

## Assumptions: Triangle, Concept 3

### General Inputs

Opportunity Site Name	Triangle
Development Concept	3

Development types	No. Units	Average		Parking Ratios	No. Parking Spaces
		Unit Size	Total Net SF		
Residential: For Rent	21	759	15,942	0.00	0
Retail/Commercial (NNN)	0	0	7,852	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>21</b>		<b>23,794</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	\$987	\$15.60	\$11,844	\$248,724	35%	-\$342	-\$0.45	-\$5.40	-\$86,097
Retail/Commercial (NNN)	\$1.17		\$14.00		\$109,928	15%		-\$0.18	-\$2.10	-\$16,489
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>\$358,652</b>					<b>-\$102,586</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	\$2,239,440

### Changed Property Ratio

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

### Parking Assumptions

	Spaces		
	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>	<b>0</b>

### Uses of funds: Triangle, Concept 3

<b>Costs</b>	<b>Total</b>	<b>Per SF</b>	<b># GSF</b>	<b>Notes</b>
<i>Hard Costs</i>				
Site Acquisition	\$52,000	\$0.00	12,399	SF of site
Construction - Residential	\$2,250,600	\$120.00	18,755	gross SF of building
Construction - Retail/Com	\$969,990	\$105.00	9,238	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$0	\$6.00	0	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$274,820	\$35.00	7,852	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$0			City requirement for street enhancements
Hard Cost Contingency	\$262,156	\$9.37	27,993	7.5% other hard costs
<b>Subtotal</b>	<b>\$3,809,566</b>	<b>\$136.09</b>	<b>27,993</b>	
<i>Soft Costs</i>				
Architecture & Engineering	\$266,670	\$9.53	27,993	7.0% of hard costs
General Soft Costs	\$152,383	\$5.44	27,993	4.0% - Legal fees, other consultants
Financing Fees	\$38,096	\$1.36	27,993	1.0% of hard costs
City Fees and Permits	\$45,091	\$1.61	27,993	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$250,000	\$8.93	27,993	
Developer Fee	\$190,478	\$6.80	27,993	5.0% of hard costs
FF&E	\$0	\$0.00	27,993	
Soft Cost Contingency	\$70,704	\$2.53	27,993	7.5% of soft costs
<b>Subtotal</b>	<b>\$1,013,422</b>	<b>\$36.20</b>	<b>27,993</b>	<b>26.6%</b>
<b>Total Cost</b>	<b>\$4,822,988</b>	<b>\$172.29</b>	<b>27,993</b>	

## Loan Details: Triangle, Concept 3

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$1,446,896	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$3,376,091	25	25	6%	\$261,024	\$21,752	\$6,525,600
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		\$4,822,988						
		\$0						
Total Equity		\$1,446,896						
Total Financing		\$3,376,091						
Loan to Value Ratio		70%						

### Annual Debt Service: Triangle, Concept 3

	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	\$ 1,446,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 3,376,091	\$ 3,314,555	\$ 3,249,327	\$ 3,180,186	\$ 3,106,896	\$ 3,029,209	\$ 2,946,861	\$ 2,859,572	\$ 2,767,045	\$ 2,668,967
Total Payment	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)
Principal	\$ (61,536)	\$ (65,228)	\$ (69,141)	\$ (73,290)	\$ (77,687)	\$ (82,348)	\$ (87,289)	\$ (92,527)	\$ (98,078)	\$ (103,963)
Interest	\$ (202,565)	\$ (198,873)	\$ (194,960)	\$ (190,811)	\$ (186,414)	\$ (181,753)	\$ (176,812)	\$ (171,574)	\$ (166,023)	\$ (160,138)
Ending Balance	\$ 3,314,555	\$ 3,249,327	\$ 3,180,186	\$ 3,106,896	\$ 3,029,209	\$ 2,946,861	\$ 2,859,572	\$ 2,767,045	\$ 2,668,967	\$ 2,565,004
<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	\$ 4,822,988	\$ 3,314,555	\$ 3,249,327	\$ 3,180,186	\$ 3,106,896	\$ 3,029,209	\$ 2,946,861	\$ 2,859,572	\$ 2,767,045	\$ 2,668,967
Total Payment	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)
Principal	\$ (61,536)	\$ (65,228)	\$ (69,141)	\$ (73,290)	\$ (77,687)	\$ (82,348)	\$ (87,289)	\$ (92,527)	\$ (98,078)	\$ (103,963)
Interest	\$ (202,565)	\$ (198,873)	\$ (194,960)	\$ (190,811)	\$ (186,414)	\$ (181,753)	\$ (176,812)	\$ (171,574)	\$ (166,023)	\$ (160,138)
Ending Balance	\$ 3,314,555	\$ 3,249,327	\$ 3,180,186	\$ 3,106,896	\$ 3,029,209	\$ 2,946,861	\$ 2,859,572	\$ 2,767,045	\$ 2,668,967	\$ 2,565,004
<b>Net Operating Income</b>	\$ 128,460	\$ 169,255	\$ 212,382	\$ 218,754	\$ 225,316	\$ 232,075	\$ 239,037	\$ 246,207	\$ 253,594	\$ 261,201
<b>Debt Service Coverage Ratio</b>	0.49	0.64	0.80	0.83	0.85	0.88	0.91	0.93	0.96	0.99

## Financial Projections: Triangle, Concept 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 358,652	\$369,412	\$380,494	\$391,909	\$403,666	\$415,776	\$428,249	\$441,096	\$454,329	\$467,959
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (89,663)	\$ (55,412)	\$ (19,025)	\$ (19,595)	\$ (20,183)	\$ (20,789)	\$ (21,412)	\$ (22,055)	\$ (22,716)	\$ (23,398)
Effective Gross Revenue	\$ 268,989	\$ 314,000	\$ 361,469	\$ 372,314	\$ 383,483	\$ 394,987	\$ 406,837	\$ 419,041	\$ 431,613	\$ 444,561
Property Tax	\$ (37,943)	\$ (39,081)	\$ (40,253)	\$ (41,461)	\$ (42,705)	\$ (43,986)	\$ (45,306)	\$ (46,665)	\$ (48,065)	\$ (49,507)
Other Operating Expenses	\$ (102,586)	\$ (105,664)	\$ (108,834)	\$ (112,099)	\$ (115,462)	\$ (118,926)	\$ (122,494)	\$ (126,169)	\$ (129,954)	\$ (133,853)
Total Operating Expenses	\$ (140,529)	\$ (144,745)	\$ (149,087)	\$ (153,560)	\$ (158,167)	\$ (162,912)	\$ (167,800)	\$ (172,834)	\$ (178,019)	\$ (183,360)
<b>Net Operating Income</b>	<b>\$ 128,460</b>	<b>\$ 169,255</b>	<b>\$ 212,382</b>	<b>\$ 218,754</b>	<b>\$ 225,316</b>	<b>\$ 232,075</b>	<b>\$ 239,037</b>	<b>\$ 246,207</b>	<b>\$ 253,594</b>	<b>\$ 261,201</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 1,976,308	\$ 2,603,923	\$ 3,267,415	\$ 3,365,446	\$ 3,466,400	\$ 3,570,385	\$ 3,677,492	\$ 3,787,800	\$ 3,901,446	\$ 4,018,477
7.50%	\$ 1,712,800	\$ 2,256,733	\$ 2,831,760	\$ 2,916,720	\$ 3,004,213	\$ 3,094,333	\$ 3,187,160	\$ 3,282,760	\$ 3,381,253	\$ 3,482,680
8.50%	\$ 1,511,294	\$ 1,991,235	\$ 2,498,612	\$ 2,573,576	\$ 2,650,776	\$ 2,730,294	\$ 2,812,200	\$ 2,896,553	\$ 2,983,459	\$ 3,072,953
Debt Service	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)	\$ (264,101)
EBITDA	\$ (135,641)	\$ (94,846)	\$ (51,719)	\$ (45,347)	\$ (38,785)	\$ (32,026)	\$ (25,064)	\$ (17,894)	\$ (10,507)	\$ (2,900)
Cash on Cash Return	-9.37%	-6.56%	-3.57%	-3.13%	-2.68%	-2.21%	-1.73%	-1.24%	-0.73%	-0.20%
Cash on Cost Return	-2.81%	-1.97%	-1.07%	-0.94%	-0.80%	-0.66%	-0.52%	-0.37%	-0.22%	-0.06%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-3.14%	6-10%
Cash on Cost Return	-0.94%	6-9%
Unleveraged IRR		
5-Year	-5.78%	15%
10-Year	1.39%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-9.84%	15%