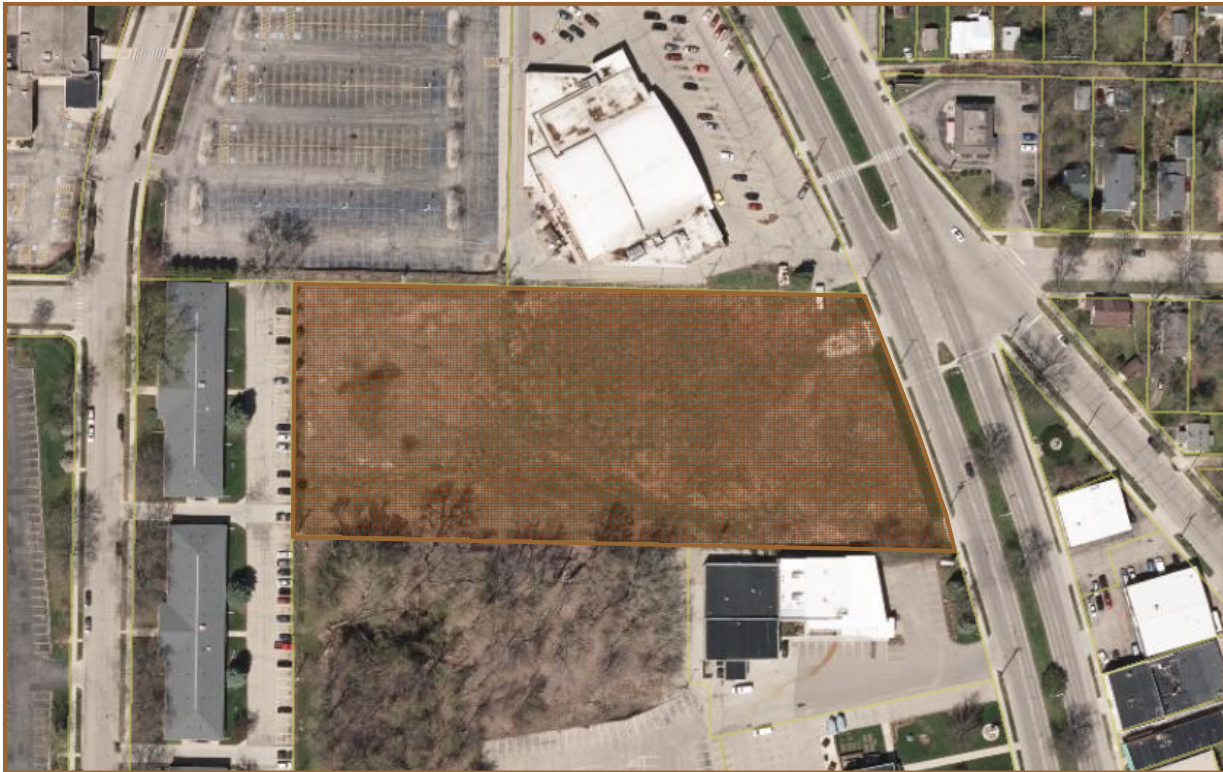


TRUMAN OLSON RFP (ORES PROJECT #11385)

REAL PROPERTY ACQUISITION / CLOSING PROPOSAL



MADISON, WISCONSIN

August 9, 2019

McShane
Construction
Company

Valeo

Baehr Inc.

Habitat for
Humanity of
Dane County



TRUMAN OLSON RFP (ORES PROJECT #11385)

REAL PROPERTY ACQUISITION / CLOSING PROPOSAL

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August 9, 2019

Mr. Dan Rolfs
Economic Development Division
City of Madison
215 Martin Luther King, Jr. Blvd, 3rd Floor
Madison, WI 53703

Re: Truman Olson RFP (ORES Project #11385)

Dear Dan:

On behalf of our development team we are pleased to submit this response for the purchase of the property known as Truman Olson.

The heart of the proposed mixed use community will be a grocer. This use activates the frontage of the site. Integrated with the market is a mix of additional retail services, market rate rental apartments and affordable for-sale housings (Habitat for Humanity of Dane County). These uses combine to create a diversity of urban resident interaction and form. The project is inspired to serve the needs of the area's workforce, families, students and businesses along with creating jobs within an exciting urban place.

The Concept Project Plan creates a balance with an exciting shopping and dining experience, place to live, and by serving the community needs. This yields a sustainable financial performance with minimal public assistance. Each of the uses has ownership and financial structures / sources supporting them to bring the vision of the community to value within sustainable development and operational practices.

We are confident in the program, the development team, process and the financial structure to assure a responsive, collaborative and successful neighborhood outreach, approvals and closing to achieve the city's and community's objectives. We look forward to this opportunity to create yet another local ownership and investment cooperative and its unique grocery store for the Madison residents.

Sincerely,

David Baehr

1. Development Team

The development team is led by three seasoned principals who are responsible for the direction, communication, delivery and overall success of the project for the owner/investor, the local community and the city and for the tenants and residents that will live and work at the project.

Baehr Inc.: David Baehr will be responsible for the relationships with the City, the potential grocer, Habitat for Humanity of Dane County, Valeo and the Neighborhood Stakeholders. He will provide local project management and coordination for the due diligence, entitlement, approval and acquisition, and closing process.

Baehr, a local full service real estate development company specializing in market and affordable housing communities, provides a comprehensive solution set for creating affordable housing. Baehr works closely with Valeo and has enjoyed a long term relationship working with them.

Valeo: Conrad Sick will manage the relationship with the primary capital sponsorship/ operator, and directing the project development team and activities. He'll be the project lead for assuring the development process through the stabilization and the assets are completed in a strategic and comprehensive manner.

Valeo is a real estate development firm specializing in the acquisition, entitlement, investment, finance and asset management of high-quality student/multifamily housing and mixed use communities across the country. Backed by a deep understanding of the markets, a commitment to quality and a strong track record of success, Valeo is responsible for some premier student housing communities. Refer to our web site at <http://www.valeogp2.com/home.html> for more company and project information.

To highlight a current project, Valeo has consolidated 4 parcels close to the University of Nevada, Reno for a 500 bed student project. City approvals will be completed early next year with construction starting in the 1st quarter 2020 for a delivery in 2021. Total project costs are \$55 million.



Santiago Apartments
UCI Irvine, CA



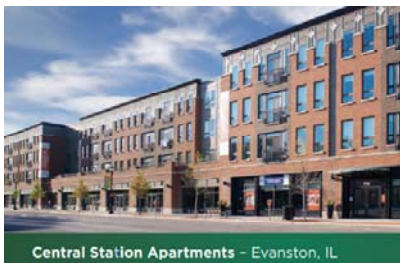
13th & Olive
Eugene, OR



Pine Ridge Village
NAU, Flagstaff, AZ

McShane Construction's Alison Gorham directs the local preconstruction and construction management teams. McShane Construction Company is one of the foremost leaders in providing comprehensive construction services in the mixed use, market rate, student housing, and affordable housing markets. In 2019, the firm was named the 4th largest multi-family general contractor in the U.S. by Multifamily Executive magazine. Since its establishment in 1984, McShane Construction has completed over 18,000 multi-family units with an estimated value in excess of \$1,800,000,000.

McShane Construction is a family owned business with five regional offices throughout the nation. The construction and management for this development will be served from their Madison, Wisconsin office. McShane takes a partnering approach to all of their assignments, and is committed to building long-term relationships with communities, developers, and trades.



2. Design Concept and Land Use(s)

The program integrates a mix of uses including student and/or multifamily rental apartments, affordable for-sale town homes, a grocery market and additional retail/food services. The rental housing and the retail/food uses are the primary economic engine for the inclusion of the affordable housing and the grocery. The urban form of the community exists within a midrise up to eighty five foot height.

The front of the site features the grocery use and additional retail space at the ground level with a setback sufficient to include outdoor seating for dining, displays, community events and shopping area. Five levels of rental housing is above the retail space. This housing is accessed from the parking garage and the ground level parkway along the frontage of the site. The primary entrance for the grocery store and retail/food services is off the Cedar Street extension with the secondary access to accommodate the outdoor uses. This access allows for surface parking along with the loading/service area for the store.

Cedar Street is the primary entrance for the site with access to the parking structure. The parking garage is zoned with the ground level parking closest to the store dedicated to the grocery/retail uses. The other parking spaces are for both the town homes and the housing. Four floors of housing exist above the parking. This housing will feature the leasing and commons area at the court level which opens up the courtyard and outdoor spaces.

The for-sale affordable housing is located along the parking structure with front patios fronting Cedar Street.

In addition to other green and sustainable elements that are incorporated into the development, the rental housing has a shuttle program included. The shuttle would take students to the university on a regular basis. Besides providing an amenity for them, it reduces their need to park on campus and their need to drive, thus reducing daily car trips. City bus and bike routes also provide additional transportation modes to and from the university.

Vehicle circulation for the site enables fire access via truck or hose pulls to the parking structure, homes, and open surface parking spaces. Parking for the housing and retail area meet the city requirements and is primarily covered.

3. Financing

The pro forma purchase price is \$1,080,613, or \$7.10/SF for the land. The closing for the land would take place prior to ground breaking for construction. Refer to the pro forma for detail regarding estimated schedules, costs, revenues and other Project information. A Project Summary proceeding the pro forma contains a source and use schedule and other information communicating the Project Concept.

The project plan currently does not anticipate a TIF or New Market Tax Credits or other city financing assistance programs other than a fifty (50%) cost reimbursement for Cedar Street's extension and we've assumed there is a builder's exclusion regarding property taxes during construction – the property value is not reassessed until certificates of occupancy are issued.

Short term economic benefits for the city include receiving the cost of the land purchase back and the project's density will necessarily require quite a number of local design, engineers and other consultants to plan and design the project. The density will also provide a number of construction jobs

(approximately 2 years) for the housing, parking, site and for the market/retail. Long-term employment will come from management operations for the housing and for operating the market and the additional retail services area. Typically, a higher density project once completed will spur other entities to redevelop their properties and overall increases property taxes which help provide for various city or county services.

Financing is primarily provided by ownership equity and conventional construction debt. A summary is here as well as the Project Summary proceeding the pro forma.

Sources

Equity (LP & GP)	\$30,394,000
Construction Debt	\$56,447,000
Habitat For Humanity 17 Town Home Lots Purchased	\$510,000
City 50% Reimbursement for Cedar St.	\$410,000
City TIF Financing	\$0
Total Sources	\$87,761,000

4. Ownership Structure

A single purpose entity will be created for the development of the property. During the development of the property, it is anticipated the property would be sub-divided as a condominium project with at least two, possibly three, main components. The multi-family or student housing use would be one ownership component, the affordable homes would each be an individual ownership component, and possibly the market/retail could be a third ownership component. This would be determined as the project plan is refined as described below.

The land would be purchased as fee ownership, regardless of how it might be subdivided.

5. Process / Time Frame

This project is both interesting and challenging. The overall process that commences once our team is selected is expected to be:

- 1) Review and understand concerns and features the city perceives with the initial concept plan.

- 2) Input on the expected design, approval process and schedule the city expects given the specifics of this plan regarding heights, density, mixed uses, etc.
- 3) Meet with the local neighborhood organizations and present the concept plan and receive feedback.
- 4) Refine the Project Concept Plan for general consensus and draft typical business terms and work to a city assistance, if any, to accommodate the market and the affordable housing.
- 5) Present the refined concept to the local neighborhood.
- 6) Complete a memorandum of understanding (MOU) outlining the development terms.
- 7) The Developer team would be confirming the commitment of the grocer/market operator, the equity financing, Habitat for Humanity and completing contracts for the various architect and engineering team members needed to prove out the Project's feasibility.
- 8) Drawings, studies and other typical due diligence or feasibility work is undertaken during this period to confirm the Project's financial performance, adherence to design guidelines, engineering standards, aesthetics and other criteria such as user enjoyment for both the grocery store uses and the residents.
- 9) Upon Financial Investor(s) approval, a purchase and sale agreement would be completed using the MOU for the basic terms.

The above process can vary in length; we anticipate this taking 4 – 6 months to complete.



GROUND LEVEL CONCEPT PLAN

1402 S. PARK STREET, MADISON, WI





Pick 'n Save

SFD Homes

Shenandoah
Apartments

4 Story Student Housing
Over Parking and Towns

5 Story Student
Housing Over
Market

S. Park Street

Beld Street

South Street

Various
Retail and
Commercial
Services

Various Businesses & US Post Office

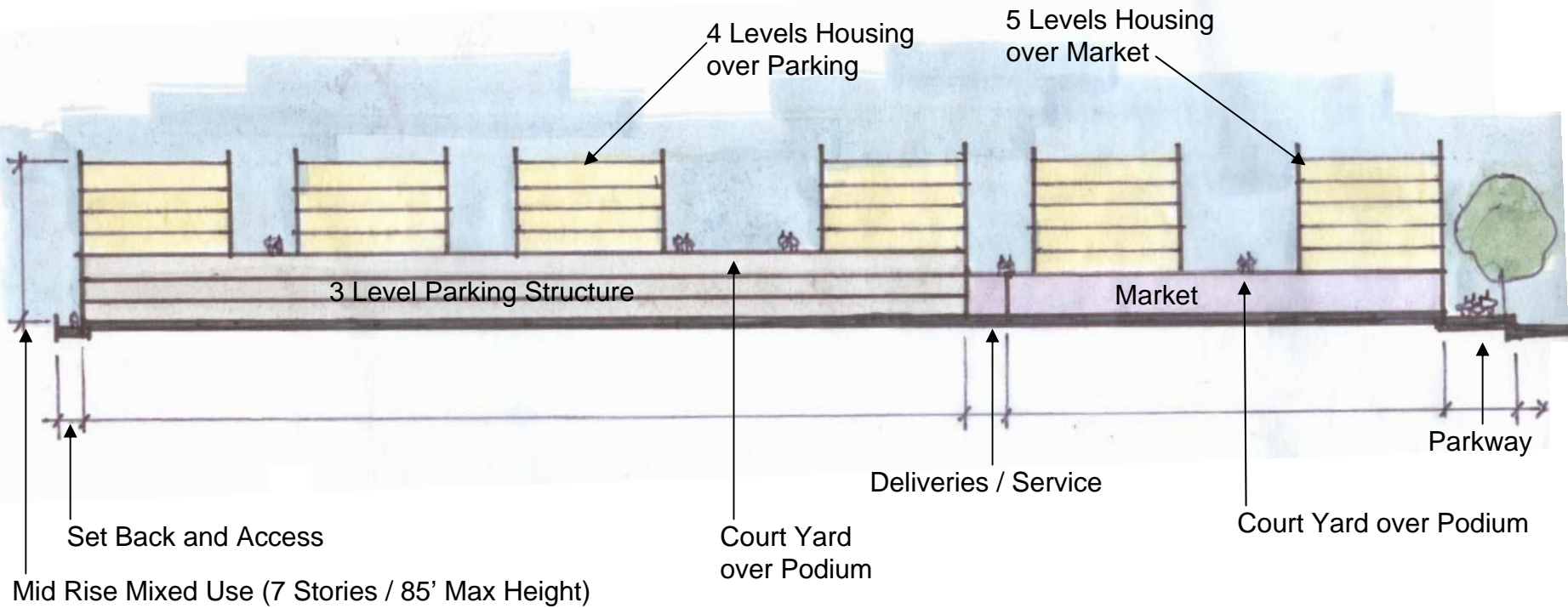
200ft

HOUSING CONCEPT PLAN

1402 S. PARK STREET, MADISON, WI



VALEO



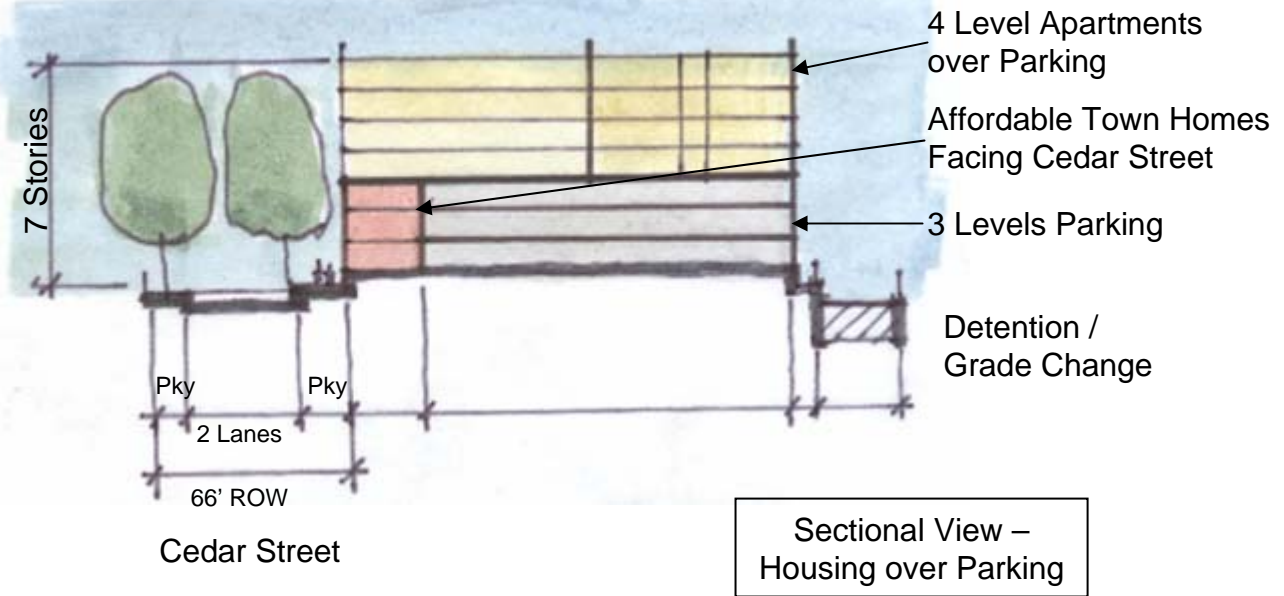
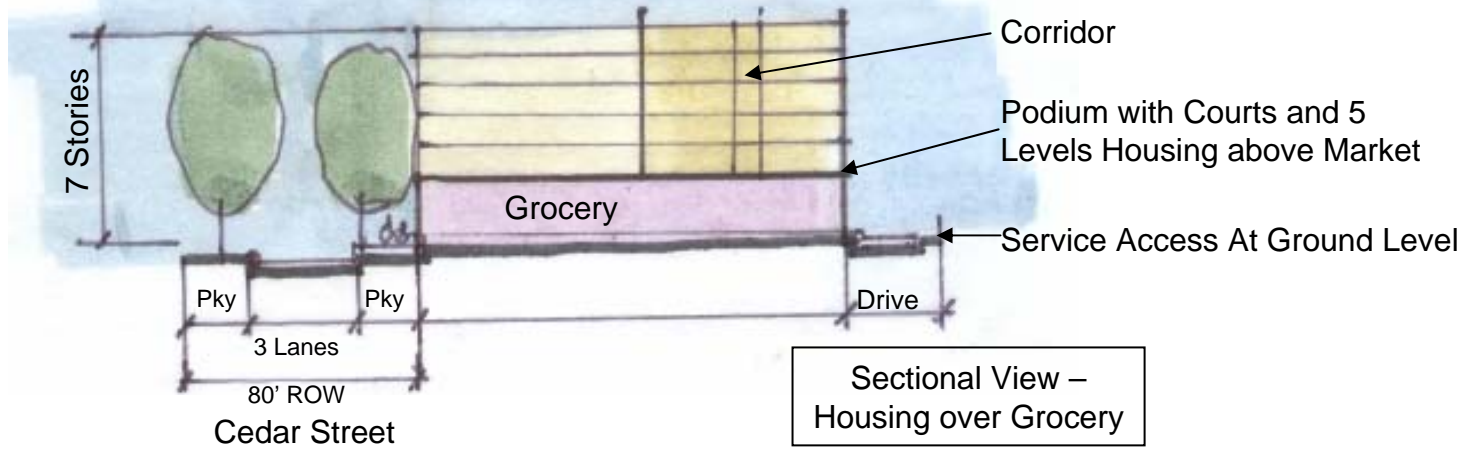
Not To Scale

SECTIONAL VIEW OF CONCEPT PLAN

1402 S. PARK STREET, MADISON, WI



VALEO



Not To Scale

SECTIONAL VIEW OF CONCEPT PLAN

1402 S. PARK STREET, MADISON, WI



TRUMAN OLSON REDEVELOPMENT
1402 SOUTH PARK STREET
DEVELOPMENT SUMMARY
August 9, 2019



SITE

Acres 3.49

STUDENT UNITS

	Sizes	Units	Percent Mix
1 BR/ 1 BA Flat	540	26	11.5%
2 BR/ 2 BA Flat	840	75	33.0%
3 BR/ 3 BA Flat	1,100	31	13.7%
4 BR/ 4 BA Flat	1,300	95	41.9%
Total Units		227	100.0%

HABITAT FOR HUMANITY HOMES

	Sizes	Units
3 BR/ 2.5 BA Town Homes*	1,620	17

* The home are designed, entitled, and blue top delivered with HH constructing the homes.

Average Unit Size	1,034	
Net Rentable Square Feet	234,640	
Density (Units / Acre)	65.0	
Parking / Parking Per Unit	375	1.7
Market Sq. Ft. (20K) & Other Users	30,000	
Parking / Parking Ratio	75	1 per 400 SF Avg.

CONSTRUCTION SCHEDULE 23 Months

FINANCIAL SUMMARY

Sources

Equity (LP & GP)	\$30,394,000
Construction Debt	\$56,447,000
Habitat For Humanity 17 Town Home Lots Bought	\$510,000
City 50% Reimbursement for Cedar St.	\$410,000
City TIF Financing	\$0
Total Sources	\$87,761,000

Uses

Land Basis	\$1,080,000
Construction Costs	\$67,505,000
Development Costs	\$9,994,000
Financing Costs	\$4,141,000
TIF	\$0
Price Escalation & Owner's Contingency	\$5,041,000
Total Uses	\$87,761,000

Summary of City Assistance*

Property Taxes During Construction	Builder Exclusion Prior to CO
Cedar Street Construction	50% Share of Construction Costs
10 Year TIF	0.0%
Entitlement Approvals	City Approval to achieve Project Plan

* Developer Team's goal is to develop the property without additional assistance. The Developer Team understands there are limits on what the City can do with allowing TIF and this or other assistance may not be available.

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
Pro Forma Analysis**

August 9, 2019

Project Location
Truman Olson Redevelopment
1402 South Park Street

Developer Team
Baehr Associates
Valeo

Architect
TBD

General Contractor
McShane Construction, Inc.

Property Manager
TBD

Market / Grocer
TBD

Affordable Housing
Habitat for Humanity

Compiled By
Conrad Sick (714) 335-4420
Conradsick70@gmail.com
Gary Citron (714) 335-7115
jgcitron@aol.com

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Comments:

- 1 Land is zoned CC-T Commercial Corridor - Transitional District
- 2 Assume comprehensive plan CMU (Community Mixed-Use)
- 3 TIF not within pro forma; may be sought for market or affordable housing.
- 4 Minimal taxes applied during construction
- 5 Utilities are paid by owner for students.
- 6 Parking requirement minimums are: 1.0/DU, 1 per 400sf store
- 7 Habitat Homes-design/entitlement/blue top delivered (±17 Units)

Parcels	Acres	SF	Price	\$/SF
1402 South Park Street	3.49	152,199	\$1,080,613	\$7.10
	3.49	152,199	\$1,080,613	\$7.10

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
Pro Forma Analysis
August 9, 2019**

Summary

Program	Units	Beds	% Bed Mix	SF	Rent Structure	Per/SF	Monthly	Annually	Total
STUDENT HOUSING									
1 BR/ 1 BA	26	26	4.0%	540	1 BR/ 1 BA	\$2.59	\$1,400	\$16,800	\$436,800
2 BR/ 2 BA	75	150	23.1%	840	2 BR/ 2 BA	\$2.74	\$2,300	\$27,600	\$2,070,000
3 BR/ 3 BA	31	93	14.3%	1,100	3 BR/ 3 BA	\$2.73	\$3,000	\$36,000	\$1,116,000
4 BR/ 4 BA in-Line	95	380	58.6%	1,300	4 BR/ 4 BA in-Line	\$2.85	\$3,700	\$44,400	\$4,218,000
HABITAT FOR HUMANITY									
3 BR/ 2.5 BA	0	0	0.0%	1,620	3 BR/ 2.5 BA	\$0.00	\$0	\$0	\$0
Totals	227	649	100%	234,640	Maximum Potential Rent	\$2.78	\$2,878	\$34,541	\$7,840,800

Net Rentable Square Foot	74.8%	234,640
Corridors & Other Common Areas	25.2%	79,160
Gross Square Foot	100.0%	313,800

Development Budget

	Total	\$/GSF	\$/Unit	\$/Bed
Construction Contract	\$67,504,701	\$215.12	\$297,378	\$104,013
Development Costs	\$12,340,527	\$39.33	\$54,364	\$19,015
Financing Costs	\$1,482,831	\$4.73	\$6,532	\$2,285
Primary Debt Service	\$5,512,761	\$17.57	\$24,285	\$8,494
Total Project Cost	\$86,840,820	\$276.74	\$382,559	\$133,807

Operating Parameters

	Per Bed	Per Unit	Year 2	Year 3
	Current	Current		
Potential Gross Rent	\$13,279	\$37,966	3.00%	3.00%
Vacancy	5.0%	5.0%	5.0%	5.0%
Operating Expenses	\$4,700	\$13,437	3.00%	3.00%
Replacement Reserves	\$105	\$300	3.00%	3.00%

Development Source

	Total	%
Equity	\$30,394,287	35.0%
Construction Debt	56,446,533	65.0%
Total Project Cost	\$86,840,820	100.0%

Equity

	Total	%	Profit	IRR	EM
All Investors	\$30,394,287	100.0%	\$17,566,748	13.1%	1.58 X
Total Project Equity	\$30,394,287	100.0%	\$17,566,748	13.1%	1.58 X

Project Performance

Project Level Rate of Returns	6.4%	13.1%
Multiplier	1.58 X	* NOI / Costs
Exit Cap Rate	5.50%	

Capital Structure

	Per Bed	Amount	Rate	Percent
Preconstruction Equity	\$2,913	\$1,890,377	0.00%	
Construction Debt	\$86,975	56,446,533	5.00%	65.0%
Construction Equity Requirement	\$46,832	\$30,394,287	0.00%	35.0%
Long Term Debt	\$86,975	\$56,446,533	6.00%	65.0%
Long Term Equity Requirement	\$46,832	\$30,394,287	0.00%	35.0%

Operating Budget

	Yr 1 Per Units	Year 1	Year 10	Year 30
Total Revenue	\$39,028.63	\$8,859,500	\$11,548,300	\$20,857,600
Total Expenses	(14,573)	(3,308,100)	(4,316,400)	(7,795,800)
Net Operating Income	24,456	5,551,400	7,231,900	13,061,800
Net Debt Service	(18,065)	(4,100,800)	(4,100,800)	(4,100,800)
Asset Management Fee	0	0	0	0
Cash Flow Available to Investors	\$6,390.37	\$1,450,614	\$3,131,209	\$8,960,996

Key Project Dates

Invested Equity Starting Month	8/1/2019
Construction Start	11/30/2020
First Rent Month	9/30/2022
Refinancing Month	na
1st Sale Month	9/30/2032

MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
 August 9, 2019

Total Project Cost & Cap Rate Matrix

Total Project Cost	3rd Yr Yield	IRR	Multiple
\$86,800,000	6.77%	13.1%	1.58 X

Yr Return on Total Cost

6.39%

Exit Cap Rate

5.50%

Scenario (Base Case in Bold)

4 YEAR HOLD

Scenario	Exit Cap	IRR	Multiple
	4.25%	16.1%	2.57 X
	4.50%	15.4%	2.33 X
Optimistic	4.75%	14.8%	2.11 X
	5.00%	14.2%	1.91 X
	5.25%	13.6%	1.74 X
Base Case	5.50%	13.1%	1.58 X
	5.75%	12.6%	1.43 X
	6.00%	12.0%	1.30 X
Pessimistic	6.25%	11.5%	1.17 X
	6.50%	11.1%	1.06 X

*3rd Yr Yield refers to "the 3rd year Property-level Yield"

MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
Pro Forma Analysis
August 9, 2019

DEVELOPMENT SCHEDULE	Start	Mos.	End	2019												2020												2021												2022											
				J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Due Diligence																																																			
RFP Response	Aug-19	1	Aug-19										█	█	█	█																																			
City Discussions & Evaluaitons	Sep-19	2	Oct-19										█	█	█	█	█	█	█																																
City Term Sheet / LOI	Nov-19	2	Dec-19																																																
City Council DSA Approval	Jan-20	1	Jan-20																																																
City Development Agreement	Jan-20	2	Feb-20																																																
Closing	Sep-20	1	Sep-20																																																
Entitlement / Approvals																																																			
Conceptual Design	Jul-19	2	Aug-19																																																
City Review / DSA Signed	Sep-19	6	Feb-20																																																
Schematic Design	Feb-20	1	Feb-20																																																
Design Development	Mar-20	2	Apr-20																																																
City Design Approval	May-20	1	May-20																																																
Working Drawings	Jun-20	3	Aug-20																																																
Site Plan Check / Permits / Bidding	Aug-20	2	Sep-20																																																
Building Plan Check / Permits / Bidding	Aug-20	3	Oct-20																																																
Construction Financing																																																			
Construction Financing	Jun-20	4	Sep-20																																																
Construction Phase																																																			
Move-on / Demo / Clear & Grub	Oct-20	1	Oct-20																																																
Grading & Excavation	Nov-20	4	Feb-21																																																
Infrastructure / Parking	Mar-21	3	May-21																																																
Buildings / Landscaping	Jun-21	13	Jun-22																																																
Finish / Occupancy / Punch-Out	Jul-22	2	Aug-22																																																
Marketing																																																			
Leasing	Oct-21	12	Sep-22																																																
DUE DILIGENCE																																																			
PRECONSTRUCTION MONTHS																																																			
CONSTRUCTION MONTHS																																																			
TOTAL MONTHS																																																			

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
August 9, 2019**

Mix & Unit Pricing

Note: Rents and development costs are based on first fiscal year of operation, unless otherwise noted.

PRO FORMA *

Program and Budget

Unit Type	Program				Building Costs			Furnishings		Rent Per Bed	Month Rent	\$/SF	Unit SF	Count
	Beds per Unit	Number of Units	% Bed Mix	Area per Unit	Total Gross Area	Per GSF	Total	Per Unit	Total					
STUDENT HOUSING														
1 BR/ 1 BA	1	26	4.0%	540	14,040	\$130	\$1,825,200	\$3,600	\$93,600	\$1,400	\$1,400	\$2.59	540	26
2 BR/ 2 BA	2	75	23.1%	840	63,000	\$130	\$8,190,000	\$5,050	\$378,800	\$1,150	\$2,300	\$2.74	840	75
3 BR/ 3 BA	3	31	14.3%	1,100	34,100	\$130	\$4,433,000	\$6,500	\$201,500	\$1,000	\$3,000	\$2.73	1,100	31
4 BR/ 4 BA in-Line	4	95	58.6%	1,300	123,500	\$130	\$16,055,000	\$7,950	\$755,300	\$925	\$3,700	\$2.85	1,300	95
HABITAT FOR HUMANITY														
3 BR/ 2.5 BA	3	0	0.0%	1,620	0	\$130	\$0		\$0		\$0	\$0.00	1,620	0
	649	227	100%	1,034	234,640	\$130	\$30,503,200	\$6,296	\$1,429,200	\$1,007	\$2,878	\$2.78	1,034	227
* Owner pays all utilities.														
Leasing/Manager/Lifestyle Office		1		8,000	8,000	\$150	\$1,200,000	\$50	\$400,000					
Market/Other Retail		1		30,000	30,000	\$150	\$4,500,000	\$0	\$0					
Breezeways/Common Areas		1		41,160	41,160	\$130	\$5,350,800	\$0	\$0					
					313,800	\$132	\$41,554,000		\$1,829,200					

MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
 August 9, 2019

Assumptions

Note: Rents and development costs are based on first fiscal year of operation, unless otherwise noted.

Program and Budget	Pkg Req	Program				Building Costs			Furnishings	
		Beds per Unit	Number of Units	% Bed Mix	Area per Unit	Total Gross Area	Per GSF	Total	Per Unit	Total
Unit Type - Neighborhood Area										
STUDENT HOUSING										
1 BR/ 1 BA	1.00	1	26	4.0%	540	14,040	\$130.00	\$1,825,200	\$2,800	\$72,800
2 BR/ 2 BA	1.00	2	75	23.1%	840	63,000	\$130.00	\$8,190,000	\$3,800	\$285,000
3 BR/ 3 BA	1.00	3	31	14.3%	1,100	34,100	\$130.00	\$4,433,000	\$4,500	\$139,500
4 BR/ 4 BA in-Line	1.00	4	95	58.6%	1,300	123,500	\$130.00	\$16,055,000	\$5,500	\$522,500
HABITAT FOR HUMANITY										
3 BR/ 2.5 BA	1.00	3	0	0.0%	1,620	0	\$130.00	\$0		\$0
	302	649	227	100%	1,034	234,640	\$130.00	\$30,503,200	\$4,493	\$1,019,800
Leasing/Manager/Lifestyle Office			1		8,000	8,000	\$150.00	\$1,200,000	\$50	\$400,000
Market./Other Retail			1		30,000	30,000	\$150.00	\$4,500,000	\$0	\$0
Breezeways/Common Areas			1	17.5%	41,160	41,160	\$130.00	\$5,350,800		\$0
						313,800	\$132.42	\$41,554,000		\$1,419,800

Operating Budget

Unit Type - Neighborhood Area	Rent per Unit					Vacancy			Other Expenses, Revenues, and Reserves	
	Beds	Monthly per Bed	Monthly	Annually	Gross Potential	Vacancy Rate	Lost Rent	Net Rent	Operating Expenses	\$13,437 per Unit
STUDENT HOUSING										
1 BR/ 1 BA	26	\$1,400	\$1,400	\$16,800	\$436,800	5.0%	\$21,840	\$414,960		
2 BR/ 2 BA	150	\$1,150	\$2,300	\$27,600	\$2,070,000	5.0%	\$103,500	\$1,966,500		
3 BR/ 3 BA	93	\$1,000	\$3,000	\$36,000	\$1,116,000	5.0%	\$55,800	\$1,060,200	Year 1 Vacancy	5.00%
4 BR/ 4 BA in-Line	380	\$925	\$3,700	\$44,400	\$4,218,000	5.0%	\$210,900	\$4,007,100	Year 2 Vacancy	5.00%
HABITAT FOR HUMANITY										
3 BR/ 2.5 BA	-	\$0	\$0	\$0	\$0	5.0%	\$0	\$0	Year 3+ Vacancy	5.00%
Totals / Averages	649	\$1,007	\$2,878	\$34,541	\$7,840,800	5.0%	\$392,040	\$7,448,760	Other Revenues	2.00%
Market./Other Retail	1	\$1.22 psf	\$36,667	\$440,000	\$440,000	5.0%	\$22,000	\$418,000	Replacement Reserves	\$300 per Unit
Retail Parking Structure	75	\$0	\$0	\$0	\$0	5.0%	\$0	\$0		
Housing Parking Structure	375	\$75.00	\$75	\$900	\$337,500	5.0%	\$16,875	\$320,625		
Street Parking	32	\$0.00	\$0	\$0	\$0	5.0%	\$0	\$0		
Surface Parking	-	\$0.00	\$0.00	\$0.00	\$0	5.0%	\$0	\$0		
Total / Average	450	\$1,050	\$3,164	\$37,966	\$8,618,300	5.0%	\$430,915	\$8,187,385		
Parking Ratio per Bed	0.58									
First Fiscal Year of Operation:		2022					Average Vacancy:	5.0%		

Inflation

	Year 1	Year 2	Year 3	Year 4 +	
Revenues					
Annual	3.00%	3.00%	3.00%	3.00%	
Expenses					
Operating Expenses	3.00%	3.00%	3.00%	3.00%	
Replacement Reserves	3.00%	3.00%	3.00%	3.00%	
Development Costs					
Inflation per Month	0.25%				
Number of Months	14				
Site Area/Density	Total Acres	Per Acre Cost	Per SF Cost	Density per Unit	Beds per Acre
Gross Acres	3.49	\$309,276	\$7.1	65.0	185.7
Net Acres	3.49	\$309,276	\$7.1	65.0	185.7
Parking Rate	\$75 Per Month	less costs of:	\$0 Per Month		

Financing

	Construction	Permanent	Equity
		(30 due in 5)	
Origination Month	14	38	1
Net Rate (Coupon/LC/Remarketing)	5.00%	6.00%	0.00%
Arbitrage Int. Rate	0.00%	0.00%	
Points and Fees	1.00%	1.00%	
Post Completion Occupancy Mo	0		
Loan Term		30	years
Amortization Begins		1	year
Amortization Period		30	years
Percent Amortized	100%	100%	
Loan to Value Ratio	70.0%	70%	
Loan to Cost Ratio	65.00%	65%	
Debt Service Coverage	1.20	1.20	
Exit Cap Rate	5.50%	5.50%	

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
August 9, 2019**

Development Budget

Description		Unit Costs	Total Cost	\$/Unit	\$/Bed	\$/GSF	% Total	
Construction Contract								
		\$50,000 <i>Estimate</i>	\$50,000	\$220	\$77	\$0.16	0.1%	
Predevelopment Services								
General Requirements/Conditions	23 months	\$120,000 <i>Per Budget</i>	\$2,760,000	\$12,159	\$4,253	\$8.80	3.4%	
Demolition/Cleaning	152,199	\$0.00 <i>Allowance per SF of Site</i>	\$0	\$0	\$0	\$0.00	0.0%	
Offsite Improvements (Park)	1	\$150,000 <i>Allowance for Utility Tie-in</i>	\$150,000	\$661	\$231	\$0.48	0.2%	
Cedar Drive Extension	20,520	\$40.00 <i>Per SF Allowance</i>	\$820,800	\$3,616	\$1,265	\$2.62	1.0%	
Parking Structure	450	\$15,000.00 <i>Per Space</i>	\$6,750,000	\$29,736	\$10,401	\$21.51	8.3%	
Podiums	86,460	\$45.00 <i>Per SF</i>	\$3,890,700	\$17,140	\$5,995	\$12.40	4.8%	
Elevators	8	\$175,000 <i>Each</i>	\$1,400,000	\$6,167	\$2,157	\$4.46	1.7%	
Retaining Walls	4,800	\$50.00 <i>Per SF</i>	\$240,000	\$1,057	\$370	\$0.76	0.3%	
Site Improvements	152,199	\$12.00 <i>Per Square Foot</i>	\$1,826,388	\$8,046	\$2,814	\$5.82	2.2%	
Direct Construction		\$132.42 <i>Per Square Foot</i>	\$41,554,000	\$183,057	\$64,028	\$132.42	51.1%	
Amenities		\$650,000 <i>Per Budget</i>	\$650,000	\$2,863	\$1,002	\$2.07	0.8%	
Landscaping & Common Areas	38,050	\$20.00 <i>Per SF (courts/landscape)</i>	\$760,995	\$3,352	\$1,173	\$2.43	0.9%	
Surety / Liability Insurance		1.10% <i>% of Const. Contract</i>	\$668,832	\$2,946	\$1,031	\$2.13	0.8%	
Performance Bond		0.00% <i>% of Const. Contract</i>	\$0	\$0	\$0	\$0.00	0.0%	
Construction Contingency		5.00% <i>% of Const. Contract</i>	\$3,076,086	\$13,551	\$4,740	\$9.80	3.8%	
GC Fee		4.50% <i>% of Const. Contract</i>	\$2,906,901	\$12,806	\$4,479	\$9.26	3.6%	
		\$215.12 GSF	\$287.69 Per Net Rentable SF	\$67,504,701	\$297,378	\$104,013	\$215.12	83.0%
Development Costs								
Accounting, PM, Auditing & Travel, Other		\$250,000 <i>Estimate</i>	\$250,000	\$1,101	\$385	\$0.80	0.3%	
Architects & Design		\$1,200,000 <i>Estimate</i>	\$1,200,000	\$5,286	\$1,849	\$3.82	1.5%	
Builder's Risk Insurance		0.70% <i>Estimate</i>	\$472,533	\$2,082	\$728	\$1.51	0.6%	
Site Engineering		\$500,000 <i>Estimate</i>	\$500,000	\$2,203	\$770	\$1.59	0.6%	
Appraisal & Market Studies		\$30,000 <i>Allowance</i>	\$30,000	\$132	\$46	\$0.10	0.0%	
Fees & Permits		\$5,374 <i>Per Unit</i>	\$1,220,000	\$5,374	\$1,880	\$3.89	1.5%	
Habitat for Humanity Lot Purchase	17	(\$30,000) <i>Per Lot</i>	(\$510,000)	(\$2,247)	(\$786)	(\$1.63)	-0.6%	
Land Purchase		\$1,080,613 <i>Land Cost</i>	\$1,080,613	\$4,760	\$1,665	\$3.44	1.3%	
City Cedar Street Half Street Reimbursement		(\$410,400) <i>Allowance</i>	(\$410,400)	(\$1,808)	(\$632)	(\$1.31)	-0.5%	
Land Closing Costs/Escrow/Legal		\$50,000 <i>Estimate</i>	\$50,000	\$220	\$77	\$0.16	0.1%	
Furniture, Fixtures, and Equipment		\$1,419,800 <i>Per Budget</i>	\$1,419,800	\$6,255	\$2,188	\$4.52	1.7%	
Property Taxes		\$48,646 <i>Est During Construction on Land</i>	\$48,646	\$214	\$75	\$0.16	0.1%	
Rent Up, Marketing & Promotion		\$700,000 <i>Allowance (includes Shuttle)</i>	\$700,000	\$3,084	\$1,079	\$2.23	0.9%	
Project Contingency (not on land)		3.0% <i>Of Construction & Development Costs</i>	\$2,186,570	\$9,632	\$3,369	\$6.97	2.7%	
Land Acquisition Fees		0.0% <i>Per Agreement</i>	\$0	\$0	\$0	\$0.00	0.0%	
City of Madison TIF (Annual in 10 Year CF)		0.0% <i>Per Agreement</i>	\$0	\$0	\$0	\$0.00	0.0%	
3rd Party Construction Manager	23 months	\$10,000 <i>Per Month</i>	\$230,000	\$1,013	\$354	\$0.73	0.3%	
Developer Fee		5.00% <i>Of Construction & Development Costs</i>	\$3,872,765	\$17,061	\$5,967	\$12.34	4.8%	
			\$12,340,527	\$54,364	\$19,015	\$39.33	15.2%	
Financing Costs								
Loan Fees (Construction & Permanent)		2.00% <i>% of Loan Amount</i>	\$1,128,931	\$4,973	\$1,739	\$3.60	1.4%	
Equity Placement Fee		1.00% <i>% of Equity</i>	\$303,900	\$1,339	\$468	\$0.97	0.4%	
Cost of Issuance/Attorney's Fees		\$50,000 <i>Allowance</i>	\$50,000	\$220	\$77	\$0.16	0.1%	
			\$1,482,831	\$6,532	\$2,285	\$4.73	1.8%	
Cost Before Interest and Reserves			\$81,328,059	\$358,273	\$125,313	\$259.17	100.0%	
Primary Debt Service								
Financing:	Cap.Int., Points, Pref. Return, and Arbitrage		\$2,658,000	\$11,709	\$4,096	\$8.47	3.3%	
Reserves:	Debt Service	\$508,458	0	\$0	\$0	\$0.00	0.0%	
Escalation (w/o land)	14 months	0.25%	\$2,854,761	\$12,576	\$4,399	\$9.10	3.5%	
Total Project Cost			\$86,840,820	\$382,559	\$133,807	\$276.74	106.8%	
(1) Costs per NRSF:	\$177.10							

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
August 9, 2019**

Operating Costs

of Months of Operation 12

		Unit Costs	Total Cost	\$/Beds	\$/Unit	\$/GSF	% of Revenue (w/o Retail)
Taxes / Accounting		\$ 15,000 <i>Per Budget</i>	\$ 15,000	\$ 23	\$ 66	\$ 0.05	0.2%
Marketing		1.00% <i>% of Revenue</i>	\$ 79,248	\$ 122	\$ 349	\$ 0.25	1.0%
Contract Services		\$ 300.00 <i>Per Unit</i>	\$ 68,100	\$ 105	\$ 300	\$ 0.22	0.9%
General & Administrative		\$ 5.00 <i>Per Bed/Month</i>	\$ 38,940	\$ 60	\$ 172	\$ 0.12	0.5%
Unit Turnover		\$ 500 <i>Per Unit</i>	\$ 113,500	\$ 175	\$ 500	\$ 0.36	1.4%
Repair & Maintenance		\$ 300 <i>Per Unit</i>	\$ 68,100	\$ 105	\$ 300	\$ 0.22	0.9%
Unit Damage Recovery		\$ - <i>Per Unit</i>	\$ -	\$ -	\$ -	\$ -	0.0%
Utilities - Electricity	Student Units Only	\$ 25.00 <i>Per Bed/Month</i>	\$ 194,700	\$ 300	\$ 858	\$ 0.62	2.5%
Utilities - Gas	All Electric Units	\$ - <i>Per Unit/Month</i>	\$ -	\$ -	\$ -	\$ -	0.0%
Utilities - Common Area		\$ 10,000 <i>Per Month</i>	\$ 120,000	\$ 185	\$ 529	\$ 0.38	1.5%
Utilities - Vacant Units	11	\$ 100 <i>Per Unit/Month</i>	\$ 13,620	\$ 21	\$ 60	\$ 0.04	0.2%
Utilities - Water, Sewer & Trash		\$ 14.44 <i>Per Bed/Month</i>	\$ 112,489	\$ 173	\$ 496	\$ 0.36	1.4%
Utilities - Data, Cable		\$ 55.00 <i>Per Unit/Month</i>	\$ 149,820	\$ 231	\$ 660	\$ 0.48	1.9%
Shuttle		\$ 10,560 <i>Per Month</i>	\$ 126,720	\$ 195	\$ 558	\$ 0.40	1.6%
Payroll		\$ 364,800 <i>Per Budget</i>	\$ 364,800	\$ 562	\$ 1,607	\$ 1.16	4.6%
Insurance		1.00% <i>% of Revenue</i>	\$ 79,248	\$ 122	\$ 349	\$ 0.25	1.0%
Real Estate Taxes	\$225,000 per Unit	2.251% <i>% of Land & Direct C</i>	\$ 1,149,615	\$ 1,771	\$ 5,064	\$ 3.66	14.5%
Garage Operating Costs	Structure	\$ 1,000 <i>Per Month</i>	\$ 12,000	\$ 18	\$ 53	\$ 0.04	0.2%
Property Management Fees		\$ 4.00% <i>% of Revenue</i>	\$ 316,991	\$ 488	\$ 1,396	\$ 1.01	4.0%
Accounting/Reporting		\$ 10.00 <i>Per Unit/Month</i>	\$ 27,240	\$ 42	\$ 120	\$ 0.09	0.3%
Total Operating Costs			\$ 3,050,131	\$ 4,700	\$ 13,437	\$ 9.72	38.5%
Replacement Reserves		\$ 300 <i>Per Unit</i>	\$ 68,100	\$ 105	\$ 300	\$ 0.22	0.9%
Total Operating Costs			\$ 3,118,231	\$ 4,805	\$ 13,737	\$ 9.94	39.3%

As % of EGI 35.2%

		Total	Per Hour	Hours
General Manager	Full Time	60,000	28.85	2,080
Maintenance Manager	Full Time	40,000	19.23	2,080
Assist Mgr./Leasing	Full Time	40,000	19.23	2,080
Assist Mgr./Leasing	Full Time	36,000	17.31	2,080
Maintenance Staff	1 Full Time	36,000	17.31	2,080
Maintenance Staff	Part Time	24,000	23.08	1,040
Accounting	Full Time	36,000	17.31	2,080
		272,000	20.12	13,520
Benefits	1.20	326,400	24.14	13,520
RA's	4	38,400	800	
Payroll with RA's		364,800		

Shuttle
1,543 fuel
3,000 salary
1,500 insur
1,500 misc
7,543 5 Day Monthly Cost
10,560 7 Day Monthly Cost

**MADISON, WISCONSIN
TRUMAN OLSON REDEVELOPMENT
Pro Forma Analysis**

Operating Pro Forma

		All dollar amounts times																	
		\$1,000																	
Fiscal Year		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2040	2045	2050	
Project Year	% Share	3	4	5	6	7	8	9	10	11	12	13	14	15	16	21	26	31	
Inflation																			
Revenues																			
Academic Year		1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38	1.43	1.47	1.51	1.56	1.81	2.09	2.43	
Expenses																			
Operating Expenses		1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38	1.43	1.47	1.51	1.56	1.81	2.09	2.43	
Replacement Reserves		1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38	1.43	1.47	1.51	1.56	1.81	2.09	2.43	
Revenues																			
Gross Rent		\$9,143	\$9,417	\$9,700	\$9,991	\$10,291	\$10,599	\$10,917	\$11,245	\$11,582	\$11,930	\$12,288	\$12,656	\$13,036	\$13,427	\$15,566	\$18,045	\$20,919	
Less: Vacancy		(\$457)	(\$471)	(\$485)	(\$500)	(\$515)	(\$530)	(\$546)	(\$562)	(\$579)	(\$596)	(\$614)	(\$633)	(\$652)	(\$671)	(\$778)	(\$902)	(\$1,046)	
Other Revenues		\$174	\$170	\$175	\$180	\$186	\$191	\$197	\$203	\$209	\$215	\$222	\$228	\$235	\$242	\$281	\$325	\$377	
Total Revenue		\$8,860	\$9,116	\$9,390	\$9,672	\$9,962	\$10,261	\$10,568	\$10,885	\$11,212	\$11,548	\$11,895	\$12,252	\$12,619	\$12,998	\$15,068	\$17,468	\$20,250	
Expenses																			
Operating Expenses		(\$3,236)	(\$3,333)	(\$3,433)	(\$3,536)	(\$3,642)	(\$3,751)	(\$3,864)	(\$3,980)	(\$4,099)	(\$4,222)	(\$4,349)	(\$4,479)	(\$4,614)	(\$4,752)	(\$5,509)	(\$6,386)	(\$7,403)	
Replacement Reserves		(\$72)	(\$74)	(\$77)	(\$79)	(\$81)	(\$84)	(\$86)	(\$89)	(\$92)	(\$94)	(\$97)	(\$100)	(\$103)	(\$106)	(\$123)	(\$143)	(\$165)	
Total Expenses		(\$3,308)	(\$3,407)	(\$3,510)	(\$3,615)	(\$3,723)	(\$3,835)	(\$3,950)	(\$4,069)	(\$4,191)	(\$4,316)	(\$4,446)	(\$4,579)	(\$4,717)	(\$4,858)	(\$5,632)	(\$6,529)	(\$7,569)	
Net Operating Income		\$5,551	\$5,709	\$5,880	\$6,057	\$6,238	\$6,426	\$6,618	\$6,817	\$7,021	\$7,232	\$7,449	\$7,672	\$7,903	\$8,140	\$9,436	\$10,939	\$12,681	
Debt Service																			
Debt Service		(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	
Earnings on Debt Service Reserve		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Debt Service		(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	
<i>Debt Coverage Ratio</i>		1.35	1.39	1.43	1.48	1.52	1.57	1.61	1.66	1.71	1.76	1.82	1.87	1.93	1.98	2.30	2.67	3.09	
City TIF (10 Years)	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow Available																			
Cash Flow Available to Investors		\$1,451	\$1,608	\$1,779	\$1,956	\$2,138	\$2,325	\$2,518	\$2,716	\$2,921	\$3,131	\$3,348	\$3,572	\$3,802	\$4,039	\$5,335	\$6,838	\$8,581	
Cash on Cash Return		4.77%	5.29%	5.85%	6.44%	7.03%	7.65%	8.28%	8.94%	9.61%	10.30%	11.02%	11.75%	12.51%	13.29%	17.55%	22.50%	28.23%	
Investors	100.0%	\$1,450.6	\$1,608.2	\$1,779.5	\$1,955.9	\$2,137.6	\$2,324.7	\$2,517.5	\$2,716.1	\$2,920.6	\$3,131.2	\$3,348.2	\$3,571.6	\$3,801.8	\$4,038.9	\$5,335.3	\$6,838.3	\$8,580.6	

		Net Sale Proceeds Fiscal Year 2022:					
Net Operating Income		\$5,709				\$7,449	
Sale Capitalization Rate		5.50%		<u>Per Unit</u>	<u>Per Bed</u>	5.50%	
Gross Sale Proceeds		103,800		457,269	159,938	135,435	
Sale Costs (1.5%)		(1,557)				(2,032)	
City TIF (10 Years) (9 Years Remaining)		0	7.5% Discount Rate			0	
Mortgage Balance		(55,733)				(47,035.62)	

Development Cash Flow

Development Cost Distribution

Phases	Start Month	Duration (Months)	End Month	Construction Contract	Development Costs	Start-Month
Pre-Construction	1	14	14	0%	5%	1-Aug-19
Sitework	15	7	21	18%	66%	
First Units Completed	22	10	31	65%	15%	
Last Units Completed	32	5	36	12%	9%	
Complete Construction	37	2	38	5%	5%	
Total		38		\$67,504,701	\$15,195,288	

Monthly Disbursement Schedule

Project Months	Construction Contract					Development Costs					Financing Fees	Developer Fees	Total Before Financing	% Complete	
	Pre-Construction	Sitework	First Units Completed	Last Units Completed	Complete Construction	Pre-Construction	Sitework	First Units Completed	Last Units Completed	Complete Construction	Loan Closing				
8/1/2019	1	0	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	2	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	3	-	-	-	-	110,800	-	-	-	-	-	-	-	110,800	0.0%
11/30/2019	4	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	5	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	6	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
2/29/2020	7	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	8	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	9	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
5/31/2020	10	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	11	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	12	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
8/31/2020	13	-	-	-	-	54,269	-	-	-	-	-	-	-	54,269	0.0%
	14	-	-	-	-	1,128,351	-	-	-	-	1,482,831	-	-	2,611,182	0.0%
	15	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
11/30/2020	16	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
	17	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
	18	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
2/28/2021	19	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
	20	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
	21	-	1,735,835	-	-	-	1,271,182	-	-	-	-	-	-	3,007,018	0.0%
5/31/2021	22	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	2.4%
	23	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	9.6%
	24	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	20.6%
8/31/2021	25	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	34.5%
	26	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	50.0%
	27	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	65.5%
11/30/2021	28	-	-	4,387,806	-	-	-	227,929	-	-	-	-	-	4,615,735	79.4%
	29	-	-	4,387,806	-	-	-	227,929	-	-	-	-	0	4,615,735	90.5%
	30	-	-	4,387,806	-	-	-	227,929	-	-	-	-	0	4,615,735	97.6%
2/28/2022	31	-	-	4,387,806	-	-	-	227,929	-	-	-	-	0	4,615,735	100.0%
	32	-	-	-	1,620,113	-	-	-	273,515	-	-	-	0	1,893,628	0.0%
	33	-	-	-	1,620,113	-	-	-	273,515	-	-	-	0	1,893,628	0.0%
5/31/2022	34	-	-	-	1,620,113	-	-	-	273,515	-	-	-	0	1,893,628	0.0%
	35	-	-	-	1,620,113	-	-	-	273,515	-	-	-	0	1,893,628	0.0%
	36	-	-	-	1,620,113	-	-	-	273,515	-	-	-	0	1,893,628	0.0%
8/31/2022	37	-	-	-	-	1,687,618	-	-	-	379,882	-	-	0	2,067,500	0.0%
	38	-	-	-	-	1,687,618	-	-	-	379,882	-	-	0	2,067,500	0.0%
	39	-	-	-	-	-	-	-	-	-	-	-	0	-	0.0%
11/30/2022	40	-	-	-	-	-	-	-	-	-	-	-	0	-	0.0%
Total			\$12,150,846	\$43,878,056	\$8,100,564	\$3,375,235	\$1,890,377	\$8,898,277	\$2,279,293	\$1,367,576	\$759,764	\$1,482,831	\$0	\$84,182,820	

	3	6	9	12	15	18	21	24	27	30	33	36	39	42		
5 Year	Year 1				Year 2				Year 3				Year 4			
Quarter	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr		
Construction	(30,394,287)	(219,337)	(162,807)	(162,807)	(162,807)	(5,672,469)	(9,021,053)	(9,021,053)	(5,971,956)	0	0	0	0	0		
Operations	4,596,553															
Refinancing Prc	0												120,884	362,653		
Perm +/-	0												0	0		
Sale	0												0	0		
Total	(25,797,734)	(219,337)	(162,807)	(162,807)	(162,807)	(5,672,469)	(9,021,053)	(9,021,053)	(5,971,956)	0	0	0	120,885	362,653		

IRR - Quarterly	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	
	13.1%	(707,757)	(29,686,530)	0	1,450,614	1,608,219	1,779,489	1,955,897	2,137,597	2,324,748	2,517,514	2,716,063	2,920,568	89,499,475

MADISON, WISCONSIN
Pro Forma Analysis
August 9, 2019

Capitalized Interest (Construction Financing)

Origination Month	Construction	Permanent	Equity	Start-Month
Net Rate	14	42	1	1-Aug-19
Loan to Value Ratio	5.00%	6.00%	0.00%	
Debt Service Coverage	70%	70%		
Post Completion Occupancy Month	1.20	1.20		
	2			

Project Months	Project Cashflow	Equity In	Cumulative Equity	Equity interest	Equity Absorption	Cumulative Amount Financed	Const. Period Interest/Cap. Interest	Arbitrage Interest Offset (Cap I & DSRF)	Cashflow After Interest and Fees
1	54,269	54,269	54,269	-	-	-	-	-	54,269
2	54,269	54,269	108,538	-	-	-	-	-	54,269
3	110,800	110,800	219,337	-	-	-	-	-	110,800
4	54,269	54,269	273,606	-	-	-	-	-	54,269
5	54,269	54,269	327,875	-	-	-	-	-	54,269
6	54,269	54,269	382,144	-	-	-	-	-	54,269
7	54,269	54,269	436,413	-	-	-	-	-	54,269
8	54,269	54,269	490,682	-	-	-	-	-	54,269
9	54,269	54,269	544,951	-	-	-	-	-	54,269
10	54,269	54,269	599,219	-	-	-	-	-	54,269
11	54,269	54,269	653,488	-	-	-	-	-	54,269
12	54,269	54,269	707,757	-	-	-	-	-	54,269
13	54,269	54,269	762,026	-	-	-	-	-	54,269
14	2,611,182	2,611,182	3,373,208	-	-	-	-	-	2,611,182
15	3,007,018	3,007,018	6,380,226	-	-	-	-	-	3,007,018
16	3,007,018	3,007,018	9,387,243	-	-	-	-	-	3,007,018
17	3,007,018	3,007,018	12,394,261	-	-	-	-	-	3,007,018
18	3,007,018	3,007,018	15,401,279	-	-	-	-	-	3,007,018
19	3,007,018	3,007,018	18,408,296	-	-	-	-	-	3,007,018
20	3,007,018	3,007,018	21,415,314	-	-	-	-	-	3,007,018
21	3,007,018	3,007,018	24,422,331	-	-	-	-	-	3,007,018
22	4,615,735	4,615,735	29,038,066	-	-	-	-	-	4,615,735
23	4,615,735	1,356,221	30,394,287	-	-	3,259,514	13,581	-	4,629,316
24	4,615,735	0	30,394,287	-	-	7,875,249	32,814	-	4,648,548
25	4,615,735	0	30,394,287	-	-	12,490,984	52,046	-	4,667,781
26	4,615,735	0	30,394,287	-	-	17,106,719	71,278	-	4,687,013
27	4,615,735	0	30,394,287	-	-	21,722,454	90,510	-	4,706,245
28	4,615,735	0	30,394,287	-	-	26,338,189	109,742	-	4,725,477
29	4,615,735	0	30,394,287	-	-	30,953,924	128,975	-	4,744,710
30	4,615,735	0	30,394,287	-	-	35,569,658	148,207	-	4,763,942
31	4,615,735	0	30,394,287	-	-	40,185,393	167,439	-	4,783,174
32	1,893,628	0	30,394,287	-	-	42,079,021	175,329	-	2,068,957
33	1,893,628	0	30,394,287	-	-	43,972,649	183,219	-	2,076,847
34	1,893,628	0	30,394,287	-	-	45,866,277	191,109	-	2,084,737
35	1,893,628	0	30,394,287	-	-	47,759,905	199,000	-	2,092,628
36	1,893,628	0	30,394,287	-	-	49,653,533	206,890	-	2,100,518
37	2,067,500	0	30,394,287	-	-	51,721,033	215,504	-	2,283,004
38	2,067,500	0	30,394,287	-	-	53,788,533	224,119	-	2,291,619
39	-	0	30,394,287	-	-	53,788,533	224,119	-	224,119
40	-	0	30,394,287	-	-	53,788,533	224,119	-	224,119
41	-	0	30,394,287	-	-	53,788,533	-	-	-
Total	\$84,182,820	\$30,394,287	30,394,287	\$0	\$0	53,788,533	\$2,658,000	\$0	\$86,840,820

MADISON, WISCONSIN
Pro Forma Analysis
August 9, 2019

Debt Service and Equity Requirements

Primary Debt Service

Net Rate	6.00%
Loan Term	30 years
Amortization Begins	1
Amortization Period	30 years
Percent Amortized	100%

Project Years	Principal	Interest	Debt Service	Principal Outstanding
				\$56,446,533
1	(713,987)	(\$3,386,792)	(\$4,100,779)	\$55,732,546
2	(756,826)	(\$3,343,953)	(\$4,100,779)	\$54,975,720
3	(802,236)	(\$3,298,543)	(\$4,100,779)	\$54,173,484
4	(850,370)	(\$3,250,409)	(\$4,100,779)	\$53,323,114
5	(901,392)	(\$3,199,387)	(\$4,100,779)	\$52,421,722
6	(955,476)	(\$3,145,303)	(\$4,100,779)	\$51,466,246
7	(1,012,805)	(\$3,087,975)	(\$4,100,779)	\$50,453,441
8	(1,073,573)	(\$3,027,206)	(\$4,100,779)	\$49,379,868
9	(1,137,987)	(\$2,962,792)	(\$4,100,779)	\$48,241,881
10	(1,206,266)	(\$2,894,513)	(\$4,100,779)	\$47,035,615
11	(1,278,642)	(\$2,822,137)	(\$4,100,779)	\$45,756,973
12	(1,355,361)	(\$2,745,418)	(\$4,100,779)	\$44,401,612
13	(1,436,683)	(\$2,664,097)	(\$4,100,779)	\$42,964,929
14	(1,522,884)	(\$2,577,896)	(\$4,100,779)	\$41,442,045
15	(1,614,256)	(\$2,486,523)	(\$4,100,779)	\$39,827,789
16	(1,711,112)	(\$2,389,667)	(\$4,100,779)	\$38,116,677
17	(1,813,779)	(\$2,287,001)	(\$4,100,779)	\$36,302,898
18	(1,922,605)	(\$2,178,174)	(\$4,100,779)	\$34,380,293
19	(2,037,962)	(\$2,062,818)	(\$4,100,779)	\$32,342,331
20	(2,160,239)	(\$1,940,540)	(\$4,100,779)	\$30,182,092
21	(2,289,854)	(\$1,810,926)	(\$4,100,779)	\$27,892,238
22	(2,427,245)	(\$1,673,534)	(\$4,100,779)	\$25,464,993
23	(2,572,880)	(\$1,527,900)	(\$4,100,779)	\$22,892,113
24	(2,727,252)	(\$1,373,527)	(\$4,100,779)	\$20,164,861
25	(2,890,888)	(\$1,209,892)	(\$4,100,779)	\$17,273,973
26	(3,064,341)	(\$1,036,438)	(\$4,100,779)	\$14,209,632
27	(3,248,201)	(\$852,578)	(\$4,100,779)	\$10,961,431
28	(3,443,093)	(\$657,686)	(\$4,100,779)	\$7,518,338
29	(3,649,679)	(\$451,100)	(\$4,100,779)	\$3,868,659
30	(3,868,660)	(\$232,120)	(\$4,100,779)	(\$1)
31	-	-	-	(\$1)
32	-	-	-	(\$1)

Equity Requirement Calculations

Year 1 NOI	\$5,551,393
Project Cost	\$86,840,820
Supportable Debt	<u>\$56,446,533</u>
Long Term Equity Required	\$30,394,287
DSCR (actual)	1.35
LTV (actual)	55.92%
LTC (actual)	65.00%

Options to eliminate subordinated debt/equity:

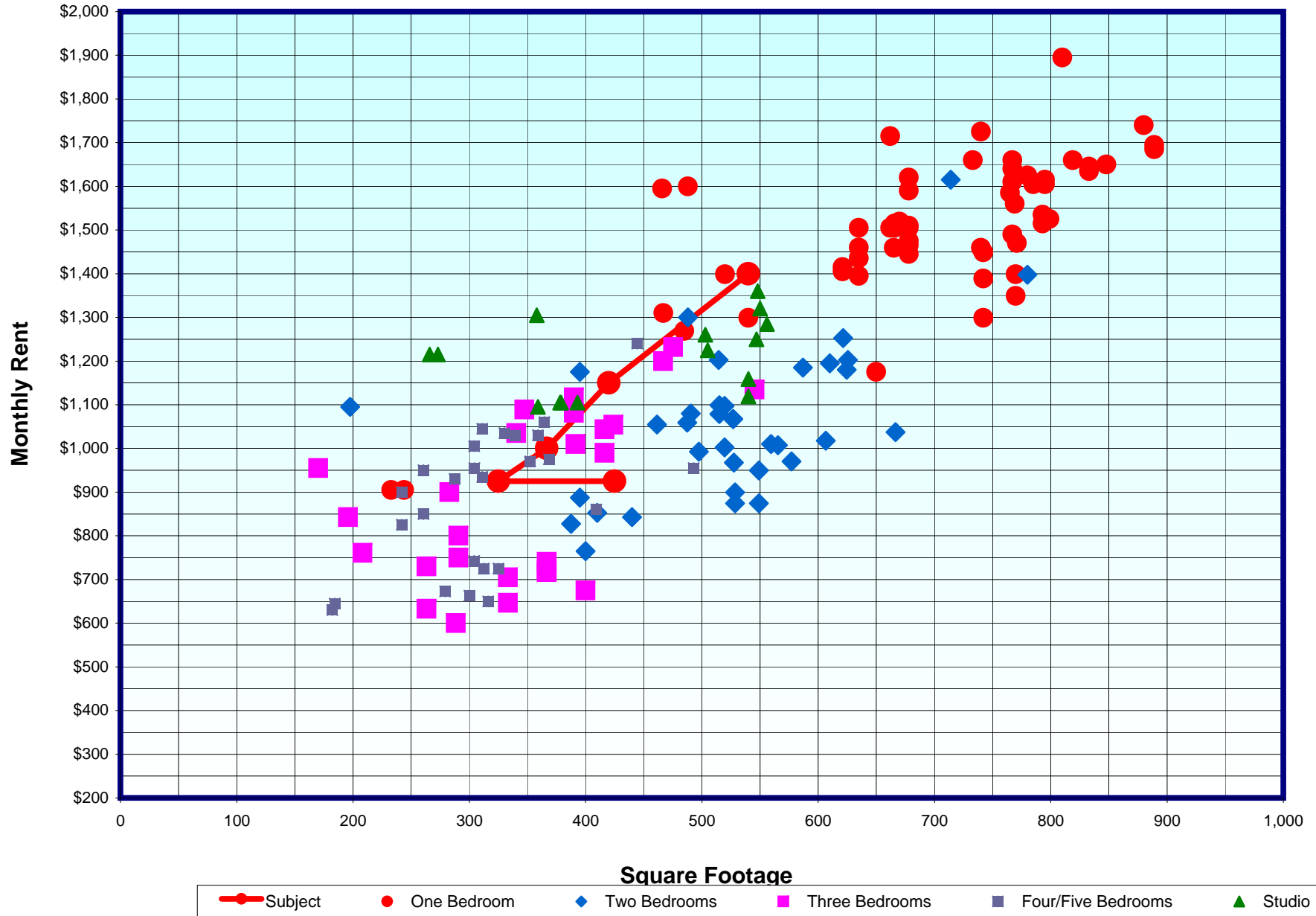
Increase revenues or decrease operating expenses in Year 1 by:	\$2,208,112
Increase average monthly rent for:	227 Units
by:	\$811 per Unit

Original Equity	\$30,394,287
Long Term Equity Required	30,394,287
Refinancing Equity Proceeds	0

DSC
1.4 **\$86,850,000**

LIMITS		
LTV	LTC	DSC
70,654,093	56,446,533	63,678,323
Ending Balance	To correct Rounding	
(1)	(2,000)	

MADISON RENTAL MARKET 2018/2019



**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size	
	Subject Truman Olson Redevelopment	227 Units			\$1,400	540	\$1,150	420	\$1,000	367	\$925	325	w s t d c f 2 BR/ 2 BA 3 BR/ 3 BA 4 BR/ 4 BA in-Line
	Off Campus Housing												
	City Gables Apartments 335 W Doty St Built 1980 / 4 Stories	20 Units			\$1,470 \$1,650	771 848	\$970 \$1,038 \$1,018	577 667 607					Assigned garage parking w s t d
	Lucky 101 777 University Avenue \$215 Month Parking			529							321 160		4/2 units / 9 mo prorated over 12 g w e d living room furnished double occupied
	Regent 101 1402 Regent St. \$105-\$140 Month Parking			250			320 288 160			192 192			2/1; 3/1 g w e s t d 2/1 double occupied
	Towers on State 502 N. Frances Street Built 1964 / 9 Stories	137 Units		306 306		475 455 455	312			296 296 308 379	346		2/1, 2/2, 3/2, 3/1L & 5/2L d c f No Parking 3/1 units
	President House 439 East Campus Mall	59 Units					448				366 183		4/2 f w s e t c g d 4/2 dbl occupied
	Campus Village 1002 Spring Street Built 2000/3 Stories	119 Units					\$765 \$843	400 400 440 440	\$647 \$675	333 333 400	\$650	316 316	garage parking \$160-190; \$140 Surface 3/1 & 4/2 units w s t f 3/2 unit
	Quarter Row 601 W Doty St Built 2017 / 4 Stories	88 Units					\$993	498	\$1,082 \$1,117	390 390			\$150 month limited garage parking w s t 2/2 & 3/2 units

**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size	
	Captiol Centre 344 W. Dayton St. \$125 Month Parking					535 600		450 525					d t w s
	University Downs 120 15th St. East					770		538 552		446			2/2 & 3/3 e w s t d c \$60 month/person utility cap
	The Lux 433 W Johnson St Built 2016 / 12 Stories	160 Units			\$1,269	485 710		\$1,079	515 458				\$200 pkg / 150 spaces tenant pays utilities except trash 1/1 is furnished w s t c
	Domain 409 W. Johnson Street replace 130 older units; amenities Buuilt 2014 / 12 Stories	326 Units	\$1,260 \$1,105 \$1,105 \$1,225 \$1,360 \$1,285 \$1,095 \$1,105	503 378 503 393 505 505 548 556 505 359 379	\$1,660 \$1,505 \$1,515 \$1,405 \$1,560 \$1,415 \$1,605 \$1,505 \$1,715 \$1,605 \$1,615 \$1,635 \$1,645 \$1,895 \$1,685 \$1,695 \$1,535 \$1,515	819 633 666 666 683 621 769 621 785 662 662 795 795 833 833 810 889 889 793 793	\$1,203 \$1,003 \$1,068 \$968 \$1,008 \$1,185 \$1,195 \$1,203 \$1,180 \$1,068 \$1,253 \$1,080 \$1,098	515 520 527 528 566 587 610 626 628 625 527 622 491 746 658 520				212 sub-t pkg 12 month leases g w s t top floor clubhouse / roof top terrace tenant pays utilities sub-t parking extra	

**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments	
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size		
	Humbucker 1216 Spring Street Opened 2011 / 8 Stories	75 Units				560		305	\$730	263			includes e t g s w c 3/1 2/2, 3/1 & 4/2 units & 5/2 units Landlord pays utilities \$185/mo pkg; 16 spaces unfurnished	
	The Constellation 10 N Livingston Street Built 2013 / 12 Stories	218 Units		464 442 515 430 515 417 430 472 441 422 440		621 673 788 533 728 533 651 619 737 606		544 571 595 502 544 571 595 544 397 479		378 390 419 378 394 419 394 384 423 387			high end / 12-story w s t \$115 parking 2/1 & 2/2 & 3/2 units	
	River's Edge 1614 Fordem Ave.	420 Units		390		540 756		370 509		405			3/2 units p; tenant pays utilities	
	The Pressman 117 S Hamilton St. Built 2017 / 9 Stories	80 Units			\$1,625 \$1,725	780 740		\$1,398 780					\$175-225 garage parking w s t g heat only 2 units available	
	Randall Station 20 N Orchard St. Built 1992 / 3 Stories	79 Units			\$1,175	650		\$828 \$853	388 410	\$705 \$717 \$722 \$740	333 367 367 367	\$725 \$725 \$663	313 325 300	\$140 Surface pkg & \$160-\$190 covered f w s t 3/1, 3/2 , 4/2 & 5/2 units
	Grand Central 1022 W. Johnson Located on Campus Built 2008 / 14 Stories	155 Units		439 433		590 623 614 545		421 389 374 360 377		325 299 343 352		270 293 273 303 296	d c g w s t e f \$185/mo covered parking 3/1 and 4/2 units & 5/2	

**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments	
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size		
	Venture 619 N. Segoe Road 12 Story Luxury Tower-Open Aug 2015	115 Units				605 605 627 779 785 813 813 825 857 1,099 1,099 1,099 857		542 573 582 605 612 620 621 641				470 483 502 488		\$65/mo Underground Pkg (140 spaces) g w s
	The Hub 437 N Frances St Built 2015 / 12 Stories 849 beds: 37, 29, 49, 74, 60 and 64 5s 484,764 GSF owned by Core Campus	313 Units	\$1,215 \$1,305 \$1,215	273 358 266	\$1,600 \$1,595	488 466	\$1,175 \$1,300	395 488	\$1,035 \$1,089 \$1,054	340 347 424	\$955 \$970 \$955	305 352 493	includes d c w g s t f 3/2 unit & 4/2 unit 4/2 & 4/3 Units 4/3.5 TH 4/4 unit 4/4 unit 4/4 unit 4/3 unit 5/3 unit 5/4 unit 5/4 unit 5/4 unit 5/5 unit 5/4 unit 5/5 unit 5/4 side by side DO parking \$250/month (143 available) moped parking \$55/month (40 available) 5/4 DO 4/4 unit 4/3 DO 5/4 TH	
					\$905 \$905	244 233	\$1,095	198	\$1,044 \$1,200 \$990 \$1,135 \$843 \$1,010 \$761 \$955	416 467 416 545 196 391 208 170	\$1,030 \$975 \$1,035 \$1,060 \$930 \$1,005 \$935 \$1,045 \$1,030 \$645 \$743 \$1,240 \$630 \$860	359 369 330 365 287 304 311 409 311 339 184 180 304 445 182 409		

**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size	
	City Place 430 W Main St Built 1998 / 4 Stories	39 Units				761 761		572 578					\$145/space parking w s t
	22 Slate 5711 Slate Dr Built 2017 / 3 Story	264 Units		583 583 594 594 631 631		665 665 665 702 702 721 721 747 767 767 814 814 879 814		519 519 542 542 542 577 577		431 431 462 462			tenant pays all utilities parking - 2/2 & 3/2 Units
	Seven27 757 Lorillard Ct Built 2013 / 5 Stories	117 Units	\$1,320 \$1,250	550 547		612 765 767 767 799 880 767 767 733	\$1,010 \$1,615	566 560 714					Parking \$150/space w s t
	621 Mendota Ct 621 Mendota Ct Built 2011 / 8 Stories 100 beds	27 Units							\$750 \$800	291 291		252 252	4/2 units & 6/2 units d c t f nearby public parking \$75/month only bicycle and moped parking on site
	Oakland on Monroe 1611 Monroe St Built 2017 / 4 Stories	44 Units		501 501		665 703 854 854 761 761 788 788 905 905		333 514 503 503					\$125 parking w s c d

**RENTAL HOUSING MARKET SUMMARY
MADISON, WISCONSIN**

Index	Project	# of Units	Studio		One Bedroom		Two Bedrooms		Three Bedrooms		Four/Five Bedrooms		Comments
			Rent	Size	Rent	Size	Rent	Size	Rent	Size	Rent	Size	
	Nine Line 633 W Wilson St Built 2015 / 5 Stories	80 Units			\$1,395 \$1,435 \$1,465 \$1,510 \$1,505 \$1,620 \$1,460 \$1,505 \$1,445 \$1,475 \$1,590 \$1,310	635 635 678 678 678 678 635 635 678 678 678 467	\$1,055	462	\$1,232	475			\$150 garage parking (limited) w s t 2/1 and 3/2 units
	229 at Lakelawn 229 W Lakelawy Pl Built 2014 / 5 Stories	14 Units							\$900	283	\$825 \$900 \$850 \$950	242 242 261 261	3/2 & 4/2 units 4/2 unit 6/3 unit d
	Peloton Residences 1010 S Park St. Open 2020 / 5 Levels	172 Units											
	Wingra Point 1033 High St Built 2014 / 4 Stories	67 Units	\$1,119 \$1,159	540 540	\$1,349 \$1,399 \$1,299 \$1,389 \$1,449	770 770 742 742 742	\$875 \$950 \$875 \$900	549 549 529 529					\$125 garage parking Tenant pays utilities
	Average Rents/SF Minimum Rents/SF Maximum Rents/SF	3415 Units	\$1,207 \$1,095 \$1,360	427 250 556	\$1,503 \$905 \$1,895	706 233 1,099	\$1,063 \$765 \$1,615	507 160 780	\$895 \$600 \$1,232	363 170 545	\$888 \$630 \$1,240	301 160 493	c=cable; w=water; s=sewer; d=data f=furniture; g=gas; e=electric; t=trash
					\$2.82 psf				\$2.13 psf				
									\$2.10 psf				
									\$2.46 psf				
											\$2.94 psf		