

UNIT MIX

| Operations<br>Tree Lane |              |                 |             |                   |            |                   |          |                |               |
|-------------------------|--------------|-----------------|-------------|-------------------|------------|-------------------|----------|----------------|---------------|
| Unit Description        | Income Limit | Number of Units | Square Feet | Total Square Feet | Gross Rent | Utility Allowance | Net Rent | Monthly Income | Annual Income |
| 1 BR                    | 30%          | 6               |             | 700               | \$ 465     | \$ 75             | \$ 390   | \$ 2,340       | \$ 28,080     |
| 1 BR                    | 50%          | 15              |             | 700               | \$ 770     | \$ 75             | \$ 695   | \$ 10,425      | \$ 125,100    |
| 1 BR                    | 60%          | 15              |             | 700               | \$ 885     | \$ 75             | \$ 810   | \$ 12,150      | \$ 145,800    |
| 2 BR                    | 30%          | 6               |             | 900               | \$ 554     | \$ 94             | \$ 460   | \$ 2,760       | \$ 33,120     |
| 2 BR                    | 50%          | 7               |             | 900               | \$ 929     | \$ 94             | \$ 835   | \$ 5,845       | \$ 70,140     |
| 2 BR                    | 60%          | 5               |             | 900               | \$ 1,064   | \$ 94             | \$ 970   | \$ 4,850       | \$ 58,200     |
| <b>Market Rate</b>      |              |                 |             |                   |            |                   |          |                |               |
| 1 BR                    |              | 3               |             | 700               | \$ 970     | \$ -              | \$ 970   | \$ 2,910       | \$ 34,920     |
| <b>Total/Average</b>    |              | 57              |             | 5,500             |            |                   |          | \$41,280       | \$495,360     |

APPLICANT:

CommonBond Communities

1. CAPITAL BUDGET

Enter the proposed project funding sources.

FUNDING SOURCES

| Source                            | Amount               | Non-Amortizing (Y/N) | Rate (%) | Term (Years) | Amort. Period (Years) | Annual Debt Service |
|-----------------------------------|----------------------|----------------------|----------|--------------|-----------------------|---------------------|
| Permanent Loan-Lender Name:       |                      |                      |          |              |                       |                     |
|                                   | \$ 2,491,755         | N                    | 5%       | 18           | 35                    | 148,248             |
| Subordinate Loan-Lender Name:     |                      |                      |          |              |                       |                     |
| Subordinate Loan-Lender Name:     |                      |                      |          |              |                       |                     |
| Tax Exempt Loan-Bond Issuer:      |                      |                      |          |              |                       |                     |
| AHP Loan                          | \$ 700,000           | Y                    | 0%       | 30           | Cash Flow             |                     |
| City-LTD Loan                     |                      |                      |          |              |                       |                     |
| City-Interest Loan                | \$ 625,000           | N                    | 0%       | 30           | Deferred              |                     |
| City-TIF Loan                     |                      |                      |          |              |                       |                     |
| Other-Specify Grantor:            |                      |                      |          |              |                       |                     |
| City of Madison - Cash Flow - AHF | \$ 625,000           | N                    | 2%       | 30           | Cash Flow             |                     |
| Other-Specify Grantor:            |                      |                      |          |              |                       |                     |
| Dane County                       | \$ 308,541           | Y                    | 0%       | 30           | Cash Flow             |                     |
| Other-Specify Grantor:            |                      |                      |          |              |                       |                     |
| Tax Credit Equity                 | \$ 6,517,552         |                      |          |              |                       |                     |
| Historic Tax Credit Equity        |                      |                      |          |              |                       |                     |
| Deferred Developer Fees           | \$ 116,806           |                      |          |              |                       |                     |
| Owner Investment                  |                      |                      |          |              |                       |                     |
| Other-Specify:                    |                      |                      |          |              |                       |                     |
| GP Equity                         | \$ 100               |                      |          |              |                       |                     |
| <b>Total Sources</b>              | <b>\$ 11,384,754</b> |                      |          |              |                       |                     |

| Construction Financing                  |                      |      |                |
|---|----------------------|------|----------------|
| Source of Funds                         | Amount               | Rate | Term (monthly) |
| Construction Loan-Lender Name:          |                      |      |                |
| TBD                                     | \$ 6,728,317         | 3%   | 24             |
| Bridge Loan-Lender Name:                |                      |      |                |
| Madison-Deferred+Cash Flow+AHP+AHP+Dane | \$ 2,258,541         | 0%   |                |
| Tax Credit Equity:                      |                      |      |                |
| TC Equity + GP Equity                   | \$ 1,266,528         |      |                |
| <b>Total</b>                            | <b>\$ 10,253,386</b> |      |                |

Estimated pricing on sale fo Federal Tax Credits:

\$ 1.03

Remarks Concerning Project Funding Sources:

APPLICANT: CommonBond Communities

2. PROJECT EXPENSES

Enter the proposed project expenses

| Acquisition Costs                     | Amount            |
|---------------------------------------|-------------------|
| Acquisition                           | 800,000           |
| Title Insurance and Recording         | 22,000            |
| Appraisal                             | 7,200             |
| Predevlpmnt/feasibility/market study  | 70,000            |
| Survey                                | 12,000            |
| Marketing                             | 0                 |
| Relocation                            | 0                 |
| Other (List)                          |                   |
| <b>Financing Costs (Const + Perm)</b> | <b>212,356</b>    |
| <b>Construction:</b>                  |                   |
| Construction Costs                    | 7,289,436         |
| Demolition                            | 139,668           |
| Soils/Site Preparation                | 0                 |
| Construction Mgmt                     | 0                 |
| Construction Interest                 | 178,000           |
| Permits; Print Plans/Specs            | 0                 |
| Landscaping, Play Lots, Signage       | 0                 |
| Other (List)                          |                   |
| <b>Commercial</b>                     | <b>247,500</b>    |
| <b>Fees:</b>                          |                   |
| Architect                             | 185,000           |
| Engineering                           | 195,000           |
| Accounting                            | 20,000            |
| Legal                                 | 100,000           |
| Development Fee                       | 1,100,000         |
| Leasing Fee                           | 0                 |
| Park Impact Fees                      | 10,425            |
| Other (List)                          |                   |
| <b>Const Period Taxes</b>             | <b>35,625</b>     |
| <b>Project Contingency:</b>           | <b>364,116</b>    |
| <b>Furnishings:</b>                   | <b>70,000</b>     |
| <b>Reserves Funded from Capital:</b>  |                   |
| Operating Reserve                     | 240,861           |
| Replacement Reserve                   | 17,100            |
| Maintenance Reserve                   |                   |
| Vacancy Reserve                       | 0                 |
| Lease Up Reserve                      | 25,000            |
| <b>Other: (List)</b>                  |                   |
| <b>Insurance</b>                      | <b>43,467</b>     |
| <b>TOTAL COSTS:</b>                   | <b>11,384,754</b> |

# CommonBond Communities 7941 Tree Lane

10/27/16

APPLICANT: CommonBond Communities

### 3. PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

|   | Year 1  | Year 2  | Year 3  | Year 4  | Year 5  | Year 6  | Year 7  | Year 8  | Year 9  | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gross Income                              | 517,600 | 527,952 | 538,511 | 549,281 | 560,267 | 571,472 | 582,902 | 594,560 | 606,451 | 618,580 | 630,952 | 643,571 | 656,442 | 669,571 | 682,962 | 696,621 |
| Less Vacancy/Bad Debt                     | 36,232  | 36,957  | 37,696  | 38,450  | 39,219  | 40,003  | 40,803  | 41,619  | 42,452  | 43,301  | 44,167  | 45,050  | 45,951  | 46,870  | 47,807  | 48,764  |
| <b>Income from Non-Residential Use*</b>   | 33,000  | 33,660  | 34,333  | 35,020  | 35,720  | 36,435  | 37,163  | 37,907  | 38,665  | 39,438  | 40,227  | 41,031  | 41,852  | 42,689  | 43,543  | 44,414  |
| <b>Total Revenue</b>                      | 514,368 | 524,655 | 535,148 | 545,851 | 556,768 | 567,904 | 579,262 | 590,847 | 602,664 | 614,717 | 627,012 | 639,552 | 652,343 | 665,390 | 678,698 | 692,272 |
| <b>Expenses:</b>                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Office Expenses and Phone                 | 1,000   | 1,030   | 1,061   | 1,093   | 1,126   | 1,159   | 1,194   | 1,230   | 1,267   | 1,305   | 1,344   | 1,384   | 1,426   | 1,469   | 1,513   | 1,558   |
| Real Estate Taxes                         | 71,250  | 73,388  | 75,589  | 77,857  | 80,193  | 82,598  | 85,076  | 87,629  | 90,257  | 92,965  | 95,754  | 98,627  | 101,585 | 104,633 | 107,772 | 111,005 |
| Advertising, Accounting, Legal Fees       | 32,384  | 33,356  | 34,356  | 35,387  | 36,448  | 37,542  | 38,668  | 39,828  | 41,023  | 42,254  | 43,521  | 44,827  | 46,172  | 47,557  | 48,984  | 50,453  |
| Payroll, Payroll Taxes and Benefits       | 81,222  | 83,659  | 86,168  | 88,753  | 91,416  | 94,159  | 96,983  | 99,893  | 102,890 | 105,976 | 109,156 | 112,430 | 115,803 | 119,277 | 122,856 | 126,541 |
| Property Insurance                        | 26,207  | 26,993  | 27,803  | 28,637  | 29,496  | 30,381  | 31,293  | 32,231  | 33,198  | 34,194  | 35,220  | 36,277  | 37,365  | 38,486  | 39,640  | 40,830  |
| Mtc, Repairs and Mtc Contracts            | 27,765  | 28,598  | 29,456  | 30,340  | 31,250  | 32,187  | 33,153  | 34,147  | 35,172  | 36,227  | 37,314  | 38,433  | 39,586  | 40,774  | 41,997  | 43,257  |
| Utilities (gas/electric/fuel/water/sewer) | 40,542  | 41,758  | 43,011  | 44,301  | 45,630  | 46,999  | 48,409  | 49,862  | 51,357  | 52,898  | 54,485  | 56,120  | 57,803  | 59,537  | 61,323  | 63,163  |
| Property Mgmt                             | 28,215  | 29,061  | 29,933  | 30,831  | 31,756  | 32,709  | 33,690  | 34,701  | 35,742  | 36,814  | 37,919  | 39,056  | 40,228  | 41,435  | 42,678  | 43,958  |
| Operating Reserve Pmt                     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Replacement Reserve Pmt                   | 17,100  | 17,613  | 18,141  | 18,686  | 19,246  | 19,824  | 20,418  | 21,031  | 21,662  | 22,312  | 22,981  | 23,670  | 24,381  | 25,112  | 25,865  | 26,641  |
| Support Services                          | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Other (List)                              |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
|   | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
|   | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Total Operating Expenses</b>           | 325,685 | 335,456 | 345,519 | 355,885 | 366,561 | 377,558 | 388,885 | 400,551 | 412,568 | 424,945 | 437,693 | 450,824 | 464,349 | 478,279 | 492,628 | 507,407 |
| <b>Net Operating Income</b>               | 188,683 | 189,200 | 189,629 | 189,967 | 190,207 | 190,346 | 190,377 | 190,296 | 190,096 | 189,772 | 189,318 | 188,728 | 187,994 | 187,110 | 186,070 | 184,865 |
| <b>Debt Service:</b>                      |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| First Mortgage                            | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 |
| Second Mortgage                           | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| AHF City Interest Loan                    | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Other (List)                              |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| AHF City Interest Loan                    |         |         |         |         |         |         | 17,170  | 17,130  | 17,030  | 16,868  | 16,641  | 16,346  | 15,979  | 15,537  | 15,017  | 14,414  |
|   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>Total Debt Service</b>                 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 173,206 | 173,166 | 173,066 | 172,904 | 172,677 | 172,382 | 172,015 | 171,573 | 171,053 | 170,450 |
| <b>Total Annual Cash Expenses</b>         | 481,721 | 491,492 | 501,555 | 511,921 | 522,597 | 533,594 | 562,091 | 573,717 | 585,634 | 597,849 | 610,371 | 623,206 | 636,364 | 649,853 | 663,681 | 677,857 |
| <b>Total Net Operating Income</b>         | 32,647  | 33,164  | 33,593  | 33,931  | 34,171  | 34,310  | 17,170  | 17,130  | 17,030  | 16,868  | 16,641  | 16,346  | 15,979  | 15,537  | 15,017  | 14,414  |
| <b>Debt Service Reserve</b>               | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Deferred Developer Fee</b>             | 22,499  | 22,813  | 23,035  | 23,161  | 23,186  | 2,112   |         |         |         |         |         |         |         |         |         |         |
| <b>Cash Flow</b>                          | 10,148  | 10,351  | 10,558  | 10,770  | 10,985  | 32,198  | 17,170  | 17,130  | 17,030  | 16,868  | 16,641  | 16,346  | 15,979  | 15,537  | 15,017  | 14,414  |

\*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

|                       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>DCR Hard Debt</b>  | 1.21 | 1.21 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.21 | 1.21 | 1.20 | 1.20 | 1.19 | 1.18 |
| <b>DCR Total Debt</b> | 1.21 | 1.21 | 1.22 | 1.22 | 1.22 | 1.22 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.09 | 1.09 | 1.09 | 1.09 | 1.08 |

### Assumptions

|                          |      |
|--------------------------|------|
| Vacancy Rate             | 7.0% |
| Annual Increase Income   | 2.0% |
| Annual Increase Expenses | 3.0% |

APPLICANT:

3. PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

|   | Year 17 | Year 18 | Year 19 | Year 20 | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gross Income                              | 710,554 | 724,765 | 739,260 | 754,045 | 769,126 | 784,509 | 800,199 | 816,203 | 832,527 | 849,178 | 866,161 | 883,484 | 901,154 | 919,177 |
| Less Vacancy/Bad Debt                     | 49,739  | 50,734  | 51,748  | 52,783  | 53,839  | 54,916  | 56,014  | 57,134  | 58,277  | 59,442  | 60,631  | 61,844  | 63,081  | 64,342  |
| <b>Income from Non-Residential Use*</b>   | 45,302  | 46,208  | 47,132  | 48,075  | 49,036  | 50,017  | 51,017  | 52,038  | 53,078  | 54,140  | 55,223  | 56,327  | 57,454  | 58,603  |
| <b>Total Revenue</b>                      | 706,117 | 720,239 | 734,644 | 749,337 | 764,324 | 779,610 | 795,202 | 811,107 | 827,329 | 843,875 | 860,753 | 877,968 | 895,527 | 913,438 |
| <b>Expenses:</b>                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Office Expenses and Phone                 | 1,605   | 1,653   | 1,702   | 1,754   | 1,806   | 1,860   | 1,916   | 1,974   | 2,033   | 2,094   | 2,157   | 2,221   | 2,288   | 2,357   |
| Real Estate Taxes                         | 114,335 | 117,765 | 121,298 | 124,937 | 128,685 | 132,546 | 136,522 | 140,618 | 144,837 | 149,182 | 153,657 | 158,267 | 163,015 | 167,905 |
| Advertising, Accounting, Legal Fees       | 51,967  | 53,526  | 55,132  | 56,786  | 58,489  | 60,244  | 62,051  | 63,913  | 65,830  | 67,805  | 69,839  | 71,934  | 74,092  | 76,315  |
| Payroll, Payroll Taxes and Benefits       | 130,337 | 134,248 | 138,275 | 142,423 | 146,696 | 151,097 | 155,630 | 160,299 | 165,108 | 170,061 | 175,163 | 180,418 | 185,830 | 191,405 |
| Property Insurance                        | 42,055  | 43,316  | 44,616  | 45,954  | 47,333  | 48,753  | 50,215  | 51,722  | 53,273  | 54,872  | 56,518  | 58,213  | 59,960  | 61,759  |
| Mtc, Repairs and Mtc Contracts            | 44,555  | 45,891  | 47,268  | 48,686  | 50,147  | 51,651  | 53,201  | 54,797  | 56,441  | 58,134  | 59,878  | 61,674  | 63,524  | 65,430  |
| Utilities (gas/electric/fuel/water/sewer) | 65,058  | 67,010  | 69,020  | 71,091  | 73,223  | 75,420  | 77,683  | 80,013  | 82,414  | 84,886  | 87,433  | 90,055  | 92,757  | 95,540  |
| Property Mgmt                             | 45,277  | 46,635  | 48,034  | 49,475  | 50,959  | 52,488  | 54,063  | 55,685  | 57,355  | 59,076  | 60,848  | 62,674  | 64,554  | 66,490  |
| Operating Reserve Pmt                     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Replacement Reserve Pmt                   | 27,440  | 28,264  | 29,112  | 29,985  | 30,885  | 31,811  | 32,765  | 33,748  | 34,761  | 35,804  | 36,878  | 37,984  | 39,124  | 40,297  |
| Support Services                          | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Other (List)                              | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
|   | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Total Expenses</b>                     | 522,629 | 538,308 | 554,457 | 571,091 | 588,223 | 605,870 | 624,046 | 642,768 | 662,051 | 681,912 | 702,369 | 723,441 | 745,144 | 767,498 |
| <b>Net Operating Income</b>               | 183,488 | 181,932 | 180,187 | 178,246 | 176,100 | 173,740 | 171,156 | 168,339 | 165,278 | 161,963 | 158,383 | 154,527 | 150,383 | 145,940 |
| <b>Debt Service:</b>                      |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| First Mortgage                            | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 | 156,036 |
| Second Mortgage                           | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| AHF City Interest Loan                    | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Other (List)                              | 13,726  | 12,948  | 12,076  | 11,105  | 10,032  | 8,852   |         |         |         |         |         |         |         |         |
|   |         |         |         |         |         |         |         |         |         | 0       | 0       | 0       | 0       | 0       |
| <b>Total Debt Service</b>                 | 169,762 | 168,984 | 168,112 | 167,141 | 166,068 | 164,888 | 163,036 | 161,036 | 158,036 | 156,036 | 154,036 | 152,036 | 150,036 | 148,036 |
| <b>Total Annual Cash Expenses</b>         | 692,391 | 707,292 | 722,569 | 738,232 | 754,292 | 770,758 | 788,082 | 798,804 | 818,087 | 837,948 | 858,405 | 879,477 | 901,180 | 923,534 |
| <b>Total Net Operating Income</b>         | 13,726  | 12,948  | 12,076  | 11,105  | 10,032  | 8,852   | 15,120  | 12,303  | 9,242   | 5,927   | 2,347   | -1,509  | -5,653  | -10,096 |
| <b>Debt Service Reserve</b>               | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Deferred Developer Fee</b>             | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Cash Flow</b>                          | 13,726  | 12,948  | 12,076  | 11,105  | 10,032  | 8,852   | 15,120  | 12,303  | 9,242   | 5,927   | 2,347   | -1,509  | -5,653  | -10,096 |

\*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

|                       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>DCR Hard Debt</b>  | 1.18 | 1.17 | 1.15 | 1.14 | 1.13 | 1.11 | 1.10 | 1.08 | 1.06 | 1.04 | 1.02 | 0.99 | 0.96 | 0.94 |
| <b>DCR Total Debt</b> | 1.08 | 1.08 | 1.07 | 1.07 | 1.06 | 1.05 | 1.10 | 1.08 | 1.06 | 1.04 | 1.02 | 0.99 | 0.96 | 0.94 |

**Assumptions**

|                          |      |
|--------------------------|------|
| Vacancy Rate             | 7.0% |
| Annual Increase Income   | 2.0% |
| Annual Increase Expenses | 3.0% |