

BENEFITS TO \$2M PROJECT

- **\$2.08M loan amortizing over 10 yrs generates gross credit subsidy of over \$325K**
 - Net direct pay subsidy currently at 3.10%
 - Payable on interest during construction
- **Assumed taxable rate of 5.0% for effective interest rate of 1.9% - incremental to extent higher or lower.**
- **GCP program fee of 2.0% from proceeds**
- **Issuance costs capped at 2.0% of bond proceeds**
 - Issuance costs in excess paid out of pocket
- **Annual servicing fee of 25 bps of outstanding principal**

Net Subsidy Benefit to Borrower	
Loan Amount	\$ 2,080,000
Amortization	10 yrs
Credit Subsidy Benefit to Borrower	\$ 325,269
Administrative Servicing Charges	\$ (26,217)
Net Savings from Credit Subsidy	\$ 299,053
Approx Credit Subsidy During Construction	\$ 15,509
Approximate Total Subsidy	\$ 314,561
As a percentage of total Credit Subsidy	92%

Direct Funding - Sources and Uses	
Sources:	
QECCB Loan	\$ 2,080,000
Out of Pocket Expenses	\$ -
Total Sources:	\$ 2,080,000
Uses:	
EPC Project Funding	\$ 2,000,000
GCP Program Fee	\$ 40,000
Conduit Issuance Costs*	\$ -
Conduit Closing Costs*	\$ 5,000
SAVES Closing Costs*	\$ 25,000
Borrower Closing Costs*	\$ 10,000
Total Uses	\$ 2,080,000
* Issuance costs capped at 2.0% or no greater than	\$ 41,600

Effective QECCB Interest Rate to Conduit	
Funding Party's Interest Rate	5.00%
Tax Credit Rate as of 9/14/2015	4.78%
Tax Credit Subsidy (1) at 70%	-3.10%
Effective Interest Rate after Subsidy (2)	1.90%
Effective QECCB Interest Rate to Borrower	
Servicing Charges	
Conduit	0.00%
Administrator	0.25%
Effective Interest Rate after Servicing Costs	2.15%
(1) Sequestration reduction in subsidy rate of	7.3%
(2) Greater of Effective Interest Rate or	0.0%