



Financial Model - \$321 Million
May 2021



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I. FINANCIAL SUMMARY OVERVIEW

These financial pro forma for future financial position are the results of the company's projected operations, and cash flow, assuming 40%/60% equity/debt financing of approximately \$321 Million in 3rd Qtr. 2021. Assuming the terms of financing can be suggested and implemented. These pro forma represent the best of management's belief, the expected results of operations and cash flow for the projected period if said alternative were to commence on or about 3rd Quarter 2024. Accordingly, this projection reflects management's judgment as of May 2021, the date of this pro forma, the expected conditions and its expected course of



PROPERTY SUMMARY

Address: 800 West Morehead Street
Assemblage
Acreage: .2269 (98,838 Sq. Ft.)

action. The assumptions disclosed herein are those that management believes are significant to the projections. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

This projection represents the assumptions of the financial analysis for The Charlotte Club that will be branded with Hard Rock Hotels & Resorts "Lifestyle" Apartments and Hotel Mixed Use Development included in the project. Included are apartments, hotel, commercial office/retail and event/entertainment facility within the assumptions. The project is projected to have an "as complete" valuation over \$510+/- million.

Exhibit A: Summary of Significant Accounting Policy

Exhibit C: Basis of Accounting: The projections have been prepared using generally accepted accounting principles that the MRED expects to use when preparing its financial statements. Hypothetical Assumption – debt/equity structure financing of \$321 Million in exchange for Equity Ownership position in project with a "put option" can be exercised upon project completion if desired. (See exit plan)

Exhibit C: Financial Feasibility for "LIFESTYLE" Hotel Mixed-Use Development – SouthEnd Gateway

The outlook for financial feasibility is defined when the return on the investment in this hotel mixed-use development meets or exceeds the expected or the required return for the developer and our investors in the project. The measurement tool for financial success is expressed in these projections in different ways. Discounted cash flow analysis generating high EBITDA, Debt Coverage Ratio and Loan to Value analysis all are important tools. The rates of return such as cash on cash return are also considered useful tools.

Feasibility analysis can be adapted to a prospective view asking the question, "What will The Charlotte Club earn if it is developed," and a retrospective view asking the question, "What did The Charlotte Club earn?" Regarding the prospective view, three insights are shared we looked at are:

- ***Financial success depends on a faster time to build out and lease up the project.*** The shorter the construction phase and the higher the initial occupancy, the better the prospects are for achieving feasibility objectives. Because the optimal land use plan is rarely the plan that provides the greatest possible density. ... Rather, it is the plan that provides for the most rapid absorption of finished sites (driven by end-user demand for space) at the highest price.

- ***Financial success depends on minimizing the outflow of funds.*** This is not to say that the project is done on the cheap but that investors willing to provide higher investment to value ratios minimize initial capital. In addition, the ability to obtain development incentives from the City of Charlotte, Mecklenburg County and State of North Carolina jurisdiction will be an important aspect of minimizing the outflow of funds.

- ***Financial success depends on “being able to maximize and mix the uses in a way that responds to market conditions, opportunities and economics...”***

II. SWOT ANALYSIS

Strengths:

- ❖ Located to the Gateway to Uptown Charlotte is 283 guest rooms and suites
- ❖ 16,000++ square foot of Ballroom, meeting & Banquet space
- ❖ Encouragement from the City of Charlotte, Mecklenburg county, and the State of North Carolina
- ❖ Satisfying the desire to live in more of a professional/leisure environment for changing demographics favoring the live-work-play “lifestyle” concept.
- ❖ Three blocks from Charlotte’s light rail system Carson Street Station
- ❖ Potential high pedestrian activity
- ❖ CBD Location
- ❖ Proximity to cultural amenities (SouthEnd Gateway to Uptown)
- ❖ Potential growing and established residential areas
- ❖ Ideal location for Gateway to Uptown Charlotte, one of the strongest hotel, apartment and retail markets in the US
- ❖ Renewed popularity of large projects mixing hospitality, residential, workplace, entertainment, sports, and other functions

Weaknesses:

- ❖ Pricing and value appraising of fractional components in the absence of comparable sales in Charlotte can be problematic
- ❖ Inadequate parking for all traffic streams coming into The Charlotte Club i.e. residence, hotel guests, retail, entertainment traffic, etc.
- ❖ While connectivity within The Charlotte Club is excellent, the existing retail development that surrounds the project stands apart, visually and functionally.
- ❖ Stroll District identified in SouthEnd, but has few amenities
- ❖ The existing facilities are inadequate for the higher density residential, office, entertainment, and retail uses planned or under construction

- ❖ Renovation of existing hotel properties to meet pent-up demand and rising consumer expectations

Opportunities:

- ❖ Potential to increase commercial rental prices, occupancy rates and accelerate absorption rates by tenants and guests willing to pay high prices for the live, work, play appeal.
- ❖ Emerging markets and expansion abroad
- ❖ Wedding, corporate convention, live entertainment venue and event hosting
- ❖ Estimated to create approximately 3,000+ direct and indirect jobs during the development and operational stages building community relationships.
- ❖ Expansion of services and products
- ❖ Desires for Charlotte to attract companies creates a need for new development to SouthEnd
- ❖ Planned infrastructure upgrades project
- ❖ Opportunity to develop a unique apartment, hotel, retail/office and event/entertainment mix in a soft market
- ❖ Construction of mass transportation (SouthEnd)
- ❖ Rise of the value-oriented “select-service” category, bridging the gap between luxury and economy

Threats:

- ❖ Neighboring competitors
- ❖ Economic slow down
- ❖ Exchange rate fluctuation
- ❖ Lower cost competitors
- ❖ Rapidly advancing technology
- ❖ External changes (government, politics, taxes, etc.)
- ❖ High commercial vacancy rates
- ❖ Slow job growth
- ❖ Lack of a sound mass transportation system
- ❖ Access to financing due to pre- leasing thresholds by lenders

III. FINANCIAL STATEMENT PROJECTIONS

Exhibit D: Balance Sheet Statement

Year	0	1	2	3	4	5
ASSETS						
Cash - Operating Account	\$0	\$775,758	\$4,417,021	\$11,551,244	\$20,925,246	\$31,073,070
Cash - Escrow Account (Pre-Sales)	\$0	\$0	\$0	\$0	\$0	\$0
Land	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Net Building/FF&E & Accum. Depre/Amort	\$309,733,000	\$308,236,218	\$306,739,436	\$305,242,654	\$303,745,872	\$302,249,090
TOTAL ASSETS	\$321,733,000	\$321,011,976	\$323,156,457	\$328,793,898	\$336,671,118	\$345,322,160
LIABILITIES AND OWNER'S EQUITY						
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0
Debt: Note Payable (TBD)	\$193,039,800	\$183,957,426	\$174,691,730	\$165,239,012	\$155,595,498	\$145,757,335
TOTAL LIABILITIES	\$193,039,800	\$183,957,426	\$174,691,730	\$165,239,012	\$155,595,498	\$145,757,335
OWNER'S EQUITY						
Net Income	\$0	\$8,361,349	\$11,410,178	\$15,090,158	\$17,520,735	\$18,489,205
Retained Earnings	\$0	\$0	\$8,361,349	\$19,771,527	\$34,861,685	\$52,382,421
Paid Out Capital -	\$0	\$0	\$0	\$0	\$0	\$0
Equity: (TBD Investment)	\$128,693,200	\$128,693,200	\$128,693,200	\$128,693,200	\$128,693,200	\$128,693,200
TOTAL OWNER'S EQUITY	\$128,693,200	\$137,054,549	\$148,464,727	\$163,554,885	\$181,075,621	\$199,564,826
TOTAL LIABILITIES AND OWNER'S EQUITY	\$321,733,000	\$321,011,976	\$323,156,457	\$328,793,898	\$336,671,118	\$345,322,160

Exhibit E: Cash Flow Statement

<u>Year</u>	<u>Deployment</u> <u>Yr 1</u>	<u>Deployment</u> <u>Yr 2</u>	<u>Deployment</u> <u>Yr 3</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
SOURCES								
Net Operating Income	\$0	\$0	\$0	\$8,361,349	\$11,410,178	\$15,090,158	\$17,520,735	\$18,489,205
Add: Non-Cash Items from Operation								
Equity Deployment of Funds	\$26,305,908	\$47,029,108	\$55,358,183	\$0	\$0	\$0	\$0	\$0
Debt Deployment of Funds	\$39,458,863	\$70,543,663	\$83,037,275	\$0	\$0	\$0	\$0	\$0
Depreciation/Amortization	\$0	\$0	\$0	\$1,496,782	\$1,496,782	\$1,496,782	\$1,496,782	\$1,496,782
Doubtful Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash from Operation/Deployment of Funds	\$65,764,771	\$117,572,771	\$138,395,458	\$9,858,131	\$12,906,960	\$16,586,940	\$19,017,517	\$19,985,987
Escrow Deposit (Pre-Sales)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Guarantee Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Acquisition Cost (see Use of Funds)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Development Cost (see Use of Funds)	(\$65,764,771)	(\$117,572,771)	(\$138,395,458)	\$0	\$0	\$0	\$0	\$0
Notes Payable (20 Yr/5%)	\$0	\$0	\$0	(\$9,082,374)	(\$9,265,696)	(\$9,452,718)	(\$9,643,515)	(\$9,838,163)
Total Sources	\$0	\$0	\$0	\$775,758	\$3,641,264	\$7,134,222	\$9,374,003	\$10,147,824
APPLICATIONS								
Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution - JV Partner Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Applications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET CASH FLOW (DEFICIT)	\$0	\$0	\$0	\$775,758	\$3,641,264	\$7,134,222	\$9,374,003	\$10,147,824
ENDING CASH BALANCE	\$0	\$0	\$0	\$775,758	\$4,417,021	\$11,551,244	\$20,925,246	\$31,073,070

Exhibit E: Debt Service Coverage Ratio (DSCR)

DEBIT SERVICE COVERAGE RATIO (DSCR)					
Net Operating Income	\$8,361,349	\$11,410,178	\$15,090,158	\$17,520,735	\$18,489,205
Add - In					
Depreciation/Amortization Expense	\$1,496,782	\$1,496,782	\$1,496,782	\$1,496,782	\$1,496,782
Ending Cash-Flow Balance	\$9,858,131	\$12,906,960	\$16,586,940	\$19,017,517	\$19,985,987
Debt: Principal X 4 (see AZ600)	\$9,082,374	\$9,265,696	\$9,452,718	\$9,643,515	\$9,838,163
DSCR %	1.09	1.39	1.75	1.97	2.03

Exhibit G: Consolidated Income Statement

Year	1		2		3		4		5	
INCOME										
Total Apartment Units (485)	485		485		485		485		485	
Apartments Rented	121	%	136	%	151	%	226	%	251	%
Average Monthly Rent	\$2,138		\$2,138		\$2,138		\$2,202		\$2,202	
# of Months	12		12		12		12		12	
Vacancy & Loss %	75.1%		72.0%		68.9%		53.4%		48.2%	
Apartment Rental Income	\$3,134,439	9.6%	\$3,495,126	9.4%	\$3,880,618	9.3%	\$5,980,310	13.3%	\$6,643,742	14.3%
Office Space Income	\$5,392,450		\$5,392,450		\$5,392,450		\$5,392,450		\$5,392,450	
Retail Space Income	\$283,695		\$283,695		\$283,695		\$283,695		\$283,695	
Sub-Total Income	\$5,676,145		\$5,676,145		\$5,676,145		\$5,676,145		\$5,676,145	
Less: Vacancy & Loss	-\$4,214,555	-67.5%	-\$2,838,073	50.0%	-\$283,807	5.0%	-\$283,807	5.0%	-\$283,807	5.0%
Total Income	\$1,461,591		\$2,838,073		\$5,392,338		\$5,392,338		\$5,392,338	
Less: Pass thru Expenses	\$287,949		\$293,708		\$299,582		\$305,574		\$311,685	
Commercial Net Income	\$1,173,642	3.6%	\$2,544,365	6.9%	\$5,092,756	12.2%	\$5,086,764	11.3%	\$5,080,653	11.0%
Entertainment Venue Income	\$2,460,000	7.6%	\$2,523,300	6.8%	\$2,750,397	6.6%	\$2,806,545	6.2%	\$2,863,907	6.2%
Total Hotel Income (283 Keys)	\$25,796,196	79.2%	\$28,433,608	76.9%	\$30,121,207	72.0%	\$31,031,260	69.1%	\$31,782,459	68.5%
TOTAL INCOME	\$32,564,277	100.0%	\$36,996,399	100.0%	\$41,844,977	100.0%	\$44,904,879	100.0%	\$46,370,760	100.0%
OPERATING EXPENSES										
Total Hotel Expenses	\$15,722,857	48.3%	\$17,072,377	46.1%	\$18,152,374	43.4%	\$18,575,659	41.4%	\$18,987,945	40.9%
Total Apartment Expenses	\$736,593	2.3%	\$562,078	1.5%	\$589,063	1.4%	\$736,041	1.6%	\$782,481	1.7%
Entertainment Venue Expenses	\$1,684,916	5.2%	\$1,750,994	4.7%	\$1,838,590	4.4%	\$1,923,546	4.3%	\$1,988,011	4.3%
Doubtful P/N Allowanced	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
TOTAL OPERATING EXPENSES	\$18,144,366	55.7%	\$19,385,450	52.4%	\$20,580,026	49.2%	\$21,235,246	47.3%	\$21,758,438	46.9%
Property Tax	\$721,721	2.2%	\$909,763	2.5%	\$930,539	2.2%	\$952,343	2.3%	\$975,225	2.1%
Depreciation/Amortization Expen	\$1,496,782	4.6%	\$1,496,782	4.0%	\$1,496,782	3.6%	\$1,496,782	3.6%	\$1,496,782	3.2%
Interest Expense	\$3,840,057	11.8%	\$3,794,227	10.3%	\$3,747,471	9.0%	\$3,699,772	8.8%	\$3,651,110	7.9%
NET OPERATING INCOME	\$8,361,349	25.7%	\$11,410,178	30.8%	\$15,090,158	36.1%	\$17,520,735	39.0%	\$18,489,205	39.9%
EBITDA	\$15,141,631	46.5%	\$18,520,713	50.1%	\$22,195,490	53.0%	\$24,621,976	54.8%	\$25,587,547	55.2%

IV. DEPARTMENTAL INCOME STATEMENTS

Exhibit H: Apartment Income Statement

Year	1	2	3	4	5
No# of Apartments [485 Units]	485	485	485	485	485
Apartments Rented	121	136	151	226	251
Vacancy & Loss %	75.1%	72.0%	68.9%	53.4%	48.2%
Average Monthly Rent	\$2,137.87	\$2,137.87	\$2,137.87	\$2,202.01	\$2,202.01
# of Months	12	12	12	12	12
INCOME					
Rental Income	\$12,442,412 397.0%	\$12,442,412 356.0%	\$12,442,412 320.6%	\$12,812,025 214.2%	\$12,815,684 192.9%
Parking Income	\$30,250 1.0%	\$6,120 0.2%	\$6,795 0.2%	\$10,170 0.2%	\$11,295 0.2%
Vacancy & Loss	-\$9,338,222 -297.9%	-\$8,953,406 -256.2%	-\$8,568,589 -220.8%	-\$6,841,886 -114.4%	-\$6,183,237 -93.1%
EFFECTIVE GROSS INCOME	\$3,134,439 100.0%	\$3,495,126 100.0%	\$3,880,618 100.0%	\$5,980,310 100.0%	\$6,643,742 100.0%
EXPENSES					
Real Estate Taxes	\$316,578 10.1%	\$485,000 13.9%	\$485,000 12.5%	\$485,000 8.1%	\$485,000 7.3%
General & Administrative	\$25,076 0.8%	\$25,828 0.7%	\$25,828 0.7%	\$25,828 0.4%	\$25,828 0.4%
Utilities	\$43,882 1.4%	\$45,199 1.3%	\$45,199 1.2%	\$45,199 0.8%	\$45,199 0.7%
Repairs & Maintenance	\$31,344 1.0%	\$32,285 0.9%	\$32,285 0.8%	\$32,285 0.5%	\$32,285 0.5%
Marketing & Leasing	\$172,394 5.5%	\$177,566 5.1%	\$177,566 4.6%	\$177,566 3.0%	\$177,566 2.7%
Insurance	\$15,672 0.5%	\$16,142 0.5%	\$16,142 0.4%	\$16,142 0.3%	\$16,142 0.2%
Other	\$25,076 0.8%	\$20,400 0.6%	\$20,400 0.5%	\$20,400 0.3%	\$20,400 0.3%
Management Fee	\$156,722 5.0%	\$174,756 5.0%	\$194,031 5.0%	\$299,015 5.0%	\$332,187 5.0%
Replacement Reserve	\$266,427 8.5%	\$69,903 0.2%	\$77,612 2.0%	\$119,606 2.0%	\$132,875 0.4%
TOTAL EXPENSES	\$1,053,172 33.6%	\$1,047,078 30.0%	\$1,074,063 27.7%	\$1,221,041 20.4%	\$1,267,481 19.1%
DEPARTMENTAL PROFIT	\$2,081,268 66.4%	\$2,448,048 70.0%	\$2,806,555 72.3%	\$4,759,268 79.6%	\$5,376,260 80.9%

Exhibit I: 1st Year Apartment Income Statement

Apartments - Projected First Year						
PROPERTY ADDRESS	800 West Morehead Street - "Stadium Terraces Site					
PROPERTY TYPE	"Lifestyle" Hotel Mixed Use Development					
PROPOSED DEVELOPMENT	Mixed Use Development					
ZONING	(UMUD) Urban Multi Use District					
PROPOSED APARTMENT UNITS	485					
RENTABLE SQ. FT.	410,436					
LAND ACRES	2.269					
LAND SQ. FT.	98,838					
DENSITY (units/acre)	214					
Unit Mix	# Units	Unit Type	Mix %	S.F./Unit	NRA	GSF
Apartments						
Apartment - Studio	82	Studio	17.0%	525	43,286	44,152
Apartment - One Bedroom	247	1-BR	51.0%	728	180,071	183,672
Apartment - Two Bedroom w/1BA	150	2-BR	31.0%	1,173	176,361	179,888
Apartment - Three Bedroom w/2BA	5	3-BR	1.0%	2,210	10,719	10,933
Average Sq. Ft. per Unit					846	
Total Unit Mix	485		100.0%		410,436	418,645
Unit Rent	# Units	Unit Type	Monthly Rent	Rent Per SF	Total SF	Total Mo. Rent
Apartments						
Apartment - Studio	82	Studio	\$1,218	\$2.319	43,286	\$100,384
Apartment - One Bedroom w/1BA	247	1-BR	\$1,835	\$2.520	180,071	\$453,778
Apartment - Two Bedroom w/2BA	150	1-BR	\$3,015	\$2.570	176,361	\$453,247
Apartment - Three Bedroom w/2BA	5	2-BR	\$6,608	\$2.990	10,719	\$32,048
Total Unit Rent	485		\$2,137.87	\$2.400	410,436	\$1,036,868
Stabilized Cash Flow (3 Years)	Factors		%	Per Unit	Per SF	
INCOME						
Apartment Rented	121					
# of Months	12					
Rent Income	\$2,137.87/Mo		\$12,442,412	397.0%	\$25,654	\$30.32
Parking Income	\$250		\$30,250	1.0%	\$62	\$0.07
Vacancy & Loss	75.1%		(\$9,338,222)	-297.9%	(\$19,254)	-\$22.75
Effective Gross Income			\$3,134,439	100.0%	\$6,463	\$7.64
EXPENSES						
Property Tax	10.1%		\$316,578	10.1%	\$653	\$0.77
General & Administrative	0.8%		\$25,076	0.8%	\$52	\$0.06
Utilities	1.4%		\$43,882	1.4%	\$90	\$0.11
Repairs & Maintenance	1.0%		\$31,344	1.0%	\$65	\$0.08
Marketing & Leasing	5.5%		\$172,394	5.5%	\$355	\$0.42
Insurance	0.5%		\$15,672	0.5%	\$32	\$0.04
Other (Contract Services)	0.8%		\$25,076	0.8%	\$52	\$0.06
Management Fee	5.0%		\$156,722	5.0%	\$323	\$0.38
Salaries & Personnel	8.5%		\$266,427	8.5%	\$549	\$0.65
TOTAL EXPENSES			\$1,053,172	33.6%	\$2,171	\$2.57
DEPARTMENTAL INCOME			\$2,081,268	66.4%	\$4,291	\$5.07

Exhibit J: Apartment Comps

Apartment Comps vs 800 West Morehead St - UMUD						
No#	PROPERTY	ADDRESS	YOC/UC	UNITS	OCCUPANCY	RENT PSF
0	The Charlotte Club (Proposed)	800 West Morehead St	2024	485	25% Projected Year 1	\$2.40
1	Loft One35	135 W Morehead St	2015	298	94.6%	\$1.89
2	Circa Uptown	360 S Graham St	2016	243	93.4%	\$2.12
3	Element Uptown	355 W Martin Luther King Jr Blvd	2014	352	91.2%	\$2.30
4	Catalyst	255 W Martin Luther King Jr Blvd	2009	462	95.2%	\$1.99
5	Arlo	1331 W Morehead St	2018	286	37.8% (Lease-Up)	\$1.77
6	SkyHouse	640 North Tryon St	2017	672	90.0%	\$1.96
7	Novel Stonewall Station	400 E Stonewall St	2018	459	75.8% (Lease-Up)	\$2.50
8	The Mint	425 W Trade St	2015	177	96.1%	\$2.08
9	2 First Ward Urban Village	Brevard & 10th Streets	UC	428	N/A	N/A
10	The Ellis	North College & Eighth Street	UC	549	N/A	N/A
11	Savoy	650 East Stonewall Street	UC	302	N/A	N/A
12	Uptown 550	East Stonewall Street	UC	421	N/A	N/A

V: HOTEL INCOME STATEMENT

Year	1		2		3		4		5	
Hard Rock Hotel - Charlotte										
Number of Rooms [283]	283		283		283		283		283	
Number of Available Rooms	103,295		103,295		103,295		103,295		103,295	
Number of Rooms Rented	71,790		74,372		75,922		75,922		75,922	
Occupancy %	69.5%		72.0%		73.5%		73.5%		73.5%	
Average Daily Rate	\$242		\$260		\$271		\$279		\$287	
RevPar	\$168		\$187		\$199		\$205		\$211	
INCOME										
Hotel Income	\$17,337,291	67.2%	\$19,366,557	68.1%	\$20,560,828	68.3%	\$21,177,653	68.2%	\$21,812,983	68.6%
Food & Beverage Income	\$6,868,870	26.6%	\$7,258,270	25.5%	\$7,557,674	25.1%	\$7,708,827	24.8%	\$7,708,827	24.3%
Telephone Income	\$35,895	0.1%	\$68,739	0.2%	\$70,217	0.2%	\$71,727	0.2%	\$73,269	0.2%
Meeting Room Income	\$861,140	3.3%	\$991,602	3.5%	\$1,124,172	3.7%	\$1,200,073	3.9%	\$1,244,561	3.9%
Other Income	\$693,000	2.7%	\$748,440	2.6%	\$808,315	2.7%	\$872,980	2.8%	\$942,819	3.0%
TOTAL INCOME	\$25,796,196	100.0%	\$28,433,608	100.0%	\$30,121,207	100.0%	\$31,031,260	100.0%	\$31,782,459	100.0%
DEPARTMENTAL PROFIT										
Hotel Operation Profit	\$13,869,833	80.0%	\$15,493,246	80.0%	\$16,448,663	80.0%	\$17,153,899	81.0%	\$17,712,142	81.2%
Food & Beverage Profit	\$2,404,104	35.0%	\$2,540,395	35.0%	\$2,645,186	35.0%	\$2,698,090	35.0%	\$2,698,090	35.0%
Telephone Profit	\$7,179	20.0%	\$13,748	20.0%	\$14,043	20.0%	\$14,345	20.0%	\$14,654	20.0%
Meeting Room Profit	\$344,456	40.0%	\$396,641	40.0%	\$449,669	40.0%	\$480,029	40.0%	\$497,824	40.0%
DEPARTMENTAL PROFIT	\$16,625,572	64.4%	\$18,444,029	64.9%	\$19,557,561	64.9%	\$20,346,363	65.6%	\$20,922,710	65.8%
DEDUCTION DEPARTMENTS										
Administrative & General	\$1,547,772	6.0%	\$1,706,017	6.0%	\$1,807,272	6.0%	\$1,861,876	6.0%	\$1,906,948	6.0%
Sales & Marketing	\$1,805,734	7.0%	\$1,876,618	6.6%	\$2,018,121	6.7%	\$2,110,126	6.8%	\$2,192,990	6.9%
Heat, Lights & Power	\$515,924	2.0%	\$568,672	2.0%	\$602,424	2.0%	\$620,625	2.0%	\$635,649	2.0%
Repairs & Maintenance	\$644,905	2.5%	\$710,840	2.5%	\$813,273	2.7%	\$868,875	2.8%	\$889,909	2.8%
TOTAL DEDUCTION	\$4,514,334	17.5%	\$4,862,147	17.1%	\$5,241,090	17.4%	\$5,461,502	17.6%	\$5,625,495	17.7%
HOUSE PROFIT	\$12,111,238	46.9%	\$13,581,882	47.8%	\$14,316,471	47.5%	\$14,884,861	48.0%	\$15,297,215	48.1%
FIXED EXPENSES										
Property Tax	\$386,943	1.5%	\$406,290	1.4%	\$426,605	1.4%	\$447,935	1.4%	\$470,332	1.5%
Insurance	\$490,128	1.9%	\$514,634	1.8%	\$540,366	1.8%	\$567,384	1.8%	\$595,753	1.9%
Management Fee & Other Fees	\$1,289,810	5.0%	\$1,421,680	5.0%	\$1,506,060	5.0%	\$1,551,563	5.0%	\$1,589,123	5.0%
Reserve for Improvements	\$257,962	1.0%	\$284,336	1.0%	\$301,212	1.0%	\$310,313	1.0%	\$317,825	1.0%
Depreciation Expense	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
TOTAL FIXED EXPENSES	\$2,424,842	9.4%	\$2,626,941	9.2%	\$2,774,243	9.2%	\$2,877,195	9.3%	\$2,973,032	9.4%
DEPARTMENTAL INCOME	\$9,686,396	37.5%	\$10,954,941	38.5%	\$11,542,228	38.3%	\$12,007,667	38.7%	\$12,324,182	38.8%

Exhibit K: Hotel Food & Beverage Income Stats

	1	2	3	4	5
Food & Beverage Income					
Food Income	\$5,495,096	\$5,806,616	\$6,046,139	\$6,167,062	\$6,167,062
Beverage Income	\$1,373,774	\$1,451,654	\$1,511,535	\$1,541,765	\$1,541,765
Total Food & Beverage Income	\$6,868,870	\$7,258,270	\$7,557,674	\$7,708,827	\$7,708,827
Food Income per Occupied Room	\$77	\$78	\$80	\$81	\$81
Beverage Income per Occupied Room	\$19	\$20	\$20	\$20	\$20
Total F&B Income per Occupied Room	\$96	\$98	\$100	\$102	\$102
% To Total Room Income	27%	26%	25%	25%	24%

Exhibit L: Hotel Comps Stats

Comp #	Name of Establishment	Address	Zip Code	Class	Occupancy Projection	Published Rate	RevPAR
1	Hilton Charlotte Center City	222 E 3rd St	28202	Upper Upscale Class	86%	\$250	\$175
2	Ivey Hotel - Charlotte	127 N Tryon St	28202	Luxury	59%	\$258	\$181
3	Kimpton Tryon Park Hotel	303 S Church St	28208	Upper Upscale Class	68%	\$222	\$155
4	Westin Charlotte	601 S College St	28202	Upper Upscale Class	79%	\$245	\$172
5	Omni Charlotte Hotel	132 E Trade St	28202	Upper Upscale Class	71%	\$201	\$141
6	Grand Bohemian Hotel	201 W Trade St	28202	Luxury	65%	\$269	\$188
7	Marriott Charlotte City Center	100 W Trade St	28202	Upper Upscale Class	87%	\$246	\$172
8	Le Meridien Charlotte	555 S McDowell St	28204	Upper Upscale Class	70%	\$189	\$132
9	Sheraton Charlotte Hotel	555 S McDowell St	28202	Upper Upscale Class	62%	\$164	\$115
10	JW Marriott Charlotte	600 S College St	28202	Luxury	61%	\$210	\$145
11	Ritz Carlton - Charlotte	201 E Trade St	28204	Luxury	64%	\$569	\$398
12	InterContinental Hotel - Carolina Theater	220 N Tryon St	28202	Upper Upscale Class	TBD	TDB	TBD
Proposed	Hard Rock Hotel - Charlotte	800 W Morehead St	28206	Upper Upscale Class	69%	\$242	\$169

Exhibit M: Hotel Market Shares

Comp #	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Market Share
1	Hilton Charlotte Center City	Charlotte, NC	28202	Upper Upscale Class	Apr 1998	Oct 1990	400	9.8%
2	Ivey Hotel - Charlotte	Charlotte, NC	28202	Luxury	Jul 2017	Jun 2022	42	1.0%
3	Kimpton Tryon Park Hotel	Charlotte, NC	28208	Upper Upscale Class	Aug 2017	Dec 2017	217	5.3%
4	Westin Charlotte	Charlotte, NC	28202	Upper Upscale Class	May 2003	May 2003	700	17.1%
5	Omni Charlotte Hotel	Charlotte, NC	28202	Upper Upscale Class	Dec 1998	Feb 1977	374	9.1%
6	Grand Bohemian Hotel	Charlotte, NC	28202	Luxury	Sep 2017	Aug 2021	254	6.2%
7	Marriott Charlotte City Center	Charlotte, NC	28202	Upper Upscale Class	Apr 1984	Apr 1984	446	10.9%
8	Le Meridien Charlotte	Charlotte, NC	28204	Upper Upscale Class	Dec 2014	Jun 1975	300	7.3%
9	Sheraton Charlotte Hotel	Charlotte, NC	28202	Upper Upscale Class	Jul 2017	Feb 1970	308	7.5%
10	JW Marriott Charlotte	Charlotte, NC	28202	Luxury	Sep 2017	Aug 2021	381	9.3%
11	Ritz Carlton - Charlotte	Charlotte, NC	28204	Luxury	May 1984	Aug 1983	147	3.6%
12	InterContinental Hotel - Carolina Theater	Charlotte, NC	28202	Upper Upscale Class	Jul 2017	TBD	250	6.1%
Proposed	Hard Rock Hotel - Charlotte	Charlotte, NC	28206	Upper Upscale Class	Sep 2021	Sep 2024	283	6.9%
Total Properties:						14	4,102	100.0%

VI: OFFICE/RETAIL INCOME STATEMENT

Year	1	2	3	4	5
INCOME					
Office Space Income	\$5,392,450	\$5,392,450	\$5,392,450	\$5,392,450	\$5,392,450
Retail Space Income	\$283,695	\$283,695	\$283,695	\$283,695	\$283,695
Sub-Total Income	\$5,676,145	\$5,676,145	\$5,676,145	\$5,676,145	\$5,676,145
Less: Vacancy & Loss	-\$4,214,555 -67.5%	-\$2,838,073 50.0%	-\$283,807 5.0%	-\$283,807 5.0%	-\$283,807 5.0%
Total Income	\$1,461,591	\$2,838,073	\$5,392,338	\$5,392,338	\$5,392,338
Less: Pass thru Expenses	\$287,949	\$293,708	\$299,582	\$305,574	\$311,685
Departmental Income	\$1,173,642 3.6%	\$2,544,365 6.9%	\$5,092,756 12.2%	\$5,086,764 11.3%	\$5,080,653 11.0%

Exhibit N: 1st Year Office/Retail Income Statement

First Year Office & Retail Pro Form					
PROPERTY ADDRESS	800 West Morehead Street "Stadium Terraces Site"				
PROPERTY TYPE	"Lifestyle" Hotel Mixed-Use Development				
PARCEL NUMBERS	See West Morehead Street "Stadium Terraces Site"				
PROPOSED DEVELOPMENT	Mixed Use Development				
ZONING	(UMUD) Uptown Mixed Use District				
RENTABLE SQ. FT.	162,190				
LAND ACRES	2.269				
LAND SQ. FT.	98,838				
Commercial Office Space	Full Service	A	Standard	151,900	155,000
Commercial Retail Space	NRA	A	Standard	10,290	10,500
Total Office & Retail Space				162,190	165,500

Income		Factors		
INCOME				
Potential Office Income	\$35.50	\$5,392,450		
Other Income	\$0	\$0.00		
Less: Vacancy & Loss	75%	-\$4,044,338		
Effective Gross Income		\$1,348,113	92.2%	
Potential Retail Income	\$27.57	\$283,695		
Other Income	\$0	\$0.00		
Vacancy & Loss	60%	-\$170,217		
Effective Gross Income		\$113,478	7.8%	
TOTAL INCOME		\$1,461,591	100.0%	
EXPENSES	Office	Retail	Total	
Maintenance	\$36,000	\$9,000	\$45,000	
Insurance	\$7,680	\$1,920	\$9,600	
Property Taxes	\$42,400	\$10,600	\$53,000	
Security	\$60,000	\$15,000	\$75,000	
Utilities	\$24,000	\$6,000	\$30,000	
Management Fee	\$40,443	\$5,674	\$46,117	
Reserves	\$26,962	\$2,270	\$29,232	
TOTAL EXPENSES	\$237,486	\$50,463	\$287,949	
Departmental Income	\$1,110,627	\$63,015	\$1,173,642	80.3%

Exhibit N: Office/Retail Comps

Office/Retail Comps vs 800 West Morehead St - UMUD						
No#	PROPERTY	ADDRESS	YOC/UC	BUILDING S.F.	AVG. LEASE PRICE	RENT PSF
0	The Charlotte Club (Proposed)	800 West Morehead St	2024	151,900	\$35.50	\$35.50
Office Comps						
1	The Boxer Building	1000 W Morehead St	2000	40,000	\$31 - \$33/Sqft	\$32.00
2	Carolina School Supply Building	1023 W Morehead St	1930	27,142	\$32	\$32.00
3	NASCAR Plaza	550 S Caldwell St	2008	77,408	\$33 - \$36.50/Sqft	\$34.70
4	Vantage SouthEnd	1120 S Tryon St	2021	347,555	\$44 - \$45/Sqft	\$44.50
5	Legacy Union PH II	650 S Tryon St	2021	367,000	\$46 - \$47/Sqft	\$46.50
Average/PSF						\$37.94
Retail Comps						
0	The Charlotte Club (Proposed)	800 West Morehead St	2024	10,290	\$27.57	\$27.57
1	The Refinery	1213 W Morehead St	2019	3,162	\$35	\$35.00
2	Wesley Heights	1227-1231 W Morehead St	1928	1,766	\$35	\$35.00
3	Legacy Union PH II	650 S Tryon St	2021	2,000 - 10,500	\$23 - \$25/Sqft	\$24.00
4	The Square	200 West Blvd	2021	10,163	\$28.00	\$28.00
Average/PSF						\$30.50

VII: ENTERTAINMENT VENUE INCOME STATEMENT

Year	1		2		3		4		5	
Income										
Food	\$861,000	70.0%	\$883,155	70.0%	\$962,639	70.0%	\$982,291	70.0%	\$1,002,367	70.0%
Beverage	\$369,000	30.0%	\$378,495	30.0%	\$412,560	30.0%	\$420,982	30.0%	\$429,586	30.0%
Total Food & Beverage	\$1,230,000	50.0%	\$1,261,650	50.0%	\$1,375,199	50.0%	\$1,403,272	50.0%	\$1,431,953	50.0%
Room Rental	\$984,000	40.0%	\$1,009,320	40.0%	\$1,100,159	40.0%	\$1,122,618	40.0%	\$1,145,563	40.0%
Admission Fees	\$123,000	5.0%	\$126,165	5.0%	\$137,520	5.0%	\$140,327	5.0%	\$143,195	5.0%
Recording Studio Income	\$98,400	4.0%	\$100,932	4.0%	\$110,016	4.0%	\$112,262	4.0%	\$114,556	4.0%
Other	\$24,600	1.0%	\$25,233	1.0%	\$27,504	1.0%	\$28,065	1.0%	\$28,639	1.0%
Revenues	\$2,460,000	100.0%	\$2,523,300	100.0%	\$2,750,397	100.0%	\$2,806,545	100.0%	\$2,863,907	100.0%
Cost of Sales Expenses										
Food COS	\$301,350	35.0%	\$309,104	35.0%	\$336,924	35.0%	\$343,802	35.0%	\$350,829	35.0%
Beverage COS	\$81,180	22.0%	\$83,269	22.0%	\$90,763	22.0%	\$92,616	22.0%	\$94,509	22.0%
Total Cost of Sales	\$382,530	15.6%	\$392,373	15.6%	\$427,687	15.6%	\$436,418	15.6%	\$445,337	15.6%
Payroll & Fringe										
Wages - Management										
Total Wages - Management	\$250,500	10.2%	\$254,258	10.1%	\$277,141	10.1%	\$302,083	10.8%	\$325,472	11.4%
Wages - Hourly										
Total Wages - Hourly	\$281,943	11.5%	\$287,538	11.4%	\$313,417	11.4%	\$341,624	12.2%	\$348,457	12.2%
Fringe Benefits& Taxes (30%)	\$159,733	30.0%	\$162,539	30.0%	\$177,167	30.0%	\$193,112	30.0%	\$202,179	30.0%
Total Salaries & Wages	\$692,176	28.1%	\$704,334	27.9%	\$767,725	27.9%	\$836,820	29.8%	\$876,108	30.6%
Operating Expenses										
China, Glass & Silver	\$3,900	0.2%	\$3,959	0.2%	\$4,057	0.1%	\$4,159	0.1%	\$4,263	0.1%
Maintenance - Point of Sale:	\$1,300	0.1%	\$1,320	0.1%	\$1,352	0.0%	\$1,386	0.0%	\$1,421	0.0%
Audio & Light	\$6,500	0.3%	\$6,598	0.3%	\$6,762	0.2%	\$6,931	0.2%	\$7,105	0.2%
Equipment Rental	\$10,400	0.4%	\$10,556	0.4%	\$10,820	0.4%	\$11,090	0.4%	\$11,368	0.4%
Licenses & Permits	\$520	0.0%	\$528	0.0%	\$541	0.0%	\$555	0.0%	\$568	0.0%
Linens/Uniforms	\$3,380	0.1%	\$3,431	0.1%	\$3,516	0.1%	\$3,604	0.1%	\$3,694	0.1%
Janitorial/Housekeeping	\$3,900	0.2%	\$3,959	0.2%	\$4,057	0.1%	\$4,159	0.1%	\$4,263	0.1%
Operating Supplies	\$21,840	0.9%	\$22,168	0.9%	\$22,722	0.8%	\$23,290	0.8%	\$23,872	0.8%
Recording Studio Expenses	\$52,000	2.1%	\$52,780	2.1%	\$54,100	2.0%	\$55,452	2.0%	\$56,838	2.0%
Music & Entertainment	\$78,000	3.2%	\$78,780	3.1%	\$80,750	2.9%	\$82,768	2.9%	\$84,837	3.0%
Advertising & Promotions	\$78,000	3.2%	\$79,170	3.1%	\$81,149	3.0%	\$83,178	3.0%	\$85,257	3.0%
Credit Card Discount Fees	\$38,130	1.6%	\$38,702	1.5%	\$39,669	1.4%	\$40,661	1.4%	\$41,678	1.5%
Professional Fees	\$34,840	1.4%	\$35,363	1.4%	\$36,247	1.3%	\$37,153	1.3%	\$38,082	1.3%
Insurance	\$70,200	2.9%	\$71,253	2.8%	\$73,034	2.7%	\$74,860	2.7%	\$76,732	2.7%
Admission Taxes	\$18,200	0.7%	\$18,473	0.7%	\$18,935	0.7%	\$19,408	0.7%	\$19,893	0.7%
Excise Taxes	\$29,120	1.2%	\$29,557	1.2%	\$30,296	1.1%	\$31,053	1.1%	\$31,829	1.1%
Property Tax	\$18,200	0.7%	\$18,473	0.7%	\$18,935	0.7%	\$19,408	0.7%	\$19,893	0.7%
Miscellaneous	\$1,300	0.1%	\$1,320	0.1%	\$1,352	0.0%	\$1,386	0.0%	\$1,421	0.0%
Management Fee	\$73,800	3.0%	\$74,907	3.0%	\$76,780	2.8%	\$78,699	2.8%	\$80,667	2.8%
Rent	\$36,000	1.5%	\$36,540	1.4%	\$37,454	1.4%	\$38,390	1.4%	\$39,350	1.4%
Repairs & Maintenance	\$15,080	0.6%	\$15,306	0.6%	\$15,689	0.6%	\$16,081	0.6%	\$16,483	0.6%
Utilities	\$33,800	1.4%	\$34,307	1.4%	\$35,165	1.3%	\$36,044	1.3%	\$36,945	1.3%
Total Operating Expenses	\$628,410	25.5%	\$637,446	25.3%	\$653,382	23.8%	\$669,717	23.9%	\$686,460	24.0%
Total Expenses	\$1,703,116	69.2%	\$1,769,467	70.1%	\$1,857,525	67.5%	\$1,942,954	69.2%	\$2,007,905	70.1%
Deparmental Income	\$756,884	30.8%	\$753,833	29.9%	\$892,872	32.5%	\$863,590	30.8%	\$856,002	29.9%

Attachment I: 10-Year Pro-Forma Stats

Year	Vacancy Rate %	Vacancy Rate %	Per Occupied Room	HOTEL STATS		
				Occupancy	ADR	Revpar
	Apartment	Office/Retail	Entertainment			
1	-75.1%	-67.5%	\$34.27	69.5%	\$241.50	\$167.84
2	-72.0%	-50.0%	\$33.93	72.0%	\$260.40	\$187.49
3	-68.9%	-5.0%	\$36.23	73.5%	\$270.82	\$199.05
4	-53.4%	-5.0%	\$36.97	73.5%	\$278.94	\$205.02
5	-48.2%	-5.0%	\$37.72	73.5%	\$287.31	\$211.17
6	-27.6%	-5.0%	\$37.72	75.0%	\$295.93	\$221.95
7	-12.2%	-5.0%	\$37.74	76.5%	\$304.81	\$233.18
8	-10.5%	-5.0%	\$38.02	77.5%	\$313.95	\$243.31
9	-9.9%	-5.0%	\$38.55	78.0%	\$317.09	\$247.33
10	-7.4%	-5.0%	\$39.09	78.5%	\$323.43	\$253.89

Attachment II: 10-Year Pro-Forma Operating Earnings

Year	Apartment Rental Income	Office/Retail Net Income	Entertainment Venue	Hotel Income	Total Income	Total Expenses	Net Operating Profit	Net Operating Profit %	EBITDA	EBITDA %
1	\$3,134,439	\$1,173,642	\$2,460,000	\$25,796,196	\$32,564,277	(\$24,202,927)	\$8,361,349	25.7%	\$15,141,631	46.5%
2	\$3,495,126	\$2,544,365	\$2,523,300	\$28,433,608	\$36,996,399	(\$25,586,222)	\$11,410,178	30.8%	\$18,520,713	50.1%
3	\$3,880,618	\$5,092,756	\$2,750,397	\$30,121,207	\$41,844,977	(\$26,754,819)	\$15,090,158	36.1%	\$22,195,490	53.0%
4	\$5,980,310	\$5,086,764	\$2,806,545	\$31,031,260	\$44,904,879	(\$27,384,143)	\$17,520,735	39.0%	\$24,621,976	54.8%
5	\$6,643,742	\$5,080,653	\$2,863,907	\$31,782,459	\$46,370,760	(\$27,881,555)	\$18,489,205	39.9%	\$25,587,547	55.2%
6	\$9,754,394	\$5,074,419	\$2,922,511	\$33,165,736	\$50,917,060	(\$28,183,992)	\$22,733,068	44.6%	\$29,829,794	58.6%
7	\$11,838,666	\$5,068,061	\$2,982,385	\$34,600,632	\$54,489,743	(\$28,951,860)	\$25,537,883	46.9%	\$32,634,366	59.9%
8	\$12,422,232	\$5,061,575	\$3,043,558	\$35,955,775	\$56,483,140	(\$30,607,076)	\$25,876,064	45.8%	\$32,973,778	58.4%
9	\$12,508,100	\$5,054,960	\$3,106,060	\$36,631,668	\$57,300,788	(\$30,265,116)	\$27,035,672	47.2%	\$34,136,192	59.6%
10	\$12,851,572	\$5,048,212	\$3,169,921	\$37,664,007	\$58,733,712	(\$32,653,912)	\$26,079,800	44.4%	\$33,184,812	56.5%
Total	\$82,509,198	\$44,285,405	\$28,628,582	\$325,182,548	\$480,605,734	(\$282,471,622)	\$198,134,112	41.2%	\$268,826,299	55.9%

Attachment III: Development Budget by Components

Project Budget - 2021	Land Acquisition	Site Improvement	Hotel	Apartments	Office/Retail/E ntertainment	Parking	Total
2.269 AC West Morehead Street	\$11,316,000	\$0	\$0	\$0	\$0	\$0	\$11,316,000
Closing Costs	\$228,000	\$0	\$0	\$0	\$0	\$0	\$228,000
Legal Fees	\$456,000	\$0	\$0	\$0	\$0	\$0	\$456,000
Site Improvements	\$0	\$584,000	\$0	\$0	\$0	\$0	\$584,000
Other Site Costs/Demolition	\$0	\$784,000	\$0	\$0	\$0	\$0	\$784,000
Hotel Construction 158,545 SF @ \$223.28/SF	\$0	\$0	\$35,400,607	\$0	\$0	\$0	\$35,400,607
Apartment Construction 425,705 SF @ \$142.69 SF	\$0	\$0	\$0	\$60,742,940	\$0	\$0	\$60,742,940
Office/Retail/Entertainment Construction 179,052 SF @ \$104.87 SF	\$0	\$0	\$0	\$0	\$18,776,949	\$0	\$18,776,949
Parking Deck 468,730 SF @ \$54.29 SF (1,339 Parking Spaces)	\$0	\$0	\$0	\$0	\$0	\$25,445,856	\$25,445,856
Contractor's Overhead	\$0	\$0	\$1,062,018	\$1,822,288	\$563,308	\$763,376	\$4,210,990
G/L Insurance	\$0	\$0	\$853,155	\$1,463,905	\$452,524	\$613,245	\$3,382,829
Project Cost & Management	\$0	\$0	\$1,239,021	\$2,126,003	\$657,193	\$890,605	\$4,912,822
General Condition	\$0	\$0	\$354,006	\$607,429	\$187,769	\$254,459	\$1,403,663
Contingency	\$0	\$0	\$3,540,058	\$6,074,295	\$1,877,697	\$2,544,586	\$14,036,636
Pandemic Impact (COVID-19) Contingency	\$0	\$0	\$4,375,000	\$4,375,000	\$4,375,000	\$4,375,000	\$17,500,000
Parking Facility Contingency	\$0	\$0	\$0	\$0	\$0	\$5,486,203	\$5,486,203
Other Pre-Development Costs	\$0	\$0	\$2,078,016	\$3,560,893	\$1,101,925	\$1,493,670	\$8,234,504
Program Management Costs 3%	\$0	\$0	\$1,467,056	\$2,423,183	\$839,771	\$1,256,010	\$5,986,020
Architect, design for submission, 6% of hard cost	\$0	\$0	\$2,934,113	\$4,846,365	\$1,679,542	\$2,512,020	\$11,972,040
Developer's Fee 5% Hard Cost	\$0	\$0	\$2,445,094	\$4,038,638	\$1,399,618	\$2,093,350	\$9,976,700
Legal	\$0	\$0	\$202,750	\$202,750	\$202,750	\$202,750	\$811,000
Consultant Fee	\$0	\$0	\$237,500	\$237,500	\$237,500	\$237,500	\$950,000
Title & Recording	\$0	\$0	\$87,500	\$87,500	\$87,500	\$87,500	\$350,000
Surety Bond - City of Charlotte	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000
Planning & Consultant Fees	\$0	\$0	\$198,750	\$198,750	\$198,750	\$198,750	\$795,000
Permits/Licenses & Other Start Up Fees	\$0	\$0	\$87,500	\$87,500	\$87,500	\$87,500	\$350,000
Market, Risk Assessment & Traffic Feasibility Studies	\$0	\$0	\$70,000	\$70,000	\$70,000	\$70,000	\$280,000
Management Fee - Price Waterhouse	\$0	\$0	\$45,000	\$45,000	\$45,000	\$45,000	\$180,000
Soft cost Contingency @ 4.9% hard cost	\$0	\$0	\$2,385,417	\$3,940,067	\$1,365,458	\$2,042,258	\$9,733,200
Contingency @ 4.5% Hard Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wages & Salaries	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
Fringe Benefits & Taxes	\$0	\$0	\$105,000	\$105,000	\$105,000	\$105,000	\$420,000
Accounting/Audit Fees	\$0	\$0	\$70,500	\$70,500	\$70,500	\$70,500	\$282,000
Public Relations, Advertising & Marketing	\$0	\$0	\$203,000	\$203,000	\$203,000	\$203,000	\$812,000
Hotel Branding Related Start-up Costs	\$0	\$0	\$2,470,000	\$500,000	\$0	\$0	\$2,970,000
Travel/Exp	\$0	\$0	\$55,000	\$55,000	\$55,000	\$55,000	\$220,000
Local Office, Rent, Utilities, FF&E	\$0	\$0	\$211,091	\$211,091	\$211,091	\$211,091	\$844,364
Hotel FF&E	\$0	\$0	\$8,914,500	\$0	\$0	\$0	\$8,914,500
Hotel OS&E	\$0	\$0	\$3,183,750	\$0	\$0	\$0	\$3,183,750
Apartment FF&E	\$0	\$0	\$0	\$550,000	\$0	\$0	\$550,000
Apartment OS&E	\$0	\$0	\$0	\$136,640	\$0	\$0	\$136,640
Entertainment Venue FF&E	\$0	\$0	\$0	\$0	\$4,743,550	\$0	\$4,743,550
Retail FF&E	\$0	\$0	\$0	\$0	\$1,625,000	\$0	\$1,625,000
Office FF&E	\$0	\$0	\$0	\$0	\$906,750	\$0	\$906,750
Parking FF&E	\$0	\$0	\$0	\$0	\$0	\$700,278	\$700,278
IT Systems	\$0	\$0	\$111,180	\$111,180	\$111,180	\$111,180	\$444,720
Developer's Startup Costs - McClain Real Estate	\$0	\$0	\$212,500	\$212,500	\$212,500	\$212,500	\$850,000
RE Tax Escrow	\$0	\$0	\$118,500	\$118,500	\$118,500	\$118,500	\$474,000
Success Fee - 6%	\$0	\$0	\$4,605,975	\$4,605,975	\$4,605,975	\$4,605,975	\$18,423,900
Success Fee Equity - 5%	\$0	\$0	\$1,627,450	\$1,627,450	\$1,627,450	\$1,627,450	\$6,509,800
Interest Reserve - 4%	\$0	\$0	\$3,293,948	\$3,293,948	\$3,293,945	\$3,293,948	\$13,175,789
Grand Total	\$12,000,000	\$1,368,000	\$84,559,955	\$109,065,790	\$52,410,195	\$62,329,060	\$321,733,000

Attachment IV: Internal Rate of Return (IRR)

Location: 800 West Morehead Street

Property Type: "Lifestyle" Mixed-Use Development

Summary: Cash-Flow Analysis May 2021

Total Square Footage Acquired	98,838
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Acquisition Cost	\$12,000,000
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Developed ft²

Hotel	158,545
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Apartments	425,706
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Parking	468,730
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Office/Retail/Entertainment Venue	179,050
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Total Square Footage Developed	1,232,032
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Parking ft²	468,470
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Sources of Funds

Debt	\$193,039,800
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Equity	\$128,693,200
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Total Funds	\$321,733,000
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Uses of Funds

Construction Costs

Hard Costs	\$199,534,000
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Soft Costs	\$97,023,210
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Contingency	\$0
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	\$296,557,210
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Financing Costs

Brokers Fees (included in soft costs)	\$0
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Interest on Debt	\$13,175,790
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	\$13,175,790
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Performance Indicators

Unlevered

Net Cash Flow	\$763,830,000
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Equity Multiple	3.37
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IRR	19.4%
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Levered

Net Cash Flow	\$697,926,766
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Equity Multiple	4.6
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IRR	17.1%
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