ADDENDUM
* ALL FINANCIAL INFORMATION IS CONFIDENTIAL

RFP FOR THE REDEVELOPMENT OF

MADISON COLLEGE
DOWNTOWN EDUCATION CENTER SITE

APRIL 7, 2017

1030 W CHICAGO AVE
CHICAGO, IL 60642
312.275.3110

8000 MARYLAND AVE, #910
CLAYTON, MO 63105
314.561.5900
1. MIXED-USE DEVELOPMENT PARTNER
Houden Holdings

Houden Holdings is a third generation real estate development and property management company established in the heart of Madison, Wisconsin. Our history began when Richard A. Houden purchased a property on Langdon Street, and appropriately named the building after his two daughters, Deb and Linda. The Deblin was created, and a legacy was born. Over the next few years, Richard continued to purchase and renovate retail properties around the Madison area, while instilling his knowledge in his son, Christopher A Houden, along the way. Chris’ passion for real estate development grew, and his career path manifested.

Chris began purchasing property on land contracts while attending business school at the University of Wisconsin-Madison in the late 1970s (BBA, ’80). He raised venture capital for a start-up agricultural software company in 1981, and in 1990, started a direct-mail publishing company, achieving the Inc. 500 in 1995. During that time, he continued acquiring student property at UW-Madison and UW-Platteville. In 2002, Chris developed his first high-rise in downtown Madison. Buying and accumulating strategic properties and creating unique and marquee development locations has become Chris’ specialty. He has incorporated state of the art design and cutting edge technologies, and is dedicated to setting the bar high. Today, Chris’ properties are thriving, well-maintained, and at full occupancy. He strongly upholds his reputation for excellence.

In addition to development opportunities, Chris’ internal management company uses innovative strategies for operational efficiency and possesses sales and marketing expertise that capitalizes in competitive markets with above-market rental income and occupancy. Chris’ son, Christopher Allen Houden Jr., like his father, had an innate interest in business from a young age. Throughout his upbringing, Chris Jr. was frequently exposed to his father’s business. At an early age, he remembers being interested in the way his father’s business created value and substantially contributed to the Madison community. He credits this fascination to the incredible drive of his family and the success they created through hard work and innovative housing solutions.

After graduating with a degree in Business, Chris Jr. saw a significant gap in the availability of good real estate investment options. This realization led him to create his own Multi-Family fund, leveraging his unique combination of real estate and finance experience to a fund that would serve a select client base. Chris Jr. has since limited his business to a small number of families who are aligned with his values on risk control, stable growth, and family focus, and has experienced monumental success since the fund’s origination.

Our focus has been on city-center projects. We understand the importance of preserving the history and beauty of the past with the need for state-of-the-art next generation ventures. Through our growth we have been at the forefront of high-rise property development on the Isthmus, and have developed a responsive, innovative management team.

Houden Holdings has extensive experience managing the City of Madison entitlements process and collaborating with neighborhood associations, most recently the Mansion Hill Neighborhood. We have repeatedly taken on projects with numerous obstacles and navigated the process to create iconic buildings that add value to our cityscape for generations.

Our strong financial position and relationships with the development and financial communities have put us in a position of explosive growth in the past two decades. Our capacity for this project fits nicely into our projected growth strategies for $250-500M in development over the next five years.
NAME: 1550 East

TYPE: Multi-Family Housing

LOCATION: Milwaukee, WI

1550 N Prospect will involve the rehab and relocation of one of Milwaukee’s historic buildings, the Goll Mansion. The 240,000 square foot building will be on the eastern most bluff in Milwaukee. The exotic location will serve to be a staple in the Milwaukee Skyline.

Houden Holdings and DCH Properties will be primary developers. Partners include: Chrysalis Financial, Houden Holdings, DCH Properties, and H Global.

OWNERSHIP, FINANCIAL, PUBLIC/PRIVATE STRUCTURE: Houden Holdings

PROJECT COST: $62,679,450

CAPITAL AND FINANCING SOURCES: Houden Holdings owns and operates a subsidiary family office, where a small collective of ultra-high net worth families pool capital to fund the initial equity on the building cost.

DEVELOPMENT TIMING/PHASING/SCHEDULE: Start July 2017, Finish May 2019
NAME: The Gallatin
TYPE: Multi-Family Housing
LOCATION: Wauwatosa, WI

The Gallatin will be located on Wauwatosa Avenue in Wauwatosa. It will be a 70,000 square feet, 50 unit multi-family apartment building.

Houden Holdings and DCH Properties will be primary developers.

OWNERSHIP, FINANCIAL, PUBLIC/PRIVATE STRUCTURE: Houden Holdings

PROJECT COST: $12,532,212

CAPITAL AND FINANCING SOURCES: Houden Holdings owns and operates a subsidiary family office, where a small collective of ultra-high net worth families pool capital to fund the initial equity on the building cost.

DEVELOPMENT TIMING/PHASING/SCHEDULE: Start July 2017, Finish May 2018
NAME: Palisade Apartments

TYPE: Multi-Family Housing

LOCATION: Madison, WI

Palisade Apartments served as the first post tension concrete structure, and served as the base for all future developments under the Houden Holdings umbrella.

Houden Holdings and DCH Properties were the primary developers. Both entities own the building.

OWNERSHIP, FINANCIAL, PUBLIC/PRIVATE STRUCTURE: Houden Holdings

PROJECT COST: $29,000,000

CAPITAL AND FINANCING SOURCES: Financed through Johnson Bank


ECONOMIC PERFORMANCE: 99% Occupancy 100% Preleased
NAME: The Waterfront  
TYPE: Multi-Family Housing  
LOCATION: Madison, WI

The Waterfront project consists of the development of the Waterfront Apartments as well as the redevelopment of 140 Iota Court. In the heart of fraternity row, the Waterfront serves as an alternative to student housing off Langdon Street. Houden Holdings and DCH Properties were the primary developers. Both entities own the building.

OWNERSHIP, FINANCIAL, PUBLIC/PRIVATE STRUCTURE: Houden Holdings

PROJECT COST: $38,000,000

CAPITAL AND FINANCING SOURCES: Financed through Johnson Bank

DEVELOPMENT TIMING/PHASING/SCHEDULE: Started July 2014, Finished August 2015

ECONOMIC PERFORMANCE: 99% Occupancy 100% Preleased
NAME: 700 E Johnson
TYPE: Mixed-Used
LOCATION: Madison, WI

700 East Johnson is a master development plan consisting of the majority of the 700 block of east Johnson street. The project consists of first floor retail to serve the tenants and community.

Houden Holdings and DCH Properties will be primary developers, and principals.

OWNERSHIP, FINANCIAL, PUBLIC/PRIVATE STRUCTURE: Houden Holdings

PROJECT COST: $20,556,322

CAPITAL AND FINANCING SOURCES: Houden Holdings owns and operates a subsidiary family office, where a small collective of ultra-high net worth families pool capital to fund the initial equity on the building cost.

DEVELOPMENT TIMING/PHASING/SCHEDULE: Start July 2017, Finish May 2018

**NOTE: In addition to the properties listed previously, Houden Holdings LLC owns and operates an assortment of other ancillary properties totaling $40,000,000**
The Harmony Parking:
240 stalls (80 stalls per level x 3 levels)

Floor 1:
Retail or Residential, Common Amenities

Floor 2-10:
Apartments

Average Unit Size:
16 to 18 units per floor
144 to 162 units

Average Unit Size:
985 sq ft

The Harmony | Ground Lease & Cash Flow Payment Proposal

SOURCES: 40% equity sourced through subsidiary multi family office., remainder through traditional long term non recourse financing.

USES: $60,000,000 building cost - 10 story 242,000 GSF - includes all hard costs, soft costs of construction and approval process.

Ownership Structure: Houden Holdings LLC -- Developer, Owner -- Operated a subsidiary family office, where a small collective of investors pool capital to fund initial equity on building cost.

Houden Holdings LLC is not involved with pending litigation or other disputes that would materially effect the project. The entities has not filed for bankruptcy and there are no known conflicts of interest.
### The Harmony | Ground Lease & Cash Flow Payment Proposal

<table>
<thead>
<tr>
<th>Years</th>
<th>Ground Lease (per year)</th>
<th>Ground Lease Escalator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 thru 5</td>
<td>$204,000</td>
<td>5%</td>
</tr>
<tr>
<td>6 thru 10</td>
<td>$214,200</td>
<td>5%</td>
</tr>
<tr>
<td>11 thru 15</td>
<td>$224,910</td>
<td>5%</td>
</tr>
<tr>
<td>16 thru 20</td>
<td>$236,156</td>
<td>5%</td>
</tr>
<tr>
<td>21 thru 25</td>
<td>$247,963</td>
<td>5%</td>
</tr>
<tr>
<td>25 thru 30</td>
<td>$260,361</td>
<td>5%</td>
</tr>
<tr>
<td>31 thru 35</td>
<td>$273,380</td>
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<tr>
<td>36 thru 40</td>
<td>$287,048</td>
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<tr>
<td>41 thru 45</td>
<td>$301,401</td>
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<tr>
<td>46 thru 50</td>
<td>$316,471</td>
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<tr>
<td>51 thru 55</td>
<td>$332,295</td>
<td>5%</td>
</tr>
<tr>
<td>56 thru 60</td>
<td>$348,909</td>
<td>5%</td>
</tr>
<tr>
<td>61 thru 65</td>
<td>$362,866</td>
<td>4%</td>
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<tr>
<td>66 thru 70</td>
<td>$377,380</td>
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<tr>
<td>71 thru 75</td>
<td>$388,702</td>
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<td>76 thru 80</td>
<td>$400,363</td>
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<tr>
<td>81 thru 85</td>
<td>$408,370</td>
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<tr>
<td>86 thru 90</td>
<td>$416,537</td>
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<tr>
<td>91 thru 95</td>
<td>$479,018</td>
<td>1%</td>
</tr>
<tr>
<td>96 thru 99</td>
<td>$483,808</td>
<td>1%</td>
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</table>

<table>
<thead>
<tr>
<th>Est. Cash Flow Basis (yr. 51)</th>
<th>% of Cash Flow to MC</th>
<th>Est. Cash Flow to MC (starts in 51 years)</th>
<th>Total (ground lease plus 2% cash flow to MC/ year)</th>
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<tbody>
<tr>
<td>$5,000,000</td>
<td>2%</td>
<td>$100,000</td>
<td>$432,294</td>
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<tr>
<td>$5,250,000</td>
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<td>$5,512,500</td>
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<td>$7,756,641</td>
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<td>$638,940</td>
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**GROUND LEASE:** Houden Holdings LLC will provide an annual ground lease payment starting at $204,000 per year. A 5% escalator will be applied to the ground lease every 5 years upon stabilization through year 60. In year 50, an additional payment representing 2% of cash flow will be provided to Madison College. In year 60, the escalator for the ground lease will step-down as shown in the Ground Lease table.