DRAFT

1044 MAIN

Financial But-For Analysis

April 10, 2026

Image Source: CoStar

1044 MAIN FINANCIAL BUT-FOR ANALYSIS

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Prepared by SB Friedman Development Advisors, LLC

April 10, 2026

EXECUTIVE SUMMARY

Historic renovation of a downtown former office building into a mixed-use building

PROJECT ATTRIBUTES	FINDINGS
LOCATION & CONTEXT	▪ 0.45-acre site located at 1044 Main Street in downtown Kansas City ▪ Located on the Kansas City Streetcar Line ▪ Near the Power & Light District, the Crossroads Arts District, and the T-Mobile Arena
DEVELOPMENT PROGRAM	▪ Conversion of an eleven-story, 103,189 SF historic office building into 74 apartment units and 6,000 SF of commercial space. ▪ Commercial space comprised of 3,500 SF of retail space on the ground floor and 2,500 SF of office space on the mezzanine level. ▪ Adjacent 52-space parking garage will be rehabbed to continue to serve the building.
PROJECT BUDGET	▪ Total development costs of $27.4M, before requested STECM. ▪ Acquisition price is higher than the average of recent sales of vacant shell buildings or those being purchased for adaptive reuse in the downtown area; however, the building was recently occupied as office and appears to be in relatively good condition. ▪ Project's hard costs are lower than the benchmark range. ▪ For adaptive reuse buildings in good condition, it is common to have higher acquisition costs and lower hard construction costs. ▪ Developer fee as a share of TDC, net of acquisition costs, is higher than comparable projects; however, this is likely the result of the Developer maximizing the qualified rehabilitation expenses (QRE) from which historic tax credit (HTC) awards are based. ▪ It is our understanding that a portion of the developer fee will be deferred, which is common in HTC projects. ▪ Remaining costs are generally in line with comparable projects and industry sources.
FINANCING ASSUMPTIONS	▪ Project will be financed through a mix of conventional debt, HTC equity and cash equity. ▪ Developer is in preliminary discussions with potential lenders and equity investors. ▪ Debt and HTC equity assumptions are in line with recent projects reviewed by SB Friedman.
OPERATING ASSUMPTIONS	▪ Project is expected to stabilize in Year 2 of operations ▪ Residential rents appear to be within range of comparable projects on a chunk rent basis. ▪ On a per-SF basis, the Developer's 1-bedroom rents ($2.39/SF) and 2-bedrooms rents ($2.09/SF) appear to be at the high and mid range observed in comparable projects. ▪ This is likely due to the units being smaller than the average of comparable projects, which increases the rent/SF. ▪ Ground floor retail is anticipated to be leased by a small service retail or food and beverage tenant; retail rent assumptions appear to be at a premium relative to comparable existing retail spaces. ▪ Mezzanine will be occupied by Exact Architects; rent is expected to be slightly lower than benchmarks but appears reasonable given its location within the building and limited visibility from the street. ▪ Expenses are on the high end of the benchmark range as a percentage of revenues, but within expected per-SF ranges. ▪ Other operating assumptions appeared reasonable.

EXECUTIVE SUMMARY

Project appears feasible with STECM, HTC equity & 20 years of property tax abatement

CONCLUSIONS		Stabilized Yield on Cost	Unleveraged IRR	Stabilized Debt Coverage Ratio	Assistance as a % of Total Costs
DEVELOPER REQUEST & BUT-FOR FINDINGS	No Assistance	4.6%	4.4%	1.17	--
	Full Requested Assistance: STECM, real property tax abatement (75% in Years 1-10 and 37.5% in Years 11-20), federal and state HTC	5.0%	5.3%	1.25	4.7%

RECOMMENDED STRUCTURING OPTIONS

- But-for analysis indicates that the Project, as presented, would require the requested 20-year tax abatement to be financially viable.
- Project is early in predevelopment and assumed costs are based on comparable projects, rather than detailed building-specific estimates.
- Therefore, SB Friedman recommends a check-in at Project completion to evaluate whether final costs align with those that were used to size the public assistance; if cost savings were achieved, the public assistance could be recalibrated.
- SB Friedman recommends a check in at Year 10 to evaluate whether the Project is outperforming the assumptions used to size public assistance. If the Project is outperforming current assumptions at the time of a check in, the public assistance could be recalibrated.

POLICY CONSIDERATIONS

DRIVERS OF NEED FOR PUBLIC ASSISTANCE

- Relationship between the cost of historic rehabilitation/adaptive reuse development and achievable rents.
- Building inefficiencies in historic rehabilitation/adaptive reuse development that requires renovation of space that cannot be leased, such as the large lobby and mezzanine spaces within the Project.

HISTORIC PRESERVATION CONSIDERATIONS

- Project qualified rehabilitation expenditures (QRE), as estimated, total $16.1M.
- Developer is assuming that $6.5M will be financed through equity derived from federal and state HTCs, assuming pricing of $0.82 per federal credit and $0.92 per state credit (gross), which are within recently observed pricing ranges.
- Undiscounted value of total HTC equity would total 37% of the QRE, net costs of the HTC program.

FINANCIAL IMPACT OF ASSISTANCE TO TAXING JURISDICTIONS

	Benefit to Project of Abated Property Taxes Over 20 Years (Estimated)	Property Tax Revenues to Taxing Jurisdictions Over 20 Years (Estimated)
Full Requested Assistance	$1.1M (undiscounted)	$4.7M (undiscounted)

INTRODUCTION

INTRODUCTION

Scope of the But-For Analysis

SB Friedman Development Advisors, LLC (SB Friedman) was engaged by the Economic Development Corporation of Kansas City (EDCKC) to conduct a preliminary financial review of a proposed redevelopment located at 1044 Main Street in downtown Kansas City, Missouri ("Site").

The $26.9M Project consists of the adaptive reuse of an eleven-story historic office building into a mixed-use building with 74 apartment units and 6,000 SF of commercial space ("Project").

The purpose of the analysis is to evaluate whether the Project as presented appears to need public financial assistance to generate sufficient returns to attract debt and equity investors. This financial "but-for" test is analytical in nature and is meant to inform a larger policy discussion regarding whether the Project meets desired public objectives.

Our review process is detailed further on the following page.

INTRODUCTION

Review Process

1. Review Project and Site Context	• Where is the project located? • What is the development program and mix of land uses?
2. Evaluate Development Budget	• What are the project uses? (land, construction costs, etc.) • Are project costs in line with industry benchmarks? If not, why?
3. Evaluate Financial Assumptions	• How does the developer intend to finance the project? • Has the developer exhausted all potential funding sources before requesting public assistance?
4. Evaluate Operating Assumptions	• Are revenue (e.g., rents) and expense assumptions reasonable given target tenant profile, market context and industry benchmarks?
5. Calculate Project Financial Returns	• Is the project achieving a level of financial returns that would allow it to attract the required debt and equity investment?
6. Identify Financial Gap	• Is there a demonstrable financial gap that requires public assistance to make the project successful?
7. Identify Drivers of Need for Assistance	• What project components are driving the financial gap? • Do these drivers align with larger policy goals? (employment growth, supporting urban form, etc.)

PROJECT OVERVIEW

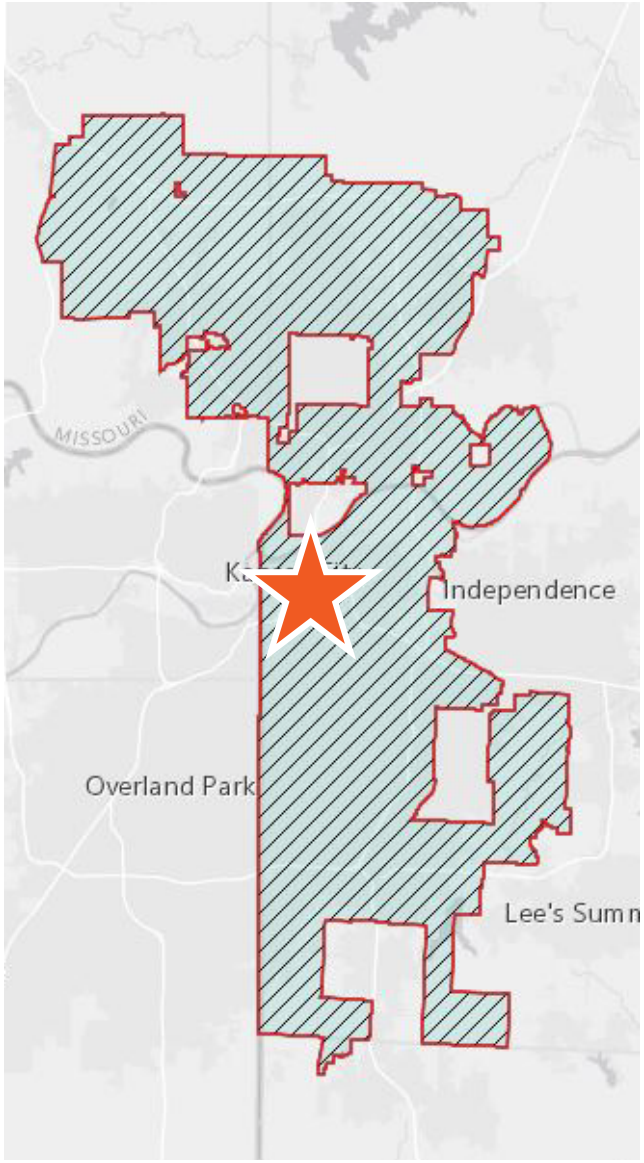
PROJECT OVERVIEW

Location

The Project is located in downtown Kansas City, on the Kansas City Streetcar line and within walking distance from the Power & Light District, the Crossroads Arts District and T-Mobile Arena.

The Project is within the CoStar-defined Downtown KC – Kansas City multifamily submarket. As of April 2026, the submarket consists of 16,059 units, 6,911 of which have been delivered since 2016. Per CoStar, the overall occupancy in the submarket is 88.2%.

Adaptive reuse projects in Downtown Kansas City, such as the Dial Apartments (500 E 8th Street) and Harvey Dutton Lofts (800 Broadway Boulevard), have been redeveloped in recent years.



NEIGHBORHOOD:

Financial District

WARD:

4th

EXISTING INCENTIVE DISTRICT(S):

- Downtown CID
- Streetcar TDD
- CBD URA

Source: Kansas City, Esri, Exact 1044, LLC, SB Friedman

PROJECT OVERVIEW

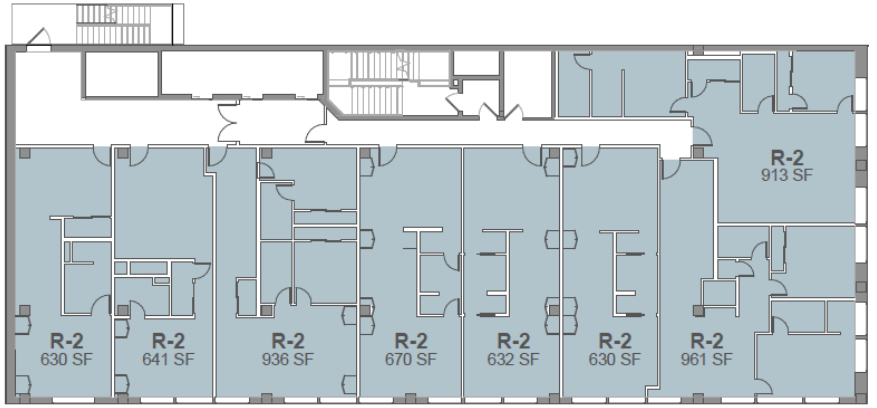
Floor Plans

The Project is located on 0.45 acres at 1044 Main Street. The Site currently consists of The George B. Peck Dry Goods Company building, an eleven-story office building built in 1914. In April 1980, the building was added to the National Register of Historic Places, per information provided by the Developer. The Site also consists of 1031 Baltimore Avenue – an attached structured parking garage servicing the Project.

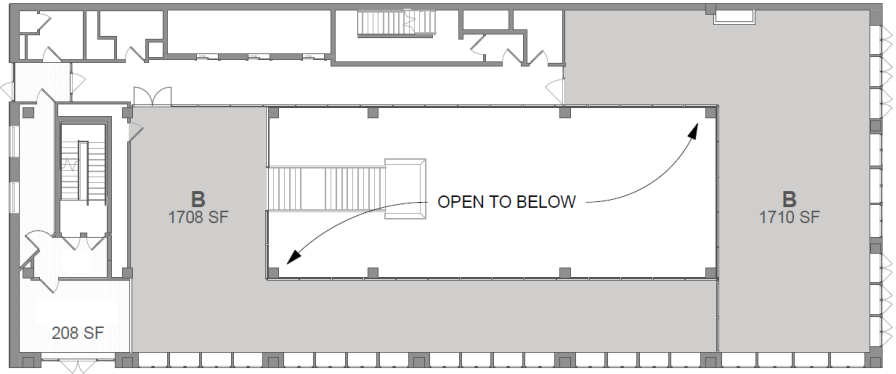
The Project will adaptively reuse and rehabilitate the existing 103,189 gross square foot (GSF) building into a mixed-use building. The commercial component of the Project comprises 13,134 GSF with 6,000 rentable square feet (RSF) of commercial space. The adjacent 52-space parking structure will also be renovated.

Proposed floor plans are presented below and to the right.

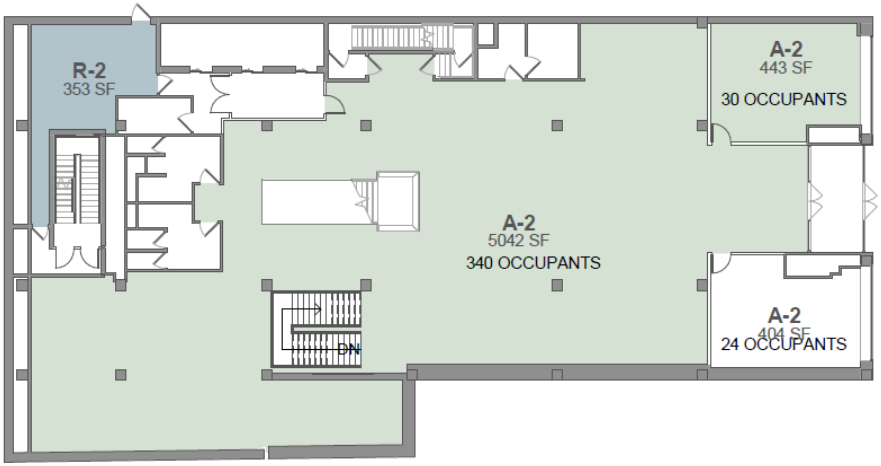
TYPICAL FLOOR PLAN (FLOORS 3-10)



MEZZANINE FLOOR PLAN



GROUND FLOOR PLAN



Source: Exact 1044, LLC

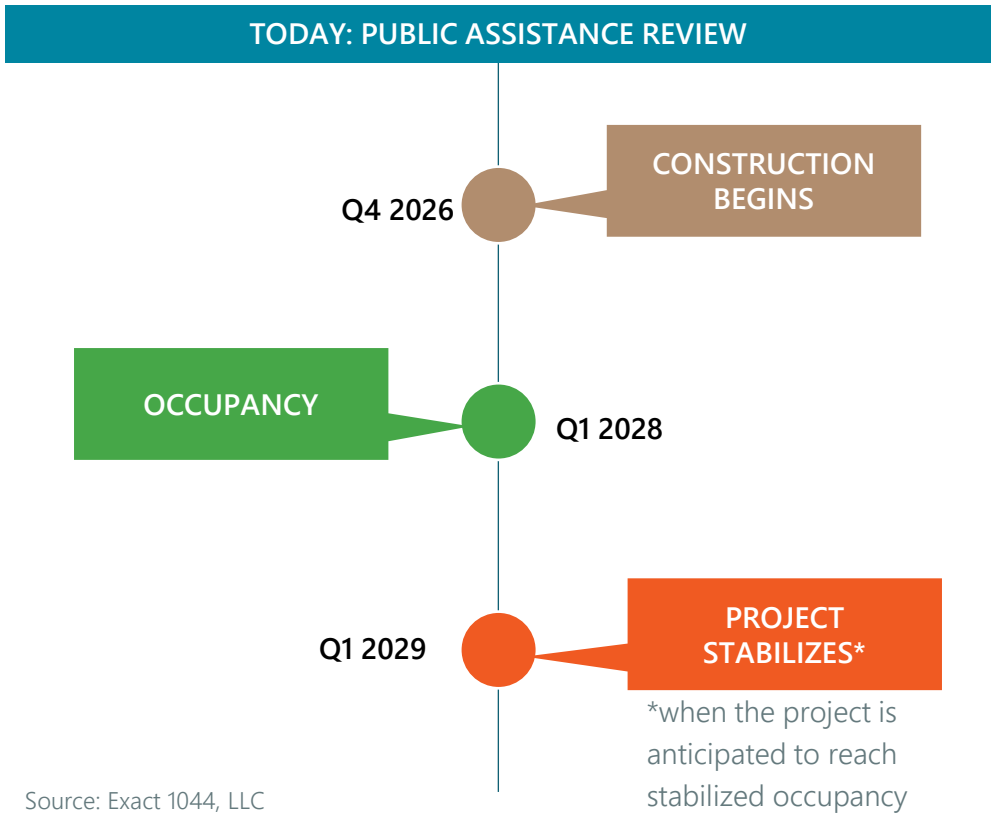
PROJECT OVERVIEW

Development Program and Schedule

The proposed mixed-use building will include 74 apartment units, 3,500 SF of retail space on the ground floor and 2,500 SF of office space on the mezzanine level. The office space will be occupied by Exact Architects, and the ground floor space is anticipated to be occupied by food and beverage and/or service retail tenants. The building will also feature gym and lounge amenities on the eleventh floor and a rooftop patio.

The Project would be undertaken by Exact 1044, ("Developer"), a single-purpose entity affiliated with Exact Architects. The Developer has indicated their intent to hold and operate the Project over the long-term.

LAND USES	Units / SF / Spaces
Residential	74 units
Office	2,500 SF
Retail	3,500 SF
Parking	52 spaces



Source: Exact 1044, LLC

PROJECT OVERVIEW

Developer Request for Assistance

The Developer indicated that Project feasibility is challenged by:

- High annual property tax expenses
- High cost of construction attributable to adaptive reuse project
- Investment thresholds associated with rents affordable to households with 84-88% AMI

Therefore, the Developer is requesting public assistance through EDCKC, as outlined to the right.

REQUESTED ASSISTANCE

A sale/leaseback 20-year bond issue providing:

1. Sales Tax Exemption on Construction Materials (STECM); and
2. Abatement of real property taxes (above current predevelopment taxes) generated for 20 years, in the following manner:
    - 75% abatement in Years 1-10
    - 37.5% abatement in Years 11-20

ESTIMATED TOTAL VALUE OF ASSISTANCE (AS REQUESTED)

$548,151 in STECM benefit
$1.3M in property tax abatement over 20 years (undiscounted)

$1.9M in total assistance (undiscounted)

Source: EDCKC, Exact 1044, LLC, SB Friedman

PROJECT ANALYSIS

- Development Budget
- Project Financing
- Operating Assumptions
- Projected Financial Returns

DEVELOPMENT BUDGET

Key Budget Line Items

The Developer provided the following information for our review:

- Development budget and operating pro forma, dated March 11, 2026
- An executed purchase and sale agreement (PSA) showing the transfer of 1044 Main and 1031 Baltimore from 1044 Main, LLC to Exact Holdings II, signed October 22, 2026; and an addendum to the PSA extending the closing date of the agreement, dated February 24, 2026

The Project is expected to cost $27.4M, or approximately $266/GSF, before STECM. Key budget line items are discussed below.

- **Building acquisition.** The Developer's proforma indicated a building acquisition cost of $6.5M, or approximately $63/GSF of building which aligns with the acquisition costs shown in the PSA. The Developer cited the sale of 929 Walnut in 2024 as a comparable transaction justifying the purchase price for the Site. SB Friedman verified the sale price and gross square footage for 929 Walnut through information available in public records.

  The Project's acquisition price is higher than the average of the range for recent comparable sales of vacant shell buildings or those being purchased for adaptive reuse redevelopment in the downtown area (average $40/GSF of building in 2026 dollars). However, sale prices can vary significantly based on the condition of the building. The 1044 Main building was recently occupied as office space and appears to be in relatively good condition, based on a review of interior photos available on CoStar. Therefore, a sale price above the historic range would be expected.

COSTS	Developer Assumption
Total Development Costs (TDC)	$27,441,674
Less STECM	$548,151
TDC after STECM	$26,893,523

KEY BUDGET DRIVERS	Developer Assumption	% of TDC	$/unit or SF	Benchmark
Building Acquisition	$6,500,000	24%	$63/GSF	$40 (avg)
Hard Costs – Mixed Use [1] [2]	$13,226,609	49%	$128/GSF; or $179,000/unit	$145-225/GSF; or $153,000-$243,000/unit
Hard Costs – Parking	$1,000,000	4%	$19,230/space	--
Soft Costs	$2,091,108	8%	N/A	10-15%
Financing Costs	$1,802,429	7%	N/A	
Developer Fees [3]	$1,973,377	10%	N/A	4%
Reserves	$300,000	1%	$4,054/unit	--

Source: Exact 1044, LLC , SB Friedman

[1] Includes Developer's assumed STECM adjustment.
[2] Includes site preparation costs
[3] % of TDC, net of acquisition costs

DEVELOPMENT BUDGET

Key Budget Line Items | Continued

- **Hard construction costs.** The Developer is assuming hard construction costs of $14.2M, approximately $1.0M of which is associated with renovating the adjacent parking structure. After removing the parking structure costs, this amounts to (±$128/GSF or ±$179,000/unit), including contingency. Costs associated with the historic rehabilitation of structures can be difficult to benchmark, as conditions vary by property; however, compared to hard costs for recent adaptive reuse projects in Kansas City (adjusted to 2026 dollars), the Project's hard costs are lower than the benchmark range on a per GSF basis ($145-225/GSF) but within the range on a per unit basis ($153,000-243,000/unit). The Developer used construction costs from other recent projects in Kansas City to estimate costs for the Project. SB Friedman did not make any adjustments to hard costs for the purposes of this analysis.

  The higher hard construction costs are likely due to the condition of the historic building. Buildings that are in relatively good condition typically have higher acquisition costs and lower hard construction costs, while buildings that are in relatively poor condition typically have lower acquisition costs and higher hard construction costs.

- **Soft and financing costs.** The Developer is assuming soft and financing costs of $3.9M (±$37/GSF), or about 14% of TDC. SB Friedman typically observes soft and financing costs below 15% of TDC in the Kansas City multifamily market. Adaptive reuse projects are often at the high-end of the range due to additional professional fees and financing costs associated with historic tax credits. Therefore, the Developer's assumptions appears reasonable.

- **Developer fee.** The Developer is assuming a developer fee of $2.0M, or ±10% of TDC, net of acquisition. Typically, SB Friedman observes developer fees up to 4% of TDC (net of acquisition) in the Kansas City multifamily market. It is likely that the above average developer fee is the result of maximizing the qualified rehabilitation expenses (QRE) from which historic tax credit (HTC) awards are based. Therefore, it is to the benefit to the Project that there is a higher developer fee. It is our understanding that a portion of the developer fee will be deferred, and paid from cash flow, which is common in HTC projects.

The remaining cost assumptions are in line with comparable projects in Kansas City and industry sources.

PROJECT FINANCING

Financing Sources

The Developer provided the following information for our review:

- Development budget and operating pro forma, dated March 11, 2026

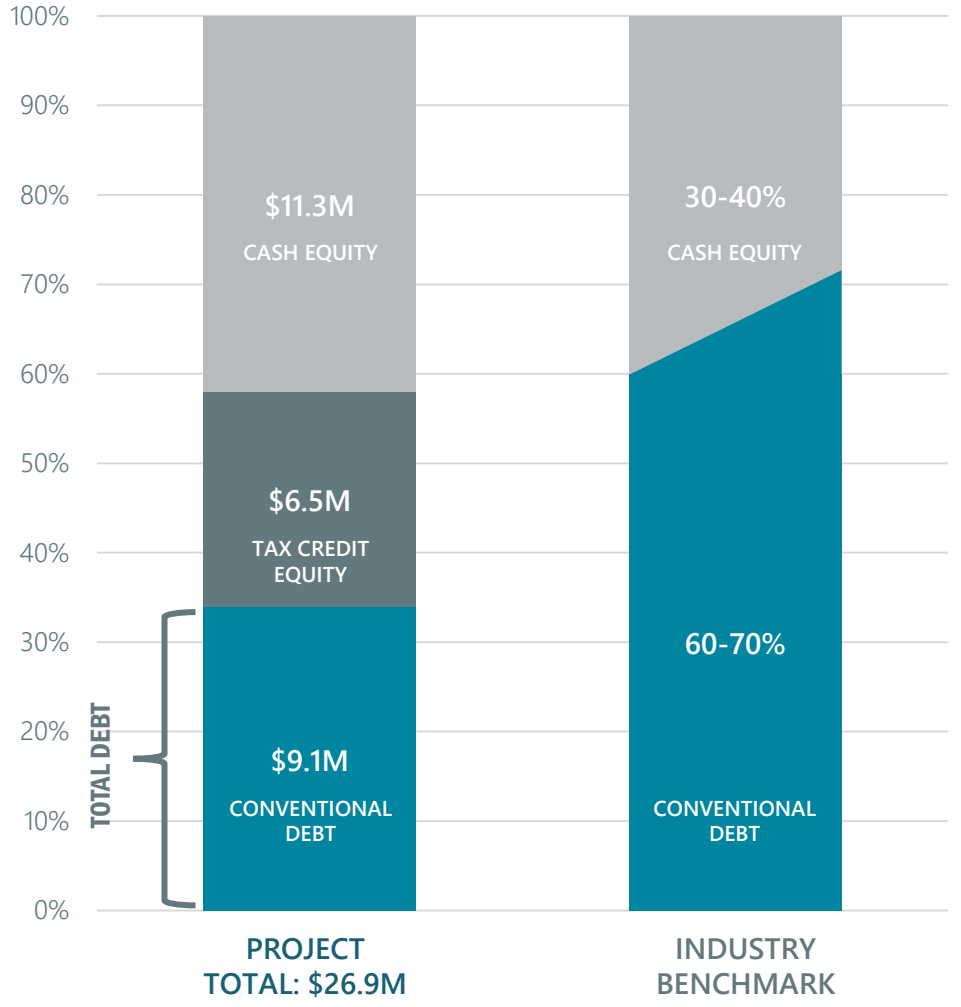
Key financing assumptions are discussed below and on the following page

- **Cash equity.** Cash equity is estimated to account for ±42% of Project sources (or ±55% of Project sources net of HTC equity), which appears higher than industry benchmarks. Based on recent adaptive reuse projects in downtown Kansas City, adaptive reuse projects typically require a higher share of equity contribution.

  Equity would be provided by the Developer and other equity partners. The Developer has already secured commitments from two equity partners and is in the process of identifying two other equity partners.

- **Tax credit equity.** The Developer is assuming that ±24% of costs will be financed through equity derived from federal and state historic tax credit (HTCs). Our understanding is that the Developer intends to sell the credits to a third party; however, discussions with HTC purchasers have not yet occurred and no term sheets were available for our review. The Developer is assuming that an interest only loan with an interest rate of 8.5% would bridge the HTC equity during construction.

CAPITAL STACK WITH REQUESTED ASSISTANCE (PERMANENT FINANCING)



Source: Exact 1044, LLC

PROJECT FINANCING

Financing Sources | Continued

- **Tax credit equity (continued).** HTC equity was estimated by the Developer, who is assuming pricing of $0.82 per federal credit and approximately $0.92 per state credit (gross). Federal credit pricing assumptions are comparable to those assumed or secured for similar projects reviewed by SB Friedman. Pricing on the state credits is within recently observed ranges.

- **Conventional debt.** The Developer is assuming a $13M construction loan with an 8.0% interest rate and 2 years of interest only payments, which is reasonable. In month 19 of the Project, there is an assumed conversion of construction financing to permanent financing. The Developer is assuming $9M (±34% of Project sources, or ±45% of Project sources net of HTC equity) in permanent debt, with a 6.5% interest rate and 20-year amortization, which align with national averages. The Developer sized this debt using a debt coverage ratio of 1.20, which is at the low end of the typical range (1.2-1.4). It appears that the Developer would have a difficult time securing additional debt due to the already low debt coverage ratio.

Given that Project financing is preliminary, as well as the high equity requirement, SB Friedman evaluated the Project's need for assistance using unleveraged return metrics: yield on cost and unleveraged IRR. These metrics evaluate overall Project feasibility rather than returns to specific investors.

OPERATING ASSUMPTIONS

Revenue Assumptions

The Developer provided the following information for our review:

- Development budget and operating pro forma, dated March 11, 2026
- Breakdown of unit typologies, rent assumption, and revenue categories, dated March 11, 2026
- Design development drawings, dated January 30, 2026

Key assumptions are as follows:

- Weighted average residential gross rent of $2.25/SF (in 2028 dollars) and grows 2% annually. Rents by unit type are provided in the table to the right.
- There are 52 structured parking spaces available to residential tenants. Parking stalls will be available for $90/unit/month and grow 2% annually. The parking ratio is 0.70.
- Utility fees will be charged to all units at $99/unit/month and grow 3% annually.
- Average rents for the one-bedroom units appear to be affordable to households earning 70% of the Kansas City median family income (MFI) and two-bedroom units are affordable to households earning 81% of MFI.
- Ground floor commercial space is anticipated to be occupied by a food and beverage and/or service retail tenant and is expected to generate rent of $24/SF. Other commercial space will be occupied by the Developer, Exact Architects, as office space. This space assumes a lower rent due to its low visibility and lack of accessibility from the street. Rents will grow 2% annually.

MULTIFAMILY RENTS	Units	Unit SF	Average Base Rent	Base Rent/SF	MFI Level [1]
1-bed	46	648	$1,550	$2.39	70%
2-bed	28	949	$1,985	$2.09	81%
Average/Total	**74**	**762**	**$1,715**	**$2.25**	-

COMMERCIAL RENTS	SF	Rent/SF
Mezzanine [2]	**2,500**	**$18**
Lobby Retail	**3,500**	**$24**

[1] For the purposes of the MFI level calculation, SB Friedman is assuming a 2-person household to calculate one-bedroom and a 3-person household to calculate two-bedroom affordability.
[2] Exact Architects is expected to occupy this space

Source: Exact 1044, LLC , HUD, SB Friedman

OPERATING ASSUMPTIONS

Revenue & Expense Assumptions | Continued

The Developer indicated the Project will primarily compete with the recently delivered projects in and around downtown KC. Key characteristics and rents of the Project and select competitive projects are shown in the table below.

COMPETITIVE PROJECTS

Project Name	Year Built	Unit Count & Mix [1]	1-bedroom Units [2]			2-bedroom Units [2]		
			Unit Size	Rent/ SF	Chunk Rent	Unit Size	Rent/ SF	Chunk Rent
1044 Main	2027	74 units (0/46/28)	648	$2.39	$1,550	949	$2.09	$1,985
Dutton Lofts	2025	38 units (12/20/6)	553	$2.38	$1,316	708	$2.50	$1,770
The Dial	2025	263 units (99/98/66)	818	$1.94	$1,587	1,082	$1.79	$1,940
The Mark KC	2022	222 units (42/133/47)	648	$2.38	$1,543	960	$1.89	$1,820
Netherland and Monarch	2019	134 (33/86/15)	595	$1.99	$1,184	1,350	$1.55	$2,097
Sky on Main	2016	281 (0/238/43)	689	$2.36	$1,630	1,086	$2.22	$2,402
Comparables Average	-	-	**661**	**$2.21**	**$1,452**	**1,037**	**$1.99**	**$2,006**

Source: CoStar, Exact 1044, LLC , SB Friedman; Pictures: CoStar
[1] Studios/1-BR/2-BR+
[2] Average unit size and rent; includes base rent only; rents are ated at 2% to 2028 dollars.

OPERATING ASSUMPTIONS

Revenue & Expense Assumptions

Key operating assumptions are discussed further below:

- **Residential Rent Assumptions.** The Developer's rent assumptions are based on current 2026 rents at recently delivered comparable apartment projects in and around downtown KC and other recently completed projects by the Developer. No market study has been conducted. The Developer's residential rents appear to be within range of comparable projects on a chunk rent basis. On a per-SF basis, the Developer's 1-bedroom rents ($2.39/SF) and 2-bedrooms rents ($2.09/SF) appear to be at the high and mid range observed in comparable projects. This is likely due to the units being smaller than the average of comparable projects, which increases the rent/SF.

- **Commercial Rent Assumptions.** The ground floor retail is anticipated to be leased by a small service retail or food and beverage tenant. The Developer is assuming the 3,500 SF will achieve triple-net (NNN) rents of $24/SF. Commercial rents within the Submarket are approximately $20/SF NNN. The Developer's retail rent assumptions therefore appear to be at a premium relative to comparable existing retail spaces. High retail rents enhance Project financial feasibility; therefore, SB Friedman accepted this assumption for the purposes of this analysis. The mezzanine will be occupied by Exact Architects, totaling 2,500 SF of office space. The rent for this space is expected to be slightly lower than the benchmarked value ($19/SF NNN) but appears acceptable by SB Friedman due to its upper-story location and limited visibility from the street.

- **Vacancy Assumptions.** The Developer is assuming a stabilized residential vacancy rate of 5%. This assumed vacancy aligns with comparable projects reviewed by SB Friedman.

- **Parking Revenue Assumptions.** The Developer is assuming monthly parking rents of $90/space. This assumption is similar to comparable projects identified by SB Friedman in Downtown Kansas City, which have monthly reserved parking rates of approximately $85-$150 per month.

- **Absorption Assumptions.** The Developer is assuming lease-up over the course of 11 months at an average of 6 units per month, starting in May 2028 and reaching stabilized occupancy in March 2029. Absorption of comparable development averaged 16 units per month – however, those projects have had higher unit counts. Lease-up over a one-year period is a common development assumption. Given the relatively low unit count of the Project and based on a review of recent and comparable residential absorption data, SB Friedman determined this assumption to be reasonable.

- **Expense Assumptions.** The Developer is assuming stabilized operating expenses of $802,000, which totals to 30% as a share of revenue (net of real estate taxes). This is at the high end of the benchmark range associated with comparable projects reviewed by SB Friedman in Kansas City. These projects typically had operating expenses ranging from 20-30% of revenues. Expenses as a percent of revenues can vary significantly based on the rent profile of a project. SB Friedman also benchmarked comparable projects for residential operation expenses on a per SF basis. The Developer's assumption of $4.87 per residential SF (including common areas and amenity spaces) appears reasonable based on comparable projects in Kansas City.

PROJECTED FINANCIAL RETURNS

Pro Forma Adjustments for But-For Analysis

For the purposes of evaluating a project's need for public financial assistance, SB Friedman at times adjusts a project's budget, financing and operating assumptions when the developer's assumptions are outside of market and industry benchmarks. This approach:

- Allows SB Friedman to evaluate the need for assistance based on market parameters
- Introduces consistency in underwriting and evaluating requests for assistance
- Guards against over-subsidizing for project-specific assumptions that do not align with the market

For this Project, SB Friedman adjusted the Developer's 20-year cash flow to a 10-year cash flow to align with the standard EDCKC underwriting methodology. The Developer also indicated an intent to defer their developer fee and removed those costs from the calculation of projected financial returns. SB Friedman included the developer fee in return calculations to align with the standard EDCKC underwriting methodology.

Additionally, SB Friedman adjusted the commercial space distribution between the lobby/mezzanine and ground floor retail spaces based on the latest information from a Developer interview. This adjustment increased the projected commercial rental revenue from $114,000 to $129,000, on an annual basis.

Commercial Space Distribution	Developer Assumption (SF)	SBF Adjustment (SF)	Rationale
Mezzanine	5,000	**2,500**	Adjusted based on latest information from Developer interview
Lobby Retail	1,000	**3,500**	

PROJECTED FINANCIAL RETURNS

Conclusions of But For Analysis

Given that Project financing is preliminary, SB Friedman evaluated the Project's need for assistance using unleveraged return metrics: yield on cost and unleveraged IRR. These metrics evaluate overall Project feasibility rather than returns to specific investors. The Developer stated their intent to hold the Project over the long term; therefore, the yield on cost metric is most relevant. SB Friedman established hurdle rates of return, based on comparable projects and industry benchmarks. The results of the financial analysis are illustrated to the right.

Without assistance, the Project generates a stabilized yield on cost of 4.6% and an unleveraged IRR of 4.4%. To be a viable, a Project of this type would typically be expected to achieve a yield on cost between 5.5-6.5% and an unleveraged IRR between 7.8-8.8%.

With the full amount of requested assistance, the stabilized yield on cost for the Project increases to 5.0% and the unleveraged IRR increases to 5.3%. As noted above, yield on cost is the most relevant metric given the Developer's intent to hold the Project over the long term. With assistance, the Project generates a yield on cost below, but within range of the identified benchmark. This indicates that adjustments to the Project during predevelopment may be needed to achieve hurdle rates of return. Alternatively, the Developer may be willing to accept lower returns initially, given their intent to hold the Project over the long term. Therefore, it appears that the Project, as presented, would require the full assistance to be closer to benchmark returns.

Detailed return calculations are included in the Appendix.

RETURN METRIC	No Assistance	Full Assistance	Benchmark Range
Yield on Cost	4.6%	5.0%	5.5-6.5%
Unleveraged IRR	4.4%	5.3%	7.8-8.8%

PROJECTED FINANCIAL RETURNS

Impact to Taxing Jurisdictions

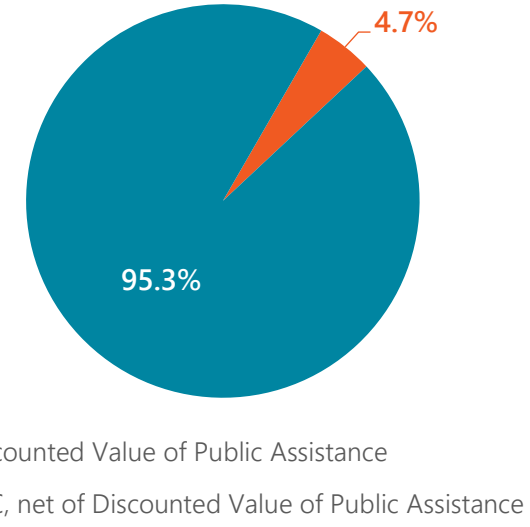
TOTAL ESTIMATED VALUE OF STECM BENEFIT
$548,141

TOTAL ESTIMATED PROPERTY TAXES GENERATED BY THE PROJECT [1]
$5.8M

	BENEFIT TO PROJECT OF ABATED PROPERTY TAXES OVER 20 YEARS (ESTIMATED)	PROPERTY TAX REVENUES TO TAXING JURISDICTIONS OVER 20 YEARS (ESTIMATED)
FULL REQUESTED ASSISTANCE (20 YEARS OF ABATEMENT)	$1.1M (Undiscounted)	$4.7M (Undiscounted)

ASSISTANCE AS A PERCENT OF TOTAL COSTS [2,3]

FULL REQUESTED ASSISTANCE



[2] Assistance over 20-year period is discounted at 5.5% to 2026 dollars. The discounted value of assistance accounts for the time value of money.

[3] Discounted value of assistance includes all sources, STECM and property tax abatement of 75% in Years 1-10 and 37.5% in Years 11-20.

[1] Assumed property taxes generated over 20-years were reviewed by EDCKC. It is outside of SB Friedman's engagement to independently project property taxes.

Additional detail is included in the Appendix.

CONCLUSIONS

CONCLUSIONS

The Developer is requesting:

- STECM
- Abatement of real property taxes (above current predevelopment taxes) generated for 20 years, including 75% abatement in Years 1-10 and 37.5% abatement in Years 11-20.

The but-for analysis indicates that the Project, as presented, would require public assistance to be financially viable and attract debt and equity investors. Yield on cost is the most relevant metric given the Developer's intent to hold the Project over the long term. With assistance, the Project generates a yield on cost below, but within range of the identified benchmark. This indicates that adjustments to the Project during predevelopment may be needed to achieve hurdle rates of return. Alternatively, the Developer may be willing to accept lower returns initially, given their intent to hold the Project over the long term.

The factors contributing to the Project's need for assistance include:

- Relationship between the cost of historic rehabilitation/adaptive reuse development and achievable rents
- Building inefficiencies in historic rehabilitation/adaptive reuse development that requires renovation of space that cannot be leased, such as the large lobby and mezzanine spaces within the Project.

RECOMMENDED STRUCTURING OPTIONS

The Project is early in predevelopment and assumed costs are based on comparable projects, rather than detailed building-specific cost estimating. Therefore, it is likely that the Developer's pro forma assumptions will continue to evolve as the Project progresses through predevelopment. EDCKC could consider a true up at Project completion; if cost savings are achieved relative to the current budget, the ongoing public assistance could be recalibrated.

Furthermore, if more than 10 years of assistance are provided to the Project, SB Friedman recommends a check in at Year 10 to evaluate whether the Project is outperforming the assumptions used to size public assistance. If the Project is outperforming current assumptions at the time of a check in, the public assistance could be recalibrated.

APPENDIX

- Limitations of Our Engagement
- Detailed Development Budget
- Pro Forma without Assistance
- Pro Forma with Full Requested Assistance
- Estimated Value of Abatement

LIMITATIONS OF OUR ENGAGEMENT

Our deliverable is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings/teleconferences with the Economic Development Corporation of Kansas City and the Developer during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our deliverable, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise analyses or the deliverable to reflect events or conditions that occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, changes in state statute, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed Project.

Our deliverable is intended solely for your information, for purposes of reviewing a request for financial assistance, and is not a recommendation to issue bonds or other securities. The deliverable should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the deliverable nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors without our prior written consent.

We acknowledge that upon submission to EDCKC, the deliverable may become a public document within the meaning of the Missouri Sunshine Law. Nothing in these limitations is intended to block the disclosure of the documents under such Act.

METHODOLOGY

Development Budget & Financing Assumptions

Each budget component is benchmarked against a set of industry estimates and local comparables to determine if costs are reasonable relative to projects of similar scale and level of finish. If budget line items are identified to be outside of benchmark ranges, SB Friedman adjusts costs such that the project's request for assistance can be evaluated and sized appropriately.

SB Friedman uses two primary cost metrics that allow for comparison of the development budget to comparable projects:

- Costs per gross square foot (SF)
- Costs as a percentage of total development costs (TDC)

Similarly, financing assumptions are benchmarked against industry data sources and local comparables to determine if the assumptions align with current financing markets.

COMPONENT	Description	Benchmarking
Acquisition Costs	• Land purchase price	• Recent local land sales
Site Preparation Costs	• Earthwork and grading • Remediation costs • Infrastructure and utilities	• Industry benchmarks, adjusted based on site conditions
Hard Construction Costs	• Costs of vertical construction, including materials, labor, finishes, etc.	• Local comparables, construction cost estimates
Parking Construction Costs	• Parking type and costs (surface, structured, underground) per space	• Local comparables, construction cost estimates
Soft Construction Costs	• Third party fees (architect, engineers, legal, etc.) • Permits	• Industry benchmarks, local comparables
Financing Costs	• Loan origination fees	• Industry benchmarks, local comparables
Developer Fees	• Compensation to Project developer team	• Industry benchmarks, local comparables
Reserves and Other Costs	• Capital reserves • Carrying costs	• Industry benchmarks, local comparables
Financing Assumptions	• Loan amount • Amortization, interest rate, term	• Industry benchmarks, local comparables

METHODOLOGY

Operating Assumptions

SB Friedman evaluates developers' cash flow assumptions relative to market comparables, recent projects in Kansas City, and, when available, third-party market studies submitted by the developers.

Key operating assumptions are benchmarked against a set of industry estimates and local comparables to determine if assumptions are reasonable relative to current market conditions and projects of similar scale and level of finish. If operating assumptions are identified to be outside of benchmark ranges, SB Friedman adjusts the assumptions such that the project's request for assistance can be evaluated and sized appropriately.

ASSUMPTION	Description	Benchmarking
Project Rents	• Multifamily rents (per unit and per SF) • Retail rents (per SF) • Office rents (per SF)	• Local market comparables
Parking Revenues	• Parking revenues (per space per month)	• Local market comparables
Other Revenues	• Administrative fees, application fees, etc.	• Local market comparables
Vacancy and Credit Loss	• Stabilized occupancy rate and rent collections loss	• Local market conditions
Absorption Rate	• Pace at which units/SF is leased up	• Local market conditions
Revenue Escalation Rate	• Annual revenue increase	• Industry benchmarks, local comparables
Operating Expenses	• Maintenance, management, utilities, etc.	• Industry benchmarks, local comparables
Real Estate Taxes	• Annual property tax revenues	• Local comparables
Expense Escalation Rate	• Annual expense cost increase	• Industry benchmarks, local comparables
Terminal Capitalization Rate	• Rate used to value the project at the assumed reversion (end of the analysis period)	• Industry benchmarks, local comparables
Cost of Sale	• Costs associated with disposition at the assumed reversion (end of the analysis period)	• Industry benchmarks, local comparables

METHODOLOGY

Financial Returns Analysis

SB Friedman prepares independent projections of Project financial returns. Returns are evaluated with and without requested public assistance and are compared to market-appropriate, risk-adjusted rates of return to evaluate the Project's need for assistance.

Benchmark return ranges are based on industry sources, information obtained from active developers and equity providers, and SB Friedman's past experience.

For projects with multiple land uses, SB Friedman establishes a range of market-appropriate, risk-adjusted rates of return by land use, which are then weighted in aggregate to each land use's percentage of stabilized net operating income.

UNLEVERAGED RETURNS

UNLEVERAGED INTERNAL RATE OF RETURN (IRR)

This is the rate of return or discount rate for a Project, accounting for initial expenditures to construct the Project (total Project costs) and ongoing cash inflows (annual net operating income [NOI] before debt service), as well as a hypothetical sale of the Project at the end of the analysis period.

STABILIZED YIELD ON COST

This metric is calculated by dividing NOI before debt service in the first year of stabilized operations by total Project costs and is an indicator of the annual overall return on investment for the Project's financing structure.

Stabilized yield on cost calculations include only investment properties, and therefore excludes any for-sale product.

LEVERAGED RETURNS

LEVERAGED INTERNAL RATE OF RETURN (IRR)

This is the annualized rate of return the Project's equity investors would be Projected to realize over their full investment period, including an assumed hypothetical sale of the Project at the end of the analysis period.

STABILIZED CASH ON CASH RETURN

This metric indicates the annual cash return to equity investors once the Project reaches stabilization and is calculated by dividing net cash flow (after debt service) in the first year of stabilized operations by the total initial equity investment.

Stabilized cash-on-cash calculations only include investment properties, excluding for-sale residential.

DETAILED SOURCES & USES

Development Budget & Financing Assumptions

Uses/Development Costs	Developer Budget $	% of TDC	$/GSF	$/Unit
Acquisition Costs				
Acquisition	$6,500,000	23.7%	$62.99	$87,838
Total Acquisition Costs	**$6,500,000**	**23.7%**		**$87,838**
Site Preparation Costs				
Site Work	$150,000	0.5%	$1.45	$2,027
Exterior Paving	$25,000	0.1%	$0.24	$338
Total Acquisition Costs	**$175,000**	**0.6%**		**$2,365**
Hard Construction Costs				
General Requirements	$600,000	2.2%	$5.81	$8,108
Interior Concrete	$25,000	0.1%	$0.24	$338
Masonry	$150,000	0.5%	$1.45	$2,027
Metal Assemblies	$50,000	0.2%	$0.48	$676
Interior Debris Removal	$150,000	0.5%	$1.45	$2,027
Rough Carpentry	$40,000	0.1%	$0.39	$541
Finish Carpentry	$740,000	2.7%	$7.17	$10,000
Interior Cabinetry	$370,000	1.3%	$3.59	$5,000
Countertops	$111,000	0.4%	$1.08	$1,500
Exterior Finishes	$50,000	0.2%	$0.48	$676
Insulation & Sealants	$25,000	0.1%	$0.24	$338
Roof Coverings	$90,000	0.3%	$0.87	$1,216
Doors and Hardware	$222,000	0.8%	$2.15	$3,000
Windows	$125,000	0.5%	$1.21	$1,689
Wall Package	$1,110,000	4.0%	$10.76	$15,000
Tile	$70,000	0.3%	$0.68	$946
Roll Flooring	$100,000	0.4%	$0.97	$1,351
Paints and Coatings	$300,000	1.1%	$2.91	$4,054
Blinds	$55,000	0.2%	$0.53	$743
Elevator	$275,000	1.0%	$2.67	$3,716
Fire Protection	$450,000	1.6%	$4.36	$6,081
Plumbing	$1,406,000	5.1%	$13.63	$19,000
Heating, Venting, and Air Conditioning	$1,850,000	6.7%	$17.93	$25,000
Electrical	$1,850,000	6.7%	$17.93	$25,000
Overhead	$2,000,000	7.3%	$19.38	$27,027
Contractor Fee	$1,000,000	3.6%	$9.69	$13,514
Contingency - 10%	$1,385,760	5.0%	$13.43	$18,726
Total Hard Construction Costs	**$14,599,760**	**53.2%**	**$141.49**	**$197,294**

Uses/Development Costs	Developer Budget $	% of TDC	$/GSF	$/Unit
Soft Costs				
Architect/Design	$537,516	**2.0%**	$5.21	$7,264
Engineering	$625,000	**2.3%**	$6.06	$8,446
GP Legal	$150,000	**0.5%**	$1.45	$2,027
Property/Survey Fee	$10,000	**0.0%**	$0.10	$135
Historic Preservation App	$90,000	**0.3%**	$0.87	$1,216
Appraisal	$5,100	**0.0%**	$0.05	$69
Environmental Report	$7,500	**0.0%**	$0.07	$101
Tax Credit Fees	$100,000	**0.4%**	$0.97	$1,351
Consultants	$15,000	**0.1%**	$0.15	$203
LCRA/EDC Tax Abatement Fees	$82,392	**0.3%**	$0.80	$1,113
Insurance	$100,000	0.4%	$0.97	$1,351
Permits	$60,000	0.2%	$0.58	$811
Appliances	$288,600	1.1%	$2.80	$3,900
Accessories	$20,000	0.1%	$0.19	$270
Total Soft Costs	**$2,091,108**	**7.6%**	**$20.26**	**$28,258**
Financing Costs				
Construction Period Interest	$984,128	3.6%	$9.54	$13,299
Construction Loan Origination Fee	$200,000	0.7%	$1.94	$2,703
Construction Taxes & Insurance	$200,000	0.7%	$1.94	$2,703
Inspections	$12,000	0.0%	$0.12	$162
Permanent Loan Origination Fee	$200,000	0.7%	$1.94	$2,703
Title & Recording	$6,301	0.0%	$0.06	$85
Counsel's Fee - LP	$100,000	0.4%	$0.97	$1,351
Cost Certification Fee	$100,000	0.4%	$0.97	$1,351
Total Financing Costs	**$1,802,429**	**6.6%**	**$17.47**	**$24,357**
Developer Fees				
Developer Fee	$1,973,377	7.2%	$19.12	$26,667
Total Developer Fees	**$1,973,377**	**7.2%**	**$19.12**	**$26,667**
Reserves and Other Costs				
Rent-Up & Operating Reserves	$300,000	1.1%	$2.91	$4,054
Total Reserves and Other Costs	**$300,000**	**1.1%**	**$2.91**	**$4,054**
TOTAL DEVELOPMENT COSTS (before STECM)	**$27,441,674**	**100.0%**	**$265.94**	**$370,833**
Less STECM Adjustment	$548,151			
TOTAL DEVELOPMENT COSTS (with STECM)	**$26,893,523**		**$260.62**	**$363,426**

Source: Exact 1044, LLC , SB Friedman

RETURNS WITHOUT ASSISTANCE

Assumes Developer receives no public assistance

			STABILIZATION								
	0	1	2	3	4	5	6	7	8	9	10
NO ASSISTANCE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Development Sources											
Conventional Debt		-$9,123,301									
Historic Tax Credit Equity	-$1,619,652	-$4,858,955									
Cash Equity	-$11,839,767										
Net Operating Income		$370,766	$956,273	$980,675	$999,452	$1,018,521	$1,037,885	$1,057,546	$1,077,508	$1,097,772	$1,119,809
Payout of Capital Reserves		$300,000									
Reversion Proceeds (Year 10)											$20,104,988
TOTAL	**-$13,459,419**	**-$13,311,489**	**$956,273**	**$980,675**	**$999,452**	**$1,018,521**	**$1,037,885**	**$1,057,546**	**$1,077,508**	**$1,097,772**	**$21,224,797**
Development Uses											
Debt Service		$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251
Debt Repayment (Year 10)											$5,990,497
Replacement Reserves		*$22,200*	*$22,866*	*$23,552*	*$24,259*	*$24,986*	*$25,736*	*$26,508*	*$27,303*	*$28,122*	*$28,966*
Annual Priority Return		*$64,609*	*$53,934*	*$53,934*	*$53,934*	*$40,790*					
Tax Prep/Audit		*$10,000*	*$10,000*	*$10,300*	*$10,609*	*$10,927*	*$11,255*	*$11,593*			
Asset Management		*$5,000*	*$5,000*	*$5,000*	*$5,000*	*$5,000*					
HTC Investor Put						*$134,834*					
Equity Distribution		-$247,294	$48,223	$71,638	$89,400	-$14,267	$184,643	$203,195	$233,954	$253,399	$14,389,084
TOTAL		**$670,766**	**$956,273**	**$980,675**	**$999,452**	**$1,018,521**	**$1,037,885**	**$1,057,546**	**$1,077,508**	**$1,097,772**	**$21,224,797**
Debt Coverage Ratio			1.17	1.20	1.22	1.25	1.27	1.30	1.32	1.34	1.37
Unleveraged Cash Flow - No Assistance											
Total Project Costs	-$13,459,419	-$13,982,256									
Less HTC Equity or Upfront Assistance	$1,619,652	$4,858,955									
Net Operating Income		$370,766	$956,273	$980,675	$999,452	$1,018,521	$1,037,885	$1,057,546	$1,077,508	$1,097,772	$1,119,809
Reversion Proceeds (Year 10)											$20,104,988
TOTAL	**-$11,839,767**	**-$8,752,534**	**$956,273**	**$980,675**	**$999,452**	**$1,018,521**	**$1,037,885**	**$1,057,546**	**$1,077,508**	**$1,097,772**	**$21,224,797**
Annual Yield on Cost		1.8%	4.6%	4.7%	4.8%	4.9%	5.0%	5.0%	5.1%	5.2%	5.3%
Unleveraged IRR	4.4%										
Leveraged Cash Flow - No Assistance											
Equity Contribution	-$11,839,767										
Equity Distribution		-$247,294	$48,223	$71,638	$89,400	-$14,267	$184,643	$203,195	$233,954	$253,399	$14,389,084
TOTAL	**-$11,839,767**	**-$247,294**	**$48,223**	**$71,638**	**$89,400**	**-$14,267**	**$184,643**	**$203,195**	**$233,954**	**$253,399**	**$14,389,084**
Annual Cash-on-Cash Return			0.4%	0.6%	0.8%	-0.1%	1.6%	1.7%	2.0%	2.1%	2.3%
Leveraged IRR	2.6%										

Source: Exact 1044, LLC , SB Friedman

RETURNS WITH FULL REQUESTED ASSISTANCE

STECM, and 20 years of property tax abatement

			STABILIZATION								
	0	1	2	3	4	5	6	7	8	9	10
FULL ASSISTANCE	**Year 0**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Development Sources											
Conventional Debt		-$9,123,301									
Historic Tax Credit Equity	-$1,619,652	-$4,858,955									
Cash Equity	-$11,291,616										
Net Operating Income		$370,766	$956,273	$980,675	$999,452	$1,018,521	$1,037,885	$1,057,546	$1,077,508	$1,097,772	$1,119,809
Payout of Capital Reserves		$300,000									
Savings from Property Tax Assistance		$60,028	$62,018	$64,027	$66,056	$68,106	$70,176	$72,266	$74,378	$76,511	$78,665
Reversion Proceeds (Year 10)											$20,104,988
PV of Remaining Public Asistance (Year 11+)											$339,167
TOTAL	**-$12,911,267**	**-$13,251,461**	**$1,018,291**	**$1,044,701**	**$1,065,508**	**$1,086,627**	**$1,108,061**	**$1,129,813**	**$1,151,886**	**$1,174,283**	**$21,642,629**
Development Uses											
Debt Service		$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251	$816,251
Debt Repayment (Year 10)											$5,990,497
Replacement Reserves		*22,200*	*22,866*	*23,552*	*24,259*	*24,986*	*25,736*	*26,508*	*27,303*	*28,122*	*28,966*
Annual Priority Return		*64,609*	*53,934*	*53,934*	*53,934*	*40,790*					
Tax Prep/Audit		*10,000*	*10,300*	*10,609*	*10,927*	*11,255*	*11,593*				
Asset Management		*5,000*	*5,000*	*5,000*	*5,000*	*5,000*					
HTC Investor Put						*134,834*					
Equity Distribution		-$187,265	$109,940	$135,356	$155,138	$53,511	$254,481	$287,054	$308,332	$329,910	$14,806,915
TOTAL		**$730,795**	**$1,018,290**	**$1,044,701**	**$1,065,508**	**$1,086,627**	**$1,108,061**	**$1,129,813**	**$1,151,886**	**$1,174,283**	**$21,642,629**
Debt Coverage Ratio			1.25	1.28	1.31	1.33	1.36	1.38	1.41	1.44	1.47
Unleveraged Cash Flow - Full Assistance											
Total Project Costs	-$12,911,267	-$13,982,256									
Less HTC Equity or Upfront Assistance	$1,619,652	$4,858,955									
Net Operating Income		$370,766	$956,273	$980,675	$999,452	$1,018,521	$1,037,885	$1,057,546	$1,077,508	$1,097,772	$1,119,809
Savings from Property Tax Assistance		$60,028	$62,018	$64,027	$66,056	$68,106	$70,176	$72,266	$74,378	$76,511	$78,665
Reversion Proceeds (Year 10)											$20,104,988
PV of Remaining Public Asistance (Year 11+)											$339,167
TOTAL	**-$11,291,616**	**-$8,692,506**	**$1,018,291**	**$1,044,701**	**$1,065,508**	**$1,086,627**	**$1,108,061**	**$1,129,813**	**$1,151,886**	**$1,174,283**	**$21,642,629**
Annual Yield on Cost		**2.1%**	**5.0%**	**5.1%**	**5.2%**	**5.3%**	**5.4%**	**5.5%**	**5.6%**	**5.8%**	**5.9%**
Unleveraged IRR	**5.3%**										
Leveraged Cash Flow - Full Assistance											
Equity Contribution	-$11,291,616										
Equity Distribution		-$187,265	$109,940	$135,356	$155,138	$53,511	$254,481	$287,054	$308,332	$329,910	$14,806,915
TOTAL	**-$11,291,616**	**-$187,265**	**$109,940**	**$135,356**	**$155,138**	**$53,511**	**$254,481**	**$287,054**	**$308,332**	**$329,910**	**$14,806,915**
Annual Cash-on-Cash Return			**1.0%**	**1.2%**	**1.4%**	**0.5%**	**2.3%**	**2.5%**	**2.7%**	**2.9%**	**3.1%**
Leveraged IRR	**3.8%**										

[1] Assumes 100% in Years 1-10 and 50% in Years 11-15.
Source: Exact 1044, LLC , SB Friedman

ESTIMATED VALUE OF ABATEMENT – FULL REQUEST

STECM, and 20 years of property tax abatement

Abatement Year	Calendar Year	Property Taxes Before Abatement	Abatement Percentage	Taxes with Base & PILOT	Benefit to Project of Abated Property Taxes	Property Taxes Revenues to Taxing Jurisdictions
1	2	$265,241	75.0%	$205,213	$60,028	$205,213
2	3	$267,893	75.0%	$205,876	$62,018	$205,876
3	4	$270,572	75.0%	$206,545	$64,027	$206,545
4	5	$273,278	75.0%	$207,222	$66,056	$207,222
5	6	$276,011	75.0%	$207,905	$68,106	$207,905
6	7	$278,771	75.0%	$208,595	$70,176	$208,595
7	8	$281,558	75.0%	$209,292	$72,266	$209,292
8	9	$284,374	75.0%	$209,996	$74,378	$209,996
9	10	$287,218	75.0%	$210,707	$76,511	$210,707
10	11	$290,090	75.0%	$211,425	$78,665	$211,425
11	12	$292,991	37.5%	$252,571	$40,420	$252,571
12	13	$295,921	37.5%	$254,402	$41,519	$254,402
13	14	$298,880	37.5%	$256,251	$42,629	$256,251
14	15	$301,869	37.5%	$258,119	$43,750	$258,119
15	16	$304,887	37.5%	$260,006	$44,882	$260,006
16	17	$307,936	37.5%	$261,911	$46,025	$261,911
17	18	$311,016	37.5%	$263,836	$47,180	$263,836
18	19	$314,126	37.5%	$265,780	$48,346	$265,780
19	20	$317,267	37.5%	$267,743	$49,524	$267,743
20	21	$320,440	37.5%	$269,726	$50,714	$269,726
Total, Years 1-20		**$5,840,339**			**$1,147,218**	**$4,693,121**

Years 1-10	**$2,775,006**		**$692,230**	**$2,082,776**
Years 11-20	**$3,065,333**		**$454,988**	**$2,610,345**

[1] Assumes 75% in Years 1-10 and 37.5% in Years 11-20.
Source: Exact 1044, LLC , SB Friedman

EDCKC FINANCIAL BUT-FOR ANALYSIS