

Project Summary

The Project consists of the acquisition, renovation and repurposing by BigMet Project Owner, LLC (the “**Developer**”), an affiliate of Carter Development Services, L.L.C. (“**Carter**”) of the “**Metropolitan**”, an older, existing development in historic West End Atlanta. In its present form, the development is 1.09 million sf of concrete warehouse space devoted to these uses:

USE	SF
Warehouse	946,900
Self-Storage	62,700
Loft	26,600
Retail	22,500
Mgmt., Maint., Common	31,700

The Metropolitan is adjacent to the West End MARTA Station and within the BeltLine Overlay District (just over a 1/2 mile from the recently completed 3-mile Westside Trail). See attached “**Location Map**.” The property is largely occupied with industrial, storage and artistic tenants, and has been managed by an owner who lives outside of the country for the majority of the year.

Carter is under contract to acquire the property, and scheduled to close in the 2nd quarter of this year. Carter plans to close, with a total investment of \$90M to rehabilitate and adaptively reuse the property. See attached “**Master Plan**.” Located in the historic West End neighborhood and fueled by the connectivity of the BeltLine, MARTA and Interstates; the Metropolitan will offer an inclusive and collaborative environment for Atlanta’s creative, academic and business communities.

The Metropolitan represents a large-scale opportunity to capture built-up demand caused by fundamental shifts in user’s expectations for commercial real estate. Demand for high-character space is here to stay. Whether it’s historic, former industrial, or some other interesting vintage, companies across the spectrum of industries (industrial to office) want a deeper experience in their place of work than ever before. Atlanta projects like Ponce City Market, Armour Yards, and The Goat Farm have not only proven that experience driven projects perform well, they have shown end-users a new paradigm.

Positioning the Metropolitan as Atlanta’s largest, most diverse, and well connected adaptive reuse community of businesses is a clear pathway to tapping into captive audiences and driving demand. Through institutional management from an experienced sponsor, implementation of a strategic repositioning plan and marketing this broadly “unknown” property, the Developer can transform this property. The Developer plans to stratify the property with a broad range of tenants (including maker space, R&D, flex, creative office, etc.), thereby significantly increasing the jobs and vibrancy of the property/neighborhood.

In particular, approximately 100,000 sf in the Metropolitan will be converted to the type of flex/office space that is in short supply in Atlanta, but which is a major draw for new businesses

seeking to locate in Atlanta. The Developer will retain the loft apartments element of the Project and will comply with affordability requirements at the 15% units/80% of AMI level.

To accomplish its objectives for the Project, the Developer will have to undertake an extensive and costly conversion of an old concrete warehouse that is in need of repairs and maintenance and which, in most respects, is functionally obsolete. Upgrading this structure and rehabbing it for the uses described above will entail extensive work throughout the building.

Installing new amenities described is also quite costly, as is the installation or repair of mechanical, electrical, plumbing, and fire protection systems. Moreover, given the age of the building, the need for a significant amount of environmental remediation is expected. While a parking deck may ultimately be built, improving the existing parking and interior driveways is an immediate necessity.

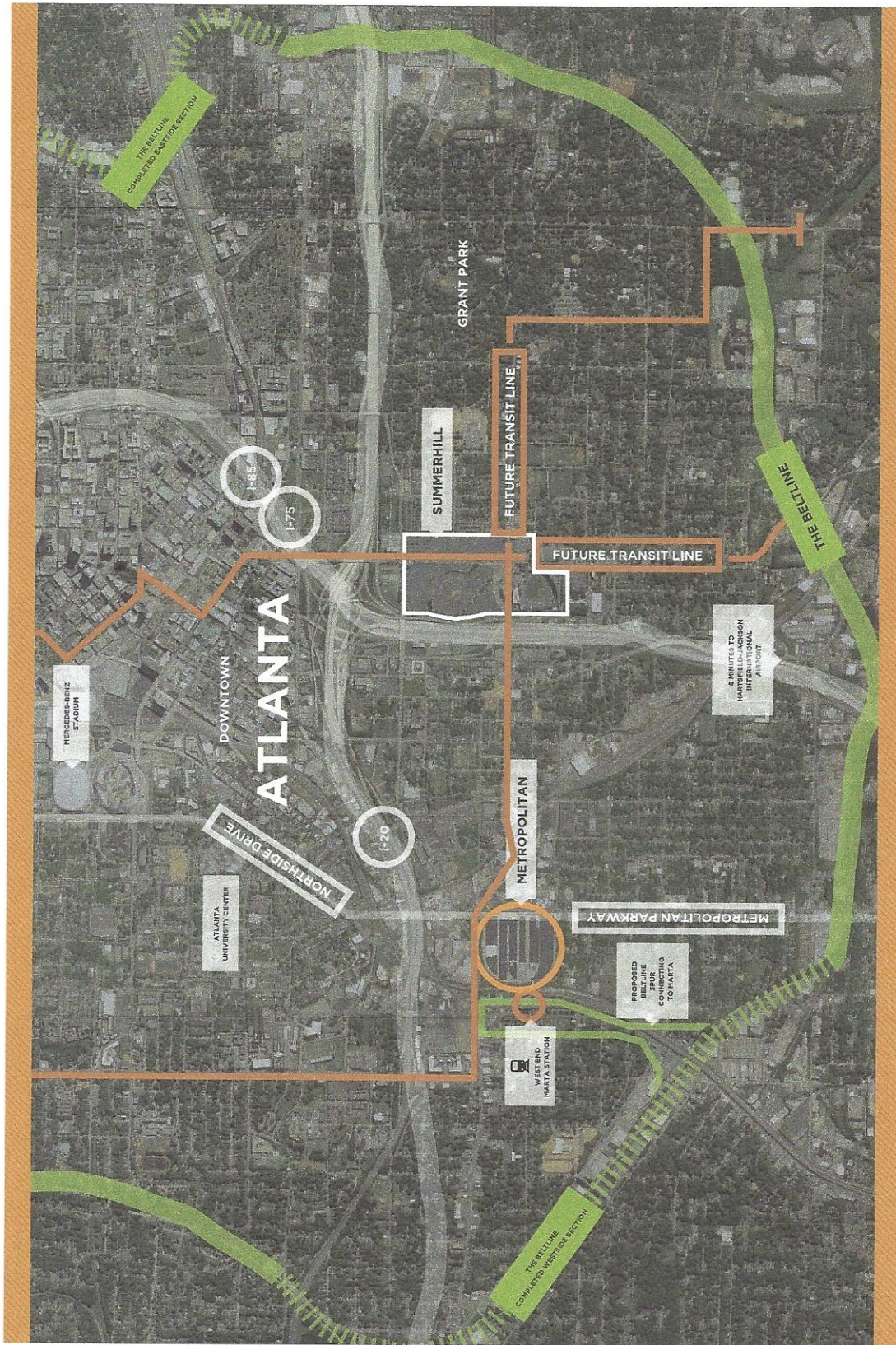
Among other things, the Developer will incur specific extraordinary costs for asphalt repairs, installing a connecting corridor and amenity space for retail/meeting users, new painting and entry improvements, new roofs, an event activation area, and the addition of a new entry/exit.

Given such hardships, completing the Project will require a meaningful level of public assistance to become a reality.

In addition to construction period jobs, estimated at 50 jobs, the Project will create permanent full-time jobs estimated at 6 jobs, and indirect jobs (such as groundskeepers and other contract services) estimated at 50 jobs.

Construction is expected to start in June 2018 and be completed in June 2021.

Altogether, the Project will be a great benefit to Atlanta, the Project's users and customers, the local taxing authorities and the surrounding neighborhoods.



MASTER PLAN

SUPPLEMENTAL PROJECT INFORMATION:

The Metropolitan redevelopment by Carter is aimed to create an inclusive and collaborative environment that supports the convergence of art, creativity and technology. It is intended to be an authentic and sustainable setting that showcases Atlanta's distinct cultural voice.

Phase 1 of the redevelopment includes an investment of nearly \$30 million that will improve the property's access, security, paving, common areas, TIs, etc. This significant investment will not only address many of the existing tenants concerns of the property, but it will also begin to position to the Metropolitan for additional businesses.

Currently, more than 200,000 square feet of the warehouse space at the Metropolitan is occupied as storage by tenants providing little to no jobs at the Metropolitan in those spaces. The current goal is to replace 200,000 square feet of storage in the next 5 years, which would stimulate significant job creation.

As storage space is replaced, Carter will work diligently to curate a tenant mix that creates stratified rents at the Metropolitan. The tenants will benefit from a more dynamic mixed-use work environment, and the community that is created amongst the tenants. In future phases, Carter plans to continue its redevelopment of the Metropolitan into a transit oriented development with additional square footage on the property.

Incentives are essential because the impact of taxes on the tenants' rent is significant. While Carter is investing considerable redevelopment capital, it desires that the property remain affordable for the existing tenancy as well as new tenants. Since taxes pass through to tenants, the incentive will result in direct savings to tenants. Therefore, without incentives, the economics of the redevelopment would not work as Carter would have to raise rent significantly in order to remain operational, which would negatively impact many of the current, long-term tenants.

THE METROPOLITAN

SOURCES

Total Sources

Senior Loan	\$	56,000,000	62%
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Equity	\$	34,000,000	38%
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TOTAL SOURCES	\$	90,000,000	100%
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USES

Purchase Price & Closing Costs	\$	61,500,000
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Roof Replacement / Deferred Maint	\$	7,500,000
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Property Improvements	\$	12,500,000
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TI and LCs	\$	8,500,000
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TOTAL USES	\$	90,000,000
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