

## Assumptions: Dark Horse, Concept 1

### General Inputs

Opportunity Site Name	Dark Horse
Development Concept	1

Development types	No. Units	Average		Parking Ratios	No. Parking Spaces
		Unit Size	Total Net SF		
Residential: For Rent	0	0	0	0.00	0
Retail/Commercial (NNN)	0	0	0	0.00	0
Office (FS)	0	0	0	0.00	0
Live/Work	19	1,323	25,134	0.64	16
Flex Space (NNN)	0	0	0	0.00	0
<b>Total</b>	<b>19</b>		<b>25,134</b>		<b>16</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)	\$1.17		\$14.00		\$0	15%		-\$0.18	-\$2.10	\$0
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.30	\$1,720	\$15.60	\$20,640	\$392,090	20%	-\$344	-\$0.45	-\$3.12	-\$78,418
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
<b>Total</b>					<b>\$392,090</b>					<b>-\$78,418</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	\$2,365,600

### 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	16	4,936	309
<b>Total</b>	<b>16</b>	<b>4,936</b>	

## Uses of funds: Dark Horse, Concept 1

<b>Costs</b>	<b>Total</b>	<b>Per SF</b>	<b># GSF</b>	<b>Notes</b>
<i>Hard Costs</i>				
Site Acquisition	\$0	\$0.00	16,437 SF of site	Footprint
Construction - Building	\$3,548,400	\$120.00	29,570 gross SF of building	10,952
Building Skin	\$0	\$35.00	0 Façade SF	
Landscaping	\$3,288	\$6.00	548 Landscaping	
TI Allowance - Office	\$0	\$45.00	0 Net SF	
TI Allowance - Retail	\$0	\$35.00	0 Net SF	
Parking	\$0	\$0.00	0	
Frontage Improvements / PARs	\$875,000			City requirement for street enhancements
Hard Cost Contingency	\$332,002	\$11.23	29,570	7.5% other hard costs
<b>Subtotal</b>	<b>\$4,758,690</b>	<b>\$160.93</b>	<b>29,570</b>	
<i>Soft Costs</i>				
Architecture & Engineering	\$333,108	\$11.27	29,570	7.0% of hard costs
Other Soft Costs	\$190,348	\$6.44	29,570	4.0% - Legal fees, other consultants
Financing Fees	\$47,587	\$1.61	29,570	1.0% of hard costs
City Fees and Permits	\$46,604	\$1.58	29,570	
SDCs	\$200,000	\$6.76	29,570	
Developer Fee	\$237,934	\$8.05	29,570	5.0% of hard costs
FF&E	\$0	\$0.00	29,570	
Soft Cost Contingency	\$79,169	\$2.68	29,570	7.5% of soft costs
<b>Subtotal</b>	<b>\$1,134,750</b>	<b>\$38.38</b>	<b>29,570</b>	<b>23.8%</b>
<b>Total Cost</b>	<b>\$5,893,440</b>	<b>\$199.30</b>	<b>29,570</b>	

## Loan Details: Dark Horse, Concept 1

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$1,768,032	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$4,125,408	25	25	6%	\$318,960	\$26,580	\$7,974,000
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		\$5,893,440						
		\$0						
Total Equity		\$1,768,032						
Total Financing		\$4,125,408						
Loan to Value Ratio		70%						

### Annual Debt Service: Dark Horse, 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	\$ 1,768,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 4,125,408	\$ 4,050,215	\$ 3,970,511	\$ 3,886,025	\$ 3,796,469	\$ 3,701,540	\$ 3,600,915	\$ 3,494,253	\$ 3,381,191	\$ 3,261,345
Total Payment	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)
Principal	\$ (75,193)	\$ (79,704)	\$ (84,486)	\$ (89,556)	\$ (94,929)	\$ (100,625)	\$ (106,662)	\$ (113,062)	\$ (119,846)	\$ (127,036)
Interest	\$ (247,524)	\$ (243,013)	\$ (238,231)	\$ (233,161)	\$ (227,788)	\$ (222,092)	\$ (216,055)	\$ (209,655)	\$ (202,871)	\$ (195,681)
Ending Balance	\$ 4,050,215	\$ 3,970,511	\$ 3,886,025	\$ 3,796,469	\$ 3,701,540	\$ 3,600,915	\$ 3,494,253	\$ 3,381,191	\$ 3,261,345	\$ 3,134,309
<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	\$ 5,893,440	\$ 4,050,215	\$ 3,970,511	\$ 3,886,025	\$ 3,796,469	\$ 3,701,540	\$ 3,600,915	\$ 3,494,253	\$ 3,381,191	\$ 3,261,345
Total Payment	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)
Principal	\$ (75,193)	\$ (79,704)	\$ (84,486)	\$ (89,556)	\$ (94,929)	\$ (100,625)	\$ (106,662)	\$ (113,062)	\$ (119,846)	\$ (127,036)
Interest	\$ (247,524)	\$ (243,013)	\$ (238,231)	\$ (233,161)	\$ (227,788)	\$ (222,092)	\$ (216,055)	\$ (209,655)	\$ (202,871)	\$ (195,681)
Ending Balance	\$ 4,050,215	\$ 3,970,511	\$ 3,886,025	\$ 3,796,469	\$ 3,701,540	\$ 3,600,915	\$ 3,494,253	\$ 3,381,191	\$ 3,261,345	\$ 3,134,309
<b>Net Operating Income</b>	\$ 175,568	\$ 221,221	\$ 269,456	\$ 277,539	\$ 285,864	\$ 294,440	\$ 303,273	\$ 312,371	\$ 321,743	\$ 331,396
<b>Debt Service Coverage Ratio</b>	0.54	0.69	0.83	0.86	0.89	0.91	0.94	0.97	1.00	1.03

## Financial Projections: Dark Horse, 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	\$ 392,090	\$ 403,853	\$ 415,969	\$ 428,448	\$ 441,301	\$ 454,540	\$ 468,176	\$ 482,221	\$ 496,688	\$ 511,589
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (98,023)	\$ (60,578)	\$ (20,798)	\$ (21,422)	\$ (22,065)	\$ (22,727)	\$ (23,409)	\$ (24,111)	\$ (24,834)	\$ (25,579)
Effective Gross Revenue	\$ 294,067	\$ 343,275	\$ 395,171	\$ 407,026	\$ 419,236	\$ 431,813	\$ 444,767	\$ 458,110	\$ 471,854	\$ 486,010
Property Tax	\$ (40,081)	\$ (41,283)	\$ (42,521)	\$ (43,797)	\$ (45,111)	\$ (46,464)	\$ (47,858)	\$ (49,294)	\$ (50,773)	\$ (52,296)
Other Operating Expenses	\$ (78,418)	\$ (80,771)	\$ (83,194)	\$ (85,690)	\$ (88,261)	\$ (90,909)	\$ (93,636)	\$ (96,445)	\$ (99,338)	\$ (102,318)
Total Operating Expenses	\$ (118,499)	\$ (122,054)	\$ (125,715)	\$ (129,487)	\$ (133,372)	\$ (137,373)	\$ (141,494)	\$ (145,739)	\$ (150,111)	\$ (154,614)
<b>Net Operating Income</b>	<b>\$ 175,568</b>	<b>\$ 221,221</b>	<b>\$ 269,456</b>	<b>\$ 277,539</b>	<b>\$ 285,864</b>	<b>\$ 294,440</b>	<b>\$ 303,273</b>	<b>\$ 312,371</b>	<b>\$ 321,743</b>	<b>\$ 331,396</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 2,701,051	\$ 3,403,400	\$ 4,145,477	\$ 4,269,831	\$ 4,397,908	\$ 4,529,846	\$ 4,665,738	\$ 4,805,708	\$ 4,949,892	\$ 5,098,400
7.50%	\$ 2,340,911	\$ 2,949,613	\$ 3,592,747	\$ 3,700,520	\$ 3,811,520	\$ 3,925,867	\$ 4,043,640	\$ 4,164,947	\$ 4,289,907	\$ 4,418,613
8.50%	\$ 2,065,510	\$ 2,602,600	\$ 3,170,071	\$ 3,265,165	\$ 3,363,106	\$ 3,464,000	\$ 3,567,918	\$ 3,674,953	\$ 3,785,212	\$ 3,898,776
Debt Service	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)	\$ (322,717)
EBITDA	\$ (147,149)	\$ (101,496)	\$ (53,261)	\$ (45,178)	\$ (36,853)	\$ (28,277)	\$ (19,444)	\$ (10,346)	\$ (974)	\$ 8,679
Cash on Cash Return	-8.32%	-5.74%	-3.01%	-2.56%	-2.08%	-1.60%	-1.10%	-0.59%	-0.06%	0.49%
Cash on Cost Return	-2.50%	-1.72%	-0.90%	-0.77%	-0.63%	-0.48%	-0.33%	-0.18%	-0.02%	0.15%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-2.46%	6-10%
Cash on Cost Return	-0.74%	6-9%
Unleveraged IRR		
5-Year	-4.93%	15%
10-Year	1.73%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-7.49%	15%