

99-105 FRONT STREET, LLC
99-105 South Front Street Development (the "Project")
Cotton Row National Register Historic District
PILOT Application

1. Applicant:

99-105 FRONT STREET, LLC
495 Tennessee Street, Suite 152
Memphis, Tennessee 38103
901 -794-9494

Representatives:

William Orgel	901-870-7555
Jay Lindy	901-277-8297
Adam Slovis	901- 831-0683

2. The Project is being developed by the Applicant, whose principles and investor group have been involved with redevelopment efforts in Memphis, and specifically in the downtown area, for over twenty years.

William Orgel (Billy) is a native of Memphis, Tennessee. He received a BBA from the University of Texas at Austin in 1985. After graduation, he moved to Memphis to work at his family business, Majestic Communications, which he helped build into the areas' largest retailer of Motorola two-way radios. Due to the Telecommunications Act of 1996 there was an emergence of new wireless phone carriers across the country, and Billy began to build on his existing portfolio of communications towers by performing build to suit services for these new carriers. His company that he runs with his partners, Tower Ventures, currently own over 580 towers and they have built and sold an additional 400 towers since the company began its operations. Currently, Tower Ventures leases tower space in over 35 states and is one of the largest private tower companies in the country. Tower Ventures has also established a REIT, Tower Ventures REIT, to purchase easements and land underneath existing tower sites across the country. Billy is a past President of the Board of Trustees at Temple Israel Synagogue in Memphis and former Co-Chair of their 25 million capital campaign. Recently, he was re-elected to a second term to the Shelby County School Board and served as its Chairman of this body for two years. He is a Past Chairman of the Board of Directors of Bridges, Inc., where he chaired the Building Committee for their new facility. Billy is also a past Board Member of the New Memphis Arena Public Building Authority that oversaw the construction of the FedEx Forum, the home of the University of Memphis Tigers and the NBA's Memphis Grizzlies. This past year he also became one of the members of the Grizzlies ownership group. In addition, he is a member of the Executive Board of the National Civil Rights Museum in Memphis (site of the Lorraine Motel and assassination of Dr. King), a member of the Methodist Hospital Board and a new member of the Memphis University School Board of Trustees. In the past, he was a member of both the Port Commission for Memphis and Shelby County and the Memphis

and Shelby County Charter Commission. Billy and his wife, Robin, are also Ambassadors for the University of Memphis Athletic Department In 1999; Billy was selected by the Memphis Business Journal as one of their "Top 40 Under 40" of local community leaders and was recently selected as a member of the Memphis chapter of the Society of Entrepreneurs, where he now serves on the board. In addition, Billy is an Organizer and Director of the First Capital Bank located in Germantown, Tennessee, a community bank with \$230 million in assets. Over the years, Billy became interested in preserving historic buildings in Downtown Memphis, and to date he and his partners have completed new construction as well as the preservation of 9 buildings that include commercial space and 850 apartments, and he is part of the investment group for South Junction Apartments and Central Station. Most recently, he and his group renovated the Tennessee Brewery. Currently, he and his group are working on the renovation to the Stewart and Oliver Builds on Front Street in Downtown Memphis, a master planned development for the Snuff District, including the historic renovation and reuse of the Conwood Building, and several multi-family projects in Midtown Memphis and Austin Texas.

Jay Lindy, is a native of Memphis, Tennessee. He received a B.A. from Cornell University and his J.D. from the University of Denver. After graduation from law school, he moved to Memphis to practice law. Jay is a past member of the Center City Development Corporation, including being a past Chairman of the Center City Development Corporation. He is a founder and director of Emerge Memphis, and is part of the investment group for South Junction Apartments and Central Station. Prior to his present position as Chief Operating Officer and General Counsel of Tower Ventures, Jay was in private law practice for 21 years. While in private practice, he served as counsel to the development team for 113 South Main, 99-105 South Main, 66 South Main, and 100 S Main. Most recently, he has been an active developer/investor in the group that renovated the Tennessee Brewery, is renovating the Stewart and Oliver Builds on Front Street in Downtown Memphis, developing a master planned development for the Snuff District, including the historic renovation and reuse of the Conwood Building, and several multi-family projects in Midtown Memphis and Austin Texas.

Adam Slovis is a Principal Real Estate Broker with eighteen years plus experience in historic redevelopment, development, brokerage, and leasing and tenant representation. Slovis spent eight years with Belz Enterprises, responsible for the leasing of 7.5 million square feet of retail space through-out the Memphis metro area and provided extensive brokerage and leasing services throughout Memphis and the mid-south region. In the fall of 2004, Slovis & Associates, LLC was formed and Slovis began providing commercial real estate development and brokerage services as an independent agency. Slovis specializes in the developing and leasing of the downtown Memphis market and contributed to multiple historic redevelopment projects; including The Cornerstone, Main Street Flats, Radio Center Flats and Barboro Flats along S. Main Street; as well as many other various properties throughout the downtown Memphis area. Currently he is working with owners, tenants and developers in the Memphis

market and throughout the United States. Most recently, he has been an active developer/investor in the group that renovated the Tennessee Brewery, is renovating the Stewart and Oliver Builds on Front Street in Downtown Memphis, developing a master planned development for the Snuff District, including the historic renovation and reuse of the Conwood Building, and several multi-family projects in Midtown Memphis.

3. a) The subject property consists of two adjacent historic buildings on the west side of South Front Street, in the block between Gayoso and Union. Vacant since The Pier Restaurant and The Butcher Shop closed, the buildings are located within the Cotton Row National Register Historic District.

The 5-story Joseph N. Oliver building at 99 S. Front was built ca. 1905 and is the larger of the two. The building is a brick and stone structure known for its ornate façade. 105 S. Front is a 3-story brick structure originally known as the Stewart Building and constructed ca. 1900. Unfortunately, the buildings are in poor condition due to water damage and long-term neglect. Their previous owner, a New York-based company bought the property in 2007 for over \$2 million with a plan to convert the property into apartments or possibly a boutique hotel. The timing of their efforts unfortunately coincided with the Great Recession and plans failed to materialize. Because of its prime location, architectural significance, and deteriorating condition, this property became a top priority for the DMC Anti-Blight Committee. Due to serious concerns about falling debris and the ongoing physical decay of the building, the owner erected emergency scaffolding along Front Street and the adjacent alley in October 2017.

In June 2018, the owner announced plans to demolish the buildings. The DMC staff strenuously opposed that request and advocated for adaptive reuse. The owner ultimately decided to sell the property. In December 2018, Mr. Orgel, a local developer, assembled an investment group and purchased the two buildings for \$1.2 million.

In January of 2019, the CCRFC awarded the developer a \$650,406 grant to stabilize the build and make future redevelopment of the historic buildings possible.

The total gross building area is approximately 162,459 square feet. The total site area, including the building footprint, is 21,811 square feet. The building will consist of eight (8) floors above basement level, a basement level and two sub-basement levels. Plans currently estimate 112 residential units (14 Efficiency units, 55 one-bedroom units, 36 two-bedroom units, 7 townhouse/multi-level units), 2 commercial/retail units, and 61 underground parking spaces.

b) The development team commissioned a Local Economic Impact Analysis from Younger Associates. The result of this analysis is included in this application as Exhibit 3b.

- c) 99-105 South Front Street
Memphis, Shelby County, Tennessee - 1.126 acres – 49,031 sq/ft

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99-105 South Front

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Planned commercial space – approximately 5,295 sq/ft
Planned residential space - approximately 96,209 sq/ft.
Planned common area - approximately 19,931 sq/ft
Resident amenity area - approximately 2,244 sq/ft
Parking – 61 underground spaces

- d) Architectural plans and renderings are attached as Schedule 3d.
 - e) Letter from a certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage. N/A
4. The marketing plans for the project will encompass various strategies and timing. The market user for the project will be residential, apartment renters who are interested in living in the downtown market within a historic redevelopment, multi-use project located on the city bluff walk near the river parks and other existing residential developments. This renter is typically made up of younger, professionals who are either single or coupled and/or an older individual or couple looking for a downtown residence. The marketing will be done via print, social media, direct marketing, referrals, etc. as typically done by a leasing/management company. The typical lease will be made up of at least a 12 month period with options to extend. Average rent for the apartment units will depend on unit size. The average monthly rents are estimated below \$1,000/month for efficiency and on-bedroom units, and under \$1,250/mo for two-bedroom units.
- a) Location of the proposed project by street address: 99-105 South Front Street. Legal Descriptions are attached as Schedule 4a.
 - b) Property owner at the time of application submittal: 99-105 FRONT STREET, LLC.
 - c) The financing of the renovations is estimated at \$16,327,500. The developers are requesting CCRFC to grant a PILOT for the 20 years, an exception to the CCRFC's policy limit of 15 years. The developers believe that the historical significance and prominent location warrant an exception. This request is for CCRFC to grant an exception to the maximum 15 year PILOT. The applicant will also employ historic tax credits, conventional bank debt financing, and other available public funds to offset the unusually high cost related to the rehabilitation of the historic building. The balance of Project costs and expenses will be funded by the investor group.
5. 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 amounts. See Schedule 5
6. Are changes needed to the public space around the Project (For example; sidewalks, lighting and planting)? We anticipate that the public areas around the buildings will require significant repair to sidewalks.
7. State the proposed time schedule for the Project including the dates anticipated for the following:
- a) Closing of the loan or contributing financing availability. We anticipate closing

- the financing for the Project first quarter 2020.
- b) First expenditure of funds with regard to the project. We are already paying for some soft costs related to design. We anticipate first expenditures of funds on construction first quarter of 2020.
- c) Anticipated date construction will begin. We anticipate construction beginning end of first quarter 2020.
- d) Anticipated completion date. We anticipate completion of the project, assuming renovations and construction beginning second quarter 2021.

8. Financial Background

- a) Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements. N/A
- b) State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any. The Applicant will use

BDO
6410 Poplar Ave, Suite 750
Memphis, TN 38119
901-680-7600

And

Novogradac & Company LLP®
2325 Lakeview Parkway, Suite 450
Alpharetta, GA 30009
678.339.3661
eric.blades@novoco.com

- c) Attach three years tax returns if Applicant is an individual. N/A

9. Name any of the following that will be involved with the Project (with address and phone numbers):

- a) Counsel for the Applicant
Jay Lindy
495 Tennessee Street, Suite 152
Memphis, TN 38103
901.277.8297
- b) Architects and engineers
Office of Jonathan Tate
1336 Magazine Street, Suite 1
New Orleans, LA 70130
- c) Contractor for project TBD

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d) Other professionals N/A

e) Does the Applicant or any guarantor have any previous or ongoing relationship with any Board member or legal counsel of the Board? No If so please describe in detail.

10. Give three credit references for you personally, and three for your business.

Personal:

Henry Turley, The Henry Turley Company	901-255-2122
Jeff Meskin, Brown Brothers	212-493-8896
Mark Halperin, Boyle	901-766-4299

Business:

Brandon Cooper, Simmons Bank	901- 249-2008
Louise Bardon, Trustmark Bank	901- 309-6201
Damen Bell. Pinnacle	901- 259-5424

11. Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information. N/A

12. 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.

99-105 FRONT STREET, LLC

a) State the tax parcel number for all property involved with the Project and the current assessed value of the Property.

Parcel #002041 00009 Assessed Value: \$394,400

Parcel #002041 00010 Assessed Value: \$ 73,360

b) Are any assessments presently under appeal? No. If so, describe the status of the appeal.

c) Will the Project result in the subdivision of any present tax parcel? No

13. Provide the following information about the loan or proposed loan for the Project.

a) Name, address, and phone number of lender and contact person with lender.

Triumph Bank
5699 Poplar Ave.

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Memphis, TN 38119

Phone: 901- 333-8801

- b) Amount of loan. \$ 16.8 million**
 - c) Attach lender's commitment letter. See attached Schedule 13 c.**
- 14. Attach two (2) cash flow pro formas – one that includes a PILOT and one that does not – for at least the length of the PILOT term requested, along with a statement of Sources and Uses of Funds for the project (this may be prepared by the applicant). Sample formats are attached. See Attached.**
 - 15. Attach information about the financial history of the Project and previous attempts to develop, if possible. N/A**
 - 16. Attach EBO Form A - Proposed Utilization Plan. Form is located as an attachment in this section. At this point in time we have no subcontractors on board and can't provide any meaningful recording on the Form A. What we can say is that Montgomery Martin has an excellent track record for working with the Downtown Memphis Commission on these types of projects and they have repeatedly met or exceeded goals. We have discussed with staff having a pre-bid contracting conference at the MMBC Continuum for this project. Given the requirement of availing contracting opportunities to the minority owned businesses (EBO Program), not just those that MMC knows and has worked with in the past, and the size and nature of this project, working with MMBC Continuum, and the Memphis Area Minority Contractors Association, will a be part of our outreach efforts.**
 - 17. The statement on the following page must be included along with a dated signature of the applicant or applicant's representatives.**

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made in order to induce the Memphis Center City Revenue Finance Corporation (CCRFC) 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 CCRFC in its consideration of the application is included. The applicant expressly consents to the CCRFC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCRFC whether or not the incentive is granted or project completed.

Applicant Signature

Date 8/ /2019

99-105 Front Street, LLC
Jay Lindy
495 Tennessee Street
Suite 152
Memphis, TN 38103
Office: 901.794.9494 x 121
Cell: 901.277.8297
jlindy@towerventures.com

Schedule 3b
Local Economic Impact Analysis from Younger Associates.

(to be provided)

Schedule 3d
Drawing and Plans



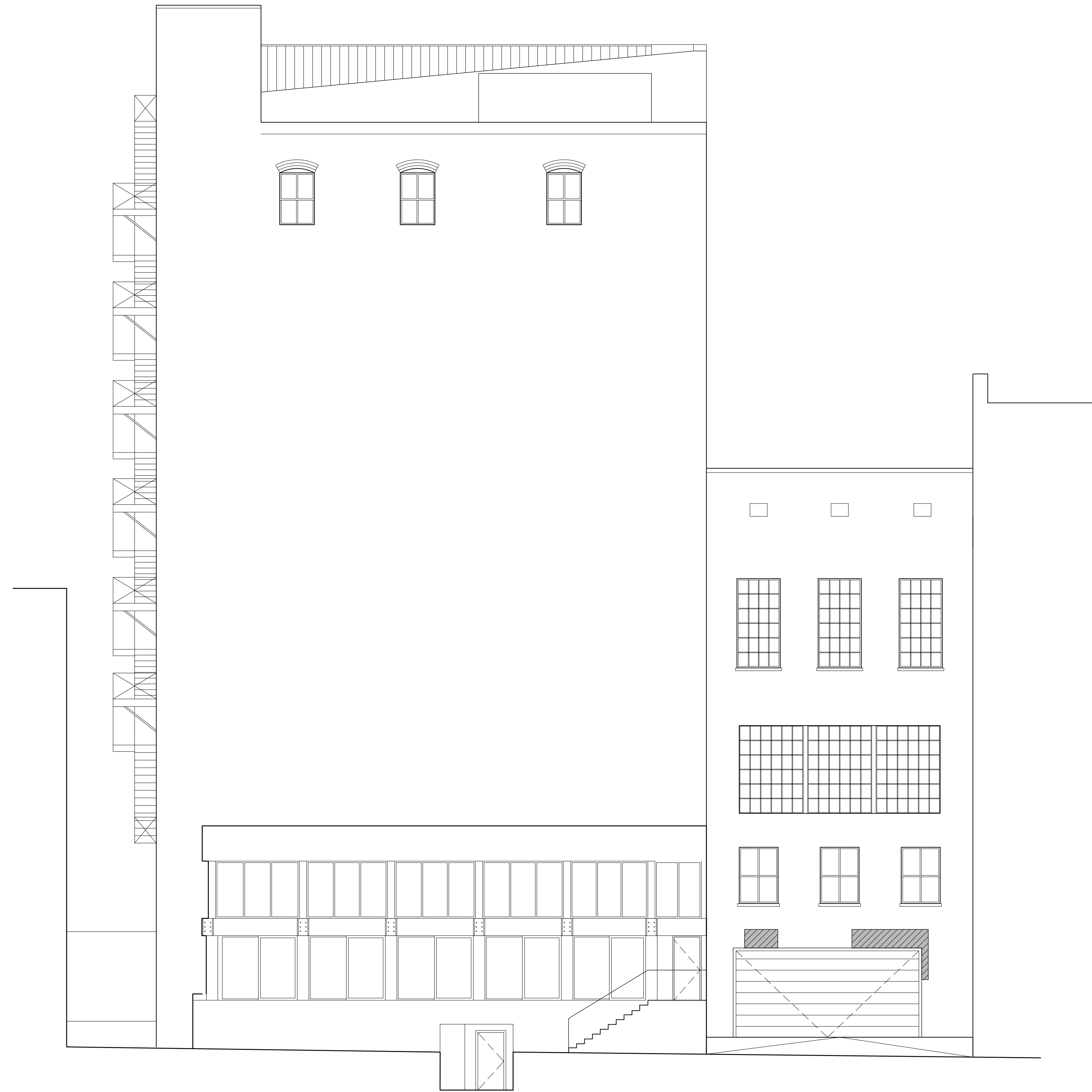
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MLC#
10-163

1 SITE LOCATION PLAN
SCALE: MTS
↑ NORTH



1 EAST ELEVATION
SCALE: 1/8" = 1'-0"



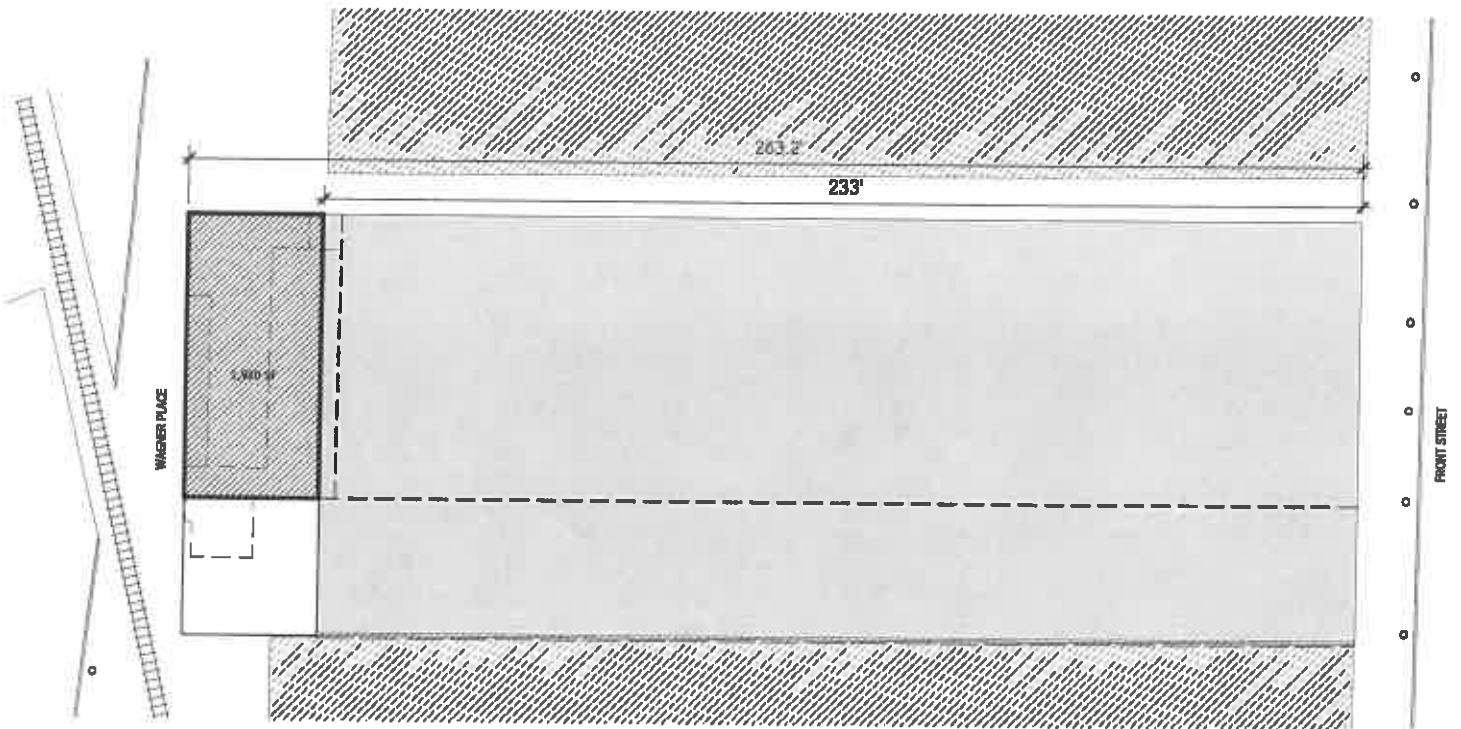
2 WEST ELEVATION
SCALE: 1/8" = 1'-0"



1 NORTH ELEVATION
SCALE: 1/8" = 1'-0"



1 SOUTH ELEVATION
SCALE: 1/8" = 1'-0"

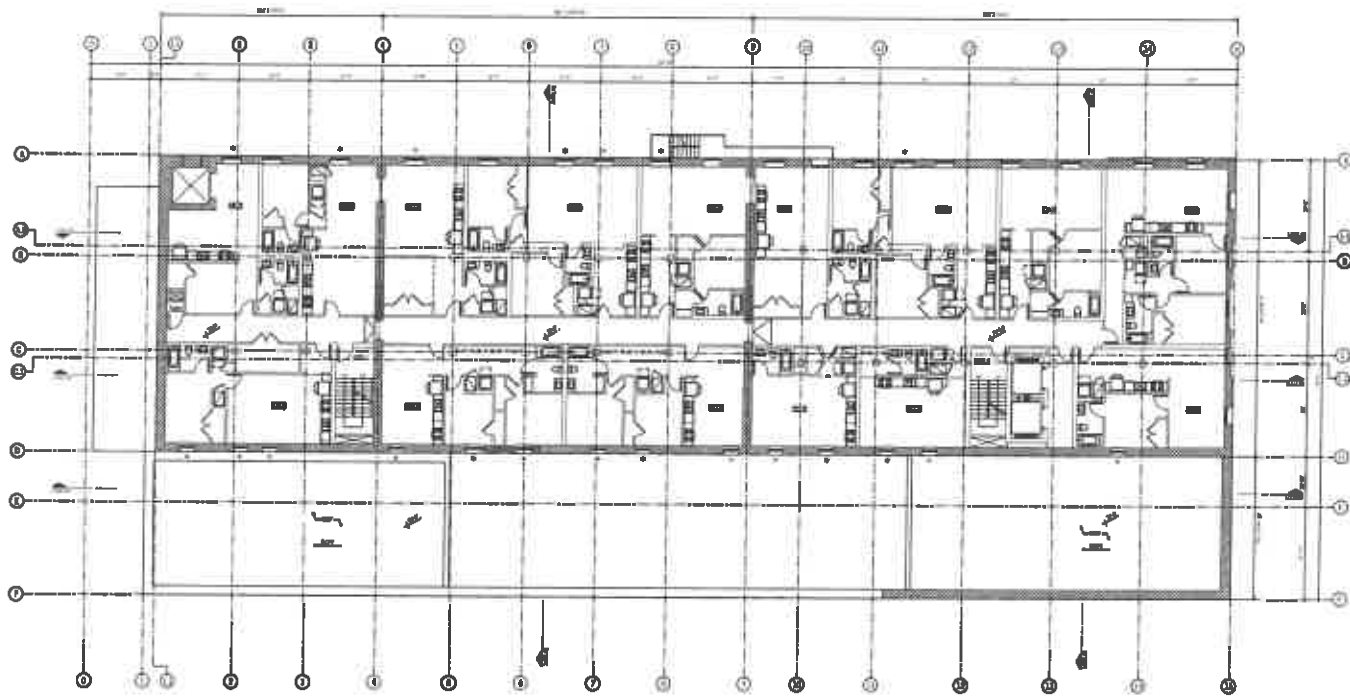


EXISTING SITE PLAN

SCALE: 1/32" = 1'-0"



1
2
3
4



1 TYPICAL FLOOR PLAN
1/8" = 1'-0"

OUT
1. 1/2" = 1'-0"
2. 1/4" = 1'-0"
3. 1/8" = 1'-0"
4. 1/16" = 1'-0"
5. 1/32" = 1'-0"
6. 1/64" = 1'-0"
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10. 1/1024" = 1'-0"

IN-LAB & FINISH
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10. 1/1024" = 1'-0"

A13.08

Schedule 4a

Land situated in Shelby County, TN:

BEGINNING at the point on the West line of Front Street approximately 92.35 feet North of the Northwest corner of Front Street and Gayoso Avenue; thence Northeasterly along the West line of Front Street approximately 93.0 feet to a point in which the South side of a 15 foot alley intersects the West side of Front Street; thence Westwardly along the south side said 15 foot alley approximately 251.0 feet to a point in the East side of Wagner Street approximately 93 feet; thence Eastwardly parallel with the North line of Gayoso Avenue approximately 233 feet to the point of beginning. Said property being known as 99 through 105 South Front Street, Memphis, Tennessee 38103.

Being the same property conveyed to Sachs-Haynes Development, LLC from River Enterprises, Ltd aka River Enterprises, Ltd., Inc. by Warranty Deed dated February 20, 2007 and recorded on February 21, 2007 in Instrument No. 07032048 (the "Property").

Schedule 5

Source and Use; Proforma

99-105 South Front

FINANCIAL SUMMARY

8/23/2019

**99-105 South Front Street, LLC SOURCE AND USES
With PILOT
8/23/2019**

SOURCES OF FUNDS	OVERALL	NOTES
Project Debt	16,327,500	Assumes 4.5% Interest, 35 Yr Amortization
Equity	2,977,893	
Historic Tax Credits	3,369,201	
DMC Grant	650,406	
TOTAL SOURCES OF FUNDS	23,325,000	
USES OF FUNDS		
Land	1,200,000	
Construction Costs	19,034,815	
Soft Costs	1,534,995	Includes A&E, Developer Fee and Contingencies
PILOT Fee	349,875	
Financing Fees	787,097	Includes Construction Interest
Professional Fees	415,000	Taxes, Accounting, Legal, & Marketing
TOTAL USES OF FUNDS	23,321,782	
NET CASH FLOW	3,218	

The Financial Forecast is based on certain assumptions and not on performance. *

**99-105 South Front Street, LLC PRO FORMA P&L
8/23/2019**

	<u>Annual</u>	<u>Notes</u>
Leasing Revenue		
Two Bedroom Units	\$740,840	43 Units
One Bedroom Units	\$874,868	69 Units
Commercial	\$110,729	
Parking	\$74,671	61 Spaces
Other Revenue	\$82,119	
Vacancy Assumptions	(\$113,100)	7% Residential
Net Revenue	<hr/> \$1,770,128	
Expenses		
Total Payroll	\$87,360	
General and Admin	\$26,880	
Marketing	\$26,880	
Utilities	\$38,899	
Insurance	\$102,000	
Management Fee	\$53,650	
Repair and Maintenance	\$58,448	
Accounting and Overhead	\$9,000	
Total Expenses	<hr/> \$401,116	
Net Operating Income	<hr/> <hr/> \$1,369,011	
Debt Service		
Principal	\$196,535	Year One Principal
Interest	\$730,717	Year One Interest
Total Debt Service	<hr/> \$927,252	
Property Taxes Without PILOT	\$498,635	
NET CASH FLOW WITHOUT PILOT	<hr/> <hr/> (\$56,875)	
PILOT Adjustment	\$349,389	
NET CASH FLOW WITH PILOT	<hr/> <hr/> \$292,514	

*Assumes Income and Expenses escalate annually at 1%

99-105 South Front Street, LLC PROJECTED SUMMARY OF CASH FLOWS
8/23/2019

<u>Project Cash flow Assumptions</u>	<u>2021</u> ⁽¹⁾	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Proj Gross Annual Rental Revenues	\$ 512,642	\$ 2,071,075	\$ 2,091,786	\$ 2,112,704	\$ 2,133,831
Less Vacancy (assumes 8% apartments)	\$ (35,885)	\$ (144,975)	\$ (146,425)	\$ (147,889)	\$ (148,368)
Less Operating Expenses	\$ (100,279)	\$ (405,128)	\$ (409,179)	\$ (413,271)	\$ (417,409)
Less Property Taxes	\$ (124,659)	\$ (498,635)	\$ (503,621)	\$ (508,657)	\$ (513,744)
Estimated NOI W/O PILOT:	\$ 251,820	\$ 1,022,338	\$ 1,032,561	\$ 1,042,887	\$ 1,053,315
Estimated NOI W/ PILOT:	\$ 376,478	\$ 1,520,972	\$ 1,536,182	\$ 1,551,544	\$ 1,567,059
Less Annual Debt Service	\$ (183,684)	\$ (734,738)	\$ (782,866)	\$ (927,252)	\$ (927,252)
WITHOUT PILOT					
Cash Available for Distribution	\$ 68,135	\$ 287,600	\$ 249,695	\$ 115,635	\$ 126,063
DSC Ratio	0.27	1.10	1.11	1.12	1.14
Cash flow Return on Equity	1.07%	4.53%	3.94%	1.82%	1.99%
WITH PILOT					
Cash Available for Distribution	\$ 192,794	\$ 786,295	\$ 753,316	\$ 624,292	\$ 639,807
DSC Ratio	0.25	1.48	1.50	1.51	1.53
Cash flow Return on Equity	0.69%	10.04%	9.52%	7.49%	7.73%

(1) Partial Year Beginning September, 2021

<u>Project Cash flow Assumptions</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Proj Gross Annual Rental Revenues	\$ 2,155,169	\$ 2,176,721	\$ 2,198,488	\$ 2,220,473	\$ 2,242,678
Less Vacancy (assumes 8% apartments)	\$ (150,862)	\$ (152,370)	\$ (153,894)	\$ (155,433)	\$ (156,987)
Less Operating Expenses	\$ (522,653)	\$ (426,804)	\$ (431,072)	\$ (435,383)	\$ (439,736)
Less Property Taxes	\$ (518,881)	\$ (524,070)	\$ (529,311)	\$ (534,604)	\$ (539,950)
Estimated NOI W/O PILOT:	\$ 962,773	\$ 1,073,476	\$ 1,084,211	\$ 1,095,039	\$ 1,106,004
Estimated NOI W/ PILOT:	\$ 1,481,654	\$ 1,597,547	\$ 1,613,522	\$ 1,628,657	\$ 1,645,954
Less Annual Debt Service	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)
WITHOUT PILOT					
Cash Available for Distribution	\$ 35,521	\$ 146,224	\$ 156,959	\$ 167,801	\$ 178,752
DSC Ratio	1.04	1.16	1.17	1.18	1.19
Cash flow Return on Equity	0.56%	2.30%	2.47%	2.65%	2.82%
WITH PILOT					
Cash Available for Distribution	\$ 554,402	\$ 670,295	\$ 686,270	\$ 702,405	\$ 718,702
DSC Ratio	1.44	1.56	1.58	1.60	1.61
Cash flow Return on Equity	6.39%	8.21%	8.47%	8.72%	8.98%

<u>Project Cash flow Assumptions</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
Proj Gross Annual Rental Revenues	\$ 2,265,104	\$ 2,287,755	\$ 2,310,633	\$ 2,333,739	\$ 2,357,077
Less Vacancy (assumes 8% apartments)	\$ (158,557)	\$ (160,143)	\$ (161,744)	\$ (163,362)	\$ (164,995)
Less Operating Expenses	\$ (444,134)	\$ (448,575)	\$ (453,061)	\$ (457,592)	\$ (462,167)
Less Property Taxes	\$ (545,350)	\$ (550,803)	\$ (556,311)	\$ (561,874)	\$ (567,493)
Estimated NOI W/O PILOT:	\$ 1,117,064	\$ 1,128,234	\$ 1,139,517	\$ 1,150,912	\$ 1,162,421
Estimated NOI W/ PILOT:	\$ 1,662,413	\$ 1,679,037	\$ 1,695,828	\$ 1,712,786	\$ 1,729,914
Less Annual Debt Service	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)
WITHOUT PILOT					
Cash Available for Distribution	\$ 189,812	\$ 200,982	\$ 212,265	\$ 223,660	\$ 235,169
DSC Ratio	1.20	1.22	1.23	1.24	1.25
Cash flow Return on Equity	2.99%	3.17%	3.35%	3.53%	3.71%
WITH PILOT					
Cash Available for Distribution	\$ 795,161	\$ 751,786	\$ 768,576	\$ 785,534	\$ 802,662
DSC Ratio	1.63	1.65	1.67	1.69	1.70
Cash flow Return on Equity	9.24%	9.50%	9.76%	10.03%	10.30%

**99-105 South Front Street, LLC PROJECTED SUMMARY OF CASH FLOWS
8/23/2019**

<u>Project Cash flow Assumptions</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
Proj Gross Annual Rental Revenues	\$ 2,380,648	\$ 2,404,454	\$ 2,428,499	\$ 2,452,784	\$ 2,477,311
Less Vacancy (assumes 8% apartments)	\$ (166,645)	\$ (168,312)	\$ (169,995)	\$ (171,695)	\$ (173,412)
Less Operating Expenses	\$ (466,789)	\$ (471,457)	\$ (476,172)	\$ (480,933)	\$ (485,743)
Less Property Taxes	\$ (573,168)	\$ (578,900)	\$ (584,689)	\$ (590,535)	\$ (596,441)
Estimated NOI W/O PILOT:	\$ 1,174,045	\$ 1,185,786	\$ 1,197,644	\$ 1,209,620	\$ 1,221,716
Estimated NOI W/ PILOT:	\$ 1,747,213	\$ 1,764,685	\$ 1,782,332	\$ 1,800,155	\$ 1,818,157
Less Annual Debt Service	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)
WITHOUT PILOT					
Cash Available for Distribution	\$ 246,793	\$ 258,534	\$ 270,392	\$ 282,368	\$ 294,464
DSC Ratio	1.27	1.28	1.29	1.30	1.32
Cash flow Return on Equity	3.89%	4.08%	4.26%	4.45%	4.64%
WITH PILOT					
Cash Available for Distribution	\$ 819,961	\$ 837,433	\$ 855,080	\$ 872,903	\$ 890,905
DSC Ratio	1.72	1.74	1.76	1.78	1.80
Cash flow Return on Equity	10.57%	10.85%	11.13%	11.41%	11.69%
<u>Project Cash flow Assumptions</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>
Proj Gross Annual Rental Revenues	\$ 2,502,084	\$ 2,552,126	\$ 2,603,169	\$ 2,655,232	\$ 2,708,337
Less Vacancy (assumes 8% apartments)	\$ (175,146)	\$ (178,649)	\$ (182,222)	\$ (185,866)	\$ (189,584)
Less Operating Expenses	\$ (490,600)	\$ (495,506)	\$ (500,461)	\$ (505,466)	\$ (510,520)
Less Property Taxes	\$ (602,405)	\$ (608,429)	\$ (614,514)	\$ (620,659)	\$ (626,865)
Estimated NOI W/O PILOT:	\$ 1,233,933	\$ 1,269,542	\$ 1,305,972	\$ 1,343,241	\$ 1,381,967
Less Annual Debt Service	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)	\$ (927,252)
WITHOUT PILOT					
Cash Available for Distribution	\$ 306,681	\$ 342,290	\$ 378,720	\$ 415,990	\$ 454,116
DSC Ratio	1.33	1.37	1.41	1.45	1.49
Cash flow Return on Equity	4.83%	5.40%	5.97%	6.56%	7.16%
WITH PILOT					