

RETURN METRICS			
<b>LEVERED IRR</b>	<b>26.86%</b>	<b>RETURN ON COST</b>	<b>8.00%</b>
<b>LP LEVERED IRR</b>	<b>18.49%</b>	<b>GP LEVERED IRR</b>	<b>61.16%</b>
<b>LP PROFIT</b>	<b>\$ 1,102,457</b>	<b>GP PROFIT</b>	<b>\$ 1,123,644</b>
<b>LP MULTIPLE</b>	<b>1.78</b>	<b>GP MULTIPLE</b>	<b>8.12</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$ 6,314,671</b>	<b>Total \$</b>	<b>Per Sq Ft</b>
			<b>\$ 174.78</b>

Construction Financing	
Construction LTC	75.00%
Construction Loan Interest	4.00%
Labor	4.00%
Lender Spread	0.00%
Add'l Spread	0.00%
Last Disbursement	18 months
Construction Loan Term	36 months
Total Interest Carry	139,730
Max Loan Balance	4,736,003

Permanent Financing	
Perm Loan Funding Date	Month 36
Perm Loan LTV	75%
Perm Loan CAP Rate	7.0%
Perm Loan NOI Used2	\$ 524,022
Perm Loan Amount	\$ 5,614,520
Perm Loan Amount Override3	\$ -
Perm Loan Interest	5.00%
Perm Loan Amortization	360 months

Disposition		
Month of Sale	12/31/2023	Month 60
Sale NOI Forward 12	\$ 545,192	
Sale CAP Rate	7.00%	
Sale Amount Used	\$ 7,788,462	
Cost of Sale	5.00%	

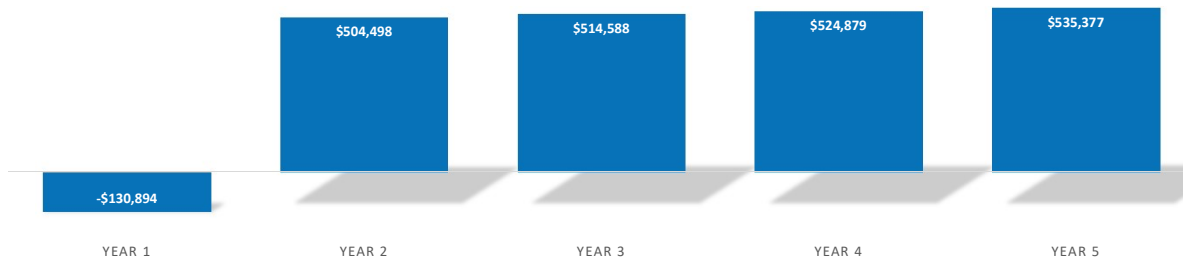
Tenant / Category	Part Mon	SF	\$/SF/Yr	\$/SF/Mo	Monthly Rent
Tenant 1	1	12,440	\$ 15.00	\$ 1.25	\$ 15,550.00
Tenant 2	13	4,198	\$ 15.00	\$ 1.25	\$ 5,247.50
Tenant 3	13	6,458	\$ 15.00	\$ 1.25	\$ 8,072.50
Tenant 4	13	1,000	\$ 15.00	\$ 1.25	\$ 1,250.00
Tenant 5	13	2,300	\$ 15.00	\$ 1.25	\$ 2,875.00
Basement Office	13	9,734	\$ 15.00	\$ 1.25	\$ 12,167.50
<b>Totals/Wtd. Ave.</b>		<b>36,130</b>	<b>\$ 15.00</b>	<b>\$ 1.25</b>	

DEVELOPMENT SOURCES	
Investor	1,420,801
GP Co-Investment	157,867
Construction Loan	4,736,003
Mezz Loan	-
<b>TOTAL SOURCES</b>	<b>6,314,671</b>

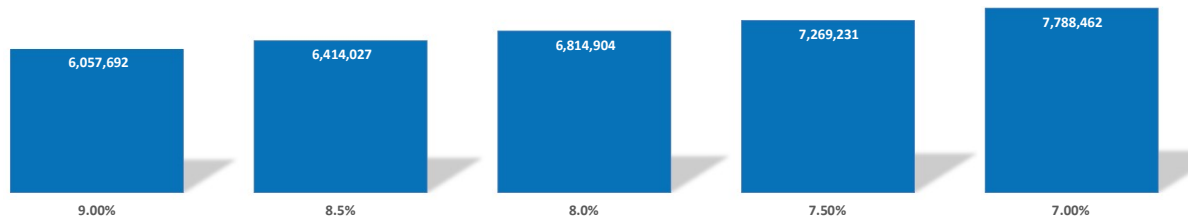
DEVELOPMENT USES	
Land And Related Costs	1,500,000
Hard Costs	3,725,000
Soft Costs	397,556
Interest Reserve	139,730
Op Deficit	130,894
Other Development Costs	125,000
Financing Costs / Contingencies	296,491
<b>TOTAL USES</b>	<b>6,314,671</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Net Rental Revenue</b>	<b>190,100</b>	<b>908,345</b>	<b>926,512</b>	<b>945,042</b>	<b>963,943</b>	<b>983,222</b>	<b>1,002,886</b>	<b>1,022,944</b>	<b>1,043,403</b>	<b>1,064,271</b>
Vacancy & Credit Loss	(9,368)	(45,264)	(46,170)	(47,093)	(48,035)	(48,995)	(49,975)	(50,975)	(51,994)	(53,034)
<b>Total Effective Revenue</b>	<b>180,733</b>	<b>863,080</b>	<b>880,342</b>	<b>897,949</b>	<b>915,908</b>	<b>934,226</b>	<b>952,911</b>	<b>971,969</b>	<b>991,408</b>	<b>1,011,236</b>
Taxes	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Insurance	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Duke Power	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Piedmont Natural Gas	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Water	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Elevator	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
HVAC Contract	33,420	34,089	34,770	35,466	36,175	36,899	37,637	38,389	39,157	39,940
Total Other OpEx	77,684	119,962	122,361	124,809	127,305	129,851	132,448	135,097	137,799	140,555
<b>Total Operating Expenses</b>	<b>(311,626)</b>	<b>(358,583)</b>	<b>(365,754)</b>	<b>(373,069)</b>	<b>(380,531)</b>	<b>(388,141)</b>	<b>(395,904)</b>	<b>(403,822)</b>	<b>(411,899)</b>	<b>(420,137)</b>
<b>Net Operating Income</b>	<b>(130,894)</b>	<b>504,498</b>	<b>514,588</b>	<b>524,879</b>	<b>535,377</b>	<b>546,085</b>	<b>557,006</b>	<b>568,146</b>	<b>579,509</b>	<b>591,100</b>
Cash on Cash	-8.29%	20.06%	19.69%	10.34%	11.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DSC Ratio	-	2.69	2.61	1.45	1.48	-	-	-	-	-
Debt Yield	-3.75%	10.74%	10.70%	9.44%	10.66%	0.00%	0.00%	0.00%	0.00%	0.00%
Return on Cost	-2.13%	7.99%	8.15%	8.31%	8.48%	8.65%	8.82%	9.00%	9.18%	9.36%

**Net Operating Income**



**Exit Cap Rate Values**

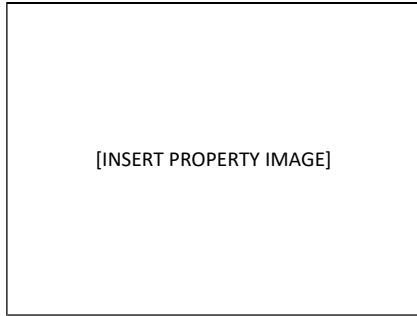




# EQUITY STRUCTURE & RETURNS

[Property Name]

6/28/2019



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Levered Cash Flow</b>	<b>(1,578,668)</b>	<b>316,680</b>	<b>1,189,310</b>	<b>163,200</b>	<b>2,135,578</b>	-	-	-	-	-
<b>Manager Fees</b>										
Asset Management Fee	-	-	-	-	-	-	-	-	-	-
Acquisition Fee	-	-	-	-	-	-	-	-	-	-
Debt Fee (Initial)	-	-	-	-	-	-	-	-	-	-
Debt Fee (Refi)	-	-	-	-	-	-	-	-	-	-
Disposition Fee	-	-	-	-	-	-	-	-	-	-
Construction Fee	-	-	-	-	-	-	-	-	-	-
Legal Fee	-	-	-	-	-	-	-	-	-	-
Tenant Improvement Fee	-	-	-	-	-	-	-	-	-	-
Lease Commission Fee	-	-	-	-	-	-	-	-	-	-
<b>Total Manager Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Levered Cash Flow Net Fees</b>	<b>(1,578,668)</b>	<b>316,680</b>	<b>1,189,310</b>	<b>163,200</b>	<b>2,135,578</b>	-	-	-	-	-
Investor Pref	(1,420,801)	285,012	1,070,379	146,880	119,953	-	-	-	-	-
GP Co-Investment Pref	(157,867)	31,668	118,931	16,320	13,328	-	-	-	-	-
Manager Pref (N/A)	-	-	-	-	-	-	-	-	-	-
<b>Remaining Cash Flow After Pref</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,002,297</b>	-	-	-	-	-
Investor CF up to First Hurdle	(1,420,801)	-	-	-	151,513	-	-	-	-	-
GP Co-Investment CF up to First Hurdle	(157,867)	-	-	-	16,835	-	-	-	-	-
Manager CF up to First Hurdle	-	-	-	-	168,348	-	-	-	-	-
<b>Remaining Cash Flow After First Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,665,600</b>	-	-	-	-	-
Investor CF up to Second Hurdle	(1,420,801)	-	-	-	242,787	-	-	-	-	-
GP Co-Investment CF up to Second Hurdle	(157,867)	-	-	-	26,976	-	-	-	-	-
Manager CF up to Second Hurdle	-	-	-	-	269,763	-	-	-	-	-
<b>Remaining Cash Flow After Second Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,126,075</b>	-	-	-	-	-
Investor CF up to Third Hurdle	(1,420,801)	-	-	-	215,796	-	-	-	-	-
GP Co-Investment CF up to Third Hurdle	(157,867)	-	-	-	23,977	-	-	-	-	-
Manager CF up to Third Hurdle	-	-	-	-	239,773	-	-	-	-	-
<b>Remaining Cash Flow After Third Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>646,528</b>	-	-	-	-	-
Investor Residual Split	-	-	-	-	290,938	-	-	-	-	-
GP Co-Investment Residual Split	-	-	-	-	32,326	-	-	-	-	-
Manager Residual Split	-	-	-	-	323,264	-	-	-	-	-
<b>Total Investor Cash Flow</b>	<b>(2,841,603)</b>	<b>285,012</b>	<b>1,070,379</b>	<b>146,880</b>	<b>1,020,986</b>	-	-	-	-	-
<b>Total GP Co-Investment Cash Flow</b>	<b>(315,734)</b>	<b>31,668</b>	<b>118,931</b>	<b>16,320</b>	<b>113,443</b>	-	-	-	-	-
<b>Total Manager Cash Flow w/o Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,001,149</b>	-	-	-	-	-

## Levered Returns

Project IRR	<b>26.86%</b>
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Project Profit	<b>\$2,226,101</b>
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Project Multiple	<b>2.41</b>
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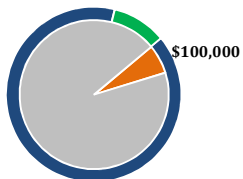
## Equity Structure

Preferred Return	5%
Preferred Return Type	IRR
LP Split after Pref	50%
Manager Split after Pref	50%
1st Hurdle	8%
1st Hurdle Type	IRR
LP Split after 1st Hurdle	50%
Manager Split after 1st Hurdle	50%
2nd Hurdle	12%
2nd Hurdle Type	IRR
LP Split after 2nd Hurdle	50%
Manager Split after 2nd Hurdle	50%
3rd Hurdle	15%
3rd Hurdle Type	IRR
LP Residual Split	50%
Manager Residual Split	50%

## Equity Contribution Breakdown

Investor	90%
GP Co-Investment	10%

## Ownership in the Deal



■ GP Equity  
■ Investor Equity  
■ Total Investor Equity  
■ All Other Equity

## Investor Returns

Investor Profit	Investor IRR	Investor Multiple	Investor Total Cash Distributions
<b>\$1,102,457</b>	<b>18.49%</b>	<b>1.78</b>	<b>\$2,523,258</b>

## GP Returns

GP Profit	GP IRR	GP Multiple	GP Total Cash Distributions
<b>\$1,123,644</b>	<b>61.16%</b>	<b>8.12</b>	<b>\$1,281,511</b>

## Returns Based on Amount Invested

Initial Investment	100,000	Multiple	Total Cash Distributions
Total Cash Flow Received	177,594		
Preferred Return	14,177	<b>1.78</b>	<b>\$177,594</b>
Return of Capital	100,000		
<b>Total Net Profit</b>	<b>77,594</b>		