

Mixed Use Acquisition

Project Assumptions

Property Information

Property Name	Mixed Use Acquisition
Location	Tulsa, OK
Property Use	Mixed Use
Commercial Square Feet	15,000
Analysis Year Begin	January 2023
Annual Inflation Rate	3.0%

Acquisition Assumptions

Project Type	Acquisition	
Acquisition Cost	\$11,200,000	
Other Costs	\$3,000,000	
	\$0	
Acquisition Cost	\$14,200,000	
Due Diligence/Closing Costs	0.00%	\$0
Reserve Account Initial Deposits		
Operating Reserve Account		\$0
Cap Ex Reserve Account		\$0
TI/LC Reserve Account		\$0
Unleveraged Acquisition Cost		\$14,200,000
Initial Loan Origination Fee	0.00%	\$0
Leveraged Acquisition Cost		\$14,200,000

Capital Structure

Debt: (LTV)	70.0%	\$9,940,000
Equity		\$4,260,000
Total		\$14,200,000

Desired Equity Return (Discount Rate)		10.0%
Developer Equity	10.0%	\$426,000
JV Partner Preferred Equity	90.0%	\$3,834,000
Total Equity	100.0%	\$4,260,000

Please refer to the Equity Investor Returns worksheet for waterfall information.

Tax Assumptions

Ordinary Income Marginal Tax Rate	35.0%
Capital Gains Tax Rate	20.0%
Cost Recovery Recapture Tax Rate	25.0%

Cost Recovery Assumptions

Assessed Value of Land	79%
Assessed Value of Improvements	21%
Cost Recovery Method	Straight Line
Useful Life (Commercial)	39
C.R. 1st & Last Years (11.5 months)	2.457%
C.R. Interim Years (12 Months)	2.564%
SF Commercial (%)	10%
Useful Life (Multifamily)	27.5
C.R. 1st & Last Years (11.5 months)	3.485%
C.R. Interim Years (12 Months)	3.636%
SF Multifamily (%)	90%

Debt Structure Assumptions

Interest Only Period	
Will there be an interest only period?	No

Amortizing Debt Service

Amortization Type	American
Amortizing Loan Amount	\$9,940,000
Term (Months)	120
Amortization (Months)	300
Start Rate	5.00%
Origination Fee	0.00%
Initial Interest Only Period	No
Exit Fee	0.00%
Rate Type	Floating
Grow Rate	0.75% every 1 years

Sale Assumptions

Year of Sale	10
Terminal Value Calculation Method	Cap Rate
Cost of Sale	1.0%
Exit Cap Rate	6.50%

Mixed Use Acquisition

Unit Mix

Unit Type	Beds	Baths	Number of Units	%	Unit SF	Total SF	Monthly Rental Rate	\$ PSF	Total Monthly Rent
Eff	1	1	16	8%	523	8,368	\$800	\$1.53	\$12,800
A	1	1	40	20%	620	24,800	\$900	\$1.45	\$36,000
B	2	1	32	16%	696	22,272	\$1,000	\$1.44	\$32,000
C	2	1	64	32%	732	46,848	\$1,050	\$1.43	\$67,200
D	2	1	48	24%	812	38,976	\$1,150	\$1.42	\$55,200
Total			200		706	141,264	\$1,016	\$1.44	\$203,200



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Lease-Up Schedule

Total Units	200
Beginning Occupancy	50%
Stabilized Occupancy	95%
Stabilized Units	190
Begin Occupying in Month	1
Units Pre-Leased	10
Units Leased per Month	10

*Project leases in 8 months.
Stabilization is achieved in month 8.*

Annual Summary

Period	Dates	Leased Units (BOY)	Leased in Period	Leased Units (EOY)	Average Occupancy	Average Vacancy
1	Jan 23 - Dec 23	100	90	190	83%	17%
2	Jan 24 - Dec 24	190	0	190	95%	5%
3	Jan 25 - Dec 25	190	0	190	95%	5%
4	Jan 26 - Dec 26	190	0	190	95%	5%
5	Jan 27 - Dec 27	190	0	190	95%	5%
6	Jan 28 - Dec 28	190	0	190	95%	5%
7	Jan 29 - Dec 29	190	0	190	95%	5%
8	Jan 30 - Dec 30	190	0	190	95%	5%
9	Jan 31 - Dec 31	190	0	190	95%	5%
10	Jan 32 - Dec 32	190	0	190	95%	5%

Mixed Use Acquisition - Rent Roll

Total Square Feet	15,000	100%
Current Leased (As of Jan 2023)	0	0%
Vacant	15,000	100%

Suite	Tenant	Square Feet	% SF	Status	Lease Start	Lease Expiration	Total Months	Rent PSF	Monthly Rent	Annual Rent
101	Restaurant	6,800	45%	Vacant			0	\$24.00	\$13,600	\$163,200
200	Office Space	8,200	55%	Vacant			0	\$18.00	\$12,300	\$147,600

Annual Leasing Costs

Cost Assumptions

	New Tenant	Renewal	Weighted Avg
Renewal Probability	25%	75%	100%
Avg. Annual Rental Rate PSF	\$24.00	\$18.00	\$19.50
Average Lease Term	5 Years	3 Years	3.5 Years
Tenant Improvements			
Tenant Improvement Costs	\$20.00	\$5.00	\$8.75
Months Lost to TI	2.0	0.0	0.5
Leasing Cost Assumptions			
Leasing Commissions	6.0%	4.0%	4.5%
Months Free Rent	1.0	0.0	0.3

Vacant Space Leasing

Current Vacant Space	15,000	
Less: Stabilized Vacancy	10%	(1,500) SF
Leasable Vacant Space (Stabilized)	13,500	
Annual Periods to Lease Up	2	
Space leased per period	6,750	

Cap Ex Reserve

CapEx Reserve Required? No

Leasing Reserve

Leasing Reserve Required? No

Average Tenant Improvement Cost (\$ PSF)

	\$	Probability	Blended		
New Tenant	\$20.00	25%	\$5.00		
Renewal	\$5.00	75%	\$3.75		
			\$8.75		
	Months	Year Equiv.	Lost Rent PSF	Probability	Blended
New Tenant	2	16.67%	\$4.00	25%	\$1.00
Renewal	0	0.00%	\$0.00	75%	\$0.00
					\$1.00
Total Average Tenant Improvement Costs					\$9.75

Average Leasing Commissions Cost (\$ PSF)

	%	Lease Value	Commis \$/SF	Probability	Blended
New Tenant	6.0%	\$120.00	\$7.20	25%	\$1.80
Renewal	4.0%	\$54.00	\$2.16	75%	\$1.62
					\$3.42

Concessions (Free Rent | \$ PSF)

	Months	Year Equiv.	Lost Rent PSF	Probability	Blended
New Tenant	1	8.33%	\$2.00	25%	\$0.50
Renewal	0	0.00%	\$0.00	75%	\$0.00
					\$0.50

Aggregate Leasing Costs per Period

Period	Year	Square Feet	%	TI Expense	LC Expense	Concessions
1	2023	6,750	45%	\$135,000	\$48,600	\$13,500
2	2024	6,750	45%	\$135,000	\$48,600	\$13,500
3	2025	0	0%	\$0	\$0	\$0
4	2026	0	0%	\$0	\$0	\$0
5	2027	6,750	45%	\$65,813	\$23,085	\$3,375
6	2028	6,750	45%	\$65,813	\$23,085	\$3,375
7	2029	0	0%	\$0	\$0	\$0
8	2030	0	0%	\$0	\$0	\$0
9	2031	6,750	45%	\$65,813	\$23,085	\$3,375
10	2032	6,750	45%	\$65,813	\$23,085	\$3,375
11	2033	0	0%	\$0	\$0	\$0

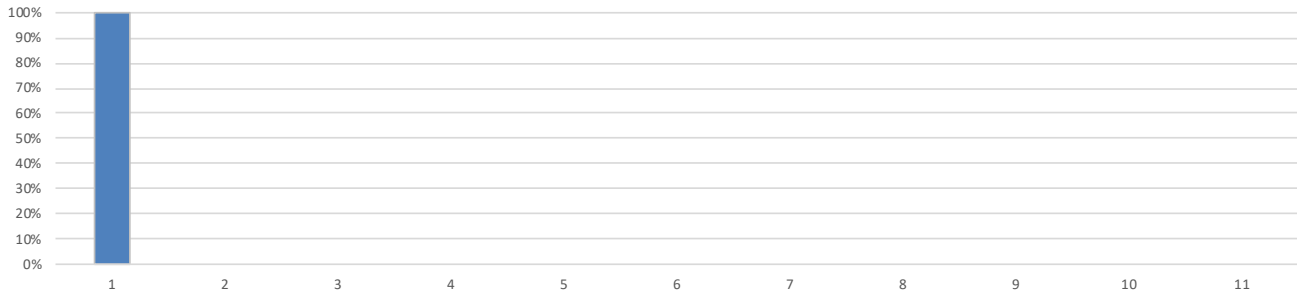
*Amounts shown on Cash Flows will be grossed up for inflation.

Mixed Use Acquisition Rent Roll Summary

Annual Summary

Period	Year	Occupied SF	Vacancy	Occupied Rent	Vacant Rent	Avg Rent PSF	Concessions	Tenant Improvements	Leasing Commissions
1	Jan 23 - Dec 23	0	100%	\$0	\$292,500	\$19.50	\$0	\$0	\$0
2	Jan 24 - Dec 24	0	100%	\$0	\$301,275	\$20.09	\$0	\$0	\$0
3	Jan 25 - Dec 25	0	100%	\$0	\$310,313	\$20.69	\$0	\$0	\$0
4	Jan 26 - Dec 26	0	100%	\$0	\$319,623	\$21.31	\$0	\$0	\$0
5	Jan 27 - Dec 27	0	100%	\$0	\$329,211	\$21.95	\$0	\$0	\$0
6	Jan 28 - Dec 28	0	100%	\$0	\$339,088	\$22.61	\$0	\$0	\$0
7	Jan 29 - Dec 29	0	100%	\$0	\$349,260	\$23.28	\$0	\$0	\$0
8	Jan 30 - Dec 30	0	100%	\$0	\$359,738	\$23.98	\$0	\$0	\$0
9	Jan 31 - Dec 31	0	100%	\$0	\$370,530	\$24.70	\$0	\$0	\$0
10	Jan 32 - Dec 32	0	100%	\$0	\$381,646	\$25.44	\$0	\$0	\$0
11	Jan 33 - Dec 33	0	100%	\$0	\$393,096	\$26.21	\$0	\$0	\$0
Total				\$0	\$3,746,280		\$0	\$0	\$0

Annual Lease Expirations



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Schedule of Prospective Cash Flows

Period	Inflation										
	1 Jan 23 - Dec 23	2 Jan 24 - Dec 24	3 Jan 25 - Dec 25	4 Jan 26 - Dec 26	5 Jan 27 - Dec 27	6 Jan 28 - Dec 28	7 Jan 29 - Dec 29	8 Jan 30 - Dec 30	9 Jan 31 - Dec 31	10 Jan 32 - Dec 32	11 Jan 33 - Dec 33
Operating Income	3.0%										
MULTIFAMILY REVENUE											
Base Rental Revenue	2,438,400	2,511,552	2,586,899	2,664,506	2,744,441	2,826,774	2,911,577	2,998,924	3,088,892	3,181,559	3,277,006
Less: Concessions	0	0	0	0	0	0	0	0	0	0	0
Expense Reimbursements	0	0	0	0	0	0	0	0	0	0	0
Parking Income	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	51,225	52,762	54,345	55,975	57,654	59,384	61,165	63,000	64,890	66,837	68,842
User Defined Income	0	0	0	0	0	0	0	0	0	0	0
Total Multifamily Potential Gross Revenue	2,489,625	2,564,314	2,641,243	2,720,480	2,802,095	2,886,158	2,972,742	3,061,925	3,153,782	3,248,396	3,345,848
COMMERCIAL REVENUE											
Base Rental Revenue	0	0	0	0	0	0	0	0	0	0	0
Vacant Space Potential Revenue	292,500	301,275	310,313	319,623	329,211	339,088	349,260	359,738	370,530	381,646	393,096
Gross Potential Commercial Rent	292,500	301,275	310,313	319,623	329,211	339,088	349,260	359,738	370,530	381,646	393,096
Less: Concessions	(13,500)	(13,500)	0	0	(3,375)	(3,375)	0	0	(3,375)	(3,375)	0
Expense Reimbursements	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432	403,175
Parking Income	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
User Defined Income	0	0	0	0	0	0	0	0	0	0	0
Total Other Gross Revenue	286,500	295,500	318,270	327,818	334,278	344,407	358,216	368,962	376,656	388,057	403,175
Total Commercial Gross Potential Revenue	579,000	596,775	628,583	647,441	663,489	683,495	707,476	728,700	747,186	769,703	796,270
Total Aggregate Gross Potential Revenue	3,068,625	3,161,089	3,269,826	3,367,921	3,465,584	3,569,653	3,680,218	3,790,625	3,900,969	4,018,099	4,142,118
General Multifamily Vacancy Rate	17%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
General Commercial Vacancy Rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Aggregate Vacancy Rate	15%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Vacancy & Collection Loss	(472,838)	(187,893)	(194,920)	(200,768)	(206,454)	(212,657)	(219,385)	(225,966)	(232,408)	(239,390)	(246,919)
Other Income											
Sign Income	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0
User Defined Income	0	0	0	0	0	0	0	0	0	0	0
Total Other Income	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	2,595,788	2,973,196	3,074,906	3,167,153	3,259,130	3,356,995	3,460,834	3,564,659	3,668,561	3,778,709	3,895,199
Operating Expenses	3.0%										
Property Management Fee	4.0%	103,832	118,928	122,996	126,686	130,365	134,280	138,433	142,586	146,742	151,148
Ad Valorem Taxes		586,000	603,580	621,687	640,338	659,548	679,335	699,715	720,706	742,327	764,597
Insurance		250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
Utilities		125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097
Repairs & Maintenance		85,000	87,550	90,177	92,882	95,668	98,538	101,494	104,539	107,675	110,906
Cleaning & Garbage Removal		50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Contract Services		55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763
General & Administrative		30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Ground Rent		0	0	0	0	0	0	0	0	0	0
Marketing		200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Franchise Tax		0	0	0	0	0	0	0	0	0	0
Payroll		125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097
Other		0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0
Total Operating Expenses		1,609,832	1,670,108	1,720,712	1,772,333	1,825,381	1,880,147	1,936,676	1,994,776	2,054,498	2,116,137
NOI Before Reserves		985,956	1,303,088	1,354,194	1,394,820	1,433,749	1,476,849	1,524,158	1,569,882	1,614,063	1,715,453
Operating Reserve Annual Deposits											
Operating Deficit Reserves	0.0%	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Cap Ex Reserve		0	0	0	0	0	0	0	0	0	0
TI/Leasing Reserve		0	0	0	0	0	0	0	0	0	0
Total Reserves		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Operating Income		935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,665,453

Schedule of Prospective Cash Flows

Period	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Net Operating Income	935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,612,572
Debt Service										
Interest	493,205	557,881	620,803	682,050	741,655	799,609	855,863	910,326	962,865	1,013,295
Principal	167,098	155,700	146,555	139,404	134,049	130,349	128,210	127,590	128,494	130,980
Total Debt Service	660,303	713,581	767,358	821,454	875,705	929,958	984,073	1,037,917	1,091,359	1,144,275
Cash Flow After Debt Service	275,653	539,507	536,836	523,366	508,044	496,891	490,084	481,966	472,704	468,298
Capital Expenses										
Tenant Improvements	135,000	135,000	0	0	65,813	65,813	0	0	65,813	65,813
Leasing Commissions	48,600	48,600	0	0	23,085	23,085	0	0	23,085	23,085
Capital Expenditures	0	0	0	0	0	0	0	0	0	0
Total Capital Expenses	183,600	183,600	0	0	88,898	88,898	0	0	88,898	88,898
Expenses Paid from Reserves										
Less: TI & LC Paid from Reserves	0	0	0	0	0	0	0	0	0	0
Less: Cap Ex Paid from Reserves	0	0	0	0	0	0	0	0	0	0
Net Capital Expenses	183,600	183,600	0	0	88,898	88,898	0	0	88,898	88,898
Non-Regular Income										
Other Non-Regular Income	0	0	0	0	0	0	0	0	0	0
Other Non-Regular Expenses	0	0	0	0	0	0	0	0	0	0
Operating Deficit Reserve Draw	0	0	0	0	0	0	0	0	0	0
Return of Reserve Funds	0	0	0	0	0	0	0	0	0	478,469
Total Non Regular Income	0	0	0	0	0	0	0	0	0	478,469
Cash Flow Before Taxes	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	857,869
Tax Liability*										
Cost Recovery Improvements (Multifamily)	94,514	98,609	98,609	98,609	98,609	98,609	98,609	98,609	98,609	94,514
Cost Recovery Improvements (Commercial)	73,710	76,920	76,920	76,920	76,920	76,920	76,920	76,920	76,920	73,710
Loan Costs Amortization	0	0	0	0	0	0	0	0	0	0
Taxable Income	324,527	569,677	557,862	537,241	516,564	501,710	492,765	484,027	475,669	481,053
Less: Tax Liability at 35%	(113,584)	(199,387)	(195,252)	(188,034)	(180,798)	(175,599)	(172,468)	(169,409)	(166,484)	(168,369)
Operating Deficit Reserve Draw for Taxes	21,531	0	0	0	0	0	0	0	0	0
Cash Flow After Taxes	0	156,520	341,585	335,332	238,349	232,394	317,616	312,557	217,322	689,500

*Does not include Capital Expenses as they are often subject to separate tax treatment
 This pro forma does not constitute tax advice. Please consult a professional tax advisor.

Reserve Account Balances

Period	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Operating Deficit Reserve										
Beginning Balance	0	28,469	78,469	128,469	178,469	228,469	278,469	328,469	378,469	428,469
Contributions	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Expenses Paid	0	0	0	0	0	0	0	0	0	0
Taxes Paid	(21,531)	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	28,469	78,469	128,469	178,469	228,469	278,469	328,469	378,469	428,469	478,469
Cap Ex Reserve										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0	0
Expenses Paid	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
TI & Leasing Reserve										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0	0
Expenses Paid	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Total Reserve Balances	28,469	78,469	128,469	178,469	228,469	278,469	328,469	378,469	428,469	478,469

Mixed Use Acquisition

Project Return Summary

Summary

Total SF (Comm + MF)	156,264
Acquisition Price	\$14,200,000
Other Costs	\$0
Equity	\$4,260,000
Debt	\$9,940,000
LTV	70%

Sale Analysis

Acquisition Price	\$14,200,000
PSF	\$946.67
Sale Price	\$26,391,582
PSF	\$1,759.44
Appreciation	85.9%
Avg. App/Year	8.6%

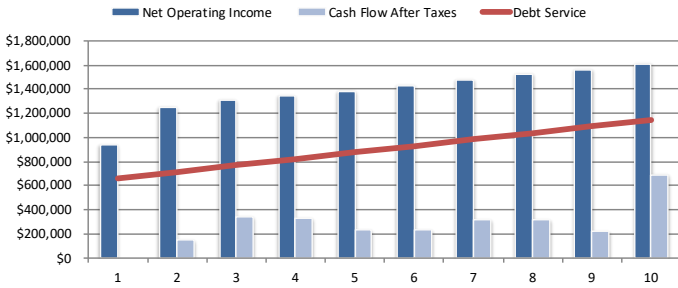
Cash Flows

	Before Tax	After Tax
Annual Cash Flows	\$4,549,027	\$2,841,175
Net Sale Proceeds	\$17,576,095	\$14,999,867
Total	\$22,125,122	\$17,841,042
Profit	\$17,865,122	\$13,581,042
Equity Multiple	4.19x	3.19x

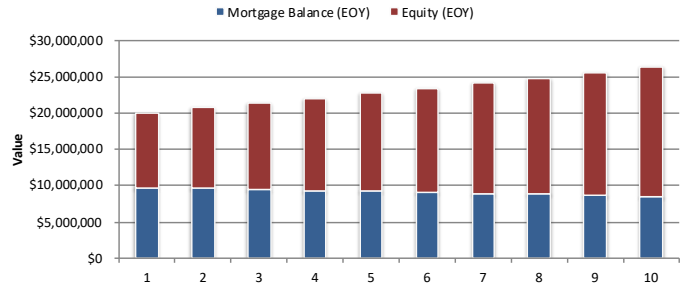
IRR & Present Value

Unleveraged IRR	13.4%
Unleveraged PV at 10%	\$17,960,000
Leveraged IRR	20.8%
Leveraged PV at 10%	\$19,320,000
After Tax IRR (Leveraged)	16.9%
After Tax PV at 10%	\$17,280,000

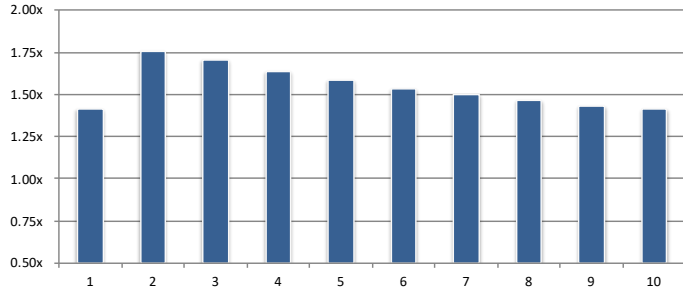
Annual Income Projections



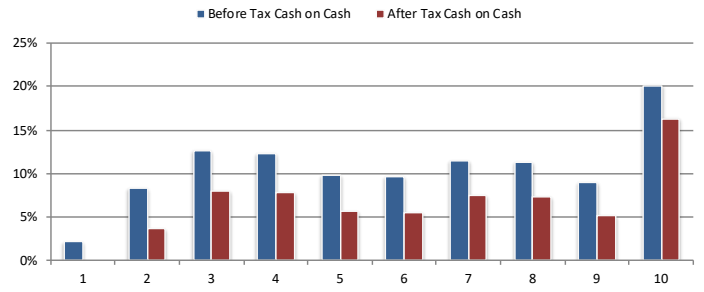
Debt vs. Equity



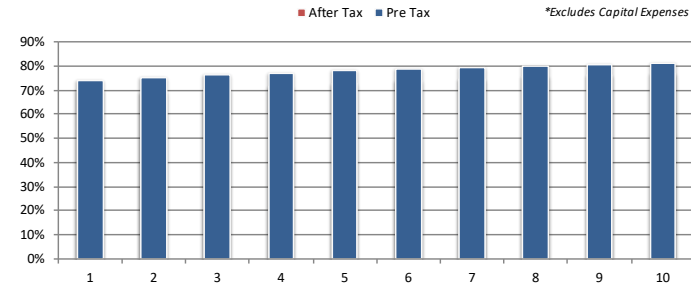
Debt Service Coverage Ratio



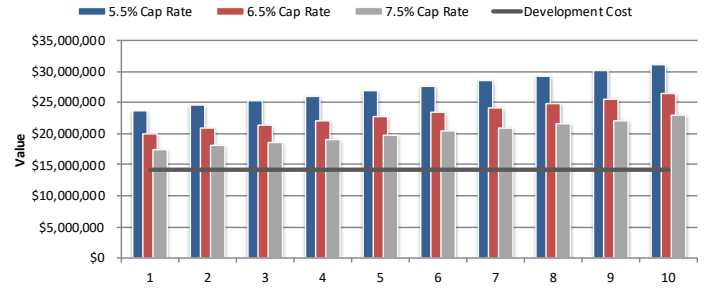
Annual Cash on Cash Return



Break Even Occupancy



Value Sensitivity



This pro forma does not constitute tax advice. Please consult a professional tax advisor.

Summary & Ratios

	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Operating Summary										
Effective Gross Income	2,595,788	2,973,196	3,074,906	3,167,153	3,259,130	3,356,995	3,460,834	3,564,659	3,668,561	3,778,709
Operating Expenses	(1,609,832)	(1,670,108)	(1,720,712)	(1,772,333)	(1,825,381)	(1,880,147)	(1,936,676)	(1,994,776)	(2,054,498)	(2,116,137)
Operating Reserves	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Net Operating Income	935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,612,572
Less: Debt Service	(660,303)	(713,581)	(767,358)	(821,454)	(875,705)	(929,958)	(984,073)	(1,037,917)	(1,091,359)	(1,144,275)
Less: Fees										
Refinance Proceeds										
Less: Capital Expenses	(183,600)	(183,600)			(88,898)	(88,898)			(88,898)	(88,898)
Non-Regular Income										478,469
Cash Flow After Debt Service	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	857,869
Sale Price Based on 6.5% Exit Cap Rate										26,391,582
Less: Mortgage Balance										(8,551,571)
Less: Cost of Sale										(263,916)
Cash Flow Before Taxes	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	18,433,963
Less: Taxes	(92,053)	(199,387)	(195,252)	(188,034)	(180,798)	(175,599)	(172,468)	(169,409)	(166,484)	(2,744,597)
Cash Flow After Taxes		156,520	341,585	335,332	238,349	232,394	317,616	312,557	217,322	15,689,367

Value Summary

Cap Rate based on Acquisition Cost	6.94%	9.18%	9.54%	9.82%	10.10%	10.40%	10.73%	11.06%	11.37%	11.71%
Value based on 6.5% Exit Cap Rate	20,047,504	20,833,758	21,458,771	22,057,673	22,720,749	23,448,579	24,152,036	24,831,735	25,578,033	26,391,582
Mortgage Balance (EOY)	9,772,902	9,617,202	9,470,647	9,331,244	9,197,194	9,066,845	8,938,635	8,811,045	8,682,551	8,551,571
Equity (EOY)	10,274,602	11,216,556	11,988,124	12,726,429	13,523,554	14,381,733	15,213,401	16,020,690	16,895,482	17,840,011

Operating Ratios

Net Income Multiplier*	15.17	11.33	10.89	10.56	10.26	9.95	9.63	9.34	9.08	8.81
Operating Expense Ratio	62%	56%	56%	56%	56%	56%	56%	56%	56%	56%
Cash on Cash Return (Pre Tax)	2.2%	8.4%	12.6%	12.3%	9.8%	9.6%	11.5%	11.3%	9.0%	20.1%
Cash on Cash Return (Post Tax)	0.0%	3.7%	8.0%	7.9%	5.6%	5.5%	7.5%	7.3%	5.1%	16.2%

*Based on Acquisition Cost

Lender Ratios

Loan to Value Ratio (EOY)	49%	46%	44%	42%	40%	39%	37%	35%	34%	32%
Debt to Equity Ratio (EOY)	0.95	0.86	0.79	0.73	0.68	0.63	0.59	0.55	0.51	0.48
Debt Service Coverage Ratio	1.42x	1.76x	1.70x	1.64x	1.58x	1.53x	1.50x	1.46x	1.43x	1.41x
Break Even Occupancy (Pre Tax)	74%	75%	76%	77%	78%	79%	79%	80%	81%	81%
Break Even Occupancy (Post Tax)	70%	69%	70%	71%	73%	74%	75%	76%	76%	77%
Debt Yield	9.6%	13.0%	13.8%	14.4%	15.0%	15.7%	16.5%	17.2%	18.0%	18.9%

Performance Summary over 10 Years

	Pre Tax	Post Tax
Initial Equity	(4,260,000)	(4,260,000)
Operating Cash Flows	4,549,027	2,841,175
Net Reversion Proceeds	17,576,095	14,999,867
Net Cash Flow	17,865,122	13,581,042
Net Present Value at 10%	5,115,374	3,084,099
Leveraged IRR	20.8%	16.9%



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Date: February 25, 2023

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Project Return Details

Unlevered Returns

	1	2	3	4	5	6	7	8	9	10
Net Operating Income	935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,612,572
Less: Net Capital Expenses	(183,600)	(183,600)	-	-	(88,898)	(88,898)	-	-	(88,898)	(88,898)
Non-Regular Income	-	-	-	-	-	-	-	-	-	478,469
Operating Cash Flow	752,356	1,069,488	1,304,194	1,344,820	1,294,851	1,337,951	1,474,158	1,519,882	1,475,165	2,002,143
Reversion Cash Flow	-	-	-	-	-	-	-	-	-	26,391,582
Less: Cost of Sale	-	-	-	-	-	-	-	-	-	(263,916)
Net Cash Flow	(14,200,000)	752,356	1,069,488	1,304,194	1,294,851	1,337,951	1,474,158	1,519,882	1,475,165	28,129,809
<i>Cash on Cash Return</i>		5.3%	7.5%	9.2%	9.5%	9.1%	9.4%	10.4%	10.7%	10.4%

Net Cash Flows	\$25,502,675
Net Present Value at 10%	\$3,761,850
Unleveraged IRR	13.4%
Avg. Operating Cash on Cash	9.6%
Avg. Cash on Cash	28.0%
Unleveraged PV at 10% Rounded (\$10,000's)	\$17,960,000
Per Square Feet	\$1,197.33

Levered Cash Flow

	1	2	3	4	5	6	7	8	9	10
Net Operating Income	935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,612,572
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-
Less: Debt Service	(660,303)	(713,581)	(767,358)	(821,454)	(875,705)	(929,958)	(984,073)	(1,037,917)	(1,091,359)	(1,144,275)
Less: Mortgage Origination Fee	-	-	-	-	-	-	-	-	-	-
Cash Flow After Debt Service	275,653	539,507	536,836	523,366	508,044	496,891	490,084	481,966	472,704	468,298
Less: Net Capital Expenses	(183,600)	(183,600)	-	-	(88,898)	(88,898)	-	-	(88,898)	(88,898)
Non-Regular Income	-	-	-	-	-	-	-	-	-	478,469
Distributable Cash Flow	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	857,869
Reversion Cash Flow	-	-	-	-	-	-	-	-	-	26,391,582
Less: Cost of Sale	-	-	-	-	-	-	-	-	-	(263,916)
Less: Mortgage Balance	-	-	-	-	-	-	-	-	-	(8,551,571)
Less: Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(4,260,000)	92,053	355,907	523,366	419,147	407,993	490,084	481,966	383,806	18,433,963
<i>Cash on Cash Return</i>		2.2%	8.4%	12.6%	12.3%	9.8%	9.6%	11.5%	11.3%	9.0%

Net Levered Cash Flows	\$17,865,122
Net Present Value at 10%	\$5,115,374
Leveraged IRR	20.8%
Avg. Operating Cash on Cash	10.7%
Avg. Cash on Cash	51.9%
Present Value of Cash Flows at 10%	\$9,375,374
Plus: Original Loan Amount	\$9,940,000
Total Leveraged Present Value	\$19,315,374
Rounded (\$10,000's)	\$19,320,000
Per Square Feet	\$1,288.00

After Tax Returns

	1	2	3	4	5	6	7	8	9	10
Basis Calculation										
Basis at Acquisition	-	-	-	-	-	-	-	-	-	14,200,000
+ Capital Additions	-	-	-	-	-	-	-	-	-	-
Cost Recovery (Depreciation) Taken	-	-	-	-	-	-	-	-	-	(762,780)
Adjusted Basis at Sale	-	-	-	-	-	-	-	-	-	13,437,220

Capital Gain Calculation

Sale Price	-	-	-	-	-	-	-	-	-	26,391,582
Less Cost of Sale	-	-	-	-	-	-	-	-	-	(263,916)
Less Adjusted Basis at Sale	-	-	-	-	-	-	-	-	-	(13,437,220)
Gain (Loss)	-	-	-	-	-	-	-	-	-	12,690,446
Straight Line Cost Recovery (Limited to Gain)	-	-	-	-	-	-	-	-	-	762,780
Capital Gain from Appreciation	-	-	-	-	-	-	-	-	-	11,927,666
Unamortized Loan Fees (Costs)	-	-	-	-	-	-	-	-	-	-

Sale Proceeds Calculation

Sale Price	-	-	-	-	-	-	-	-	-	26,391,582
Less Cost of Sale	-	-	-	-	-	-	-	-	-	(263,916)
Less Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	-
Less Mortgage Balance	-	-	-	-	-	-	-	-	-	(8,551,571)
Sale Proceeds Before Tax	-	-	-	-	-	-	-	-	-	17,576,095
Less Tax on Ordinary Income at 35%	-	-	-	-	-	-	-	-	-	-
Less Tax on Cost Recovery Recapture at 25%	-	-	-	-	-	-	-	-	-	(190,695)
Less Tax on Capital Gain at 20%	-	-	-	-	-	-	-	-	-	(2,385,533)
Sale Proceeds After Tax	-	-	-	-	-	-	-	-	-	14,999,867

Proceeds After Taxes

Cash Flow Before Taxes	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	857,869
Less: Annual Operating Tax Liability	(113,584)	(199,387)	(195,252)	(188,034)	(180,798)	(175,599)	(172,468)	(169,409)	(166,484)	(168,369)
Draw from Operating Reserve	21,531	-	-	-	-	-	-	-	-	-
Cash Flow After Taxes	-	156,520	341,585	335,332	238,349	232,394	317,616	312,557	217,322	689,500
Sale Proceeds After Taxes	-	-	-	-	-	-	-	-	-	14,999,867
Annual Proceeds After Taxes	(4,260,000)	156,520	341,585	335,332	238,349	232,394	317,616	312,557	217,322	15,689,367
<i>Cash on Cash Return</i>		0.0%	3.7%	8.0%	7.9%	5.6%	5.5%	7.5%	7.3%	5.1%

Net Cash Flows	\$13,581,042
Net Present Value at 10%	\$3,084,099
Effective Tax Rate	18.9%
After Tax Leveraged IRR	16.9%
Avg. Operating Cash on Cash	6.7%
Avg. Cash on Cash	41.9%
Present Value of Cash Flows at 10%	\$7,344,099
Plus: Original Loan Amount	\$9,940,000
Total After Tax Leveraged Present Value	\$17,284,099
Rounded (\$10,000's)	\$17,280,000
Per Square Feet	\$1,152.00

Loan Amortization Schedule

Interest Only Loan

Loan Amount	-
Term	-
Rate	-
Funding Status	-

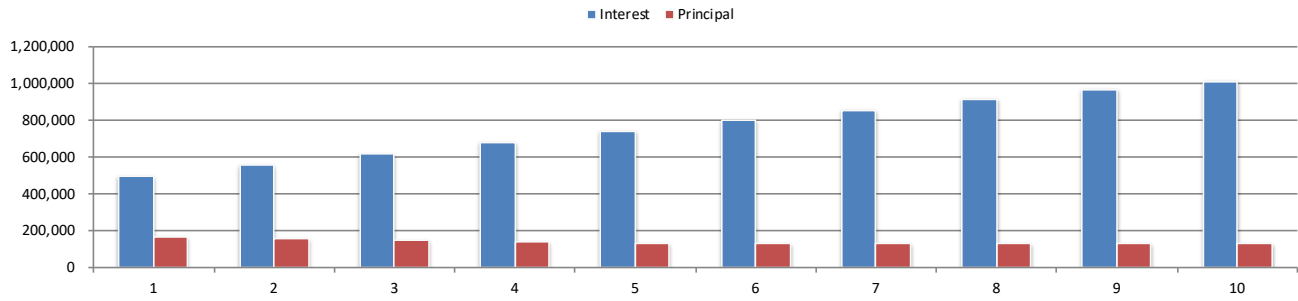
Amortizing Loan

Loan Amount	\$9,940,000
Term	120
Amortization	300
Start Rate	5.00%
Rate Type	Floating

Annual Summary

Year	Dates	Loan Type	Effective Rate	Beginning Balance	Interest	Principal	Total Payments	Ending Balance
1	Jan 23 - Dec 23	Amortizing	5.00%	9,940,000	493,205	167,098	660,303	9,772,902
2	Jan 24 - Dec 24	Amortizing	5.75%	9,772,902	557,881	155,700	713,581	9,617,202
3	Jan 25 - Dec 25	Amortizing	6.50%	9,617,202	620,803	146,555	767,358	9,470,647
4	Jan 26 - Dec 26	Amortizing	7.25%	9,470,647	682,050	139,404	821,454	9,331,244
5	Jan 27 - Dec 27	Amortizing	8.00%	9,331,244	741,655	134,049	875,705	9,197,194
6	Jan 28 - Dec 28	Amortizing	8.75%	9,197,194	799,609	130,349	929,958	9,066,845
7	Jan 29 - Dec 29	Amortizing	9.50%	9,066,845	855,863	128,210	984,073	8,938,635
8	Jan 30 - Dec 30	Amortizing	10.25%	8,938,635	910,326	127,590	1,037,917	8,811,045
9	Jan 31 - Dec 31	Amortizing	11.00%	8,811,045	962,865	128,494	1,091,359	8,682,551
10	Jan 32 - Dec 32	Amortizing	11.75%	8,682,551	1,013,295	130,980	1,144,275	8,551,571
Total			8.17%	-	7,637,553	1,388,429	9,025,982	-

Annual Interest vs. Principal



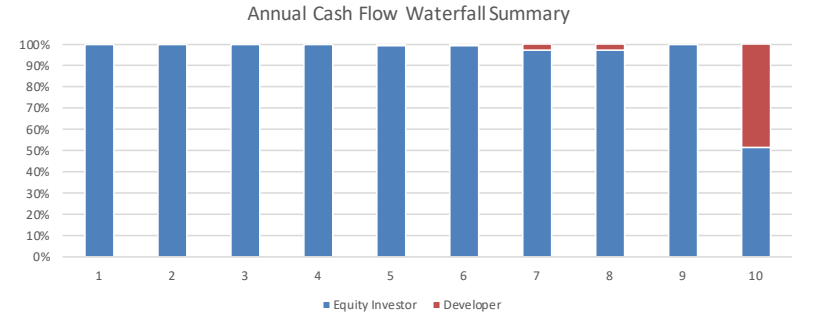
Sources & Uses

Period	1	2	3	4	5	6	7	8	9	10	Total	
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32		
Sources Of Capital												
Debt Proceeds	(167,098)	167,098	-	-	-	-	-	-	-	-	-	9,940,000
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Equity Contributions	-	-	-	-	-	-	-	-	-	-	-	4,260,000
Net Operating Income	935,956	1,253,088	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	1,612,572	13,819,330	
Non-Regular Income	-	-	-	-	-	-	-	-	-	478,469	-	478,469
Reserve Draw for Taxes	21,531	-	-	-	-	-	-	-	-	-	-	21,531
Gross Proceeds from Sale	-	-	-	-	-	-	-	-	-	-	26,391,582	26,391,582
Total Sources Of Capital	790,390	1,420,186	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	28,482,623	54,910,912	
Uses Of Capital												
Acquisition Price	(167,098)	167,098	-	-	-	-	-	-	-	-	-	14,200,000
Costs and Fees	-	-	-	-	-	-	-	-	-	-	263,916	263,916
Initial Reserve Accounts	-	-	-	-	-	-	-	-	-	-	-	-
Operating Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage Balance Payoff	-	-	-	-	-	-	-	-	-	-	8,551,571	8,551,571
Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	-	-	-
Annual Interest Expense	493,205	557,881	620,803	682,050	741,655	799,609	855,863	910,326	962,865	1,013,295	7,637,553	
Less: Budgeted Interest	-	-	-	-	-	-	-	-	-	-	-	-
Annual Principal Paydown	167,098	155,700	146,555	139,404	134,049	130,349	128,210	127,590	128,494	130,980	1,388,429	
Capital Expenses	183,600	183,600	-	-	88,898	88,898	-	-	88,898	-	88,898	722,790
Operating Tax Liability	113,584	199,387	195,252	188,034	180,798	175,599	172,468	169,409	166,484	168,369	1,729,383	
Ordinary Income Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-
Cost Recovery Tax Liability	-	-	-	-	-	-	-	-	-	-	190,695	190,695
Capital Gains Tax Liability	-	-	-	-	-	-	-	-	-	-	2,385,533	2,385,533
Equity Returns	-	156,520	341,585	335,332	238,349	232,394	317,616	312,557	217,322	15,689,367	17,841,042	
Total Uses Of Capital	790,390	1,420,186	1,304,194	1,344,820	1,383,749	1,426,849	1,474,158	1,519,882	1,564,063	28,482,623	54,910,912	



Pre-Tax Equity Investor Returns

Cash Flow Distribution					
	Method	Basis	Rate	Equity Investor Split	Developer Split
Initial Equity Contribution				90.0%	10.0%
Preferred Return	Cumulative	Cash on Cash	10.0%	100.0%	0.0%
Hurdle 1		Cash on Cash	12.0%	90.0%	10.0%
Hurdle 2		Cash on Cash	14.0%	80.0%	20.0%
Hurdle 3		Cash on Cash	16.0%	70.0%	30.0%
Final Split				60.0%	40.0%
Reversion (Sale) Proceeds	Independent			50.0%	50.0%



Cash Flow Waterfall Summary

Period	0	1	2	3	4	5	6	7	8	9	10
Pre-Tax Net Cash Flow	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	857,869
Pre-Tax Sale Proceeds	-	-	-	-	-	-	-	-	-	-	17,576,095
Total Cash Flow	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	18,433,963
JV Partner Preferred Equity											
Cash Flow Paid at Preferred Return	(3,834,000)	92,053	355,907	536,836	523,366	408,838	383,400	383,400	383,400	383,400	383,400
Cash Flow Paid at Hurdle 1	-	-	-	-	-	9,278	22,134	76,680	76,680	366	76,680
Cash Flow Paid at Hurdle 2	-	-	-	-	-	-	-	17,187	10,693	-	76,680
Cash Flow Paid at Hurdle 3	-	-	-	-	-	-	-	-	-	-	76,680
Cash Flow Paid at Final Split	-	-	-	-	-	-	-	-	-	-	110,325
Cash Flow Paid at Reversion (Sale)	-	-	-	-	-	-	-	-	-	-	8,788,047
Total Cash Flow to Equity Investor	(3,834,000)	92,053	355,907	536,836	523,366	418,116	405,534	477,267	470,773	383,766	9,511,813
<i>Annual Cash on Cash</i>		2.4%	9.3%	14.0%	13.7%	10.9%	10.6%	12.4%	12.3%	10.0%	248.1%
Net Cash Flow		9,341,431									
IRR		16.3%									
Equity Multiple		3.44x									
Average Annual Cash on Cash Return		34.4%									

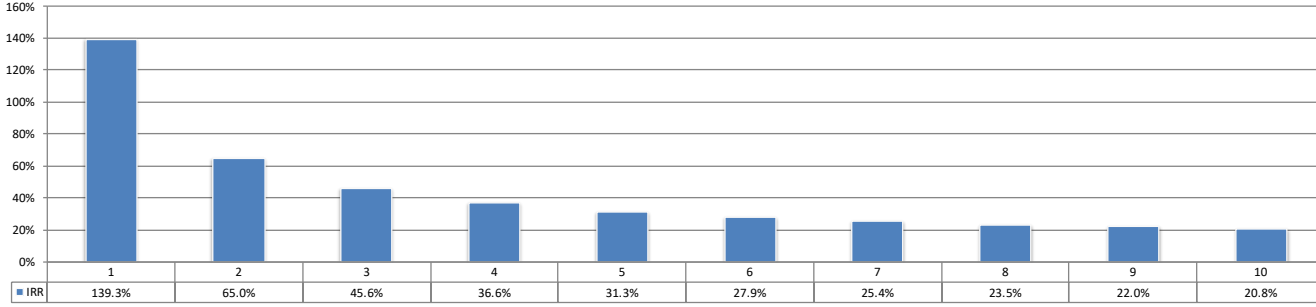
Developer Equity

Cash Flow Paid at Preferred Return	(426,000)	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 1	-	-	-	-	-	1,031	2,459	8,520	8,520	41	8,520
Cash Flow Paid at Hurdle 2	-	-	-	-	-	-	-	4,297	2,673	-	19,170
Cash Flow Paid at Hurdle 3	-	-	-	-	-	-	-	-	-	-	32,863
Cash Flow Paid at Final Split	-	-	-	-	-	-	-	-	-	-	73,550
Cash Flow Paid at Reversion (Sale)	-	-	-	-	-	-	-	-	-	-	8,788,047
Total Cash Flow to Developer	(426,000)	-	-	-	-	1,031	2,459	12,817	11,193	41	8,922,151
<i>Annual Cash on Cash</i>		0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	3.0%	2.6%	0.0%	2094.4%
Net Cash Flow		8,523,691									
IRR		35.7%									
Equity Multiple		21.01x									
Average Annual Cash on Cash Return		210.1%									

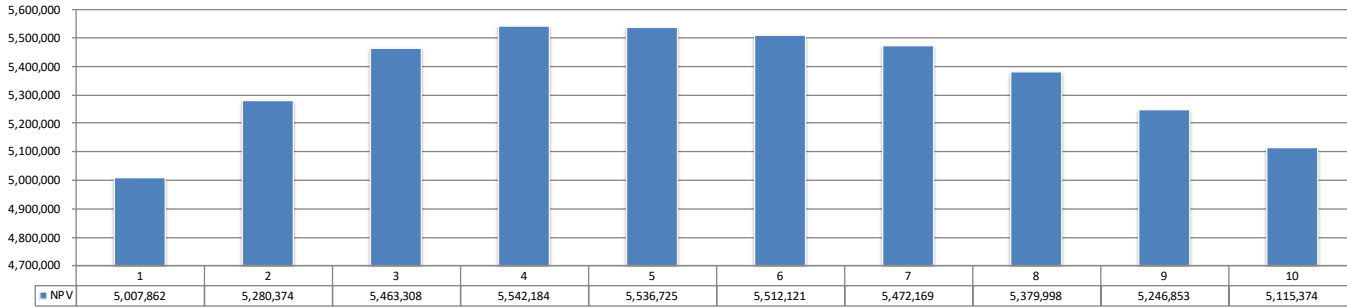
Holding Period Sensitivity Analysis

These charts show the project's pre-tax performance based on Disposition year. They assume continued financing regardless of term.

IRR Based on Hold Period



NPV Based on Hold Period



Project Level IRR Sensitivity

Period	1	2	3	4	5	6	7	8	9	10	11
NOI (excluding Reserves)	985,956	1,303,088	1,354,194	1,394,820	1,433,749	1,476,849	1,524,158	1,569,882	1,614,063	1,662,572	1,715,453
Refinance Proceeds	0	0	0	0	0	0	0	0	0	0	0
Less: Reserves	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Less: Debt Service	(660,303)	(713,581)	(767,358)	(821,454)	(875,705)	(929,958)	(984,073)	(1,037,917)	(1,091,359)	(1,144,275)	0
Cash Flow After Debt Service	275,653	539,507	536,836	523,366	508,044	496,891	490,084	481,966	472,704	468,298	1,665,453
Less: Mortgage Origination Fee	0	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenses	(183,600)	(183,600)	0	0	(88,898)	(88,898)	0	0	(88,898)	(88,898)	0
Other Non-Regular Income	0	0	0	0	0	0	0	0	0	0	0
Distributable Cash Flow	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	379,400	1,665,453
Reversion Analysis (if sold in this year)											
Reversion Cash Flow	20,047,504	20,833,758	21,458,771	22,057,673	22,720,749	23,448,579	24,152,036	24,831,735	25,578,033	26,391,582	
Less: Cost of Sale	(200,475)	(208,338)	(214,588)	(220,577)	(227,207)	(234,486)	(241,520)	(248,317)	(255,780)	(263,916)	
Less: Mortgage Exit Fee	0	0	0	0	0	0	0	0	0	0	
Less: Mortgage Balance	(9,772,902)	(9,617,202)	(9,470,647)	(9,331,244)	(9,197,194)	(9,066,845)	(8,938,635)	(8,811,045)	(8,682,551)	(8,551,571)	
Return of Reserve Funds	28,469	78,469	128,469	178,469	228,469	278,469	328,469	378,469	428,469	478,469	
Reversion Balance	10,102,595	11,086,687	11,902,005	12,684,321	13,524,816	14,425,716	15,300,349	16,150,842	17,068,171	18,054,563	

Periods	0	1	2	3	4	5	6	7	8	9	10	IRR	NPV
1	(4,260,000)	10,194,648	-	-	-	-	-	-	-	-	-	139.3%	5,007,862
2	(4,260,000)	92,053	11,442,594	-	-	-	-	-	-	-	-	65.0%	5,280,374
3	(4,260,000)	92,053	355,907	12,438,841	-	-	-	-	-	-	-	45.6%	5,463,308
4	(4,260,000)	92,053	355,907	536,836	13,207,687	-	-	-	-	-	-	36.6%	5,542,184
5	(4,260,000)	92,053	355,907	536,836	523,366	13,943,962	-	-	-	-	-	31.3%	5,536,725
6	(4,260,000)	92,053	355,907	536,836	523,366	419,147	14,833,709	-	-	-	-	27.9%	5,512,121
7	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	15,790,433	-	-	-	25.4%	5,472,169
8	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	490,084	16,632,807	-	-	23.5%	5,379,998
9	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	17,451,977	-	22.0%	5,246,853
10	(4,260,000)	92,053	355,907	536,836	523,366	419,147	407,993	490,084	481,966	383,806	18,433,963	20.8%	5,115,374