

## Assumptions: Graham, Concept 2

### General Inputs

Opportunity Site Name	Graham
Development Concept	2

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	18	750	13,495	0.00	0
Retail/Commercial (NNN)	0	0	4,498	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>18</b>		<b>17,993</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	\$975	\$15.60	\$11,700	\$210,600	35%	-\$338	-\$0.45	-\$5.40	-\$72,900
Retail/Commercial (NNN)	\$1.17		\$14.00		\$62,972	15%		-\$0.18	-\$2.10	-\$9,446
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	14%		-\$0.10	-\$1.20	\$0
<b>Total</b>					<b>\$273,572</b>					<b>-\$82,346</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	\$1,693,440

### 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 2

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$400,000	\$0.00	8,600	SF of site
Construction - Residential	\$1,905,120	\$120.00	15,876	gross SF of building
Construction - Retail / Commercial	\$555,660	\$105.00	5,292	
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$7,062	\$6.00	1,177	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$157,430	\$35.00	4,498	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$200,000			City requirement for street enhancements
Hard Cost Contingency	\$211,895	\$10.01	21,168	7.5% other hard costs
<b>Subtotal</b>	<b>\$3,437,167</b>	<b>\$162.38</b>	<b>21,168</b>	
<i>Soft Costs</i>				
Total Soft Costs	\$240,602	\$11.37	21,168	7.0% of hard costs
General Soft Costs	\$137,487	\$6.50	21,168	4.0% - Legal fees, other consultants
Financing Fees	\$34,372	\$1.62	21,168	1.0% of hard costs
City Fees and Permits	\$34,046	\$1.61	21,168	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$213,000	\$10.06	21,168	SDC Estimates based on 2/11/14 pro forma
Developer Fee	\$171,858	\$8.12	21,168	5.0% of hard costs
FF&E	\$0	\$0.00	21,168	
Soft Cost Contingency	\$62,352	\$2.95	21,168	7.5% of soft costs
<b>Subtotal</b>	<b>\$893,717</b>	<b>\$42.22</b>	<b>21,168</b>	<b>26.0%</b>
<b>Total Cost</b>	<b>\$4,330,884</b>	<b>\$204.60</b>	<b>21,168</b>	

## Loan Details: Graham, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$1,299,265	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$3,031,619	25	25	6%	\$234,396	\$19,533	\$5,859,900
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>\$4,330,884</b>						
		\$0						
Total Equity		\$1,299,265						
Total Financing		\$3,031,619						
Loan to Value Ratio		70%						

## Annual Debt Service: Graham, Concept 2

	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	\$ 1,299,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 3,031,619	\$ 2,976,362	\$ 2,917,790	\$ 2,855,703	\$ 2,789,891	\$ 2,720,130	\$ 2,646,184	\$ 2,567,801	\$ 2,484,715	\$ 2,396,644
Total Payment	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)
Principal	\$ (55,257)	\$ (58,572)	\$ (62,087)	\$ (65,812)	\$ (69,761)	\$ (73,946)	\$ (78,383)	\$ (83,086)	\$ (88,071)	\$ (93,355)
Interest	\$ (181,897)	\$ (178,582)	\$ (175,067)	\$ (171,342)	\$ (167,393)	\$ (163,208)	\$ (158,771)	\$ (154,068)	\$ (149,083)	\$ (143,799)
Ending Balance	\$ 2,976,362	\$ 2,917,790	\$ 2,855,703	\$ 2,789,891	\$ 2,720,130	\$ 2,646,184	\$ 2,567,801	\$ 2,484,715	\$ 2,396,644	\$ 2,303,289
<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	4.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 4,330,884	\$ 2,976,362	\$ 2,917,790	\$ 2,855,703	\$ 2,789,891	\$ 2,720,130	\$ 2,646,184	\$ 2,567,801	\$ 2,484,715	\$ 2,396,644
Total Payment	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)
Principal	\$ (55,257)	\$ (58,572)	\$ (62,087)	\$ (65,812)	\$ (69,761)	\$ (73,946)	\$ (78,383)	\$ (83,086)	\$ (88,071)	\$ (93,355)
Interest	\$ (181,897)	\$ (178,582)	\$ (175,067)	\$ (171,342)	\$ (167,393)	\$ (163,208)	\$ (158,771)	\$ (154,068)	\$ (149,083)	\$ (143,799)
Ending Balance	\$ 2,976,362	\$ 2,917,790	\$ 2,855,703	\$ 2,789,891	\$ 2,720,130	\$ 2,646,184	\$ 2,567,801	\$ 2,484,715	\$ 2,396,644	\$ 2,303,289
<b>Net Operating Income</b>	\$ 94,141	\$ 125,143	\$ 157,920	\$ 162,658	\$ 167,538	\$ 172,564	\$ 177,740	\$ 183,072	\$ 188,564	\$ 194,223
<b>Debt Service Coverage Ratio</b>	0.40	0.53	0.67	0.69	0.71	0.73	0.75	0.77	0.80	0.82

## Financial Projections: Graham, Concept 2

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 273,572	\$281,779	\$290,232	\$298,939	\$307,907	\$317,144	\$326,658	\$336,458	\$346,552	\$356,949
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (68,393)	\$ (42,267)	\$ (14,512)	\$ (14,947)	\$ (15,395)	\$ (15,857)	\$ (16,333)	\$ (16,823)	\$ (17,328)	\$ (17,847)
Effective Gross Revenue	\$ 205,179	\$ 239,512	\$ 275,720	\$ 283,992	\$ 292,512	\$ 301,287	\$ 310,325	\$ 319,635	\$ 329,224	\$ 339,102
Property Tax	\$ (28,692)	\$ (29,553)	\$ (30,440)	\$ (31,353)	\$ (32,294)	\$ (33,263)	\$ (34,261)	\$ (35,289)	\$ (36,348)	\$ (37,438)
Other Operating Expenses	\$ (82,346)	\$ (84,816)	\$ (87,360)	\$ (89,981)	\$ (92,680)	\$ (95,460)	\$ (98,324)	\$ (101,274)	\$ (104,312)	\$ (107,441)
Total Operating Expenses	\$ (111,038)	\$ (114,369)	\$ (117,800)	\$ (121,334)	\$ (124,974)	\$ (128,723)	\$ (132,585)	\$ (136,563)	\$ (140,660)	\$ (144,879)
<b>Net Operating Income</b>	<b>\$ 94,141</b>	<b>\$ 125,143</b>	<b>\$ 157,920</b>	<b>\$ 162,658</b>	<b>\$ 167,538</b>	<b>\$ 172,564</b>	<b>\$ 177,740</b>	<b>\$ 183,072</b>	<b>\$ 188,564</b>	<b>\$ 194,223</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 1,448,326	\$ 1,925,277	\$ 2,429,538	\$ 2,502,431	\$ 2,577,508	\$ 2,654,831	\$ 2,734,462	\$ 2,816,492	\$ 2,900,985	\$ 2,988,046
7.50%	\$ 1,255,216	\$ 1,668,573	\$ 2,105,600	\$ 2,168,773	\$ 2,233,840	\$ 2,300,853	\$ 2,369,867	\$ 2,440,960	\$ 2,514,187	\$ 2,589,640
8.50%	\$ 1,107,544	\$ 1,472,271	\$ 1,857,882	\$ 1,913,624	\$ 1,971,035	\$ 2,030,165	\$ 2,091,059	\$ 2,153,788	\$ 2,218,400	\$ 2,284,976
Debt Service	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)	\$ (237,154)
EBITDA	\$ (143,013)	\$ (112,011)	\$ (79,234)	\$ (74,496)	\$ (69,616)	\$ (64,590)	\$ (59,414)	\$ (54,082)	\$ (48,590)	\$ (42,931)
Cash on Cash Return	-11.01%	-8.62%	-6.10%	-5.73%	-5.36%	-4.97%	-4.57%	-4.16%	-3.74%	-3.30%
Cash on Cost Return	-3.30%	-2.59%	-1.83%	-1.72%	-1.61%	-1.49%	-1.37%	-1.25%	-1.12%	-0.99%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-5.76%	6-10%
Cash on Cost Return	-1.73%	6-9%
Unleveraged IRR		
5-Year	-9.56%	15%
10-Year	-0.89%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%