

Winter 2022

Raleigh Hills Medical Center, Raleigh Hills, Oregon

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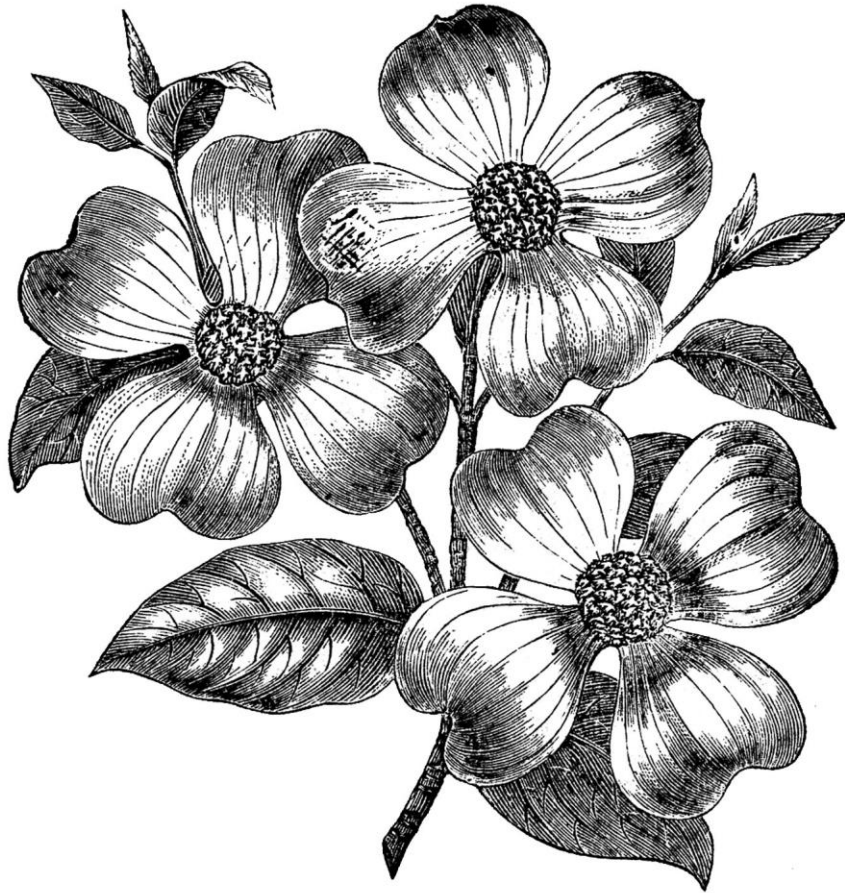


Raleigh Hills Medical Center

Portland State University
Master of Real Estate Development Workshop
Winter 2022

Andrew Tucker
Anthony Bertenelli
Dan Noyes
Karisa Caracol
Matthew Koenigs

Cover Photo Used For Inspiration: Intergroup Architects



Dogwood Development Group, is a student partnership created within the Portland State University Master of Real Estate Development program.

We have been tasked with conducting a feasibility study and delivering a development proposal for a challenging local site. All work was performed to the best of our educational ability and completed with the aid of many Portland area professionals. We are especially grateful for our classroom advisor Justin Dennett of Morrison Street Capital (Portland, OR).

Table of Contents

| | |
|--------------------------|----|
| Executive Summary | 4 |
| Site Overview | 7 |
| Land Use Description | 8 |
| Neighborhood History | 11 |
| Zoning & Entitlements | 12 |
| Market Research | 13 |
| Tenant Profile | 18 |
| Design Constraints | 22 |
| Development Program | 23 |
| Construction Methodology | 27 |
| Development Timeline | 28 |
| Financial Assumptions | 30 |
| Financial Projections | 32 |
| Conclusion | 35 |
| Development Team | 36 |
| Appendix | 37 |

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Executive Summary

Site

- Rare, large and undeveloped land in Raleigh Hills, Oregon – unincorporated Washington County just outside SW Portland
- Adjacent to remarkable 6-way intersection, on a sloped site, with limited useable access options
- Constrained accessibility and high-volume area traffic patterns limit the practical density of any proposed use
- Allowed use of the parcels is restricted to “Office Commercial” by Washington County zoning

Market

- Downtown Portland office market is under stress from the pandemic, however suburban office space could be promising
- A smaller suburban office would allow be easier to lease-up, which would help reduce project risk
- Medical office supports high rents per square foot, and longer leases – a trade-off for the higher upfront tenant improvement costs
- Neighborhood demographics show many 45+ year old residents, who are likely to seek routine medical care near where they live

Tenant Profile

- Geographic area has already seen recent interest from large system medical provider (Kaiser Permanente) a mile away
- Medical uses such as oncology, dermatology, gerontology, and gastroenterology may be in high demand locally
- Securing a pre-lease commitment on 50% of the available space from a large system-user would help reduce risk
- New Class A medical office space located outside of Portland may attract doctors from Multnomah County just next door

Construction

- Concrete tilt-up construction is ideal for 2-story office space, being relatively low cost, quick to design and build
- Medical tenants would largely be in control of their own interior improvements, reducing risk on the developer
- The site is large enough for an adequate number of surface parking stalls, which are more cost-effective than structured parking
- Excavation and site prep costs could be lowered slightly by opting to create a “terraced” parking lot

Finance

- Predevelopment costs would be kept at a minimum with a simple concept and no Type II or Type III development review
- Construction timeline for the building shell would be relatively short given the simplicity of the tilt-up structure
- Ground floor occupancy upon completion of construction (pre-lease commitment) will help reduce exposure to carrying costs during lease-up

Executive Summary (cont.)

Dogwood Development Group proposes a 2-Story Medical Office Building located at 7023 SW Beaverton Hillsdale Hwy, Portland, OR 97225 – on the corner of the impressive 6-way intersection of Scholls Ferry Rd, Oleson Rd, and the Hwy.

The site consists of 3 contiguous parcels, totaling 2.65 acres of rare undeveloped land within the heart of the Raleigh Hills town center area. Currently occupying the easternmost parcel is a longstanding veterinarian office ran by Dr. Daryl B. Leu, the owner of the site.

The site presents a few notable challenges: due to its proximity to the intersection, access to the parcels will likely be limited to a single “right-in, right-out” on SW Beaverton Hillsdale Hwy. It remains uncertain whether the current access through SW Dogwood Ln (a residential street serving the veterinary clinic) will remain viable after significant development of the land. A gradual, yet unmistakable slope within the topography of the site also makes for an exciting obstacle to be overcome.

Through much deliberation, and a consultation with local planning staff, our development team has opted to consider the current zoning (OC – Office Commercial) under the Unincorporated Washington County Community Development Code to be the guide for our development proposal. If this site were to truly be developed, a successful zoning change might produce an entirely different highest and best use.

As proposed, **Raleigh Hills Medical Center** will be a 2-Story (Class A) Medical Office located in the affluent suburban area of Raleigh Hills near Southwest Portland. Intended users of the space will include pre-lease commitments from a major medical provider such as The Oregon Clinic, who will occupy the ground floor in its entirety, with 4 separate medical office suites available on the upper floor.

Construction will be tilt-up concrete, with surface area parking filling the remainder of the site. With sustainability still in mind, the southern yard of the building will contain a large bioswale to help with water run-off. Most importantly, the large and iconic trees on the existing eastern parcel will be preserved as part of our design.

2-Story (Class A) Medical Office Building

| | |
|--------------------------|-----------------|
| Gross SF / Net SF | 53,518 / 48,166 |
| Efficiency Ratio | 90% |
| Parking Spaces (Surface) | 224 |
| Parking Ratio | 4.65 : 1000 |

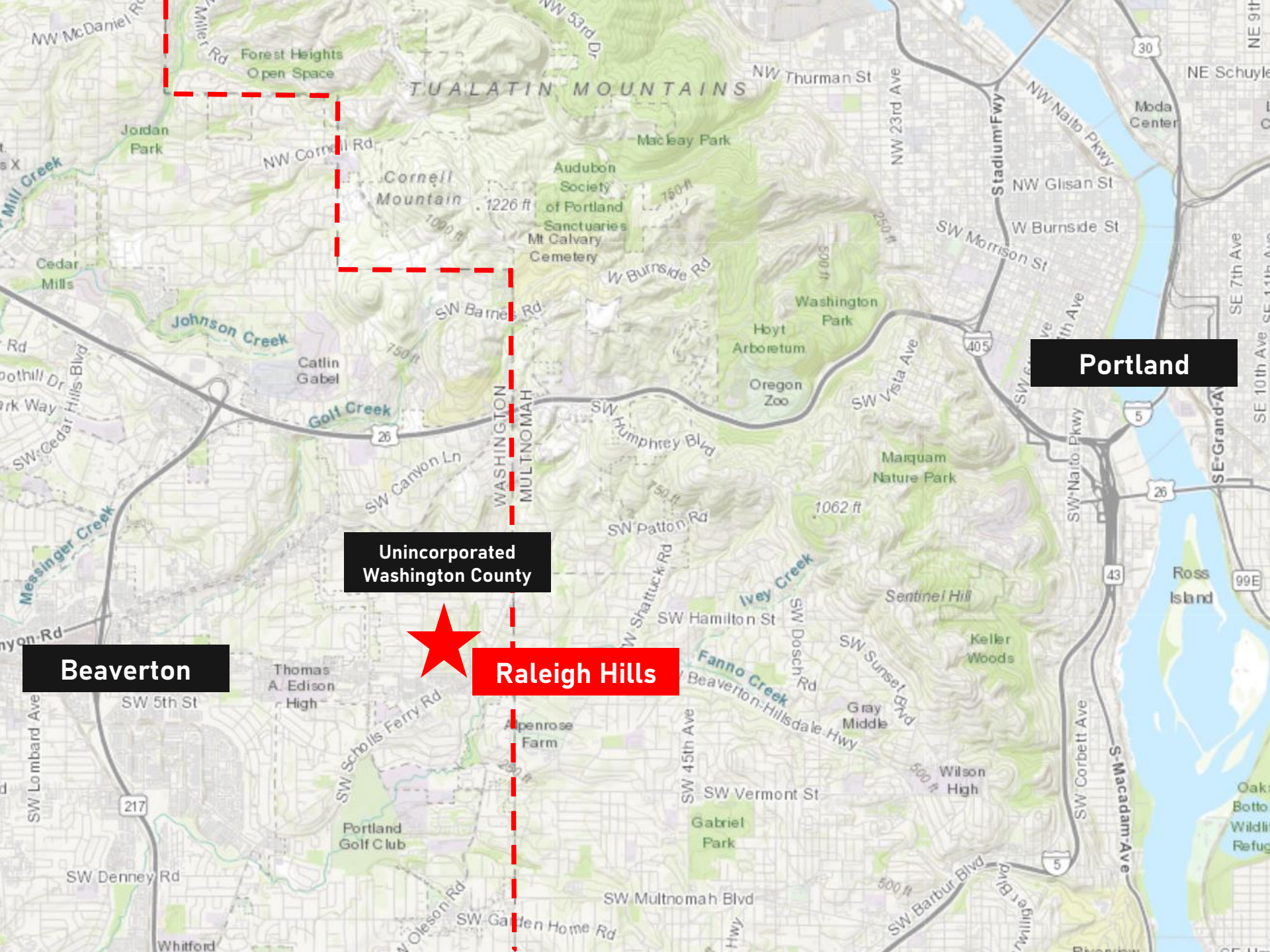
Total Development Costs **\$24,810,577**

| | |
|----------------|-------|
| Return on Cost | 7.49% |
|----------------|-------|

Financial Projections (5-Year, 6.50%)

| | |
|-------------------------|--------------|
| Stabilized NOI (Annual) | \$1,796,148 |
| Exit Value | \$27,633,049 |
| Leveraged IRR* | 11.96% |
| Equity Multiple* | 1.68x |

*Based on \$2m Land Acquisition Value



Portland

**Unincorporated
Washington County**

Beaverton

Raleigh Hills



SW Newton Pl

SW Dogwood Ln

Residential Neighborhood

Jade River Healing Arts Center

Subject Site

Raleigh Hills Dental

PARR UMBER



SW Scholls Ferry Rd

SW Scholls Ferry Rd

SW Beaverton Hillsdale Hwy

SW Beaverton Hillsdale Hwy

SW Beaverton Hillsdale Hwy

SW Beaverton Hillsdale Hwy

SW Scholls Ferry Rd

SW Oleson Rd



NEW SEASONS MARKET

SW Scholls Ferry Rd

Retail / Commercial

Land Use Description

Location

The subject parcels are located at 7175, 7101, and 7023 SW Beaverton-Hillsdale Hwy within unincorporated Washington County, Oregon. The area known as Raleigh Hills consists of mostly residential, retail and commercial uses (grocery, strip-mall, and restaurants). Immediately southeast of the parcels is the infamous “6-corner” intersection, which is a major confluence of three arterial roadways: Beaverton-Hillsdale Hwy, Scholls Ferry Rd, and Oleson Rd. Within the connections of each street are also various access points to commercial buildings, and a sleepy residential lane - Dogwood Ln.

Access

Existing access to the parcels is through Dogwood Ln, where a longstanding veterinarian office is situated on the farthest east parcel.

Across the street from the property there is a trendy and upscale grocery store (New Seasons) as well as a Chevron station and a Walgreens. To the east of the parcels across Dogwood Ln there is a Parr Lumber, and farther beyond that is the Raleigh Hills McMenamins restaurant.

Sidewalks adjacent the parcel exist on the southern edge of the property, though they do not encourage much confidence in pedestrian safety as they are narrow and exposed to frequent heavy traffic. Pedestrian circulation within the area intersection is also unruly, with crosswalks fashioned in large diagonal patterns to reach the far side of the enormous intersection. County Plans are in the works to reconfigure the intersection, however funding for the project has been on hold for several decades.

Shape & Topography

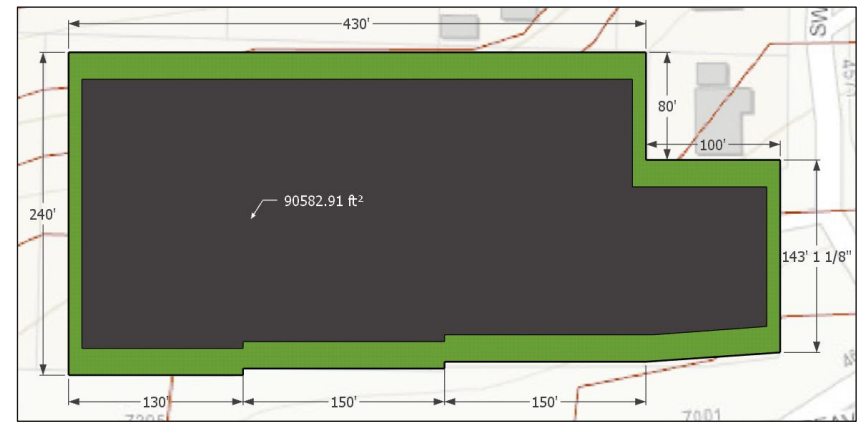
The parcels themselves are essentially rectangular in shape, with minor variations along the southern edge that follow the angle of the highway. The sliver of land between Dogwood Ln and the southeast corner of the property is owned by the County, and at one point had several trees growing there which have since been removed.

The site is sloped, with a max height of around 300' elevation and a minimum elevation of around 270' corner to corner.

Site Dimensions

The three parcels are approximately 2.65 acres combined, with a long edge of 530' running the south edge, 240' on the west edge, 430' on the north border, and an 80' by 100' cutaway in the NE corner where an existing & occupied residential home is located (not part of the subject site).

An abandoned home located adjacent the residential neighbor is slated for demolition as part of any future redevelopment project.

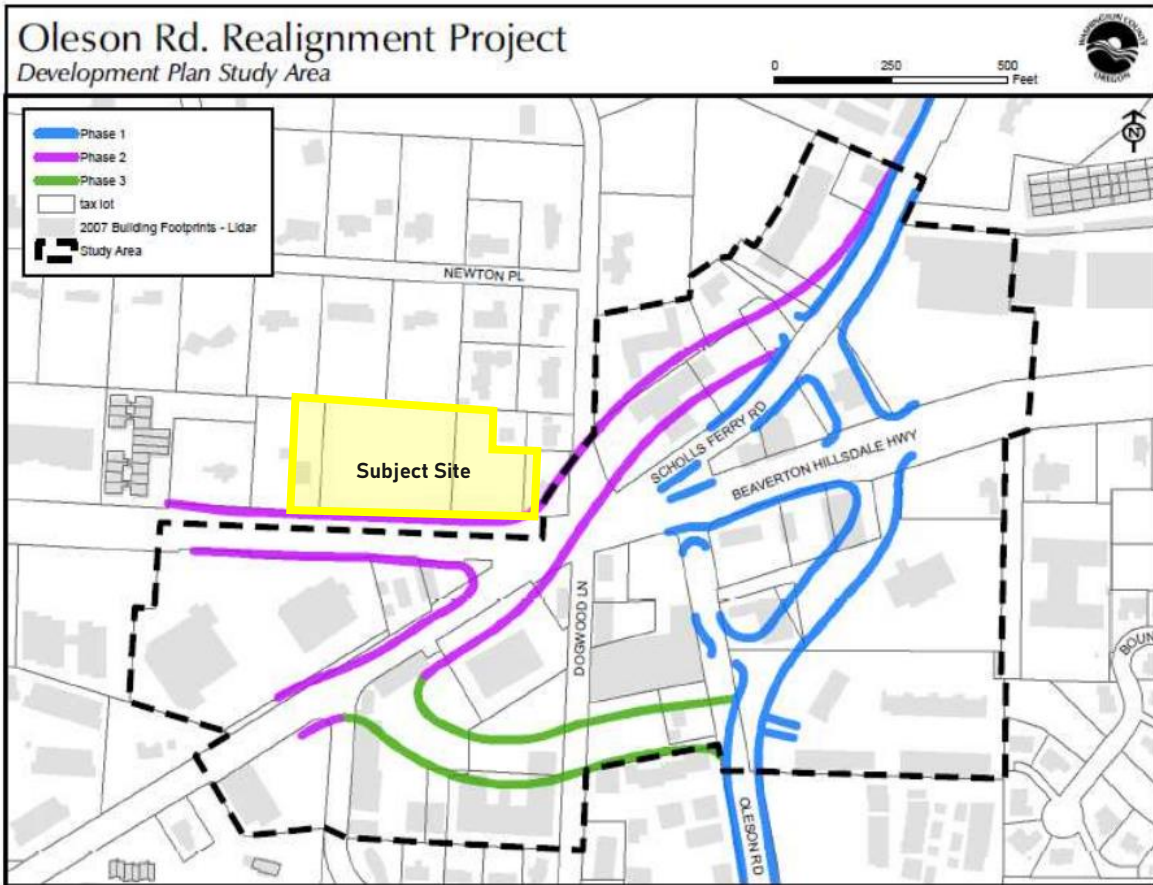


Traffic Flow and Access



Although the site currently has access off Dogwood Ln, significant future development will likely require a switch to Beaverton-Hillsdale Hwy. Due to its proximity to the Scholls Ferry Rd. turn lane and center median divider, access at this point will be limited to "right-in, right-out" only.

Intersection Realignment (Future Plan)



Long-Term Plan

Washington County has stated this intersection area for redevelopment in upcoming years, as funds become available in the budget. Initial plans were drafted as far back as the 1990s, but little to no construction has commenced as of the writing of this report.

Multi-Phase Construction

The project is divided up into three Phases, with Phase 2 tentatively claiming the most southeastern corner of our subject site to make way for the realignment of SW Scholls Ferry Road. In order to prepare for such action, our design will seek to locate the main building structure away from this edge of the parcel.

Neighbor Relocation

Also worthy of note, the PARR Lumber located next door will potentially be demolished as part of the realignment plan. It is likely they might want to relocate to the subject site, so long as they are able to work with the topography.



Neighborhood History

Raleigh Hills, Oregon

Raleigh Hills is a census-designated place and neighborhood in Washington County, Oregon, located just west of the Multnomah County border outside of Portland.

This relatively small suburban area is quite popular amongst the affluent, aging crowd of Portlanders who have established themselves and are looking for a quiet place to settle into retirement.

As of the census of 2000, there were 5,865 people residing within the neighborhood, which comprises an area of 1.5 sq mi. Most housing within the area are detached, single family homes on quiet streets. 50% of households are comprised of married couples.

Development within this area has been around since 1892, when Raleigh Robinson himself opened a residential post-office named "Raleigh", which was soon followed by the implementation of Southern Pacific's Red Electric line in 1914.

Over time, the path of development has moved in a western direction, away from Portland and towards State Highway 217 (which was constructed in the early 1970s). During the past several decades, commercial strip-mall developments were primarily built up and down SW Beaverton Hillsdale Hwy.

The immediate area surrounding the intersection consists of medical, grocery, and retail uses.



Animal Dermatology Clinic

Dr. Daryl B. Leu, the current owner, has been a practicing veterinarian since 1978.

After acquiring university education at both Portland State and University of Washington, Dr. Leu completed post-graduate residency training in dermatology at the Animal Medical Center in New York City, University of California Davis, Oregon State University, and the Department of Dermatology at the Oregon Health Sciences University in Portland, OR.

He started his referral dermatology practice in 1984, the first in Oregon.

Dr. Leu once lived on the property, in the iconic "house on the hill" which overlooks the vacant land parcels.

Zoning & Entitlements

In 2005, Washington County designated parcels as Office Commercial District (OC) as a buffer between the transition from commercial and residential uses, much like in the instance of our site. Specific locations are determined through a community planning process, considering that areas population and employment projections. Generally, OC uses will be located at Collector and Arterial intersections – which increase visibility and auto access. The availability of pedestrian and transit access is also of great importance.

The primary intended use of OC Zoning is for office space, however several smaller accessory uses (no more than 20%) such as retail or residential could be permitted to accompany the office if needed. A Type II review is required for such use, which involves community response. Residential space of no greater than 10,000 SF at a maximum R-24 density is allowed.

House Bill 2001, which increased density allowed in residential areas, will not affect our parcels because of the primary office designation.

Parcel History

In the distant past, the area around Raleigh Hills was comprised of mostly rural residential housing. Clusters of retail began to emerge and centralize around the growth brought by traffic on Scholls Ferry Rd. and Beaverton Hillsdale Hwy, Oleson Rd. and other major roads in the immediate area.

The subject site was once home to as many as four separate residential homes, all located on relatively large acreage per lot. Over time several homes have disappeared, lost to fire and abandonment.

The site has been zoned for office use since as far back as 2000, when the Raleigh Hills Garden Community, Subarea 8 was designated as “planned mixed use”. Nearby parcels are zoned a variety of types, primarily Transit Oriented Retail Commercial and Business (TO:RC & TO:BUS Districts).

Office Commercial District (OC)

| | |
|--------------------------|---|
| Intended Use Type | Office |
| Accessory Uses | Commercial, Retail, Residential |
| Prohibited Uses | Drive-up, shopping center, auto yard |
| Setbacks | 20' Front & Rear, 10' Side Yard |
| Max FAR | Unlimited |
| Building Height | 100' |



Market Research – Commercial Office

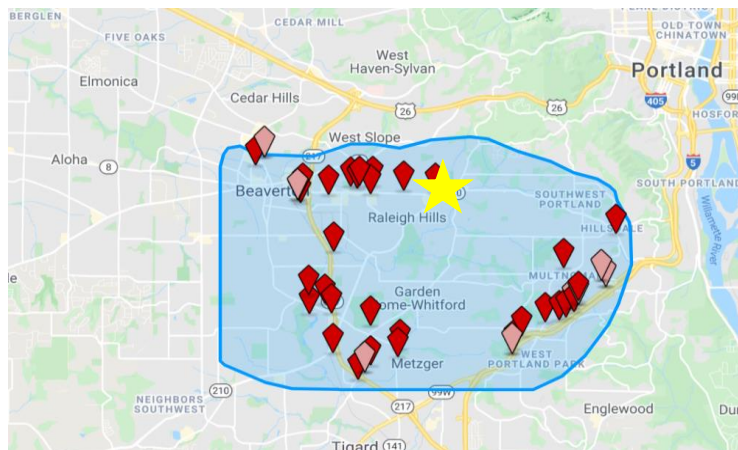
Our review of the existing office space available for current lease nearby the proposed building site shows a complete lack of Class A buildings. While there are some (but not many) Class B and C properties with vacant space in the area, these properties are generally older, show visible signs of deferred maintenance and even neglect, and lack the large open-plan layouts plus modern amenities which contemporary lessees in the market are usually demanding. These existing properties despite their number and location would not be in direct competition to any new Class A office space development as the current tenant mix in the area would not be considered prospective tenants for our new property.

Given historical data regarding the leasing of Class A office in the Portland suburban metropolitan area, the most logical and probable inference is new Class A office in the proposed location would be the subject of strong demand and competition from large employers either moving to the Portland area to expand regional operations or would be from existing Portland city tenants wishing to leave the current downtown business core for more square footage in a suburban environment.



Portland Metro Encourages Multi-Modal Transportation

The area surveyed, approximately 5-mile radius of Raleigh Hills.



Commercial Office – Raleigh Hills / SW Portland

Daily Commuter Preferences

The site under consideration is currently serviced by a variety of transportation options including regional mass transit through multiple bus routes, however, most residents in the area rely upon automobiles for commuting purposes.

The residents of Raleigh Hills spend between fifteen- and thirty-minutes commuting one-way to work (51.9% of working residents). Here most residents (71.0%) drive alone in a private automobile. In addition, a number also carpool with coworkers, friends, or neighbors daily (14.4%) and 7.6% of residents ride the bus for their daily commute. Given historical travel preferences in the area surrounding the proposed building site, we expect most tenants, employees, and visitors to our proposed development will arrive and depart by car.

Commercial Office – 5mi Radius



Denny Square

Class B
Built: 1980
Rent: \$13/SF
Size: 23,252 SF
Vacant: 4 suites



Raleigh View Plaza

Class B
Built: 1979
Rent: \$15/SF
Size: 8,023 SF
Vacant: 2 suites



Capital Plaza

Class C
Built: 1981
Rent: \$19/SF
Size: 21,065
Vacant: 7 suites



Westview Plaza

Class B
Built: 1983
Rent: \$16/SF
Size: 23,623 SF
Vacant: 4 suites



Cascade Plaza West

Class B
Built: 1980
Rent: \$17.50/SF
Size: 149,256 SF
Vacant: 4 suites



Atrium West

Class A
Built: 1983
Rent: \$27/SF
Size: 67,389 SF
Vacant: 4 suites

Medical Office Comps



Warm Springs Medical Center
8050 SW Warm Springs Rd, Tualatin, OR

5,286 SF Available
Use: Medical
Rate: \$36 SF/YR. MG
Year Built: 1998



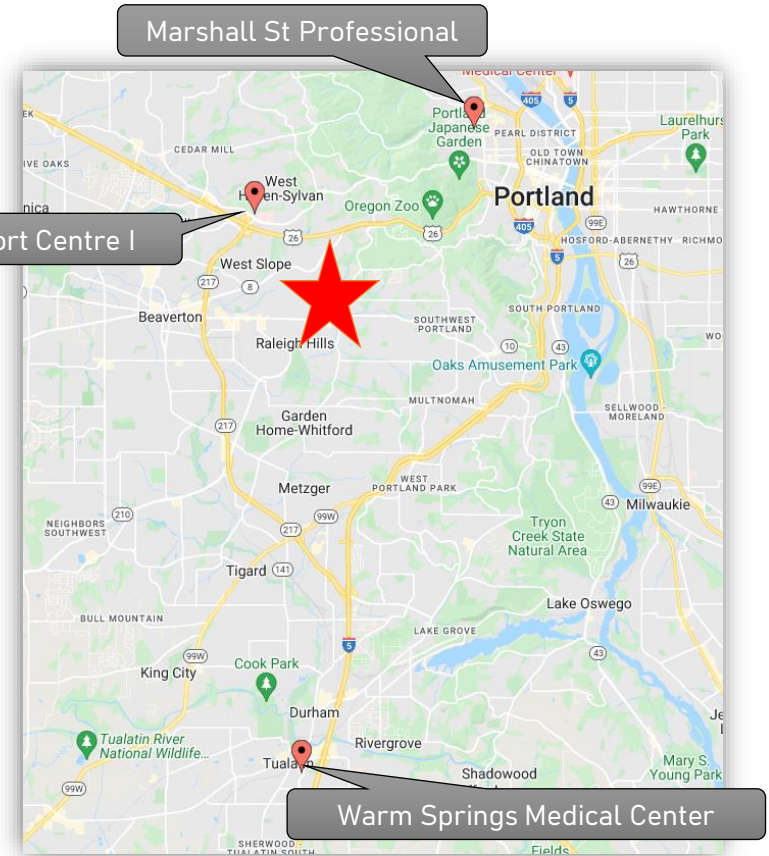
Marshall St Professional
2455 NW Marshal St, Portland, OR

1,427 SF Available
Use: Office/Medical
Rate: \$39 SF/YR. FS
Year Built: 1948

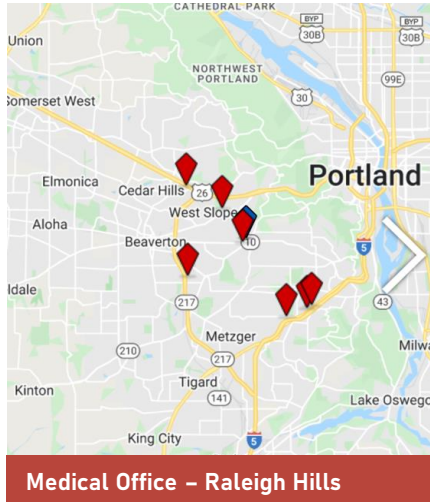


Peterkort Centre I
9555 SW Barnes Rd, Portland, OR

5,840 SF Available
Use: Office/Medical
Rate: \$36 SF/YR. FS
Year Built: 1999



Market Research – Medical Office



Our Key Takeaway

Based on our market analysis of a five-mile radius of the proposed building site, a project to develop Class A medical office space would be viable for two compelling reasons.

While there is ample supply of Class B and C medical office space in the area with varying current vacancy rates, there is no current Class A supply available and none under construction.

Unlike the development of a Class A office space where it can be logically predicted new space would be filled by tenants from outside of the Beaverton area, some tenants of existing Class B and C medical properties in the area would likely allow existing leases to expire to move into newer and more modern facilities while remaining “local” and retaining their current patients, staffs, and immediate geographic presence.

The development of Class A medical on the proposed site therefore puts this new project in direct competition with existing property owners and lessors despite the differential between the proposed Class A and the existing Class B and C. This naturally occurring competitive result would mean inevitable higher marketing costs and lower square footage rates versus the identical Class A building used for standard office tenants.

Various medical office spaces located nearby our subject site are listed at right.

Class C

Built: 1973
Rent: \$18/SF
Size: 13,584 SF
Vacant: 2 suites



Southwest Medical Dental Center

Class B

Built: 1973
Rent: \$19/SF
Size: 11,500 SF
Vacant: 2 suites



Barbur West

Class B (Retail)

Built: 1957
Rent: \$17/SF
Size: 11,500 SF
Vacant: 1 suite



Barbur Plaza



Assisted Living & Residential

Although the use of an assisted living facility does not appear to be specifically permitted under the sites current zoning (OC, Office Commercial), future changes in zoning may warrant this as an attractive use in the future.

Group care facilities in Washington County might be considered both a commercial use, and a residential use, depending on the level of care:

- Independent Living – Residential
- Managed Care – Commercial

However, for purposes of our assessment we've chosen not to explore a zoning change and will not consider Assisted Living / Group Care as a viable use.

Tenant Profile – Class A Medical Office

Maximizing Utility

In order to maximize the utility of the site under its current zoning (OC-Office Commercial) while the overall Portland office market for general commercial space is depressed (largely due to COVID-19), we've targeted a medical office use as being the most likely use to generate large returns. As many firms and employees transition to seeking workspace nearer to home, a suburban office location may have great potential.

Idealistically, our medical office leasing assumptions will depend upon the pre-commitment of a large "system" user such as Kaiser Permanente, or The Oregon Clinic. This would alleviate much of the risk and uncertainty of constructing brand new office at this time. This large user would likely need to pre-lease at least 50% of the total office space – which is a big assumption.

Specialized Practice

For the remaining portion of the building, specialized physicians and various medical practitioners may find adequate use of the space in increments of 5,000 – 10,000 SF. The typical medical tenant in the Portland market might also lease for 7+ years at a time due to their extensive improvement costs upon occupancy. This will also reduce our risk as a developer. In Oregon, there are 6,283 licensed physicians, 1,046 of which operate their own offices in Portland. The success of this project would require attracting a fractional percentage of this population, perhaps only 4 doctors wishing to relocate to a brand-new Class A building.

The typical build out for a well-designed medical office is planned to make the patients feel as comfortable as possible during their examination. In order to provide such a space, it's important to be mindful of exam room sizes, and compliance with all ADA accessibility regulations. With a generous landlord funded TI allowance provided to each prospective doctor, they will be empowered to create the space to their own standard.



Evolving Medical Standards

In 2021, the US Preventative Services Task Force recommended lowering the age to begin routine colorectal cancer screenings down to 45 years old (previously 50). As most patients undergoing this procedure will likely repeat visitation over the course of many years, it would be beneficial from a long-term risk perspective to recruit a tenant in the Gastroenterology field.

Neighborhood demographics pin the median age of the surrounding area at 44 years old, with a sizeable portion of retired and aging residents as well. For those patients to stay local for required on-going medical procedures, this suburban location will be desirable.

Attracting Tenants

The marketing appeal to attract a small number of physicians is also predicated on the separate arguments detailed as follows:

Financial Incentive

Our new location has strong financial advantages for a physician operating their office in Portland to relocate.

A rent rate at \$37 per square foot matches or is lower than the average medical office square footage rate in the Portland Central Business District (“CBD”). Our study of existing medical offices in the CBD and other community business corridors within the Portland Metropolitan area show rates ranging between \$35 per square foot for Class B space to \$42 per square foot for Class A.

Our suggestion of \$70 per square foot tenant improvement (“Landlord TI”) allowance would offer existing medical offices the opportunity to make numerous infrastructure and technological improvements to their current practices beyond the marginal upgrades possible on their existing leases.

Note that the tenant would also be responsible for an equal amount of approximately \$70 per square foot for improvements, totaling \$140 per square foot for projected costs.

Convenience

Our marketing analysis, especially based on the income and aged demographic of the new building location suggests there are a number of physicians currently living in the immediate vicinity of our new building, in fact, we strongly believe many own their own homes in the area.

Current demographic data shows a high percentage of high income near the site plus a great number of medical professionals listed on census data.

There is a strong appeal to working near where you live and many of the physicians living near our site would rather see additional patience each day than be stuck in traffic commuting to the Portland CBD or other more distant locations across Multnomah County.



Attracting Tenants (cont.)



Safety Concerns

Many doctors and their staff members like virtually all the general public currently express safety concerns when working and commuting to the Portland metro area and other locations in the city. These fears include anxieties related to their own personal safety as well as to their vehicles, also extending to their physical office spaces.

The current crime statistics speak for themselves and do not need further elaboration given the large and clearly observable exodus of all types of people and professions from the CBD.

Medical office in a Raleigh Hills location clearly offers doctors and their teams of professionals strong daily physical security and psychological comfort.

Tax Savings

Doctors relocating their medical practice from anywhere in Multnomah County might reap substantial tax benefits by relocating to our site in Washington County. Some of the most prominent examples are below.

Multnomah County

Business Taxes – 1.48%

City of Portland Business Tax – 2.20%

TriMet District Boundary Tax – 0.784% (of wages paid)

Mult. County Preschool Tax – 1.50%¹

Mult. County Business Personal Property Tax – 3.00%²

Washington County

NO – Additional county or city income taxes³

NO – TriMet or transportation surtaxes

NO – County Preschool Tax

Wash. County Business Personal Property Tax – 0.946%

Multnomah County Ballot Measure 26-214

¹ on taxable income over \$125,000 individual \$200,000 joint plus an additional 1.5% on taxable income for individuals over \$250,000 and \$400,000 joint (3%)

² rate varies according to detailed compliance schedule; includes owned and leased properties

³ beyond the State of Oregon income taxes

Attracting Tenants (cont.)

Synergy and Market Opportunity

Raleigh Hills presents a market opportunity to a system user (Kaiser, Providence, The Oregon Clinic, etc.) with a preferred payer mix, high income aging demographic, and ambulatory outpatient procedures due to hospital proximity,

Additionally, by pre-leasing the first floor to a system user, there'll be potential synergies with the second-floor spaces. Examples includes an imaging center (X-Rays, CT, and fluoroscopy scans) whose patients primarily require a scan. Or a Sleep Lab that will send patients from a pulmonologist seeking to diagnose sleep apnea in their patients

The medical offices located on the second floor of our new building would have many natural and numerous opportunities to interact and potentially do business with a high-quality system user located on the first floor. It goes without saying that introducing one of the premier medical institutions in the Portland metropolitan area and the close and daily proximity to this large and well-respected provider of health care services would be a marketing bonanza for any nearby medical office. For example, the Oregon Clinic currently consists of 270 individual physician providers located across sixty locations throughout Portland and southwest Washington offering medical care to hundreds of thousands of patients per year.



Design Constraints

Noteworthy Obstacles

- Sloped Topography
- Access To Site
- OC Zoning Limitations
- Parking Type
- Building Size
- Natural Resources

During our feasibility testing phase, the development team iterated through several site configurations including varied building sizes, parking orientation, structure types and elevation levels.

Perhaps the most difficult challenge of this location is the ability to access the parcel. On one side, is a residential street which is not designed to accept the heavy flow of traffic a medical office would generate – and on the other, a single “right-in, right-out” access point that needs to be as far from the intersection as possible to reduce the impact on stopped traffic.

The sloped topography is gradual, yet tenacious. Through the span of the parcels, grade change totals approximately 30' from the NW corner to the SE. This provoked several cost savings design ideas, such as locating the building on grade at the highway and utilizing a terraced parking layout (surface parking) behind. Reducing excavation and dirt hauling costs presents an opportunity for sizeable cost savings.

Due to the currently suppressed office market in and around Portland, demand for an extremely large project would be unlikely to be realized. Although OC Zoning on site provides generous allocations (with no FAR maximum, and 100' height limits) the location just isn't an easy fit for a building of such proportion.

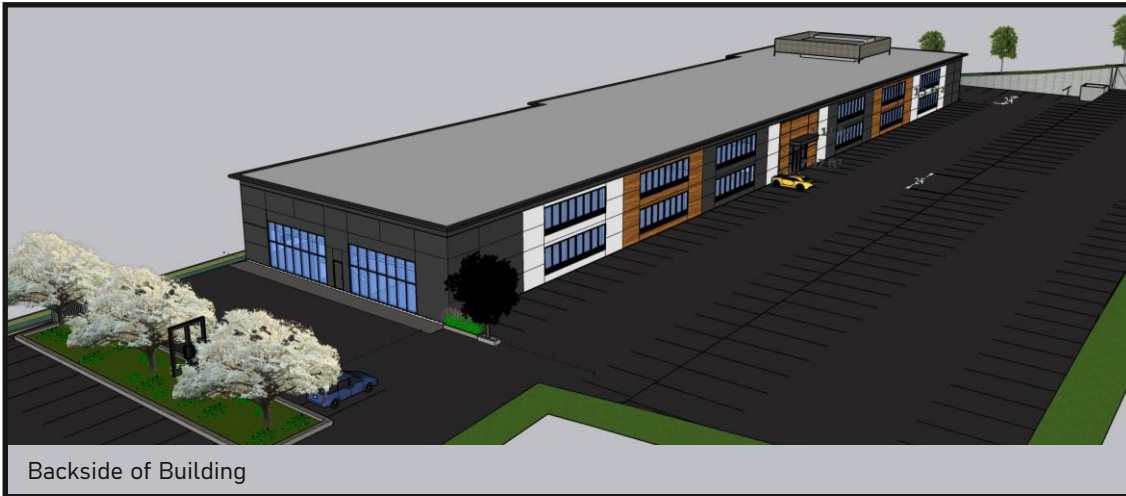
With traffic flow concerns, and the expensive cost of a multi-tier parking structure able to handle that kind of volume, we opted instead for a cost-benefit compromise on a smaller building using cheaper construction methods in order to generate higher percentage returns.

Large trees on the corner of Dogwood and Beaverton-Hillsdale HWY also presented an unusual constraint. It's likely that the largest of them is key in blocking sun from driver's eyes as they commute home in the evening (facing West). Our proposed design made sure to factor in the community benefit of leaving these trees intact.

Fun Fact: According to the Scenic Natural Resource guide of Washington County, the parcels are also said to be home to “National Champion Butternut Trees” planted in 1850!

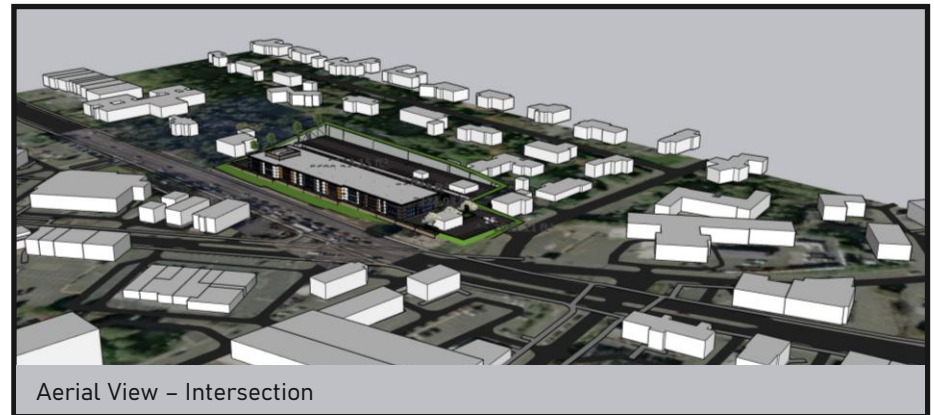


Development Program - Exterior



Surface grade around the perimeter of the building will be leveled in order to avoid any basement space, which might be harder to lease. A terraced parking layout will help alleviate some excavation costs and reduce the size retaining walls that are needed. Building placement was chosen to maximize the available width of each drive aisle, to accommodate the code required 24' access lane for emergency vehicles. Water detention systems will run underneath the paved surface and divert water runoff to the bioswale area in the south yard.

The parcel containing the veterinarian office will be available for use as an overflow surface parking lot, and the large trees on the corner will be preserved.



Development Program - Interior

Building

| | |
|----------------------|--------|
| Gross Building Area | 53,518 |
| Net Rentable Area | 48,166 |
| Efficiency Ratio (%) | 90% |

Parking (Surface Lot)

| | |
|------------------------------|------|
| Ratio (Stalls per 1,000 RSF) | 4.65 |
| Regular | 146 |
| Compact | 78 |
| Total | 224 |

Tenant Suites (Approx. SF)

| | |
|--------------------|--------|
| Ground Floor | 25,875 |
| Level 2 - Suite #1 | 6,050 |
| Level 2 - Suite #2 | 5,650 |
| Level 2 - Suite #3 | 5,675 |
| Level 2 - Suite #4 | 5,125 |

Shell/core efficiency is calculated using current BOMA Office standard measurements.

Ground floor suites will be improved during the construction period. Upper floor suites will be delivered unfinished and improved by each tenant during the lease-up period.

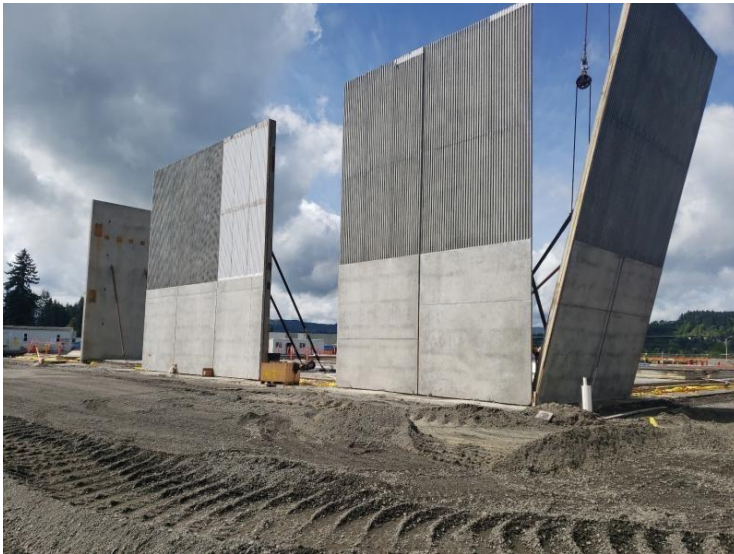


Construction Methodology

2-Story Concrete Tilt-up Construction

Tilt-up Construction Benefits:

- Lower operating costs, less heat and A/C
- Lower insurance premiums: solid concrete improves security
- Durability – fire resistive material
- Safety – most work is done on the ground, no vertical formwork or scaffolding is needed



Concrete panels are cast on site.



Panels are set into place with a crane.

Construction Methodology

Exterior Materials



Aluminum Composite Panels

- Two layers of aluminum sandwiching a resin core
- 20-year Kynar finish warranty
- Variety of color choices



Aluminum panels create a modern, professional look.

Panels can vary in size and color, creating stunning patterns.

Construction Methodology (cont.)

Interior Finishes

Lobby (Common Area)

- Practical size, but luxurious finishes
- Open concept feeling with two-story ceiling
- Two hydraulic elevators, one oversized



Wide and shallow step stairway in the lobby makes for ease of use.

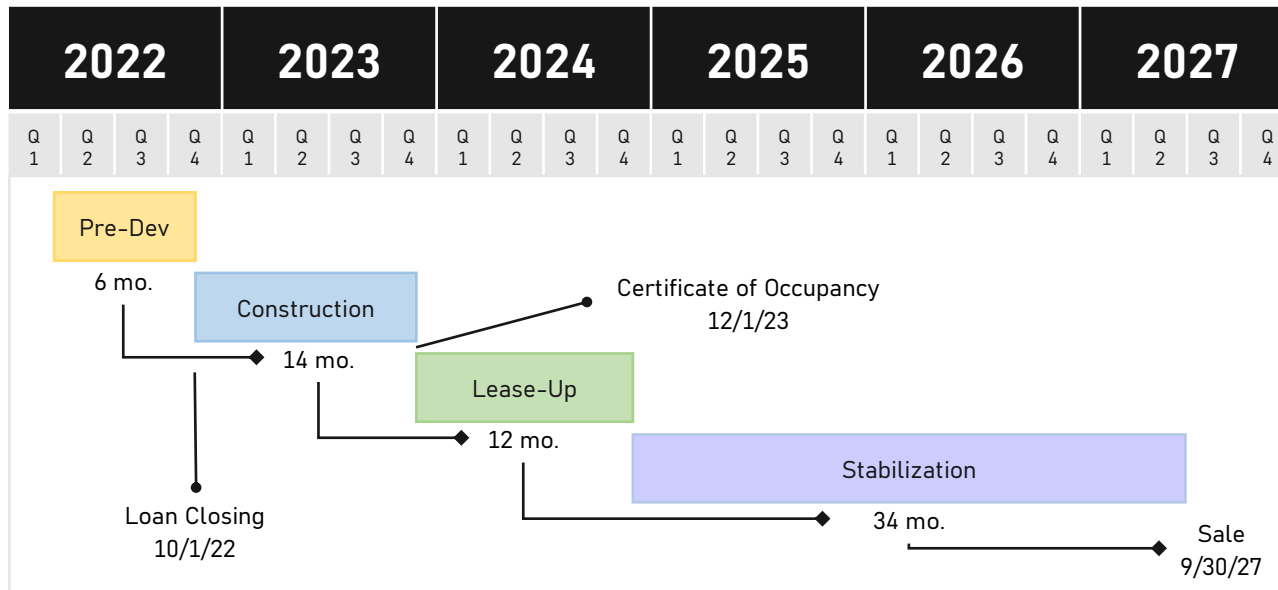


Modern finishes give Class A flair to the lobby space.

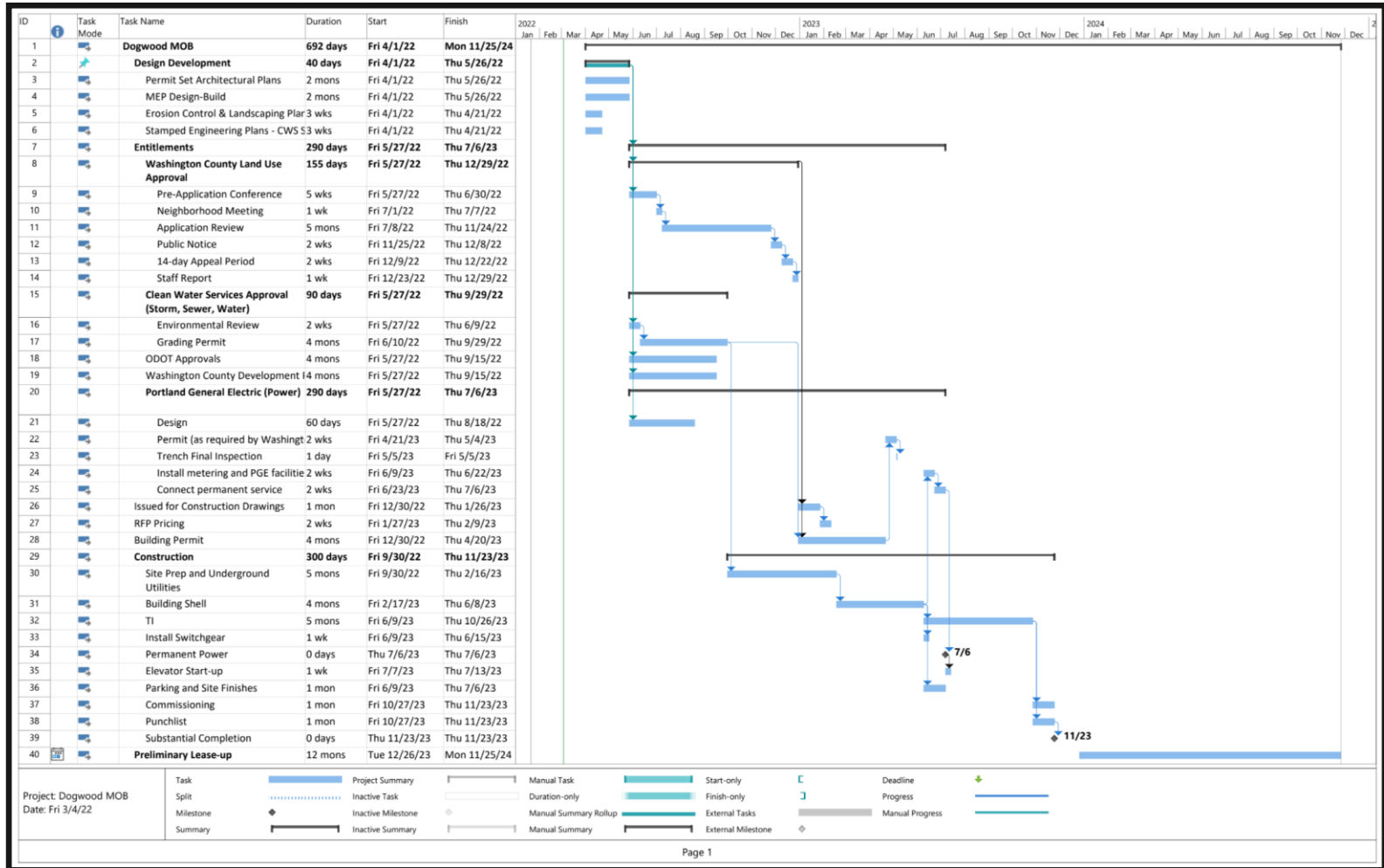
Development Timeline

Dogwood Development Group has estimated the following development periods:

- **Pre-Dev / Due Diligence** : 6-months, due to the relatively simple building design, and assuming no zoning changes
 - **Construction** : 14-months, concrete tilt-up construction is fast, as well as surface parking stalls. Ground floor TI included.
 - **Lease-Up** : 12-months, assuming the bottom floor (50%) is pre-leased to a system user. Medical TI's do take a fair amount of time.
 - **Stabilization** : 34-months, we will plan to hold the project for a total of 60 months from the closing date of the loan.
- **Sale Date – September 30, 2027**



Project Delivery Schedule - Detail



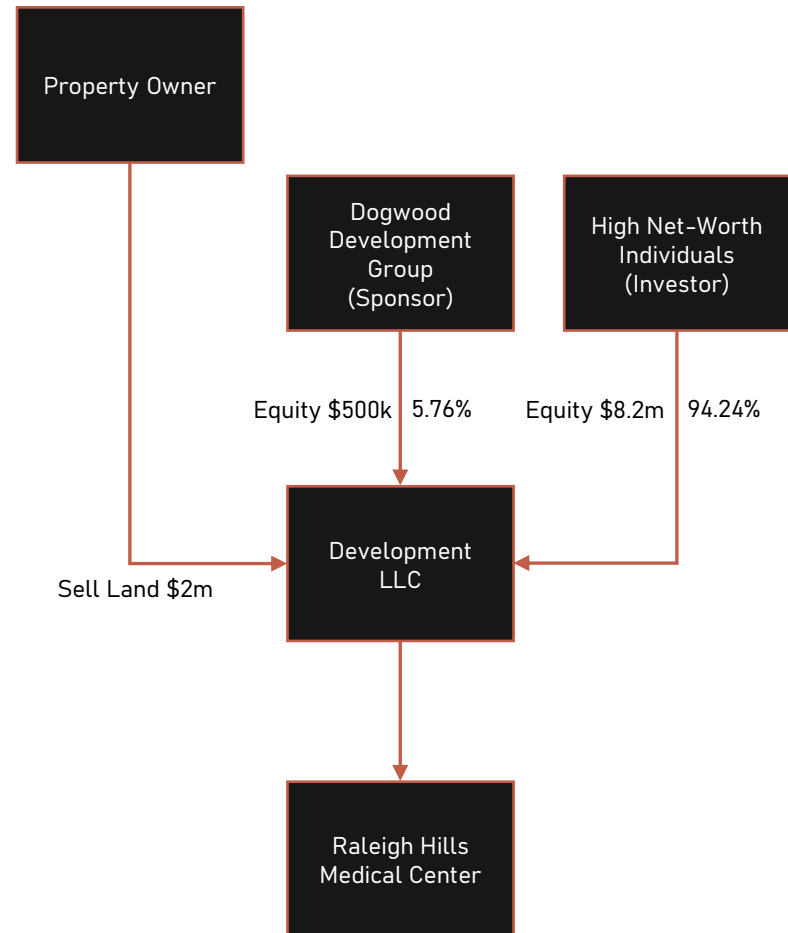
Financial Assumptions

Debt & Equity Financing

Dogwood Development Group will secure a recourse, 3-year interest only construction loan with two optional 12-mo extension periods amortizing based on a 30-yr term. Securing permanent financing, or sale of the property will occur after expiration of the construction debt.

Interest rate was based on SOFR (Secure Overnight Financing Rate), an alternative to LIBOR with less susceptibility to manipulation, plus 350 basis points as a risk premium. SOFR currently hovers near 0.05%.

| Construction Loan | |
|------------------------|-------------------------------|
| Loan to Cost | 65% |
| Stabilized DSCR | 2.96x |
| Interest Rate | 3.35% |
| Amortization Period | 3yr I/O ; 2yr ext. 30yr Amort |
| Max. Term | 5 Years |
| Loan Amount | \$16,126,875 |
| Equity Contributions | |
| Sponsor – 5.76% | \$500,000 |
| Investor(s) – 94.24% | \$8,183,702 |
| Total Equity | \$8,683,702 |
| Total Financing | \$24,810,577 |



Financial Assumptions (cont.)

Development Budget & Lease-Up Assumptions

| | Cost | per/SF |
|--|-------------------|---------------|
| Land Acquisition Cost/Value | | |
| Land Value | 2,000,000 | 37.37 |
| Buyer-Paid Commissions | - | - |
| Total Land Acquisition Cost/Value | 2,000,000 | 37.37 |
| Predevelopment/Due Diligence Costs | | |
| Appraisal | 8,500 | 0.16 |
| Arborist | 15,000 | 0.28 |
| Environmental (Phase I) | 15,000 | 0.28 |
| Legal Fees | 20,000 | 0.37 |
| Market Study | 15,000 | 0.28 |
| Misc. Costs | 10,000 | 0.19 |
| Soils Test/Geotech | 15,500 | 0.29 |
| Survey (Boundary and ALTA) | 15,000 | 0.28 |
| Traffic Study | 20,000 | 0.37 |
| Archaeological Report | - | - |
| Wetlands/Storm Facility | - | - |
| Total Predevelopment Costs | 134,000 | 2.50 |
| Construction Hard Costs | | |
| Shell | 8,295,290 | 155.00 |
| Sitework | 3,085,714 | 57.66 |
| Excavation | 1,384,995 | 25.88 |
| TI Allowance | 3,371,634 | 63.00 |
| Total Construction Hard Costs | 16,137,633 | 301.54 |
| Construction Soft Costs | | |
| Architect/Engineer | 806,882 | 15.08 |
| Reimbursables | - | - |
| Construction Builder's Risk Insurance | - | - |
| Property Taxes - During Construction | 28,295 | 0.53 |
| P&P Bond | 242,064 | 4.52 |
| Construction Inspection (3rd Party Consultant) | 15,000 | 0.28 |
| Testing/Compaction | - | - |
| Total Construction Soft Costs | 1,092,241 | 20.41 |
| Project Soft Costs | | |
| Closing Costs - Land Acquisition | 25,000 | 0.47 |
| Loan Fees | 161,285 | 3.01 |
| Contingency (% of Hard Costs) | 806,882 | 15.08 |
| Contingency (% of Soft Costs) | 257,883 | 4.82 |
| Property Taxes - Escrow | 240,831 | 4.50 |
| Legal Fees | 50,000 | 0.93 |
| Permits and Fees (incl. SDC's) | 1,766,094 | 33.00 |
| Development Fee | 1,240,736 | 23.18 |
| Constr. Interest Reserve (Carrying Cost) | 316,527 | 5.91 |
| Total Project Soft Costs | 4,865,237 | 84.99 |
| Lease-Up Costs | | |
| Brokerage Commissions | 473,803 | 8.85 |
| Marketing/Misc. Costs | 75,000 | 1.40 |
| Net Operating Deficit (Carrying Cost) | 32,663 | 0.61 |
| Total Lease-Up Costs | 581,466 | 10.86 |
| Total Project Costs | 24,810,577 | 457.68 |

| Project Costs | | |
|--------------------------------|---------------------|----------------|
| Land Acquisition | \$2,000,000 | 8.06% |
| Pre-Development | \$134,000 | 0.54% |
| Construction Hard Costs | \$16,137,633 | 65.04% |
| Construction Soft Costs | \$1,092,241 | 4.40% |
| Project Soft Costs | \$4,865,237 | 19.61% |
| Lease-Up Costs | \$581,466 | 2.34% |
| Total (\$458/ Gross SF) | \$24,810,577 | 100.00% |

| Leasing Assumptions | |
|-------------------------------|------------|
| Lease Rate | \$37 / SF |
| Lease Term | 5-10 Years |
| TI Allowance (Landlord) | \$70 / SF |
| Broker Commissions (Yr. 1-5) | 5.00% |
| Broker Commissions (Yr. 6-10) | 7.50% |
| Annual Rent Escalations | 3.00% |
| Vacancy Factor | 5.00% |

Major costs associated with the site include excavation & site work, permitting fees, system development charges, and broker commissions.

Hard Cost Contingency – 5% of Hard Costs
Soft Cost Contingency – 5% of Soft Costs
Developer Fee – 5% of Total Project Cost

Interest, Property Tax, and Operating Deficit reserves were created to cover periodic costs during the construction and lease-up phase.

Stabilized property taxes were assumed to be \$2.50 per rentable square foot.

Operating costs upon stabilization are forecasted to be \$11.25 / RSF and are fully refundable under the assumed NNN lease structure. During the lease-up period, these costs were apportioned between the developer and any current tenant(s).

Financial Projections – Annual

| Operating Income: | |
|--|----------|
| Total Base Rental Income | |
| Vacancy/Credit Loss | 5.00% |
| Net Income - After V&C Loss | |
| Insurance Costs | Fixed |
| Property Mgmt. Fee | Fixed |
| Property Taxes | Fixed |
| Utilities | Variable |
| Repairs & Maintenance | Variable |
| Janitorial | Variable |
| Misc. | Variable |
| Total CAM/Operating Expenses | |
| Tenant CAM /Operating Expense Reimbursement | |
| Net Operating Income | |

| | |
|--------------------------------------|-------|
| Debt Service (Interest) | 3.55% |
| Net Cash Flow From Operations | |

Average DSCR

| Construction Costs: | |
|--|--|
| Land Acquisition | |
| Predevelopment/Due Diligence Costs | |
| Construction Hard Costs | |
| Construction Soft Costs | |
| Project Soft Costs (less: Constr. Interest Reserve) | |
| Lease-Up Costs (less: Operating Deficit Reserve) | |
| Reserve: Constr. Interest | |
| Reserve: Operating Deficit | |
| Total Project Costs | |

Total

| |
|----------------|
| \$ 5,935,894 |
| \$ (261,523) |
| \$ 5,674,371 |
| \$ (47,132) |
| \$ (348,774) |
| \$ (230,485) |
| \$ (362,189) |
| \$ (172,471) |
| \$ (206,965) |
| \$ (405,307) |
| \$ (1,773,324) |
| \$ 1,676,214 |
| \$ 5,577,261 |
| \$ (2,316,241) |
| \$ 3,261,020 |

April 1, 20XX - March 31, 20XX Sale Date: 9/30/2027

| 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--------------|--------------|------------|------------|------------|------|
| Pre-Dev | - | - | - | - | - |
| Construction | Construction | - | - | - | - |
| - | Lease-Up | Lease-Up | - | - | - |
| - | - | Stabilized | Stabilized | Stabilized | Sale |

| | | | | | |
|------------|--------------|--------------|--------------|--------------|--------------|
| \$ - | \$ 74,256 | \$ 1,262,356 | \$ 1,799,971 | \$ 1,853,970 | \$ 945,341 |
| - | - | (31,559) | (89,999) | (92,699) | (47,267) |
| \$ - | \$ 74,256 | \$ 1,230,797 | \$ 1,709,972 | \$ 1,761,272 | \$ 898,074 |
| - | (4,014) | (12,042) | (12,162) | (12,527) | (6,387) |
| - | (29,702) | (89,107) | (89,999) | (92,699) | (47,267) |
| - | - | - | (41,343) | (125,268) | (63,874) |
| - | (16,858) | (84,291) | (102,161) | (105,225) | (53,654) |
| - | (8,028) | (40,139) | (48,648) | (50,107) | (25,550) |
| - | (9,633) | (48,166) | (58,377) | (60,129) | (30,660) |
| - | (18,865) | (94,325) | (114,322) | (117,752) | (60,042) |
| \$ - | \$ (87,101) | \$ (368,070) | \$ (467,011) | \$ (563,707) | \$ (287,435) |
| - | 43,550 | 314,510 | 467,011 | 563,707 | 287,435 |
| \$ - | \$ 30,706 | \$ 1,177,237 | \$ 1,709,972 | \$ 1,761,272 | \$ 898,074 |
| \$ (1,623) | \$ (357,032) | \$ (547,321) | \$ (571,383) | \$ (562,056) | \$ (276,826) |
| (1,623) | (326,326) | 629,916 | 1,138,589 | 1,199,216 | 621,248 |
| - | 0.13 | 2.14 | 2.99 | 3.13 | 3.24 |

| | | | | | |
|---------------|---------------|--------------|------|------|------|
| \$ 2,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 134,000 | - | - | - | - | - |
| 5,927,389 | 9,156,609 | 1,053,636 | - | - | - |
| 961,972 | 130,269 | - | - | - | - |
| 2,376,187 | 1,862,339 | 310,184 | - | - | - |
| - | 311,901 | 236,901 | - | - | - |
| 1,623 | 314,904 | - | - | - | - |
| - | 32,663 | - | - | - | - |
| \$ 11,401,171 | \$ 11,808,685 | \$ 1,600,721 | \$ - | \$ - | \$ - |

Financial Projections – Annual (cont.)

April 1, 20XX - March 31, 20XX

Sale Date: 9/30/2027

| | Total | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Total Required Capital | \$ 24,810,577 | \$ 11,401,171 | \$ 11,808,685 | \$ 1,600,721 | \$ - | \$ - | \$ - |
| Equity Funding 35.00% | | | | | | | |
| Beginning Balance | | \$ - | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - |
| Required Payment | | 11,401,171 | 11,808,685 | 1,600,721 | - | - | - |
| Equity Funded | \$ 8,683,702 | 8,683,702 | - | - | - | - | - |
| Remaining To Fund | | 2,717,469 | 11,808,685 | 1,600,721 | - | - | - |
| Debt Funding 65.00% | | | | | | | |
| Beginning Balance | | \$ - | \$ 2,717,469 | \$ 14,526,154 | \$ 16,126,875 | \$ 15,974,800 | \$ 15,662,443 |
| Debt Funding | \$ 16,126,875 | 2,717,469 | 11,808,685 | 1,600,721 | - | - | - |
| Debt Repayment (Principal) | \$ (16,126,875) | - | - | - | (152,075) | (312,357) | (15,662,443) |
| Ending Balance | | \$ 2,717,469 | \$ 14,526,154 | \$ 16,126,875 | \$ 15,974,800 | \$ 15,662,443 | \$ - |
| Equity Split - Required Contributions | | | | | | | |
| Investors 94.24% | \$ 8,183,702 | \$ 8,183,702 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sponsor 5.76% | \$ 500,000 | 500,000 | - | - | - | - | - |
| Total 100.00% | \$ 8,683,702 | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale Event Exit Cap Rate | | | | | | | |
| Gross Sale Proceeds 6.50% | \$ 27,633,049 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,633,049 |
| Sales Cost 2.00% | \$ (552,661) | - | - | - | - | - | (552,661) |
| Net Sales Proceeds | \$ 27,080,388 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,080,388 |
| Cash Flow From Operations | | - | 21,241 | 629,916 | 1,138,589 | 1,199,216 | 621,248 |
| Net Cash Flow | | \$ - | \$ 21,241 | \$ 629,916 | \$ 1,138,589 | \$ 1,199,216 | \$ 27,701,636 |
| Debt Repayment (Principal) | \$ (16,126,875) | - | - | - | (152,075) | (312,357) | (15,662,443) |
| Remaining CF Available for Distribution | | \$ - | \$ 21,241 | \$ 629,916 | \$ 986,514 | \$ 886,859 | \$ 12,039,193 |
| Cash Flow Summary | | | | | | | |
| Funded | \$ (8,683,702) | (8,683,702) | - | - | - | - | - |
| Returned/Disbursed | \$ 14,563,723 | - | 21,241 | 629,916 | 986,514 | 886,859 | 12,039,193 |
| Net Before Tax Cash Flows | \$ 5,880,021 | \$ (8,683,702) | \$ 21,241 | \$ 629,916 | \$ 986,514 | \$ 886,859 | \$ 12,039,193 |
| Cash on Cash Return % | | - | 0.24% | 7.25% | 11.36% | 10.21% | 138.64% |

Financial Projections (cont.)

| IRR Sensitivity (Sale Month, Cap Rate) | | | | | |
|--|--------|--------|--------|--------|--------|
| 11.96% | 6.00% | 6.25% | 6.50% | 6.75% | 7.00% |
| 54 | 15.05% | 12.66% | 10.31% | 7.99% | 5.68% |
| 60 | 15.99% | 13.99% | 12.02% | 10.07% | 8.15% |
| 66 | 15.40% | 13.66% | 11.96% | 10.28% | 8.61% |
| 72 | 16.01% | 14.52% | 13.05% | 11.61% | 10.19% |
| 78 | 15.51% | 14.19% | 12.90% | 11.63% | 10.37% |

| Equity Multiple Sensitivity (Sale Month, Cap Rate) | | | | | |
|--|-------|-------|-------|-------|-------|
| 1.68 | 6.00% | 6.25% | 6.50% | 6.75% | 7.00% |
| 54 | 1.70 | 1.57 | 1.44 | 1.33 | 1.23 |
| 60 | 1.87 | 1.73 | 1.61 | 1.49 | 1.38 |
| 66 | 1.94 | 1.80 | 1.68 | 1.56 | 1.45 |
| 72 | 2.11 | 1.97 | 1.84 | 1.73 | 1.62 |
| 78 | 2.19 | 2.05 | 1.92 | 1.80 | 1.69 |

| Land Value Sensitivity Analysis (6.5% Cap Rate, 5-Year Hold) | | | | | |
|--|--------|--------------|--------------|--------------|--------------|
| Land Value | \$ - | \$ 1,000,000 | \$ 2,000,000 | \$ 3,000,000 | \$ 4,000,000 |
| RoC | 8.15% | 7.80% | 7.49% | 7.20% | 6.93% |
| IRR | 16.92% | 14.35% | 11.96% | 9.64% | 7.38% |
| Multiple | 2.02 | 1.84 | 1.68 | 1.53 | 1.39 |

Conclusion

Our project **Raleigh Hills Medical Center** is designed to maximize the utility of the vacant land. Throughout the course of our analysis, we explored many design options including some uses which would require tricky zoning changes, or grandiose ideas such as constructing highly dense 100' tall towers with multi-level parking structures. We explored several different multi-building, mixed-use layouts as well. However, in the end it was the 2-story concrete tilt-up suburban Class A medical office that we felt best suited the limitations of the site with a goal of minimizing risk and maximizing return.

As a development team, we are constantly challenged to think creatively, and we have applied our knowledge and skill to the best of its ability in order to produce the contents of this report. Aided by comments and input from numerous Portland area real estate professionals, we feel confident in delivering this proposal to you the reader.

To summarize the key points of this report:

Site

The sloped parcels of undeveloped land are in Raleigh-Hills, at the 6-way intersection of SW Beaverton-Hillsdale Hwy, SW Scholls Ferry Rd, and SW Oleson Rd.

Market

Portland area commercial office space has been negatively affected by the pandemic, however specifically targeted and branded Class A medical office space in suburban locations remains promising.

Construction

Simple construction methods such as tilt-up concrete, and surface parking lots can reduce costs and risk while still delivering a competitive market product.

Finance

By targeting medical professionals (with a higher ability to entertain Class A rents) and by minimizing development costs through simple, elegant design and careful financing choices, project returns can still be generous, even with a challenging site.

Development Team



Andrew Tucker
Development Program / Finance



Matthew Koenigs
Zoning / Entitlements



Dan Noyes, CPA
Pro Forma / Graphic Design



Anthony Bertenelli
Market Study / Development Program



Karisa Caracol
Construction / Site Design / Rendering

Appendix

Cost & Cash Flow Assumptions

| | | |
|--|-------------------------------|----------------|
| Total Development Cost | \$ 24,810,577 | |
| Building/Land Size Assumptions: | | |
| Gross Building Size (SF) | 53,518 | See Site Plan |
| Floorplate Size (SF) | 26,759 | See Site Plan |
| Rentable Space (SF) | 48,166 | See Site Plan |
| Land Size (Acres) | 2.65 | |
| Land Size (SF) | 115,603 | See Site Plan |
| Coverage | 23% | |
| Parking Ratio (per 1,000 SF) | 4.65 | Calculated |
| FAR | N/A | *No Max FAR* |
| Lease-Up Assumptions: | | |
| Annual Rent Escalation | 3.0% | |
| Lease Term (Years) | 10 | |
| Vacancy/Credit Loss | 5.0% | |
| Commissions Years 1-5 | 5.0% | |
| Commissions Years 6-10 | 2.5% | |
| Double Brokered Deal (Increase) | 150% | |
| Income/Expense Assumptions: | | |
| Income: | | |
| Efficiency Ratio | 90% | 100.00% |
| Rental Rate/Total Annual Rent | \$37.00 /SF \$ 1,782,149 | Annual 94.24% |
| | | 5.76% |
| Construction Property Taxes: | \$ 22,636 | |
| Stabilized Operating Expenses: | | |
| Insurance Costs | \$0.25 /SF \$ 12,042 | Annual |
| Property Mgmt. Fee | \$1.85 /SF \$ 89,107 | 5% Annual Rent |
| Property Taxes | \$2.50 /SF \$ 120,416 | Annual |
| Utilities | \$2.10 /SF \$ 101,149 | Annual |
| Repairs & Maintenance | \$1.00 /SF \$ 48,166 | Annual |
| Janitorial | \$1.20 /SF \$ 57,799 | Annual |
| Misc. | \$2.35 /SF \$ 113,191 | Annual |
| Total | \$11.25 /SF \$ 541,870 | |
| Disposition Assumptions: | | |
| Month of Sale / Sale Date | 66 9/30/2027 | |
| Terminal Cap Rate | 6.50% | |
| Sales Costs (%) | 2.0% | |
| Sales Price (net of sales costs) | \$ 27,080,388 | |

Capital Structure Assumptions:

| | | |
|--|---------------|----------------------------------|
| Construction Debt: | | |
| LTC | 65% | |
| Rate | 3.55% | 350 basis points over SOFR Index |
| Interest-Only Period | 3 | Years |
| Extension Option Period | 2 | Years |
| Amortization Period | 30 | Starts During Extension Periods |
| Amount | \$ 16,126,875 | |
| Permanent Debt: | | |
| LTC | | |
| Rate | | |
| Amortization Period | | Years |
| Term | | Years |
| Amount | | |
| Payment (monthly) | | |
| Debt Service Coverage Ratio | | |
| Equity: | | |
| Required Equity | \$ 8,683,702 | |
| Contributed Land Equity | \$0 /SF \$ - | Constr. Interest |
| Equity Investor(s) - plug | \$ 8,183,702 | 5 SOFR |
| Sponsor | \$ 500,000 | 350 Risk Premium |
| | | 355 Total Rate |
| | | 3.55% |
| Cash Flow Distribution Assumptions: | | |
| Simple (Parri Passu) distribution to Sponsor and Investors | | |

Assessed Property Taxes (Washington County) – Historic Values

| Parcel # | 7175 | 7101 | 7023 | Total | Avg. YoY% Δ |
|---------------------------|-------|-------|-------|---------------|--------------|
| 2018 | 8,141 | 7,078 | 4,675 | 19,893 | - |
| 2019 | 8,416 | 7,317 | 4,832 | 20,565 | 3.38% |
| 2020 | 8,700 | 7,564 | 4,992 | 21,256 | 3.36% |
| 2021 | 8,970 | 7,799 | 5,148 | 21,917 | 3.11% |
| 2022 Tax Forecast: | | | | 22,636 | 3.28% |

Property Taxes:

| | |
|-----------------------------------|---------|
| Construction Period (Vacant Land) | 22,636 |
| Stabilized Value (\$2.50/RSF) | 120,416 |

Appendix (cont.)

| Reference Items: | |
|--------------------------|----------|
| Gross Land Area (Acres) | 2.65 |
| Gross Land Area (SF) | 115,603 |
| Gross Building Size (SF) | 53,518 |
| Floorplate Size (SF) | 26,759 |
| Coverage Ratio | 23% |
| FAR | N/A |
| Land Cost (per SF) | \$ 17.30 |
| Leaseable Area (SF) | 48,166 |
| Parking Area (SF) | 63,823 |
| Parking Spaces | 224 |
| Lease Term (Years) | 10 |

See Site Plan
See Site Plan

| | | Project Costs | | |
|---|---------------|--|-------------------|---|
| % of Project | % of Subtotal | Cost | per/SF | Source & Notes |
| Land Acquisition Cost/Value | | | | |
| 8.06% | 100.00% | Land Value | 2,000,000 | 37.37 Residual Land Value - Based on Return on Cost Expectations and Stabilized NOI |
| 0.00% | 0.00% | Buyer-Paid Commissions | - | - Assume N/A - Off-Market Deal |
| 8.06% | 100.00% | Total Land Acquisition Cost/Value | 2,000,000 | 37.37 |
| Predevelopment/Due Diligence Costs | | | | |
| 0.03% | 6.34% | Appraisal | 8,500 | 0.16 |
| 0.06% | 11.19% | Arborist | 15,000 | 0.28 |
| 0.06% | 11.19% | Environmental (Phase I) | 15,000 | 0.28 |
| 0.08% | 14.93% | Legal Fees | 20,000 | 0.37 |
| 0.06% | 11.19% | Market Study | 15,000 | 0.28 |
| 0.04% | 7.46% | Misc. Costs | 10,000 | 0.19 |
| 0.06% | 11.57% | Soils Test/Geotech | 15,500 | 0.29 |
| 0.06% | 11.19% | Survey (Boundary and ALTA) | 15,000 | 0.28 |
| 0.08% | 14.93% | Traffic Study | 20,000 | 0.37 |
| 0.00% | 0.00% | Archaeological Report | - | - Assume N/A To Site |
| 0.00% | 0.00% | Wetlands/Storm Facility | - | - Assume N/A To Site |
| 0.54% | 100.00% | Total Predevelopment Costs | 134,000 | 2.50 |
| Construction Hard Costs | | | | |
| 33.43% | 51.40% | Shell | 8,295,290 | 155.00 Perlo: \$145/SF Concrete Tilt-up; add additional \$10/SF for aluminum panel cladding |
| 12.44% | 19.12% | Sitework | 3,085,714 | 57.66 Perlo est. \$30/SF to prepare site. 10% saving on terraced layout. Bioswale/Water Detention \$640,000 |
| 5.58% | 8.58% | Excavation | 1,384,995 | 25.88 Perlo: assume \$30/CY to completely level site -- assuming 50% savings for terraced layout |
| 13.59% | 20.89% | TI Allowance | 3,371,634 | 63.00 Source: Mark Fraser (Kidder Matthews), \$70/Net SF Landlord TI Allowance |
| 65.04% | 100.00% | Total Construction Hard Costs | 16,137,633 | 301.54 |
| Construction Soft Costs | | | | |
| 3.25% | 73.87% | Architect/Engineer | 806,882 | 15.08 5% of Hard Costs |
| 0.00% | 0.00% | Reimbursables | - | - Assume N/A |
| 0.00% | 0.00% | Construction Builder's Risk Insurance | - | - Assume Contractor Paid Cost |
| 0.11% | 2.59% | Property Taxes - During Construction | 28,295 | 0.53 Per WA County Tax Assessor - 15 Month Construction Period |
| 0.98% | 22.16% | P&P Bond | 242,064 | 4.52 1.5% of Contract Coverage (100% of Hard Costs) |
| 0.06% | 1.37% | Construction Inspection (3rd Party Consultant) | 15,000 | 0.28 |
| 0.00% | 0.00% | Testing/Compaction | - | - Assume N/A To Site |
| 4.40% | 100.00% | Total Construction Soft Costs | 1,092,241 | 20.41 |

Appendix (cont.)

| | | Project Soft Costs | | |
|---------|---------|--|-------------------|--|
| 0.10% | 0.51% | Closing Costs - Land Acquisition | 25,000 | 0.47 |
| 0.65% | 3.32% | Loan Fees | 161,285 | 3.01 1% of Construction Loan Amount |
| 3.25% | 16.58% | Contingency (% of Hard Costs) | 806,882 | 15.08 5% of Hard Costs |
| 1.04% | 5.30% | Contingency (% of Soft Costs) | 257,883 | 4.82 5% of Soft Costs (not including Hard Cost Contingency) |
| 0.97% | 4.95% | Property Taxes - Escrow | 240,831 | 4.50 Required by Lender, 2yr projected stabilized taxes upfront (escrowed) |
| 0.20% | 1.03% | Legal Fees | 50,000 | 0.93 |
| 7.12% | 36.30% | Permits and Fees (incl. SDC's) | 1,766,094 | 33.00 \$33/SF Gross, this was the hardest assumption to estimate |
| 5.00% | 25.50% | Development Fee | 1,240,736 | 23.18 ~5% of Project Costs |
| 1.28% | 6.51% | Constr. Interest Reserve (Carrying Cost) | 316,527 | 5.91 Construction Loan Interest Carrying Costs |
| 19.61% | 100.00% | Total Project Soft Costs | 4,865,237 | 84.99 |
| | | Lease-Up Costs | | |
| 1.91% | 81.48% | Brokerage Commissions | 473,803 | 8.85 See Brokerage Fee Tab |
| 0.30% | 12.90% | Marketing/Misc. Costs | 75,000 | 1.40 Broker Event, etc. |
| 0.13% | 5.62% | Net Operating Deficit (Carrying Cost) | 32,663 | 0.61 Operating Deficit During Lease-Up |
| 2.34% | 100.00% | Total Lease-Up Costs | 581,466 | 10.86 |
| 100.00% | 100.00% | Total Project Costs | 24,810,577 | 457.68 |
| | | Rental Rate/Total Annual Rent | \$37.00 /SF | \$ 1,782,149 |
| | | Capital Reserves | \$0.25 /SF | (13,380) |
| | | Vacancy/Credit Loss | 5% | 89,107 |
| | | Stabilized NOI | | \$ 1,857,877 |
| | | Stabilized NOI | | \$ 1,857,877 |
| | | Stabilized Return on Cost | | 7.49% |
| | | Debt | 65% | \$16,126,875 |
| | | Equity | 35% | \$ 8,683,702 |
| | | Total Project Costs | 100% | \$24,810,577 |
| | | Land | 8.06% | 2,000,000 |
| | | Hard Costs | 65.04% | 16,137,633 |
| | | Pre-Dev / Soft Costs | 24.55% | 6,091,478 |
| | | Lease-Up Costs | 2.34% | 581,466 |

Appendix (cont.)

Construction Timeline

| Description | Total | Source/Appointment | |
|--|---------------|--------------------|---------------|
| | | Equity | Debt |
| Land Acquisition | \$ 2,000,000 | \$ 2,000,000 | \$ - |
| Predevelopment/DD Costs: | | | |
| - Appraisal | \$ 8,500 | \$ 8,500 | \$ - |
| - Arborist | 15,000 | 15,000 | - |
| - Environmental (Phase I) | 15,000 | 15,000 | - |
| - Legal Fees | 20,000 | 20,000 | - |
| - Market Study | 15,000 | 15,000 | - |
| - Misc. Costs | 10,000 | 10,000 | - |
| - Soils Test/Geotech | 15,500 | 15,500 | - |
| - Survey (Boundary and ALTA) | 15,000 | 15,000 | - |
| - Traffic Study | 20,000 | 20,000 | - |
| - Archaeological Report | - | - | - |
| - Wetlands/Storm Facility | - | - | - |
| Subtotal - Predev/DD Costs | \$ 134,000 | \$ 134,000 | \$ - |
| Construction Hard Costs: | | | |
| - Shell | \$ 8,295,290 | \$ - | \$ 8,295,290 |
| - Sitework | 3,085,714 | - | 3,085,714 |
| - Excavation | 1,384,995 | 1,069,936 | 315,059 |
| - TI Allowance | 3,371,634 | - | 3,371,634 |
| Subtotal - Hard Costs | \$ 16,137,633 | \$ 1,069,936 | \$ 15,067,697 |
| Construction Soft Costs: | | | |
| - Architect/Engineer | \$ 806,882 | 600,000 | 206,882 |
| - Reimbursables | - | - | - |
| - Construction Builder's Risk Insurance | - | - | - |
| - Property Taxes - During Construction | 28,295 | 28,295 | - |
| - P&P Bond | 242,064 | 242,064 | - |
| - Construction Inspection (3rd Party Consultant) | 15,000 | 15,000 | - |
| - Testing/Compaction | - | - | - |
| Subtotal - Construction Soft Costs | \$ 1,092,241 | \$ 885,359 | \$ 206,882 |
| Project Soft Costs: | | | |
| - Closing Costs - Land Acquisition | \$ 25,000 | \$ 25,000 | \$ - |
| - Loan Fees | 161,285 | 161,285 | - |
| - Contingency (% of Hard Costs) | 806,882 | 806,882 | - |
| - Contingency (% of Soft Costs) | 257,883 | 257,883 | - |
| - Property Taxes - Escrow | 240,831 | - | 240,831 |
| - Legal Fees | 50,000 | 20,000 | 30,000 |
| - Permits and Fees (incl. SDC's) | 1,766,094 | 1,766,094 | - |
| - Development Fee | 1,240,736 | 1,240,736 | - |
| - Constr. Interest Reserve (Carrying Cost) | 316,527 | 316,527 | - |
| Subtotal - Project Soft Costs | \$ 4,865,237 | \$ 4,594,406 | \$ 270,831 |
| Lease-Up Costs: | | | |
| - Brokerage Commissions | \$ 473,803 | \$ - | \$ 473,803 |
| - Marketing/Misc. Costs | 75,000 | - | 75,000 |
| - Net Operating Deficit (Carrying Cost) | 32,663 | - | 32,663 |
| Subtotal - Lease-Up Costs | \$ 581,466 | \$ - | \$ 581,466 |

Total Expense Per Period

| | Total | Equity | Debt |
|---------------------------|---------------|--------------|---------------|
| Total Project Cost | \$ 24,810,577 | \$ 8,683,702 | \$ 16,126,876 |

| | 4/30/2022 | 5/31/2022 | 6/30/2022 | 7/31/2022 | 8/31/2022 | 9/30/2022 | 10/31/2022 | 11/30/2022 | 12/31/2022 | 1/31/2023 | 2/28/2023 | 3/31/2023 |
|----|------------------------|-----------|-----------|------------------------|-----------|-----------|---------------------|------------|---------------------|-----------|-----------|-----------|
| | Pre-Development Period | | | Pre-Development Period | | | Construction Period | | Construction Period | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| \$ | - | - | - | - | - | 2,000,000 | - | - | - | - | - | - |
| \$ | 1,417 | 1,417 | 1,417 | 1,417 | 1,417 | 1,417 | - | - | - | - | - | - |
| \$ | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - | - | - | - |
| \$ | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - | - | - | - |
| \$ | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | - | - | - | - | - | - |
| \$ | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - | - | - | - |
| \$ | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | - | - | - | - | - | - |
| \$ | 2,583 | 2,583 | 2,583 | 2,583 | 2,583 | 2,583 | - | - | - | - | - | - |
| \$ | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - | - | - | - |
| \$ | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | 22,333 | 22,333 | 22,333 | 22,333 | 22,333 | 22,333 | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | 8.83% | 7.27% | 3.37% | 3.30% | 3.30% | 12.45% |
| \$ | - | - | - | - | - | - | - | - | - | - | - | 2,073,823 |
| \$ | - | - | - | - | - | - | 493,714 | 493,714 | 493,714 | 493,714 | 493,714 | - |
| \$ | - | - | - | - | - | - | 692,498 | 692,498 | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | 1,186,212 | 1,186,212 | 493,714 | 493,714 | 493,714 | 2,073,823 |
| \$ | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | 28,295 | - | - | - | - | - |
| \$ | - | - | - | - | - | - | 242,064 | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 284,768 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 |
| \$ | - | - | - | - | - | 25,000 | - | - | - | - | - | - |
| \$ | - | - | - | - | - | 161,285 | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | 12,500 | - | - | 12,500 |
| \$ | - | - | - | - | - | 1,766,094 | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | 66,468 | 66,468 | 66,468 | 66,468 | 66,468 | 66,468 |
| \$ | - | - | - | - | - | - | - | - | - | - | - | 1,623 |
| \$ | - | - | - | - | - | 1,952,379 | 66,468 | 66,468 | 78,968 | 66,468 | 66,468 | 80,591 |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | 123,194 | 123,194 | 123,194 | 123,194 | 123,194 | 4,075,573 | 1,537,448 | 1,267,088 | 587,091 | 574,591 | 574,591 | 2,168,822 |

Appendix (cont.)

| 4/30/2023 | 5/31/2023 | 6/30/2023 | 7/31/2023 | 8/31/2023 | 9/30/2023 | 10/31/2023 | 11/30/2023 | 12/31/2023 | 1/31/2024 | 2/29/2024 | 3/31/2024 | 4/30/2024 | 5/31/2024 | 6/30/2024 | 7/31/2024 | 8/31/2024 | 9/30/2024 | 10/31/2024 | 11/30/2024 | |
|---------------------|--------------|--------------|------------|------------|------------|------------|--------------|-----------------|------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|------------|------------|
| Construction Period | | | | | | | | Lease-Up Period | | | | | | | | | | | | |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12.42% | 12.45% | 12.56% | 2.56% | 2.56% | 2.64% | 2.58% | 13.71% | | | | | | | | | | | | | |
| \$ 2,073,823 | \$ 2,073,823 | \$ 2,073,823 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | 617,143 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | 337,163 | 337,163 | 337,163 | 337,163 | 337,163 | - | 210,727 | 210,727 | 210,727 | 210,727 | - | - | 210,727 | 210,727 | 210,727 | 210,727 | 210,727 | 210,727 |
| \$ 2,073,823 | \$ 2,073,823 | \$ 2,073,823 | \$ 337,163 | \$ 337,163 | \$ 337,163 | \$ 337,163 | \$ 954,306 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ - | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ - |
| \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 15,000 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 14,409 | \$ 29,409 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 806,882 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 257,883 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 240,831 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | 12,500 | - | - | 12,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 66,468 | 66,468 | 66,468 | 66,468 | 66,468 | 66,468 | 66,468 | 66,468 | - | - | - | - | - | - | - | - | - | - | - | - | 310,184 |
| 8,039 | 14,437 | 20,854 | 27,327 | 28,645 | 29,966 | 31,329 | 32,658 | 39,724 | 40,574 | 41,350 | - | - | - | - | - | - | - | - | - | - |
| \$ 74,507 | \$ 80,905 | \$ 99,822 | \$ 93,795 | \$ 95,113 | \$ 108,934 | \$ 97,797 | \$ 1,404,721 | \$ 39,724 | \$ 40,574 | \$ 41,350 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 310,184 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | 236,901 | - | - | - | - | 118,451 | - | - | - | - | - | - | 118,451 |
| - | - | - | - | - | - | - | - | 10,888 | 10,888 | 10,888 | 75,000 | - | - | - | - | - | - | - | - | - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 247,789 | \$ 10,888 | \$ 10,888 | \$ 75,000 | \$ - | \$ 118,451 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 118,451 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | | | | |
| \$ 2,162,738 | \$ 2,169,136 | \$ 2,188,053 | \$ 445,367 | \$ 446,685 | \$ 460,506 | \$ 449,369 | \$ 2,388,436 | \$ 287,513 | \$ 262,189 | \$ 262,965 | \$ 285,727 | \$ 210,727 | \$ 118,451 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 428,635 |

Appendix (cont.)

Construction Debt:

| | |
|-------------------------|---------------|
| LTC | 65% |
| Rate | 3.55% |
| Interest-Only Period | 3 Year |
| Extension Option Period | 2 Years |
| Amortization Period | 30 |
| Amount | \$ 16,126,875 |
| Payment | \$ 72,868 |

Sale Period: 66

| Phase | Period | Date | Draw | Beg. Balance | Payment | Principal | Interest | End Balance | Reserves | | Total Carry Cost |
|--------------|--------|------------|-----------|--------------|---------|-----------|----------|-------------|------------------|-------------------|------------------|
| | | | | | | | | | Constr. Interest | Operating Deficit | |
| Pre-Dev | 1 | 4/30/2022 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | 2 | 5/31/2022 | - | - | - | - | - | - | - | - | - |
| | 3 | 6/30/2022 | - | - | - | - | - | - | - | - | - |
| | 4 | 7/31/2022 | - | - | - | - | - | - | - | - | - |
| | 5 | 8/31/2022 | - | - | - | - | - | - | - | - | - |
| | 6 | 9/30/2022 | - | - | - | - | - | - | - | - | - |
| Construction | 7 | 10/31/2022 | - | - | - | - | - | - | - | - | - |
| | 8 | 11/30/2022 | - | - | - | - | - | - | - | - | - |
| | 9 | 12/31/2022 | - | - | - | - | - | - | - | - | - |
| | 10 | 1/31/2023 | - | - | - | - | - | - | - | - | - |
| | 11 | 2/28/2023 | - | - | - | - | - | - | - | - | - |
| | 12 | 3/31/2023 | 548,647 | 548,647 | 1,623 | - | 1,623 | 548,647 | 1,623 | - | 1,623 |
| | 13 | 4/30/2023 | 2,168,822 | 2,717,469 | 8,039 | - | 8,039 | 2,717,469 | 8,039 | - | 8,039 |
| | 14 | 5/31/2023 | 2,162,738 | 4,880,207 | 14,437 | - | 14,437 | 4,880,207 | 14,437 | - | 14,437 |
| | 15 | 6/30/2023 | 2,169,136 | 7,049,344 | 20,854 | - | 20,854 | 7,049,344 | 20,854 | - | 20,854 |
| | 16 | 7/31/2023 | 2,188,053 | 9,237,397 | 27,327 | - | 27,327 | 9,237,397 | 27,327 | - | 27,327 |
| | 17 | 8/31/2023 | 445,367 | 9,682,764 | 28,645 | - | 28,645 | 9,682,764 | 28,645 | - | 28,645 |
| | 18 | 9/30/2023 | 446,685 | 10,129,449 | 29,966 | - | 29,966 | 10,129,449 | 29,966 | - | 29,966 |
| | 19 | 10/31/2023 | 460,506 | 10,589,956 | 31,329 | - | 31,329 | 10,589,956 | 31,329 | - | 31,329 |
| | 20 | 11/30/2023 | 449,369 | 11,039,324 | 32,658 | - | 32,658 | 11,039,324 | 32,658 | - | 32,658 |
| | 21 | 12/31/2023 | 2,388,436 | 13,427,760 | 39,724 | - | 39,724 | 13,427,760 | 39,724 | 10,888 | 50,611 |
| Lease-Up | 22 | 1/31/2024 | 287,513 | 13,715,273 | 40,574 | - | 40,574 | 13,715,273 | 40,574 | 10,888 | 51,462 |
| | 23 | 2/29/2024 | 262,189 | 13,977,462 | 41,350 | - | 41,350 | 13,977,462 | 41,350 | 10,888 | 52,238 |
| | 24 | 3/31/2024 | 262,965 | 14,240,427 | 42,128 | - | 42,128 | 14,240,427 | - | - | - |
| | 25 | 4/30/2024 | 285,727 | 14,526,154 | 42,973 | - | 42,973 | 14,526,154 | - | - | - |
| | 26 | 5/31/2024 | 210,727 | 14,736,881 | 43,597 | - | 43,597 | 14,736,881 | - | - | - |
| | 27 | 6/30/2024 | 118,451 | 14,855,332 | 43,947 | - | 43,947 | 14,855,332 | - | - | - |
| | 28 | 7/31/2024 | - | 14,855,332 | 43,947 | - | 43,947 | 14,855,332 | - | - | - |
| | 29 | 8/31/2024 | 210,727 | 15,066,059 | 44,570 | - | 44,570 | 15,066,059 | - | - | - |
| | 30 | 9/30/2024 | 210,727 | 15,276,786 | 45,194 | - | 45,194 | 15,276,786 | - | - | - |
| | 31 | 10/31/2024 | 210,727 | 15,487,513 | 45,817 | - | 45,817 | 15,487,513 | - | - | - |
| | 32 | 11/30/2024 | 210,727 | 15,698,240 | 46,441 | - | 46,441 | 15,698,240 | - | - | - |
| | 33 | 12/31/2024 | 428,635 | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |

Appendix (cont.)

| | | | | | | | | | | | |
|------|----|------------|---|------------|------------|------------|--------|------------|---|---|---|
| Hold | 34 | 1/31/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 35 | 2/28/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 36 | 3/31/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 37 | 4/30/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 38 | 5/31/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 39 | 6/30/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 40 | 7/31/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 41 | 8/31/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 42 | 9/30/2025 | - | 16,126,875 | 47,709 | - | 47,709 | 16,126,875 | - | - | - |
| | 43 | 10/31/2025 | - | 16,126,875 | 72,868 | 25,159 | 47,709 | 16,101,716 | - | - | - |
| | 44 | 11/30/2025 | - | 16,101,716 | 72,868 | 25,233 | 47,634 | 16,076,482 | - | - | - |
| | 45 | 12/31/2025 | - | 16,076,482 | 72,868 | 25,308 | 47,560 | 16,051,174 | - | - | - |
| Hold | 46 | 1/31/2026 | - | 16,051,174 | 72,868 | 25,383 | 47,485 | 16,025,791 | - | - | - |
| | 47 | 2/28/2026 | - | 16,025,791 | 72,868 | 25,458 | 47,410 | 16,000,333 | - | - | - |
| | 48 | 3/31/2026 | - | 16,000,333 | 72,868 | 25,533 | 47,334 | 15,974,800 | - | - | - |
| | 49 | 4/30/2026 | - | 15,974,800 | 72,868 | 25,609 | 47,259 | 15,949,191 | - | - | - |
| | 50 | 5/31/2026 | - | 15,949,191 | 72,868 | 25,685 | 47,183 | 15,923,506 | - | - | - |
| | 51 | 6/30/2026 | - | 15,923,506 | 72,868 | 25,761 | 47,107 | 15,897,745 | - | - | - |
| | 52 | 7/31/2026 | - | 15,897,745 | 72,868 | 25,837 | 47,031 | 15,871,909 | - | - | - |
| | 53 | 8/31/2026 | - | 15,871,909 | 72,868 | 25,913 | 46,954 | 15,845,995 | - | - | - |
| | 54 | 9/30/2026 | - | 15,845,995 | 72,868 | 25,990 | 46,878 | 15,820,005 | - | - | - |
| | 55 | 10/31/2026 | - | 15,820,005 | 72,868 | 26,067 | 46,801 | 15,793,938 | - | - | - |
| | 56 | 11/30/2026 | - | 15,793,938 | 72,868 | 26,144 | 46,724 | 15,767,794 | - | - | - |
| | 57 | 12/31/2026 | - | 15,767,794 | 72,868 | 26,221 | 46,646 | 15,741,573 | - | - | - |
| Hold | 58 | 1/31/2027 | - | 15,741,573 | 72,868 | 26,299 | 46,569 | 15,715,274 | - | - | - |
| | 59 | 2/28/2027 | - | 15,715,274 | 72,868 | 26,377 | 46,491 | 15,688,897 | - | - | - |
| | 60 | 3/31/2027 | - | 15,688,897 | 72,868 | 26,455 | 46,413 | 15,662,443 | - | - | - |
| | 61 | 4/30/2027 | - | 15,662,443 | 72,868 | 26,533 | 46,335 | 15,635,910 | - | - | - |
| | 62 | 5/31/2027 | - | 15,635,910 | 72,868 | 26,612 | 46,256 | 15,609,298 | - | - | - |
| | 63 | 6/30/2027 | - | 15,609,298 | 72,868 | 26,690 | 46,178 | 15,582,608 | - | - | - |
| | 64 | 7/31/2027 | - | 15,582,608 | 72,868 | 26,769 | 46,099 | 15,555,839 | - | - | - |
| | 65 | 8/31/2027 | - | 15,555,839 | 72,868 | 26,848 | 46,019 | 15,528,990 | - | - | - |
| | 66 | 9/30/2027 | - | 15,528,990 | 15,574,930 | 15,528,990 | 45,940 | - | - | - | - |
| | 67 | 10/31/2027 | - | - | - | - | - | - | - | - | - |
| | 68 | 11/30/2027 | - | - | - | - | - | - | - | - | - |
| | 69 | 12/31/2027 | - | - | - | - | - | - | - | - | - |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2022 | 5/31/2022 | 6/30/2022 | 7/31/2022 | 8/31/2022 | 9/30/2022 | 10/31/2022 | 11/30/2022 | 12/31/2022 | 1/31/2023 | 2/28/2023 | 3/31/2023 |
|--|----------------------|------------------------|------------|------------|------------------------|------------|------------|---------------------|--------------|--------------|---------------------|------------|------------|
| | | Pre-Development Period | | | Pre-Development Period | | | Construction Period | | | Construction Period | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Cash Flow From Operations: | | | | | | | | | | | | | |
| Lease-Up % | | | | | | | | | | | | | |
| Cumulative Lease-Up % | | | | | | | | | | | | | |
| Adjustment Factor (see tab "Concessions") | | | | | | | | | | | | | |
| Lease-Up (SF) | | | | | | | | | | | | | |
| Cumulative Lease-Up (SF) | | | | | | | | | | | | | |
| Base Rental Income: | | | | | | | | | | | | | |
| Shell | \$37.00 | | | | | | | | | | | | |
| Escalations | 3.00% | | | | | | | | | | | | |
| Total Base Rental Income | | | | | | | | | | | | | |
| Vacancy/Credit Loss | 5.00% | | | | | | | | | | | | |
| Net Income - After V&C Loss | | | | | | | | | | | | | |
| Insurance Costs | Fixed | | | | | | | | | | | | |
| Property Mgmt. Fee | Fixed | | | | | | | | | | | | |
| Property Taxes | Fixed | | | | | | | | | | | | |
| Utilities | Variable | | | | | | | | | | | | |
| Repairs & Maintenance | Variable | | | | | | | | | | | | |
| Janitorial | Variable | | | | | | | | | | | | |
| Misc. | Variable | | | | | | | | | | | | |
| Total CAM/Operating Expenses | | | | | | | | | | | | | |
| Tenant CAM /Operating Expense Reimbursement | | | | | | | | | | | | | |
| Net Operating Income | | | | | | | | | | | | | |
| Debt Service | 3.55% | | | | | | | | | | | | (1,623) |
| Net Cash Flow From Operations - After Debt Service | | | | | | | | | | | | | (1,623) |
| DCR | | | | | | | | | | | | | |
| Capitalization: | | | | | | | | | | | | | |
| Construction Cost Curve | 100.00% | | | | | | | 8.83% | 7.27% | 3.37% | 3.30% | 3.30% | 12.45% |
| Land Acquisition | 2,000,000 | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Predevelopment/Due Diligence Costs | 134,000 | \$ 134,000 | 22,333 | 22,333 | 22,333 | 22,333 | 22,333 | 22,333 | - | - | - | - | - |
| Construction Hard Costs | 16,137,633 | \$ 16,137,633 | - | - | - | - | - | - | 1,186,212 | 1,186,212 | 493,714 | 493,714 | 493,714 |
| Construction Soft Costs | 1,092,241 | \$ 1,092,241 | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 100,860 | 284,768 | 14,409 | 14,409 | 14,409 | 14,409 |
| Project Soft Costs (less: Constr. Interest Reserve) | 4,548,710 | \$ 4,548,710 | - | - | - | - | - | 1,952,379 | 66,468 | 66,468 | 78,968 | 66,468 | 66,468 |
| Lease-Up Costs (less: Operating Deficit Reserve) | 548,803 | \$ 548,803 | - | - | - | - | - | - | - | - | - | - | - |
| Reserve: Constr. Interest | 316,527 | \$ 316,527 | - | - | - | - | - | - | - | - | - | - | 1,623 |
| Reserve: Operating Deficit | 32,663 | \$ 32,663 | - | - | - | - | - | - | - | - | - | - | - |
| Total Project Costs | 24,810,577 | \$ 24,810,577 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 4,075,573 | \$ 1,537,448 | \$ 1,267,088 | \$ 587,091 | \$ 574,591 | \$ 574,591 |
| check | | | | | | | | | | | | | |
| Total Required Capital | \$ 24,810,577 | | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 4,075,573 | \$ 1,537,448 | \$ 1,267,088 | \$ 587,091 | \$ 574,591 | \$ 574,591 |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2022 | 5/31/2022 | 6/30/2022 | 7/31/2022 | 8/31/2022 | 9/30/2022 | 10/31/2022 | 11/30/2022 | 12/31/2022 | 1/31/2023 | 2/28/2023 | 3/31/2023 |
|---|-----------------|------------------------|--------------|--------------|------------------------|--------------|----------------|---------------------|----------------|--------------|---------------------|--------------|--------------|
| | | Pre-Development Period | | | Pre-Development Period | | | Construction Period | | | Construction Period | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Total Required Capital | \$ 24,810,577 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 4,075,573 | \$ 1,537,448 | \$ 1,267,088 | \$ 587,091 | \$ 574,591 | \$ 574,591 | \$ 2,168,822 |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ - | \$ 123,194 | \$ 246,387 | \$ 369,581 | \$ 492,774 | \$ 615,968 | \$ 4,691,540 | \$ 6,228,988 | \$ 7,496,076 | \$ 8,083,167 | \$ 8,657,758 | \$ 8,683,702 |
| Required Equity | | 123,194 | 123,194 | 123,194 | 123,194 | 123,194 | 4,075,573 | 1,537,448 | 1,267,088 | 587,091 | 574,591 | 574,591 | 2,168,822 |
| Equity Funded | \$ 8,683,702 | 123,194 | 123,194 | 123,194 | 123,194 | 123,194 | 4,075,573 | 1,537,448 | 1,267,088 | 587,091 | 574,591 | 25,944 | - |
| Cumulative Funded Equity | | 123,194 | 246,387 | 369,581 | 492,774 | 615,968 | 4,691,540 | 6,228,988 | 7,496,076 | 8,083,167 | 8,657,758 | 8,683,702 | 8,683,702 |
| Remaining To Fund | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 548,647 | \$ 2,168,822 |
| Debt Funding | 65.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 548,647 |
| Debt Funding | \$ 16,126,875 | - | - | - | - | - | - | - | - | - | - | 548,647 | 2,168,822 |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | - | - | - | - | - | - |
| Ending Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 548,647 | \$ 2,717,469 |
| Total Equity Funding | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | \$ 116,100 | \$ 116,100 | \$ 116,100 | \$ 116,100 | \$ 3,840,905 | \$ 1,448,923 | \$ 1,194,130 | \$ 553,287 | \$ 541,506 | \$ 24,450 | \$ - |
| Sponsor | 5.76% | \$ 500,000 | 7,093 | 7,093 | 7,093 | 7,093 | 234,668 | 88,525 | 72,958 | 33,804 | 33,084 | 1,494 | - |
| Total | 100.00% | \$ 8,683,702 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 123,194 | \$ 4,075,573 | \$ 1,537,448 | \$ 1,267,088 | \$ 587,091 | \$ 574,591 | \$ 25,944 | \$ - |
| Sale Event: (Marked as "X" in Month of Sale) | Exit Cap Rate | | | | | | | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | | | | | | | | | | | |
| Sales Cost | 2.00% | \$ (552,661) | | | | | | | | | | | |
| Net Sales Proceeds | | \$ 27,080,388 | | | | | | | | | | | |
| CF from Operations - after Debt Service | | - | - | - | - | - | - | - | - | - | - | - | - |
| CF Available for Distribution | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | - | - | - | - | - | - |
| Remaining CF Available for Distribution | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Equity: | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (4,075,573) | \$ (1,537,448) | \$ (1,267,088) | \$ (587,091) | \$ (574,591) | \$ (25,944) | \$ - |
| Returned/Disbursed | \$ 14,563,723 | - | - | - | - | - | - | - | - | - | - | - | - |
| Net CF to Equity | | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (123,194) | \$ (4,075,573) | \$ (1,537,448) | \$ (1,267,088) | \$ (587,091) | \$ (574,591) | \$ (25,944) | \$ - |
| Levered IRR | 11.96% | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2023 | 5/31/2023 | 6/30/2023 | 7/31/2023 | 8/31/2023 | 9/30/2023 | 10/31/2023 | 11/30/2023 | 12/31/2023 | 1/31/2024 | 2/29/2024 | 3/31/2024 | |
|--|----------------------|----------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------|
| | | Instruction Period | Construction Period | | | | | | Lease-Up Period | | | | Lt | |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | |
| Cash Flow From Operations: | | | | | | | | | | | | | | |
| Lease-Up % | | | | | | | | | | 50% | 0% | 0% | 0% | |
| Cumulative Lease-Up % | | | | | | | | | | 50% | 50% | 50% | 50% | |
| Adjustment Factor (see tab "Concessions") | | | | | | | | | | 0% | 0% | 0% | 100% | |
| Lease-Up (SF) | | | | | | | | | | 24,083 | 0 | 0 | 0 | |
| Cumulative Lease-Up (SF) | | | | | | | | | | 24,083 | 24,083 | 24,083 | 24,083 | |
| Base Rental Income: | | | | | | | | | | | | | | |
| Shell | \$37.00 | | | | | | | | | \$ - | \$ - | \$ - | \$ 74,256 | |
| Escalations | 3.00% | | | | | | | | | | | | | |
| Total Base Rental Income | | | | | | | | | | \$ - | \$ - | \$ - | \$ 74,256 | |
| Vacancy/Credit Loss | 5.00% | | | | | | | | | | | | | |
| Net Income - After V&C Loss | | | | | | | | | | \$ - | \$ - | \$ - | \$ 74,256 | |
| Insurance Costs | Fixed | | | | | | | | | (1,003) | (1,003) | (1,003) | (1,003) | |
| Property Mgmt. Fee | Fixed | | | | | | | | | (7,426) | (7,426) | (7,426) | (7,426) | |
| Property Taxes | Fixed | | | | | | | | | - | - | - | - | |
| Utilities | Variable | | | | | | | | | (4,215) | (4,215) | (4,215) | (4,215) | |
| Repairs & Maintenance | Variable | | | | | | | | | (2,007) | (2,007) | (2,007) | (2,007) | |
| Janitorial | Variable | | | | | | | | | (2,408) | (2,408) | (2,408) | (2,408) | |
| Misc. | Variable | | | | | | | | | (4,716) | (4,716) | (4,716) | (4,716) | |
| Total CAM/Operating Expenses | | | | | | | | | | \$ (21,775) | \$ (21,775) | \$ (21,775) | \$ (21,775) | |
| Tenant CAM /Operating Expense Reimbursement | | | | | | | | | | 10,888 | 10,888 | 10,888 | 10,888 | |
| Net Operating Income | | | | | | | | | | \$ (10,888) | \$ (10,888) | \$ (10,888) | \$ 63,369 | |
| Debt Service | 3.55% | | | | | | | | | | | | | |
| | | (8,039) | (14,437) | (20,854) | (27,327) | (28,645) | (29,966) | (31,329) | (32,658) | (39,724) | (40,574) | (41,350) | (42,128) | |
| Net Cash Flow From Operations - After Debt Service | | (8,039) | (14,437) | (20,854) | (27,327) | (28,645) | (29,966) | (31,329) | (32,658) | \$ (50,611) | \$ (51,462) | \$ (52,238) | \$ 21,241 | |
| DCR | | | | | | | | | | | | | 1.50 | |
| Capitalization: | | | | | | | | | | | | | | |
| Construction Cost Curve | 100.00% | 12.42% | 12.45% | 12.56% | 2.56% | 2.56% | 2.64% | 2.58% | 13.71% | | | | | |
| Land Acquisition | 2,000,000 | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Predevelopment/Due Diligence Costs | 134,000 | \$ 134,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Construction Hard Costs | 16,137,633 | \$ 16,137,633 | 2,073,823 | 2,073,823 | 2,073,823 | 337,163 | 337,163 | 337,163 | 337,163 | 954,306 | - | 210,727 | 210,727 | |
| Construction Soft Costs | 1,092,241 | \$ 1,092,241 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 | 14,409 | 29,409 | - | - | - | |
| Project Soft Costs (less: Constr. Interest Reserve) | 4,548,710 | \$ 4,548,710 | 66,468 | 66,468 | 78,968 | 66,468 | 66,468 | 78,968 | 66,468 | 1,372,063 | - | - | - | |
| Lease-Up Costs (less: Operating Deficit Reserve) | 548,803 | \$ 548,803 | - | - | - | - | - | - | - | - | 236,901 | - | 75,000 | |
| Reserve: Constr. Interest | 316,527 | \$ 316,527 | 8,039 | 14,437 | 20,854 | 27,327 | 28,645 | 29,966 | 31,329 | 32,658 | 39,724 | 40,574 | 41,350 | |
| Reserve: Operating Deficit | 32,663 | \$ 32,663 | - | - | - | - | - | - | - | - | 10,888 | 10,888 | - | |
| Total Project Costs | 24,810,577 | \$ 24,810,577 | \$ 2,162,738 | \$ 2,169,136 | \$ 2,188,053 | \$ 445,367 | \$ 446,685 | \$ 460,506 | \$ 449,369 | \$ 2,388,436 | \$ 287,513 | \$ 262,189 | \$ 262,965 | \$ 285,727 |
| check | - | - | | | | | | | | | | | | |
| Total Required Capital | \$ 24,810,577 | \$ 2,162,738 | \$ 2,169,136 | \$ 2,188,053 | \$ 445,367 | \$ 446,685 | \$ 460,506 | \$ 449,369 | \$ 2,388,436 | \$ 287,513 | \$ 262,189 | \$ 262,965 | \$ 285,727 | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2023 | 5/31/2023 | 6/30/2023 | 7/31/2023 | 8/31/2023 | 9/30/2023 | 10/31/2023 | 11/30/2023 | 12/31/2023 | 1/31/2024 | 2/29/2024 | 3/31/2024 |
|---|-----------------|---------------------|--------------|--------------|--------------|---------------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| | | Construction Period | | | | Construction Period | | | | Lease-Up Period | | | |
| | | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Total Required Capital | \$ 24,810,577 | \$ 2,162,738 | \$ 2,169,136 | \$ 2,188,053 | \$ 445,367 | \$ 446,685 | \$ 460,506 | \$ 449,369 | \$ 2,388,436 | \$ 287,513 | \$ 262,189 | \$ 262,965 | \$ 285,727 |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 |
| Required Equity | | 2,162,738 | 2,169,136 | 2,188,053 | 445,367 | 446,685 | 460,506 | 449,369 | 2,388,436 | 287,513 | 262,189 | 262,965 | 285,727 |
| Equity Funded | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Funded Equity | | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 |
| Remaining To Fund | | \$ 2,162,738 | \$ 2,169,136 | \$ 2,188,053 | \$ 445,367 | \$ 446,685 | \$ 460,506 | \$ 449,369 | \$ 2,388,436 | \$ 287,513 | \$ 262,189 | \$ 262,965 | \$ 285,727 |
| Debt Funding | 65.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 2,717,469 | \$ 4,880,207 | \$ 7,049,344 | \$ 9,237,397 | \$ 9,682,764 | \$ 10,129,449 | \$ 10,589,956 | \$ 11,039,324 | \$ 13,427,760 | \$ 13,715,273 | \$ 13,977,462 | \$ 14,240,427 |
| Debt Funding | \$ 16,126,875 | 2,162,738 | 2,169,136 | 2,188,053 | 445,367 | 446,685 | 460,506 | 449,369 | 2,388,436 | 287,513 | 262,189 | 262,965 | 285,727 |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | - | - | - | - | - | - |
| Ending Balance | | \$ 4,880,207 | \$ 7,049,344 | \$ 9,237,397 | \$ 9,682,764 | \$ 10,129,449 | \$ 10,589,956 | \$ 11,039,324 | \$ 13,427,760 | \$ 13,715,273 | \$ 13,977,462 | \$ 14,240,427 | \$ 14,526,154 |
| Total Equity Funding | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sponsor | 5.76% | \$ 500,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 100.00% | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale Event: (Marked as "X" In Month of Sale) | Exit Cap Rate | | | | | | | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | | | | | | | | \$ - | \$ - | \$ - | \$ - |
| Sales Cost | 2.00% | \$ (552,661) | | | | | | | | - | - | - | - |
| Net Sales Proceeds | | \$ 27,080,388 | | | | | | | | \$ - | \$ - | \$ - | \$ - |
| CF from Operations - after Debt Service | | | | | | | | | | | | | 21,241 |
| CF Available for Distribution | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,241 |
| Debt Repayment | \$ (16,126,875) | | | | | | | | | | | | |
| Remaining CF Available for Distribution | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,241 |
| Equity: | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Returned/Disbursed | \$ 14,563,723 | - | - | - | - | - | - | - | - | - | - | - | 21,241 |
| Net CF to Equity | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,241 |
| Levered IRR | 11.96% | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2024 | 5/31/2024 | 6/30/2024 | 7/31/2024 | 8/31/2024 | 9/30/2024 | 10/31/2024 | 11/30/2024 | 12/31/2024 | 1/31/2025 | 2/28/2025 | 3/31/2025 |
|--|------------|-----------------------|-------------|-------------|-----------------------|-------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|
| | | Lease-Up Period 25 | 26 | 27 | Lease-Up Period 28 | 29 | 30 | 31 | 32 | Hold Period 33 | 34 | 35 | 36 |
| Cash Flow From Operations: | | | | | | | | | | | | | |
| Lease-Up % | | 0% | 25% | 0% | 0% | 0% | 0% | 0% | 25% | 0% | 0% | 0% | 0% |
| Cumulative Lease-Up % | | 50% | 75% | 75% | 75% | 75% | 75% | 75% | 100% | 100% | 100% | 100% | 100% |
| Adjustment Factor (see tab "Concessions") | | 100% | 67% | 67% | 67% | 100% | 100% | 100% | 75% | 75% | 75% | 100% | 100% |
| Lease-Up (\$F) | | 0 | 12,042 | 0 | 0 | 0 | 0 | 0 | 12,042 | 0 | 0 | 0 | 0 |
| Cumulative Lease-Up (\$F) | | 24,083 | 36,125 | 36,125 | 36,125 | 36,125 | 36,125 | 36,125 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 |
| Base Rental Income: | | | | | | | | | | | | | |
| Shell | \$37.00 | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 148,512 | \$ 148,512 |
| Escalations | 3.00% | | | | | | | | | | | | |
| Total Base Rental Income | | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 148,512 | \$ 148,512 |
| Vacancy/Credit Loss | 5.00% | - | - | - | - | - | - | - | (5,569) | (5,569) | (5,569) | (7,426) | (7,426) |
| Net Income - After V&C Loss | | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 74,256 | \$ 111,384 | \$ 111,384 | \$ 111,384 | \$ 105,815 | \$ 105,815 | \$ 105,815 | \$ 141,087 | \$ 141,087 |
| Insurance Costs | Fixed | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) |
| Property Mgmt. Fee | Fixed | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) |
| Property Taxes | Fixed | - | - | - | - | - | - | - | - | - | - | - | - |
| Utilities | Variable | (4,215) | (6,322) | (6,322) | (6,322) | (6,322) | (6,322) | (6,322) | (8,429) | (8,429) | (8,429) | (8,429) | (8,429) |
| Repairs & Maintenance | Variable | (2,007) | (3,010) | (3,010) | (3,010) | (3,010) | (3,010) | (3,010) | (4,014) | (4,014) | (4,014) | (4,014) | (4,014) |
| Janitorial | Variable | (2,408) | (3,612) | (3,612) | (3,612) | (3,612) | (3,612) | (3,612) | (4,817) | (4,817) | (4,817) | (4,817) | (4,817) |
| Misc. | Variable | (4,716) | (7,074) | (7,074) | (7,074) | (7,074) | (7,074) | (7,074) | (9,433) | (9,433) | (9,433) | (9,433) | (9,433) |
| Total CAM/Operating Expenses | | \$ (21,775) | \$ (28,448) | \$ (28,448) | \$ (28,448) | \$ (28,448) | \$ (28,448) | \$ (28,448) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) |
| Tenant CAM /Operating Expense Reimbursement | | 10,888 | 21,336 | 21,336 | 21,336 | 21,336 | 21,336 | 21,336 | 35,121 | 35,121 | 35,121 | 35,121 | 35,121 |
| Net Operating Income | | \$ 63,369 | \$ 67,144 | \$ 67,144 | \$ 67,144 | \$ 104,272 | \$ 104,272 | \$ 104,272 | \$ 105,815 | \$ 105,815 | \$ 105,815 | \$ 141,087 | \$ 141,087 |
| Debt Service | 3.55% | (42,973) | (43,597) | (43,947) | (43,947) | (44,570) | (45,194) | (45,817) | (46,441) | (47,099) | (47,709) | (47,709) | (47,709) |
| Net Cash Flow From Operations - After Debt Service | | \$ 20,395 | \$ 23,548 | \$ 23,197 | \$ 23,197 | \$ 59,702 | \$ 59,078 | \$ 58,455 | \$ 59,374 | \$ 58,106 | \$ 58,106 | \$ 93,378 | \$ 93,378 |
| DCR | | 1.47 | 1.54 | 1.53 | 1.53 | 2.34 | 2.31 | 2.28 | 2.28 | 2.22 | 2.22 | 2.96 | 2.96 |
| Capitalization: | | | | | | | | | | | | | |
| Construction Cost Curve | 100.00% | | | | | | | | | | | | |
| Land Acquisition | 2,000,000 | \$ 2,000,000 | - | - | - | - | - | - | - | - | - | - | - |
| Predevelopment/Due Diligence Costs | 134,000 | \$ 134,000 | - | - | - | - | - | - | - | - | - | - | - |
| Construction Hard Costs | 16,137,633 | \$ 16,137,633 | 210,727 | - | - | 210,727 | 210,727 | 210,727 | 210,727 | - | - | - | - |
| Construction Soft Costs | 1,092,241 | \$ 1,092,241 | - | - | - | - | - | - | - | - | - | - | - |
| Project Soft Costs (less: Constr. Interest Reserve) | 4,548,710 | \$ 4,548,710 | - | - | - | - | - | - | - | 310,184 | - | - | - |
| Lease-Up Costs (less: Operating Deficit Reserve) | 548,803 | \$ 548,803 | - | 118,451 | - | - | - | - | - | 118,451 | - | - | - |
| Reserve: Constr. Interest | 316,527 | \$ 316,527 | - | - | - | - | - | - | - | - | - | - | - |
| Reserve: Operating Deficit | 32,663 | \$ 32,663 | - | - | - | - | - | - | - | - | - | - | - |
| Total Project Costs | 24,810,577 | \$ 24,810,577 | \$ 210,727 | \$ 118,451 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 428,635 | \$ - | \$ - | \$ - |
| check | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Required Capital | | \$ 24,810,577 | \$ 210,727 | \$ 118,451 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 428,635 | \$ - | \$ - | \$ - |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2024 | 5/31/2024 | 6/30/2024 | 7/31/2024 | 8/31/2024 | 9/30/2024 | 10/31/2024 | 11/30/2024 | 12/31/2024 | 1/31/2025 | 2/28/2025 | 3/31/2025 | |
|---|-----------------|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|--|
| | | Lease-Up Period | | | Lease-Up Period | | | Lease-Up Period | | | Hold Period | | | |
| | | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | |
| Total Required Capital | \$ 24,810,577 | \$ 210,727 | \$ 118,451 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 428,635 | \$ - | \$ - | \$ - | \$ - | |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | | |
| Beginning Balance | | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | |
| Required Equity | | 210,727 | 118,451 | - | 210,727 | 210,727 | 210,727 | 210,727 | 428,635 | - | - | - | - | |
| Equity Funded | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Cumulative Funded Equity | | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | |
| Remaining To Fund | | \$ 210,727 | \$ 118,451 | \$ - | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 210,727 | \$ 428,635 | \$ - | \$ - | \$ - | \$ - | |
| Debt Funding | 65.00% | | | | | | | | | | | | | |
| Beginning Balance | | \$ 14,526,154 | \$ 14,736,881 | \$ 14,855,332 | \$ 14,855,332 | \$ 15,066,059 | \$ 15,276,786 | \$ 15,487,513 | \$ 15,698,240 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | |
| Debt Funding | \$ 16,126,875 | 210,727 | 118,451 | - | 210,727 | 210,727 | 210,727 | 210,727 | 428,635 | - | - | - | - | |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Balance | | \$ 14,736,881 | \$ 14,855,332 | \$ 14,855,332 | \$ 15,066,059 | \$ 15,276,786 | \$ 15,487,513 | \$ 15,698,240 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | |
| Total Equity Funding | | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Sponsor | 5.76% | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Total | 100.00% | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Sale Event: (Marked as "X" in Month of Sale) | Exit Cap Rate | | | | | | | | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Sales Cost | 2.00% | \$ (552,661) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Net Sales Proceeds | | \$ 27,080,388 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| CF from Operations - after Debt Service | | 20,395 | 23,548 | 23,197 | 23,197 | 59,702 | 59,078 | 58,455 | 59,374 | 58,106 | 58,106 | 93,378 | 93,378 | |
| CF Available for Distribution | | \$ 20,395 | \$ 23,548 | \$ 23,197 | \$ 23,197 | \$ 59,702 | \$ 59,078 | \$ 58,455 | \$ 59,374 | \$ 58,106 | \$ 58,106 | \$ 93,378 | \$ 93,378 | |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | - | - | - | - | - | - | |
| Remaining CF Available for Distribution | | \$ 20,395 | \$ 23,548 | \$ 23,197 | \$ 23,197 | \$ 59,702 | \$ 59,078 | \$ 58,455 | \$ 59,374 | \$ 58,106 | \$ 58,106 | \$ 93,378 | \$ 93,378 | |
| Equity: | | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Returned/Disbursed | \$ 14,563,723 | 20,395 | 23,548 | 23,197 | 23,197 | 59,702 | 59,078 | 58,455 | 59,374 | 58,106 | 58,106 | 93,378 | 93,378 | |
| Net CF to Equity | | \$ 20,395 | \$ 23,548 | \$ 23,197 | \$ 23,197 | \$ 59,702 | \$ 59,078 | \$ 58,455 | \$ 59,374 | \$ 58,106 | \$ 58,106 | \$ 93,378 | \$ 93,378 | |
| Levered IRR | 11.96% | | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2025 | 5/31/2025 | 6/30/2025 | 7/31/2025 | 8/31/2025 | 9/30/2025 | 10/31/2025 | 11/30/2025 | 12/31/2025 | 1/31/2026 | 2/28/2026 | 3/31/2026 |
|--|------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Hold Period | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 |
| Cash Flow From Operations: | | | | | | | | | | | | | |
| Lease-Up % | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Cumulative Lease-Up % | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Adjustment Factor (see tab "Concessions") | | 100% | 100% | | | | | | | | | | |
| Lease-Up (SF) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Lease-Up (SF) | | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 |
| Base Rental Income: | | | | | | | | | | | | | |
| Shell | \$37.00 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 152,968 | \$ 152,968 | \$ 152,968 | \$ 152,968 |
| Escalations | 3.00% | | | | | | | | | 3.00% | | | |
| Total Base Rental Income | | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 148,512 | \$ 152,968 | \$ 152,968 | \$ 152,968 | \$ 152,968 |
| Vacancy/Credit Loss | 5.00% | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,648) | (7,648) | (7,648) | (7,648) |
| Net Income - After V&C Loss | | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 145,319 | \$ 145,319 | \$ 145,319 | \$ 145,319 |
| Insurance Costs | Fixed | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,003) | (1,034) | (1,034) | (1,034) | (1,034) |
| Property Mgmt. Fee | Fixed | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,426) | (7,648) | (7,648) | (7,648) | (7,648) |
| Property Taxes | Fixed | - | - | - | - | - | - | - | - | (10,336) | (10,336) | (10,336) | (10,336) |
| Utilities | Variable | (8,429) | (8,429) | (8,429) | (8,429) | (8,429) | (8,429) | (8,429) | (8,429) | (8,682) | (8,682) | (8,682) | (8,682) |
| Repairs & Maintenance | Variable | (4,014) | (4,014) | (4,014) | (4,014) | (4,014) | (4,014) | (4,014) | (4,014) | (4,134) | (4,134) | (4,134) | (4,134) |
| Janitorial | Variable | (4,817) | (4,817) | (4,817) | (4,817) | (4,817) | (4,817) | (4,817) | (4,817) | (4,961) | (4,961) | (4,961) | (4,961) |
| Misc. | Variable | (9,433) | (9,433) | (9,433) | (9,433) | (9,433) | (9,433) | (9,433) | (9,433) | (9,716) | (9,716) | (9,716) | (9,716) |
| Total CAM/Operating Expenses | | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (35,121) | \$ (46,510) | \$ (46,510) | \$ (46,510) | \$ (46,510) |
| Tenant CAM /Operating Expense Reimbursement | | 35,121 | 35,121 | 35,121 | 35,121 | 35,121 | 35,121 | 35,121 | 35,121 | 46,510 | 46,510 | 46,510 | 46,510 |
| Net Operating Income | | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 141,087 | \$ 145,319 | \$ 145,319 | \$ 145,319 | \$ 145,319 |
| Debt Service | 3.55% | (47,709) | (47,709) | (47,709) | (47,709) | (47,709) | (47,709) | (47,709) | (47,709) | (47,634) | (47,560) | (47,485) | (47,334) |
| Net Cash Flow From Operations - After Debt Service | | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,453 | \$ 97,760 | \$ 97,835 | \$ 97,985 |
| DCR | | 2.96 | 2.96 | 2.96 | 2.96 | 2.96 | 2.96 | 2.96 | 2.96 | 2.96 | 3.06 | 3.06 | 3.07 |
| Capitalization: | | | | | | | | | | | | | |
| Construction Cost Curve | 100.00% | | | | | | | | | | | | |
| Land Acquisition | 2,000,000 | \$ 2,000,000 | | | | | | | | | | | |
| Predevelopment/Due Diligence Costs | 134,000 | \$ 134,000 | | | | | | | | | | | |
| Construction Hard Costs | 16,137,633 | \$ 16,137,633 | | | | | | | | | | | |
| Construction Soft Costs | 1,092,241 | \$ 1,092,241 | | | | | | | | | | | |
| Project Soft Costs (less: Constr. Interest Reserve) | 4,548,710 | \$ 4,548,710 | | | | | | | | | | | |
| Lease-Up Costs (less: Operating Deficit Reserve) | 548,803 | \$ 548,803 | | | | | | | | | | | |
| Reserve: Constr. Interest | 316,527 | \$ 316,527 | | | | | | | | | | | |
| Reserve: Operating Deficit | 32,663 | \$ 32,663 | | | | | | | | | | | |
| Total Project Costs | 24,810,577 | \$ 24,810,577 | | | | | | | | | | | |
| check | - | | | | | | | | | | | | |
| Total Required Capital | | \$ 24,810,577 | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2025 | 5/31/2025 | 6/30/2025 | 7/31/2025 | 8/31/2025 | 9/30/2025 | 10/31/2025 | 11/30/2025 | 12/31/2025 | 1/31/2026 | 2/28/2026 | 3/31/2026 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Hold Period | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 |
| Total Required Capital | \$ 24,810,577 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 |
| Required Equity | | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Funded | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Funded Equity | | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 |
| Remaining To Fund | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Funding | 65.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,101,716 | \$ 16,076,482 | \$ 16,051,174 | \$ 16,025,791 | \$ 16,000,333 |
| Debt Funding | \$ 16,126,875 | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | (25,159) | (25,233) | (25,308) | (25,383) | (25,458) | (25,533) |
| Ending Balance | | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,126,875 | \$ 16,101,716 | \$ 16,076,482 | \$ 16,051,174 | \$ 16,025,791 | \$ 16,000,333 | \$ 15,974,800 |
| Total Equity Funding | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | - | - | - | - | - | - | - | - | - | - | - |
| Sponsor | 5.76% | \$ 500,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 100.00% | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale Event: (Marked as "X" In Month of Sale) | Exit Cap Rate | | | | | | | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales Cost | 2.00% | \$ (552,661) | - | - | - | - | - | - | - | - | - | - | - |
| Net Sales Proceeds | | \$ 27,080,388 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CF from Operations - after Debt Service | | 93,378 | 93,378 | 93,378 | 93,378 | 93,378 | 93,378 | 93,378 | 93,453 | 97,760 | 97,835 | 97,910 | 97,985 |
| CF Available for Distribution | | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,453 | \$ 97,760 | \$ 97,835 | \$ 97,910 | \$ 97,985 |
| Debt Repayment | \$ (16,126,875) | - | - | - | - | - | - | (25,159) | (25,233) | (25,308) | (25,383) | (25,458) | (25,533) |
| Remaining CF Available for Distribution | | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 68,219 | \$ 68,219 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 |
| Equity: | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Returned/Disbursed | \$ 14,563,723 | 93,378 | 93,378 | 93,378 | 93,378 | 93,378 | 93,378 | 68,219 | 68,219 | 72,452 | 72,452 | 72,452 | 72,452 |
| Net CF to Equity | | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 93,378 | \$ 68,219 | \$ 68,219 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 |
| Levered IRR | 11.96% | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total |
|--|---------------|
| Cash Flow From Operations: | |
| Lease-Up % | |
| Cumulative Lease-Up % | |
| Adjustment Factor (see tab "Concessions") | |
| Lease-Up (\$F) | |
| Cumulative Lease-Up (\$F) | |
| | |
| Base Rental Income: | |
| Shell | \$37.00 |
| Escalations | 3.00% |
| Total Base Rental Income | |
| Vacancy/Credit Loss | 5.00% |
| Net Income - After V&C Loss | |
| Insurance Costs | Fixed |
| Property Mgmt. Fee | Fixed |
| Property Taxes | Fixed |
| Utilities | Variable |
| Repairs & Maintenance | Variable |
| Janitorial | Variable |
| Misc. | Variable |
| Total CAM/Operating Expenses | |
| Tenant CAM /Operating Expense Reimbursement | |
| Net Operating Income | |
| | |
| Debt Service | 3.55% |
| Net Cash Flow From Operations - After Debt Service | |
| DCR | |
| | |
| Capitalization: | |
| Construction Cost Curve | 100.00% |
| | |
| Land Acquisition | \$ 2,000,000 |
| Predevelopment/Due Diligence Costs | \$ 134,000 |
| Construction Hard Costs | \$ 16,137,633 |
| Construction Soft Costs | \$ 1,092,241 |
| Project Soft Costs (less: Constr. Interest Reserve) | \$ 4,548,710 |
| Lease-Up Costs (less: Operating Deficit Reserve) | \$ 548,803 |
| Reserve: Constr. Interest | \$ 316,527 |
| Reserve: Operating Deficit | \$ 32,663 |
| Total Project Costs | \$ 24,810,577 |
| check | - |
| Total Required Capital | \$ 24,810,577 |

| | 4/30/2026 | 5/31/2026 | 6/30/2026 | 7/31/2026 | 8/31/2026 | 9/30/2026 | 10/31/2026 | 11/30/2026 | 12/31/2026 | 1/31/2027 | 2/28/2027 | 3/31/2027 |
|----|-------------|-----------|-----------|-------------|-----------|-----------|-------------|------------|------------|-------------|-----------|-----------|
| | Hold Period | | | Hold Period | | | Hold Period | | | Hold Period | | |
| | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 |
| | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 |
| \$ | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 157,557 | 157,557 | 157,557 | 157,557 |
| | | | | | | | | | 3.00% | | | |
| \$ | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 152,968 | 157,557 | 157,557 | 157,557 | 157,557 |
| | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,878) | (7,878) | (7,878) | (7,878) |
| \$ | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 149,679 | 149,679 | 149,679 | 149,679 |
| | (1,034) | (1,034) | (1,034) | (1,034) | (1,034) | (1,034) | (1,034) | (1,034) | (1,065) | (1,065) | (1,065) | (1,065) |
| | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,648) | (7,878) | (7,878) | (7,878) | (7,878) |
| | (10,336) | (10,336) | (10,336) | (10,336) | (10,336) | (10,336) | (10,336) | (10,336) | (10,646) | (10,646) | (10,646) | (10,646) |
| | (8,682) | (8,682) | (8,682) | (8,682) | (8,682) | (8,682) | (8,682) | (8,682) | (8,942) | (8,942) | (8,942) | (8,942) |
| | (4,134) | (4,134) | (4,134) | (4,134) | (4,134) | (4,134) | (4,134) | (4,134) | (4,258) | (4,258) | (4,258) | (4,258) |
| | (4,961) | (4,961) | (4,961) | (4,961) | (4,961) | (4,961) | (4,961) | (4,961) | (5,110) | (5,110) | (5,110) | (5,110) |
| | (9,716) | (9,716) | (9,716) | (9,716) | (9,716) | (9,716) | (9,716) | (9,716) | (10,007) | (10,007) | (10,007) | (10,007) |
| \$ | (46,510) | (46,510) | (46,510) | (46,510) | (46,510) | (46,510) | (46,510) | (46,510) | (47,906) | (47,906) | (47,906) | (47,906) |
| | 46,510 | 46,510 | 46,510 | 46,510 | 46,510 | 46,510 | 46,510 | 46,510 | 47,906 | 47,906 | 47,906 | 47,906 |
| \$ | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 145,319 | 149,679 | 149,679 | 149,679 | 149,679 |
| | (47,259) | (47,183) | (47,107) | (47,031) | (46,954) | (46,878) | (46,801) | (46,724) | (46,646) | (46,569) | (46,491) | (46,413) |
| \$ | 98,061 | 98,136 | 98,212 | 98,289 | 98,365 | 98,442 | 98,519 | 98,596 | 103,033 | 103,110 | 103,188 | 103,266 |
| | 3.07 | 3.08 | 3.08 | 3.09 | 3.09 | 3.10 | 3.11 | 3.11 | 3.21 | 3.21 | 3.22 | 3.22 |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | - | - | - | - | - | - | - | - | - | - | - | - |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2026 | 5/31/2026 | 6/30/2026 | 7/31/2026 | 8/31/2026 | 9/30/2026 | 10/31/2026 | 11/30/2026 | 12/31/2026 | 1/31/2027 | 2/28/2027 | 3/31/2027 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Hold Period | | | Hold Period | | | Hold Period | | | Hold Period | | |
| | | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 |
| Total Required Capital | \$ 24,810,577 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 |
| Required Equity | | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Funded | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Funded Equity | | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 |
| Remaining To Fund | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Funding | 65.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 15,974,800 | \$ 15,949,191 | \$ 15,923,506 | \$ 15,897,745 | \$ 15,871,909 | \$ 15,845,995 | \$ 15,820,005 | \$ 15,793,938 | \$ 15,767,794 | \$ 15,741,573 | \$ 15,715,274 | \$ 15,688,897 |
| Debt Funding | \$ 16,126,875 | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Repayment | \$ (16,126,875) | (25,609) | (25,685) | (25,761) | (25,837) | (25,913) | (25,990) | (26,067) | (26,144) | (26,221) | (26,299) | (26,377) | (26,455) |
| Ending Balance | | \$ 15,949,191 | \$ 15,923,506 | \$ 15,897,745 | \$ 15,871,909 | \$ 15,845,995 | \$ 15,820,005 | \$ 15,793,938 | \$ 15,767,794 | \$ 15,741,573 | \$ 15,715,274 | \$ 15,688,897 | \$ 15,662,443 |
| Total Equity Funding | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | - | - | - | - | - | - | - | - | - | - | - |
| Sponsor | 5.76% | \$ 500,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 100.00% | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - |
| Sale Event: (Marked as "X" in Month of Sale) | Exit Cap Rate | | | | | | | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | - | - | - | - | - | - | - | - | - | - | - |
| Sales Cost | 2.00% | \$ (552,661) | - | - | - | - | - | - | - | - | - | - | - |
| Net Sales Proceeds | | \$ 27,080,388 | - | - | - | - | - | - | - | - | - | - | - |
| CF from Operations - after Debt Service | | 98,061 | 98,136 | 98,212 | 98,289 | 98,365 | 98,442 | 98,519 | 98,596 | 103,033 | 103,110 | 103,188 | 103,266 |
| CF Available for Distribution | | \$ 98,061 | \$ 98,136 | \$ 98,212 | \$ 98,289 | \$ 98,365 | \$ 98,442 | \$ 98,519 | \$ 98,596 | \$ 103,033 | \$ 103,110 | \$ 103,188 | \$ 103,266 |
| Debt Repayment | \$ (16,126,875) | (25,609) | (25,685) | (25,761) | (25,837) | (25,913) | (25,990) | (26,067) | (26,144) | (26,221) | (26,299) | (26,377) | (26,455) |
| Remaining CF Available for Distribution | | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 |
| Equity: | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Returned/Disbursed | \$ 14,563,723 | 72,452 | 72,452 | 72,452 | 72,452 | 72,452 | 72,452 | 72,452 | 72,452 | 76,811 | 76,811 | 76,811 | 76,811 |
| Net CF to Equity | | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 72,452 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 |
| Levered IRR | 11.96% | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2027 | 5/31/2027 | 6/30/2027 | 7/31/2027 | 8/31/2027 | 9/30/2027 | 10/31/2027 | 11/30/2027 | 12/31/2027 | 1/31/2028 | 2/29/2028 | 3/31/2028 |
|--|------------|---------------|-----------|-----------|-------------|-----------|-----------|-------------|------------|------------|-------------|-----------|-----------|
| | | Hold Period | | | Hold Period | | | Hold Period | | | Hold Period | | |
| | | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 |
| Cash Flow From Operations: | | | | | | | | | | | | | |
| Lease-Up % | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Cumulative Lease-Up % | | 100% | 100% | 100% | 100% | 100% | 100% | 0% | 0% | 0% | 0% | 0% | 0% |
| Adjustment Factor (see tab "Concessions") | | | | | | | | | | | | | |
| Lease-Up (\$F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cumulative Lease-Up (\$F) | | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 48,166 | 0 | 0 | 0 | 0 | 0 | 0 |
| Base Rental Income: | | | | | | | | | | | | | |
| Shell | \$97.00 | | | | | | | | | | | | |
| Escalations | 3.00% | | | | | | | | | 3.00% | | | |
| Total Base Rental Income | | | | | | | | | | | | | |
| Vacancy/Credit Loss | 5.00% | | | | | | | | | | | | |
| Net income - After V&C Loss | | | | | | | | | | | | | |
| Insurance Costs | Fixed | (1,065) | (1,065) | (1,065) | (1,065) | (1,065) | (1,065) | (1,065) | - | - | - | - | - |
| Property Mgmt. Fee | Fixed | (7,878) | (7,878) | (7,878) | (7,878) | (7,878) | (7,878) | (7,878) | - | - | - | - | - |
| Property Taxes | Fixed | (10,646) | (10,646) | (10,646) | (10,646) | (10,646) | (10,646) | (10,646) | - | - | - | - | - |
| Utilities | Variable | (8,942) | (8,942) | (8,942) | (8,942) | (8,942) | (8,942) | (8,942) | - | - | - | - | - |
| Repairs & Maintenance | Variable | (4,258) | (4,258) | (4,258) | (4,258) | (4,258) | (4,258) | (4,258) | - | - | - | - | - |
| Janitorial | Variable | (5,110) | (5,110) | (5,110) | (5,110) | (5,110) | (5,110) | (5,110) | - | - | - | - | - |
| Misc. | Variable | (10,007) | (10,007) | (10,007) | (10,007) | (10,007) | (10,007) | (10,007) | - | - | - | - | - |
| Total CAM/Operating Expenses | | (47,906) | (47,906) | (47,906) | (47,906) | (47,906) | (47,906) | (47,906) | - | - | - | - | - |
| Tenant CAM /Operating Expense Reimbursement | | 47,906 | 47,906 | 47,906 | 47,906 | 47,906 | 47,906 | 47,906 | - | - | - | - | - |
| Net Operating Income | | 149,679 | 149,679 | 149,679 | 149,679 | 149,679 | 149,679 | 149,679 | - | - | - | - | - |
| Debt Service | 3.55% | (46,335) | (46,256) | (46,178) | (46,099) | (46,019) | (45,940) | - | - | - | - | - | - |
| Net Cash Flow From Operations - After Debt Service | | 103,344 | 103,423 | 103,502 | 103,580 | 103,660 | 103,739 | - | - | - | - | - | - |
| DCR | | 3.23 | 3.24 | 3.24 | 3.25 | 3.25 | 3.26 | | | | | | |
| Capitalization: | | | | | | | | | | | | | |
| Construction Cost Curve | 100.00% | | | | | | | | | | | | |
| Land Acquisition | 2,000,000 | \$ 2,000,000 | | | | | | | | | | | |
| Predevelopment/Due Diligence Costs | 134,000 | \$ 134,000 | | | | | | | | | | | |
| Construction Hard Costs | 16,137,633 | \$ 16,137,633 | | | | | | | | | | | |
| Construction Soft Costs | 1,092,241 | \$ 1,092,241 | | | | | | | | | | | |
| Project Soft Costs (less: Constr. Interest Reserve) | 4,548,710 | \$ 4,548,710 | | | | | | | | | | | |
| Lease-Up Costs (less: Operating Deficit Reserve) | 548,803 | \$ 548,803 | | | | | | | | | | | |
| Reserve: Constr. Interest | 316,527 | \$ 316,527 | | | | | | | | | | | |
| Reserve: Operating Deficit | 32,663 | \$ 32,663 | | | | | | | | | | | |
| Total Project Costs | 24,810,577 | \$ 24,810,577 | | | | | | | | | | | |
| check | - | | | | | | | | | | | | |
| Total Required Capital | | \$ 24,810,577 | | | | | | | | | | | |

Appendix (cont.)

Cash Flow Summary

| Description | Total | 4/30/2027 | 5/31/2027 | 6/30/2027 | 7/31/2027 | 8/31/2027 | 9/30/2027 | 10/31/2027 | 11/30/2027 | 12/31/2027 | 1/31/2028 | 2/29/2028 | 3/31/2028 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|------------|------------|-------------|-----------|-----------|
| | | Hold Period | | | Hold Period | | | Hold Period | | | Hold Period | | |
| | | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 |
| Total Required Capital | \$ 24,810,577 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Initial Equity Required | 35.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ 8,683,702 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Required Equity | | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Funded | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Funded Equity | | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | 8,683,702 | - | - | - | - | - | - |
| Remaining To Fund | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Funding | 65.00% | | | | | | | | | | | | |
| Beginning Balance | | \$ 15,662,443 | \$ 15,635,910 | \$ 15,609,298 | \$ 15,582,608 | \$ 15,555,839 | \$ 15,528,990 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Funding | \$ 16,126,875 | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Repayment | \$ (16,126,875) | (26,533) | (26,612) | (26,690) | (26,769) | (26,848) | (15,528,990) | - | - | - | - | - | - |
| Ending Balance | | \$ 15,635,910 | \$ 15,609,298 | \$ 15,582,608 | \$ 15,555,839 | \$ 15,528,990 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Equity Funding | | | | | | | | | | | | | |
| Investors | 94.24% | \$ 8,183,702 | - | - | - | - | - | - | - | - | - | - | - |
| Sponsor | 5.76% | \$ 500,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 100.00% | \$ 8,683,702 | - | - | - | - | - | - | - | - | - | - | - |
| Sale Event: (Marked as "X" in Month of Sale) | Exit Cap Rate | | | | | | X | | | | | | |
| Gross Sale Proceeds | 6.50% | \$ 27,633,049 | - | - | - | - | \$ 27,633,049 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales Cost | 2.00% | \$ (552,661) | - | - | - | - | (552,661) | - | - | - | - | - | - |
| Net Sales Proceeds | | \$ 27,080,388 | - | - | - | - | \$ 27,080,388 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CF from Operations - after Debt Service | | 103,344 | 103,423 | 103,502 | 103,580 | 103,660 | 103,739 | - | - | - | - | - | - |
| CF Available for Distribution | | \$ 103,344 | \$ 103,423 | \$ 103,502 | \$ 103,580 | \$ 103,660 | \$ 27,184,127 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Repayment | \$ (16,126,875) | (26,533) | (26,612) | (26,690) | (26,769) | (26,848) | (15,528,990) | - | - | - | - | - | - |
| Remaining CF Available for Distribution | | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 11,655,137 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Equity: | | | | | | | | | | | | | |
| Funded | \$ (8,683,702) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Returned/Disbursed | \$ 14,563,723 | 76,811 | 76,811 | 76,811 | 76,811 | 76,811 | 11,655,137 | - | - | - | - | - | - |
| Net CF to Equity | | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 76,811 | \$ 11,655,137 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Levered IRR | 11.96% | | | | | | | | | | | | |
| Equity Multiple | 1.68 | | | | | | | | | | | | |

Appendix (cont.)

| | | |
|-----------------|---|--------|
| Gross Building | | 53,518 |
| Leasable Area | | 48,166 |
| Common Area | | 5,352 |
| Per Floor | | 24,083 |
| 2nd floor split | 4 | 6,021 |

| Tenant | Floor | Sqft | \$/SF | Monthly | Annual |
|------------------------|-------|--------|----------|-----------|------------|
| Tenant 1 (System User) | 1 | 24,083 | \$ 37.00 | \$ 74,256 | \$ 891,075 |
| Tenant 2 | 2 | 6,021 | \$ 37.00 | \$ 18,564 | \$ 222,769 |
| Tenant 3 | 2 | 6,021 | \$ 37.00 | \$ 18,564 | \$ 222,769 |
| Tenant 4 | 2 | 6,021 | \$ 37.00 | \$ 18,564 | \$ 222,769 |
| Tenant 5 | 2 | 6,021 | \$ 37.00 | \$ 18,564 | \$ 222,769 |

| System Tenant Brokerage Fee | | 24,083 SF | | 3% Increase | | |
|-----------------------------|----------|-----------|--------------|----------------|------------|--|
| Term | \$/SF | Monthly | Annual | Commision Rate | Commission | |
| Yr 1 | \$ 37.00 | \$ 74,256 | \$ 891,075 | 5.00% | \$ 44,554 | |
| Yr 2 | \$ 38.11 | \$ 76,484 | \$ 917,807 | 5.00% | \$ 45,890 | |
| Yr 3 | \$ 39.25 | \$ 78,778 | \$ 945,341 | 5.00% | \$ 47,267 | |
| Yr 4 | \$ 40.43 | \$ 81,142 | \$ 973,701 | 5.00% | \$ 48,685 | |
| Yr 5 | \$ 41.64 | \$ 83,576 | \$ 1,002,912 | 5.00% | \$ 50,146 | |
| Yr 6 | \$ 42.89 | \$ 86,083 | \$ 1,033,000 | 2.50% | \$ 25,825 | |
| Yr 8 | \$ 44.18 | \$ 88,666 | \$ 1,063,990 | 2.50% | \$ 26,600 | |
| Yr 9 | \$ 45.51 | \$ 91,326 | \$ 1,095,909 | 2.50% | \$ 27,398 | |
| Yr 10 | \$ 46.87 | \$ 94,066 | \$ 1,128,787 | 2.50% | \$ 28,220 | |
| Totals | | | \$ 9,052,522 | | \$ 344,584 | |

| | | |
|---------------------------|----|---------|
| 50% at Lease Signature | \$ | 172,292 |
| 50% at Lease Commencement | \$ | 172,292 |

| Tenants 2nd Floor Brokerage Fee | | 6,021 SF | | 3% Increase | | |
|---------------------------------|----------|-----------|--------------|----------------|------------|--|
| Term | \$/SF | Monthly | Annual | Commision Rate | Commission | |
| Yr 1 | \$ 37.00 | \$ 18,564 | \$ 222,769 | 7.50% | \$ 16,708 | |
| Yr 2 | \$ 38.11 | \$ 19,121 | \$ 229,452 | 7.50% | \$ 17,209 | |
| Yr 3 | \$ 39.25 | \$ 19,695 | \$ 236,335 | 7.50% | \$ 17,725 | |
| Yr 4 | \$ 40.43 | \$ 20,285 | \$ 243,425 | 7.50% | \$ 18,257 | |
| Yr 5 | \$ 41.64 | \$ 20,894 | \$ 250,728 | 7.50% | \$ 18,805 | |
| Yr 6 | \$ 42.89 | \$ 21,521 | \$ 258,250 | 3.75% | \$ 9,684 | |
| Yr 8 | \$ 44.18 | \$ 22,166 | \$ 265,997 | 3.75% | \$ 9,975 | |
| Yr 9 | \$ 45.51 | \$ 22,831 | \$ 273,977 | 3.75% | \$ 10,274 | |
| Yr 10 | \$ 46.87 | \$ 23,516 | \$ 282,197 | 3.75% | \$ 10,582 | |
| Totals | | | \$ 2,263,131 | | \$ 129,219 | |

Note: Assumes 2nd floor tenants are procured from outside broker (50% increase in commission)

| | | | | |
|---------------------------|----|--------|----|---------|
| 50% at Lease Signature | \$ | 64,609 | \$ | 258,438 |
| 50% at Lease Commencement | \$ | 64,609 | \$ | 258,438 |

Total Commission \$ 473,803 [Linked To Construction & Cash Flow Tab](#)

Appendix (cont.)

| | | | | 50% | 0% | 0% | 0% | 0% | 25% | 0% | 0% | 0% | 0% | 0% | 25% | 0% | 0% | 0% | 0% | 0% | | | | |
|------------------------|---------|------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| | | | | 50% | 50% | 50% | 50% | 50% | 75% | 75% | 75% | 75% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | | | |
| No Concessions: | % Space | Rent | RSF | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | | | |
| Ground Floor | 50.00% | 37 | 24,083 | 37,128 | 37,128 | 37,128 | 37,128 | 37,128 | 55,692 | 55,692 | 55,692 | 55,692 | 55,692 | 55,692 | 55,692 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | | |
| Unit 1 | 12.50% | 37 | 6,021 | 9,282 | 9,282 | 9,282 | 9,282 | 9,282 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | |
| Unit 2 | 12.50% | 37 | 6,021 | 9,282 | 9,282 | 9,282 | 9,282 | 9,282 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| Unit 3 | 12.50% | 37 | 6,021 | 9,282 | 9,282 | 9,282 | 9,282 | 9,282 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| Unit 4 | 12.50% | 37 | 6,021 | 9,282 | 9,282 | 9,282 | 9,282 | 9,282 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 13,923 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| | | | 48,166 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 111,384 | 111,384 | 111,384 | 111,384 | 111,384 | 111,384 | 111,384 | 148,512 | 148,512 | 148,512 | 148,512 | 148,512 | 148,512 | 148,512 | 148,512 | |

| | | | | 50% | 0% | 0% | 0% | 0% | 25% | 0% | 0% | 0% | 0% | 0% | 25% | 0% | 0% | 0% | 0% | 0% | 0% | | |
|---------------------|-------------------|------|--------|-----|-----|-----|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| | | | | 50% | 50% | 50% | 50% | 50% | 75% | 75% | 75% | 75% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | |
| Concessions: | % Space | Rent | RSF | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | | |
| Ground Floor | 50.00% | 37 | 24,083 | - | - | - | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | |
| Unit 1 | 12.50% | 37 | 6,021 | - | - | - | - | - | - | - | - | - | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| Unit 2 | 12.50% | 37 | 6,021 | - | - | - | - | - | - | - | - | - | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| Unit 3 | 12.50% | 37 | 6,021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| Unit 4 | 12.50% | 37 | 6,021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 | 18,564 |
| | | | | - | - | - | 74,256 | 74,256 | 74,256 | 74,256 | 74,256 | 111,384 | 111,384 | 111,384 | 111,384 | 111,384 | 111,384 | 148,512 | 148,512 | 148,512 | 148,512 | 148,512 | |
| | Month | | | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | | |
| | Adjustment Factor | | | 0% | 0% | 0% | 100% | 100% | 67% | 67% | 67% | 100% | 100% | 100% | 75% | 75% | 75% | 100% | 100% | 100% | 100% | | |