

Pompano
A 37-Unit Apartment Development Project
Pro Forma and Estimated Capitalization

ESTIMATED CAPITALIZATION

<u>DEVELOPMENT COSTS</u>	<u>Total</u>	<u>Per Unit</u>	<u>Per SF</u>
Land	\$1,017,500	27,500	\$41.02
Construction Hard Costs	3,559,518	96,203	\$143.50
Other Development Costs	1,247,334	33,712	\$0.29
Total Development Costs	\$5,824,352	\$157,415	\$234.81

<u>CAPITALIZATION</u>	<u>Total</u>	<u>Per Unit</u>	<u>Per SF</u>
1st Mortgage	\$3,785,829	102,320	\$152.62
Equity - Investor 1	2,038,523	55,095	\$82.18
Equity - Sponsor	0	0	\$0.00
Total Sources	\$5,824,352	\$157,415	\$234.81

PRO FORMA - CURRENT

<u>OPERATING RETURNS</u>	<u>Total</u>	<u>Per Unit/Month</u>	<u>Per SF/Month</u>
Gross Potential Rent	\$638,520	1,438	\$2.15
Unit Premiums	7,008	16	0.02
Property Premiums	5,580	13	0.02
Other Income	8,880	20	0.03
Potential Income	\$659,988	\$1,486	\$2.22
Loss to Lease	0	0	0.00
Vacancy	(39,599)	(89)	(0.13)
Total Income	\$620,389	\$1,397	\$2.08
Operating Expenses	209,563	472	0.70
Reserves	5,550	13	0.02
Net Operating Income	\$405,275	\$913	\$1.36
Return on Total Costs	7.0%		

PRO FORMA - STABILIZED

<u>OPERATING RETURNS</u>	<u>Total</u>	<u>Per Unit/Month</u>	<u>Per SF/Month</u>
Gross Potential Rent	\$670,403	1,510	\$2.25
Unit Premiums	\$7,358	17	0.02
Property Premiums	5,859	13	0.02
Other Income	9,323	21	0.03
Potential Income	\$692,943	\$1,561	\$2.33
Loss to Lease	(8,853)	(20)	(0.03)
Vacancy	(41,577)	(94)	(0.14)
Total Income	\$642,513	\$1,447	\$2.16
Operating Expenses	217,506	490	0.73
Reserves	5,550	13	0.02
Net Operating Income	\$419,457	\$945	\$1.41
Return on Total Costs	7.2%		

Pompano
A 37-Unit Apartment Development Project
Estimated Development Budget

Land	\$1,017,500
Construction Hard Costs	3,559,518
Construction Soft Costs	317,556
Architectural / Engineering	228,415
Furniture, Fixtures & Equipment	50,000
Marketing Costs	52,605
Legal & Organizational	20,000
Property Taxes During Construction	30,000
Developer Fee	169,641
Development Contingency	83,567
Points on Construction Loan	18,500
Construction Loan/Pref Equity Closing Costs	50,000
Other Development Costs	20,500
Interest During Construction	<u>206,550</u>
Total Development Costs	<u><u>\$5,824,352</u></u>

**Pompano
Current Operating Pro Forma**

Income	# units	sq. ft.	\$ rent	/ month	/ year	/ unit / year	/ SF
Gross Potential Rent							
Studio	25	621	\$1,380	\$34,500	\$414,000	\$16,560	\$2.22
1 Bed / 1 Bath	2	675	\$1,430	\$2,860	\$34,320	\$17,160	\$2.12
1 Bed / 1 Bath	10	793	\$1,585	\$15,850	\$190,200	\$19,020	\$2.00
Totals / Averages	37		\$1,438	\$53,210	\$638,520	\$17,257	\$2.15
Unit Premiums							
End Unit	12		\$20	240	\$2,880		
Ground Floor Unit	3		\$54	162	\$1,944		
Rooftop Units	7		\$26	182	\$2,184		
	0		\$0	0	\$0		
Total / Averages				\$584	\$7,008	\$189	\$0.02
Property Premiums							
Reserved Parking Space	10		\$26	260	\$3,120		
Total / Averages				\$465	\$5,580	\$151	\$0.02
Other Income							
Other Income	37		\$20	740	\$8,880	\$240	\$0.03
Total / Averages					\$8,880	\$240	\$0.03
Potential Income					\$659,988	\$17,838	\$2.22
Loss to Lease					\$0	\$0	\$0.00
Vacancy					(\$39,599)	(\$1,070.25)	(\$0.13)
Total Income					\$620,389	\$16,767	\$2.08
Operating Expenses					\$32,999	\$892	\$0.11
Management Fee (5% of collections)				\$0	\$0	\$0.00	
Payroll				\$1,702	\$46	\$0.01	
General & Administrative				\$14,282	\$386	\$0.05	
Marketing				\$38,332	\$1,036	\$0.13	
Utilities				\$1,554	\$42	\$0.01	
Turnover / Make-Ready				\$4,514	\$122	\$0.02	
Repair & Maintenance				\$0	\$0	\$0.00	
Nonroutine Maintenance				\$2,220	\$60	\$0.01	
Grounds				\$92,500	\$2,500	\$0.31	
Taxes				\$21,460	\$580	\$0.07	
Insurance				\$0	\$0	\$0.00	
Association Dues				\$5,550	\$150	\$0.02	
Replacement Reserves				\$0	\$0	\$0.00	
Miscellaneous				\$0	\$0	\$0.00	
Total Operating Expenses				\$215,113	\$5,814	\$0.72	
NET OPERATING INCOME					\$405,275	\$10,953	\$1.36

Pompano
Stabilized Operating Pro Forma
02/01/2021 - 01/31/2022

Income	# units	sq. ft.	\$ rent	/ month	/ year	/ unit / year	/ SF
Gross Potential Rent							
Studio	25	621	\$1,449	\$36,223	\$434,672	\$17,387	\$2.33
1 Bed / 1 Bath	2	675	\$1,501	\$3,003	\$36,034	\$18,017	\$2.22
1 Bed / 1 Bath	10	793	\$1,664	\$16,641	\$199,697	\$19,970	\$2.10
Totals / Averages	37		\$1,510	\$55,867	\$670,403	\$18,119	\$2.25
Unit Premiums							
End Unit	12		\$21	252	\$3,024		
Ground Floor Unit	3		\$57	170	\$2,041		
Total / Averages				\$613	\$7,358	\$199	\$0.02
Property Premiums							
Reserved Parking Space	10		\$27	273	\$3,276		
Total / Averages				\$488	\$5,859	\$158	\$0.02
Other Income							
Other Income	37		\$21	777	\$9,323	\$252	\$0.03
Total / Averages					\$9,323	\$252	\$0.03
Potential Income					\$692,943	\$18,728	\$2.33
Loss to Lease					(\$8,853)	(\$239)	(\$0.03)
Vacancy					(\$41,577)	(\$1,124)	(\$0.14)
Total Income					\$642,513	\$17,365	\$2.16
Operating Expenses							
Management Fee (5% of collections)					\$32,126	\$868	\$0.11
Payroll					\$0	\$0	\$0.00
General & Administrative					\$1,787	\$48	\$0.01
Marketing					\$14,995	\$405	\$0.05
Utilities					\$40,246	\$1,088	\$0.14
Turnover / Make-Ready					\$1,632	\$44	\$0.01
Repair & Maintenance					\$4,739	\$128	\$0.02
Nonroutine Maintenance					\$0	\$0	\$0.00
Grounds					\$2,331	\$63	\$0.01
Taxes					\$97,119	\$2,625	\$0.33
Insurance					\$22,532	\$609	\$0.08
Association Dues					\$0	\$0	\$0.00
Replacement Reserves					\$5,550	\$150	\$0.02
Miscellaneous					\$0	\$0	\$0.00
Total Operating Expenses					\$223,056	\$6,029	\$0.75
NET OPERATING INCOME					\$419,457	\$11,337	\$1.41

**Pompano
Current Operating Pro Forma**

Income	# units	sq. ft.	\$ rent	/ month	/ year	/ unit / year	/ SF
Gross Potential Rent							
Studio	25	621	\$1,380	\$34,500	\$414,000	\$16,560	\$2.22
1 Bed / 1 Bath	2	675	\$1,430	\$2,860	\$34,320	\$17,160	\$2.12
1 Bed / 1 Bath	10	793	\$1,585	\$15,850	\$190,200	\$19,020	\$2.00
Totals / Averages	37		\$1,438	\$53,210	\$638,520	\$17,257	\$2.15
Unit Premiums							
End Unit	12		\$20	240	\$2,880		
Ground Floor Unit	3		\$54	162	\$1,944		
Rooftop Units	7		\$26	182	\$2,184		
	0		\$0	0	\$0		
Total / Averages				\$584	\$7,008	\$189	\$0.02
Property Premiums							
Reserved Parking Space	10		\$26	260	\$3,120		
Total / Averages				\$465	\$5,580	\$151	\$0.02
Other Income							
Other Income	37		\$20	740	\$8,880	\$240	\$0.03
Total / Averages					\$8,880	\$240	\$0.03
Potential Income					\$659,988	\$17,838	\$2.22
Loss to Lease					\$0	\$0	\$0.00
Vacancy					(\$39,599)	(\$1,070.25)	(\$0.13)
Total Income					\$620,389	\$16,767	\$2.08
Operating Expenses							
Management Fee (5% of collections)					\$32,999	\$892	\$0.11
Payroll					\$0	\$0	\$0.00
General & Administrative					\$1,702	\$46	\$0.01
Marketing					\$14,282	\$386	\$0.05
Utilities					\$38,332	\$1,036	\$0.13
Turnover / Make-Ready					\$1,554	\$42	\$0.01
Repair & Maintenance					\$4,514	\$122	\$0.02
Nonroutine Maintenance					\$0	\$0	\$0.00
Grounds					\$2,220	\$60	\$0.01
Taxes					\$92,500	\$2,500	\$0.31
Insurance					\$21,460	\$580	\$0.07
Association Dues					\$0	\$0	\$0.00
Replacement Reserves					\$5,550	\$150	\$0.02
Miscellaneous					\$0	\$0	\$0.00
Total Operating Expenses					\$215,113	\$5,814	\$0.72
NET OPERATING INCOME					\$405,275	\$10,953	\$1.36

Pompano
Sale Pro Forma
02/01/2023 - 01/31/2024

Income	# units	sq. ft.	\$ rent	/ month	/ year	/ unit / year	/ SF
Gross Potential Rent							
Studio	25	621	\$1,538	\$38,460	\$461,516	\$18,461	\$2.48
1 Bed / 1 Bath	2	675	\$1,594	\$3,188	\$38,259	\$19,130	\$2.36
1 Bed / 1 Bath	10	793	\$1,767	\$17,669	\$212,030	\$21,203	\$2.23
Totals / Averages	37		\$1,603	\$59,317	\$711,805	\$19,238	\$2.39
Unit Premiums							
End Unit	12		\$22	268	\$3,211		
Ground Floor Unit	3		\$60	181	\$2,167		
Total / Averages				\$651	\$7,812	\$211	\$0.03
Property Premiums							
Reserved Parking Space	10		\$29	290	\$3,478		
Total / Averages				\$518	\$6,220	\$168	\$0.02
Other Income							
Other Income	37		\$22	825	\$9,899	\$268	\$0.03
Total / Averages					\$9,899	\$268	\$0.03
Potential Income					\$735,737	\$19,885	\$2.47
Loss to Lease					(\$9,400)	(\$254)	(\$0.03)
Vacancy					(\$44,144)	(\$1,193)	(\$0.15)
Total Income					\$682,193	\$18,438	\$2.29
Operating Expenses							
Management Fee (5% of collections)					\$34,110	\$922	\$0.11
Payroll					\$0	\$0	\$0.00
General & Administrative					\$1,897	\$51	\$0.01
Marketing					\$15,921	\$430	\$0.05
Utilities					\$42,732	\$1,155	\$0.14
Turnover / Make-Ready					\$1,732	\$47	\$0.01
Repair & Maintenance					\$5,032	\$136	\$0.02
Nonroutine Maintenance					\$0	\$0	\$0.00
Grounds					\$2,475	\$67	\$0.01
Taxes					\$122,047	\$3,299	\$0.41
Insurance					\$23,923	\$647	\$0.08
Association Dues					\$0	\$0	\$0.00
Replacement Reserves					\$5,550	\$150	\$0.02
Miscellaneous					\$0	\$0	\$0.00
Total Operating Expenses					\$255,419	\$6,903	\$0.86
NET OPERATING INCOME					\$426,774	\$11,534	\$1.43

Pompano - 37 Apartments
 Pro Forma Interest Calculations
 Futures as of :

0.00%
N/A
6/13/2018

: Interest Rate Floor
 : Interest Rate Cap
 : Interest Rate Spread

	Month	Total Cost	Rate	Const. Loan Interest	Required Funding	Equity	Mezzanine Draw	Mezzanine Loan Balance	Mezz. Interest	Const. Loan Draw	Loan Balance
1	Aug-19	\$ 1,738,293	4.96%	\$ -	\$ 1,738,293	\$ 1,738,293	\$ -	\$ -	\$ -	\$ -	\$ -
2	Sep-19	\$ 211,342	4.97%	\$ -	\$ 211,342	\$ 211,342	\$ -	\$ -	\$ -	\$ -	\$ -
3	Oct-19	\$ 220,747	4.99%	\$ -	\$ 220,747	\$ 88,889	\$ -	\$ -	\$ -	\$ -	\$ -
4	Nov-19	\$ 259,567	5.00%	\$ 274	\$ 259,841	\$ -	\$ -	\$ -	\$ -	\$ 131,859	\$ 131,859
5	Dec-19	\$ 299,213	5.01%	\$ 1,091	\$ 300,304	\$ -	\$ -	\$ -	\$ -	\$ 259,841	\$ 391,700
6	Jan-20	\$ 362,354	5.03%	\$ 2,282	\$ 364,616	\$ -	\$ -	\$ -	\$ -	\$ 300,304	\$ 692,003
7	Feb-20	\$ 368,724	5.04%	\$ 3,665	\$ 372,389	\$ -	\$ -	\$ -	\$ -	\$ 364,616	\$ 1,056,619
8	Mar-20	\$ 466,103	5.04%	\$ 5,220	\$ 471,323	\$ -	\$ -	\$ -	\$ -	\$ 372,389	\$ 1,429,008
9	Apr-20	\$ 479,865	5.05%	\$ 6,992	\$ 488,657	\$ -	\$ -	\$ -	\$ -	\$ 471,323	\$ 1,900,331
10	May-20	\$ 473,047	5.06%	\$ 9,021	\$ 482,069	\$ -	\$ -	\$ -	\$ -	\$ 488,657	\$ 2,388,988
11	Jun-20	\$ 421,674	5.06%	\$ 11,081	\$ 432,756	\$ -	\$ -	\$ -	\$ -	\$ 482,069	\$ 2,869,056
12	Jul-20	\$ 370,623	5.06%	\$ 13,010	\$ 383,633	\$ -	\$ -	\$ -	\$ -	\$ 432,756	\$ 3,301,812
13	Aug-20	\$ -	5.06%	\$ 14,731	\$ 14,731	\$ -	\$ -	\$ -	\$ -	\$ 383,633	\$ 3,685,445
14	Sep-20	\$ -	5.06%	\$ 15,571	\$ 15,571	\$ -	\$ -	\$ -	\$ -	\$ 14,731	\$ 3,700,177
15	Oct-20	\$ -	5.06%	\$ 15,635	\$ 15,635	\$ -	\$ -	\$ -	\$ -	\$ 15,571	\$ 3,715,748
16	Nov-20	\$ -	5.07%	\$ 15,701	\$ 15,701	\$ -	\$ -	\$ -	\$ -	\$ 15,635	\$ 3,731,383
17	Dec-20	\$ -	5.08%	\$ 15,798	\$ 15,798	\$ -	\$ -	\$ -	\$ -	\$ 15,701	\$ 3,747,084
18	Jan-21	\$ -	5.06%	\$ 15,834	\$ 15,834	\$ -	\$ -	\$ -	\$ -	\$ 15,798	\$ 3,762,882
19	Feb-21	\$ -	5.06%	\$ 15,900	\$ 15,900	\$ -	\$ -	\$ -	\$ -	\$ 15,834	\$ 3,778,718
20	Mar-21	\$ -	5.06%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,900	\$ 3,794,616
21	Apr-21	\$ -	5.06%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
22	May-21	\$ -	5.06%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
23	Jun-21	\$ -	5.06%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
24	Jul-21	\$ -	5.07%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
25	Aug-21	\$ -	5.07%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
26	Sep-21	\$ -	5.07%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
27	Oct-21	\$ -	5.07%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
28	Nov-21	\$ -	5.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
29	Dec-21	\$ -	5.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
30	Jan-22	\$ -	5.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
31	Feb-22	\$ -	5.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
32	Mar-22	\$ -	5.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
33	Apr-22	\$ -	5.09%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
34	May-22	\$ -	5.09%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
35	Jun-22	\$ -	5.09%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,794,616
		\$ 6,671,352		\$ 161,787	\$ 5,833,139	\$ 2,038,623	\$ -	\$ -	\$ -	\$ 3,794,616	\$ 3,794,616

Interest Rate Cap Fee & Contingency: \$ 44,763
 Total Projected Interest: \$ 206,550

Pompano Sale Analysis

Construction Start (Closing Date)	8/1/2019
Term (# months)	42
Sale Date	2/1/2023
Total Land Cost	1,017,500
Total Land Cost / Unit	27,500
TDC	5,824,352

PROJECT CAPITALIZATION

Construction Debt	65%	3,785,829
Mezz Loan / Preferred Equity	0%	0
Equity	35%	2,038,523
<hr/>		
Investor Equity 1	100.00%	2,038,523
Investor Equity 2	0.00%	0
Investor Equity 3	0.00%	0
Sponsor Equity	0.00%	0
Partner Equity 1	100.00%	0
Partner Equity 2	0.00%	0

SALE INFORMATION

Yield at Time of Sale	7.33%
Sale NOI	426,774
Cap Rate	6.00%
Sale Price	7,112,901
Closing Costs (3% of sale price)	(213,387)
Put/Reversion Tax Credits	0
Construction Loan Repayment	(3,901,887)
Available for Equity at Sale	3,097,627
Total Cash Flow Distributions	617,069
Total Distributions	3,714,696

SALE WATERFALL

	TOTAL	INVESTOR 1 <i>Investor</i>	SPONSOR
First Hurdle	100.0%	100.0%	0.0%
5% Preferred Return (IRR)	563,970	563,970	0
Return of Equity	2,038,523	2,038,523	0
Deferred Development Fee	0	0	0
Second Hurdle	100.0%	100.0%	0.0%
10% Return (IRR)	191,534	191,534	0
Third Hurdle	100.0%	100.0%	0.0%
12.5% Return (IRR)	291,884	291,884	0
Fourth Hurdle	100.0%	100.0%	0.0%
12.5% Return (IRR)	0	0	0
Final Promote	100.0%	100.0%	0.0%
	628,785	628,785	0
Total Distributions at Sale	3,097,627	3,097,627	0
Previous Distributions	617,069	617,069	0
Total Distributions	3,714,696	3,714,696	0
IRR	20.3%	20.3%	