

**NORTH POINT 23
Cold Spring, MN.**

Tax Increment Financing Application

Submitted: 5-18-2016

Owner:

**Alpha Real Estate Associates, Inc
Or Its Assigns (Investors)
20 Red River Ave S, Suite 230
Cold Spring, MN 56320**

Developer:

**Alpha Development
20 Red River Ave S, Suite 230
Cold Spring, MN 56320
320.685.7050**

May 18, 2016

To: City of Cold Spring and EDA

RE: North Point 34

Enclosed is a Tax Increment Financing (TIF) proposal for the North Point 34 Housing Project located in North Point four. The project will consist of 34 units of two and three bedroom apartments at market rate to be duplicated with future demand. Also future development would encompass single family lots and multiple upscale town homes.

The overall project cost is estimated at \$4,450,000.00 which includes all estimated construction, financing, and soft costs. The overall project cost is \$108,000 per unit. Overall construction related cost (building, contingency, contractor and architect fee) is approximately \$120.00 per square foot, which compares favorably to the RS Means average for projects of this type.

Rental income is derived by the above reference mix of units. Unit lease prices are based upon current market rates with 20% requirement to be at affordable rates.

Financing is expected to take the form of commercial financing with permanent markets allowing 30-year amortizations. Typical variable rates for these this type of funding ranges from 3.75% to 5.50%, depending on market conditions, and repriced weekly. Current rates are around 3.95%, for qualified projects under long term structure which is what we have used in our analysis. Historical variable rates have been around 5.0%, which means that rates are currently very favorable. Based upon this financing around 90% LTV of all costs under a 30-year amortization structure yields annual debt service payments of \$240,000.00.

Based upon estimate revenues and expenses, the project is anticipated to generate positive cash flow with resulting debt service coverage of 1.29 times. This cash flow assumes tax exempt status for the property, full occupancy based upon market pressures and strong need for additional housing,

If you have any questions relate to this proposal, please contact me.

Sincerely,

Reggie Fraley
Alpha Development

CITY OF COLD SPRING

ZONING MAP

JANUARY 2010



LEGEND

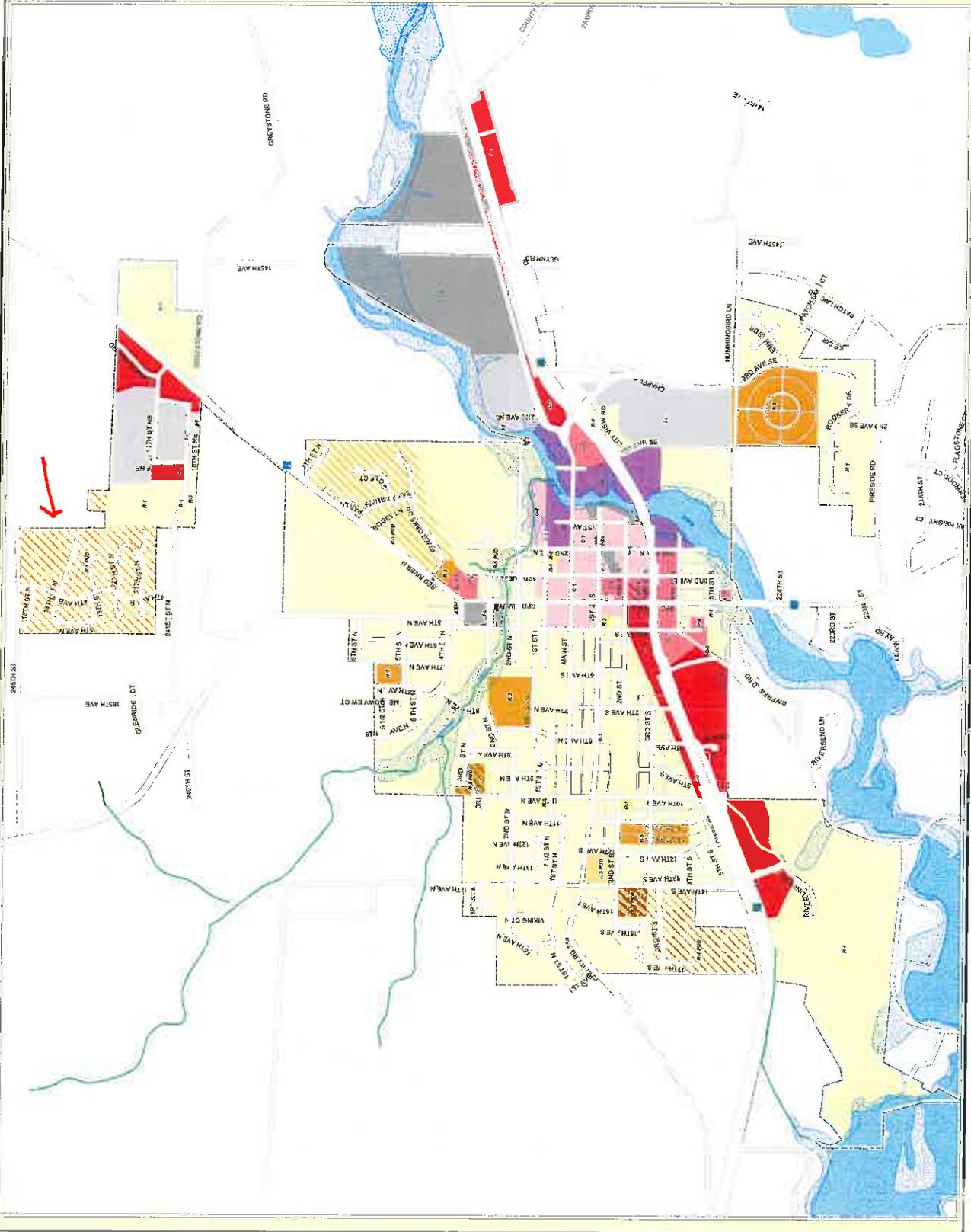
ZONING DESIGNATIONS	
C-1 - DOWNTOWN COMMERCIAL	
C-2 - FRINGE COMMERCIAL	
C-2 PUD	
C-3 - HIGHWAY COMMERCIAL	
I-1 - LIMITED INDUSTRIAL COMMERCIAL	
I-2 - GENERAL INDUSTRIAL	
R-1 - LOW DENSITY RESIDENTIAL DISTRICT	
R-1 PUD	
R-2 - MEDIUM DENSITY RESIDENTIAL DISTRICT	
R-2 PUD	
R-3 - HIGH DENSITY RESIDENTIAL DISTRICT	
R-3 PUD	
RF - RIVERFRONT COMMERCIAL	
FP - FLOOD PLAIN DISTRICT	

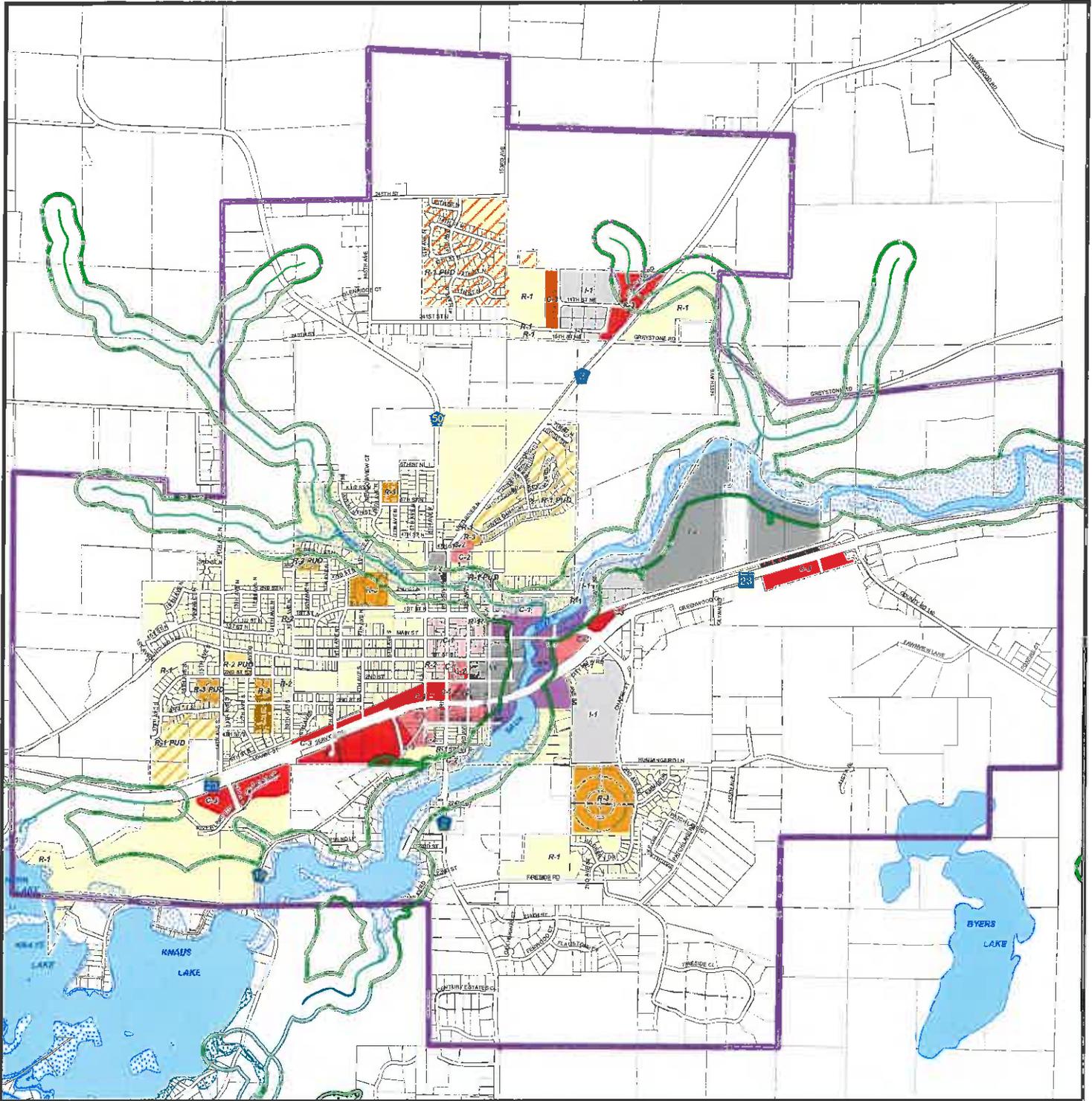
BASEMAP FEATURES	
	CITY BOUNDARY
	RIGHT OF WAY
	RIVERS/LAKES
	CREEK/STREAM

Scale: 1" = 200'

20000' 100' 500' 1000'

Bonestroo





City of Cold Spring

Map 5-1 Zoning Map



Feet
1,000 500 0 1,000

Zoning

	C-1 - DOWNTOWN COMMERCIAL	29.8 Acres
	C-2 - FRINGE COMMERCIAL	34.8 Acres
	C-2 PUD	1.8 Acres
	C-3 - HIGHWAY COMMERCIAL	121.5 Acres
	I-1 - LIMITED INDUSTRIAL COMMERCIAL	93.6 Acres
	I-2 - GENERAL INDUSTRIAL	142.9 Acres
	R-1 - LOW DENSITY RESIDENTIAL DISTRICT	946.8 Acres
	R-1 PUD	170.8 Acres
	R-2 - MEDIUM DENSITY RESIDENTIAL DISTRICT	2.6 Acres
	R-2 PUD	5.2 Acres
	R-3 - HIGH DENSITY RESIDENTIAL DISTRICT	56.8 Acres
	R-3 PUD	7.7 Acres
	RF - RIVERFRONT COMMERCIAL	45.8 Acres
	SHORELAND OVERLAY DISTRICT	935.4 Acres
	FP - FLOOD PLAIN DISTRICT	355.9 Acres

Acreage in Growth Area

Percentage

1.8 %
2.1 %
0.1 %
7.3 %
5.6 %
8.6 %
57.0 %
10.3 %
0.2 %
0.3 %
3.4 %
0.5 %
2.8 %

2007 Comprehensive Plan

Base Legend

- Streams
- Growth Boundary
- Water



Beonstree
Williamson
Kotsmith
Engineers + Architects
Surveyors



GROUP
ECTS
Cloud, MN 55301
6020

NORTH POINT APARTMENT

COLD SPRING, MN.

AL

MICK
CONST
INC.
2552 GRANITE VIEW BOA
WAYE PARK, MINNESOTA
PHONE (625) 955-1115

CONCEPT SKETCH PLAN



CONCEPT DATA	
Gross Site Area:	11.1 ac
Perimeter Road ROW:	0.9 ac
245th Street	0.5 ac
15th Ave	0.4 ac
Net Developable Area:	10.2 ac
Pending:	0.8 ac
Net Developed Area:	9.4 ac
Proposed Single Fam Lots:	7 lots
<i>75' wide x 125' deep min</i>	
Proposed Townhomes:	22 units
<i>30' wide x 40' deep as shown</i>	
Proposed Apartments:	67 units
<i>3 story w/ 2-car garage & lower level</i>	
Proposed Apartment Footprints:	
From Sidewalk to R/W:	25' min
Sidewalk to perimeter Street:	25' min
Max. Sign Drive way length:	25' min
Max. Sign to Building Face:	25' min
Overall Gross Density:	8.6 u/g/ac
<i>10 units / 11.1 ac</i>	
Overall Net Density:	9.4 u/g/ac
<i>10 units / 10.2 ac</i>	
Aerial photography from State of Minnesota. Topography from State LIDAR	

Westwood
509-2016 CUM
2023/24

NORTH POINTE PROPERTY COLD SPRING, MN



North Point 34 Cold Spring, MN

Executive Summary

With City Council approval of the presented TIF application for Alpha Real Estate Associates, Inc., or its assigns, the community will see an under-utilized area develop into a strong well designed urban area that would be favorable and compliant within a newly rezoned property in the City's comprehensive plan. The public will indirectly experience the creation of new jobs as businesses will have housing choices available to their new employees. Businesses will see additional increased traffic and incremental sales with dollars being spent in our community, The City will see an increase in its immediate tax base with a significant long term net present value increase in its tax capacity needed to facilitate further growth for our community (**Tax Capacity Calculation and Net Present Value of 19-year TIF approval**)

Paying close attention to guidelines of state TIF legislative restrictions and the city of Cold Spring's Municipal Policy on TIF, this project is a fantastic candidate for use of TIF funding to facilitate redevelopment and economic growth for our citizen's benefit. As demonstrated, this project qualifies in 8 of the 9 eligible uses for TIF of which only 1 of 9 is required to qualify per policy. This application also demonstrates that the investors are if they had to leverage personal assets to fund the \$400,000 TIF funds they would receive a minimal return of 6.14% with sub-standard debt service requirement at 1.13 times which would not allow them to receive bank approval for this project without investing significantly more cash which in return would reduce the return even weaker than the 6.14% calculated. In order to make this project in a smaller rural Minnesota town economically feasible the City of Cold Spring could approve the request for Tax Increment Financing program such that the owners can justify placing their capital and privatized debt structure into an infrastructure that will benefit all members of this community. Attempts at value engineering the project to reduce essentials that make the project attractive to outside business to begin or relocate to our community have still left a deficiency from an investor and economic view. However, as verified in this application, the project can reach its potential with all of the benefits to this community with a small investment under a TIF program approved by City Council such that the investor can utilize a discounted Net Present Value of the TIF annuity stream to fund the \$400,000 of needed capital at reduced interest rates over the 19-years. This would bring the return on cash invested to 13.72% cash on cash return and a debt service coverage ratio of 1.29 times versus bank requirements at 1.25 times.

Alpha Development has demonstrated past successes within the development industry and is committed to making the North Point 34 a win-win situation for all involved. So who wins with approval of this TIF application? This report makes obvious the betterment for the city of Cold Spring. One of the recent residential growth area's of the City, North Point, will add a diversity of housing options creating a more versatile community for

business and quality of life. The City will assist in the economic growth of our businesses by participating in a program that allows a deficiency in the local market to be filled, partners in design and construction will earn a fair wage, tenants to the new facility will enjoy a beautiful facility at a fair market rate allowing increased number of jobs and more diversity in our local offerings, the owners will earn a fair rate of return on their investment and the city of Cold Spring will receive significant long term gains in tax base and downtown improvement.

Outline review shows:

1. Application is eligible.
2. Application meets 8 of 9 eligible uses for TIF financing where only one is required.
3. Cash flow deficiencies that can be overcome with the approval.
4. Long term benefits to the city's tax base.
5. Long term benefits to all members of our community.

Thank you for your timely review of our request. We are anxious to begin construction early this summer.

North Point 34

Cold Spring, MN

Does this project qualify?

Following in outline form are responses to specific criteria identified in the “City of Cold Spring Municipal Policy Number 2500 Policy on Tax Increment Financing Projects”.

As a matter of adopted policy, the City of Cold Spring will consider using Tax Increment Financing (TIF) to assist private developments only in those circumstances in which the proposed private projects meet one or more of the following uses:

1. To redevelop blighted or under-utilized areas of the City.

The land is currently under-utilized in that the number of single family lots in the Cold Spring market is saturated causing this development to stagnate. The demand for multi-housing is however a very needed opportunity in the Cold Spring market. (Exhibit = City of Richmond recent Housing Study). Reference to Richmond Housing Study? With modification of the City Comprehensive Plan and Zoning to accommodate Residential multi-housing with approved TIF district this land can move forward offering an opportunity to the community that is in demand.

2. To meet the following housing-related uses:
 - A. To provide a diversity of housing adjacent to the downtown area.
 - B. To provide a variety of housing ownership, alternatives and housing choices.
 - C. To promote affordable housing for low and moderate income individuals.
 - D. To promote neighborhood stabilization and revitalization by removal of blight and incompatible land uses and upgrading the existing housing stock in residential areas.
 - E. To fill identified and unmet housing needs of the City.

The land for this project is currently vacant Outlot land. (Proposed Site Plan – Attached). The Cold Spring Comprehensive Plan has the usage of this property identified as residential (Current Zoning Map). This project will require changing the use to R3 – Multi-housing Tax Increment District and will thereby assist in meeting an unmet housing need in the Cold Spring market.

3. To remove structural deterioration and encourage redevelopment in commercial and industrial areas of the City in order to encourage high levels of property maintenance and private reinvestment in those areas.

This section is not applicable to our application as we are not industrial.

4. To increase the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents while lessening the reliance on residential property tax.

The tax base will increase dramatically by adding a new dimension to applicable types of housing the City. The attached Tax Capacity Worksheet details the considerable tax base increase over the next 25 years even with the city extending TIF assistance to this project.

5. To retain local jobs, increase the local job base, and provide diversity of employment opportunities in the City and surrounding area.

As our local businesses continue to grow there is a defined shortage of housing opportunities for the new employment growth. The addition of available quality rental units in the community will assist in attracting new job applicants to our City to assist our local businesses.

6. To expand the industrial, commercial and service related market potential of existing businesses in the City.

Again, this opportunity will have an indirect effect on these markets as one of the largest deficiencies this market has is the availability of transitional living. This will increase the markets ability to bring new employees to the market as they will have available temporary housing while the assimilate to our community.

7. To provide essential public services that are not present in the City or need to be expanded to meet growing needs.

By approving this district, the applicant will install streets and public utilities that will be dedicated to the City upon completion.

8. To accelerate the development/redevelopment process and to achieve development on sites which would not be developed without public assistance.

This project was originally structured to be constructed with only private funding. As we have received actual costs it has become increasingly clear that the project as defined can not happen without assistance. Attached are two models demonstrating the feasibility of this project. The first shows a cash flow model without a TIF district approved and represents a weak return on investment and a sub-standard debt service coverage ratio which would not meet bank requirements at a 1.25 times ratio coming in at 6.14% return and a 1.13 times coverage. However, if the City participates by approving a TIF district the project will improve to 13.72% return and will meet coverage ratios with a 1.29 times ratio.

9. To meet other uses of public policy, which may be adopted by the City Council from time to time, including the promotion of: quality urban design, environmental clean-up, energy conservation, decreasing the capital and operating costs of local government and the prudent use of municipal resources.

The North Point 34 is designed to add high quality urban design to the City as shown on the elevations presented. The project will be built to achieve high energy ratings for the tenants. Streets and utilities are being put into place using City design requirements paid for in the project and would then be dedicated to the City for public use.

Alpha Real Estate Associates, Inc.		Mick Const
NORTH POINT 34		5/18/2016
Contract Division	Ref	Budget
Permitting and Fees		
Supply City Permit - Based on S	1	15,089
SAC and WAC Fee - 50	27	141,599
Park Dedication Fees		22,625
City Engineering services - 75		75,000
Professional Fees		
Site Survey - Boundaries - 25	70	30,000
Civil Engineering Services - 25		30,000
Engineering Services - Compaction Testing	6	6,300
Soil borings - 10		12,500
Geotechnical Report - 10		12,500
Project Staking & Site Survey	17 & 70	8,500
Insurances		
Builders Risk Insurance	50	5,400
Management		
Site Supervisor (1120hr @ 75) (Terry mic)	82	74,250
Project Manager (460hr @ 75)		
Site Items		
Construction Waste Management and Disposal (30 yard dumpsters)	75	10,800
Daily Cleanup and sweeping of site	99	4,500
Outside Lights and Posts	39	26,100
Drain Tile	42	14,400
Temp Heat	73	24,300
Temp Electric	51	3,600
Misc. Lettering	77	2,250
Misc. Nails, Plan Copies, Temp Phone, Forklift, Legal	85-91	9,630
Signs	83	9,000
Mail Box System	81	2,588
Parking Lot Stripping	63	4,500
Landscape Sod Seed Allowance	33	27,000
Lawn Sprinkler System	16	13,500
Closeout and Punchlist		
Final Cleaning	46	12,600
		\$598,530
Cast-in-place Concrete - Footings		
Stonework materials & Labor	7	18,000
Gypsum Cement Underlayment	68	18,900
		\$36,900
Unit Masonry - Block Foundation		
	5	189,000
		\$189,000
Structural Metal		
Railing Allowance and refuse gate	37	4,500
	44	21,600
		\$26,100
Rough Carpentry - Labor		
Rough Carpentry - Material	48	163,800
Finish Carpentry - Labor	12	351,000
Finish Carpentry - Material	74	32,400
Counter Tops		0
Architectural Woodwork	14	13,050
	13	74,250
		\$634,500
Fluid-Applied Waterproofing - Elevator Pit Only		
Building Blanket Insulation - Exterior and Interior	64	585
Shingle and Tile Roofing	21	87,750
Siding	38	14,400
Stucco	76	126,000
Roofing Labor	97	1,350
	84	13,500
		\$243,585
Metal Frames and Doors		
Aluminum Entrance Door	41	54,000
Schlage Door Systems	98	9,000
Overhead Doors - Rollup doors	52	22,050
Entrances, Storefronts and Curtain Walls		
Granite Window Sills	15	11,543
Windows		
		\$96,593

Gypsum Board Assemblies	8	135,000
Sheet Rock Material RC Channel	31	63,000
Tiling - Floor and Wall		
Acoustic Ceilings	20	3,780
Flooring Allowance	28	67,050
Resilient Flooring		
Carpet Flooring		
Painting and Coatings		
		\$268,830
Toilet, Bath and Laundry Accessories		
Metal Closet Shelves	30	9,900
		\$9,900
Residential Appliances	29	90,540
Exercise Equipment	110	13,500
		\$104,040
Window Treatments	67	6,750
		\$6,750
Elevators	54	65,700
		\$65,700
Fire Suppression	9	49,500
Fire Equipment	66	2,070
		\$51,570
Plumbing, Piping and Equipment	10	288,000
		\$288,000
HVAC		
		\$0
Electrical	23	157,500
		\$157,500
Data Communications	43	37,800
		\$37,800
Electronic Detection - Fire Alarm	53	23,400
		\$23,400
Earthwork		
		\$0
Bases, Ballasts and Paving - Parking Lot	4	
Curb and Gutter	4	
Planting & Irrigation	25	50,400
		\$50,400
Utilities - Water, Sewer and Storm Drainage	4	
Cleaning Grubbing	3	13,500
Water Meter Est	24	2,250
		\$15,750
Subtotal Construction =		\$2,904,847
Site Development Costs:		
Street improvements - 1250 feet @ 150	4	
Sanitary Sewer - Additional Stubs	4	
Water Service - Additional Stubs	4	
Storm Sewer - 323K S.F. @ \$.40	4	
Site Development Costs (40.00% allocated to Apartments) =	4	500,000
Owner's Items		
Mortgage insurance (.45% per year)		15,000
HUD Fees		28,000
Processing Fees (Appraisal, Market Analysis, Environmental, Physical Needs Assessment)	47	60,000
Appraisal	69	5,000
TIF Application Fees		32,000
County Title Recording Fees	49	7,000
Construction Period Interest - Capitalized		55,833
Lease Up Interest Costs =		35,000
Closing and Distribution Fees		16,000
Legal Fees for Closing		15,000
Land Acquisition Price	34	159,000
		\$427,833
Total Project Contingency	35	150,000
Total Project Budget Pre Management Fees =		\$3,982,680
Development Professional fees		
Alpha Development & Construction, LLC (12.5% Inclusive of GC & Arch fees)		509,000
Total Development Fees =		\$509,000
TOTAL PROJECT COST =		\$4,491,680
TOTAL PROJECT COST PER UNIT =		\$124,769
Cost per unit with out Land / Contingency / Development Costs =		\$108,314

DLB Associates of Cold Spring, LLLP (Red River Ave Retail-Business Center) CAM Calculations of Estimate:

Square Footage: (Enter Fields)

Taxes	\$	47,259	\$	1.21	
Assessments	\$	-	\$	-	
Insurance	\$	5,250	\$	0.13	\$ 1.35
Services Trash / Snow	\$	3,781	\$	0.10	
Replacement Reserves	\$	12,000	\$	0.31	
Maintenance	\$	5,500	\$	0.14	
Other (Acct, Legal)	\$	1,000	\$	0.03	
Utilities	\$	1,200	\$	0.03	

Estimated CAM Costs = \$ 1.95

Estimated Cold Spring Property Tax Formula (Enter Fields)

NOI of Property	\$	269,585
CAP Rate per Stearns Cty =		10.5%
Assessed Value of Property	\$	2,567,476

Local

Tax Rate (First \$150,000)	1.25%	\$	1,875
Tax Rate (Over \$150,000)	1.25%	\$	30,218
Total Local		\$	32,093

Local Tax Capacity Rate 97.25% 31,212 (Total Local x Local Tax Capacity Rate)

State
State Tax Capacity Rate 50% 16,047 (Total Local x State Tax Capacity Rate)

Total Estimated Tax 47,259

Square Footage of Building

Tax per Square Foot \$ 1.21

Interest Rate = 6.50%

Cold Spring TIF Calculations not including State Taxes.

Mth/Yr	Base Tax Capacity	Present Value	Project Tax Capacity	Present Value	Captured Tax Capacity	Present Value	Admin Reduction 10%	Present Value
5/15/16	604	\$604.00	604	\$584.99	\$	\$0.00	\$	\$0.00
10/15/16	604	\$604.00	604	\$1,151.56	\$	\$0.00	\$	\$0.00
5/15/17	604	\$604.00	604	\$1,700.30	\$	\$0.00	\$	\$0.00
10/15/17	604	\$2,231.77	23,629	\$22,492.02	\$	\$20,260.25	\$	\$18,234.22
5/15/18	604	\$2,746.51	23,629	\$42,629.28	\$	\$39,882.77	\$	\$35,894.49
10/15/18	604	\$3,245.04	23,629	\$62,132.67	\$	\$58,887.63	\$	\$52,998.86
5/15/19	604	\$3,772.89	23,629	\$81,022.16	\$	\$77,294.27	\$	\$69,564.84
10/15/19	604	\$4,195.53	23,629	\$99,317.06	\$	\$95,121.53	\$	\$85,609.38
5/15/20	604	\$4,648.46	23,629	\$117,036.10	\$	\$112,387.64	\$	\$101,148.87
10/15/20	604	\$5,087.13	23,629	\$134,197.39	\$	\$129,110.26	\$	\$116,199.24
5/15/21	604	\$5,511.99	23,629	\$150,818.49	\$	\$145,306.51	\$	\$130,775.86
10/15/21	604	\$5,923.47	23,629	\$166,916.42	\$	\$160,992.94	\$	\$144,893.65
5/15/22	604	\$6,322.01	23,629	\$182,507.63	\$	\$176,185.62	\$	\$158,567.06
10/15/22	604	\$6,708.00	23,629	\$197,608.07	\$	\$190,900.07	\$	\$171,810.07
5/15/23	604	\$7,081.84	23,629	\$212,233.20	\$	\$205,151.36	\$	\$184,636.23
10/15/23	604	\$7,443.91	23,629	\$226,397.97	\$	\$218,954.06	\$	\$197,058.66
5/15/24	604	\$7,794.59	23,629	\$240,116.88	\$	\$232,322.30	\$	\$209,090.07
10/15/24	604	\$8,134.23	23,629	\$253,403.96	\$	\$245,269.74	\$	\$220,742.76
5/15/25	604	\$8,463.17	23,629	\$266,272.80	\$	\$257,809.63	\$	\$232,028.67
10/15/25	604	\$8,781.77	23,629	\$278,736.57	\$	\$269,954.81	\$	\$242,959.33
5/15/26	604	\$9,090.33	23,629	\$290,808.02	\$	\$281,717.69	\$	\$253,545.92
10/15/26	604	\$9,389.18	23,629	\$302,499.49	\$	\$293,110.31	\$	\$263,799.28
5/15/27	604	\$9,678.63	23,629	\$313,822.95	\$	\$304,144.33	\$	\$273,729.90
10/15/27	604	\$9,958.96	23,629	\$324,789.99	\$	\$314,831.03	\$	\$283,347.93
5/15/28	604	\$10,230.47	23,629	\$335,411.81	\$	\$325,181.34	\$	\$292,663.21
10/15/28	604	\$10,493.43	23,629	\$345,699.29	\$	\$335,205.86	\$	\$301,685.27
5/15/29	604	\$10,748.12	23,629	\$355,662.95	\$	\$344,914.83	\$	\$310,423.35
10/15/29	604	\$10,994.79	23,629	\$365,312.99	\$	\$354,318.20	\$	\$318,886.38
5/15/30	604	\$11,233.69	23,629	\$374,659.27	\$	\$363,425.58	\$	\$327,083.02
10/15/30	604	\$11,465.08	23,629	\$383,711.36	\$	\$372,246.28	\$	\$335,021.65
5/15/31	604	\$11,689.18	23,629	\$392,478.51	\$	\$380,789.33	\$	\$342,710.40
10/15/31	604	\$11,906.23	23,629	\$400,969.71	\$	\$389,063.48	\$	\$350,157.13
5/15/32	604	\$12,116.44	23,629	\$409,193.62	\$	\$397,077.18	\$	\$357,369.46
10/15/32	604	\$12,320.04	23,629	\$417,158.67	\$	\$404,838.63	\$	\$364,354.77
5/15/33	604	\$12,517.23	23,629	\$424,873.01	\$	\$412,355.77	\$	\$371,120.20
10/15/33	604	\$12,708.21	23,629	\$432,344.52	\$	\$419,636.30	\$	\$377,672.67
5/15/34	604	\$12,893.19	23,629	\$439,580.85	\$	\$426,687.66	\$	\$384,018.89
10/15/34	604	\$13,072.34	23,629	\$446,589.40	\$	\$433,517.06	\$	\$390,165.36
5/15/35	604	\$13,245.85	23,629	\$453,377.34	\$	\$440,131.50	\$	\$396,118.35
10/15/35	604	\$13,413.89	23,629	\$459,951.62	\$	\$446,537.73	\$	\$401,883.96
5/15/36	604	\$13,576.65	23,629	\$466,318.96	\$	\$452,742.31	\$	\$407,468.08
10/15/36	604	\$13,734.29	23,629	\$472,485.88	\$	\$458,751.59	\$	\$412,876.43
8-yrs =	(AS IS)	\$ 13,734	(AS NEW)	\$ 472,486	(INCREMENT)	\$ 458,752	(TIF)	\$ 412,876

IF CITY /DLR DO NOTHING = \$ 13,734

IF CITY APPROVES / AREA Builds = \$ 59,609
 - CITY WILL SHOW INCREASE OF = \$ 45,875

PROFORMA
North Point 34 (34 Units)

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
1 Br = (1-12)	\$126,000	\$128,520	\$131,090	\$133,712	\$136,386	\$139,114	\$141,896	\$144,734	\$147,629	\$150,582
2 Br = (1-13)	\$159,900	\$163,098	\$166,360	\$169,687	\$173,081	\$176,543	\$180,073	\$183,675	\$187,348	\$191,095
3 Br = (1-2)	\$26,400	\$26,928	\$27,467	\$28,016	\$28,576	\$29,148	\$29,731	\$30,325	\$30,932	\$31,550
Reserve = (3) @ 20% = 1br	\$24,732	\$25,227	\$25,731	\$26,246	\$26,771	\$27,306	\$27,852	\$28,409	\$28,977	\$29,557
Reserve (3) @ 20% = 2 br	\$29,664	\$30,257	\$30,862	\$31,480	\$32,109	\$32,751	\$33,406	\$34,075	\$34,756	\$35,451
Reserve (1) @ 20% = 3br	\$11,424	\$11,652	\$11,886	\$12,123	\$12,366	\$12,613	\$12,865	\$13,123	\$13,385	\$13,653
POTENTIAL RENTAL INCOME	\$378,120	\$385,682	\$393,396	\$401,264	\$409,289	\$417,475	\$425,825	\$434,341	\$443,028	\$451,888
General Vacancy	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
EFFECTIVE RENTAL INCOME	\$359,214	\$366,398	\$373,726	\$381,201	\$388,825	\$396,601	\$404,533	\$412,624	\$420,876	\$429,294
Tuck Under & Garages	\$40,800	\$41,616	\$42,448	\$43,297	\$44,163	\$45,046	\$45,947	\$46,866	\$47,804	\$48,760
GROSS OPERATING INCOME	\$400,014	\$408,014	\$416,175	\$424,498	\$432,988	\$441,648	\$450,481	\$459,490	\$468,680	\$478,054
R/E Taxes (1.25/MV)	(\$50,520)	(\$50,520)	(\$50,520)	(\$50,520)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
Repairs and maintenance	(\$17,015)	(\$17,356)	(\$17,703)	(\$18,057)	(\$18,418)	(\$18,786)	(\$19,162)	(\$19,545)	(\$19,936)	(\$20,335)
Office Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Advertizing Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Utilities	(\$11,344)	(\$11,570)	(\$11,802)	(\$12,038)	(\$12,279)	(\$12,524)	(\$12,775)	(\$13,030)	(\$13,291)	(\$13,557)
Misc Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Reserves	(\$6,050)	(\$6,171)	(\$6,294)	(\$6,420)	(\$6,549)	(\$6,680)	(\$6,813)	(\$6,949)	(\$7,088)	(\$7,230)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	(\$130,429)	(\$131,722)	(\$133,041)	(\$134,386)	(\$136,874)	(\$138,274)	(\$139,701)	(\$141,158)	(\$142,643)	(\$144,158)
NET OPERATING INCOME	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895

PROFORMA
North Point 34 (34 Units)

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Building updates capital repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
Equity Loan	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$30,576	\$37,283	\$44,124	\$51,102	\$57,104	\$64,364	\$71,770	\$79,323	\$87,027	\$69,886

PROFORMA
North Point 34 (34 Units)

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
1 Br = (1-12)	\$153,593	\$156,665	\$159,798	\$162,994	\$166,254	\$169,579	\$172,971	\$176,430	\$179,959	\$183,558
2 Br = (1-13)	\$194,917	\$198,816	\$202,792	\$206,848	\$210,985	\$215,204	\$219,508	\$223,899	\$228,377	\$232,944
3 Br = (1-2)	\$32,181	\$32,825	\$33,482	\$34,151	\$34,834	\$35,531	\$36,242	\$36,966	\$37,706	\$38,460
Reserve = (3) @ 20% = 1br	\$30,148	\$30,751	\$31,366	\$31,993	\$32,633	\$33,286	\$33,952	\$34,631	\$35,323	\$36,030
Reserve (3) @ 20% = 2 br	\$36,160	\$36,883	\$37,621	\$38,374	\$39,141	\$39,924	\$40,722	\$41,537	\$42,367	\$43,215
Reserve (1) @ 20% = 3br	\$13,926	\$14,204	\$14,488	\$14,778	\$15,074	\$15,375	\$15,683	\$15,996	\$16,316	\$16,643
POTENTIAL RENTAL INCOME	\$460,926	\$470,145	\$479,548	\$489,139	\$498,921	\$508,900	\$519,078	\$529,459	\$540,048	\$550,849
General Vacancy	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
EFFECTIVE RENTAL INCOME	\$437,880	\$446,637	\$455,570	\$464,682	\$473,975	\$483,455	\$493,124	\$502,986	\$513,046	\$523,307
Tuck Under & Garages	\$49,735	\$50,730	\$51,744	\$52,779	\$53,835	\$54,911	\$56,010	\$57,130	\$58,272	\$59,438
GROSS OPERATING INCOME	\$487,615	\$497,367	\$507,314	\$517,461	\$527,810	\$538,366	\$549,134	\$560,116	\$571,318	\$582,745
R/E Taxes (1.25/MV)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
Repairs and maintenance	(\$20,742)	(\$21,157)	(\$21,580)	(\$22,011)	(\$22,451)	(\$22,900)	(\$23,358)	(\$23,826)	(\$24,302)	(\$24,788)
Office Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Advertizing Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Utilities	(\$13,828)	(\$14,104)	(\$14,386)	(\$14,674)	(\$14,968)	(\$15,267)	(\$15,572)	(\$15,884)	(\$16,201)	(\$16,525)
Misc Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Reserves	(\$7,375)	(\$7,522)	(\$7,673)	(\$7,826)	(\$7,983)	(\$8,142)	(\$8,305)	(\$8,471)	(\$8,641)	(\$8,814)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	(\$145,704)	(\$147,280)	(\$148,888)	(\$150,528)	(\$152,201)	(\$153,907)	(\$155,648)	(\$157,423)	(\$159,234)	(\$161,081)
NET OPERATING INCOME	\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664

PROFORMA
North Point 34 (34 Units)

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
Building updates capital repairs	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
Equity Loan	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)	(\$34,389)
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$77,901	\$86,077	\$94,417	\$102,923	\$111,599	\$120,449	\$129,476	\$138,683	\$148,075	\$157,654

PROFORMA
North Point 34 (34 Units)

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
1 Br = (1-12)	\$187,229	\$190,974	\$194,793	\$198,689	\$202,663	\$206,716	\$210,851	\$215,068	\$219,369	\$223,756
2 Br = (1-13)	\$237,603	\$242,355	\$247,202	\$252,146	\$257,189	\$262,333	\$267,580	\$272,931	\$278,390	\$283,958
3 Br = (1-2)	\$39,229	\$40,014	\$40,814	\$41,630	\$42,463	\$43,312	\$44,178	\$45,062	\$45,963	\$46,882
Reserve = (3) @ 20% = 1br	\$36,750	\$37,485	\$38,235	\$39,000	\$39,780	\$40,575	\$41,387	\$42,215	\$43,059	\$43,920
Reserve (3) @ 20% = 2 br	\$44,079	\$44,961	\$45,860	\$46,777	\$47,713	\$48,667	\$49,640	\$50,633	\$51,646	\$52,679
Reserve (1) @ 20% = 3br	\$16,975	\$17,315	\$17,661	\$18,014	\$18,375	\$18,742	\$19,117	\$19,499	\$19,889	\$20,287
POTENTIAL RENTAL INCOME	\$561,866	\$573,104	\$584,566	\$596,257	\$608,182	\$620,346	\$632,753	\$645,408	\$658,316	\$671,482
General Vacancy	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
EFFECTIVE RENTAL INCOME	\$533,773	\$544,449	\$555,338	\$566,444	\$577,773	\$589,329	\$601,115	\$613,138	\$625,400	\$637,908
Tuck Under & Garages	\$60,627	\$61,839	\$63,076	\$64,337	\$65,624	\$66,937	\$68,275	\$69,641	\$71,034	\$72,454
GROSS OPERATING INCOME	\$594,400	\$606,288	\$618,414	\$630,782	\$643,397	\$656,265	\$669,391	\$682,778	\$696,434	\$710,363
R/E Taxes (1.25/MV)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
Repairs and maintenance	(\$25,284)	(\$25,790)	(\$26,305)	(\$26,832)	(\$27,368)	(\$27,916)	(\$28,474)	(\$29,043)	(\$29,624)	(\$30,217)
Office Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Advertizing Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Utilities	(\$16,856)	(\$17,193)	(\$17,537)	(\$17,888)	(\$18,245)	(\$18,610)	(\$18,983)	(\$19,362)	(\$19,749)	(\$20,144)
Misc Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Reserves	(\$8,990)	(\$9,170)	(\$9,353)	(\$9,540)	(\$9,731)	(\$9,926)	(\$10,124)	(\$10,327)	(\$10,533)	(\$10,744)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	(\$162,965)	(\$164,886)	(\$166,846)	(\$168,845)	(\$170,885)	(\$172,965)	(\$175,086)	(\$177,250)	(\$179,457)	(\$181,709)
NET OPERATING INCOME	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654

PROFORMA
North Point 34 (34 Units)

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
Building updates capital repairs	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
Equity Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,216,638
CASH FLOW BEFORE TAX	\$201,814	\$211,781	\$221,946	\$232,315	\$242,892	\$253,680	\$264,683	\$275,907	\$287,356	\$5,515,670

SUMMARY PROFORMA
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026	
TOTAL POTENTIAL RENTAL INCOME	\$378,120	\$385,682	\$393,396	\$401,264	\$409,289	\$417,475	\$425,825	\$434,341	\$443,028	\$451,888
General Vacancy	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
EFFECTIVE RENTAL INCOME	\$359,214	\$366,398	\$373,726	\$381,201	\$388,825	\$396,601	\$404,533	\$412,624	\$420,876	\$429,294
GROSS OPERATING INCOME	\$400,014	\$408,014	\$416,175	\$424,498	\$432,988	\$441,648	\$450,481	\$459,490	\$468,680	\$478,054
NET OPERATING INCOME	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$30,576	\$37,283	\$44,124	\$51,102	\$57,104	\$64,364	\$71,770	\$79,323	\$87,027	\$94,886

SUMMARY PROFORMA
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
TOTAL POTENTIAL RENTAL INCOME	\$460,926	\$470,145	\$479,548	\$489,139	\$498,921	\$508,900	\$519,078	\$529,459	\$540,048	\$550,849
General Vacancy	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
EFFECTIVE RENTAL INCOME	\$437,880	\$446,637	\$455,570	\$464,682	\$473,975	\$483,455	\$493,124	\$502,986	\$513,046	\$523,307
GROSS OPERATING INCOME	\$487,615	\$497,367	\$507,314	\$517,461	\$527,810	\$538,366	\$549,134	\$560,116	\$571,318	\$582,745
NET OPERATING INCOME	\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$77,901	\$86,077	\$94,417	\$102,923	\$111,599	\$120,449	\$129,476	\$138,683	\$148,075	\$157,654

SUMMARY PROFORMA
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046	
TOTAL POTENTIAL RENTAL INCOME	\$561,866	\$573,104	\$584,566	\$596,257	\$608,182	\$620,346	\$632,753	\$645,408	\$658,316	\$671,482
General Vacancy	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
EFFECTIVE RENTAL INCOME	\$533,773	\$544,449	\$555,338	\$566,444	\$577,773	\$589,329	\$601,115	\$613,138	\$625,400	\$637,908
GROSS OPERATING INCOME	\$594,400	\$606,288	\$618,414	\$630,782	\$643,397	\$656,265	\$669,391	\$682,778	\$696,434	\$710,363
NET OPERATING INCOME	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,216,638
CASH FLOW BEFORE TAX	\$201,814	\$211,781	\$221,946	\$232,315	\$242,892	\$253,680	\$264,683	\$275,907	\$287,356	\$5,515,670

ASSUMPTIONS SUMMARY

North Point 34

Property

Property Name	North Point 34
Property Address	North Point, Cold Spring, MN 56320
Analysis Start Date	Feb. 1, 2016
Holding Period (Years)	30
Property Type	multifamily
Total Units	34
Acquisition Cap Rate	6.01%
Terminal Cap Rate	10.14%

Required Equity Contribution

Purchase Price	\$4,491,680
Acquisition Fees	N/A
Loan Proceeds	\$3,993,344
Loan Fees	N/A
Required Equity Contribution	\$498,336

Sales Proceeds

Projected Sales Price	\$5,216,638
Cost of Sale	N/A
Mortgage Balance(s)	N/A
Sales Proceeds Before Tax	\$5,216,638

Loans

Loan Name	Loan Amount	Nominal Rate	Amortization Period	Term	Interest Only Period
First Mortgage Loan (80% LTV)	\$3,593,344	3.95%	360	360	0
Equity Loan	\$400,000	6.0%	240	240	0

PROPERTY ASSUMPTIONS
North Point 34

Property Name	North Point 34
Property Address	North Point, Cold Spring, MN 56320
Analysis Start Date	Feb. 1, 2016
Holding Period (Years)	30
Property Type	multifamily
Total Units	34
Acquisition Cap Rate	6.01%
Terminal Cap Rate	10.14%

CAPITAL EXPENDITURES ASSUMPTIONS
North Point 34

Name	Amount	Amount Type	Start	End	Above NOI
Building updates capital repairs	\$25,000	Per Year	January 1, 2026	Jan. 1, 2046	No

LOAN ASSUMPTIONS

North Point 34

Loan Name	Loan Amount	Loan Costs	Net Loan Proceeds	Loan Start	Nominal Rate	Amortization Period	Term	Interest Only Period
First Mortgage Loan (80% LTV)	\$3,593,344	\$0	\$3,593,344	February 1, 2016	3.95%	360	360	0
Equity Loan	\$400,000	\$0	\$400,000	February 1, 2016	6.0%	240	240	0

REQUIRED EQUITY ASSUMPTIONS
North Point 34

Purchase Price	\$4,491,680
Acquisition Fees	N/A
Loan Proceeds	\$3,993,344
Loan Fees	N/A
Required Equity Contribution	\$498,336

SALE ASSUMPTIONS
North Point 34

Projected Sales Price	\$5,216,638
Cost of Sale	N/A
Mortgage Balance(s)	N/A
Sales Proceeds Before Tax	\$5,216,638

SENSITIVITY
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
PROFORMA NOI	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895
NOI @ 5.00% vacancy	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895
NOI @ 6.50% vacancy	\$263,914	\$270,507	\$277,233	\$284,093	\$289,975	\$297,112	\$304,392	\$311,818	\$319,392	\$327,117
NOI @ 8.00% vacancy	\$258,242	\$264,722	\$271,332	\$278,074	\$283,835	\$290,850	\$298,005	\$305,302	\$312,746	\$320,339

SENSITIVITY
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
PROFORMA NOI	\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664
NOI @ 5.00% vacancy	\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664
NOI @ 6.50% vacancy	\$334,997	\$343,035	\$351,233	\$359,596	\$368,125	\$376,825	\$385,700	\$394,751	\$403,984	\$413,401
NOI @ 8.00% vacancy	\$328,083	\$335,983	\$344,040	\$352,259	\$360,641	\$369,192	\$377,913	\$386,809	\$395,883	\$405,139

SENSITIVITY
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
PROFORMA NOI	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654
NOI @ 5.00% vacancy	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654
NOI @ 6.50% vacancy	\$423,007	\$432,805	\$442,799	\$452,993	\$463,390	\$473,996	\$484,813	\$495,847	\$507,102	\$518,582
NOI @ 8.00% vacancy	\$414,579	\$424,209	\$434,030	\$444,049	\$454,267	\$464,690	\$475,322	\$486,166	\$497,227	\$508,509

FINANCIAL RATIOS
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
NET OPERATING INCOME	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895
Cash on Cash Return	6.14%	7.49%	8.86%	10.26%	11.46%	12.92%	14.41%	15.92%	17.47%	14.03%
Debt Service Coverage	1.13	1.16	1.18	1.21	1.24	1.27	1.30	1.33	1.36	1.40
Operating Expense Ratio	32.61%	32.29%	31.97%	31.66%	31.62%	31.31%	31.02%	30.73%	30.44%	30.16%
Breakeven Occupancy	97.71%	96.13%	94.58%	93.06%	91.84%	90.38%	88.94%	87.53%	86.15%	84.80%

FINANCIAL RATIOS
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
NET OPERATING INCOME	\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664
Cash on Cash Return	15.64%	17.28%	18.95%	20.66%	22.40%	24.18%	25.99%	27.83%	29.72%	31.64%
Debt Service Coverage	1.43	1.46	1.50	1.54	1.57	1.61	1.65	1.68	1.72	1.76
Operating Expense Ratio	29.89%	29.62%	29.35%	29.09%	28.84%	28.59%	28.35%	28.11%	27.88%	27.65%
Breakeven Occupancy	83.47%	82.17%	80.89%	79.64%	78.42%	77.21%	76.04%	74.88%	73.75%	72.64%

FINANCIAL RATIOS
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
NET OPERATING INCOME	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654
Cash on Cash Return	40.50%	42.50%	44.54%	46.62%	48.75%	50.91%	53.12%	55.37%	57.67%	1106.82%
Debt Service Coverage	2.11	2.16	2.21	2.26	2.31	2.36	2.42	2.47	2.53	2.58
Operating Expense Ratio	27.42%	27.20%	26.98%	26.77%	26.56%	26.36%	26.16%	25.97%	25.77%	25.58%
Breakeven Occupancy	65.43%	64.48%	63.55%	62.64%	61.75%	60.87%	60.01%	59.17%	58.35%	57.54%

MAXIMUM LOAN ANALYSIS
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
NET OPERATING INCOME	\$269,585	\$276,293	\$283,134	\$290,112	\$296,114	\$303,374	\$310,779	\$318,333	\$326,037	\$333,895
Available for Debt Service (NOI/DSCR)	\$224,655	\$230,244	\$235,945	\$241,760	\$246,762	\$252,812	\$258,983	\$265,277	\$271,697	\$278,246
Max Loan Using 1.20x DSCR	\$3,565,402	\$3,654,107	\$3,744,586	\$3,836,875	\$3,916,257	\$4,012,274	\$4,110,212	\$4,210,108	\$4,312,002	\$4,415,934
Value @ 7.50% cap rate	\$3,594,473	\$3,683,901	\$3,775,118	\$3,868,159	\$3,948,189	\$4,044,989	\$4,143,725	\$4,244,435	\$4,347,160	\$4,451,939
Max Loan Using 80.00% LTV	\$2,875,578	\$2,947,121	\$3,020,094	\$3,094,527	\$3,158,551	\$3,235,991	\$3,314,980	\$3,395,548	\$3,477,728	\$3,561,551
Max Loan (lesser of DSCR & LTV)	\$2,875,578	\$2,947,121	\$3,020,094	\$3,094,527	\$3,158,551	\$3,235,991	\$3,314,980	\$3,395,548	\$3,477,728	\$3,561,551

MAXIMUM LOAN ANALYSIS
North Point 34

	End of Year	11	12	13	14	15	16	17	18	19	20
		1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
NET OPERATING INCOME		\$341,911	\$350,087	\$358,426	\$366,933	\$375,609	\$384,459	\$393,486	\$402,693	\$412,085	\$421,664
Available for Debt Service (NOI/DSCR)		\$284,926	\$291,739	\$298,689	\$305,777	\$313,008	\$320,382	\$327,905	\$335,578	\$343,404	\$351,387
Max Loan Using 1.20x DSCR		\$4,521,944	\$4,630,075	\$4,740,368	\$4,852,867	\$4,967,617	\$5,084,661	\$5,204,046	\$5,325,819	\$5,450,027	\$5,576,719
Value @ 7.50% cap rate		\$4,558,814	\$4,667,827	\$4,779,019	\$4,892,436	\$5,008,120	\$5,126,119	\$5,246,477	\$5,369,243	\$5,494,464	\$5,622,189
Max Loan Using 80.00% LTV		\$3,647,051	\$3,734,261	\$3,823,215	\$3,913,949	\$4,006,496	\$4,100,895	\$4,197,182	\$4,295,394	\$4,395,571	\$4,497,752
Max Loan (lessor of DSCR & LTV)		\$3,647,051	\$3,734,261	\$3,823,215	\$3,913,949	\$4,006,496	\$4,100,895	\$4,197,182	\$4,295,394	\$4,395,571	\$4,497,752

MAXIMUM LOAN ANALYSIS
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
NET OPERATING INCOME	\$431,435	\$441,402	\$451,567	\$461,936	\$472,513	\$483,301	\$494,305	\$505,528	\$516,977	\$528,654
Available for Debt Service (NOI/DSCR)	\$359,529	\$367,835	\$376,306	\$384,947	\$393,761	\$402,751	\$411,920	\$421,274	\$430,814	\$440,545
Max Loan Using 1.20x DSCR	\$5,705,946	\$5,837,756	\$5,972,203	\$6,109,339	\$6,249,218	\$6,391,894	\$6,537,424	\$6,685,864	\$6,837,273	\$6,991,711
Value @ 7.50% cap rate	\$5,752,469	\$5,885,355	\$6,020,898	\$6,159,152	\$6,300,171	\$6,444,011	\$6,590,727	\$6,740,378	\$6,893,021	\$7,048,718
Max Loan Using 80.00% LTV	\$4,601,975	\$4,708,284	\$4,816,718	\$4,927,322	\$5,040,137	\$5,155,209	\$5,272,582	\$5,392,302	\$5,514,417	\$5,638,974
Max Loan (lesser of DSCR & LTV)	\$4,601,975	\$4,708,284	\$4,816,718	\$4,927,322	\$5,040,137	\$5,155,209	\$5,272,582	\$5,392,302	\$5,514,417	\$5,638,974

RENT ROLL
North Point 34

Tenant Name	Rent	Rent Type	Square Feet	Units	Base Rent	S/SF
1 Br = (1-12)	\$875	Total/Month	850	12	\$126,000	\$12.35
2 Br = (1-13)	\$1,025	Total/Month	950	13	\$159,900	\$12.95
3 Br = (1-2)	\$1,100	Total/Month	1,050	2	\$26,400	\$12.57
Reserve (1) @ 20% = 3br	\$952	Total/Month	1,050	1	\$11,424	\$10.88
Reserve = (3) @ 20% = 1 br	\$687	Total/Month	850	3	\$24,732	\$9.70
Reserve (3) @ 20% = 2 br	\$824	Total/Month	950	3	\$29,664	\$10.41
TOTAL				34	\$378,120	

PROFORMA
North Point 34 (34 Units)

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
1 Br = (1-12)	\$126,000	\$128,520	\$131,090	\$133,712	\$136,386	\$139,114	\$141,896	\$144,734	\$147,629	\$150,582
2 Br = (1-13)	\$159,900	\$163,098	\$166,360	\$169,687	\$173,081	\$176,543	\$180,073	\$183,675	\$187,348	\$191,095
3 Br = (1-2)	\$26,400	\$26,928	\$27,467	\$28,016	\$28,576	\$29,148	\$29,731	\$30,325	\$30,932	\$31,550
Reserve = (3) @ 20% = 1br	\$24,732	\$25,227	\$25,731	\$26,246	\$26,771	\$27,306	\$27,852	\$28,409	\$28,977	\$29,557
Reserve (3) @ 20% = 2 br	\$29,664	\$30,257	\$30,862	\$31,480	\$32,109	\$32,751	\$33,406	\$34,075	\$34,756	\$35,451
Reserve (1) @ 20% = 3br	\$11,424	\$11,652	\$11,886	\$12,123	\$12,366	\$12,613	\$12,865	\$13,123	\$13,385	\$13,653
POTENTIAL RENTAL INCOME	\$378,120	\$385,682	\$393,396	\$401,264	\$409,289	\$417,475	\$425,825	\$434,341	\$443,028	\$451,888
General Vacancy	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
EFFECTIVE RENTAL INCOME	\$359,214	\$366,398	\$373,726	\$381,201	\$388,825	\$396,601	\$404,533	\$412,624	\$420,876	\$429,294
Tuck Under & Garages	\$40,800	\$41,616	\$42,448	\$43,297	\$44,163	\$45,046	\$45,947	\$46,866	\$47,804	\$48,760
Tif Reimbursement	\$35,364	\$36,071	\$36,793	\$37,529	\$38,279	\$39,045	\$39,826	\$40,622	\$41,435	\$42,263
GROSS OPERATING INCOME	\$435,378	\$444,086	\$452,967	\$462,027	\$471,267	\$480,692	\$490,306	\$500,112	\$510,115	\$520,317
R/E Taxes (1.25/MV)	(\$50,520)	(\$50,520)	(\$50,520)	(\$50,520)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
Repairs and maintenance	(\$17,015)	(\$17,356)	(\$17,703)	(\$18,057)	(\$18,418)	(\$18,786)	(\$19,162)	(\$19,545)	(\$19,936)	(\$20,335)
Office Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Advertizing Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Utilities	(\$11,344)	(\$11,570)	(\$11,802)	(\$12,038)	(\$12,279)	(\$12,524)	(\$12,775)	(\$13,030)	(\$13,291)	(\$13,557)
Misc Expense	(\$3,781)	(\$3,857)	(\$3,934)	(\$4,013)	(\$4,093)	(\$4,175)	(\$4,258)	(\$4,343)	(\$4,430)	(\$4,519)
Reserves	(\$6,050)	(\$6,171)	(\$6,294)	(\$6,420)	(\$6,549)	(\$6,680)	(\$6,813)	(\$6,949)	(\$7,088)	(\$7,230)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	(\$130,429)	(\$131,722)	(\$133,041)	(\$134,386)	(\$136,874)	(\$138,274)	(\$139,701)	(\$141,158)	(\$142,643)	(\$144,158)

PROFORMA
North Point 34 (34 Units)

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
NET OPERATING INCOME	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
Building updates capital repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
TIF - Funded Note	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$68,327	\$75,741	\$83,304	\$91,018	\$97,771	\$105,796	\$113,982	\$122,332	\$130,849	\$114,536

PROFORMA
North Point 34 (34 Units)

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
1 Br = (1-12)	\$153,593	\$156,665	\$159,798	\$162,994	\$166,254	\$169,579	\$172,971	\$176,430	\$179,959	\$183,558
2 Br = (1-13)	\$194,917	\$198,816	\$202,792	\$206,848	\$210,985	\$215,204	\$219,508	\$223,899	\$228,377	\$232,944
3 Br = (1-2)	\$32,181	\$32,825	\$33,482	\$34,151	\$34,834	\$35,531	\$36,242	\$36,966	\$37,706	\$38,460
Reserve = (3) @ 20% = 1br	\$30,148	\$30,751	\$31,366	\$31,993	\$32,633	\$33,286	\$33,952	\$34,631	\$35,323	\$36,030
Reserve (3) @ 20% = 2 br	\$36,160	\$36,883	\$37,621	\$38,374	\$39,141	\$39,924	\$40,722	\$41,537	\$42,367	\$43,215
Reserve (1) @ 20% = 3br	\$13,926	\$14,204	\$14,488	\$14,778	\$15,074	\$15,375	\$15,683	\$15,996	\$16,316	\$16,643
POTENTIAL RENTAL INCOME	\$460,926	\$470,145	\$479,548	\$489,139	\$498,921	\$508,900	\$519,078	\$529,459	\$540,048	\$550,849
General Vacancy	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
EFFECTIVE RENTAL INCOME	\$437,880	\$446,637	\$455,570	\$464,682	\$473,975	\$483,455	\$493,124	\$502,986	\$513,046	\$523,307
Tuck Under & Garages	\$49,735	\$50,730	\$51,744	\$52,779	\$53,835	\$54,911	\$56,010	\$57,130	\$58,272	\$59,438
Tif Reimbursement	\$43,109	\$43,971	\$44,850	\$45,747	\$46,662	\$47,595	\$48,547	\$49,518	\$50,509	\$51,519
GROSS OPERATING INCOME	\$530,723	\$541,338	\$552,165	\$563,208	\$574,472	\$585,961	\$597,681	\$609,634	\$621,827	\$634,264
R/E Taxes (1.25/MV)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
Repairs and maintenance	(\$20,742)	(\$21,157)	(\$21,580)	(\$22,011)	(\$22,451)	(\$22,900)	(\$23,358)	(\$23,826)	(\$24,302)	(\$24,788)
Office Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Advertizing Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Utilities	(\$13,828)	(\$14,104)	(\$14,386)	(\$14,674)	(\$14,968)	(\$15,267)	(\$15,572)	(\$15,884)	(\$16,201)	(\$16,525)
Misc Expense	(\$4,609)	(\$4,701)	(\$4,795)	(\$4,891)	(\$4,989)	(\$5,089)	(\$5,191)	(\$5,295)	(\$5,400)	(\$5,508)
Reserves	(\$7,375)	(\$7,522)	(\$7,673)	(\$7,826)	(\$7,983)	(\$8,142)	(\$8,305)	(\$8,471)	(\$8,641)	(\$8,814)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenscs	(\$145,704)	(\$147,280)	(\$148,888)	(\$150,528)	(\$152,201)	(\$153,907)	(\$155,648)	(\$157,423)	(\$159,234)	(\$161,081)

PROFORMA
North Point 34 (34 Units)

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
NET OPERATING INCOME	\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
Building updates capital repairs	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
TIF - Funded Note	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	(\$32,001)	\$0
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$123,397	\$132,435	\$141,654	\$151,057	\$160,649	\$170,432	\$180,410	\$190,589	\$200,971	\$243,562

PROFORMA
North Point 34 (34 Units)

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
1 Br = (1-12)	\$187,229	\$190,974	\$194,793	\$198,689	\$202,663	\$206,716	\$210,851	\$215,068	\$219,369	\$223,756
2 Br = (1-13)	\$237,603	\$242,355	\$247,202	\$252,146	\$257,189	\$262,333	\$267,580	\$272,931	\$278,390	\$283,958
3 Br = (1-2)	\$39,229	\$40,014	\$40,814	\$41,630	\$42,463	\$43,312	\$44,178	\$45,062	\$45,963	\$46,882
Reserve = (3) @ 20% = 1br	\$36,750	\$37,485	\$38,235	\$39,000	\$39,780	\$40,575	\$41,387	\$42,215	\$43,059	\$43,920
Reserve (3) @ 20% = 2 br	\$44,079	\$44,961	\$45,860	\$46,777	\$47,713	\$48,667	\$49,640	\$50,633	\$51,646	\$52,679
Reserve (1) @ 20% = 3br	\$16,975	\$17,315	\$17,661	\$18,014	\$18,375	\$18,742	\$19,117	\$19,499	\$19,889	\$20,287
POTENTIAL RENTAL INCOME	\$561,866	\$573,104	\$584,566	\$596,257	\$608,182	\$620,346	\$632,753	\$645,408	\$658,316	\$671,482
General Vacancy	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
EFFECTIVE RENTAL INCOME	\$533,773	\$544,449	\$555,338	\$566,444	\$577,773	\$589,329	\$601,115	\$613,138	\$625,400	\$637,908
Tuck Under & Garages	\$60,627	\$61,839	\$63,076	\$64,337	\$65,624	\$66,937	\$68,275	\$69,641	\$71,034	\$72,454
Tif Reimbursement	\$52,549	\$53,600	\$54,672	\$55,765	\$56,881	\$58,018	\$59,179	\$60,362	\$61,570	\$62,801
GROSS OPERATING INCOME	\$646,949	\$659,888	\$673,086	\$686,547	\$700,278	\$714,284	\$728,569	\$743,141	\$758,004	\$773,164
R/E Taxes (1.25/MV)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)	(\$51,530)
Insurance	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)	(\$5,355)
Management Fees	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
Repairs and maintainance	(\$25,284)	(\$25,790)	(\$26,305)	(\$26,832)	(\$27,368)	(\$27,916)	(\$28,474)	(\$29,043)	(\$29,624)	(\$30,217)
Office Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Advertizing Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Utilities	(\$16,856)	(\$17,193)	(\$17,537)	(\$17,888)	(\$18,245)	(\$18,610)	(\$18,983)	(\$19,362)	(\$19,749)	(\$20,144)
Misc Expense	(\$5,619)	(\$5,731)	(\$5,846)	(\$5,963)	(\$6,082)	(\$6,203)	(\$6,328)	(\$6,454)	(\$6,583)	(\$6,715)
Reserves	(\$8,990)	(\$9,170)	(\$9,353)	(\$9,540)	(\$9,731)	(\$9,926)	(\$10,124)	(\$10,327)	(\$10,533)	(\$10,744)
Mortgage insurance	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	(\$162,965)	(\$164,886)	(\$166,846)	(\$168,845)	(\$170,885)	(\$172,965)	(\$175,086)	(\$177,250)	(\$179,457)	(\$181,709)

PROFORMA
North Point 34 (34 Units)

End of Year	21	22	23	24	25	26	27	28	29	30
1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046	
NET OPERATING INCOME	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
Building updates capital repairs	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
First Mortgage Loan (80% LTV)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)	(\$204,621)
TIF - Funded Note	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,216,638
CASH FLOW BEFORE TAX	\$254,363	\$265,381	\$276,618	\$288,081	\$299,773	\$311,698	\$323,862	\$336,270	\$348,925	\$5,578,471

SUMMARY PROFORMA
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026	
TOTAL POTENTIAL RENTAL INCOME	\$378,120	\$385,682	\$393,396	\$401,264	\$409,289	\$417,475	\$425,825	\$434,341	\$443,028	\$451,888
General Vacancy	(\$18,906)	(\$19,284)	(\$19,670)	(\$20,063)	(\$20,464)	(\$20,874)	(\$21,291)	(\$21,717)	(\$22,151)	(\$22,594)
EFFECTIVE RENTAL INCOME	\$359,214	\$366,398	\$373,726	\$381,201	\$388,825	\$396,601	\$404,533	\$412,624	\$420,876	\$429,294
GROSS OPERATING INCOME	\$435,378	\$444,086	\$452,967	\$462,027	\$471,267	\$480,692	\$490,306	\$500,112	\$510,115	\$520,317
NET OPERATING INCOME	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$68,327	\$75,741	\$83,304	\$91,018	\$97,771	\$105,796	\$113,982	\$122,332	\$130,849	\$114,536

SUMMARY PROFORMA
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036	
TOTAL POTENTIAL RENTAL INCOME	\$460,926	\$470,145	\$479,548	\$489,139	\$498,921	\$508,900	\$519,078	\$529,459	\$540,048	\$550,849
General Vacancy	(\$23,046)	(\$23,507)	(\$23,977)	(\$24,457)	(\$24,946)	(\$25,445)	(\$25,954)	(\$26,473)	(\$27,002)	(\$27,542)
EFFECTIVE RENTAL INCOME	\$437,880	\$446,637	\$455,570	\$464,682	\$473,975	\$483,455	\$493,124	\$502,986	\$513,046	\$523,307
GROSS OPERATING INCOME	\$530,723	\$541,338	\$552,165	\$563,208	\$574,472	\$585,961	\$597,681	\$609,634	\$621,827	\$634,264
NET OPERATING INCOME	\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAX	\$123,397	\$132,435	\$141,654	\$151,057	\$160,649	\$170,432	\$180,410	\$190,589	\$200,971	\$243,562

SUMMARY PROFORMA
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046	
TOTAL POTENTIAL RENTAL INCOME	\$561,866	\$573,104	\$584,566	\$596,257	\$608,182	\$620,346	\$632,753	\$645,408	\$658,316	\$671,482
General Vacancy	(\$28,093)	(\$28,655)	(\$29,228)	(\$29,813)	(\$30,409)	(\$31,017)	(\$31,638)	(\$32,270)	(\$32,916)	(\$33,574)
EFFECTIVE RENTAL INCOME	\$533,773	\$544,449	\$555,338	\$566,444	\$577,773	\$589,329	\$601,115	\$613,138	\$625,400	\$637,908
GROSS OPERATING INCOME	\$646,949	\$659,888	\$673,086	\$686,547	\$700,278	\$714,284	\$728,569	\$743,141	\$758,004	\$773,164
NET OPERATING INCOME	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
Reversion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,216,638
CASH FLOW BEFORE TAX	\$254,363	\$265,381	\$276,618	\$288,081	\$299,773	\$311,698	\$323,862	\$336,270	\$348,925	\$5,578,471

ASSUMPTIONS SUMMARY

North Point 34

Property

Property Name	North Point 34
Property Address	North Point, Cold Spring, MN 56320
Analysis Start Date	Feb. 1, 2016
Holding Period (Years)	30
Property Type	multifamily
Total Units	34
Acquisition Cap Rate	6.79%
Terminal Cap Rate	11.34%

Required Equity Contribution

Purchase Price	\$4,491,680
Acquisition Fees	N/A
Loan Proceeds	\$3,993,344
Loan Fees	N/A
Required Equity Contribution	\$498,336

Sales Proceeds

Projected Sales Price	\$5,216,638
Cost of Sale	N/A
Mortgage Balance(s)	N/A
Sales Proceeds Before Tax	\$5,216,638

Loans

Loan Name	Loan Amount	Nominal Rate	Amortization Period	Term	Interest Only Period
First Mortgage Loan (80% LTV)	\$3,593,344	3.95%	360	360	0
TIF - Funded Note	\$400,000	4.75%	228	228	0

PROPERTY ASSUMPTIONS

North Point 34

Property Name	North Point 34
Property Address	North Point, Cold Spring, MN 56320
Analysis Start Date	Feb. 1, 2016
Holding Period (Years)	30
Property Type	multifamily
Total Units	34
Acquisition Cap Rate	6.79%
Terminal Cap Rate	11.34%

CAPITAL EXPENDITURES ASSUMPTIONS

North Point 34

Name	Amount	Amount Type	Start	End	Above NOI
Building updates capital repairs	\$25,000	Per Year	January 1, 2026	Jan. 1, 2046	No

LOAN ASSUMPTIONS
North Point 34

Loan Name	Loan Amount	Loan Costs	Net Loan Proceeds	Loan Start	Nominal Rate	Amortization Period	Term	Interest Only Period
First Mortgage Loan (80% LTV)	\$3,593,344	\$0	\$3,593,344	February 1, 2016	3.95%	360	360	0
TIF - Funded Note	\$400,000	\$0	\$400,000	February 1, 2016	4.75%	228	228	0

REQUIRED EQUITY ASSUMPTIONS
North Point 34

Purchase Price	\$4,491,680
Acquisition Fees	N/A
Loan Proceeds	\$3,993,344
Loan Fees	N/A
Required Equity Contribution	\$498,336

SALE ASSUMPTIONS
North Point 34

Projected Sales Price	\$5,216,638
Cost of Sale	N/A
Mortgage Balance(s)	N/A
Sales Proceeds Before Tax	\$5,216,638

SENSITIVITY
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
PROFORMA NOI	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
NOI @ 5.00% vacancy	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
NOI @ 6.50% vacancy	\$299,278	\$306,579	\$314,026	\$321,622	\$328,254	\$336,157	\$344,218	\$352,440	\$360,826	\$369,380
NOI @ 8.00% vacancy	\$293,606	\$300,793	\$308,125	\$315,603	\$322,115	\$329,895	\$337,830	\$345,925	\$354,181	\$362,602

SENSITIVITY
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
PROFORMA NOI	\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
NOI @ 5.00% vacancy	\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
NOI @ 6.50% vacancy	\$378,106	\$387,006	\$396,083	\$405,343	\$414,787	\$424,421	\$434,247	\$444,269	\$454,493	\$464,920
NOI @ 8.00% vacancy	\$371,192	\$379,953	\$388,890	\$398,006	\$407,303	\$416,787	\$426,461	\$436,328	\$446,392	\$456,657

SENSITIVITY
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
PROFORMA NOI	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
NOI @ 5.00% vacancy	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
NOI @ 6.50% vacancy	\$475,556	\$486,405	\$497,471	\$508,758	\$520,271	\$532,014	\$543,992	\$556,210	\$568,671	\$581,383
NOI @ 8.00% vacancy	\$467,128	\$477,809	\$488,702	\$499,814	\$511,148	\$522,709	\$534,501	\$546,528	\$558,797	\$571,310

FINANCIAL RATIOS
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
NET OPERATING INCOME	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
Cash on Cash Return	13.72%	15.20%	16.72%	18.27%	19.62%	21.23%	22.88%	24.55%	26.26%	22.99%
Debt Service Coverage	1.29	1.32	1.35	1.38	1.41	1.45	1.48	1.52	1.55	1.59
Operating Expense Ratio	29.96%	29.67%	29.38%	29.09%	29.05%	28.77%	28.50%	28.23%	27.97%	27.71%
Breakeven Occupancy	97.08%	95.51%	93.97%	92.47%	91.26%	89.81%	88.38%	86.98%	85.61%	84.27%

FINANCIAL RATIOS
North Point 34

End of Year	11	12	13	14	15	16	17	18	19	20
	1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
NET OPERATING INCOME	\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
Cash on Cash Return	24.77%	26.58%	28.43%	30.32%	32.24%	34.21%	36.21%	38.25%	40.33%	48.88%
Debt Service Coverage	1.63	1.67	1.70	1.74	1.78	1.83	1.87	1.91	1.95	2.31
Operating Expense Ratio	27.46%	27.21%	26.97%	26.73%	26.50%	26.27%	26.05%	25.83%	25.61%	25.40%
Breakeven Occupancy	82.95%	81.66%	80.40%	79.15%	77.94%	76.75%	75.58%	74.43%	73.31%	66.39%

FINANCIAL RATIOS
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
NET OPERATING INCOME	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
Cash on Cash Return	51.05%	53.26%	55.51%	57.81%	60.16%	62.55%	64.99%	67.48%	70.02%	1119.42%
Debt Service Coverage	2.37	2.42	2.47	2.53	2.59	2.65	2.70	2.77	2.83	2.89
Operating Expense Ratio	25.19%	24.99%	24.79%	24.60%	24.41%	24.22%	24.04%	23.86%	23.68%	23.51%
Breakeven Occupancy	65.43%	64.48%	63.55%	62.64%	61.75%	60.87%	60.01%	59.17%	58.35%	57.54%

MAXIMUM LOAN ANALYSIS
North Point 34

End of Year	1	2	3	4	5	6	7	8	9	10
	1/31/2017	1/31/2018	1/31/2019	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
NET OPERATING INCOME	\$304,949	\$312,364	\$319,927	\$327,640	\$334,393	\$342,419	\$350,605	\$358,955	\$367,472	\$376,159
Available for Debt Service (NOI/DSCR)	\$254,125	\$260,303	\$266,605	\$273,034	\$278,661	\$285,349	\$292,171	\$299,129	\$306,226	\$313,466
Max Loan Using 1.20x DSCR	\$4,033,109	\$4,131,168	\$4,231,188	\$4,333,209	\$4,422,518	\$4,528,660	\$4,636,925	\$4,747,355	\$4,859,994	\$4,974,886
Value @ 7.50% cap rate	\$4,065,993	\$4,164,852	\$4,265,687	\$4,368,540	\$4,458,577	\$4,565,585	\$4,674,733	\$4,786,063	\$4,899,621	\$5,015,449
Max Loan Using 80.00% LTV	\$3,252,794	\$3,331,881	\$3,412,550	\$3,494,832	\$3,566,862	\$3,652,468	\$3,739,786	\$3,828,851	\$3,919,697	\$4,012,359
Max Loan (lessor of DSCR & LTV)	\$3,252,794	\$3,331,881	\$3,412,550	\$3,494,832	\$3,566,862	\$3,652,468	\$3,739,786	\$3,828,851	\$3,919,697	\$4,012,359

MAXIMUM LOAN ANALYSIS
North Point 34

	End of Year	11	12	13	14	15	16	17	18	19	20
		1/31/2027	1/31/2028	1/31/2029	1/31/2030	1/31/2031	1/31/2032	1/31/2033	1/31/2034	1/31/2035	1/31/2036
NET OPERATING INCOME		\$385,020	\$394,058	\$403,277	\$412,680	\$422,271	\$432,054	\$442,033	\$452,211	\$462,593	\$473,183
Available for Debt Service (NOI/DSCR)		\$320,850	\$328,381	\$336,064	\$343,900	\$351,893	\$360,045	\$368,361	\$376,843	\$385,494	\$394,319
Max Loan Using 1.20x DSCR		\$5,092,076	\$5,211,609	\$5,333,533	\$5,457,896	\$5,584,745	\$5,714,132	\$5,846,107	\$5,980,721	\$6,118,027	\$6,258,079
Value @ 7.50% cap rate		\$5,133,594	\$5,254,102	\$5,377,021	\$5,502,397	\$5,630,281	\$5,760,723	\$5,893,773	\$6,029,485	\$6,167,911	\$6,309,105
Max Loan Using 80.00% LTV		\$4,106,875	\$4,203,282	\$4,301,616	\$4,401,918	\$4,504,225	\$4,608,578	\$4,715,019	\$4,823,588	\$4,934,329	\$5,047,284
Max Loan (lesser of DSCR & LTV)		\$4,106,875	\$4,203,282	\$4,301,616	\$4,401,918	\$4,504,225	\$4,608,578	\$4,715,019	\$4,823,588	\$4,934,329	\$5,047,284

MAXIMUM LOAN ANALYSIS
North Point 34

End of Year	21	22	23	24	25	26	27	28	29	30
	1/31/2037	1/31/2038	1/31/2039	1/31/2040	1/31/2041	1/31/2042	1/31/2043	1/31/2044	1/31/2045	1/31/2046
NET OPERATING INCOME	\$483,984	\$495,002	\$506,239	\$517,702	\$529,394	\$541,319	\$553,483	\$565,891	\$578,546	\$591,455
Available for Debt Service (NOI/DSCR)	\$403,320	\$412,501	\$421,866	\$431,418	\$441,161	\$451,099	\$461,236	\$471,576	\$482,122	\$492,879
Max Loan Using 1.20x DSCR	\$6,400,933	\$6,546,643	\$6,695,268	\$6,846,865	\$7,001,494	\$7,159,216	\$7,320,092	\$7,484,186	\$7,651,562	\$7,822,285
Value @ 7.50% cap rate	\$6,453,123	\$6,600,022	\$6,749,858	\$6,902,692	\$7,058,582	\$7,217,589	\$7,379,777	\$7,545,209	\$7,713,949	\$7,886,064
Max Loan Using 80.00% LTV	\$5,162,499	\$5,280,017	\$5,399,887	\$5,522,153	\$5,646,865	\$5,774,071	\$5,903,822	\$6,036,167	\$6,171,159	\$6,308,851
Max Loan (lesser of DSCR & LTV)	\$5,162,499	\$5,280,017	\$5,399,887	\$5,522,153	\$5,646,865	\$5,774,071	\$5,903,822	\$6,036,167	\$6,171,159	\$6,308,851

RENT ROLL
North Point 34

Tenant Name	Rent	Rent Type	Square Feet	Units	Basic Rent	\$/SF
1 Br = (1-12)	\$875	Total/Month	850	12	\$126,000	\$12.35
2 Br = (1-13)	\$1,025	Total/Month	950	13	\$159,900	\$12.95
3 Br = (1-2)	\$1,100	Total/Month	1,050	2	\$26,400	\$12.57
Reserve (1) @ 20% = 3br	\$952	Total/Month	1,050	1	\$11,424	\$10.88
Reserve = (3) @ 20% = 1br	\$687	Total/Month	850	3	\$24,732	\$9.70
Reserve (3) @ 20% = 2 br	\$824	Total/Month	950	3	\$29,664	\$10.41
TOTAL				34	\$378,120	