

## Financial Projections: Graham, Concept 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 52,185	\$53,751	\$55,364	\$57,025	\$58,736	\$60,498	\$62,313	\$64,182	\$66,107	\$68,090
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (13,046)	\$ (8,063)	\$ (2,768)	\$ (2,851)	\$ (2,937)	\$ (3,025)	\$ (3,116)	\$ (3,209)	\$ (3,305)	\$ (3,405)
Effective Gross Revenue	\$ 39,139	\$ 45,688	\$ 52,596	\$ 54,174	\$ 55,799	\$ 57,473	\$ 59,197	\$ 60,973	\$ 62,802	\$ 64,685
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ (7,828)	\$ (8,063)	\$ (8,305)	\$ (8,554)	\$ (8,811)	\$ (9,075)	\$ (9,347)	\$ (9,627)	\$ (9,916)	\$ (10,213)
Total Operating Expenses	\$ (7,828)	\$ (8,063)	\$ (8,305)	\$ (8,554)	\$ (8,811)	\$ (9,075)	\$ (9,347)	\$ (9,627)	\$ (9,916)	\$ (10,213)
<b>Net Operating Income</b>	<b>\$ 31,311</b>	<b>\$ 37,625</b>	<b>\$ 44,291</b>	<b>\$ 45,620</b>	<b>\$ 46,988</b>	<b>\$ 48,398</b>	<b>\$ 49,850</b>	<b>\$ 51,346</b>	<b>\$ 52,886</b>	<b>\$ 54,472</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 481,712	\$ 578,846	\$ 681,400	\$ 701,846	\$ 722,892	\$ 744,585	\$ 766,923	\$ 789,938	\$ 813,631	\$ 838,031
7.50%	\$ 417,483	\$ 501,667	\$ 590,547	\$ 608,267	\$ 626,507	\$ 645,307	\$ 664,667	\$ 684,613	\$ 705,147	\$ 726,293
8.50%	\$ 368,368	\$ 442,647	\$ 521,071	\$ 536,706	\$ 552,800	\$ 569,388	\$ 586,471	\$ 604,071	\$ 622,188	\$ 640,847
Debt Service	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)
EBITDA	\$ (11,932)	\$ (5,618)	\$ 1,048	\$ 2,377	\$ 3,745	\$ 5,155	\$ 6,607	\$ 8,103	\$ 9,643	\$ 11,229
Cash on Cash Return	-3.24%	-1.52%	0.28%	0.64%	1.02%	1.40%	1.79%	2.20%	2.62%	3.05%
Cash on Cost Return	-1.30%	-0.61%	0.11%	0.26%	0.41%	0.56%	0.72%	0.88%	1.05%	1.22%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	0.82%	6-10%
Cash on Cost Return	0.33%	6-9%
Unleveraged IRR		
5-Year	-3.80%	15%
10-Year	2.56%	12%
Leveraged IRR		
5-Year	-22.82%	20%
10-Year	-2.21%	15%

## Assumptions: Graham, Concept 1

### General Inputs

Opportunity Site Name	Graham
Development Concept	1

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	0	0	0	0.00	0
Retail/Commercial (NNN)	0	0	3,479	0.00	0
Office (FS)	0	0	0	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
<b>Total</b>	<b>0</b>		<b>3,479</b>		<b>0</b>

Development types	Monthly Rent / SF	Monthly Rent / Unit	Annual Rent / SF	Annual Rent / Unit	Potential Gross Rev	Op Expense (% Rent)	Op Expense			Total Op Expense
							per unit / mo	Op Expense per SF / mo	Op Expense per SF / yr	
Residential: For Rent	\$1.30	\$0	\$15.60	\$0	\$0	-35%	\$0	\$0.45	\$5.40	\$0
Retail/Commercial (NNN)	\$1.25		\$15.00		\$52,185	15%		-\$0.19	-\$2.25	-\$7,828
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.30	\$0	\$15.60	\$0	\$0	-35%	\$0	\$0.45	\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	15%		-\$0.10	-\$1.20	\$0
<b>Total</b>					<b>\$52,185</b>					<b>-\$7,828</b>

### Other Assumptions

Annual Increase in Potential Gross Rev	3%
Annual increase in operating expense	3%
Property Tax Rate	\$18.95
Changed Property Ratio	89.4%
Real Market Value	\$347,905

### Changed Property Ratio

Use	CPR
Residential	89.4%
Com/Ind	90.4%
Multi-Family	80.7%

### Parking Assumptions

	Spaces	SF	SF/Space
Structured	0	0	0
Tuck	0	0	0
Surface	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	

## Uses of funds: Graham, Concept 1

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$400,000	\$0.00	8,600	SF of site
Construction - Building	\$204,650	\$50.00	4,093	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$1,404	\$6.00	234	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$121,765	\$35.00	3,479	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$0			City requirement for street enhancements
Hard Cost Contingency	\$24,586	\$6.01	4,093	7.5% other hard costs
<b>Subtotal</b>	<b>\$752,405</b>	<b>\$183.83</b>	<b>4,093</b>	
<i>Soft Costs</i>				
Architecture & Engineering	\$52,668	\$12.87	4,093	7.0% of hard costs
General Soft Costs	\$30,096	\$7.35	4,093	4.0% - Legal fees, other consultants
Financing Fees	\$7,524	\$1.84	4,093	1.0% of hard costs
City Fees and Permits	\$4,229	\$1.03	4,093	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$25,000	\$6.11	4,093	
Developer Fee	\$37,620	\$9.19	4,093	5.0% of hard costs
FF&E	\$0	\$0.00	4,093	
Soft Cost Contingency	\$11,785	\$2.88	4,093	7.5% of soft costs
<b>Subtotal</b>	<b>\$168,922</b>	<b>\$41.27</b>	<b>4,093</b>	<b>22.5%</b>
<b>Total Cost</b>	<b>\$921,327</b>	<b>\$225.10</b>	<b>4,093</b>	

## Loan Details: Graham, Concept 1

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$368,531	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$552,796	25	25	6%	\$42,744	\$3,562	\$1,068,600
Source 3	EB-5	\$0	1	1	5%	\$0	\$0	\$0
Source 4	Other 1	\$0	1	1	5%	\$0	\$0	\$0
Source 5	Other 2	\$0	1.5	1.5	5%	\$0	\$0	\$0
<b>Total</b>		<b>\$921,327</b>						
		\$0						
Total Equity		\$368,531						
Total Financing		\$552,796						
Loan to Value Ratio		60%						

## Annual Debt Service: Graham, Concept 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Source 1 Equity</b>										
Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 368,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source 2 Bank Loan</b>										
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 552,796	\$ 542,721	\$ 532,041	\$ 520,720	\$ 508,720	\$ 496,000	\$ 482,517	\$ 468,225	\$ 453,076	\$ 437,018
Total Payment	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)
Principal	\$ (10,075)	\$ (10,680)	\$ (11,321)	\$ (12,000)	\$ (12,720)	\$ (13,483)	\$ (14,292)	\$ (15,149)	\$ (16,058)	\$ (17,022)
Interest	\$ (33,168)	\$ (32,563)	\$ (31,922)	\$ (31,243)	\$ (30,523)	\$ (29,760)	\$ (28,951)	\$ (28,094)	\$ (27,185)	\$ (26,221)
Ending Balance	\$ 542,721	\$ 532,041	\$ 520,720	\$ 508,720	\$ 496,000	\$ 482,517	\$ 468,225	\$ 453,076	\$ 437,018	\$ 419,996
<b>Source 3 EB-5</b>										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
<b>Source 4 Other 1</b>										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
<b>Source 5 Other 2</b>										
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
<b>Total All Sources</b>										
Interest Rate	3.60%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 921,327	\$ 542,721	\$ 532,041	\$ 520,720	\$ 508,720	\$ 496,000	\$ 482,517	\$ 468,225	\$ 453,076	\$ 437,018
Total Payment	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)	\$ (43,243)
Principal	\$ (10,075)	\$ (10,680)	\$ (11,321)	\$ (12,000)	\$ (12,720)	\$ (13,483)	\$ (14,292)	\$ (15,149)	\$ (16,058)	\$ (17,022)
Interest	\$ (33,168)	\$ (32,563)	\$ (31,922)	\$ (31,243)	\$ (30,523)	\$ (29,760)	\$ (28,951)	\$ (28,094)	\$ (27,185)	\$ (26,221)
Ending Balance	\$ 542,721	\$ 532,041	\$ 520,720	\$ 508,720	\$ 496,000	\$ 482,517	\$ 468,225	\$ 453,076	\$ 437,018	\$ 419,996
<b>Net Operating Income</b>	\$ 31,311	\$ 37,625	\$ 44,291	\$ 45,620	\$ 46,988	\$ 48,398	\$ 49,850	\$ 51,346	\$ 52,886	\$ 54,472
<b>Debt Service Coverage Ratio</b>	0.72	0.87	1.02	1.05	1.09	1.12	1.15	1.19	1.22	1.26