

# Rhode Island Housing Underwriting Model

Project: Riveredge Village

City: Providence

| Stage of Progress (Describe Stage, e.g. Initial Submittal to Committee, etc.) | Person Responsible | Date of Progress / Last Edit |
|---|--------------------|------------------------------|
| Initial Submission to Committee   | Kevin Baptista     | March 31, 2021               |
| Inserted Risk Share Premium; Updated Cost of Issuance & RE tax setup          | J Swanson          | April 15, 2021               |
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|   |                    |                              |
| Latest  |                    | April 15, 2021               |

Development/Rehabilitation Costs (USES)

Riveredge Village

Current Model Progress Date: 4/15/2021

| Description   | Construction Type 1          | Construction Type 2 | Construction Type 3 | Total               | Each Item as a % of Subtotal |
|---|------------------------------|---------------------|---------------------|---------------------|------------------------------|
|   | Residential - Rehabilitation |                     |                     |                     |                              |
| <b>ACQUISITION COSTS</b>  |                              |                     |                     |                     |                              |
| Land Cost   | \$1,190,000                  |                     |                     | \$1,190,000         | 8.8%                         |
| Existing Structures   | \$12,310,000                 |                     |                     | \$12,310,000        | 91.2%                        |
| Off-site Improvements   |                              |                     |                     | \$0                 | 0.0%                         |
| Demolition  |                              |                     |                     | \$0                 | 0.0%                         |
| Other   |                              |                     |                     | \$0                 | 0.0%                         |
| Other   |                              |                     |                     | \$0                 | 0.0%                         |
| Other   |                              |                     |                     | \$0                 | 0.0%                         |
| <b>TOTAL ACQUISITION</b>  | <b>\$13,500,000</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$13,500,000</b> | <b>100.0%</b>                |
| <b>CONSTRUCTION/REHAB. COSTS (input on Construction Cost tab)</b> |                              |                     |                     |                     |                              |
| Buildings   | \$3,773,736                  | \$0                 | \$0                 | \$3,773,736         | 74.1%                        |
| Site Work   | \$243,030                    | \$0                 | \$0                 | \$243,030           | 4.8%                         |
| General Requirements: Typically 6%                                | \$214,460                    | \$0                 | \$0                 | \$214,460           | 4.2%                         |
| Builders General Overhead: Typically 2%                           | \$57,189                     | \$0                 | \$0                 | \$57,189            | 1.1%                         |
| Builders Profit: Typically 5%                                     | \$228,757                    | \$0                 | \$0                 | \$228,757           | 4.5%                         |
| Bond Premium  | \$42,892                     | \$0                 | \$0                 | \$42,892            | 0.8%                         |
| Extraordinary Conditions  |                              |                     |                     | \$0                 | 0.0%                         |
| Other Fees  | \$71,487                     | \$0                 | \$0                 | \$71,487            | 1.4%                         |
| <b>TOTAL HARD COSTS</b>   | <b>\$4,631,551</b>           | <b>\$0</b>          | <b>\$0</b>          | <b>\$4,631,551</b>  | <b>90.9%</b>                 |
| Construction Contingency: Typically 10%                           | \$463,155                    |                     |                     | \$463,155           | 9.1%                         |
| <b>TOTAL CONSTRUCTION/REHABILITATION</b>                          | <b>\$5,094,706</b>           | <b>\$0</b>          | <b>\$0</b>          | <b>\$5,094,706</b>  | <b>100.0%</b>                |
| <b>SOFT COSTS</b>   |                              |                     |                     |                     |                              |
| Architect Fee - Design  | \$87,038                     |                     |                     | \$87,038            | 20.1%                        |
| Architect Fee - Supervision                                       | \$18,273                     |                     |                     | \$18,273            | 4.2%                         |
| Survey  | \$10,000                     |                     |                     | \$10,000            | 2.3%                         |
| Environmental   | \$2,600                      |                     |                     | \$2,600             | 0.6%                         |
| Structural Engineering & Reports                                  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Fire Code Compliance Report                                       | \$10,000                     |                     |                     | \$10,000            | 2.3%                         |
| Builders Risk Insurance   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Clerk of the Works  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Owner Legal Fees  | \$50,000                     |                     |                     | \$50,000            | 11.6%                        |
| R/H Legal Fees  | \$60,000                     |                     |                     | \$60,000            | 13.9%                        |
| Syndicator Legal  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Title and Recording   | \$70,000                     |                     |                     | \$70,000            | 16.2%                        |
| Cost Certification  | \$35,000                     |                     |                     | \$35,000            | 8.1%                         |
| LIHTC Accounting  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Appraisal   | \$10,750                     |                     |                     | \$10,750            | 2.5%                         |
| Market Study  | \$4,500                      |                     |                     | \$4,500             | 1.0%                         |
| Capital Needs Assessment  | \$5,250                      |                     |                     | \$5,250             | 1.2%                         |
| Furniture, Fixtures and Equipment                                 | \$25,000                     |                     |                     | \$25,000            | 5.8%                         |
| Marketing and Lease-up  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Sewer, Water and Utility Hookups                                  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Relocation  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| RE Tax Fee Set up   | \$1,095                      |                     |                     | \$1,095             | 0.3%                         |
| Credit Report   | \$250                        |                     |                     | \$250               | 0.1%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Soft Cost Contingency   | \$42,305                     |                     |                     | \$42,305            | 9.8%                         |
| <b>TOTAL SOFT COSTS</b>   | <b>\$432,061</b>             | <b>\$0</b>          | <b>\$0</b>          | <b>\$432,061</b>    | <b>100.0%</b>                |

| Eligible for Acquisition Credit | Eligible for New Construction / Rehab. Credit | Ineligible for Credit | HOME Eligible Basis | Aggregate Basis plus Land |
|---------------------------------|---|-----------------------|---------------------|---------------------------|
|                                 |   | \$1,190,000           |                     |                           |
| \$12,310,000                    |   | \$0                   |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 |   | \$0                   |                     |                           |
| \$12,310,000                    | \$0   | \$1,190,000           | \$0                 | \$0                       |
|                                 |   |                       |                     |                           |
|                                 |   |                       |                     |                           |
| \$0                             | \$3,773,736                                   | \$0                   |                     |                           |
| \$0                             | \$243,030                                     | \$0                   |                     |                           |
| \$0                             | \$214,460                                     | \$0                   |                     |                           |
|                                 | \$57,189                                      | \$0                   |                     |                           |
|                                 | \$228,757                                     | \$0                   |                     |                           |
|                                 | \$42,892                                      | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$71,487                                      | \$0                   |                     |                           |
| \$0                             | \$4,631,551                                   | \$0                   | \$0                 |                           |
|                                 | \$463,155                                     | \$0                   |                     |                           |
| \$0                             | \$5,094,706                                   | \$0                   | \$0                 | \$0                       |
|                                 |   |                       |                     |                           |
|                                 |   |                       |                     |                           |
|                                 | \$87,038                                      | \$0                   |                     |                           |
|                                 | \$18,273                                      | \$0                   |                     |                           |
|                                 | \$10,000                                      | \$0                   |                     |                           |
|                                 | \$2,600                                       | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$10,000                                      | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
| \$5,000                         | \$45,000                                      | \$0                   |                     |                           |
|                                 |   | \$60,000              |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 |   | \$70,000              |                     |                           |
|                                 |   | \$35,000              |                     |                           |
|                                 |   | \$0                   |                     |                           |
|                                 | \$10,750                                      | \$0                   |                     |                           |
|                                 | \$4,500                                       | \$0                   |                     |                           |
|                                 | \$5,250                                       | \$0                   |                     |                           |
|                                 | \$25,000                                      | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$1,095                                       | \$1,095               |                     |                           |
|                                 | \$250   | \$250                 |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$0   | \$0                   |                     |                           |
|                                 | \$42,305                                      | \$324                 |                     |                           |
| \$5,000                         | \$261,040                                     | \$166,021             | \$0                 | \$0                       |

**Development/Rehabilitation Costs (USES)**

Riveredge Village

Current Model Progress Date: 4/15/2021

| Description                                   | Construction Type 1          | Construction Type 2 | Construction Type 3 | Total               | Each Item as a % of Subtotal |
|---|------------------------------|---------------------|---------------------|---------------------|------------------------------|
|   | Residential - Rehabilitation |                     |                     |                     |                              |
| <b>FINANCING</b>                              |                              |                     |                     |                     |                              |
| Taxes During Construction                     | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Risk Sharing Premium                          | \$13,125                     |                     |                     | \$13,125            | 1.2%                         |
| Construction Loan Interest                    | \$525,625                    |                     |                     | \$525,625           | 48.4%                        |
| Construction Loan Origination Fee             | \$56,000                     |                     |                     | \$56,000            | 5.2%                         |
| RIH Origination Fee                           | \$155,000                    |                     |                     | \$155,000           | 14.3%                        |
| Other Lender Origination Fee                  | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Cost of Issuance (bond deals only)            | \$241,500                    |                     |                     | \$241,500           | 22.2%                        |
| Tax Credit Allocation Fee: Typ. \$93,315      | \$93,315                     |                     |                     | \$93,315            | 8.6%                         |
| Financing Application Fee                     | \$1,000                      |                     |                     | \$1,000             | 0.1%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| <b>TOTAL FINANCING COSTS</b>                  | <b>\$1,085,565</b>           | <b>\$0</b>          | <b>\$0</b>          | <b>\$1,085,565</b>  | <b>100.0%</b>                |
| <b>RESERVES</b>                               |                              |                     |                     |                     |                              |
| 1st Year Property Tax Escrow                  | \$68,853                     |                     |                     | \$68,853            | 8.1%                         |
| 1st Year Insurance Escrow                     | \$20,250                     |                     |                     | \$20,250            | 2.4%                         |
| Operating Reserve: Typ. \$764,609             | \$566,609                    |                     |                     | \$566,609           | 66.4%                        |
| Replacement Reserve                           | \$198,000                    |                     |                     | \$198,000           | 23.2%                        |
| Lease-up Reserve                              | \$0                          |                     |                     | \$0                 | 0.0%                         |
| Other   | \$0                          |                     |                     | \$0                 | 0.0%                         |
| <b>TOTAL RESERVES</b>                         | <b>\$853,712</b>             | <b>\$0</b>          | <b>\$0</b>          | <b>\$853,712</b>    | <b>16.8%</b>                 |
| <b>DEVELOPER FEE</b>                          |                              |                     |                     |                     |                              |
| Base Developer Fee: Typ. \$1,336,233          | \$1,315,000                  |                     |                     | \$1,315,000         | 44.1%                        |
| Eligible Incentive Developer Fee              | \$1,669,956                  |                     |                     | \$1,669,956         | 55.9%                        |
| <b>TOTAL DEVELOPER FEE</b>                    | <b>\$2,984,956</b>           | <b>\$0</b>          | <b>\$0</b>          | <b>\$2,984,956</b>  | <b>100.0%</b>                |
| <b>SUBTOTAL CONSTRUCTION &amp; SOFT COSTS</b> | <b>\$10,451,000</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$10,451,000</b> | <b>N/A</b>                   |
| <b>TOTAL DEVELOPMENT COSTS</b>                | <b>\$23,951,000</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$23,951,000</b> | <b>N/A</b>                   |

| Eligible for Acquisition Credit | Eligible for New Construction / Rehab. Credit | Ineligible for Credit |
|---------------------------------|---|-----------------------|
|                                 |   |                       |
|                                 |   | \$0                   |
|                                 |   | \$13,125              |
|                                 | \$131,406                                     | \$394,219             |
|                                 |   | \$56,000              |
|                                 |   | \$155,000             |
|                                 |   | \$0                   |
|                                 |   | \$241,500             |
|                                 |   | \$93,315              |
|                                 |   | \$1,000               |
|                                 |   | \$0                   |
|                                 |   | \$0                   |
|                                 |   | \$0                   |
| \$0                             | \$131,406                                     | \$954,159             |
|                                 |   |                       |
|                                 |   | \$68,853              |
|                                 |   | \$20,250              |
|                                 |   | \$566,609             |
|                                 |   | \$198,000             |
|                                 |   | \$0                   |
|                                 |   | \$0                   |
| \$0                             | \$0   | \$853,712             |
|                                 |   |                       |
|                                 | \$1,314,912                                   | \$88                  |
|                                 | \$1,669,956                                   | \$0                   |
| \$0                             | \$2,984,868                                   | \$88                  |
| \$5,000                         | \$8,472,021                                   | \$1,973,980           |
| \$12,315,000                    | \$8,472,021                                   | \$3,163,980           |

| HOME Eligible Basis | Aggregate Basis plus Land |
|---------------------|---------------------------|
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| \$0                 | \$0                       |
|                     |                           |
|                     |                           |
|                     |                           |
|                     |                           |
| \$0                 | \$0                       |
| \$0                 | \$0                       |
| \$0                 | \$0                       |
| \$0                 | \$0                       |

| <b>Proforma</b>                          |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Riveredge Village</b>                 |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  |        | Year 1             | Year 2             | Year 3             | Year 4             | Year 5             | Year 6             | Year 7             | Year 8             | Year 9             | Year 10            |
| Income                                   | Trends | 2023               | 2024               | 2025               | 2026               | 2027               | 2028               | 2029               | 2030               | 2031               | 2032               |
| Residential Affordable Income            | 2.0%   | \$1,716,024        | \$1,750,344        | \$1,785,351        | \$1,821,058        | \$1,857,480        | \$1,894,629        | \$1,932,522        | \$1,971,172        | \$2,010,596        | \$2,050,808        |
| Residential Market Rate Income           | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Commercial Income                        | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Total NH/Asst Living/Elderly Care        | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Other Income                             | 2.0%   | \$10,107           | \$10,309           | \$10,515           | \$10,726           | \$10,940           | \$11,159           | \$11,382           | \$11,610           | \$11,842           | \$12,079           |
| <b>Gross Project Income</b>              |        | <b>\$1,726,131</b> | <b>\$1,760,654</b> | <b>\$1,795,867</b> | <b>\$1,831,784</b> | <b>\$1,868,420</b> | <b>\$1,905,788</b> | <b>\$1,943,904</b> | <b>\$1,982,782</b> | <b>\$2,022,438</b> | <b>\$2,062,886</b> |
| Vacancy Allowance Residential Affordable | 3.0%   | (\$51,481)         | (\$52,510)         | (\$53,561)         | (\$54,632)         | (\$55,724)         | (\$56,839)         | (\$57,976)         | (\$59,135)         | (\$60,318)         | (\$61,524)         |
| Vacancy Allowance Residential Market     | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Commercial             | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Other                  | 3.0%   | (\$303)            | (\$309)            | (\$315)            | (\$322)            | (\$328)            | (\$335)            | (\$341)            | (\$348)            | (\$355)            | (\$362)            |
| <b>Effective Gross Income</b>            |        | <b>\$1,674,347</b> | <b>\$1,707,834</b> | <b>\$1,741,991</b> | <b>\$1,776,831</b> | <b>\$1,812,367</b> | <b>\$1,848,614</b> | <b>\$1,885,587</b> | <b>\$1,923,298</b> | <b>\$1,961,764</b> | <b>\$2,001,000</b> |

**Expenses**

|                                |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administrative                 | 3.0% | \$150,009          | \$154,509          | \$159,145          | \$163,919          | \$168,836          | \$173,902          | \$179,119          | \$184,492          | \$190,027          | \$195,728          |
| Management Fee                 | 5.5% | \$92,089           | \$93,931           | \$95,809           | \$97,726           | \$99,680           | \$101,674          | \$103,707          | \$105,781          | \$107,897          | \$110,055          |
| Utilities                      | 3.0% | \$212,726          | \$219,108          | \$225,681          | \$232,451          | \$239,425          | \$246,608          | \$254,006          | \$261,626          | \$269,475          | \$277,559          |
| Operations & Maintenance       | 3.0% | \$268,085          | \$276,128          | \$284,411          | \$292,944          | \$301,732          | \$310,784          | \$320,108          | \$329,711          | \$339,602          | \$349,790          |
| Real Estate Taxes              | 2.0% | \$137,282          | \$140,028          | \$142,828          | \$145,685          | \$148,598          | \$151,570          | \$154,602          | \$157,694          | \$160,848          | \$164,065          |
| Property & Liability Insurance | 3.0% | \$40,500           | \$41,715           | \$42,966           | \$44,255           | \$45,583           | \$46,951           | \$48,359           | \$49,810           | \$51,304           | \$52,843           |
| Other Taxes & Insurance        | 3.0% | \$66,574           | \$68,571           | \$70,628           | \$72,747           | \$74,930           | \$77,178           | \$79,493           | \$81,878           | \$84,334           | \$86,864           |
| Replacement Reserve            | 3.0% | \$64,350           | \$66,281           | \$68,269           | \$70,317           | \$72,426           | \$74,599           | \$76,837           | \$79,142           | \$81,517           | \$83,962           |
| <b>Total Expenses</b>          |      | <b>\$1,031,615</b> | <b>\$1,060,270</b> | <b>\$1,089,738</b> | <b>\$1,120,044</b> | <b>\$1,151,211</b> | <b>\$1,183,265</b> | <b>\$1,216,230</b> | <b>\$1,250,134</b> | <b>\$1,285,003</b> | <b>\$1,320,866</b> |

Management Fee is calculated as a percentage of EGI

|                             |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> |  | <b>\$642,732</b> | <b>\$647,564</b> | <b>\$652,252</b> | <b>\$656,786</b> | <b>\$661,156</b> | <b>\$665,350</b> | <b>\$669,356</b> | <b>\$673,164</b> | <b>\$676,761</b> | <b>\$680,134</b> |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

**Debt Service Financing**

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| RIH First Mortgage         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| Mortgage Insurance Premium |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| RIH Second Mortgage        |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Debt Service         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| <b>Cash Flow</b>           |  | <b>\$145,129</b> | <b>\$149,961</b> | <b>\$154,649</b> | <b>\$159,183</b> | <b>\$163,553</b> | <b>\$167,746</b> | <b>\$171,753</b> | <b>\$175,561</b> | <b>\$179,158</b> | <b>\$182,530</b> |
| <b>Debt Coverage Ratio</b> |  | <b>1.29</b>      | <b>1.30</b>      | <b>1.31</b>      | <b>1.32</b>      | <b>1.33</b>      | <b>1.34</b>      | <b>1.35</b>      | <b>1.35</b>      | <b>1.36</b>      | <b>1.37</b>      |

**Cash Flow Financing**

|                         |  |     |     |     |     |     |     |     |     |     |     |
|-------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Seller Loan             |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Assumed Debt (Rollover) |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash Flow Debt       |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Remaining Cash Flow</b> |  | <b>\$145,129</b> | <b>\$149,961</b> | <b>\$154,649</b> | <b>\$159,183</b> | <b>\$163,553</b> | <b>\$167,746</b> | <b>\$171,753</b> | <b>\$175,561</b> | <b>\$179,158</b> | <b>\$182,530</b> |

| <b>Proforma</b>                          |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Riveredge Village</b>                 |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  |        | Year 11            | Year 12            | Year 13            | Year 14            | Year 15            | Year 16            | Year 17            | Year 18            | Year 19            | Year 20            |
| Income                                   | Trends | 2033               | 2034               | 2035               | 2036               | 2037               | 2038               | 2039               | 2040               | 2041               | 2042               |
| Residential Affordable Income            | 2.0%   | \$2,091,824        | \$2,133,660        | \$2,176,333        | \$2,219,860        | \$2,264,257        | \$2,309,542        | \$2,355,733        | \$2,402,848        | \$2,450,905        | \$2,499,923        |
| Residential Market Rate Income           | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Commercial Income                        | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Total NH/Asst Living/Elderly Care        | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Other Income                             | 2.0%   | \$12,320           | \$12,567           | \$12,818           | \$13,074           | \$13,336           | \$13,603           | \$13,875           | \$14,152           | \$14,435           | \$14,724           |
| <b>Gross Project Income</b>              |        | <b>\$2,104,144</b> | <b>\$2,146,227</b> | <b>\$2,189,151</b> | <b>\$2,232,935</b> | <b>\$2,277,593</b> | <b>\$2,323,145</b> | <b>\$2,369,608</b> | <b>\$2,417,000</b> | <b>\$2,465,340</b> | <b>\$2,514,647</b> |
| Vacancy Allowance Residential Affordable | 3.0%   | (\$62,755)         | (\$64,010)         | (\$65,290)         | (\$66,596)         | (\$67,928)         | (\$69,286)         | (\$70,672)         | (\$72,085)         | (\$73,527)         | (\$74,998)         |
| Vacancy Allowance Residential Market     | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Commercial             | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Other                  | 3.0%   | (\$370)            | (\$377)            | (\$385)            | (\$392)            | (\$400)            | (\$408)            | (\$416)            | (\$425)            | (\$433)            | (\$442)            |
| <b>Effective Gross Income</b>            |        | <b>\$2,041,020</b> | <b>\$2,081,840</b> | <b>\$2,123,477</b> | <b>\$2,165,946</b> | <b>\$2,209,265</b> | <b>\$2,253,451</b> | <b>\$2,298,520</b> | <b>\$2,344,490</b> | <b>\$2,391,380</b> | <b>\$2,439,208</b> |

**Expenses**

|                                |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administrative                 | 3.0% | \$201,600          | \$207,648          | \$213,877          | \$220,293          | \$226,902          | \$233,709          | \$240,720          | \$247,942          | \$255,380          | \$263,042          |
| Management Fee                 | 5.5% | \$112,256          | \$114,501          | \$116,791          | \$119,127          | \$121,510          | \$123,940          | \$126,419          | \$128,947          | \$131,526          | \$134,156          |
| Utilities                      | 3.0% | \$285,886          | \$294,463          | \$303,296          | \$312,395          | \$321,767          | \$331,420          | \$341,363          | \$351,604          | \$362,152          | \$373,016          |
| Operations & Maintenance       | 3.0% | \$360,284          | \$371,092          | \$382,225          | \$393,692          | \$405,503          | \$417,668          | \$430,198          | \$443,104          | \$456,397          | \$470,089          |
| Real Estate Taxes              | 2.0% | \$167,346          | \$170,693          | \$174,107          | \$177,589          | \$181,141          | \$184,763          | \$188,459          | \$192,228          | \$196,072          | \$199,994          |
| Property & Liability Insurance | 3.0% | \$54,429           | \$56,061           | \$57,743           | \$59,476           | \$61,260           | \$63,098           | \$64,991           | \$66,940           | \$68,949           | \$71,017           |
| Other Taxes & Insurance        | 3.0% | \$89,470           | \$92,154           | \$94,919           | \$97,766           | \$100,699          | \$103,720          | \$106,832          | \$110,037          | \$113,338          | \$116,738          |
| Replacement Reserve            | 3.0% | \$86,481           | \$89,075           | \$91,748           | \$94,500           | \$97,335           | \$100,255          | \$103,263          | \$106,361          | \$109,552          | \$112,838          |
| <b>Total Expenses</b>          |      | <b>\$1,357,751</b> | <b>\$1,395,687</b> | <b>\$1,434,706</b> | <b>\$1,474,838</b> | <b>\$1,516,116</b> | <b>\$1,558,573</b> | <b>\$1,602,243</b> | <b>\$1,647,162</b> | <b>\$1,693,365</b> | <b>\$1,740,890</b> |

Management Fee is calculated as a percentage of EGI

|                             |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> |  | <b>\$683,269</b> | <b>\$686,153</b> | <b>\$688,771</b> | <b>\$691,108</b> | <b>\$693,149</b> | <b>\$694,878</b> | <b>\$696,276</b> | <b>\$697,328</b> | <b>\$698,015</b> | <b>\$698,318</b> |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

**Debt Service Financing**

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| RIH First Mortgage         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| Mortgage Insurance Premium |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| RIH Second Mortgage        |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Debt Service         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| <b>Cash Flow</b>           |  | <b>\$185,666</b> | <b>\$188,549</b> | <b>\$191,168</b> | <b>\$193,505</b> | <b>\$195,546</b> | <b>\$197,274</b> | <b>\$198,673</b> | <b>\$199,725</b> | <b>\$200,412</b> | <b>\$200,714</b> |
| <b>Debt Coverage Ratio</b> |  | <b>1.37</b>      | <b>1.38</b>      | <b>1.38</b>      | <b>1.39</b>      | <b>1.39</b>      | <b>1.40</b>      | <b>1.40</b>      | <b>1.40</b>      | <b>1.40</b>      | <b>1.40</b>      |

**Cash Flow Financing**

|                         |  |     |     |     |     |     |     |     |     |     |     |
|-------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Seller Loan             |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Assumed Debt (Rollover) |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash Flow Debt       |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Remaining Cash Flow</b> |  | <b>\$185,666</b> | <b>\$188,549</b> | <b>\$191,168</b> | <b>\$193,505</b> | <b>\$195,546</b> | <b>\$197,274</b> | <b>\$198,673</b> | <b>\$199,725</b> | <b>\$200,412</b> | <b>\$200,714</b> |

| <b>Proforma</b>                          |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Riveredge Village</b>                 |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  |        | Year 21            | Year 22            | Year 23            | Year 24            | Year 25            | Year 26            | Year 27            | Year 28            | Year 29            | Year 30            |
| Income                                   | Trends | 2043               | 2044               | 2045               | 2046               | 2047               | 2048               | 2049               | 2050               | 2051               | 2052               |
| Residential Affordable Income            | 2.0%   | \$2,549,921        | \$2,600,920        | \$2,652,938        | \$2,705,997        | \$2,760,117        | \$2,815,319        | \$2,871,626        | \$2,929,058        | \$2,987,639        | \$3,047,392        |
| Residential Market Rate Income           | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Commercial Income                        | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Total NH/Asst Living/Elderly Care        | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Other Income                             | 2.0%   | \$15,018           | \$15,319           | \$15,625           | \$15,938           | \$16,256           | \$16,582           | \$16,913           | \$17,252           | \$17,597           | \$17,948           |
| <b>Gross Project Income</b>              |        | <b>\$2,564,940</b> | <b>\$2,616,239</b> | <b>\$2,668,563</b> | <b>\$2,721,935</b> | <b>\$2,776,373</b> | <b>\$2,831,901</b> | <b>\$2,888,539</b> | <b>\$2,946,310</b> | <b>\$3,005,236</b> | <b>\$3,065,341</b> |
| Vacancy Allowance Residential Affordable | 3.0%   | (\$76,498)         | (\$78,028)         | (\$79,588)         | (\$81,180)         | (\$82,804)         | (\$84,460)         | (\$86,149)         | (\$87,872)         | (\$89,629)         | (\$91,422)         |
| Vacancy Allowance Residential Market     | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Commercial             | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Other                  | 3.0%   | (\$451)            | (\$460)            | (\$469)            | (\$478)            | (\$488)            | (\$497)            | (\$507)            | (\$518)            | (\$528)            | (\$538)            |
| <b>Effective Gross Income</b>            |        | <b>\$2,487,992</b> | <b>\$2,537,752</b> | <b>\$2,588,507</b> | <b>\$2,640,277</b> | <b>\$2,693,082</b> | <b>\$2,746,944</b> | <b>\$2,801,883</b> | <b>\$2,857,920</b> | <b>\$2,915,079</b> | <b>\$2,973,380</b> |

**Expenses**

|                                |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administrative                 | 3.0% | \$270,933          | \$279,061          | \$287,433          | \$296,056          | \$304,937          | \$314,086          | \$323,508          | \$333,213          | \$343,210          | \$353,506          |
| Management Fee                 | 5.5% | \$136,840          | \$139,576          | \$142,368          | \$145,215          | \$148,120          | \$151,082          | \$154,104          | \$157,186          | \$160,329          | \$163,536          |
| Utilities                      | 3.0% | \$384,207          | \$395,733          | \$407,605          | \$419,833          | \$432,428          | \$445,401          | \$458,763          | \$472,526          | \$486,702          | \$501,303          |
| Operations & Maintenance       | 3.0% | \$484,191          | \$498,717          | \$513,679          | \$529,089          | \$544,962          | \$561,310          | \$578,150          | \$595,494          | \$613,359          | \$631,760          |
| Real Estate Taxes              | 2.0% | \$203,994          | \$208,074          | \$212,235          | \$216,480          | \$220,809          | \$225,226          | \$229,730          | \$234,325          | \$239,011          | \$243,791          |
| Property & Liability Insurance | 3.0% | \$73,148           | \$75,342           | \$77,602           | \$79,930           | \$82,328           | \$84,798           | \$87,342           | \$89,962           | \$92,661           | \$95,441           |
| Other Taxes & Insurance        | 3.0% | \$120,240          | \$123,847          | \$127,563          | \$131,390          | \$135,331          | \$139,391          | \$143,573          | \$147,880          | \$152,316          | \$156,886          |
| Replacement Reserve            | 3.0% | \$116,223          | \$119,710          | \$123,301          | \$127,000          | \$130,810          | \$134,735          | \$138,777          | \$142,940          | \$147,228          | \$151,645          |
| <b>Total Expenses</b>          |      | <b>\$1,789,775</b> | <b>\$1,840,060</b> | <b>\$1,891,785</b> | <b>\$1,944,993</b> | <b>\$1,999,726</b> | <b>\$2,056,028</b> | <b>\$2,113,946</b> | <b>\$2,173,526</b> | <b>\$2,234,817</b> | <b>\$2,297,868</b> |

Management Fee is calculated as a percentage of EGI

|                             |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> |  | <b>\$698,217</b> | <b>\$697,691</b> | <b>\$696,721</b> | <b>\$695,284</b> | <b>\$693,356</b> | <b>\$690,916</b> | <b>\$687,937</b> | <b>\$684,394</b> | <b>\$680,262</b> | <b>\$675,513</b> |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

**Debt Service Financing**

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| RIH First Mortgage         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| Mortgage Insurance Premium |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| RIH Second Mortgage        |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Debt Service         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        |
| <b>Cash Flow</b>           |  | <b>\$200,613</b> | <b>\$200,088</b> | <b>\$199,118</b> | <b>\$197,680</b> | <b>\$195,753</b> | <b>\$193,312</b> | <b>\$190,333</b> | <b>\$186,791</b> | <b>\$182,659</b> | <b>\$177,909</b> |
| <b>Debt Coverage Ratio</b> |  | <b>1.40</b>      | <b>1.40</b>      | <b>1.40</b>      | <b>1.40</b>      | <b>1.39</b>      | <b>1.39</b>      | <b>1.38</b>      | <b>1.38</b>      | <b>1.37</b>      | <b>1.36</b>      |

**Cash Flow Financing**

|                         |  |     |     |     |     |     |     |     |     |     |     |
|-------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Seller Loan             |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Assumed Debt (Rollover) |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash Flow Debt       |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Remaining Cash Flow</b> |  | <b>\$200,613</b> | <b>\$200,088</b> | <b>\$199,118</b> | <b>\$197,680</b> | <b>\$195,753</b> | <b>\$193,312</b> | <b>\$190,333</b> | <b>\$186,791</b> | <b>\$182,659</b> | <b>\$177,909</b> |

| <b>Proforma</b>                          |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Riveredge Village</b>                 |        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  |        | Year 31            | Year 32            | Year 33            | Year 34            | Year 35            | Year 36            | Year 37            | Year 38            | Year 39            | Year 40            |
| Income                                   | Trends | 2053               | 2054               | 2055               | 2056               | 2057               | 2058               | 2059               | 2060               | 2061               | 2062               |
| Residential Affordable Income            | 2.0%   | \$3,108,340        | \$3,170,507        | \$3,233,917        | \$3,298,595        | \$3,364,567        | \$3,431,858        | \$3,500,496        | \$3,570,506        | \$3,641,916        | \$3,714,754        |
| Residential Market Rate Income           | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Commercial Income                        | 2.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Total NH/Asst Living/Elderly Care        | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Other Income                             | 2.0%   | \$18,307           | \$18,674           | \$19,047           | \$19,428           | \$19,817           | \$20,213           | \$20,617           | \$21,029           | \$21,450           | \$21,879           |
| <b>Gross Project Income</b>              |        | <b>\$3,126,647</b> | <b>\$3,189,180</b> | <b>\$3,252,964</b> | <b>\$3,318,023</b> | <b>\$3,384,384</b> | <b>\$3,452,071</b> | <b>\$3,521,113</b> | <b>\$3,591,535</b> | <b>\$3,663,366</b> | <b>\$3,736,633</b> |
| Vacancy Allowance Residential Affordable | 3.0%   | (\$93,250)         | (\$95,115)         | (\$97,018)         | (\$98,958)         | (\$100,937)        | (\$102,956)        | (\$105,015)        | (\$107,115)        | (\$109,257)        | (\$111,443)        |
| Vacancy Allowance Residential Market     | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Commercial             | 0.0%   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Vacancy Allowance Other                  | 3.0%   | (\$549)            | (\$560)            | (\$571)            | (\$583)            | (\$594)            | (\$606)            | (\$619)            | (\$631)            | (\$644)            | (\$656)            |
| <b>Effective Gross Income</b>            |        | <b>\$3,032,848</b> | <b>\$3,093,505</b> | <b>\$3,155,375</b> | <b>\$3,218,483</b> | <b>\$3,282,852</b> | <b>\$3,348,509</b> | <b>\$3,415,479</b> | <b>\$3,483,789</b> | <b>\$3,553,465</b> | <b>\$3,624,534</b> |

**Expenses**

|                                |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Administrative                 | 3.0% | \$364,111          | \$375,035          | \$386,286          | \$397,874          | \$409,810          | \$422,105          | \$434,768          | \$447,811          | \$461,245          | \$475,083          |
| Management Fee                 | 5.5% | \$166,807          | \$170,143          | \$173,546          | \$177,017          | \$180,557          | \$184,168          | \$187,851          | \$191,608          | \$195,441          | \$199,349          |
| Utilities                      | 3.0% | \$516,342          | \$531,832          | \$547,787          | \$564,221          | \$581,147          | \$598,582          | \$616,539          | \$635,035          | \$654,086          | \$673,709          |
| Operations & Maintenance       | 3.0% | \$650,713          | \$670,234          | \$690,341          | \$711,051          | \$732,383          | \$754,354          | \$776,985          | \$800,294          | \$824,303          | \$849,032          |
| Real Estate Taxes              | 2.0% | \$248,667          | \$253,641          | \$258,713          | \$263,888          | \$269,165          | \$274,549          | \$280,040          | \$285,640          | \$291,353          | \$297,180          |
| Property & Liability Insurance | 3.0% | \$98,304           | \$101,253          | \$104,291          | \$107,420          | \$110,642          | \$113,961          | \$117,380          | \$120,902          | \$124,529          | \$128,265          |
| Other Taxes & Insurance        | 3.0% | \$161,593          | \$166,440          | \$171,434          | \$176,577          | \$181,874          | \$187,330          | \$192,950          | \$198,738          | \$204,701          | \$210,842          |
| Replacement Reserve            | 3.0% | \$156,194          | \$160,880          | \$165,707          | \$170,678          | \$175,798          | \$181,072          | \$186,504          | \$192,099          | \$197,862          | \$203,798          |
| <b>Total Expenses</b>          |      | <b>\$2,362,731</b> | <b>\$2,429,458</b> | <b>\$2,498,104</b> | <b>\$2,568,724</b> | <b>\$2,641,377</b> | <b>\$2,716,121</b> | <b>\$2,793,017</b> | <b>\$2,872,129</b> | <b>\$2,953,520</b> | <b>\$3,037,258</b> |

Management Fee is calculated as a percentage of EGI

|                             |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> |  | <b>\$670,117</b> | <b>\$664,047</b> | <b>\$657,271</b> | <b>\$649,758</b> | <b>\$641,475</b> | <b>\$632,388</b> | <b>\$622,462</b> | <b>\$611,660</b> | <b>\$599,944</b> | <b>\$587,276</b> |
|-----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

**Debt Service Financing**

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| RIH First Mortgage         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$331,736        |
| Mortgage Insurance Premium |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| RIH Second Mortgage        |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Debt Service         |  | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$497,603        | \$331,736        |
| <b>Cash Flow</b>           |  | <b>\$172,514</b> | <b>\$166,444</b> | <b>\$159,668</b> | <b>\$152,155</b> | <b>\$143,872</b> | <b>\$134,785</b> | <b>\$124,859</b> | <b>\$114,057</b> | <b>\$102,341</b> | <b>\$255,540</b> |
| <b>Debt Coverage Ratio</b> |  | <b>1.35</b>      | <b>1.33</b>      | <b>1.32</b>      | <b>1.31</b>      | <b>1.29</b>      | <b>1.27</b>      | <b>1.25</b>      | <b>1.23</b>      | <b>1.21</b>      | <b>1.77</b>      |

**Cash Flow Financing**

|                         |  |     |     |     |     |     |     |     |     |     |     |
|-------------------------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Seller Loan             |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Assumed Debt (Rollover) |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other                   |  | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

|                            |  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|----------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash Flow Debt       |  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Remaining Cash Flow</b> |  | <b>\$172,514</b> | <b>\$166,444</b> | <b>\$159,668</b> | <b>\$152,155</b> | <b>\$143,872</b> | <b>\$134,785</b> | <b>\$124,859</b> | <b>\$114,057</b> | <b>\$102,341</b> | <b>\$255,540</b> |

# Project Summary

## Riveredge Village

Current Model Progress Date: 4/15/2021

**NOTE: USES CURRENTLY EXCEED SOURCES**

RIH Program Type: **Preservation**

| SOURCES                           | Total                | Per Unit          | Per NRSF         |
|-----------------------------------|----------------------|-------------------|------------------|
| <b>Permanent Loans</b>            |                      |                   |                  |
| RIH First Mortgage                | \$ 10,500,000        | \$ 106,061        | \$ 176.75        |
| RIH Second Mortgage               | \$ -                 | \$ -              | \$ -             |
| Seller Loan                       | \$ -                 | \$ -              | \$ -             |
| Sponsor (Dev Fee)                 | \$ 1,669,956         | \$ 16,868         | \$ 28.11         |
| Assumed Debt (Rollover)           | \$ 217,319           | \$ 2,195          | \$ 3.66          |
|                                   | \$ -                 | \$ -              | \$ -             |
|                                   | \$ -                 | \$ -              | \$ -             |
|                                   | \$ -                 | \$ -              | \$ -             |
| <b>Total Loans</b>                | <b>\$ 12,387,275</b> | <b>\$ 125,124</b> | <b>\$ 208.52</b> |
| <b>Equity</b>                     |                      |                   |                  |
| LIHTC Proceeds                    | \$ 8,584,076         | \$ 86,708         | \$ 144.50        |
| Fed. Historic Tax Credit Proceeds | \$ -                 | \$ -              | \$ -             |
| General Partner Capital           | \$ -                 | \$ -              | \$ -             |
| State Historic TC Proceeds        | \$ -                 | \$ -              | \$ -             |
| Other (Describe)                  | \$ -                 | \$ -              | \$ -             |
| <b>Total Equity</b>               | <b>\$ 8,584,076</b>  | <b>\$ 86,708</b>  | <b>\$ 144.50</b> |
| <b>Grants</b>                     |                      |                   |                  |
| Seller Loan                       | \$ 1,511,158         | \$ 15,264         | \$ 25.44         |
| Existing Reserves                 | \$ 846,491           | \$ 8,550          | \$ 14.25         |
| Cash From Operations              | \$ 482,000           | \$ 4,869          | \$ 8.11          |
| Solar Rebate                      | \$ 140,000           | \$ 1,414          | \$ 2.36          |
| None                              | \$ -                 | \$ -              | \$ -             |
| <b>Total Grants</b>               | <b>\$ 2,979,649</b>  | <b>\$ 30,097</b>  | <b>\$ 50.16</b>  |
| <b>TOTAL SOURCES</b>              | <b>\$ 23,951,000</b> | <b>\$ 241,929</b> | <b>\$ 403.18</b> |

| USES                                      | Total                | Per Unit          | Per NRSF         |
|---|----------------------|-------------------|------------------|
| Acquisition                               | \$ 13,500,000        | \$ 136,364        | \$ 227.25        |
| Construction                              | \$ 4,631,551         | \$ 46,783         | \$ 77.97         |
| Contingency                               | \$ 463,155           | \$ 4,678          | \$ 7.80          |
| Soft Costs                                | \$ 432,061           | \$ 4,364          | \$ 7.27          |
| Financing                                 | \$ 1,085,565         | \$ 10,965         | \$ 18.27         |
| <b>Replacement Cost</b>                   | <b>\$ 20,112,332</b> | <b>\$ 203,155</b> | <b>\$ 338.56</b> |
| Base Developer Fee                        | \$ 1,315,000         | \$ 13,283         | \$ 22.14         |
| <b>Approved Cost</b>                      | <b>\$ 21,427,332</b> | <b>\$ 216,438</b> | <b>\$ 360.70</b> |
| Incentive Developer Fee                   | \$ 1,669,956         | \$ 16,868         | \$ 28.11         |
| <b>TDC Net of Reserves</b>                | <b>\$ 23,097,288</b> | <b>\$ 233,306</b> | <b>\$ 388.81</b> |
| Operating Reserve                         | \$ 566,609           | \$ 5,723          | \$ 9.54          |
| Replacement Reserve                       | \$ 198,000           | \$ 2,000          | \$ 3.33          |
| Tax + Insurance                           | \$ 89,103            | \$ 900            | \$ 1.50          |
| Lease-up Reserve                          | \$ -                 | \$ -              | \$ -             |
| Other                                     | \$ -                 | \$ -              | \$ -             |
| <b>TDC Including Reserves</b>             | <b>\$ 23,951,000</b> | <b>\$ 241,929</b> | <b>\$ 403.18</b> |
| <b>TOTAL USES</b>                         |                      |                   |                  |
| <b>\$ 23,951,000 \$ 241,929 \$ 403.18</b> |                      |                   |                  |
| Total Hard Costs incl. Contingency        |                      |                   |                  |
|   | \$ 5,094,706         | \$ 51,462         | \$ 85.76         |
| Year 1 Operating Expenses                 |                      |                   |                  |
|   | \$ 1,031,615         | \$ 10,420         | \$ 17.37         |
|   | <b>Total</b>         | <b>Per Unit</b>   | <b>per NRSF</b>  |
| <b>PROJECT GAP</b>                        | <b>\$0</b>           | <b>\$0</b>        | <b>\$0</b>       |

### UNDERWRITER ASSUMPTIONS

|  |  |              |
|--|--|--------------|
| Debt Service Coverage Ratio              | 1.20                                     |              |
| Syndication Credit Detail:               | \$933,145 per year at \$0.920 per Credit |              |
| First Year of Operations/Pro Forma Yr. 1 | 2023                                     |              |
| Number of Units (Total)                  | 99                                       |              |
| <b>Type Detail</b>                       | <b>Market</b>                            | <b>LIHTC</b> |
| SRO/EFF                                  | 0  | 0            |
| 1 Bedroom                                | 0  | 89           |
| 2 Bedrooms                               | 0  | 10           |
| 3 Bedrooms                               | 0  | 0            |
| 4 Bedrooms                               | 0  | 0            |
| 5 Bedrooms                               | 0  | 0            |
| <b>Totals by Type</b>                    | <b>0</b>                                 | <b>99</b>    |

|                                    |         |
|------------------------------------|---------|
| Mortgage (Yes or No)?              | Yes     |
| Risk Sharing (Yes or No)?          | Yes     |
| Historic Credits (Yes or No)?      | No      |
| Mortgage Interest Rate             | 3.625%  |
| Mortgage Term                      | 40      |
| Second Mortgage Not Applicable     |         |
| Financing Status is Tax Exempt     |         |
| Loan to Value                      | #DIV/0! |
| <b>Vacancy Rates</b>               |         |
| Residential Market Rate            | 0.00%   |
| Residential Affordable Rate        | 3.00%   |
| Commercial Market Rate             | 0.00%   |
| NH/Assisted/Congregate Market Rate | 0.00%   |

