

**H. Ann Arbor Affordable Housing
Millage Funding Application
COVER SHEET**



ANNARBOR HOUSING COMMISSION

Applicant/Sponsor:

Sponsor/Applicant: Union Development Holdings, LLC

Contact Name: Drew Rosenbarger

Address: 409 Massachusetts Ave #300, Indianapolis, IN 46204 Telephone: (317) 514-3530

Email: drosenbarger@theannexgrp.com

Owner (if different than Applicant): _____ Contact: _____

Address: _____ Telephone: _____ Email: _____

List All Entities/Owners Who Are Earning Any Portion of Developer Fee:

Name: Union Development Holdings, LLC Address: 409 Massachusetts Ave #300, Indianapolis, IN 46204 %: 100

Name: _____ Address: _____ %: _____

Name: _____ Address: _____ %: _____

Name: _____ Address: _____ %: _____

Ownership Entity Structure:

Individual/entities	501(c)3 or wholly owned subsidiaries	TIN#	% Owner
<u>Union at A2 LDHALP</u>	_____	<u>92-1595651</u>	<u>100</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Has Any Member of Applicant/Sponsor/Owner ever filed for bankruptcy, defaulted on any loan, or been debarred: NO YES; If yes, please submit a written explanation with the proposal.

Project Detail

Project Name: Union at A2 Project Address: 2050 Commerce Blvd

Parcel Identification Number: 82-5218910

Check all that apply: New Construction Acquisition Rehabilitation
 Adaptive Re-Use Historic Preservation Mixed Use

Check all that apply: Mixed Income Permanent Supportive Housing

Low/Moderate Income (all units restricted below 60% AMI) SRO

Site Acreage: 3.84 Existing Building SF: N/A

Proposed Residential SF: 233170 Existing Zoning: _____

Proposed commercial SF: 0 Residential Common Areas SF: 49066

Check all that apply: Residential Unit Type: Apartment Duplex
 Townhome/Row House Semi-Attached Detached Other: _____

Total Residential Units: 250 Number of Restricted Units 31% - 60% AMI: 73, 132 at 70% AMI

Number of Unrestricted Market Units: _____ Number of 30% AMI or less: 45

Project Funding (full description of funding plan must comply with Section E(d) of RFP):

Total Development Costs: \$77,773,344 Amount of Funds Requested: \$3,000,000

Proposed Terms of Repayment: \$3,000,000 will be provided at 1% simple interest with payments initially deferred.

The housing commission funds will be paid back with 50% of the excess ("surplus funds") project cash flow in proportion to the overall soft funds of the respective project.



Request for Proposals

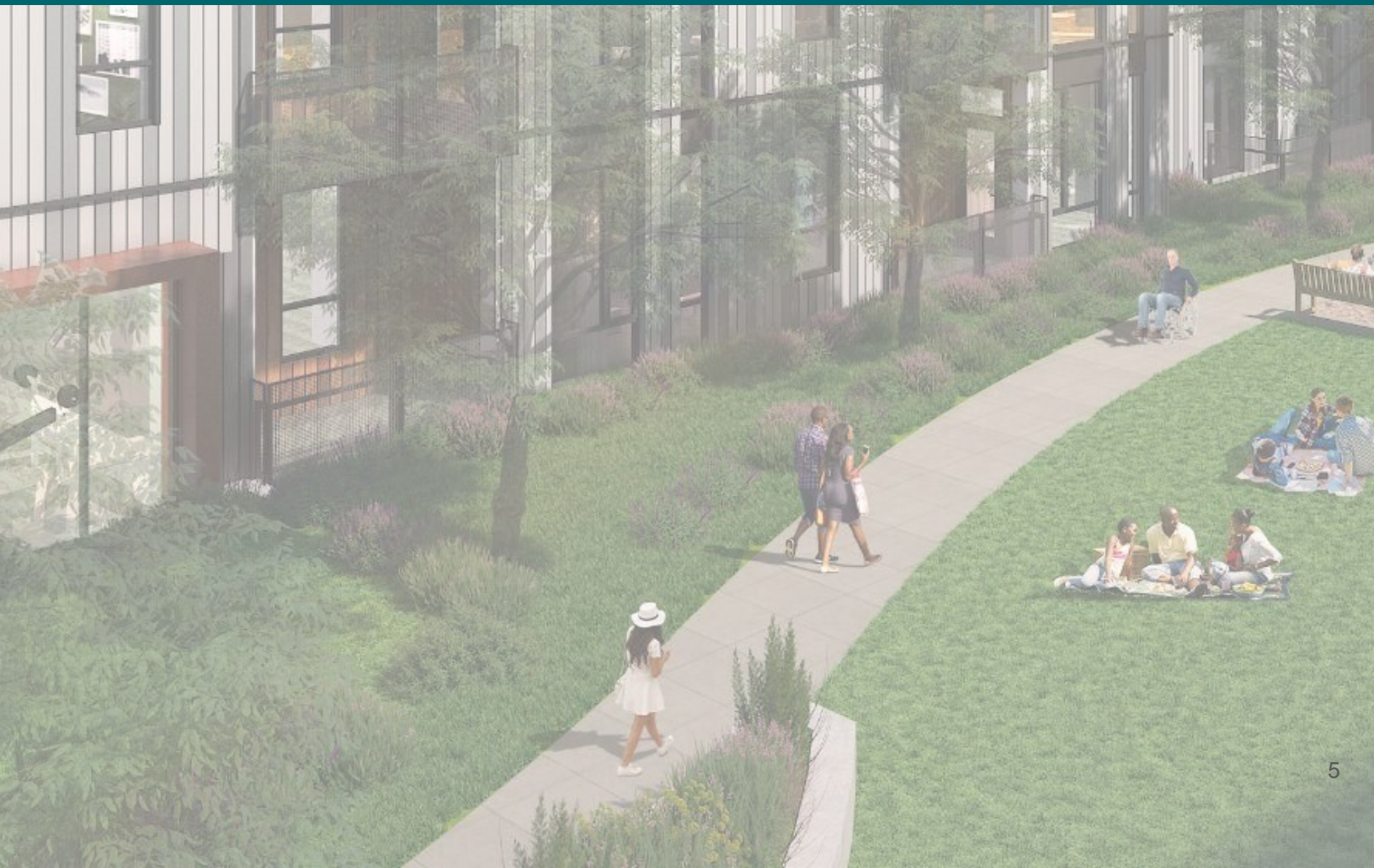
Ann Arbor Affordable Housing Rental Development Millage Funding

Ann Arbor Housing Commission
Jennifer Hall, Executive Director
Ann Arbor Housing Development Corporation
Jennifer Hall, Secretary/Treasurer

The Annex Group
409 Massachusetts Ave # 300
Indianapolis, IN 46204
317-514-3530



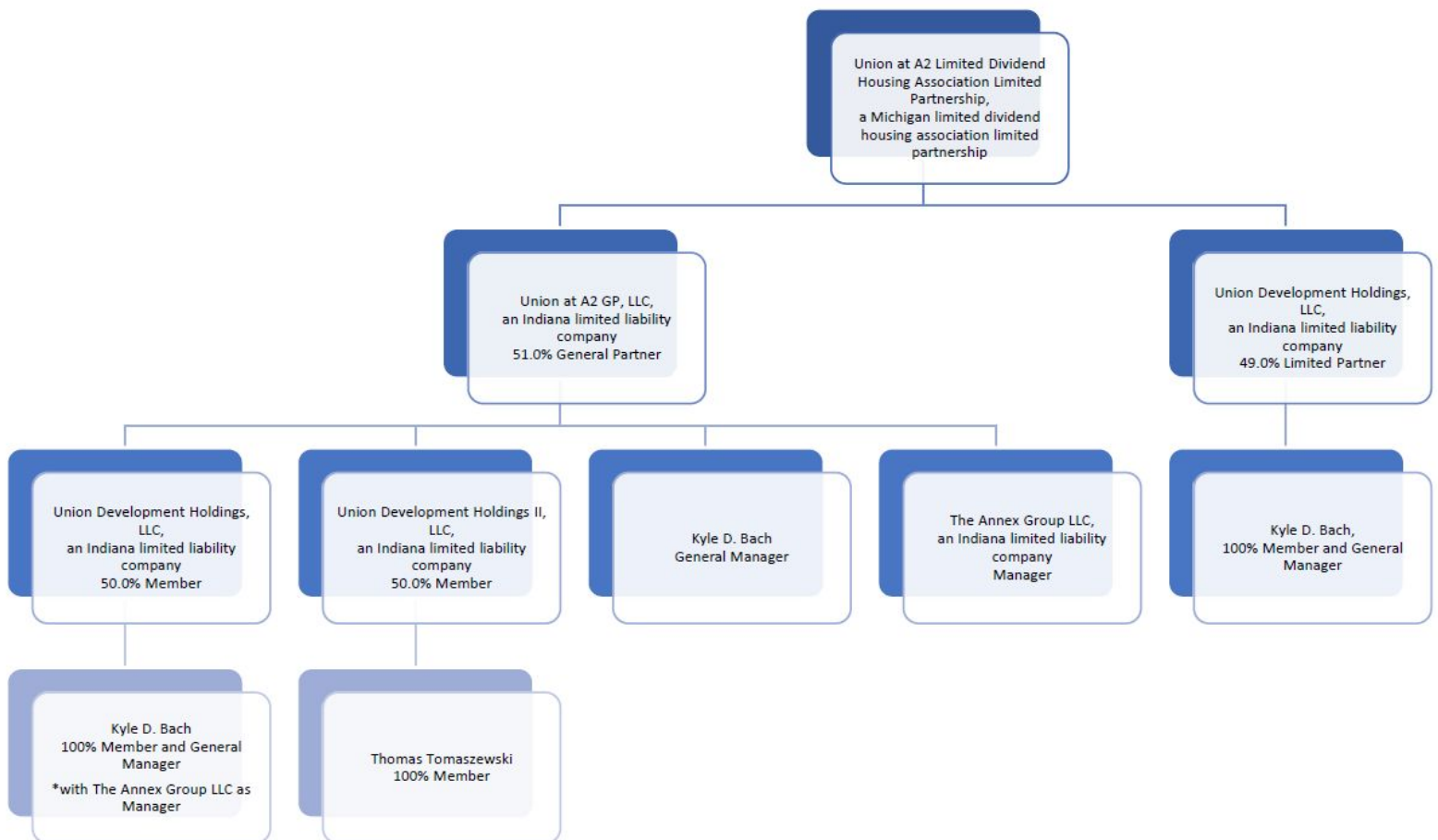
Applicant Information



UNION AT A2 LDHALP

Current Organizational Chart

EIN #: 92-1595651



Developer Experience



OUR MISSION IS TO CREATE A POSITIVE IMPACT WITH THE PEOPLE WHO LIVE, WORK, AND ARE INVOLVED IN OUR COMMUNITIES.

THE ANNEX GROUP®
ENCOMPASSES A
VAST PORTFOLIO
OF COMMUNITIES.

The Annex Group® is an Indiana based multi-family housing developer, general contractor, and owner with a portfolio of communities valued at more than \$600 million. Combining the career experience of its entire leadership team, The Annex Group has overseen more than \$1.1 billion in single family, multi-family, mixed-use, and other commercial projects including redevelopment and ground-up construction. Our developments create community and improve quality of life. We are proud that each of our developments to date has lived up to its purpose. Each community is strategically planned and executed to ensure a finished product that is cohesive with the goals and values of the constituencies and communities we serve. Our strategy is to position each project as the most exciting new address to live, work, or play.

Reaching 9,495 Lives, 5,106 Households, 37 Communities and Counting

DEVELOPER: THE ANNEX GROUP

The Annex Group® is an Indiana based multi-family housing developer, general contractor, and owner with a portfolio of communities valued at more than \$500 million. Kyle Bach, CEO, holds a controlling interest in the group. Combining the career experience of its entire leadership team, The Annex Group has overseen more than \$1 billion in single family, multi-family, mixed-use and other commercial projects including redevelopment and ground-up construction. Our developments create community and improve quality of life. We are proud that each of our developments to date has lived up to its purpose.

Each development is strategically planned and executed to ensure a finished product that is cohesive with the goals and values of the constituencies and communities we serve. All Annex projects are managed by a talented team of real estate development professionals. Each associate and affiliate brings a different but complementary view to every development. This internal team then assembles a unit of professionals, subcontractors, and distributors to complete all necessary functions of each specific project. The fast growth of our firm is testimony to the fact that our team is well versed in complex financial layering and investigates all viable financing and funding options.

GENERAL CONTRACTOR: THE ANNEX GROUP

The general contractor, with direct recent experience building affordable housing, will also be the Annex Group. As a self-performing developer who funds and holds projects for the long term, our interests are aligned with the good of our clients, with high quality materials, on-time delivery, and value-driven, under-budget construction.

We search for innovative solutions throughout the entire development and construction process. With extensive experience, development and construction knowledge, and a robust professional network, all potential and existing problems are identified and mitigated appropriately when they arise. A value-added approach is taken at every stage of each development. From pre-construction services to the completion of the project, we utilize superior values to provide our clients with the most affordable product without jeopardizing the integrity of the project.

Committed to adhering to strict quality standards and processes, Annex has overseen nearly \$1B in construction projects since incorporation in 2010. Unlike most self-performing developers who simply take a development fee for managing the construction process, Annex is truly vertically integrated, with our own subcontractors traveling to perform most of the work, resulting in a higher quality and better project value.

The Annex Group



Kyle Bach

CEO

Kyle Bach is a multifamily housing leader with nearly two decades of experience. He is the CEO and founder of The Annex Group, LLC, which was launched in 2006 as Mecca Companies, Inc. The Annex Group develops affordable, workforce, student housing, and active adult communities across the country. Bach is passionate about projects that renew both his and the company's sense of purpose and passion for using housing as a catalyst for growth. In his role, Bach directs the company's strategy and growth, manages capital, and effectively leads other executives across the company. Under his leadership, The Annex Group has grown to oversee more than \$1.1 billion in projects including ground-up construction and redevelopment, with an existing community portfolio valued at more than \$600 million.



Tom Tomaszewski

President

Tom Tomaszewski has over 20 years of experience in the construction and development industry. With a vast understanding of the built environment, Tomaszewski's expertise includes work on complex and difficult to develop projects throughout the country with a niche specialization in student and affordable multifamily housing. As President of The Annex Group, Tomaszewski oversees all company operations in regard to construction and preconstruction activities, as well as leading all construction related entities under The Annex Group umbrella. Tomaszewski, has been involved in the creation of over \$3,000 apartments units and \$600 million in real-estate construction during his tenure with The Annex Group. Tomaszewski along with founder Kyle Back are principals at The Annex Group.



Sam Hurley, CPA

CFO

Sam Hurley serves as the Chief Finance Officer for The Annex Group following his meaningful contributions while Director of Finance. With more than six years of public accounting and real estate experience, Hurley is well-versed in the multifamily housing industry, asset management, and financial underwriting. Prior to joining The Annex Group, Hurley served as a senior financial analyst for a multifamily housing developer and a real estate tax consultant for a Big 4 accounting firm based in New York. Throughout this time, Hurley led multiple debt and equity financings on 4% and 9% affordable housing transactions and established a reputation for successfully aligning financial metrics to support business growth and strategy. Hurley's dedication to identifying optimal debt and equity candidates and impeccable ability to maintain relationships with existing investments partners has allowed The Annex Group to secure its first opportunity zone financing structure while supporting the organization's ultimate goal of providing affordable housing in emerging markets. Hurley also serves as a licensed CPA in the state of Indiana.

The Annex Group



Ryan Clark

Senior Vice President of Development

As VP of Development, Ryan Clark leads the development effort for student, workforce, and affordable housing opportunities that fit within The Annex Groups' long-term strategy. Ryan has over a decade of experience in the real estate development industry spanning both the public and private sectors. His broad spectrum of expertise includes leading new multifamily and healthcare developments to implementing tax abatements and establishing TIF districts at the municipal level. Clark began his career working for local government focusing on facilitating new development projects and executing economic development initiatives for the City. He later pivoted to leading entitlements and managing the entire development process at a national real estate development company.



Drew Rosenbarger

Vice President of Development

Drew Rosenbarger is the VP of Development for The Annex Group. In this critical role, Drew helps create a pipeline of affordable and workforce housing development projects across the United States that fits into The Annex Group's growing portfolio. This includes taking on all tasks related to managing the development lifecycle, such as providing due diligence, working with local government officials, managing vendors, and leading all phases of architectural and engineering design. Drew has more than a decade of development experience that includes meaningful work for state and local governments as well as urban planning and community development consulting.



John Whiteley

Vice President of Construction Operations

John Whiteley is responsible for all ongoing construction operations with projects Annex Construction is building. As VP of construction Whiteley ensures that correct policies and procedures are in place and appropriate job staffing occurs for each project while also being responsible for delivery of projects, on time and on budget. Whiteley is widely experienced in project management on mixed-use, industrial, commercial, and military large-scale construction.

Impact Housing

Impact housing provides a home that elevates quality of life, connects community, and provides an opportunity for future generations to thrive.

I Innovative financing solutions that **IMPACT** potential partners

M Meaningful developments to **IMPACT** the market

P Purposeful construction partners that **IMPACT** local jobs

A Advocacy for residents with community **IMPACT** plans

C Collaborate with cities to **IMPACT** economic change

T Transformational housing with a lasting **IMPACT**



The Annex Group Portfolio



Union at Purple Heart Trail
Wichita, KS
Affordable Housing 240 Units



Union at Rivers Edge
Des Moines, IA
Affordable Housing 216 units



Union at Antelope Valley
Lincoln, NE
Affordable Housing 187 units



Union at North Crossing
Waterloo, IA
Affordable Housing 180 units



Union at Pacific Highway
Corvallis, OR
Affordable Housing 174 units



Union at Tryon
Charlotte, NC
Affordable Housing 200 units



Union at Middle Creek
Lincoln, NE
Affordable Housing 192 units



The Annex of Pullman
Pullman, WA
Student Housing 204 units/399 beds



The Annex of Bloomington
Bloomington, IN
Workforce Housing 201 units



Union at Oak Grove
Howell, MI
Affordable Housing 220 units



Union at the Loop
Lawrence, KS
Affordable Housing 248 units



Union at Wiley
Cedar Rapids, IA
Affordable Housing 180 units



The Annex of Bozeman
Bozeman, MT
Workforce Housing 134 units



Union at 16th
Indianapolis, IN
Affordable Housing 159 units



The Annex of Memphis
Memphis, TN
Student Housing 85 units/208 beds



Union at Crescent
Bloomington, IN
Affordable Housing 146 units



Public Private Partnership (P3)
Monroe, LA
On-Campus Housing ULM
127 units/372 beds



The Annex of Ruston
Ruston, LA
Student Housing 118 units/324 beds



Union at Washington
Kokomo, IN
Affordable Housing 51 units



The Annex of Oshkosh
Oshkosh, WI
Student Housing 140 units/310 beds

The Annex Group Portfolio



The Annex of Terre Haute
Terre Haute, IN

Student Housing 254 units/4098 beds



The Annex on Tenth
Indianapolis, IN

Student Housing 107 units/256 beds



The Annex of Warrensburg
Warrensburg, MO

Student Housing 87 units/324 beds



Pattern Mill
Connorsville, IN

Senior Affordable Housing 40 units



The Annex of Marion
Marion, OH

Student Housing 60 units/192 beds



The Annex of Battle Creek
Battle Creek, MI

Student Housing 63 units/112 beds



The Annex of Columbus
Columbus, IN

Student Housing 40 units/112 beds



The Annex of Richmond
Richmond, IN

Student Housing 66 units/216 beds



The Annex of New Albany
New Albany, IN

Student Housing 140 units/256 beds



The Annex of Lima
Lima, OH

Student Housing 23 units/126 beds



The Annex of Kokomo
Kokomo, IN

Student Housing 61 units/139 beds



Station 74
Murray, KY

Student Housing 74 units/268 beds



The Annex of Vincennes
Vincennes, IN

Student Housing 52 units/128 beds



The Annex of South Bend
South Bend, IN

Student Housing 67 units/134 beds



Kingston Square
Kokomo, IN

Affordable Housing 68 units



Villas of Carl Sandburg
Galesburg, IL

Student Housing 66 units/144 beds

Union at Wiley

www.unionatwiley.com



Financing Partner: CREA | Cedar Rapids Bank and Trust

Developer: The Annex Group | Architect: Sebree | Contractor: The Annex Group | Operator: The Annex Group

Location: 4227 21st Ave. Cedar Rapids, IA 52404

Units: 180 units | Unit Mix: Studio, 1,2 and 3 bedrooms

Capital Cost: Budgeted \$31.8M | Actual \$34.0M

Schedule: Delivered May 2023 | Lease Agreement: Tax Credit Affordable Housing

Debt Financing: \$ 23.3M Construction | \$18.3M Loan/Perm Loan | Equity Financing: \$12.93M

Amenities: Community center, business center, fitness center, on-site management and leasing offices, playground, covered parking, patio and balcony units, in-unit washer and dryer, and beautiful open floorplans.



Union at the Loop

www.unionattheloop.com



Financing Partner: Merchants Capital | Aegon Asset Management

Developer: The Annex Group | Architect: Wallace | Contractor: The Annex Group | Operator: The Annex Group

Location: 3250 Michigan St. Lawrence, KS 66046

Units: 248 units | Unit Mix: Studio, 1,2 and 3 bedrooms

Capital Cost: Budgeted \$42.9M | Actual \$45.8M

Schedule: Delivered September 2023 | Lease Agreement: Tax Credit Affordable Housing

Debt Financing: \$34.4M Construction | \$22.2M Loan/Perm Loan | Equity Financing: \$16.7M

* Kansas Housing Resources Corporation provided a 4 percent tax credit allocation alongside a tax-exempt bond issuance by Kansas Development Finance Authority.

Amenities: Community center, business center, fitness center, on-site management and leasing offices, playground, picnic area, patio and balcony units, in-unit washer and dryer, and beautiful open floorplans.



Union at Tryon

www.unionattryon.com



Financing Partner: Merchants Capital | Aegon Asset Management

Developer: The Annex Group | Architect: KTGy | Contractor: The Annex Group | Operator: The Annex Group

Location: 7910 N. Tryon St. Charlotte, NC 28213

Units: 200 units | Unit Mix: Studio, 1,2 and 3 bedrooms

Capital Cost: Budgeted \$46.6M

Schedule: Expected Delivery Winter 2024 | Lease Agreement: Tax Credit Affordable Housing

Debt Financing: \$31M Construction | \$20.8M Loan Perm Loan | \$19.4M Equity Financing

Amenities: Community center, business center, fitness center, on-site management and leasing offices, playground, walking trail, community garden, in-unit washer and dryer.



The Annex of Bloomington

228 & 229 S. Grant St. Bloomington, IN 47401 | www.annexofbloomington.com

The Annex of Bloomington is an apartment community serving the area near IU Bloomington. Amenities include On-site management, community center, leasing offices, meeting space, lounge areas, community outdoor terrace, garage parking, bike storage, in-unit washer and dryer, terrace and balcony options, and 2 major retail spaces on ground level.

Delivered: August 2023

102 units



The Annex of Bozeman

1800 S. 22nd Ave. Bozeman, MT 59781 | www.annexofbozeman.com

The Annex of Bozeman is an apartment community serving Bozeman, Montana. Amenities include on-site management, community center, fitness center, business center, sky deck, indoor bike and ski storage, community rooftop terrace, pet wash, on-site integrated public park with pavilion, and in-unit washer and dryer.

Delivered: August 2023

134 units



Mortgagor: Union at A2 Limited Dividend Housing Association Limited Partnership

Guarantor(s):

Guarantor #1: Kyle Bach

400 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204

Guarantor #2: Annex Construction, LLC

400 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204

Development Team Analysis:

Sponsor: Union Development Holdings

400 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204

Individual Assigned: Kyle Bach

317-607-4835 drosenbarger@theannexgrp.com

Interest in the Mortgagor and Members: Union at A2 GP, LLC – General Partner 51%

Union Development Holdings, LLS – Limited Partner 49%

Architect: BKV Group

209 South LaSalle Street, Chicago, IL 60604

Individual Assigned: Mark Harris

312-279-0823 mharris@bkvgroup.com

Attorney: Fraser Trebilcock

124 W. Allegan Street, Suite 1000 Lansing, MI 48933

Individual Assigned: Mary P. Levine

517-482-5800 mplevine@fraserlawfirm.com

Builder: Annex Construction, LLC

409 Massachusetts Avenue, Suite 300 Indianapolis, IN 46204

Individual Assigned: Tom Tomaszewski

708-960-0356 tom@theannexgrp.com

Management and Marketing Agent: The Annex Management Group, LLC

400 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204

Individual Assigned: Nicole Nass

765-637-1399 nnass@theannexgrp.com

Developer Information



The Annex Group does not have any debarments, loan defaults, bankruptcies, or pending litigation involving any managing members of the Developer/Sponsor entity.



Project Information



This site will be redeveloped into a new construction low-income housing development. Union at A2 will provide the City of Ann Arbor with 250 high quality affordable housing multifamily units. The incomes in this development will target the 30, 60, and 70% Area Median Incomes for Washtenaw County. Please see the current affordability mix below:

- 45 units at the 30% Area Median Income Level
 - 1-3 bedrooms offered at \$649 - \$886
- 73 units at the 60% Area Median Income Level
 - 1 bedrooms offered at \$1,347
- 132 units at the 70% Area Median Income Level
 - 1-3 bedrooms offered at \$1,579 - \$2,176

The unit mix will be a variety of 1-, 2-, and 3-bedroom units. The site plan for this development will feature a single 5-story building (floors are at grade level) urban style apartment building. The various amenities that this project has to offer will be located within the building. These amenities include a community room with a kitchen/coffee station, bike storage facility, fitness room, leasing/management office, a mailroom, picnic/grilling area, a playground, and storage spaces. This location is also suitable for an affordable housing development given its proximity to various amenities and transportation services. The city of Ann Arbor has indicated a critical need of affordable housing with a PILOT, as there has not been a large amount of new LIHTC projects developed in several years. This project will help merge this gap in affordable housing units.

Union at A2 is a development that is widely accepted by the City of Ann Arbor. The project received site plan approval on November 23rd, 2022. MSHDA has also provided over \$15M in soft funding to support the project.

Union at A2 has entered into an agreement with Energy Diagnostics, Inc as the High-Performance Green Building Consultant. As a part of this agreement, this development will meet Energy Star Requirements to meet City and State sustainability goals.

The Annex Group has contacted several nonprofit organizations to incorporate their services for potential tenants to access once the development has been completed. A full Community Impact Plan outlining services, partners, goals, and outcomes for residents will be enacted prior to completion.

Rent Plan



Development Union at A2
 Financing Tax Exempt
 MSHDA No. 4082
 Step Commitment
 Date 04/18/2024
 Type New Construction

Instructions

Income Limits for	Washtenaw County (Effective May 15, 2023)					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% of area median	26,040	29,760	33,480	37,200	40,200	43,170
40% of area median	34,720	39,680	44,640	49,600	53,600	57,560
50% of area median	43,400	49,600	55,800	62,000	67,000	71,950
60% of area median	52,080	59,520	66,960	74,400	80,400	86,340

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	Gross Rent	Current Section 8 Contract Rent	% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	TC Units Square Feet	Unit Type	Max Allowed Housing Expense
30% Family Area Median Income Units Occupancy																	
A	33	Apartment	1	1.0	710	649	48	697	257,004		5.7%	13.2%	23,430	11.4%	23,430	HTF	697
B	10	Apartment	2	2.0	900	773	64	837	92,760		2.1%	4.0%	9,000	4.4%	9,000	HTF	837
C	2	Apartment	3	2.0	1,200	886	81	967	21,264		0.5%	0.8%	2,400	1.2%	2,400	HTF	967
									371,028	0	8.3%	18.0%	34,830	16.9%	34,830		
60% Family Area Median Income Units Occupancy																	
A	73	Apartment	1	1.0	710	1,347	48	1,395	1,179,972	0	26.4%	29.2%	51,830	25.2%	51,830		1,395
									1,179,972	0	26.4%	29.2%	51,830	25.2%	51,830		
70% Family Area Median Income Units Occupancy																	
A	45	Apartment	1	1.0	710	1,579	48	1,627	852,660	0	19.1%	18.0%	31,950	15.5%	31,950		1,627
B	58	Apartment	2	2.0	900	1,889	64	1,953	1,314,744	0	29.4%	23.2%	52,200	25.4%	52,200		1,953
C	29	Apartment	3	2.0	1,200	2,176	81	2,257	757,248	0	16.9%	11.6%	34,800	16.9%	34,800		2,257
									2,924,652	0	65.3%	52.8%	118,950	57.9%	118,950		
Mgrs									0	0	0.0%	0.0%	0	0.0%	0		
													205,610		205,610		

Total Revenue Units 250
 Manager Units 0
 Income Average 59.88%
 Set Aside 100.00%

Gross Rent Potential	4,475,652
Average Monthly Rent	1,492
Gross Square Footage	205,610

HOME Units SF/Total Units SF 0.0%
 #HOME Units/# Total Units 0.0%
Within Range

Utility Allowances

	Tenant-Paid		Owner-Paid		Total	Override
	Electricity	A/C	Gas	Water/Sewer		
A	48.00				48	
B	64.00				64	
C	81.00				81	
D					0	
E					0	
F					0	
G					0	
H					0	

Annual Non-Rental Income

Application Fees	2,625
Pet Fees	22,500
Initial Pet Fees	5,625
Other: Cable Fees	13,500
Other: Damage, Lease Term & La	14,875
	59,125

Total Income	Annual	Monthly
Rental Income	4,475,652	372,971
Non-Rental Income	59,125	4,927
Total Project Revenue	4,534,777	377,898

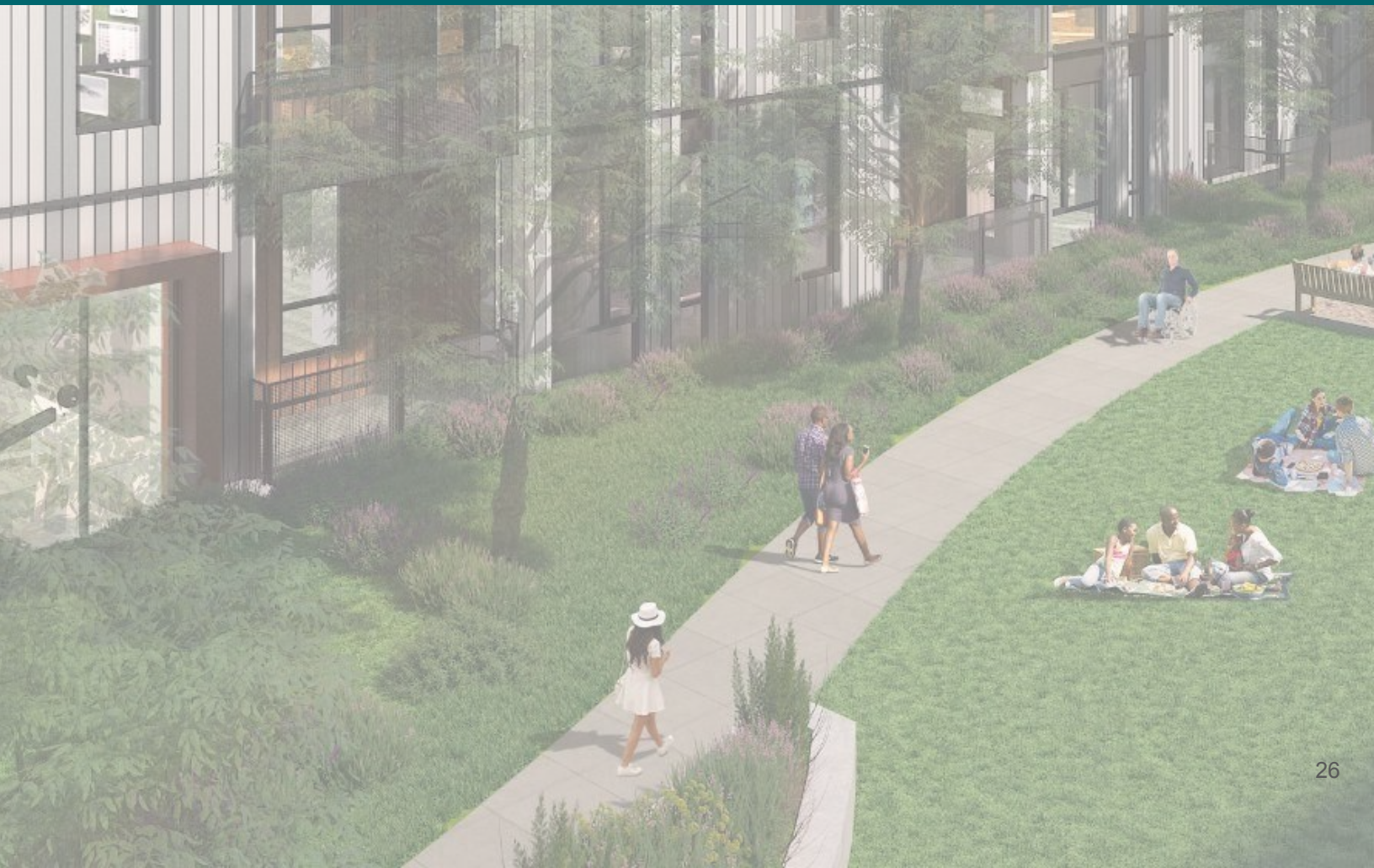
The Annex Group will be providing a link to the final plans.

The Annex Group will be providing a link to the Market Study.

- The development team has been in regular communication with the Ann Arbor Housing Commission to connect with stakeholders and non-profits.
- The development team hired a local design consultant to ensure the project meets community standards and expectations.
- The community has supported the proposed development due to the quality of the design and the high need for affordable housing units; this development will replace a blighted structure and provide 250 affordable housing units.
- The development team engaged residents through a citizen participation meeting on August 10, 2022, to discuss project plans. Most attendees were residents of a neighboring
- condominium development, and they requested visual buffering along the western edge of the property. Plans call for planting evergreen trees along that property line and orienting the parking area so that headlights do not shine into the neighboring development. Neighboring residents were supportive of the development.
- The development team will stay in contact with the neighboring condominium board and community.
- The development team has also identified several area nonprofits to provide services to future residents including the Ann Arbor Community Foundation, The NEW Center, the United Way of Washtenaw County, Ann Arbor Women's Group, The Salvation Army, Peace Neighborhood Center, and the National Alliance on Mental Illness of Washtenaw County.



Property Information



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04/11/2023 10:06 AM Total Pages: 5

Lawrence Kestenbaum, Washtenaw Co



Covenant Deed

2050 COMMERCE LLC, an Illinois limited liability company, whose address is 853 N. Elston Avenue, Chicago, Illinois 60642, Grantor, conveys, grants, bargains, remises, aliens, and confirms to UNION AT A2 LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership, whose address is 409 Massachusetts Avenue, Suite 300, Indianapolis, Indiana 46204, Grantee, the premises in the City of Ann Arbor of Washtenaw County, Michigan, described as:

For APN/Parcel ID(s): 09-09-31-209-026

Land situated in the City of Ann Arbor, Washtenaw County, Michigan, described as: Lots 6, 7, 8, 9, 10, 11, 16, 17, 18, & 19, Bedford-Buttner Commercial Subdivision, as recorded in Liber 16 of Plats, Page(s) 8 and 9, Washtenaw County Records; ALSO, the Southerly 33 feet of vacated Federal Boulevard adjacent to Lots 6, 7, 8, 9, 10, and 11, Bedford-Buttner Commercial Subdivision, as recorded in Liber 16 of Plats, Page 8 and 9; Washtenaw County Records; ALSO vacated Pennsylvania Ave. adjacent to Lots 6 & 19, Bedford-Buttner Commercial Subdivision, Washtenaw County Records.

ALSO BEING KNOWN AND DESCRIBED AS FOLLOWS:

Beginning at the Southeast corner of Lot 16 of Bedford-Buttner Commercial Subdivision, as recorded in Liber 16 of Plats, Pages 8 and 9, Washtenaw County Records; thence S89°45'00"W 412.75 feet along the South line of Lots 16 through 19 of said Bedford-Buttner Commercial Subdivision and the extension thereof, also being the North right-of-way line of Commerce Drive (66' wide); thence along the Westerly right-of-way line of vacated Pennsylvania Avenue in the following three (3) courses: N03°49'00"W 43.02 feet; 122.10 feet along a curve to the right, radius 1748.86 feet, central angle 04°00'00", long chord N01°49'00"W 122.07 feet; and N00°11'00"E 235.96 feet; thence S89°51'00"E 60.00 feet along the North right-of-way line of said vacated Pennsylvania Avenue to the Southwest corner of Lot 5 of said Bedford-Buttner Commercial Subdivision; thence S00°11'00"W 33.00 feet to the centerline of vacated Federal Blvd.; thence along said centerline of vacated Federal Blvd. in the following two (2) courses: S89°51'00"E 431.62 feet; and Southeasterly 157.50 feet along a curve to the right, radius 171.89 feet, central angle 52°30'00", long chord S63°36'00"E 152.05 feet; thence S52°39'00"W 33.00 feet; thence S37°21'00"E 45.19 feet along the Southeasterly right-of-way line of Federal Blvd. (66' wide); thence S48°23'30"W 119.88 feet along the Southeasterly line of Lot 11 of said Bedford-Buttner Commercial Subdivision; thence N89°51'00"W 120.00 feet along the South line of Lots 10 and 11 of said Bedford-Buttner Commercial Subdivision; thence S00°11'00"W 161.96 feet along the East line of said Lot 16 of Bedford-Buttner Commercial Subdivision to the POINT OF BEGINNING. Being a part of Bedford-Buttner Commercial Subdivision and the Northwest 1/4 of Section 31, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan.

with all the tenements, hereditaments, and appurtenances to it.

WASHTENAW COUNTY TREASURER
TAX CERTIFICATE NO. B1080773W

4/5/23

This conveyance, however, is made and accepted subject to the permitted exceptions set forth on

Exhibit A (the "Permitted Exceptions").

2338307_1

Time Submitted for Recording
Date 4.11.2023 Time 9:37 AM
Lawrence Kestenbaum
Washtenaw County Clerk/Register

19
T10B

Exhibit A

Permitted Exceptions

1. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: January 26, 1967 Recording No: Liber 1188, Page 152.
2. Right(s) of Way and/or Easement(s) and rights incidental thereto, as granted in a document:

Granted to: The Detroit Edison Company and Michigan Bell Telephone Company
Recording No: Liber 2359, Page 650

Partial Disclaimer of Right of Way:

Recording No: Liber 3935, page 371

Partial Release of Easement:

Recording No: Liber 5206, page 117
3. Right(s) of Way and/or Easement(s) and rights incidental thereto, as granted in a document:

Granted to: The Detroit Edison Company Recording No: Liber 2772, Page 519
Partial Release of Right of Way: Recording No: Liber 3935, Page 370 Partial
Release of Easement:

Recording No: Liber 5206, Page 118.
4. Terms, Covenants, and Conditions of Agreement as set forth below:

Recording No: Liber 2774, Page 563.
5. Terms, Covenants, and Conditions of Agreement as set forth below:

Recording No: Liber 2787, Page 729 Partial Release of Easement:

Recording No: Liber 5206, Page 119.

Dated March 22, 2023

2050 COMMERCE LLC, an Illinois
limited liability company

By: [Signature]
Name: Robert B. Weil
Title: Manager

STATE OF ILLINOIS)
COOK COUNTY)

On this 16 day of March, 2023, before me personally appeared Robert B. Weil, Manager to 2050 Commerce LLC, an Illinois limited liability company, known to me to be the person(s) described in and who executed the foregoing instrument and acknowledged that they executed same as their free act and deed.

[Signature]



Notary Public
Cook County, Illinois
My Commission Expires: 7/6/2025
Acting in Cook County

Instrument drafted without opinion by: Bryan J. Segal Barack Ferrazzano Kirschbaum & Nagelberg LLP 200 W. Madison Street, Suite 3900 Chicago, IL 60606	When recorded return to Union Development Holdings, LLC 409 Massachusetts Avenue, Suite 300 Indianapolis, Indiana 46204 Attn: CJ Lukaart, General Counsel (no)
---	--

RETURN TO:
Chicago Title of Michigan
Commercial Division
941 West Milham Road
Portage, MI 49024

6. Right(s) of Way and/or Easement(s) and rights incidental thereto, as granted in a document:

Granted to: City of Ann Arbor

Recording No: Liber 3889, Page 581.

7. Any irregularities, reservations, easements or other matters in the proceedings occasioning the abandonment or vacation of the street/road shown below:

Recording No. Liber 3933, Page 752 and Liber 3920, Page 887.

- 8 Right(s) of Way and/or Easement(s) and rights incidental thereto, as granted in a document:

Granted to: Ann Arbor Housing Commission Recording No: Liber 5308, Page 59.

8. Terms, Covenants, and Conditions of Easement Relocation Agreement as set forth below:

Recording No: Liber 5313, Page 783.

9. Right(s) of Way and/or Easement(s) and rights incidental thereto as delineated or as offered for dedication, on the map of said plat, as recorded in Liber 16 of Plats, Pages 8 and 9.

10. 2022 Winter Taxes and/or assessments and subsequent years, not yet due and payable.

11. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey prepared by Patrick L. Hastings, P.S. No. 37277, for Midwestern Consulting, dated July 21, 2022, being Job No. 22210:

- A) Concrete driveway encroachment at the Southwest corner of subject property
- B) Failure of the fence to follow the West boundary line of subject property
- C) Building encroachment into the Detroit Edison Company, Michigan Bell Telephone Company, and Columbia Cable of Michigan easement near South line of subject property along boundary lines common to Lots 17 and 18
- D) Building, asphalt, and concrete pad encroachments into Michigan Bell Telephone Company easement along boundary lines common to lots 17 and 18

For the consideration set forth in the ^{CH}attached Real Estate Transfer Tax Valuation Affidavit filed simultaneously herewith. ~~Attach Revenue Stamps if recording.~~ CH

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, Grantee's heirs, executors, beneficiaries, administrators, successors and/or assigns forever; and Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND title to the said premises, subject to the Permitted Exceptions, unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever lawfully claiming by, through, or under Grantor, but no other claims and no other persons.

The Annex Group has identified a small amount of asbestos in the existing structure that will be abated prior to demolition. The Annex Group also removed underground storage tanks and have received an EGLE Closure Letter for the cleanup.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
JACKSON DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

July 11, 2019

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert Weil
2050 Commerce LLC
2050 Commerce Boulevard
853 North Elston Avenue
Chicago, Illinois 60642

Dear Mr. Weil:

SUBJECT: **Notice of Closure Report Considered Approved**
Closure Report Receipt Date: December 5, 2018
2050 Commerce LLC, 2050 Commerce Boulevard,
Ann Arbor, Washtenaw County, Michigan
Facility ID#: 0-0034324
Confirmed Release#: C-0218-18

This letter provides notification that the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Remediation and Redevelopment Division (RRD) received the subject Closure Report on December 5, 2018. Section 21315 of Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), requires that an audit of the report be completed by the RRD within 180 days of the receipt of the report. If the department does not perform an audit, the report is considered approved. The RRD has not conducted an audit of the Closure Report within 180 days; therefore, according to Section 21315(4) the Closure Report is considered approved.

Please note the following:

When contaminated soil and/or groundwater as a result of a release of a regulated substance remains on site consistent with closure requirements, a person shall not remove or allow this soil and/or groundwater to be removed from the site to an off-site location without properly characterizing the soils and/or groundwater to determine that they can be lawfully relocated without posing a threat to the public health, safety and welfare, and the environment. The determination shall consider whether the soil and/or groundwater is subject to regulations under Part 111, Hazardous Waste Management, and/or Part 115, Solid Waste Management, of the NREPA.

Mr. Robert Weil

-2-

July 11, 2019

If the closure relies on the elimination of the groundwater pathway, groundwater contamination may remain above the Tier I Drinking Water Risk-Based Screening Levels in the shallow groundwater. Therefore, the owner or operator, or any other party, shall not engage in any activities that would alter the conditions of closure. This may include, but may not be limited to the installation of borings, temporary or permanent monitor wells and water supply wells without proper precautions to prevent the cross-contamination of deeper aquifers. In addition, the owner/operator shall provide disclosure to potential purchasers or users of the property regarding the conditions of closure.

All groundwater monitoring wells and other similar devices installed as part of the corrective activities at the property must be properly abandoned when they are no longer needed for their original or modified purpose. Abandonment should be completed in accordance with the American Society of Testing Materials Standard D 5299-92, "Standard guide for Decommissioning Ground Water Wells, Vadose Zone monitoring Devices, Boreholes, and Other Devices for environmental Activities." Proper abandonment of groundwater monitoring wells and other potential conduits for contamination should be performed within 60 days after use has been discontinued.

This closure pertains only to the contamination associated with the confirmed release number identified above. EGLE expresses no opinion as to other contaminants beyond those identified and remediated as part of the closure activities for this particular release. EGLE makes no warranty as to the fitness of the property for any general or specific use. Prospective purchasers or users of the property are advised to use due diligence prior to acquiring or using this property to determine if their proposed land use might alter the conditions of the closure and result in unacceptable risks to public health, safety, and welfare and the environment.

All documents and data prepared, acquired, or relied upon in connection with the Closure Report must be maintained for not less than six years after the date upon which the closure report was submitted according to Section 21312a(1)(d) of the NREPA, and shall be made available to EGLE upon request.

If you have any questions regarding this matter, please contact Mr. Raymond Govus, Project Manager, Jackson District Office, at 517-290-9074; govusr@michigan.gov; or, EGLE, RRD 301 East Louis Glick Highway, Jackson, Michigan 49201.

Sincerely,

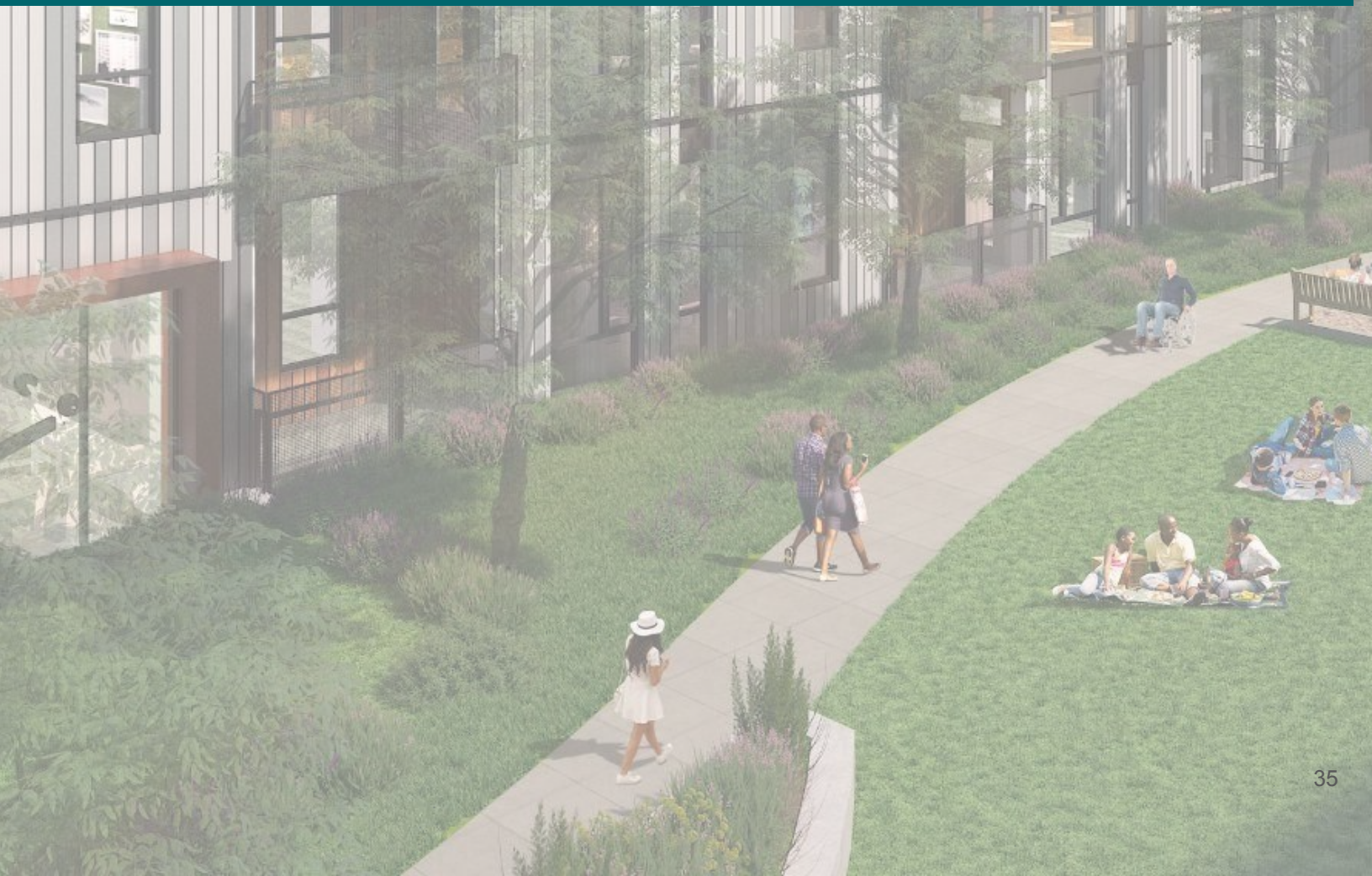


Gerald Tiernan, District Supervisor
Jackson District Office
Remediation and Redevelopment Division
517-582-0520
tiernang@michigan.gov

cc: ASTI Environmental
Mr. Raymond Govus, EGLE



Financial Information



The Annex Group will be providing a link to the Financial Capacity.

Funding



Principal Amount of all MSHDA Soft Funds: \$14,894,672

Ann Arbor Housing Commission Funds: \$3,000,000

LIHTC Equity: \$22,427,491

Income from Operations: \$983,728

General Partner Capital Contribution: \$100

Deferred Developer Fee: \$1,168,009

Budget Sources and Uses



Development Union at #2
 Financing Tax Exempt
 MSHDA No. 4062
 Step Modification
 Date: 07/19/2024
 Type: New Construction

	Mortgage				Board				Difference				
	Mod Per Unit	Mod Total	Tax Credit Basis	Included in Basis	Approved Per Unit	Approved Total	Included in Basis	Difference Mod Per Unit	Difference Mod Total	Difference Tax Credit Basis	Difference Included in Basis	Difference Mod Per Unit	Difference Mod Total
TOTAL DEVELOPMENT COSTS													
Acquisition													
Land	24,000	6,000,000	0	0	24,000	6,000,000	0	0	0	0	0	0	0
Existing Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0
Other: Carry	0	0	0	0	3,020	757,288	0		(757,288)				
Subtotal	24,000	6,000,000	0	0	27,020	6,757,288	0		(757,288)				
Construction/Rehabilitation													
Off Site Improvements	0	0	0	0	1,000	250,000	250,000		(250,000)				
On Site Improvements	9,920	2,482,283	2,482,283	12,291	3,070,304	3,070,304			(588,021)				
Landscaping and Irrigation	641	160,321	160,321	962	240,540	240,540			(80,219)				
Structures	165,812	41,463,075	41,463,075	150,555	37,640,828	37,640,828			3,812,447				
Community Building and/or Maintenance Facility	0	0	0	0	0	0			0				
Construction not in Tax Credit Basis (i.e. Carports)	0	0	0	0	0	0			0				
General Requirements % of Contract 6.00%	10,583	2,645,740	2,645,740	9,888	2,472,088	2,472,088			173,652				
Builder Overhead % of Contract 2.00%	3,739	934,828	934,828	3,494	873,471	873,471			61,357				
Builder Profit % of Contract 6.00%	11,442	2,880,574	2,880,574	10,691	2,672,822	2,672,822			187,752				
Bond Premium, Tap Fee, Cost Cert	2,527	631,710	631,710	64	16,000	16,000			615,710				
Other:													
Subtotal	204,874	51,168,531	51,168,531	188,943	47,235,953	47,235,953			3,932,578				
Professional Fees													
Design Architect Fees	3,535	893,782	893,782	3,536	893,782	893,782			0				
Supervisory Architect Fees	1,112	278,000	278,000	1,112	278,000	278,000			0				
Engineering/Survey	400	100,000	100,000	400	100,000	100,000			0				
Legal Fees	761	190,259	190,259	761	190,259	190,259			0				
Subtotal	5,808	1,462,041	1,462,041	5,808	1,462,041	1,462,041			0				
Interim Construction Costs													
Property and Casualty Insurance	2,880	670,000	670,000	1,207	301,867	301,867			368,133				
Construction Loan Interest	11,004	2,773,399	2,773,399	13,654	3,413,491	2,214,198			(640,002)				
Title Work	400	100,000	100,000	200	50,000	50,000			60,000				
Construction Taxes	3	771	771	3	771	771			0				
Perms and L	10,223	2,655,746	2,655,746	13,737	3,434,128	3,434,128			(678,382)				
Subtotal	24,400	6,099,916	6,099,916	28,001	7,200,297	6,000,000			(1,100,341)				
Permanent Financing													
Loan Commitment Fee to MSHDA	2%	5,168	1,291,893	0	5,000	1,249,023			41,870				
Other:													
Subtotal	5,168	1,291,893	1,291,893	5,000	1,249,023	1,249,023			41,870				
Other Costs (In Basis)													
Application Fee	8	2,000	2,000	8	2,000	2,000			0				
Market Study	26	6,500	6,500	26	6,500	6,500			0				
Environmental Studies	418	104,555	104,555	418	104,555	104,555			0				
Cost Certification	64	16,000	16,000	64	16,000	16,000			0				
Equipment and Furnishings	316	79,000	79,000	316	79,000	79,000			0				
Temporary Tenant Relocation	0	0	0	0	0	0			0				
Construction Contingency	15,761	3,940,262	3,940,262	14,171	3,542,689	3,542,689			397,573				
Appraisal and C.N.A.	24	6,000	6,000	24	6,000	6,000			0				
Other: Design	80	20,000	20,000	80	20,000	20,000			0				
Subtotal	16,697	4,174,217	4,174,217	15,107	3,776,744	3,776,744			397,473				
Other Costs (NOT In Basis)													
Start-Up and Organization	0	0	0	0	0	0			0				
Tax Credit Fee (based on 2022 QAP)	174,021	4,000	4,000	640	159,070	0			14,051				
Compliance Monitoring Fee (based on 2022 QAP)	475	118,750	0	475	118,750	0			0				
Marketing Expense	144	36,947	0	144	36,947	0			0				
Syndication Legal Fee	280	70,000	0	280	70,000	0			0				
Rent Up Allowance	13.0 months	10,463	2,623,374	0	10,463	2,623,374			0				
Other:													
Subtotal	17,588	3,022,952	3,022,952	12,032	3,008,041	3,008,041			14,051				

Summed Acquisition Price	As of 01/00/00	Construction Loan Term
Attributed to Land	1st Mortgage Balance	Months
Attributed to Existing Structure	Subordinate Mortgage(s)	24
Other: Carrying costs (Taxes, Insurance)	Subordinate Mortgage(s)	12
Fixed Price to Seller	Subordinate Mortgage(s)	37
Premium/Deficit vs Existing Debt		

Appraised Value	Value As of 12/17/2022
Encumbered As-is value as determined by appraisal	6,175,000
Plus 5% of Appraised Value	0
LESS: Fixed Price to the Seller	6,000,000
Surplus/Gap	175,000

	Mortgage	Mortgage	Included in	Board	Board	Included in	Difference
	Mod Per Unit	Mod Total	Tax Credit Basis	Approved Per Unit	Approved Total	Tax Credit Basis	Mod Per Unit
Project Reserves							
Operating Assurance Reser	40 months	Funded in Cap	5,544	1,388,073	0	5,544	1,388,073
Replacement Reserve	Net Required	0	0	0	0	0	0
Operating Deficit Reserve	0	0	0	0	0	0	0
Rent Subsidy Reserve	0	0	0	0	0	0	0
Syndicate Hold Reserve	0	0	0	0	0	0	0
Rent Lag Escrow	0	0	0	0	0	0	0
Tax and Insurance Escrows	0	0	0	0	0	0	0
Other:							
Subtotal	5,544	1,388,073	0	5,544	1,388,073	0	0
Miscellaneous							
Deposit to Development Operating Account (1st)	Net Required	0	0	0	0	0	0
Other (In Basis): Carrying Costs	3,900	975,000	975,000	0	0	0	975,000
Other (In Basis):							
Subtotal	3,900	975,000	975,000	0	0	0	975,000

Total Acquisition Costs	Total Construction Hard Costs	Total Non-Construction ("Soft") Costs	Developer Overhead and Fee
24,000	6,000,000	27,020	6,757,288
204,674	51,168,531	188,943	47,235,953
73,606	18,401,332	72,292	18,073,078
8,400	2,100,000	8,400	2,100,000
7.5% of Acquisiow/Project Reserves	Override	5% Attribution Test	net
15% of All Other Development Costs	2,100,000		
	LHITC Basis		LHITC Basis
	65,969,905	296,665	74,158,219
			64,994,805

MSHDA Permanent Mortgage	MSHDA Home Mortgage	MSHDA Mortgage Resource Funds	MSHDA TACAP	MSHDA Housing Trust Funds	MSHDA CERA	MSHDA HOME-AR P	MSHDA HCDF	Local HOME	Income from Operations	Other Equity	GP Capital Contribution	Transferred Reserves	Other:	Other: Letter	Deferred Developer Fee	Total Permanent Sources
45.21%	29.88%	0.00%	0.00%	0.00%	1.67%	5.73%	11.77%	0.00%	1.27%	0.00%	0.00%	0.00%	3.98%	0.00%	1.50%	77,663,963
140,783	35,195,863	86,730	22,427,491	36,564	5,200	17,814	36,564	0	3,935	0	0	0	12,000	0	4,072	118,009
140,783	35,195,863	82,361	20,960,231	36,564	5,200	17,814	36,564	0	3,935	100	0	0	3,000,000	0	1,168,009	55.62%
																74,158,219

Eligible Basis for LHITC/CAP	Value of LHITC/CAP
Acquisition	0
Construction	65,969,905
Acquisition Credit %	4.00%
Rehab/New Const Credit %	4.00%
Qualified Percentage	###
QC/TODA Basis Boost	100%
Histort?	No

Initial Owner's Equity Calculation	
Equity Contribution from Tax Credit Syndication	22,427,491
Brownfield Equity	
Histort Tax Credit Equity	
General Partner Capital Contributions	
Other Equity Sources	
New Owner's Equity	22,427,491

Existing Reserve Analysis	
DCE Inbre	0
Insurance	0
Taxes	0
Rep. Reser	0
ORC	0
DCE Princ	0
Other:	0

Operating Proforma



Cash Flow Projections

	Initial Inflator	Starting in Yr	Future Inflator	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
				11	12	13	14	15	16	17	18	19	20
Income													
Annual Rental Income	1.0%	6	2.0%	5,244,968	5,349,867	5,456,865	5,566,002	5,677,322	5,790,868	5,906,686	6,024,819	6,145,316	6,268,222
Annual Non-Rental Income	1.0%	6	2.0%	69,288	70,674	72,087	73,529	74,999	76,499	78,029	79,590	81,182	82,806
Total Project Revenue				5,314,256	5,420,541	5,528,952	5,639,531	5,752,321	5,867,368	5,984,715	6,104,410	6,226,498	6,351,028
Expenses													
Vacancy Loss	8.0%	6	5.0%	262,248	267,493	272,843	278,300	283,866	289,543	295,334	301,241	307,266	313,411
Management Fee	3.0%	1	3.0%	213,011	219,401	225,983	232,763	239,745	246,938	254,346	261,976	269,836	277,931
Administration	3.0%	1	3.0%	537,567	553,694	570,304	587,413	605,036	623,187	641,883	661,139	680,973	701,402
Project-paid Fuel	3.0%	6	3.0%	0	0	0	0	0	0	0	0	0	0
Common Electricity	4.0%	6	3.0%	70,447	72,560	74,737	76,979	79,289	81,667	84,117	86,641	89,240	91,917
Water and Sewer	5.0%	6	5.0%	127,868	134,262	140,975	148,023	155,425	163,196	171,356	179,923	188,920	198,366
Operating and Maintenance	3.0%	1	3.0%	571,164	588,299	605,948	624,127	642,851	662,136	682,000	702,460	723,534	745,240
Real Estate Taxes	5.0%	1	5.0%	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)				0	0	0	0	0	0	0	0	0	0
Insurance	3.0%	1	3.0%	120,415	124,027	127,748	131,581	135,526	139,594	143,782	148,095	152,538	157,114
Replacement Reserve	3.0%	1	3.0%	117,593	121,120	124,754	128,497	132,352	136,322	140,412	144,624	148,963	153,432
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Subtotal: Operating Expenses				2,020,313	2,080,857	2,143,293	2,207,683	2,274,091	2,342,584	2,413,230	2,486,100	2,561,269	2,638,813
Debt Service													
Debt Service Part A				2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0
Total Expenses				4,530,698	4,591,242	4,653,678	4,718,068	4,784,476	4,852,969	4,923,615	4,996,485	5,071,655	5,149,198
Cash Flow/(Deficit)			6,738,557	783,558	829,299	875,273	921,463	967,845	1,014,399	1,061,100	1,107,924	1,154,843	1,201,829
Cash Flow Per Unit				3,134	3,317	3,501	3,686	3,871	4,058	4,244	4,432	4,619	4,807
Debt Coverage Ratio on Part A Loan				1.31	1.33	1.35	1.37	1.39	1.40	1.42	1.44	1.46	1.48
Debt Coverage Ratio on Conventional/Other Financing				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Interest Rate on Reserves **3%**

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.00												
Maintained Operating Reserve (No Hard Debt)	250												
Initial Balance	0	Initial Deposit	0	0	0	0	0	0	0	0	0	0	0
Total Annual Draw to achieve 1.0 DCR	0		0	0	0	0	0	0	0	0	0	0	0
Total Annual Deposit to achieve Maintained DCR	0		0	0	0	0	0	0	0	0	0	0	0
Total 1.0 DCR and Maintained DCR	0		0	0	0	0	0	0	0	0	0	0	0
Interest	0		0	0	0	0	0	0	0	0	0	0	0
Ending Balance at Maintained DCR	0		0	0	0	0	0	0	0	0	0	0	0
Maintained Cash Flow Per Unit	3,134		3,317	3,501	3,686	3,871	4,058	4,244	4,432	4,619	4,807		
Maintained Debt Coverage Ratio on Part A Loan	1.31		1.33	1.35	1.37	1.39	1.40	1.42	1.44	1.46	1.48		
Maintained Debt Coverage Ratio on Conventional/Other	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Standard ODR	0												
Non-standard ODR	0												

Operating Assurance Reserve Analysis

Required in Year:	1	Initial Deposit	1,386,073										
Initial Balance		1,386,073	1,862,766	1,918,649	1,976,209	2,035,495	2,096,560	2,159,457	2,224,240	2,290,968	2,359,697	2,430,488	2,430,488
Initial Income			55,883	57,559	59,286	61,065	62,897	64,784	66,727	68,729	70,791	72,915	72,915
Ending Balance			1,918,649	1,976,209	2,035,495	2,096,560	2,159,457	2,224,240	2,290,968	2,359,697	2,430,488	2,503,402	2,503,402

Deferred Developer Fee Analysis

Initial Balance	0		0	0	0	0	0	0	0	0	0	0	0
Dev Fee Paid	0		0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	Repaid in Year: 2028	0	0	0	0	0	0	0	0	0	0	0

Mortgage Resource Fund Loan

Interest Rate on Subordinate Financing	3%	Initial Balance	1,300,000										
Principal Amount of all MSHDA Soft Funds			0	0	0	0	0	0	0	0	0	0	0
Current Yr Int			0	0	0	0	0	0	0	0	0	0	0
Accrued Int			0	0	0	0	0	0	0	0	0	0	0
Subtotal		% of Cash Flow	0	0	0	0	0	0	0	0	0	0	0
Annual Payment Due		50%	0	0	0	0	0	0	0	0	0	0	0
Year End Balance			0	0	0	0	0	0	0	0	0	0	0

Other Subordinate MSHDA Financing

Interest Rate on Subordinate Financing	1%	Initial Balance	16,594,672										
Principal Amount of all MSHDA Soft Funds			16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,526,119	16,184,181	15,815,473	15,419,665	14,996,440
Current Yr Int			165,947	165,947	165,947	165,947	165,947	165,947	165,261	161,842	158,155	154,197	149,964
Accrued Int			1,290,433	1,064,600	815,898	544,208	249,423	0	0	0	0	0	0
Subtotal		% of Cash Flow	18,051,051	17,825,219	17,576,517	17,304,827	17,010,042	16,691,381	16,346,023	15,973,627	15,573,862	15,146,405	14,721,405
Annual Payment Due		50%	391,779	414,649	437,637	460,731	483,923	507,200	530,550	553,962	577,422	600,915	600,915
Year End Balance			17,659,272	17,410,570	17,138,880	16,844,095	16,526,119	16,184,181	15,815,473	15,419,665	14,996,440	14,545,490	14,096,440

Operating Proforma



Cash Flow Projections

Development Union at A2
 Financing Tax Exempt
 MSHDA No. 4082
 Step Commitment
 Date 04/18/2024
 Type New Construction

	Initial Inflator	Starting in Yr	Future Inflator	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
				1	2	3	4	5	6	7	8	9	10	
Income														
Annual Rental Income	1.0%	6	2.0%	4,475,652	4,520,409	4,565,613	4,611,269	4,657,381	4,750,529	4,845,540	4,942,450	5,041,299	5,142,125	
Annual Non-Rental Income	1.0%	6	2.0%	59,125	59,716	60,313	60,917	61,526	62,756	64,011	65,292	66,597	67,929	
Total Project Revenue				4,534,777	4,580,125	4,625,926	4,672,185	4,718,907	4,813,285	4,909,551	5,007,742	5,107,897	5,210,055	
Expenses														
Vacancy Loss	8.0%	6	5.0%	358,052	361,633	365,249	368,901	372,591	237,526	242,277	247,123	252,065	257,106	
Management Fee	3.0%	1	3.0%	158,500	163,255	168,153	173,197	178,393	183,745	189,257	194,935	200,783	206,807	
Administration	3.0%	1	3.0%	400,000	412,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909	
Project-paid Fuel	3.0%	6	3.0%	0	0	0	0	0	0	0	0	0	0	
Common Electricity	4.0%	6	3.0%	50,432	52,449	54,547	56,729	58,998	60,768	62,591	64,469	66,403	68,395	
Water and Sewer	5.0%	6	5.0%	78,500	82,425	86,546	90,874	95,417	100,188	105,198	110,457	115,980	121,779	
Operating and Maintenance	3.0%	1	3.0%	425,000	437,750	450,883	464,409	478,341	492,691	507,472	522,696	538,377	554,529	
Real Estate Taxes	5.0%	1	5.0%	0	0	0	0	0	0	0	0	0	0	
Payment in Lieu of Taxes (PILOT)				250	0	0	0	0	0	0	0	0	0	
Insurance	3.0%	1	3.0%	89,600	92,268	95,057	97,908	100,846	103,871	106,987	110,197	113,503	116,908	
Replacement Reserve	3.0%	1	3.0%	87,500	90,125	92,829	95,614	98,482	101,436	104,480	107,614	110,842	114,168	
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0	
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0	
Subtotal: Operating Expenses				1,647,834	1,691,925	1,737,623	1,784,723	1,833,272	1,743,936	1,795,883	1,849,441	1,904,662	1,961,601	
Debt Service														
Debt Service Part A				2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	2,510,385	
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0	
Total Expenses				4,158,219	4,202,310	4,248,008	4,295,108	4,343,657	4,254,321	4,306,268	4,359,826	4,415,047	4,471,986	
Cash Flow/(Deficit)				6,738,557	376,558	377,815	377,918	377,077	375,250	558,964	603,283	647,916	692,850	738,069
Cash Flow Per Unit				1,506	1,511	1,512	1,508	1,501	2,236	2,413	2,592	2,771	2,952	
Debt Coverage Ratio on Part A Loan				1.15	1.15	1.15	1.15	1.15	1.22	1.24	1.26	1.28	1.29	
Debt Coverage Ratio on Conventional/Other Financing				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Interest Rate on Reserves **3%**

Average Cash Flow as % of Net Income

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.00												
Maintained Operating Reserve (No Hard Debt)	250												
Initial Balance	Initial Deposit	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Draw to achieve 1.0 DCR	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Deposit to achieve Maintained DCR	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 1.0 DCR and Maintained DCR	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance at Maintained DCR	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintained Cash Flow Per Unit	1,506	1,511	1,512	1,508	1,501	2,236	2,413	2,592	2,771	2,952			
Maintained Debt Coverage Ratio on Part A Loan	1.15	1.15	1.15	1.15	1.15	1.22	1.24	1.26	1.28	1.29			
Maintained Debt Coverage Ratio on Conventional/Other Standard ODR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Non-standard ODR	0	0											

Operating Assurance Reserve Analysis

Required in Year:	1	1,386,073								
Initial Deposit	1,386,073									
Initial Balance	1,386,073	1,427,655	1,470,485	1,514,599	1,560,037	1,606,839	1,655,044	1,704,695	1,755,836	1,808,511
Interest Income	41,582	42,830	44,115	45,438	46,801	48,205	49,651	51,141	52,675	54,255
Ending Balance	1,427,655	1,470,485	1,514,599	1,560,037	1,606,839	1,655,044	1,704,695	1,755,836	1,808,511	1,862,766

Deferred Developer Fee Analysis

Repaid in Year:	2028									
Initial Balance	1,680,000	1,303,442	925,628	547,710	170,633	0	0	0	0	0
Dev Fee Paid	376,558	377,815	377,918	377,077	170,633	0	0	0	0	0
Ending Balance	1,303,442	925,628	547,710	170,633	0	0	0	0	0	0

Mortgage Resource Fund Loan

Interest Rate on Subordinate Financing	3%	Initial Balance	1,300,000									
Principal Amount of all MSHDA Soft Funds			1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,066,893	797,258	497,218	165,709
Current Yr Int			39,000	39,000	39,000	39,000	39,000	39,000	32,007	23,918	14,917	4,971
Accrued Int			0	39,000	78,000	117,000	156,000	7,375	0	0	0	0
Subtotal		% of Cash Flow	1,339,000	1,378,000	1,417,000	1,456,000	1,495,000	1,346,375	1,098,900	821,176	512,134	170,680
Annual Payment Due		50%	0	0	0	0	187,625	279,482	301,642	323,958	346,425	170,680
Year End Balance			1,339,000	1,378,000	1,417,000	1,456,000	1,307,375	1,066,893	797,258	497,218	165,709	0

Other Subordinate MSHDA Financing

Interest Rate on Subordinate Financing	1%	Initial Balance	16,594,672									
Principal Amount of all MSHDA Soft Funds			16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672	16,594,672
Current Yr Int			165,947	165,947	165,947	165,947	165,947	165,947	165,947	165,947	165,947	165,947
Accrued Int			0	165,947	331,893	497,840	663,787	829,734	995,680	1,161,627	1,327,574	1,493,520
Subtotal		% of Cash Flow	16,760,619	16,926,565	17,092,512	17,258,459	17,424,406	17,590,352	17,756,299	17,922,246	18,088,192	18,254,139
Annual Payment Due		50%	0	0	0	0	0	0	0	0	0	369,035
Year End Balance			16,760,619	16,926,565	17,092,512	17,258,459	17,424,406	17,590,352	17,756,299	17,922,246	18,088,192	17,885,105