

Sarasota Rosemary Apartments

Sources & Uses of Capital and Project Development & Debt Yield

Sources

Debt		
<i>Bank Construction Loan</i>	\$ 35,000,000	68.63%
Equity		
<i>Sponsor Equity</i>	\$ 2,000,000	3.92%
<i>Co-Sponsor Equity</i>	3,000,000	5.88%
<i>Co-Investor Preferred Equity/Mezz. Debt</i>	11,000,000	21.57%
<i>Total Equity</i>	<u>\$ 16,000,000</u>	<u>31.37%</u>
Total Sources	<u><u>\$ 51,000,000</u></u>	<u><u>100.00%</u></u>

Uses

Land & Predevelopment	\$ 6,413,263	12.58%
Hard Construction Costs	36,353,164	71.28%
Furniture, Fixtures & Equipment	350,000	0.69%
Soft Costs	3,902,564	7.65%
Development & Other Costs	2,100,000	4.12%
Financing Costs	1,881,009	3.69%
Total Uses	<u><u>\$ 51,000,000</u></u>	<u><u>100.00%</u></u>

Project Development Yield

Net Operating Income (Stabilized Year 1)	<u>\$ 3,862,044</u>	=	<u><u>7.57%</u></u>
Divided by Total Project Cost	\$ 51,000,000		

Project Debt Yield

Net Operating Income (Stabilized Year 1)	<u>\$ 3,862,044</u>	=	<u><u>11.03%</u></u>
Divided by Project Debt	\$ 35,000,000		

Sarasota Rosemary Apartments

Final Project Budget

Unit Count:	228
Rentable SF:	234,568

		Amount	Per Unit	Per RSF	% of Total
Land & Predevelopment					
Land	(Purchase Price)	\$ 5,772,500	\$ 25,318	\$ 24.61	11.32%
Land Purchase & Loan Closing Costs	(Various)	95,763	420	0.41	0.19%
Predevelopment	(Various)	545,000	2,390	2.32	1.07%
Total Land & Related		\$ 6,413,263	\$ 28,128	\$ 27.34	12.58%
Hard Construction Costs					
GMP Contract - "Direct Cost of Work"	(GC; Incl. Insurance)	\$ 32,803,909	\$ 143,877	\$ 139.85	64.32%
GMP Contract - "General Conditions"	(in GMP)	2,049,255	8,988	8.74	4.02%
Off-site Costs (Public Art/Bury Powerline)	(Developer)	400,000	1,754	1.71	0.78%
Hard Construction Cost Contingency	(Developer)	1,100,000	4,825	4.69	2.16%
Total Direct Construction Costs		\$ 36,353,164	\$ 159,444	\$ 154.98	71.28%
Furniture, Fixtures & Equipment					
Appliances - Kitchen / Washer & Dryer	(Including in GMP)	\$ -	\$ -	\$ 0.00	0.00%
Common Area F.F. & E.	(Various)	350,000	1,535	1.49	0.69%
Total Furniture, Fixtures & Equipment		\$ 350,000	\$ 1,535	\$ 1.49	0.69%
Soft Costs					
Impact Fees / Tap Fees / Inspections	(City of Sarasota)	\$ 1,300,000	\$ 5,702	\$ 5.54	2.55%
Permit & Related Fees	(City of Sarasota)	350,000	1,535	1.49	0.69%
Architectural / Structural / MEP / Design Fee	(Per contract)	850,000	3,728	3.62	1.67%
Civil Engineering	(Per contract)	95,000	417	0.40	0.19%
Landscape Architecture / Project Lighting		45,000	197	0.19	0.09%
Legal Fees / Land Use		45,000	197	0.19	0.09%
Legal Fees / Other		25,000	110	0.11	0.05%
Survey		25,000	110	0.11	0.05%
Geotechnical / Materials Testing / Threshold		100,000	439	0.43	0.20%
Environmental Testing		50,000	219	0.21	0.10%
Consultants (Moisture Intrusion, Acoustics, Etc.)	(Various)	60,000	263	0.26	0.12%
Initial Branding & Communications		15,000	66	0.06	0.03%
Marketing		300,000	1,316	1.28	0.59%
Taxes During Construction	(Est. 2016 RET)	100,000	439	0.43	0.20%
Insurance:					
General Liability / Worker's Comp.	(Including in GMP)	0	0	0.00	0.00%
Subcontract Insurance	(Including in GMP)	0	0	0.00	0.00%
Builder's Risk	(Developer)	230,000	1,009	0.98	0.45%
Miscellaneous General & Administrative	(Various)	50,000	219	0.21	0.10%
Soft Cost Contingency		262,564	1,152	1.12	0.51%
Total Soft Costs		\$ 3,902,564	\$ 17,117	\$ 16.64	7.65%
Development and Other Costs					
Construction Management/Development Fee		\$ 1,800,000	\$ 7,895	\$ 7.67	3.53%
Operating Reserve		300,000	1,316	1.28	0.59%
Total Development and Other Costs		\$ 2,100,000	\$ 9,211	\$ 8.95	4.12%
Financing Costs					
Loan Fees & Costs	(Loan Closing Statment)	\$ 698,169	\$ 3,062	\$ 2.98	1.37%
Interest During Construction (19 Months)	(Bank Requirement)	1,054,840	4,626	4.50	2.07%
Miscellaneous Costs & Fees	(Ram/other Related Costs)	128,000	561	0.55	0.25%
Total Financing Costs		\$ 1,881,009	\$ 8,250	\$ 8.02	3.69%
Total Development Cost		\$ 51,000,000	\$ 223,684	\$ 217.42	100.00%

Sarasota Rosemary Apartments

Unit Mix and Rental Rates

UNIT MIX SUMMARY						
Unit Type	Unit Size (Sq. Ft.)	Total	% of BLDG	Total Sq. Ft.	Average Rent Per SF	Average Monthly Rent
Studio 26						
Floor Plan - S1	689	20	8.8%	13,780	\$1.96	\$1,350
Floor Plan - S2	678	6	2.6%	4,068	\$1.96	\$1,329
1 Bedroom / 1 Bath 95						
Floor Plan - A1	824	66	28.9%	54,384	\$1.85	\$1,524
Floor Plan - A2	788	29	12.7%	22,852	\$1.90	\$1,497
2 Bedroom / 2 Bath 96						
Floor Plan - B1	1,222	64	28.1%	78,208	\$1.83	\$2,236
Floor Plan - B2	1,306	6	2.6%	7,836	\$1.80	\$2,351
Floor Plan - B2.1	1,306	23	10.1%	30,038	\$1.80	\$2,351
Floor Plan - B4	1,588	1	0.4%	1,588	\$1.80	\$2,858
Floor Plan - B5	1,710	2	0.9%	3,420	\$2.00	\$3,420
3 Bedroom / 2 Bath 11						
Floor Plan - C1	1,710	7	3.1%	11,970	\$1.75	\$2,993
Floor Plan - C2	1,606	4	1.8%	6,424	\$1.75	\$2,811
Totals	1,029	228	100.0%	234,568	\$1.84	\$1,896

Sarasota Rosemary Apartments
Preliminary Construction Draw Schedule

	Project Budget	Mar-16 0	Apr-16 1	May-16 2	Jun-16 3	Jul-16 4	Aug-16 5	Sep-16 6	Oct-16 7	Nov-16 8	Dec-16 9	Jan-17 10	Feb-17 11	Mar-17 12	Apr-17 13	May-17 14	Jun-17 15	Jul-17 16	Aug-17 17	Sep-17 18	Oct-17 19	Total
														Phase 1 CO							Final CO	
Land & Predevelopment																						
Land	5,772,500	5,772,500																				5,772,500
Land Purchase & Loan Closing Costs	95,763	95,763																				95,763
Predevelopment	545,000	545,000																				545,000
Hard Construction Costs																						
GMP Contract - "Direct Cost of Work"	32,803,909	0	328,039	984,117	1,312,156	1,640,195	1,968,235	2,296,274	2,296,274	2,296,274	2,296,274	2,296,274	2,624,313	2,296,274	1,968,235	1,640,195	1,312,156	1,312,156	1,312,156	1,312,156	1,312,156	32,803,909
GMP Contract - "General Conditions"	2,049,255	0	20,493	61,478	81,970	102,463	122,955	143,448	143,448	143,448	143,448	143,448	163,940	143,448	122,955	102,463	81,970	81,970	81,970	81,970	81,970	2,049,255
Off-site Costs (Public Art/Bury Powerline)	400,000	0	4,000	12,000	16,000	20,000	24,000	28,000	28,000	28,000	28,000	28,000	32,000	28,000	24,000	20,000	16,000	16,000	16,000	16,000	16,000	400,000
Hard Construction Cost Contingency	1,100,000		57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	57,895	1,100,000
Furniture, Fixtures & Equipment																						
Appliances - Kitchen / Washer & Dryer	0																					0
Common Area F.F. & E.	350,000														116,667	116,667	116,667					350,000
Soft Costs																						
Impact Fees / Tap Fees / Inspections	1,300,000	500,000												800,000								1,300,000
Permit & Related Fees	350,000		350,000																			350,000
Architectural / Structural / MEP / Design Fee	850,000	283,333	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417	35,417				850,000
Civil Engineering	95,000	80,000	5,000	5,000	5,000																	95,000
Landscape Architecture / Project Lighting	45,000	45,000																				45,000
Legal Fees / Land Use	45,000	45,000																				45,000
Legal Fees / Other	25,000	25,000																				25,000
Survey	25,000	25,000																				25,000
Geotechnical / Materials Testing / Threshold	100,000	25,000	18,750	18,750	18,750	18,750																100,000
Environmental Testing	50,000	50,000																				50,000
Consultants (Moisture Intrusion, Acoustics, Etc.)	60,000	60,000																				60,000
Initial Branding & Communications	15,000	15,000																				15,000
Marketing	300,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	20,000	30,000	30,000	30,000	30,000	30,000	10,000	10,000	10,000	10,000	10,000	20,000	20,000	300,000
Taxes During Construction	100,000									100,000												100,000
Insurance:																						
General Liability / Worker's Comp.	0	0																				0
Subcontract Insurance	0	0																				0
Builder's Risk	230,000	230,000																				230,000
Miscellaneous General & Administrative	50,000														3,333	3,333	3,333	3,333				50,000
Soft Cost Contingency	262,564		17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504	17,504					262,564
Development and Other Costs																						
Construction Management/Development Fee	1,800,000		83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	300,000	1,800,000
Operating Reserve	300,000																				300,000	300,000
Financing Costs																						
Loan Fees & Costs	698,169	698,169																				698,169
Interest During Construction (19 Months)	1,054,840		0	0	0	0	0	2,772	13,918	25,172	36,932	48,325	59,764	72,720	87,595	98,132	107,245	114,926	122,066	129,089	136,182	1,054,840
Miscellaneous Costs & Fees	128,000		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	92,000	128,000
Total Development Cost	51,000,000	8,504,765	930,764	1,285,827	1,638,359	1,985,891	2,319,672	2,674,976	2,701,122	2,822,376	2,734,136	2,745,528	3,109,500	3,569,924	2,528,934	2,186,940	1,843,520	1,713,697	1,685,421	1,702,444	2,316,204	51,000,000
Equity	Subject to Pref. Reserve																					
Beginning Balance	-	7,495,235	6,564,471	5,278,643	3,640,284	1,654,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sponsor Equity	No	2,000,000																				2,000,000
Co-Sponsor Equity	No	3,000,000																				
Co-Investor Preferred Equity	No	11,000,000																				11,000,000
Subtotal Equity		16,000,000	7,495,235	6,564,471	5,278,643	3,640,284	1,654,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,000,000
Used for Closing/Construction		(8,504,765)	(930,764)	(1,285,827)	(1,638,359)	(1,985,891)	(1,654,394)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,000,000)
Ending Balance		7,495,235	6,564,471	5,278,643	3,640,284	1,654,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000,000)
Preferred Return During Construction	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cummulative Preferred Return During Construction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Co-Investor Funding Requirement																						
Funded Equity		8,504,765	930,764	1,285,827	1,638,359	1,985,891	1,654,394	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,504,765
Funded by Sponsor & Co-Sponsor		(5,000,000)						-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,000,000)
Funded by Co-Investor		3,504,765	930,764	1,285,827	1,638,359	1,985,891	1,654,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000
Cumulative Funded by Co-Investor (Rounded)		3,504,765	4,435,529	5,721,357	7,359,716	9,345,606	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	
Construction Loan																						
Beginning Balance		0	0	0	0	0	665,278	3,340,254	6,041,376	8,863,752	11,597,888	14,343,416	17,452,916	21,022,840	23,551,774	25,738,714	27,582,234	29,295,931	30,981,352	32,683,796	-	-
Funded for Construction		0	0	0	0	0	665,278	2,674,976	2,701,122	2,822,376	2,734,136	2,745,528	3,109,500	3,569,924	2,528,934	2,186,940	1,843,520	1,713,697	1,685,421	1,702,444	2,316,204	35,000,000
Ending Balance		0	0	0	0	0	665,278	3,340,254	6,041,376	8,863,752	11,597,888	14,343,416	17,452,916	21,022,840	23,551,774	25,738,714	27,582,234	29,295,931	30,981,352	32,683,796	35,000,000	35,000,000
Interest During Construction	5.00%	0	0	0	0	0	2,772	13,918	25,172	36,932	48,325	59,764	72,720	87,595	98,132	107,245	114,926	122,066	129,089	136,182	1,054,840	1,054,840
Cumulative Interest During Construction		0	0	0	0	0	2,772	16,690	41,862	78,794	127,119	186,883	259,604	347,199	445,331	552,576	667,502	789,568	918,657	1,054,840		
Construction Draw as Percent of Total Hard Costs		0.00%	1.00%	3.00%	4.00%	5.00%	6.00%	7.00%	7.00%	7.00%	7.00%	8.00%	7.00%	6.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	100.00%

Sarasota Rosemary Apartments

Annual Operating Pro Forma

Unit Count: 228

Project Period (Loan Closing = 0)
Months in Projection Period
Period Ending

Lease Up				Stabilized				Reversion
Qtr 5	Qtr 6	Qtr 7	Qtr 8	Year 3	Year 4	Year 5	Year 6	
3	3	3	3	12	12	12	12	
Aug-17	Nov-17	Nov-18	Feb-18	Feb-19	Feb-20	Feb-21	Feb-22	

Potential Gross Income

Base Rental Income

Leasable Units

Average Monthly Rent per Unit

Months of Operation

Total - Base Rental Income

Garage & Amenities (Storage, Patios, etc.) Income

Other (Water Submeter, Pet Fees, etc.) Income

Total

Year 1/Unit/Month

	155	155	228	228	228	228	228	228
\$1,896	\$ 1,896	\$ 1,896	\$ 1,990	\$ 1,990	\$ 2,040	\$ 2,091	\$ 2,143	\$ 2,197
	3	3	3	3	12	12	12	12
	\$ 881,446	\$ 881,446	\$ 1,361,408	\$ 1,361,408	\$ 5,581,773	\$ 5,721,317	\$ 5,864,350	\$ 6,010,959
\$40	18,600	18,600	28,728	27,360	112,176	112,176	112,176	112,176
\$50	23,250	23,250	35,910	34,200	140,220	140,220	140,220	140,220
	\$ 923,296	\$ 923,296	\$ 1,426,046	\$ 1,422,968	\$ 5,834,169	\$ 5,973,713	\$ 6,116,746	\$ 6,263,355

Less: Vacancy & Collection Loss

Average Number of Occupied Units

Vacancy Percentage

% of P.G.I. -->

50	105	160	216	217	217	217	217
67.74%	32.26%	29.82%	5.26%	5.00%	5.00%	5.00%	5.00%
625,459	297,838	425,312	74,893	291,708	298,686	305,837	313,168

Effective Gross Income

\$ 297,838 \$ 625,459 \$ 1,000,734 \$ 1,348,075 \$ 5,542,460 \$ 5,675,028 \$ 5,810,909 \$ 5,950,187

Less: Operating Expenses

Real Estate Taxes

Utilities

Payroll Expense

Insurance

Management Fees (% of E.G.I.)

Maintenance & Repairs

General & Administrative

Unit Turnover

Advertising & Marketing

Capital Reserves

Total (Project Year 2, Stabilized per Unit =)

Year 1/Unit/Year

\$2,900	165,300	165,300	165,300	165,300	677,730	694,673	712,040	729,841
\$410	23,370	23,370	23,370	23,370	95,817	98,212	100,668	103,184
\$1,200	68,400	68,400	68,400	68,400	280,440	287,451	294,637	302,003
\$775	44,175	44,175	44,175	44,175	181,118	185,645	190,287	195,044
3.0%	8,935	18,764	30,022	40,442	166,274	170,251	174,327	178,506
\$383	21,831	21,831	21,831	21,831	89,507	91,745	94,038	96,389
\$180	10,260	10,260	10,260	10,260	42,066	43,118	44,196	45,300
\$219	12,483	12,483	12,483	12,483	51,180	52,460	53,771	55,116
\$212	12,084	12,084	12,084	12,084	49,544	50,783	52,053	53,354
\$200	11,400	11,400	11,400	11,400	46,740	47,909	49,106	50,334
\$7,190	378,238	388,067	399,325	409,745	1,680,416	1,722,247	1,765,123	1,809,071

Net Operating Income

\$ (80,401) \$ 237,392 \$ 601,409 \$ 938,330 \$ 3,862,044 \$ 3,952,781 \$ 4,045,786 \$ 4,141,116

Less: Holding Company Expenses

Debt Service

Interest

Principal

Total Debt Service

Asset Management Fee (Greater of \$5k/mo. or 3%)

Total

From Interest Reserve	From Interest Reserve	437,500	437,500	1,750,000	1,738,273	1,711,854	1,684,084
		I/O	I/O	I/O	516,378	542,797	570,567
\$ -	\$ -	\$ 437,500	\$ 437,500	\$ 1,750,000	\$ 2,254,651	\$ 2,254,651	\$ 2,254,651
15,000	18,764	30,022	40,442	166,274	170,251	174,327	178,506
\$ 15,000	\$ 18,764	\$ 467,522	\$ 477,942	\$ 1,916,274	\$ 2,424,902	\$ 2,428,978	\$ 2,433,156

Cash Flow After Debt Service & Asset Mgmt. Fee

\$ (95,401) \$ 218,628 \$ 133,887 \$ 460,387 \$ 1,945,770 \$ 1,527,879 \$ 1,616,808 \$ 1,707,959

DSCR (Total Debt Service / NOI)

1.37 2.14 2.21 1.75 1.79 1.84

GROWTH RATE ASSUMPTIONS

Potential Gross Income Annual Increase

0.00% 5.00% 0.00% 2.50% 2.50% 2.50% 2.50%

Operating Expenses Annual Increase

2.50% 2.50% 2.50%

Sarasota Rosemary Apartments

Investment Analysis

	Closing	Construction / Lease Up				Reversion Year	Reversion NOI
Period Ending	Mar-16	Feb-17	Feb-18	Feb-19	Feb-20	Feb-21	Feb-22
Year	0	1	2	3	4	5	6

Operating Pro Forma

Effective Gross Income		\$ 3,272,105	\$ 5,542,460	\$ 5,675,028	\$ 5,810,909	\$ 5,950,187
Less: Operating Expenses		(1,575,375)	(1,680,416)	(1,722,247)	(1,765,123)	(1,809,071)
Net Operating Income Before Debt Service		\$ 1,696,730	\$ 3,862,044	\$ 3,952,781	\$ 4,045,786	\$ 4,141,116
Less: Debt Service		(875,000)	(1,750,000)	(2,254,651)	(2,254,651)	
Less: Asset Management Fee		(104,228)	(166,274)	(170,251)	(174,327)	
Net Operating Income After Debt Service (Available for Distribution)		\$ 717,502	\$ 1,945,770	\$ 1,527,879	\$ 1,616,808	

Calculation of Terminal Value

Terminal Value Determination

Reversion Pro Forma NOI		\$ 4,141,116
Reversion Cap Rate	5.50%	5.50%
Terminal Value		\$ 75,293,016 (\$330,233/Unit)

Net Proceeds from Reversion Sale

Anticipated Gross Sale Proceeds (from above)		\$ 75,293,016
Less: Senior Loan Balance		(33,940,825)
Less: Disposition Costs (% of GSP)	2.00%	(1,505,860)
Proceeds Available for Distribution		\$ 39,846,330

Project Financing & Debt Service

Equity

Sponsor Equity	12.50%	\$ 2,000,000
Co-Sponsor Equity	18.75%	3,000,000
Co-Investor Preferred Equity	68.75%	11,000,000
Total	100.00%	\$ 16,000,000

Debt

During Construction			
Beginning Balance	\$ -	\$ 21,022,840	
Plus: Construction Draws	21,022,840	13,977,159	
Ending Balance	\$ 21,022,840	\$ 35,000,000	
During Lease-Up			
Beginning Balance	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
Less: Principal	-	-	(516,378)
Ending Balance	\$ 35,000,000	\$ 35,000,000	\$ 34,483,622

Project Cash Flow & Return

Cash In-Flow

Equity Investment	\$ (16,000,000)						Totals
							\$ (16,000,000)

Cash Out-Flow

From Operating Reserve (Note: Unused reserve returned in last year)	\$ -	\$ -	\$ -	\$ -	\$ 300,000	300,000
From Preferred Return Reserve	-	-	-	-	-	-
From Operations (Net of Debt Service)	-	717,502	1,945,770	1,527,879	1,616,808	5,807,960
From Asset Sale	-	-	-	-	39,846,330	39,846,330
Subtotal	\$ -	\$ 717,502	\$ 1,945,770	\$ 1,527,879	\$ 41,763,138	\$ 45,954,289

Net Project Cash Flow (Project IRR = 24.6%)

	\$ (16,000,000)	\$ -	\$ 717,502	\$ 1,945,770	\$ 1,527,879	\$ 41,763,138	\$ 29,954,289
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Investor & Sponsor Waterfall

Co-Investor Preferred Equity

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Equity Investment	\$ (11,000,000)						\$ (11,000,000)
Preferred Return:							
Accrued Preferred Return for the Period	15.00%	(1,650,000)	(1,897,500)	(2,074,500)	(2,093,809)	(2,178,699)	(9,894,507)
Return Paid this Period							
Preferred Return from Reserve	0.00%	-	-	-	-	-	-
Subtotal		(1,650,000)	(1,897,500)	(2,074,500)	(2,093,809)	(2,178,699)	-
From Project Cash Flow Split (Priority until Paid Current)		-	717,502	1,945,770	1,527,879	1,916,808	6,107,960
Accrued Preferred Return	-	(1,650,000)	(2,829,998)	(2,958,727)	(3,524,657)	(3,786,548)	-
Redemption Premium:							
Accrued Redemption Premium for the Period	0.00%	-	-	-	-	-	-
Accrued Redemption Premium	-	-	-	-	-	-	-
Proceeds from Asset Sale (Amount required to achieve IRR)						14,786,547.78	14,786,548
Net Cash Flow (IRR = 15.0%)	\$ (11,000,000)	\$ -	\$ 717,502	\$ 1,945,770	\$ 1,527,879	\$ 16,703,355	\$ 9,894,507
Annual Cash-on-Cash Return		0.0%	6.5%	17.7%	13.9%	17.4%	
Equity Multiple							1.90x

Sponsor & Co-Sponsor's Return

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Equity Investment	\$ (5,000,000)						\$ (5,000,000)
Preferred Return:							
Accrued Preferred Return for the Period	15.00%	(750,000)	(975,000)	(1,267,500)	(1,647,750)	(2,142,075)	
Return Paid this Period							
Preferred Return from Reserve	0.00%	-	-	-	-	-	-
Subtotal		(750,000)	(975,000)	(1,267,500)	(1,647,750)	(2,142,075)	-
From Project Cash Flow Split (Priority after Co-Investor until Paid Current)		-	-	-	-	-	-
Accrued Preferred Return	(1,500,000)	(3,450,000)	(5,985,000)	(9,280,500)	(13,564,650)	-	-
Proceeds from Asset Sale - Required to Pay Accrued Preferred Return						13,564,650	13,564,650
Return of Capital							
Proceeds from Asset Sale - Required to Return Capital						5,000,000	5,000,000
Excess Proceeds from Asset Sale						6,495,132	6,495,132
Net Cash Flow (IRR = 38.0%)	\$ (5,000,000)	\$ -	\$ -	\$ -	\$ -	\$ 25,059,782	\$ 20,059,782
Annual Cash-on-Cash Return		0.0%	0.0%	0.0%	0.0%	0.0%	
Equity Multiple							5.01x

Sarasota Rosemary Apartments

Investment Analysis

		Closing	Construction / Lease Up				Reversion Year		Reversion NOI
Period Ending		Mar-16	Feb-17	Feb-18	Feb-19	Feb-20	Feb-21	Feb-22	
Year		0	1	2	3	4	5	6	
Co-Sponsor's Return		Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Totals	
Equity Investment (% of Sponsor Equity)	60.00%	\$ (3,000,000)						\$ (3,000,000)	
Return of Capital									
From Project CF (Split btwn. Co-Sponsors; of 100%)	60.00%		-	-	-	-	-	-	
From Asset Sale (Split btwn. Co-Sponsors; of 100%)	60.00%						3,000,000	3,000,000	
Excess Proceeds									
From Project CF (Split btwn. Co-Sponsors; of 100%)	40.00%		-	-	-	-	-	-	
From Asset Sale (Split btwn. Co-Sponsors; of 100%)	40.00%						8,023,913	8,023,913	
Net Cash Flow (IRR = 29.7%)		\$ (3,000,000)	\$ -	\$ -	\$ -	\$ -	\$ 11,023,913	\$ 8,023,913	
Annual Cash-on-Cash Return			0.0%	0.0%	0.0%	0.0%	0.0%		
Equity Multiple								3.67x	
Main Sponsor's Return		Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Totals	
Equity Investment (% of Sponsor Equity)	40.00%	\$ (2,000,000)						\$ (2,000,000)	
Return of Capital									
From Project CF (Split btwn. Co-Sponsors; of 100%)	40.00%		-	-	-	-	-	-	
From Asset Sale (Split btwn. Co-Sponsors; of 100%)	40.00%						2,000,000	2,000,000	
Excess Proceeds									
From Project CF (Split btwn. Co-Sponsors; of 100%)	60.00%		-	-	-	-	-	-	
From Asset Sale (Split btwn. Co-Sponsors; of 100%)	60.00%						12,035,869	12,035,869	
Net Cash Flow (IRR = 47.7%)		\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ 14,035,869	\$ 12,035,869	
Annual Cash-on-Cash Return			0.0%	0.0%	0.0%	0.0%	0.0%		
Equity Multiple								7.02x	

Sarasota Rosemary Apartments

Debt Amortization Schedule

Project Cost	51,000,000
Loan Amount	35,000,000
Loan-to-Cost	68.63%
Interest Rate	5.00%
Term (Years)	30
Monthly Payment	\$ 187,888
Quarterly Payment	\$ 563,663
Annual Payment	\$ 2,254,651

Estimate "fixed-rate" starting in month 19, which is NOT an option under the Hancock Bank loan. Hancock Bank loan provides for I/O for first 36 months as follows: 1) during construction = 30-Day LIBOR + 225 bps and 2) after Final C.O. = 30-Day LIBOR + 210 bps. Hence, amount of interest is most likely "overstated."

Project Quarter After Final CO	Beginning Balance	Payment	Interest	Principal	Ending Balance	Loan to Cost	Months to Maturity
0	35,000,000				35,000,000	68.63%	
1	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	
2	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	
3	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	
4	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	
5	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	
6	35,000,000	437,500	437,500	I/O	35,000,000	68.63%	360
7	35,000,000	563,663	436,974	126,689	34,873,311	68.38%	357
8	34,873,311	563,663	435,383	128,279	34,745,031	68.13%	354
9	34,745,031	563,663	433,773	129,890	34,615,142	67.87%	351
10	34,615,142	563,663	432,143	131,520	34,483,622	67.61%	348
11	34,483,622	563,663	430,492	133,171	34,350,451	67.35%	345
12	34,350,451	563,663	428,820	134,842	34,215,609	67.09%	342
13	34,215,609	563,663	427,128	136,535	34,079,074	66.82%	339
14	34,079,074	563,663	425,414	138,249	33,940,825	66.55%	336
15	33,940,825	563,663	423,679	139,984	33,800,841	66.28%	333
16	33,800,841	563,663	421,922	141,741	33,659,100	66.00%	330
17	33,659,100	563,663	420,142	143,520	33,515,580	65.72%	327
18	33,515,580	563,663	418,341	145,322	33,370,258	65.43%	324
19	33,370,258	563,663	416,517	147,146	33,223,112	65.14%	321
20	33,223,112	563,663	414,670	148,993	33,074,119	64.85%	318
21	33,074,119	563,663	412,800	150,863	32,923,256	64.56%	315
22	32,923,256	563,663	410,906	152,757	32,770,499	64.26%	312
23	32,770,499	563,663	408,989	154,674	32,615,825	63.95%	309
24	32,615,825	563,663	407,047	156,616	32,459,210	63.65%	306
25	32,459,210	563,663	405,081	158,582	32,300,628	63.33%	303
26	32,300,628	563,663	403,091	160,572	32,140,056	63.02%	300