

WEST MAIN DISTRICT RFP RESPONSE

PENSACOLA, FLORIDA

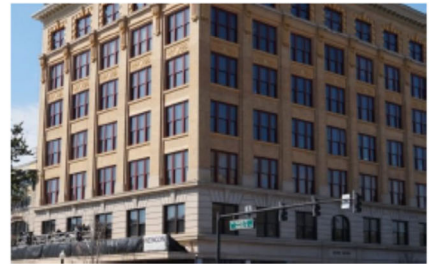
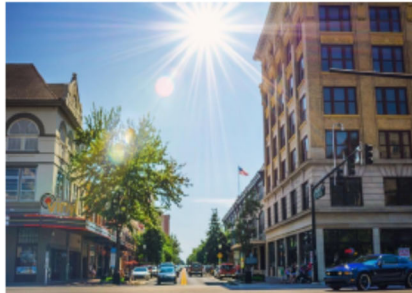
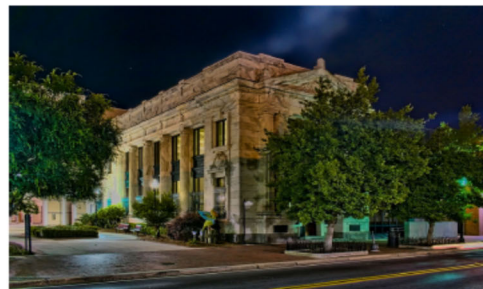


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I. EXECUTIVE SUMMARY

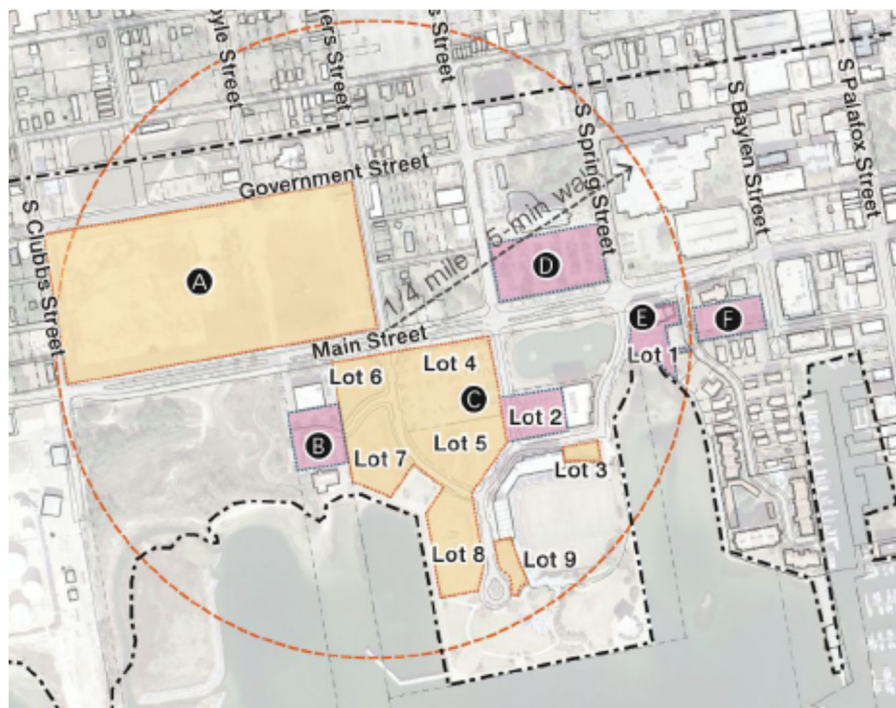
Objective

The Edwards Companies and Silver Hills Development are pleased to present our Pensacola joint-venture. The venture seeks the opportunity to develop Lots 4 and 5 in the Community Maritime Park in the City of Pensacola.

The Pensacola waterfront presents a unique and exciting opportunity. As pioneers who provided luxury apartments into communities where little institutional supply exists, especially along the Gulf Coast and throughout Florida, we are the perfect partners for this project. We are institutional and therefore have the necessary experience, organization, and financial resources, yet we are a family-oriented enterprise with a nimble team that will fit Pensacola's needs. Our specific experience that is unique to this site includes: multiple developments in VE zones, environmental experience turning industrial land into residential, utilization of historic/nostalgic elements including brick and European/New Orleans inspired facades to promote modern urbanism, sophisticated use of abatements/TIF, and being adept with foundations requiring various types of piles. Additional experiences include many mixed-use projects with retail, shared parking structures with neighbors, and waterfront developments throughout Florida. While we utilize similar/proven product, every apartment community is unique and has different strengths. For instance, our Fort Myers project provides a bayfront and shared parking with neighbors, New Orleans embraces smaller courtyards and density that helped transform a once failing neighborhood, Atlantic Crossing in Delray Beach provides hip mixed use for urban walkability, and Daytona overlooks the ocean as the first beachfront apartments in over fifty years. We are adept with both block and stick construction and have very recently built in the region, including Tallahassee, New Orleans, Fort Myers, and Orlando. We are ready, able, and hopeful to join your great master plan team.

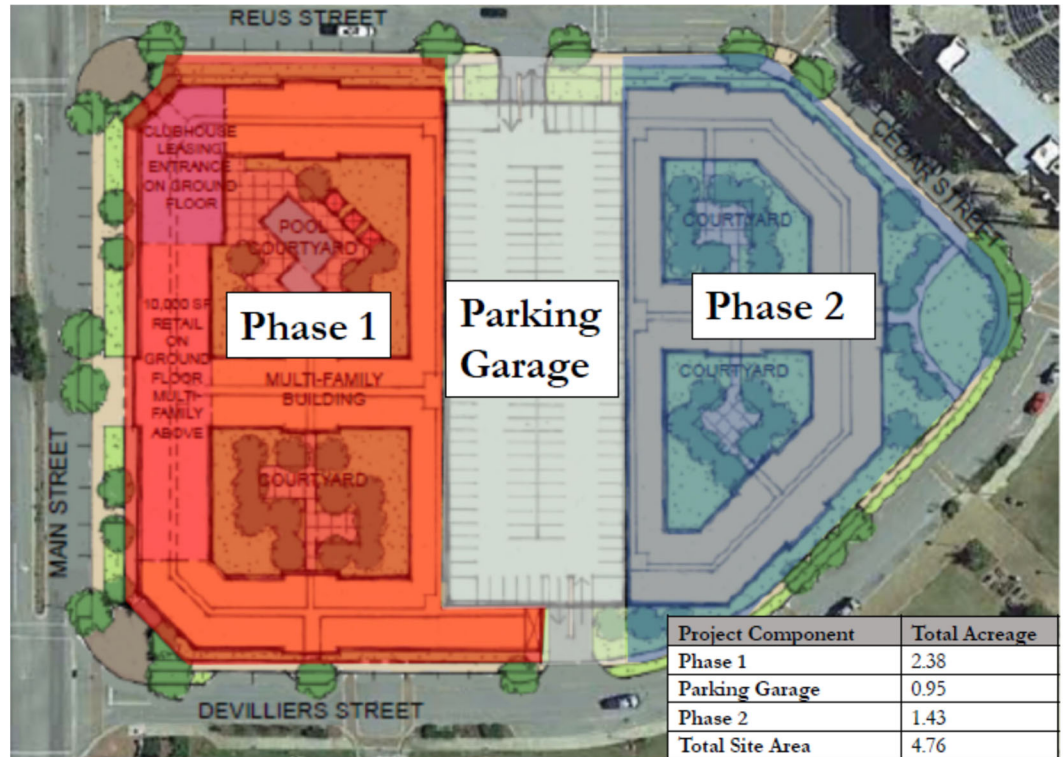
Project Summary

Our venture proposes to develop a four or five story (grade dependent) mixed-use project consisting of up to 375 apartments across two phases, up to 10,000 square feet of retail, and a five floor parking garage on Lots 4 and Lots 5 of the Community Maritime Park.



The use of the site is broken down into three parts as shown in the adjacent picture:

- Phase 1 will consist of approximately 225 apartment units and up to 10,000 square feet of retail space,
- The Parking Garage will have 750 parking spaces that will be used jointly by our project and the surrounding parcels,
- Phase 2 will consist of approximately 150 apartment units.



After extensive analysis of the economic potential of the site and conducting our due diligence, we believe the best way to move forward would be for our group to purchase the land constituting Phases 1 and 2 of the property and construct the parking garage for the City of Pensacola on the lot delineated above. The City will retain ownership of the land underneath the parking garage and provide easement access for use of the necessary parking to accommodate our proposed project.

Based on our financial analysis of the property and its development potential as outlined in this report, we are offering to purchase the 3.81 acres underneath Phases 1 and 2 for \$10,000,000 upon the terms sent forth in Section III of this proposal. The components of offer to the City of Pensacola as shown below:

| Project Component | Value to the City of Pensacola | Type of Payment |
|-------------------|--------------------------------|--|
| Phase 1 | \$2,000,000 | Cash |
| Phase 2 | \$1,000,000 | Cash |
| Parking Garage | \$7,000,000 | Construction of Parking Garage |
| Totals | \$10,000,000 | Cash and Construction of Parking Garage |

We believe that our offer represents the maximum value for the city and accomplishes the development goals of Lots 4 and 5 detailed in the West Main DPZ Master Plan. In particular, we will activate a new urban center in the city by developing a high-density mixed-use residential project on these lots and provide for the necessary parking to build out the rest of the area. Additionally, the City will bear **no out of pocket costs** during the construction and development of this project as we intend to build the entire parking structure as part of our development project.



Potential Pool Amenity

II. DEVELOPMENT TEAM AND HISTORY

Sponsorship & Development Team Overview

Edwards and Silver Hills have significant track records of creating successful, high quality communities while delivering exceptional investment returns to investors and partners. Edwards has developed in excess of 50,000 units of multifamily housing.

Company Overview – Silver Hills Development



Silver Hills is a diversified multifamily development and asset management company that focuses on the development of apartments in the southeastern United States. The principals of Silver Hills bring discerning and vast expertise to real estate that combines Wall Street training and Main Street understanding. Highlights of the team's experience include:

- Management of \$3 billion of portfolios with over 150 properties, 30,000 multifamily apartment units, 370,000 square feet office, 200,000 square feet of retail, and 200,000 square feet of industrial space nationwide.
- The development and acquisition of over 10,000 residential units.
- Capital transactions of \$2.5 billion including disposition of \$1.3 billion and financing of \$650 million

Seth Mendelsohn, Principal

Before founding Silver Hills in 2018, Seth Mendelsohn honed his skills by serving as Chief Investment Officer for Goldberg Companies where he managed all aspects of development from site selection, through entitlements, construction oversight, and stabilized execution for over \$500 million in new developments. Seth also provided strategic plans to manage the company's \$1.3 billion commercial real-estate portfolio that included multifamily, office, and retail properties. Preceding that role, Seth was the Vice President of Investment and Asset Management at the NRP Group, where he ran a \$1 billion portfolio of multifamily assets. Additionally, Seth led the team that handled M&A activities, including over \$500 million of asset dispositions and \$250 million in financing.

Seth also has significant experience working for the Structured Products and Real Estate desks in the Investment Banking Divisions at UBS and Bank of America. As a Director at UBS and while working for Bank of America as an Investment Banking Associate, he structured and sold mortgaged-backed, asset-backed, and swap securities tied to real estate assets for institutional investors. In prior roles, Seth also worked on JP Morgan's Bankruptcy and Restructuring team and represented the purchasers of the Texas Rangers in the restructuring of a professional baseball franchise while at the law firm White & Case. Seth is a licensed CPA and attorney. He graduated cum laude with a JD & MBA from Northwestern University and earned MaCC and BBA degrees with honors from the University of Michigan.

Ryan Solow, President of Development & General Counsel

Ryan Solow is the President of Development and General Counsel for Silver Hills Land, LLC. Mr. Solow is responsible for sourcing and the execution of real estate development projects. Additionally, in his role of general counsel, Mr. Solow oversees and manages the legal affairs with respect to each of the projects that Silver Hills invests in. Mr. Solow has his undergraduate degree in urban planning from the University of California, San Diego, his Master of Real Estate Development from the University of Southern California, and his JD from Northwestern University Pritzker School of Law.

Company Overview – The Edwards Companies



Edwards Companies

The Edwards Companies (the “Company”) is widely recognized for its creative approach to addressing the myriad challenges in real estate development and construction. Family-owned, the business serves as a holding company for a collection of operating entities engaged in the business of multi-family development, student housing development, property management, construction, building supply and insulation. Since 1959, the Company and its predecessor have built in excess of 50,000 residential housing units.

To maintain its success, the Company has refined a unique skill set which combines identifying and assembling the best development sites since great real estate projects start with selection of the best locations. The Company subscribes to this philosophy and canvasses the country for the best sites possible, working on dozens of complex land assemblages simultaneously over a span of years before ever progressing to development with any single location. Many times, the Company is unsuccessful in its efforts. However, when a site does come together, it is certain to be one of the highest and best locations within that market. From there, the Company proceeds to craft the design, development, and construction activity into a sustainable, timeless community providing lasting benefits for the developer, residents, and surrounding area. This is a process the Company has refined at great costs over decades of experience.

Pete Edwards, Chairman

In 1962, Peter Edwards formed Multicon, which he grew into the 2nd largest and most successful luxury garden apartment development company in the country. When it was purchased by Bethlehem Steel Corporation in 1970, Multicon had built and managed more than 20,000 dwellings in major cities in the eastern half of the United States. Edwards Communities Management and Edwards Communities Development Company were formed in the 1990's introducing to Columbus upscale, resort-style apartment communities. In addition to single and multi-family housing construction, Mr. Edwards has developed approximately 500,000 square feet of office space and over 2,200 single family real estate lots. Mr. Edwards also spearheaded the development of the Brewery District, a \$55 million renovation project near German Village in downtown Columbus, which brought new life and identity to an area that was badly neglected for many years. Another achievement is Tuttle Crossing, an 800 acre; mixed-use development centered around the first privately funded full-diamond interstate interchange. This extremely diverse complex includes housing, retail, office, health care, childcare, hotel and restaurant facilities.

A lifetime resident of Columbus, Mr. Edwards has served on the board of several companies and has been involved in community affairs. He remains active in the day-to-day workings of the business that bears his name, continuing to personally guide the company's growth into the 21st Century.

Tom Magers, Vice President/Treasurer

Tom Magers has been the Vice President and Treasurer for the Edwards Companies over the past decade. Mr. Magers oversees all of the Edwards Companies financial reporting, business planning and analysis, and corporate operations. Additionally, Mr. Magers oversees all financing activities for each of the development projects. Mr. Magers is a licensed CPA, and has his undergraduate degree from Kenyon College in Mathematics and Economics and his masters in accounting from The Kelley School of Business at Indiana University.

Charlie Driscoll, Vice President

Charlie Driscoll has been a Vice President at the Edwards Companies for the past 40 years. Mr. Driscoll oversees all land development activities for the company (which includes over 50,000 multifamily units, 25 single family communities, and several large infrastructure projects. Mr. Driscoll and is responsible for all investment and asset management activities in connection with the firm's real estate assets. Mr. Driscoll has an Accounting Degree from Miami University and is a past President of the BIA of Central Ohio.

Consultant Team Overview

Silver Hills and the Edwards Companies have strong relationships with a diverse group of consultants that can execute our vision for the proposed project. Below are examples of firms that we have used on our successfully executed developments. If awarded this project, we will work to the extent possible to utilize a mixture of teams based in Pensacola and from the list of consultants below to assist us with the design, construction and development of our project.

Architecture Firm



Dimit Architects offers full-scope architectural services for residential, commercial, renovation, and urban design projects. Specialties include historic renovations, interiors, single-family and multifamily residential projects, mixed-use projects, hospitality, urban design, and master planning. Regardless of the project size, the architects at Dimit endow their structures with a sense of identity and verve. Dimit Architects is presently serving as the architect for our projects in Orlando, Charlotte, and Richmond.

Civil Engineering Firm



Founded in 1977, DRMP, Inc. is a full-service engineering firm headquartered in Orlando that provides civil engineering, surveying and land planning services to both the public and private sector. DRMP has been involved in many of the largest development projects throughout Florida and has a long track record of executing the most complicated projects throughout Florida. DRMP's team is filled with many former military professionals and this shows in their excellent work and scheduling. DRMP has a local office in Pensacola. DRMP is presently serving as the civil engineer for our current projects in Orlando and Daytona.

General Contractor



Founded in 1996 and headquartered in sunny Naples, Florida, DeAngelis Diamond has become an innovative award-winning construction management firm and a nationally recognized leader in the construction industry. Presently, DeAngelis Diamond has completed over 3.5 billion dollars of construction projects, is a top-ranked company in the United States, licensed in 33 states, with an international presence in the Caribbean Islands and has fully staffed offices in Naples, Fort Myers, Sarasota, Birmingham, Nashville, and Detroit. DeAngelis Diamond is presently serving as the general contractor for our current project Silver Hills at Fort Myers and Silver Hills at Universal, which are presently under construction.

We also have tremendous in-house experience from recent projects in Tallahassee (2018 completion) and New Orleans (2020 completion) with an extremely strong subcontractor list that will perform well in Pensacola.

III. PROJECT CONCEPT, PHYSICAL DETAILS & PARKING

General Description of Project Vision

Our proposed project, Silver Hills at Pensacola, represents the perfect bridge between our New Orleans developments and our Florida communities in Fort Myers, Orlando, Tallahassee, and Daytona. We strive to create unique apartment communities using time-tested product that caters to the different strengths of each local market. In Pensacola, we plan to blend our New Orleans inspired architecture, incorporating brick and stucco façades to embrace Pensacola's history, with our Florida waterfront influences that highlight the outdoor lifestyle.



One unique and advantageous element of our project is featured in the unit layout. After decades of continuous improvement, our projects have shifted from industry standard units that are deep and dark into inviting, wider units that are smaller with more windows providing a modern, open-concept feel. While costing more for additional windows and external surface areas, this shift, which has been successful for the past decade, is akin to televisions moving towards wide-screen settings. **Results include our projects fitting more density with smaller square footages that feel larger; therefore, our we can deliver a higher quality product that remains affordable for local residents through our efficient use of living space.** The residential buildings will consist of a mix of studio, one, two, and three-bedroom options that are predominantly small one-bedroom units (647 sf average). The apartments will be enhanced by secure and spacious interior corridors, thoughtfully designed with a variety

of artwork and furnishings. The building footprint will feature two large, beautifully landscaped courtyards with communal gathering areas for groups and residents to mingle into a vivacious community which will help Pensacola thrive while reducing our costly turnover. Courtyards including a resort-style swimming pool and surrounding sun deck with tanning ledge, relaxation hammocks, grills, and private yards for resident enjoyment.



In addition to the large landscaped courtyards, community luxuries will include a resort themed pool, spacious 7,500 square foot clubhouse featuring a fitness center, business center with work kiosks, large community room, media lounge, 24/7 Starbucks coffee bar, Amazon package room, dog run, pet spa, Wi-Fi, and trash chutes on every floor. Some of this space will be a community room and/or penthouse lounge, providing residents with serene sunsets. Unit amenities include 9 and 10-foot ceilings, EnergyStar stainless steel appliances, modern cabinetry, granite countertops, brushed nickel hardware and fixtures, wide wood plank finish flooring in living area and baths, plush California Berber carpet in bedrooms, walk-in closets with double hung closet shelving, and washer & dryer in unit. Units are then complimented by a best in class frameless glass walk-in spa rain shower.

Silver Hills at Pensacola provides a significant investment and development that the community will be proud of. Our proposal matches the West Main District DPZ design guidelines in many ways. We fit the property shape, character, circulation, and similar uses to what is proscribed with only minor redistribution of uses along West Main Street. Additional benefits include extra residential density to best fit a sustainable downtown, ample but not wasted parking in a five-story garage, retail that promotes connectivity throughout the West Main District and into downtown's central hub at Main and Palafox, and an experienced development team to join Pensacola for the long-run.



Description of Project Concepts

The proposed 375+/- unit, 4-story Class A+ multifamily development will be situated on Pensacola's stunning waterfront and will include a public park that will serve as a gathering open space in front of the Blue Wahoos Stadium. The plans will work with the topography and add retail along with up to 750 parking spaces in a garage that also serves adjacent neighbors. This development utilizes a similar layout and luxuries as our past decade of projects do. Importantly, the building will provide for density needed for new urbanism and walkability, however the façade will appear to be broken into many distinct buildings that follow European and New Orleans style architecture. Additionally, as in New Orleans and other markets, the development will enhance the waterfront's appearance and neighborhoods ambience.



Corner of
Main
Street &
Reus
Street

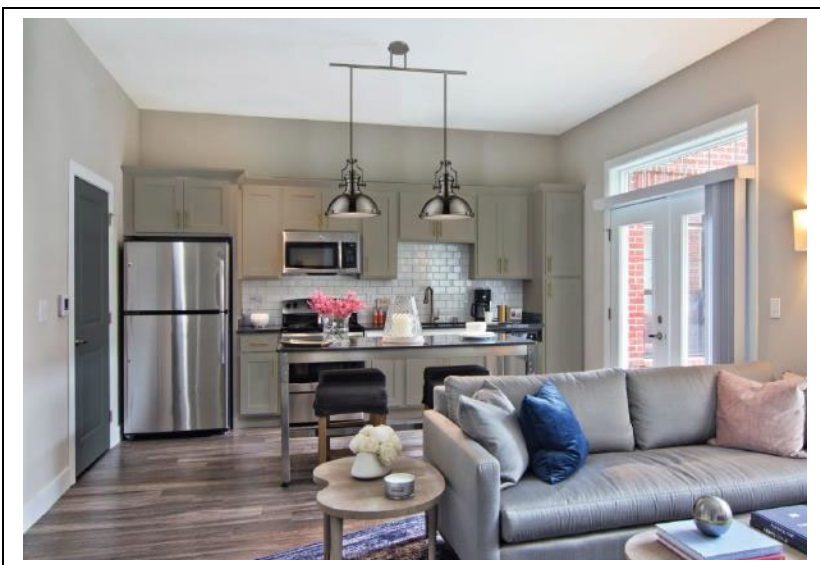


Interior
Courtyard

The residential buildings will consist of a mix of studio, one, two, and three-bedroom options. The apartments will feature secure and spacious interior corridors, thoughtfully designed with a variety of artwork and furnishings. The building footprint will feature multiple large, beautifully landscaped courtyards with communal gathering areas. A larger courtyard will include a resort-style swimming pool and surrounding sun deck with tanning ledge, relaxation hammocks, grills, a fire pit, and private yards for resident enjoyment. The project will include the construction of the five level, precast concrete parking garage with direct access to the apartment building corridors. In addition, there will be up to 10,000 sf of retail space available.

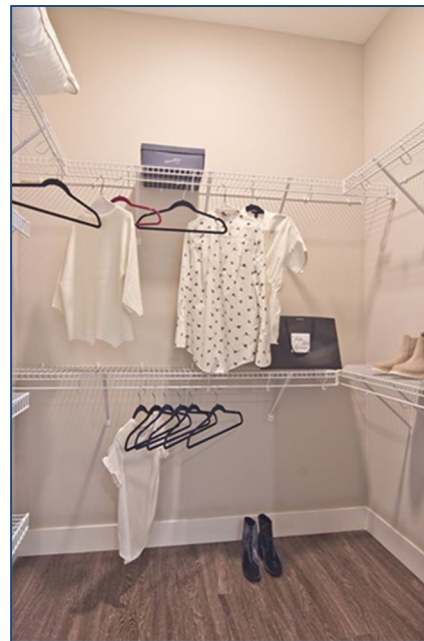
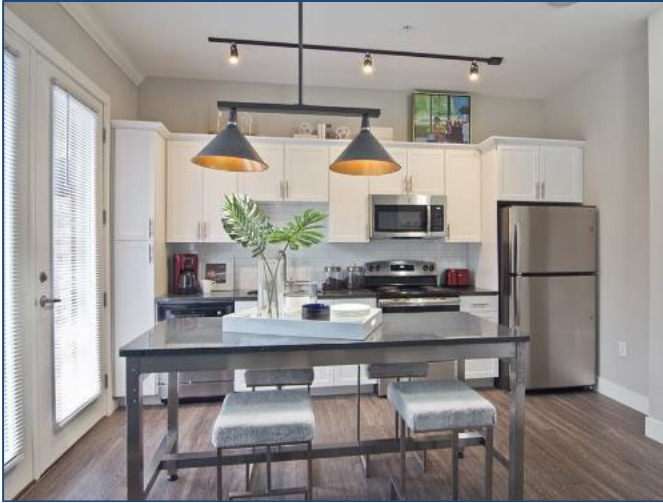
Beyond the large landscaped courtyards, community luxuries will include a resort themed pool, spacious 7,500 square foot

clubhouse featuring a fitness center, business center, large community room, media lounge, 24/7 Starbucks coffee bar, Amazon package room, dog run, pet spa, and Wi-Fi



Unit amenities include 9 and 10-foot ceilings, EnergyStar stainless steel appliances, modern cabinetry, granite countertops, brushed nickel hardware and fixtures, wide wood plank finish flooring in living area and baths, plush California Berber carpet in bedrooms, walk-in closets with double hung closet shelving, and washer & dryer in unit. Units are then complimented by a best in class frameless glass walk-in spa rain shower.

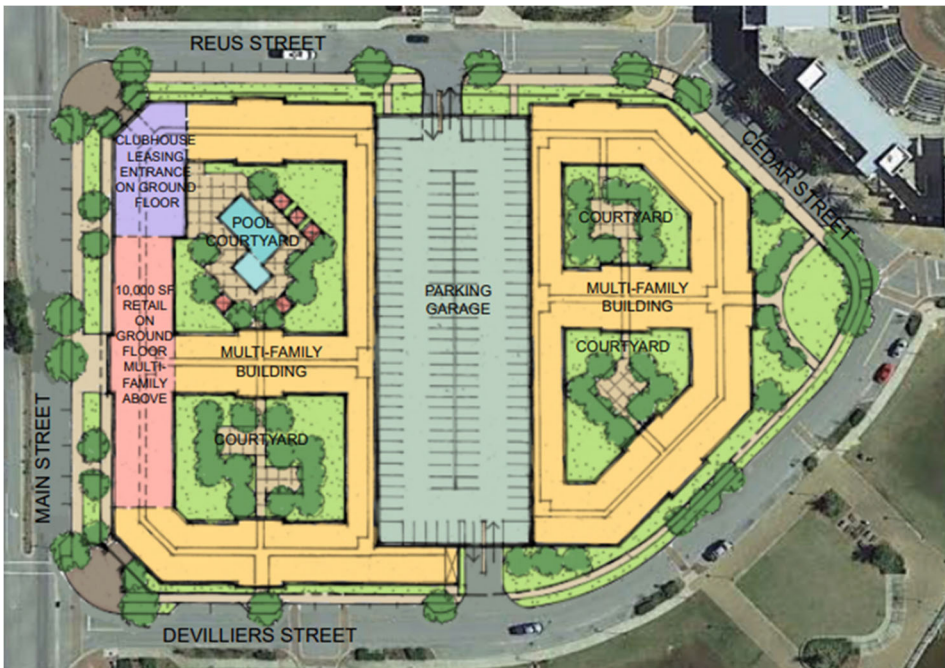
Unit Finishes



Unit Floorplans



Site Plan



Below are potential elevations which will have more detail with additional architect input. As you will be able to see, we break up the massing of the building to have several distinct architectural features. We intend to use brick throughout the façade in order to blend the appearance of the building with others in downtown Pensacola.

Potential Elevations



Parking Plan:

The project will include a multi-level, concrete parking garage with direct access to the apartment building and exterior access for neighboring properties. As presently designed, this garage will be 5 stories and can provide as many as 750 parking spaces. Given that our apartments typically utilize a parking ratio of 1.0x-1.20x per unit when partnered with multiple uses, our garage as presently designed can provide for ~375 residential spaces and an excess of up to 375 additional spaces for shared use by adjacent office, hotel, retail, and gameday use for the adjoining stadium.

| Parking Space Allocation | Parking Spaces |
|--|----------------|
| Exclusive Multifamily Parking Spaces at 1 space per Residential Unit | 375 |
| Shared Daytime and Additional Use | 375 |
| Total Parking Spaces | 750 |

In addition to the parking spaces provided in the parking structure, we have the ability to add an additional 150 spaces (for a total of 900) by adding a sixth floor to the proposed parking garage. This can be accomplished, if necessary, for the other uses in the West Main District area, however, we will then need those adjacent property owners to contribute the ~\$2,7000,000 in additional cost to the construction of the parking garage.

Community Engagement and Community Relations Plan

Silver Hills and The Edwards Companies are committed to engaging all members of the community on our projects. As a family-owned business and long-term holders of our real estate projects, we believe that it is critically important to maintain a strong bond with local businesses and to help empower minority communities surrounding our projects.

When possible, we try to partner with locally based service providers because it provides much needed guidance for us and economic benefits to the local community. As an additional benefit, locally based subcontractors and other service providers often provide the local knowledge to deliver high quality projects on time and under budget, which ultimately benefits the community by having a better-quality development in the area.

We will use our best efforts to (i) work with the local community to try to hire woman and minority owned businesses as we subcontract out portions of our project; (ii) establish strong non-discrimination hiring practices; and (iii) work towards employing local residents for both our construction jobs and property management positions. To that end, we have reviewed the Covenant with the Community and pledge to use good faith efforts to abide by the terms of that agreement and will cause our project team to do the same, in each case to the extent economically feasible.



Proposed Management and Operations Post-Completion:

Silver Hills and the Edwards Companies view our development projects as long-term investments for our communities. We are **not merchant builders** and therefore cut no corners during construction. After stabilization, we remain as very active asset managers of all of our projects.



Summary of Economic Terms of the Community Maritime Park Lots 4 and 5 Purchase

We believe that the most efficient path forward to both maximize the economic value of the property to the city and our project would be to proceed with a purchase of Lots 4 and Lots 5 less the land that will be used for the parking garage. We envision completing the project in two phases. Phase 1 will consist of +/-225 units towards Main Street and the construction of the parking garage and Phase 2 will consist of an additional +/- 150 units towards Cedar Street. We will enter into a reciprocal easement agreement for parking garage that allows for us to manage the garage and for our project to have access to the parking garage. The City of Pensacola will not be responsible for any costs associated with the construction of the parking garage and all stakeholder users will share in its operating and maintenance costs.

We intend to consummate the proposed transaction upon the following terms:

- ❖ **Total Purchase Price** – \$10,000,000. \$2,000,000.00 will be paid upon the Phase 1 Closing and \$1,000,000.00 will be paid upon beginning of construction for Phase 2. The remaining \$7,000,000 will be provided to the city as a constructed parking garage (described in more detail in the next paragraph).
- ❖ **Value of Parking Garage to the City** – Upon completion of Phase 1 of our project, the City of Pensacola will have the ownership of the 700-space parking garage that can be used for the other users in the West Main District. We estimate that this parking garage will cost approximately \$18,000 per parking space to build plus oversight, which after removing our primary use of 375 spaces, equates to an excess value of approximately \$7 million to the City of Pensacola.
- ❖ **Deposit Structure** – We will deposit \$50,000 into escrow upon the mutual execution of a purchase and sale agreement. An additional \$50,000 will be deposited into escrow upon the completion of the Due Diligence Period. After the expiration of the Due Diligence Period, all deposits will be non-refundable and applicable to the total Purchase Price unless the purchase agreement is terminated as a result of not being able to obtain approvals from the City of Pensacola for our proposed project.
- ❖ **Due Diligence Period** – We will use 112 days from the date of execution of the purchase agreement to complete our due diligence activities and submit our site plan for approval. Our due diligence activities will include updating title and the property survey, conducting soils and environmental testing, and finalizing our site plan for submittal to the City of Pensacola for approval. Our goal is to complete Due Diligence by the end of the year.
- ❖ **Entitlement Period** – The entitlement period timeframe will mostly be determined by approvals with the City of Pensacola. Typically, we need one year from the expiration of the Due Diligence Period to obtain full approvals including site plan and building permit. The city will determine the necessary process and we will work efficiently.
- ❖ **Reciprocal Easement Agreement** – We will agree with the City of Pensacola upon a form of reciprocal easement agreement which provides us the right to construct and use the parking garage.
- ❖ **Closing Date** – We will close of the project within 60 days after the expiration of the Entitlement Period. The City of Pensacola can retain an interest-free, second position security (that allows for the necessary flexibility for the construction loan) on the property until the parking garage is complete.
- ❖ **Closing Extensions** – We will have the right to extend either the Due Diligence Period or Closing Date up to two times by 90 days each by depositing \$25,000 into escrow. Each deposit will be non-refundable and applicable to the purchase price.
- ❖ **Closing Costs** – All closing costs will be prorated in accordance with local custom in the City of Pensacola.
- ❖ **Purchase Agreement** – The remainder of the acquisition terms will be based upon a purchase agreement which will be negotiated between us and the City of Pensacola once the project has been awarded. We are prepared for this project and therefore are including a draft Purchase Agreement that the city may edit.

Proposed Development Schedule

We pride ourselves on completing high quality project in an efficient manner. We are planning to complete the project in accordance with the below schedule:

| Key Milestone | Estimated Date Accomplished |
|--|-----------------------------|
| Selections Announced / Awarded | July 17, 2020 |
| Negotiations Finalized | August 14, 2020 |
| City Council First Reading Approval (Maritime) | August 29, 2020 |
| City Council Second Reading Approval (Maritime) | September 9, 2020 |
| Due Diligence Begins | September 10, 2020 |
| Due Diligence Expiration | December 31, 2020 |
| Site Plan Submittal | January 30, 2021 |
| Site Plan Approval/Planned Development Agreement | April 30, 2021 |
| Phase 1 Building Permit Submittal | June 30, 2021 |
| Phase 1 Building Permit Approval | September 30, 2021 |
| Phase 1 Closing Date & Phase 1 Payment | November 29, 2021 |
| Begin Construction on Phase I and Parking Garage | December 2021 |
| Complete Parking Garage | December 2022 |
| Phase 1 First Certificates of Occupancy & Leasing | January 2023 |
| Phase 2 Building Permit Submittal | January 2023 |
| Phase 2 Building Permit Approval | April 2023 |
| Complete Construction of Phase 1 | November 2023 |
| Phase 1 Stabilization (90% of units occupied by residents) | February 2024 |
| Begin Construction on Phase 2 & Phase 2 Payment | March 2024 |
| Begin Opening Phase 2 Leasing | March 2025 |
| Complete Construction of Phase 2 | August 2025 |
| Complete Stabilization | December 2025 |



Image of Downtown Pensacola

Economic and Financial Incentive Overview

Our proposed project will provide at **no out of pocket cost to the City of Pensacola**, numerous public benefits including the parking garage, open space adjacent to the Blue Wahoo Stadium, and retail with residential density to enhance the area's walkability. We are long-term holders and focus on the long-term preservation and maintenance of our properties from the design stage through operations. Our architecture includes many building breaks and use of expensive brick that provides a historic feel of belonging while embracing modern design elements. The brick, while expensive, will look good in another 50-100 years, just as other Edwards projects that were built in the 1960's still stand the test of time. Beyond providing a visually appealing neighbor, we strongly believe that the project will be the lynchpin that begins the redevelopment of the West Main District and will result in the transformation of the local neighborhood into a vibrant community that will attract further investment into the area. Our residents will help to activate retail, hotels, and other services. This investment will help instill more pride in the area and enhance the vibrancy and tax base for the region.

We are adept at public/private partnerships and will not need any monetary contribution from the City. We instead request a property tax abatement that does not include the school portion of taxes, and is similar to our other projects and other Pensacola Developments.

Property Tax Abatement

The ultimate success of our project will rely on our ability to develop creative solutions with the City and County. As indicated on the chart below, our team has vast experience in creative solutions with municipalities to develop modern urbanism.

| TIF Experience in Past 5 Years | | | | | | | | |
|--------------------------------|-----------------|-------|------------|--------------|-------------------------|-------------|------------------|--|
| Project | City | State | Units | Year Awarded | Total Gross Tax Savings | Total Years | TIF Per Unit | Notes |
| Highline | Columbus | OH | 140 | 2015 | \$14,115,000 | 15 | \$100,821 | 100% of improvements for all taxes |
| Wellington | Columbus | OH | 164 | 2016 | \$16,660,000 | 15 | \$101,585 | 100% of improvements for all taxes |
| Highland Station | Louisville | KY | 195 | 2016 | \$ 2,605,559 | 20 | \$ 13,362 | 100% abatement of city taxes in Years 1-10, 65% in Years 11-20 |
| The Baxter | Louisville | KY | 270 | 2016 | \$ 4,908,093 | 20 | \$ 18,178 | 100% abatement of city taxes in Years 1-10, 65% in Years 11-20 |
| The Lumina - Phase I | New Orleans | LA | 242 | 2017 | \$ 4,330,000 | 12 | \$ 17,893 | 100% abatement of city and county taxes for 12 years |
| Annunciation | New Orleans | LA | 210 | 2018 | \$ 2,045,000 | 12 | \$ 9,738 | 100% abatement of city taxes for 12 years |
| The Lumina - Phase II | New Orleans | LA | 140 | 2018 | \$ 1,800,000 | 12 | \$ 12,857 | 100% abatement of city and county taxes for 12 years |
| Rochester Hills TIF | Rochester Hills | MI | 356 | 2018 | \$13,419,587 | 25 | \$ 37,695 | 100% abatement of city and county taxes for 25 years |
| Silver Hills at Fort Myers | Fort Myers | FL | 318 | 2019 | \$12,960,000 | 24 | \$ 40,755 | 95% abatement of city and county taxes for 24 years |
| Average | | | 226 | 2017 | \$ 8,093,693 | 17.2 | \$ 39,209 | |

Given the below described economic benefits and the unique void that we are serving, we would like to request an abatement against the incremental projected property tax increases generated by the project for us to procure market rate construction financing in order to ensure the successful completion of our development. Similar to other successful projects, here we propose that the City and County to provide the Property with a 100% abatement of the county and city's portion of the property taxes generated by the project for a period of 25 years.

Parking Garage Cost Sharing Agreement

After the completion of the parking garage, we propose to enter into a cost sharing agreement with the other users of parcels in the West Main District. We are happy to provide access to the parking garage in exchange for a contribution from those property owners to reimburse us for the ongoing operational costs associated therewith. If those users want to institute a cost for parking to their users, with the city's permission, they will have that ability.

Economic Impact of the Proposed Development

Our proposed project will have a tremendous economic impact for downtown and the West Main District. Once this project is completed, we will be adding nearly 600 new residents that will live, work, and play in Downtown Pensacola. Additionally, we will have an additional 10,000 square feet of local serving retail square footage which will generate sales tax revenue for the city.

Property Taxes

From a property tax perspective, we anticipate that the development will be worth approximately \$65.8 million from a taxable basis after completion. This will result in approximately \$325,000 (6.0430 mil) per year of property taxes paid for the first 25 years of the project and \$900,000 (19.3407 mill) of property taxes payable after the abatement expires.

Total Economic Impact

Our proposed project will generate substantial economic benefits to the area economy and will result in a significant boost to the city's gross domestic product and for the future development potential of the area surrounding these two lots.

Multifamily Project Component

Over the past decade, we have analyzed the economic impact of our projects on the community. Based on our analysis of the city of Pensacola and taking into account demographics of the area, the following charts show the economic impact of the multifamily component of the project:

| Typical Economic Impact of Silver Hills Projects (Multifamily Component) During Construction | | | |
|---|--------------------------|------------------------------|---------------------------------|
| Impact Type | Job Ratio Per Unit Built | Labor Income Per Job Created | Economic Output Per Job Created |
| Direct Effect | 0.79 | \$37,000 | \$160,000 |
| Indirect Effect | 0.40 | \$36,000 | \$107,000 |
| Induced Effect | 0.25 | \$37,000 | \$121,000 |
| Total Effect | 1.44 | \$37,000 | \$138,000 |

| Permanent Economic Impact After Construction (Multifamily Component) | | | |
|--|--------------------|------------------------------|---------------------------------|
| Impact Type | Job Ratio Per Unit | Labor Income Per Job Created | Economic Output Per Job Created |
| Total Effect | 0.38 | \$37,000 | \$122,000 |

As shown in the executive summary and the below financial analysis, we believe that our proposed project will generate a total taxable value of approximately \$65 million and will generate 375 apartment units. The following charts summarize the economic impacts of this project both during and after construction:

| Proposed Project: Economic Impact During Construction (Multifamily Component) | | | |
|---|------------|---------------------|---------------------|
| Impact Type | New Jobs | Labor Income | Economic Output |
| Direct Effect | 295 | \$10,905,750 | \$47,160,000 |
| Indirect Effect | 150 | \$5,416,200 | \$16,098,150 |
| Induced Effect | 94 | \$3,463,200 | \$11,325,600 |
| Total Effect | 539 | \$19,785,150 | \$74,583,750 |

| Proposed Project: Permanent Economic Impact After Construction (Multifamily Component) | | | |
|--|------------|--------------------|---------------------|
| Impact Type | New Jobs | Labor Income | Economic Output |
| Total Effect | 143 | \$5,272,500 | \$17,385,000 |

Retail Economic Impact

Based on our experience with retail centers, community-oriented retail centers generate approximately 1 job for every 500 square feet. Based on this analysis (and after taking into account the same income and output ratios described above for the multifamily component of the project), once construction of our project is completed, we estimate that the economic impact of our retail project will be as follows:

| Proposed Project: Permanent Economic Impact After Construction (Retail Component) | | | |
|---|----------|--------------|-----------------|
| Impact Type | New Jobs | Labor Income | Economic Output |
| Total Effect | 25 | \$925,000 | \$3,050,000 |

Parking Garage Economic Impact:

As discussed in our summary of the economic terms of this deal, we will be constructing a parking garage that will be owned by the City of Pensacola following the completion of our project. We have valued the city’s portion of the parking garage at approximately \$7 million based on our construction costs to complete it. The City of Pensacola will derive substantial benefits from the excess parking for future baseball games and the adjoining property owners.

Project Financial Feasibility and Cash Flow Analysis

Rental Rates:

| Unit Mix | Phase I | Phase II | Total | % | Rent | SF | R/SF |
|--------------|------------|------------|------------|---------------|--------------|------------|-------------|
| Studio | 8 | 4 | 12 | 3.2% | 1,350 | 521 | 2.59 |
| 1br Small | 15 | 10 | 25 | 6.7% | 1,400 | 583 | 2.40 |
| 1br | 144 | 82 | 226 | 60.3% | 1,450 | 647 | 2.24 |
| 1br Den | 7 | 4 | 11 | 2.9% | 1,600 | 927 | 1.73 |
| 2br S | 6 | 6 | 12 | 3.2% | 1,800 | 1077 | 1.67 |
| 2br L | 9 | 9 | 18 | 4.8% | 1,900 | 1176 | 1.62 |
| 2br Corner | 24 | 27 | 51 | 13.6% | 1,850 | 1139 | 1.62 |
| 3br | 12 | 8 | 20 | 5.3% | 2,350 | 1341 | 1.75 |
| Total | 225 | 150 | 375 | 100.0% | 1,583 | 790 | 2.00 |

These rental rates are derived from the one strong comp – Southtowne. With our additional units, the demand and therefore rents will be slightly lower but still very strong.

Development & Construction Cost

Although we will have far more details during the entitlement and construction drawing phase, our experience based on many similar projects leads to the belief that the entire project will cost just over \$77 million dollars. Of this, \$53 million is for Phase 1 and \$24 million is for Phase 2. This represents \$206 per unit. Without the retail and garage, the total cost would be under \$67 million (only \$165k per unit).



| <u>Uses</u> | Phase 1 | Phase 2 | Combined | Per Unit |
|-----------------------------|-------------------|-------------------|-------------------|----------------|
| Units | 225 | 150 | 375 | |
| Land | 2,000,000 | 1,000,000 | 3,000,000 | 8,000 |
| General Construction | 25,065,000 | 18,000,000 | 43,065,000 | 114,840 |
| Retail | 2,000,000 | 0 | 2,000,000 | 5,333 |
| Parking Garage | 13,500,000 | 0 | 13,500,000 | 36,000 |
| Clubhouse/Amenity/FFE | 1,000,000 | 350,000 | 1,350,000 | 3,600 |
| Permit Fees & Bonds | 350,000 | 250,000 | 600,000 | 1,600 |
| Soft Cost | 1,000,000 | 350,000 | 1,350,000 | 3,600 |
| Unique (Soils/Piles) | 1,250,000 | 1,000,000 | 2,250,000 | 6,000 |
| Detention | 500,000 | 0 | 500,000 | 1,333 |
| Operating Reserve | 500,000 | 250,000 | 750,000 | 2,000 |
| Interest Reserve | 3,577,500 | 1,566,000 | 5,143,500 | 13,716 |
| Financing Cost | 1,000,000 | 500,000 | 1,500,000 | 4,000 |
| Contingency | 1,552,275 | 697,980 | 2,250,255 | 6,001 |
| Total | 53,294,775 | 23,963,980 | 77,258,755 | 206,023 |
| per unit | 236,866 | 159,760 | 206,023 | |
| per unit (no garage/retail) | 167,977 | 159,760 | 164,690 | |
| Taxable Amount | 46,217,275 | 20,647,980 | 66,865,255 | |

Typically, we would obtain construction financing for 70% of the total cost. Due to the present uncertainty, we are underwriting a 65% loan (that we were able to close on for another project last month). Our total construction financing will entail \$50 million in bank loans and \$27 million in equity. While we do not expect a significant return on our equity after Phase 1, by adding the scale of Phase 2, we then expect to receive \$9 million back, leaving \$18 million invested beyond stabilization.

| <u>Sources</u> | Phase 1 | Phase 2 | Combined |
|-------------------|-------------------|-------------------|-------------------|
| Construction Loan | 34,641,604 | 15,576,587 | 50,218,191 |
| Equity | 18,653,171 | 8,387,393 | 27,040,564 |
| Total | 53,294,775 | 23,963,980 | 77,258,755 |

| <u>Refi Proceeds</u> | Phase 1 | Phase 2 | Combined |
|----------------------|------------|------------|------------|
| Stabilized Value | 51,177,144 | 36,122,346 | 87,299,490 |
| Perm Loan | 34,749,281 | 24,527,073 | 59,276,354 |
| Construction Loan | 34,641,604 | 15,576,587 | 50,218,191 |
| Perm Proceeds | 107,677 | 8,950,486 | 9,058,163 |
| Debt Service | 2,133,312 | 1,505,755 | 3,639,067 |

Financial Returns

Without the TIF/abatement, this project will not be possible. With a TIF and decent scale with two phases, we can achieve a 70% operating margin (industry standard is 60%-65%). This assumes strong rents and occupancy, which we are comfortable managing towards achieving. The Phase 1 development yield is only 5.52% and is therefore insufficient, but when combined with both phases, the overall project results in a sufficient 6.50% yield. Theoretically this can increase or decrease based on operating and financing risk, but here the TIF also helps alleviate some operational risk. Please also note that the entire project is really driven down by the necessary garage cost. Rather than requesting any city funds, we instead are going with a smaller land cost and more density to maximize the value for the entire Pensacola community.

Pro Forma - Full TIF

| | | | | |
|-----------------------|------------------|------------------|------------------|--------------|
| Rent | 4,227,600 | 2,896,200 | 7,123,800 | |
| Other Income | 337,500 | 225,000 | 562,500 | |
| Total Income | 4,565,100 | 3,121,200 | 7,686,300 | |
| Occupancy | (319,557) | (218,484) | (538,041) | 93% |
| Total Income | 4,245,543 | 2,902,716 | 7,148,259 | |
| Management | 212,277 | 145,136 | 357,413 | 5.00% |
| Admin Cost | 78,750 | 52,500 | 131,250 | 350 |
| Insurance | 112,500 | 75,000 | 187,500 | 500 |
| Staff | 315,000 | 195,000 | 510,000 | 1,360 |
| Repairs & Maintenance | 56,250 | 37,500 | 93,750 | 250 |
| Marketing | 56,250 | 37,500 | 93,750 | 250 |
| Cap Ex / Reserves | 56,250 | 37,500 | 93,750 | 250 |
| Turnover | 67,500 | 45,000 | 112,500 | 300 |
| Property Tax | 204,330 | 123,045 | 327,375 | 908 |
| Landscaping | 65,000 | 25,000 | 90,000 | 289 |
| Utilities | 78,750 | 52,500 | 131,250 | 350 |
| Total Expenses | 1,302,857 | 825,681 | 2,128,538 | 5,790 |
| NOI | 2,942,686 | 2,077,035 | 5,019,721 | |
| Margin | 69% | 72% | 70% | 3,649 |
| Debt Service | 2,133,312 | 1,505,755 | 3,639,067 | |
| Cash Flow | 809,374 | 571,280 | 1,380,654 | |

| | | | |
|-----------|-------|-------|-------|
| Dev Yield | 5.52% | 8.67% | 6.50% |
|-----------|-------|-------|-------|

| | Phase 1 | Phase 2 | Combined |
|---------|--------------|-------------|--------------|
| Return | 1.6% | 23.1% | 6.00% |
| Year 0 | (18,653,171) | - | (18,653,171) |
| Year -1 | - | - | - |
| Year -2 | 917,051 | (8,387,393) | (7,470,342) |
| Year 1 | 809,374 | - | 809,374 |
| Year 2 | 833,655 | 9,521,766 | 10,355,421 |
| Year 3 | 858,665 | 571,280 | 1,429,945 |
| Year 4 | 884,425 | 588,418 | 1,472,843 |
| Year 5 | 910,957 | 606,071 | 1,517,028 |
| Year 6 | 938,286 | 624,253 | 1,562,539 |
| Year 7 | 966,435 | 642,981 | 1,609,415 |
| Year 8 | 995,428 | 662,270 | 1,657,698 |
| Year 9 | 1,025,291 | 682,138 | 1,707,429 |
| Year 10 | 7,208,872 | 3,926,595 | 11,135,467 |
| Year 11 | 1,087,731 | 723,680 | 1,811,411 |
| Year 12 | 1,120,363 | 745,391 | 1,865,754 |
| Year 13 | 1,153,974 | 767,753 | 1,921,726 |
| Year 14 | 1,188,593 | 790,785 | 1,979,378 |
| Year 15 | 1,224,251 | 814,509 | 2,038,759 |
| Year 16 | 1,260,978 | 838,944 | 2,099,922 |
| Year 17 | 1,298,807 | 864,112 | 2,162,920 |
| Year 18 | 1,337,772 | 890,036 | 2,227,807 |
| Year 19 | 1,377,905 | 916,737 | 2,294,642 |
| Year 20 | 7,572,065 | 4,464,919 | 12,036,984 |
| Year 21 | 1,461,819 | 972,566 | 2,434,385 |
| Year 22 | 1,505,674 | 1,001,743 | 2,507,417 |
| Year 23 | 1,550,844 | 1,031,795 | 2,582,639 |
| Year 24 | 1,597,369 | 1,062,749 | 2,660,118 |
| Year 25 | 1,645,290 | 1,094,632 | 2,739,922 |
| Year 26 | 1,694,649 | 1,127,471 | 2,822,120 |
| Year 27 | 1,745,489 | 1,161,295 | 2,906,783 |
| Year 28 | 1,797,853 | 1,196,134 | 2,993,987 |
| Year 29 | 1,851,789 | 1,232,018 | 3,083,806 |
| Year 30 | 24,488,029 | 18,428,911 | 42,916,940 |

Non-Financial Returns

Silver Hills at Pensacola apartments will help bolster Pensacola's creation of a vibrant downtown. Quint Studer astutely defines vibrant as "a place where young people can stay home... (and) fulfill their potential". Benefits to the community include incremental tax growth, asset appreciation, and the attraction of talent. We agree with these elements for vibrancy, and our residents, typically either millennials desiring what other metropolitans have or older residents looking to downsize for more walkability and experiences, concur. We appreciate Mr. Studer's belief that "the residential part is hardest" and are excited to provide this aspect to the Pensacola waterfront. In fact, we believe that other aspects are more difficult and hope that our joining



the Pensacola redevelopment will free up the Studer family to focus on even more difficult and essential tasks including attracting additional jobs or even more university uses to downtown Pensacola! Our apartments will provide significant upside to Pensacola by attracting talented millennials with a desirable residence similar to what they enjoyed in other markets, residences with walkability to thriving retail and employers, and additional local vibrancy with permanent residents and their energy.

Reading Mr. Studer's book, the transition from page 23 to page 24 juxtaposes the remarkable vibrant cluster built around Main and Palafox with an "intersection... at the center of it all" and then contrasting back "meanwhile, back at the Waterfront Park...". This was brilliant sequencing to first start with Palafox and its bars, restaurants, shops, and boutiques. We believe that Pensacola is now primed for the next vibrant cluster to mature with the West Main District and the waterfront. Ultimately, these two areas will connect Main Street with even more growth along Palafox, reaching towards a far more vibrant downtown.

Mr. Studer is keen to "partner with someone who owns adjacent property" and we hope to partner with the Studer family as their neighbor. Luckily, Mr. Studer has already provided most key elements needed for vibrancy along the Waterfront District with the baseball stadium and office. We hope to help with this vision towards a development to rival in impact and add to Watercolor's illumination of possibilities for Panhandle communities.



IV. PAST PERFORMANCE

Development Experience

The below chart is a summary of select multifamily development projects that the principals of Silver Hills and The Edwards Companies have actively developed in the more recent years. Additionally, we have highlighted in more detail some of the projects that are closest to our vision for this site. Collectively, we have decades of experience of developing approximately 100,000 high-end apartment homes with much emphasis in the Southeastern United States.

| Project | Location | Units | Completed |
|---|---------------------------|--------|-----------|
| Orleans Village, The Farms, The Quarry, Orchard | Columbus, Ohio | 1,524 | 2003 |
| Nantucket | Cincinnati, Ohio | 394 | 2004 |
| Times Square & Central Park | Dublin, Ohio | 648 | 2005 |
| Newtown Crossing | Lexington, Kentucky | 356 | 2005 |
| Old Towne University Square & Preston Gardens | Toledo, Ohio | 556 | 2006 |
| The Quarters at Rue Principal | Lafayette, Louisiana | 205 | 2007 |
| Fisher Commons & Charleston | Columbus, Ohio | 430 | 2008 |
| Quarry Trail | Knoxville, Tennessee | 252 | 2008 |
| Chelsea Place | Toledo, Ohio | 334 | 2009 |
| The Province at Tampa | Tampa, Florida | 287 | 2010 |
| Arlington Park | Columbus, Ohio | 284 | 2011 |
| The Province | Various Locations | 1,802 | 2009-2012 |
| East Edge | Tuscaloosa, Alabama | 337 | 2012 |
| Tribeca & 570 Lofts | Columbus, Ohio | 230 | 2013 |
| The Flats at 4200 | Tampa, Florida | 314 | 2013 |
| Monterra & Sorrento | Hollywood, Florida | 620 | 2013 |
| Brighton Chase | Cleveland, Ohio | 264 | 2014 |
| Beacon 430 | St. Petersburg, Florida | 326 | 2014 |
| Hayden Lofts, Strathmoor, Normandy, Norwich Flats | Dublin, Ohio | 733 | 2015 |
| Greene Crossing | Columbia, South Carolina | 247 | 2015 |
| Legacy 521 & Legacy Concord | Charlotte, North Carolina | 598 | 2016 |
| The Huron | Denver, Colorado | 296 | 2016 |
| One Pearl Place, Highline at Nine, The Doric | Columbus, Ohio | 511 | 2017 |
| Legacy Union Square I | Orlando, Florida | 460 | 2017 |
| Legacy Wake Forest | Raleigh, North Carolina | 298 | 2017 |
| The Nicholas & Neilston | Columbus, Ohio | 360 | 2018 |
| Mercy St. & Baxter | Louisville, Kentucky | 500 | 2018 |
| Quantum on West Call | Tallahassee, Florida | 225 | 2018 |
| Legacy Naples & Legacy Gateway | Fort Myers, Florida | 668 | 2019 |
| Lumina & Annunciation | New Orleans, Louisiana | 592 | 2019 |
| Atlantic Crossing | Delray Beach, Florida | 261 | 2020 |
| Silver Hills at Fort Myers I & II | Fort Myers, Florida | 444 | 2022 |
| Silver Hills at Universal I & II | Orlando, Florida | 520 | 2022 |
| Silver Hills at Daytona | Daytona Beach, Florida | 250 | 2023 |
| Total Units since 2000 | | 17,500 | |

Case Studies: Silver Hills at Fort Myers

Located in Fort Myers, Florida, we are developing 444 units across two phases. Highlights include:

- First luxury apartments in Downtown Fort Myers
- Waterfront location
- Efficient blend of 4 and 5 story block product with brick façade exterior for a charming and historic downtown feel
- Creative use of TIF/Abatement financing
- Solved for difficult soil and hurricane protection, including complex pile system



Case Studies: Silver Hills at Daytona Beach

Located in Daytona Beach, Florida, we are developing 250 units. Highlights include:

- First luxury apartments in within miles of either Downtown and the Main Street Pier in Daytona Beach
- Waterfront location that established a new, higher standard for oceanfront design (architecture and landscaping)
- Efficient blend of block product for efficient construction and hurricane protection
- Solved for difficult environmental and zoning issues



Case Studies: New Orleans Projects

Located in New Orleans, Louisiana, we developed 382 units. Highlights include:

- First true luxury apartment projects in New Orleans this cycle that redeveloped entire neighborhoods
- Creative use of TIF/Abatement financing
- Solved for difficult soil, potential flooding, and hurricane protection, including complex pile system



Other Development Project Highlights

Other significant and notable projects completed by The Edwards Companies include numerous residential housing subdivisions, suburban and urban residential condominium developments, as well as the following:

- ❖ **Brewery District** – A phased redevelopment of Columbus’ brewery district spanning 8 acres near German Village, including the renovation of 8 buildings into residential condos, rental apartments, office and restaurant space; development of two new office buildings including a multi-level parking garage.



- ❖ **Tuttle Crossing** – An 800 acre development completed in 1988 which includes a 1.1 million SF regional mall owned and operated by Simon Property Group; privately funded highway interchanges along I-270; land ventures with Duke Realty on several office complexes; and, peripheral development that includes retail, residential, hospitality and infrastructure.

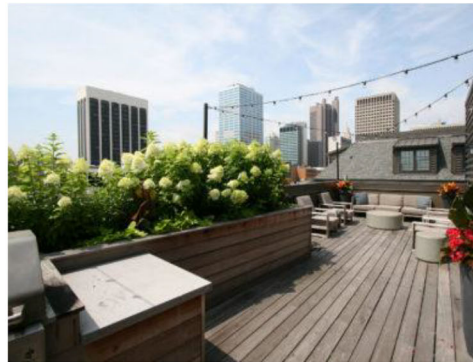


- ❖ **Ballantrae** – A true master-planned community comprising approximately 1,100 home sites (single-family, patio homes and condominiums). The property includes numerous community amenities and is centered around the Golf Club of Dublin (Dublin, Ohio).



- ❖ **One Neighborhood** – This phased development comprises 9 blocks in the central business district of Columbus.

This neighborhood is in the late stages of development and will include over 100 residential condominiums, 270 apartment units, a



neighborhood clubhouse with fitness center, theatre and swimming pool, retailers including Jimmy Johns, a local coffee roaster, Hills Market (a neighborhood grocery store), and other restaurants. This urban community creates a link between the Gay Street Corridor and The Discovery District.



Financial Strength Overview

Financial Structures Typically Used:

Typically, Silver Hills and the Edwards Companies capitalize the construction of our project through construction loans and preferred equity investments. Our typical contributions to each of our projects can be summarized as follows:

- We generally have undertaken sizable pre-development, entitlement and construction costs/risks
- The Edwards Companies through one or more of its subsidiaries provide the necessary financial backstops to obtain construction financing.
- Edwards & Silver Hills have a reputation for constructing and delivering projects which are considered the best designed and among the highest quality in the industry, at a cost below competitive projects.

Upon construction completion (or as property achieves stabilization), we will look to replace the construction facility with a long-term, fixed rate loan. Edwards has been placing permanent financing through life insurance companies and Agencies on its recently delivered apartment projects. The amortization of the loans will be 30 years and rates are established at favorable market pricing. We have consistently secured 10-year, 15-year, and 20-year, 75% LTV, non-recourse financing at sub-5% interest rate levels. Current interest rates remain well below 4% for ten-year loan terms.

Investment Partners:

Silver Hills and The Edwards Companies partners with many financial institutions for development and construction lending and for permanent loans once our projects have stabilized. Over the past six decades, we have worked with institutions ranging in behemoth banks like Bank of America to government sponsored enterprises Fannie Mae and Freddie Mac to midsized regional banks like Fifth Third and Huntington and life insurance companies.



Recommendations

Financial Institutions and investment partners have partnered with us on our many development projects because of our sophisticated analytical approach to real estate development. Our projects consistently generate positive impacts for both the community and our investment partner.

In addition to the recommendations provided on this page, we will be providing under separate cover several letters of recommendations from our partners on our past development projects prior to our in person oral presentation on July 9th, 2020.

"We have originated in excess of \$500 million in financing with Seth Mendelsohn. His integrity and hard work leads to best-in-class assets. Seth's development acumen and strategies are among the best of any national developer that we have seen."

Ron Lawrence, Vice President



"Seth is very sophisticated and honest. He spends a lot of time analyzing markets and has the collective dedication, knowledge, and experience to develop, construct, and manage the ideal portfolio of high quality properties."

Jamie May, Chairman & CEO



"Properties that Seth has developed are prominently located in some of the nicest suburbs and best locations. These epitomize successful opportunistic investments. We are confident in Seth's understanding of development and recommend him as a partner for any venture."

Charles Cirar, Vice Chairman



"I have known and worked with Seth Mendelsohn for well over a decade. He combines the utmost integrity with an analytical approach to real estate that can rival any Wall Street firm, and a local, site-level understanding of Main Street for every investment submarket."

David Reedy, Managing Director



**Seth Mendelsohn
is a 2018 Next
Generation
Award winner
for "leaders who
are likely to be
influential in the
commercial real
estate industry
for a long time –
because of their
talent, drive, and
fresh ideas."**



Next Generation Honoree: Seth Mendelsohn
Repositions Goldberg Companies

August 17, 2018

Seth Mendelsohn runs Goldberg Companies' development team and standardized procedures—a thumbnail description that doesn't begin to list how fast and how far he's run with that ball. He formulated a strategy to repurpose and modernize Goldberg's real estate for long-term growth as it went from developing a new property every five years to its present capacity of four new Class A developments annually.

Under Mendelsohn's direction, the company has upgraded assets while integrating risk with asset class and geographic diversification. Low leverage debt with staggered maturities and new financing partners, new developments and opportunities have been explored in many markets across the Midwest, Southeast and Southwest.

Those are just some of the reasons we chose Mendelsohn to be one of the National 2018 Next Generation Award winners. Connect Media's second annual Next Generation Awards recognize young leaders in the commercial real estate industry who are likely to be influential for years to come.

Mendelsohn is also a problem solver, getting through rezones, wetlands, environmental concerns and other issues to ensure successful developments. With his finger on the investment pulse and asset management, and design across different disciplines, he understands every detail of a project from financing and entitlement to legal. He can jump back and forth between projects and potential deals, and converse fluently about each project, often even providing the answers to questions before they're asked.



SETH MENDELSON
Chief Investment Officer
Goldberg Companies

- Oversee 13 developments in 3 years
- Obtained \$500 million in construction financing

