

## CRE Proforma

## Purchased Real Estate

### Input Data

|                             |            |                              |            |                    |            |
|-----------------------------|------------|------------------------------|------------|--------------------|------------|
| Going Out Cap Rate          | 9.0%       | Marginal Tax Bracket         | 25.0%      | Mortgage LTV       | 75.0%      |
| Selling Expense             | 7.0%       | Depn Recapture Rate          | 20.0%      | Amort Term (Years) | 30         |
| 7-yr Building Improvement % | 12%        | Capital Gain Rate            | 12.5%      | Maturity (Years)   | 10         |
| 15-yr Land Improvements     | 500,000    | Equity Hurdle Rate           | 15.0%      | Rate               | 6.000%     |
| Purchase Price              | 15,000,000 | Depreciation Period          | 39         | Points             | 2.25%      |
| Acquisition Costs           | 45,000     | Initial Long term Bldg Basis | 10,599,600 | Prepay Penalty (%) | 0.00%      |
| Land Value                  | 2,500,000  | Initial 7 yr Bldg Basis      | 1,445,400  | Mortgage Amount    | 11,250,000 |
|                             |            | Initial Land Improve Basis   | 500,000    | Monthly Pmt        | 67,449     |
|                             |            |                              |            | Balance 120 Mo     | 9,414,644  |

### Summary of Before Tax Cash Flows by Year

|                 | 0                 | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10               |
|-----------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Operations      |                   | 329,732        | 347,666        | 366,229        | 278,729        | 103,037        | 326,293        | 424,577        | 393,585        | 578,112        | 605,168          |
| Capital         | -4,048,125        |                |                |                |                |                |                |                |                |                | 5,491,706        |
| <b>Total CF</b> | <b>-4,048,125</b> | <b>329,732</b> | <b>347,666</b> | <b>366,229</b> | <b>278,729</b> | <b>103,037</b> | <b>326,293</b> | <b>424,577</b> | <b>393,585</b> | <b>578,112</b> | <b>6,096,874</b> |

**Before Tax IRR = 10.9%**

**Before Tax NPV = -946,390**

### Ratio Analysis

|                         | 1     | 2     | 3     | 4     | 5     | 6     | 7      | 8     | 9      | 10     |
|-------------------------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|
| Unlevered Return        | 7.57% | 7.69% | 7.81% | 7.23% | 6.06% | 7.55% | 8.20%  | 8.00% | 9.22%  | 9.40%  |
| Cash on Cash Return     | 8.15% | 8.59% | 9.05% | 6.89% | 2.55% | 8.06% | 10.49% | 9.72% | 14.28% | 14.95% |
| Debt Coverage Ratio     | 1.41  | 1.43  | 1.45  | 1.34  | 1.13  | 1.40  | 1.52   | 1.49  | 1.71   | 1.75   |
| Vacancy Collection Loss | 3.1%  | 3.0%  | 3.0%  | 8.5%  | 18.2% | 8.3%  | 4.7%   | 12.2% | 5.3%   | 5.3%   |
| Operating Expense Ratio | 37.1% | 37.4% | 37.6% | 40.2% | 45.1% | 40.5% | 39.2%  | 40.4% | 37.7%  | 37.9%  |
| Breakeven Occupancy     | 79.3% | 78.7% | 78.1% | 77.5% | 76.7% | 76.0% | 75.3%  | 70.7% | 70.1%  | 69.6%  |

### Summary of After Tax Cash Flows by Year

|                 | 0                 | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10               |
|-----------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Operations      |                   | 311,661        | 327,460        | 338,247        | 269,321        | 134,077        | 297,860        | 367,719        | 290,945        | 422,913        | 435,521          |
| Capital         | -4,048,125        |                |                |                |                |                |                |                |                |                | 4,898,288        |
| <b>Total CF</b> | <b>-4,048,125</b> | <b>311,661</b> | <b>327,460</b> | <b>338,247</b> | <b>269,321</b> | <b>134,077</b> | <b>297,860</b> | <b>367,719</b> | <b>290,945</b> | <b>422,913</b> | <b>5,333,809</b> |

**After Tax IRR = 9.1%**

**After Tax NPV = -1,285,684**

### Cash Flow From Operations

|                          | 0         | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        | 11 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----|
| Gross Potential Income   | 1,867,500 | 1,905,388 | 1,944,484 | 1,986,884 | 2,032,781 | 2,080,138 | 2,129,001 | 2,299,420 | 2,351,446 | 2,405,130 | 2,460,528 |    |
| - Vacancy & Collection   | 57,125    | 58,060    | 59,025    | 168,792   | 369,664   | 172,450   | 101,098   | 279,942   | 124,219   | 126,953   | 129,773   |    |
| = Effective Gross Income | 1,810,375 | 1,847,328 | 1,885,459 | 1,818,093 | 1,663,117 | 1,907,688 | 2,027,903 | 2,019,478 | 2,227,227 | 2,278,178 | 2,330,754 |    |
| - Operating Expense      | 671,250   | 690,269   | 709,837   | 729,970   | 750,686   | 772,001   | 793,933   | 816,500   | 839,722   | 863,616   | 888,204   |    |
| = Net Operating Income   | 1,139,125 | 1,157,059 | 1,175,622 | 1,088,123 | 912,431   | 1,135,687 | 1,233,970 | 1,202,978 | 1,387,505 | 1,414,561 | 1,442,550 |    |
| - Mortgage Payment       | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   | 809,393   |    |
| = Before Tax Cash Flow   | 329,732   | 347,666   | 366,229   | 278,729   | 103,037   | 326,293   | 424,577   | 393,585   | 578,112   | 605,168   |           |    |
| - Taxes                  | 18,071    | 20,205    | 27,982    | 9,408     | -31,040   | 28,434    | 56,858    | 102,640   | 155,199   | 169,648   |           |    |
| = After Tax Cash Flow    | 311,661   | 327,460   | 338,247   | 269,321   | 134,077   | 297,860   | 367,719   | 290,945   | 422,913   | 435,521   |           |    |

### Income Taxes From Operations

|                                  | 0          | 1          | 2          | 3          | 4          | 5          | 6          | 7          | 8         | 9         | 10        |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|
| End of Year Loan Balance         | 11,250,000 | 11,111,849 | 10,965,176 | 10,809,458 | 10,644,135 | 10,468,615 | 10,282,270 | 10,084,431 | 9,874,390 | 9,651,394 | 9,414,644 |
| NOI                              | 1,139,125  | 1,157,059  | 1,175,622  | 1,088,123  | 912,431    | 1,135,687  | 1,233,970  | 1,202,978  | 1,387,505 | 1,414,561 |           |
| + Capital Reserves               | 120,000    | 123,400    | 126,898    | 130,497    | 134,201    | 138,011    | 141,932    | 145,967    | 150,118   | 154,390   |           |
| - Interest Paid                  | 671,242    | 662,721    | 653,675    | 644,070    | 633,873    | 623,048    | 611,554    | 599,352    | 586,397   | 572,643   |           |
| - Amortized Finance Costs        | 25,313     | 25,313     | 25,313     | 25,313     | 25,313     | 25,313     | 25,313     | 25,313     | 25,313    | 25,313    |           |
| - Amortized Leasing Costs        |            |            |            |            |            |            |            |            |           |           |           |
| - Depreciation (Building)        | 260,460    | 271,785    | 271,785    | 271,785    | 271,785    | 271,785    | 271,785    | 271,785    | 271,785   | 271,785   | 260,460   |
| - Depreciation (Bldg Impr 7-yr)  | 197,882    | 206,486    | 206,486    | 206,486    | 206,486    | 206,486    | 206,486    | 8,604      |           |           |           |
| - Depreciation (Land Impr 15-yr) | 31,944     | 33,333     | 33,333     | 33,333     | 33,333     | 33,333     | 33,333     | 33,333     | 33,333    | 33,333    | 31,944    |
| = Taxable Income                 | 72,284     | 80,822     | 111,930    | 37,634     | -124,158   | 113,734    | 227,432    | 410,558    | 620,795   | 678,590   |           |
| Taxes Due                        | 18,071     | 20,205     | 27,982     | 9,408      | -31,040    | 28,434     | 56,858     | 102,640    | 155,199   | 169,648   |           |

### Cash flow From Resale

|                               | EOY 10     | Gain on Sale               |            |
|-------------------------------|------------|----------------------------|------------|
| Estimated Sales Price         | 16,028,333 | Net Sales Price            | 14,906,350 |
| - Sales Expense               | 1,121,983  | - Adjusted Basis           | 11,939,261 |
| = Net Sales Price             | 14,906,350 | = Gain on Sale             | 2,967,089  |
| - Mortgage Payoff             | 9,414,644  |                            |            |
| = Before Tax Equity Reversion | 5,491,706  | Depreciation Recapture     | 2,967,089  |
| - Taxes on Sale               | 593,418    | Capital Gain               | 0          |
| = After Tax Equity Reversion  | 4,898,288  | Depreciation Recapture Tax | 593,418    |
|                               |            | Cap Gain Tax               | 0          |
|                               |            | Total Tax on Sale          | 593,418    |

**Suite Lease and Vacancy Analysis**

Data Input

| Expense Summary Base Case   | \$ per Sq Ft |
|-----------------------------|--------------|
| Real Estate Taxes           | \$ 4.00      |
| Common Area Maintenance     | \$ 0.95      |
| Utilities                   | \$ 0.90      |
| Insurance                   | \$ 0.65      |
| Management and Leasing Fees | \$ 0.54      |
| General and Administrative  | \$ 0.22      |
| Capital Expenditures        | \$ 1.60      |
| Other                       | \$ 0.09      |

The building summary information is presented first. It is the compilation of the individual rental suite:

**Summary of All Leasable Suites**

|                             |   |       |       |       |        |       |       |        |       |       |       |
|-----------------------------|---|-------|-------|-------|--------|-------|-------|--------|-------|-------|-------|
| Leasable Square Feet        | 75000   |       |       |       |        |       |       |        |       |       |       |
| Weighted Average Lease Rate | 21.00   | 21.39 | 21.80 | 22.22 | 22.66  | 23.11 | 23.57 | 25.65  | 26.14 | 26.65 | 27.18 |
| Overage Detail              | Applies to retail spaces lease with a stated percentage of gross sales above baseline - See individual Suites for detail. |       |       |       |        |       |       |        |       |       |       |
| Weighted Average Vacancy    | 3.06%   | 3.05% | 3.04% | 8.50% | 18.19% | 8.29% | 4.75% | 12.17% | 5.28% | 5.28% | 5.27% |

|                                 | 1                | 2                | 3                | 4                | 5              | 6                | 7                | 8                | 9                | 10               | 11               |
|---------------------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contract Rent                   | 1520000          | 1541600          | 1563848          | 1586763          | 1610366        | 1634677          | 1659718          | 1805509          | 1832074          | 1859437          | 1887620          |
| + Overage (PCT Rent)            | 40000            | 48000            | 56320            | 64973            | 73972          | 83331            | 93064            | 103186           | 113714           | 124662           | 136049           |
| + Misc Income                   | 15000            | 15000            | 15000            | 15000            | 15000          | 15000            | 15000            | 15000            | 15000            | 15000            | 15000            |
| Tenant Reimbursements           |                  |                  |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes               | 300000           | 308500           | 317246           | 326244           | 335502         | 345028           | 354830           | 364916           | 375295           | 385974           | 396963           |
| Common Area Maintenance         | 71250            | 73269            | 75346            | 77483            | 79682          | 81944            | 84272            | 86668            | 89132            | 91669            | 94279            |
| Utilities                       | 67500            | 69413            | 71380            | 73405            | 75488          | 77631            | 79837            | 82106            | 84441            | 86844            | 89317            |
| Insurance                       | 48750            | 50131            | 51552            | 53015            | 54519          | 56067            | 57660            | 59299            | 60985            | 62721            | 64506            |
| Tenant Expenses                 | 487500           | 501313           | 515524           | 530146           | 545191         | 560671           | 576599           | 592989           | 609854           | 627207           | 645064           |
| Expense Stop                    | 205000           | 206625           | 208291           | 209998           | 211748         | 213542           | 215380           | 217265           | 219196           | 221176           | 223205           |
| Reimbursable Expense            | 292500           | 300788           | 309316           | 320148           | 333443         | 347130           | 361219           | 375725           | 390658           | 406031           | 421859           |
| Gross Potential Income          | 1867500          | 1905388          | 1944484          | 1986884          | 2032781        | 2080138          | 2129001          | 2299420          | 2351446          | 2405130          | 2460528          |
| Less: Vacancy/Collection Losses | 57125            | 58060            | 59025            | 168792           | 369664         | 172450           | 101098           | 279942           | 124219           | 126953           | 129773           |
| Effective Gross Income          | 1810375          | 1847328          | 1885459          | 1818093          | 1663117        | 1907688          | 2027903          | 2019478          | 2227227          | 2278178          | 2330754          |
| Expenses                        |                  |                  |                  |                  |                |                  |                  |                  |                  |                  |                  |
| Management and Leasing Fees     | 40500            | 41648            | 42828            | 44043            | 45293          | 46579            | 47902            | 49264            | 50665            | 52106            | 53590            |
| General and Administrative      | 16500            | 16968            | 17449            | 17943            | 18453          | 18977            | 19516            | 20070            | 20641            | 21229            | 21833            |
| Real Estate Taxes               | 300000           | 308500           | 317246           | 326244           | 335502         | 345028           | 354830           | 364916           | 375295           | 385974           | 396963           |
| Common Area Maintenance         | 71250            | 73269            | 75346            | 77483            | 79682          | 81944            | 84272            | 86668            | 89132            | 91669            | 94279            |
| Utilities                       | 67500            | 69413            | 71380            | 73405            | 75488          | 77631            | 79837            | 82106            | 84441            | 86844            | 89317            |
| Insurance                       | 48750            | 50131            | 51552            | 53015            | 54519          | 56067            | 57660            | 59299            | 60985            | 62721            | 64506            |
| Capital Expenditures            | 120000           | 123400           | 126898           | 130497           | 134201         | 138011           | 141932           | 145967           | 150118           | 154390           | 158785           |
| Other                           | 6750             | 6941             | 7138             | 7340             | 7549           | 7763             | 7984             | 8211             | 8444             | 8684             | 8932             |
| Total Expenses                  | 671250           | 690269           | 709837           | 729970           | 750686         | 772001           | 793933           | 816500           | 839722           | 863616           | 888204           |
| <b>Net Operating Income</b>     | <b>1,139,125</b> | <b>1,157,059</b> | <b>1,175,622</b> | <b>1,088,123</b> | <b>912,431</b> | <b>1,135,687</b> | <b>1,233,970</b> | <b>1,202,978</b> | <b>1,387,505</b> | <b>1,414,561</b> | <b>1,442,550</b> |
| Operating Expense Ratio         | 37%              | 37%              | 38%              | 40%              | 45%            | 40%              | 39%              | 40%              | 38%              | 38%              | 38%              |

**Suite A (NNN) Lease**

|                            |       |                    |      |
|----------------------------|-------|--------------------|------|
| Leasable Square Feet       | 30000 | Expense Stop       | 0    |
| Rate                       | 17    | Rental Growth Rate | 3.0% |
| Overage Detail             |       | Cost Growth Rate   | 2.5% |
| Vacancy /Collection Losses | 2%    | 2%                 | 2%   |

In this section you can "hand input" realistic leasing projections based on actual leases, or can use the trend rates shown to the left. Enter 99 for the expense stop to indicate a full service lease.

|                         | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Contract Rent           | 510000 | 525300 | 541059 | 557291 | 574009 | 591230 | 608967 | 627236 | 646053 | 665434 | 685397 |
| + Overage               |        |        |        |        |        |        |        |        |        |        |        |
| + Misc Income           |        |        |        |        |        |        |        |        |        |        |        |
| Tenant Reimbursements   |        |        |        |        |        |        |        |        |        |        |        |
| Real Estate Taxes       | 120000 | 123000 | 126075 | 129227 | 132458 | 135769 | 139163 | 142642 | 146208 | 149864 | 153610 |
| Common Area Maintenance | 28500  | 29213  | 29943  | 30691  | 31459  | 32245  | 33051  | 33878  | 34724  | 35593  | 36482  |
| Utilities               | 27000  | 27675  | 28367  | 29076  | 29803  | 30548  | 31312  | 32095  | 32897  | 33719  | 34562  |
| Insurance               | 19500  | 19988  | 20487  | 20999  | 21524  | 22062  | 22614  | 23179  | 23759  | 24353  | 24962  |

|                                 |                |                |                |                |                |                |                |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tenant Expenses                 | 195000         | 199875         | 204872         | 209994         | 215244         | 220625         | 226140         | 231794         | 237589         | 243528         | 249616         |
| Expense Stop                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Reimbursable Expense            | 195000         | 199875         | 204872         | 209994         | 215244         | 220625         | 226140         | 231794         | 237589         | 243528         | 249616         |
| Gross Potential Income          | 705000         | 725175         | 745931         | 767284         | 789253         | 811854         | 835107         | 859029         | 883641         | 908963         | 935014         |
| Less: Vacancy/Collection Losses | 14100          | 14504          | 14919          | 15346          | 15701          | 16093          | 16485          | 16877          | 17269          | 17661          | 18053          |
| Effective Gross Income          | 690900         | 710672         | 731012         | 751939         | 773552         | 795761         | 818622         | 842152         | 866372         | 891302         | 916961         |
| Expenses                        |                |                |                |                |                |                |                |                |                |                |                |
| Management and Leasing Fees     | 16200          | 16605          | 17020          | 17446          | 17882          | 18329          | 18787          | 19257          | 19738          | 20232          | 20737          |
| General and Administrative      | 6600           | 6765           | 6934           | 7107           | 7285           | 7467           | 7654           | 7845           | 8041           | 8242           | 8449           |
| Real Estate Taxes               | 120000         | 123000         | 126075         | 129227         | 132458         | 135769         | 139163         | 142642         | 146208         | 149864         | 153610         |
| Common Area Maintenance         | 28500          | 29213          | 29943          | 30691          | 31459          | 32245          | 33051          | 33878          | 34724          | 35593          | 36482          |
| Utilities                       | 27000          | 27675          | 28367          | 29076          | 29803          | 30548          | 31312          | 32095          | 32897          | 33719          | 34562          |
| Insurance                       | 19500          | 19988          | 20487          | 20999          | 21524          | 22062          | 22614          | 23179          | 23759          | 24353          | 24962          |
| Capital Expenditures            | 48000          | 49200          | 50430          | 51691          | 52983          | 54308          | 55665          | 57057          | 58483          | 59945          | 61444          |
| Other                           | 2700           | 2768           | 2837           | 2908           | 2980           | 3055           | 3131           | 3209           | 3290           | 3372           | 3456           |
| Total Expenses                  | 268500         | 275213         | 282093         | 289145         | 296374         | 303783         | 311378         | 319162         | 327141         | 335320         | 343703         |
| <b>Net Operating Income</b>     | <b>422,400</b> | <b>435,459</b> | <b>448,919</b> | <b>462,794</b> | <b>477,178</b> | <b>492,078</b> | <b>506,944</b> | <b>521,875</b> | <b>536,863</b> | <b>551,960</b> | <b>567,168</b> |
| Operating Expense Ratio         | 39%            | 39%            | 39%            | 38%            | 37%            | 36%            | 35%            | 34%            | 33%            | 32%            | 31%            |

**Suite B (NNN fixed rent rate, with expense stop)**

|                      |       |          |                    |      |
|----------------------|-------|----------|--------------------|------|
| Leasable Square Feet | 20000 | Year 8 + | Expense Stop       | 7    |
| Rate                 | 26    | 32       | Rental Growth Rate | 0.0% |
|                      |       |          | Cost Growth Rate   | 3.0% |

In this section you can "hand input" realistic leasing projections based on actual leases, or can use the trend rates shown to the left. Enter 99 for the expense stop to indicate a full service lease.

|                            |    |    |    |    |    |    |    |     |    |    |    |
|----------------------------|----|----|----|----|----|----|----|-----|----|----|----|
| Overage Detail             |    |    |    |    |    |    |    |     |    |    |    |
| Vacancy /Collection Losses | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 30% | 6% | 6% | 6% |

|                                 | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10             | 11             |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contract Rent                   | 520000         | 520000         | 520000         | 520000         | 520000         | 520000         | 520000         | 640000         | 640000         | 640000         | 640000         |
| + Overage                       |                |                |                |                |                |                |                |                |                |                |                |
| + Misc Income                   |                |                |                |                |                |                |                |                |                |                |                |
| Tenant Reimbursements           |                |                |                |                |                |                |                |                |                |                |                |
| Real Estate Taxes               | 80000          | 82400          | 84872          | 87418          | 90041          | 92742          | 95524          | 98390          | 101342         | 104382         | 107513         |
| Common Area Maintenance         | 19000          | 19570          | 20157          | 20762          | 21385          | 22026          | 22687          | 23368          | 24069          | 24791          | 25534          |
| Utilities                       | 18000          | 18540          | 19096          | 19669          | 20259          | 20867          | 21493          | 22138          | 22802          | 23486          | 24190          |
| Insurance                       | 13000          | 13390          | 13792          | 14205          | 14632          | 15071          | 15523          | 15988          | 16468          | 16962          | 17471          |
| Tenant Expenses                 | 130000         | 133900         | 137917         | 142055         | 146316         | 150706         | 155227         | 159884         | 164680         | 169621         | 174709         |
| Expense Stop                    | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         | 140000         |
| Reimbursable Expense            | 0              | 0              | 0              | 2055           | 6316           | 10706          | 15227          | 19884          | 24680          | 29621          | 34709          |
| Gross Potential Income          | 520000         | 520000         | 520000         | 522055         | 526316         | 530706         | 535227         | 659884         | 664680         | 669621         | 674709         |
| Less: Vacancy/Collection Losses | 20800          | 20800          | 20800          | 20882          | 21053          | 21228          | 21409          | 197965         | 39881          | 40177          | 40483          |
| Effective Gross Income          | 499200         | 499200         | 499200         | 501172         | 505263         | 509477         | 513818         | 461919         | 624799         | 629443         | 634227         |
| Expenses                        |                |                |                |                |                |                |                |                |                |                |                |
| Management and Leasing Fees     | 10800          | 11124          | 11458          | 11801          | 12155          | 12520          | 12896          | 13283          | 13681          | 14092          | 14514          |
| General and Administrative      | 4400           | 4532           | 4668           | 4808           | 4952           | 5101           | 5254           | 5411           | 5574           | 5741           | 5913           |
| Real Estate Taxes               | 80000          | 82400          | 84872          | 87418          | 90041          | 92742          | 95524          | 98390          | 101342         | 104382         | 107513         |
| Common Area Maintenance         | 19000          | 19570          | 20157          | 20762          | 21385          | 22026          | 22687          | 23368          | 24069          | 24791          | 25534          |
| Utilities                       | 18000          | 18540          | 19096          | 19669          | 20259          | 20867          | 21493          | 22138          | 22802          | 23486          | 24190          |
| Insurance                       | 13000          | 13390          | 13792          | 14205          | 14632          | 15071          | 15523          | 15988          | 16468          | 16962          | 17471          |
| Capital Expenditures            | 32000          | 32960          | 33949          | 34967          | 36016          | 37097          | 38210          | 39356          | 40537          | 41753          | 43005          |
| Other                           | 1800           | 1854           | 1910           | 1967           | 2026           | 2087           | 2149           | 2214           | 2280           | 2349           | 2419           |
| Total Expenses                  | 179000         | 184370         | 189901         | 195598         | 201466         | 207510         | 213735         | 220147         | 226752         | 233554         | 240561         |
| <b>Net Operating Income</b>     | <b>320,200</b> | <b>314,830</b> | <b>309,299</b> | <b>305,574</b> | <b>303,797</b> | <b>301,967</b> | <b>300,082</b> | <b>241,771</b> | <b>398,047</b> | <b>395,889</b> | <b>393,666</b> |
| Operating Expense Ratio         | 36%            | 37%            | 38%            | 39%            | 40%            | 41%            | 42%            | 48%            | 36%            | 37%            | 38%            |

**Suite C (Retail)**

|                            |         |         |                    |         |         |         |         |         |         |         |         |
|----------------------------|---------|---------|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Leasable Square Feet       | 15000   |         | Expense Stop       | 0       |         |         |         |         |         |         |         |
| Rate                       | 14      |         | Sales Growth Rate  | 4.0%    |         |         |         |         |         |         |         |
|                            |         |         | Rental Growth Rate | 3.0%    |         |         |         |         |         |         |         |
|                            |         |         | Cost Growth Rate   | 3.5%    |         |         |         |         |         |         |         |
| Overage Detail             | Base    | 4000000 | Pct Over           | 4%      |         |         |         |         |         |         |         |
| Estimated Sales            | 5000000 | 5200000 | 5408000            | 5624320 | 5849293 | 6083265 | 6326595 | 6579659 | 6842845 | 7116559 | 7401221 |
| Vacancy /Collection Losses | 3%      | 3%      | 3%                 | 30%     | 5%      | 5%      | 5%      | 5%      | 5%      | 5%      | 5%      |

In this section you can "hand input" realistic leasing projections based on actual leases, or can use the trend rates shown to the left. Enter 99 for the expense stop to indicate a full service lease.

|                                 | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10             | 11             |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contract Rent                   | 210000         | 216300         | 222789         | 229473         | 236357         | 243448         | 250751         | 258274         | 266022         | 274002         | 282222         |
| + Overage                       | 40000          | 48000          | 56320          | 64973          | 73972          | 83331          | 93064          | 103186         | 113714         | 124662         | 136049         |
| + Misc Income                   |                |                |                |                |                |                |                |                |                |                |                |
| Tenant Reimbursements           |                |                |                |                |                |                |                |                |                |                |                |
| Real Estate Taxes               | 60000          | 62100          | 64274          | 66523          | 68851          | 71261          | 73755          | 76337          | 79009          | 81774          | 84636          |
| Common Area Maintenance         | 14250          | 14749          | 15265          | 15799          | 16352          | 16925          | 17517          | 18130          | 18765          | 19421          | 20101          |
| Utilities                       | 13500          | 13973          | 14462          | 14968          | 15492          | 16034          | 16595          | 17176          | 17777          | 18399          | 19043          |
| Insurance                       | 9750           | 10091          | 10444          | 10810          | 11188          | 11580          | 11985          | 12405          | 12839          | 13288          | 13753          |
| Tenant Expenses                 | 97500          | 100913         | 104444         | 108100         | 111883         | 115799         | 119852         | 124047         | 128389         | 132882         | 137533         |
| Expense Stop                    | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Reimbursable Expense            | 97500          | 100913         | 104444         | 108100         | 111883         | 115799         | 119852         | 124047         | 128389         | 132882         | 137533         |
| Gross Potential Income          | 347500         | 365213         | 383553         | 402545         | 422212         | 442578         | 463667         | 485507         | 508124         | 531547         | 555805         |
| Less: Vacancy/Collection Losses | 10425          | 10956          | 11507          | 120764         | 21111          | 22129          | 23183          | 24275          | 25406          | 26577          | 27790          |
| Effective Gross Income          | 337075         | 354256         | 372047         | 281782         | 401101         | 420449         | 440484         | 461232         | 482718         | 504970         | 528014         |
| Expenses                        |                |                |                |                |                |                |                |                |                |                |                |
| Management and Leasing Fees     | 8100           | 8384           | 8677           | 8981           | 9295           | 9620           | 9957           | 10305          | 10666          | 11039          | 11426          |
| General and Administrative      | 3300           | 3416           | 3535           | 3659           | 3787           | 3919           | 4057           | 4199           | 4345           | 4498           | 4655           |
| Real Estate Taxes               | 60000          | 62100          | 64274          | 66523          | 68851          | 71261          | 73755          | 76337          | 79009          | 81774          | 84636          |
| Common Area Maintenance         | 14250          | 14749          | 15265          | 15799          | 16352          | 16925          | 17517          | 18130          | 18765          | 19421          | 20101          |
| Utilities                       | 13500          | 13973          | 14462          | 14968          | 15492          | 16034          | 16595          | 17176          | 17777          | 18399          | 19043          |
| Insurance                       | 9750           | 10091          | 10444          | 10810          | 11188          | 11580          | 11985          | 12405          | 12839          | 13288          | 13753          |
| Capital Expenditures            | 24000          | 24840          | 25709          | 26609          | 27541          | 28504          | 29502          | 30535          | 31603          | 32710          | 33854          |
| Other                           | 1350           | 1397           | 1446           | 1497           | 1549           | 1603           | 1659           | 1718           | 1778           | 1840           | 1904           |
| Total Expenses                  | 134250         | 138949         | 143812         | 148845         | 154055         | 159447         | 165028         | 170803         | 176782         | 182969         | 189373         |
| <b>Net Operating Income</b>     | <b>202,825</b> | <b>215,307</b> | <b>228,235</b> | <b>132,936</b> | <b>247,046</b> | <b>261,002</b> | <b>275,456</b> | <b>290,428</b> | <b>305,937</b> | <b>322,001</b> | <b>338,642</b> |
| Operating Expense Ratio         | 40%            | 39%            | 39%            | 53%            | 38%            | 38%            | 37%            | 37%            | 37%            | 36%            | 36%            |

**Suite D (Full service lease, with some Misc Income)**

|                                 |                |                |                |                |                |                |                |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Leasable Square Feet            | 10000          |                |                |                |                |                |                |                |                |                |                |
| Rate                            | 28             |                |                |                |                |                |                |                |                |                |                |
| Expense Stop                    |                |                |                |                | 99             |                |                |                |                |                |                |
| Rental Growth Rate              |                |                |                |                | 0.0%           |                |                |                |                |                |                |
| Cost Growth Rate                |                |                |                |                | 2.5%           |                |                |                |                |                |                |
| Overage Detail                  |                |                |                |                |                |                |                |                |                |                |                |
| Vacancy /Collection Losses      | 4%             | 4%             | 4%             | 4%             | 4%             | 30%            | 5%             | 5%             | 5%             | 5%             | 5%             |
|                                 | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10             | 11             |
| Contract Rent                   | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         | 280000         |
| + Overage                       |                |                |                |                |                |                |                |                |                |                |                |
| + Misc Income                   | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          | 15000          |
| Tenant Reimbursements           |                |                |                |                |                |                |                |                |                |                |                |
| Real Estate Taxes               | 40000          | 41000          | 42025          | 43076          | 44153          | 45256          | 46388          | 47547          | 48736          | 49955          | 51203          |
| Common Area Maintenance         | 9500           | 9738           | 9981           | 10230          | 10486          | 10748          | 11017          | 11293          | 11575          | 11864          | 12161          |
| Utilities                       | 9000           | 9225           | 9456           | 9692           | 9934           | 10183          | 10437          | 10698          | 10966          | 11240          | 11521          |
| Insurance                       | 6500           | 6663           | 6829           | 7000           | 7175           | 7354           | 7538           | 7726           | 7920           | 8118           | 8321           |
| Tenant Expenses                 | 65000          | 66625          | 68291          | 69998          | 71748          | 73542          | 75380          | 77265          | 79196          | 81176          | 83205          |
| Expense Stop                    | 65000          | 66625          | 68291          | 69998          | 71748          | 73542          | 75380          | 77265          | 79196          | 81176          | 83205          |
| Reimbursable Expense            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| Gross Potential Income          | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         | 295000         |
| Less: Vacancy/Collection Losses | 11800          | 11800          | 11800          | 11800          | 11800          | 11800          | 88500          | 14750          | 14750          | 14750          | 14750          |
| Effective Gross Income          | 283200         | 283200         | 283200         | 283200         | 283200         | 206500         | 280250         | 280250         | 280250         | 280250         | 280250         |
| Expenses                        |                |                |                |                |                |                |                |                |                |                |                |
| Management and Leasing Fees     | 5400           | 5535           | 5673           | 5815           | 5961           | 6110           | 6262           | 6419           | 6579           | 6744           | 6912           |
| General and Administrative      | 2200           | 2255           | 2311           | 2369           | 2428           | 2489           | 2551           | 2615           | 2680           | 2747           | 2816           |
| Real Estate Taxes               | 40000          | 41000          | 42025          | 43076          | 44153          | 45256          | 46388          | 47547          | 48736          | 49955          | 51203          |
| Common Area Maintenance         | 9500           | 9738           | 9981           | 10230          | 10486          | 10748          | 11017          | 11293          | 11575          | 11864          | 12161          |
| Utilities                       | 9000           | 9225           | 9456           | 9692           | 9934           | 10183          | 10437          | 10698          | 10966          | 11240          | 11521          |
| Insurance                       | 6500           | 6663           | 6829           | 7000           | 7175           | 7354           | 7538           | 7726           | 7920           | 8118           | 8321           |
| Capital Expenditures            | 16000          | 16400          | 16810          | 17230          | 17661          | 18103          | 18555          | 19019          | 19494          | 19982          | 20481          |
| Other                           | 900            | 923            | 946            | 969            | 993            | 1018           | 1044           | 1070           | 1097           | 1124           | 1152           |
| Total Expenses                  | 89500          | 91738          | 94031          | 96382          | 98791          | 101261         | 103793         | 106387         | 109047         | 111773         | 114568         |
| <b>Net Operating Income</b>     | <b>193,700</b> | <b>191,463</b> | <b>189,169</b> | <b>186,818</b> | <b>184,409</b> | <b>105,239</b> | <b>176,457</b> | <b>173,863</b> | <b>171,203</b> | <b>168,477</b> | <b>165,682</b> |
| Operating Expense Ratio         | 32%            | 32%            | 33%            | 34%            | 35%            | 49%            | 37%            | 38%            | 39%            | 40%            | 41%            |

In this section you can "hand input" realistic leasing projections based on actual leases, or can use the trend rates shown to the left. Enter 99 for the expense stop to indicate a full service lease.

## Purchase or Development Cost Detail

### Data Input

#### a) Purchase Detail

|                            |            |
|----------------------------|------------|
| Purchase Indicator         | 1          |
| Purchase Price (\$)        | 15,000,000 |
| Non Depr Land Value (\$)   | 2,500,000  |
| Depreciable Land Impr (\$) | 500,000    |
| Acquisition Costs (\$)     | 45,000     |

For an existing building, enter 1 as the Purchase Indicator, then enter the purchase price of the building (including land) and the estimated land value. The depreciable land improvement is for the estimated land cost that can be depreciated. The acquisition costs are all costs in addition to the purchase price incurred in

#### b) Interim Finance and Development Cost

|                                 |           |      |
|---------------------------------|-----------|------|
| Equity Investment               | 3,921,686 | LTC% |
| Construction Loan Amount        | 9,000,000 | 70%  |
| Construction Loan Interest Rate | 6.500%    |      |
| Points                          | 1.000%    |      |

| End of Month | Monthly Disbursement | Total Dollars Disbursed | Equity Dollars | Bank Total | Bank Draw | Bank Interest | Payment to Bank | Bank Balance |
|--------------|----------------------|-------------------------|----------------|------------|-----------|---------------|-----------------|--------------|
| 0            | 2,672,152            | 2,672,152               | 2,672,152      | 0          | 0         | 90,000        | 0               | 90,000       |
| 1            | 193027               | 2,865,179               | 2,865,179      | 0          | 0         | 488           | 0               | 90,488       |
| 2            | 733652               | 3,598,831               | 3,598,831      | 0          | 0         | 490           | 0               | 90,978       |
| 3            | 685402               | 4,284,233               | 3,921,686      | 362,547    | 362,547   | 493           | 0               | 454,018      |
| 4            | 618402               | 4,902,635               | 3,921,686      | 980,949    | 618,402   | 2,459         | 0               | 1,074,879    |
| 5            | 643402               | 5,546,037               | 3,921,686      | 1,624,351  | 643,402   | 5,822         | 0               | 1,724,103    |
| 6            | 708402               | 6,254,439               | 3,921,686      | 2,332,753  | 708,402   | 9,339         | 0               | 2,441,844    |
| 7            | 693402               | 6,947,841               | 3,921,686      | 3,026,155  | 693,402   | 13,227        | 0               | 3,148,473    |
| 8            | 1144652              | 8,092,493               | 3,921,686      | 4,170,807  | 1,144,652 | 17,054        | 0               | 4,310,179    |
| 9            | 1140633              | 9,233,126               | 3,921,686      | 5,311,440  | 1,140,633 | 23,347        | 0               | 5,474,159    |
| 10           | 1140633              | 10,373,759              | 3,921,686      | 6,452,073  | 1,140,633 | 29,652        | 0               | 6,644,443    |
| 11           | 1428758              | 11,802,517              | 3,921,686      | 7,880,831  | 1,428,758 | 35,991        | 0               | 8,109,192    |
| 12           | 846883               | 12,649,400              | 3,921,686      | 8,727,714  | 846,883   | 43,925        | 0               | 9,000,000    |

Sums

|                             |         |
|-----------------------------|---------|
| Ending Loan Balance         | 9000000 |
| Sum of Payments             | 0       |
| = Total Paid to Lender      | 9000000 |
| - Total Disbursed by Lender | 8727714 |
| = Total Paid to Interest    | 272286  |

**Construction Budget**

**Data Input**

Percentage Distribution of Costs by Month

| Month        | Excavation / Grading | Sewer / Water | Paving / Sidewalks | Landscape   | Shell       | HVAC        | Electrical  | Plumbing    | Finish      | Architect Engineer | Legal       | Fees Permits | Developer   | Contingency |
|--------------|----------------------|---------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|-------------|--------------|-------------|-------------|
| 0            |                      |               |                    |             |             |             |             |             |             | 90%                | 80%         | 100%         | 8%          |             |
| 1            | 45%                  | 33%           |                    |             |             |             |             |             |             |                    |             |              | 8%          | 3%          |
| 2            | 45%                  | 33%           |                    |             | 10%         |             |             | 10%         |             |                    |             |              | 8%          | 6%          |
| 3            |                      | 34%           |                    |             | 10%         |             | 10%         |             |             |                    |             |              | 8%          | 6%          |
| 4            |                      |               |                    |             | 10%         |             | 10%         | 10%         |             |                    |             |              | 8%          | 6%          |
| 5            |                      |               |                    |             | 10%         | 5%          | 10%         | 10%         |             |                    |             |              | 8%          | 6%          |
| 6            |                      |               |                    |             | 10%         | 15%         | 10%         | 10%         |             | 5%                 |             |              | 8%          | 6%          |
| 7            |                      |               |                    |             | 10%         | 15%         | 10%         | 10%         |             |                    |             |              | 8%          | 6%          |
| 8            |                      |               |                    |             | 10%         | 15%         | 10%         | 10%         | 20%         |                    |             |              | 8%          | 12%         |
| 9            |                      |               |                    |             | 10%         | 15%         | 10%         | 10%         | 20%         |                    |             |              | 7%          | 12%         |
| 10           |                      |               |                    |             | 10%         | 15%         | 10%         | 10%         | 20%         |                    |             |              | 7%          | 12%         |
| 11           | 10%                  |               | 50%                | 50%         | 10%         | 15%         | 15%         | 10%         | 20%         |                    |             |              | 7%          | 15%         |
| 12           |                      |               | 50%                | 50%         |             | 5%          | 5%          | 10%         | 20%         | 5%                 | 20%         |              | 7%          | 10%         |
| <b>Total</b> | <b>100%</b>          | <b>100%</b>   | <b>100%</b>        | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b>        | <b>100%</b> | <b>100%</b>  | <b>100%</b> | <b>100%</b> |

| Month        | Excavation / Grading | Sewer / Water     | Paving / Sidewalks | Landscape         | Shell               | HVAC              | Electrical        | Plumbing          | Finish              | Architect Engineer | Legal            | Fees Permits      | Developer         | Contingency       | Total             | Percent       |
|--------------|----------------------|-------------------|--------------------|-------------------|---------------------|-------------------|-------------------|-------------------|---------------------|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| 0            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ -                | \$ -              | \$ -              | \$ -              | \$ -                | \$ 270,000         | \$ 60,000        | \$ 110,000        | \$ 32,152         | \$ -              | 472,152           | 4.5%          |
| 1            | \$ 56,250            | \$ 99,000         | \$ -               | \$ -              | \$ -                | \$ -              | \$ -              | \$ -              | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 5,625          | 193,027           | 1.8%          |
| 2            | \$ 56,250            | \$ 99,000         | \$ -               | \$ -              | \$ 500,000          | \$ -              | \$ -              | \$ 35,000         | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 733,652           | 7.0%          |
| 3            | \$ -                 | \$ 102,000        | \$ -               | \$ -              | \$ 500,000          | \$ -              | \$ 40,000         | \$ -              | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 685,402           | 6.6%          |
| 4            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ -              | \$ 40,000         | \$ 35,000         | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 618,402           | 5.9%          |
| 5            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 25,000         | \$ 40,000         | \$ 35,000         | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 643,402           | 6.2%          |
| 6            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 75,000         | \$ 40,000         | \$ 35,000         | \$ -                | \$ 15,000          | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 708,402           | 6.8%          |
| 7            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 75,000         | \$ 40,000         | \$ 35,000         | \$ -                | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 11,250         | 693,402           | 6.6%          |
| 8            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 75,000         | \$ 40,000         | \$ 35,000         | \$ 440,000          | \$ -               | \$ -             | \$ -              | \$ 32,152         | \$ 22,500         | 1,144,652         | 11.0%         |
| 9            | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 75,000         | \$ 40,000         | \$ 35,000         | \$ 440,000          | \$ -               | \$ -             | \$ -              | \$ 28,133         | \$ 22,500         | 1,140,633         | 10.9%         |
| 10           | \$ -                 | \$ -              | \$ -               | \$ -              | \$ 500,000          | \$ 75,000         | \$ 40,000         | \$ 35,000         | \$ 440,000          | \$ -               | \$ -             | \$ -              | \$ 28,133         | \$ 22,500         | 1,140,633         | 10.9%         |
| 11           | \$ 12,500            | \$ -              | \$ 175,000         | \$ 75,000         | \$ 500,000          | \$ 75,000         | \$ 60,000         | \$ 35,000         | \$ 440,000          | \$ -               | \$ -             | \$ -              | \$ 28,133         | \$ 28,125         | 1,428,758         | 13.7%         |
| 12           | \$ -                 | \$ -              | \$ 175,000         | \$ 75,000         | \$ -                | \$ 25,000         | \$ 20,000         | \$ 35,000         | \$ 440,000          | \$ 15,000          | \$ 15,000        | \$ -              | \$ 28,133         | \$ 18,750         | 846,883           | 8.1%          |
| <b>Total</b> | <b>\$ 125,000</b>    | <b>\$ 300,000</b> | <b>\$ 350,000</b>  | <b>\$ 150,000</b> | <b>\$ 5,000,000</b> | <b>\$ 500,000</b> | <b>\$ 400,000</b> | <b>\$ 350,000</b> | <b>\$ 2,200,000</b> | <b>\$ 300,000</b>  | <b>\$ 75,000</b> | <b>\$ 110,000</b> | <b>\$ 401,900</b> | <b>\$ 187,500</b> | <b>10,449,400</b> | <b>100.0%</b> |

## Development Budget

Data Input

|                                 |           |
|---------------------------------|-----------|
| Gross Square Feet               | 80000     |
| Developer Fee (%)               | 4%        |
| Construction Contingency (%)    | 2%        |
| Construction Loan Amount        | 9,000,000 |
| Construction Loan to Cost       | 70%       |
| Construction Loan Interest Rate | 6.500%    |
| Construction Loan Points        | 1.000%    |
| Equity Partner Return           | 15.000%   |

|  | Dollar Cost          | Percent       | \$/sqft (Gross)  |
|--|----------------------|---------------|------------------|
| <b>A. Land and Site Improvements</b>     |                      |               |                  |
| Site acquisition and closing             | 2,200,000            | 17.0%         | \$ 27.50         |
| <b>B. Construction Costs</b>             |                      |               |                  |
| Hard Costs:                              |                      |               |                  |
| Site preparation                         |                      |               |                  |
| Excavation and grading                   | 125,000              | 1.0%          | \$ 1.56          |
| Sewer/Water                              | 300,000              | 2.3%          | \$ 3.75          |
| Paving/Curbs/Sidewalks                   | 350,000              | 2.7%          | \$ 4.38          |
| Landscaping                              | 150,000              | 1.2%          | \$ 1.88          |
| Vertical Construction                    |                      |               |                  |
| Core and Shell                           | 5,000,000            | 38.7%         | \$ 62.50         |
| HVAC                                     | 500,000              | 3.9%          | \$ 6.25          |
| Electrical                               | 400,000              | 3.1%          | \$ 5.00          |
| Plumbing                                 | 350,000              | 2.7%          | \$ 4.38          |
| Finish Out                               | 2,200,000            | 17.0%         | \$ 27.50         |
| Budgeted Hard Costs                      | \$ 9,375,000         | 72.6%         | \$ 117.19        |
| Construction Contingency                 | 187,500              | 1.5%          | \$ 2.34          |
| <b>Total Hard Costs</b>                  | <b>\$ 9,562,500</b>  | <b>74.0%</b>  | <b>\$ 119.53</b> |
| Soft Costs:                              |                      |               |                  |
| Architect & Engineering                  | 300,000              | 2.3%          | \$ 3.75          |
| Legal costs                              | 75,000               | 0.6%          | \$ 0.94          |
| Fees and permits                         | 110,000              | 0.9%          | \$ 1.38          |
| Pre Leasing Commissions                  | -                    | 0.0%          | \$ -             |
| Developer Fee                            | 401,900              | 3.1%          | \$ 5.02          |
| Construction Interest                    | 272,286              | 2.1%          | \$ 3.40          |
| <b>Total Soft Costs</b>                  | <b>\$ 1,159,186</b>  | <b>9.0%</b>   | <b>\$ 14.49</b>  |
| <b>Project Cost</b>                      | <b>\$ 12,921,686</b> | <b>100.0%</b> | <b>\$ 161.52</b> |
| Equity Stake                             | \$ 3,921,686         |               |                  |
| Equity Return                            | \$ 588,253           |               |                  |
| <b>Project Cost With Equity Return</b>   | <b>\$ 13,509,939</b> |               | <b>\$ 168.87</b> |
| <b>Construction Costs minus Interest</b> | <b>\$ 10,449,400</b> |               | <b>\$ 130.62</b> |