CHERRY BLOSSOM APARTMENTS

123 BEALE STREET

MEMPHIS, TENNESSEE

**EXECUTIVE LOAN SUMMARY**

TYPE OF LOAN REQUEST Construction Mezzanine Loan

AMOUNT OF LOAN REQUEST $10,000,000

CONSTRUCTION LOAN $30,000,000

 Bank of America

 Prime + 1%

 12 months plus a 6-month extension

COST BREAKDOWN $8,000,000 Land

 $31,000,000 Hard Costs

 $9,000,000 Soft Costs

 $2,000,000 Contingency Reserve

TOTAL COST $50,000,000

LOAN-TO-COST RATIO 60.0%

COMBINED LOAN-TO-COST RATIO 80.0% including mezzanine loan

DEVELOPER’S CONTRIBUTION $10,000,000

VALUE OF THE COLLATERAL $68,000,000 upon completion based on the MAI appraiser’s estimate.

DEBT SERVICE COVERAGE RATIO 1.48 based on a 5.25%, 25-year constant (first mortgage only)

COMBINED DSCR 1.17 including the mezzanine loan, based on an 11%, 25-year constant

DISCRIPTION OF THE PROJECT

The proposed loan will be used to build a 148-unit apartment project near the nationally known and very popular Beale Street jazz district. The project will be built around a central plaza, and each unit will enjoy covered underground parking.

RATE AND TERM DESIRED 11.0%, 3 points, 18 months, plus ½ point to Blackburne & Sons

NAME OF THE BORROWER Cherry Blossom Apartments, LLC

 Single-asset entity

 100% owner

NAME OF THE GUARANTORS Stephen B. Builder

 General Contractor

 $9,500,000 Net Worth

 30% Owner

 James D. Bugeyes

 Eye Surgeon

 $26,000,000 Net Worth

 40% Owner

 Thomas A. Sawbones

 Vascular Surgeon

 30% Owner

 $17,000,000 Net Worth