

### **Canopy / Canyon Pointe / Glen Willow Debt Clarifications**

1. This cash flow statement is very helpful. Is there any way we could get this broken out for each project instead of a combined global?
  - a. Canopy cash flow statement and Canyon Pointe/Glen Willow cash flow statement is attached.
2. The due date for RFP responses has been extended to Friday, January 11 at 4:00 PM.
3. Can you talk more about how you see the GP Contribution working in the amount of \$2.692M? Is this truly a gap that BHP will come to the table with a lump sum or really cash flow during operations/renovation of CP and GW? If cash flow during operations, would the plan be to hold the money in an account and then pay down the loan along the way or at completion? If a lump sum, what is the plan to fund the \$2.692M?
  - a. The GP Contribution is surplus from Canyon Pointe to cover gaps at Glen Willow and Canopy. In the combined cash flow this is shown a source (for Glen Willow/Canopy) and a use (Canyon Pointe). If the deals are separate, the GP contribution to Canopy will be a lump sum from BHP. Timing is negotiable.
4. What is the term (when do the contracts expire?) of the HAP contracts for CP and GW?
  - a. Canyon Pointe's term is 20 years and Glen Willow's term is 5 years. HAP Contracts are attached for your reference.
5. What (if any) other restrictions are currently on CP and GW?
  - a. None.
6. What are the terms of the SubDebts?
  - a. Canopy does not have any true sub-debt. Grants from the City and County will be granted to BHP. BHP will then structure them as loans into the deal. The terms are typically 40 years at the AFR per annum.
7. Will these properties have permanently affordable covenants?
  - a. Canyon Pointe and Glen Willow will both be subject to the terms in the HAP contracts as well as the 15-year LIHTC term. There are no City Covenants on these properties.
  - b. Canopy currently has a permanently affordable interim covenant on 2637 Valmont for 20 units at 50% of AMI. The remainder of the project will also have a permanently affordable covenant placed on it but it will be for units up to 60% AMI. Current interim covenant attached.

8. Will BHP be acting alone as the developer?
  - a. Yes.
  
9. Per your proforma, the Glen Willow project has 4 four-bedroom units restricted at 40.63% AMI which equates to a maximum (or current) rent of \$2,200. When I do this calculation I get a maximum (or current) rent of \$1,279. Can you explain how you are calculating the \$2,200?
  - a. The rents listed in the proforma for Glen Willow are the HAP contract rents, which supersede CHFA rents. This has been confirmed with CHFA. HAP contracts are attached for your reference.
  
10. Can you provide some background on the property tax exemption?
  - a. BHP as a housing authority is eligible for property tax exemption. Documentation is attached for your reference.
  
11. I would assume Canyon Pointe and Glen Willow are owned by a single asset entity and Red Oak Apartments will be owned by a different single asset entity, is this correct?
  - a. No, following the tax credit transaction, these three properties will be owned under one single entity. The properties will have two separate construction contracts.
  
12. Please confirm that the land dedication for Canopy will really be treated the same with a seller carry back note to BHP.
  - a. Yes, the land will be treated as a seller carry back note to BHP.