

THE ALEXANDER COMPANY, INC

100 North Main  
General Information

**Project Information**

Project Name	100 North Main
Ownership Entity	100 N Main Venture
Project Location	Memphis, TN
Date of Projections	12/01/221
Project County	Shelby
Developer Entity:	Alexander Company
Type of Project	Historic / Mixed Income Apartments, Office, Retail & Parking
Total # of LI Units	93
Total # of MR Units	268
Office (GSF)	69,404
Retail (GSF)	16,700
Storage (GSF)	15,120
Parking (GSF)	290,920
Residential (GSF)	409,779
Gross Square Footage	801,923
% Commercial (Cost Basis)	10.17%
Set Aside Percentage	25.76%
LMI Square Footage	105,566
MKT Square Footage	304,213

**Project Schedule**

Forecast Start	January 1, 2023
Construction Start	January 15, 2023
Construction period (days)	715
Placed in Service	October 1, 2024
Date Depreciation Starts	October 1, 2024
Rent Up Begins	October 1, 2024
Receipt of Part 3	February 28, 2025
Date of Stabilization (90 Days)	November 30, 2025
Perm Conversion	December 30, 2025

**Assumptions**

Price Per Low Income Housing Tax Credit	\$0.900
Price Per Federal Historic Tax Credit	\$0.830
Price Per State Historic	\$0.000
Price Per EZ & Brownfield Credits	\$0.000
30% Value	4.00%
70% Value	9.00%
DDA Basis Boost	130.00%
Federal Corporate Tax Credit Rate	21.00%
Federal Capital Gain Rate	20.00%
Depreciable Life	40
Replacement Reserves per unit	350
Selling Costs on Sale	5.00%
Capitalization Rate	7.00%
Interest Rate on Operating Reserves	0.50%
Interest Rate on Replacement Reserves	0.50%
Incentive Management Fee - Managing Member	0.00%

**Summary of Tax Credits**

Federal Low Income Housing Tax Credits Reserved	14,326,926
Federal Low Income Housing Tax Credits Calculated	14,326,926
Federal Historic Tax Credits	24,425,406
State Historic Tax Credits	0

**Capital Contributions**

**Federal Low Income Housing Tax Credit & Historic Tax Credit Equity**

	%	Date	Amount	LIHTC	HTC
Closing	20.00%	January 15, 2023	6,583,955	2,578,589	4,005,366
PIS, Draft Cost Cert, CofO's	10.00%	January 29, 2025	3,291,977	1,289,294	2,002,683
Historic Part III	15.67%	February 28, 2025	5,157,541	2,019,938	3,137,603
QO, Stabilization, Conversion, Final Cost Cert	51.00%	November 30, 2025	16,789,085	6,575,401	10,213,683
Tax Filings, 8609s	3.33%	January 14, 2026	1,097,216	429,722	667,494
<b>Total</b>	<b>100.00%</b>		<b>32,919,774</b>	<b>12,892,944</b>	<b>20,026,830</b>

**Managing Manager, LLC**

	%	Date	State Historic Amount	EZ Amount	Brownfield
Partnership Closing	0.10%	January 1, 2023	-	-	-
Cost Cert, Part III	99.90%	February 28, 2025	-	-	-
Receipt of Prepared K-1	0.00%	January 14, 2026	-	-	-
<b>Total</b>	<b>100.00%</b>		<b>0</b>	<b>0</b>	<b>0</b>

**Distributions**

**Percent Ownership**

Managing Member	00.01%
Investor Member	99.99%

**Taxable Loss Allocation**

Managing Member	00.01%
Investor Member	99.99%

**Profits & Losses, Historic Tax Credits**

Managing Member	0.01%
Investor Member	99.99%

**Cash Flow Distributions**

Managing Member	80.00%
Seller Note	10.00%
Investor Member	10.00%

**Residual**

Managing Member	90.00%
Investor Member / DMC (after exit)	10.00%

100 N Main Venture  
Statement of Forecasted Sources & Uses

Sources of Funds			Construction	Permanent	1.16	Residential Portion	83.45%	#####											
Conventional Debt (Commercial Condo)	TBD	12,400,000	12,400,000	12,400,000	12,267,782	Commercial & Storage Portion	10.17%	\$ 13,630,869											
Tax Exempt PAB Financing (4% LIHTC / Mixed Income Cor	TBD	35,000,000	35,000,000	68,400,000		Parking Portion	6.37%	\$ 8,543,225											
Federal Low Income Housing Tax Credit Equity	TBD	2,578,589	12,892,944			TC Investor Priority Return		32,919,774	10.00%										
Federal Historic Tax Credit Equity	TBD	4,005,366	20,026,830			Downtown Memphis Commission		4,000,000	10.00%										
Conventional Debt (Market Rate Condo)	TBD	21,000,000	21,000,000			TAC Investment		9,797,382	80.00%										
Bridge Loan	TBD	25,385,182	-	37,785,182				46,717,156	100%										
\$10M Accelerate Memphis Loan + Garage Cost	City of Memphis	17,013,523	18,903,914																
Seller Note	Memphis DMC	4,000,000	4,000,000																
Deferred Developer Fee	TAC		9,797,382	85.00%															
<b>Total Sources Of Funds</b>		<b>121,382,659</b>	<b>134,021,070</b>	<b>0.600</b>															
Uses of Funds			Construction Project Cost	Permanent Project Cost	Residential Building (QREs)	Commercial Building (QREs)	Personal Property	Land Impr.	4% Rehab Eligible	4.0% Acquisition Eligible	Qualified Rehabilitation Expenditures								
<b>Acquisition (Residential Portion)</b>																			
Memphis (DMC)		4,000,000	4,000,000							3,338,191	-	4,000,000							
<b>Subtotal Acquisition Costs</b>	<b>3.30%</b>	<b>4,000,000</b>	<b>4,000,000</b>																
<b>Rehabilitation Costs</b>																			
Residential Construction	\$	182.00	74,579,858	74,579,858	74,579,858				74,579,858		74,579,858	0							
Office Construction	\$	75.00	5,205,300	5,205,300	-	5,205,300					5,205,300	0							
Storage Construction	\$	60.00	907,200	907,200		907,200					907,200	0							
Retail Construction	\$	75.00	1,252,500	1,252,500	-	1,252,500					1,252,500	0							
TI Allowance	\$	25.00	1,918,362	1,918,362		1,918,362					1,918,362	0							
Parking Garage Allowance	\$	20.00	5,818,400	5,818,400	-	5,818,400					5,818,400	0							
Contingency		<b>10.00%</b>	9,038,162	9,038,162	7,542,777	1,495,385			7,542,777		9,038,162	0							
<b>Personal Property</b>																			
Personal Property			1,594,000	1,594,000			1,594,000		1,594,000		-	1,594,000	0						
<b>Site Improvements</b>																			
Site Work (40% Utilities)		40.00%	400,000	400,000	133,528	16,273		250,199	333,819		149,801	250,199							
Landscaping (Roof & Site)			300,000	300,000				300,000	250,364			300,000							
<b>Subtotal Hard Costs</b>	<b>83.22%</b>	<b>101,013,782</b>	<b>101,013,782</b>																
<b>Soft Costs</b>																			
Design		3.00%	2,727,372	3,030,413	2,529,025	501,389			2,529,025		3,030,413	0							
Engineering		3.00%	2,727,372	3,030,413	2,529,025	501,389			2,529,025		3,030,413	0							
Environmental Fees / Reports			60,000	60,000	50,073	9,927			50,073		60,000	0							
Bridge Loan Interest in Basis	\$	25,385,182	1,675,422	1,675,422	1,398,220	277,202			1,398,220		1,675,422	0							
Perm Loans Interest in Basis	\$	68,400,000	3,242,160	3,242,160	2,705,737	536,423			2,705,737		3,242,160	0							
Perm Loans Interest (not in Basis)	\$	68,400,000	1,458,972	1,458,972					-			1,458,972							
Real Estate Taxes			108,208	108,208	90,305	17,903			90,305		108,208	0							
Construction Insurance			250,000	250,000	208,637	41,363			208,637		250,000	0							
Appraisal			8,500	8,500	7,094	1,406			7,094		8,500	0							
Market Study			12,000	12,000	10,015	1,985			10,015		12,000	0							
Surveys			40,000	40,000	33,382	25,000			33,382		40,000	0							
Title Policy & Recording			90,000	90,000	75,109	14,891			75,109		90,000	0							
Legal - Syndication/Organization			75,000	75,000	-	-			-		-	75,000							
Legal - Developer			150,000	150,000	-	-			-		-	150,000							
Legal - Construction Loan			40,000	40,000	-	-			-		-	40,000							
Due Diligence - Investor			25,000	25,000	-	-			-		-	25,000							
THDA Application & Commitment Letter Fees			2,210	2,210	-	-			-		-	2,210							
THDA Reservation Fee	6.250%		895,433	895,433	-	-			-		-	895,433							
THDA Tax Credit Compliance Fee - First Year			-	55,800	-	-			-		-	55,800							
Bond Council			140,000	140,000	-	-			-		-	140,000							
Acct. - Building / Cost. Cert.			60,000	60,000	50,073	9,927			50,073		60,000	0							
National Park Serv / Tax Cert.			10,000	10,000	8,345	1,655			-		10,000	0							
Soft Costs Contingency			100,000	100,000					-		-	100,000							
Construction Inspections (Lender)			54,000	54,000	45,066	8,934			-		54,000	0							
Lenders Application Fees	0.100%		93,785	93,785					-		-	93,785							
Lenders Forward Commitment Fees	0.750%		703,389	703,389					-		-	703,389							
Perm Lender Legal Fees			60,000	60,000					-		60,000	0							
Termite Inspection			4,000	4,000	3,338	662			3,338		-	4,000							
<b>Development Fee</b>																			
Developer Costs / Fees (Alexander)	10.00%		1,556,055	11,526,331	9,619,273	1,907,058			9,619,273		11,526,331	0							
<b>Reserves</b>																			
Operating Reserve				1,829,901	-	-			-		-	1,829,901							
Replacement Reserve	350.00			126,350	-	-			-		-	126,350							
Lease-up Costs + Pre-opening Exp				50,000	-	-			-		-	50,000							
<b>Subtotal Soft Costs</b>	<b>21.64%</b>	<b>16,368,878</b>	<b>29,007,288</b>																
<b>Total Uses Of Funds</b>		<b>121,382,659</b>	<b>134,021,070</b>	<b>101,618,878</b>	<b>20,470,534</b>	<b>1,594,000</b>	<b>550,199</b>	<b>103,610,123</b>	<b>\$3,338,191</b>	<b>122,127,030</b>		11,894,039							

THE ALEXANDER COMPANY, INC

100 North Main 15 Year Proforma		Stabilized	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	End of PILOT Period 2043
<b>GROSS INCOME</b>																						
Residential Income	1.50%	6,049,908	6,049,908	6,140,657	6,232,766	6,326,258	6,421,152	6,517,469	6,615,231	6,714,460	6,815,177	6,917,404	7,021,165	7,126,483	7,233,380	7,341,881	7,452,009	7,563,789	7,677,246	7,792,405	7,909,291	8,027,930
Less: Residential Vacancy	7.00%	(423,494)	(5,735,681)	(1,989,108)	(436,294)	(442,838)	(449,481)	(456,223)	(463,066)	(470,012)	(477,062)	(484,218)	(491,482)	(498,854)	(506,337)	(513,932)	(521,641)	(529,465)	(537,407)	(545,468)	(553,650)	(561,955)
Estimated Gross Income (EGRI)		5,626,414	314,227	4,151,549	5,796,473	5,883,420	5,971,671	6,061,246	6,152,165	6,244,447	6,338,114	6,433,186	6,529,684	6,627,629	6,727,043	6,827,949	6,930,368	7,034,324	7,139,839	7,246,936	7,355,640	7,465,975
Office Income (City)	3.00%	900,517	900,517	900,517	900,517	900,517	900,517	927,532	927,532	927,532	927,532	927,532	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358
Less: Office Vacancy	0.00%	-	(825,474)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Speculative Retail Income	3.00%	250,500	250,500	250,500	250,500	250,500	250,500	258,015	258,015	258,015	258,015	258,015	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755
Less: Speculative Vacancy (30/20)	30.00%	(75,150)	(237,489)	(75,150)	(75,150)	(75,150)	(75,150)	(77,405)	(77,405)	(77,405)	(77,405)	(77,405)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)	(79,727)
Storage Income	1.00%	156,946	156,946	158,515	160,100	161,701	163,318	164,951	166,601	168,267	169,950	171,649	173,366	175,099	176,850	178,619	180,405	182,209	184,031	185,871	187,730	189,607
Less: Speculative Storage Vacancy	30.00%	(47,084)	(148,794)	(47,555)	(48,030)	(48,510)	(48,995)	(49,485)	(49,980)	(50,480)	(50,985)	(51,495)	(52,010)	(52,530)	(53,055)	(53,586)	(54,121)	(54,663)	(55,209)	(55,761)	(56,319)	(56,882)
Less CAM Expense (Speculative)	3.00%	(440,622)	(110,156)	(453,841)	(467,456)	(481,480)	(495,924)	(510,802)	(526,126)	(541,910)	(558,167)	(574,912)	(592,160)	(609,924)	(628,222)	(647,069)	(666,481)	(686,475)	(707,069)	(728,282)	(750,130)	(772,634)
CAM Reimbursement (Office / Retail)	3.00%	396,794	24,800	408,698	420,959	433,588	446,595	459,993	473,793	488,007	502,647	517,726	533,258	549,256	565,733	582,705	600,187	618,192	636,738	655,840	675,515	695,781
Net Commercial Income		1,141,901	10,849	1,141,684	1,141,440	1,141,165	1,140,861	1,172,800	1,172,430	1,172,026	1,171,587	1,171,111	1,203,842	1,203,288	1,202,694	1,202,057	1,201,376	1,200,650	1,199,877	1,199,056	1,198,184	1,197,259
Parking Income	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Parking Vacancy	0.00%	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plus RE Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Real Estate Taxes (Parking)	1.50%	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total Revenues		6,768,315	325,076	5,293,233	6,937,912	7,024,585	7,112,532	7,234,046	7,324,595	7,416,474	7,509,701	7,604,297	7,733,525	7,830,917	7,929,737	8,030,006	8,131,745	8,234,974	8,339,716	8,445,992	8,553,824	8,663,234
<b>EXPENSES (Residential)</b>																						
Accounting/Audit	3.00%	24,000	-	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084
Advertising	3.00%	27,000	-	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229	36,286	37,374	38,496	39,650	40,840	42,065	43,327	44,627	45,966	47,345
Legal and Professional	3.00%	5,000	1,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Bad Debt & Credit Reports	3.00%	3,000	-	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Office Expense	3.00%	2,400	125	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	3,225	3,322	3,422	3,524	3,630	3,739	3,851	3,967	4,086	4,208
Management - 4% EGRI (Apartments)	4.00%	225,057	12,569	166,062	231,859	235,337	238,867	242,450	246,087	249,778	253,525	257,327	261,187	265,105	269,082	273,118	277,215	281,373	285,594	289,877	294,226	298,639
Extermination	3.00%	3,600	187	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445	5,609	5,777	5,950	6,129	6,313
Grounds / Snow Removal	3.00%	3,000	750	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Janitorial/Carpet Cleaning	3.00%	48,000	2,493	49,440	50,923	52,451	54,024	55,645	57,315	59,034	60,805	62,629	64,508	66,443	68,437	70,490	72,604	74,782	77,026	79,337	81,717	84,168
Painting & Decorating	3.00%	24,000	-	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084
Repairs & Maintenance	3.00%	120,000	-	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573	161,270	166,108	171,091	176,224	181,511	186,956	192,565	198,342	204,292	210,421
Fire Safety	3.00%	24,000	-	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084
Elevator Maintenance	3.00%	54,000	-	55,620	57,289	59,007	60,777	62,601	64,479	66,413	68,400	70,458	72,571	74,749	76,991	79,301	81,680	84,130	86,654	89,254	91,931	94,689
Property Insurance	3.00%	90,000	4,675	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	140,217	144,424	148,756	153,219	157,816
Rubbish Removal	3.00%	48,000	2,493	49,440	50,923	52,451	54,024	55,645	57,315	59,034	60,805	62,629	64,508	66,443	68,437	70,490	72,604	74,782	77,026	79,337	81,717	84,168
Security	3.00%	3,600	900	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445	5,609	5,777	5,950	6,129	6,313
Telephone	3.00%	16,000	4,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927	25,675	26,446	27,239	28,056
Utilities - Gas & Electric	3.00%	160,000	8,310	164,800	169,744	174,836	180,081	185,484	191,048	196,780	202,683	208,764	215,027	221,477	228,122	234,965	242,014	249,275	256,753	264,456	272,389	280,561
Utilities - Water/Sewer	3.00%	90,000	4,675	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	140,217	144,424	148,756	153,219	157,816
Wages	3.00%	240,000	60,000	247,200	254,616	262,254	270,122	278,226	286,573	295,170	304,025	313,146	322,540	332,216	342,183	352,448	363,022	373,912	385,130	396,683	408,584	420,841
Real Estate Taxes		463,142	42,752	86,543	363,579	472,520	477,305	482,777	487,628	492,506	497,411	502,341	508,006	512,992	518,000	523,030	528,079	534,425	539,577	544,731	549,900	1,571,154
Replacement Reserves	350	126,350	6,563	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350
Operating Reserve Interest Income	0.50%	-	-	(9,150)	(9,195)	(9,241)	(9,287)	(9,334)	(9,381)	(9,427)	(9,475)	(9,522)	(9,570)	(9,617)	(9,666)	(9,714)	(9,762)	(9,811)	(9,860)	(9,910)	(9,959)	(10,009)
Operating Expenses	4,987 PUPA	1,800,149	151,490	1,384,973	1,758,216	1,901,957	1,942,536	1,984,824	2,027,542	2,071,370	2,116,340	2,162,481	2,210,538	2,259,131	2,308,997	2,360,171	2,412,689	2,467,869	2,523,259	2,580,096	2,638,435	3,714,390
Net Operating Income (loss)		4,968,166	173,586	3,908,260	5,179,696	5,122,628	5,169,995	5,249,222	5,297,053	5,345,104	5,393,362	5,441,816	5,529,988	5,571,786	5,620,740	5,669,835	5,719,055	5,767,105	5,816,457	5,865,896	5,915,389	4,948,844
PUPA		4,987	420	3,836	4,870	5,269	5,381	5,498	5,616	5,738	5,862	5,990	6,123	6,258	6,396	6,538	6,683	6,836				

THE ALEXANDER COMPANY, INC

<b>Federal Low Income Tax Credit Equity Calculation - 4% Credit</b>			
% Complete by January 1, 2012			
	<b>4% Credits</b>	<b>9% Credits</b>	<b>Total</b>
Total Eligible Building Basis	103,610,123	103,610,123	
Acquisition Basis	3,338,191	1,483,640	
Less Historic Tax Credits (Residential)	0	(21,941,173)	
DDA Basis Boost	130.00%	130.00%	
Applicable Fraction	26%	0%	
LIHTC Percentage x 10	40%	90.00%	
<b>LIHTC</b>	<b>14,326,926</b>	<b>0</b>	<b>14,326,926</b>
Credits to Members			<b>14,326,926</b>
Investor Member Percentage			99.99%
Tax Credits for Syndication			14,325,494
Price per Credit			0.900
Low Income Housing Tax Credit Equity			<b>12,892,944</b>
<b>Federal Historic Tax Credit Equity Calculation</b>			
	<b>Predevel</b>	<b>Commercial</b>	<b>Residential</b>
Total Eligible Building Basis	0	12,421,163	109,705,867
Federal Historic Tax Credit	20.00%	20.00%	20.00%
<b>Federal Historic Credit</b>	<b>0</b>	<b>2,484,233</b>	<b>21,941,173</b>
Federal Historic Tax Credits Calculated			<b>24,425,406</b>
Investor Member Percentage			99.99%
Tax Credits for Syndication			24,422,963
Price per Credit			0.820
Federal Historic Tax Credit Equity			<b>20,026,830</b>
<b>State of Tennessee Historic Tax Credit Equity Calculation</b>			
Total Eligible Building Basis			122,127,030
State of TN Tax Credit Percentage			0.00%
Calculated State Historic Tax Credits			0
Reserved State Historic Tax Credits			0
Tax Credit			0
Price per Credit			0.000
State Historic Tax Credit Equity			<b>0</b>
Potential Tier 2 State Credit			0
Price per Credit			0.000
State Historic Equity II			<b>0</b>
<b>State of Tennessee Brownfield Credit Equity Calculation</b>			
Tax Credit Equity			<b>0</b>
<b>State of Tennessee Enterprise Zone Tax Credit Equity Calculation</b>			
Tax Credit Equity			<b>0</b>

THE ALEXANDER COMPANY, INC

100 N Main Venture  
Financing Assumptions

<b>Bridge Loan</b>	
Lender	TBD
Amount	25,385,182
Rate	3.75%
Spread	1.75%
Rate	5.50%
Floating/Fixed	Floating
<b>Tax Exempt PAB Financing (4% LIHTC / Mixed Income Condo)</b>	
Lender	TBD
Principal	35,000,000
Interest rate	3.95%
Term	35
Amortization	35
DSC ratio required	1.15
<b>Seller Note</b>	
Lender	Memphis DMC
Principal	\$4,000,000
Interest rate	0.000%
Term	35
Amortization	10% of Cash Flow
<b>\$10M Accelerate Memphis Loan + Garage Cost</b>	
Lender	City of Memphis
Principal	\$18,903,914
Interest rate	0.000%
Term	9999999999
Amortization	9999999999
<b>Developer Fee Note</b>	
Lender	Alexander Company
Principal	\$9,797,382
Interest rate	0.000%
Term	15
Amortization	80% of Cash Flow
<b>Conventional Debt (Commercial Condo)</b>	
Lender	TBD
Principal	\$12,400,000
Interest rate	4.65%
Term	7
Amortization	20
<b>Conventional Debt (Market Rate Condo)</b>	
Lender	TBD
Principal	\$21,000,000
Interest rate	5.50%
Term	18
Amortization	30

THE ALEXANDER COMPANY, INC  
100 N Main Venture  
Loan Amortization Schedule  
Seller Note

Lender	Memphis DMC
Principal	\$4,000,000
Interest Rate	0.00%
Amortization in Months	420
Beginning Month	1
Beginning Year	2025
Monthly Payment	9,524
Annual Payment	114,286

Beginning Balance	Month	Year	Payment	Principal Payment	Interest Payment	Ending Balance
4,000,000	12	2025	237	237	-	3,999,763
3,999,763	24	2026	70,951	70,951	-	3,928,812
3,928,812	36	2027	65,220	65,220	-	3,863,592
3,863,592	48	2028	69,932	69,932	-	3,793,660
3,793,660	60	2029	77,830	77,830	-	3,715,830
3,715,830	72	2030	93,973	93,973	-	3,621,857
3,621,857	84	2031	98,273	98,273	-	3,523,584
3,523,584	96	2032	102,592	102,592	-	3,420,992
3,420,992	108	2033	106,927	106,927	-	3,314,065
3,314,065	120	2034	114,206	114,206	-	3,199,859
3,199,859	132	2035	118,570	118,570	-	3,081,289
3,081,289	144	2036	122,948	122,948	-	2,958,341
2,958,341	156	2037	127,338	127,338	-	2,831,003
2,831,003	168	2038	131,738	131,738	-	2,699,265
2,699,265	180	2039	136,032	136,032	-	2,563,233
2,563,233	192	2040	140,442	140,442	-	2,422,791
2,422,791	204	2041	144,859	144,859	-	2,277,932
2,277,932	216	2042	149,280	149,280	-	2,128,652
2,128,652	228	2043	62,256	62,256	-	2,066,396

THE ALEXANDER COMPANY, INC

100 N Main Venture  
Apartment Rental Assumptions

**Rental Income**

Sec 42 Rent Restricted Units 25.8% 0%

Number of Bedrooms	Units	CMI Set Aside %	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	2021 Limits	Total Monthly Rent
One Bedroom	0	50%	1.00	700	614	30	644	644	0
Two Bedroom - 1 Bath	0	50%	2.00	950	733	40	773	773	0
One Bedroom	65	60%	1.00	700	743	30	773	773	48,295
Two Bedroom - 1 Bath	28	60%	1.00	950	888	40	928	928	24,864
Total	93			775					73,159

Residential Units 74.2%

Number of Bedrooms	Units	CMI Set Aside %	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Rent per SF	Total Monthly Rent
One Bedroom - 1 Bath (MKT)	162	Market	1.00	700	1,450	-	1,450	2.07	234,900
Two Bedroom - 2 Bath (MKT)	106	Market	2.00	950	1,850	-	1,850	1.95	196,100
	268			799					431,000

361 Total Units 286,200

<b>Base Gross Residential Rent (Annual)</b>							\$	6,049,908
Less Vacancy							7.00%	(423,494)
<b>Annual Effective Income</b>								<u>5,626,414</u>

**Commercial Income**

	Gross SF	Loss Factor	Net SF	NNN Rent/SF		Monthly Rent
Self Storage	15,120	0.865	13,079	\$ 12.00	Speculative	13,079
Office (GSF)	69,404	0.865	60,034	\$ 15.00	City Lease (60,000SF)	75,043
Retail (GSF)	16,700	1.000	16,700	\$ 15.00	Speculative	20,875
			<b>89,813</b>			

<b>Base Gross Commercial Rent (Annual)</b>						\$	1,307,963
Less Retail & Storage Vacancy			8,934	Unoccupied (Vacancy)		30.00%	(392,389)
<b>Annual Effective Income</b>			90.05%	Occupied			<u>915,574</u>

**Parking Income**

	Gross SF		Spaces	Rent / Space		Rent per SF	Monthly Rent
Parking Income	290,920		400	\$ 0.00	Memphis DMA Lease	0.00	0

<b>Base Gross Other Income (Annual)</b>						\$	0	
Less Vacancy					86.00%	14.00%	0.00%	0
<b>Annual Effective Income</b>							<u>0</u>	

**Total Effective Income** **\$ 6,541,988**

THE ALEXANDER COMPANY, INC

Printworks Building  
Estimated Apartment Lease-Up

<b>Lease Up Estimate -</b>		<b>2024</b>		
<b>2024</b>	<u>Units Occupied</u>	<u>% Occupied</u>	<u>Units Occupied</u>	<u>Out of Available</u>
January	0	0.0%		361
February	0	0.0%		361
March	0	0.0%		361
April	0	0.0%		361
May	0	0.0%		361
June	0	0.0%		361
July	0	0.0%		361
August	0	0.0%		361
September	0	0.0%	18	361
October	45	12.5%	33	361
November	75	20.8%	46	361
December	105	29.1%	59	361
<b>Total</b>	225	5.2%		4,332
<b>Percentage of Base</b>	<b>5.19%</b>		#####	

<b>Lease Up Estimate -</b>		<b>2025</b>		
<b>2025</b>	<u>Units occupied</u>	<u>% Occupied</u>		<u>Out of Available</u>
January	135	37.4%	72	361
February	165	45.7%	76	361
March	195	54.0%	86	361
April	220	60.9%	91	361
May	245	67.9%	91	361
June	270	74.8%	91	361
July	290	80.3%	91	361
August	310	85.9%	91	361
September	330	91.4%	91	361
October	350	97.0%	91	361
November	361	100.0%	91	361
December	361	100.0%	91	361
<b>Total</b>	3,232	74.6%	#####	4,332



Real Estate Tax Calculation

	Allocation	Base Assessed Valu	Base Tax Allocation																					
Residential	79.0%	3,160,701	85,503	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Commercial	21.0%	839,299	22,705	Stabilized	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Assessment	4,000,000	2.71% City of Memphis	7.00% CAP Rate																					
Effective Tax Rate (40%)	2.71%	4.05% Shelby County	40% Assessment Percentage																					
Base RE Tax	108,208	6.76% Total Tax Rate																						
Residential																								
Commercial																								
Effective Gross Income	5,626,414	-	314,227	4,151,549	5,796,473	5,883,420	5,971,671	6,061,246	6,152,165	6,244,447	6,338,114	6,433,186	6,529,684	6,627,629	6,727,043	6,827,949	6,930,368	7,034,324	7,139,839	7,246,936	7,355,640			
Expense Ratio	27% ##	47%	26%	25%	27%	27%	27%	28%	28%	28%	28%	28%	29%	29%	29%	30%	30%	30%	30%	31%	31%	31%	45%	
Estimated NOI	4,129,974	-	232,009	3,099,457	4,227,036	4,276,572	4,333,208	4,383,415	4,433,907	4,484,674	4,535,705	4,584,335	4,645,944	4,697,783	4,749,838	4,802,096	4,867,781	4,921,115	4,974,460	5,027,961	5,079,612	5,129,316	4,065,532	
Cap Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Est. Value	58,999,626	-	3,314,417	44,277,960	60,386,232	61,093,886	61,902,978	62,620,221	63,341,534	64,066,774	64,795,788	65,533,357	66,307,629	67,111,183	67,854,830	68,601,371	69,539,732	70,301,637	71,063,707	71,828,013	72,594,561	73,363,347	58,079,035	
RE Tax Rate	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	
Est. Tax Increment	1,510,555	-	4,158	1,112,304	1,548,065	1,567,209	1,589,096	1,608,499	1,628,012	1,647,631	1,667,352	1,689,010	1,709,955	1,729,988	1,750,106	1,770,301	1,795,686	1,816,297	1,836,912	1,857,588	1,878,312	1,899,084	1,485,651	
% Abatement	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	0%	
Est. Net Tax Increment	377,639	-	1,040	278,076	387,016	391,802	397,274	402,125	407,003	411,908	416,838	422,503	427,489	432,497	437,526	442,575	448,921	454,074	459,228	464,397	469,561	474,721	1,485,651	
Base Tax	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	85,503	
RE Tax	463,142	85,503	86,543	363,579	472,520	477,305	482,777	487,628	492,506	497,411	502,341	508,006	512,992	518,000	523,030	528,079	534,425	539,577	544,731	549,900	555,114	560,373	1,571,154	
Commercial																								
Effective Gross Income	1,141,901	10,849	1,141,684	1,141,440	1,141,165	1,140,861	1,172,800	1,172,430	1,172,026	1,171,587	1,171,111	1,203,842	1,203,288	1,202,694	1,202,057	1,201,376	1,200,650	1,199,877	1,199,056	1,198,184	1,197,259			
Expense Ratio	4%	93%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	5%	
Estimated NOI	1,096,681	737	1,096,031	1,095,349	1,094,633	1,093,883	1,125,318	1,124,494	1,123,631	1,122,729	1,121,785	1,153,966	1,152,956	1,151,880	1,150,758	1,149,588	1,148,368	1,147,097	1,145,772	1,144,393	1,142,957	1,141,474	1,129,977	
Cap Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Est. Value	15,666,877	10,533	15,657,591	15,647,843	15,637,616	15,626,894	16,075,971	16,064,193	16,051,869	16,038,980	16,025,507	16,485,511	16,470,794	16,455,431	16,439,403	16,422,686	16,405,258	16,387,095	16,368,174	16,348,470	16,327,956	16,307,642	16,286,528	
RE Tax Rate	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	
Est. Tax	423,820	285	423,569	423,305	423,029	422,739	434,887	434,569	434,235	433,886	433,522	445,966	445,568	445,152	444,719	444,266	443,795	443,304	442,792	442,259	441,704	441,128	440,542	
% Abatement	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	0%	
Est. Net Tax	105,955	71	105,892	105,826	105,757	105,685	108,722	108,642	108,559	108,472	108,381	111,492	111,392	111,288	111,180	111,067	110,949	110,826	110,698	110,565	110,427	110,284	441,704	
Base Tax	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	22,705	
RE Tax	105,955	22,705	105,892	105,826	105,757	105,685	108,722	108,642	108,559	108,472	108,381	111,492	111,392	111,288	111,180	111,067	110,949	110,826	110,698	110,565	110,427	110,284	441,704	
Total Estimated RE Tax	569,097	108,208	192,435	469,406	578,277	582,990	591,499	596,270	601,065	605,883	610,722	619,497	624,384	629,288	634,209	639,145	645,373	650,403	655,429	660,465	665,501	670,537	2,012,858	

100 N Main Program										
	Studio	1 Brm Apt	2 Brm Apt	Residential	Self Storage	Fitness Community	Office (City)	Retail/Office (Speculative)	Parking	Total
Parking Retained by Memphis Mobility / DMC	LL Lobby				15,120		8,300		12,000	<b>35,420</b>
	UL Lobby						4,800	16,700	11,000	<b>32,500</b>
	3								12,000	<b>12,000</b>
	4						25,000		17,640	<b>42,640</b>
	5								47,656	<b>47,656</b>
	6								47,656	<b>47,656</b>
	7								47,656	<b>47,656</b>
	8								47,656	<b>47,656</b>
	9								47,656	<b>47,656</b>
Memphis (GSF)	10						15,652			<b>15,652</b>
Memphis	11						15,652			<b>15,652</b>
Bond Financed Mixed Income Housing 42% @ 60% AMI	12		10	4	15,652		-			<b>15,652</b>
	13		10	4	15,652		-			<b>15,652</b>
	14		10	4	15,652					<b>15,652</b>
	15		10	4	15,652					<b>15,652</b>
	16		10	4	15,652					<b>15,652</b>
	17		10	4	15,652					<b>15,652</b>
	18		10	4	15,652					<b>15,652</b>
	19		10	4	15,652					<b>15,652</b>
	20		10	4	15,652					<b>15,652</b>
	21		10	4	15,652					<b>15,652</b>
	22		10	4	15,652					<b>15,652</b>
	23		11	3	15,652					<b>15,652</b>
	24		10	4	15,652					<b>15,652</b>
	25		10	4	15,652					<b>15,652</b>
	26		8	6	15,652					<b>15,652</b>
	27		8	6	15,652					<b>15,652</b>
	Conventional Financed Market Rate	28		8	6	15,652				
29			8	6	15,652					<b>15,652</b>
30			8	6	15,652					<b>15,652</b>
31			8	6	15,652					<b>15,652</b>
32			8	6	15,652					<b>15,652</b>
33			8	6	15,652					<b>15,652</b>
34			5	8	15,652					<b>15,652</b>
35			5	8	15,652					<b>15,652</b>
36			7	7	15,652					<b>15,652</b>
37			5	8	15,652					<b>15,652</b>
Lounge	38					2,827				<b>2,827</b>
<b>Total</b>		<b>227</b>	<b>134</b>	<b>406,952</b>	<b>15,120</b>	<b>2,827</b>	<b>69,404</b>	<b>16,700</b>	<b>290,920</b>	<b>801,923</b>

**CONFIDENTIAL**

**Acquisition Proposal  
and  
Agreement**

December 2, 2021

Mr. David Vos  
Alexander Company  
2450 Rimrock Road, Suite 100  
Madison, WI 53713

Re: 100 North Main (the "Apartment Complex")  
361 Units – Memphis, TN

Dear Dave:

Thank you for giving us the opportunity to present this proposal to you. This proposal sets forth our understanding of the basic business terms to be included in an agreement (the "Operating Agreement") by and between Affordable Housing Partners, Inc., or its designees, ("AHP"), 100 North Main Venture, L.L.C., a Tennessee Limited Liability Company (the "Company"), and 100 North Main Managing Member, LLC (sometimes referred to herein as the "MM or "Managing Member") regarding the Apartment Complex. AHP is sometimes referred to herein as the "IM" or "Investor Member". Capitalized terms, not otherwise defined in this proposal, have the meaning given in the Operating Agreement. All information, estimates, and assumptions contained herein shall be subject to the final project budget at closing of the Operating Agreement and project financing.

**A. BASIC INFORMATION**

**1. Company Interest to be Acquired**

The proposal is based upon the acquisition of a 99.99% interest in the Company by AHP leaving a 0.01% interest to the Managing Member.

**2. Tax Credits to be Acquired**

Year of Tax Credit Reservation	2022
Amount of 4% Low Income Housing Tax Credits ("LIHTC")	\$9,421,355
Amount of 9% Low Income Housing Tax Credits ("LIHTC")	\$13,000,000
Amount of Federal Historic Tax Credits ("FHTC")	\$22,633,676
Percentage of Company Interest	99.99%
Tax Credits Acquired by AHP	<u>\$45,050,526</u>

**B. TOTAL DEVELOPMENT COSTS**

Total Development Cost Net of AHP Due Diligence Fees	\$125,427,433
PLUS: AHP's Due Diligence Fee	<u>\$100,000</u>
Total Development Cost Equal:	<u>\$125,527,433</u>

Any increase in Development Costs above \$125,527,433 will be the responsibility of the Managing Member and/or Guarantor to fund. Cost savings generated by the Company prior to the final audit, preparatory to filing the 8609, which are approved by AHP will be applied first 90% to the Deferred Developer Fee until retired and 10% to the IM as a distribution, and then any remaining balance, to the extent feasible, being applied to the reduction in the initial balance of the must pay permanent loan.

**C. EQUITY INVESTMENT**

1. Amount of AHP's Equity Investment

AHP will pay the Company \$0.90 per \$1.00 of cumulative Section 42 tax credits for a total of \$20,177,202. This is based upon the purchase of a 10-year stream of LIHTC's totaling \$22,419,113. The actual equity payment by AHP will be adjusted up or down based on the actual amount of LIHTC's received by the Company using the rate of \$0.90 per \$1.00 of Section 42 tax credit, with any increase in equity associated with an upward adjuster limited to 5% of AHP's original capital contribution.

AHP will pay the Company \$0.82 per \$1.00 of FHTC or a total of \$18,557,759. This is based upon the purchase of FHTC's totaling \$22,631,413. The actual equity payment by AHP will be adjusted up or down based on the actual amount of tax credits received by the Company using the rate of \$0.82 per \$1.00 of FHTC subject to a limited downward adjuster of no more than 25% of committed FHTC capital. Any upward adjuster would be limited to no more than 5% above the initial total projected FHTC capital contribution.

2. AHP will invest in the Company as follows:

- a. Upon the closing of the Operating Agreement, AHP will invest up to \$7,746,992 in equity to the Company (the "First Capital Contribution"). Of this \$7,746,992 in capital available during development of the Apartment Complex, \$5,810,244 will be available to be drawn at closing; and \$1,936,748 will be available to be drawn at the later of 50% completion of construction and January 15, 2024. AHP reserves the right to limit the amount of the First Capital Contribution actually funded at Company closing to that amount needed to meet initial closing costs, construction expenses as well as approved reimbursables to the Developer, Managing Member and/or Guarantor. Remaining proceeds (if any) would be retained by AHP and funded at the next scheduled draw(s) as submitted during the course of construction.
- b. Upon the later of receipt of the last Certificate of Occupancy for the development, receipt of the NPS Historic Preservation Certification Application Part 3 and satisfaction of the other requirements as set forth in the Operating Agreement, and generally set forth in Exhibit A attached hereto, and January 15, 2025 AHP will

- invest an additional \$9,942,102 of its equity in the Company (the "Second Capital Contribution").
- c. Upon the later of placement of the First Mortgage on the property, Rental Achievement (generally defined as a period of three consecutive months of 90% economic occupancy and a debt coverage ratio of 1.20), upon satisfactory completion of all other requirements as set forth in the Operating Agreement, and generally set forth in Exhibit A attached hereto, and October 1, 2025 AHP will invest an additional \$20,795,867 of its equity in the Company (the "Third Capital Contribution"). \$2,336,727 of this Third Capital Contribution will be used to fund initial Operating Reserves anticipated in Section J of this proposal. The Members intend that AHP shall hold the Operating Reserve and, accordingly, AHP may defer payment to the Company of this Third Capital Contribution earmarked to fund the Operating Reserve, and instead fund all or a portion of such deferred Capital Contribution from time to time to cover operating deficits, and fund reserves as needed by the Company. Notwithstanding the foregoing, any such reduced Capital Contribution shall be paid no later than the earlier to occur of the withdrawal of the Investor Member from the Company or the end of the 15-year tax credit compliance period (the "Deferred Capital Contribution Payment Deadline"). Any portion of any Capital Contribution due on the Deferred Capital Contribution Payment Deadline shall be first used to fund the lender required reserves to the Company.
- d. Upon the later of the receipt of the final fully executed IRS Forms 8609, receipt and acceptance by AHP of the first year's (post placement into service) tax return, upon satisfactory completion of all other requirements as set forth in the Operating Agreement, and generally set forth in Exhibit A attached hereto, and January 15, 2026, AHP will invest the final \$250,000 of its equity (the "Fourth Capital Contribution") in the Company.

D. TAX CREDIT TIMING ADJUSTER

LIHTC TIMING:

	<u>Amount</u>	<u>Projected Year</u>
Projected 1 <sup>st</sup> Year Tax Credits	\$2,048,322	2025
Projected Tax Credits Years 2-10	\$2,241,911	2025-2033
Projected Tax Credits Year 11	\$193,589	2034

In the event the tax credits actually delivered during the first tax credit year are less than the amount shown above, the AHP Capital Contributions will be reduced by \$0.70 times the amount of any shortfall.

FHTC TIMING

In Q3 2024, the Project is expected to be placed in service and deliver \$4,526,283 of FHTC's. (The balance of the FHTC's is expected to be delivered in equal annual installments of \$4,526,283 of FHTC's on the next four annual anniversary dates of the first delivery.) The FHTC price would be adjusted downward by \$0.03 for each fiscal quarter that the first delivery of FHTC's is delayed, subject to a limited downward adjuster of no more than 25% of committed capital.

E. DEVELOPMENT FEE

The development fee is estimated at: \$9,726,517

Since there is a gap between the total Permanent Sources and Uses of Funds, a portion of this fee, or \$8,952,372 (or such other amount as reflected in the final budget), will need to be dedicated as a Permanent Source in the form of a Deferred Developer Fee (the "DDF"). The DDF will not bear interest and will be paid from available cash as set forth below. In the event that any portion of the DDF is remaining in Year 13, the Managing Member shall make a special contribution to the Company to pay such amount. The remainder (cash portion) of the developer fee shall be funded as set forth below:

Closing of the Operating Agreement and Construction Loan	\$125,000
Upon the Second Capital Contribution	\$0
Upon the Third Capital Contribution	\$399,145
Upon the Fourth Capital Contribution	<u>\$250,000</u>
Total:	<u><u>\$774,145</u></u>

F. CASH FLOW

After certain priorities as set forth in the Operating Agreement, cash flow available for distribution to the Members will be shared as follows:

1. first, to the payment of Investor Member loans;
2. second, to the Asset Management Fee then, to the payment of Managing Member Loans;
3. third, until the Deferred Development Fee has been paid in full, (A) 85% to the payment of the Deferred Development Fee; and (B) 15% to be distributed to the Members, pro rata, in accordance with their Percentage Interests;
4. fourth, until the Operating Deficit Loans have been paid in full, (A) 85% to the payment of the outstanding Operating Deficit Loans; and (B) 15% to be distributed to the Members, pro rata, in accordance with their Percentage Interests;
5. fifth, until the Incentive Management Fee is paid in full capped at \$2,500,000 per year (A) 85% to the payment of the Incentive Management Fee, and (B) 15% to be distributed to Members, pro rata, in accordance with Percentage Interests;

6. then, any remaining cash flow would be distributed (A) 85% to the MM, and (B) 15% to be distributed to the members, pro rata, in accordance with Percentage Interests.

G. SALE OR REFINANCE

Upon sale of the Apartment Complex or a refinancing with a permanent mortgage loan, proceeds will generally be allocated in accordance with the following priority:

1. to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to the Mortgage Loan (if any) and all expenses of the Company incident to any such sale or refinancing), excluding debts and liabilities of the Company to Members or any Affiliates, and all unpaid fees owing to the Managing Member under this Agreement;
2. to the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the payment of any outstanding Asset Management Fee; (ii) to the MM or IM to the extent of any excess Partner loans and any accrued, but unpaid interest; (iii) pro rata to any unpaid MM or IM loans and any accrued, but unpaid interest; (iv) to the payment of any outstanding developer fees; and (v) to the payment of any other debts and liabilities to the Members.
3. to the setting up of any reserves deemed reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;
4. the balance of such remaining sum, 85% thereof in the aggregate to the Managing Member and 15% thereof in the aggregate to the Investor Member.

H. FINANCING ASSUMPTIONS

CONSTRUCTION SOURCES:

	<b>Lender/Source</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Term</b>
First Mortgage	Citi/Construction Loan (Commercial Condo)	\$12,200,000	4.65%	3 years
Second Mortgage	Citi/Tax-Exempt Bonds	\$51,640,000	3.95%	3 years
Third Mortgage	TBD/Bridge Loan	\$28,797,913	5.50%	3 years
Fourth Mortgage	Seller Note (Memphis DMC)	\$4,000,000	0.00%	35 years

PERMANENT SOURCES:

<b>Lender</b>	<b>Lender/Source</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Term</b>	<b>Amortization</b>
First Mortgage	Citi/Construction Loan (Commercial Condo)	\$12,200,000	4.65%	7 years	20 years
Second Mortgage	Citi/Tax-Exempt Bonds	\$51,640,000	3.95%	35 years	35 years
Third Mortgage	Seller Note (Memphis DMC)	\$4,000,000	0.00%	35 years	10% of Cash Flow

The actual debt sizing, both prior to closing the Operating Agreement as well as prior to actual conversion of the permanent loan, will be subject to the approval of AHP. It is AHP's assumption that the Seller Note contemplated herein will be payable from 10% of residual cash flow and to the extent that no cash flow exists after operational expenses then the loan payment will accrue. It is AHP's further assumption that the Seller Note will not have any performance benchmarks (i.e. DSCR and/or occupancy for a given period of time) required to convert to a permanent loan. In addition to the debt identified above, the developer has indicated that a \$10,000,000 Accelerate Memphis Grant will be available as a source to pay approved development costs. The ultimate structure and terms of the Accelerate Memphis Grant as well as the debt referenced herein are subject to AHP review and approval. This offer assumes no income, if any, from the Accelerate Memphis Grant will be allocated to AHP.

I. GUARANTEES

At a minimum, the Managing Member, Developer, the Alexander Company, Joseph Alexander and David Vos, as individuals, (collectively, the "Guarantors"), jointly and severally will guarantee the following:

1. Against recapture of the LIHTC's and HTC's for the entire respective compliance periods. The guarantee shall not apply to amounts due solely as a result of a change in the tax law after the date hereof with which the Managing Member is unable to comply despite the exercise of its good faith and reasonable efforts, and;
2. The payment in full of all costs and expenses of the development and construction of the Apartment Complex in excess of the total budgeted sources available therefrom.



The General Contractor shall (i) provide either a "Lump Sum Contract" or a "Guaranteed Maximum Price Contract" (as described in the form AIA General Contractor agreement) with a minimum budgeted contingency of 5%, and (ii) require payment and performance bonds from the General Contractor. AHP consent will be required for any draws from the budgeted hard cost contingency in excess of \$100,000.

3. Against a shortfall in actual LIHTC's and/or HTC's below the amount of the projected LIHTC's and HTC's; and
4. Against Operating Deficits for five years (5) years after Rental Achievement limited to \$2,806,000, and;
5. To repurchase AHP's interest in the Company if the Apartment Complex fails to meet the minimum AHP requirements set forth in the Operating Agreement, and generally set forth in Exhibit A attached hereto; and
6. The obligations of the Borrower to fund any permanent loan shortfalls; and
7. Against fraud, material misrepresentation, willful misconduct and/or criminal act of the Managing Member, and any affiliated management Company and/or general contractor.
8. The obligations of the Managing Member under the Operating Agreement.

Dilution provision will apply once the Operating Deficit period has expired or the cap has been reached. Under this provision, AHP would lend the first \$100,000 to post Operating Deficit shortfalls and dilution would commence if the Managing Member fails to contribute 50% towards operational shortfalls above this initial \$100,000 amount. Generally, dilutions would occur in 5% increments, on both cash flow and sale/refinance participation, for every \$25,000 of IM loans in excess of Managing Member loans, after the aforementioned initial \$100,000 amount. AHP would grant a six-month period for the Managing Member to bring these subsequent contributions back into balance to avoid the dilutions taking permanent effect.

#### J. MISCELLANEOUS

1. Previous or Pending Equity Offers.

The Managing Member and the Company represent and warrant that neither the Managing Member nor the Company has entered into any other enforceable agreement or commitment with any other equity investor to acquire the Tax Credits, or, in the alternative the Managing Member and/or the Company has obtained legally enforceable releases or termination agreements from all prior potential equity investors ("Potential Investors") with whom the Managing Member and/or the Company has previously entered into an agreement whereby said Potential Investors may acquire the Tax Credits. The Managing Member will promptly deliver to AHP copies of any equity proposals that have been executed by the Company or Managing Member to be able to review them for termination provisions and copies of legally enforceable releases or termination agreements. The Managing Member and the Company shall at all times indemnify and hold harmless AHP and its affiliates ("AHP Entities") and all

past and present officers, directors, managers, employees, Members, agents, shareholders, members, trustees, predecessors, successors, subrogees, attorneys, insurance carriers, and assigns of the AHP Entities (the "AHP Released Parties") against and from any and all claims, suits, actions, damages, costs, judgments and expenses, of any nature whatsoever, suffered or incurred by the AHP Released Parties as a result of the Managing Member and/or the Company's prior dealings, negotiations, agreements, and/or commitments with Potential Investors.

2. Exclusivity

The Managing Member and the Company agree to give AHP an exclusive right to invest in the above-named development until 10 days after receipt of all due diligence documents. The Managing Member and the above-named Section 42 Tax Credit Company represent and warrant that the grant of this exclusive right to invest does not and shall not, conflict or interfere with any existing or prospective contractual relations. The Managing Member and the Company shall at all times indemnify and hold harmless the AHP Entities and the AHP Released Parties against and from any and all claims, suits, actions, damages, costs, judgments and expenses, of any nature whatsoever, suffered or incurred by the AHP Released Parties as a result of any person or entity arising out of or relating to the exclusive right to invest granted in this paragraph.

3. Acceptance

This Acquisition Agreement must be executed by the parties and received by AHP on or before December 31, 2021, and the Operating Agreement must be executed and delivered by the parties on or before January 31, 2022, or this proposal is subject to re-negotiation.

4. Payment of Fees to AHP

a. Asset Management Fee

The Company will pay a fee of \$7,500 (the "Asset Management Fee") to AHP, or its designee, on an annual basis beginning the first-year rental revenue is received. The Asset Management Fee will trend at 3% annually and be paid only out of available Cash-Flow, and if there is insufficient cash flow, such fee will accrue with interest.

b. Environmental Fees

AHP will absorb a maximum of \$1,000 of the costs of our environmental review as invoiced by our environmental consultant (the "IM Environmental Fees"). The Company will pay all IM environmental fees in excess of \$1,000 and will add a sufficient amount to this line item of the development budget to accommodate these costs.

5. Management Fee

A maximum 3.25% management fee (the "Management Fee") shall be charged to the Company. If the Management Agent is an affiliate of the Managing Member, the management fee shall be subordinate to the Investor Member's asset management fee.

6. Distributions and Allocations

Distributions of cash and allocations of income gain or loss shall be in accordance with tax law.

7. Use of Products from the suppliers in Exhibit B.

AHP is providing this Letter based on the assumption that Developer/Managing Member will endeavor to utilize, wherever appropriate, services, products and materials offered by the companies listed in Exhibit B of this proposal. AHP is willing to consider increases to the overall capital contribution amounts (where it deems appropriate) to offset reasonable cost increases associated with the utilization of the products offered by these companies. The timing for agreement on any such increased capital contribution is anticipated to occur prior to initial closing of the Operating Agreement.

8. Operating Reserves.

Upon the funding of the capital contribution tied to Rental Achievement, as set forth in Section C of this agreement, an initial operating reserve in the amount of \$2,336,727 will be established. It is understood that this operating reserve may be funded from proceeds from the corresponding capital contribution and, therefore, the operating reserve is not required to be funded as a precondition to release of the capital contribution. The Guarantor may access up to one half of the operating reserve (\$1,168,363) prior to satisfaction of its operating deficit guarantee, and the balance after satisfaction of its operating deficit guarantee.

9. Cost Segregation Study

If requested by the IM, the Managing Member shall cause the Company's accountant to prepare a cost segregation study in conjunction with the first year's audit.

10. Deficit Restoration Obligation

AHP reserves the right (subject to its tax counsel's approval) to have and exercise an option at any time during the compliance period to incur a deficit restoration obligation ("DRO") and to receive specially allocated depreciation (but AHP shall have no obligation to exercise such option or incur a DRO).

11. Replacement Reserves

Annual amount of \$350 per unit per year to be increased annually by three percent (3%) from revenues of The Apartment Complex.

AHP's obligation under this proposal is contingent upon:

- (i) a satisfactory site visit;
- (ii) a satisfactory background and credit check on key principals and guarantors;
- (iii) the accuracy and verifiability of the assumptions data provided;
- (iv) Operating Agreement documentation acceptable to AHP and its counsel;

- (v) appropriate and satisfactory due diligence documentation and review;
- (vi) AHP's final investment committee approval (in its sole and absolute discretion); and
- (vii) closing of the Operating Agreement by the date set forth herein.

By executing this letter and in consideration of AHP's entering into this proposal, you agree, on your own behalf and on behalf of your affiliates, officers, directors, and employees, and on behalf of any other Members or joint venturers who are or will be involved in the development of the Apartment Complex, not to disclose any of the terms or provisions contained in this proposal to any other person or entity.

If the above is acceptable, please cause this agreement to be executed in duplicate; one original should be retained and one original returned to this office. Once received, AHP will prepare a Operating Agreement and other related documents upon which we will acquire the IM interest in the Company.

Again, thank you for your time and consideration. We look forward to working with you in the future.

Sincerely,  
Affordable Housing Partners, Inc.

*Joseph DeGaetano*

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By: Joseph DeGaetano  
Vice President

cc: Robert Johnston, Senior Vice President  
Mike Fowler, President

**EXHIBIT A**

1. First Capital Contribution:
  - (a) Closing of the Operating Agreement;
  - (b) Closing of the interim financing contemplated herein; and
  - (c) Receipt of the NPS Part 2.
  
2. Second Capital Contribution:
  - (a) Completion of construction of the Apartment Complex and receipt of Certificates of Occupancy for all units;
  - (b) Physical inspection by a representative of AHP;
  - (c) Delivery by the Managing Member of a final endorsement to the owner's title policy;
  - (d) Receipt of the completed NPS Part 3;
  - (e) Delivery by the Managing Member of an updated and recertified "as-built" survey, together with an Architect's Certification for the Apartment Complex indicating no material modifications to the "for new construction" contract documents;
  - (f) Delivery by the Managing Member of copies of any permits and approvals required for the operation and use of the Apartment Complex;
  - (g) Delivery by the Managing Member of a report indicating that radon gas is not present above recommended EPA levels; and evidence that the construction/rehabilitation of the Apartment Complex did not result in the filling or disturbance of any wetlands.
  - (h) Delivery by the Managing Member of a certified rent roll for the Apartment Complex;
  - (i) Delivery by the Managing Member of an estoppel certificate from any lenders to the Company;
  - (j) AHP's receipt of evidence that the "Applicable Fraction" (as defined in Section 42(c)(1)(B) of the Code) equals or exceeds 40%;
  - (k) Delivery by the Managing Member of an architect's certificate as to the Substantial Completion of the Apartment Complex;
  - (l) Delivery by the Managing Member of evidence of payment of all real property taxes and assessments;
  - (m) Receipt of the final product utilization form, and related back up, showing materials from Exhibit B utilized in the construction of the Apartment Complex;
  - (n) Delivery by the Managing Member of updated current certificate as to the representations, warranties, and covenants as the Managing Member set forth in the Operating Agreement, and a certificate that the Managing Members are not in default of their obligations with respect to the Apartment Complex.

3. Third Capital Contribution:

- (a) Upon Rental Achievement which is generally defined as a period of three consecutive months of 90% economic occupancy and a debt coverage ratio of 1.20;
- (b) Final permanent mortgage loan closing, or conversion of the construction loan to a permanent loan;
- (c) Receipt of the submission package for IRS Forms 8609 either submitted or to be submitted to the applicable housing credit agency, which would include at a minimum the audited low income housing tax credit cost certification, the recorded restrictive covenant for low income housing tax credits, satisfactory information from the Company accountant as to the amount of both Federal low income and historic tax credits eligible on the Apartment Complex;
- (d) Delivery by the Managing Member of an updated current certificate as to the representations, warranties and covenants as the Managing Member set forth in the Operating Agreement; and a certificate that the Managing Members are not in default of their obligations with respect to the Apartment Complex.

4. Fourth Capital Contribution:

- (a) Fully executed IRS Forms 8609;
- (b) Sustaining an average 1.20 Debt Coverage Ratio for the period between the funding of the Third and Fourth Capital Contributions.
- (c) receipt and acceptance by AHP of the first year's (post placement into service) tax return.

5. To repurchase AHP's interest in the Company by payment to AHP of the full amount of its Capital Contribution, if (i) the Managing Member fails to place the Apartment Complex in service by December 31, 2024, or such other date stipulated by the Housing Credit Agency; (ii) the Company has not received a tax credit carryover allocation by December 31, 2022 or such other date stipulated by the Housing Credit Agency; (iii) the Company fails to meet the Low Income Housing Tax Credit minimum set-aside test, the tenant restriction test or other requirements necessary for the Apartment Complex to qualify for Low Income Housing Tax Credits during the compliance period; (iv) the Company's basis in the Apartment Complex shall have been less than 10% of the Company's reasonably expected basis by December 31, 2022 or such other date stipulated by the Housing Credit Agency; (v) an Extended Use Agreement is not in effect on or before the end of the first year of the 10-year Low Income Housing Tax Credit Period; (vi) financing commitments have been terminated with respect to the Apartment Complex; and (vii) failure to meet the Internal Revenue Code Section 42 requirements for tax exempt bond financed projects.

**EXHIBIT B**

Shaw Industries

ACME Brick

Johns Manville

Benjamin Moore Paint

MiTek

Cerro Wire

Cerro Flow

Clayton Homes (if applicable)

December 8, 2021

**Brett Roler**  
**Downtown Memphis Commission**  
114 N. Main Street  
Memphis, TN 38103

RE: 100 North Main - Proposal Revisions

Dear Mr. Roler:

Incorporating feedback that we received from the selection committee during our meeting on December 2, 2021, we offer the following revisions to the project structuring as demonstrated in the enclosed projections.

- We have increased the selling price to \$7 million to include both the tower and garage. The seller note is projected to be repaid from 10% of the distributable cash flow. Following the end of the 15-year tax credit compliance period and investor exit, that figure is increased to 20%.
- We have included and absorbed the financing for the parking structure and will lease the parking structure to the Memphis Downtown Mobility Authority (DMA) for \$100/space/mo. creating an income potential to the DMA for hourly and monthly subleases from a captive customer base. Comparable monthly rates in the sub-market range from \$90 to \$140 per month. Higher income potential can be achieved by offering metered/hourly parking.
- The Downtown Memphis Commission (DMC) is included in the partnership and would contribute the \$10 million Accelerate Memphis loan as a capital contribution/equity. The Accelerate Memphis loan and any outstanding seller note balance would be paid upon a sale or refinancing. The DMC's distribution will be 60% of proceeds, used first to repay its seller note, then to the Accelerate Memphis loan. We provided an analysis of a potential sale in year 20 and determined the DMC's distribution would be approximately \$21.7 million and its net distribution after paying those loan balances would exceed \$8.6 million.
- We expanded the projections beyond the end of the PILOT period to exhibit sufficient cash flow (see respective highlighted column in the enclosed proforma).
- The developer contribution is expected to be \$2.5 million through stabilization, although this is not displayed in the projections - please refer to the enclosed summary document. The investor equity is increased to approximately \$34 million.



In terms of key recent comparables for the market rate apartments, our subject property analysis included:

PROPERTY	1BR RENTS	2BR RENTS
The Landing Residences (2021) Dr. Martin Luther King Jr. Ave.	\$1,677 or \$2.36/SF	\$3,315 or \$2.52/SF
Metro 67 (2009) Madison Avenue	\$1,541 or \$1.71/SF	\$2,252 or \$1.67/SF
The Chisca on Main (2015) S. Main Street	\$1,363 or \$1.83/SF	\$1,695 or \$1.62/SF
The Rise Apartments (2020) Monroe Avenue	\$1,147 or \$2.14/SF	\$2,161 or \$1.98/SF
Tennessee Brewery Apartments (2018) Tennessee Street	\$1,149 or \$1.73/SF	\$1,860 or \$1.64/SF
100 N. Main (proposed)	\$1,450 or \$2.07/SF	\$1,850 or \$1.95/SF

In terms of key comparables for structured parking, our analysis included:

PROPERTY	COSTS	TYPE
Number10 on Main (242 units)	\$90 - \$120	Unassigned, detached, covered
The Washburn (42 units)	\$140	Unassigned, covered
Metro 67 (157 units)	\$105	Unassigned, covered

We look forward to collaborating with you further and answering any questions you may have.

Sincerely,

**The Alexander Company, Inc.**



Dave Vos  
 Development Project Manager

# 100 N. MAIN SELECTION SUMMARY

## Why choose mixed-income housing?

The primary market area contains an extremely low lack of supply. The City of Memphis should target 3,000+ units of housing in the North Main Central Business District to best support storefronts.

- Residents (and office occupants) tend to gravitate to nearby non-tourist destinations
- 18-hour/7-day activation of nearby storefronts will increase market appeal and security perception for convention business
- The need for quality affordable housing is a crisis, according to the City of Memphis' 2020 housing study
- A Difficult Development Area basis boost of 130% is available for this block, bringing additional Low Income Housing Tax Credit equity
- Mixed-income housing places service-sector workers near their employment, services, and multi-modal transportation, thereby alleviating budget constraints

## Why not hospitality?

- Guests gravitate to Beale Street and other tourist destinations, rather than supporting North Main businesses
- The city's room tax revenue will not be increased because of additional supply, but rather demand
- Without activating nearby storefronts, market appeal and security perceptions will remain a concern for potential convention business
- It would be unwise to utilize the former owner's unimplemented program
- Difficulty exists in obtaining debt in the current hospitality market, especially with the proposed competition
- New Markets Tax Credits and Opportunity Zone benefits are not available on this block, but are available one block to the east and two blocks to the north - near the convention center, resulting in reduced city participation on those blocks

## Why use Historic Tax Credits?

By using both federal Historic Tax Credits and Low Income Housing Tax Credits, approximately \$36.5 million exists in developer and investor equity, reducing the city's financial gap-closing contribution to \$10 million (a loan to the Downtown Memphis Commission).

- Historic Tax Credit investor equity: \$20,493,400
- Low Income Housing Tax Credit investor equity: \$13,481,016
- Developer equity: \$2,513,712  
*(\$3 million in costs through stabilization, less \$486,288 non-deferred fee)*

## Why choose the Alexander Team?

- Our approach includes the City / Downtown Memphis Commission as a true partner and rewards the city's investment
- The Alexander Team has an unparalleled track record for this type of partnership structure, capital stack, and size
- Our team brings a strong commitment to exceed local MWBE goals - 50% of soft costs, 35% of construction costs, in addition to mentorship and inclusion of minority-owned development partners
- The Alexander Team was not created through loosely formed partnerships - all team members were curated based on past working relationships and qualifications
- No speculative uses or market-sensitive financing has been included, resulting in implementation certainty



**Dave Vos**

DEVELOPMENT PROJECT MANAGER

608.268.8112

dgv@alexandercompany.com

**Alexander**  
Company

THE ALEXANDER COMPANY, INC  
100 North Main  
General Information

**Project Information**

Project Name	100 North Main
Ownership Entity	100 N Main Venture
Project Location	Memphis, TN
Date of Projections	12/8/2021
Project County	Shelby
Developer Entity:	Alexander Company
Type of Project	Historic / Mixed Income Apartments, Office, Retail & Parking
Total # of Affordable Units	93
Total # of Market Rate Units	268
Office (GSF)	69,404
Retail (GSF)	16,700
Storage (GSF)	15,120
Parking (GSF)	290,920
Residential (GSF)	409,779
Gross Square Footage	801,923
% Commercial (Cost Basis)	10.17%
Affordable - Set Aside Percentage	25.76%
LMI Square Footage	105,566
MKT Square Footage	304,213

**Capital Contributions**

Federal Low Income Housing Tax Credit & Historic Tax Credit Equity				
	%	Date	Amount	HTC
Closing	20.00%	January 15, 2023	6,794,883	4,098,680
PIS, Draft Cost Cert, CofO's	10.00%	January 29, 2025	3,397,442	2,049,340
Historic Part III	15.67%	February 28, 2025	5,322,772	3,210,701
QO, Stabilization, Conversion, Final Cost Cer	51.00%	November 30, 2025	17,326,952	10,451,634
Tax Filings, 8609s	3.33%	January 14, 2026	1,132,367	683,045
<b>Total</b>	<b>100.00%</b>		<b>33,974,416</b>	<b>20,493,400</b>

**Managing Manager, LLC**

	%	Date	State Historic Amount	EZ Amount	Brownfield
Partnership Closing	0.10%	January 1, 2023	-	-	-
Cost Cert, Part III	99.90%	February 28, 2025	-	-	-
Receipt of Prepared K-1	0.00%	January 14, 2026	-	-	-
<b>Total</b>	<b>100.00%</b>		<b>0</b>	<b>0</b>	<b>0</b>

**Project Schedule**

Forecast Start	January 1, 2023
Construction Start	January 15, 2023
Construction period (days)	715
Placed in Service	October 1, 2024
Date Depreciation Starts	October 1, 2024
Rent Up Begins	October 1, 2024
Receipt of Part 3	February 28, 2025
Date of Stabilization (90 Days)	November 30, 2025
Perm Conversion	December 30, 2025

**Assumptions**

Price Per Low Income Housing Tax Credit	\$0.900
Price Per Federal Historic Tax Credit	\$0.830
Price Per State Historic	\$0.000
Price Per EZ & Brownfield Credits	\$0.000
30% Value	4.00%
70% Value	9.00%
DDA Basis Boost	130.00%
Federal Corporate Tax Credit Rate	21.00%
Federal Capital Gain Rate	20.00%
Depreciable Life	40
Replacement Reserves per unit	350
Selling Costs on Sale	6.00%
Capitalization Rate	9.00%
Interest Rate on Operating Reserves	0.50%
Interest Rate on Replacement Reserves	0.50%
Incentive Management Fee - Managing Member	0.00%

**Summary of Tax Credits**

Federal Low Income Housing Tax Credits Reserved	14,980,405
Federal Low Income Housing Tax Credits Calculated	14,980,405
Federal Historic Tax Credits	24,994,450
State Historic Tax Credits	0

**Distributions**

<b>Percent Ownership</b>	
Managing Member	00.01%
Investor Member	99.99%

**Taxable Loss Allocation**

Managing Member	00.01%
Investor Member	99.99%

**Profits & Losses, Historic Tax Credits**

Managing Member	00.01%
Investor Member	99.99%

**Cash Flow Distributions - (During 15 YR Compliance Period)**

Managing Member	80.00%
DMC (Seller Note)	10.00%
Investor Member	10.00%

**Cash Flow Distributions - (After 15 YR Compliance Period)**

Managing Member	80.00%
DMC (Seller Note)	20.00%
Investor Member	0.00%

**Residual (Sale/Refinance)**

Managing Member	40.00%
Investor Member / (DMC)	60.00%

100 N Main Venture  
Statement of Forecasted Sources & Uses

Sources of Funds	Construction	Permanent	Residential Building (QREs)		Commercial Building (QREs)	Personal Property	Land Impr.	4% Rehab Eligible	4.0% Acquisition Eligible	Qualified Rehabilitation Expenditures
			Residential Building (QREs)	Permanent Project Cost						
Conventional Debt (Commercial Condo)	TBD	18,900,000	18,900,000	1,119	Residential Portion	83.45%	#####			
Tax Exempt PAB Financing (4% LIHTC / Mixed Income Cor)	TBD	36,000,000	36,000,000	18,572,798	Commercial & Storage Portion	10.17%	\$ 14,271,348			
Federal Low Income Housing Tax Credit Equity	TBD	2,696,203	2,696,203	75,900,000	Parking Portion	6.37%	\$ 8,944,649			
Federal Historic Tax Credit Equity	TBD	4,098,680	20,493,400							
Conventional Debt (Market Rate Condo)	TBD	21,000,000	21,000,000		TC Investor Priority Return		33,974,416	10.00%		
Bridge Loan	TBD	25,455,744	-	44,355,744	Downtown Memphis Commission		7,000,000	10.00%		
\$10M Accelerate Memphis Loan to DMC (Equity)	City of Memphis	9,000,000	10,000,000		TAC Investment		13,443,951	80.00%		
Seller Note	Memphis DMC	7,000,000	7,000,000				54,418,367	100%		
Deferred Developer Fee	TAC	7,000,000	13,443,951	96,571%						
<b>Total Sources Of Funds</b>		<b>124,150,627</b>	<b>140,318,367</b>	<b>0.647</b>						
<b>Uses of Funds</b>										
<b>Acquisition (Residential Portion)</b>										
Memphis (DMC)			7,000,000						5,841,834	
<b>Subtotal Acquisition Costs</b>			<b>7,000,000</b>							
<b>Rehabilitation Costs</b>										
Residential Construction	\$ 182.00	74,579,858	74,579,858				74,579,858			74,579,858
Office Construction	\$ 75.00	5,205,300	5,205,300		5,205,300					5,205,300
Storage Construction	\$ 60.00	907,200	907,200		907,200					907,200
Retail Construction	\$ 75.00	1,252,500	1,252,500		1,252,500					1,252,500
TI Allowance	\$ 25.00	1,918,362	1,918,362		1,918,362					1,918,362
Parking Garage Allowance	\$ 20.00	5,818,400	5,818,400		5,818,400					5,818,400
Contingency	\$ 10.00%	9,038,162	9,038,162		1,495,385		7,542,777			9,038,162
<b>Personal Property</b>										
Personal Property		1,594,000	1,594,000		1,594,000		1,594,000			
<b>Site Improvements</b>										
Site Work (40% Utilities)	40.00%	400,000	400,000		16,273		333,819			149,801
Landscaping (Roof & Site)		300,000	300,000				250,364			
<b>Subtotal Hard Costs</b>		<b>81.36%</b>	<b>101,013,782</b>							
<b>Soft Costs</b>										
Design	3.00%	2,727,372	3,030,413		501,389		2,529,025			3,030,413
Engineering	3.00%	2,727,372	3,030,413		501,389		2,529,025			3,030,413
Environmental Fees / Reports		60,000	60,000		9,927		50,073			60,000
Bridge Loan Interest in Basis		1,680,079	1,680,079		277,973		1,402,106			1,680,079
Perm Loans Interest in Basis	\$ 25.455,744	3,597,660	3,597,660		595,241		3,002,419			3,597,660
Perm Loans Interest (not in Basis)	\$ 75,900,000	1,798,830	1,798,830							
Real Estate Taxes		189,364	189,364		31,331		158,033			189,364
Construction Insurance		250,000	250,000		41,363		208,637			250,000
Appraisal		8,500	8,500		1,406		7,094			8,500
Market Study		12,000	12,000		1,985		10,015			12,000
Surveys		40,000	40,000		33,382		33,382			40,000
Title Policy & Recording		75,000	75,000		14,891		75,109			90,000
Legal - Syndication/Organization		150,000	150,000							
Legal - Developer		40,000	40,000							
Legal - Construction Loan		25,000	25,000							
Due Diligence - Investor		2,210	2,210							
THDA Application & Commitment Letter Fees		936,275	936,275							
THDA Reservation Fee		-	-							
THDA Tax Credit Compliance Fee - First Year	6.250%	-	-							
Bond Counsel		140,000	140,000							
Acct. - Building / Cost. Cert.		60,000	60,000		9,927		50,073			60,000
National Park Serv / Tax Cert.		10,000	10,000		1,655		8,345			10,000
Soft Costs Contingency		100,000	100,000							
Construction Inspections (Lender)		54,000	54,000		8,934		45,066			54,000
Lenders Application Fees	0.100%	101,356	101,356							
Lenders Forward Commitment Fees	0.750%	760,168	760,168							
Perm Lender Legal Fees		60,000	60,000							60,000
Termite Inspection		4,000	4,000		662		3,338			4,000
<b>Development Fee</b>										
Developer Costs / Fees (Alexander)	12.00%	437,659	13,930,239		2,304,790		11,625,449			13,930,239
<b>Reserves</b>										
Operating Reserve		1,836,927	1,836,927							
Replacement Reserve	350.00	-	126,350							
Lease-up Costs + Pre-opening Exp		-	50,000							
<b>Subtotal Soft Costs</b>		<b>23.02%</b>	<b>16,136,846</b>							
<b>Total Uses Of Funds</b>		<b>124,150,627</b>	<b>140,318,367</b>	<b>103,993,351</b>	<b>20,941,283</b>	<b>1,594,000</b>	<b>550,199</b>	<b>105,984,595</b>	<b>\$ 5,841,834</b>	<b>124,972,252</b>

THE ALEXANDER COMPANY, INC

100 North Main  
20 Year Proforma

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	End of PILOT Period	
<b>GROSS INCOME</b>																						
Residential Income	6,049,908	6,140,657	6,232,766	6,326,258	6,421,152	6,517,469	6,615,231	6,714,460	6,815,177	6,917,404	7,021,165	7,126,483	7,233,380	7,341,881	7,452,009	7,563,789	7,677,246	7,792,405	7,909,291	8,027,930		
Less: Residential Vacancy	(423,494)	(1,989,108)	(436,294)	(442,838)	(449,481)	(456,223)	(463,066)	(470,012)	(477,062)	(484,218)	(491,482)	(498,854)	(506,337)	(513,932)	(521,641)	(529,465)	(537,407)	(545,468)	(553,650)	(561,955)		
Estimated Gross Income (EGRI)	5,626,414	4,151,549	5,796,473	5,883,420	5,971,671	6,061,246	6,152,165	6,244,447	6,338,114	6,433,186	6,529,684	6,627,629	6,727,043	6,827,949	6,930,368	7,034,324	7,139,839	7,246,936	7,355,640	7,465,975		
Office Income (City)	900,517	900,517	900,517	900,517	900,517	927,532	927,532	927,532	927,532	927,532	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	955,358	
Less: Office Vacancy	(825,474)																					
Speculative Retail Income	250,500	250,500	250,500	250,500	250,500	258,015	258,015	258,015	258,015	258,015	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	265,755	
Less: Speculative Vacancy (30/20)	(50,100)	(50,100)	(50,100)	(50,100)	(50,100)	(51,603)	(51,603)	(51,603)	(51,603)	(51,603)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	(53,151)	
Storage Income	156,946	158,515	160,100	161,701	163,318	164,951	166,601	168,267	169,950	171,649	173,366	175,099	176,850	178,619	180,405	182,209	184,031	185,871	187,730	189,607	191,506	
Less: Speculative Storage Vacancy	(31,389)	(148,794)	(31,703)	(32,020)	(32,340)	(32,664)	(33,000)	(33,330)	(33,690)	(34,030)	(34,373)	(34,720)	(35,070)	(35,420)	(35,774)	(36,128)	(36,482)	(36,836)	(37,190)	(37,544)	(37,898)	
Less: CAM Expense (Speculative)	(426,331)	(439,121)	(452,294)	(465,863)	(479,839)	(494,234)	(509,061)	(524,333)	(540,063)	(556,265)	(572,953)	(590,142)	(607,846)	(626,081)	(644,864)	(664,210)	(684,136)	(704,660)	(725,800)	(747,574)	(769,999)	
CAM Reimbursement (Office / Retail)	398,060	410,001	422,302	434,971	448,020	461,460	475,304	489,563	504,250	519,376	534,959	551,008	567,538	584,564	602,101	620,164	638,769	657,932	677,670	698,000	718,925	
Net Commercial Income	1,198,202	1,198,610	1,199,004	1,199,385	1,199,752	1,233,132	1,233,468	1,233,788	1,234,091	1,234,376	1,268,661	1,268,908	1,269,135	1,269,341	1,269,524	1,269,684	1,269,821	1,269,932	1,270,017	1,270,075	1,270,114	
Parking Income	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	527,572	
Less: Parking Vacancy	(500,171)																					
Plus RE Taxes	47,572	12,614	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	47,572	
Less: Real Estate Taxes (Parking)	(47,572)	(38,209)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	(47,572)	
Total Revenues	7,352,189	5,743,767	7,523,049	7,610,378	7,698,996	7,821,950	7,913,205	8,005,808	8,099,778	8,195,135	8,325,917	8,424,110	8,523,751	8,624,862	8,727,465	8,831,581	8,937,232	9,044,441	9,153,230	9,263,622	9,374,717	
<b>EXPENSES (Residential)</b>																						
Accounting/Audit	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,345	
Advertising	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229	36,286	37,374	38,496	39,650	40,840	42,065	43,327	44,627	45,966	47,345	48,768	
Legal and Professional	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,034	
Bad Debt & Credit Reports	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261	5,421	
Office Expense	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,954	3,043	3,131	3,222	3,322	3,422	3,524	3,630	3,739	3,851	3,967	4,086	4,208	4,334	
Management - 4% EGRI (Apartments)	225,057	166,062	231,859	235,337	238,867	242,450	246,087	249,778	253,525	257,327	261,187	265,105	269,082	273,118	277,215	281,373	285,594	289,877	294,226	298,639	303,114	
Extermination	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445	5,609	5,777	5,950	6,129	6,313	6,501	
Grounds / Snow Removal	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261	5,421	
Janitorial/Carpet Cleaning	48,000	49,440	50,923	52,451	54,024	55,645	57,315	59,034	60,802	62,629	64,508	66,443	68,437	70,490	72,604	74,782	77,026	79,337	81,717	84,168	86,699	
Painting & Decorating	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,345	
Repairs & Maintenance	120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573	161,270	166,108	171,091	176,224	181,511	186,956	192,565	198,342	204,292	210,421	216,734	
Fire Safety	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,345	
Elevator Maintenance	54,000	55,620	57,289	59,007	60,777	62,601	64,479	66,413	68,406	70,458	72,571	74,749	76,991	79,301	81,680	84,130	86,654	89,254	91,931	94,689	97,529	
Property Insurance	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	140,217	144,424	148,756	153,219	157,816	162,544	
Rubbish Removal	48,000	49,440	50,923	52,451	54,024	55,645	57,315	59,034	60,802	62,629	64,508	66,443	68,437	70,490	72,604	74,782	77,026	79,337	81,717	84,168	86,699	
Security	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445	5,609	5,777	5,950	6,129	6,313	6,501	
Telephone	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927	25,675	26,446	27,239	28,056	28,897	
Utilities - Gas & Electric	160,000	164,800	169,744	174,836	180,081	185,484	191,048	196,780	202,683	208,764	215,027	221,477	228,122	234,965	242,014	249,275	256,753	264,466	272,389	280,561	289,028	
Utilities - Water/Sewer	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	140,217	144,424	148,756	153,219	157,816	162,544	
Wages	240,000	247,200	254,616	262,254	270,122	278,226	286,573	295,170	304,025	313,146	322,540	332,216	342,183	352,448	363,022	373,912	385,130	396,683	408,584	420,841	433,468	
Real Estate Taxes	424,061	426,318	432,100	438,519	445,599	453,369	461,854	470,098	479,045	488,741	498,232	508,554	518,743	528,835	538,777	548,516	558,000	567,276	576,291	585,094	593,636	
Replacement/Reserves	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	126,350	
Operating Reserve Interest Income	-	(9,185)	(9,231)	(9,277)	(9,323)	(9,370)	(9,417)	(9,464)	(9,511)	(9,559)	(9,606)	(9,654)	(9,703)	(9,751)	(9,800)	(9,849)	(9,898)	(9,948)	(9,997)	(10,047)	(10,097)	
Operating Expenses	1,761,067	1,418,714	1,737,073	1,861,000	1,900,695	1,941,883	1,983,707	2,026,638	2,070,706	2,115,944	2,162,871	2,210,554	2,259,507	2,309,767	2,361,371	2,415,426	2,469,887	2,525,794	2,583,205	2,642,173	2,701,757	
Net Operating Income (loss)	5,591,122	4,325,054	5,785,977	5,749,377	5,798,301	5,880,067	5,929,498	5,979,170	6,029,071	6,079,190	6,163,046	6,213,556	6,264,243	6,315,095	6,366,094	6,416,155	6,467,345	6,518,646	6,570,025	6,621,514	6,673,253	
PUPA	4,878	3,930																				

100 N Main

**Federal Low Income Tax Credit Equity Calculation - 4% Credit**

% Complete by January 1, 2012

	4% Credits	9% Credits	Total
Total Eligible Building Basis	105,984,595	105,984,595	
Acquisition Basis	5,841,834	2,596,371	
Less Historic Tax Credits (Residential)	0	(22,452,342)	
DDA Basis Boost	130.00%	130.00%	
Applicable Fraction	26%	0%	
LIHTC Percentage x 10	40%	90.00%	
<b>LIHTC</b>	<b>14,980,405</b>	<b>0</b>	<b>14,980,405</b>
Credits to Members			<b>14,980,405</b>
Investor Member Percentage			99.99%
Tax Credits for Syndication			14,978,907
Price per Credit			0.900
Low Income Housing Tax Credit Equity			<b>13,481,016</b>

**Federal Historic Tax Credit Equity Calculation**

	Predevel	Commercial	Residential	Total
Total Eligible Building Basis	0	12,710,542	112,261,710	124,972,252
Federal Historic Tax Credit	20.00%	20.00%	20.00%	20.00%
<b>Federal Historic Credit</b>	<b>0</b>	<b>2,542,108</b>	<b>22,452,342</b>	<b>24,994,450</b>
Federal Historic Tax Credits Calculated				<b>24,994,450</b>
Investor Member Percentage				99.99%
Tax Credits for Syndication				24,991,951
Price per Credit				0.820
Federal Historic Tax Credit Equity				<b>20,493,400</b>

**State of Tennessee Historic Tax Credit Equity Calculation**

Total Eligible Building Basis	124,972,252
State of TN Tax Credit Percentage	0.00%
Calculated State Historic Tax Credits	0
Reserved State Historic Tax Credits	0
Tax Credit	0
Price per Credit	0.000
State Historic Tax Credit Equity	<b>0</b>
Potential Tier 2 State Credit	0
Price per Credit	0.000
State Historic Equity II	<b>0</b>

**State of Tennessee Brownfield Credit Equity Calculation**

Tax Credit Equity	<b>0</b>
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**State of Tennessee Enterprise Zone Tax Credit Equity Calculation**

Tax Credit Equity	<b>0</b>
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FOR DISCUSSION PURPOSES ONLY

THE ALEXANDER COMPANY, INC

100 N Main Venture  
Financing Assumptions

<b>Bridge Loan</b>	
Lender	TBD
Amount	25,455,744
Rate	3.75%
Spread	1.75%
Rate	5.50%
Floating/Fixed	Floating
<b>Tax Exempt PAB Financing (4% LIHTC / Mixed Income Condo)</b>	
Lender	TBD
Principal	36,000,000
Interest rate	3.95%
Term	35
Amortization	35
DSC ratio required	1.15
<b>Seller Note</b>	
Lender	Memphis DMC
Principal	\$7,000,000
Interest rate	0.000%
Term	35
Amortization	10% of Cash Flow
<b>\$10M Accelerate Memphis Loan to DMC (Equity)</b>	
Lender	City of Memphis
Principal	\$10,000,000
Interest rate	0.000%
Term	999999999999
Amortization	999999999999
<b>Developer Fee Note</b>	
Lender	Alexander Company
Principal	\$13,443,951
Interest rate	0.000%
Term	15
Amortization	80% of Cash Flow
<b>Conventional Debt (Commercial Condo)</b>	
Lender	TBD
Principal	\$18,900,000
Interest rate	4.65%
Term	7
Amortization	20
<b>Conventional Debt (Market Rate Condo)</b>	
Lender	TBD
Principal	\$21,000,000
Interest rate	5.50%
Term	18
Amortization	30

FOR DISCUSSION PURPOSES ONLY

THE ALEXANDER COMPANY, INC

100 N Main Venture

Loan Amortization Schedule

Tax Exempt PAB Financing (4% LIHTC / Mixed Income Condo)

Lender TBD  
 Principal \$36,000,000  
 Interest Rate 4.00%  
 Amortization in Months 420  
 Beginning Month 1  
 Beginning Year 2018  
 Monthly Payment 159,399  
 Annual Payment 1,912,787

Beginning Balance	Month	Year	Payment	Principal Payment	Interest Payment	Ending Balance
36,000,000	12	2018	1,912,787	481,552	1,431,235	35,518,448
35,518,448	24	2019	1,912,787	501,171	1,411,616	35,017,277
35,017,277	36	2020	1,912,787	521,589	1,391,198	34,495,688
34,495,688	48	2021	1,912,787	542,839	1,369,947	33,952,849
33,952,849	60	2022	1,912,787	564,956	1,347,831	33,387,893
33,387,893	72	2023	1,912,787	587,973	1,324,814	32,799,920
32,799,920	84	2024	1,912,787	611,928	1,300,859	32,187,992
32,187,992	96	2025	1,912,787	636,859	1,275,928	31,551,133
31,551,133	108	2026	1,912,787	662,805	1,249,982	30,888,328
30,888,328	120	2027	1,912,787	689,809	1,222,978	30,198,519
30,198,519	132	2028	1,912,787	717,913	1,194,874	29,480,606
29,480,606	144	2029	1,912,787	747,162	1,165,625	28,733,444
28,733,444	156	2030	1,912,787	777,603	1,135,184	27,955,841
27,955,841	168	2031	1,912,787	809,283	1,103,504	27,146,558
27,146,558	180	2032	1,912,787	842,254	1,070,533	26,304,304
26,304,304	192	2033	1,912,787	876,570	1,036,217	25,427,734
25,427,734	204	2034	1,912,787	912,282	1,000,505	24,515,452
24,515,452	216	2035	1,912,787	949,449	963,337	23,566,003
23,566,003	228	2036	1,912,787	988,132	924,655	22,577,871
22,577,871	240	2037	1,912,787	1,028,390	884,397	21,549,481
21,549,481	252	2038	1,912,787	1,070,288	842,498	20,479,193
20,479,193	264	2039	1,912,787	1,113,894	798,893	19,365,299
19,365,299	276	2040	1,912,787	1,159,275	753,512	18,206,024
18,206,024	288	2041	1,912,787	1,206,505	706,281	16,999,519
16,999,519	300	2042	1,912,787	1,255,661	657,126	15,743,858
15,743,858	312	2043	1,912,787	1,306,818	605,969	14,437,040
14,437,040	324	2044	1,912,787	1,360,060	552,727	13,076,980
13,076,980	336	2045	1,912,787	1,415,471	497,316	11,661,509
11,661,509	348	2046	1,912,787	1,473,139	439,647	10,188,370
10,188,370	360	2047	1,912,787	1,533,158	379,629	8,655,212
8,655,212	372	2048	1,912,787	1,595,620	317,167	7,059,592



THE ALEXANDER COMPANY, INC

100 North Main

Conventional Debt (Commercial Condo)

Lender TBD  
 Principal \$18,900,000  
 Interest Rate 4.65%  
 Amortization 240  
 Beginning Month 1  
 Beginning Year 2026  
 Monthly Payment 121,106  
 Annual Payment 1,453,277

Beginning Balance	Month	Year	Payment	Principal Payment	Interest Payment	Ending Balance
18,900,000	12	2026	1,453,277	586,829	866,448	18,313,171
18,313,171	24	2027	1,453,277	614,707	838,571	17,698,464
17,698,464	36	2028	1,453,277	643,907	809,371	17,054,557
17,054,557	48	2029	1,453,277	674,495	778,782	16,380,062
16,380,062	60	2030	1,453,277	706,537	746,741	15,673,525
15,673,525	72	2031	1,453,277	740,099	713,178	14,933,426
14,933,426	84	2032	1,453,277	775,258	678,020	14,158,168
14,158,168	96	2033	1,453,277	812,085	641,193	13,346,083
13,346,083	108	2034	1,453,277	850,662	602,615	12,495,421
12,495,421	120	2035	1,453,277	891,073	562,205	11,604,348
11,604,348	132	2036	1,453,277	933,401	519,876	10,670,947
10,670,947	144	2037	1,453,277	977,742	475,535	9,693,205
9,693,205	156	2038	1,453,277	1,024,189	429,089	8,669,016
8,669,016	168	2039	1,453,277	1,072,841	380,436	7,596,175
7,596,175	180	2040	1,453,277	1,123,806	329,471	6,472,369
6,472,369	192	2041	1,453,277	1,177,191	276,086	5,295,178
5,295,178	204	2042	1,453,277	1,233,112	220,165	4,062,066
4,062,066	216	2043	1,453,277	1,291,690	161,587	2,770,376
2,770,376	228	2044	1,453,277	1,353,051	100,227	1,417,325
1,417,325	240	2045	1,453,277	1,417,325	35,952	-

THE ALEXANDER COMPANY, INC

100 N Main Venture

Loan Amortization Schedule

Market Rate Residential - Financing

Lender TBD  
 Principal \$21,000,000  
 Interest Rate 5.50%  
 Amortization in Months 360  
 Beginning Month 1  
 Beginning Year 2025  
 Monthly Payment 119,236  
 Annual Payment 1,430,828

Beginning Balance	Month	Year	Payment	Principal Payment	Interest Payment	Ending Balance
21,000,000	12	2025	1,430,828	282,889	1,147,939	20,717,111
20,717,111	24	2026	1,430,828	298,846	1,131,983	20,418,265
20,418,265	36	2027	1,430,828	315,703	1,115,125	20,102,562
20,102,562	48	2028	1,430,828	333,511	1,097,317	19,769,051
19,769,051	60	2029	1,430,828	352,324	1,078,504	19,416,727
19,416,727	72	2030	1,430,828	372,198	1,058,630	19,044,529
19,044,529	84	2031	1,430,828	393,193	1,037,635	18,651,336
18,651,336	96	2032	1,430,828	415,372	1,015,457	18,235,964
18,235,964	108	2033	1,430,828	438,802	992,026	17,797,162
17,797,162	120	2034	1,430,828	463,554	967,274	17,333,608
17,333,608	132	2035	1,430,828	489,702	941,126	16,843,906
16,843,906	144	2036	1,430,828	517,325	913,503	16,326,581
16,326,581	156	2037	1,430,828	546,507	884,322	15,780,074
15,780,074	168	2038	1,430,828	577,333	853,495	15,202,741
15,202,741	180	2039	1,430,828	609,900	820,928	14,592,841
14,592,841	192	2040	1,430,828	644,303	786,525	13,948,538
13,948,538	204	2041	1,430,828	680,646	750,182	13,267,892
13,267,892	216	2042	1,430,828	719,041	711,787	12,548,851
12,548,851	228	2043	1,430,828	759,600	671,228	11,789,251
11,789,251	240	2044	1,430,828	802,447	628,381	10,986,804
10,986,804	252	2045	1,430,828	847,712	583,116	10,139,092
10,139,092	264	2046	1,430,828	895,530	535,299	9,243,562
9,243,562	276	2047	1,430,828	946,044	484,784	8,297,518
8,297,518	288	2048	1,430,828	999,408	431,420	7,298,110
7,298,110	300	2049	1,430,828	1,055,784	375,045	6,242,326
6,242,326	312	2050	1,430,828	1,115,337	315,491	5,126,989
5,126,989	324	2051	1,430,828	1,178,251	252,577	3,948,738
3,948,738	336	2052	1,430,828	1,244,715	186,114	2,704,023
2,704,023	348	2053	1,430,828	1,314,925	115,903	1,389,098
1,389,098	360	2054	1,430,828	1,389,098	41,730	-

THE ALEXANDER COMPANY, INC

100 N Main Venture

Loan Amortization Schedule

Seller Note

Lender Memphis DMC  
 Principal \$7,000,000  
 Interest Rate 0.00%  
 Amortization in Months 480  
 Beginning Month 1  
 Beginning Year 2025  
 Monthly Payment 14,583  
 Annual Payment 175,000

Beginning Balance	Month	Year	Payment	Principal Payment	Interest Payment	Ending Balance
7,000,000	12	2025	6,822	6,822	-	6,993,178
6,993,178	24	2026	75,777	75,777	-	6,917,401
6,917,401	36	2027	72,093	72,093	-	6,845,308
6,845,308	48	2028	76,961	76,961	-	6,768,347
6,768,347	60	2029	85,112	85,112	-	6,683,235
6,683,235	72	2030	101,129	101,129	-	6,582,106
6,582,106	84	2031	105,575	105,575	-	6,476,531
6,476,531	96	2032	110,041	110,041	-	6,366,490
6,366,490	108	2033	114,526	114,526	-	6,251,964
6,251,964	120	2034	122,047	122,047	-	6,129,917
6,129,917	132	2035	126,565	126,565	-	6,003,352
6,003,352	144	2036	131,099	131,099	-	5,872,253
5,872,253	156	2037	135,647	135,647	-	5,736,606
5,736,606	168	2038	140,207	140,207	-	5,596,399
5,596,399	180	2039	224,285	224,285	-	5,372,114
5,372,114	192	2040	331,683	331,683	-	5,040,431
5,040,431	204	2041	341,871	341,871	-	4,698,560
4,698,560	216	2042	352,073	352,073	-	4,346,487
4,346,487	228	2043	195,168	195,168	-	4,151,319
4,151,319	240	2044	201,023	201,023	-	3,950,296
3,950,296	252	2045	207,054	207,054	-	3,743,242
3,743,242	264	2046	213,266	213,266	-	3,529,976
3,529,976	276	2047	219,664	219,664	-	3,310,312
3,310,312	288	2048	226,253	226,253	-	3,084,059
3,084,059	300	2049	233,041	233,041	-	2,851,018
2,851,018	312	2050	240,032	240,032	-	2,610,986
2,610,986	324	2051	247,233	247,233	-	2,363,753
2,363,753	336	2052	254,650	254,650	-	2,109,103
2,109,103	348	2053	262,290	262,290	-	1,846,813
1,846,813	360	2054	270,158	270,158	-	1,576,655
1,576,655	372	2055	278,263	278,263	-	1,298,392
1,298,392	384	2056	286,611	286,611	-	1,011,781
1,011,781	396	2057	295,209	295,209	-	716,572
716,572	408	2058	304,066	304,066	-	412,506
412,506	420	2059	313,188	313,188	-	99,318
99,318	432	2060	322,583	322,583	-	(223,265)
(223,265)	444	2061	332,261	332,261	-	(555,526)
(555,526)	456	2062	342,229	342,229	-	(897,755)
(897,755)	468	2063	352,496	352,496	-	(1,250,251)
(1,250,251)	480	2064	363,070	363,070	-	(1,613,321)

THE ALEXANDER COMPANY, INC  
100 N Main Venture  
Apartment Rental Assumptions

**Rental Income**

**Sec 42 Rent Restricted Units**      25.8%      0%

Number of Bedrooms	Units	CMI Set Aside %	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	2021 Limits	Total Monthly Rent
One Bedroom	0	50%	1.00	700	614	30	644	644	0
Two Bedroom - 1 Bath	0	50%	2.00	950	733	40	773	773	0
One Bedroom	65	60%	1.00	700	743	30	773	773	48,295
Two Bedroom - 1 Bath	28	60%	1.00	950	888	40	928	928	24,864
<b>Total</b>	<b>93</b>			<b>775</b>					<b>73,159</b>

**Residential Units**      74.2%

Number of Bedrooms	Units	CMI Set Aside %	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Rent per SF	Total Monthly Rent
One Bedroom - 1 Bath (MKT)	162	Market	1.00	700	1,450	-	1,450	2.07	234,900
Two Bedroom - 2 Bath (MKT)	106	Market	2.00	950	1,850	-	1,850	1.95	196,100
	268			799					431,000
	361 Total Units			286,200					

**Base Gross Residential Rent (Annual)**

Less Vacancy      \$ 6,049,908  
Annual Effective Income      7.00%      (423,494)  
5,626,414

**Commercial Income**

	Gross SF	Loss Factor	Net SF	NNN Rent/SF	Monthly Rent
Self Storage	15,120	0.865	13,079	\$ 12.00 Speculative	13,079
Office (GSF)	69,404	0.865	60,034	\$ 15.00 City Lease (60,000SF)	75,043
Retail (GSF)	16,700	1.000	16,700	\$ 15.00 Speculative	20,875
			<b>89,813</b>		

**Base Gross Commercial Rent (Annual)**

Less Retail & Storage Vacancy      5,956 Unoccupied (Vacancy)  
Annual Effective Income      93.37% Occupied      20.00%      (261,593)  
1,046,370

**Parking Income**

	Gross SF	Spaces	Rent / Space	Monthly Rent
Parking Income	290,920	400	\$ 100.00 Memphis DMA Lease	40,000
				1.65

**Base Gross Other Income (Annual)**

Less Vacancy      \$ 480,000  
Annual Effective Income      0      480,000

**Total Effective Income**

**\$ 7,152,784**

100 N Main  
Estimated Apartment Lease-Up

Lease Up Estimate - 2024				
	Total Units Occupied	Total % Occupied	4% LIHTC Units Occupied	Out of Available
<b>2024</b>				
January	0	0.0%		361
February	0	0.0%		361
March	0	0.0%		361
April	0	0.0%		361
May	0	0.0%		361
June	0	0.0%		361
July	0	0.0%		361
August	0	0.0%		361
September	0	0.0%		361
October	45	12.5%	18	361
November	75	20.8%	33	361
December	105	29.1%	46	361
<b>Total</b>	<b>225</b>	<b>5.2%</b>		<b>4,332</b>

Percentage of Base	<b>5.19%</b>	<b>8.69%</b>
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Lease Up Estimate - 2025				
	Total Units Occupied	Total % Occupied	4% LIHTC Units Occupied	Out of Available
<b>2025</b>				
January	135	37.4%	59	361
February	165	45.7%	72	361
March	195	54.0%	76	361
April	220	60.9%	86	361
May	245	67.9%	91	361
June	270	74.8%	91	361
July	290	80.3%	91	361
August	310	85.9%	91	361
September	330	91.4%	91	361
October	350	97.0%	91	361
November	361	100.0%	91	361
December	361	100.0%	91	361
<b>Total</b>	<b>3,232</b>	<b>74.6%</b>	<b>91.5%</b>	<b>4,332</b>

**Real Estate Tax Calculation**

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
<b>Assessment</b>	7,000,000																					
<b>Effective Tax Rate (40%)</b>	2.71%	2.71% City of Memphis	4.05% Shelby County	9.00% CAP Rate		40% Assessment Percentage																
<b>Base RE Tax</b>	189,364	6.76% Total Tax Rate																				
<b>Residential</b>																						
Commercial																						
Base Assessed Value		5,053,890	136,718																			
Allocation	72.2%	1,379,149	37,309																			
Stabilized																						
Effective Gross Income	5,626,414	-	314,227	4,151,549	5,796,473	5,883,420	5,971,671	6,061,246	6,152,165	6,244,447	6,338,114	6,433,186	6,529,684	6,627,629	6,727,043	6,827,949	6,930,368	7,034,324	7,139,839	7,246,936	7,355,640	
Expense Ratio	24%	50%	25%	23%	24%	25%	25%	25%	25%	26%	26%	26%	26%	27%	27%	27%	27%	27%	28%	28%	28%	40%
Estimated NOI	4,278,721	-	236,612	3,192,956	4,379,035	4,430,947	4,489,140	4,541,794	4,594,769	4,648,056	4,701,644	4,762,000	4,816,242	4,870,752	4,925,518	4,980,526	5,050,013	5,106,222	5,162,453	5,218,881	5,275,916	
Cap Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	
Est. Value	47,541,350	-	2,629,027	35,477,288	48,655,943	49,232,741	49,879,331	50,464,380	51,052,994	51,645,066	52,240,485	52,911,114	53,513,803	54,119,472	54,727,981	55,339,179	56,111,250	56,735,797	57,360,586	57,987,569	49,332,397	
RE Tax Rate	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	
Est. Tax Increment	1,149,371	-	(65,597)	823,014	1,179,523	1,195,126	1,212,618	1,228,445	1,244,368	1,260,385	1,276,492	1,294,634	1,310,938	1,327,322	1,343,783	1,360,318	1,381,204	1,398,099	1,415,001	1,431,962	1,197,822	
% Abatement	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	0%
Est. Net Tax Increment	287,343	-	(16,399)	205,753	294,881	298,782	303,154	307,111	311,092	315,096	319,123	323,658	327,734	331,831	335,946	340,079	345,301	349,525	353,750	357,990	1,197,822	
Base Tax	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	136,718	
RE Tax	424,061	136,718	120,318	342,471	431,599	435,499	439,872	443,829	447,810	451,814	455,841	460,376	464,452	468,548	472,664	476,797	482,019	486,243	490,468	494,708	1,334,540	
<b>Commercial</b>																						
Effective Gross Income	1,198,202	14,501	1,198,610	1,199,004	1,199,385	1,199,752	1,233,132	1,233,468	1,233,788	1,234,091	1,234,376	1,268,661	1,268,908	1,269,135	1,269,341	1,269,524	1,269,684	1,269,821	1,269,932	1,270,017	1,270,075	
Expense Ratio	3%	91%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Estimated NOI	1,167,614	1,288	1,167,724	1,167,817	1,167,894	1,167,954	1,201,001	1,201,024	1,201,028	1,201,012	1,200,975	1,234,910	1,234,829	1,234,724	1,234,595	1,234,440	1,234,259	1,234,051	1,233,815	1,233,549	1,233,253	
Cap Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	
Est. Value	12,973,493	14,309	12,974,706	12,975,745	12,976,601	12,977,268	13,344,454	13,344,713	13,344,758	13,344,580	13,344,171	13,721,227	13,720,321	13,719,155	13,717,719	13,716,002	13,713,993	13,711,681	13,709,054	13,706,102	13,702,811	
RE Tax Rate	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	
Est. Tax	350,959	387	350,992	351,020	351,043	351,061	360,994	361,001	361,002	360,998	360,987	371,187	371,162	371,131	371,092	371,045	370,991	370,928	370,857	370,777	370,688	
% Abatement	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Est. Net Tax	87,740	97	87,748	87,755	87,761	87,765	90,249	90,250	90,251	90,249	90,247	92,797	92,791	92,783	92,773	92,761	92,748	92,732	92,714	92,694	370,688	
Base Tax	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	37,309	
RE Tax	87,740	37,309	87,748	87,755	87,761	87,765	90,249	90,250	90,251	90,249	90,247	92,797	92,791	92,783	92,773	92,761	92,748	92,732	92,714	92,694	370,688	
<b>Total Estimated RE Tax</b>	559,373	186,641	246,276	477,799	566,932	570,837	577,693	581,652	585,633	589,636	593,660	600,745	604,815	608,903	613,009	617,131	622,339	628,975	633,182	637,403	1,705,228	

100 N Main Program										
	Studio	1 Brm Apt	2 Brm Apt	Residential	Self Storage	Fitness Community	Office (City)	Retail/Office (Speculative)	Parking	Total
Parking Retained by Memphis Mobility / DMC	LL Lobby				15,120		8,300		12,000	35,420
	UL Lobby						4,800	16,700	11,000	32,500
	3								12,000	12,000
	4						25,000		17,640	42,640
	5								47,656	47,656
	6								47,656	47,656
	7								47,656	47,656
	8								47,656	47,656
	9								47,656	47,656
Memphis (GSF) Memphis	10						15,652			15,652
	11						15,652			15,652
Bond Financed Mixed Income Housing 42% @ 60% AMI	12			10			-			15,652
	13			10			-			15,652
	14			10						15,652
	15			10						15,652
	16			10						15,652
	17			10						15,652
	18			10						15,652
	19			10						15,652
	20			10						15,652
	21			10						15,652
	22			10						15,652
	23			11						15,652
	24			10						15,652
	25			10						15,652
	26			8						15,652
	27			8						15,652
	Conventional Financed Market Rate	28			8					
29				8						15,652
30				8						15,652
31				8						15,652
32				8						15,652
33				8						15,652
34				5						15,652
35				5						15,652
36				7						15,652
37				5						15,652
Lounge									2,827	
<b>Total</b>		<b>227</b>	<b>134</b>	<b>406,952</b>	<b>15,120</b>	<b>2,827</b>	<b>69,404</b>	<b>16,700</b>	<b>290,920</b>	<b>801,923</b>

100 N Main Venture  
 Calculation of Residual Value of Real Estate  
 Projected Sale 2043

Estimated NOI 2043	5,785,885
Capitalization Rate	9.00%
Fair Market Value of Property	64,287,611
Less: Selling Costs 6.00%	(3,857,257)
Plus: Reserve Balance	1,963,277
Less: Outstanding Institutional Debt	(26,226,291)
Estimated Net Proceeds	<u>36,167,341</u>
Managing Member Residual	40.00%
Investor Member (DMC) Residual	60.00%
Managing Member Distribution Proceeds	14,466,936
Investor Member (DMC) Distribution Proceeds	21,700,404
Less (DMC) Seller Note Balance Repayment	(3,084,059)
Less Investor Member Equity (DMC) AM Note Repayment	<u>(10,000,000)</u>
Net Excess Proceeds to DMC	8,616,345





November 30, 2021

100 North Main Venture, L.L.C.  
c/o The Alexander Company, Inc  
Attn: Joseph M. Alexander  
2450 Rimrock Rd, Suite 100  
Madison, WI 53713

RE: 100 N. Main  
102 LIHTC Units; 229 Market Rate Units  
69,404 sf – Office; 16,700 sf - Retail  
100 N. Main Street  
Memphis, TN 38103

Dear Mr. Alexander:

Sterling Bank has accepted your request for credit on the above captioned subject to the following terms and conditions:

Construction Bridge Loan Proposal:

Amount: Up to \$28,800,000.00

Type: Construction Draw

Term: Not to exceed 36 months

Repayment: Interest monthly on outstanding principal; Balance at maturity

Rate: 5.50% fixed – taxable

Origination

Fee: 1.00% of loan amount

Commitment

Fee: N/A

Security: Subject to Program or Agency

A) Assignment of Borrower's rights and remedies under the limited partnership, including but not limited to capital contributions.

- B) *Assignment of General Partner interest in the limited partnership.*
- C) *Assignment of Developer Fees paid in post-construction closing*

*Borrower: 100 North Main Venture, L.L.C.*

*Managing Member: 100 North Main Managing Member, LLC*

*Guarantor(s): The Alexander Company, Inc.; Joseph M. Alexander; Nicolas P. Alexander (unlimited)*

*Insurance: Borrower agrees to maintain insurance coverage on the collateral securing this loan in an amount and form satisfactory to Sterling Bank. Said policy shall include an endorsement acceptable to and naming the Bank.*

*Title Insurance: Borrower shall provide to bank a copy of an owner's title insurance policy on the properties in an amount and form satisfactory to Sterling Bank. The policy shall contain no exceptions not previously approved by the Bank, which in Sterling Bank's opinion shall be considered detrimental to the Bank.*

*Closing Documents: All closing documents are subject to review and approval of Sterling Bank and its attorney's.*

*Escrow Disbursement: All funds shall be disbursed in a form and manner acceptable to Sterling Bank.*

*Advances Under this Proposed Agreement are Subject to:*

- 1) Credit and economic conditions being acceptable to the Bank on an ongoing basis.*
- 2) Borrower's observance of all requirements stated in this proposal.*
- 3) Borrower's compliance with the provisions of all applicable program loan documents now or hereafter in effect between the Bank, federal and/or state agencies, and borrower.*
- 4) Borrower's compliance with any and all provisions, rules and/or regulations of applicable Federal and/or State Housing Program(s).*

*Other Conditions:*

- A) This proposal is non-assignable*
- B) Full and complete adherence with any and all applicable local, state and/or federal agencies program rules, regulations and/or requirements.*
- C) Applicable Credits are syndicated to a company and price acceptable to Sterling Bank: Investment Limited Partner enters limited partnership with capital contributions and terms acceptable to Bank*
- D) Borrower agrees from time to time, upon written request of the Bank to provide current financial statements and current copies of recent Federal income tax returns.*

- E) Guarantor(s) agree to provide the same financial information as listed above upon written request of Sterling Bank.*
- F) Borrower, sponsor or guarantor to open deposit account at Sterling Bank.*
- G) Subject to Board or Loan Committee Final Approval.*
- H) A satisfactory Phase I environmental review, geotechnical report and plan and cost review will be required prior to close of financing.*
- I) Affirmative and negative covenants applicable to the Borrower and which are customary and typical of this transaction will be required.*
- J) Representations and warranties of Borrower which are customary and typical of this transaction will be required.*

*Closing Costs: All closing costs, including but not limited to: insurance, flood letter, recording fees, title insurance, survey and attorney fees, if any, shall be paid by borrower in advance or at closing.*

*This proposal supersedes all prior agreements, conversations and understandings relating to the subject matter hereof. Oral agreements or commitments to loan money, extend credit, or forbear from enforcing repayment of a debt, are not enforceable. The proposal contained herein is the complete and exclusive agreement between the borrower and the Bank. Any change in terms or conditions subsequent to this proposal must be in writing, signed by an officer of the Bank and acknowledged in writing by the borrower. Sterling Bank reserves the right to withdraw this availability if any of the terms and conditions stated herein is not fulfilled.*

*This proposal expires June 30, 2022, unless extended by the Bank in writing.*

*Sincerely,*



*Philip M. Minden  
Executive Vice President*

*By signing below and returning one signed copy of this proposal, you hereby accept the above terms and conditions.*

*Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2021*

*For: 100 North Main Venture, L.L.C.*

*By: 100 North Main Managing Member, LLC, its Managing Member*

*By: The Alexander Company, Inc., its Managing Member*

*By: \_\_\_\_\_  
Joseph M. Alexander, President*