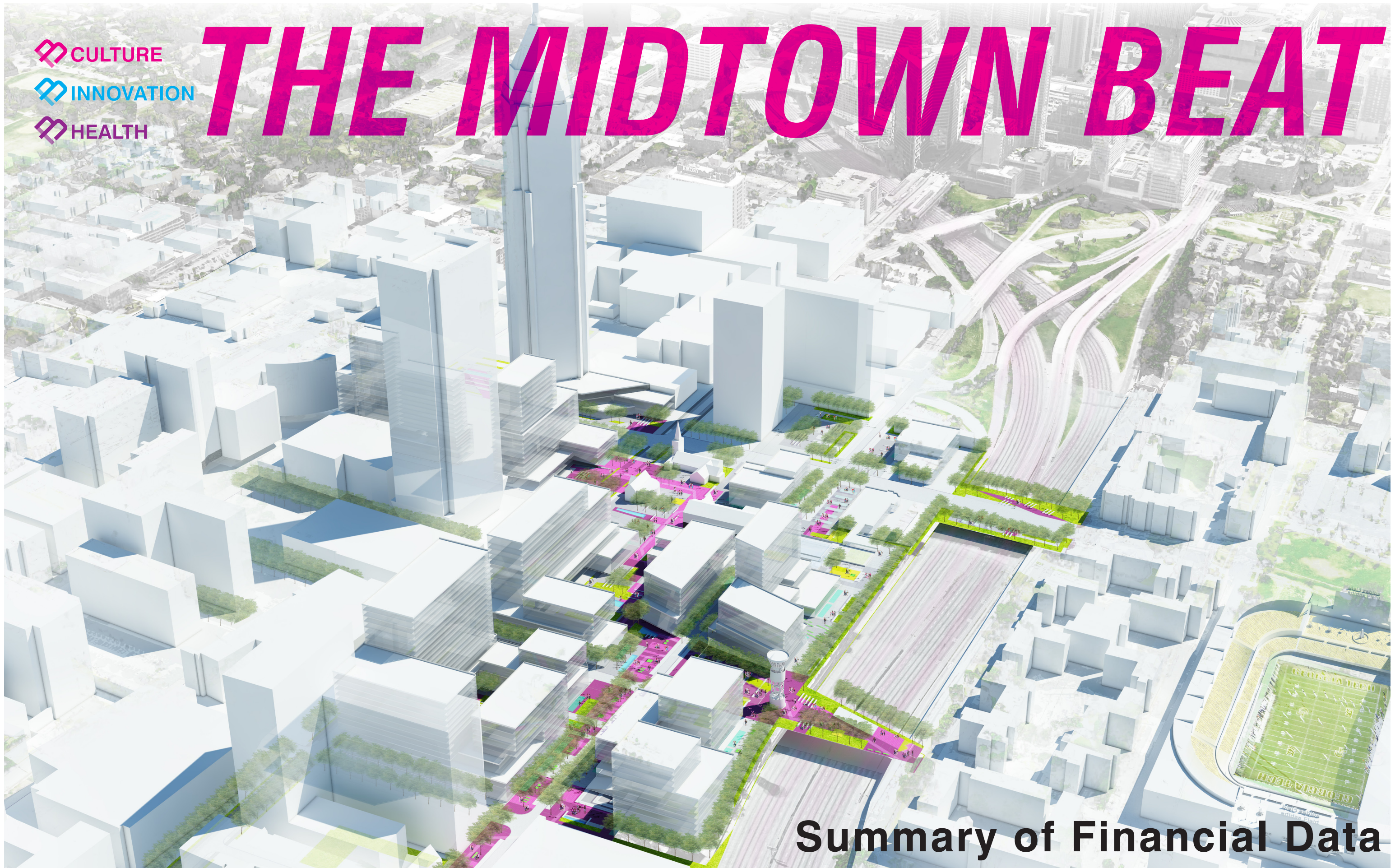


-  CULTURE
-  INNOVATION
-  HEALTH

# THE MIDTOWN BEAT



## Summary of Financial Data

## TABLE OF CONTENTS

Narrative.....	4
Site Plan .....	5
Financial Summary .....	6
Assumptions.....	8
Phasing Strategy.....	9
Development Costs.....	10
Finance.....	12
Land Acquisition.....	14
Joint Venture.....	15
Discounted Cash Flows	
Apartments.....	16
Condominiums.....	17
Hotel - Full Service.....	18
Hotel - Limited Service.....	19
Office - Class A.....	20
Office - Innovation.....	21
Retail.....	22
Retail - Comm. Fac./Affordable.....	23
Structured Parking.....	24
Public Benefits Analysis.....	26
Bank of America Plaza Analysis.....	27





## THE MIDTOWN BEAT

The Midtown Beat draws from Atlanta's rich cultural and economic history to ensure its continued place as the primary hub of the American Southeast. The plan weaves together a strategy for the redevelopment of the Midtown neighborhood that capitalizes on some of the district's most defining "beats:" innovation, culture, and health.

The **innovation beat** leverages momentum in the technology and engineering sectors to ensure that Midtown remains at the center of Atlanta's economic growth. This "Beat" concentrates along the north-south axis of Spring Street, and culminates at the Maker Square and Innovation Hub. The Maker Square is a highly-visible community hacker space that opens up onto a public plaza; it is also host to OpportunityHub, the largest minority-owned start-up accelerator in the country. The Innovation Hub offers flexible, "soft landing" sites for growing start-ups, where they can also display their products to the public. Hotels and more traditional office spaces for a growing healthcare-IT sector complement these sites. Public Wifi and charging stations are available across the project for employees, residents, and visitors alike.

The **culture beat** recognizes Midtown's role as the "Heart of the Arts," with its prominent institutions and historic sites. Along the east-west axis of Ponce de Leon, local and regional icons like the Fox Theater, All Saints' Church, and the Varsity are reinvigorated through a number of new public spaces. These places are connected through the public realm from The Porch to All Saints' Plaza and the new North Ave Station. The two blocks adjacent to the Connector between Ponce de Leon and 4th Avenue are raised to create The Porch, a new public and performance space that connects Midtown and Georgia Tech with a new pedestrian bridge. The Olympic Tower within The Porch is repurposed with food/beverage and programmed for interaction displaying events and personal messages.

The **health beat** draws its inspiration from Atlanta's identity as the "City in a Forest," creating a new lively network of green spaces and paths throughout the site to promote a healthy quality of life. The public realm includes a health circuit for staying active. The redesigned streetscape and bike lanes link the project to both the campus of Georgia Tech as well as the scenic landscape of Piedmont Park. Water features in the Tech Grove and Maker Square are designed to capture stormwater runoff, while also offering a cool reprieve during the summer. Investments in new transit options – including a re-routed shuttle for Georgia Tech, new bike lanes, and redesigned car circulation complement and strengthen existing public transportation around North Avenue Station.

Specific venues are designed to capitalize on the overlap between the Beats. A food market by day and a music and arts venue by night, The Culture Lab is a citywide entertainment destination that provides kitchen and lab space for food research, studio space for musicians, and live-work apartments on the upper floors for artists and entrepreneurs alike. The Block @ The Varsity introduces a new programmatic element to the neighborhood icon – a covered terrace and roof deck is placed adjacent to the existing building, providing a performance, entertainment and dining space for outdoor activities drawing in a wide range of visitors. The North Avenue Station is redeveloped utilizing the existing site grade change to provide a more open and accessible entry into the neighborhood with new retail and apartments.

Diverse housing programs reinforce the district's innovative identity. New housing for science and technology students shares a building with corporate innovation labs encouraging partnerships between the university and local businesses. Twenty percent of all rentals and for-sale apartments are affordable for low-income families. This ensures Midtown is accessible to a wide range of Atlantans, as the Midtown Beat cements Atlanta's role as a major regional leader in innovation, culture and health.

## THE PLAYERS

*Midtown South Development Partnership (MSDP)* is comprised of the land owners of blocks A, B, C, D, E-620, G, H and I, of which blocks E-620, G, H and I are added to the original partnership to enhance the potential of the district. Land is proposed to be sold at the current value of \$110/sq ft over a ten year period with payments every two years. Each payment is escalated at a 5% yearly rate, providing landowners with a safe deal not subject to the volatility of the development.

*MARTA:* A ground lease of 99 and 10 years respectively is proposed. The current yearly rent was determined based on the same for-sale price of \$110/sqft, times the return of 5% for the MARTA parcel. The leases will start at \$408,463 and will also be escalated at a 5% yearly rate.

*Developer:* A joint venture between the developer and a capital investor will be structured to guide The Midtown Beat. Ten percent of the equity will be provided by the developer and 90% by the capital investor. Profits are distributed using a waterfall with four tiers: (i) Both Investor and Developer will split profits at a 90/10 rate until Investor has received an amount equal to an IRR of 10%. (ii) The Developer then earns a Promote with an adjusted profit split of 85/15 until the Investor has received an amount equal to an IRR of 15%. (iii) The Developer earns an additional promote with an adjusted profit split of 80/20 until the investor has received an amount equal to an IRR of 20%. (iv) Any profits generated in excess of an IRR of 20% to the investor, are split at 75/25.

*Public Sector:* Although The Midtown Beat is not heavily depending on grants or public sources, the proposal is aligned to foster collaboration for common interests. Lease Purchase Bonds are the back bone of the public sources with approximately \$55.6 million. Additional sources will come from NMTC and the DOT Tiger grant. Public resources will be also be utilized during Phase I for the public realm renovation costs.

*Financial Institutions:* A construction loan is quoted at 100 basis points above prime, or 4.6%, and the long term loan at 4%. Draws are phased accordingly to the development schedule. Loan to value is calculated to never exceed 55% while loan to cost never exceeds 85%.

## MARKET ANALYSIS SUMMARY

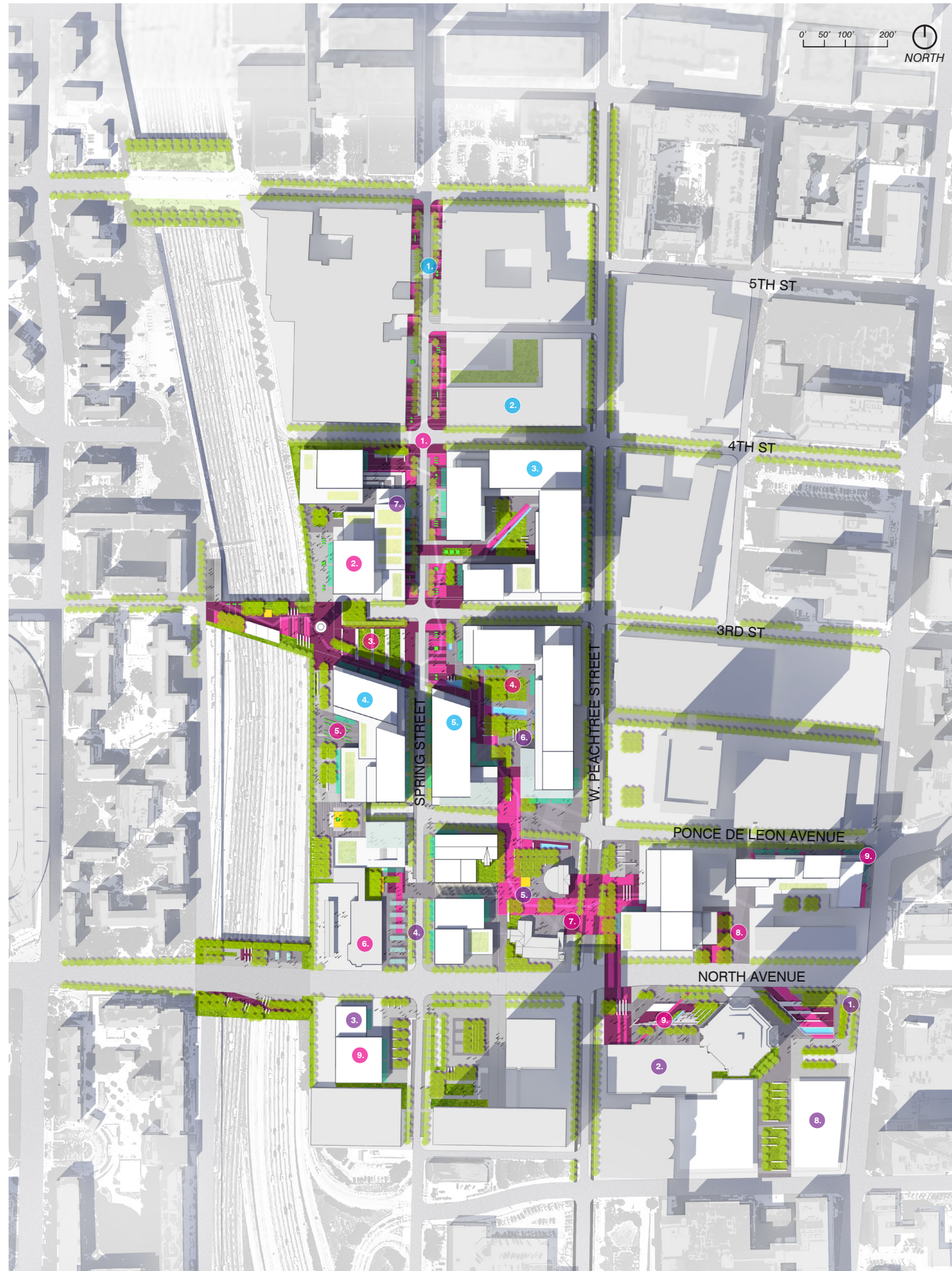
The Midtown Beat draws upon Atlanta's strong demographic fundamentals. Atlanta benefits from a large, well-educated millennial population, with 70% of the population below 45 years old. In Midtown, this is particularly true, with 37% of residents between 25-34 years old and 68% college-educated. These population trends are partly due to Atlanta's success in attracting and retaining corporations that contribute significantly to the city's overall employment, which in turn has helped sustain the real estate industry in recent years. In 2014 and 2015, the city added 173,000 jobs, helping drive the Atlanta region's job growth to the fastest among all US metropolitan areas in 2015, according to the Bureau of Labor Statistics.

Multifamily housing is also growing in Atlanta, with an annual supply growth of 9,000 units in 2015 and absorption of 12,000 units. Midtown alone accounts for 30 new residential projects recently completed and in the pipeline, many of them targeted to students and young professionals. Residential vacancy rates dropped to 5% as of the end of 2015, while rents have increased 6.8% between 2014-2015; cap rates have subsequently compressed. Despite the current strength of Atlanta's residential market, the development plan for The Midtown Beat focuses more on office and retail than residential due to the large incoming supply of housing units. In the office market, vacancies have dropped to 13.5%. Rents are now at their highest levels since 2008, with an increase of 7% between 2014-2015. Absorption is at 4.8 million sq ft in 2015, 800,000 sq ft of that in Midtown, making office absorption rates their highest from the past 15 years. The annual supply growth in 2015 was 1 million sq ft. Finally, in the retail market, vacancy rates have also been dropping steadily, now at 10%. Absorption has been increasing, and now equals the 2.5 million sq ft supply of recently completed and pipeline projects. Cap rates again have been compressing in both office and retail markets.

Atlanta, and Midtown in particular, will remain an attractive market in the near term as long as job growth and economic opportunities continue. The three beats of the Midtown Beat leverage the assets that have made Atlanta's recent success possible, including innovative anchor institutions and corporations, locational advantages, and cultural amenities for a high quality of life.

Source: Collier's and CBRE





**LEGEND**

**INNOVATION BEAT**

- 1. New Tech Streetscape Connecting to Tech Square
- 2. Proposed Georgia Tech High Performance Computing Center
- 3. Tech Grove - Tech Offices & STEM Student Housing
- 4. Innovation Hub - Start Up Soft Landing Space & Hotel
- 5. Maker Square - Community Hacker Space

**CULTURE BEAT**

- 1. Culture Lab Plaza
- 2. Culture Lab - Incubator for Local Food & Music Talent
- 3. The Porch - Weaving the Beats Together through Public Space
- 4. Maker Square - Cristo Rey High School Work Study
- 5. Innovation Hub Gallery
- 6. The Block at the Varsity - Local Dining Experience
- 7. All Saints Plaza
- 8. Negril Village Outdoor Dining
- 9. Boutique Retail

**HEALTH BEAT**

- 1. Health Plaza
- 2. Gym
- 3. Specialty Health Retail
- 4. The Block at the Varsity - Local Foods
- 5. Exercise Circuit
- 6. Yoga Studio
- 7. Dance Studio
- 8. Future Emory Healthcare Research Expansion

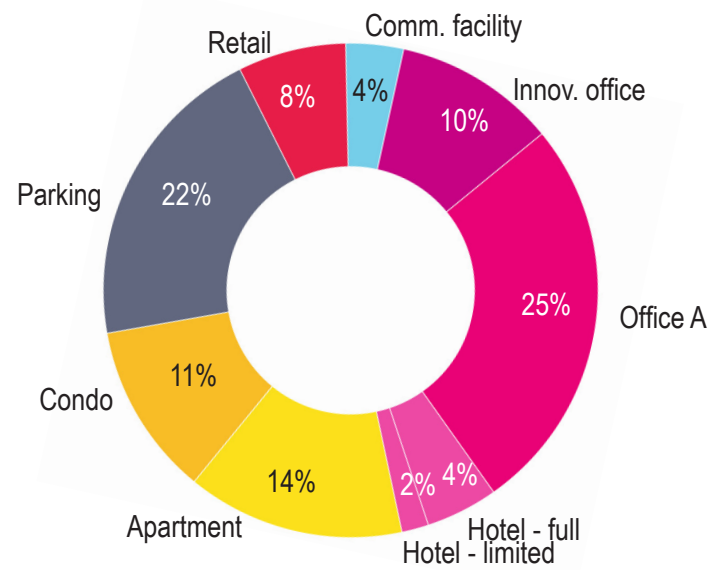


**UNLEVERAGED IRR: 11.4%**  
**LEVERAGED: 22.6%**

IRR TO DEVELOPER: 21.7%  
 IRR TO INVESTOR: 28.9%

**TOTAL PROGRAM**

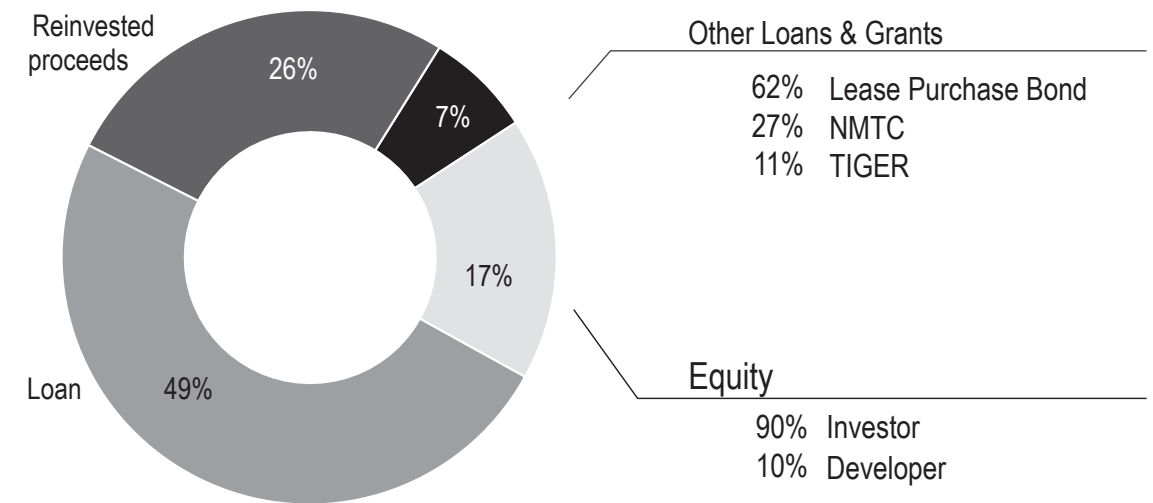
4,612,590 SF



sf	Category
474,115	Innovation Office
1,161,704	Office A
210,378	Hotel - Full
78,205	Hotel - Limited
633,208	Apartment
503,689	Condominium
1,029,723	Parking
353,982	Retail
167,586	Community Facility & Aff. Retail

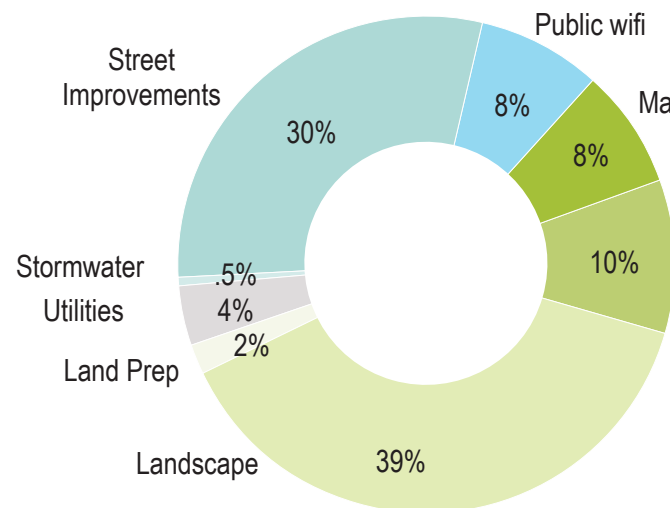
**SOURCES**

\$1,317,538,526



**PUBLIC REALM**

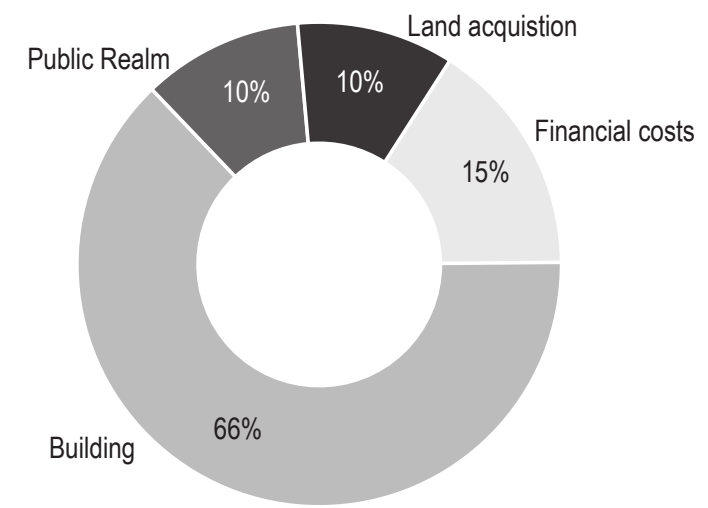
\$126,256,228



\$1,804,485	Maintenance	\$429,227	Stormwater management
\$5,474,050	Utilities	\$9,676,923	Public wifi
\$37,693,412	Street improvements	\$10,000,000	Maintenance & ops
\$9,676,923	Public wifi	\$12,324,100	Bridges
\$10,000,000	Maintenance & ops	\$48,854,032	Landscape
\$12,324,100	Bridges		
\$48,854,032	Landscape		

**USES**

\$1,317,538,526



\$866,622,266	Building
\$126,256,228	Public realm
\$129,564,653	Land acqu. & leases
\$195,095,379	Financial costs

# ASSUMPTIONS

Financing Variables		
Construction Loan to Development Cost Ratio	80%	
Construction Loan Interest Rate	4.60%	
Construction Average Balance	65%	
Long Term Loan Rate	4.1%	
Long term Loan term (Years)	30	
Tiger Discretionary Grant value	10,000,000	
Lease Purchase Bonds Adjustment Ratio	40%	

Land Acquisition		
Marta Ground Lease return rate	5%	
Bank Of America Ground Lease return rate	10%	

Land value escalation	5%	
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Reversion value		
Sales Expenses	5%	

Partnership structure		
Investor Equity	\$196,868,402	90%
Developer Equity	\$21,874,267	10%
Total Equity Invested	218,742,669	100%

Tier:	Distribution	Max Rate
<b>Tier 1</b>		
Cumulative Preferred Return (Pari Passu)		10%
<b>Tier 2</b>		
Investor	85%	15%
Developer	15%	
<b>Tier 3</b>		
Investor	80%	20%
Developer	20%	
<b>Tier 4 (Anything Above Tier 3)</b>		
Investor	75%	
Developer	25%	

Property Taxes		
Assessed Value (% of Fair Market Value)	40%	
Property Taxes (Mills per \$1000)	(0.0584)	

\* Property Taxes include 5 mils for the Midtown Improvement District

VARIABLES PER TYPE OF USE	Apartments	Condominiums	Hotel - Full Service	Hotel - Lim. Service	Office- Class A	Office- Innovation	Retail	Retail - Comm. Fac/Aff.	Parking
<b>General Areas</b>									
Phase 1 Area % of TBA	59%	0%	100%	100%	6%	57%	25%	23%	61%
Phase 2 Area % of TBA	0%	59%	0%	0%	46%	36%	41%	77%	12%
Phase 3 Area % of TBA	41%	41%	0%	0%	48%	8%	34%	0%	27%
Phase 4 Area % of TBA	0%	0%	0%	0%	0%	0%	0%	0%	0%
TBA (Sqft)	633,208	503,689	210,378	78,205	1,161,704	474,115	353,982	167,586	1,029,723
Efficiency (% of TBA)	80%	80%	70%	80%	80%	90%	90%	90%	
Net Area (Sqft)	506,566	402,951	147,265	62,564	929,363	426,704	318,584	150,827	907,024
Average Unit Size (Sqft)	997	997	350	350	N/A	N/A	N/A	N/A	350
Number of Units or Rooms	508	404	421	179	N/A	N/A	N/A	N/A	2,591
<b>Operating Phase</b>									
<b>Income Variables</b>									
Years to Absorb or Sale Inventory per Phase	2	1	1	1	1	1	1	1	
Rent / Price / ADR per Sqft	24	335	205	160	30	32	24	14	15.00
Affordable: Average AMI (50%)	28749	23900	N/A	N/A	N/A	N/A	N/A	N/A	
Affordable: Average Rent per Unit (30%)	8625	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Affordable: Rent / Sale price per Sqft	9	139	N/A	N/A	N/A	N/A	N/A	N/A	
Affordable Units (%)	20%	20%	N/A	N/A	N/A	N/A	N/A	N/A	
Other income in % of GPI	0%	N/A	41%	1%	0%	0%	0%	0%	
Vacancy	5%	N/A	23%	30%	13%	9%	10%	10%	60%
Escalation	6%	6%	5%	5%	6%	6%	8%	3%	4%
<b>Expenses Variables</b>									
OPEX - Not including Prop. Taxes (\$/TBA Sqft)	(3.65)	N/A	N/A	N/A	(6.69)	(6.69)	(2.00)	(2.00)	(571.96)
Departmental Expenses (% Of Total Revenue)	N/A	N/A	37%	29%	N/A	N/A	N/A	N/A	
Undistributed Expenses (% Of Total Revenue)	N/A	N/A	26%	31%	N/A	N/A	N/A	N/A	
Management Fees and Insurance	N/A	N/A	6%	6%	N/A	N/A	N/A	N/A	
NOI / Total Revenue (%)	N/A	N/A	32%	35%	N/A	N/A	N/A	N/A	
Escalation	3%	3%	3%	3%	3%	3%	3%	3%	
<b>Cap Rates</b>									
Going In Cap Rate	5.0%		7.0%	7.0%	5.5%	6.0%	7.2%	7.2%	7.2%
Terminal Cap Rate	4.7%		6.5%	6.5%	5.0%	5.5%	6.7%	6.7%	6.7%
<b>Development Phase</b>									
Construction Duration (Years)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Year 0 Base Hard Costs / Sqft	(194)	(194)	(158)	(158)	(148)	(148)	(109)	(109)	(61.94)
LEED Premium	3%	3%	3%	3%	3%	3%	3%	3%	3%
Hard Costs / Sqft with premium	(200)	(200)	(163)	(163)	(153)	(153)	(112)	(112)	(63.79)
Contingencies	3%	3%	3%	3%	3%	3%	3%	3%	3%
Hard Costs Escalation	3%	3%	3%	3%	3%	3%	3%	3%	3%
Soft Costs (% of Hard Costs)	20%	20%	20%	20%	20%	20%	20%	20%	20%
Months to reach operations Vacancy Rate	18.0	12.5	12.0	12.0	18.0	18.0	6.0	6.0	

# SENSITIVITY ANALYSIS

Shared Assumptions for sensitivity analysis	
Contingencies Growth (All Uses)	0%
Cap Rate Change (All Uses)	0%
Rent escalation change (all Uses)	0%
Vacancy Change	0%

4/5/16

## Construction Interest Rate and Contingencies to levered IRR

		Contingencies Change							
		-9.0%	-6.0%	-3.0%	0.0%	3.0%	6.0%	9.0%	12.0%
Construction Interest Rate	3.0%	27.46%	25.97%	24.46%	22.92%	21.34%	19.73%	18.08%	16.37%
	4.0%	27.31%	25.81%	24.28%	22.72%	21.13%	19.50%	17.82%	16.09%
	5.0%	27.16%	25.64%	24.10%	22.52%	20.91%	19.26%	17.56%	15.81%
	6.0%	27.00%	25.47%	23.91%	22.32%	20.69%	19.02%	17.30%	15.52%
	7.0%	26.84%	25.30%	23.72%	22.12%	20.47%	18.78%	17.03%	15.23%
	8.0%	26.68%	25.12%	23.53%	21.91%	20.24%	18.53%	16.76%	14.93%
	9.0%	26.52%	24.95%	23.34%	21.70%	20.01%	18.28%	16.48%	14.62%
10.0%	26.35%	24.77%	23.15%	21.49%	19.78%	18.02%	16.20%	14.31%	

## Construction Interest Rate and Contingencies to levered IRR

		Cap Rate Change							
		-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%	4.0%
Rent Escalation	-3.0%	35.97%	25.88%	22.27%	19.46%	16.91%	14.50%	12.15%	9.80%
	-2.0%	36.51%	26.69%	23.19%	20.47%	18.02%	15.71%	13.48%	11.28%
	-1.0%	37.09%	27.55%	24.15%	21.52%	19.16%	16.95%	14.84%	12.77%
	0.0%	37.70%	28.45%	25.15%	22.60%	20.33%	18.22%	16.21%	14.26%
	1.0%	38.35%	29.39%	26.19%	23.72%	21.53%	19.50%	17.59%	15.76%
	2.0%	39.04%	30.37%	27.26%	24.87%	22.75%	20.81%	18.99%	17.25%
	3.0%	39.76%	31.38%	28.37%	26.05%	24.00%	22.14%	20.40%	18.75%
4.0%	40.53%	32.44%	29.51%	27.26%	25.28%	23.48%	21.82%	20.25%	

## Construction Interest Rate and Contingencies to levered IRR

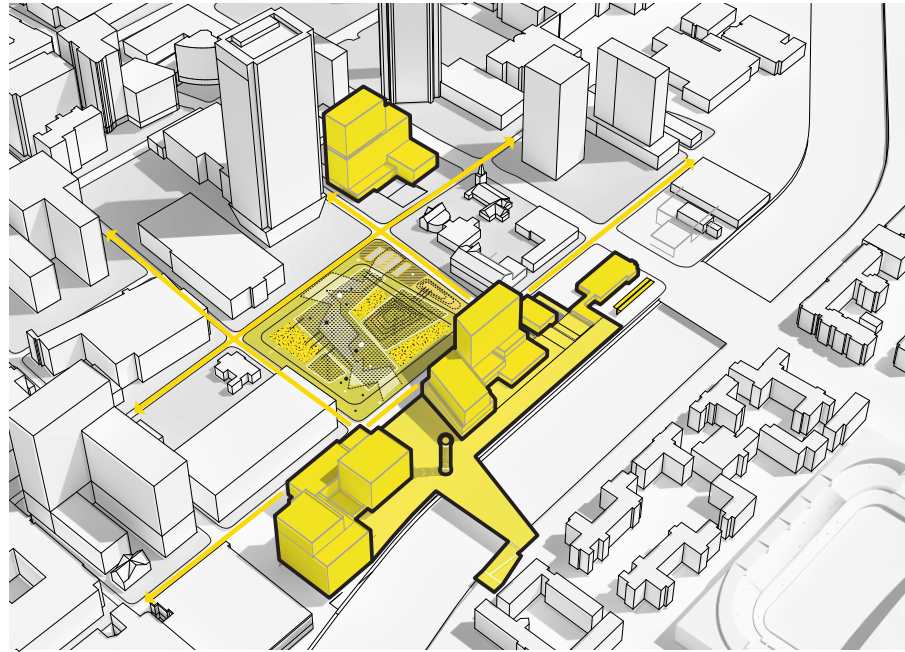
		Vacancy Change							
		0.0%	2.0%	4.0%	6.0%	8.0%	10.0%	12.0%	14.0%
		22.60%	22.29%	21.98%	21.67%	21.35%	21.03%	20.71%	20.38%





2018-2019

**PHASE 1 - "CONNECT THE BEATS"**



PROGRAM	sf	units
Innovation Office	268,687	
Office A	66,618	
Hotel	288,583	600 rooms
Apartment	375,680	301 units
Condominium	0	
Parking	629,895	1,799 spaces
Retail	89,459	
Affordable Retail	39,033	

TOTAL BUILDOUT 1,757,954 sf  
 TOTAL DEVELOPMENT COST \$381,815,795  
 Does not include financial costs

2020-2021

**PHASE 2 - "BOOST THE BEATS"**

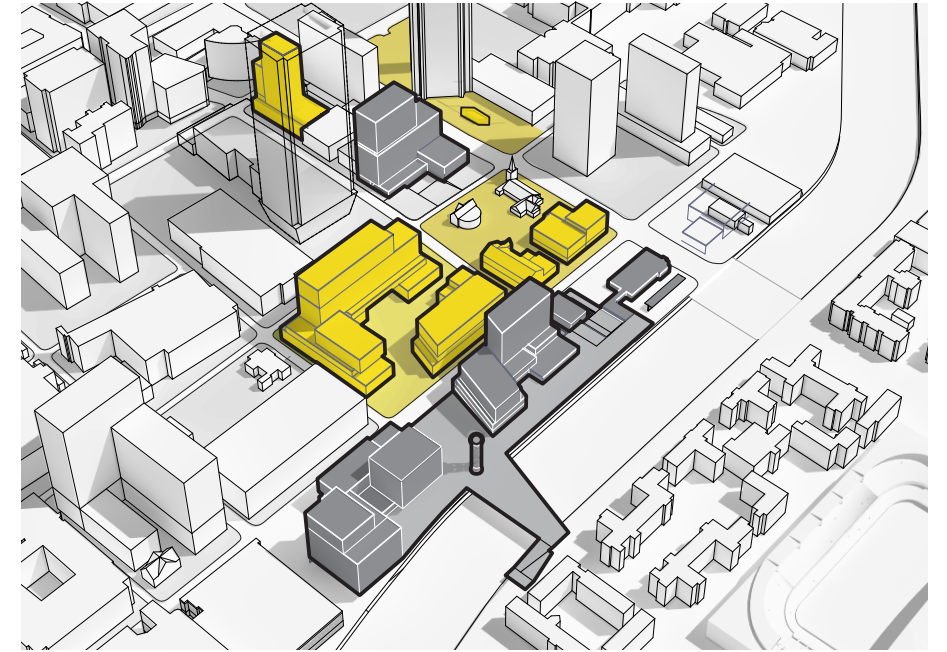


PROGRAM	sf	units
Innovation Office	169,306	
Office A	532,246	
Hotel	0	
Apartment	0	
Condominium	295,620	237 units
Parking	123,208	352 spaces
Retail	145,723	
Community Facility	128,554	

TOTAL BUILDOUT 1,394,656 sf  
 TOTAL DEVELOPMENT COST \$328,037,468  
 Does not include financial costs

2022-2023

**PHASE 3 - "SUSTAIN THE BEATS"**



PROGRAM	sf	units
Innovation Office	36,122	
Office A	562,840	
Hotel	0	
Apartment	257,528	207 units
Condominium	208,068	167 units
Parking	276,620	790 spaces
Retail	118,800	
Community Facility	0	

TOTAL BUILDOUT 1,459,978 sf  
 TOTAL DEVELOPMENT COST \$351,222,824  
 Does not include financial costs

**DEVELOPMENT BUDGET SUMMARY**

**TOTAL DEVELOPMENT COST**

**\$1,122,443,147**

Building Budget										
Item	Apartments	Condominiums	Hotel - Full	Hotel - Lim	Office-Class A	Office-Innovation	Retail	Retail - Comm. Fac/Aff.	Structure Parking	Totals
TBA	633,208	503,689	210,378	78,205	1,161,704	474,115	353,982	167,586	1,029,723	4,612,590
Year 0 Base Hard Costs / Sqft	(194)	(194)	(158)	(158)	(148)	(148)	(109)	(109)	(62)	
LEED Premium	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Hard Costs / Sqft with premium	(200)	(200)	(163)	(163)	(153)	(153)	(112)	(112)	(64)	
Hard Costs	(126,500,910)	(100,625,887)	(34,259,438)	(12,735,454)	(177,461,535)	(72,425,657)	(39,746,364)	(18,817,155)	(65,689,984)	(648,262,383)
Contingencies % of Hard Costs	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Contingencies	(3,795,027)	(3,018,777)	(1,027,783)	(382,064)	(5,323,846)	(2,172,770)	(1,192,391)	(564,515)	(1,970,700)	(19,447,872)
Hard Costs Escalation	(12,169,901)	(13,620,882)	(1,422,075)	(528,636)	(24,234,667)	(5,436,092)	(4,511,470)	(1,722,998)	(5,612,812)	(69,259,534)
<b>Total hard Costs</b>	<b>(142,465,838)</b>	<b>(117,265,546)</b>	<b>(36,709,296)</b>	<b>(13,646,154)</b>	<b>(207,020,048)</b>	<b>(80,034,519)</b>	<b>(45,450,225)</b>	<b>(21,104,667)</b>	<b>(73,273,496)</b>	<b>(736,969,789)</b>
Soft Costs % of Hard Costs	20%	20%	20%	20%	20%	20%	20%	20%	20%	
Total Soft Costs	(25,300,182)	(20,125,177)	(6,851,888)	(2,547,091)	(35,492,307)	(14,485,131)	(7,949,273)	(3,763,431)	(13,137,997)	(129,652,477)
<b>Sub Total Building Costs</b>	<b>(167,766,020)</b>	<b>(137,390,723)</b>	<b>(43,561,184)</b>	<b>(16,193,244)</b>	<b>(242,512,355)</b>	<b>(94,519,651)</b>	<b>(53,399,498)</b>	<b>(24,868,098)</b>	<b>(86,411,492)</b>	<b>(866,622,266)</b>

Public Realm				
Block or Item	Net SF	Adjusted SF	Cost / Sqft	Total Cost
<b>Public Realm</b>				
Landscape: Block A Culture Lab	94,925	44,238	(75)	(3,317,856)
Landscape: Block B Innovation Hub	128,550	76,068	(75)	(5,705,078)
Landscape: Block C Maker Square	211,661	133,010	(75)	(9,975,743)
Landscape: Block C Temporary Park	211,661	211,661	(20)	(4,233,218)
Landscape: Block D The Block at the Varsity	83,758	58,963	(75)	(4,422,188)
Landscape: Block E North and Peach	218,891	108,086	(75)	(8,106,465)
Landscape: Block F	106,000	0	(75)	0
Landscape: Block G Tech Grove	151,123	97,890	(75)	(7,341,728)
Landscape: Block H All Saints Plaza	16,138	16,138	(75)	(1,210,365)
Landscape: Block I The Shoppes at North Ave	60,552	60,552	(75)	(4,541,393)
<b>Sub Total Landscape</b>	<b>1,283,258</b>	<b>806,605</b>	<b>(61)</b>	<b>(48,854,032)</b>
Utilities	10,948	10,948	(500)	(5,474,050)
Storm Water management	7,978	7,978	(54)	(429,227)
Land Prep and Demolition	1,202,990	1,202,990	(2)	(1,804,485)
Public WiFi and Charging Stations	4,000,000	3,077	(3,145)	(9,676,923)
<b>Sub Total Public Realm</b>				<b>(66,238,717)</b>
<b>Infrastructure</b>				
Street Improvements	443,452	443,452	(85)	(37,693,412)
Bridge Construction	31,621	31,621	(200)	(6,324,100)
Bridge Widening	40,000	40,000	(150)	(6,000,000)
<b>Sub Total Infrastructure</b>				<b>(50,017,512)</b>
<b>Others</b>				
Maintenance and Operations			(1,000,000)	(10,000,000)
<b>Total Public Realm Costs</b>				<b>(126,256,228)</b>

Total Development Costs	
Total Building Costs	(866,622,266)
Total Public Realm Costs	(126,256,228)
Total Land Cost	(129,564,653)
<b>Total Development Costs</b>	<b>(1,122,443,147)</b>

	factors	Totals	Year 0 2016-2017	Phase I 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations			2027
										2024	2025	2026	
<b>Building Costs Cash Flow</b>													
Apartments													
Market Rate: Hard Costs	80%	(113,972,671)	0	(42,465,722)	(21,869,847)	0	0	(32,763,764)	(16,873,338)	0	0	0	0
Market Rate: Soft Costs		(20,240,146)	0	(8,005,603)	(4,002,802)	0	0	(5,487,827)	(2,743,914)	0	0	0	0
Affordable: Hard Costs	20%	(28,493,168)	0	(10,616,430)	(5,467,462)	0	0	(8,190,941)	(4,218,335)	0	0	0	0
Affordable: Soft Costs		(5,060,036)	0	(2,001,401)	(1,000,700)	0	0	(1,371,957)	(685,978)	0	0	0	0
Condos													
Market Rate: Hard Costs	80%	(117,265,546)	0	0	0	(44,313,859)	(22,821,637)	(33,089,142)	(17,040,908)	0	0	0	0
Market Rate: Soft Costs		(20,125,177)	0	0	0	(7,874,458)	(3,937,229)	(5,542,327)	(2,771,164)	0	0	0	0
Affordable: Hard Costs	20%	(23,453,109)	0	0	0	(8,862,772)	(4,564,327)	(6,617,828)	(3,408,182)	0	0	0	0
Affordable: Soft Costs		(4,025,035)	0	0	0	(1,574,892)	(787,446)	(1,108,465)	(554,233)	0	0	0	0
Hotel (Full Service)													
Hard Costs		(36,709,296)	0	(24,230,558)	(12,478,738)	0	0	0	0	0	0	0	0
Soft Costs		(6,851,888)	0	(4,567,925)	(2,283,963)	0	0	0	0	0	0	0	0
Hotel (Limited Service)													
Hard Costs		(13,646,154)	0	(9,007,362)	(4,638,791)	0	0	0	0	0	0	0	0
Soft Costs		(2,547,091)	0	(1,698,061)	(849,030)	0	0	0	0	0	0	0	0
Office (Class A)													
Hard Costs		(207,020,048)	0	(7,197,531)	(3,706,728)	(61,006,877)	(31,418,542)	(68,442,489)	(35,247,882)	0	0	0	0
Soft Costs		(35,492,307)	0	(1,356,873)	(678,436)	(10,840,764)	(5,420,382)	(11,463,901)	(5,731,951)	0	0	0	0
Office (Innovation)													
Hard Costs		(80,034,519)	0	(29,029,436)	(14,950,159)	(19,406,121)	(9,994,152)	(4,392,509)	(2,262,142)	0	0	0	0
Soft Costs		(14,485,131)	0	(5,472,605)	(2,736,303)	(3,448,417)	(1,724,209)	(735,731)	(367,866)	0	0	0	0
Retail (Market)													
Hard Costs		(45,450,225)	0	(7,104,335)	(3,658,733)	(12,277,274)	(6,322,796)	(10,618,539)	(5,468,547)	0	0	0	0
Soft Costs		(7,949,273)	0	(1,339,303)	(669,652)	(2,181,640)	(1,090,820)	(1,778,572)	(889,286)	0	0	0	0
Retail (Affordable)													
Hard Costs		(21,104,667)	0	(3,099,765)	(1,596,379)	(10,830,708)	(5,577,815)	0	0	0	0	0	0
Soft Costs		(3,763,431)	0	(584,365)	(292,183)	(1,924,589)	(962,294)	0	0	0	0	0	0
<b>Total Building Costs</b>		<b>(807,688,918)</b>	<b>0</b>	<b>(157,777,275)</b>	<b>(80,879,905)</b>	<b>(184,542,372)</b>	<b>(94,621,650)</b>	<b>(191,603,992)</b>	<b>(98,263,724)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public Realm Cash Flow</b>													
Yearly % Developed			0	50%	40%	0%	0%	5%	5%				
Infrastructure		(50,017,512)	0	(25,008,756)	(20,007,005)	0	0	(2,500,876)	(2,500,876)	0	0	0	0
Yearly % Developed			0	20%	20%	20%	20%	10%	10%				
Public Realm		(66,238,717)	0	(13,247,743)	(13,247,743)	(13,247,743)	(13,247,743)	(6,623,872)	(6,623,872)	0	0	0	0
Bridge Widening	0	0	0	0%	0%	25%	25%	25%	25%				
Others		(10,000,000)	0	0	0	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	0	0	0	0
<b>Total Public Realm Costs</b>		<b>(126,256,228)</b>	<b>0</b>	<b>(38,256,499)</b>	<b>(33,254,748)</b>	<b>(15,747,743)</b>	<b>(15,747,743)</b>	<b>(11,624,747)</b>	<b>(11,624,747)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Development Costs Cash Flow</b>		<b>(933,945,146)</b>	<b>0</b>	<b>(196,033,775)</b>	<b>(114,134,653)</b>	<b>(200,290,115)</b>	<b>(110,369,393)</b>	<b>(203,228,739)</b>	<b>(109,888,471)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cumulative Building Costs			0	(157,777,275)	(238,657,180)	(423,199,552)	(517,821,202)	(709,425,194)	(807,688,918)	(807,688,918)	(807,688,918)	(807,688,918)	(807,688,918)

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TRADITIONAL LOAN STRUCTURE

		2016-2017	Phase I 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Phase 4 2024	2025	2026	2027
<b>1. Construction Loan</b>												
Beginning of year Balance			0	129,995,853	0	152,048,151	0	157,866,361	0	0	0	0
Loan Proceeds (% of Total Building Cost)	80%	646,151,134	0	126,221,820	64,703,924	147,633,897	75,697,320	153,283,193	78,610,979	0	0	0
Loan Average Balance	65%											
Interests carried forward	4.6%	39,555,796	0	3,774,032	7,914,457	4,414,254	9,257,565	4,583,167	9,612,321	0	0	0
Construction Loan Payment		(685,706,930)	0	(202,614,233)	(237,003,036)	(237,003,036)	(246,089,661)	(246,089,661)	(246,089,661)	0	0	0
End of Year Balance			0	129,995,853	0	152,048,151	0	157,866,361	0	0	0	0
<b>2. Long Term Loans</b>												
<b>Phase 1</b>												
Debt Service	4%	0	0	0	(11,748,344)	(11,748,344)	(11,748,344)	(11,748,344)	(11,748,344)	(11,748,344)	(11,748,344)	(11,748,344)
BOY Balance		0	0	0	202,614,233	199,107,665	195,454,596	191,648,903	187,684,211	183,553,878	179,250,982	174,768,313
EOY Balance		0	0	(202,614,233)	(199,107,665)	(195,454,596)	(191,648,903)	(187,684,211)	(183,553,878)	(179,250,982)	(174,768,313)	(170,098,363)
Amortization		0	0	0	3,506,568	3,653,070	3,805,692	3,964,692	4,130,334	4,302,896	4,482,668	4,669,951
Interest		0	0	0	8,241,776	8,095,274	7,942,652	7,783,652	7,618,010	7,445,448	7,265,676	7,078,393
<b>Phase 2</b>												
Debt Service	4%	0	0	0	0	0	(13,742,338)	(13,742,338)	(13,742,338)	(13,742,338)	(13,742,338)	(13,742,338)
BOY Balance		0	0	0	0	0	237,003,036	232,901,314	228,628,225	224,176,610	219,539,009	214,707,652
EOY Balance		0	0	0	0	(237,003,036)	(232,901,314)	(228,628,225)	(224,176,610)	(219,539,009)	(214,707,652)	(209,674,445)
Amortization		0	0	0	0	0	4,101,722	4,273,089	4,451,616	4,637,601	4,831,357	5,033,207
Interest		0	0	0	0	0	9,640,616	9,469,249	9,290,722	9,104,737	8,910,981	8,709,130
<b>Phase 3</b>												
Debt Service	4%	0	0	0	0	0	0	0	(14,269,215)	(14,269,215)	(14,269,215)	(14,269,215)
BOY Balance		0	0	0	0	0	0	0	246,089,661	241,830,680	237,393,763	232,771,473
EOY Balance		0	0	0	0	0	0	(246,089,661)	(241,830,680)	(237,393,763)	(232,771,473)	(227,956,068)
Amortization		0	0	0	0	0	0	0	4,258,981	4,436,918	4,622,289	4,815,405
Interest		0	0	0	0	0	0	0	10,010,234	9,832,297	9,646,926	9,453,810
<b>Phase 4</b>												
Debt Service	4%	0	0	0	0	0	0	0	0	0	0	0
BOY Balance		0	0	0	0	0	0	0	0	0	0	0
EOY Balance		0	0	0	0	0	0	0	0	0	0	0
Amortization		0	0	0	0	0	0	0	0	0	0	0
Interest		0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		0	0	0	(11,748,344)	(11,748,344)	(25,490,682)	(25,490,682)	(39,759,897)	(39,759,897)	(39,759,897)	(39,759,897)
Loan Balance		0	0	(202,614,233)	(199,107,665)	(432,457,631)	(424,550,217)	(662,402,098)	(649,561,168)	(636,183,753)	(622,247,439)	(607,728,875)
<b>Loan Summary</b>												
Construction Loan Proceeds		0	126,221,820	64,703,924	147,633,897	75,697,320	153,283,193	78,610,979	0	0	0	0
Debt Service		0	0	0	(11,748,344)	(11,748,344)	(25,490,682)	(25,490,682)	(39,759,897)	(39,759,897)	(39,759,897)	(39,759,897)
Total Mortgage Payoff (End of Year 10)		0	0	0	0	0	0	0	0	0	0	(607,728,875)
Loans net cash flow		0	126,221,820	64,703,924	135,885,553	63,948,976	127,792,512	53,120,297	(39,759,897)	(39,759,897)	(39,759,897)	(647,488,772)
<b>3. Loan To Value Balance</b>												
Loan Balance (End of Phase)		0	0	(202,614,233)	(199,107,665)	(432,457,631)	(424,550,217)	(662,402,098)	(649,561,168)	(636,183,753)	(622,247,439)	(607,728,875)
<b>Assets Value</b>												
Apartments	4.7%	0	0	40,453,446	98,675,174	77,062,959	95,563,777	131,333,263	188,829,486	175,736,097	198,630,473	204,583,028
Condominiums	0.0%	0	0	0	0	41,515,279	43,900,981	32,676,761	34,558,804	0	0	0
Hotel (Full Service)	6.5%	0	0	91,081,570	158,896,704	144,485,868	160,149,023	165,547,325	175,208,764	183,941,131	193,642,116	203,662,605
Hotel (Limited)	6.5%	0	0	21,971,586	38,330,616	34,854,293	38,632,712	39,934,944	42,265,570	44,372,077	46,712,244	49,129,484
Office (Class A)	5.0%	0	0	5,912,290	20,078,748	72,933,596	202,122,378	232,719,584	417,383,107	368,396,235	430,999,731	444,019,266
Office (Innovation)	5.5%	0	0	37,255,814	100,949,027	109,717,281	170,928,668	166,792,842	197,920,347	202,951,610	220,227,645	233,532,648
Retail	6.7%	0	27,442,571	20,209,954	77,887,867	64,964,538	127,712,768	118,491,643	135,399,156	144,310,034	157,214,092	170,027,258
Retail (Affordable)	6.7%	0	0	5,972,909	4,069,245	25,787,242	19,030,007	22,227,039	21,978,075	22,956,763	23,534,105	24,278,962
Total Asset Value		0	27,442,571	222,857,570	498,887,380	571,321,055	858,040,314	909,723,401	1,213,543,309	1,142,663,948	1,270,960,407	1,329,233,251
Total cumulative Building Costs		0	(157,777,275)	(238,657,180)	(423,199,552)	(517,821,202)	(709,425,194)	(807,688,918)	(807,688,918)	(807,688,918)	(807,688,918)	(807,688,918)
L/V Ratio Per Phase				39.9%		49.5%		53.5%		49.0%		
L/C Ratio per Phase				84.9%		83.5%		82.0%		78.8%		



OTHER LOANS, GRANTS, AND INVESTMENTS

**PUBLIC SOURCES:  
New Markets Tax Credits  
TIGER Grant  
Lease Purchase Bonds**

	2016-2017	Phase 1 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations 2024	2025	2026	2027
Unleveraged Cash Flow	0	(249,915,414)	(117,380,508)	(192,838,224)	(31,319,914)	(145,892,001)	(27,050,400)	76,375,160	65,742,734	72,384,288	1,435,737,915
Cash Flow After Traditional Finance	0	(123,693,594)	(52,676,584)	(56,952,670)	32,629,062	(18,099,490)	26,069,897	36,615,264	25,982,838	32,624,392	788,249,143

**1. New Market Tax Credits (NMTC)**

Total Development Costs with benefit to NMTC	(475,054,030)	* Does not include Apartments and Condos.	
Total Development Costs	(1,408,999,176)		
Ratio	33.7%		
Total Net NMTC Loans	24,543,932		
Quote per \$ 1	0.80		
CDE FEE	0.05		

Year	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
QEI With Ratio	39%	0	(16,264,626)	(6,926,510)	(7,488,778)	0	(2,379,925)	0	0	0	0

**Phase 1**

Year		0	1	2	3	4	5	7	
Interest Rate			5.0%	5.0%	5.0%	6.0%	6.0%	6.0%	
NMTC Proceeds (80% of QEI)	80.0%		18,552,909	0	0	0	0	0	
Less CDE FEE	5.0%		(927,645)	0	0	0	0	0	
Interests				(927,645)	(927,645)	(927,645)	(1,113,175)	(1,113,175)	
Loan Payoff								(18,552,909)	
Plus Forgiven Value	20.0%		0	0	0	0	0	3,710,582	
Phase 1 NMTC Cash Flow			17,625,263.56	(927,645.45)	(927,645.45)	(927,645.45)	(1,113,174.54)	(1,113,174.54)	(15,955,501.75)

**Phase 2**

Year			1	2	3	4	5	7	
Interest Rate				5.0%	5.0%	5.0%	6.0%	6.0%	
NMTC Proceeds (80% of QEI)	80.0%			5,991,023	0	0	0	0	
Less CDE FEE	5.0%			(299,551)	0	0	0	0	
Interests				0	(299,551)	(299,551)	(299,551)	(359,461)	
Loan Payoff								(5,991,023)	
Plus Forgiven Value	20.0%			0	0	0	0	1,198,205	
Phase 2 NMTC Cash Flow				5,691,471	(299,551)	(299,551)	(299,551)	(359,461)	(5,152,279)

<b>Total NMTC Cash Flow</b>	<b>0</b>	<b>0</b>	<b>17,625,264</b>	<b>(927,645)</b>	<b>4,763,826</b>	<b>(1,227,197)</b>	<b>(1,412,726)</b>	<b>(1,412,726)</b>	<b>(16,314,963)</b>	<b>(359,461)</b>	<b>(5,152,279)</b>
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**2. Tiger Discretionary**

Tiger Discretionary Grant Cash Flow	0	10,000,000	0	0	0	0	0	0	0	0	0
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**3. Lease Purchase Bonds**

Application Fee	2,500
Issuer Fee (@ Closing)	0
Total Development Hard Costs	(736,969,789)
Issuer Fee:	(921,212)
* Of this amount:	25,000 At 60 days of bond inducement
Annual Administrative Fee	50,000 5,000 for each year of tax abatement

Property Type	Year	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Property Tax Cash Flow	Total	0	0	1	2	3	4	5	6	7	8	9
Apartments - Market and Affordable	(28,290,713)	0	0	(945,154)	(2,305,447)	(1,800,499)	(2,232,752)	(3,068,470)	(4,411,812)	(4,105,898)	(4,640,802)	(4,779,878)
Hotel - Full Service	(34,499,635)	0	0	(2,128,030)	(3,712,463)	(3,375,768)	(3,741,722)	(3,867,848)	(4,093,578)	(4,297,601)	(4,524,254)	(4,758,373)
Hotel - Limited Service	(8,322,339)	0	0	(513,344)	(895,557)	(814,336)	(902,615)	(933,040)	(987,493)	(1,036,709)	(1,091,385)	(1,147,861)
Office - Class A	(51,273,815)	0	0	(138,135)	(469,120)	(1,704,021)	(4,722,387)	(5,437,260)	(9,751,739)	(8,607,210)	(10,069,878)	(10,374,066)
Office - Innovation	(33,650,606)	0	0	(870,445)	(2,358,573)	(2,563,435)	(3,993,577)	(3,896,948)	(4,624,211)	(4,741,761)	(5,145,399)	(5,456,257)
Retail - Market Rate	(20,411,553)	0	0	(641,168)	(472,185)	(1,819,772)	(1,517,831)	(2,983,881)	(2,768,439)	(3,163,466)	(3,371,660)	(3,673,150)
Retail - Affordable	(3,968,010)	0	0	(139,551)	(95,074)	(602,493)	(444,617)	(519,313)	(513,496)	(536,362)	(549,851)	(567,254)
Structured Parking	(7,096,543)	0	0	(239,423)	(168,614)	(749,297)	(588,584)	(1,064,530)	(962,793)	(1,065,073)	(1,098,882)	(1,159,346)
Totals	(187,513,213)	0	0	(5,615,250)	(10,477,032)	(13,429,620)	(18,144,086)	(21,771,290)	(28,113,560)	(27,554,080)	(30,492,110)	(31,916,185)
Adjusted Taxes for Abatement Purposes	40%	(75,005,285)	0	(2,246,100)	(4,190,813)	(5,371,848)	(7,257,634)	(8,708,516)	(11,245,424)	(11,021,632)	(12,196,844)	(12,766,474)
Issuing + Application Fee @ Closing	(921,212)	0	(921,212)	0	0	0	0	0	0	0	0	0
Annual Administrative Fee (For Housing)	(45,000)	0	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Percent of Ad Valorem Taxes Due		0%	0%	50%	55%	60%	65%	70%	75%	80%	85%	90%
<b>Tax Abatement</b>	<b>55,606,835</b>	<b>0</b>	<b>(921,212)</b>	<b>1,118,050</b>	<b>2,299,947</b>	<b>3,218,109</b>	<b>4,712,462</b>	<b>6,090,961</b>	<b>8,429,068</b>	<b>8,812,306</b>	<b>10,362,317</b>	<b>11,484,827</b>

**4. LIHTC**

Affordable Units Total Hard Costs	0.00	Applicable Rate	7.51%
Eligible Basis	0.00	Annual Credit	11,343
Basis Boost	100%	10 Year Tax Credit	713,450.00
Qualified Basis	0.00	Tax Credit Syndi	0.94
Georgia State LIHTC Cap	950,000.00	Total Equity	670,643.00

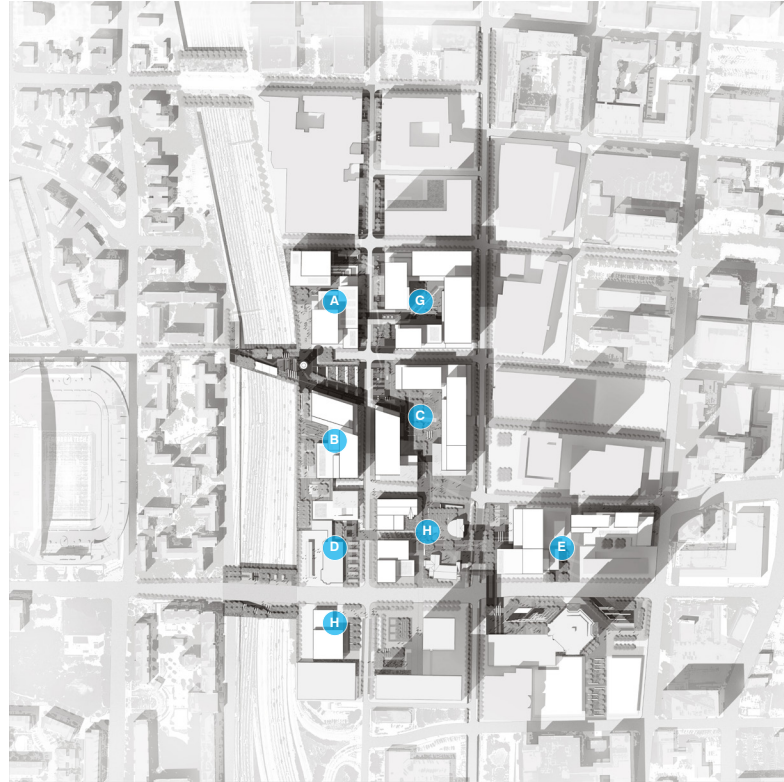
LIHTC Cash Flow	-	0	0	0	0	0	0	0	0	0	0	0
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Other Loans and Grants Cash Flow	55,606,834.86	0	9,078,788	18,743,314	1,372,302	7,981,935	3,485,266	4,678,236	7,016,342	(7,502,657)	10,002,856	6,332,547
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<b>Total Cash Flow after Other Loans and Grants</b>	<b>0</b>	<b>(114,614,806)</b>	<b>(33,933,271)</b>	<b>(55,580,369)</b>	<b>40,610,997</b>	<b>(14,614,224)</b>	<b>30,748,133</b>	<b>43,631,606</b>	<b>18,480,180</b>	<b>42,627,248</b>	<b>794,581,690</b>
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Note: Although LIHTC could be included in the capital stack, Georgia's cap is at \$950,000 for the 9% option and very limited for urban projects. We decided not to use these resources, and instead utilize NMTC and Lease Purchase Bonds.

# LAND ACQUISITION & LAND LEASE



1. Land for sale						
Block	Sqft	Hectares	Acres	Current \$/Sqft	Current Land Value	Notes
<b>A: Culture Lab</b> <i>Parcels numbers</i> 70, 75, 76, 80, 708, 714 724, 728, 734, 738	122,530	1.14	2.81	110	13,478,300	
<b>B: Innovation Hub</b> <i>Parcels numbers</i> 0, 0, 0, 64, 656, 664 670, 680, 684	155,066	1.44	3.56	110	17,057,260	
<b>C: Maker Square</b> <i>Parcels numbers</i> 0, 0, 0, 0, 0, 26, 652 656, 655, 660, 662, 671 677, 680, 683, 686, 687	192,894	1.79	4.43	110	21,218,340	
<b>D: The Block at the Varsity</b> <i>Parcels numbers</i> 636	39,440	0.37	0.91	110	4,338,400	The Varsity. Only Parcel 636 is Bought
<b>E: North and Peach</b> <i>Parcels numbers</i> 0, 0, 0, 0, 0, 0, 0, 30, 33 617, 620, 639	38,614 21,440	0.36 0.20	0.89 0.49	110 110	4,247,540 2,358,400	North East parcel of Marta Stations Block Parking Lot of Marta Stations Block.
<b>G: Tech Grove</b> <i>Parcels numbers</i> 18, 712, 721, 724, 740	157,600	1.46	3.62	110	17,336,000	Block North of Block C.
<b>H: All Saints Plaza</b>	39,400 28,944	0.37 0.27	0.90 0.66	110 110	4,334,000 3,183,840	Southwest Quarter parcels. Purchased up-front Northwest Quarter parcels. Only Retail space purchased EOY 10.
<b>I: The Shoppes at North Ave</b> <i>Parcels numbers</i> 610	55,785	0.52	1.28	110	6,136,350	
<b>Totals</b>	<b>851,713</b>	<b>7.91</b>	<b>19.55</b>	<b>110</b>	<b>93,688,430</b>	

2. Ground Leases							
Parcel	Sqft	Hectares	Acres	Current \$/Sqft	Current Land Value	Yearly Return	Year 1 Rent
MARTA - Air Rights	74,266	0.69	1.70	110	8,169,260	5.0%	408,463
<b>Total Ground leases</b>	<b>74,266</b>	<b>0.69</b>	<b>1.70</b>		<b>8,169,260</b>		<b>408,463</b>

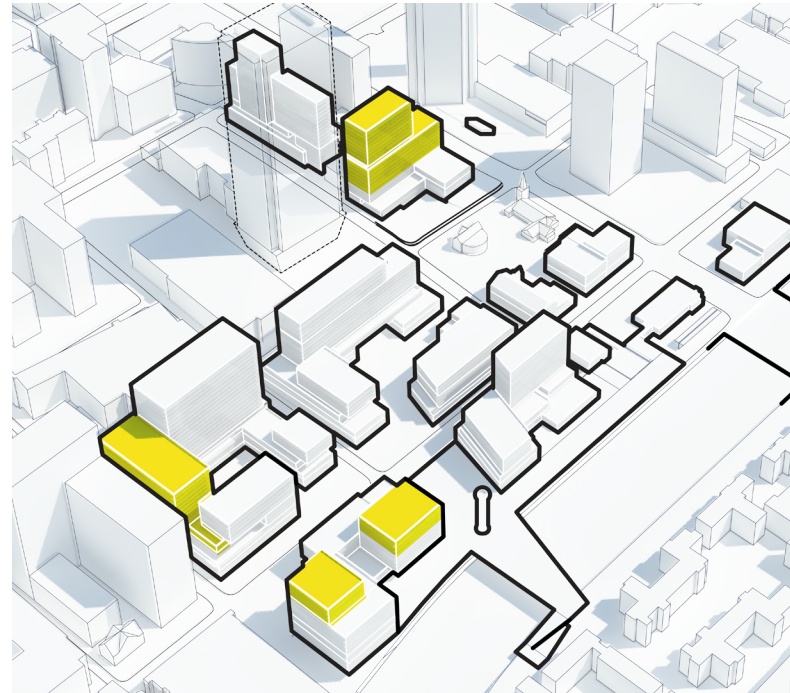
## Land Payments Cash Flow

Factors	Totals	Year 0	0	1	2	3	4	5	6	7	8	9	10
		2016-2017	Phase I 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations 2024	2025	2026	2027	
<b>Land Acquisition and Lease Schedule</b>													
Parcel H Retail Only purchase	(3,183,840)	0	0	0	0	0	0	0	0	0	0	0	(3,183,840)
Other Parcels Acquisition	(93,688,430)	0	(18,737,686)	0	(18,737,686)	0	(18,737,686)	0	(18,737,686)	0	(18,737,686)	0	(18,737,686)
Land Acquisition Escalation	5% (30,481,739)	0	(936,884)	0	(2,953,528)	0	(5,176,877)	0	(7,628,120)	0	0	0	(13,786,330)
MARTA Air Rights Ground Lease	(4,084,630)	0	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)	(408,463)
Escalation	5% (1,309,854)	0	(20,423)	(41,867)	(64,384)	(88,026)	(112,851)	(138,916)	(166,285)	(195,023)	(225,197)	(256,880)	(256,880)
<b>Total</b>	<b>(129,564,653)</b>	<b>0</b>	<b>(20,103,456)</b>	<b>(450,330)</b>	<b>(22,164,061)</b>	<b>(496,489)</b>	<b>(24,435,877)</b>	<b>(547,379)</b>	<b>(26,940,554)</b>	<b>(603,486)</b>	<b>(633,660)</b>	<b>(633,660)</b>	<b>(33,189,359)</b>
<b>Total Land Value</b>	<b>(129,564,653)</b>												

**IRR TO INVESTOR 21.7%**  
**IRR TO DEVELOPER 28.9%**

Waterfall Analysis											
Partner	Equity structure										
Investor	196,868,402	90%									
Developer	21,874,267	10%									
Total Equity Invested	218,742,669	100%									
Tier:	Distribution	Max Rate									
<b>Tier 1</b>											
Cumulative Preferred Return (Pari Passu)		10%									
<b>Tier 2</b>											
Investor	85%	15%									
Developer	15%										
<b>Tier 3</b>											
Investor	80%	20%									
Developer	20%										
<b>Tier 4 (Anything Above Tier 3)</b>											
Investor	75%										
Developer	25%										
Item	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Cash Available for Distribution ( USD)	0	-114,614,806	-33,933,271	-55,580,369	40,610,997	-14,614,224	30,748,133	43,631,606	18,480,180	42,627,248	794,581,690
<b>Tier 1</b>											
Cash Returned + Tier 1 of waterfall											
BOP Investors Balance		0	-114,614,806	-160,009,557	-231,590,882	-214,138,973	-250,167,094	-244,435,671	-225,247,632	-229,292,215	-209,594,188
Equity by Investor	90.0%	0	-103,153,325	-30,539,944	-50,022,332	0	-13,152,802	0	0	0	0
Equity by Developer	10.0%	0	-11,461,481	-3,393,327	-5,558,037	0	-1,461,422	0	0	0	0
Cumulative Preferred Return	10.0%		-114,614,806	-160,009,557	-231,590,882	-254,749,970	-275,183,804	-268,879,238	-247,772,395	-252,221,436	-230,553,607
Cash Distributed to Investor		0	0	0	36,549,897	0	27,673,320	39,268,446	16,632,162	38,364,523	207,498,246
Cash Distributed to Developer		0	0	0	4,061,100	0	3,074,813	4,363,161	1,848,018	4,262,725	23,055,361
End of Year Balance	0	-114,614,806	-160,009,557	-231,590,882	-214,138,973	-250,167,094	-244,435,671	-225,247,632	-229,292,215	-209,594,188	0
<b>Tier 2</b>											
Cash Available for Distribution		0	0	0	0	0	0	0	0	0	564,028,083
BOP Investors Balance		0	-103,153,325	-149,166,268	-221,563,540	-218,248,174	-264,138,201	-276,085,612	-278,230,008	-303,332,347	-310,467,676
Earnings	15.0%		0	-15,472,999	-22,374,940	-33,234,531	-32,737,226	-39,620,730	-41,412,842	-41,734,501	-45,499,852
Hurdle Required for Tier		-103,153,325	-149,166,268	-221,563,540	-254,798,071	-264,138,201	-303,758,931	-317,498,454	-319,964,509	-348,832,199	-357,037,827
Less Tier 1 Payments		0	0	0	36,549,897	0	27,673,320	39,268,446	16,632,162	38,364,523	207,498,246
Tier Hurdle Shortfall		0	-103,153,325	-149,166,268	-221,563,540	-218,248,174	-264,138,201	-276,085,612	-278,230,008	-303,332,347	-310,467,676
Profit share to Investor	85.0%	0	0	0	0	0	0	0	0	0	149,539,581
Profit Share to Developer	15.0%	0	0	0	0	0	0	0	0	0	24,923,264
Investors IRR Check	15.0%	0	-103,153,325	-30,539,944	-50,022,332	36,549,897	-13,152,802	27,673,320	39,268,446	16,632,162	38,364,523
<b>Tier 3</b>											
Cash Available for Distribution		0	0	0	0	0	0	0	0	0	389,565,239
BOP Investors Balance		0	-103,153,325	-154,323,934	-235,211,053	-245,703,366	-307,996,841	-341,922,890	-371,039,022	-428,614,664	-475,973,074
Earnings	20.0%		0	-20,630,665	-30,864,787	-47,042,211	-49,140,673	-61,599,368	-68,384,578	-74,207,804	-85,722,933
Hurdle Required for Tier		-103,153,325	-154,323,934	-235,211,053	-282,253,263	-307,996,841	-369,596,209	-410,307,467	-445,246,826	-514,337,597	-571,167,689
Less Tier 1 Payments		0	0	0	36,549,897	0	27,673,320	39,268,446	16,632,162	38,364,523	207,498,246
Less Tier 2 Payments		0	0	0	0	0	0	0	0	0	149,539,581
Tier Hurdle Shortfall		0	-103,153,325	-154,323,934	-235,211,053	-245,703,366	-307,996,841	-341,922,890	-371,039,022	-428,614,664	-475,973,074
Profit Share to Investor	80.0%	0	0	0	0	0	0	0	0	0	214,129,861
Profit Share to Developer	20.0%	0	0	0	0	0	0	0	0	0	53,532,465
Investors IRR Check	20.0%	0	-103,153,325	-30,539,944	-50,022,332	36,549,897	-13,152,802	27,673,320	39,268,446	16,632,162	38,364,523
<b>Tier 4</b>											
Cash Available for Distribution		0	0	0	0	0	0	0	0	0	121,902,912
Profit Share to Investor	75.0%	0	0	0	0	0	0	0	0	0	91,427,184
Profit Share to Developer	25.0%	0	0	0	0	0	0	0	0	0	30,475,728
<b>Overall Investors IRR</b>	<b>21.7%</b>	0	-103,153,325	-30,539,944	-50,022,332	36,549,897	-13,152,802	27,673,320	39,268,446	16,632,162	38,364,523
<b>Overall Developers IRR</b>	<b>28.9%</b>	0	-11,461,481	-3,393,327	-5,558,037	4,061,100	-1,461,422	3,074,813	4,363,161	1,848,018	4,262,725

**APARTMENTS**



**MARKET-RATE UNITS**  
**AFFORDABLE UNITS**  
**GROSS BUILDOUT**

**406**  
**102**  
**633,208 sf**

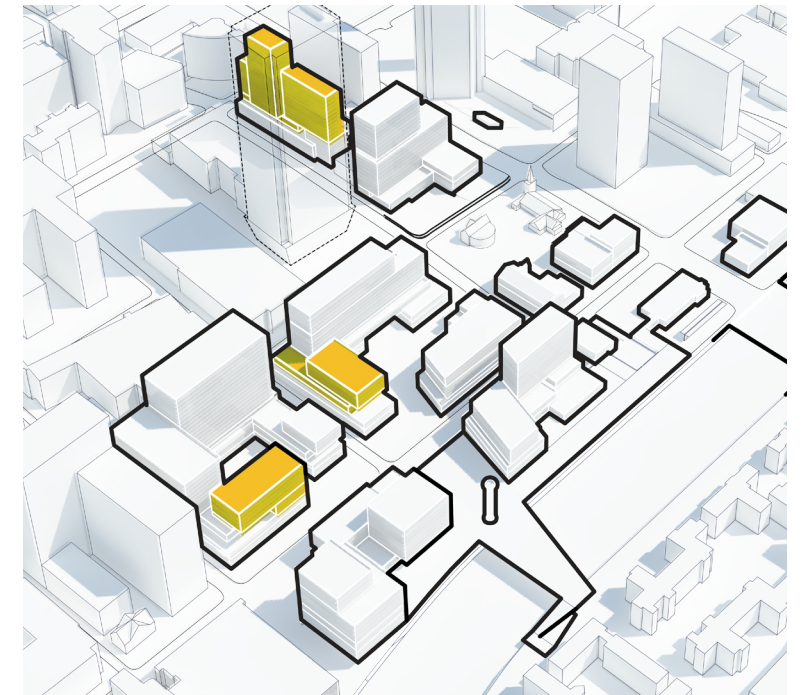
	Year	0	1	2	3	4	5	6	7	8	9	10	11
Factors	Totals	2016-2017	Phase 1 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations 2024		2025	2026	2027
<b>1. Revenue Assumptions</b>													
Yearly Deliveries	508	0		301		0		207		0			
Cumulative Deliveries	508	0	0	301	301	301	301	508	508	508	508	508	508
Yearly Absorption	508	0	0	151	151	0	0	103	103	0	0	0	-
Cumulative Absorption	508	0	0	151	301	301	301	405	508	508	508	508	508
Net Rentable Area	997	506,566	0	150,272	300,544	300,544	300,544	403,555	506,566	506,566	506,566	506,566	506,566
<b>2. Net Operating Income</b>													
Escalation	5.5%												
Market Rate Potential Income	24.24	97,764,899	0	3,243,438	6,843,654	7,220,055	7,617,158	10,790,469	14,289,802	15,075,741	15,904,906	16,779,676	17,702,559
Affordable Potential Income	8.65	8,718,632	0	289,248	610,314	643,881	679,295	962,289	1,274,358	1,344,448	1,418,393	1,496,404	1,578,707
Less Vacancy Rate	5.0%	(5,324,177)	0	(176,634)	(372,698)	(393,197)	(414,823)	(587,638)	(778,208)	(821,009)	(866,165)	(913,804)	(964,063)
Effective Gross Income		101,159,354	0	3,356,052	7,081,270	7,470,740	7,881,630	11,165,120	14,785,952	15,599,179	16,457,134	17,362,277	18,317,202
Escalation	3.0%												
Less Operating Expenses	(3.65)	(20,737,736)	0	(1,454,740)	(1,498,382)	(1,543,334)	(1,589,634)	(2,759,705)	(2,842,496)	(2,927,771)	(3,015,604)	(3,106,072)	(3,199,254)
Property Taxes	(0.06)	(23,510,835)	0	0	(945,154)	(2,305,447)	(1,800,499)	(2,232,752)	(3,068,470)	(4,411,812)	(4,105,898)	(4,640,802)	(4,779,878)
Net Operating Income (NOI)		56,910,782	0	1,901,312	4,637,733	3,621,959	4,491,498	6,172,663	8,874,986	8,259,597	9,335,632	9,615,402	10,338,070
<b>3. Development Costs</b>													
Percent Built by Year		100%	40%	20%	0%	0%	27%	14%	0%	0%			
Hard Costs		(126,500,910)	0	(50,035,019)	(25,017,510)	0	0	(34,298,921)	(17,149,460)	0	0	0	0
Contingencies	3.0%	(3,795,027)	0	(1,501,051)	(750,525)	0	0	(1,028,968)	(514,484)	0	0	0	0
Escalation	3.0%	(12,169,901)	0	(1,546,082)	(1,569,273)	0	0	(5,626,817)	(3,427,729)	0	0	0	0
Total Hard Costs		(142,465,838)	0	(53,082,152)	(27,337,308)	0	0	(40,954,705)	(21,091,673)	0	0	0	0
Soft Costs	20.0%	(25,300,182)	0	(10,007,004)	(5,003,502)	0	0	(6,859,784)	(3,429,892)	0	0	0	0
Total Development Costs		(167,766,020)	0	(63,089,156)	(32,340,810)	0	0	(47,814,489)	(24,521,565)	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		(110,855,238)	0	(63,089,156)	(30,439,498)	4,637,733	3,621,959	(43,322,991)	(18,348,902)	8,874,986	8,259,597	9,335,632	9,615,402
Terminal Cap Rate	4.7%												
Sale Price		219,958,934	0	0	0	0	0	0	0	0	0	0	219,958,934
Less Sales Expenses	5.0%	(10,997,947)	0	0	0	0	0	0	0	0	0	0	(10,997,947)
Unleveraged Cash Flow		98,105,749	0	(63,089,156)	(30,439,498)	4,637,733	3,621,959	(43,322,991)	(18,348,902)	8,874,986	8,259,597	9,335,632	218,576,389
Unleveraged IRR	7.5%												
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	4.7%												
Assessed Property Value	40.0%		0	0	16,181,378	39,470,069	30,825,184	38,225,511	52,533,305	75,531,794	70,294,439	79,452,189	81,833,211
Property Taxes	(0.058)	(28,290,713)	0	0	(945,154)	(2,305,447)	(1,800,499)	(2,232,752)	(3,068,470)	(4,411,812)	(4,105,898)	(4,640,802)	(4,779,878)
													(5,139,121)

**Affordable Apartments Mix**

Unit Type	Avg SF	FMR (30% of			Revenue (SF)	Percentage	Total (SF)	Total Units	Potential	
		AMI x 50%	AMI / 12)	Yearly FMR					Yearly Rent	
Studio	700	23,900	598	7,170	10	0	15,197	22	155,661	
1-BR	900	25,600	640	7,680	9	0	25,328	28	216,135	
2-BR	1,100	30,700	768	9,210	8	0	35,460	32	296,894	
3-BR	1,300	35,475	887	10,643	8	0	25,328	19	207,351	
Total	997	28,749	719	8,625	9	1	101,313	102	876,041	
									876,041	

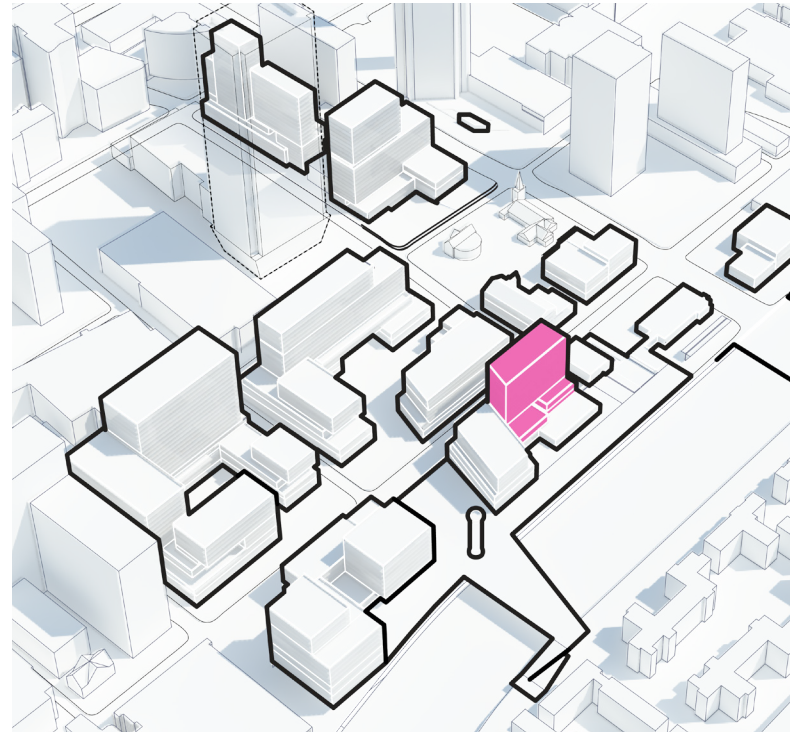


	Year	0	1	2	3	4	5	6	7	8	9	10
Factors	Totals	2016-2017	Phase 1 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations 2024	2025	2026	2027
<b>1. Revenue Assumptions</b>												
Yearly Deliveries	404	0	0	0	237	167	0	0	0	0	0	0
Cumulative Deliveries	404	0	0	0	237	404	404	404	404	404	404	404
Yearly Sales	404	0	0	0	119	119	83	83	0	0	0	0
Cumulative Sales	404	0	0	0	119	237	321	404	404	404	404	404
Net Rentable Area	997	402,951	0	0	0	118,248	236,496	319,724	402,951	402,951	402,951	402,951
<b>2. Net Operating Income</b>												
Escalation	6.0%											
Market Sale Revenues	335	147,595,982	0	0	0	40,008,560	42,409,074	31,639,975	33,538,374	0	0	0
Affordable Sale Revenues	139	13,090,149	0	0	0	3,691,733	3,802,485	2,756,616	2,839,314	0	0	0
Total Sale Revenues		160,686,131	0	0	0	43,700,293	46,211,559	34,396,591	36,377,688	0	0	0
Sales Expenses	5.0%	(8,034,307)	0	0	0	(2,185,015)	(2,310,578)	(1,719,830)	(1,818,884)	0	0	0
Net Sales		152,651,825	0	0	0	41,515,279	43,900,981	32,676,761	34,558,804	0	0	0
<b>3. Development Costs</b>												
Percent Built by Year		100%	0%	0%	39%	20%	28%	14%	0%	0%		
Hard Costs		(100,625,887)	0	0	(39,372,290)	(19,686,145)	(27,711,635)	(13,855,818)	0	0	0	0
Contingencies	3.0%	(3,018,777)	0	0	(1,181,169)	(590,584)	(831,349)	(415,675)	0	0	0	0
Escalation	3.0%	(13,620,882)	0	0	(3,760,401)	(2,544,908)	(4,546,157)	(2,769,416)	0	0	0	0
Total Hard Costs		(117,265,546)	0	0	(44,313,859)	(22,821,637)	(33,089,142)	(17,040,908)	0	0	0	0
Soft Costs (Includes Dev. Fees and Overhead)	20.0%	(20,125,177)	0	0	(7,874,458)	(3,937,229)	(5,542,327)	(2,771,164)	0	0	0	0
Infrastructure Costs												
Total Development Costs		(137,390,723)	0	0	(52,188,317)	(26,758,866)	(38,631,469)	(19,812,071)	0	0	0	0
<b>4. Unleveraged Cash Flow</b>												
Net Cash Flow		15,261,102	0	0	(52,188,317)	14,756,412	5,269,513	12,864,690	34,558,804	0	0	0
Unleveraged IRR	9.1%											
<b>5. Affordable Sales calculation</b>												
Average Unit Size	997.45											
AMI	23,900											
30 Year Fixed Interest rate	4.05%											
Insurance fee	1%											
Total Annual Rate	5.05%											
Max - Monthly Mortgage Payments	598											
Max Loan Value	(110,672)											
LV	80%											
Max. Condominium Value	138,341											
Average Price / Sqft	139											
<b>6. Condominiums Mix</b>												
Unit Type	Avg SF	Percentage	Total (SF)	Total Units								
Studio	700	15%	60,443	86								
1-BR	900	25%	100,738	112								
2-BR	1,100	35%	141,033	128								
3-BR	1,300	25%	100,738	77								
Total	997	100%	402,951	404								
<b>5. Property Value and Taxes</b>												
Escalation	6.0%											
Assessed Property Value		119,168,281	126,318,378	133,897,481	141,931,329	150,447,209	159,474,042	169,042,484	179,185,033	189,936,135	201,332,303	213,412,242



**MARKET-RATE UNITS** 323  
**AFFORDABLE UNITS** 81  
**GROSS BUILDOUT** 503,689 sf

DISCOUNTED CASH FLOW  
HOTEL - FULL SERVICES

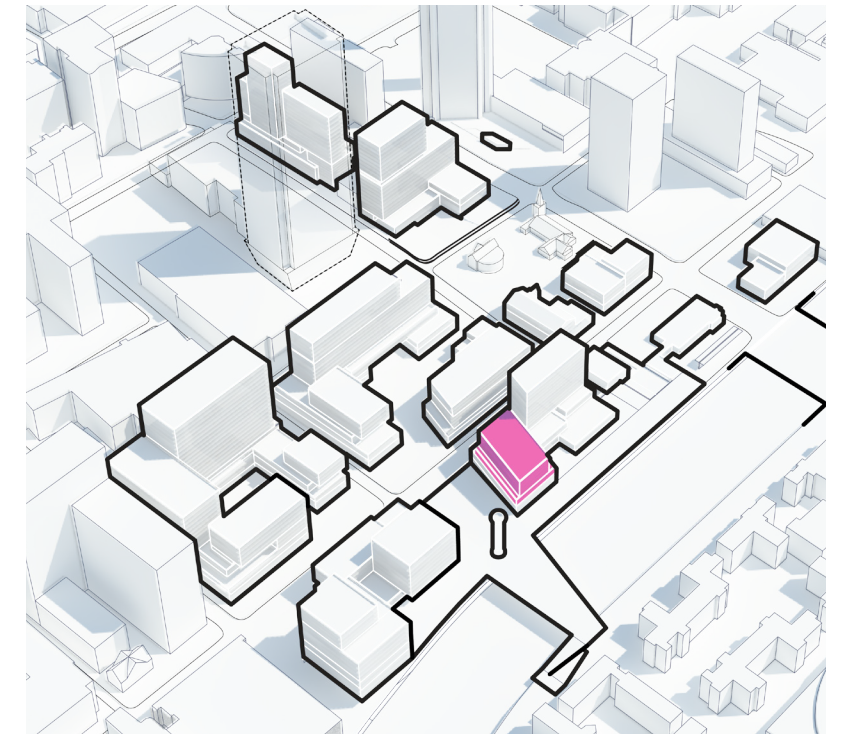


**ROOMS** 421  
**GROSS BUILDOUT** 210,378 sf

	Year	0	1	2	3	4	5	6	7	8	9	10	11	
	Factors	Totals	2016-2017	Phase 1	Phase 2	Phase 3	Full Operations							
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>1. Revenue Assumptions</b>														
Yearly Deliveries		421	0		421	0		0	0	0	0			421
Cumulative Deliveries		421	0	0	421	421	421	421	421	421	421	421	421	421
Yearly Absorption		421	0	0	210	210	0	0	0	0	0	0	0	0
Cumulative Absorption		421	0	0	210	421	421	421	421	421	421	421	421	421
Net Rentable Area	350	147,265	0	0	73,632	147,265	147,265	147,265	147,265	147,265	147,265	147,265	147,265	147,265
<b>2. Net Operating Income</b>														
Escalation	5.2%													
Room Revenues	205	369,950,255	0	0	17,421,218	36,654,244	38,560,264	40,565,398	42,674,799	44,893,888	47,228,371	49,684,246	52,267,827	54,985,754
Other Income	40.84%	151,087,684	0	0	7,114,826	14,969,593	15,748,012	16,566,909	17,428,388	18,334,664	19,288,067	20,291,046	21,346,180	22,456,182
Less Vacancy Rate	23.40%	(121,922,878)	0	0	(5,741,434)	(12,079,978)	(12,708,137)	(13,368,960)	(14,064,146)	(14,795,481)	(15,564,846)	(16,374,218)	(17,225,678)	(18,121,413)
Effective Gross Income		399,115,061	0	0	18,794,610	39,543,859	41,600,140	43,763,347	46,039,041	48,433,071	50,951,591	53,601,074	56,388,329	59,320,522
Escalation	3.0%													
Less Departmental Expenses	36.7%	(146,475,227)	0	0	(6,897,622)	(14,512,596)	(15,267,251)	(16,061,148)	(16,896,328)	(17,774,937)	(18,699,234)	(19,671,594)	(20,694,517)	(21,770,632)
Less Undistributed Expenses	26.0%	(103,769,916)	0	0	(4,886,599)	(10,281,403)	(10,816,036)	(11,378,470)	(11,970,151)	(12,592,598)	(13,247,414)	(13,936,279)	(14,660,966)	(15,423,336)
Less Fees, Taxes Insurance	5.8%	(23,148,674)	0	0	(1,090,087)	(2,293,544)	(2,412,808)	(2,538,274)	(2,670,264)	(2,809,118)	(2,955,192)	(3,108,862)	(3,270,523)	(3,440,590)
Property Taxes	(0.06)	(29,741,262)	0	0	0	(2,128,030)	(3,712,463)	(3,375,768)	(3,741,722)	(3,867,848)	(4,093,578)	(4,297,601)	(4,524,254)	(4,758,373)
Net Operating Income (NOI)		95,979,982	0	0	5,920,302	10,328,286	9,391,581	10,409,686	10,760,576	11,388,570	11,956,174	12,586,738	13,238,069	13,927,591
<b>3. Development Costs</b>														
Percent Built by Year		100%		67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Hard Costs		(34,259,438)	0	(22,839,625)	(11,419,813)	0	0	0	0	0	0	0	0	0
Contingencies	3.0%	(1,027,783)	0	(685,189)	(342,594)	0	0	0	0	0	0	0	0	0
Escalation	3.0%	(1,422,075)	0	(705,744)	(716,331)	0	0	0	0	0	0	0	0	0
Total Hard Costs		(36,709,296)	0	(24,230,558)	(12,478,738)	0	0	0	0	0	0	0	0	0
Soft Costs	20.0%	(6,851,888)	0	(4,567,925)	(2,283,963)	0	0	0	0	0	0	0	0	0
Total Development Costs		(43,561,184)	0	(28,798,484)	(14,762,700)	0	0	0	0	0	0	0	0	0
<b>4. Unleveraged Cash Flow</b>														
Annual Cash Flow		52,418,798	0	(28,798,484)	(8,842,398)	10,328,286	9,391,581	10,409,686	10,760,576	11,388,570	11,956,174	12,586,738	13,238,069	
Terminal Cap Rate	6.5%													
Sale Price		214,270,638	0	0	0	0	0	0	0	0	0	0	0	214,270,638
Less Sales Expenses	5.0%	(10,713,532)	0	0	0	0	0	0	0	0	0	0	0	(10,713,532)
Unleveraged Cash Flow		255,975,904	0	(28,798,484)	(8,842,398)	10,328,286	9,391,581	10,409,686	10,760,576	11,388,570	11,956,174	12,586,738	216,795,175	
Unleveraged IRR		34.2%												
<b>5. Property Value and Taxes</b>														
Terminal Cap Rate	6.5%													
Assessed Property Value	40.0%		0	0	36,432,628	63,558,682	57,794,347	64,059,609	66,218,930	70,083,506	73,576,452	77,456,847	81,465,042	85,708,255
Property Taxes	(0.058)	(34,499,635)	0	0	(2,128,030)	(3,712,463)	(3,375,768)	(3,741,722)	(3,867,848)	(4,093,578)	(4,297,601)	(4,524,254)	(4,758,373)	(5,006,219)

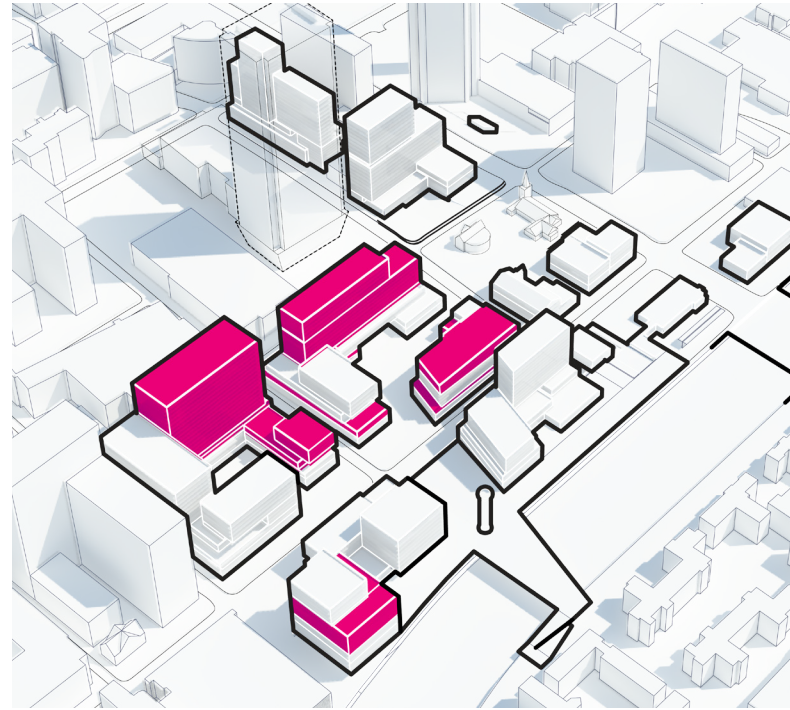
DISCOUNTED CASH FLOW  
HOTEL - LIMITED SERVICES

	Year	0	1	2	3	4	5	6	7	8	9	10	11	
	Factors	Totals	2016-2017	Phase 1 2018	Phase 2 2019	Phase 2 2020	Phase 3 2021	Phase 3 2022	Phase 3 2023	Full Operations 2024	Full Operations 2025	Full Operations 2026	Full Operations 2027	-
<b>1. Revenue Assumptions</b>														
Yearly Deliveries		179	0		179	0		0		0				179
Cumulative Deliveries		179	0	0	179	179	179	179	179	179	179	179	179	179
Yearly Absorption		179	0	0	89	89	0	0	0	0	0	0	0	0
Cumulative Absorption		179	0	0	89	179	179	179	179	179	179	179	179	179
Net Rentable Area	350	62,564	0	0	31,282	62,564	62,564	62,564	62,564	62,564	62,564	62,564	62,564	62,564
<b>2. Net Operating Income</b>														
Escalation	5.2%													
Room Revenues	160	122,669,218	0	0	5,776,580	12,153,924	12,785,928	13,450,797	14,150,238	14,886,051	15,660,125	16,474,452	17,331,123	18,232,342
Other Income	1.2%	1,472,031	0	0	69,319	145,847	153,431	161,410	169,803	178,633	187,922	197,693	207,973	218,788
Less Vacancy Rate	30%	(37,242,375)	0	0	(1,753,770)	(3,689,931)	(3,881,808)	(4,083,662)	(4,296,012)	(4,519,405)	(4,754,414)	(5,001,644)	(5,261,729)	(5,535,339)
Effective Gross Income		86,898,874	0	0	4,092,129	8,609,840	9,057,552	9,528,544	10,024,029	10,545,278	11,093,633	11,670,502	12,277,368	12,915,791
Escalation	3.0%													
Less Departmental Expenses	28.8%	(25,026,876)	0	0	(1,178,533)	(2,479,634)	(2,608,575)	(2,744,221)	(2,886,920)	(3,037,040)	(3,194,966)	(3,361,104)	(3,535,882)	(3,719,748)
Less Undistributed Expenses	30.5%	(26,504,157)	0	0	(1,248,099)	(2,626,001)	(2,762,553)	(2,906,206)	(3,057,329)	(3,216,310)	(3,383,558)	(3,559,503)	(3,744,597)	(3,939,316)
Less Fees, Taxes Insurance	5.8%	(5,040,135)	0	0	(237,343)	(499,371)	(525,338)	(552,656)	(581,394)	(611,626)	(643,431)	(676,889)	(712,087)	(749,116)
Property Taxes		(7,174,478)	0	0	0	(513,344)	(895,557)	(814,336)	(902,615)	(933,040)	(987,493)	(1,036,709)	(1,091,385)	(1,147,861)
Net Operating Income (NOI)		23,153,229	0	0	1,428,153	2,491,490	2,265,529	2,511,126	2,595,771	2,747,262	2,884,185	3,036,296	3,193,416	3,359,750
<b>3. Development Costs</b>														
Percent Built by Year		100%		67%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Hard Costs		(12,735,454)	0	(8,490,303)	(4,245,151)	0	0	0	0	0	0	0	0	0
Contingencies	3.0%	(382,064)	0	(254,709)	(127,355)	0	0	0	0	0	0	0	0	0
Escalation	3.0%	(528,636)	0	(262,350)	(266,286)	0	0	0	0	0	0	0	0	0
Total Hard Costs		(13,646,154)	0	(9,007,362)	(4,638,791)	0	0	0	0	0	0	0	0	0
Soft Costs	20.0%	(2,547,091)	0	(1,698,061)	(849,030)	0	0	0	0	0	0	0	0	0
Total Development Costs		(16,193,244)	0	(10,705,423)	(5,487,822)	0	0	0	0	0	0	0	0	0
<b>4. Unleveraged Cash Flow</b>														
Annual Cash Flow		6,959,985	0	(10,705,423)	(4,059,669)	2,491,490	2,265,529	2,511,126	2,595,771	2,747,262	2,884,185	3,036,296	3,193,416	
Terminal Cap Rate	6.5%													
Sale Price		51,688,457	0	0	0	0	0	0	0	0	0	0	51,688,457	
Less Sales Expenses	5.0%	(2,584,423)	0	0	0	0	0	0	0	0	0	0	(2,584,423)	
Unleveraged Cash Flow		56,064,019	0	(10,705,423)	(4,059,669)	2,491,490	2,265,529	2,511,126	2,595,771	2,747,262	2,884,185	3,036,296	52,297,451	
<b>Unleveraged IRR 24.4%</b>														
<b>5. Property Value and Taxes</b>														
Terminal Cap Rate	6.5%													
Assessed Property Value	40.0%		0	0	8,788,635	15,332,246	13,941,717	15,453,085	15,973,977	16,906,228	17,748,831	18,684,897	19,651,794	20,675,383
Property Taxes		(0,058)	(8,322,339)	0	0	(513,344)	(895,557)	(814,336)	(902,615)	(933,040)	(987,493)	(1,036,709)	(1,091,385)	(1,147,861)



**ROOMS 179**  
**GROSS BUILDOUT 78,205 sf**

INCOME STATEMENT  
OFFICE - CLASS A

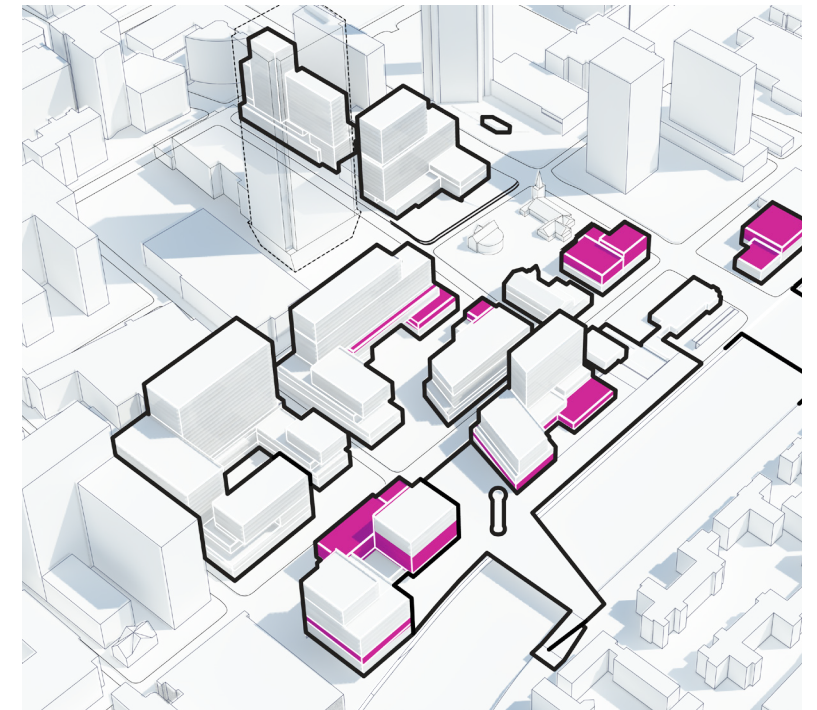


**NET BUILDOUT**  
**GROSS BUILDOUT**

**929,363 sf**  
**1,161,704 sf**

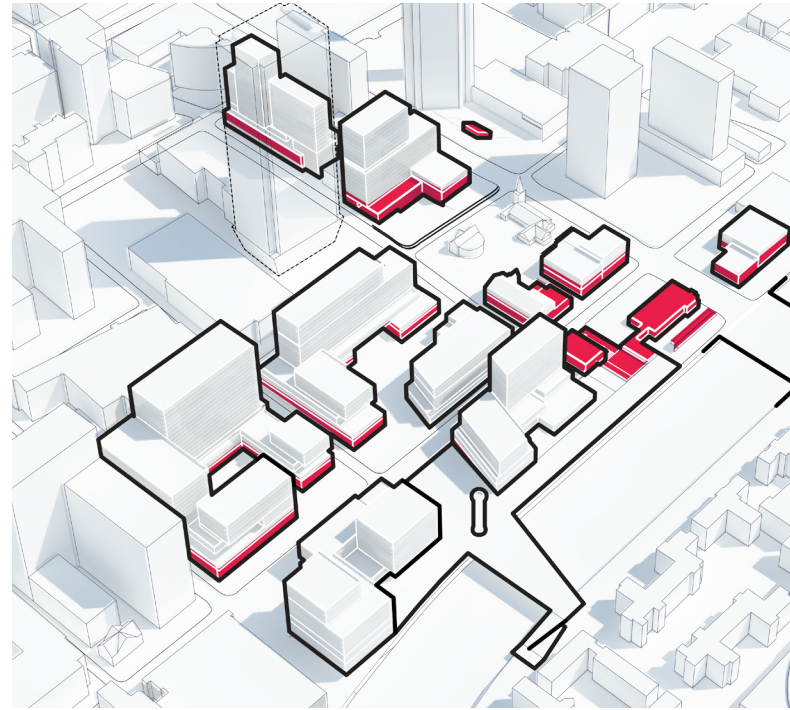
	Year	0	1	2	3	4	5	6	7	8	9	10	11
	factors	Totals	Phase 1		Phase 2		Phase 3		Full Operations				
		2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	-
<b>1. Revenue Assumptions</b>													
Yearly Deliveries		929,363	0	53,294		425,797		450,272		0			929,363
Cumulative Deliveries		929,363	0	53,294	53,294	479,091	479,091	929,363	929,363	929,363	929,363	929,363	929,363
Yearly Absorption		929,363	0	26,647	26,647	212,898	212,898	225,136	225,136	0	0	0	0
Net Rentable Area		929,363	0	26,647	53,294	266,193	479,091	704,227	929,363	929,363	929,363	929,363	929,363
<b>2. Net Operating Income</b>													
Escalation	6.0%												
Potential Gross income	29.50	241,390,809	0	883,253	1,872,497	9,913,837	18,913,397	29,469,312	41,223,850	43,697,281	46,319,117	49,098,264	52,044,160
Less Vacancy Rate	13%	(31,380,805)	0	(114,823)	(243,425)	(1,288,799)	(2,458,742)	(3,831,011)	(5,359,100)	(5,680,646)	(6,021,485)	(6,382,774)	(6,765,741)
Effective Gross Income		210,010,004	0	768,430	1,629,073	8,625,038	16,454,655	25,638,302	35,864,749	38,016,634	40,297,632	42,715,490	45,278,419
Escalation	3.0%												
Less Operating Expenses	(6.69)	(59,382,008)	0	(472,816)	(487,000)	(4,509,239)	(4,644,516)	(9,279,935)	(9,558,333)	(9,845,083)	(10,140,436)	(10,444,649)	(10,757,988)
Property Taxes	(0.06)	(40,899,749)	0	0	(138,135)	(469,120)	(1,704,021)	(4,722,387)	(5,437,260)	(9,751,739)	(8,607,210)	(10,069,878)	(10,374,066)
Net Operating Income (NOI)		109,728,247	0	295,614	1,003,937	3,646,680	10,106,119	11,635,979	20,869,155	18,419,812	21,549,987	22,200,963	24,146,365
<b>3. Development Costs</b>													
Percent Built by Year	100%		4%	2%	31%	15%	32%	16%	0%	0%			
Hard Costs		(177,461,535)	0	(6,784,363)	(3,392,182)	(54,203,820)	(27,101,910)	(57,319,507)	(28,659,753)	0	0	0	0
Contingencies	3.0%	(5,323,846)	0	(203,531)	(101,765)	(1,626,115)	(813,057)	(1,719,585)	(859,793)	0	0	0	0
Escalation	3.0%	(24,234,667)	0	(209,637)	(212,781)	(5,176,942)	(3,503,574)	(9,403,397)	(5,728,336)	0	0	0	0
Total Hard Costs		(207,020,048)	0	(7,197,531)	(3,706,728)	(61,006,877)	(31,418,542)	(68,442,489)	(35,247,882)	0	0	0	0
Soft Costs	20.0%	(35,492,307)	0	(1,356,873)	(678,436)	(10,840,764)	(5,420,382)	(11,463,901)	(5,731,951)	0	0	0	0
Total Development Costs		(242,512,355)	0	(8,554,403)	(4,385,165)	(71,847,641)	(36,838,924)	(79,906,390)	(40,979,832)	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		(132,784,109)	0	(8,554,403)	(4,089,550)	(70,843,704)	(33,192,244)	(69,800,271)	(29,343,853)	20,869,155	18,419,812	21,549,987	22,200,963
Terminal Cap Rate	5.0%												
Sale Price		482,927,297	0	0	0	0	0	0	0	0	0	0	482,927,297
Less Sales Expenses	5.0%	(24,146,365)	0	0	0	0	0	0	0	0	0	0	(24,146,365)
Unleveraged Cash Flow		325,996,823	0	(8,554,403)	(4,089,550)	(70,843,704)	(33,192,244)	(69,800,271)	(29,343,853)	20,869,155	18,419,812	21,549,987	480,981,895
<b>Unleveraged IRR 17.3%</b>													
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	5.0%												
Assessed Property Value	40.0%		0	2,364,916	8,031,499	29,173,438	80,848,951	93,087,834	166,953,243	147,358,494	172,399,892	177,607,707	193,170,919
Property Taxes	(0.058)	(51,273,815)	0	(138,135)	(469,120)	(1,704,021)	(4,722,387)	(5,437,260)	(9,751,739)	(8,607,210)	(10,069,878)	(10,374,066)	(11,283,113)

	Year	0	1	2	3	4	5	6	7	8	9	10	11	
Factors	Totals	2016-2017	Phase 1 2018	Phase 1 2019	Phase 2 2020	Phase 2 2021	Phase 3 2022	Phase 3 2023	Full Operations 2024	Full Operations 2025	Full Operations 2026	Full Operations 2027	-	
<b>1. Revenue Assumptions</b>														
Yearly Deliveries	426,704	0		241,818		152,375		32,510		0			426,704	
Cumulative Deliveries	426,704	0	0	241,818	241,818	394,194	394,194	426,704	426,704	426,704	426,704	426,704	426,704	
Yearly Absorption	426,704	0	0	120,909	120,909	76,188	76,188	16,255	16,255	0	0	0	0	
Net Rentable Area	426,704	0	0	120,909	241,818	318,006	394,194	410,449	426,704	426,704	426,704	426,704	426,704	
<b>2. Net Operating Income</b>														
Escalation	6.0%													
Potential Gross income	32.00	151,739,517	0	0	4,347,313	9,216,303	12,847,208	16,880,643	18,631,334	20,531,337	21,763,218	23,069,011	24,453,151	25,920,340
Less Vacancy Rate	9%	(13,656,557)	0	0	(391,258)	(829,467)	(1,156,249)	(1,519,258)	(1,676,820)	(1,847,820)	(1,958,690)	(2,076,211)	(2,200,784)	(2,332,831)
Effective Gross Income		138,082,961	0	0	3,956,055	8,386,836	11,690,959	15,361,385	16,954,514	18,683,517	19,804,528	20,992,800	22,252,368	23,587,510
Escalation	3.0%													
Less Operating Expenses	(6.69)	(30,673,439)	0	0	(1,906,985)	(1,964,194)	(3,297,936)	(3,396,874)	(3,787,330)	(3,900,950)	(4,017,979)	(4,138,518)	(4,262,673)	(4,390,554)
Property Taxes	(0.06)	(28,194,349)	0	0	(870,445)	(2,358,573)	(2,563,435)	(3,993,577)	(3,896,948)	(4,624,211)	(4,741,761)	(5,145,399)	(5,456,257)	(5,837,049)
Net Operating Income (NOI)		79,215,173	0	0	2,049,070	5,552,196	6,034,450	9,401,077	9,173,606	10,885,619	11,162,339	12,112,520	12,844,296	13,740,699
<b>3. Development Costs</b>														
Percent Built by Year	100%		38%	19%	24%	12%	5%	3%	0%	0%				
Hard Costs		(72,425,657)	0	(27,363,027)	(13,681,514)	(17,242,087)	(8,621,044)	(3,678,657)	(1,839,328)	0	0	0	0	0
Contingencies	3.0%	(2,172,770)	0	(820,891)	(410,445)	(517,263)	(258,631)	(110,360)	(55,180)	0	0	0	0	0
Escalation	3.0%	(5,436,092)	0	(845,518)	(858,200)	(1,646,771)	(1,114,477)	(603,492)	(367,634)	0	0	0	0	0
Total Hard Costs		(80,034,519)	0	(29,029,436)	(14,950,159)	(19,406,121)	(9,994,152)	(4,392,509)	(2,262,142)	0	0	0	0	0
Soft Costs	20.0%	(14,485,131)	0	(5,472,605)	(2,736,303)	(3,448,417)	(1,724,209)	(735,731)	(367,866)	0	0	0	0	0
Total Development Costs		(94,519,651)	0	(34,502,041)	(17,686,462)	(22,854,539)	(11,718,361)	(5,128,240)	(2,630,008)	0	0	0	0	0
<b>4. Unleveraged Cash Flow</b>														
Annual Cash Flow		(15,304,477)	0	(34,502,041)	(15,637,392)	(17,302,342)	(5,683,911)	4,272,837	6,543,599	10,885,619	11,162,339	12,112,520	12,844,296	
Terminal Cap Rate	5.5%													
Sale Price		249,830,898	0	0	0	0	0	0	0	0	0	0	249,830,898	
Less Sales Expenses	5.0%	(12,491,545)	0	0	0	0	0	0	0	0	0	0	(12,491,545)	
Unleveraged Cash Flow		222,034,876	0	(34,502,041)	(15,637,392)	(17,302,342)	(5,683,911)	4,272,837	6,543,599	10,885,619	11,162,339	12,112,520	250,183,649	
<b>Unleveraged IRR 20.0%</b>														
<b>5. Property Value and Taxes</b>														
Terminal Cap Rate	5.5%													
Assessed Property Value	40.0%		0	0	14,902,326	40,379,611	43,886,912	68,371,467	66,717,137	79,168,139	81,180,644	88,091,058	93,413,059	99,932,359
Property Taxes	(0.058)	(33,650,606)	0	0	(870,445)	(2,358,573)	(2,563,435)	(3,993,577)	(3,896,948)	(4,624,211)	(4,741,761)	(5,145,399)	(5,456,257)	(5,837,049)



**NET BUILDOUT** 426,704 sf  
**GROSS BUILDOUT** 474,115 sf

**RETAIL**



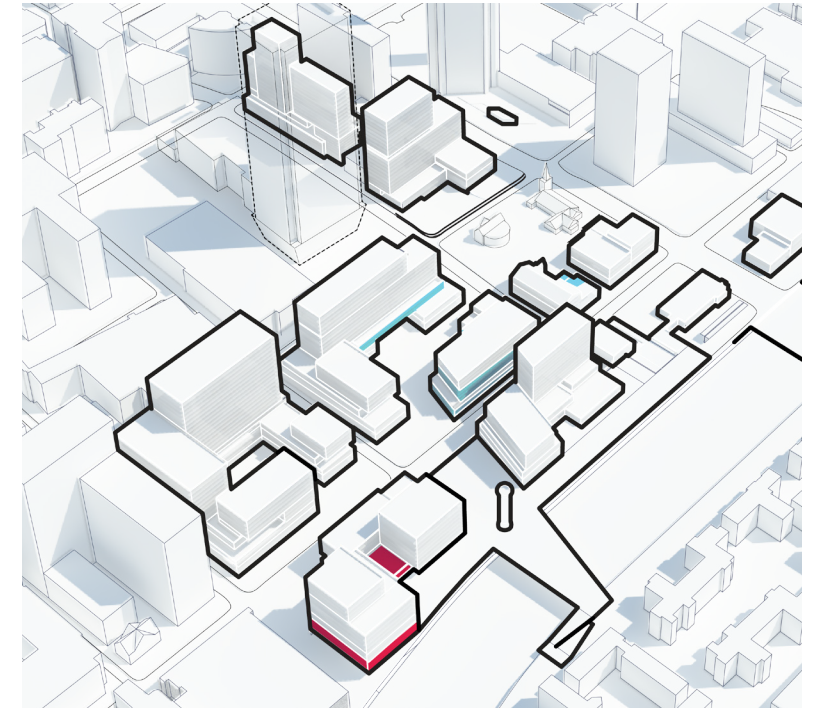
**NET BUILDOUT**  
**GROSS BUILDOUT**

**318,584 sf**  
**353,982 sf**

	Year	0	1	2	3	4	5	6	7	8	9	10	11
	Factors	Totals	2016-2017	Phase 1	Phase 2	Phase 3	Phase 3	Full Operations	Full Operations	Full Operations	Full Operations	Full Operations	Full Operations
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>1. Revenue Assumptions</b>													
Yearly Deliveries		318,584	0		80,513		131,151		106,920		0		
Cumulative Deliveries		318,584	0	0	80,513	80,513	211,664	211,664	318,584	318,584	318,584	318,584	318,584
Yearly Absorption		318,584	0	0	80,513	0	131,151	0	106,920	0	0	0	0
Net Rentable Area		318,584	0	0	80,513	80,513	211,664	211,664	318,584	318,584	318,584	318,584	318,584
<b>2. Net Operating Income</b>													
Escalation	8.0%												
Potential Gross income	24.00	90,244,275	0	0	2,253,852	2,434,160	6,911,190	7,464,086	12,133,259	13,103,920	14,152,233	15,284,412	16,507,165
Less Vacancy Rate	10%	(9,024,428)	0	0	(225,385)	(243,416)	(691,119)	(746,409)	(1,213,326)	(1,310,392)	(1,415,223)	(1,528,441)	(1,650,716)
Effective Gross Income		81,219,848	0	0	2,028,466	2,190,744	6,220,071	6,717,677	10,919,933	11,793,528	12,737,010	13,755,971	14,856,448
Escalation	3.0%												
Less Operating Expenses	(2.00)	(5,948,059)	0	0	(189,814)	(195,509)	(529,399)	(545,281)	(845,346)	(870,706)	(896,828)	(923,732)	(951,444)
Property Taxes	(0.06)	(16,738,403)	0	0	0	(641,168)	(472,185)	(1,819,772)	(1,517,831)	(2,983,881)	(2,768,439)	(3,163,466)	(3,371,660)
Net Operating Income (NOI)		58,533,386	0	0	1,838,652	1,354,067	5,218,487	4,352,624	8,556,755	7,938,940	9,071,743	9,668,772	10,533,344
<b>3. Development Costs</b>													
Percent Built by Year		1		0	0	0	0	0	0	0	0	0	0
Hard Costs		(39,746,364)	0	(6,696,517)	(3,348,259)	(10,908,199)	(5,454,100)	(8,892,859)	(4,446,429)	0	0	0	0
Contingencies	3.0%	(1,192,391)	0	(200,896)	(100,448)	(327,246)	(163,623)	(266,786)	(133,393)	0	0	0	0
Escalation	3.0%	(4,511,470)	0	(206,922)	(210,026)	(1,041,829)	(705,074)	(1,458,894)	(888,725)	0	0	0	0
Total Hard Costs		(45,450,225)	0	(7,104,335)	(3,658,733)	(12,277,274)	(6,322,796)	(10,618,539)	(5,468,547)	0	0	0	0
Soft Costs	20.0%	(7,949,273)	0	(1,339,303)	(669,652)	(2,181,640)	(1,090,820)	(1,778,572)	(889,286)	0	0	0	0
Total Development Costs		(53,399,498)	0	(8,443,639)	(4,328,384)	(14,458,914)	(7,413,616)	(12,397,110)	(6,357,833)	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		5,133,888	0	(8,443,639)	(2,489,732)	(13,104,847)	(2,195,129)	(8,044,486)	2,198,922	7,938,940	9,071,743	9,668,772	10,533,344
Terminal Cap Rate	6.7%												
Sale Price		170,027,258	0	0	0	0	0	0	0	0	0	0	170,027,258
Less Sales Expenses	5.0%	(8,501,363)	0	0	0	0	0	0	0	0	0	0	(8,501,363)
Unleveraged Cash Flow		166,659,783	0	(8,443,639)	(2,489,732)	(13,104,847)	(2,195,129)	(8,044,486)	2,198,922	7,938,940	9,071,743	9,668,772	172,059,239
Unleveraged IRR		<b>29.3%</b>											
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	6.7%												
Assessed Property Value	40.0%		0	0	10,977,028	8,083,982	31,155,147	25,985,815	51,085,107	47,396,657	54,159,662	57,724,014	62,885,637
Property Taxes	(0.058)	(20,411,553)	0	0	(641,168)	(472,185)	(1,819,772)	(1,517,831)	(2,983,881)	(2,768,439)	(3,163,466)	(3,371,660)	(3,673,150)

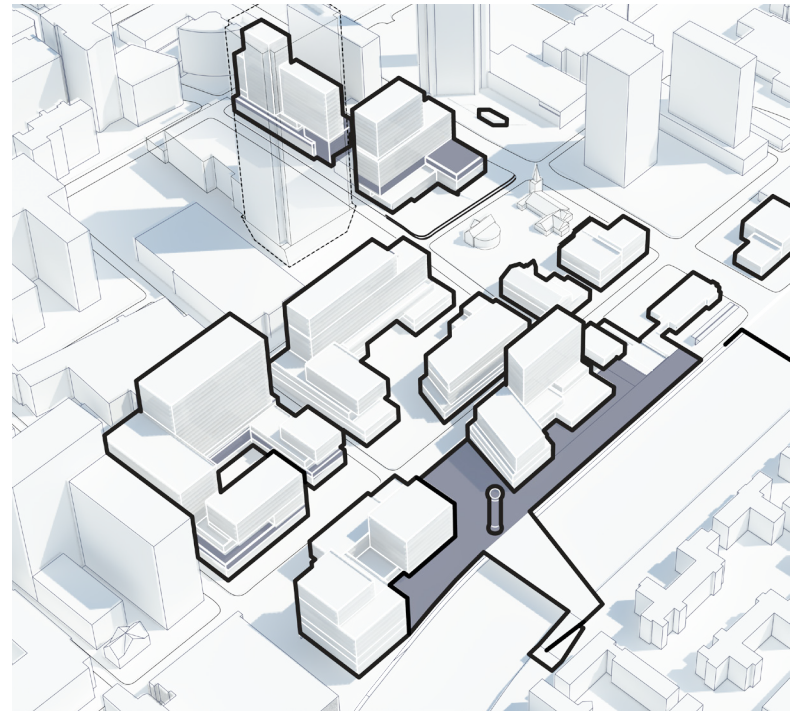
RETAIL - COMMUNITY FACILITY / AFFORDABLE

Factors	Year	0	1	2	3	4	5	6	7	8	9	10	11
		Totals	2016-2017	Phase 1 2018	2019	Phase 2 2020	2021	Phase 3 2022	2023	Full Operations 2024	2025	2026	2027
<b>1. Revenue Assumptions</b>													
Yearly Deliveries		150,827	0		35,129		115,698		0		0		
Cumulative Deliveries		150,827	0	0	35,129	35,129	150,827	150,827	150,827	150,827	150,827	150,827	150,827
Yearly Absorption		150,827	0	0	35,129	0	115,698	0	0	0	0	0	0
Net Rentable Area		150,827	0	0	35,129	35,129	150,827	150,827	150,827	150,827	150,827	150,827	150,827
<b>2. Net Operating Income</b>													
Escalation	3.0%												
Potential Gross income	14.40	19,820,401	0	0	536,672	552,772	2,444,509	2,517,844	2,593,380	2,671,181	2,751,316	2,833,856	2,918,872
Less Vacancy Rate	10%	(1,982,040)	0	0	(53,667)	(55,277)	(244,451)	(251,784)	(259,338)	(267,118)	(275,132)	(283,386)	(291,887)
Effective Gross Income		17,838,361	0	0	483,005	497,495	2,200,058	2,266,060	2,334,042	2,404,063	2,476,185	2,550,470	2,626,984
Escalation	3.0%												
Less Operating Expenses	(2.00)	(3,058,704)	0	0	(82,820)	(85,304)	(377,239)	(388,556)	(400,213)	(412,219)	(424,586)	(437,323)	(450,443)
Property Taxes	(0.06)	(3,400,756)	0	0	0	(139,551)	(95,074)	(602,493)	(444,617)	(519,313)	(513,496)	(536,362)	(549,851)
Net Operating Income (NOI)		11,378,901	0	0	400,185	272,639	1,727,745	1,275,010	1,489,212	1,472,531	1,538,103	1,576,785	1,626,690
<b>3. Development Costs</b>													
Percent Built by Year		100%		16%	8%	51%	26%	0%	0%	0%	0%		
Hard Costs		(18,817,155)	0	(2,921,826)	(1,460,913)	(9,622,944)	(4,811,472)	0	0	0	0	0	0
Contingencies	3.0%	(564,515)	0	(87,655)	(43,827)	(288,688)	(144,344)	0	0	0	0	0	0
Escalation	3.0%	(1,722,998)	0	(90,284)	(91,639)	(919,076)	(621,999)	0	0	0	0	0	0
Total Hard Costs		(21,104,667)	0	(3,099,765)	(1,596,379)	(10,830,708)	(5,577,815)	0	0	0	0	0	0
Soft Costs	20.0%	(3,763,431)	0	(584,365)	(292,183)	(1,924,589)	(962,294)	0	0	0	0	0	0
Total Development Costs		(24,868,098)	0	(3,684,130)	(1,888,561)	(12,755,297)	(6,540,109)	0	0	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		(13,489,197)	0	(3,684,130)	(1,488,377)	(12,482,658)	(4,812,364)	1,275,010	1,489,212	1,472,531	1,538,103	1,576,785	1,626,690
Terminal Cap Rate	6.7%												
Sale Price		24,993,789	0	0	0	0	0	0	0	0	0	0	24,993,789
Less Sales Expenses	5.0%	(1,249,689)	0	0	0	0	0	0	0	0	0	0	(1,249,689)
Unleveraged Cash Flow		10,254,902	0	(3,684,130)	(1,488,377)	(12,482,658)	(4,812,364)	1,275,010	1,489,212	1,472,531	1,538,103	1,576,785	25,370,790
<b>Unleveraged IRR 6.0%</b>													
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	6.7%												
Assessed Property Value	40.0%		0	0	2,389,164	1,627,698	10,314,897	7,612,003	8,890,816	8,791,230	9,182,705	9,413,642	9,711,585
Property Taxes	(0.058)	(3,968,010)	0	0	(139,551)	(95,074)	(602,493)	(444,617)	(519,313)	(513,496)	(536,362)	(549,851)	(567,254)



**NET BUILDOUT 150,827 sf**  
**GROSS BUILDOUT 167,586 sf**

DISCOUNTED CASH FLOW  
STRUCTURED PARKING



**PARKING STALLS** **2,591**  
**GROSS BUILDOUT** **907,024 sf**

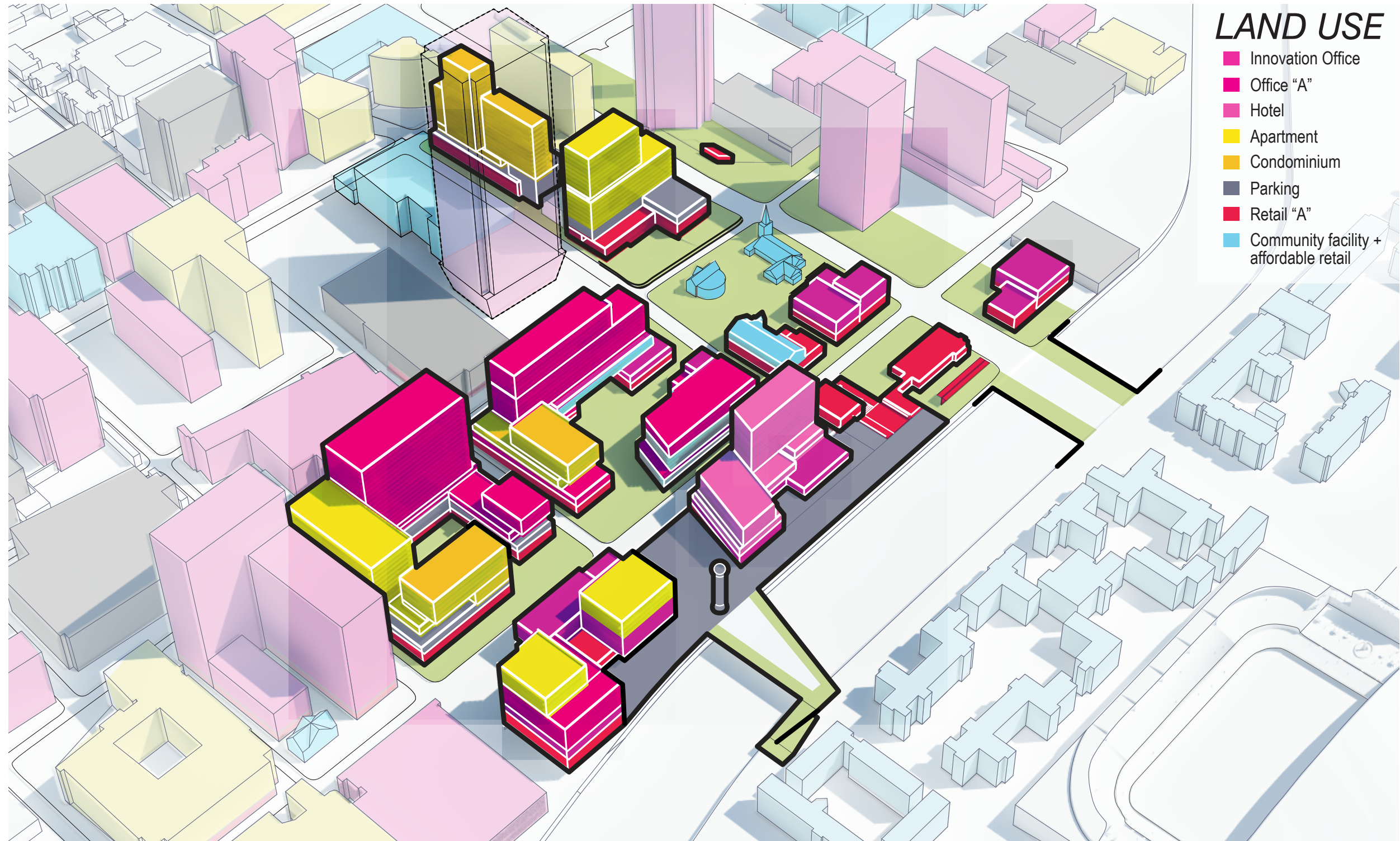
	Year	0	1	2	3	4	5	6	7	8	9	10	11
	Factors	Totals	Phase 1	Phase 2	Phase 3	Full Operations							
		2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	-
<b>1. Revenue Assumptions</b>													
Escalation	0.03												
Yearly area Built		907,024	0	554,838	0	108,527	0	243,659	0	0	0	0	0
Cumulative Area Built		907,024	0	554,838	554,838	663,365	663,365	907,024	907,024	907,024	907,024	907,024	907,024
Structured Parking Spaces		2,591	0	1,585	1,585	1,895	1,895	2,591	2,591	2,591	2,591	2,591	2,591
<b>2. Monthly Fees</b>													
Total Office Space Built		1,356,067	0	295,113	295,113	873,285	873,285	1,356,067	1,356,067	1,356,067	1,356,067	1,356,067	1,356,067
Rentable Parking Spaces		903	0	196	196	581	581	903	903	903	903	903	903
Total Retail Space Built		469,411	0	115,643	115,643	362,491	362,491	469,411	469,411	469,411	469,411	469,411	469,411
Rentable Parking Spaces		782	0	193	193	604	604	782	782	782	782	782	782
<b>Total Rentable Parking Spaces</b>		<b>1,685</b>	<b>0</b>	<b>389</b>	<b>389</b>	<b>1,185</b>	<b>1,185</b>	<b>1,685</b>	<b>1,685</b>	<b>1,685</b>	<b>1,685</b>	<b>1,685</b>	<b>1,685</b>
Monthly Parking Fee	4.00%		450	468	506	526	547	569	592	616	640	666	693
Monthly Gross Potential Income		6,855,681	0	189,409	196,986	624,027	648,988	959,373	997,747	1,037,657	1,079,164	1,122,330	1,167,223
Yearly Gross Potential Income		82,268,174	0	2,272,910	2,363,827	7,488,324	7,787,857	11,512,471	11,972,970	12,451,888	12,949,964	13,467,963	14,006,681
Less Vacancy	60%	(49,360,904)	0	(1,363,746)	(1,418,296)	(4,492,994)	(4,672,714)	(6,907,483)	(7,183,782)	(7,471,133)	(7,769,978)	(8,080,778)	(8,404,009)
<b>Effective Gross Income</b>		<b>32,907,269</b>	<b>0</b>	<b>909,164</b>	<b>945,531</b>	<b>2,995,330</b>	<b>3,115,143</b>	<b>4,604,988</b>	<b>4,789,188</b>	<b>4,980,755</b>	<b>5,179,986</b>	<b>5,387,185</b>	<b>5,602,672</b>
Expenses	(572)	(6,619,604)	0	(222,580)	(222,580)	(677,988)	(677,988)	(963,694)	(963,694)	(963,694)	(963,694)	(963,694)	(963,694)
Property Taxes	903	(5,937,197)	0	0	(239,423)	(168,614)	(749,297)	(588,584)	(1,064,530)	(962,793)	(1,065,073)	(1,098,882)	(1,159,346)
<b>Net Operating Income</b>		<b>20,350,469</b>	<b>0</b>	<b>686,584</b>	<b>483,528</b>	<b>2,148,728</b>	<b>1,687,858</b>	<b>3,052,711</b>	<b>2,760,964</b>	<b>3,054,268</b>	<b>3,151,218</b>	<b>3,324,610</b>	<b>3,479,633</b>
<b>Development Costs</b>													
Percent Built by Year			41%	20%	8%	4%	18%	9%	0%	0%	0%	0%	0%
Hard Costs		(65,689,984)	0	(26,788,947)	(13,394,473)	(5,239,941)	(2,619,970)	(11,764,435)	(5,882,217)	0	0	0	0
Contingencies	3.0%	(1,970,700)	0	(803,668)	(401,834)	(157,198)	(78,599)	(352,933)	(176,467)	0	0	0	0
Escalation	3.0%	(5,612,812)	0	(827,778)	(840,195)	(500,461)	(338,694)	(1,929,983)	(1,175,702)	0	0	0	0
Total Hard Costs		(73,273,496)	0	(28,420,394)	(14,636,503)	(5,897,600)	(3,037,264)	(14,047,350)	(7,234,385)	0	0	0	0
Soft Costs	20.0%	(3,763,431)	0	(5,357,789)	(2,678,895)	(1,047,988)	(523,994)	(2,352,887)	(1,176,443)	0	0	0	0
Total Development Costs		(77,036,926)	0	(33,778,183)	(17,315,398)	(6,945,588)	(3,561,258)	(16,400,237)	(8,410,829)	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		(56,686,458)	0	(33,778,183)	(16,628,813)	(6,462,060)	(1,412,530)	(14,712,379)	(5,358,118)	2,760,964	3,054,268	3,151,218	3,324,610
Terminal Cap Rate	6.7%												
Sale Price		51,934,817	0	0	0	0	0	0	0	0	0	0	51,934,817
Less Sales Expenses	5.0%	(2,596,741)	0	0	0	0	0	0	0	0	0	0	(2,596,741)
Unleveraged Cash Flow		(7,348,382)	0	(33,778,183)	(16,628,813)	(6,462,060)	(1,412,530)	(14,712,379)	(5,358,118)	2,760,964	3,054,268	3,151,218	52,662,686
<b>Unleveraged IRR</b>	<b>-3.3%</b>												
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	6.7%												
Assessed Property Value	40.0%		0	4,099,009	2,886,731	12,828,227	10,076,767	18,225,138	16,483,366	18,234,437	18,813,244	19,848,416	20,773,927
Property Taxes	(0.058)	(7,096,543)	0	(239,423)	(168,614)	(749,297)	(588,584)	(1,064,530)	(962,793)	(1,065,073)	(1,098,882)	(1,159,346)	(1,213,405)

Total Parking (Including Street Parking)	Units	Units / Parking space	Parking Spaces
Parking for Apartments and Condos	911.84	1	912
Parking for Hotels	599.51	2	300
Parking for Retail	469,411.20	600	782
Parking for Office Space	1,356,066.70	1,502	903
<b>Total Parking Spaces (Including Street Parking)</b>		<b>2,896</b>	<b>2,896</b>

\*305 spaces are provided through street parking

NOTE: IRR is negative because an additional 112,086 sq ft of parking is built into the cost but not revenue, in order to provide replacement parking for an existing condo building, whose parking garage parcel we purchased for development.





# PUBLIC BENEFITS ANALYSIS

Property Taxes Analysis																					
Inflation	3%																				
Property Tax Rate (Mills / \$1000)	(0.058)																				
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Current Property taxes Projected	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Land Value	93,688,430	96,499,083	99,394,055	102,375,877	105,447,153	108,610,568	111,868,885	115,224,952	118,681,700	122,242,151	125,909,416	129,686,698	133,577,299	137,584,618	141,712,157	145,963,521	150,342,427	154,852,700	159,498,281	164,283,229	169,211,726
Property Taxes		5,636,511	5,805,607	5,979,775	6,159,168	6,343,943	6,534,262	6,730,289	6,932,198	7,140,164	7,354,369	7,575,000	7,802,250	8,036,318	8,277,407	8,525,729	8,781,501	9,044,946	9,316,295	9,595,783	9,883,657
<b>Total Taxes paid over 20 Year</b>	<b>151,455,173</b>																				
<b>PV (5%)</b>	<b>89,985,685</b>																				
New Property Taxes Projected																					
	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Land Value	10,977,028	89,143,028	199,554,952	228,528,422	343,216,126	363,889,361	485,417,323	457,065,579	508,384,163	531,693,300	547,644,099	564,073,422	580,995,625	598,425,494	616,378,259	634,869,606	653,915,695	673,533,165	693,739,160	714,551,335	735,987,875
Property Taxes		5,206,844	11,656,005	13,348,345	20,047,254	21,254,778	28,353,226	26,697,200	29,694,719	31,056,206	31,987,892	32,947,529	33,935,954	34,954,033	36,002,654	37,082,734	38,195,216	39,341,072	40,521,304	41,736,943	42,989,052
NMTC Cash flow from Public sources		0	927,645	0	299,551	0	0	0	(3,710,582)	0	(1,198,205)	0	0	0	0	0	0	0	0	0	0
Lease Purchase Bonds Cash Flow	0	921,212	(1,118,050)	(2,299,947)	(3,218,109)	(4,712,462)	(6,090,961)	(8,429,068)	(8,812,306)	(10,362,317)	(11,484,827)	0	0	0	0	0	0	0	0	0	0
Net Taxes Paid over 20 Years	0	6,128,056	11,465,600	11,048,398	17,128,696	16,542,315	22,262,265	18,268,132	17,171,831	20,693,888	19,304,861	32,947,529	33,935,954	34,954,033	36,002,654	37,082,734	38,195,216	39,341,072	40,521,304	41,736,943	42,989,052
<b>Total Taxes paid over 20 Year</b>	<b>537,720,535</b>																				
<b>PV (5%)</b>	<b>282,075,085</b>																				
<b>Net Tax Earnings</b>	<b>386,265,362</b>																				
<b>PV Difference</b>	<b>192,089,400</b>																				

Public Funding Sources and Uses Summary												
	0	1	2	3	4	5	6	7	8	9	10	Total
Sources	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Federal Sources</b>												
Tiger Grant	0	10,000,000	0	0	0	0	0	0	0	0	0	10,000,000
<b>State Sources</b>												
NMTC Cash flow from Public sources	0	0	(927,645)	(299,551)	0	0	0	0	3,710,582	0	1,198,205	3,681,590
Lease Purchase Bonds Cash Flows	0	(921,212)	1,118,050	2,299,947	3,218,109	4,712,462	6,090,961	8,429,068	8,812,306	10,362,317	11,484,827	55,606,835
<b>Total Public Sources</b>	<b>0</b>	<b>9,078,788</b>	<b>190,405</b>	<b>2,000,396</b>	<b>3,218,109</b>	<b>4,712,462</b>	<b>6,090,961</b>	<b>8,429,068</b>	<b>12,522,887</b>	<b>10,362,317</b>	<b>12,683,031</b>	<b>69,288,425</b>
<b>Uses</b>												
Infrastructure	0	(25,008,756)	(20,007,005)	0	0	(2,500,876)	(2,500,876)	0	0	0	0	(50,017,512)
<b>Total Public Sources</b>	<b>0</b>	<b>(25,008,756)</b>	<b>(20,007,005)</b>	<b>0</b>	<b>0</b>	<b>(2,500,876)</b>	<b>(2,500,876)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(50,017,512)</b>
<b>Net Remaining Costs to Finance</b>	<b>0</b>	<b>(15,929,968)</b>	<b>(19,816,600)</b>	<b>2,000,396</b>	<b>3,218,109</b>	<b>2,211,587</b>	<b>3,590,086</b>	<b>8,429,068</b>	<b>12,522,887</b>	<b>10,362,317</b>	<b>12,683,031</b>	<b>19,270,913</b>

## BANK OF AMERICA PLAZA ANALYSIS

Provided is a discounted cash flow analysis for Shorenstein Properties's Bank of America Plaza Tower, assessing the tower's future performance in relation to the Midtown Beat. Major assumptions are the acquisition price, retail improvements cost, and landscape improvements cost.

	Year	0	1	2	3	4	5	6	7	8	9	10	11
			Phase 1		Phase 2		Phase 3		Full Operations				
Factors	Totals	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	-
<b>1. Revenue Assumptions</b>													
Yearly deliveries	1,000,000	1,000,000		0		0		0		0		0	
Cumulative Deliveries	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Yearly Absorption	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>2. Net Operating Income</b>													
Escalation	5.0%												
Potential Gross income	29.50	419,100,221	29,500,000	30,975,000	32,523,750	34,149,938	35,857,434	37,650,306	39,532,821	41,509,462	43,584,936	45,764,182	48,052,391
Less Vacancy			45%	35%	25%	25%	15%	10%	10%	10%	10%	10%	10%
		0	(13,275,000)	(10,841,250)	(8,130,938)	(8,537,484)	(5,378,615)	(3,765,031)	(3,953,282)	(4,150,946)	(4,358,494)	(4,576,418)	(4,805,239)
Effective Gross Income		419,100,221	42,775,000	41,816,250	40,654,688	42,687,422	41,236,050	41,415,337	43,486,104	45,660,409	47,943,429	50,340,601	52,857,631
Escalation	3.0%												
Less Operating Expenses	(6.69)	(100,130,324)	(8,362,500)	(8,004,954)	(8,245,102)	(8,492,455)	(8,747,229)	(9,009,646)	(9,279,935)	(9,558,333)	(9,845,083)	(10,140,436)	(10,444,649)
Property Taxes	(0.06)	(60,909,324)	0	0	(7,899,671)	(5,726,496)	(6,651,373)	(6,036,661)	(6,160,860)	(6,552,506)	(6,903,961)	(7,288,256)	(7,689,538)
Net Operating Income (NOI)		329,833,271	34,412,500	33,811,296	24,509,914	28,468,470	25,837,447	26,369,030	28,045,308	29,549,570	31,194,384	32,911,909	34,723,443
<b>3. Acquisition and Improvements Costs</b>													
Percent Built by Year	100%	0.00	0%	0%	75%	25%	0%	0%	0%	0%	0%	0%	0%
Acquisition		(220,000,000)	(220,000,000)	0	0	0	0	0	0	0	0	0	0
New Retail Improvements	2,000	(224,567)	0	0	(168,425)	(56,142)	0	0	0	0	0	0	0
New Landscape Improvements	(75.00)	(7,950,000)	0	0	(5,962,500)	(1,987,500)	0	0	0	0	0	0	0
New Improvements Escalation	0	(824,997)	0	0	(568,502)	(256,495)	0	0	0	0	0	0	0
Total Hard Costs		(228,999,565)	(220,000,000)	0	0	(6,699,428)	(2,300,137)	0	0	0	0	0	0
Soft Costs (Over new Improvements)	20.0%	(35,492,307)	0	0	(1,306,200)	(448,799)	0	0	0	0	0	0	0
Total Acq. And Improvements costs		(264,491,872)	(220,000,000)	0	0	(8,005,628)	(2,748,936)	0	0	0	0	0	0
<b>4. Unleveraged Cash Flow</b>													
Annual Cash Flow		65,341,399	(185,587,500)	33,811,296	24,509,914	20,462,842	23,088,511	26,369,030	28,045,308	29,549,570	31,194,384	32,911,909	34,723,443
Terminal Cap Rate	10.0%												
Sale Price		366,297,384	0	0	0	0	0	0	0	0	0	0	366,297,384
Less Sales Expenses	5.0%	(18,314,869)	0	0	0	0	0	0	0	0	0	0	(18,314,869)
Unleveraged Cash Flow		413,323,914	(185,587,500)	33,811,296	24,509,914	20,462,842	23,088,511	26,369,030	28,045,308	29,549,570	31,194,384	32,911,909	382,705,958
<b>Unleveraged IRR</b>	<b>18.5%</b>												
<b>5. Property Value and Taxes</b>													
Terminal Cap Rate	10.0%												
Assessed Property Value	40.0%		0	135,245,185	98,039,656	113,873,881	103,349,788	105,476,118	112,181,232	118,198,278	124,777,537	131,647,635	138,893,773
Property Taxes	(0.058)	(69,022,109)	0	(7,899,671)	(5,726,496)	(6,651,373)	(6,036,661)	(6,160,860)	(6,552,506)	(6,903,961)	(7,288,256)	(7,689,538)	(8,112,785)
													(8,558,172)