



July 30, 2021

Anne Slezak
Community Development Authority of the City of Madison
215 Martin Luther King Jr. Boulevard, Suite 161
Madison, WI 53703

Johnson Bank is pleased to provide you with a term sheet for the renewal of Monona Shores, the 104-unit multi-family apartment complex located in Madison, WI. Please note, this is **not a commitment to lend** and is meant to outline the potential terms and conditions of the transaction. Any commitment to lend will require approval of Johnson Bank's Senior Loan Committee.

Borrower:	Community Development Authority of the City of Madison
Loan Amount:	Existing term loan balance of \$2,198,945.
Term:	5 years (current maturity of 08/26/2021).
Amortization:	Continuation of remaining 121 months.
Interest Rate:	5-Year LIBOR Swap Curve + 225 basis points, fixed at closing (Index floor of 1.00%). Current fixed rate is 3.25% as of 07/30/2021.
Payments:	Monthly principal and interest payments based on remaining 121-month amortization schedule.
Guarantors:	None.
Doc Prep Fee:	\$1,000.
Collateral:	First Real Estate Mortgage on 104-unit multi-family apartment complex, known as Monona Shores Apartments, located at 2 Waunona Wood Court and 1510 Lake Point Drive in Madison, WI. Assignment of Leases and Rents. Assignment of Management Contract.
Prepayment Penalty:	3/3/2/2/1%
Financial Covenant:	Maintain a Debt Service Coverage ratio of at least 1.15 times tested annually at fiscal year-end. Debt Service Coverage Ratio is calculated as the net operating income of the project (the sum of gross rental income less actual vacancy and operating expenses excluding depreciation, amortization and interest expense) for the calendar year at issue, divided by required principal and interest paid during the testing period at issue.

Financial Statement Requirements:

- Audited FYE Financial Statements for Monona Shores.
- Audited FYE Financial Statements for the Community Development Authority of the City of Madison.
- Annual Rent Roll for the Property.

Other Conditions:

- Loan documents to be drafted by Bank's Legal Counsel.
- Borrower will be responsible for all closing costs including but not limited to third party due diligence reports, legal fees, bank fees, and any other fees necessary to close the Loan.
- Borrower to maintain the operating account for the Property with Johnson Bank.

Thank you for the opportunity to provide financing. Please review and return a signed copy of this letter to my attention via e-mail at dlohr@johnsonfinancialgroup.com or via mail at 10 E. Doty Street, Suite 100, Madison, WI 53703. If you have any questions, I can be reached at 608-250-7226.

Sincerely,



Dan Lohr
Assistant Vice President
Commercial Real Estate Specialty Group

AGREED AND ACCEPTED

Its: _____
Date: _____