infiltration Chambers	3	EA	\$50,000.00	\$/EA	\$150,000.00
012	Rip/Rap Stone	21	CY	\$60.00	\$/CY	\$1,260.00
	SUBTOTAL					\$605,660.00
2780	WATER SERVICE					
001	8" DICL Pipe	1,140	LF	\$80.00	\$/LF	\$91,200.00
002	8" Domestic Water Service	260	LF	\$80.00	\$/LF	\$20,800.00
003	8" Fire Protection Service	260	LF	\$80.00	\$/LF	\$20,800.00
004	6" DICL Water	80	LF	\$60.00	\$/LF	\$4,800.00
005	8" Gate Valve	10	EA	\$400.00	\$/EA	\$4,000.00
006	6" Gate Valve	4	EA	\$550.00	\$/EA	\$2,200.00
007	10" X 6" X 10" Tee	1	EA	\$300.00	\$/EA	\$300.00
008	8" X 8" X 8" Tee	10	EA	\$300.00	\$/EA	\$3,000.00
009	8" X 6" X 8" Tee	3	EA	\$300.00	\$/EA	\$900.00
010	8" - 45 Degree Bends	10	EA	\$300.00	\$/EA	\$3,000.00
011	Fire Hydrants	4	EA	\$2,000.00	\$/EA	\$8,000.00
	SUBTOTAL					\$159,000.00

2795	SANITARY SEWER SERVICE					
001	8" Sewer Line Pipe	220	LF	\$50.00	\$/LF	\$11,000.00
002	6" Sewer Line Pipe	440	LF	\$45.00	\$/LF	\$19,800.00
003	4" Sewer Line Pipe	240	LF	\$40.00	\$/LF	\$9,600.00
004	Forced Main Pump	1	EA	\$100,000.00	\$/EA	\$100,000.00
005	Manholes	5	Each	\$4,000.00	\$/Each	\$20,000.00
	SUBTOTAL					\$160,400.00
2755	ELECTRICAL SERVICE					
001	(2) 4" Conduits	820	LF	\$25.00	\$/LF	\$20,500.00
002	Transformer Pad	5	LS	\$1,500.00	\$/LS	\$7,500.00
	SUBTOTAL					\$28,000.00
2650	TELEPHONE/CABLE/FIRE SERVICE					
001	(2) 4" Conduits	880	LF	\$10.00	\$/LF	\$8,800.00
	SUBTOTAL					\$8,800.00
2830	FENCING					
001	Guard Rail	700	LF	\$20.00	\$/LF	\$14,000.00
	SUBTOTAL					\$14,000.00
3505	RETAINING WALLS					
001	Retaining Wall Type "A"	1,500	SF	\$30.00	\$/SF	\$45,000.00
	SUBTOTAL					\$45,000.00
16500	SITE LIGHTING					
001	Pole Bases	23	Each	\$2,000.00	\$/Each	\$46,000.00
002	Conduit	1,400	LF	\$25.00	\$/LF	\$35,000.00
003	Fixtures, Poles & Conduit	28	Each	\$2,500.00	\$/Each	\$70,000.00
	SUBTOTAL					\$151,000.00
	Project Summation					\$2,484,076.00
	Contingency 20%					\$496,815.20
	Project Grand Total					\$2,980,891

Estimate Prepared By:

MSG

Company Name:

Rizzo Associates

Plans Dated:

Project Notes/Comments:

Cost of Dewatering not included

Rock excavation/Blasting has not been included

Does not include "Soft cost" associated with design/permitting

Does not include offsite traffic mitigation