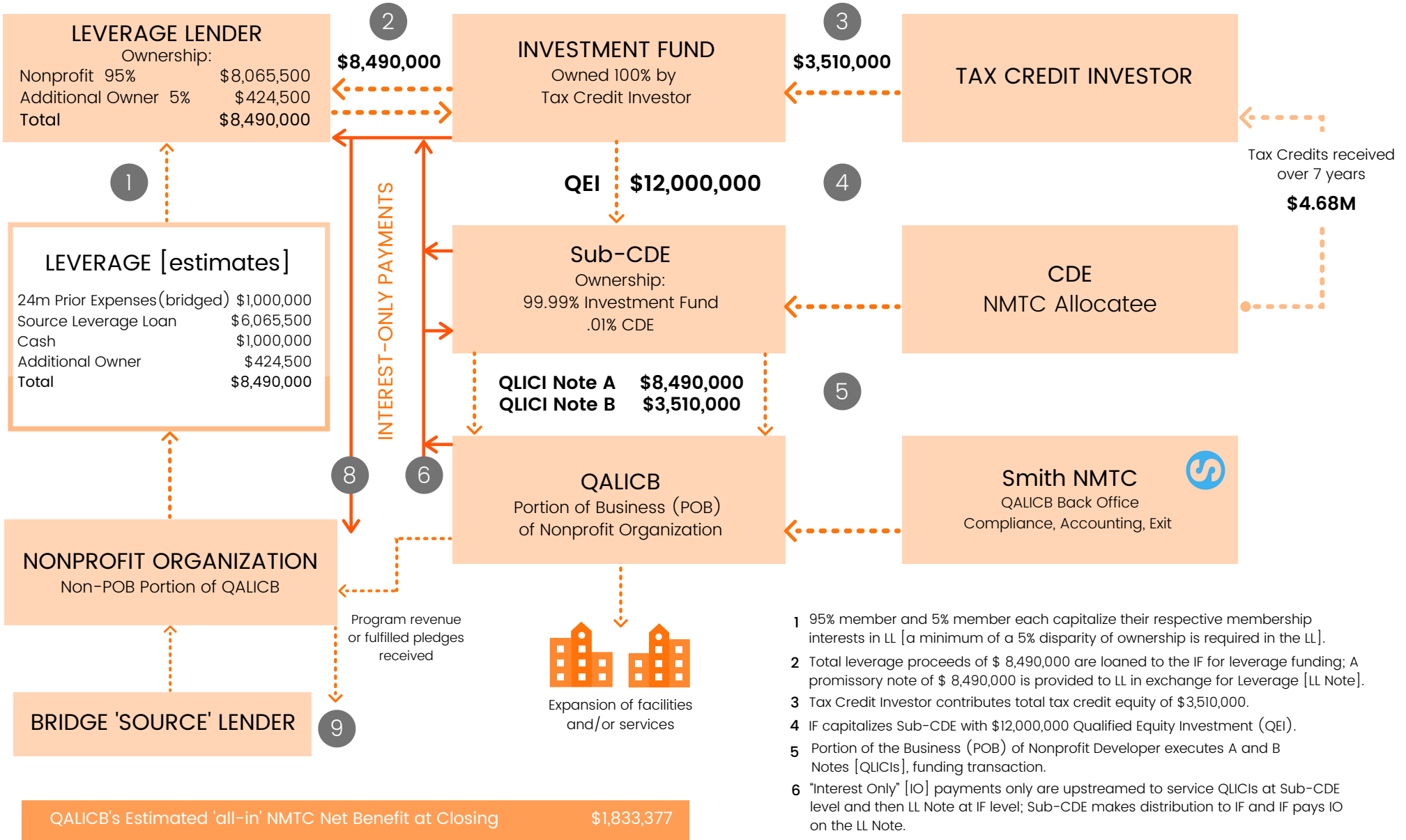


MODEL: NMTC Operating Business Transaction Model

\$12,000,000 NMTC Transaction (\$0.75 pricing)

TOTAL CAPITALIZATION = \$12,000,000



- 1 95% member and 5% member each capitalize their respective membership interests in LL [a minimum of a 5% disparity of ownership is required in the LL].
- 2 Total leverage proceeds of \$ 8,490,000 are loaned to the IF for leverage funding; A promissory note of \$ 8,490,000 is provided to LL in exchange for Leverage [LL Note].
- 3 Tax Credit Investor contributes total tax credit equity of \$3,510,000.
- 4 IF capitalizes Sub-CDE with \$12,000,000 Qualified Equity Investment (QEI).
- 5 Portion of the Business (POB) of Nonprofit Developer executes A and B Notes [QLICBs], funding transaction.
- 6 "Interest Only" [IO] payments only are upstreamed to service QLICBs at Sub-CDE level and then LL Note at IF level; Sub-CDE makes distribution to IF and IF pays IO on the LL Note.
- 7 LL makes distribution of IO to membership interests.
- 8 Upon receipt of program revenue or fulfilled pledges, a transfer is made to pay down outstanding source lending outside of structure.