

From: Adam Templer [<mailto:Adam.Templer@bakertilly.com>]
Sent: Thursday, January 10, 2013 3:36 PM
To: Spears, Julie
Cc: Kevin Page
Subject: Carenet

Julie-

Attached are the revised documents that you requested. Please take a look through and let me know if you have questions or concerns.

Attached are:

1. Updated S/U:
 - a. AHTF of \$400,000
 - b. HOME- \$150,000
 - c. Decrease in the had construction costs by \$275,000 + 5% (contingency) due to removing the prevailing wages
 - d. Decrease in LIHTC equity of \$232,724 due to the drop in the hard construction costs and WHEDA's revised underwriting standards (in light of the "fiscal cliff" act passed).
 - e. Increase in the first mortgage of \$98,000 due to moving the AHTF payments 'below the line'
2. Pro Forma:
 - a. Aside from the typical "above the line" items the investor service fee and deferred developer fee will have to be paid prior to the AHTF loan. If the deferred fee is not repaid then there will be issues with tax credit recapture. This structure delays the start of the payments on the AHTF but more is paid in the long run.
 - b. The terms of the AHTF shown are: \$400,000, 16 year term/amortization, and 2.31% rate and subject to available cash flow (NOTE: portion of cash flow shown is 100% but amount is to be negotiated)
 - i. There is projected to be a remaining balance of about \$290,000 after year 16.
3. Unit Mix:
 - a. The rents and mix are the same aside from a switch of one of the 2BR market rate units now being a 1BR market rate unit.

Thanks again for all of your help!

Adam

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