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Pilot Application:

Liberty Park's Private Development Opportunity (City of Memphis)
Central Avenue and Early Maxwell
Memphis, Tennessee 38104

Administered by:

Center City Revenue Finance Corporation

Dear Members of the Board,

Enclosed with, please find our PILOT application for the first phase of the Private Development Opportunity (PDO) for the City of Memphis's fairgrounds redevelopment named Liberty Park. In the heart of Memphis Liberty Park is a hub of activity featuring Tiger Lane, Simmons Bank Liberty Stadium, and now home to the new Memphis Sports and Events Center a 227,000-square-foot facility for youth sports and events including indoor basketball and volleyball. Liberty Park is home to festivals, sporting events, and celebrations of all types. In addition, Liberty Park is in one of Tennessee's last Tourist Development Zones (TDZ).

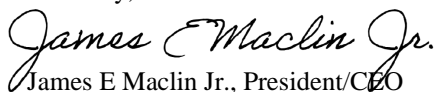
The PDO anchors the northern end of Liberty Park including about eighteen acres of land located between the Memphis Children's Museum and The Maxine Smith STEM Academy. This proposed development will create a "place to be" by filling the retail and hospitality gaps in the immediate community and by adding residential density. This development will be a bridge for locals and tourists as the first introduction of twenty-four hour/seven days a week activity on the site. The development creates a connecting node for the established and vibrant communities of Cooper Young, Christian Brothers University, The University of Memphis, Orange Mound, and Chickasaw Gardens.

Our team currently has the site under letter of intent with the City of Memphis and is working diligently on land lease and development agreements with the City. With your help, this project will greatly benefit the City by adding approximately 12,000sqft of ground floor commercial retail space with approximately 200 residential units and amenity space on top of the retail, and a 200 key dual branded hotel with a full service restaurant. These components will add millions of dollars to support the TDZ.

The proposed development (the first phase of the Liberty Park PDO) will spend over \$70,000,000 in local trades, contractors, and professional of which a large percentage with women and minority owned business enterprises. Even with the proposed PILOT, this project will generate over \$450,000 per year in property tax lease fees, over \$700,000 per year in sales tax increment for the TDZ, and numerous living wage jobs for the local community. Because of the project's size, timeline, economic contributions, significance to the community, we are requesting CCRFC grant a 20yr PILOT for the project.

This project will be one of the largest African-American lead real-estate projects in the city's history since the days of Robert R. Church. Our team is committed to diversity in all aspects of the project from financing, design, construction, to long-term operations. Our development team is completely committed to the spirit of Liberty Park.

Sincerely,



James E Maclin Jr., President/CEO
M&M Enterprises, LLC
25 Dr MLK Ave Suite 306
Memphis TN 38103

Applicant Background:

Capstone Development, LLC
4445 Willard Avenue Suite 600
Chevy Chase, Maryland 20815
Ph: 202-470-3122

M&M Enterprises, LLC
25 Dr MLK Ave Suit 306
Memphis, TN 38103
Ph: 901-592-1017

Representative:

James E Maclin, Jr. President/CEO, M&M Enterprises
Norm Jenkins, President/CEO, Capstone Development
Darren Linnartz, Managing Partner, Capstone Development

Capstone Development: Founded by Norm Jenkin in 2009, Capstone has developed over two million square feet of urban real estate including hospitality, residential, and mixed-use projects. We have extensive experience in the creation and successful execution of public-private partnerships, and constructive engagement with diverse communities of stakeholders where our projects are located. Capstone’s pipeline of future development is comprised of over two million square feet of unique, urban projects.

M&M Enterprises: Found in 2016 by James Maclin, M&M Enterprises specializes in every aspect of multifamily real estate investment, development, and operating processes, including development consulting services, property management, asset management, and project management to clients in government, non-profit, and commercial spheres. M&M has over 20 years’ experience in multifamily real-estate development and was named by the city of Memphis as the lead developer partner on the Fairgrounds redevelopment project.

Proposed Project Description:

a) Location:

The site is located at the corner of Central Ave and Early Maxwell between the Memphis Children’s Museum and The Maxine Smith STEM Academy. In the Memphis 3.0 plan, this area is designated as primed for acceleration as an urban center. The community and administration chose this area to “accelerate” the degree of change by a mix of investments by the City, philanthropies, and the private sector to drive transformative change to realize the community’s vision for a place.

Parcel 5 of PDO (multifamily):

Being property contained entirely within a portion of Area “A” of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register’s Office, City of Memphis, Shelby County, State of Tennessee; said property being more particularly described by metes and bounds as follows:

Commencing at the centerline intersection of Central Avenue (80’ROW) and Larry Finch Lane (private, 60’ wide); thence with a portion of the centerline of said Larry Finch Lane, South 03°13’07” West passing through the north line of Area “A” of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register’s Office, City of Memphis, Shelby County, State of Tennessee at 40.00’ but continuing for a total distance of 50.15’ to a point; thence departing from and perpendicular to said centerline, North 86°46’53” West a distance of 30.00’ to a point in the back of a sidewalk being the TRUE POINT OF BEGINNING; thence with said back of sidewalk being 30.00’ west of and parallel with said centerline, South 03°13’07” West a distance of 180.19’ to the intersection with a back of a curb; thence with said back of curb being perpendicular to said centerline, North 86°46’53” West a distance of 88.80’ to a point; thence departing from said back of curb with a line being the southerly prolongation of a back of curb line being 118.80’ west of and parallel with said centerline, North 03°13’07” East a distance of 71.00’ to a back of curb intersection; thence with a back of curb being perpendicular to said centerline, North 86°46’53” West a distance of 17.00’ to a point of curvature; thence with a back of curb in a northwesterly direction

along the arc of a curve to the right having a radius of 4.50' (Long Chord = N41°46'53"W, 6.36') an arc length of 7.07' to a point; thence with a back of curb line being 140.30' west of and parallel with said centerline, North 03°13'07" East a distance of 17.50' to a back of curb intersection; thence with a back of curb and it's westerly prolongation being perpendicular to said centerline, North 86°46'53" West a distance of 150.75' to a point; thence with a line being 291.05' west of and parallel with said centerline, North 03°13'07" East a distance of 87.19' to a point in the back of a sidewalk; thence with the back of sidewalk being perpendicular to said centerline, South 86°46'53" East a distance of 261.05' to said TRUE POINT OF BEGINNING. Said described property containing 31,487 square feet or 0.72 acres, more or less.

Parcel 6 of PDO (multifamily):

Being property contained entirely within a portion of Area "A" of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register's Office, City of Memphis, Shelby County, State of Tennessee; said property being more particularly described by metes and bounds as follows:

Commencing at the centerline intersection of Central Avenue (80' ROW) and Larry Finch Lane (private, 60' wide); thence with a portion of the centerline of said Larry Finch Lane, South 03°13'07" West passing through the north line of Area "A" of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register's Office, City of Memphis, Shelby County, State of Tennessee at 40.00' but continuing for a total distance of 50.39' to a point; thence departing from and perpendicular to said centerline, South 86°46'53" East a distance of 30.00' to the TRUE POINT OF BEGINNING; thence South 86°02'12" East a distance of 273.54' to a point; thence with a line being 303.52' east of and parallel with said centerline, South 03°13'07" West a distance of 75.97' to the intersection with a back of curb; thence with said back of curb, it's westerly prolongation and a separate back of curb, North 86°58'42" West a distance of 121.00' to a back of curb intersection; thence with a back of curb and it's southerly prolongation being 182.52' east of and parallel with said centerline, South 03°13'07" West a distance of 100.00' to the intersection with a back of curb; thence with said back of curb being perpendicular to said centerline, North 86°46'53" West a distance of 152.52' to the intersection with a back of sidewalk being 30.00' east of said centerline; thence with said back of sidewalk being 30.00' east of and parallel with said centerline, North 03°13'07" East a distance of 179.94' to said TRUE POINT OF BEGINNING. Said described property containing 36,605 square feet or 0.84 acres, more or less.

Parcel 1 of PDO (Hotel):

Being property contained entirely within a portion of Area "A" of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register's Office, City of Memphis, Shelby County, State of Tennessee; said property being more particularly described by metes and bounds as follows:

Commencing at the centerline intersection of Early Maxwell Boulevard (41' wide, private) and Raymond Skinner Drive (41' wide, private); thence with a portion of the centerline of said Raymond Skinner Drive, South 86°43'54" East a distance of 49.97' to a point; thence departing from and perpendicular to said centerline, North 03°16'01" East passing through the south line of Area "A" of the Outline Plan for the Memphis Fairground Planned Development as recorded in Plat Book 288, Page 21 at the Shelby County Register's Office, City of Memphis, Shelby County, State of Tennessee at 20.50' but continuing for a total distance of 30.50' to an angle point in the back of a wall being the TRUE POINT OF BEGINNING; thence with said back of wall, North 41°46'57" West a distance of 12.01' to an angle point in said wall being 41.50' east of the centerline of said Early Maxwell Boulevard and 21.00' east of the west line of said Area "A"; thence with said back of wall and it's northerly prolongation being 41.50' east of and parallel with said centerline, North 03°13'07" East a distance of 149.01' to the intersection with a back of curb line;

thence with said back of curb, South 86°46'53" East a distance of 80.00' to a point; thence continuing with said back of curb being 121.50' east of and parallel with said centerline, North 03°13'07" East a distance of 13.50' to a point of curvature; thence continuing with said back of curb in a northeasterly direction along the arc of a tangent curve to the right having a radius of 4.50' (Long Chord = N48°13'07"E, 6.36') an arc length of 7.07' to a point; thence continuing with said back of curb, South 86°46'53" East a distance of 5.00' to a point; thence departing from said back of curb with a line being 131.00' east of and parallel with said centerline, North 03°13'07" East a distance of 1.50' to a point; thence South 86°46'53" East a distance of 97.80' to a point; thence with a line being 228.80' east of and parallel with said centerline, South 03°13'07" West a distance of 1.50' to a point on the back of a curb; thence with said back of curb, South 86°46'53" East a distance of 35.00' to a point of curvature; thence continuing with said back of curb in a northeasterly direction along the arc of a tangent curve to the left having a radius of 20.50' (Long Chord = N68°48'46"E, 16.94') an arc length of 17.46' to a point; thence departing from said back of curb in a non-tangent direction, South 86°46'53" East a distance of 23.07' to a point; thence with a line being 302.30' east of and parallel with said centerline, South 03°13'07" West a distance of 87.00' to a point; thence South 86°46'53" East a distance of 100.00' to a point; with a line being 402.30' east of and parallel with said centerline, South 03°13'07" West a distance of 96.31' to the intersection with the back of a sidewalk being 9.50' north of said south line of said Area "A" and 30.00' north of the centerline of said Raymond Skinner Drive; thence with said back of sidewalk being 30.00' north of and parallel with said centerline, North 86°43'54" West a distance of 52.41' to the front corner of a wall; thence with said wall and perpendicular to said centerline, North 03°16'06" East a distance of 0.50' to the back corner of said wall; thence with said back of wall being 30.50' north of and parallel with said centerline, North 86°43'54" West a distance of 299.90' to said TRUE POINT OF BEGINNING. Said described property containing 54,263 square feet or 1.25 acres, more or less.

b) Intended Use:

The proposed project will be a mixed-use development including approximately 200 new apartment units, over approximately 12,000 SF of ground floor commercial retail and amenity space, and approximately 200 full-service hotel rooms. The developer is working with an experienced team of project managers, architects, contractors, and consultants to deliver a project that meets the demands of Liberty Park and the surrounding communities while also raising the bar on how large-scale new development projects can embrace diversity and inclusion through the entire development process. The targeted rents and rates will be market rate for all of the components with the required affordability levels for the PILOT program.

c) Economic and Environmental Impact

Through the years, this site has been used for a number of things including most recently for high school sports as a football field and track, prior to that as a double A professional baseball field and stadium, but is now vacant and only used for overflow parking for major sporting events in the Liberty Bowl Stadium. None of these uses created property tax revenues. The proposed development (the first phase of the Liberty Park PDO) will spend over \$60,000,000 in local trades, contractors, and professional of which a larger percentage will women and/or minorities owning business enterprises. Even with the proposed PILOT, this project will generate over \$450,000 per year in property tax lease fees, over \$700,000 per year in sales tax increment for the TDZ, and numerous living wage jobs for the community.

Because of the project's size, timeline, economic contributions, significance to the community, we are requesting CCRFC grant the following: an exemption to its policy and award a 20-year PILOT.

d) The Square Footage of the Building Components:

- a. New Retail/Commercial/Amenity Space: approximately 12,000 SqFt
- b. Hospitality Space: ~110,000 SqFt
- c. Residential/Apartment Space: 200,000 SqFt

- d. Estimated Total SqFt: ~320,000 SqFt
- e) State the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?
Ground Floor Retail spaces will be leased as NNN. Retail Tenants will be determined over the course of project design & construction with an emphasis on restaurants and fast casual dining. Upper floor multi-family residential will be leased at market rate with full occupancy expected conservatively within twelve (12) months from substantial completion.
- f) If the project is speculative, how long is full occupancy expected to take and who will manage the project? Residential multi-family units are expected to be leased as traditional leases at market rates with full occupancy conservatively expected within twelve (12) months from substantial completion. Commercial Retail leases are expected to be signed during the construction phase, transition to tenant improvements, and have tenants occupy the property immediately thereafter. Property management services will be provided by a premier third-party management company with offices on-site for both multifamily and hospitality components.
- g) Are changes needed to the public space around the project (for example; sidewalks, lighting and planting)? Yes, the City of Memphis has begun the infrastructure and is scheduled to deliver development pads to the development team Summer 2023 which will include the main drive, sidewalks, green space, etc.

Site Control:

- a) Name the property owner at the time of application:
The site is owned and controlled by the City of Memphis which is under a letter of intent with the development team. The parties are in the process of negotiating development and land lease agreements for the site.

Financial Items:

- a) Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements. State the relationship any applicant or grantor has had with any accounting firm of the last five years:
To be provided to Board Chairman or Board Attorney as required.
- b) Describe any and all existing financing, options, and liens on the property:
The Capstone/M&M partnership will form a special purpose entity for the project and will use bank financing to complete the construction.
- c) Attach three years of tax returns if applicant is an individual:
To be provided to Board Chairman or Board attorney as required.
- d) Provide the following information about the loan or proposed loan for the project: **See attached.**
- e) Attach information about the financial history of the project and previous attempts to develop, if possible:
Through the PILOT program, the applicant can make an investment that will make the northern portion of Liberty Park a destination to serve both the local community and tourist through density and vibrancy as a core connector for the area.
- f) Financial Projections:
- a. State the estimated Project costs broken down by component (i.e. land, buildings, equipment, soft costs, etc.), attach bid estimates and show amounts to be paid from loans and equity amount:
See attached sources and uses.
 - b. Attach a cash flow pro-forma along with a statement of Sources and Uses of funds for the project:
See attached cash flow-proforma.

Project Timeline:

- a) State the proposed time schedule for the Project including the dates anticipated for the following:
 - a. Closing of the loan or contributing financing availability.
Upon PILOT approval and prior to the Commencement of Construction (see following project schedule).
 - b. First expenditure of funds with regard to the project:
Soft cost expenditures have begun but will be escalated subject to PILOT approval and development/lease agreements executed with the city.
 - c. Anticipated construction will begin:
See following project schedule.
 - d. Anticipated completion date:
See following project schedule.

Key Task / Deliverables	Lead Team	Start	End	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
City breaks ground on \$60M Sports Complex within Liberty Park master development	City	Jun-21	Mar-23														
City breaks ground on Liberty Park Mixed-Use development site	City	Jun-21	May-23														
PILOT application	MM/CPS	Mar-23	May-23														
TDZ Surcharge application	TBD	Mar-23	May-23														
Agreements w/City of Memphis (to execution)	All	May-23	Jul-23														
Schematic Design with architect	MM/CPS	Jul-23	Oct-23														
Administrative Design Review with City	All	Oct-23	Dec-23														
Design Development Documents	MM/CPS	Jan-24	Jun-24														
Construction preliminary Pricing	MM/CPS	May-24	Jul-24														
Construction Lender Selection	MM/CPS	Jun-24	Aug-24														
Financial Close / Project Funded	MM/CPS	Sep-24	Nov-24														
Break Ground Mixed Use	MM/CPS	Nov-24	Dec-24														
Break Ground Hotel	MM/CPS	Sep-24	Nov-24														
City Retail Delivery	City	TBD	TBD														
Mixed Use Construction	MM/CPS	Nov-24	Nov-26														
Hotel Construction	MM/CPS	Sep-24	Mar-26														
Project Stabilization	MM/CPS		Jun-27														

Key Task / Deliverables	Lead Team	Start	End	Apr-23	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Mar-26	Apr-26	May-26	Jun-27
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City Retail Delivery	City	TBD	TBD													
Mixed Use Construction	MM/CPS	Nov-24	Nov-26													
Hotel Construction	MM/CPS	Sep-24	Mar-26													
Project Stabilization	MM/CPS		Jun-27													

Project Team:

- a) Architects and Engineering:
 - a. Architecture:

LRK	Bounds & Gillespie (a MWBE)
50 South BB King	7975 Stage Hills Blvd
Suite 600	Suite 4
Memphis TN 38103	Memphis, TN 38133
Attn: Victor Buchholz	Attn: Danny Bounds
Ph: 901.521.1440	Ph: 901.377.6603
 - b. Engineering: MEP:

Real Estate Development | Multifamily Property Mngt | Development Project Mngt | Alternative
Multifamily Investments
T: (901) 592-1017 | F: (901) 416-3711

IES Engineering (**a MWBE**)
2787 Stage Center Dr.,
Suite 101,
Bartlett, TN 38134
Attn: Jeremiah Watson
Ph: 901.379.0500

b) Construction/Project Management:

Patton & Taylor Enterprises
7960 Wolf River Blvd.
Germantown, TN
Cameron Taylor
Ph: 901-757-1770

Precise Contracting (**a MWBE**)
1123 S. Third Street
Memphis TN 38106
Martin Caradine
Ph: 901-774-8010

c) Other Professionals:

Legal: Bass Berry & Sims, Memphis, TN (Al Bright/Justin Starling) / Arrent Fox, Washington, DC
(Kimberly A. Wachen)
Government Relations: Dean and Associates (Tiffany Adams) (**a MWBE**)

d) Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board: **TBD**

References:

- a) EDENS
1272 5th Street NE, Suite 200
Washington, DC 20002
Mr Steve Boyle
- b) Tower Ventures
495 Tennessee Street Suite 152
Memphis, Tennessee 38103
Mr Billy Orgel
- c) Grandbridge Real Estate Capital LLC
850 Ridge Lake Blvd., Suite 402
Memphis, TN 38120
Mr Randy Engel
- d) Multi-South Management Services, LLC
6075 Poplar Avenue, Suite 630
Memphis TN 38119
Mr. David Shores

Items for Lease Preparation:

- a) State law requires that title to the projects be conveyed to CCRFC in order for it to grant payments in lieu of taxes; CCRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.: SPE to be formed.
- b) State the tax parcel number for all Property involved with the project and the current assessed value of the Property.: TBD by City of Memphis
- c) Are there any assessments presently under appeal? No
- d) Will the Project result in the subdivision of any present tax parcel? No

Disclosures:

- a) Please disclose whether applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. James Maclin d/b/a M&M Enterprises, LLC (plaintiff) v. Carlisle Development Company, LLC, Carlisle, LLC, 7v DEVCO, LLC, and One Beale, LLC.
- b) Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. No.
- c) Please supply detailed information. N/A

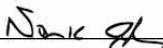
Applicant Affirmation:

Capstone Development, LLC
4445 Willard Avenue Suite 600
Chevy Chase, Maryland 20815
Ph: 202-470-3122


M&M Enterprises, LLC
25 Dr MLK Ave Suit 306
Memphis, TN 38103
Ph: 901-592-1017

Assignment of leasehold interest upon foreclosure:

In the event a lender holding a deed of trust or mortgage on the leasehold interest of a PILOT lease shall foreclose thereon or accept an assignment or deed in lieu of foreclosure of the lessee's interest there under, such foreclosure or assignment or deed in lieu thereof shall not be considered an assignment of the PILOT lease by this Corporation and shall not be subject to any consent or approval by this Corporation (to the extent required by the terms of the PILOT lease) nor shall any transfer fee be due and payable in connection therewith, so long as such lender holds the leasehold interest in the PILOT lease for resale and not for investment purposes. In the event a lender has succeeded to the rights of the lessee under the PILOT lease as a result of foreclosure or assignment or deed in lieu thereof, any subsequent assignment of the rights as lessee under the PILOT lease shall be subject to any required consent of this Corporation and the payment of any transfer fees due and payable in connection therewith. For the purposes of these policies, a lender shall be deemed to hold property for investment purposes and not for resale, and a transfer fee shall be due and payable, if it has held property for more than 18 months.



Norm Jenkins, President/CEO
Date:



James E Maclin, Jr, President/CEO
Date: 03/21/23



MEMPHIS LIBERTY PARK

MIXED USE DEVELOPMENT





Liberty Park

Memphis, Tennessee | 01.P6008.18 | 10.05.2021

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Center Court looking South

M&M Enterprises 1



Liberty Park

Memphis, TN | 01.18005.00 | 03.17.23

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View Down Central Avenue

M&M Enterprises



Liberty Park

Memphis, TN | 01.18005.00 | 03.17.23

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View Down Raymond Skinner Drive

M&M Enterprises



OUR MISSION

Located in the heart of Memphis, Tennessee, Liberty Park has served Memphians for over 120 years and each generation has had their hand in transforming this historical landmark. Now is the time to once again re-imagine the possibilities of what could and

should be the next chapter of this destination — and to create a new story for a new Memphis. Building spaces that are equitable, inclusive and real and brought to life by the communities and the people eager to be a part of this next chapter.

OUR PURPOSE: Filling a gap.

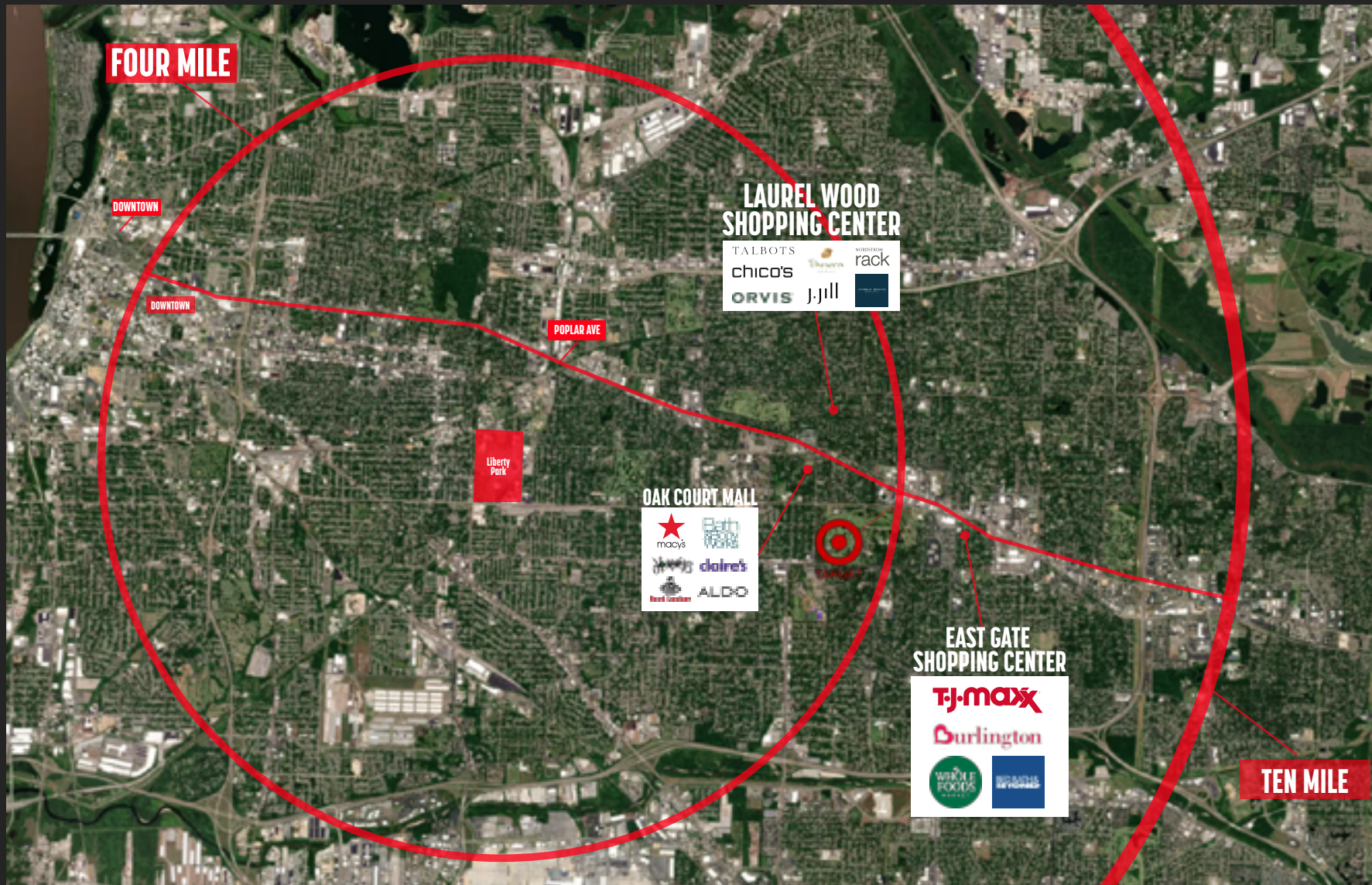
OUR PROMISE: Creating a place.

LIBERTY PARK

This mixed use development opportunity anchored in midtown near the bustling Medical District, will bridge the gap between two thriving economic hubs — East Memphis and Downtown. When completed, Liberty Park will bring both locals and tourists from across the country together to create a hub for the culturally diverse city that is Memphis.

Join our team as we break ground in Q3 2022



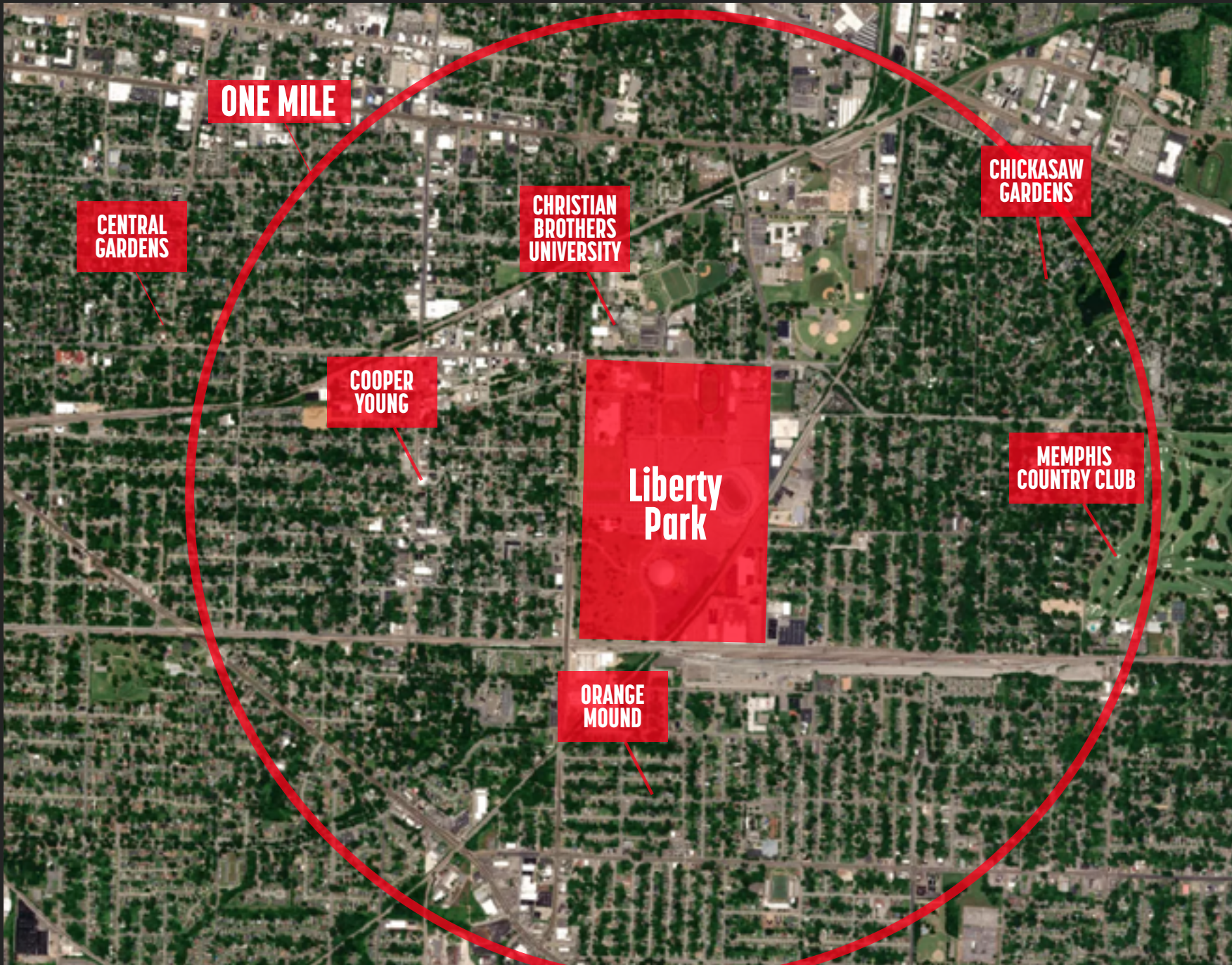


RETAIL NEIGHBORS

FOUR - TEN MILES

When you look at the strategic placement of the Liberty Park site from above, you quickly realize how large of an opportunity this space is relative to the surrounding area. The nearest comparable site is over four miles away at the Laurelwood Shopping Center along the Poplar Corridor in East Memphis. The Laurelwood Development is the only comparable within a 10 mile radius of the site.

This is the last development project of this size and magnitude left in the core of the city and the neighborhoods around the site are excited to see it come to life!



THE NEIGHBORHOODS

Liberty Park is surrounded by several diverse and densely populated single family housing neighborhoods that are all within walking distance of the site. The four main neighborhoods are a micro-representation of Memphis at large -- doctors, nurses, lawyers, artists, musicians, politicians and blue collar workers all creating and living together.

THE BORDERING NEIGHBORHOODS

ONE MILE

COOPER YOUNG



Cooper young is both traditional and trendy, cosmopolitan and casual. It's where art, culture and cuisine intersect to create a lifestyle district that it's citizens love to call home.

AVERAGE INCOME \$57,512.00

POPULATION: 4,826

AVERAGE HOUSE PRICE - **\$290,000.00**

ORANGE MOUND



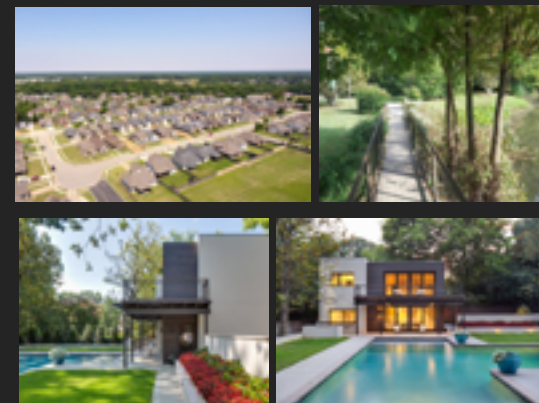
“Before Tulsa, Rosewood or Harlem there was ‘The Mound.’ Orange Mound was the first African American neighborhood in America and today this community is the heartbeat for the city and is currently undergoing a renaissance spearheaded by the younger generation.

AVERAGE INCOME \$29,000

POPULATION: 5,890

AVERAGE HOUSE PRICE - **\$69,000.00**

CHICKASAW GARDENS



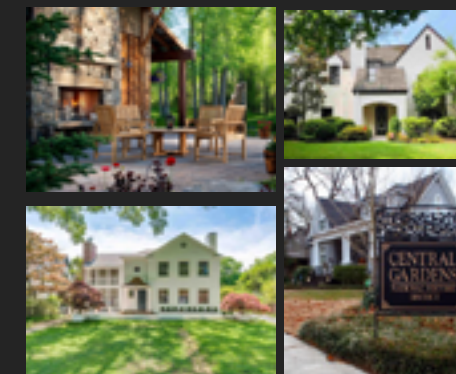
Chickasaw Gardens is an architect's dream neighborhood. The houses gracefully wrap around a manicured lake in what is one of the most upscale neighborhoods in Memphis.

AVERAGE INCOME \$72,396

POPULATION: 5,129

AVERAGE HOUSE PRICE - **\$1,000,000.00**

CENTRAL GARDENS



Central Gardens is the premier historic residential neighborhood in the city. Large front porches line the streets where at any given time you can find neighbors sharing a glass of lemonade or wine together.

AVERAGE INCOME \$77,381

POPULATION: 5,129

AVERAGE HOUSE PRICE - **\$450,000.00**

IN THE CENTER OF IT ALL

Today, the site is currently anchored by the Children's Museum of Memphis, Maxine Smith STEAM Academy/Middle College High School, the Salvation Army Kroc Center, Christian Brothers University and the Liberty Bowl. During football season the 60,000 seat Liberty Bowl stadium fills up with University of Memphis Tigers fans and after the games they pour out onto Tiger Lane to celebrate.



Maxine Smith STEAM Academy: This school serves 338 students in grades 6-8 and was placed in the top 5% of all schools in Tennessee for overall test scores in 2018.



Christian Brothers University: Over 2,000 students and faculty work and attend this historic Memphis institution.



Children's Museum: This non profit museum offers interactive exhibits and programs for children and their families.



Kroc Center: This well funded non profit is an exciting place in our community where residents of all ages, races, educational backgrounds and economic means can come together to learn, grow, and explore their potential.

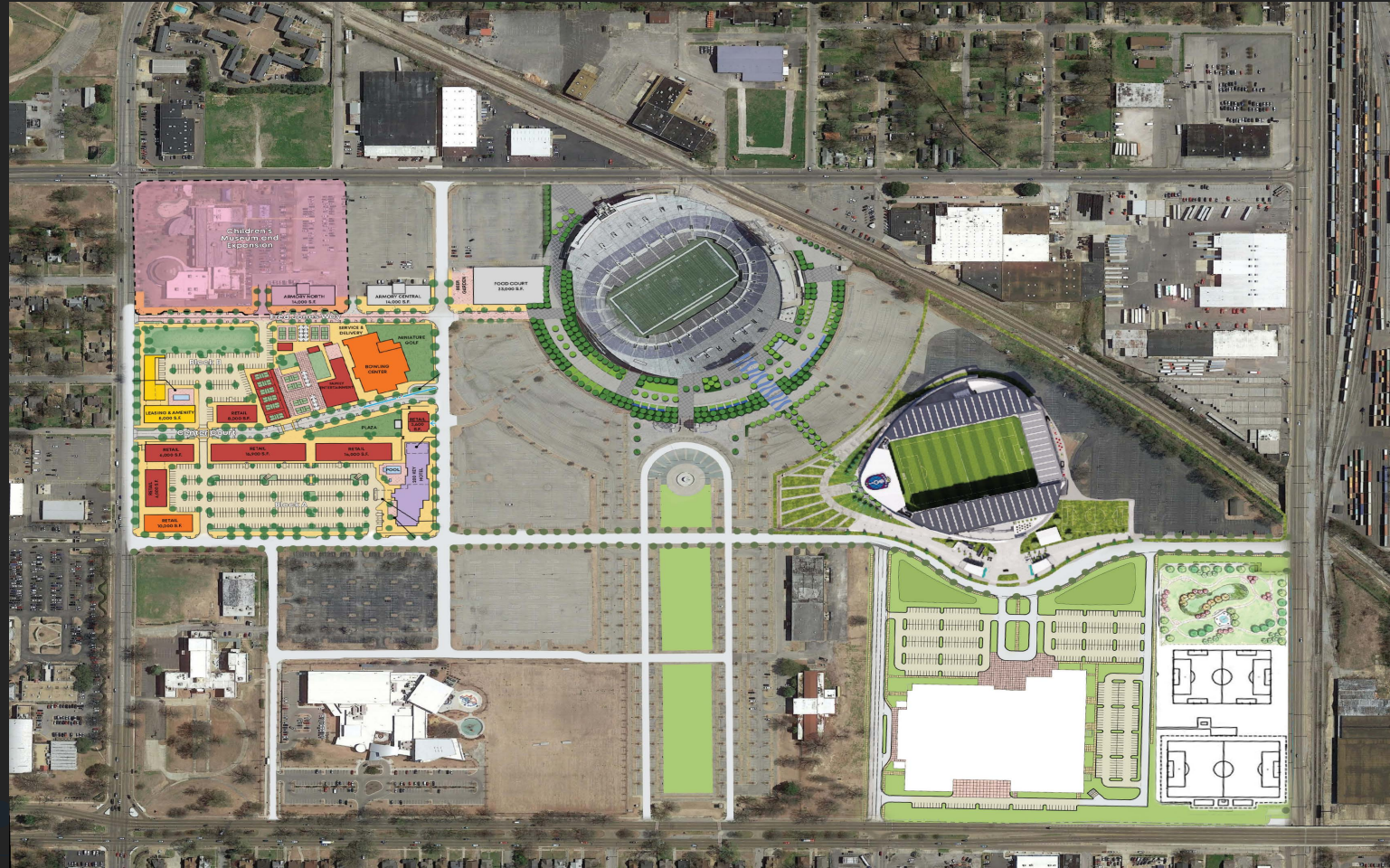
SITE HIGHLIGHTS



NEW Mixed Use Development to have about 300 units equates to 300 families or 600+ people onsite every day.



Across the street from Christian Brothers University



NEW Sports Plex projected over 1M visitors annually.



Centrally located infill development surrounded by established residential neighborhoods.



Proximate to University of Memphis with over 15,000 undergraduate students and 2,800 employees.



Excellent site access and visibility via adjacent east-west and north-south arterial streets.



Adjacent to new city-developed youth sports complex, projected to host events and visitors annually.

LIBERTY BOWL

Home of the Memphis Tigers, this 60,000 seat arena hosts teams from the SEC and Big 12 conference. In 2019 over 14 events at the stadium drew nearly 400,000 people to Liberty Park. Outside of the Liberty Bowl is Tiger Lane, an outdoor space used year round for food truck events that in 2019 attracted over 20,000 foodies from across the region.



SUBMARKET

FACT SHEET



GROWING RENTAL MARKET

Existing demand for 5K additional apartment units in midtown and increasing demand for grad student housing (co living, The Standard student housing)



PRIMARY REGIONAL RETAIL DESTINATION

Average rates for new apartment product \$1.75 - \$2.00/SF

CENTER

DEMOGRAPHICS



HOUSEHOLDS:
1,734,000



AVERAGE
HOUSEHOLD SIZE:
1.66



MEDIAN AGE:
31.8



MEDIAN HOUSHOLD
INCOME: \$52,000

MEMPHIS SPORTS CENTER

The 227,000 square foot Memphis Sports + Events Center will anchor Liberty Park and construction has already begun with a completion date of October 2022. This long awaited development will be a state-of-the-art facility housing two multi-purpose venues with the ability to host multiple major tournaments simultaneously. The facility will include a hardcourt pavilion with permanent hardwood

courts for basketball and volleyball; a 75,000-square-foot column-free events pavilion designed to host sporting events, trade shows, graduations and more. The MSEC will also house a large café with indoor and outdoor seating and provide space for community tenants. This new development will attract families from all across the country to the Liberty Park site.



OUR 18 ACRES

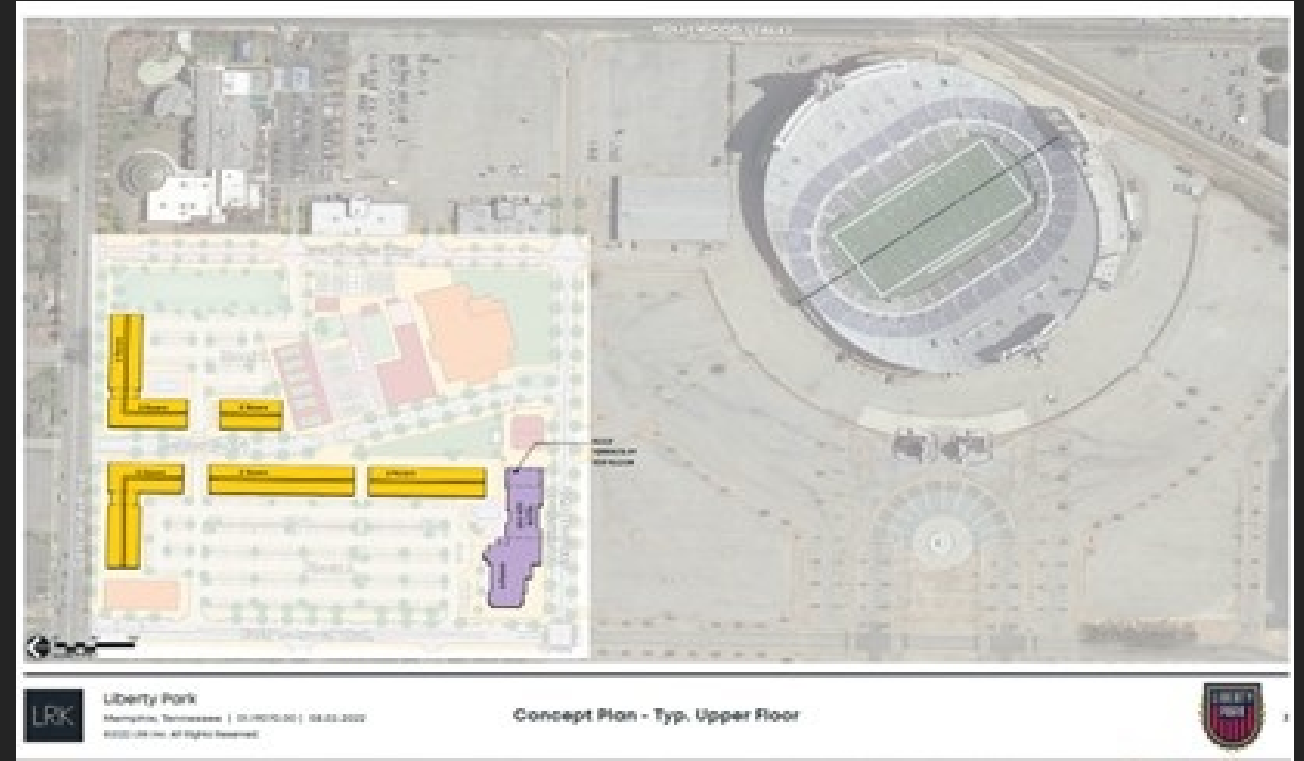
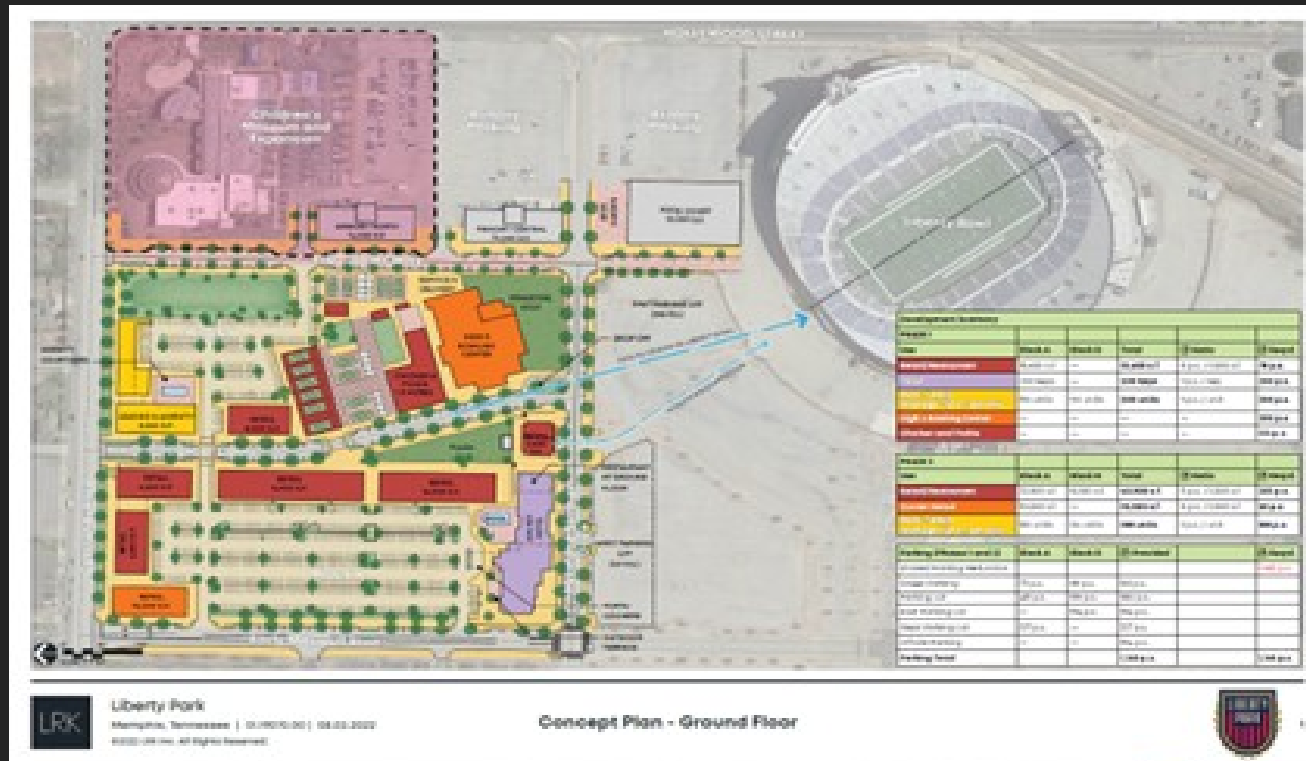
The 18 acres of development at Liberty Park will include two hotels, retail and office space, multifamily residential apartments and a family entertainment complex with bowling, a bar, axe throwing, laser tag, a video game arcade, a golf simulator and a 25,000-square-foot miniature golf course outside and a park that ties it all together.

Google Earth

CONCEPT PLANS

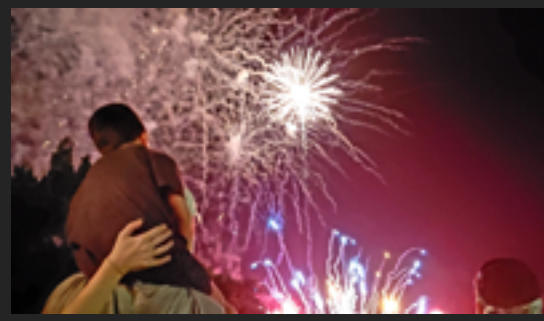
The brand of “Liberty Park” moves this historic space into its next century. Most importantly, the brand shows that this is not just another development project, but an evolution of a

Memphis icon that supports youth activities, sports, music, housing, and it’s all coming together to create a diverse offering of family friendly events for generations to come.



GROUND FLOOR

UPPER FLOOR



ACTIVATION VISION

SHOPPER PROFILE



Chris

60K Average HH Income.

24 year old student getting his Masters at Christian Brothers University while working at a non-profit in the city. He enjoys riding his bike on the greenline with friends and going to football games on the weekends. With going to school and working Chris loves being able to shop where he lives at Liberty Park.



Julie and Princeton

130K average HH income.

Both recently moved to Memphis to purchase their first home together. Being a nurse, Julie found a job quickly at St. Jude and Princeton recently got hired at a nearby school in HR. They love the slower pace of life Memphis offers. It allows them more time to go out with friends. Julie and Princeton appreciate the family friendly opportunities their neighborhood provides.



Samantha

98k Average HH income.

38 year old Memphian born and raised in the suburbs. She has re-discovered her city as an adult and enjoys living in midtown and being closer to the cultural hub of Memphis. / She's been a veterinarian for 15 years and looks forward to taking her dogs to Overton Park whenever she gets a chance.

SOCIAL IMPACT

Thoughtful development shapes how we live, work and come together. Meeting the increasing demand brought forth by a nation wide housing shortage and adjusting to a society forever changed by a global pandemic, it is more important than ever to create spaces that are both equitable and resilient. This public-interest development is focused on serving the people of Memphis and will show us one way of how we can live together, and in turn, how we can create a more just and inclusive world.

As a minority-controlled developer, owner, manager of commercial real estate, M&M and Capstone are committed to improving diversity in commercial real estate by recruiting and developing diverse individuals and will regularly report diversity, equity, and inclusion metrics for all aspects of its business.



LIBERTY PARK TEAM



M&M Enterprises is a real-estate development company focused on transforming various Memphis communities thru residential and mix use developments that leverages public and private partnerships to build stronger Memphis communities. We are currently working and partnering on about \$500 million worth of projects in the city.



I'm writing this today to make sure you know just how supportive my administration is. I cannot overstate the commitment of my administration to rebrand and elevate the Fairgrounds campus into a nationally recognized sports tourism asset. The City was talking about redeveloping the Fairgrounds even before I was elected to the City Council, in 2007. But when I took office, I charged my team with ending the ongoing discussion and moving toward a real solution. And, I am proud of the real successes that we've already achieved as well as the concrete steps in place to make this a reality. Our team is fully engaged and every necessary City resource has been given to ensure this happens. I am proud to report that we are on schedule to open our new Sports & Events complex in 2022 along with the bulk of the family entertainment components of the project.

- LETTER FROM MAYOR JIM STRICKLAND



Capstone is a real estate development and investment firm focused on hospitality, residential, and mixed-use projects in urban locations. Our mission is to create great places to live, work, and play, to create value for the communities in which we invest, and for the investors that partner with us.

Capstone has developed over two million square feet of urban real estate including hospitality, residential, and mixed-use projects. We have extensive experience in the creation and successful execution of public-private partnerships, and constructive engagement with diverse communities of stakeholders where our projects are located. Capstone's pipeline of future development is comprised of over two million square feet of unique, urban projects.



Mixed Use Sources and Uses

Sources:		%
Debt	\$27,766,578	65%
Equity	\$14,951,234	35%
Totals	\$42,717,813	

Uses		
Construction	\$35,401,250	82.9%
Design / Engineerin	\$1,375,000	3.2%
Studies (Market/En	\$160,000	0.4%
Furniture / Fixtures	\$570,000	1.3%
Financing / Legal	\$2,405,000	5.6%
Developer Fee	\$1,738,563	4.1%
PILOT Fee	\$568,000	1.3%
Cash Reserves	\$500,000	1.2%
Contingencies	\$1,650,000	3.9%
Totals	\$42,717,813	

Hotel Sources and Uses

Sources:		%
Debt	\$22,907,319	70%
Equity	\$9,817,423	30%
Totals	\$32,724,742	

Uses		
Construction	\$19,950,000	61.0%
Design / Engineering	\$988,800	3.0%
Other Soft Cost	\$1,340,380	4.1%
Furniture / Fixtures	\$3,520,000	10.8%
Financing / Legal	\$1,823,968	5.6%
Developer Fee	\$890,069	2.7%
PILOT Fee	\$483,000	1.5%
Cash Reserves	\$883,000	2.7%
Contingencies	\$2,845,525	8.7%
Totals	\$32,724,742	

Combined Total Project

Sources:		
Debt	\$50,673,897	
Equity	\$24,768,657	
Totals	\$75,442,554	

Uses		
Construction	\$53,701,250	
Design / Engineering	\$2,363,800	
Other Soft Cost	\$1,500,380	
Furniture / Fixtures	\$4,090,000	
Financing / Legal	\$4,228,968	
Developer Fee	\$2,628,632	
PILOT Fee	\$1,051,000	
Cash Reserves	\$1,383,000	
Contingencies	\$4,495,525	
Totals	\$75,442,554	

Liberty Park
Underwriting Assumptions

UNIT MIX							
Unit Type	# of Units/Bays	% Mix	SF/Unit	Total SF	Monthly Rent	Rent PSF	GRP/year
Micro Studio	15	8%	405	6,075	\$1,050	\$2.59	\$189,000
Studio	15	8%	486	7,290	\$1,100	\$2.26	\$198,000
Studio (Balcony)	10	5%	486	4,860	\$1,150	\$2.37	\$138,000
Studio (Live-Work)	20	10%	648	12,960	\$1,400	\$2.16	\$336,000
1-BdRm	15	8%	648	9,720	\$1,400	\$2.16	\$252,000
1-BdRm (Balcony)	15	8%	648	9,720	\$1,400	\$2.16	\$252,000
1-BdRm (x-Closet)	15	8%	729	10,935	\$1,550	\$2.13	\$279,000
1-BdRm (Loft)	15	8%	513	7,695	\$1,250	\$2.44	\$225,000
1-BdRm (Live-Work)	15	8%	891	13,365	\$1,850	\$2.08	\$333,000
2-BdRm/2Ba	25	13%	891	22,275	\$1,850	\$2.08	\$555,000
2-BdRm/2Ba (Balcony)	25	13%	891	22,275	\$1,850	\$2.08	\$555,000
2-BdRm/2Ba (x-Closet/Balcony)	15	8%	972	14,580	\$2,100	\$2.16	\$378,000
Com/Ret - NW Quadrant	2	100%	6,000	12,000	14,317	\$2.39	\$343,619
Total / Avg - Residential	200	100%	709	141,750	\$1,538	\$2.17	\$3,690,000
Total / Avg - Commercial	2	100%	6,000	12,000	\$14,317	\$2.39	\$343,619

MISCELLANEOUS OTHER INCOME				
	# of Units	% Mix	Monthly Income Per Unit	Total Annual Income
View	50	25%	\$25.00	\$15,000
Premium Units 15%	40	20%	\$50.00	\$24,000
Trash	200	100%	\$10.00	\$24,000
Utility Reimbursements (W/S)	200	100%	\$15.00	\$36,000
Parking	50	25%	\$25.00	\$15,000
Other Income Per Unit	200	100%	\$35.00	\$84,000
TOTAL / Average	103	52%	\$160.00	\$198,000

RETURN PROFILE		
	Unlevered	Levered
IRR (PILOT)	8.2%	11.3%
Avg Cash on Cash (PILOT)	6.7%	10.8%
Avg Cash on Cash (NO PILOT)	4.84%	-1.44%
Avg Debt Coverage Ratio (PILOT)		1.34
Avg Debt Coverage Ratio (NO PILOT)		0.97

OPERATING EXPENSES		
	Annual Total	Per Unit
Payroll	\$274,525	\$1,373
Landscape & Contract Services	\$60,000	\$300
Advertising & Marketing	\$40,000	\$200
Repairs & Maintenance	\$88,000	\$440
Turnover Costs	\$60,000	\$300
Administrative	\$20,000	\$100
Utilities	\$60,000	\$300
Liberty Park (Land lease/CAM)	\$211,406	\$1,057
Real Estate Taxes (PILOT)	\$256,165	\$1,281
Insurance	\$100,000	\$500
Management Fee (4% EGR)	\$146,988	\$735
Tennessee Franchise & Excise Tax	\$94,441	\$472
Reserves	\$80,000	\$400
TOTAL	\$1,491,525	\$7,458

OPERATING ASSUMPTIONS		
	Year 1	Years 2-10
Rent Growth - Residential	3%	2%
Rent Growth - Retail	2%	2%
Expense Growth	3%	3%
Economic Occupancy - Residential	94%	94%
Economic Occupancy - Retail	95%	95%
Residential Lease-Up		16 Months
Residential Lease / Month		20
Commercial Lease-Up		9 months
Commercial Lease-Up / Month		0

CONSTRUCTION ASSUMPTIONS	
Construction Cost PSF	\$218.40
Building Efficiency	80%
Gross SF	192,188
Equity	35%
Debt	65%
Construction Loan:	
Interest Rate	6.00%
Term	60 months IO
Construction Period	24 months
Developer Fee	\$1,703,125

PERMANENT FINANCING ASSUMPTIONS	
Refinancing at:	60 months
Permanent Loan:	
Term	360 months
Interest Rate	6.00%
Terminal Cap Rate	5.50%

**Liberty Park
Multifamily Development**

Operating Pro Forma

Annualized Year (Unreduced)	1	2	3	4	5	6	7	8
Residential Units	200	200	200	200	200	200	200	200
Commercial Spaces	2	2	2	2	2	2	2	2
Residential Occupancy	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%
Commercial Occupancy	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Average Residential Monthly Rate:	\$ 1,531.13	\$ 1,577.06	\$ 1,624.37	\$ 1,673.10	\$ 1,723.29	\$ 1,774.99	\$ 1,828.24	\$ 1,882.24
Average Commercial Monthly Rate:	\$ 14,317.46	\$ 14,603.81	\$ 14,895.89	\$ 15,193.80	\$ 15,497.68	\$ 15,807.63	\$ 16,123.79	\$ 16,449.44
Average Monthly Premium:	\$ 8,500.00	\$ 8,755.00	\$ 9,017.65	\$ 9,288.18	\$ 9,566.82	\$ 9,853.83	\$ 10,149.44	\$ 10,445.05
Average Monthly Premium Per Unit	\$ 42.50	\$ 43.78	\$ 45.09	\$ 46.44	\$ 47.83	\$ 49.27	\$ 50.75	\$ 52.23
Other Income Per Unit	\$ 35.00	\$ 36.05	\$ 37.13	\$ 38.25	\$ 39.39	\$ 40.57	\$ 41.79	\$ 43.05
Annual Inflation Rate: Residential Revenue	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Inflation Rate: Commercial Revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Inflation: Operating Expense	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue:								
Gross Rental Revenue - Residential	\$ 3,674,700	\$ 3,784,941	\$ 3,898,489	\$ 4,015,444	\$ 4,135,907	\$ 4,259,984	\$ 4,387,784	\$ 4,519,417
Residential Premiums	102,000	105,060	108,212	111,458	114,802	118,246	121,793	125,447
Total Gross Residential Revenue	3,776,700	3,890,001	4,006,701	4,126,902	4,250,709	4,378,230	4,509,577	4,644,865
Less: Residential Vacancy	(226,602)	(233,400)	(240,402)	(247,614)	(255,043)	(262,694)	(270,575)	(278,692)
Total Other Income	84,000	86,520	89,116	91,789	94,543	97,379	100,300	103,309
Total Effective Residential Revenue	\$ 3,634,098	\$ 3,743,121	\$ 3,855,415	\$ 3,971,077	\$ 4,090,209	\$ 4,212,916	\$ 4,339,303	\$ 4,469,482
Gross Rental Revenue - Commercial	\$ 343,619	\$ 350,491	\$ 357,501	\$ 364,651	\$ 371,944	\$ 379,383	\$ 386,971	\$ 394,710
Less: Commercial Vacancy	(17,181)	(17,525)	(17,875)	(18,233)	(18,597)	(18,969)	(19,349)	(19,736)
Total Effective Commercial Revenue	326,438	332,967	339,626	346,419	353,347	360,414	367,622	374,975
Total Revenue	\$ 3,960,536	\$ 4,076,088	\$ 4,195,041	\$ 4,317,496	\$ 4,443,556	\$ 4,573,330	\$ 4,706,925	\$ 4,844,457
Revenue Growth	100.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Operating Expenses:								
Controllable:								
Payroll	274,525	282,761	291,244	299,981	308,980	318,250	327,797	337,631
Landscape & Contract Services	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792
Advertising & Marketing	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195
Repairs & Maintenance	88,000	90,640	93,359	96,160	99,045	102,016	105,077	108,229
Turnover Costs	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792
Administrative	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597
Utilities	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792
Total Controllable Expenses	602,525	620,601	639,219	658,395	678,147	698,492	719,446	741,030
Non Controllable:								
Liberty Park (Land lease/CAM)	211,406	217,748	224,281	231,009	237,940	245,078	252,430	260,003
Real Estate Taxes	256,165	263,850	271,765	279,918	288,316	296,965	305,874	315,051
Insurance	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987
Management Fee	158,421	163,174	168,069	173,111	178,305	183,654	189,163	194,838
Tennessee Franchise & Excise Tax	94,441	97,274	100,192	103,198	106,294	109,483	112,767	116,150
Total Non Controllable Expenses	820,433	845,046	870,398	896,510	923,405	951,107	979,640	1,009,030
Total Operating Expenses	1,422,958	1,465,647	1,509,617	1,554,905	1,601,552	1,649,599	1,699,087	1,750,059
Net Operating Income	2,537,578	2,610,441	2,685,424	2,762,591	2,842,004	2,923,731	3,007,839	3,094,398
Less: Capital Replacement Reserves	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390
Net Operating Income after Reserve	\$ 2,457,578	\$ 2,528,041	\$ 2,600,552	\$ 2,675,173	\$ 2,751,964	\$ 2,830,989	\$ 2,912,314	\$ 2,996,008
NOI Growth	100.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Debt Service	\$ 1,689,083	\$ 1,759,546	\$ 1,832,057	\$ 1,906,677	\$ 1,983,468	\$ 2,062,494	\$ 2,143,819	\$ 2,227,513
Interest Payments	1,636,971	1,636,971	1,636,971	1,626,065	1,601,336	2,022,831	2,022,831	1,995,218
Principal Payments	0	0	0	400,932	425,660	447,689	447,689	475,302
Annual Debt Service	1,636,971	1,636,971	1,636,971	2,026,997	2,026,997	2,470,520	2,470,520	2,470,520
Cash Flow	\$ 820,606	\$ 891,069	\$ 963,581	\$ 648,176	\$ 724,967	\$ 360,469	\$ 441,794	\$ 525,488
NOI Growth	100.0%	8.6%	8.0%	-17.9%	11.5%	-13.9%	20.6%	19.9%
Levered Cash on Cash (PILOT)	5.6%	6.1%	6.6%	4.4%	4.9%	50.5%	5.8%	6.9%
10 yr. Avg. (PILOT)	10.8%							
Debt Coverage Ratio (PILOT)	1.50x	1.54x	1.59x	1.32x	1.36x	1.15x	1.18x	1.21x
Levered Cash on Cash (w/o PILOT)	0.4%	0.8%	1.3%	-0.8%	-0.3%	-5.3%	-4.3%	-3.2%
10 yr. Avg. (w/o PILOT)	-1.4%							
Expense Inflation Assumption		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio (w/o PILOT)	1.03x	1.07x	1.12x	0.94x	0.98x	0.83x	0.87x	0.90x
Unlevered Cash on Cash (PILOT)	5.9%	6.0%	6.2%	6.4%	6.6%	6.7%	6.9%	7.1%
10 yr. Avg. (PILOT)	6.7%							
Unlevered Cash on Cash (w/o PILOT)	4.0%	4.2%	4.4%	4.5%	4.7%	4.9%	5.1%	5.3%
10 yr. Avg. (w/o PILOT)	4.8%							

**Liberty Park
Multifamily Development**

Operating Pro Forma

Annualized Year (Untruncated)	9	10	11	12	13	14	15
Residential Units	200	200	200	200	200	200	200
Commercial Spaces	2	2	2	2	2	2	2
Residential Occupancy	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%	94.0%
Commercial Occupancy	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Average Residential Monthly Rate:	\$ 1,883.09	\$ 1,939.58	\$ 1,997.77	\$ 2,057.70	\$ 2,119.44	\$ 2,183.02	\$ 2,248.51
Average Commercial Monthly Rate:	\$ 16,446.26	\$ 16,775.19	\$ 17,110.69	\$ 17,452.90	\$ 17,801.96	\$ 18,158.00	\$ 18,521.16
Average Monthly Premium:	\$ 10,453.93	\$ 10,767.55	\$ 11,090.57	\$ 11,423.29	\$ 11,765.99	\$ 12,118.97	\$ 12,482.54
Average Monthly Premium Per Unit	\$ 52.27	\$ 53.84	\$ 55.45	\$ 57.12	\$ 58.83	\$ 60.59	\$ 62.41
Other Income Per Unit	\$ 43.05	\$ 44.34	\$ 45.67	\$ 47.04	\$ 48.45	\$ 49.90	\$ 51.40
Annual Inflation Rate: Residential Revenue	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Inflation Rate: Commercial Revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Inflation: Operating Expense	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue:	% Rev.	% Rev.	% Rev.	% Rev.	% Rev.	% Rev.	% Rev.
Gross Rental Revenue - Residential	93.3% \$ 4,655,000	93.4% \$ 4,794,650	93.4% \$ 4,938,490	93.5% \$ 5,086,644	93.6% \$ 5,239,244	93.6% \$ 5,396,421	93.7% \$ 5,558,313
Residential Premiums	2.6% 129,211	2.6% 133,087	2.6% 137,079	2.6% 141,192	2.6% 145,428	2.6% 149,790	2.6% 154,284
Total Gross Residential Revenue	95.9% 4,784,211	96.0% 4,927,737	96.0% 5,075,569	96.1% 5,227,836	96.2% 5,384,671	96.2% 5,546,211	96.3% 5,712,598
Less: Residential Vacancy	-5.8% (287,053)	-5.8% (295,664)	-5.8% (304,534)	-5.8% (313,670)	-5.8% (323,080)	-5.8% (332,773)	-5.8% (342,756)
Total Other Income	2.1% 106,409	2.1% 109,601	2.1% 112,889	2.1% 116,276	2.1% 119,764	2.1% 123,357	2.1% 127,058
Total Effective Residential Revenue	92.3% \$ 4,603,567	92.3% \$ 4,741,674	92.4% \$ 4,883,924	92.5% \$ 5,030,442	92.5% \$ 5,181,355	92.6% \$ 5,336,795	92.7% \$ 5,496,899
Gross Rental Revenue - Commercial	8.1% \$ 402,604	8.1% \$ 410,657	8.0% \$ 418,870	7.9% \$ 427,247	7.9% \$ 435,792	7.8% \$ 444,508	7.7% \$ 453,398
Less: Commercial Vacancy	-0.4% (20,130)	-0.4% (20,533)	-0.4% (20,943)	-0.4% (21,362)	-0.4% (21,790)	-0.4% (22,225)	-0.4% (22,670)
Total Effective Commercial Revenue	7.7% 382,474	7.7% 390,124	7.6% 397,926	7.5% 405,885	7.5% 414,002	7.4% 422,282	7.3% 430,728
Total Revenue	100.0% \$ 4,986,041	100.0% \$ 5,131,797	100.0% \$ 5,281,850	100.0% \$ 5,436,326	100.0% \$ 5,595,357	100.0% \$ 5,759,078	100.0% \$ 5,927,627
Revenue Growth	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Operating Expenses:							
Controllable:							
Payroll	7.0% 347,760	7.0% 358,193	7.0% 368,939	7.0% 380,007	7.0% 391,407	7.0% 403,149	7.0% 415,244
Landscape & Contract Services	1.5% 76,006	1.5% 78,286	1.5% 80,635	1.5% 83,054	1.5% 85,546	1.5% 88,112	1.5% 90,755
Advertising & Marketing	1.0% 50,671	1.0% 52,191	1.0% 53,757	1.0% 55,369	1.0% 57,030	1.0% 58,741	1.0% 60,504
Repairs & Maintenance	2.2% 111,476	2.2% 114,820	2.2% 118,265	2.2% 121,813	2.2% 125,467	2.2% 129,231	2.2% 133,108
Turnover Costs	1.5% 76,006	1.5% 78,286	1.5% 80,635	1.5% 83,054	1.5% 85,546	1.5% 88,112	1.5% 90,755
Administrative	0.5% 25,335	0.5% 26,095	0.5% 26,878	0.5% 27,685	0.5% 28,515	0.5% 29,371	0.5% 30,252
Utilities	1.5% 76,006	1.5% 78,286	1.5% 80,635	1.5% 83,054	1.5% 85,546	1.5% 88,112	1.5% 90,755
Total Controllable Expenses	15.3% 763,261	15.3% 786,158	15.3% 809,743	15.3% 834,036	15.3% 859,057	15.4% 884,828	15.4% 911,373
Non Controllable:							
Liberty Park (Land lease/CAM)	5.4% 267,803	5.4% 275,837	5.4% 284,112	5.4% 292,636	5.4% 301,415	5.4% 310,457	5.4% 319,771
Real Estate Taxes	6.5% 324,502	6.5% 334,237	6.5% 344,264	6.5% 354,592	6.5% 365,230	6.5% 376,187	6.5% 387,473
Insurance	2.5% 126,677	2.5% 130,477	2.5% 134,392	2.5% 138,423	2.5% 142,576	2.5% 146,853	2.5% 151,259
Management Fee	4.0% 200,684	4.0% 206,704	4.0% 212,905	4.0% 219,292	4.0% 225,871	4.0% 232,647	4.0% 239,627
Tennessee Franchise & Excise Tax	2.4% 119,635	2.4% 123,224	2.4% 126,920	2.4% 130,728	2.4% 134,650	2.4% 138,689	2.4% 142,850
Total Non Controllable Expenses	20.8% 1,039,300	20.8% 1,070,479	20.9% 1,102,594	20.9% 1,135,672	20.9% 1,169,742	20.9% 1,204,834	20.9% 1,240,979
Total Operating Expenses	36.1% 1,802,561	36.2% 1,856,638	36.2% 1,912,337	36.2% 1,969,707	36.2% 2,028,798	36.3% 2,089,662	36.3% 2,152,352
Net Operating Income	63.9% 3,183,480	63.8% 3,275,159	63.8% 3,369,513	63.8% 3,466,619	63.8% 3,566,559	63.7% 3,669,416	63.7% 3,775,275
Less: Capital Replacement Reserves	2.0% 101,342	2.0% 104,382	2.0% 107,513	2.0% 110,739	2.0% 114,061	2.0% 117,483	2.0% 121,007
Net Operating Income after Reserve	61.8% \$ 3,082,138	61.8% \$ 3,170,778	61.8% \$ 3,262,000	61.8% \$ 3,355,880	61.7% \$ 3,452,498	61.7% \$ 3,551,933	61.7% \$ 3,654,268
NOI Growth	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Debt Service							
Interest Payments	1,965,903	1,934,779	1,901,736	1,866,655	1,829,409	1,789,867	1,747,886
Principal Payments	504,617	535,741	568,784	603,866	641,111	680,653	722,634
Annual Debt Service	2,470,520	2,470,520	2,470,520	2,470,520	2,470,520	2,470,520	2,470,520
Cash Flow	\$ 611,618	\$ 700,257	\$ 791,479	\$ 885,360	\$ 981,978	\$ 1,081,413	\$ 1,183,748
	\$ (156,877)	\$ (68,238)	\$ 22,984	\$ 116,865	\$ 213,483	\$ 312,918	\$ 415,253
Levered Cash on Cash (PILOT)	8.0%	9.2%	10.4%	11.6%	12.9%	14.2%	15.5%
10 yr. Avg. (PILOT)							
Debt Coverage Ratio (PILOT)	1.25x	1.28x	1.32x	1.36x	1.40x	1.44x	1.48x
Levered Cash on Cash (w/o PILOT)	-2.1%	-0.9%	0.2%	0.8%	1.5%	2.1%	2.8%
10 yr. Avg. (w/o PILOT)							
Expense Inflation Assumption	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio (w/o PILOT)	0.94x	0.97x					
Unlevered Cash on Cash (PILOT)	7.3%	7.6%	7.8%	8.0%	8.2%	8.5%	8.7%
10 yr. Avg. (PILOT)							
Unlevered Cash on Cash (w/o PILOT)	5.5%	5.7%					
10 yr. Avg. (w/o PILOT)							

**Liberty Park
Multifamily Development**

Operating Pro Forma

Annualized Year (Unaudited)	16	17	18	19	20
Residential Units	200	200	200	200	200
Commercial Spaces	2	2	2	2	2
Residential Occupancy	94.0%	94.0%	94.0%	94.0%	94.0%
Commercial Occupancy	95.0%	95.0%	95.0%	95.0%	95.0%
Average Residential Monthly Rate:	\$ 2,385.44	\$ 2,457.01	\$ 2,530.72	\$ 2,606.64	\$ 2,684.84
Average Commercial Monthly Rate:	\$ 19,269.42	\$ 19,654.80	\$ 20,047.90	\$ 20,448.86	\$ 20,857.84
Average Monthly Premium:	\$ 13,242.72	\$ 13,640.00	\$ 14,049.20	\$ 14,470.68	\$ 14,904.80
Average Monthly Premium Per Unit	\$ 66.21	\$ 68.20	\$ 70.25	\$ 72.35	\$ 74.52
Other Income Per Unit	\$ 54.53	\$ 56.16	\$ 57.85	\$ 59.59	\$ 61.37
Annual Inflation Rate: Residential Revenue	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Inflation Rate: Commercial Revenue	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Inflation: Operating Expense	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue:					
Gross Rental Revenue - Residential	\$ 5,725,063	\$ 5,896,815	\$ 6,073,719	\$ 6,255,931	\$ 6,443,609
Residential Premiums	158,913	163,680	168,590	173,648	178,858
Total Gross Residential Revenue	5,883,976	6,060,495	6,242,310	6,429,579	6,622,466
Less: Residential Vacancy	(353,039)	(363,630)	(374,539)	(385,775)	(397,348)
Total Other Income	130,869	134,795	138,839	143,004	147,295
Total Effective Residential Revenue	\$ 5,661,806	\$ 5,831,660	\$ 6,006,610	\$ 6,186,809	\$ 6,372,413
Gross Rental Revenue - Commercial	\$ 462,466	\$ 471,715	\$ 481,150	\$ 490,773	\$ 500,588
Less: Commercial Vacancy	(23,123)	(23,586)	(24,057)	(24,539)	(25,029)
Total Effective Commercial Revenue	439,343	448,130	457,092	466,234	475,559
Total Revenue	\$ 6,101,149	\$ 6,279,790	\$ 6,463,702	\$ 6,653,043	\$ 6,847,972
Revenue Growth	2.9%	2.9%	2.9%	2.9%	2.9%
Operating Expenses:					
Controllable:					
Payroll	427,701	440,532	453,748	467,360	481,381
Landscape & Contract Services	93,478	96,282	99,171	102,146	105,210
Advertising & Marketing	62,319	64,188	66,114	68,097	70,140
Repairs & Maintenance	137,101	141,214	145,451	149,814	154,309
Turnover Costs	93,478	96,282	99,171	102,146	105,210
Administrative	31,159	32,094	33,057	34,049	35,070
Utilities	93,478	96,282	99,171	102,146	105,210
Total Controllable Expenses	938,714	966,876	995,882	1,025,758	1,056,531
Non Controllable:					
Liberty Park (Land lease/CAM)	329,364	339,245	349,422	359,905	370,702
Real Estate Taxes	399,097	411,070	423,402	436,104	449,187
Insurance	155,797	160,471	165,285	170,243	175,351
Management Fee	246,815	254,220	261,847	269,702	277,793
Tennessee Franchise & Excise Tax	147,135	151,550	156,096	160,779	165,602
Total Non Controllable Expenses	1,278,208	1,316,555	1,356,051	1,396,733	1,438,635
Total Operating Expenses	2,216,923	2,283,430	2,351,933	2,422,491	2,495,166
Net Operating Income	3,884,226	3,996,360	4,111,769	4,230,551	4,352,805
Less: Capital Replacement Reserves	124,637	128,377	132,228	136,195	140,280
Net Operating Income after Reserve	\$ 3,759,589	\$ 3,867,983	\$ 3,979,541	\$ 4,094,357	\$ 4,212,525
NOI Growth	2.9%	2.9%	2.9%	2.9%	2.9%
Debt Service					
Interest Payments	1,703,315	1,655,996	1,610,060	1,556,989	1,500,644
Principal Payments	767,205	814,524	860,460	913,531	969,876
Annual Debt Service	2,470,520	2,470,520	2,470,520	2,470,520	2,470,520
Cash Flow	\$ 1,289,069	\$ 1,397,463	\$ 1,509,021	\$ 1,623,836	\$ 1,742,005
	\$ 520,574	\$ 628,968	\$ 740,526	\$ 855,341	\$ 973,510
Levered Cash on Cash (PILOT)	16.9%	18.3%	19.8%	21.3%	22.8%
10 yr. Avg. (PILOT)					
Debt Coverage Ratio (PILOT)	1.52x	1.57x	1.61x	1.66x	1.71x
Levered Cash on Cash (w/o PILOT)	3.5%	4.3%	5.0%	5.8%	6.6%
10 yr. Avg. (w/o PILOT)					
Expense Inflation Assumption	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio (w/o PILOT)					
Unlevered Cash on Cash (PILOT)	9.0%	9.2%	9.5%	9.8%	10.0%
10 yr. Avg. (PILOT)					
Unlevered Cash on Cash (w/o PILOT)					
10 yr. Avg. (w/o PILOT)					

Hospitality Liberty Park With Incentives
Assumptions Summary
March 1, 2023

General Assumptions

Total Hotel Keys	200
Gross Square Feet	105,000
Square Feet per Key	525

Timing

Deal Closing Date	Jul-23
Pre-Construction Start	Jul-23
Construction Start	Jan-24
Construction Duration (months)	24
Opening	Jan-26

Management Fee Assumptions

Operator Base Management Fee	3.00% of total revenue
Franchise & Marketing Fees	13.00% of rooms rev.
Asset Management Fee	1.00% of total revenue

Financing Assumptions

Construction Loan

Loan Amount	\$ 22,907,319
Leverage	70.00%
Effective Rate	9.00%
Total Financing Costs	\$ 1,424,142
Term (months)	120
Interest only period (months)	48
Amortization (years)	25

CPACE

Amount	\$ -
Annual Payment	0.00%

Uses

	Amount	Per Key	% of Total
Land	\$ -	\$ -	0.0%
Development Costs	31,300,774	\$ 156,504	95.6%
Financing Costs	<u>1,423,968</u>	<u>7,120</u>	<u>4.4%</u>
Total	<u>\$ 32,724,742</u>	<u>\$ 163,624</u>	<u>100.0%</u>

Sources

	Amount	Per Key	% of Total
Senior Debt	\$ 22,907,319	\$ 114,537	70.0%
Gap	-	\$ -	0.0%
Equity	<u>9,817,422</u>	<u>49,087</u>	<u>30.0%</u>
Total	<u>\$ 32,724,742</u>	<u>\$ 163,624</u>	<u>100.0%</u>

Terminal Value Assumptions

Hold Period (months)	120
Exit Date	Jan-34
Hotel Exit Cap Rate	7.50%
Hotel Gross Terminal Sales Price	\$ 47,801,322
Hotel Gross Terminal Sales Price/Key	\$ 239,007
Sales Costs (incl. seller-paid xfer taxes)	1.50%

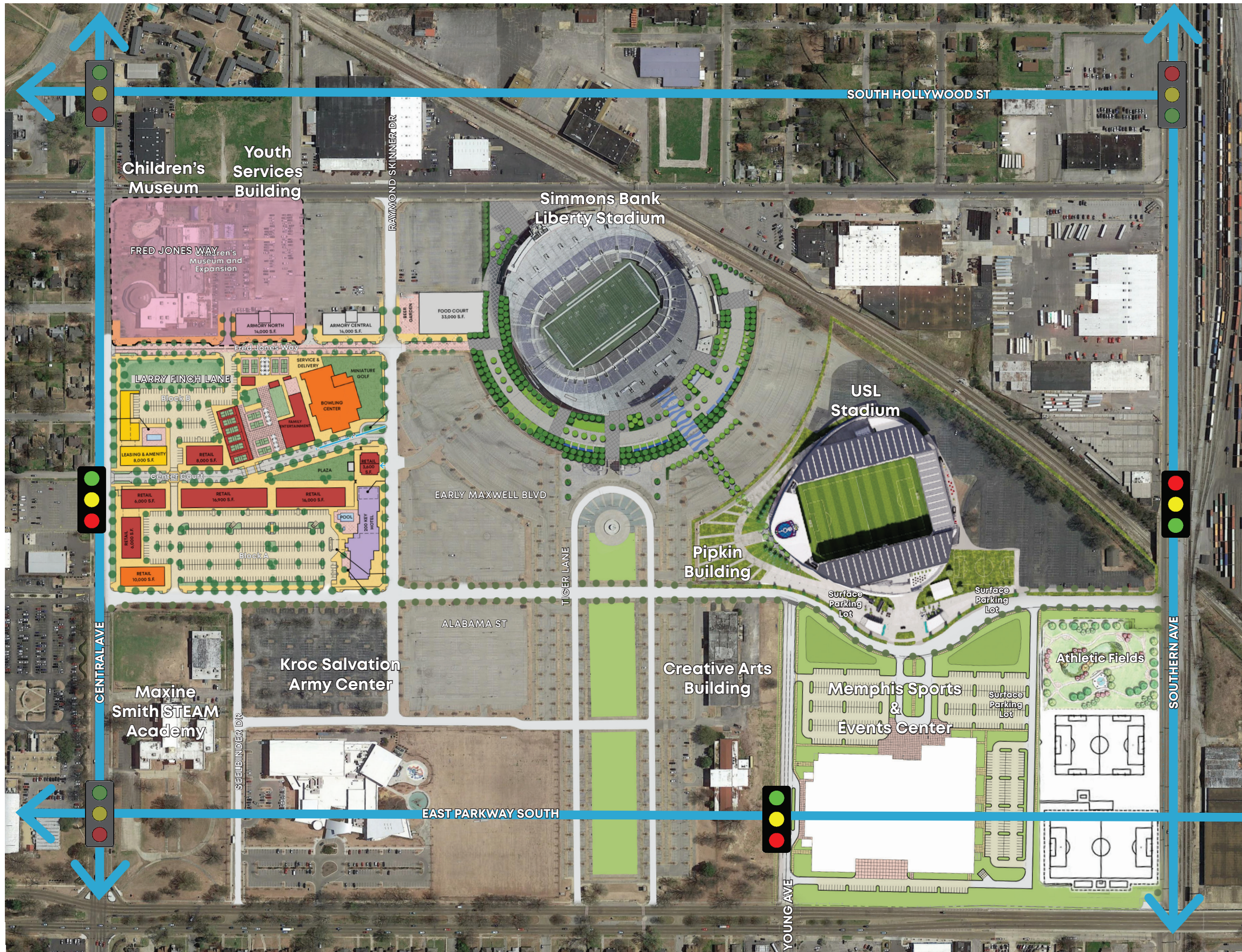
Returns Summary

With Incentives

	Unlevered	Levered
IRR	12.0%	15.0%
Stabilized Cash on Cash	8.1%	6.1%
Avg. Mthly. Debt Service Coverage Ratio		1.49x

Without Incentives

IRR	4.9%	0.0%
Stabilized Cash on Cash	4.9%	-4.6%
Avg. Mthly. Debt Service Coverage Ratio		0.93x



Liberty Park

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Site Exhibit

Capstone / M&M



Liberty Park

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View Down Central Avenue

Capstone / M&M



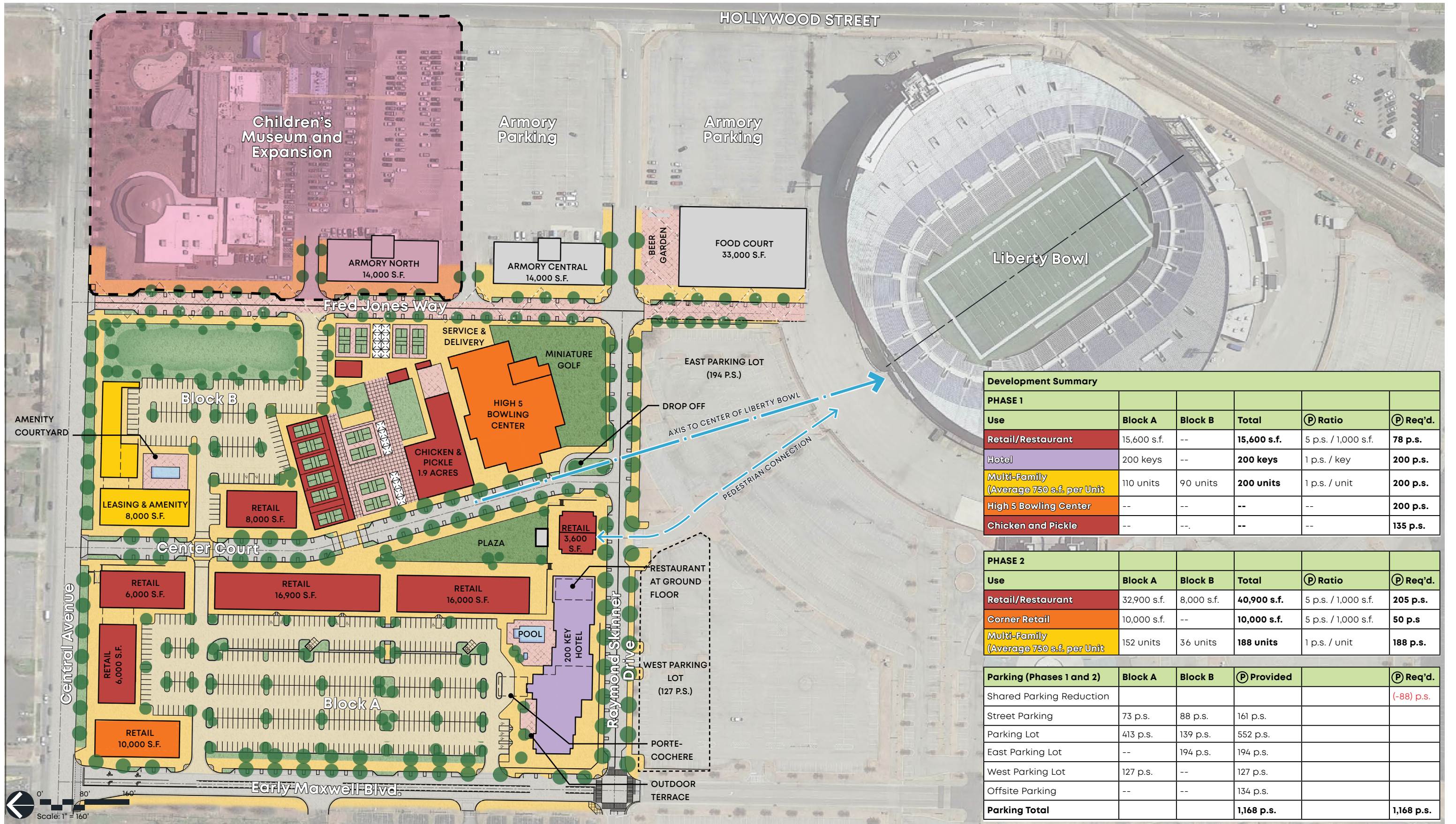
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View Down Raymond Skinner Drive

Capstone / M&M



Development Summary					
PHASE 1					
Use	Block A	Block B	Total	Ⓟ Ratio	Ⓟ Req'd.
Retail/Restaurant	15,600 s.f.	--	15,600 s.f.	5 p.s. / 1,000 s.f.	78 p.s.
Hotel	200 keys	--	200 keys	1 p.s. / key	200 p.s.
Multi-Family (Average 750 s.f. per Unit)	110 units	90 units	200 units	1 p.s. / unit	200 p.s.
High 5 Bowling Center	--	--	--	--	200 p.s.
Chicken and Pickle	--	--	--	--	135 p.s.

PHASE 2					
Use	Block A	Block B	Total	Ⓟ Ratio	Ⓟ Req'd.
Retail/Restaurant	32,900 s.f.	8,000 s.f.	40,900 s.f.	5 p.s. / 1,000 s.f.	205 p.s.
Corner Retail	10,000 s.f.	--	10,000 s.f.	5 p.s. / 1,000 s.f.	50 p.s.
Multi-Family (Average 750 s.f. per Unit)	152 units	36 units	188 units	1 p.s. / unit	188 p.s.

Parking (Phases 1 and 2)					
	Block A	Block B	Ⓟ Provided		Ⓟ Req'd.
Shared Parking Reduction					(-88) p.s.
Street Parking	73 p.s.	88 p.s.	161 p.s.		
Parking Lot	413 p.s.	139 p.s.	552 p.s.		
East Parking Lot	--	194 p.s.	194 p.s.		
West Parking Lot	127 p.s.	--	127 p.s.		
Offsite Parking	--	--	134 p.s.		
Parking Total			1,168 p.s.		1,168 p.s.



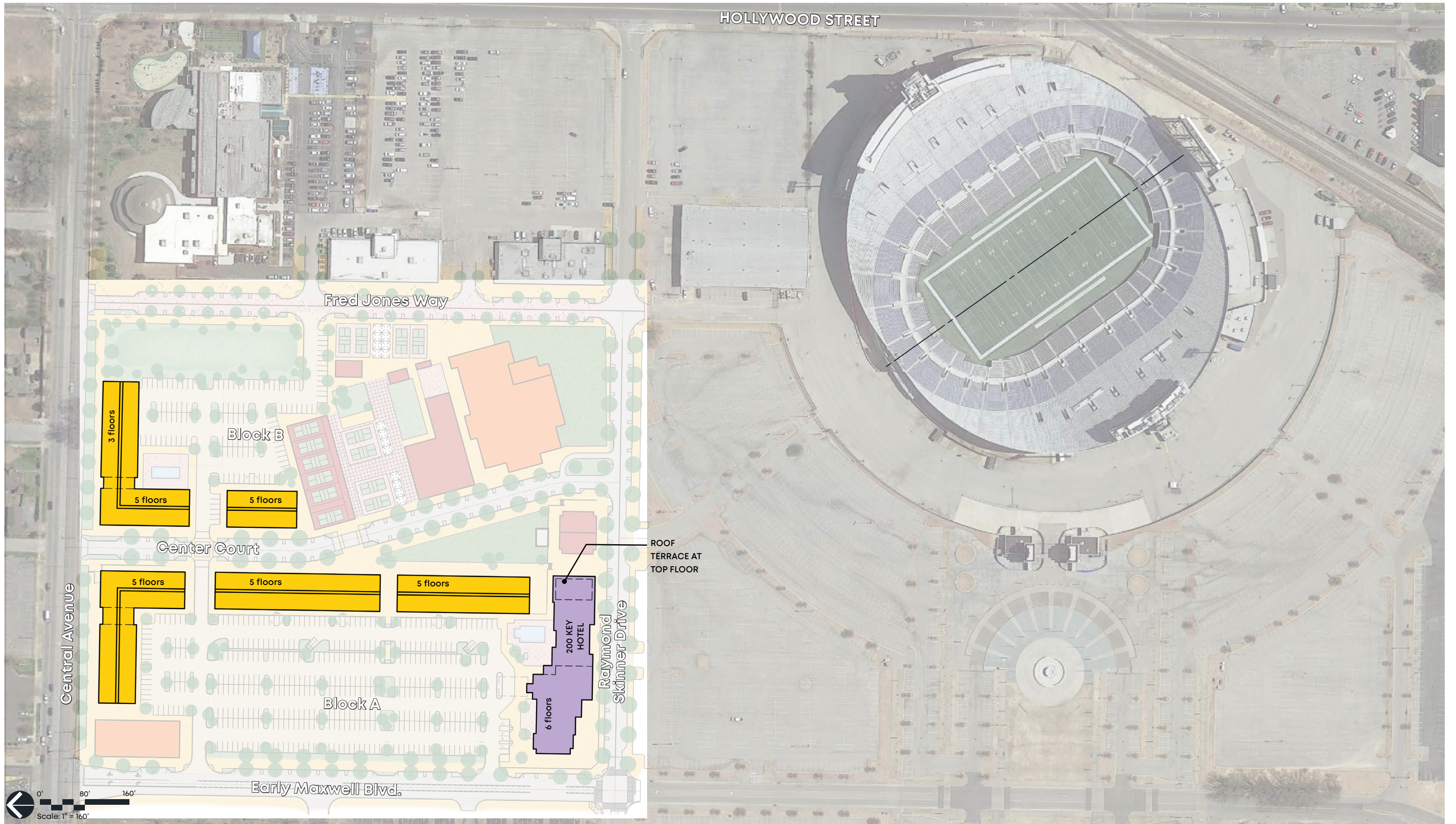
Liberty Park

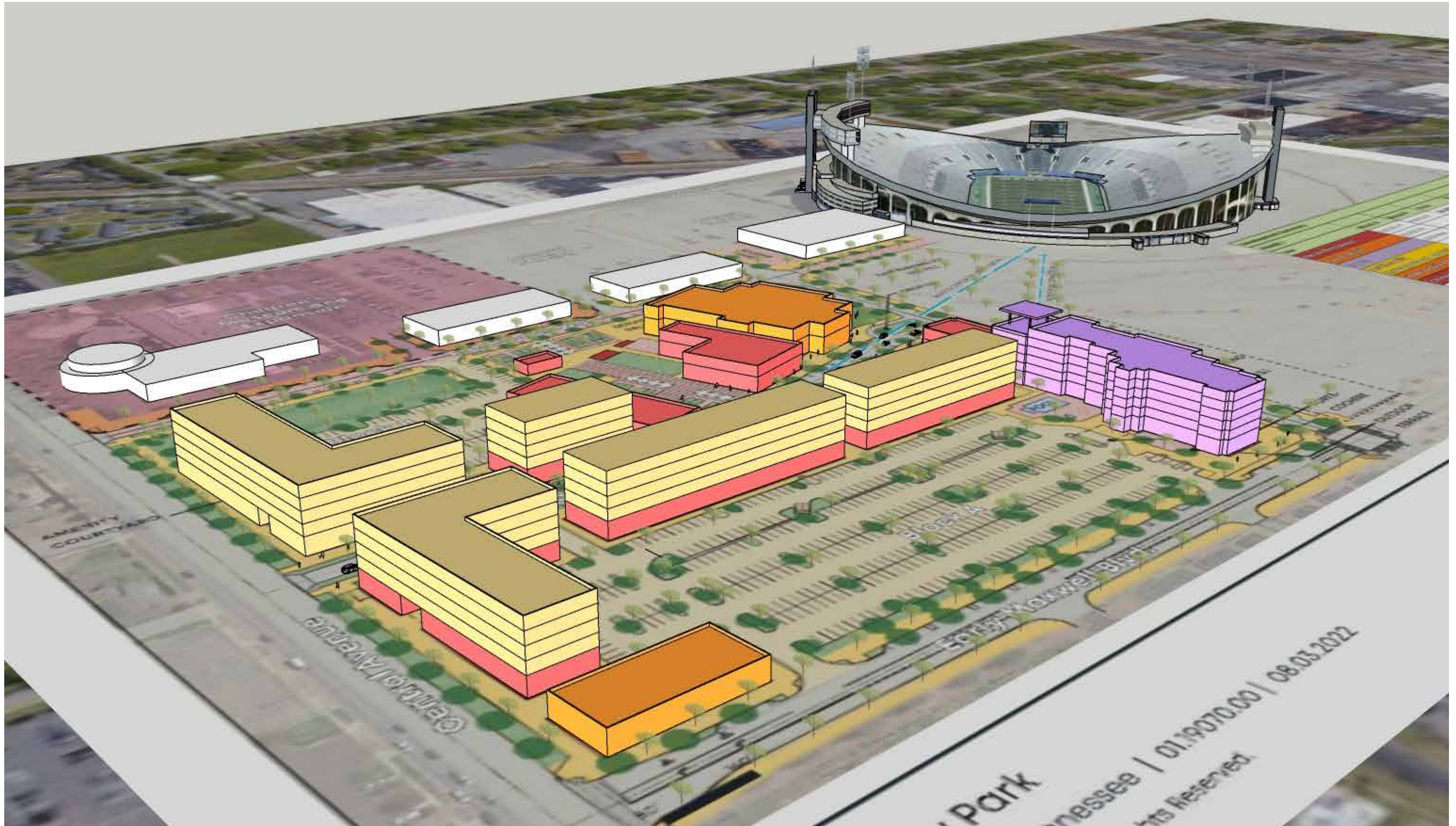
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Concept Plan - Ground Floor







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Massing Study





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