Developer Fee Calculation

Total Development Cost
excludes Syndicator Costs which in part may consist of:
* equity bridge loan interest
* syndicator fees
* upper tier reserves
* organizational and syndicator underwriting costs
excludes any estimate or calculation of Developer Fee

less: consultant's fee which in part may consist of:
* tax credit consultant
* financial consultant (not mortgage banker)
* construction project manager

less: operating reserves and escrows
excludes (the following are NOT subtracted from Total Development Cost):
* initial rent-up reserve
* construction period servicing fee
* construction period credit enhancement
* construction period real estate taxes due during construction
* construction period insurance
includes (the following ARE subtracted from Total Development Cost):
* operating period real estate taxes
* operating period insurance
* working capital/latent defect reserve
* operating reserve
* initial deposit to replacement reserve
* debt service reserve
* other required operating period reserves

= Net Development Cost
x 12%
= "gross" developer fee
less: consultant's fee
= Developer Fee