

REPORT

DATE ISSUED: November 2, 2007

REPORT NO.:HCR07-88

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of November 9, 2007

SUBJECT: Sale of general partnership interest in Canyon Rim Apartments
(Council District 1)

REQUESTED ACTION:

Approve the sale of general partnership interest, and substitution of property managers for Canyon Rim Apartments which received Housing Authority bond financing and a Housing Commission loan. All other aspects of the project would be unchanged.

STAFF RECOMMENDATIONS:

Approve the sale of general partnership interest in Canyon Rim Apartments by a Fairfield Properties affiliate, FF Canyon Rim, LLC (Fairfield) to an affiliate of Steadfast Investment Properties, Steadfast Canyon Rim, LLC (Steadfast); approve the change of management agents from a Fairfield affiliate to a Steadfast affiliate; and authorize the President and Chief Executive Officer to execute all necessary documents.

DISCUSSION:

Canyon Rim, LP (Partnership) is a tax credit partnership whose sole asset is Canyon Rim Apartments, a 504-unit rental housing development for low and moderate-income families. The partners of Canyon Rim, LP include Fairfield as the for-profit developer of the project and co-general partner, Wakeland Housing and Development Corporation (Wakeland) as the nonprofit managing general partner; the tax credit limited partners, American Tax Credit Corporation funds X and XII; and Protech Development 2000, LLC as a special limited partner.

The Housing Commission made a \$1,565,000 loan and approved a \$32,400,000 bond issuance to the Partnership for acquisition and rehabilitation of the property, located on Gerana Street, in 2001 (see Attachment – 4, Project Location). Renovation work was completed in 2002 and the units are fully occupied.

The sale of Fairfield's general partnership interest in Canyon Rim Apartments to Steadfast is permitted under the Housing Commission's Loan Agreement. The owner and borrowing entity, Canyon Rim, LP, would remain the same and Wakeland would remain as the non-profit managing general partner. Canyon Rim, LP is currently in compliance with the reporting requirements and repayment procedures of the Housing Commission loan.

Fairfield's performance as a co-general partner in the project is satisfactory and there are no underlying issues that make the proposed transaction necessary. The sale of general partnership interest would not release Fairfield from its obligations to the Partnership or the Housing Commission, including any

outstanding loan payments due to the Housing Commission prior to the effective date of the sale. Steadfast would become liable for financial obligations of the project following the effective date of the sale. Steadfast would assume all of the rights, powers, and obligations that were vested in Fairfield, including any obligations to the Partnership and the Housing Commission.

Steadfast is a for-profit organization that partners with non-profit affordable housing providers to develop and maintain housing for low and moderate income families with access to services beneficial to community residents. Since 1995, Steadfast Residential Properties has developed or acquired over 20,000 apartment units nationwide and maintains a current portfolio of over 15,000 units. Steadfast would acquire interest in Canyon Rim Apartments as part of a long term business strategy of multi-family residential acquisition. In June 2007, the Housing Commission approved the purchase of the 398-unit Villa Nueva development by Steadfast and made a \$9,210,000 loan for the project. A Developer's Statement For Public Disclosure from Steadfast is attached to this report (See Attachment – 1).

Steadfast Management Company, Inc. (SMC) would assume the role of management agent with the responsibility for property performance, compliance, asset management, and financial reporting. The organization manages over 9,600 units nationwide including 950 in the San Diego area. Through a joint venture with SMC, American Management Company would manage day-to-day operations at the site.

AFFORDABLE HOUSING IMPACT:

There would be no change in the affordability of the housing with this action. Affordability restrictions recorded against the property by the Housing Commission will remain until June 2055. Of the 504 apartments, 213 two-bedroom units and 31 three-bedroom units are affordable at 50 percent or less of Area Median Income (AMI) and 95 two-bedroom units and 14 three-bedroom unit are affordable at 60 percent or less of AMI. Because this is a mixed-income development under a previous HUD regulatory agreement, 151 units are unrestricted and available at 85 percent AMI rents with a preference for applicants with household incomes of 85 percent or less of AMI (one unrestricted unit is reserved for occupancy by the resident manager) until expiration of the HUD agreement on November 1, 2011. After expiration of the HUD agreement, 150 of the unrestricted units may be made available at prevailing market-rate rents; 353 units would be rent restricted.

FISCAL CONSIDERATIONS:

The terms and conditions of the Housing Commission's financial participation would not change as a result of this action. Housing Commission participation in permanent financing for Canyon Rim Apartments remains \$1,565,000. As outlined in the property proforma (see Attachment – 3), the Housing Commission would continue to receive the full amount of its annual loan payment of \$59,337 as required in the Housing Commission loan agreement.

PREVIOUS ACTIONS:

On January 14, 2000, the Housing Commission approved a \$1,565,000 loan for the development (HCR00-007). On May 19, 2000, the Housing Commission approved the issuance of up to \$32,500,000 in taxable and tax-exempt bonds for the project (HCR00-048).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

No community approvals are required for the proposed sale of partnership interest.

ENVIRONMENTAL REVIEW:

A Negative Declaration pursuant to the California Environmental Quality Act (CEQA), and a Finding Of No Significant Impact (FONSI) pursuant to the National Environmental Policy Act (NEPA), were completed for the development in 2001. The proposed sale of interest in this previously approved development is not a "project" within the meaning of CEQA and no additional environmental review is required. Because no additional federal funding would result from this action, further NEPA processing is not required.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Stakeholders include Canyon Rim, LP as owner, Steadfast Canyon Rim, LLC as the new co-general partner, and Wakeland as the managing general partner. Approval of the sale of general partner interest would have no impact on the viability, use, or affordability of the housing units.

Respectfully submitted,



Cissy Fisher
Director, Housing Finance and Development

Approved by,



Elizabeth C. Morris
President and Chief Executive Officer

- Attachments:
1. Partner Disclosure Statement *
 2. Project Financial Statement *
 3. Project Proforma
 4. Project Location

*Distribution of this attachment is limited. A copy is available for review at the Housing Commission offices located at 1122 Broadway, Suite 300 and at the offices of the City Clerk located on the 2nd floor of 202 "C" Street.

Information: Mr. Dan Cady (619) 578-7594

___ A business association or a joint venture known as:

(Attach joint venture or business association agreement)

___ A Federal, State or local government or instrumentality thereof.

X Other (explain) – *Limited Liability Company*

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

To be formed, date not yet available.

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, Address and
Zip Code

*Steadfast Affordable
Housing III, LLC
4343 Von Karman Ave, Ste. 300
(949) 852-0700
Newport Beach, CA 92660*

Position Title (if any) and
percent of interest or description
of character and extent of interest

Sole Member, 100%

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

No, this is a newly formed entity.

10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

No.

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name, Address and
Zip Code

*Steadfast Capital Holdings, LLC
4343 Von Karman Ave, Ste 300
Newport Beach, CA 92660
(949) 852-0700*

Position Title (if any) and
extent of interest

65% Manager/Member

*Steadfast Residential Holdings, LLC 35% Manager/Member
4343 Von Karman Ave, Ste 300
Newport Beach, CA 92660
(949) 852-0700*

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

None.

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of whatever nature. If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Steadfast Investment Properties, Inc.

4343 Von Karman Avenue, Suite 300
Newport Beach, CA 92660
(949) 852-0700

Relationship: *Affiliate of Contractor*

Officers, Directors or Trustees in Common: *Rodney F. Emery, Ana Marie del Rio, Dinesh Davar
(949) 852-0700*

Steadfast Management Company, Inc.
4343 Von Karman Avenue, Suite 300
Newport Beach, CA 92660
(949) 852-0700

Relationship: *Affiliate of Contractor*

Officers, Directors or Trustees in Common: *Rodney F. Emery, Ana Marie del Rio, Dinesh Davar
(949) 852-0700*

Please note, any Officers, Directors of Trustees listed have a 10% or greater ownership in the affiliated entity.

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the attached financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

N/A – newly formed entity.

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

Financing for the transaction will consist of equity contributed from a non-controlling limited partner.

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

a. *N/A*

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$ 0

b. By loans from affiliated or associated corporations or firms:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$ 0

c. By sale of readily salable assets/including marketable securities:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
N/A	\$	\$

17. Names and addresses of bank references, and name of contact at each reference:

N/A – newly formed entity.

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes No

If yes, give date, place, and under what name.

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes No

If yes, give for each case (1) date, (2) charge, (3) place, (4) court, and (5) action taken. Attach any explanation deemed necessary.

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

<u>Bond Type</u>	<u>Project Description</u>	<u>Date of Completion</u>	<u>Amount of Bond</u>	<u>Action on Bond</u>
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The proposed general partner entity is a single-purpose, newly formed entity with no history of such undertakings described.

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder: *N/A*
- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?
 Yes No *N/A*

If yes, please explain, in detail, each such instance:

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ *N/A*

General description of such work: *N/A*

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation.

N/A

- d. Construction contracts or developments now being performed by such contractor or builder:

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
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N/A

- e. Outstanding construction-contract bids of such contractor or builder:

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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N/A

22. Provide a detailed and complete statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

N/A

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the COMMISSION, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?
 Yes No

If yes, explain.

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

As a single-purpose, newly formed entity, the proposed general partner has no financial statements or previous experience.

Please refer to the YTD financials for the property.

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?
 Yes No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: List the amount of coverage (limits) currently existing in each category:

*Craig Terpstra
Senior Vice President
USI Insurance Services
29A Technology Drive
Irvine, CA 92618
(949) 790-9204*

- a. General Liability, including Bodily Injury and Property Damage Insurance
Please see attached draft insurance certificate.

Check coverage(s) carried:

Comprehensive Form

- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

- c. Workers Compensation *Yes, please see attached draft insurance certificate.*
- d. Professional Liability (Errors and Omissions) *Yes, please see attached draft insurance certificate.*
- e. Excess Liability *Yes, please see attached draft insurance certificate.*
- f. Other (Specify). *Yes, please see attached draft insurance certificate.*

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COMMISSION setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, during

the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the COMMISSION, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.
30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please so state:

<u>Government Entity Making Complaint</u>	<u>Date</u>	<u>Resolution</u>
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None

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation. If so, please explain the circumstances in detail. If none, please so state:

No

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked:

<u>Governmental Agency</u>	<u>Description License</u>	<u>License Number</u>	<u>Date Issued (original)</u>	<u>Status (current)</u>	<u>Revocation (yes/no)</u>
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N/A

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

None.

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the COMMISSION.

Steadfast and its affiliates have a history of successful contract administration and experience not only in multifamily affordable real estate acquisitions, but also in general and limited partnership interest purchases. To date the firm has completed approximately 100 such GP/LP purchases. Given its track record, Steadfast does not anticipate any timing or performance issues.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the COMMISSION, AUTHORITY and/or the CITY within the last five (5) years:

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
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N/A – newly formed entity with no loans.

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? Yes No

If yes, explain:

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License? Yes No

If yes, explain:

38. List three local references who would be familiar with your previous construction project:

Name: *N/A – newly formed entity.* _____

Address: _____

Phone: _____

Project Name and Description: _____

Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

39. Give a brief statement respecting equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.

N/A – Construction/large-scale rehabilitation is not anticipated in connection with this transaction.

40. Give the name and experience of the proposed Construction Superintendent.
N/A

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("COMMISSION"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the COMMISSION, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the COMMISSION, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

[Signature Page for Developer Disclosure Statement – Steadfast Canyon Rim, LLC]

Executed this 3RD day of October, 2007, at Newport Beach, California.

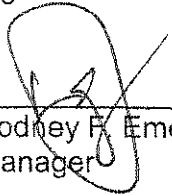
CONTRACTOR

Steadfast Canyon Rim, LLC,
a California limited liability company

By: Steadfast Affordable Housing III, LLC,
a Delaware limited liability company,
its Manager

By: Beacon Bay Holdings, LLC,
A Delaware limited liability company,
Its Manager

By:



Rodney R. Emery
Manager

CERTIFICATION


The CONTRACTOR, Steadfast Canyon Rim, LLC, hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

CONTRACTOR

Steadfast Canyon Rim, LLC,
a California limited liability company

By: Steadfast Affordable Housing III, LLC,
a Delaware limited liability company,
its Manager

By: Beacon Bay Holdings, LLC,
A Delaware limited liability company,
Its Manager

By: 

Rodney F. Emery
Manager

Dated: 10|3|07

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

ATTEST:

State of California

County of _____

CALIFORNIA JURAT WITH AFFIANT STATEMENT

State of California

County of

ORANGE

} ss.

See Attached Document (Notary to cross out lines 1-6 below)

See Statement Below (Lines 1-5 to be completed only by document signer[s], not Notary)

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

Signature of Document Signer No. 1 _____

Signature of Document Signer No. 2 (if any) _____

Subscribed and sworn to (or affirmed) before me on this

3RD day of OCTOBER, 2007, by
Date Month Year

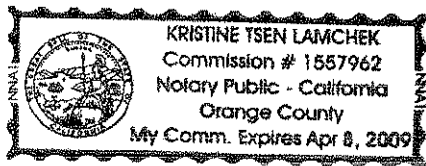
(1) RODNEY F. EMERY
Name of Signer

Personally known to me
 Proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (,)
(and

(2)
Name of Signer

Personally known to me
 Proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Kristine Tsen Lamchek
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: SDHC STATEMENT FOR PUBLIC DISCLOSURE

Document Date: 10/03/2007 Number of Pages: 16

Signer(s) Other Than Named Above: n/a

RIGHT THUMBPRINT OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2

Top of thumb here



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

CANYON RIM L.P.

DECEMBER 31, 2006

Canyon Rim L.P.

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500 East Pratt Street
Suite 200
Baltimore, MD 21202-3100

Tel: (410) 783-4900
Fax: (410) 727-0460
www.reznickgroup.com

INDEPENDENT AUDITORS' REPORT

To the Partners
Canyon Rim L.P.

We have audited the accompanying balance sheet of Canyon Rim L.P. as of December 31, 2006, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canyon Rim L.P. as of December 31, 2006, and the results of its operations, the changes in partners' equity (deficit) and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Canyon Rim L.P. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baltimore, Maryland
February 16, 2007

Reznick Group, P.C.

Canyon Rim L.P.

BALANCE SHEET

December 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 158,756
Tenant accounts receivable	37,633
Other receivables	4,989
Prepaid expenses	33,081

Total current assets 234,459

DEPOSITS HELD IN TRUST - FUNDED

Tenant security deposits	<u>166,915</u>
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Mortgage escrows	381,052
Replacements reserve	9,516
Principal reserve	1,579,046

1,969,614

RENTAL PROPERTY

Land	3,799,298
Buildings and improvements	36,143,236
Furniture and equipment	4,459,074

44,401,608

Less accumulated depreciation 12,725,487

31,676,121

OTHER ASSETS

Intangible assets, less accumulated amortization of \$291,110	805,032
Fair market value of interest rate cap	3

805,035

\$ 34,852,144

(continued)

Canyon Rim L.P.

BALANCE SHEET - CONTINUED

December 31, 2006

LIABILITIES AND PARTNERS' EQUITY

CURRENT LIABILITIES	
Accounts payable - operations	\$ 80,367
Accrued expenses	91,194
Accrued interest payable - mortgage	74,808
Accrued interest - note payable	46,503
Accrued related party fees	23,893
Prepaid rent	17,386
	<hr/>
Total current liabilities	334,151
	<hr/>
DEPOSITS LIABILITY	
Tenant security deposits	165,974
	<hr/>
LONG-TERM LIABILITIES	
Mortgage payable	32,440,000
Note payable	1,565,000
	<hr/>
	34,005,000
	<hr/>
PARTNERS' EQUITY	
	347,019
	<hr/>
	\$ 34,852,144
	<hr/> <hr/>

See notes to financial statements

Canyon Rim L.P.

STATEMENT OF OPERATIONS

Year ended December 31, 2006

Revenue		
Net residential revenue	\$	5,565,963
Other revenue		
Miscellaneous tenant charges		257,157
Interest income		60,542
		<u>60,542</u>
Total revenue		<u>5,883,662</u>
Operating expenses		
Administrative		298,947
Utilities		528,981
Operating and maintenance		534,661
Property management fee		231,464
Payroll and related expenses		708,648
Taxes and insurance		251,234
		<u>251,234</u>
Total operating expenses		<u>2,553,935</u>
Income from operations		<u>3,329,727</u>
Partnership and financial expenses		
Supervisory and incentive management fee		638,329
Asset management fees		114,461
Partnership management fee		114,461
Managing general partner fees		57,231
Interest expense		1,557,146
		<u>1,557,146</u>
Total partnership and financial expenses		<u>2,481,628</u>
Income from operations before depreciation and amortization		<u>848,099</u>
Depreciation		1,656,519
Amortization		42,749
		<u>42,749</u>
		<u>1,699,268</u>
Net loss	\$	<u><u>(851,169)</u></u>

See notes to financial statements

Canyon Rim L.P.

STATEMENT OF CHANGES IN PARTNERS' EQUITY (DEFICIT)

Year ended December 31, 2006

	General Partners			Investor Limited Partners		Total
	FF Canyon Rim, LLC	Wakeland Housing and Development Corporation	Protech Develop- ment 2000, LLC	American Tax Credit Corporate Fund X, L.P.	American Tax Credit Corporate Fund XII, L.P.	
Partners' equity (deficit), December 31, 2005	\$ 782	\$ (1,687)	\$ (82)	\$ 635,050	\$ 635,050	\$ 1,269,113
Distributions	(56)	(15)	-	(35,427)	(35,427)	(70,925)
Net loss	(672)	(170)	(9)	(425,159)	(425,159)	(851,169)
Partners' equity (deficit), December 31, 2006	<u>\$ 54</u>	<u>\$ (1,872)</u>	<u>\$ (91)</u>	<u>\$ 174,464</u>	<u>\$ 174,464</u>	<u>\$ 347,019</u>
Ownership percentage	<u>0.0790%</u>	<u>0.02%</u>	<u>0.001%</u>	<u>49.950%</u>	<u>49.950%</u>	<u>100%</u>

See notes to financial statements

Canyon Rim L.P.

STATEMENT OF CASH FLOWS

Year ended December 31, 2006

Cash flows from operating activities	
Net loss	\$ (851,169)
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation	1,656,519
Amortization	42,749
Fair market value adjustment on interest rate cap	194
Changes in assets and liabilities	
Decrease in tenant accounts receivable	67,248
Increase in prepaid expenses	(6,526)
Decrease in other receivables	42,820
Decrease in accounts payable	(25,876)
Decrease in accrued interest	(6,232)
Increase in accrued expenses	16,373
Decrease in accrued related party fees	(76,593)
Decrease in prepaid rents	(86,315)
Net tenant security deposits received	3,729
	<u>776,921</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Investment in rental property	(242,394)
Increase in mortgage escrow	(34,893)
Decrease in replacement reserve	34,064
Principal reserve deposits	(478,254)
	<u>(721,477)</u>
Net cash used in investing activities	
Cash flows from financing activities	
Distributions	(70,925)
	<u>(70,925)</u>
Net cash used in financing activities	
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,481)
Cash and cash equivalents at beginning of year	<u>174,237</u>
Cash and cash equivalents at end of year	<u>\$ 158,756</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u>\$ 1,563,184</u>

See notes to financial statements

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canyon Rim L.P. (the partnership) was organized on June 15, 2000, under the Uniform Limited Partnership Act of the State of California. Its purpose is to acquire, develop, construct, rehabilitate, own and maintain a 504-unit multi-family apartment complex known as Canyon Rim Apartments (the Project), located in San Diego, California. The Project is designated for occupancy by individuals of low to very low-income. The Project was acquired on June 21, 2000, in a transaction accounted for under the purchase method of accounting. The rehabilitation of the Project was completed on November 30, 2001.

The partnership consists of a managing general partner, Wakeland Housing and Development Corporation, which owns .02%, a co-general partner, FF Canyon Rim LLC, which owns .079%, an additional general partner, Protech Development 2000, LLC, which owns .001% and American Tax Credit Corporate Fund X, L.P. and American Tax Credit Corporate Fund XII, L.P., which are investor limited partners, owning 49.95% each.

Mortgage financing has been provided by the Housing Authority of the City of San Diego, (the City), from the sale of tax-exempt multi-family housing revenue bonds. The partnership is regulated and monitored as to the operation of the Project under a regulatory agreement with the City.

Each building of the Project has qualified for and is entitled to low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42), which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the limited partners. In addition, the partnership has executed an Additional Use Restrictions Agreement with the California Tax Credit Allocation Committee (TCAC), which will require the utilization of the Project pursuant to Section 42 for a minimum of 30 years, even after the disposition of the Project by the partnership.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

Cash and Cash Equivalents

For purposes of the statement of cash flows, the partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Rental Property

Rental property is carried at cost. Depreciation is computed on the straight-line method over the estimated useful lives of 27.5 years for the building, 15 years for land improvements and 5 years for furniture and equipment.

Impairment of Long-Lived Assets

In accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2006.

Amortization

Mortgage costs of \$889,502 are being amortized on a straight-line basis over the life of the mortgage. Accounting principles generally accepted in the United States of America require that the effective interest method be used to recognize amortization; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method. As of December 31, 2006, accumulated amortization related to mortgage costs was \$208,454. Tax credit monitoring fees, paid to

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

housing agencies in advance, of \$206,640 are amortized on a straight-line basis over the compliance period. As of December 31, 2006, accumulated amortization related to tax credit monitoring fees was \$82,656. Aggregate annual amortization expense for each of the next five years through December 31, 2011 is estimated to be \$42,749.

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the partnership and tenants of the property are operating leases.

Income Taxes

Under the provision of the Internal Revenue Code and applicable state laws, the partnership is not directly subject to income taxes; the results of its operations are includable in the tax returns of its partners. Therefore, no provision for income tax expense has been included in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - MORTGAGE PAYABLE

The mortgage payable in the amount of \$32,440,000 was funded from the proceeds of the Housing Authority of the City of San Diego Variable Rate Demand Multifamily Housing Revenue Bonds 2000 Series B. The proceeds of the bonds were deposited with Wells Fargo, National Association, the Trustee, and were subsequently disbursed to pay costs of acquisition and rehabilitation of the Project.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

The mortgage matures on July 15, 2033, and bears interest payable monthly at a variable rate determined weekly by the remarketing agent, at the rate of interest which would cause the bonds to have a market value equal to the principal amount plus accrued interest, plus a facility and servicing fee as defined in the mortgage note (3.87% for Series B at December 31, 2006). The mortgage converted on December 15, 2002. At such time as the amount on deposit in the Principal Reserve Fund equals 20% of the original loan amount, the Trustee shall begin applying amounts from the reserve (in \$100,000 increments) to partial prepayments of the mortgage loan and corresponding redemption of a like amount of the Bonds. At December 31, 2006, \$1,579,046 had been paid into the principal reserve account. Disbursement from the principal reserve will only occur when bonds are redeemed, as determined by the servicer. In addition, monthly deposits are required to fund escrows for real estate taxes, insurance and the replacement of project assets.

Aggregate annual maturities to be paid to the principal reserve fund over each of the next five years following December 31, 2006, are as follows:

December 31, 2007	\$448,111
2008	\$479,621
2009	\$513,348
2010	\$549,447
2011	\$588,085

The liability of the partnership under the mortgage is limited to the underlying value of the rental property which serves as collateral.

The partnership entered into an interest rate cap agreement with the Bank of New York (the Bank) having a notional balance of \$32,440,000 which matured on December 16, 2002. The partnership entered into a new agreement with Mortgage Stanley Derivative Products, Inc. having the same notional balance and maturing December 15, 2007. The partnership paid an interest rate cap fee of \$187,828 under the terms of the new agreement, which effectively limits the partnership's interest rate exposure on the mortgage payable to a fixed rate of 6% per annum. The partnership is exposed to credit losses in the event of nonperformance by Morgan Stanley related to the agreement. However, the partnership does not anticipate nonperformance by Morgan Stanley. Amounts receivable or payable under the agreement are accounted for as adjustments to interest expense on the related debt.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

Pursuant to SFAS 133, derivative instruments not meeting the criteria for hedge accounting are recorded at fair value on the balance sheet with any change in fair value reflected in the statement of operations in the period of change. At December 31, 2006, the fair value of the interest rate cap was \$3. During 2006, a loss in fair value of \$194 has been incurred and reflected as additional interest expense on the statement of operations.

NOTE 3 - NOTE PAYABLE

The partnership executed a promissory note, secured by a second deed of trust on the property, with the San Diego Housing Commission in the amount of \$1,565,000 on June 20, 2000. The note bears simple interest at the rate of 3% per annum from the date of advance. Commencing June 20, 2003, and on the anniversary date thereof each year until June 20, 2011, annual payments of principal and interest are required in the amount equal to the lesser of \$59,337 or 75% of Project income as defined in the note. Payments are, first, to be applied to all unpaid and accrued interest, then to the principal balance. Commencing on June 20, 2011, the amount of unpaid principal and accrued interest shall be calculated (the Revised Loan Balance).

The Revised Loan Balance shall then be amortized over the remaining term of the loan and will bear interest at 3% per annum. Payments shall be made annually on June 20th of each year, commencing on June 20, 2012, and continuing until the earlier of the maturity date or the Revised Loan Balance and accrued interest has been paid in full. The promissory note's maturity date is June 20, 2055. During 2006, interest expense totaled \$46,950 and annual payments totaling \$59,337 were made and applied against accrued interest. As of December 31, 2006, the outstanding balance of principal and accrued interest was \$1,565,000 and \$46,503, respectively.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

At December 31, 2006, calculated project income as defined in the note is as follows:

Cash	\$	325,671
Principal reserve payment and accrued interest		(157,297)
Required reserve for replacement deposit		(7,518)
Required escrow deposits		(22,685)
Project obligations		
Accounts payable		(80,367)
Accrued expenses		(91,194)
Tenant security deposit liability		(165,974)
Incentive fees paid in 2006		681,274
Asset management fees paid in 2006		114,722
Partnership management and managing general partner fees paid in 2006		205,078
		<hr/>
Project income	\$	<u>801,710</u>
		<hr/>
75% of Project income	\$	<u>601,283</u>

NOTE 4 - RELATED PARTY TRANSACTIONS

Management Fees

The property is managed by FF Properties LP (the management agent) which is an affiliate of the co-general partner. The management agreement has an initial term of five years, and, if not otherwise renewed, shall be deemed to continue on a year-to-year basis. The current management agreement provides for a monthly management fee of 4% of gross income plus monthly reimbursement of direct on-site management expenses. During the year ended December 31, 2006, management fees of \$231,464 were incurred and charged to operations, of which \$19,215 was payable and recorded on the balance sheet in accrued expenses. For the year ended December 31, 2006, reimbursement of direct on-site management expenses and payroll expenses of \$8,458 and \$659,973, respectively, were included in operating expenses, of which \$46,897 was payable and included in accounts payable and accrued expenses on the balance sheet.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

Asset Management Fee

The partnership has agreed to pay a cumulative annual asset management fee to affiliates of the investor limited partners for their services in monitoring Partnership activities equal to 2% of gross collected income per year. If there is insufficient cash flow in any year, the co-general partner shall make a subordinate loan to the partnership to pay the fee currently, should the co-general partner fail to make subordinated loans, any such fee not paid shall accrue and be payable from subsequent years cash flow and capital proceeds. For the year ended December 31, 2006, such fees charged to operations were \$114,461 of which \$9,557 remains payable and included in accrued related party fees as of December 31, 2006.

The partnership has also agreed to pay a cumulative annual asset management fee to the managing general partner equal to 1% of the partnership's gross collected income. The fee is payable from cash flow in the order of priority provided in the partnership agreement. For the year ended December 31, 2006, such fees charged to operations were \$57,231, of which \$4,779 remains payable and included in accrued related party fees as of December 31, 2006.

Incentive Rent-Up Fee

The partnership has agreed to pay an incentive fee to the co-general partner for its services in assisting in the initial rent-up and certification of tenants and for the development deficit guarantee provided by the co-general partner. This fee was noncumulative and payable only to the extent of net operating income in excess of \$1 through December 31, 2002, which totaled \$526,451. During 2006, incentive fees paid were \$42,945. As of December 31, 2006, no incentive fees remained payable.

Partnership Management Fee

The partnership shall pay to the co-general partner, a noncumulative annual partnership management fee in an amount equal to 2% of the partnership's gross collected income in the year in which the partnership's management fee is earned and shall be due and paid annually beginning thirty days after final closing. The partnership management fee shall be payable solely from cash flow or capital proceeds. During 2006, such fees paid and charged to operations were \$114,461, of which \$9,557 remains payable and included in related party fees as of December 31, 2006.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

Supervisory and Incentive Management Fee

The partnership shall pay the co-general partner a noncumulative supervisory and incentive management fee from cash flow and shall pay the co-general and managing general partners a noncumulative supervisory and incentive management fee solely from proceeds from a capital transaction as provided in the partnership agreement.

The fees are equal to 90% of remaining cash flow payable in order of priority set forth in the partnership agreement. The fees from a capital transaction are to be split 85% to the co-general partner and 5% to the managing general partner. For the year ended December 31, 2006, such fees paid and charged to operations were \$638,329

Operating Cash Flow

The amount of surplus cash flow after the final closing shall be distributed as follows:

1. to the payment of the managing general partner's asset management fee as provided;
2. to the payment of the investment limited partners of any current and accrued asset management fee;
3. to the payment of the deferred developer fee;
4. to the payment of any subordinated loans of the co-general partner;
5. to the payment of the partnership management fee;
6. to the payment of the supervisory and incentive management fee to the co-general partner; and
7. the balance, 99.9% to the investor limited partners, .079% to the co-general partner, .02% to the managing general partner and .001% to Protech.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

NOTE 5 - PARTNERSHIP GUARANTEES

The partnership agreement and related documents provide for various agreements between the co-general partner (the Guarantor) and the limited partner as follows:

Tax Credit Recapture Guaranty

The co-general partner has agreed to reimburse the limited partner certain amounts if there is a tax credit recapture event or a credit deficiency, as defined in the partnership agreement, for any reason other than a change in the tax or the actions of the limited partner.

Obligation to Provide for Project Expenses

The co-general partner is obligated to advance funds to the partnership pursuant to the partnership agreement to fund operating deficits up to a maximum amount equal to the development fee earned.

Any such loans will be noninterest bearing and repayable in accordance with the partnership agreement. The obligation expires at the end of the coverage period as defined in the partnership agreement. As of December 31, 2006, no amounts were outstanding.

NOTE 6 - CONCENTRATION OF CREDIT RISK

The partnership maintains its operating cash balances with major financial institutions and its restricted cash reserve with the Bond Trustee. At times, these bank balances may exceed the federal insurance limit; however, the partnership has not experienced any losses with respect to bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2006.

Canyon Rim L.P.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENT TO TAX RETURN

A reconciliation of financial statement net loss to the taxable loss of the partnership, as reported on the partnership's federal tax return for the year ended December 31, 2006, is as follows:

Financial statement net loss	\$ (851,169)
Adjustments	
Depreciation and amortization	(45,781)
Prepaid rent	(86,314)
Other	194
	<hr/>
Loss as reported on federal tax return	<u>\$ (983,070)</u>

SUPPLEMENTAL INFORMATION

Canyon Rim L.P.

SCHEDULE OF OPERATING EXPENSES

Year ended December 31, 2006

Administrative	
Advertising	\$ 23,879
Office supplies	17,753
Professional fees	95,978
Telephone expense	5,420
Bad debts	95,514
Miscellaneous administrative	<u>60,403</u>
Total administrative	<u>\$ 298,947</u>
Utilities	
Electric	\$ 39,801
Gas	266,483
Water and sewer	162,606
Trash removal	<u>60,091</u>
Total utilities	<u>\$ 528,981</u>
Operating and maintenance	
Janitor and cleaning	\$ 27,353
Painting and decorating	1,826
Grounds maintenance	120,368
Repairs contract	101,821
Maintenance supplies and material	45,168
Extermination	10,527
Cable	124,947
Resident functions	27,051
Security	<u>75,600</u>
Total operating and maintenance	<u>\$ 534,661</u>
Payroll and related expenses	
Office salaries	\$ 553,588
Payroll taxes and workmen's compensation	45,523
Health insurance and employee benefits	<u>109,537</u>
Total payroll and related expenses	<u>\$ 708,648</u>
Taxes and insurance	
Property taxes	\$ 57,181
Property and liability insurance	186,789
Miscellaneous taxes, licenses and insurance	<u>7,264</u>
Total taxes and insurance	<u>\$ 251,234</u>

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