

Assumptions: Dark Horse, Concept 2

General Inputs

Opportunity Site Name	Dark Horse
Development Concept	2

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	50	754	37,723	0.00	0
Retail/Commercial (NNN)	0	0	12,574	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
Total	50		50,297		0

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	\$981	\$15.60	\$11,772	\$588,600	35%	-\$340	-\$0.45	-\$5.40	-\$203,746
Retail/Commercial (NNN)	\$1.17		\$14.00		\$176,036	15%		-\$0.18	-\$2.10	-\$26,405
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.30	\$0	\$15.60	\$0	\$0	20%	\$0	-\$0.26	-\$3.12	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	\$1,548	\$0
Total					\$764,636					-\$230,152

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	\$4,733,840

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
Total	0	0	

Uses of funds: Dark Horse, Concept 2

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$0	\$0.00	16,437	SF of site
Construction - Residential	\$5,325,600	\$120.00	44,380	
Construction - Retail/Commercial	\$1,553,265	\$105.00	14,793	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	\$440,090	\$35.00	12,574	Net SF
Parking	\$0	\$9.00	0	
Frontage Improvements / PARs	\$875,000			City requirement for street enhancements
Hard Cost Contingency	\$215,127	\$3.64	59,173	7.5% other hard costs
Subtotal	\$8,409,082	\$142.11	59,173	
<i>Soft Costs</i>				
Architecture & Engineering	\$588,636	\$9.95	59,173	7.0% of hard costs
Other Soft Costs	\$336,363	\$5.68	59,173	4.0% - Legal fees, other consultants
Financing Fees	\$84,091	\$1.42	59,173	1.0% of hard costs
City Fees and Permits	\$90,409	\$1.53	59,173	
SDCs	\$450,000	\$7.60	59,173	
Developer Fee	\$420,454	\$7.11	59,173	5.0% of hard costs
FF&E	\$0	\$0.00	59,173	
Soft Cost Contingency	\$147,746	\$2.50	59,173	7.5% of soft costs
Subtotal	\$2,117,699	\$35.79	59,173	25.2%
Total Cost	\$10,526,781	\$177.90	59,173	

Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.

Loan Details: Dark Horse, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$3,158,034	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$7,368,746	25	25	6%	\$569,724	\$47,477	\$14,243,100
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		\$10,526,781						
		\$0						
Total Equity		\$3,158,034						
Total Financing		\$7,368,746						
Loan to Value Ratio		70%						

Annual Debt Service: Dark Horse, 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	\$ 3,158,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 7,368,746	\$ 7,234,438	\$ 7,092,071	\$ 6,941,162	\$ 6,781,199	\$ 6,611,638	\$ 6,431,903	\$ 6,241,384	\$ 6,039,434	\$ 5,825,367
Total Payment	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)
Principal	\$ (134,308)	\$ (142,367)	\$ (150,909)	\$ (159,963)	\$ (169,561)	\$ (179,735)	\$ (190,519)	\$ (201,950)	\$ (214,067)	\$ (226,911)
Interest	\$ (442,125)	\$ (434,066)	\$ (425,524)	\$ (416,470)	\$ (406,872)	\$ (396,698)	\$ (385,914)	\$ (374,483)	\$ (362,366)	\$ (349,522)
Ending Balance	\$ 7,234,438	\$ 7,092,071	\$ 6,941,162	\$ 6,781,199	\$ 6,611,638	\$ 6,431,903	\$ 6,241,384	\$ 6,039,434	\$ 5,825,367	\$ 5,598,456
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	4.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 10,526,781	\$ 7,234,438	\$ 7,092,071	\$ 6,941,162	\$ 6,781,199	\$ 6,611,638	\$ 6,431,903	\$ 6,241,384	\$ 6,039,434	\$ 5,825,367
Total Payment	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)
Principal	\$ (134,308)	\$ (142,367)	\$ (150,909)	\$ (159,963)	\$ (169,561)	\$ (179,735)	\$ (190,519)	\$ (201,950)	\$ (214,067)	\$ (226,911)
Interest	\$ (442,125)	\$ (434,066)	\$ (425,524)	\$ (416,470)	\$ (406,872)	\$ (396,698)	\$ (385,914)	\$ (374,483)	\$ (362,366)	\$ (349,522)
Ending Balance	\$ 7,234,438	\$ 7,092,071	\$ 6,941,162	\$ 6,781,199	\$ 6,611,638	\$ 6,431,903	\$ 6,241,384	\$ 6,039,434	\$ 5,825,367	\$ 5,598,456
Net Operating Income	\$ 263,118	\$ 349,770	\$ 441,383	\$ 454,624	\$ 468,263	\$ 482,311	\$ 496,781	\$ 511,685	\$ 527,035	\$ 542,847
Debt Service Coverage Ratio	0.46	0.61	0.77	0.79	0.81	0.84	0.86	0.89	0.91	0.94

Financial Projections: Dark Horse, 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	\$ 764,636	\$787,575	\$811,202	\$835,538	\$860,604	\$886,422	\$913,015	\$940,405	\$968,617	\$997,676
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (191,159)	\$ (118,136)	\$ (40,560)	\$ (41,777)	\$ (43,030)	\$ (44,321)	\$ (45,651)	\$ (47,020)	\$ (48,431)	\$ (49,884)
Effective Gross Revenue	\$ 573,477	\$ 669,439	\$ 770,642	\$ 793,761	\$ 817,574	\$ 842,101	\$ 867,364	\$ 893,385	\$ 920,186	\$ 947,792
Property Tax	\$ (80,207)	\$ (82,613)	\$ (85,091)	\$ (87,644)	\$ (90,273)	\$ (92,981)	\$ (95,770)	\$ (98,643)	\$ (101,602)	\$ (104,650)
Other Operating Expenses	\$ (230,152)	\$ (237,056)	\$ (244,168)	\$ (251,493)	\$ (259,038)	\$ (266,809)	\$ (274,813)	\$ (283,057)	\$ (291,549)	\$ (300,295)
Total Operating Expenses	\$ (310,359)	\$ (319,669)	\$ (329,259)	\$ (339,137)	\$ (349,311)	\$ (359,790)	\$ (370,583)	\$ (381,700)	\$ (393,151)	\$ (404,945)
Net Operating Income	\$ 263,118	\$ 349,770	\$ 441,383	\$ 454,624	\$ 468,263	\$ 482,311	\$ 496,781	\$ 511,685	\$ 527,035	\$ 542,847
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 4,047,976	\$ 5,381,077	\$ 6,790,508	\$ 6,994,215	\$ 7,204,046	\$ 7,420,169	\$ 7,642,785	\$ 7,872,077	\$ 8,108,231	\$ 8,351,492
7.50%	\$ 3,508,246	\$ 4,663,600	\$ 5,885,107	\$ 6,061,653	\$ 6,243,507	\$ 6,430,813	\$ 6,623,747	\$ 6,822,467	\$ 7,027,133	\$ 7,237,960
8.50%	\$ 3,095,511	\$ 4,114,941	\$ 5,192,741	\$ 5,348,518	\$ 5,508,976	\$ 5,674,247	\$ 5,844,482	\$ 6,019,824	\$ 6,200,412	\$ 6,386,435
Debt Service	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)	\$ (576,433)
EBITDA	\$ (313,315)	\$ (226,663)	\$ (135,050)	\$ (121,809)	\$ (108,170)	\$ (94,122)	\$ (79,652)	\$ (64,748)	\$ (49,398)	\$ (33,586)
Cash on Cash Return	-9.92%	-7.18%	-4.28%	-3.86%	-3.43%	-2.98%	-2.52%	-2.05%	-1.56%	-1.06%
Cash on Cost Return	-2.98%	-2.15%	-1.28%	-1.16%	-1.03%	-0.89%	-0.76%	-0.62%	-0.47%	-0.32%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-3.88%	6-10%
Cash on Cost Return	-1.17%	6-9%
Unleveraged IRR		
5-Year	-6.79%	15%
10-Year	0.78%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	-13.30%	15%