

PROJECT SUMMARY

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

Sources:

| | | |
|-------------------------------------|-----------|-------------------|
| HUD Insured Mortgage | \$ | 5,670,000 |
| City of Fairfield HOME Loan | \$ | 300,000 |
| State of Ohio HOME Loan | \$ | 500,000 |
| LIHTC Equity | \$ | 4,479,075 |
| Existing Reserves | \$ | 200,000 |
| Const. Period Income (Surplus Cash) | \$ | 427,758 |
| Seller Note | \$ | 1,000,000 |
| Initial Repair Contingency LoC | \$ | 659,636 |
| Deferred Developer Fee | \$ | 711,220 |
| Total | \$ | 13,947,689 |

Uses:

| | | |
|-------------------------------------|-----------|-------------------|
| Acquisition | \$ | 6,500,000 |
| HUD Fees | \$ | 64,203 |
| Financing Fees | \$ | 198,450 |
| Issuance Costs | \$ | 174,000 |
| Title/Recording | \$ | 42,500 |
| Legal | \$ | 125,000 |
| Organizational | \$ | 174,200 |
| Relocation | \$ | 25,000 |
| Initial Repairs | \$ | 3,301,830 |
| Initial Deposit to Replacement Res. | \$ | 750,000 |
| Initial Repair Contingency | \$ | 659,636 |
| Architect's Fee | \$ | 135,000 |
| Developer's Fee | \$ | 1,232,956 |
| LIHTC Asset Mgmt Fee | \$ | 90,000 |
| Investor Required Operating Reserve | \$ | 335,000 |
| LIHTC Cost Certification/Accounting | \$ | 35,000 |
| Soft Cost Contingency | \$ | 25,000 |
| Bridge Loan Interest | \$ | 79,914 |
| Total | \$ | 13,947,689 |
| Surplus/(Deficit) | \$ | - |

| Loan Terms: | |
|----------------------------|--------------|
| Amount | \$ 5,670,000 |
| Term (yrs) | 35 |
| Amortization (yrs) | 35 |
| Rate | 4.2500% |
| Mortgage Insurance Premium | 0.2500% |
| Mortgage Constant | 5.7447% |
| Annual DS (incl MIP) | \$ 325,726 |

| Net Operating Income: | |
|------------------------------|-------------------|
| Gross Potential Income | \$ 1,091,600 |
| <Vacancy> @ 3.0% | \$ (32,748) |
| Effective Gross Income | \$ 1,058,852 |
| <Expenses> | \$ (635,575) |
| Net Operating Income | \$ 423,277 |

| Cashflow After Debt Service: | |
|-------------------------------------|------------------|
| Net Operating Income | \$ 423,277 |
| <1st Mortgage> | \$ (325,726) |
| Cashflow after 1st | \$ 97,551 |
| DSCR | 1.30 |
| <2nd Mortgage> | \$ (19,876) |
| Cashflow after 2nd | \$ 77,675 |
| <3rd Mortgage> | \$ (11,925) |
| Cashflow after 3rd | \$ 65,750 |
| Overall DSCR | 1.18 |

PROJECTED NET OPERATING INCOME

Project: **New Fairfield Village Apartments**
 Location: **Fairfield, OH**
 # of Units: **105**
 FHA #: **TBD**

Rental Income:

| Unit Type | # of Units | Unit Size | Monthly Rent | Rent/ Sq.Ft. | Total Monthly | Total Annual |
|--------------|------------|-----------|--------------|--------------|------------------|---------------------|
| 1 BRM-S8 | 80 | 600 | \$ 835 | \$ 1.39 | \$ 66,800 | |
| 2 BRM-S8 | 25 | 750 | \$ 900 | \$ 1.20 | \$ 22,500 | |
| Total | 105 | | | | \$ 89,300 | \$ 1,071,600 |

| Current | | Post | |
|-----------|--------|-----------|-------|
| HAP Rents | FMR | Rehab Mkt | % FMR |
| \$ 748 | \$ 634 | \$ 835 | 132% |
| \$ 835 | \$ 785 | \$ 900 | 115% |

Ancillary Income:

| | |
|--------------------|------------------|
| Laundry/Vending | \$ 2,500 |
| Parking | \$ 6,000 |
| Antenna/Cell Lease | \$ 6,500 |
| Misc. | \$ 5,000 |
| Subtotal | \$ 20,000 |

| | |
|--------------------------------|---------------------|
| Total Gross Income | \$ 1,091,600 |
| Vacancy/Collection Loss @ 3.0% | \$ (32,748) |
| Net Rental Income | \$ 1,058,852 |

Operating Expenses:

| | Annual | Per Unit |
|---------------------------------|-------------------|-----------------|
| Advertising | \$ 3,500 | \$ 33 |
| Management Fee @ 6.5% | \$ 68,825 | \$ 655 |
| Other Administrative | \$ 25,750 | \$ 245 |
| Elevator | \$ 7,500 | \$ 71 |
| Electric | \$ 22,500 | \$ 214 |
| Water/Sewer | \$ 55,000 | \$ 524 |
| Gas | \$ 45,000 | \$ 429 |
| Trash Removal | \$ 6,500 | \$ 62 |
| Payroll | \$ 120,000 | \$ 1,143 |
| Other Operating (Security) | \$ 38,500 | \$ 367 |
| Decorating | \$ 22,750 | \$ 217 |
| Repairs | \$ 40,000 | \$ 381 |
| Exterminating | \$ 3,000 | \$ 29 |
| Insurance | \$ 35,000 | \$ 333 |
| Grounds | \$ 14,000 | \$ 133 |
| Other Maintenance | \$ 2,000 | \$ 19 |
| Replacement Reserves | \$ 36,750 | \$ 350 |
| RE Taxes | \$ 76,500 | \$ 729 |
| Employee Payroll | \$ 10,000 | \$ 95 |
| Other Taxes | \$ 2,500 | \$ 24 |
| Total Operating Expenses | \$ 635,575 | \$ 6,053 |

| | |
|-----------------------------|-------------------|
| Net Operating Income | \$ 423,277 |
| Expense Ratio | 60.0% |

HISTORICAL NET OPERATING INCOME

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

| | 2014 | 2015 | 2016 | 2017 TTM | Loan Underwriting |
|---------------------------------|-------------------|-------------------|-------------------|---------------------|----------------------|
| Gross Rental Income | \$ 902,241 | \$ 937,265 | \$ 978,246 | \$ 1,013,498 | \$ 1,071,600 |
| Ancillary Income | | | | | |
| Laundry/Vending | \$ 2,985 | \$ 3,635 | \$ 2,998 | \$ 1,985 | \$ 2,500 |
| Parking | \$ 3,589 | \$ 5,820 | \$ 4,983 | \$ 6,258 | \$ 6,000 |
| Antenna/Cell Lease | \$ 5,750 | \$ 5,750 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| Misc. | \$ 2,538 | \$ 5,625 | \$ 4,203 | \$ 4,187 | \$ 5,000 |
| Gross Potential Income | \$ 917,103 | \$ 958,095 | \$ 996,930 | \$ 1,032,428 | \$ 1,091,600 |
| <Vacancy> | \$ (16,508) | \$ (19,587) | \$ (18,942) | \$ (17,861) | \$ (32,748) |
| Vacancy % | 1.8% | 2.0% | 1.9% | 1.7% | 3.0% |
| Net Rental Income | \$ 900,595 | \$ 938,508 | \$ 977,988 | \$ 1,014,567 | \$ 1,058,852 |
| Operating Expenses: | | | | | |
| Advertising | \$ 1,450 | \$ 1,358 | \$ 2,235 | \$ 3,105 | \$ 3,500 |
| Management Fee @ 6.5% | \$ 58,539 | \$ 61,003 | \$ 63,569 | \$ 65,947 | \$ 68,825 |
| Other Administrative | \$ 18,756 | \$ 23,598 | \$ 20,567 | \$ 24,770 | \$ 25,750 |
| Elevator | \$ 10,045 | \$ 2,509 | \$ 5,689 | \$ 3,598 | \$ 7,500 |
| Electric | \$ 17,453 | \$ 19,534 | \$ 18,598 | \$ 21,035 | \$ 22,500 |
| Water/Sewer | \$ 25,689 | \$ 22,587 | \$ 35,049 | \$ 52,087 | \$ 55,000 |
| Gas | \$ 43,369 | \$ 38,958 | \$ 37,258 | \$ 41,524 | \$ 45,000 |
| Trash Removal | \$ 4,201 | \$ 5,687 | \$ 5,980 | \$ 6,250 | \$ 6,500 |
| Payroll | \$ 89,758 | \$ 103,541 | \$ 117,254 | \$ 118,593 | \$ 120,000 |
| Other Operating (Security) | \$ - | \$ - | \$ 15,489 | \$ 32,589 | \$ 38,500 |
| Decorating | \$ 12,547 | \$ 8,598 | \$ 24,587 | \$ 14,589 | \$ 22,750 |
| Repairs | \$ 35,932 | \$ 65,047 | \$ 23,598 | \$ 39,568 | \$ 40,000 |
| Exterminating | \$ 2,015 | \$ 1,758 | \$ 12,054 | \$ 1,789 | \$ 3,000 |
| Insurance | \$ 23,568 | \$ 27,598 | \$ 26,574 | \$ 30,457 | \$ 35,000 |
| Grounds | \$ 7,859 | \$ 10,404 | \$ 8,593 | \$ 12,578 | \$ 14,000 |
| Other Maintenance | \$ 685 | \$ 1,589 | \$ 2,203 | \$ 598 | \$ 2,000 |
| R4R Deposits (net of reimburs) | \$ 45,289 | \$ 32,691 | \$ 78,201 | \$ 24,598 | \$ 36,750 |
| RE Taxes | \$ 65,983 | \$ 67,598 | \$ 70,156 | \$ 72,641 | \$ 76,500 |
| Employee Payroll Tax | \$ 5,693 | \$ 8,521 | \$ 7,932 | \$ 9,587 | \$ 10,000 |
| Other Taxes | \$ 357 | \$ 2,569 | \$ 403 | \$ 2,210 | \$ 2,500 |
| Total Operating Expenses | \$ 469,188 | \$ 505,148 | \$ 575,989 | \$ 578,113 | \$ 635,575 |
| Per Unit | \$ 4,468 | \$ 4,811 | \$ 5,486 | \$ 5,506 | \$ 6,053 |
| Net Operating Income | \$ 431,407 | \$ 433,360 | \$ 401,999 | \$ 436,454 | \$ 423,277 |

DETAILED PROJECT COSTS

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

| | | | <u>Total</u> |
|----------------------------|----------|------------|--------------|
| Acquisition | | | \$ 6,500,000 |
| HUD/FHA MIP | 0.25% | \$ 14,175 | |
| HUD/FHA Exam Fee | 0.30% | \$ 17,010 | |
| HUD/FHA Inspection Fee | See Calc | \$ 33,018 | |
| Subtotal | | | \$ 64,203 |
| Financing Fee | 2.0% | \$ 113,400 | |
| Placement Fee | 1.5% | \$ 85,050 | |
| Subtotal | | | \$ 198,450 |
| Cost of Issuance | | | |
| Bond Counsel | | \$ 40,000 | |
| Underwriter Counsel | | \$ 30,000 | |
| Issuer & Issuer Counsel | | \$ 12,500 | |
| Printing/Misc Other Costs | | \$ 3,500 | |
| Bond Trustee | | \$ 3,500 | |
| Underwriter | | \$ 50,000 | |
| Rating Agency | | \$ 15,000 | |
| Volume Cap Application Fee | | \$ 4,500 | |
| Misc. | | \$ 2,500 | |
| Subtotal | | | \$ 161,500 |
| Title/Recording | | | \$ 42,500 |
| Legal | | | |
| Borrower's Counsel | | \$ 50,000 | |
| Lender's Counsel | | \$ 35,000 | |
| Tax Credit Counsel | | \$ 40,000 | |
| Subtotal | | | \$ 125,000 |
| Organizational | | | |
| Market Study | | \$ 5,000 | |
| Appraisal | | \$ 5,000 | |
| PCNA | | \$ 8,500 | |
| Arch/Cost Review | | \$ 9,000 | |
| ALTA ASCM Survey | | \$ 4,500 | |
| Environmental Phase I | | \$ 2,500 | |
| LBP Analysis | | \$ 6,000 | |
| ACM Analysis | | \$ 5,700 | |
| Radon Assessment | | \$ 3,500 | |
| Soils Testing | | \$ - | |
| Noise Study | | \$ - | |
| LIHTC Reservation Fee | | \$ 94,500 | |
| LIHTC Application Fee | | \$ 30,000 | |
| Subtotal | | | \$ 174,200 |

DETAILED PROJECT COSTS con't

Project: New Fairfield Village Apartments
Location: Fairfield, OH
of Units: 105
FHA #: TBD

| | | | <u>Total</u> |
|--|-------|--------------|----------------------|
| Relocation | | | \$ 25,000 |
| Initial Repairs | | | |
| Critical | | | \$ 3,650 |
| Construction | | \$ 2,880,000 | |
| GC Gen Reqs. | 5.0% | \$ 144,000 | |
| GC OH | 2.0% | \$ 60,480 | |
| GC Profit | 5.0% | \$ 151,200 | |
| GC Bond Premium | | \$ 22,500 | |
| GC Other Fees | | \$ 40,000 | |
| Subtotal | | | \$ 3,298,180 |
| Initial Deposit to Replacement Reserve | | | \$ 750,000 |
| Initial Repair Contingency | 20.0% | | \$ 659,636 |
| Architect's Fees | | | \$ 135,000 |
| Negative Arbitrage | | | \$ 12,500 |
| Developer's Fee | | | \$ 1,232,956 |
| LIHTC Asset Management Fee | | | \$ 90,000 |
| Investor Required Operating Reserve | | | \$ 335,000 |
| LIHTC Cost Certification/Accounting | | | \$ 35,000 |
| Soft Cost Contingency | | | \$ 25,000 |
| Bridge Loan Interest | | | \$ 79,914 |
| TOTAL | | | \$ 13,947,689 |

LIHTC CALCULATION

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

| | Project Cost | LIHTC Basis |
|----------------------------|-----------------|----------------|
| Building | \$ 5,925,000 | \$ 5,925,000 |
| Land | \$ 375,000 | |
| Cash Escrows | \$ 200,000 | |
| HUD/FHA Exam Fee | \$ 17,010 | |
| HUD/FHA Inspection Fee | \$ 33,018 | |
| Financing Fee | \$ 113,400 | |
| Placement Fee | \$ 85,050 | |
| Bond Counsel | \$ 40,000 | |
| Underwriter Counsel | \$ 30,000 | |
| Issuer & Issuer Counsel | \$ 12,500 | |
| Printing/Misc Other Costs | \$ 3,500 | |
| Bond Trustee | \$ 3,500 | |
| Underwriter | \$ 50,000 | |
| Rating Agency | \$ 15,000 | |
| Volume Cap Application Fee | \$ 4,500 | |
| Misc. Bond Costs | \$ 2,500 | |
| Title/Recording | \$ 42,500 | \$ 42,500 |
| Borrower's Counsel | \$ 50,000 | \$ 50,000 |
| Lender's Counsel | \$ 35,000 | |
| Tax Credit Counsel | \$ 40,000 | |
| Market Study | \$ 5,000 | |
| Appraisal | \$ 5,000 | |
| PCNA | \$ 8,500 | |
| Arch/Cost Review | \$ 9,000 | |
| ALTA ASCM Survey | \$ 4,500 | |
| Environmental Phase I | \$ 2,500 | |
| LBP Analysis | \$ 6,000 | |
| ACM Analysis | \$ 5,700 | |
| Radon Assessment | \$ 3,500 | |
| Soils Testing | \$ - | |
| Noise Study | \$ - | |
| LIHTC Reservation Fee | \$ 94,500 | |
| LIHTC Application Fee | \$ 30,000 | |

LIHTC CALCULATION con't

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

| | | | | | |
|--|---------|----|-------------------|----|-------------------|
| Relocation | | \$ | 25,000 | | |
| Critical Repairs | | \$ | 3,650 | \$ | 3,650 |
| Non-Critical Repairs | | | | | |
| Construction | | \$ | 2,500,000 | | |
| GC Gen Reqs. | 5.0% | \$ | 125,000 | | |
| GC OH | 2.0% | \$ | 52,500 | | |
| GC Profit | 5.0% | \$ | 131,250 | | |
| GC Bond Premium | | \$ | 22,500 | | |
| GC Other Fees | | \$ | 40,000 | | |
| Subtotal | | \$ | 2,871,250 | \$ | 2,871,250 |
| Initial Deposit to Replacement Reserve | | \$ | 750,000 | | |
| Initial Repair Contingency | | \$ | 659,636 | \$ | 659,636 |
| Architect's Fees | | \$ | 135,000 | \$ | 135,000 |
| Negative Arbitrage | | \$ | 12,500 | | |
| Developer's Fee | | \$ | 1,232,956 | \$ | 1,232,956 |
| LIHTC Asset Management Fee | | \$ | 90,000 | | |
| Investor Required Operating Reserve | | \$ | 335,000 | | |
| LIHTC Cost Certification/Accounting | | \$ | 35,000 | | |
| Soft Cost Contingency | | \$ | 25,000 | | |
| Construction Interest | 14 mos. | \$ | 281,138 | \$ | 281,138 |
| RE Taxes | 14 mos. | \$ | 89,250 | \$ | 89,250 |
| Insurance | 14 mos. | \$ | 40,833 | \$ | 40,833 |
| MIP | 14 mos. | \$ | 16,538 | \$ | 16,538 |
| Bridge Loan Interest | | \$ | 79,914 | \$ | 79,914 |
| TOTAL | | \$ | 13,934,342 | \$ | 11,427,664 |

Net LIHTC Equity Calculation:

| | | | |
|------------------------------|----|-------|---------------------|
| Qualified Census Tract Boost | | 30% | |
| Total LIHTC Basis | | | \$ 14,855,964 |
| x Applicable Fraction | | 100% | \$ 14,855,964 |
| x Applicable Tax Credit % | | 3.35% | |
| Annual LIHTC | | | \$ 497,675 |
| 10 YR total | | | \$ 4,976,750 |
| Pricing | \$ | 0.90 | |
| Net LIHTC Equity | | | \$ 4,479,075 |

REQUIRED NET EQUITY AND PAY-IN

MAP Lender Guide Chapter 14.15

Project: New Fairfield Village Apartments

Location: Fairfield, OH

Units: 105

FHA #: TBD

I Total Equity

\$ 4,479,075

II Net Equity

Total Equity less initial capital contributions plus lower of "allowed reductions" or "maximum reduction" of 25% of Total Equity

A. Initial Capital Contribution 20.0% x \$ 895,815

B. Allowed Reductions:

Delayed Developer Fee payments \$ 345,428

Deferred Developer Fee \$ 711,220

Lease Up Escrow \$ -

Operating Reserves \$ 335,000

Debt Service Reserve \$ -

Section 8 HAP Transition Reserves \$ -

State Agency Administrative Fees & Escrows \$ -

Subtotal \$ 1,391,648

C. Maximum Reduction: 25.0% \$ 1,119,769

Lesser of B or C \$ 1,119,769

Net Equity

\$ 2,463,491

III Required Equity/Bridge Loan Pay-In:

| | | | | | | Cummulative | |
|-----------------|--------------------|-------|---|--------------|---|---------------------|--------------|
| Initial Closing | True equity | 20.0% | x | \$ 4,479,075 | = | \$ 895,815 | \$ 895,815 |
| 65% Completion | can be Bridge Loan | 37.5% | x | \$ 2,463,491 | = | \$ 923,809 | \$ 1,819,624 |
| 100% Completion | can be Bridge Loan | 62.5% | x | \$ 2,463,491 | = | \$ 1,539,682 | \$ 3,359,306 |
| Total | | | | | | \$ 3,359,306 | |

IV Proposed Equity Pay-In:

| | | | | | | | Cummulative |
|------------------|--|-------|---|--------------|---|---------------------|--------------|
| Initial Closing | | 20.0% | x | \$ 4,479,075 | = | \$ 895,815 | \$ 895,815 |
| 50% Completion | | 20.0% | x | \$ 4,479,075 | = | \$ 895,815 | \$ 1,791,630 |
| 100% Completion | | 20.0% | x | \$ 4,479,075 | = | \$ 895,815 | \$ 2,687,445 |
| Issuance of 8609 | | 40.0% | x | \$ 4,479,075 | = | \$ 1,791,631 | \$ 4,479,076 |
| Total | | | | | | \$ 4,479,076 | |

REQUIRED NET EQUITY AND PAY-IN

MAP Lender Guide Chapter 14.15

Project: New Fairfield Village Apartments
Location: Fairfield, OH
Units: 105
FHA #: TBD

V HUD Requirements Met?

| | Cummulative HUD Required | Equity | Bridge Loan | Cummulative Total | Requirement Met? |
|-----------------|-----------------------------|--------------|----------------|----------------------|---------------------|
| Initial Closing | \$ 895,815 | \$ 909,104 | \$ 170,403 | \$ 1,079,507 | YES |
| 65% Completion | \$ 1,819,624 | \$ 1,818,208 | \$ 1,415,024 | \$ 3,233,232 | YES |
| 100% Completion | \$ 3,359,306 | \$ 2,727,312 | \$ 1,446,335 | \$ 4,173,647 | YES |

VALUATION

Project: New Fairfield Village Apartments
Location: Fairfield, OH
of Units: 105
FHA #: TBD

| | | |
|-------------------------|----|-----------|
| Gross Potential Income | \$ | 1,091,600 |
| Less Vacancy | \$ | (32,748) |
| Effective Gross Income | \$ | 1,058,852 |
| Less Operating Expenses | \$ | (635,575) |
| Net Operating Income | \$ | 423,277 |

Capitalization Rate 6.75%

Capitalization Approach \$ 6,271,000

Comparable Sales Approach \$ 6,975,000

Cost Approach NA

Reconciled Value \$ 6,300,000

Per Unit \$ 60,000

Appraiser's Estimate of Land Value \$ 375,000

Purchase Price \$ 6,300,000

Cash Escrows to be Transferred \$ 200,000

Total Acquisition Cost \$ 6,500,000

Existing Debt \$ 972,358

Maximum Potential Seller Note \$ 5,327,642

Proceeds to Seller:

Purchase Price \$ 6,300,000

Less Existing Debt \$ (972,358)

Less Seller Note \$ (1,000,000)

Gross Proceeds to Seller \$ 4,327,642

MAXIMUM INSURED MORTGAGE

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

1) Requested Loan Amount

2) Loan to Value

| | | | | | |
|--|--------------|---|---------------|--------------|---------------------|
| a. Value (Replacement Cost) in Fee Simple | \$ 6,300,000 | x | <u>90.00%</u> | \$ 5,670,000 | |
| b. (1) Value of Leased Fee | \$ - | | | | |
| (2) Grant/Loan funds attributable to R. C. items | \$ - | | | | |
| (3) Excess Unusual Land Improvement | \$ - | | | | |
| (4) Cost Containment Mortgage Deduction | \$ - | | | | |
| (5) Total lines (1) to (4) | \$ - | x | <u>90.00%</u> | \$ - | |
| c. Unpaid Balance of Special Assessment | | | | \$ - | |
| d. Total line b plus line c | | | | \$ - | |
| e. Line a minus line d | | | | \$ 5,670,000 | <u>\$ 5,670,000</u> |

3) Statutory Per Dwelling Unit Limits

| | | | | | |
|---|------------|---|-------------------|---------------|----------------------|
| a. Number of no Bedroom Units | <u>0</u> | x | <u>\$ 165,837</u> | \$ - | |
| Number of one Bedroom Units | <u>80</u> | x | <u>\$ 183,751</u> | \$ 14,700,096 | |
| Number of two Bedroom Units | <u>25</u> | x | <u>\$ 225,315</u> | \$ 5,632,875 | |
| Number of three Bedroom Units | <u>0</u> | x | <u>\$ 282,196</u> | \$ - | |
| Number of four or more Bedroom Units | <u>0</u> | x | <u>\$ 319,083</u> | \$ - | |
| b. Cost Not Attributable to Dwelling Use | \$ - | x | <u>90.00%</u> | \$ - | |
| c. Warranted Price of Land | \$ 375,000 | x | <u>90.00%</u> | \$ 337,500 | |
| d. Total lines a through c | | | | \$ 20,670,471 | |
| e. Total Number of Spaces | <u>0</u> | x | <u>\$ -</u> | \$ - | |
| f. Sum: Value of Leased Fee and Unpaid Balance of Special Assessment(s) | | | | \$ - | |
| g. Line d or line e, whichever is applicable, minus line f | | | | \$ 20,670,471 | <u>\$ 20,670,500</u> |

4) Amount Based on Debt Coverage

| | | | | | |
|------------------------------------|--------------|-----------|-----------------|--------------|---------------------|
| a. Mortgage Interest Rate | | | <u>4.25000%</u> | | |
| b. Mortgage Insurance Premium Rate | | | <u>0.25000%</u> | | |
| c. Initial Curtail Rate | Amortization | <u>35</u> | <u>1.24473%</u> | | |
| d. Sum of Above Rates | | | <u>5.74473%</u> | | |
| e. Net Income | \$ 423,277 | x | <u>90.00%</u> | \$ 380,949 | |
| f. Annual Ground Rent | | | | \$ - | |
| g. Line e minus line f | | | | \$ 380,949 | |
| h. Line g divided by line d | | | | \$ 6,631,285 | <u>\$ 6,631,300</u> |

5) Amount Based on Cost of Acquisition

| | | | | | |
|--|--------------|--|--|---------------|----------------------|
| a. Purchase Price of Project | \$ 6,300,000 | | | | |
| b. Repairs and Improvements, if any | \$ 3,301,830 | | | | |
| c. Other fees | \$ - | | | | |
| d. Loan Closing Charges * | \$ 2,335,489 | | | | |
| e. Sum of lines a through d | | | | \$ 11,937,319 | |
| f. Enter the Sum of any Grant/Loan and Reserves for Replacement and Major Movable Equipment to be purchased as an asset of the project | | | | \$ (200,000) | |
| g. Line e minus line f | | | | \$ 11,737,319 | |
| h. Line g x <u>90.00%</u> | | | | | <u>\$ 10,563,600</u> |

6) Amount Based on Deducting Grants and Loans for Mortgageable Items

| | | | | | |
|--|---------------|--|--|---------------|----------------------|
| a. 100% Project (Replacement) Cost * | \$ 12,137,319 | | | | |
| b. (1) Grants/loans/gifts | \$ 1,800,000 | | | | |
| (2) Tax Credits | \$ - | | | | |
| (3) Value of Leased Fee | \$ - | | | | |
| (4) Excess Unusual Land Improvement Cost | \$ - | | | | |
| (5) Cost Containment Mtge Deduction | \$ - | | | | |
| (6) Unpaid Balance of Special Assessment | \$ - | | | | |
| (7) Sum of Lines (1) through (6) | | | | \$ 1,800,000 | |
| c. Line a. minus line b. (7) | | | | \$ 10,337,319 | <u>\$ 10,337,300</u> |

| | |
|---------------------------------|---------------------|
| MAXIMUM INSURED MORTGAGE | \$ 5,670,000 |
|---------------------------------|---------------------|

DEBT ANALYSIS

Project: New Fairfield Village Apartments
Location: Fairfield, OH
of Units: 105
FHA #: TBD

| | | | | |
|-----------------------------|-------|-------------------|------|-------------------|
| Gross Potential Income | | \$ 1,091,600 | | \$ 1,091,600 |
| Less Vacancy | 3.00% | \$ (32,748) | 2.5% | \$ (27,290) |
| Effective Gross Income | | \$ 1,058,852 | | \$ 1,064,310 |
| Less Operating Expenses | | \$ (635,575) | | \$ (635,575) |
| Net Operating Income | | \$ 423,277 | | \$ 428,735 |

1st Mortgage Loan Terms:

Loan Amount \$ 5,670,000
Amortization (yrs) 35
Rate 4.25%
MIP 0.25%
Mortgage Constant 5.7447%
Annual Payment \$ 325,726

| | | | | |
|---|----|------------------|--|-------------------|
| Cashflow after Debt Service - 1st Mortgage | | \$ 97,551 | | \$ 103,009 |
| Per Unit | | \$ 929 | | \$ 981 |
| Debt Coverage Ratio | | 1.30 | | 1.32 |
| Debt/Unit | \$ | 54,000 | | |
| Loan To Value | | 90.0% | | |

2nd Mortgage Loan Terms:

Loan Amount \$ 500,000
Amortization (yrs) 35
Rate 2.0%
Annual Payment \$19,876

| | | | | |
|---|--|------------------|--|-----------------|
| Cashflow after Debt Service - 2nd Mortgage | | \$ 77,675 | | \$83,133 |
|---|--|------------------|--|-----------------|

3rd Mortgage Loan Terms:

Loan Amount \$ 300,000
Amortization (yrs) 35
Rate 2.0%

| | | | | | | |
|-----------------------|--|-----------------|--|------------------|--|-----------------|
| Annual Payment | | \$11,925 | | \$ 65,750 | | \$71,208 |
|-----------------------|--|-----------------|--|------------------|--|-----------------|

Cashflow after Debt Service - 2nd Mortgage

| | | | | |
|-----------------------------|--|------|--|------|
| Overall Debt Coverage Ratio | | 1.18 | | 1.20 |
|-----------------------------|--|------|--|------|

SOURCES & USES

Project: New Fairfield Village Apartments
 Location: Fairfield, OH
 # of Units: 105
 FHA #: TBD

| Sources: | Mortgageable | Non-Mortgageable | Total |
|--|----------------------|---------------------|----------------------|
| HUD Insured Mortgage | \$ 5,670,000 | NA | \$ 5,670,000 |
| City of Fairfield HOME Loan | \$ 300,000 | \$ - | \$ 300,000 |
| State of Ohio HOME Loan | \$ 500,000 | \$ - | \$ 500,000 |
| LIHTC Equity | \$ 3,807,683 | \$ 671,392 | \$ 4,479,075 |
| Existing Reserves | \$ 200,000 | \$ - | \$ 200,000 |
| Const. Period Income (Operations) | \$ - | \$ 427,758 | \$ 427,758 |
| Seller Note | \$ 1,000,000 | \$ - | \$ 1,000,000 |
| Initial Repair Contingency LoC | \$ 659,636 | \$ - | \$ 659,636 |
| Deferred Developer Fee | \$ - | \$ 711,220 | \$ 711,220 |
| Total | \$ 12,137,319 | \$ 1,810,370 | \$ 13,947,689 |
| | \$ - | \$ - | \$ - |
| Uses: | | | |
| Acquisition | \$ 6,500,000 | \$ - | \$ 6,500,000 |
| HUD/FHA Mortgage Insurance | \$ 14,175 | \$ - | \$ 14,175 |
| HUD/FHA Exam Fee | \$ 17,010 | \$ - | \$ 17,010 |
| HUD/FHA Inspection Fee | \$ 33,018 | \$ - | \$ 33,018 |
| Financing Fee | \$ 113,400 | \$ - | \$ 113,400 |
| Placement Fee | \$ 85,050 | \$ - | \$ 85,050 |
| Cost of Issuance | \$ 161,500 | \$ - | \$ 161,500 |
| Title/Recording | \$ 42,500 | \$ - | \$ 42,500 |
| Legal | \$ 125,000 | \$ - | \$ 125,000 |
| Organizational | \$ 174,200 | \$ - | \$ 174,200 |
| Relocation | \$ 25,000 | \$ - | \$ 25,000 |
| Initial Repairs | \$ 3,301,830 | \$ - | \$ 3,301,830 |
| Initial Deposit to Replacement Reserve | \$ 750,000 | \$ - | \$ 750,000 |
| Initial Repair Contingency | \$ 659,636 | \$ - | \$ 659,636 |
| Architect's Fees | \$ 135,000 | \$ - | \$ 135,000 |
| Negative Arbitrage | \$ - | \$ 12,500 | \$ 12,500 |
| Developer's Fee | \$ - | \$ 1,232,956 | \$ 1,232,956 |
| LIHTC Asset Management Fee | \$ - | \$ 90,000 | \$ 90,000 |
| Investor Required Operating Reserve | \$ - | \$ 335,000 | \$ 335,000 |
| LIHTC Cost Certification/Accounting | \$ - | \$ 35,000 | \$ 35,000 |
| Soft Cost Contingency | \$ - | \$ 25,000 | \$ 25,000 |
| Bridge Loan Interest | \$ - | \$ 79,914 | \$ 79,914 |
| Total | \$ 12,137,319 | \$ 1,810,370 | \$ 13,947,689 |
| Surplus/(Deficit) | \$ - | \$ - | \$ - |

| Description | Year 01 | Year 02 | Year 03 | Year 04 | Year 05 | Year 06 | Year 07 | Year 08 | Year 09 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Calendar Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 |
| Beginning Balance | \$750,000 | \$753,375 | \$723,953 | \$722,544 | \$720,713 | \$718,442 | \$715,713 | \$702,487 | \$698,683 | \$694,359 | \$689,493 | \$681,471 | \$646,445 | \$636,779 | \$628,090 | \$599,992 | \$576,785 | \$501,403 | \$314,299 | -\$198,863 |
| Interest Income | \$11,250 | \$7,534 | \$7,240 | \$7,225 | \$7,207 | \$7,184 | \$7,157 | \$7,025 | \$6,987 | \$6,944 | \$6,895 | \$6,815 | \$6,464 | \$6,368 | \$6,281 | \$6,000 | \$5,768 | \$5,014 | \$3,143 | \$0 |
| Annual Deposit | \$36,750 | \$37,485 | \$38,235 | \$39,000 | \$39,780 | \$40,576 | \$41,388 | \$42,216 | \$43,060 | \$43,921 | \$44,799 | \$45,695 | \$46,609 | \$47,541 | \$48,492 | \$49,462 | \$50,451 | \$51,460 | \$52,489 | \$53,539 |
| Uninflated Needs (Withdrawal) | \$44,625 | \$72,981 | \$45,063 | \$45,284 | \$45,507 | \$45,729 | \$54,851 | \$46,179 | \$46,405 | \$46,633 | \$48,988 | \$70,402 | \$49,469 | \$48,390 | \$62,806 | \$58,452 | \$95,864 | \$10,979 | \$398,246 | \$101,295 |
| Inflated Needs (Withdrawal) | \$44,625 | \$74,441 | \$46,884 | \$48,056 | \$49,258 | \$50,489 | \$61,771 | \$53,045 | \$54,371 | \$55,731 | \$59,716 | \$87,536 | \$62,739 | \$62,598 | \$82,871 | \$78,669 | \$131,601 | \$243,578 | \$568,794 | \$147,568 |
| Ending Balance | \$753,375 | \$723,953 | \$722,544 | \$720,713 | \$718,442 | \$715,713 | \$702,487 | \$698,683 | \$694,359 | \$689,493 | \$681,471 | \$646,445 | \$636,779 | \$628,090 | \$599,992 | \$576,785 | \$501,403 | \$314,299 | -\$198,863 | -\$292,892 |
| Required Minimum Balance | \$71,907 | \$73,345 | \$74,812 | \$76,308 | \$77,834 | \$79,391 | \$80,979 | \$82,599 | \$84,251 | \$85,936 | \$87,655 | \$89,408 | \$91,196 | \$93,020 | \$94,880 | \$96,778 | \$98,714 | \$100,688 | \$102,702 | \$104,756 |
| Interest Rate on Balance% | 1.5% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Inflation Rate on Deposit% | 0% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Inflation Rate on Capital Needs% | 0% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| RFR Deposit / Unit / Year | \$905 | \$923 | \$942 | \$960 | \$980 | \$999 | \$1,019 | \$1,040 | \$1,060 | \$1,082 | \$1,103 | \$1,125 | \$1,148 | \$1,171 | \$1,194 | \$1,218 | \$1,242 | \$1,267 | \$1,293 | \$1,318 |
| Inflated Needs / Unit / Year | \$0 | \$1,046 | \$355 | \$1,632 | \$2,614 | \$2,033 | \$1,085 | \$1,235 | \$845 | \$380 | \$264 | \$684 | \$666 | \$1,668 | \$1,211 | \$561 | \$778 | \$175 | \$3,899 | \$1,486 |

INSTRUCTIONS

Paste the copied data from the exported Financial Schedule Excel file into the matching data fields (Descriptions and Years) in the outlined area above.

Property Information

| | |
|------------------------------|--|
| <i>Project Name:</i> | New Fairfieldl Village Apartments |
| <i>FHA #:</i> | TBD |
| <i>Project City:</i> | Fairfield |
| <i>Project State:</i> | OH |
| <i>Section of the Act:</i> | 223(f) |
| <i>Lender:</i> | |
| <i>Date of CNA Approval:</i> | |

Mortgage Information

| | |
|---|--------------------|
| <i>Mortgage Amount:</i> | \$5,670,000 |
| <i>Mortgage Interest Rate (Coupon):</i> | 4.250% |
| <i>Mortgage Term in Years:</i> | 35 |
| <i>Amortization Start Date:</i> | 1/1/2019 |
| <i>% of Cumulative Amortization Allowed for Mitigation:</i> | 50.0% |

INSTRUCTION

Enter the information requested above.

**Minimum Balance Test Result Summary:
CNA eTool FINANCIAL SCHEDULE DATA**

| YEAR 1-10: REQUIRED MINIMUM BALANCE TEST RESULT | YEAR 11+: REQUIRED MINIMUM BALANCE TEST RESULT | YEAR 11+: AMORTIZATION TEST REQUIRED? | YEARS 11+: AMORTIZATION TEST MITIGATION RESULT |
|---|---|---|---|
| PASS | FAIL → | REQUIRED → | PASS |
| # of Violations: 0 See Results | # of Violations: 2 See Results | | # of Violations: 0 See Results |

OVERALL RESULT:

REQUIREMENTS MET

If "Violation Exists," the CNA eTool submission does not meet MAP Guideline requirements.

| | |
|---|--|
| <p>"Requirements Met"</p> <p>Go to Firm Commitment Letter Attachment Tab</p> | <p>"Violation Exists"</p> <p>Go to Trial Deposit Analysis Tab for adjustments trial</p> |
|---|--|

RISK ANALYSIS

To meet RMB for the entire Est. Period, increase **annual deposit** starting **RY 1** by:

#DIV/0!
Per unit

To meet RMB for the entire Est. Period, increase **annual deposit** starting **RY 11** by:

#DIV/0!
Per unit

One-time deposit amount required in **RY 11** to meet RMB for remaining Est. Period (i.e. RY 11+):

#DIV/0!
Lump sum

[Go to Year 11+ Risk Analysis Tab for details](#)

[Go To Trial Deposit Analysis Tab to test deposit amounts](#)

Note: The amounts reflected in the Risk Analysis are all approximate and for estimation purposes only.

| CNA eTool Data: RY 1-10 Required Min. Balance Test | | | | # of Violations |
|--|---------------------------------------|--|--|-------------------------------------|
| Relative Year | eTool Data Ending RFR Balance Results | Estimate Period Required Minimum Balance | eTool Data Req. Min. Bal. Excess (Shortfall) | Required Minimum Balance Test Met?* |
| 1 | \$753,375 | \$71,907 | \$681,468 | OK |
| 2 | \$723,953 | \$73,345 | \$650,608 | OK |
| 3 | \$722,544 | \$74,812 | \$647,732 | OK |
| 4 | \$720,713 | \$76,308 | \$644,405 | OK |
| 5 | \$718,442 | \$77,834 | \$640,608 | OK |
| 6 | \$715,713 | \$79,391 | \$636,322 | OK |
| 7 | \$702,487 | \$80,979 | \$621,508 | OK |
| 8 | \$698,683 | \$82,599 | \$616,084 | OK |
| 9 | \$694,359 | \$84,251 | \$610,108 | OK |
| 10 | \$689,493 | \$85,936 | \$603,557 | OK |

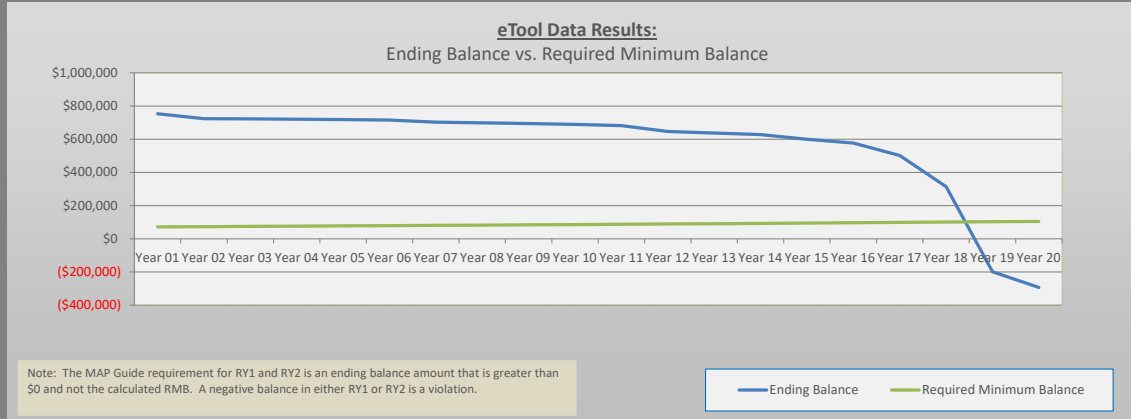
*Note: The MAP Guide requirement for RY1 and RY2 is an ending balance amount that is greater than \$0 and not the calculated RMB. A negative balance in either RY1 or RY2 is a violation.

| Years 1-10 & 11-20 Average Revenue, Average Inflated Needs, and Funding Excess or Shortfall in the RFR, including Per Unit Per Annum (PUPA) figures | | | | | |
|---|-------------|--------|--------------------------------------|-------------|-----------------|
| Total Income (Into the RFR) | | | Total Uses of Funds (Out of the RFR) | | Income vs. Uses |
| RY 1-10 | \$1,228,164 | 69.3% | RY 1-10 | \$538,671 | 26.1% |
| RY 11+ | \$543,285 | 30.7% | RY 11+ | \$1,525,670 | 73.9% |
| Total | \$1,771,449 | 100.0% | Total | \$2,064,341 | 100.0% |
| Income vs. Uses | | | | | \$689,493 |
| | | | | | (\$982,385) |
| | | | | | (\$292,892) |

| Average PUPA Deposits | | | Average PUPA Needs | | Income vs. Uses |
|-----------------------|--|--------|---|-------|-----------------|
| | Change in Avg Deposits (Yr.11+ vs Yr.1-10) | | Change in Avg Needs (Yr.11+ vs Yr.1-10) | | PUPA |
| RY 1-10 | ##### | | RY 1-10 | ##### | \$1,698 |
| RY 11+ | ##### | -55.8% | RY 11+ | ##### | 183.2% |
| Full Period | ##### | | Full Period | ##### | (\$361) |

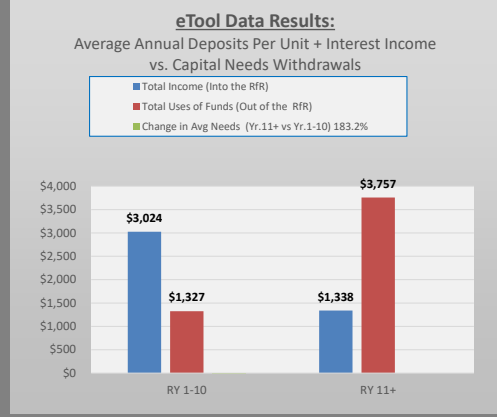
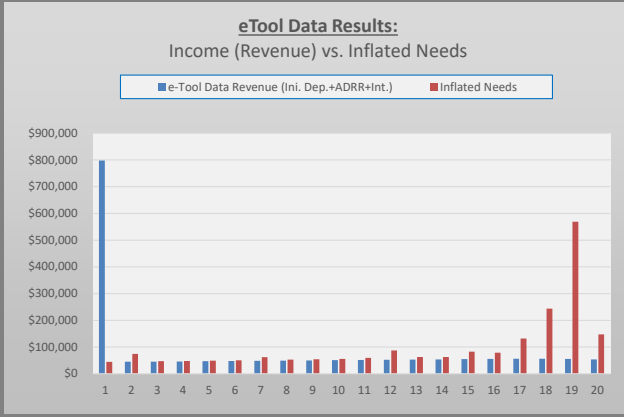
Note: Figures include interest income; RY 1-10 figures include initial deposit.

| CNA eTool Data: RY 11+ Required Min. Balance Test | | | | # of Violations |
|---|---------------------------------------|--|--|-------------------------------------|
| Relative Year | eTool Data Ending RFR Balance Results | Estimate Period Required Minimum Balance | eTool Data Req. Min. Bal. Excess (Shortfall) | Required Minimum Balance Test Met?* |
| 11 | \$681,471 | \$87,655 | \$593,816 | OK |
| 12 | \$646,445 | \$89,408 | \$557,037 | OK |
| 13 | \$636,779 | \$91,196 | \$545,583 | OK |
| 14 | \$628,090 | \$93,020 | \$535,070 | OK |
| 15 | \$599,992 | \$94,880 | \$505,112 | OK |
| 16 | \$576,785 | \$96,778 | \$480,007 | OK |
| 17 | \$501,403 | \$98,714 | \$402,689 | OK |
| 18 | \$314,299 | \$100,688 | \$213,611 | OK |
| 19 | (\$198,863) | \$102,702 | (\$301,565) | Not OK |
| 20 | (\$292,892) | \$104,756 | (\$397,648) | Not OK |



| RY 11+ Amortization Test: Using Validated eTool Data Import | | | | # of Violations |
|---|--|--|---|-------------------------------------|
| Relative Year | eTool Data RFR Balance less Required Minimum Balance | Cumulative Amortization Offset* Allowed (Principal Paid x Allowance %) | eTool Data Amortization Test Excess (Shortfall) | Required Minimum Balance Test Met?* |
| 11 | \$593,816 | \$493,768 | \$1,087,584 | OK |
| 12 | \$557,037 | \$551,151 | \$1,108,188 | OK |
| 13 | \$545,583 | \$611,020 | \$1,156,603 | OK |
| 14 | \$535,070 | \$673,484 | \$1,208,554 | OK |
| 15 | \$505,112 | \$738,654 | \$1,243,766 | OK |
| 16 | \$480,007 | \$806,650 | \$1,286,657 | OK |
| 17 | \$402,689 | \$877,592 | \$1,280,281 | OK |
| 18 | \$213,611 | \$951,608 | \$1,165,219 | OK |
| 19 | (\$301,565) | \$1,028,832 | \$727,267 | OK |
| 20 | (\$397,648) | \$1,109,403 | \$711,755 | OK |

*Note: The Cumulative Amortization Allowance Offset is the amount paid down on the FHA mortgage times an allowable factor. This represents a portion of equity build-up that could, upon a refinancing, provide funds to address a forecasted shortfall of RFR deposits vs. capital needs.



FOR REFERENCE: e-Tool Data

| Relative Year | Inflated Needs | Estimate Period Required Minimum Balances | e-Tool Data Ending RfR Balance | e-Tool Data Revenue (Ini. Dep.+ADRR+int.) | Inflated Needs per unit |
|---------------------|--------------------|---|-----------------------------------|--|-------------------------|
| 1 | \$44,625 | \$71,907 | \$753,375 | \$798,000 | \$1,099 |
| 2 | \$74,441 | \$73,345 | \$723,953 | \$45,019 | \$1,833 |
| 3 | \$46,884 | \$74,812 | \$722,544 | \$45,475 | \$1,155 |
| 4 | \$48,056 | \$76,308 | \$720,713 | \$46,225 | \$1,183 |
| 5 | \$49,258 | \$77,834 | \$718,442 | \$46,987 | \$1,213 |
| 6 | \$50,489 | \$79,391 | \$715,713 | \$47,760 | \$1,243 |
| 7 | \$61,771 | \$80,979 | \$702,487 | \$48,545 | \$1,521 |
| 8 | \$53,045 | \$82,599 | \$698,683 | \$49,241 | \$1,306 |
| 9 | \$54,371 | \$84,251 | \$694,359 | \$50,047 | \$1,339 |
| 10 | \$55,731 | \$85,936 | \$689,493 | \$50,865 | \$1,372 |
| 11 | \$59,716 | \$87,655 | \$681,471 | \$51,694 | \$1,471 |
| 12 | \$87,536 | \$89,408 | \$646,445 | \$52,510 | \$2,156 |
| 13 | \$62,739 | \$91,196 | \$636,779 | \$53,073 | \$1,545 |
| 14 | \$62,598 | \$93,020 | \$628,090 | \$53,909 | \$1,542 |
| 15 | \$82,871 | \$94,880 | \$599,992 | \$54,773 | \$2,041 |
| 16 | \$78,669 | \$96,778 | \$576,785 | \$55,462 | \$1,937 |
| 17 | \$131,601 | \$98,714 | \$501,403 | \$56,219 | \$3,241 |
| 18 | \$243,578 | \$100,688 | \$314,299 | \$56,474 | \$5,998 |
| 19 | \$568,794 | \$102,702 | (\$198,863) | \$55,632 | \$14,007 |
| 20 | \$147,568 | \$104,756 | (\$292,892) | \$53,539 | \$3,634 |
| Total Needs: | \$2,064,341 | | Total Flows Into RfR: | \$1,771,449 | \$50,836 |
| | | | Total Unfunded Needs: | (\$292,892) | (\$7,213) |

eTool Data Results:
Annual Per Unit RfR Sources and Uses Analysis

