### A. CAPITAL

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan</td>
<td>$325,408</td>
</tr>
<tr>
<td>Community Development Block Grant</td>
<td>$200,000</td>
</tr>
<tr>
<td>Operator's Savings</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td><strong>$675,408</strong></td>
</tr>
</tbody>
</table>

### B. DEVELOPMENT EXPENSES

#### 1. ACQUISITION

- **Land**: $120,000 (The cost to purchase the land.)
- **Building**: $85,000 (The cost to purchase the building.)
- **Broker's Fee**: 3% ($3,600) (The fee charged by the real estate agent.)

**Subtotal Acquisition**: $208,600

#### 2. REHABILITATION

- **Parking**: $12,000 (The total cost to prepare the parking area.)
- **Landscaping**: $15,000 (The total cost for all landscaping work.)
- **Playground**: $10,000 (The total cost for all playground work and equipment.)
- **Building Renovation**: $225,000 (The total cost for all building rehabilitation work.)
- **Offsite improvements**: $25,000

**Contingency**: 20% ($57,400) (A reserve set aside for unforeseen repairs during the renovation process.)

**Subtotal Rehabilitation**: $344,400

#### 3. SOFT COSTS

- **Architectural/Engineering**: $25,000 (Fees paid to an architect and/or engineer for their expertise and work products such as designs, reports and technical specifications.)
- **Entitlement Fees**: $12,000 (Land use and related fees paid to a city or county to allow the property to be used for child care.)
- **Environmental Reports**: $6,500 (Fees paid to an environmental firm to evaluate a site and produce a report identifying any hazards prior to renovation.)
- **Construction Manager**: $15,000 (Required by most lenders, hired by the architect or project manager to oversee the rehabilitation work.)
- **Project Manager**: $10,000 (The child care operator's consultant who oversees all aspects of the rehabilitation project and communicates with all external parties.)
- **Lenders Inspector**: $1,500 (Lenders agent who verifies all work is completed properly and advises on each contractor payment request.)
- **Loan Fees**: $3,500 (Fees, points and other costs paid to the lender for originating and servicing a loan.)
- **Appraisal**: $6,500 (In order to determine how much equity can be used for loan collateral, this report is commissioned by a lender to determine the property and/or project improvement value.)
- **Title & Recording**: $1,500 (Fees paid to a title company and city/county recorder's office to verify there are no outstanding liens on the property and to record a loan as a lien against the property.)
- **Real Estate Taxes**: $2,380 (All associated taxes pertaining to new ownership of property.)
- **Lender Legal Fees**: $5,000 (Loan fees associated with the preparation of loan documents generated by the lender's legal department.)
- **Legal - Organizational**: $1,200 (Fees associated with establishing a business' legal status such as corporation, non-profit status, etc.)
- **Legal - Transaction**: $1,200 (Legal fees paid to an attorney for preparation or review of rehabilitation transaction such as contractor contract.)
- **Insurance**: $15,000 (All insurance fees associated with the rehabilitation project and loan transaction.)
- **Accounting**: $5,000 (A loan fee for processing contractor payment from the loan proceeds.)
- **Soft Cost Contingency**: 10% ($11,128) (A reserve set aside for unforeseen soft cost during the renovation process.)

**Subtotal Soft Costs**: $122,408

**Total Development Expenses**: $675,408 (Total Development Expenses must be equal to or less than Total Capital.)