

CRANBERRY KNOLL CORPORATION

**One Winnetuxet Road
Plympton, Ma 02367**

**Telephone No. 781-585-9524
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November 17, 2004

Mr. Stephen Mattern, Chairman
Plympton Zoning Board of Appeals
C/o Town Clerk
Plympton, MA

RE: Cranberry Knoll Corporation
Proposed Chapter 40B Project
Preliminary Construction Budget Pro Forma

Dear Mr. Mattern:

The Preliminary Construction Budget originally prepared for this project and previously sent to the Board of Selectmen has been revised by the Applicant, based on comments by MassHousing. The Project Eligibility Letter issued by MassHousing on October 27, 2004 is based on the revised Budget submitted herewith.

As you can see the Project Eligibility Letter was issued in accordance with the Housing Starts and New England Fund Programs.

Regulation 760 CMR 31.07(4) and Section 11(c)(5) of the Guidelines for Local Review of Comprehensive Permits, prepared by the Housing Appeals Committee both indicate that the following matters will normally be within the province of the subsidizing agency and are not part of the Comprehensive Permit review process:

- Fundability of the project by a subsidizing agency.
- Marketability of the project.
- The Applicant's ability to finance, construct, or manage the project.

- The financial feasibility of the project, what constitutes a reasonable return for a limited dividend developer, or whether the applicant is likely to earn a reasonable return, except where such information is directly relevant to whether proposed conditions make the project uneconomic.
- Tenant selection procedures.

Therefore we would expect the Board's review of the pro forma budget would be limited as provided by the regulations.

Sincerely,

Richard Springer
President

CRANBERRY KNOLL - PLYMPTON, MASSACHUSETTS				
AMENDED PRELIMINARY CONSTRUCTION BUDGET - OCTOBER 1, 2004				
DEVELOPMENT ITEM			TOTAL COST	PER UNIT COST
SITE ACQUISITION			585,000.00	24,375.00
HARD COSTS:				
	Site Preparation		425,068.00	17,711.17
	Landscaping		48,000.00	2,000.00
	Residential Construction		4,055,040.00	168,960.00
	Hard Cost Contingency		226,405.40	9,433.56
TOTAL HARD COSTS			4,754,513.40	198,104.73
SOFT COSTS:				
	Well Protection Easement		10,000.00	416.67
	Permits/Surveys		39,818.00	1,659.08
	Architectural		66,000.00	2,750.00
	Engineering		59,160.00	2,465.00
	Legal		60,000.00	2,500.00
	Insurance		48,000.00	2,000.00
	Security		2,400.00	100.00
	Construction Manager		328,005.00	13,666.88
	Property Taxes		24,700.00	1,029.17
	Purchase Money Mort. Int.		36,408.00	1,517.00
	Construction Loan Interest		118,750.00	4,947.92
	Financing Fee		50,000.00	2,083.33
	Application Fees		2,720.00	113.33
	Appraisal		10,000.00	416.67
	Utilities		4,800.00	200.00
	Accounting		9,600.00	400.00
	Marketing & Commissions		350,100.00	14,587.50
	Soft Cost Contingency		82,663.00	3,445.00
TOTAL SOFT COSTS			1,293,124.00	53,880.88
TOTAL DEVELOPMENT COSTS			6,632,637.40	276,360.60
SALES REVENUE:				
		Number	Sale Price	Revenue
	Affordable	6	150,000.00	900,000.00
	Market	18	389,000.00	7,002,000.00
TOTAL REVENUE				7,902,000.00
PROFIT				1,269,362.60
PERCENTAGE PROFIT OVER DEVELOPMENT COSTS				19.1%