MEMORANDUM

FROM: TAX ADVANTAGE GROUP
TO: FILE
SUBJECT: EBRCDE 2017 BOARD MEETING
DATE: NOVEMBER 16, 2017

I. EBRCDE Closed Projects: Community Outcomes

II. Asset Management: Risk Ratings

III. Unwind Targets
   1. Red Stick Hospitality (Hampton Inn)  September 2018
   2. Americana YMCA  May 2019
   3. Honeywell  June 2019
   4. Emerge Center  October 2019
## Closed Projects and Community Outcomes as of 12.31.2016

<table>
<thead>
<tr>
<th>NAME</th>
<th>NMTC ALLOCATION</th>
<th>PROJECTED NMTC EQUITY TO PROJECT</th>
<th>DATE CLOSED</th>
<th>END OF NMTC COMPLIANCE PERIOD</th>
<th>TAX CREDIT INVESTOR</th>
<th>*EBRCCDE INDEMNIFICATION AMOUNTS</th>
<th>Actual Jobs Construction</th>
<th>Actual Jobs Permanent</th>
<th>Actual Total Jobs</th>
<th>Community Goods and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Howell Place YMCA (Exxon Mobil YMCA)</td>
<td>$6,100,000</td>
<td>$1,078,236</td>
<td>9/24/2010</td>
<td>9/24/2017 Capital One</td>
<td>NA</td>
<td>NA</td>
<td>140</td>
<td>22</td>
<td>162</td>
<td>4,500 Including 50 child care slots</td>
</tr>
<tr>
<td>Red Stick Hospitality (Hampton Inn)</td>
<td>$17,000,000</td>
<td>$3,145,527</td>
<td>9/16/2011</td>
<td>9/16/2018 Wells Fargo</td>
<td>$6,630,000</td>
<td>$6,630,000</td>
<td>143</td>
<td>42</td>
<td>185</td>
<td>Including 150 child care slots; 71% of FT positions are LIPs (tested and recruited by the LA Workforce Commission)</td>
</tr>
<tr>
<td>Americana YMCA</td>
<td>$11,300,000</td>
<td>$2,285,750</td>
<td>5/25/2012</td>
<td>5/25/2019 US Bank</td>
<td>$4,407,000</td>
<td>$4,407,000</td>
<td>110</td>
<td>33</td>
<td>143</td>
<td>6,000 Patients per year, of which 65% are Medicaid recipients</td>
</tr>
<tr>
<td>Honeywell</td>
<td>$17,500,000</td>
<td>$4,000,703</td>
<td>6/25/2012</td>
<td>6/25/2019 Chase</td>
<td>$1,671,000</td>
<td>$6,824,318</td>
<td>173.5</td>
<td>52</td>
<td>225.5</td>
<td></td>
</tr>
<tr>
<td>Emerge Center</td>
<td>$8,100,000</td>
<td>$1,761,610</td>
<td>12/21/2012</td>
<td>10/31/2019 Chase</td>
<td>$825,037</td>
<td>$3,159,000</td>
<td>51.65</td>
<td>51</td>
<td>102.7</td>
<td>3,200</td>
</tr>
<tr>
<td>Totals</td>
<td>$60,000,000</td>
<td>$12,266,826</td>
<td></td>
<td></td>
<td>$13,533,037</td>
<td>$21,020,318</td>
<td>618.15</td>
<td>200</td>
<td>818.15</td>
<td>13,700</td>
</tr>
</tbody>
</table>

*Caps do not apply if recapture is result of … which includes failure to notify Investor of occurrence or expected occurrence of Redemption or Sub-All Failure*
## EBRCDE Portfolio Risk Rating

<table>
<thead>
<tr>
<th>Fund</th>
<th>September 30, 2015</th>
<th>September 30, 2016</th>
<th>September 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDA Fund I Howell Place YMCA</td>
<td>B 4</td>
<td>B 4</td>
<td></td>
</tr>
<tr>
<td>RDA Fund II Red Stick Hospitality</td>
<td>A 5</td>
<td>A 5</td>
<td>A 5</td>
</tr>
<tr>
<td>RDA Fund III Americana YMCA</td>
<td>A 5</td>
<td>A 5</td>
<td>A 5</td>
</tr>
<tr>
<td>RDA Fund IV Honeywell</td>
<td>B 4</td>
<td>B 4</td>
<td>B 4</td>
</tr>
<tr>
<td>RDA Fund V Emerge Center</td>
<td>B 4</td>
<td>B 4</td>
<td>B 4</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>B 4.4</strong></td>
<td><strong>B 4.4</strong></td>
<td><strong>B 4.5</strong></td>
</tr>
</tbody>
</table>
ASSET MANAGEMENT

A) Risk Rating

The Risk Rating categories are as follows:

A Pass - Loan meets all underwriting requirements and is performing as agreed

B Pass – Loan does not meet one or more underwriting requirements, or there are concerns but the loan is performing as agreed.

C Pass - Loan is under-collateralized and under-guaranteed but is performing as agreed

D Sub-Standard - Loan is delinquent and not performing as agreed but borrower is making payments

E Doubtful - Loan is delinquent and not performing as agreed – EBRCDE and borrower are working on a corrective action plan including loan modification if necessary

F Loss – The loan is deemed to be uncollectible.

Loans rated as Category A and B exhibit characteristics that represent low to moderate risk measured by using a variety of credit risk criteria such as balance sheet liquidity, net operating income, cash flow, debt service coverage, management experience, and support from secondary sources of repayment. These loans are supported by proper collateral and guarantees from principal parties.

Loans rated as Category C exhibit characteristics that represent moderate risk. The loan is currently performing as agreed but potentially weak because of an adverse feature or condition.

Loans rated as Category D exhibit characteristics that represent high risk. This rating is for loans where the primary sources of repayment are not currently viable or where either the capital or collateral is not adequate to support the loan and the secondary means of repayment do not provide a sufficient level of support to offset the identified weakness but are sufficient to prevent a loss at this time.

Loans rated as Category E exhibit characteristics that represent high risk. This rating is for loans that have an impaired primary source of repayment and secondary sources are not sufficient to prevent a loss.

Loans rated as Category F represent loans that have been through a financial analysis and have no viable source of repayment.
EBRCDE Financial Product

Source: 2009 NMTC Allocation Application

Debt with Equity Features:

1. Subordinate
2. Interest rate from 0.5% to 2%
3. 0 origination fees
4. Interest only payments of 7 years
5. LTV ratios between 80% to 100%
6. Amortization periods of 40 years for real estate projects
7. More flexible borrower credit standards
8. Alternative collateral positions including assignment of future cash flow, letters of credit, portfolio assets, or other property
9. DSCR as low as 1.0x
10. No loan loss reserve requirements
LENDER: REDEVELOPMENT AUTHORITY FUND II, LLC

BORROWER: RED STICK HOSPITALITY, LLC dba Hampton Inn

Loan Closing Date – September 16, 2011

Loan Maturity Date - Loan A – September 16, 2018

Loans B and C – September 16, 2051

Project Costs – $16,717,661

QLICI Loans – $16,490,000

Other Loans – none

Appraised FMV of Project - $18,100,000

Project LTV – 91%

Project DSCR – 4.46

Collateral –
- Mortgage – 1st priority
- Security Agreement and Fixture Filing
- Assignment of Leases and Rents
- Guarantor Account Pledge and Control Agreement
- Subordination of Management Agreement

Guarantors – Ray Schultz; G. Weston Nalley; George B. Nalley, Jr.; G. Dial Dubose; Robert Patrick; Thomas A. Patrick III; B.W. Teekell; Joe Lee McNennon Sitton; Paul C. Aughtry, III; Franklin A. Parnell; Russell H. Smart; ASHCO, Inc.; Morgan W. Fayssoux, Jr.; Norwood Investments, LLC; Christopher R. B. Cargen; Bruce B. Aughtry; Charles S. Reyner, Jr.; Leif A. Busby; Paul D. Gillespie, Sr.; Palo Rojo, LLC; RSH Funding, LLC

Repayment Guaranty - All amounts due under Loan, including principal, interest, expenses, and fees

Completion Guaranty

September 30, 2017 Risk Rating – A Pass

All interest payments have been received as scheduled.
LENDER: REDEVELOPMENT AUTHORITY FUND III, LLC

BORROWER: Americana YMCA Operating, Inc.

Loan Closing Date – May 25, 2012
Loan Maturity Date - May 24, 2042

Project Costs – $11,389,407
QLICI Loans – $10,961,000
Other Loans – none

Appraised FMV of Project - $11,096,000
Project LTV – 98%
Project DSCR – 2.33

Collateral –
   - Mortgage – 1st priority
   - Security Interest in all equipment, intangibles, books and records, and proceeds from sales of equipment (including UCC-1 Financing Statement)
   - Assignment of Leases and Rents

Guarantor – YMCA of the Capital Area
Guaranty – All amounts due under Loan, including principal, interest, expenses, and fees

September 30, 2017 Risk Rating – A Pass

   All interest payments have been received as scheduled.
LENDER: REDEVELOPMENT AUTHORITY FUND IV, LLC

BORROWER: HONEYWELL BATON ROUGE QALICB REAL ESTATE COMPANY, LLC

Loan Closing Date – June 25, 2012
Loan Maturity Date - Loan A - June 24, 2020
Loan B – June 24, 2052

Project Costs – $33,525,000
QLICI Loans – $16,975,000
Other Loans – Chase $7,500,000
CRF $8,000,000

Appraised FMV of Project - $30,425,500
Project LTV – 107%
Project DSCR – 22.5x

Subordinate debt – RDA Fund III is 3rd priority of payment behind Chase and CRF

Collateral -

Guarantor – Honeywell International, Inc.

Guaranty – All obligations, duties, covenants and agreements of Borrower under Loan Documents;
Completion of all construction work and equipping of the Improvements

September 30, 2017 Rating – B Pass

Project LTV exceeds normal underwriting limits.
Loans are undercollateralized.
All interest payments have been received as scheduled.
LENDER: REDEVELOPMENT AUTHORITY FUND V, LLC
BORROWER: THE EMERGE CENTER HOLDING COMPANY, INC.

Loan Closing Date – December 21, 2012
Loan Maturity Date - December 20, 2047

Project Costs – $8,004,106
QLICI Loans – $7,857,000
Other Loans – None

Appraised FMV of Project - $7,638,000
Project LTV – 103%
Project DSCR – 1.08x

Collateral - Mortgage, Security Agreement and Assignment of Leases and Rents
- UCC-1 Financing Statements – all accounts, equipment, general intangibles, books and records, proceeds of any collateral, and all fixtures relating to real property

Guarantor – Baton Rouge Speech and Hearing Foundation
Guaranty – all obligations, duties, covenants and agreements of Borrower under the Loan Documents
- Construction and Completion of Improvements

September 30, 2017 Risk Rating – B Pass

Project LTV exceeds normal underwriting limits
All loan interest payments have been received as scheduled