FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
-THE CHALMERS-

This "**First Amendment**" is made and entered into by and between **The Chalmers Residences, LLC** ("**Developer**") and **the City of La Crosse, Wisconsin** ("**City**") with respect to the certain real property located in La Crosse, Wisconsin as of the date this First Amendment has been signed by both Developer and City. Developer and City individually are each sometimes referred to as a "**Party**" and together are referred to as the "**Parties.**"

RECITALS

WHEREAS, Developer and City entered into three (3) separate development agreements effective August 11, 2025, known as the Chalmers Phase 1 Development Agreement ("**Phase 1 Agreement**"), the Chalmers Phase 2 Development Agreement ("**Phase 2 Agreement**"), and the Chalmers Phase 3 Development Agreement ("**Phase 3 Agreement**") (collectively the "**Agreement**s");

WHEREAS, the parties desire to combine the Agreements into one (1) single agreement under the Phase 1 Agreement due to building code changes;

WHEREAS, the parties desire to amend the Agreements accordingly on the terms herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned parties agree hereto as follow:

I. **Phase 2 and Phase 3 Agreements**. The Parties hereby release and terminate the Phase 2 Agreement and Phase 3 Agreement in their entirety.

II. **Phase 1 Agreement**. The Phase 1 Agreement shall be amended as follows:

A. **Recitals.** The first recital is hereby amended whereby the reference to "82 general occupancy rental units" is replaced with "260 general occupancy rental units and 4,403 sq. ft. of commercial space".

B. **Definitions.** The following definitions under Section 1.3 of the Phase 1 Agreement shall be amended and restated as follows:

1. Monetary Obligation. Sections 1.3(g) and 1.3(g)(1) are hereby amended whereby the references to "one million five hundred thirty-five thousand dollars ($1,535,000)" are replaced with "five million seven hundred ninety-five thousand two hundred thirty-six dollars ($5,795,236)".

2. Project. Section 1.3(i) is hereby amended whereby the reference to "82 general occupancy rental units" is replaced with "260 general occupancy rental units and 4,403 sq. ft. of commercial space".

C. **Exhibits.** The following exhibits of the Phase 1 Agreement shall be replaced with the exhibits attached to this First Amendment:

- Exhibit B – Description of Project
- Exhibit E – Project Cost Breakdown
- Exhibit F – Construction Schedule
- Exhibit G – Monetary Obligation Example
- Exhibit H – Pro Forma Financial Statement
- Exhibit I – Sample Look Back Calculation

D. Developer Obligations.

1. Construction Schedule. Section 2.2(b) is hereby amended whereby the references to "October 1, 2025" and "March 31, 2027" are replaced with "December 31, 2026" and "November 30, 2028" respectively.

2. Guaranty of Minimum Construction Costs. Section 2.2(c) is hereby amended whereby the reference to "seventeen million two hundred twenty thousand dollars ($17,220,000.00)" is replaced with "fifty-two million dollars ($52,000,000)".

3. Taxes.

   i. Minimum Assessment. Section 2.6(b) is hereby amended whereby the reference to "twelve million six hundred twenty-two thousand dollars ($12,622,000.00)" is replaced with "forty-one million six hundred fifty-nine thousand six hundred dollars ($41,659,600)" and the reference to "tax year 2028" is replaced with "tax year 2029".

   ii. Deficiency PILOT. Section 2.6(c) is hereby amended whereby the reference to "January 1, 2028" is replaced with "January 1, 2029". In addition, a sentence is added to the end of Section 2.6(c), stating, "The Developer's default of the Minimum Assessment for a particular tax year is deemed cured upon Developer's timely payment of the Deficiency PILOT for the same tax year."

E. City Obligations.

1. Project Assistance and Pay-As-You-Go Payment Schedule. Section 3.1 and 3.1(a) are hereby amended whereby the reference to "one million five hundred thirty-five thousand dollars ($1,535,000.00)" is replaced with "five million seven hundred ninety-five thousand two hundred thirty-six dollars ($5,795,236)".

F. Conditions Precedent to City Obligations.

1. Article IV is hereby amended whereby the reference "December 31, 2026" is replaced with "December 31, 2027".

2. Financing Commitment. Section 4.4 is hereby amended whereby the reference to "seventeen million two hundred twenty thousand dollars ($17,220,000.00)" is replaced with "fifty-two million dollars ($52,000,000)".

G. **Developer's Default – Remedies.** Section 7.1(a) is hereby amended to add the following underlined language to the second sentence therein: "In addition, and without limitation, except as specifically provided otherwise herein, the City shall have the following specific rights and remedies:"

III. **Effect of Extensions.** Developer and City each acknowledge that the extensions under this First Amendment preclude any claim of breach under the original terms of the any of the Agreements prior to this First Amendment amending and restating such terms as identified above.

IV. **Counterparts.** This First Amendment may be executed in one or more counterparts, and the several counterparts together shall constitute a single instrument. An electronically transmitted signature by facsimile or pdf software shall have the same full force and effect as an original signature.

V. **Interpretation.** All capitalized terms in this First Amendment that are not defined in this First Amendment shall have the same meanings affixed in the Agreements. All other terms and provisions of the Agreements not specifically amended herein shall remain in full force and effect.

VI. **Effect of Amendment**. In case of discrepancy between the terms of this First Amendment and the Agreements, the terms of this First Amendment shall govern.

[Signature page follows]

IN WITNESS WHEREOF, this First Amendment is executed as of the date it is signed by both Developer and City.

DEVELOPER: **THE CHALMERS RESIDENCES, LLC**

By: _____
Terrence R. Wall, President of
T. Wall Enterprises Manager, LLC, its Manager

Dated: _____

CITY: **CITY OF LA CROSSE**

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT B

Description of Project

The Chalmers Residences is proposing a 4-story multifamily development that will take advantage of the vacant lot on 215 Pine Street and the former and now blighted La Crosse Tribune building. The proposal includes 1 level of underground parking, approximately 260 apartment units, and +/-4,403 sq ft of commercial space. The Chalmers intends to revitalize the site by demolishing the underutilized/blighted Tribune building to make way for The Chalmers redevelopment.

The Chalmers will serve as a hub for the community, providing gathering and retail spaces. In alignment with the City's Comprehensive Plan, the goal is to create a compact and well-designed mixed-use center that encompasses shopping, employment, housing, recreation, and community gathering opportunities.

The intent is for this development to allow residents access to amenities, resources, and community spaces that cater to all different age groups. The project aims to stimulate revitalization, promote efficient land use, support the employment base, upgrade neighborhoods, increase property value and tax base, attract businesses, and create a vibrant mixed-use community.

The Chalmers is planning one story of underground-parking accommodating approximately 153 stalls. Additionally, the developer intends to construct a skywalk over Pine Street that would connect The Chalmers to the Pine Street Parking Ramp, where The Chalmers plans to lease approximately 120-160 stalls from the City.

In addition to the sky walk, The Chalmers will include bike storage lockers and bike parking stalls for residents in addition to a bike work/repair station for pumping tires, fixing/oiling chains, etc. As noted below, the developer also plans to include bike charging stations for residents who own electric bikes.

Green/Sustainable Building Features:

- Electric vehicle charging stations
  - 10% of parking stalls will have electric vehicle charging stations while 100% of covered parking stalls will be wired to accommodate electric vehicle charging stations in the future
- Recycling and Reuse plan for demolition of existing Tribune building
- Regionally sourced materials where possible
- Bike and scooter charging stations
- Energy efficient appliances
- High efficiency glass
- LED lighting

Exhibit E

EHLERS
PUBLIC FINANCE ADVISORS

The Chalmers
City of La Crosse
Sources and Uses

260 Apartments and 4,403 s.f . Retail

SOURCES				
Debt		**Amount**	**Percent**	**Per Unit**
Debt A:	First Mortgage	49,616,479	66.9%	190,833
Debt B:	TIF Mortgage	3,441,118	4.6%	13,235
		53,057,597	**71.6%**	204,068
Other Sources		**Amount**	**Percent**	**Per Unit**
Category	***Sources***			
Equity	Developer Cash	21,060,728	28.4%	81,003
		21,060,728	**28.4%**	81,003
	TOTAL SOURCES	**74,118,325**	**100.0%**	**285,070**

USES				
		Amount	**% of Cost**	**Per Unit**
ACQUISITION COSTS		**2,800,000**	**3.8%**	**10,769**
Land Cost		2,800,000	3.8%	10,769
CONSTRUCTION COSTS		**58,027,521**	**78.3%**	**223,183**
Residential Building		53,300,000	71.9%	205,000
Tenant Improvements: 1. Comm Space	$100.00	440,300	0.6%	1,693
Landscaping		75,000	0.1%	288
Construction Contingency		3,812,221	*7.1%*	14,662
Skywalk to Parking Garage		400,000	0.5%	1,538
PERMITS/FEES		**551,018**	**0.7%**	**2,119**
City Fees - Total		551,018	0.7%	2,119
PROFESSIONAL SERVICES		**2,551,075**	**3.4%**	**9,812**
Appraisals		7,000	0.0%	27
Architectural & Engineering Fees		1,052,750	1.4%	4,049
Consultants		87,500	0.1%	337
FF&E		160,000	0.2%	615
Marketing/Leasing		95,000	0.1%	365
Soft Cost Contingency		753,571	1.0%	2,898
Signage		85,000	0.1%	327
Miscellaneous		310,254	0.4%	1,193
FINANCING COSTS		**6,410,920**	**8.6%**	**24,657**
Construction Period Interest		3,473,154	4.7%	13,358
Inspections - Lenders		6,000	0.0%	23
Lender Legal		15,000	0.0%	58
Loan Origination Fees		265,288	0.4%	1,020
Due Diligence		49,950	0.1%	192
Real Estate Taxes During Construction		87,666	0.1%	337
Equity Raising		2,077,772	2.8%	7,991
TIF Interest		428,090	0.6%	1,647
Draw Fees		8,000	0.0%	31
DEVELOPER FEE		**2,955,757**	**4.0%**	**11,368**
Developer Fee		2,955,757	4.0%	11,368
CASH ACCOUNTS/ESCROWS/RESERVES		**822,034**	**1.1%**	**3,162**
Operating Reserves		822,034	1.1%	3,162
	TOTAL USES	**74,118,325**	**100%**	**285,070**

EXHIBIT F

Construction Schedule

July 1, 2025: Target Date to Acquire Property

Aug 15, 2025: Target Date for Architectural and Design Approvals Completed

December 31, 2026: Target Date to Construction

By November 30, 2028: Substantial Construction Completion

By February 28, 2030: Fully Stabilized

Exhibit H

The Chalmers
City of La Crosse
260 Market Rate Apartments; 4,403 (sf) Commercial Space
Multi-Year Operating Proforma

				Stabilized								
			2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Income			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income		*Inflator*										
Gross Potential Rent		2.0%	5,944,295	6,063,181	6,184,444	6,308,133	6,434,296	6,562,982	6,694,241	6,828,126	6,964,689	7,103,983
Less: 5.0% Stabilized Vacancy			(297,215)	(303,159)	(309,222)	(315,407)	(321,715)	(328,149)	(334,712)	(341,406)	(348,234)	(355,199)
Less: Additional Pre-stabilization Vacancy												
Total Rental Income			**5,647,080**	**5,760,022**	**5,875,222**	**5,992,727**	**6,112,581**	**6,234,833**	**6,359,529**	**6,486,720**	**6,616,454**	**6,748,783**
Other Residential Income	Vacancy Rate	*Inflator*										
Parking	*5.0%*	2.0%	187,272	191,017	194,838	198,735	202,709	206,763	210,899	215,117	219,419	223,807
Pine Street Garage	*5.0%*	2.0%	169,830	173,227	176,691	180,225	183,829	187,506	191,256	195,081	198,983	202,963
Pet Rent	*5.0%*	2.0%	14,994	15,294	15,600	15,912	16,230	16,555	16,886	17,223	17,568	17,919
Storage	*5.0%*	2.0%	14,688	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554
Utility Chargeback	*5.0%*	2.0%	107,152	109,295	111,481	113,711	115,985	118,304	120,671	123,084	125,546	128,057
Less: Vacancy			(24,697)	(25,191)	(25,695)	(26,208)	(26,733)	(27,267)	(27,813)	(28,369)	(28,936)	(29,515)
Less: Additional Pre-stabilization Vacancy												
Total Other Residential Income			**469,239**	**478,624**	**488,196**	**497,960**	**507,920**	**518,078**	**528,440**	**539,008**	**549,789**	**560,784**
Net Residential Income (NRI)			**6,116,319**	**6,238,646**	**6,363,419**	**6,490,687**	**6,620,501**	**6,752,911**	**6,887,969**	**7,025,728**	**7,166,243**	**7,309,568**
		Inflator										
Commercial Income	Every Year @	2.0%	130,241	132,846	135,502	138,213	140,977	143,796	146,672	149,606	152,598	155,650
Less: Commercial Vacancy - 8.0%			(10,419)	(10,628)	(10,840)	(11,057)	(11,278)	(11,504)	(11,734)	(11,968)	(12,208)	(12,452)
Less: Expense on Commercial Vacancy	Every Year @	0.0%	0	0	0	0	0	0	0	0	0	0
Less: Additional Pre-stabilization Loss												
Net Commercial Income			**119,821**	**122,218**	**124,662**	**127,156**	**129,699**	**132,293**	**134,938**	**137,637**	**140,390**	**143,198**
Effective Gross Income (EGI)			**6,236,141**	**6,360,864**	**6,488,081**	**6,617,842**	**6,750,199**	**6,885,203**	**7,022,907**	**7,163,366**	**7,306,633**	**7,452,765**

			2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Expenses			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Unit Expenses		*Inflator*										
Operating Expenses		2.00%	785,435	801,143	817,166	833,510	850,180	867,183	884,527	902,218	920,262	938,667
Management Fee: 4.0% of EGI	Fixed to EGI		244,555	254,435	259,524	264,714	270,008	275,409	280,917	286,535	292,266	298,111
Property Taxes		2.00%	895,734	913,648	931,921	950,560	969,571	988,962	1,008,742	1,028,916	1,049,495	1,070,485
Reserves: $200 PUPY	Every Year @	2.00%	52,000	53,040	54,101	55,183	56,286	57,412	58,560	59,732	60,926	62,145
Modified Rental Expense During Stabilization												
Total Rental Unit Expenses			**1,977,723**	**2,022,267**	**2,062,712**	**2,103,966**	**2,146,046**	**2,188,967**	**2,232,746**	**2,277,401**	**2,322,949**	**2,369,408**
Total Expenses			**1,977,723**	**2,022,267**	**2,062,712**	**2,103,966**	**2,146,046**	**2,188,967**	**2,232,746**	**2,277,401**	**2,322,949**	**2,369,408**
NET OPERATING INCOME			**4,258,417**	**4,338,597**	**4,425,369**	**4,513,876**	**4,604,154**	**4,696,237**	**4,790,161**	**4,885,965**	**4,983,684**	**5,083,358**
Tax Increment Financing Revenue	*Inflator:*	0%	**0**	**330,225**	**721,831**	**740,667**	**759,966**	**779,741**	**800,004**	**820,765**	**842,037**	**0**
ADJUSTED NET OPERATING INCOME			**4,258,417**	**4,668,822**	**5,147,200**	**5,254,543**	**5,364,120**	**5,475,978**	**5,590,165**	**5,706,729**	**5,825,721**	**5,083,358**

		2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Debt Service	Debt Terms	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt A: First Mortgage	30 yr amortization @ 6.00%	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710	3,569,710
Debt B: TIF Mortgage	30 yr amortization @ 6.00%	247,575	247,575	247,575	247,575	247,575	247,575	247,575	247,575	247,575	247,575
Debt C: Other Loan		0	0	0	0	0	0	0	0	0	0
Total Debt Service		**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**	**3,817,285**
	Calc Method										
Debt Coverage	Debt A	119%	131%	144%	147%	150%	153%	157%	160%	163%	142%
Debt Coverage w/o Tax Increment Financing	Debt A	119%	122%	124%	126%	129%	132%	134%	137%	140%	142%
NET CASH FLOW		**441,132**	**851,537**	**1,329,914**	**1,437,258**	**1,546,835**	**1,658,693**	**1,772,880**	**1,889,444**	**2,008,436**	**1,266,072**

Returns Analysis											
Net Cash to Developer	441,132	851,537	1,329,914	1,437,258	1,546,835	1,658,693	1,772,880	1,889,444	2,008,436	1,266,072
Net Cash to Developer (w/o assistance)	441,132	521,312	608,084	696,591	786,868	878,952	972,876	1,068,679	1,166,399	1,266,072
Yield on Cost Annual Return	5.7%	6.3%	6.9%	7.1%	7.2%	7.4%	7.5%	7.7%	7.9%	6.9%
Yield on Cost Average Annual Return	5.7%	6.0%	6.3%	6.5%	6.7%	6.8%	6.9%	7.0%	7.1%	7.1%
Yield on Cost Annual Return (w/o TIF assistance)	5.7%	5.9%	6.0%	6.1%	6.2%	6.3%	6.5%	6.6%	6.7%	6.9%
Yield on Cost Average Annual Return (w/o TIF assistance)	5.7%	5.8%	5.9%	5.9%	6.0%	6.0%	6.1%	6.2%	6.2%	6.3%

Cumulative *Goal 8.00%* — Start From: *Year 1*

City of La Crosse, Wisconsin

The Chalmers (TID #17)

Exhibit G - Monetary Obligation Example

Monetary Obligation Details	
Maximum Monetary Obligation Amount	5,795,236
First Payment Date	9/1/2029
Final Payment Date	9/1/2036
Developer Pay-As-You-Go (PAYGO) Payment Percentage	85.0%

Variables	
Projected Annual Change in Assessed Value	2.46%
Projected Annual Change in Tax Rate	0.00%
Construction Year (Base Year)	2026
Year 1 Completion Percentage	50%
Year 2 Completion Percentage	100%
Base Year Value	2,399,700.00
Initial Change to Tax Rates (Assessed and Equalized)	100.0%

Estimated Fair Market Value (Equalized Value)	
Assessed Value per Assessor	41,659,600
Units	260
Value per Unit	192,508

Property Tax Estimate	
Estimated Fair Market Value (Equalized Value)	50,052,082
Aggregate Ratio (WI DOR, aka Assess. Ratio)	0.83232502
Assessed Value (Equalized Value x Agg Ratio)	41,659,600
Assessed Tax Rate (Net Mill Rate)	0.021079662
Property Taxes (Assessed Value x Net Mill Rate)	878,170

PID or PIDs and Street Address
PID: 17-20009-110

No.	Construction Year	Valuation Year	Revenue Year	Base Value	Assessed Value	Value Increment	Assessed Tax Rate	Gross TIF	City Share: 15% Annual TIF	Developer PAYGO Share: 85% Annual TIF	Developer PAYGO Share: 85% Cumm. TIF
0	2025	2026	2027					-	-	-	
1	2026	2027	2028	2,399,700	20,829,800	18,430,100	21.08	388,500	58,275	330,225	330,225
2	2027	2028	2029	2,399,700	42,685,576	40,285,876	21.08	849,213	127,382	721,831	1,052,056
3	2028	2029	2030	2,399,700	43,736,819	41,337,119	21.08	871,373	130,706	740,667	1,792,723
4	2029	2030	2031	2,399,700	44,813,952	42,414,252	21.08	894,078	134,112	759,966	2,552,689
5	2030	2031	2032	2,399,700	45,917,612	43,517,912	21.08	917,343	137,601	779,741	3,332,430
6	2031	2032	2033	2,399,700	47,048,453	44,648,753	21.08	941,181	141,177	800,004	4,132,434
7	2032	2033	2034	2,399,700	48,207,143	45,807,443	21.08	965,605	144,841	820,765	4,953,199
8	2033	2034	2035	2,399,700	49,394,370	46,994,670	21.08	990,632	148,595	842,037	5,795,236

Exhibit I

Sample Lookback Calculation - The Chalmers

1. Pro Forma Financial Statement - Return Analysis			2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2033 Year 6	2034 Year 7
NET OPERATING INCOME			4,258,417	4,338,597	4,425,369	4,513,876	4,604,154	4,696,237	4,790,161
Tax Increment Financing Revenue	*Inflator:*	0%	0	330,225	721,831	740,667	759,966	779,741	800,004
ADJUSTED NET OPERATING INCOME			4,258,417	4,668,822	5,147,200	5,254,543	5,364,120	5,475,978	5,590,165
Yield on Cost Annual Return	***Average Annual***	***Goal 8.00%***	5.75%	6.30%	6.94%	7.09%	7.24%	7.39%	7.54%
Yield on Cost Average Annual Return	Start From:	*Year 1*	5.75%	6.02%	6.33%	6.52%	6.66%	6.78%	6.89%

Total Estimated Project Cost (Used for Initial Yield on Cost)	**74,118,325**
Actual Total Project Cost (Used for Lookback Yield on Cost)	**72,000,000**

2. Lookback Adjustment Example			2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2033 Year 6	2034 Year 7
NET OPERATING INCOME			4,258,417	4,471,338	4,694,905	4,929,650	5,176,133	5,434,940	5,706,687
Tax Increment Financing Revenue	*Inflator:*	2.46%	0	330,225	721,831	740,667	759,966	779,741	800,004
ADJUSTED NET OPERATING INCOME			4,258,417	4,801,563	5,416,736	5,670,317	5,936,099	6,214,681	6,506,690
Yield on Cost Annual Return			5.91%	6.67%	7.52%	7.88%	8.24%	8.63%	9.04%
Yield on Cost Average Annual Return	Start From:	*Year 1*	5.91%	6.29%	6.70%	7.00%	7.25%	7.48%	7.70%

3. TIF Note (Present Value) Calculation	Payment Date	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2033 Year 6	2034 Year 7
Tax Increment Financing Revenue		0	330,225	721,831	740,667	759,966	779,741	800,004
Annual Present Value (Semi-Annual)	0.00% Interest Rate	0	330,225	1,052,056	1,792,723	2,552,689	3,332,430	4,132,434

TIF Note (Present Value) Difference		
Original TIF Term		8
Current TIF Term to reach average 8.00% YoC		7
Principal Amt. of Original TIF Note	$	5,795,236
Principal Amt. (Present Value) of TIF in Year 7	$	4,953,199
Difference	**$**	**842,037**
50% Difference	**$**	**421,019**
PV of TIF in Year 7	$	4,953,199
Plus 50% Difference	$	421,019
New Principal Amount of TIF Note (PV)	**$**	**5,374,217**
Estimated Revised TIF Note Term by Year		**7**

Original PAYGO	
Total PAYGO Collections	5,795,236
NPV	5,795,236
Rate for NPV	0.00%

Sample Lookback Calculation - The Chalmers

1. Pro Forma Financial Statement - Return Analysis			2035 Year 8	2036 Year 9	2037 Year 10	2038 Year 11	2039 Year 12
NET OPERATING INCOME			4,885,965	4,983,684	5,083,358	0	0
Tax Increment Financing Revenue	*Inflator:*	0%	820,765	842,037	0	0	0
ADJUSTED NET OPERATING INCOME			5,706,729	5,825,721	5,083,358	0	0
Yield on Cost Annual Return	***Average Annual***	***Goal 8.00%***	7.70%	7.86%	6.86%	0.00%	0.00%
Yield on Cost Average Annual Return	Start From:	*Year 1*	6.99%	7.09%	7.07%	6.42%	5.89%

Total Estimated Project Cost (Used for Initial Yield on Cost)	**74,118,325**
Actual Total Project Cost (Used for Lookback Yield on Cost)	**72,000,000**

2. Lookback Adjustment Example			2035 Year 8	2036 Year 9	2037 Year 10	2038 Year 11	2039 Year 12
NET OPERATING INCOME			5,992,021	6,291,622	6,606,203	6,936,513	7,283,339
Tax Increment Financing Revenue	*Inflator:*	2.46%	820,765	0	0	0	0
ADJUSTED NET OPERATING INCOME			6,812,786	6,291,622	6,606,203	6,936,513	7,283,339
Yield on Cost Annual Return			9.46%	8.74%	9.18%	9.63%	10.12%
Yield on Cost Average Annual Return	Start From:	*Year 1*	7.92%	8.01%	8.13%	8.26%	8.42%

3. TIF Note (Present Value) Calculation	Payment Date	2035 Year 8	2036 Year 9	2037 Year 10	2038 Year 11	2039 Year 12
Tax Increment Financing Revenue		820,765	0	0	0	0
Annual Present Value (Semi-Annual)	0.00% Interest Rate	4,953,199	4,953,199	4,953,199	4,953,199	4,953,199

TIF Note (Present Value) Difference		
Original TIF Term		8
Current TIF Term to reach average 8.00% YoC		7
Principal Amt. of Original TIF Note	$	5,795,236
Principal Amt. (Present Value) of TIF in Year 7	$	4,953,199
Difference	**$**	**842,037**
50% Difference	**$**	**421,019**
PV of TIF in Year 7	$	4,953,199
Plus 50% Difference	$	421,019
New Principal Amount of TIF Note (PV)	**$**	**5,374,217**
Estimated Revised TIF Note Term by Year		**7**