

Rendering Used For Inspiration

THE LIGHTHOUSE

BELLEVUE WASHINGTON NAIOP COMPETITON
PORTLAND STATE UNIVERSITY
March 2, 2020

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SUSTAINABLE VENTURE PARTNERS

PROJECT OVERVIEW

Sustainable Venture Partners (SVP) is seeking Investment Committee approval for The Lighthouse, a mixeduse multifamily and retail building to be located in downtown Bellevue. The Lighthouse sits at the northeast corner of the intersection of NE 8th Street and 102nd Avenue NE. The parcel is currently owned by McAusland Real Properties LLC.

The Lighthouse is proud to be the first cross laminated timber building (CLT) in downtown Bellevue. The Lighthouse has one core theme: to be the beacon in Bellevue of innovative, sustainable and memorable design. The Lighthouse is a 221,942 GSF nine-story mixed use residential project with 121 residential units, 8,142 GSF of Class-A active use retail, and two levels of underground parking for 178 vehicles, and 60 bicycles. Ground level retail tenants will be located on the 8th Street frontage, while the residential lobby will front 102nd. An outdoor community open space is housed in the courtyard to the northeast of the structure. Apartments are situated on floors two through nine. The nine story mass timber building will have magnificent protected views to the southwest and west with views of Meydenbauer Bay, Lake Washington, and Downtown Seattle.

The Lighthouse will pay homage to the history of the Pacific Northwest's timber industry and serve tomorrow's tech and environmental innovation for which Washington and Bellevue are renowned for. The look and feel will honor the Northwest with minimal, modern, and natural designs. This property has been family owned for many years and its tenants have offered a gathering place for the community of Bellevue, we look to continue this tradition. The Lighthouse will serve as a beacon for individuals and families looking to put their roots down in a natural, healthy and beautiful home in the heart of Bellevue.

Schematic design is ready to commence, and the entitlement period will begin in Q2 2021 with construction breaking ground in Q3 2022. The Lighthouse will begin pre-leasing in Q3 of 2023 and will be fully delivered Q1 of 2024. Stabilization is scheduled for Q3 of 2024.

Pending mutual agreement, McAusland Real Properties LLC. will contribute the land as a limited partner with an equity value of \$19,298,400 (\$600/SF) for a Limited Partnership interest in the project. SVP will serve as General Partner and contribute the remainder of the equity needed to finance the deal. SVP, for a fee, will provide the development services for the project. SVP has identified a lender and has agreed to principal terms for construction, and have negotiated with the same lender for a committed takeout loan. The total construction debt needed to finance the project is estimated to be roughly \$58MM. The total projected development costs for the project are roughly \$89MM. At this time, SVP forecasts a project level Leveraged IRR of 19.6% on a 10 year hold from the start of construction, with disposition occurring in 2033. The total project timeline is 13.5 years.

SUSTAINABLE VENTURE PARTNERS

Sustainable Venture Partners (SVP) is a diversified, vertically integrated, real estate investment and development firm specializing in innovative and sustainable solutions in markets with strong barriers to entry. SVP seeks attractive returns in distressed and opportunistic residential real estate investments. SVP prioritizes capital preservation and wealth creation. Our investment process includes:

- 1. Identifying select key urban infill sites situated in markets with strong demographics
- 2. Underwriting conservatively to maximize downside risk protection.
- 3. Leveraging residential development and construction experience to enhance investment opportunities.

PROJECT FINANCIAL SUMMARY

Below summarizes the financial assumptions for The Lighthouse assuming a 10-year hold from completion of construction. For expanded financial assumptions including detailed development costs, revenue & expenses, project level annual cash flows, sources and uses summary, and our investor waterfall, please see our Appendix section.

PARKING

56,176

33,706

25.3%

0.0%

RETAIL

8,142

8,142

33

3.7%

4.9%

DESIGN ASSUMPTIONS	
GROSS BUILDING SF 221,924	
RENTABLE SF 165,090)
PARKING STALLS 178	
% GROSS BUILDING SF	
% STRUCTURE ABOVE GROUND	
COST ASSUMPTIONS	
LAND VALUE (\$/NRSF) \$118.65	
TOTAL HARD COSTS (\$/NSF) \$330.83	3
SOFT COSTS (\$/SF) \$89.72	
TOTAL DEVELOPMENT COSTS (\$/SF) \$539.19	
TOTAL DEVELOPMENT COSTS \$89,015,4	29
INCOME & OPERATING EXPENSE ASSUMPTIONS	
TOTAL INCOME (\$/NSF/MO) \$3.81	
REVENUE (STABILIZATION) \$7,540,72	
BASE YR. OPERATING EXPENSES (\$/SF/YR) \$2,020,0	
NOI (STABILIZATION) \$5,520,66	31
EXIT ASSUMPTIONS	
BLENDED CAPITALIZATION RATE 4.50%	
FUTURE VALUE - YEAR 13.5 (\$) \$166,235,4	
VALUE (\$/GSF) \$749.06)
CONSTRUCTION DEBT ASSUMPTIONS	
LOAN TO COST 65%	
TOTAL DEBT \$57,861,9	
EQUITY REQUIRED \$31,153,4 INTEREST RATE 4.75%	59
IIII EKZOT TOXIE	
PERMANENT DEBT ASSUMPTIONS	
LOAN TO VALUE 60% DEBT SERVICE COVERAGE 1.31	
DEBT SERVICE COVERAGE 1.31 TOTAL DEBT \$73,608,8	40
APPRAISAL YEAR 5 \$122,681,	
INTEREST RATE 4.00%	003
DEBT YIELD 7.50%	
AMORITIZATION PERIOD 30	
LOAN TERM 10	
RETURN ASSUMPTIONS	
YIELD ON COST 6.20%	
RETURN ON EQUITY 8.99%	
UNLEVERAGED IRR 10.87%	
LEVERAGED IRR 19.53%	

Gross Cash Distributed							
	Lin	nited Partner	Ge	neral Partner	Total		
Tier 1	\$	32,048,678	\$	19,687,589	\$ 51,736,267		
Tier 2	\$	8,628,859	\$	5,300,731	\$ 13,929,589		
Tier 3	\$	12,080,502	\$	8,053,668	\$ 20,134,170		
Tier 4	\$	10,325,916	\$	6,883,944	\$ 17,209,860		
Tier 5	\$	15,696,156	\$	23,544,234	\$ 39,240,390		
Total Distributions	\$	78,780,111	\$	63,470,166	\$ 142,250,278		
Total Contributions	\$	19,298,400	\$	11,855,059	\$ 31,153,459		
Total Profit	\$	59,481,711	\$	51,615,107	\$111,096,819		
XIRR		20.06%		19.01%	19.53%		
Equity Multiple		4.08x		5.35x	4.57x		

MULTIFAMILY

157,606

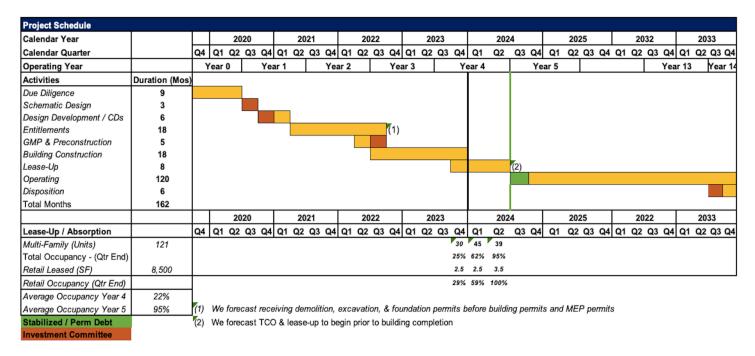
123,242

145

71.0%

95.1%

PROJECT SCHEDULE



OVERVIEW

We forecast a total design, entitlement, and construction period of 42 months, and 120 months for lease up and stabilized operation.

DUE DILIGENCE

Due diligence is ongoing. SVP began conducting due diligence in pursuit of obtaining development rights to the project in Q4 2019. If selected, all incurred costs to-date will remain as an equity contribution into the project's ultimate budget to be jointly approved by the Limited Partner and General Partner. Initial due diligence reports received to date include a Geotechnical Phase 2, Alta Survey, Title Report, Traffic Study, and approved zoning and use analyses. These reports indicate the site is suitable for development as planned. The Phase 2 Geotechnical Report revealed a small amount of soil contamination. After consulting geotechnical engineers, architects, and general contractors, we are holding a contingency of \$250,000 for soil remediation.

DESIGN

Preliminary design was conducted in conjunction with the assistance of our architectural design team at SVP. The team evaluated multiple development options including various site layouts, massing, and test fits. We feel that available FAR can be better used in a L-shaped structure with closer proximity to 8th Street and 102nd Avenue NE. Design was also heavily influenced by future planned development to the east and west of the site. Given Fortress Development's plan for the adjacent site to the east, we felt it was imperative to respond to the anticipated use and physical characteristics of development on that site. We spoke extensively with John Stout, an Architect at Weber Thompson who designed Fortress's site, to better understand their program and product offering. We have forecast a 3 month schematic design period to be completed at the end of Q3 2020, and upon investment committee approval, will commence design development in Q4 2020 to be completed at the end of Q1 2021 (6 months).

PROJECT SCHEDULE CONT...

ENTITLEMENTS

Once preliminary design was finished, SVP requested a preapplication conference with the City of Bellevue. The pre-application conference provided the City an opportunity to comment on our proposed design. We also used the opportunity, to obtain estimates on the City's entitlement timeline, discuss civil related issues, and discuss the viability of our program. Fire, Life and Safety was supportive of our proposed project, and were not concerned about the building's use of CLT as long as we comply by IBC 2021 standards, which our project will. Based on the pre-application conference, we do not anticipate any staff opposition to our project.

The success of the entitlement process hinges on Bellevue's approval of our design review, and obtaining necessary special permissions from the Director to obtain approval for our building design. Demolition, excavation & shoring, and building permits will be phased to accelerate our development timeline. The proposed entitlements process will take 18 months.

CONSTRUCTION

Our construction timeline forecasts a savings of 8 weeks based on the heavy use of CLT. Offsite preconstruction of CLT beams accelerates our construction schedule relative to Type - 1 Concrete. Elements of the building can be fabricated off-site, and delivered as needed based on construction schedules. Based on preliminary discussions with general contractors, we forecast construction will take 18 months.

LEASE-UP / ABSORPTION

Lease up will begin upon receipt of temporary certificates of occupancy on a unit by unit basis. We forecast heavy demand will translate to an accelerated lease up. We have conservatively estimated leasing averaging 14 units per month. And we expect lease up to be completed in 8 months. Retail leasing is forecast to take 8 months.

Detailed Multifamily Lease-Up Forecast									
Operating Year				Year	4				Year 5
Month	10/30/23	11/30/23	12/30/23	1/30/24	2/29/24	3/30/24	4/30/24	5/30/24	6/30/24
Units Delivered		15	105						
Total Units Delivered		15	120						
Units Leased		15	15	15	15	15	15	15	9
Total Units Leased		15	30	45	60	75	90	105	114
MF Occupancy (%)		100%	25%	38%	50%	63%	75%	88%	95.0%
Avg Occupancy Year 4	36.5%								
Avg Occupancy Year 5	95.0%								
Lease-Up Duration	8								

Ave Units Leased/Mo 14.25 HOLDING PERIOD/OPERATIONS

Stabilized operation is scheduled for Year 5. We anticipate average occupancy at Year 5 to be 95% for the year. We have modeled a holding period of 10 years based on our understanding of McAusland Real Properties LLC's preference for a 10-year hold from the time construction is finished -- slated for end of Q4 2023.

DISPOSITION/PROJECT EXIT

Disposition of the project will occur in Q4 of 2033. The decision to exit will be dependent on building and market conditions at the time of sale.

SUBJECT PROPERTY

The proposed site is 32,164 square feet (0.74 acres) located at 10210 NE 8th St. in Bellevue, WA. The site currently houses a 14,538 square foot building with retail on the ground floor featuring national tenants such as Starbucks and See's Candies, and roughly 5,000 square feet of office space above.





NEIGHBORHOOD & AMENITIES

The site is bordered to the east by Fortress Development's highly anticipated project, The Avenue, planned for 332 luxury residences and 85,000 square feet of high end retail space. To the west, Pinnacle International Development has plans to develop over 1.5M SF of residential, retail, and hotel. We believe our site is uniquely positioned to benefit from the massive influx of high-end amenities and activity provided by these two developments. We do not believe the quantity of apartments added to the area will negatively affect the future leasability of our proposed development. We believe these projects will only enhance the desirability of our area, and help to draw energy and activity to the northwest section of downtown Bellevue.

The site is bordered to the south by The Bellevue Collection, which provides our close proximity to ample dining, shopping, and other experiential based retailers.





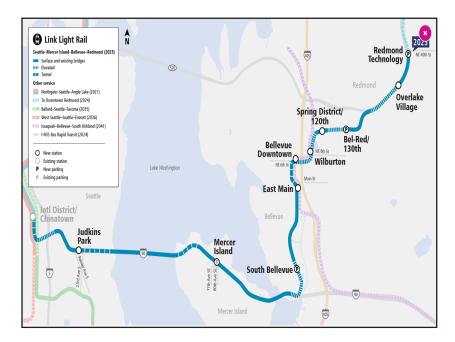




SITE SUMMARY

The Lighthouse is well served by public transportation, a necessary component of enhancing the leasability of our site. There are multiple bus lines serving the existing public transportation needs of Bellevue residents needing to travel within the King County metro. The future East Link light rail between downtown Seattle and Bellevue in the coming years should further bolster the local market fundamentals that will continue to spur development projects in the area.

With the massive influx of workers, the housing and rental market are experiencing substantial growth, leading to higher rents, low availability, and increasing demand for newer housing developments.



THE SITE

The site sits in the Downtown - Mixed Use base zone (City of Bellevue, LUC 20.25A, Downtown) and Perimeter Overlay Zone B-2 (Figure 20.25A.060.A.3). This zoning is designed to reduce building height and commercial activity on the perimeter of Downtown Bellevue given its proximity to residential neighborhoods. The zoning generally encourages residential uses.

Zoning: DT-MU (B-2 Overlay)	Code	Provided
Base FAR (Residential)	4.5	4.5
Amenity Bonus FAR (Residential)	0.5	0.5
Total Residential FAR	5.0	5.0
Base FAR (Commercial)	1.5	0.0
Bonus FAR (Commercial)	-	0.0
Residential Height Limit	176'-264'	80'
Commercial Height Limit	72'-92'	N/A
Parking Stalls Required (Residential)	161	178
Bicycle Parking Required	13	60

ENTITLEMENT SUMMARY

AFFORDABLE HOUSING - 20.25A.070

We evaluated the inclusion of affordable housing in our project. According to 20.25A.070.C.2, a maximum of 1.0 FAR may be exempted to support the development of affordable housing. Our return analysis concluded that 80% AMI rents do not justify construction of affordable housing even considering the benefits of added allowable site coverage (5%), reduced minimum parking ratios (0.5 per affordable unit), and reduced upper level stepbacks.

PARKING - 20.25A.080

Minimum levels of car parking are required for development approval and to support our retail and residential leasing efforts. Resident parking is required at a rate of 1 per residential unit and one visitor parking stall is required for every 20 residential units developed. Additionally, 4 parking spaces are required for every 1,000 NSF of retail, provided the retail does not qualify as a restaurant.

BICYCLE PARKING - 20.2A.080.G

Off-street, secure bicycle parking shall be provided at a rate of 1 stall per 10 residential units and 1 stall per 10,000 nsf of nonresidential uses greater than 20,000 sqft.

REQUESTED VARIANCES

Our development proposal requires a variance to the required stepback requirement (20.25A.075.C). A step-back of 20 feet is required at the level of the first floor plate above 40 feet. Variances to Bellevue's Land Use Code (LUC) may be approved by the Director during Design Review. The Downtown Design Guidelines in 20.25A.140, expressly states the Guidelines are intended to 1) ensure the Downtown is viable, livable, memorable, and accessible, 2) to promote design excellence, innovation, and reinforce a sense of place for Downtown and 3) to encourage sustainable and green design features. LUC states that variances can be made to the LUC requirements, if variances are in support of the Downtown Design Guideline's stated goals. We believe that by delivering a CLT building, we meet these goals by providing a memorable, innovative, and sustainable design. If we were not approved for a variance, it would force us to increase our floor plates on the floors below 40', which we feel would fail to provide a competitive and high quality residential experience, specifically on floors 2 through 5 adjacent to the Avenue's planned parking structure. We believe we will be approved for the variance. We also do not anticipate an increase in the duration of the entitlement process as a result of the request variance.



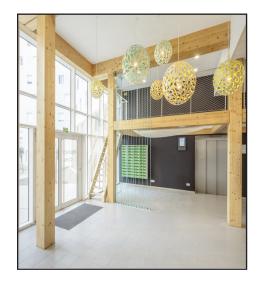


DESIGN HIGHLIGHTS

The Lighthouse is designed to evoke the qualities of its namesake; strong, reassuring, optimistic. A lighthouse calls you back home, a beacon when seas get rough. Buildings with big, light-filled spaces are appealing in the dark Pacfic Northwest winters. Wood plays to our historic past and our current connection to the outdoors. Clean, Scandinavian-inspired design elevates the interior, which appeals to our urbane target market.

The lobby is upscale with an open, minimalist style. It features a residents-only espresso bar, a rotating display of local art, ample seating area, and table space. A leasing office and concierge desk is programmed for the ground floor. Outside, a large landscaped patio space with fire pits, barbeques, bocce ball, and drought tolerant plants provides residents with a private back yard. A dog run with artificial turf is programmed for the "arm" in the northwest corner of the site. Next to the management office, and overlooking the patio is a large open tenant amenity with large TVs, Wifi, tables, chairs, and kitchen appliances. Garage style glass doors can be raised in the summer to create an indoor/outdoor experience for residents with open passage to the exterior patio area.

A standard residential floor plate has 16 units per floor: a unit mix of three studios, five 1-bedrooms, seven 2-bedrooms, and one 3-bedroom. The exception is floor nine, which will have three each 1, 2, and 3 bedroom units due to the smaller 13,500 foot floor plate. Higher level floors will offer views of the City and Lake Washington, justifying higher rents.







DESIGN SOLUTIONS

The proposed Avenue development will introduce a 50' wall immediately adjacent to the property and posed a significant design challenge. With views affected on that side up to the 4th floor of the building, we opted for a broad "L" shaped building that draws the proximity of residents away from the wall, and maximizes the value of windows and favorable views for each unit.

In the interior courtyard, we have programmed a self standing green wall along the Avenue's property line. This should help preserve rents, complement the natural aspects of our CLT building, and make the interior court-yard a more enjoyable space.













RETAIL PROGRAM

Located on one of the most traveled corridors in Bellevue, the frontage on NE 8th St. offers incredible retail exposure. SVP determined that parking requirements were prohibitive for a restaurant or bar. Instead we will target another sought after amenity; a boutique fitness club akin to OrangeTheory or Barry's Bootcamp. Adjacent to it, on the corner we will target an outdoor fashion retailer such as Patagonia or Arc'teryx. This solution both attracts people to the site, and serves the needs of its residents.





GYM / HEALTH CLUB

Capturing the feeling of the CLT and enhancing the ambiance of a similar brand or health club, such as Orange Theory, Equinox, Spin Studio and more.

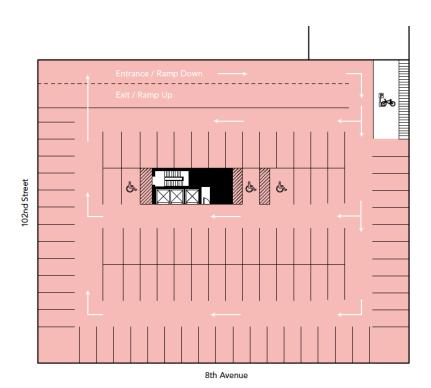
ARC'TERYX STORE OR SIMILAR

Capturing the feeling of the CLT and enhancing the ambiance of a smilar brand. CLT provides a space for customers to connect to nature, the brand and the building.

PARKING SOLUTIONS

Adequate parking is needed to attract our target market based on their income levels and lifestyles. The Lighthouse will offer 56,176 square feet of parking on two underground levels with two-way access from 102nd Ave NE. Both parking levels provide 89 parking stalls each. The first floor of underground parking provides 41 public access spaces for use by retail customers and residential visitors, the remaining parking spaces will be fenced for access by building residents only. Overall the project provides parking at a rate of about 1.2 per residential unit after deducting for retail and visitor parking requirements. We feel this ratio is necessary to accelerate lease up on the 2 and 3 bedroom units. The Lighthouse provides 10 electric car charging stations for resident use. We plan to wire an additional 10 spots to receive electric charging stations but will not install them. This allows for on-demand installation of EV stalls, as residents request them. Tenants will absorb the costs for additional installation on a per stall basis.

All resident bike parking will be secure, covered, and provided free of charge. Ample bicycle parking will be provided on both floors of underground parking, each floor provides upwards of 30 bicycle spaces.



PARKING LAYOUT

89 Parking Spaces / Level

2 ADA Spaces / Level

1 ADA Van Space / Level

30 - 60 Bike Parking Spaces

RESIDENTIAL TARGET MARKET

The Lighthouse targets the affluent and educated of Downtown Bellevue -- and those drawn to the natural beauty of the greater Seattle area. With Bellevue having the highest income in King County, this premium CLT building is designed to capture the tenant that demands an innovative and sustainable lifestyle. With sustainable CLT throughout, open floor plans, plenty of natural light, larger than average units, EV garage chargers, daily concierge, bottom floor retail, and resident amenities; this building is designed to attract Bellevue's affluent. As a multifamily building, the intent is to capture the tenants that travel to work and have stable jobs, dual income couples looking for an extra room, and empty nesters have an above average net worth and looking to live an urban lifestyle.

77% Of Bellevue Residents Hold a Bachelor Degree

\$140,000+ Average Household Income

16,500 Downtown Population

94 Walk Score Rating

TARGET RESIDENTS

HOBBIES:

Occupation: Semi-retired or near retirement and looking for an urban walkable city. Hobbies: Golfing, hiking, movies, dining, sports and urban social events.	EMPTY NESTERS
Occupation:	
Professionals	DUAL INCOME
Hobbies:	Couples
Traveling, entertainment, friends, sports, cooking, yoga, concerts, art shows and young lifestyle trends.	COUPLES
Occupation:	
Working for large tech companies, start-ups or other organisations.	

Working, hiking, entertainment, friends, travel, lifestyle trends and more.

TECH STARS

YIELD STUDY

We programmed a higher number of two bedrooms in our project. Two bedroom units turnover at a lower rate than one bedrooms, reducing operating costs, and helping to maintain building stabilization throughout operation.

Yield Study	GSF	NSF		Efficiency		
Parking	112,352	33,706		30%		
Retail	8,142	8,14	2	100%		
Lobby & Amenity	10,889	10,88	89	100%		
Multifamily	146,717	123,2	42	84%		
Building Metrics						
Floor to Ceiling Height (Avg)	9.83			I Imia Baix		
# Floors (Above Ground)	9	Unit Type	Unit	Unit Mix s %	Avg. Size	\$/Unit
# Parking Stalls	178	Studio	21	17%	631	\$2,892
Multifamily Units	121	1 Br	38	31%	806	\$3,658
Retail Units	4	2 Br	52	43%	1,200	\$5,322
		3 BR	10	8%	1,700	\$7,620
		Total	121	100%	1,018	\$4,569

KEY AMENITIES AND SERVICES

LOBBY & GROUND FLOOR AMENITIS

Rotating fine art in lobby
Private dog playground
Mail Room
Package lockers
Parking entrance
Courtesy espresso bar
Bike storage
Charging stations
Indoor plants and vegetation



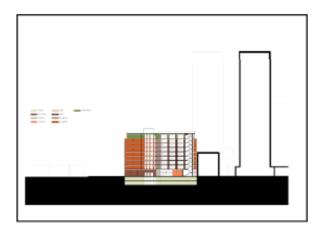


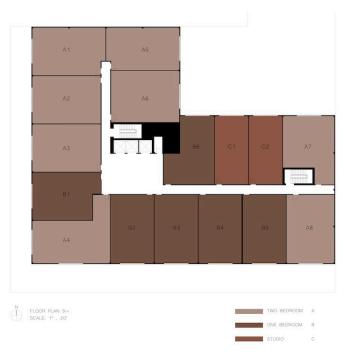


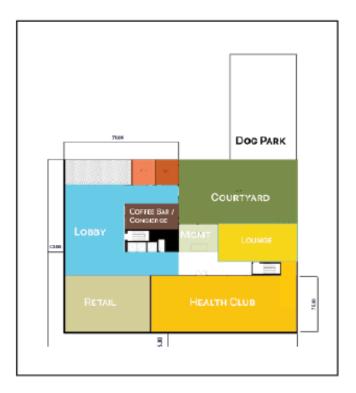












BUILDING SYSTEMS

BUILDING SYSTEMS SUMMARY

The Lighthouse is a Type IV-B building, one of the four new cross laminated timber (CLT) building types added to the 2021 International Building Code. The State of Washington has already adopted these new codes. CLT has the structural integrity of steel and concrete, as well as the benefit of speed, efficiency, tenant desirability, and higher NOI.

Two concrete cores will provide the lateral load bearing, and house the elevators and egress stairwells. Throughout the building, the CLT will be partially encased per code. 80% of the CLT will be covered with non-combustible material such as gypsum, with the remaining 20% left exposed. Exposed CLT beams and columns will be visible throughout. The two levels of underground parking will be constructed of reinforced concrete.

Glulam beams and columns will be used as structural support, and for added aesthetic value. Our preferred CLT manufacturer is Structurlam in British Columbia. By sourcing the timber and finished product from North America, we keep transportation costs low, improve lead times, and support The Lighthouse's regional, green brand concept.

The exterior of the building is clad with a light brick veneer which is significantly more cost effective than a glass curtain wall. The system demonstrates superior water penetration resistance, improved acoustical dampening, low thermal transmission rate, and ease of construction and maintenance. Inside, MEPs will run through gypcrete soffits on the ceiling and behind interior walls, which limits CLT penetrations.

CLT construction requires teams to function in a design-build model. Early and tight coordination between an experienced mass timber architect and contractor, the CLT manufacturer and MEP teams is critical to success.





CONSTRUCTION COST ASSUMPTION

Adjustments to assumed costs per square foot have been made to account for a Type IV-B wood construction. Reliable cost comparables were sourced from multiple GCs and market specialists. Cost and value adjustments were made as follows:

- PSF all-in hard costs are assumed at roughly \$125 per GSF for the CLT structure, and building envelope.
 And \$125 per GSF for the Site and Interior MEPS for a total hard cost of \$250 per GSF of above ground structure.
- 2. We have included \$10 per GSF to encase CLT ceilings and floors per fire regulations.

STAGING/ACCESS

Staging will be tight. 102nd Ave NE is a relatively low traffic side street which is the best option. The small flag lot to the rear of the property can be accessed at specific stages of the project but is otherwise landlocked by neighboring properties.

The project will require a tower crane. Because of loading on the crane base, it can't be next to any other excavations, making the elevator pit a good location. The elevator pit foundation will be one of the first things that gets poured. Staging will primarily occur on the street and sidewalk. Due to limited space, delivery of materials will be on an as needed basis, likely daily deliveries.

CROSS-LAMINATED TIMBER

Sustainability is literally built into The Lighthouse. From the ground up, the building's structure is made from CLT, an engineered wood product with numerous environmental, structural, and financial benefits. The Pacific Northwest is the epicenter of mass timber innovation so it is only natural that Bellevue, a hub of innovation itself, be an early adopter in the CLT movement. To maintain a market edge, SVP has embraced this important new building technology.





SUSTAINABLE: Uses sustainably managed forests, disease & fire damaged trees, reduces waste, and sequesters carbon.

STRONG: Meets structural requirements, is seismically resilient and fire resistant.

EFFICIENT: Is a faster, safer, quieter way to build, requires less labor, improved coordination, can be installed in many types of weather (no curing or welding).

RURAL RESURGENCE: Breathes life into rural economies via timber and manufacturing, increases demand for domestic products.

BEAUTIFUL: Impacts health and wellbeing (biophilia), and adds aesthetic value.



SUSTAINABLE FEATURES

Sustainable development is central to our mission at SVP. In addition to using CLT as our primary building material, we have taken extra steps to include other sustainable construction practices and materials in the building's design. The existing building on the site will be deconstructed, rather than demolished to reduce waste and improve the ecological footprint of our building's development. The Lighthouse will not pursue official LEED Certification but our building will exceed certification requirements. Low emission materials will be used when possible, energy star appliances, sensored lighting systems, and drought tolerant native landscaping in the courtyard have been selected. Although these elements incur additional costs, we feel they are essential elements, differentiating our product from other market offerings, and at the core of The Lighthouse's mission.

SUSTAINABLE PREMIUMS

Excluding the cost implications of using CLT, the impacts of the below sustainable inclusions to our project's Leveraged IRR is 8 basis points.

Sustainable Features Premiums	Ur	nit Cost	Quantity	Ac	ded Cost
Green Wall Along Avenue	\$	50.00	3,300 SF	\$	165,000
Deconstruction in Lieu Of Demo	\$	5.00	14,000 SF	\$	70,000
Leed Equivalency	\$	0.50	165,748 SF	\$	82,874
Interior Courtyard Landscaping	\$	2.50	4,211 SF	\$	10,526
Dog Run (artificial turf)	\$	10.00	4,000 SF	\$	40,000
EV Chargers	\$2	,350.00	10	\$	23,500
Total Premiums Budget	\$	2.36	165,748 SF	\$3	91,900.25

MARKET CONDITIONS

BELLEVUE DEMOGRAPHICS

Bellevue is the fifth largest city in the state of Washington, with a population around 145,300 in 2019. This number is projected to grow to upwards of 160,400 by 2035. The continued growth of Bellevue and its proximi-

ty to Seattle, and the surrounding Puget Sound cities has made it a hub for many major businesses. The majority of the population within the Bellevue market falls between ages 20 and 64. 38% fall between 20 to 44, and 27% between 45 to 64. Bellevue is extremely well educated, as seen in the strength of the companies that are located within the market. 36% of those living there have a bachelor's degree and a staggering 32% have a graduate of professional degree. 64% of the population is working in management, business, science, and arts. Much of this comes from the continued tech boom within the Puget Sound - thanks in large part to Amazon and



Microsoft. About 40% of Bellevue's household incomes are over \$100,000, with 27% of the overall number being upwards of \$150,000. This indicates robust spending power within this tight market.

MULTI FAMILY MARKET

Currently Bellevue has 167 multifamily buildings with 19,108 units. Twelve-month deliveries have been slow with only one building and 114 units, according to CoStar. Construction has picked up with 5 buildings and 762 units currently being raised. The Bellevue submarket ranks 6th overall for the greater Seattle area in asking rents, coming in at \$2,313 per unit and \$2.65 per sf - an overall growth of 5.3% in the last year. The market also ranks 6th in vacancy as well, with 838 vacant units and an overall rate of 4.4%. Bellevue's absorption rate for the last 12-months has been 3.4% and 645 units - which is strong for the surrounding markets. With the continued growth in the overall Puget Sound market, and expanding economy and population of Bellevue, the need for high end units continues to grow.

The overall household type distribution within Bellevue is evenly distributed - with 28% single person, 27% married couple without children, and 24% married couples with children. The majority of these households live in single family homes, 49% of the overall market. Followed by 22% of the market living in larger multifamily developments with 20 or more units. Within multifamily buildings, 1-bedroom units make up about 16% of the total, 2 bedrooms-26%, 3 bedrooms-22%, and the larger 4 bedrooms-22%. Almost 50% of household's rent versus own.

MULTI FAMILY COMPS

Three primary comparables were evaluated to assess achievable rent levels for the rental apartments.

SOMA TOWERS

(432sf) Studio/ \$1,806 (707sf) 1 Bedroom / \$2,259 (1,1158) 2 Bedroom / \$3,249

Forecasted Rent 2025 (432sf) Studio/ \$2,145 (707sf) 1 Bedroom / \$2,683 (1,158) 2 Bedroom / \$3,859

LUX APARTMENTS

(583sf) Studio / \$2,036 (801sf) 1 Bedroom / \$2,669 (1,208sf) 2 Bedroom / \$4,001 (1,412sf) 3 Bedroom / \$6,915

Forecasted Rent 2025 (583sf) Studio / \$2,418 (801sf) 1 Bedroom / \$3,170 (1,208sf) 2 Bedroom / \$4,752 (1,412sf) 3 Bedroom / \$8,213

BRIO APARTMENTS

(520sf) Studio / \$1,755 (789sf) 1 Bedroom / \$2,194 (1,201sf) 2 Bedroom / \$3,624

Forecasted Rent 2025 (520sf) Studio / \$2,084 (789sf) 1 Bedroom / \$2,606 (1,201sf) 2 Bedroom / \$4,304

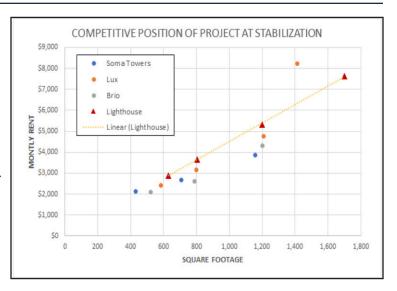






COMPETITIVE POSITION

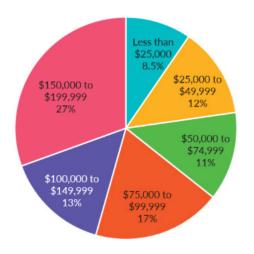
The subject site is expected to command a modest rent premium vis-a-vis the competitive sample set when introduced to the market. The CLT construction and outstanding location will help differentiate the project in the market, with larger units tailored towards our target market, who tend to also be less price sensitive buyers. The project should be attractively priced relative to the planned high-rise projects in the pipeline that will have significantly higher construction costs.



RETAIL MARKET

The Bellevue retail market is very tight, with limited new deliveries. The overall vacancy rate of the market is at a very low 1.3%, with a relatively minimal negative absorption of 4,000 SF. All signs point towards that product

getting absorbed as there have been no deliveries within the last 12 months, so any retailers looking to come into the market will have to compete for the limited vacancies. Given the tight market, the 12-month rent growth is at a strong 6.4% which is double the historical average. The Bellevue retail market is well distributed between malls, general retail, and neighborhood centers. The market rents for these product types range from almost \$62 psf for malls to \$34 psf in neighborhood centers - with an overall market average of about \$48 psf. Bellevue's retail destinations are anchored by Bellevue Square, conveniently located across for our site, as well as the extremely high-end Shops at the Bravern which account for upwards of 1.6m sf of retail inventory. Outside of 2016 Bellevue has seen little to no retail deliveries within the market, and the forecast is much the same. This is why many retailers are paying higher end rates to get into this affluent market.



RETAIL COMPARABLES

MAIN STREET

<u>FLATS</u>

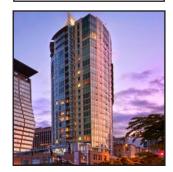
\$45 NNN



989 ELEMENTS

TOWER

\$40 NNN



BRIO APARTMENTS

\$50 NNN



BELCARRA
APARTMENTS

\$45 NNN



EXIT VALUATION SENSITIVITY

We tested the sensitivity to our return at ± 25 bps and ± 50 bps. A worst case scenario predicts our returns decrease by 1.3% on project level IRR.

Exit Valuation Sensitivity Analysis								
NOI @ Reversion (YR11)	\$ 7,480,593.15							
Cap Rates	<u>-50bps</u>	<u>-25 bps</u>	Base Case	+25 bps	<u>+50 bps</u>			
Residential & Retail	4.00%	4.25%	4.50%	4.75%	5%			
Sales Price (Before Commission	\$187,014,829	\$176,013,956	\$166,235,403	\$157,486,171	\$149,611,863			
Sale Price / Gross sqft	\$842.70	\$793.13	\$749.06	\$709.64	\$674.16			
Sale Price / Unit	\$1,544,901.16	\$1,454,024.62	\$1,373,245.47	\$1,300,969.39	\$1,235,920.92			
Project IRR	20.89%	20.18%	19.53%	18.84%	18.22%			

COST RISK ANALYSIS

Escalating construction costs by 2.5% and 7% adds \$2,225,385 and \$6,231,080 respectively to the building's total budget and lowers our expected return on cost by about 15 basis points each.

Costs Risk Analysis								
NOI @ Reversion (YR11)	\$ 7,480,593.15							
Construction Costs	<u>-7%</u>	<u>-2.50%</u>	Base Case	<u>+2.5%</u>	<u>7%</u>			
Total Development Costs	\$82,784,349	\$86,790,043	\$89,015,429	\$91,240,815	\$95,246,509			
Reversion Cap Rate	4.50%	4.50%	4.50%	4.50%	4.50%			
Sales Price (Before Commission	\$166,235,403	\$166,235,403	\$166,235,403	\$166,235,403	\$166,235,403			
Cost Difference	-\$6,231,080.03	-\$2,225,385.72	\$0.00	\$2,225,385.72	\$6,231,080.03			
Return on Costs	6.61%	6.43%	6.20%	6.07%	5.83%			
Project IRR	22.02%	20.38%	19.53%	18.72%	17.36%			

INTEREST RATE RISK

Interest rates continue to decline which is favorable for our project and debt financing. A 50 basis point decrease in our construction and permanent financing interest rates would increase our annual cash flow during the project, while raising our IRR and our DSCR.

Interest Rate Risk Analysis								
Interest Rates	<u>-100 bps</u>	<u>-50 bps</u>	Base Case	<u>+50 bps</u>	<u>+100 bps</u>			
Construction Loan Rate	3.75%	4.25%	4.75%	5.25%	5.75%			
Perm. Loan Interest Rate	3.00%	3.50%	4.00%	4.50%	5.00%			
Yearly Debt Service(Perm.)	\$3,724,053	\$3,966,438	\$4,217,037	\$4,475,581	\$4,741,777			
DSCR	1.48	1.39	1.31	1.23	1.16			
Project IRR	20.60%	20.08%	19.53%	18.97%	18.39%			

MULTIFAMILY RENT INFLATION RISK

Proforma base rent escalation is pegged at 3.5% per year. With average rent inflation of just 2% over the 10 year hold, project level IRRs remain strong.

MF Rent Escalation Risk Analysis							
Base Case Escalation = 3.50%							
MF Rent Escalation Rate	<u>+2%</u>	<u>+1%</u>	Base Case	<u>-1%</u>	<u>-2%</u>		
NOI at Reversion (YR13)	\$9,226,219	\$8,317,775	\$7,480,593	\$6,709,675	\$6,000,329		
Reversion Cap Rate	4.50%	4.50%	4.50%	4.50%	4.50%		
Sales Price (Before Commission)	\$205,027,089	\$184,839,444	\$166,235,403	\$149,103,889	\$133,340,644		
Sale Price Delta	\$38,791,686	\$18,604,041	\$0	-\$17,131,514	-\$32,894,759		
NOI Delta	\$1,745,625.85	\$837,181.85	\$0	-\$770,918.15	-\$1,480,264.15		
Project IRR	22.62%	21.12%	19.53%	17.82%	15.97%		

Key Financial Metrics

Total Development cost (including land): \$89,015,429
Total Site Value at Reversion: \$166,235,403
Total Profit: \$111,096,819
Yield on Cost at Stabilization: 6.20%

Leveraged XIRR: 19.53%

MAJOR RISKS AND OPPORTUNITIES

A central risk associated with the residential market is slower than expected growth in residential demand. If demand remains strong, so too will the viability of The Lighthouse. All indicators suggest that strong demand will continue, and the market will see continued rent growth driving developers to supply additional housing units to meet demand.

Lastly, we evaluated the probability of rent control legislation in Bellevue and its potential impact to our project. Although we consider the risk low, we expect any rent control legislation would be similar to Oregon's recent rent control legislation. Oregon's law exempts new construction from rent control for the first fifteen years from the date of delivery. We do not believe this poses a significant threat to our annual cash flows, but may cause a downward revaluation of multifamily investment properties, which is accounted for in our exit cap rate sensitivity analysis.

WE WOULD LIKE TO THANK THE FOLLOWING COMPANIES FOR ASSISTING US IN THE DEVELOPMENT OF THIS PROPOSAL.

CBRE Capital Markets - Seattle
Weber Thompson Architects
Gerding Edlen
Katerra
Kaiser + Path
Mill Creek
The Wolff Company
McCullough Hill Leary, PC
Trammell Crow
Provenance
Macerich
PSU School of Architecture
Harsch Investment Properties
WoodWorks

APPENDIX

ZONING & LAND USE SUMMARY

Base Zone

DT-MU (B-2 Overlay)

Zoning Information

City of Bellevue Land Use Code Chapter 20.25A, Downtown

Dimensional Requirements

- Structural Height
- 176' Base Maximum Building Height w/o Mechanical Equipment
- 72' Base Maximum Building Height w/o mechanical equipment for Nonresidential Building Type
- 105' Trigger for additional Height Residential
- 20' Tower setback required at 80' if building exceeds 100'
- 40' Tower separation at 80' if Building Exceeds 100'

FAR - LUC Figure 20.25A.060.A.4 & Additional Dimensional Requirement in Perimeter Overlays

- Base FAR Residential: 4.5
- Max FAR: Residential: 5.0
- Base FAR Nonresidential: 1.5
- Max FAR Nonresidential 1.5
- Maximum FAR only achievable by participation in Amenity Incentive System, LUC 20.25A.070
- FAR Exemptions: Active Retail & Affordable Housing

Street Level Requirements

Commercial Street "B" on 8th St.

- Transparency 75% minimum
- Weather protection required with highest pedestrian orientation
- Point of interest: Every 60 linear feet of façade, maximum
- 100% Active and Service Uses along street wall minimum 50% active.

Mixed Street "C" on 102nd

- Transparency 75%
- Weather protection 75%
- · Point of Interest: 75 linear feet
- 50% of street wall shall incorporate active uses or services
- Intrusions over the Sidewalk
- Mixed Street: external decks and balconies are permitted to extend over the sidewalk above 20' of ROW

Variance Requests

Intrusions into Stepbacks

- The Director may approve modification
- Must demonstrate that the resulting design will be more consistent with Design Guidelines LUC 2025A.140-180

General Requirements for Residential Buildings

A single building is considered residential if more than 50% of the gross floor area is devoted to residential uses.

Permitted Uses - Chart 20.25A.050.D

Minimum Sidewalk Width

- NE 8th 16' sidewalk width plus 6" curb
- NE 102nd 12' sidewalk width plus 6" curb

Parking Quantity, Location, And Access Requirements - LUC 20.25A.080

- Residential 1 stall per 1 unit provided
- Retail (Non restaurant) 4 stalls per 1,000 NSF
- Retail (Restaurant) 10 stalls per 1,000 NSF
- Visitor 1 stall per 20 residential units

Bicycle Parking

- 1 space per 10,000 sf of non-residential uses > 20,000 NSF
- 1 space per 10 units residential
- Location: onsite, secure location
- 50% covered

APPENDIX

Downtown Residential Coverage & Floor Size Limits

75% Maximum Lot Coverage, Bonusable by 5% (Unused)

Landscaping Minimum Requirements - Table 20.25.090.A.1 Plate A

- NE 8th (100th to 106th) Planter Strip; Medium Honeylocust
- 102nd (NE 12th to NE 8th) Planter Strip; Large Katsura
- Planter Strips: minimum 5 feet wide, located adjacent to the curb
- Site Perimeter Landscaping (DT-MU): if buffering parking area 8'
- Green Sustainability Factor 0.3 (LUC 20.25A.120)

Mechanical Equipment Screening

- · Visual screening of mechanical equipment required
- · Screening design consistent with building design

SITE SUMMARY						
Site information		Building Use Summary	Gross SF	NRA	Efficiency	Total Units
10210 NE 8th St, Bellevue WA		Parking	56,176	33,706	60%	178
Parcel # 570900-0184		Retail	8,142	8,142	100%	4
Zone DT-MU (Downtown Mixed Use	e)	Lobby & Amenity	10,889	-,		
Perimeter Overlay Code B-2	-,	Residential	146,717	123,242	84%	121
Termineter overlay code b 2		Building Total	221,924	165,090	74%	303
		Building Total	221,324	103,030	74/0	303
DEVELOPMENT PROGRAM						
61. 411		40.51 015 011 1				
Site Allowances		10 Floors CLT + 2 Underground	_	Cumulative Height		Cumulative Sqft
Lot Size	32,164 SF	Floor - Underground 2	-9	-18	28,088	28,088
Max Lot Coverage 75%	24,123 SF	Floor - Underground 1	-9	-9	28,088	56,176
FAR > 50% Residential	5.0	Floor 1 - Retail, Lobby, Amenities	15	15	19,031	75,207
Max SF Developable	160,820 SF	Floor 2 - Residential	9	24.5	19,031	94,238
FAR Exemption (Active Retail)	8,142 SF	Floor 3 - Residential	9	34.0	19,031	113,269
Total Allowable SF	168,962 SF	Floor 4 - Residential	9	43.5	19,031	132,300
		Floor 5 - Residential	9	53.0	19,031	151,331
		Floor 6 - Residential	9	62.5	19,031	170,362
		Floor 7 - Residential	9	72.0	19,031	189,393
		Floor 8 - Residential	9	81.5	19,031	208,424
		Floor 9 - Residential	10.5	92.5	13,500	221,924
DARWING					Above Grade SF	165,748
PARKING						
Requirements		Required Parking:	Retail	33	Spaces Provided:	178
Retail 4	1,000 NSF	Re	esidential & Visitor_	128		
Residential 1	/ Unit		Total	161		
Visitor 1	/ 20 Units					
Bike 1	/ 10 Units	Required Bike Parking:	Bike Parking	13.00	Spaces Provided:	25
COSTS						
Acquisition Costs		Acquisition Costs			Cost	% of Total
Land Purchase Price	\$600.00 PSF	Land Purchase Price			\$19,298,400	21.68%
Acquisition / Due Diligence	1.50%	Acquisition / Due Diligence Costs			\$289,476	0.33%
Total Acquition Costs		Total Acquition Costs			\$19,587,876	22.01%
					, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Hard Costs		Hard Costs				
CLT Structure & Envelope	\$125.0	CLT Structure & Envelope			\$20,718,500	23.28%
Site & Interior (MEP)	\$125.0	Site & Interior (MEP)			\$20,718,500	23.28%
		, ,				
Environmental Remediation	Provided	Environmental Remediation			\$250,000	0.28%
Demolition	\$15.00	Demolition			\$218,070	0.24%
Sustainability Premiums	\$1.94	Sustainability Premiums			\$321,900	0.36%
Retail Tenant Improvement	\$85.00 PSF	Retail Tenant Improvement			\$692,070	0.78%
Parking Construction	\$52,500	'				10.50%
•		Parking Construction			\$9,345,000	
Hard Cost Contingency	4.50%	Contingency			\$2,351,882	2.64%
Total Hard Costs		Total Hard Costs			\$54,615,922	61.36%
Soft Costs		Soft Costs				
Soft Costs		Soft Costs			4	0.6==/
Architecture & Engineering	5.5% HC	Architecture & Engineering			\$3,003,876	3.37%
City Permitting Fees & SDCs	7.0% HC	City Permitting Fees & SDCs			\$3,823,115	4.29%
Fee-In Lieu Payments		Fee-In Lieu Payments			\$430,596	0.48%
Taxes and Insurance	3.50% Acq.	Taxes and Insurance			\$685,576	0.77%
	3.43% Retail Rev.					
Lagging Commissions		Leasing Commissions			\$191,881	0.22%
Leasing Commissions		Operating December			\$823,388	0.92%
Leasing Commissions Operating Reserves	1.00%	Operating Reserves				
Operating Reserves		Development Fees			\$1,907,231	2.14%
•	1.00%	· · · · · · · · · · · · · · · · · · ·			\$1,907,231 \$819,239	2.14% 0.92%
Operating Reserves Development Fees Loan Fees	1.00% 3.00%	Development Fees Loan Fees				
Operating Reserves Development Fees Loan Fees Soft Cost Contingency	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency			\$819,239 \$408,972	0.92% 0.46%
Operating Reserves Development Fees Loan Fees	1.00% 3.00% 1.50%	Development Fees Loan Fees			\$819,239 \$408,972 \$12,093,872	0.92% 0.46% 13.59%
Operating Reserves Development Fees Loan Fees Soft Cost Contingency Total Soft Costs	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency Total Soft Costs			\$819,239 \$408,972	0.92% 0.46%
Operating Reserves Development Fees Loan Fees Soft Cost Contingency Total Soft Costs	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency Total Soft Costs			\$819,239 \$408,972 \$12,093,872	0.92% 0.46% 13.59%
Operating Reserves Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs			\$819,239 \$408,972 \$12,093,872 \$66,709,794 \$86,297,670 \$2,717,759	0.92% 0.46% 13.59% 23.80% 96.95% 3.05%
Operating Reserves Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs Subtotal Development Costs	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs Subtotal Development Costs			\$819,239 \$408,972 \$12,093,872 \$66,709,794 \$86,297,670	0.92% 0.46% 13.59% 23.80%
Operating Reserves Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs Subtotal Development Costs Construction Loan Interest	1.00% 3.00% 1.50%	Development Fees Loan Fees Soft Cost Contingency Total Soft Costs Total Soft And Hard Costs Subtotal Development Costs Construction Loan Interest			\$819,239 \$408,972 \$12,093,872 \$66,709,794 \$86,297,670 \$2,717,759	0.92% 0.46% 13.59% 23.80% 96.95% 3.05%

Unleveraged IRR (Before Taxes) Leveraged IRR (Before Taxes) (XIRR)	Leveraged Net Cash Flow Net Present Value Loan to Value Ratio (Stabilized)	Net Operating Income Cash Sweep Cash Sweep Total Development Costs Asset Value at Disposition Total Cost of Salen Total Cost of Salen Total Cost of Salen Debt Service & Loan Payoff	Total Development Costs Annual Cash Flows	Total Hard Costs Total Soft Costs Development Costs Construction Debt Interest	Land Acquisition Acquisition / Due Diligence Costs	Net Operating Income	Operating Expenses Total Controllable Total Noncontrollable Total Operating Expenses	Other Other Vacany & Credit Loss Effective Gross Income	Rental Housing Retail Parking	Summary Cash Flow - Proforma Gross Rental Income
(XIRR)			\$ (89	0 0 0 0 X X S S S S S S S S S S S S S S	on Fior Clark	T Check	Die Die	88 67		
	5.00%	Cap Rate: 4.5% 3.28%	(89,015,428.95)	(54,615,922) (12,093,872) (86,297,670)			4% 4%	5%	Date 3.50% 3%	Growth Rate
	(\$289,476 \$48,773,350 60,0%	8 8 8 (2)	\$ (2)	\$ \$ \$ (2)	\$ (2)	49	49 49	******	\$ \$ \$	Phase 2020 0
10.87% 19.53%	(\$289,476) 8,773,350 60.0%	(289,476) \$ (289,476) \$ (289,476) \$	(289,476) \$	- \$ (289,476) \$	(289,476)	· •	· · ·	· · ·		020
	(\$4,232,855)	(4,232,855) \$ (4,232,855) \$ (4,232,855) \$	(4,232,855) \$	(4,232,855) \$ (4,232,855) \$			· ·	 		2021
	(\$6,046,936)	(6,046,936) \$ (6,046,936) \$	(6,046,936) \$	(6,046,936) \$ (6,046,936) \$ - \$	€		· ·	. ' '	- \$	2022
Cash on Cash (Stabilized) Projected NOI Year 14.5	(\$20,584,192)	(86,272,301) \$ (12,173,862) \$ (86,272,301) \$ (19,73,948) \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$ (45,688,109 \$ 12,173,862 \$ \$) }	(66,272,301) \$ (12,173,862)	(43,692,738) \$ (10,923,184) (1,209,387) \$ (604,694) (64,200,525) \$ (11,527,878) (2,071,776) \$ (645,984)	(19,298,400)		' ' % % %	 കകക	5/30/23 - \$	
ash on Cash (Stabilized) Projected NOTYear 14.5 \$	\$0	2,200,814 \$ (2,200,814) (12,173,862) \$ (19,973,048) \$ 12,173,862 \$	2,173,862)	\$ (10,923,184) \$ (604,694) \$ (11,527,878) \$ (645,984)		2,200,814	(243,006) \$ (464,016) \$ (707,022) \$	101,624 (153,044) 2,907,836	2,422,382 341,964 194,910	2024
8.99% 7,480,593	\$17,955,007	5,520,661 - 5,520,661 12,434,346		· ·		2,200,814 \$ 5,520,661 \$ 5,697,605 \$ 5,880,152 \$ 6,068,477	(694,302) \$ (722,074) \$ (750,957) (1,325,761) \$ (1,378,791) \$ (1,433,943) (2,020,063) \$ (2,100,865) \$ (2,184,900)	278,422 \$ (396,880) \$ 7,540,724 \$	6/30/25 6,636,662 \$ 488,520 \$ 534,000 \$	2025
Yield on Cor	\$1,480,568	\$ 5,697,605 \$ \$ - \$ \$ 5,697,605 \$ \$ (4,217,037) \$				5,697,605 \$	(722,074) \$ (1,378,791) \$ (2,100,865) \$	286,774 \$ (410,446) \$ 7,798,470 \$	6,868,946 \$ 503,176 \$ 550,020 \$	2026
Yield on Cost (Stabilized) DSCR (Stabilized)	\$1,663,115	5,880,152 \$ - \$ 5,880,152 \$ (4,217,037) \$		· •		5,880,152 \$	(750,957) \$ (1,433,943) \$ (2,184,900) \$	295,378 \$ (424,476) \$ 8,065,051 \$	7,109,359 \$ 518,271 \$	2027 7
6.20% 1.31	\$1,851,440	6,068,477 \$ 6,068,477 \$ 6,068,477 \$		· •			(780,995) \$ (1,491,301) \$ (2,272,296) \$	_	7,358,186 \$ 533,819 \$ 583,516 \$	2028 8
	\$2,045,722	6,262,759 \$ - \$ 6,262,759 \$ 6,262,759 \$ (4,217,037) \$		· · ·		6,262,759 \$	(812,235) \$ (1,550,953) \$ (2,363,188) \$	313,366 (453,997 8,625,947	7,615,723 \$ 549,834 \$ 601,022 \$	2029 9
	\$2,246,148	\$ 6,463,185 \$ \$ - \$ \$ - \$ \$ 6,463,185 \$ \$ (4,217,037) \$		· •		6,463,185 \$	(844,724) \$ (1,612,991) \$ (2,457,715) \$	\$ 322,767 \$ 332,450) \$ (469,521) \$ (485,577 \$ 8,920,900 \$ 9,225,968	7,882,273 \$ 566,329 \$ 619,052 \$	2030 10
	\$2,452,907	6,669,944 \$ - \$ 6,669,944 \$ 6,669,944 \$ (4,217,037) \$				6,669,944 \$	(878,513) \$ (1,677,511) \$ (2,556,024) \$			2031
	\$2,666,196	\$ 6,669,944 \$ 6,883,233 \$ 7,103,255 \$ \$				6,883,233	(913,654) § (1,744,611) § (2,658,265) §	342,424 (502,184) 9,541,498	6/30/32 6 8,443,688 \$ 6 600,818 \$ 656,753 \$	2032 12
	\$2,886,218	- & & & & & & & & & & & & & & & & & & &				\$ 6,262,759 \$ 6,463,185 \$ 6,669,944 \$ 6,883,233 \$ 7,103,255 \$ 3,665,109	\$ (812,235) \$ (844,724) \$ (878,513) \$ (913,654) \$ (950,200) \$ \$ (1,505,953) \$ (1,612,991) \$ (1,677,511) \$ (1,744,611) \$ (1,814,359) \$ (2,363,168) \$ (2,457,715) \$ (2,556,024) \$ (2,682,265) \$ (2,764,596) \$	9 -	6730733 \$ 8,739,217 \$ \$ 618,843 \$ \$ 676,455 \$	2033
	\$107,002,956	3,665,109 \$ 166,235,403 (5,452,521) 167,886,137 (60,883,181)				3,665,109 \$	(494,104) \$ (943,486) \$ (1,437,590) \$	181,639 (268,563) 5,102,699	4,522,545 \$ 318,704 \$ 348,374 \$	EOY 2023
		\$ 7,480,593				\$ 7,480,593	\$ (988,208) \$ (1,886,971) \$ (2,875,179)	10	\$ 9,203,379 \$ 9,203,379 \$ 637,408 \$ 696,749	2034 14.5

	Development Costs Unit Costs Total Costs % Total Costs	Unit Development Costs	Total Gross SF 0 0 0	Structured Parking Gross SF 0 0 0		Market-Rate Rental Housing Gross SF 0 0 0	Project Buildout By Area	Structured Parking Spaces 0 0 0	Retail Units 0 0 0	Market-Rate Rental Housing Units 0 0 0	Project Buildout By Development Units	Buildout 2021 2022 2023	Entitlements & Construction	
Land Contribution Sustainable Ventu Financing Sources	Equity Sources	Equity and Fi	221,924	56,176	8,142	157,606		178	4	121		2024	Delivery	
Land Contribution Sustainable Venture Partners nancing Sources	es	Equity and Financing Sources	0	0	0	0		0	0	0		2025	Stabilization	
			0	0	0	0		0	0	0		2026		
			0	0	0	0		0	0	0		2027		
\$ 19,298,400 \$ 11,855,059	Amount		0	0	0	0		0	0	0		2028		
21.68% 13.32%	% of Total		0	0	0	0		0	0	0		2029	Operating	
			0	0	0	0		0	0	0		2030		
			0	0	0	0		0	0	0		2031		
			0	0	0	0		0	0	0		2032		
			0	0	0	0		0	0	0		30-Jun-33		
			221,924	56,176	8,142	157,606	0	178	4	121		EOY 2033	Disposition	

	Equity and Financing Sources			
tal Costs	Equity Sources	L	Amount	% of Total
0.2%	Land Contribution	44	19,298,400	21.68%
8.1%	Sustainable Venture Partners	3	1,855,059	13.32%
4.7%	Financing Sources	57	-	0
2.0%	Construction Loan	5	57,861,970	65.00%
/000	10401	,	00 01 E 400	400 000/

1.31		DSCR
7.00%		Debt rielo(stabilized)
7 6097		Dobt Civild otobilizado
73,608,818	S	Supportable Debt Load 60.0%
122,681,363	S	FV Year 5
5,520,661	s	NOI Year 5
4.00%		Perm Loan Interest Rate
4.75%		Construction Loan Interest Rate
57,861,970	S	Construction Debt
55,144,211	S	Debt Pre-Interest Reserve
31,153,459	49	Equity
65.00%		LTC with Interest Reserve
63.90%		LTC Pre-Interest Reserve (Control)
89,015,429	S	Total Project Costs w/ Interest Reserve
86,297,670	s	Total Project Costs Pre-Interest Reserve

Equity Sources	Amount	% of Total
Land Contribution - Limited Partner	\$ 19,298,400	21.68%
Sustainable Venture Partners	\$ 11,855,059	13.32%
Total Equity	\$ 31,153,459	35.00%
Financing Sources		
Construction Loan	\$ 57,861,970	65.00%
Total	\$ 89,015,429	100.00%

1															70	19.53%			אא,	everaged IRR Betore Taxes (XIRR)
															9	\$34,458,539			3	Net Present Value
	\$2,886,218 \$107,002,956		\$2,666,196	\$2,452,907	\$2,246,148 \$2,452,907	\$2,045,722	\$1,851,440 \$.115	\$1,480,568 \$1,663	П	\$0 \$17,955,007	192)	36) (\$20,584,	55) (\$6,046,9	s) (\$4,232,85	(\$289,476				everaged Cash Flows
	\$166,235,403 (\$5,452,521) (\$58,774,663)									\$16,651,383	\$16,6								#)	Disposition Cost of Sale / Refinance Perm Loan Proceeds / (Repayment)
		\$0 \$2,886,218	\$0 \$2,666,196	\$0 \$2,452,907	\$0 \$2,246,148	\$0 \$2,045,722	\$0 \$1,851,440 \$	\$0 \$1,663,115 \$1	\$0 \$1,480,568 \$1,	\$0 \$1,303,624 \$1,303	\$0 \$0 \$1,3	192) \$0	(\$4,232,855) (\$6,046,936) (\$20,584,192) \$0 \$0 \$0	55) (\$6,046,9		(\$289,476) \$ 0				Leveraged IRR Equity CFADS
			1.63	1.58	1.53	1.49						0.00	0.00	0.00	0.00	0.00				SCR
\$ 7,480,593		152 \$ 6,068,477 \$ 6,262,759 \$ 6,463,165 \$ 6,669,944 \$ 6,883,233 \$ 7,103,255 \$ 7,103,255 \$ 2,108,519 \$ 4,217,037 \$	\$ 6,883,233 \$ 4,217,037 \$ 2,666,196	\$ 6,669,944 \$ 4,217,037 \$ 2,452,907	6,463,185 \$ 4,217,037 \$ 2,246,148 \$	\$ 6,262,759 \$ \$ 4,217,037 \$ \$ 2,045,722 \$	152 \$ 6,068,477 \$,880,152 \$ 6 217,037 \$ 4	\$ 5,697,605 \$ 5,880, \$ 4,217,037 \$ 4,217, \$ 1,480,568 \$ 1,663,	5,520,661 \$ 5,697,605 4,217,037 \$ 4,217,037 1,303,624 \$ 1,480,568	s so so	- \$ 2,200,814 - \$ 2,200,814 - \$ -	w w w						rice	Cash Flow After Debt Service Net Operating Income Less Debt Service Total Cash Flow After Debt Service
	\$ 2,108,519 \$ 58,774,663 \$ 57,991,941	037 \$ 4.217.037 \$ 4.217.037 \$ 4.217.037 \$ 4.217.037 \$ 4.217.037 \$ 4.217.037 \$ 2.109.519 449 \$69.559.359 \$68.008.137 \$66.577.345 \$64.994.594 \$63.347.359 \$61.633.013 \$56.774.663 \$57.991.941 395 \$68.008.137 \$66.577.345 \$64.994.594 \$63.347.359 \$61.633.013 \$56.774.663 \$57.991.941	\$ 4,217,037 \$63,347,359 \$61,633,013	\$ 4,217,037 \$64,994,594 \$63,347,359	4,217,037	4,217,037 \$ \$8,098,137 \$; \$6,577,345 \$1	037 \$ 4,217,037 \$. 449 \$69,559,395 \$6 395 \$68,098,137 \$6	,217,037 \$ 4 ,963,449 \$68 ,559,395 \$68	\$ 4.217,037 \$ 4.217, \$72,312,540 \$70,963, \$70,963,449 \$69,559,		\$ 4,217,037 \$ 73,608,818 \$ 72,312,540 \$ (55,661,157) \$ 16,651,383							4.00%		Perman ent Debt Debt Service Beginning Balance Ending Balance Ending Balance Loan Repayment Refinance Proceeds
	\$ 57,861,970	\$45,688,109 \$57,861,970 \$57,86	\$57,861,970	\$57,861,970	57,861,970 \$	57,861,970 \$	7,861,970 \$5	,861,970 \$5	961,970 \$57	61,970 \$57,1	,970 \$ 57,8 ,814 ,157	109 \$57,861,970 - \$ 2,200,814 \$55,661,157	\$45,688,	w w	SS	\$ \$	65.00% Cumulative Funded Cash Sweep (Year 4 NOI) Loan Payoff After Cash Sweep	57,861,970	s,	Total Debt With Interest Reserve
										(0) \$,862 \$,878 \$,984	970 \$12,173,862 333 \$11,527,878 776 \$ 645,984 862 \$ (0)		\$57,861,970 \$57,861,970 \$ - \$ - \$ - \$ - \$57,861,970 \$57,861,970	\$ 57,861,97 \$ - \$ - \$ -	\$57,861,970 \$ - \$ - \$ 57,861,970	Beginning Balance 62% Debt Funded (Period) 3.05% Interest Accrued (Period) Ending Balance	55,144,211 2,717,759	w w	Construction Debt Debt - Pre Interest Reserve Interest Accrued (Total)
	\$ - \$ - \$ - \$ 31,153,459	\$ - \$ - \$ - \$ 31,153,459	\$ - \$ - \$ - \$ 31,153,459	\$ - \$ - \$ - \$31,153,459	\$ - \$ \$ - \$ \$ - \$ \$31,153,459 \$	\$ - \$ \$ - \$ \$ - \$ \$31,153,459 \$3	\$ - \$ \$ - \$ \$ - \$ \$31,153,459 \$3		\$ - \$ \$ - \$ \$ - \$ \$31,153,459 \$31,153	- \$ - \$ 31,153,459 \$31,	00000	192 \$ - 192 \$ - - \$ - 459 \$31,153,459	28 \$20,584,192 36 \$20,584,192 92 \$ - 67 \$31,153,459	33 \$26,631,128 55 \$ 6,046,936 28 \$20,584,192 31 \$10,569,267	\$ 30,863,983 \$ 4,232,855 \$ 26,631,128 \$ 4,522,331	\$31,153,459 \$ 289,476 \$ 30,863,983 \$ 289,476	Beginning Balance 35% Equity Required Ending Balance Cumulative Costs	31,153,459	s	Equity
																				Debt & Equity Remaining Equity LP Equity (Land) Sponsor (Equity)
	4		4			4	4	4	ļ	4	4			4	•		\$ 2,717,759 \$ 89,015,429			Interest Reserve Total Development Costs
\$ 86 297 670	12/31/33	6/30/33	s 6/30/32	s 6/30/31	6/30/30	6/30/29 - s	6/30/28	6/30/27 6	6/30/26 6/	//30/25 6/3	8	3 6/30/24 525 \$ 11 527 878	6/30/23	6/30/22 55 \$ 6.046.936	6/30/21	6/30/20 \$ 289.476	\$ 86.297.670			Development Costs
	13.5	13	12	11	10	9							3	2	1	0				eriod
	2033	2033	2032	2031	2030	2029	2028	2027	2026		1 2025	2024	2023	2022	2021	2020				Year

Year		Average	Soma	Lux	Brio	Building	Rent Inflation	Data from CoStar	Competitive Rents
Units Delivered	4 & 5 Star Si	2017	2014	2018	2020	Year Built	3.75%	2/19/20	Competitive Rents Analysis & Forecast
Units Growth % Growth	4 & 5 Star Supply Analysis Bellevue	223	273	137	258	Units			
% Growth	Bellevue	3.45%	4%	2.90%	Lease-Up	Vacancy			

2 670/		6.3%	563.3	9,725	Average
3.2%	\$3.03	4.8%	462	10,126	2020
4.7%	\$2.93	3.0%	279	9,664	2019
3.1%	\$2.80	11.2%	949	9,385	2018
: tent Grow	Market Rent	% Growth	Units Growth % Growth	Units Delivered	Year

Units Delivered Units Growth % Growth Market Rent tent Gro 9,385 949 11.2% \$2.80 3.1% 9,664 279 3.0% \$2.93 4.7% 10,126 462 4.8% \$3.03 3.2% 9,725 563.3 6.3% \$3.67%
5· 0· % <u>\$</u>

Rent Differential (PSF)	3.67%		6.3%	563.3	9,725	Average
Rent Differential - Prem	3.2%	\$3.03	4.8%	462	10,126	2020
Gross Potential Averag	4.7%	\$2.93	3.0%	279	9,664	2019
Gross Potential Revenu	3.1%		11.2%	949	9,385	2018
Our Forecasted Rents	nt tent Growt	h Market Rent lent Gro	% Growth	Units Growth % Growth	Units Delivered	Year
			Bellevue	4 & 5 Star Supply Analysis Bellevue	4 & 5 Star S	

Growth	% Growth	Growth % Growth Market Rent lent Growt	ent Growt		Our Forecasted Rents	ed Rents	2024	2025	2025	2025	2025	2025	2025
49	11.2%	\$2.80	3.1%		Gross Potential Revenue	al Revenue		\$6,636,662.40	\$6,868,945.58	\$7,109,358.68	\$7,358,186.23	\$7,615,722.75	\$7,882,273.C
79	3.0%	\$2.93	4.7%		Gross Potentia	Gross Potential Average Rent		\$ 4.49	\$ 4.64	\$ 4.81	\$ 4.98 \$	\$ 5.15	\$ 5.3
62	4.8%	\$3.03	3.2%		Rent Differenti	Rent Differential - Premium (Percent)	ent)	5.65%	5.40%	5.15%	4.89%	4.64%	
3.3	6.3%		3.67%		Rent Differential (PSF)	al (PSF)		\$ 0.24	↔	\$ 0.24	\$ 0.23	\$ 0.23	\$ 0.2
tail	Amenity &	Rental	Total	Net	Floor Height	Floor Height Building Height	Parking	Retail Spaces	Housing Units	Studio	1 Br	2 Br	ა ლ
	Lobby	Housing		Rentable		,	Spaces		,				
			28,088	0	-9.00	-18.0	80						
			28,088	0	-9.00	-9.0	80						
142	10,889		19,031	8,142	15.00	15.0		4					
		19,031	19,031	15,986	9.00	24.5			16	3	51	7	_
		19,031	19,031	15,986	9.00	34.0			16	3	51	7	_
		19,031	19,031	15,986	9.00	43.5			16	3	51	7	_
		19,031	19,031	15,986	9.00	53.0			16	3	51	7	_
		19,031	19,031	15,986	9.00	62.5			16	3	G	7	_
		19,031	19,031	15,986	9.00	72.0			16	з	σı	7	_
		19,031	19,031	15,986	9.00	81.5			16	3	51	7	_
		13,500	13,500	11,340	10.50	92.5			9	0	ω	ω	ω
142	10,889	146,717	221,924	131,384	9.83	92.5	161	4	121	21	38	52	10
LDG SIZ	E EXCLUDIN	DG SIZE EXCLUDING PARKING: 165,748	165,748	131,384									

10 Stories - Mass Ti	0 Stories - Mass Timber / Cl T w/ 5% Bent Premium	nt Dromium					I Init Count			Avora	no Boom Sizo			Dant DCE Dar	Pant DSE Dar Boom Type & Ele	Ž.	
			I		l				Ì								
Level	Floor	# of MF Units	Net	Total Mix	Studio	1 Br	2 Br	3 Br / PH	Studio	1 Br	2 Br	3 Br	\$/SF per Floor	Studio	1 Br	2 Br	3 Br
			Rentable	Rentable													
2	2nd Floor	16	0	15,986	3	5	7	1	629	800	1,200	1,700	\$4.15	\$4.30	\$4.20	\$4.10	\$4.00
ω	3rd Floor	16	0	15,986	ω	σı	7	_	629	800	1,200	1,700	\$4.25	\$4.40	\$4.30	\$4.20	\$4.10
4	4th Floor	16	0	15,986	ω	σı	7	_	629	800	1,200	1,700	\$4.35	\$4.50	\$4.40	\$4.30	\$4.20
5	5th Floor	16	0	15,986	ω	5ī	7	_	629	800	1,200	1,700	\$4.45	\$4.60	\$4.50	\$4.40	\$4.30
6	6th Floor	16	0	15,986	ω	51	7	_	629	800	1,200	1,700	\$4.55	\$4.70	\$4.60	\$4.50	\$4.40
7	7th Floor	16	0	15,986	ω	51	7	_	629	800	1,200	1,700	\$4.65	\$4.80	\$4.70	\$4.60	\$4.50
8	8th Floor	16	0	15,986	ω	51	7	_	629	800	1,200	1,700	\$4.75	\$4.90	\$4.80	\$4.70	\$4.60
9	9th Floor	9	0	11,340	0	3	ω	3	650	850	1,200	1,700	\$5.05	\$5.20	\$5.10	\$5.00	\$4.90
	Total SF	121	0	123,242	21	38	52	10	631	806	1,200	1,700		\$4.68	\$4.58	\$4.48	\$4.38
		% Allocation	2	10%	0%	0%	10%	0%	7.	Total NBA	123 242		į				

7 6 5 4 3 2 <mark>-</mark> 7 7

19,031 19,031 19,031 19,031 19,031 19,031 19,031 19,031 19,031 19,031 13,500 8,142 10,889 146,717 8LDG SIZE EXCLUDING PARKING:

28,088 28,088

8,142

		/ MONTH	\$553,055	TOTAL GPI:	\$4.49	NRA:	WEIGHTED AVG RENT PSF NRA:	WEIGHTED	
		\$4.48	\$4.43	\$4.54	\$4.58	TYPE:	AVG RENT PSF PER UNIT TYPE:	AVG RENT	
100.00	\$553,055	\$76,601	\$276,720	\$139,005	\$60,729	\$7,620	\$5,322	\$3,658	\$2,892
10.20	\$56,436	\$25,431	\$18,000	\$13,005	\$0	\$8,330	\$6,000	\$4,335	\$3,380
13.70%	\$75,741	\$7,820	\$39,480	\$19,200	\$9,241	\$7,820	\$5,640	\$3,840	\$3,080
13.41	\$74,143	\$7,650	\$38,640	\$18,800	\$9,053	\$7,650	\$5,520	\$3,760	\$3,018
13.129	\$72,544	\$7,480	\$37,800	\$18,400	\$8,864	\$7,480	\$5,400	\$3,680	\$2,955
12.83%	\$70,946	\$7,310	\$36,960	\$18,000	\$8,676	\$7,310	\$5,280	\$3,600	\$2,892
12.549	\$69,347	\$7,140	\$36,120	\$17,600	\$8,487	\$7,140	\$5,160	\$3,520	\$2,829
12.25%	\$67,748	\$6,970	\$35,280	\$17,200	\$8,298	\$6,970	\$5,040	\$3,440	\$2,766
11.96	\$66,150	\$6,800	\$34,440	\$16,800	\$8,110	\$6,800	\$4,920	\$3,360	\$2,703
Percentage	Per Floor	3 Br	2 Br	1 Br	Studio	3 Br	2 Br	1 Br	Studio
	TOTAL GPI		otential Income	Gross Po			rage \$ / Room	Avei	

9 9 9 9	53 \$		bwt	_	_		
	3.67						
9 8 8 8	\$		Our Forecasted Rents	Gross Potential Revenue	Gross Potential Average Rent	Rent Diff	D D : S () D D D
3.91 3.82 3.68	3.80		ecaste	otential	otential	erentia	
& & & &	\$		d Rent	Reven	Averag	I- Pren)
4.05 3.96 3.82 3.95	3.95		S	ue	e Rent	Rent Differential - Premium (Percent	
2 00 00 00 00 00 00 00 00 00 00 00 00 00	\$		2(ent)	
\$ 4.21 \$ \$ 4.11 \$ \$ 3.96 \$ \$	\$ 4.09		2024				
w w w	\$	Sta		\$6,6	ક		•
4.36 4.27 4.11 4.25	4.25	Stabilization	2025	\$6,636,662.40	4.49	5.65%	
A 69 69 69	\$			\$6,8	\$		•
4.53 4.43 4.27 4.41	4.41		2025	\$6,868,945.58	4.64	5.40%	
A & & &	\$			\$7,	\$	•	•
4.70 4.59 4.43 4.43	4.57		2025	109,358.68	4.81	5.15%	
A 69 69 69	\$			\$7,3	ક		•
4.87 4.77 4.59 4.74	4.74		2025	358,186.23	4.98	4.89%	
A 69 69 69	\$			\$7,6	S	•	•
5.06 4.94 4.76 4.92	4.92		2025	\$7,109,358.68 \$7,358,186.23 \$7,615,722.75 \$7,882,273.05	5.15	4.64%	
& & &	\$			\$7,8	S	•	•
5.25 5.13 4.94 5.11	5.11		2025	382,273.05	5.33	4.39%	

Development Costs				GSF		NSF
Land & Acquisition Costs			N	221,924	_	65,090
Land Value	\$	19,298,400	\$	86.96	\$	116.90
Acquisition Costs	S	289,476	↔	1.30	↔	1.75
Total Cost Basis - Land	↔	19,587,876	↔	88.26	S	118.65
CLT Structure & Envelope	\$	20,718,500	\$	93.36	\$	125.50
Site & Interior (MEP)	↔	20,718,500	S	93.36	\$	125.50
Environmental Remediation	↔	250,000	s	1.13	\$	1.51
Demolition	↔	218,070	s	0.98	\$	1.32
Sustainability Premiums	↔	321,900	s	1.45	↔	1.95
Retail Tenant Improvement	↔	692,070	\$	3.12	S	4.19
Parking Construction	↔	9,345,000	\$	42.11	\$	56.61
Contingency	↔	2,351,882	\$	10.60	\$	14.25
Total Hard Costs	€9	54,615,922	49	246.10	49	330.83
Hard Costs % of Total Costs		61%				
Soft Costs						
Architecture & Engineering	\$	3,003,876	\$	13.54	\$	18.20
City Permitting Fees & SDCs	↔	3,823,115	\$	17.23	\$	23.16
Fee-In Lieu Payments	s	430,596	\$	1.94	\$	2.61
Taxes and Insurance	s	685,576	\$	3.09	\$	4.15
Leasing Commissions	\$	191,881	↔	0.86	↔	1.16
Operating Reserves	s	823,388	↔	3.71	↔	4.99
Development Fees	↔	1,907,231	S	8.59	\$	11.55
Loan Fees	s	819,239	↔	3.69	↔	4.96
Soft Cost Contingency	s	408,971.50	↔	1.84	↔	2.48
Construction Loan Interest	↔	2,717,759	\$	12.25	\$	16.46
Total Soft Costs	\$	14,811,631	49	66.74	49	89.72
Soft Costs % of Hard Costs		27%				
Development Costs (Less Land)	\$	69,427,553	₩.	312.84	€9	420.54
Total Development Costs	S	89,015,429	\$	401.11	\$	539.19

Revenue - Year 2025		121 Units	Per SF/Per Unit
Rental Income			
Scheduled Market Rents 2025 - Annualized	d \$6,281,525	\$4.25	Per SF
Increase in Market Rents 2025 - Stabilization		5.7%	
Gross Potential Rent	\$6,636,662	\$4.49	Per SF
Other Income			
Non-Refundable Fees	\$30,263	\$250	Per Unit
Garage Income	\$534,000	\$3,000	Per Stall
Utility Reimbursement	\$157,369	\$1,300	Per Unit
Miscellaneous Income	\$90,790	\$750	Per Unit
Retail Income	\$488,520	\$60	Per SF
Total Other Income	\$1,300,942	\$10,747	Per Unit
Vacancy & Credit Loss	\$396,880	5%	
Gross Revenue	\$7,540,724	\$62,293	
Operating Expenses			
Payroll	\$353,360	\$2,919	Per Unit
Administrative	\$77,183	\$638	Per Unit
Marketing & Retention	\$47,644	\$394	Per Unit
Repairs and Maintenance	\$61,747	\$510	Per Unit
Landscaping & Contract Services	\$154,367	\$1,275	Per Unit
Total Controllable Expenses	\$694,302	\$5,736	Per Unit
Noncontrollable Expenses			
Utilities	\$253,573	\$2,095	Per Unit
Management Fee	\$170,046	\$1,405	Per Unit
Real Estate Taxes	\$828,000	\$6,840	Per Unit
Replacement Reserves	\$30,991	\$256	Per Unit
Total Noncontrollable Expenses	\$1,325,761	\$10,952	Per Unit
Total Operating Expenses	\$2,020,063	\$16,687	26.8% of EGI
Net Operating Income After Reserves	\$5,520,661	\$45,605	

PARTNERSHIP LEVEL RETURNS - EQUITY WATERFALL

IRR Pari Passu

Promote Hurdle Method Return of Capital Equity Contributions General Partner (GP) Limited Partner (LP) Total Equity 38.1% 11,855,059 61.9% 19,298,400 31,153,459

		Gros	s C	ash Distribu	ted	
	Lim	ited Partner	Ge	neral Partner		Total
Tier 1	\$	32,048,678	\$	19,687,589	\$	51,736,267
Tier 2	\$	8,628,859	\$	5,300,731	\$	13,929,589
Tier 3	\$	12,080,502	\$	8,053,668	\$	20,134,170
Tier 4	\$	10,325,916	\$	6,883,944	\$	17,209,860
Tier 5	\$	15,696,156	\$	23,544,234	\$	39,240,390
Total Distributions	\$	78,780,111	\$	63,470,166	\$	142,250,278
Total Contributions	\$	19,298,400	\$	11,855,059	\$	31,153,459
XIRR		20.06%		19.01%		19.53%

Error Check: OK Profit Dist.: 111.097MM Net BTCF: 111.097MM

			Total Distributions Total Contributions XIRR Equity Multiple		\$ 63,470,166 \$ 11,855,059 19.01% 5.35x												
Partnership Distribution Assumptions (I	RR Hurdles)		Promote Structu Breakdo	re Incentive wn	Distributi	ion as % LP %	Notes	10/05 "		,							
Tier 1 (Pref + Return of Capital Tier 2 (Promote) Tier 3 (Promote) Tier 4 (Promote) Tier 5 (Promote)	> 12.0% IRR to LP > 15.0% IRR to LP > 18.0% IRR to LP	Up to 9.0% IRR to LP up to 12.0% IRR to LP up to 15.0% IRR to LP up to 18.0% IRR to LP up to 18.0% IRR to LP	GP Promote 38.1% 40.0% 50.0% 60.0%		38.1% 38.1% 40.0% 50.0%		Prorata to LP/ 61.9%/38.1% 60.0%/40.0% 50.0%/50.0%	GP to 9.0%, the to 12.0%, ther to 15.0%, ther to 18.0%, ther	Pro rata return nen 61.9%/38.1 n 60.0%/40.0% n 50.0%/50.0% n 40.0%/60.0%	1% to 12.0% to 15.0% to 18.0% thereafter		(1) Amended G	P Promote up	to based on G			
Summary of Partnership-Level Returns Limited Partner (LP) Returns			Year 0 6/30/20	Year 1 6/30/21	Year 2 6/30/22	Year 3 6/30/23	Year 4 6/30/24	Year 5 6/30/25	Year 6 6/30/26	Year 7 6/30/27	6/30/28	Year 9 6/30/29	Year 10 6/30/30	Year 11 6/30/31	Year 12 6/30/32	Year 13 6/30/33	Year 13.5 12/31/33
Total LP Distributions Total LP Contributions Total LP Profit LP XIRR LP Equity Multiple	78,780,111 19,298,400 59,481,711 20.06% 4.08x		-	:	-	19,298,400 (19,298,400)	-	11,122,454	917,156 - 917,156	1,030,237	1,146,897 - 1,146,897	1,267,248	1,391,404	1,519,484 - 1,519,484	1,651,609 - 1,651,609	1,787,904 - 1,787,904	56,945,717 - 56,945,717
GP Returns Total GP Distributions Total GP Fees	4.08x 63,470,166		-	-	:	-	:	6,832,553	563,411	632,877	704,542	778,474	854,743	933,423	1,014,588	1,098,314	50,057,239
Total GP Contributions Total GP Profit GP XIRR GP Equity Multiple	11,855,059 51,615,107 19.01% 5.35x		289,476 (289,476)	4,232,855 (4,232,855)	6,046,936 (6,046,936)	1,285,792 (1,285,792)	-	6,832,553	563,411	632,877	704,542	778,474	854,743	933,423	1,014,588	1,098,314	50,057,239
Property-Level Cash and GP Fees		Year Ending	Year 0 30-Jun-20	Year 1 30-Jun-21	Year 2 30-Jun-22	Year 3 30-Jun-23	Year 4 30-Jun-24	Year 5 30-Jun-25	Year 6 30-Jun-26	Year 7 30-Jun-27	Year 8 30-Jun-28	Year 9 30-Jun-29	Year 10 30-Jun-30	Year 11 30-Jun-31	Year 12 30-Jun-32	Year 13 30-Jun-33	Year 13.5 30-Jun-34
Net Property-Level Cash Flow Adjusted Net Property-Level Cash Flow Levered IRR Equity Multiple		Total Linding	(289,476) (289,476) 18.88% 4.57X	(4,232,855) (4,232,855)	(6,046,936) (6,046,936)	(20,584,192) (20,584,192)	-	17,955,007 17,955,007	1,480,568 1,480,568	1,663,115 1,663,115	1,851,440 1,851,440	2,045,722 2,045,722	2,246,148 2,246,148	2,452,907 2,452,907	2,666,196 2,666,196	2,886,218 2,886,218	107,002,956 107,002,956
Tier 1 - Preferred Return + Return of Ca Return Threshold - Up to: 9.0% Beginning Balance (LP Capital Account) LP Return of Capital Reg'd Return by LP to hit Hurdle 1	pital	,	Year 0 - Ill Capital Returned -	Year 1	Year 2	Year 3	Year 4 19,298,400 (1,736,856) 1,736,856	Year 5 21,035,256 9,229,281 1,893,173	Year 6 11,805,975 (145,382) 1,062,538	Year 7 11,951,357 (45,385) 1,075,622	Year 8 11,996,742 67,191 1,079,707	Year 9 11,929,551 193,589 1,073,660	Year 10 11,735,962 335,168 1,056,237	Year 11 11,400,794 493,413 1,026,071	Year 12 10,907,382 669,944 981,664	Year 13 10,237,437 866,535 921,369	Year 13.5 9,370,902 9,370,902 843,381
Contributions from LP Distributions to LP (Hurdle 1) Ending Balance (LP Capital Account) LP IRR Check Distribution to LP		9.00%	- - - -	-	- - - -	19,298,400 19,298,400 (19,298,400)	21,035,256	11,122,454 11,805,975 11,122,454 11,122,454	917,156 11,951,357 917,156 917,156	1,030,237 11,996,742 1,030,237 1,030,237	1,146,897 11,929,551 1,146,897 1,146,897	1,267,248 11,735,962 1,267,248 1,267,248	1,391,404 11,400,794 1,391,404 1,391,404	1,519,484 10,907,382 1,519,484 1,519,484	1,651,609 10,237,437 1,651,609 1,651,609	1,787,904 9,370,902 1,787,904 1,787,904	10,214,284 10,214,284 10,214,284
Beginning Balance (GP Capital Account) Req'd Return by GP (Pref) Contributions from GP Distribution to GP			289,476	289,476 26,053 4,232,855	4,548,384 409,355 6,046,936	11,004,674 990,421 1,285,792	13,280,887 1,195,280	14,476,167 1,302,855 - 6,832,553	8,946,468 805,182 - 563,411	9,188,239 826,942 - 632,877	9,382,303 844,407 - 704,542	9,522,168 856,995 778,474	9,600,689 864,062 - 854,743	9,610,008 864,901 - 933,423	9,541,485 858,734 - 1,014,588	9,385,631 844,707 - 1,098,314	9,132,024 821,882 - 6,274,662
Ending Balance (GP Capital Account) GP IRR Check		7.17%	289,476 (289,476)	4,548,384 (4,232,855)	11,004,674 (6,046,936)	13,280,887 (1,285,792)	14,476,167	8,946,468 6,832,553	9,188,239 563,411	9,382,303 632,877	9,522,168 704,542	9,600,689 778,474	9,610,008 854,743	9,541,485 933,423	9,385,631 1,014,588	9,132,024 1,098,314	3,679,244 6,274,662
Total Distributions (Tier 1 - Preferred Return + Cash Flow Remaining	Return of Capital)		-	-	-	-	-	17,955,007	1,480,568	1,663,115	1,851,440	2,045,722	2,246,148	2,452,907	2,666,196	2,886,218	16,488,945 90,514,011
Tier 2 Return Threshold - Up to: 12.0% Beginning Balance (LP Capital Account) Req'd Return by LP to hit Hurdle 2			Year 0	Year 1	Year 2	Year 3	Year 4 19,298,400 2,315,808	Year 5 21,614,208 2,593,705	Year 6 13,085,459 1,570,255	Year 7 13,738,558 1,648,627	Year 8 14,356,948 1,722,834	Year 9 14,932,884 1,791,946	Year 10 15,457,582 1,854,910	Year 11 15,921,087 1,910,530	Year 12 16,312,133 1,957,456	Year 13 16,617,981 1,994,158	Year 13.5 16,824,234 2,018,908
Contributions from LP Prior Distributions to LP Distributions to LP Tier 2 Ending Balance (LP Capital Account)		12.00%	- - -	-		19,298,400 - - 19,298,400 (19,298,400)	21,614,208	11,122,454 13,085,459 11,122,454	917,156 - 13,738,558 917,156	1,030,237 14,356,948 1,030,237	1,146,897 14,932,884 1 146 897	1,267,248 - 15,457,582 1,267,248	1,391,404 - 15,921,087 1 391 404	1,519,484 - 16,312,133 1,519,484	1,651,609 - 16,617,981 1,651,609	1,787,904 16,824,234 1,787,904	10,214,284 8,628,859 - 18,843,142
IRR Error Check - 12.0% Distribution to LP Distribution to GP Total Distributions (Tier 2) Cash Flow Remaining		12.00%	-		-	(19,298,400)	-	11,122,454	917,156	1,030,237	1,146,897	1,267,248	1,391,404	1,519,484	-	1,787,904	8,628,859 5,300,731 13,929,589 76,584,421
Tier 3 Return Threshold - Up to: 15.0%			Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 13.5
Beginning Balance (LP Capital Account) Req'd Return by LP to hit Hurdle 3 Contributions from LP			-	-	-	19,298,400	19,298,400 2,894,760	22,193,160 3,328,974	14,399,680 2,159,952	15,642,476 2,346,371	16,958,610 2,543,791	18,355,504 2,753,326	19,841,581 2,976,237	21,426,414 3,213,962	23,120,892 3,468,134	24,937,417 3,740,613	26,890,126 4,033,519
Prior Distributions to LP Distributions to LP Tier 3 Ending Balance (LP Capital Account) IRR Error Check - 15.0%		15.00%	-	-	-	19,298,400 (19,298,400)	22,193,160	11,122,454 - 14,399,680 11,122,454	917,156 - 15,642,476 917,156	1,030,237 - 16,958,610 1,030,237	1,146,897 - 18,355,504 1,146,897	1,267,248 - 19,841,581 1,267,248	1,391,404 21,426,414 1,391,404	1,519,484 23,120,892 1,519,484	1,651,609 - 24,937,417 1,651,609	1,787,904 - 26,890,126 1,787,904	18,843,142 12,080,502 - 30,923,645
Distribution to LP Distribution to GP Total Distributions (Tier 3) Cash Flow Remaining			- - -	-	- - -	-	-	-	-	-	-	- - -	- - -	- - -	- - -	-	12,080,502 8,053,668 20,134,170 56,450,251
Tier 4 Return Threshold - Up to: 18.0%			Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 13.5
Beginning Balance (LP Capital Account) Req'd Return by LP to hit Hurdle 3 Contributions from LP Prior Distributions to LP			- - -	-	-	19,298,400 -	19,298,400 3,473,712 -	22,772,112 4,098,980 - 11,122,454	15,748,638 2,834,755 - 917,156	17,666,237 3,179,923 - 1,030,237	19,815,922 3,566,866 - 1,146,897	22,235,891 4,002,460 - 1,267,248	24,971,103 4,494,799 - 1,391,404	28,074,497 5,053,409 - 1,519,484	31,608,422 5,689,516 - 1,651,609	35,646,330 6,416,339 - 1,787,904	40,274,765 7,249,458 - 37,198,306
Distributions to LP Tier 4 Ending Balance (LP Capital Account) IRR Error Check - 18.0%		18.00%	:	-	-	19,298,400 (19,298,400)	22,772,112	15,748,638 11,122,454	17,666,237 917,156	19,815,922 1,030,237	22,235,891 1,146,897	24,971,103 1,267,248	28,074,497 1,391,404	31,608,422 1,519,484	35,646,330 1,651,609	40,274,765 1,787,904	10,325,916 - 47,524,223
Distribution to LP Distribution to GP Total Distributions (Tier 4) Cash Flow Remaining			- - - -	-	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-	-	- - -	10,325,916 6,883,944 17,209,860 39,240,390
Tier 5 eturn Threshold - Greater than: 18.0% Distribution to LP Distribution to GP Total Distributions (Tier 5)			Year 0	Year 1	Year 2	Year 3 - -	Year 4	Year 5 - -	Year 6	Year 7	Year 8	Year 9 - -	Year 10 - - -	Year 11	Year 12	Year 13 - -	Year 13.5 15,696,156 23,544,234 39,240,390
Cash Flow Remaining			-	-	-	-	-	-	-	-	-		-	-	-	-	-

32,164 SF 16,082 SF d 16,082 SF d 8,041 \$ 31.30 \$	100	•		•		
32,164 SF 16,082 SF 16,082	251,683	S	31.30	69	8,041	In Lieu of Fees
32,164 SF 32,164 SF 16,082 SF 16,082						
32,164 SF 16,082 SF					16,082	Points Required
\$/POINT				¥	16,082 \$	Achievable Bonus SF
				¥	32,164 \$	Site Size
	Cost		\$/Point			

emiums Unit C		
•	st Quantity	/ Added Cost
Green wall Along Avenue a oc	50.00 3,300 SF	\$ 165,000
Deconstruction in Lieu Of Demo \$	5.00 14,000 SF	\$ 70,000
Leed Equivalency \$ (0.50 165,748 SF	\$ 82,874
Interior Courtyard Landscaping \$ 2	2.50 4,211 SF	\$ 10,526
Dog Run (artificial turf) \$ 10	10.00 4,000 SF	\$ 40,000
EV Chargers \$ 2,350.00	.00	\$ 23,500
Total Premiums Budget \$ 2.36 165,748 SF		⊕ 201 000 DE

Yield Study			
	GSF	NSF	Efficiency
Parking	112,352	33,706	30%
Retail	8,142	8,142	100%
Lobby & Amenity	10,889	10,889	100%
Multifamily	146,717	123,242	849
Building Metrics			
Floor to Ceiling Height (Avg)	9.83		
#Floors (Above Ground)	9		
#Parking Stalls	178		
Multifamily Units	121		
Retail Units	4		

TAX ASSESMENT CALCULATOR	T CALCULATO	U				
Project Year	Tax Year	Assessed Value	% Change	Tax Bill	Levy Rate	Tax Per Unit
Year -1	2019 (2)	\$10,453,300		\$ 89,850	Units:	121.0529
Year 0	2020 (2)	\$12,061,500	15.4%	\$ 105,000	0.87%	
Year 1	2021	\$13,917,115	15.4%	\$ 121,154		
Year 2	2022	\$16,058,210	15.4%	\$ 139,793		
Year 3	2023	\$18,528,704	15.4%	\$ 161,299		
Year 4	2024	\$21,379,274	15.4%	\$ 186,115		
Year 5	2025	\$90,000,000	Reappraisal (1)	\$ 828,000	0.92%	\$6,840
Year 6	2026	\$92,700,000	103.0%	\$ 852,840		\$7,045
Year 7	2027	\$95,481,000	103.0%	\$ 878,425		\$7,257
Year 8	2028	\$98,345,430	103.0%	\$ 904,778		\$7,474
Year 9	2029	\$101,295,793	103.0%	\$ 931,921		\$7,698
Year 10	2030	\$104,334,667	103.0%	\$ 959,879		\$7,929
Year 11	2031	\$107,464,707	103.0%	\$ 988,675		\$8,167
Year 12	2032	\$110,688,648	103.0%	\$ 1,018,336		\$8,412
Year 13	2033	\$114,009,307	103.0%	\$ 1,048,886		\$8,665
	(1) assumes ar	(1) assumes appraisal at \$90M	(2) actuals			

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assumes	
appraisal a	
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24,743		549,834	0.
13		34	
\$		\$	ر
14,158	2.5%	566,329	Year 6
\$		\$	
14,583	2.5%	583,318	Year 7
\$		\$	
15,020	2.5%	600,818	Year 8
\$		\$	
15,471	2.5%	\$ 618,843	Year 9
\$		\$	
15,935	2.5%	637,408	Year 10
\$			
191,88			Sum

To Br & Fi	
Tax & Fees on Sale Levy King County 0.50% Washington State 1.28% Broker Fee & Disposi 1.20% Total Tax & Fees on \$ 2.98% Total Tax During Development Years 2020-2024	
Levy 0.50% 1.28% 1.20% 2.98%	

\$713,361	
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rty Taxes Operating Year 2025-2033 \$8,411,740		
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SUSTAINABLE VENTURE PARTNERS

ROOTED DEVELOPMENT



Jennifer Dillan

Jennifer is the Marketing and Business Development Manager at Kaiser + Path, a design/build/develop firm at the forefront of a movement to build with cross laminated timber.

Andrew Goodman

Andrew is a Development Manager for Harsch Investment Properties, based in Portland, Oregon. Previously he held positions in Leasing and Property Management in Las Vegas, Nevada.





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Tim is a loan production analyst at Melvin Mark Capital Group based in Portland, Oregon. He has a background in business and property management.

Elton Yuan

Elton is an Operations Manager for ELK Properties focusing on investments and asset management.





Michael Lowes

Michael is an Associate Broker at Capital Pacific, based in Portland, Oregon. He specializes in retail sales throughout the Western United States.

Dirks Mathias

Dirks Mathias is managing editor for Hotel Digest and focuses on both domestic and international editorial development.

