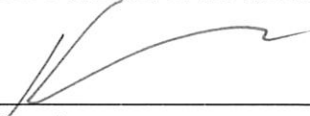


APPENDIX I: DEVELOPMENT LOAN APPLICATION

Date of Application:	March 11, 2024
Building/Property Address:	81 Monroe Avenue, Memphis, TN 38103
Applicant's Name:	81 Monroe Investment
Ownership Status:	<input checked="" type="checkbox"/> I own the property <input type="checkbox"/> I am purchasing the property <input type="checkbox"/> Other _____
Primary Project Contact:	Name: Kevin Clarkson
	Phone: 901-255-2123 Email: kclarkson@henryturley.com
	Mailing Address: 65 Union Ave., Suite 1200; M
Describe the existing condition of the property.	The elevators are original to the building and are functionally obsolete. The technology and equipment currently in place is not at all reliable and does not meet the needs of the current tenants. The current Life Safety system is approximately 30 years old. It is obsolete and
Describe the proposed future use of the property.	We intend to keep the Businessmen's Club as office, as it has always been.
What improvements do you plan to make to the property?	HTC has developed a scope of work that will modernize the elevators. This modernization includes new gearless hoists, ADA hall and car controls, door operators, shaft upgrades to meet current elevator codes, microprocessor controls, HVAC to control the elevator room environmental conditions within the equipment room, and minor structural and code related construction. The Life Safety system will be replaced to accommodate the new elevator recall system, new A/V devices within leased spaces and some surplus capacity for new tenant buildouts. Once elevator job is complete we will replace the roof with a new TPO one that will give many years of service and will also
Square Footage of Building / Land Area To Be Improved:	19,520
Architect (if applicable)	Name: Phone:
	Company:
Total Project Budget:	\$1,086,587
Total Loan Requested:	\$100,000
Property Owner: (If not the applicant)	Name: <i>81 Monroea Investment Company</i>
	Phone: <i>901 508-4475</i> Email: <i>K.Clarkson@HenryTurley.com</i>
	Mailing Address: <i>65 Union Ave Suite 1200 / Memphis TN 38103</i>

<p>Legal Disclosure:</p>	<p><i>Disclose in writing whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding or ever filed for bankruptcy. Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment:</i></p> <p>None.</p>
<p>Board Relationship Disclosure:</p>	<p><i>Disclose in writing whether the applicant or any guarantor has any previous or ongoing relationship with any Board member or legal counsel of the Board.</i></p> <p>None.</p>
<p>Applicant's Certification:</p>	<p>This application is made in order to induce the CCDC to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show best faith efforts with regard to the employment of minority and/or women contractors and subcontractors in the project development. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed.</p> <p> Signature: _____</p> <p><i>3/13/24</i> Date: _____</p>

Kevin Clarkson

From: Kevin Clarkson
Sent: Wednesday, March 13, 2024 10:05 AM
To: Kevin Clarkson
Subject: FW: 81 Monroe Capital needs

Building Description

81 Monroe was built in 1910, its history and location have made this building one of Downtown Memphis's landmarks. This 6-story building currently has 3 tenants, occupying close to 20,000 square feet and two of these tenants have expressed interested in downsizing by at least one floor each this year. By the end of 2024, we're projecting to have 2 floors 6,360 sf of vacancy or 33% of the entire building's leasable space. The HTC and the ownership of 81 Monroe evaluated the buildings needs as well as what the market will expect for new tenants to sign leases. Below is a summary of the capital needs to allow 81 Monroe to keep its current tenants as well as lease up the 2 vacant floors.

Elevators

The elevators are original to the building and are functionally obsolete. The technology and equipment currently in place is not at all reliable and does not meet the needs of the current tenants. HTC has developed a scope of work that will modernize the elevators. This modernization includes new gearless hoists, ADA hall and car controls, door operators, shaft upgrades to meet current elevator codes, microprocessor controls, HVAC to control the elevator room environmental conditions within the equipment room, and minor structural and code related construction. We are anticipating for this work to be completed in 2024. Until this elevator modernization is complete there is no real opportunity to secure new tenants for the 2 vacant floors.

Life Safety system

The current Life Safety system is approximately 30 years old. It is obsolete and does not comply with current code requirements. The current systems also will not allow for the incorporation of the new elevator recall system. The current system doesn't provide for needed A/V devices within lease spaces. The Life Safety system will be replaced to accommodate these new requirements and provide for some surplus capacity for new tenant buildouts.

Roof

The existing roof is more than 40 years old. The current roof is a smooth surface built up roof and is in very poor condition. It needs to be replaced based on its condition as well as the amount of traffic and wear that it will be subjected to during the Elevator modernization. The new roof will be a TPO. This type of roof will give many years of service and will also provide some energy savings due to its solar reflective value.

The owners of 81 Monroe and HTC project that with these capital improvements we will be able to operate this building well into the future and attract new tenants to fill the projected vacancy.

Schedule for Capital Improvements:

Elevator Modernization- We released TKE in July of 2023 to design and order the materials. The materials are set to be lifted t the roof on March 14, 2024. We expect this project to be completed in July 2024.

Life Safety System replacement- November 2023 – July 2024. We had to start on the initial Life Safety system replacement so that we would have the base system in place so the elevator modernization could start. The final work will be completed as each of the 2 elevators are brought on line.

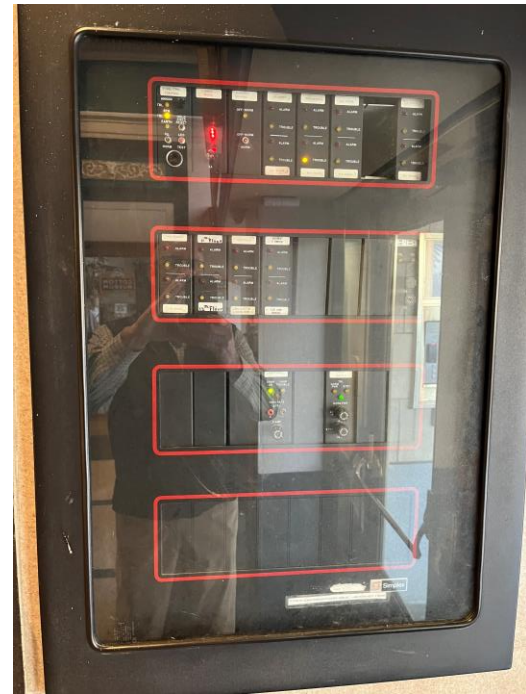
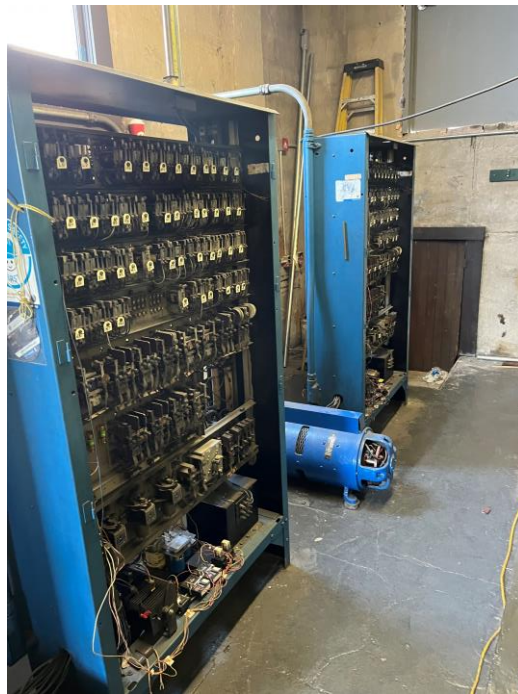
Miscellaneous building modifications- There will be some minor building modifications that will be needed to install the life safety system and the elevator modernization. This work will be ongoing during both projects.

Roof Replacement- We are currently getting prices for the roof replacement. We will schedule this work once the elevator modernization is complete. The roof work should start in August of 2024 and be completed within 60 days.



Kevin Clarkson
Chief Construction &
Facilities Officer
o: (901) 255-2123
c: (901) 508-4475
65 Union Ave, Ste 1200
Memphis, TN 38103
henryturley.com

81 Monroe – Existing Condition Photos



Attachment A

Businessmen's Club Sources and Uses of Funds

Sources of Funds:

Pathway Lending (6% fixed/10 year term)	\$ 264,282
DMC Loan (1% fixed/20 yr am/10 yr balloon)	\$ 100,000
Owner's Equity in Project	\$ 400,000
Cash on Hand	\$ 95,684
Operating Income	\$ 199,777
Total Sources of Funds	<u>\$ 1,059,743</u>

Uses of Funds:

Fire Panel	\$ 64,870
Elevator	\$ 579,167
Elevator Construction	\$ 76,005
Interior Repairs	\$ 5,000
Roof	\$ 184,282
Contingency	\$ 10,000
Supervision Fees	\$ 50,464
Tenant Improvements	\$ 89,955
Total Uses of Funds	<u>\$ 1,059,743</u>

Attachment B

**Businessmen's Club
Ten-Year Cash Flow Statement**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue:										
Commercial Space Revenue	\$ 290,747	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657	\$ 344,657
Total Commercial Square Footage	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520
Vacancy Assumptions	16%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue per Square Foot	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18
Miscellaneous Income	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820
Total Revenue	\$ 294,567	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477	\$ 348,477
Expenses:										
Operating Expenses										
Repairs & Maintenance	\$ 81,712	\$ 77,983	\$ 86,323	\$ 88,734	\$ 91,396	\$ 94,137	\$ 96,962	\$ 99,870	\$ 102,867	\$ 105,952
Utilities	\$ 5,663	\$ 5,832	\$ 6,007	\$ 6,187	\$ 6,372	\$ 6,564	\$ 6,761	\$ 6,963	\$ 7,172	\$ 7,387
Road & Grounds	\$ 889	\$ 889	\$ 889	\$ 889	\$ 889	\$ 890	\$ 891	\$ 892	\$ 893	\$ 894
Leasing Expenses	\$ 31,170	\$ 4,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office/Administrative	\$ 38,511	\$ 42,102	\$ 42,748	\$ 43,412	\$ 44,715	\$ 46,056	\$ 47,438	\$ 48,861	\$ 50,327	\$ 51,837
Fixed Expenses	\$ 36,936	\$ 38,090	\$ 39,359	\$ 40,755	\$ 41,977	\$ 43,237	\$ 44,534	\$ 45,870	\$ 47,246	\$ 48,663
Total Operating Expenses	\$ 194,881	\$ 169,667	\$ 175,325	\$ 179,976	\$ 185,349	\$ 190,884	\$ 196,585	\$ 202,457	\$ 208,504	\$ 214,734
Net Operating Income	\$ 99,686	\$ 178,810	\$ 173,152	\$ 168,501	\$ 163,128	\$ 157,593	\$ 151,892	\$ 146,020	\$ 139,973	\$ 133,743
Debt Service										
Total Debt Service	\$ 11,734	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565	\$ 36,565
Debt Service Ratio:	8.50	4.89	4.74	4.61	4.46	4.31	4.15	3.99	3.83	3.66
Net Cash Flow:	\$ 87,952	\$ 142,245	\$ 136,587	\$ 131,936	\$ 126,563	\$ 121,028	\$ 115,327	\$ 109,455	\$ 103,408	\$ 97,178