

Assumptions: Cash Spot, Concept 2

General Inputs

Opportunity Site Name	Cash Spot
Development Concept	2

Development types	No. Units	Average Unit		Parking Ratios	No. Parking Spaces
		Size	Total Net SF		
Residential: For Rent	12	789	9,467	1.33	16
Retail/Commercial (NNN)	0	0	19,221	1.51	29
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
Total	12		28,688		45

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	\$1.40	\$1,104	\$16.80	\$13,248.00	\$158,976	32%	-\$355	-\$0.45	-\$5.40	-\$51,099
Retail/Commercial (NNN)	\$1.17		\$14.00		\$269,094	15%		-\$0.18	-\$2.10	-\$40,364
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.40	\$0	\$16.80	\$0.00	\$0	32%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
Total					\$428,070					-\$91,464

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	\$2,700,080

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	45	11,719	260
Total	45	11,719	

Uses of funds: Cash Spot, Concept 2

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$357,000	\$0.00	34,326	SF of site
Construction - Residential	\$1,447,940	\$130.00	11,138	gross SF of building
Construction - Retail / Commercial	\$2,374,365	\$105.00	22,613	
Building Skin	\$0	\$35.00	0	Façade SF
Landscaping	\$60,642	\$6.00	10,107	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$672,735	\$35.00	19,221	Net SF
Parking - Surface	\$105,471	\$9.00	11,719	
Frontage Improvements / PARs	\$1,000,000			City requirement for street enhancements
Hard Cost Contingency	\$424,586	\$12.58	33,751	7.5% other hard costs
Subtotal	\$6,442,739	\$190.89	33,751	
<i>Soft Costs</i>				
Architecture & Engineering	\$450,992	\$13.36	33,751	7.0% of hard costs
Other Soft Costs	\$257,710	\$7.64	33,751	4.0% - Legal fees, other consultants
Financing Fees	\$64,427	\$1.91	33,751	1.0% of hard costs
City Fees and Permits	\$61,029	\$1.81	33,751	
SDCs	\$180,517	\$5.35	33,751	
Developer Fee	\$322,137	\$9.54	33,751	5.0% of hard costs
FF&E	\$0	\$0.00	33,751	
Soft Cost Contingency	\$100,261	\$2.97	33,751	7.5% of soft costs
Subtotal	\$1,437,073	\$42.58	33,751	22.3%
Total Cost	\$7,879,812	\$233.47	33,751	

Loan Details: Cash Spot, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$3,151,925	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$4,727,887	25	25	6%	\$365,544	\$30,462	\$9,138,600
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
Total		\$7,879,812						
		\$0						
Total Equity		\$3,151,925						
Total Financing		\$4,727,887						
Loan to Value Ratio		60%						

Annual Debt Service: Cash Spot, Concept 2

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Source 1 Equity										
Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 3,151,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source 2 Bank Loan										
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 4,727,887	\$ 4,641,713	\$ 4,550,369	\$ 4,453,544	\$ 4,350,910	\$ 4,242,118	\$ 4,126,798	\$ 4,004,559	\$ 3,874,986	\$ 3,737,638
Total Payment	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)
Principal	\$ (86,174)	\$ (91,344)	\$ (96,825)	\$ (102,634)	\$ (108,792)	\$ (115,320)	\$ (122,239)	\$ (129,573)	\$ (137,348)	\$ (145,589)
Interest	\$ (283,673)	\$ (278,503)	\$ (273,022)	\$ (267,213)	\$ (261,055)	\$ (254,527)	\$ (247,608)	\$ (240,274)	\$ (232,499)	\$ (224,258)
Ending Balance	\$ 4,641,713	\$ 4,550,369	\$ 4,453,544	\$ 4,350,910	\$ 4,242,118	\$ 4,126,798	\$ 4,004,559	\$ 3,874,986	\$ 3,737,638	\$ 3,592,049
Source 3 EB-5										
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										
Source 4 Other 1										
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										
Source 5 Other 2										
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										
Total All Sources										
Interest Rate	3.60%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 7,879,812	\$ 4,641,713	\$ 4,550,369	\$ 4,453,544	\$ 4,350,910	\$ 4,242,118	\$ 4,126,798	\$ 4,004,559	\$ 3,874,986	\$ 3,737,638
Total Payment	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)
Principal	\$ (86,174)	\$ (91,344)	\$ (96,825)	\$ (102,634)	\$ (108,792)	\$ (115,320)	\$ (122,239)	\$ (129,573)	\$ (137,348)	\$ (145,589)
Interest	\$ (283,673)	\$ (278,503)	\$ (273,022)	\$ (267,213)	\$ (261,055)	\$ (254,527)	\$ (247,608)	\$ (240,274)	\$ (232,499)	\$ (224,258)
Ending Balance	\$ 4,641,713	\$ 4,550,369	\$ 4,453,544	\$ 4,350,910	\$ 4,242,118	\$ 4,126,798	\$ 4,004,559	\$ 3,874,986	\$ 3,737,638	\$ 3,592,049
Net Operating Income	\$ 183,840	\$ 233,448	\$ 285,865	\$ 294,441	\$ 303,274	\$ 312,372	\$ 321,744	\$ 331,396	\$ 341,338	\$ 351,577
Debt Service Coverage Ratio	0.50	0.63	0.77	0.80	0.82	0.84	0.87	0.90	0.92	0.95

Financial Projections: Cash Spot, 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	\$ 428,070	\$440,912	\$454,139	\$467,763	\$481,796	\$496,250	\$511,138	\$526,472	\$542,266	\$558,534
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (107,018)	\$ (66,137)	\$ (22,707)	\$ (23,388)	\$ (24,090)	\$ (24,813)	\$ (25,557)	\$ (26,324)	\$ (27,113)	\$ (27,927)
Effective Gross Revenue	\$ 321,052	\$ 374,775	\$ 431,432	\$ 444,375	\$ 457,706	\$ 471,437	\$ 485,581	\$ 500,148	\$ 515,153	\$ 530,607
Property Tax	\$ (45,748)	\$ (47,120)	\$ (48,534)	\$ (49,990)	\$ (51,490)	\$ (53,035)	\$ (54,626)	\$ (56,265)	\$ (57,953)	\$ (59,692)
Other Operating Expenses	\$ (91,464)	\$ (94,207)	\$ (97,033)	\$ (99,944)	\$ (102,942)	\$ (106,030)	\$ (109,211)	\$ (112,487)	\$ (115,862)	\$ (119,338)
Total Operating Expenses	\$ (137,212)	\$ (141,327)	\$ (145,567)	\$ (149,934)	\$ (154,432)	\$ (159,065)	\$ (163,837)	\$ (168,752)	\$ (173,815)	\$ (179,030)
Net Operating Income	\$ 183,840	\$ 233,448	\$ 285,865	\$ 294,441	\$ 303,274	\$ 312,372	\$ 321,744	\$ 331,396	\$ 341,338	\$ 351,577
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 2,828,315	\$ 3,591,508	\$ 4,397,923	\$ 4,529,862	\$ 4,665,754	\$ 4,805,723	\$ 4,949,908	\$ 5,098,400	\$ 5,251,354	\$ 5,408,877
7.50%	\$ 2,451,206	\$ 3,112,640	\$ 3,811,533	\$ 3,925,880	\$ 4,043,653	\$ 4,164,960	\$ 4,289,920	\$ 4,418,613	\$ 4,551,173	\$ 4,687,693
8.50%	\$ 2,162,829	\$ 2,746,447	\$ 3,363,118	\$ 3,464,012	\$ 3,567,929	\$ 3,674,965	\$ 3,785,224	\$ 3,898,776	\$ 4,015,741	\$ 4,136,200
Debt Service	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)	\$ (369,847)
EBITDA	\$ (186,007)	\$ (136,399)	\$ (83,982)	\$ (75,406)	\$ (66,573)	\$ (57,475)	\$ (48,103)	\$ (38,451)	\$ (28,509)	\$ (18,270)
Cash on Cash Return	-5.90%	-4.33%	-2.66%	-2.39%	-2.11%	-1.82%	-1.53%	-1.22%	-0.90%	-0.58%
Cash on Cost Return	-2.36%	-1.73%	-1.07%	-0.96%	-0.84%	-0.73%	-0.61%	-0.49%	-0.36%	-0.23%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-2.35%	6-10%
Cash on Cost Return	-0.94%	6-9%
Unleveraged IRR		
5-Year	-9.60%	15%
10-Year	-0.91%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-15.46%	15%