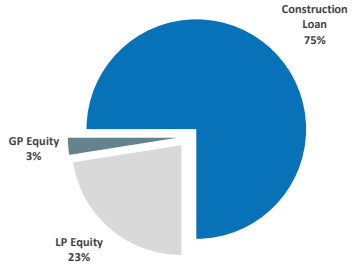


RETURN METRICS			
LEVERED IRR	24.22%	RETURN ON COST	6.51%
LP LEVERED IRR	13.44%	GP LEVERED IRR	52.58%
LP PROFIT	\$ 2,583,461	GP PROFIT	\$ 2,324,438
LP MULTIPLE	1.80	GP MULTIPLE	7.46
<b>TOTAL DEVELOPMENT COST</b>		<b>Total \$</b>	<b>Per Unit</b>
		\$ 12,162,395	\$ 248,212
			<b>Per Sq Ft</b>
			\$ 436.82

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	30 months
Construction Loan Term	30 months
Total Interest Carry	691,754
Max Loan Balance	9,121,137

Disposition			
Month of Sale	12/31/2022	Month 60	
Sale NOI Forward 12		\$ 861,391	
Sale CAP Rate	5.00%		
Sale Amount	\$ 351,588	\$ 17,227,813	
Cost of Sale		1.00%	
Stabilized NOI / Input Occ %	93%	\$ 791,870	
Breakeven NOI Month		31	
Breakeven NOI F-12		\$ 479,791	



Mini-Perm #1		used?	N
Mini-Perm #1 I/R	5.00%		
Mini-Perm #1 Amort	360 months		
Mini-Perm #1 Term	12 months		
Mini-Perm #1 Fee	\$ 22,803		
Mini-Perm #2		used?	N
Mini-Perm #2 I/R	5.00%		
Mini-Perm #2 Amort	360 months		
Mini-Perm #2 Term	12 months		
Mini-Perm #2 Fee	\$ 22,803		

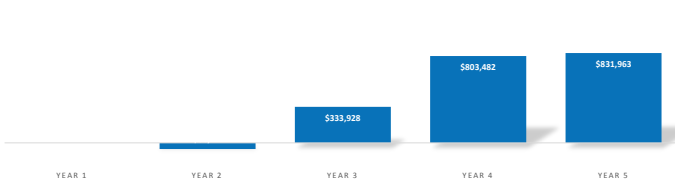
Permanent Financing	
Perm Loan Funding Date	Month 30
Perm Loan Recourse Fee	0.0%
Perm Loan LTV	80%
Perm Loan CAP Rate	5.5%
Perm Loan NOI Used2	\$ 700,415
Perm Loan Amount	\$ 9,000,000
Perm Loan Amount Override3	\$ 9,000,000
Perm Loan Interest	5.00%
Perm Loan Amortization	360 months

Mezz Debt	
\$ -	Mezz Loan Amount
2.0%	I/R - Stated
0.0%	I/R - Paid
	Stated Rate
	Mezz Payback Type

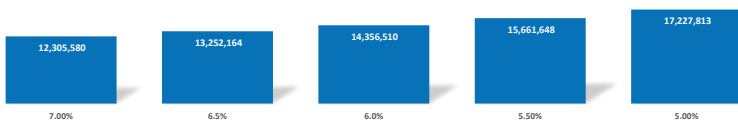
RETAIL METRICS	
Retail Square Feet	-
Stabilized Retail NOI	\$ -
Retail Return on Cost	0.0%
Development Cost (Pro Rata Retail)	\$ -
OFFICE METRICS	
Office Square Feet	-
Stabilized Office NOI	\$ -
Office Return on Cost	0.0%
Development Cost (Pro Rata Office)	\$ -

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Rental Revenue	-	-	610,060	1,231,089	1,268,534	1,307,118	1,346,876	1,387,843	1,430,056	1,473,552
Total Other Income	-	-	5,248	10,490	10,805	11,129	11,463	11,807	12,161	12,526
Total Effective Revenue	-	-	615,308	1,241,579	1,279,339	1,318,247	1,358,339	1,399,649	1,442,217	1,486,078
<b>Expenses</b>										
<b>Controllable Expenses</b>										
Utilities (Net of Reimb)	-	10,829	24,853	33,799	34,475	35,165	35,868	36,586	37,317	38,064
Combined Utilities	-	-	-	-	-	-	-	-	-	-
Unit Turns	-	2,999	4,588	4,680	4,774	4,869	4,966	5,066	5,167	5,270
Repairs & Maintenance	-	3,665	5,608	5,720	5,834	5,951	6,070	6,191	6,315	6,442
Marketing	-	3,998	6,118	6,240	6,365	6,492	6,622	6,754	6,889	7,027
General and Administrative	-	2,332	3,569	3,640	3,713	3,787	3,863	3,940	4,019	4,099
Access System Contract	-	2,999	4,588	4,680	4,774	4,869	4,966	5,066	5,167	5,270
Custodial Contract	-	3,665	5,608	5,720	5,834	5,951	6,070	6,191	6,315	6,442
Elevator Contract	-	3,998	6,118	6,240	6,365	6,492	6,622	6,754	6,889	7,027
Exterminating Contract	-	2,332	3,569	3,640	3,713	3,787	3,863	3,940	4,019	4,099
Fire Protection Contract	-	2,999	4,588	4,680	4,774	4,869	4,966	5,066	5,167	5,270
Landscaping Contract	-	3,665	5,608	5,720	5,834	5,951	6,070	6,191	6,315	6,442
Security Contract	-	3,998	6,118	6,240	6,365	6,492	6,622	6,754	6,889	7,027
Snow Removal Contract	-	2,332	3,569	3,640	3,713	3,787	3,863	3,940	4,019	4,099
Trash Removal Contract	-	3,332	5,098	5,200	5,304	5,410	5,518	5,629	5,741	5,856
Managers / Leasing Consultant	-	3,332	5,098	5,200	5,304	5,410	5,518	5,629	5,741	5,856
Real Estate Taxes (Stabilized)	-	-	148,691	259,996	265,196	270,500	275,910	281,428	287,057	292,798
Insurance	-	-	8,921	15,600	15,912	16,230	16,555	16,886	17,223	17,568
Management Expense Fee	-	-	24,612	49,663	51,174	52,730	54,334	55,986	57,689	59,443
<b>Total Controllable/Non-Controllable Expenses</b>	<b>-</b>	<b>56,477</b>	<b>276,919</b>	<b>430,297</b>	<b>439,420</b>	<b>448,742</b>	<b>458,265</b>	<b>467,997</b>	<b>477,939</b>	<b>488,099</b>
Replacement Reserves	-	-	4,461	7,800	7,956	8,115	8,277	8,443	8,612	8,784
<b>Total Operating Expenses</b>	<b>-</b>	<b>56,477</b>	<b>281,380</b>	<b>438,097</b>	<b>447,376</b>	<b>456,857</b>	<b>466,543</b>	<b>476,439</b>	<b>486,551</b>	<b>496,883</b>
Net Operating Income	-	(56,477)	333,928	803,482	831,963	861,391	891,796	923,210	955,665	989,195
Cash on Cash	0.00%	0.00%	1.07%	7.36%	8.70%					
DSC Ratio	-	-	0.64	1.39	1.48					
Debt Yield	0.00%	-0.65%	3.71%	9.08%	10.41%					
Return on Cost	0.00%	-0.47%	2.75%	6.61%	6.84%	7.08%	7.33%	7.59%	7.86%	8.13%
Rent Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

### NET OPERATING INCOME



### Exit Cap Rate Values



SOURCES	
LP Equity (Less Mezz Debt)	2,736,539
GP Equity	304,060
Construction Loan Draws	9,121,796
Mezzanine Debt	-
Mezzanine Int Reserve	-
<b>Total Sources</b>	<b>12,162,395</b>

USES	
Land or Acq. Price	4,900,000
Financing Costs/Contingenc	302,500
Other Development Costs	125,000
Operating Deficit	93,141
Hard Costs	6,050,000
Soft Costs Exc Int Res and O	-
Interest Reserve	691,754
Mezz Interest Reserve Payn	-
<b>Total Uses</b>	<b>12,162,395</b>

DEVELOPMENT TIMING	
Permit Stage	5
Construction Duration	30
Total Development Cycle	35

### Growth Compounding

Monthly

Weighted Average			LAND ACREAGE
S/SqFt/Month	Monthly Rent		1.00
\$3.57	\$ 2,031		
Bedrooms	Units	% of Units	Avg Rent
1 Bedrooms	41	84%	\$1,903
2 Bedrooms	8	16%	\$2,684
3 Bedrooms	0	0%	\$0

Bedroom #	Unit Type	Floorplan	Units	% of Total	Total SqFt	Avg Unit SqFt	Rent / SqFt	Monthly Rent	
1	Studio	1A	10	20.4%	4,530	453	\$3.97	\$1,800	
1	1x1	1B	11	22.4%	5,787	526	\$3.53	\$1,856	
1	Open 1 Bed	1C	19	38.8%	10,735	565	\$3.48	\$1,964	
1	x1 + large pati	1C	1	2.0%	552	552	\$4.17	\$2,300	
2	2x1	2A	7	14.3%	5,332	762	\$3.42	\$2,607	
2	2x2	2A	1	2.0%	907	907	\$3.56	\$3,225	
<b>Totals/Wtd. Ave.</b>									
				49	100%	27,843	568	\$3.57	\$99,510

Unit Type	Floorplan	Units	% of Total	Avg Unit SqFt	CURRENT		STABILIZED	
					Rent / SqFt	Monthly Rent	Rent / SqFt	Monthly Rent
Studio	1A	10	20.4%	453	\$3.97	\$1,800	\$4.28	\$1,940
1x1	1B	11	22.4%	526	\$3.53	\$1,856	\$3.80	\$2,000
Open 1 Bed	1C	19	38.8%	565	\$3.48	\$1,964	\$3.75	\$2,117
1x1 + large patio	1C	1	2.0%	552	\$4.17	\$2,300	\$4.49	\$2,479
2x1	2A	7	14.3%	762	\$3.42	\$2,607	\$3.69	\$2,810
2x2	2A	1	2.0%	907	\$3.56	\$3,225	\$3.83	\$3,476
<b>Totals/Wtd. Ave.</b>		<b>49</b>	<b>100%</b>		<b>\$3.60</b>	<b>\$99,510</b>	<b>\$3.88</b>	<b>\$107,250</b>

Stabilized Operating Expenses			
Expenses	Total	Per Unit	
<b>Controllable Expenses</b>			
Utilities (Net of Reimb)	\$ 33,523.34	\$	684
Utilities - Electric	\$ -	\$	-
Utilities - Water	\$ -	\$	-
Utilities- Sewer	\$ -	\$	-
Utilities - Gas	\$ -	\$	-
Utilities - Oil	\$ -	\$	-
Unit Turns	\$ 4,641.69	\$	95
Repairs & Maintenance	\$ 5,673.18	\$	116
Marketing	\$ 6,188.92	\$	126
General and Administrative	\$ 3,610.21	\$	74
Access System Contract	\$ 4,641.69	\$	95
Custodial Contract	\$ 5,673.18	\$	116
Elevator Contract	\$ 6,188.92	\$	126
Exterminating Contract	\$ 3,610.21	\$	74
Fire Protection Contract	\$ 4,641.69	\$	95
Landscaping Contract	\$ 5,673.18	\$	116
Security Contract	\$ 6,188.92	\$	126
Snow Removal Contract	\$ 3,610.21	\$	74
Trash Removal Contract	\$ 5,157.44	\$	105
Managers / Leasing Consultant	\$ 5,157.44	\$	105
Real Estate Taxes (Stabilized)	\$ 257,871.81	\$	5,263
Insurance	\$ 15,472.31	\$	316
Management Expense Fee	\$ 49,047.12	\$	1,001
<b>Total Controllable/Non-Controllable Exp</b>	<b>\$ 377,524.33</b>	<b>\$</b>	<b>7,705</b>
Replacement Reserves	\$ 7,736.15	\$	158
<b>Total Operating Expenses</b>	<b>\$ 385,260.48</b>	<b>\$</b>	<b>7,862</b>

	Trended Stabilized Operating Statement		UnTrended Stabilized Operating Statement	
	Total	Per Unit	Total	Per Unit
Gross Rental Revenue	1,308,108	\$ 26,696	1,194,119	\$ 24,370
Less Vacancy & Credit Loss	(92,293)	\$ (1,884)	(83,588)	\$ (1,706)
<b>Net Rental Revenue</b>	<b>1,215,815</b>	<b>\$ 24,813</b>	<b>1,110,531</b>	<b>\$ 22,664</b>
Total Other Income	10,363	211	8,928	182
<b>Total Effective Revenue</b>	<b>1,226,178</b>	<b>\$ 25,024</b>	<b>1,119,459</b>	<b>\$ 22,846</b>
Total Operating Expenses Less Mgmt	385,260	\$ 7,862	358,680	\$ 7,320
Management Expense Fee	49,047	\$ 1,001	44,778	\$ 914
Total Retail NOI	-	-	-	-
Total Office NOI	-	-	-	-
<b>Net Operating Income (NOI)</b>	<b>791,870</b>	<b>\$ 16,161</b>	<b>716,000</b>	<b>\$ 14,612</b>
Debt Service	(579,767)	\$ (11,832)	(579,767)	\$ (11,832)
<b>Net Cash Flow At Stabilization</b>	<b>212,103</b>	<b>\$ 4,329</b>	<b>136,233</b>	<b>\$ 2,780</b>
<b>Debt Coverage Ratio</b>	<b>1.37</b>		<b>1.23</b>	
<b>Cash On Cash</b>	<b>7.0%</b>		<b>4.5%</b>	
<b>Debt Yield</b>	<b>8.8%</b>		<b>8.0%</b>	

	Total \$	Per Unit	Per SF	% of Total
Land or Acq. Price	\$ 4,900,000	\$ 100,000	\$ 175.99	40%
Financing Costs/Contingencies	\$ 302,500	\$ 6,173	\$ 10.86	2%
Other Development Costs	\$ 125,000	\$ 2,551	\$ 4.49	1%
Operating Deficit	\$ 93,141	\$ 1,901	\$ 3.35	1%
Hard Costs	\$ 6,050,000	\$ 123,469	\$ 217.29	50%
Soft Costs Exc Int Res and Op Def	\$ -	\$ -	\$ -	0%
Interest Reserve	\$ 691,754	\$ 14,117	\$ 24.84	6%
Mezz Interest Reserve Payments	\$ -	\$ -	\$ -	0%
<b>Total Development Costs</b>	<b>\$ 12,162,395</b>	<b>\$ 248,212</b>	<b>\$ 436.82</b>	<b>100%</b>

NOTES:

2 - Forward 12 months

3 - Leave blank if not in use



# EQUITY STRUCTURE & RETURNS

Sample Property

11/2/2018

[INSERT PROPERTY IMAGE]

## Levered Returns

Project IRR **24.22%**

Project Profit **\$5,758,498**

Project Multiple **2.79**

## Equity Structure

Preferred Return 5%  
Preferred Return Type Quarterly IRR

LP Split after Pref 50%  
Manager Split after Pref 50%

1st Hurdle 8%  
1st Hurdle Type Monthly IRR  
LP Split after 1st Hurdle 50%  
Manager Split after 1st Hurdle 50%

2nd Hurdle 12%  
2nd Hurdle Type Semiannual IRR  
LP Split after 2nd Hurdle 50%  
Manager Split after 2nd Hurdle 50%

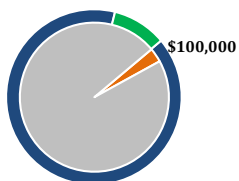
3rd Hurdle 15%  
3rd Hurdle Type Annual IRR  
LP Residual Split 50%  
Manager Residual Split 50%

\*Equity will be returned on capital events only

## Equity Contribution Breakdown

Investor 90%  
GP Co-Investment 10%

## Ownership in the Deal



GP Equity  
Investor Equity  
Total Investor Equity  
All Other Equity

	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>(3,040,599)</b>	<b>-</b>	<b>(89,402)</b>	<b>223,715</b>	<b>8,664,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Manager Fees</b>										
Asset Management Fee	(27,872)	(30,406)	(30,406)	(30,406)	(30,406)	-	-	-	-	-
Acquisition Fee	(121,624)	-	-	-	-	-	-	-	-	-
Debt Fee (Initial)	(91,211)	-	-	-	-	-	-	-	-	-
Debt Fee (Refi)	-	-	(90,000)	-	-	-	-	-	-	-
Disposition Fee	-	-	-	-	(172,278)	-	-	-	-	-
Construction Fee	-	-	-	-	-	-	-	-	-	-
Legal Fee	(4,583)	(5,000)	(5,000)	(5,000)	(5,000)	-	-	-	-	-
Tenant Improvement Fee	-	-	-	-	-	-	-	-	-	-
Lease Commission Fee	-	-	-	-	-	-	-	-	-	-
<b>Total Manager Fees</b>	<b>(245,290)</b>	<b>(35,406)</b>	<b>(125,406)</b>	<b>(35,406)</b>	<b>(207,684)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Levered Cash Flow Net Fees</b>	<b>(3,385,890)</b>	<b>(35,406)</b>	<b>(214,808)</b>	<b>188,309</b>	<b>8,457,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investor Pref	(3,047,301)	(31,865)	(193,327)	169,478	3,944,094	-	-	-	-	-
GP Co-Investment Pref	(338,589)	(3,541)	(21,481)	18,831	438,233	-	-	-	-	-
Manager Pref (N/A)	-	-	-	-	-	-	-	-	-	-
<b>Remaining Cash Flow After Pref</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,074,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investor CF up to First Hurdle	-	-	-	-	585,518	-	-	-	-	-
GP Co-Investment CF up to First Hurdle	-	-	-	-	65,058	-	-	-	-	-
Manager CF up to First Hurdle	-	-	-	-	650,575	-	-	-	-	-
<b>Remaining Cash Flow After First Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,773,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investor CF up to Second Hurdle	-	-	-	-	885,831	-	-	-	-	-
GP Co-Investment CF up to Second Hurdle	-	-	-	-	98,426	-	-	-	-	-
Manager CF up to Second Hurdle	-	-	-	-	984,257	-	-	-	-	-
<b>Remaining Cash Flow After Second Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>805,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investor CF up to Third Hurdle	-	-	-	-	362,300	-	-	-	-	-
GP Co-Investment CF up to Third Hurdle	-	-	-	-	40,256	-	-	-	-	-
Manager CF up to Third Hurdle	-	-	-	-	402,555	-	-	-	-	-
<b>Remaining Cash Flow After Third Hurdle</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investor Residual Split	-	-	-	-	-	-	-	-	-	-
GP Co-Investment Residual Split	-	-	-	-	-	-	-	-	-	-
Manager Residual Split	-	-	-	-	-	-	-	-	-	-
<b>Total Investor Cash Flow</b>	<b>(2,956,370)</b>	<b>(30,851)</b>	<b>(187,171)</b>	<b>164,082</b>	<b>5,593,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total GP Co-Investment Cash Flow</b>	<b>(328,486)</b>	<b>(3,428)</b>	<b>(20,797)</b>	<b>18,231</b>	<b>621,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Manager Cash Flow w/o Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,037,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Investor Returns

<b>Investor Profit</b>	<b>Investor IRR</b>	<b>Investor Multiple</b>	<b>Investor Total Cash Distributions</b>
<b>\$2,583,461</b>	<b>13.44%</b>	<b>1.80</b>	<b>\$5,819,858</b>

## GP Returns

<b>GP Profit</b>	<b>GP IRR</b>	<b>GP Multiple</b>	<b>GP Total Cash Distributions</b>
<b>\$2,324,438</b>	<b>52.58%</b>	<b>7.46</b>	<b>\$2,684,037</b>

## Returns Based on Amount Invested

<b>Initial Investment</b>	100,000	<b>Multiple</b>	<b>Total Cash Distributions</b>
<b>Total Cash Flow Received</b>	179,825		
<b>Preferred Return</b>	25,988		
<b>Return of Capital</b>	100,000	<b>1.80</b>	<b>\$179,825</b>
<b>Total Net Profit</b>	<b>79,825</b>		