

# The Trailhead MRED NAIOP WORKSHOP COMPETITION PORTLAND STATE UNIVERSITY

ALEX LOVRE | AURORA CHAROUHAS | FREDDIE BULZAN | MELVIN SHARP | TYLER REEVES | ZOE JOHNSON

### PROPOSAL CONTENT

PROJECT TEAM	3
EXECUTIVE SUMMARY	4
SITE SUMMARY	5
ENTITLEMENT SUMMARY & STRATEGIC P	LAN 6
DESIGN PROGRAM & DEVELOPMENT PRO	POSAL 7
MARKET CONDITIONS & COMPARABLES	10
TENANT OVERVIEW	13
FINANCIAL PROFORMA	15
ΤΗΑΝΚ ΥΟυ	18



### **PROJECT TEAM**



The Trailhead Team includes individuals from various disciplines including construction, real estate development, residential brokerage, and residential single-family renovation.

Over the course of three months, the Trailhead Team worked together through Zoom Video Conferencing during the COVID-19 pandemic to coordinate a design program and development which they believe will be attractive for prospective investors, and will serve the surrounding Tigard community for decades to come.



#### **EXECUTIVE SUMMARY**

The Trailhead Team ("Sponsor") is pleased to present qualified individuals (or entities) the opportunity to invest \$8,124,231 ("Equity") in a Qualfied Opportunity Fund, which will purchase membership interests in Urban Flight LLC ("UFL"), a Qualfied Opportunity Zone Business, for the development of two speculative mixed-use buildings located in the industrial core of Tigard, Oregon ("The Trailhead" or "Project").

Total Project costs will be \$35,731,297 with the remainder of the Equity being contributed by the current property owner ("Property Owner") in the amount of \$3,381,723.<sup>1</sup> The Sponsor will also invest \$1,000,000 of Equity. UFL will secure \$23,225,343 in construction debt, at an assumed value of 65% loan to cost, to complete the capitalization of the Project.

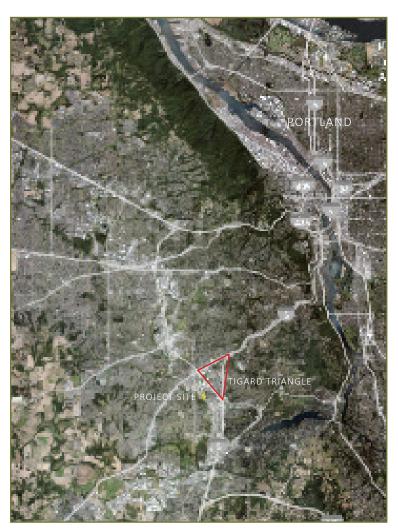
The Trailhead consists of 7.93 acres, and lies within close proximity to the Tigard Triangle between Hunziker Road and SW Wall Street. In the fall of 2020, the City of Tigard is expected to commence construction on the extension of SW Wall Street to Tech Center Drive, at the southern portion of the Trailhead.

Target tenants for the Project will include engineering firms, industrial design firms, and other high job count industries who don't necessarily require those jobs to be on site.

The Sponsor will target these industries as they seek to relocate from the City of Portland, due to rapidly increasing business taxes, high earner's taxes, rampant homelessness, safety concerns and fallout from the COVID-19 crisis, and a perceived lack of general support from the Portland political community.

The Trailhead will consist of a two-story, 67,810 SF building, a one-story, 21,744 building, and a 500 SF detached walkup coffee shop. The Sponsor anticipates achieving an initial return on cost of 7.00%, with a Project levered IRR of 15.91%. Further, the Project will seek to obtain Opportunity Zone tax benefits for investors who contribute qualified capital gains.<sup>2</sup>

<sup>1</sup>Please see the Project Finances section for additional capitalization details. <sup>2</sup>Id.





### SITE SUMMARY

#### Subject Property

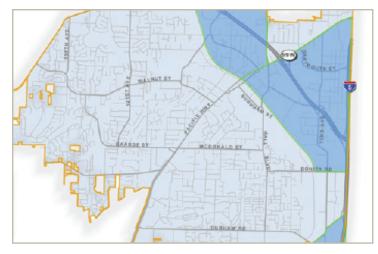
The Trailhead is part of a gross site area consisting of 24.23 acres (22.81 net of ROW dedication), which will soon be recorded into two separate parcels after receiving design review approval from the City of Tigard. The northern parcel sits on 14.88 acres, which is currently being developed into 264 units of multi-family workforce housing. The southern parcel (The Trailhead), is 7.93 acres.

#### Site Highlights

The Trailhead sits west of Highway 217 and 72nd Avenue, and can be accessed by either Hunziker St. or Wall St. It's location is easily accessible by motor vehicles as well as several modes of public transportation.

The Trailhead lies adjacent to an existing neighborhood which has expressed concern over proximity to commercial development in the past. Therefore, the Trailhead will honor the existing 50 foot tree buffer on the eastern edge of the property.

Wall Street will soon be extended to Tech Center Drive, which is a central business Hub for the City of Tigard; this connection will create better access and visibility for prospective tenants.



The Trailhead site has minimal slope, and is currently zoned for Mixed-Use employment. The Trailhead also lies within an Opportunity Zone census tract, creating an advantageous opportunity for investors looking to defer capital gains tax.

In addition, the Trailhead lies within an Enterprise Zone, designed to stimulate commercial use via property tax abatements.



#### ENTITLEMENT SUMMARY

#### Mixed Use Employment (MUE)/Plan District Overlay

The MUE is designed to accommodate business and professional offices, civic uses, apartments, and retail goods and services.

In addition, the plan overlay district helps create a live, work, play, and shop environment that is pedestrian oriented, rather than centered around automobiles. The zoning and entitlement regulations for The Trailhead pose unique constraints and benefits for development opportunities. The MUE zone requires the creation of space for 280 nonretail jobs. This can be met through the formation of 75,000 – 100,000 square feet of building area within the 7.93 acres site.

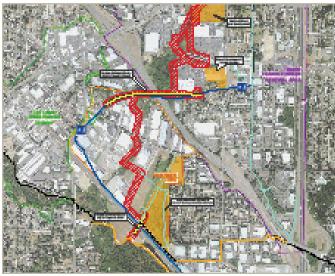
The City of Tigard does not specifically mandate that the number of jobs be maintained on the site over time. This requirement is daunting for any mid-sized suburban site. The plan district overlay guides the design of the building and site to be integrated with the pacific northwest landscape, and create an inviting place for the public realm. A clear benefit of the plan district overlay is a twenty-five percent reduction in required on-site parking. Aside from parking, daily building operations must be contained within the structure. An array of uses are allowed on site including hospitality, retail, civic, residential and office.

#### Iconic Trail System

Near the Trailhead lies the 15-mile Fanno Creek Trail system, which runs parrallel to Fanno Creek through Washington County between Portland and Tualatin. Tigard City Hall, the Tigard Library, the Tigard Senior Center, and the Tigard Transit Center are all accessible along the trail.

The Trailhead will have immediate access to the Fanno Creek Trail system, once the future bridge is constructed over Wall St. The connectivity of the Fanno Creek Trail to the Project is essential, as it allows The Trailhead to make a lasting impact on the community.





### **DESIGN PROGRAM & DEVELOPMENT PROPOSAL**

#### Program & Proposal

The Trailhead is designed to generate the qualities of its inspiration; natural, uplifting, and equitable. The development inspires creation of work, and allows one to navigate effortlessly. The Trailhead appeals to the true nature lover. Its features promote creativity in the workplace, inclusivity, and an outdoor atmosphere. The development is an open concept with a simple design that has upscale office amenities. Due to the Covid-19 pandemic, the office real estate asset class must be proactive with a healthier approach to design and cleanliness.

The Trailhead will provide a generous TI allowance budgeted at \$70/SF for tenant's specific needs. Some highlights will include hands-free, in-wall sanitizing kiosks, hands-free plumbing fixtures, Global Plasma Aerosol and Airborne Pathogen Mitigation System, and MERV-rated HVAC filters.

Biometrics, and hands-free FOB secured access control will promote a safe and inclusive workspace for all. Top floor casement windows will allow for fresh seasonal air-flow for further comfort and access to the natural environment. Flexible open or closed seating areas can be designated and changed as needed.



Unique in design, the Trailhead's two concrete tilt buildings will feature many glass windows for natural light, interior wood timber finishes, stone, and many other natural features for aesthetics, cost, and sustainability.

The Trailhead will also include a detached walk-up coffee shop that wil be approximately 500 SF. The earthy and natural design will promote the continuing theme of the Trailhead.



Building renderings, Mt. Hood (L) Mt.Rainier (R)

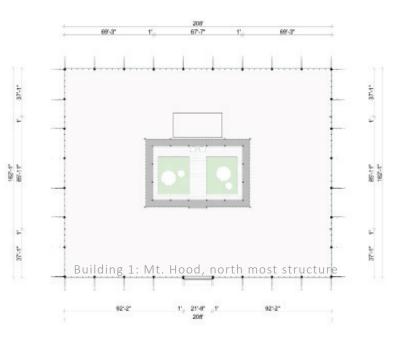
#### **DESIGN PROGRAM & DEVELOPMENT PROPOSAL**

#### **Building System Summary**

The Trailhead is a concrete tilt contruction Type 1-B building. Concrete tilt is a cost-effective approach to building office space with quicker construction periods and structural integrity, and will provide for open spaces (both for COVID-19 purposes and target industries desires), which provide flexibility with respect to demising and overall buildout.

The design can withstand wind shear of up to 175+ MPH winds and four-hour fire ratings, which keeps up to the most strenuous codes. Exposed interior wood beams will be visible throughout the development. This will create the added natural feel that is desired with the Trailead design.

The larger, two story building will have a small center atrium and common area features for tenant leisure. The interior of the buildings will be designed with plants which will furture promote a focus on health and air quality during these unprecedented times (which we anticipate will continue through delivery).





### **DESIGN PROGRAM**

#### Parking

Overall, The Trailhead was not free from challenge, specifically as it related to parking. However, the Project currently provides for just under 3.4/1000, with an option for shared parking with the owner of the residential property due north of The Trailhead, to further attract prospective tenants out of downtown Portland.

The parking lot will have a two-way ingress/egress access off Wall Street. EV statios can be installed at the tenant's request and can be metered for both public and private use. The Trailhead will also provide 50 covered bike stalls.

DETACHED COFFEE SHOP	
Gross Building Size (one-story)	500 SF
Usable Area	425 SF
Load Factor	15%
Net Rentable	489 SF

### **Building Characteristics**

BUILDING 1	
Gross Building Size (two-story)	67,810 SF
Usable Area	57,639 SF
Load Factor	15%
Net Rentable	66,284 SF

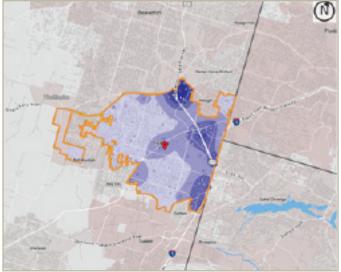
BUILDING 2	
Gross Building Size (one-story)	21,744 SF
Usable Area	18,482
Load Factor	15%
Net Rentable	21,255

Building 2: Mt. Rainier, southern most structure, rendering and floor plan



### **MARKET CONDITIONS & COMPARABLES**







#### Overview

The median age in Tigard is 37.3 years, with 60% of the population owning their living arrangements, vs. 40% that rent. The majority of homeowners are married, whereas renters are predominantly single. Average income in the area is \$45,801 annually, with males earning 36% higher incomes than females.

The poverty rate is 9.08%, which sits below the national average of 12.3%. 70.8% of the population participates in the labor force, 75% of which have a high school diploma or better. 29% of the population has received a bachelor's degree, and 22% have completed some college. 45% of Tigards population was born in Oregon and the majority of the population (83.12%) is of caucasion descent.

Job density in Tigard is highest around the Tigard Triangle, as seen in the graphics on the left (intensity representing density). This area has many office and retail locations that help this area to become more concentrated with jobs.

The Trailhead lies in the heart of this job density. The Tigard Triangle area attracts twice as many employees who live outside of Tigard than those who live in Tigard. This shows that job creation in the Tigard area is very strong and can support more employment opportunities.

### **MARKET CONDITIONS & COMPARABLES**



#### Comparables

A comparative analysis was conducted to determine the feasibility of building size, parking ratio, tenant mix and lease rates.

The comparative analysis revealed that there is an emerging market for office that combines a diverse tenant mix with adequate parking and a lease rate that ranges from \$24.00/SF to \$30.00/SF.

It is important to note that all of these office spaces currently have a 92% to 100% occupancy rate.

#### Tigard Office Market

The Tigard office market is steadily growing with the average vacancy rates around 10.35%. The average asking rate for the area is \$24.92/SF, with an average annual rent growth of 2.8%. Newer office is commanding higher rents that sit between \$24-29/SF.

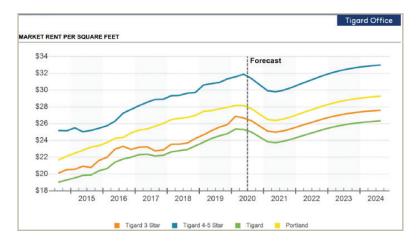
There are currently 187 office buildings in Tigard with no new development within the last 12 months. Net absorption of vacant space has been at -0.3%, with the average months vacant at ~7.4. While this points to a relatively stagnant market, a new office could spark the interest of potential office tenants.

Many brokers have indicated tenants they represent are looking to leave Portland in the immeidate future, for suburban office spaces.

#### Land Acquisition Cost

The pricing of The Trailhead land was driven by several factors: 1) close proximity to Tech Center Drive, 2) comparable land sales in the Tigard area, 3) scarcity of

Nomanclature	Comp 1	Comp 2	Comp 3	
Development	Tigard Triangle Commons Office	Pacific Corporate Center Office	Fanno Creek Place- Building A	
Office Type	3 Star Office	3 Star Office	4 Star Office	
Address	11850 SW 67th Ave	15350 SW Sequoia Pky,	16037 SW Upper Boones Ferry Road	
City/State	Portland , Oregon	Portland, Oregon	Tigard, Oregon	
Year Built	2007	1995	2008	
RBA/SF	49,716	61,532	68,512	
Parking Ratio	4/1,000	4/1,000	3.70/1,000	
Lease Type	Gross Lease	Gross Lease	Gross lease	
Lease Rate PSF	\$25.00-\$30.00	\$30.00	\$27.00	
Tenant Mix	Diverse	Diverse	Diverse	
Building FAR	0.48	0.42	0.55	
Occupancy	100%	100%	92.30%	
Area	Urban	Urban	Urban	



### **MARKET CONDITIONS & COMPARABLES**

### Land Acquisition Cost Continued

land, and 4) extensive market feedback.

The green graph below illustrates a list of comparable land prices sold or on the market.

Based on information obtained from Costar, the average land price comp for The Trailhead was ~\$29.04/SF. The Sponsor went in depth with brokers regarding the cost of the land, as well as speaking directly with the Property Owner several times, to come up with the per square foot number used within the budget.

Ultimately, the Sponsor decided that \$20/SF was a reasonable number, based on the aforementioned conversations.

#### Target Market

Since 2007, there has been a steady migration of businesses moving out of Portland because of the increase in taxes. These taxes coupled with increased unrest has resulted in many Portland based businesses to begin looking to other areas in Oregon that have less stringent tax laws.

Portland leasing activity has slowed down dramatically. This is another indicator of the effects of the proposed increase in taxes, Covid-19 and the civil unrest that is taking place in Portland. We will seize on these unfortunate events by offering a new alternative office space setting that is safe, drivable, has plenty of parking and has all the bells whistles to include built

in technologies that limit the exposure to Covid-19.

Our Target market will include companies that reside outside of the Tigard market area. These businesses include small tech companies, engineering firms, law firms, builders, residential real estate firms, insurance companies and other businesses that fit the tenant mix. Several interviews were conducted with brokers who are familiar with the office industry in the Tigard area, and communicated the above industries as viable options for the Trailhead.

The primary focus of the Trailhead was meeting the required 280 non-retail jobs requirement, which was a prior arrangement with the City of Tigard, and significantly hindered the Trailhead's prospects.

The ideal future tenant will generally occupy a space between 2,000 to 8,000 sf. Research suggests that depending on other terms of agreement, we could lease these spaces out for a cost between 24.00 to 30.00 per square foot using a triple-net lease. The key here to ensure diversification among tenants to to keep a high occupancy rate.

	Comp 1	Comp 2	Comp 3	Comp 4
Name	Dartmouth Partners	Washington Cnty	•	VW PDX
Address	SW Dartmouth St & SW 72nd Ave - SW Dartmouth & 72nd Land	11090 SW 68th Pky - Tigard Triangle Land	2500 SE Tacoma St Commercial Development	8004 SW Capitol Hill Rd - 8004 SW Capitol Hill Rd
City	Tiga rd	Tigard	Milwakie Sub market	Portland
State	Oregon	Oregon	Oregon	Oregon
Sales Price	\$1,775,157.59	\$1,200,000	1,120,000	1,150,000
Land Size A/	1.69	0.88	0.75	1
Land Size SF	73,616	38,333	32,670	43,460
Price PSF	\$24.11	\$31.30	\$34.28	\$26.46
Sale Date	5/26/2020	9/27/2019	6/29/2020	10/28/2019
DOM	1,799	N/A	164	108

### **TENANT OVERVIEW**

#### Marketing

The Trailhead will build brand awareness by saturating the market with focused advertisements.

For marketing we will use: adds (print, online, billboards and TV), PR (events, partnerships and webinars), social media (Twitter Instagram, Google, and Facebook), content media (landing pages, blogs and email marketing), web site development, search engine optimization and maintenance, and mobile marketing (app development and mobile advertising.

The Trailhead will also use Costar, LoopNet and local brokers to help with marketing efforts, and will specifically budget an additional line item of \$25,000 toward marketing only expenses.

Area and Orlando follow next at 7% and 7.5%, respectively. Houston has the highest vacancy rate among the major metros by a fair margin at 20%, followed by Dallas at 16.8%.

The success of the Project will rely heavily on the brokerage community and their ability to help attract prospective tenants to what the Sponsor believes is a great option for buinsesses seeking relocation from downtown Portland, and a lower cost alternative to Kruse Way.





### STATE OF THE MARKET

#### State of the Industry within US

The U.S. office vacancy rate rose by 10 basis points in Q1 2020 to 11.5%. Despite the slight increase, vacancy has now been below its historic average for 21 consecutive quarters.

Two-thirds of U.S. office markets have vacancy rates below the national average and 45% have sub-10% vacancy. Central business district (CBD) vacancy rates rose by 30 basis points in Q1 2020 to 10.3%, while suburban levels held firm at 12.2%. Seattle has the lowest vacancy rate among the major U.S. office markets at 6.8%.

The Bay Area and Orlando follow thereafter at 7% and 7.5%, respectively. Houston, Texas has the highest vacancy rate among the major metro areas by a wide margin, at 20%, followed by Dallas at 16.8%, in some part due to the significant amount of development which has occurred in those areas in recent years.

#### State of the Industry in Portland, OR

The vacancy rate in the Tigard area in the past years has been relatively higher than the vacancy rate in the Portland Metro area.

There is an array of tenants that occupy the midsized office space. Asking rents have also been historically low compared to that of the Portland metro area. However, as mentioned throughout, research has indicated that due to the economic conditions, protest, rising rents, taxes and the impacts of the Covid-19, Portland businesses may be considering a migration out of the Portland Metro Areas, into areas outside



ARUP





### **PROJECT FINANCES**

#### Debt

UFL will secure a 3-year interest only construction loan with an optional 12-month extension period. A loan refinance will occur thereafter (full takeout) to a permanent loan structure as defined in the table below.

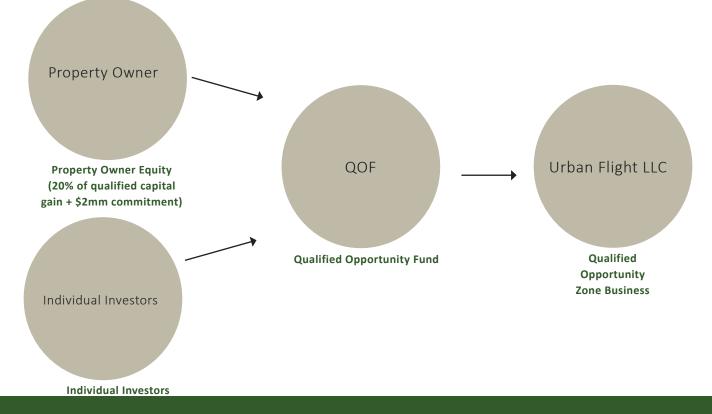
Given the state of the U.S. economy as it navigates the COVID-19 pandemic, interest rates remain difficult to predict, but the Sponsor has assumed permanent financing will be obtained a full point below it's construction debt rate, and the Sponsor believes it will remain conservatively above both the 5 and 10-year LIBOR.

CONSTRUCTION DEBT ASSUMPTIONS		PERMANENT DEBT ASSUMPTIONS	
Loan to Cost	65%	Loan to Value	65%
Debt Service Coverage Ratio	2.15x	Debt Service Coverage Ratio	1.75x
Interest Rate	5.00%	Interest Rate	4.00%
Amortization Period	Interest Only Loan	Amortization Period	30 Years
Term	10 Years	Term	20 Years
Loan Amount	\$23,225,343	Loan Amount	\$24,997,865

#### Equity

UFL intends to utilize three sources of equity to capitlize the Project, including 1) Sponsor Equity of \$1,000,000, high net worth Equity of \$8,124,231 and the Property Owner's contributed land value Equity of \$3,381,723.

The entity structure will be as shown in the illustration below. Please see the attached proforma and cash flows for additional information.



### **PROJECT FINANCES**

### **Opportunity Zone Considerations**

The Sponsor intends to utilize the Opportunity Zone ("OZ") designation of the Trailhead, and Equity contributions will therefore be made in the manner described herein.

It is assumed the Sponsor Equity, and the individual high net worth Equity will be contributed as Qualified Capital Gains pursuant to the OZ regulations promulgated by the Tax Cuts and Jobs Act of 2017. The Sponsor will initially raise Equity from individual high net worth investors in the amount of \$8,124,231 within the QOF. The QOF will then purchase the Trailhead property from the Property Owner at it's assumed appriased value of \$20/SF (please note this price includes all site work previously done to the property).

Given the Property Owner is affiliated with the Subject Property and Project, OZ rules limit the "related party" contribution amount ot only 20% of the Property Owner's Qualfiled Capital gain.

Therefore, the Sponsor will seek an additional capital commitment from the Property Owner in the amount of \$2 million of Equity to the QOF. Although this additional Equity commitment will be made into the QOF, it will not be receive OZ benefits.

#### Project Returns

ANTICIPATED PROJECT RETURNS		
Stabilized NOI \$2,499,786		
Stabilized Return-on-Cost 7.00%		
Project Levered IRR 15.91%		
Investor Levered IRR 14.20%		

The table above represents anticipated Project returns

SPONSOR COMPENSATION	
Development Fee (3.75% ) \$1,291,493	
Asset Management Fee 3% of Gross Re	
Promoted Interest See Summary Below	

The table above represents anticipated Sponsor compensation



	CASH FLOW DISTRIBUTION SUMMARY	
Tranche 1 Current and accrued Equity preferred return of 8%, Pari Passu		
Tranche 2	Tranche 2 100% Return of Equity, Pari Passu	
Tranche 3 CF available for distribution will be made 70% to Investors, and 30% to Sponsor up to a levered IRR of 12%		
Tranche 4	CF available for distirbution will be made 60% to Investors, and 40% to the Sponsor for CF above a levered IRR of 12%.	

### **PROJECT FINANCES**

#### Lease Assumptions

LEASE UP ASSUMPTIONS - OFFICE		
Lease Rate	\$30/SF	
Lease Term	5-10 Years	
TI Allowance	\$70/SF	
Broker Commissions (Yr. 1-5)	5.75%	
Broker Commissions (Yr. 6-7)	2.50%	
Annual Rent Escalations	3%	
Vacancy Factor	5%	



#### Sources & Uses

SOURCES		
Sponsor	\$1,000,000	
Property Owner (OZ Benefit)	\$1,381,723	
Property Owner (Non-OZ )	\$2,000,000	
High Net Worth Investors	\$8,124,231	
Construction Debt	\$23,225,343	
Total Sources	\$35,731,297	

	USES
Land Acquisition	\$6,908,616
Predevelopment Costs	\$178,500
Construction Hard Costs	\$15,424,180
Construction Soft Costs	\$1,157,693
Project Soft Costs	\$4,144,950
Lease-Up Costs	\$7,917,358
Total	\$35,731,297

### Sensitivity

The table below shows varying Project IRR's at varying capitalization rates:

PROJECT IRR	- CAP RATE VS	SHELL RENT					
15.91%	\$24.00	\$26.00	\$28.00	\$30.00	\$32.00	\$34.00	\$36.00
5.50%	11.94%	14.66%	17.37%	20.07%	22.76%	25.43%	28.10%
5.75%	11.00%	13.64%	16.27%	18.89%	21.50%	24.09%	26.68%
6.00%	10.13%	12.71%	15.26%	17.81%	20.34%	22.87%	25.38%
6.25%	9.34%	11.85%	14.34%	16.82%	19.29%	21.74%	24.19%
6.50%	8.60%	11.06%	13.49%	15.91%	18.32%	20.71%	23.09%
6.75%	7.92%	10.32%	12.71%	15.07%	17.42%	19.75%	22.08%
7.00%	7.28%	9.64%	11.97%	14.29%	16.59%	18.87%	21.14%

#### THANK YOU

The Trailhead Team would like to thank the following individuals for all their help throughout the course of this Project:

- Greg Daniels Property Owner
- Justin Dennett Morrison Street Capita
- Gary Pagenstecher City of Tigarc
- Skip Grodahl The Fields Apartment Owner
- Kevin Vanderbrink Macadam Forbes
- Stu Peterson Macadam Forbes
- Nick Shultz Century 21 Northstar
- Bob Trapa Bremik Construction
- Steven Burright Century 21 Northstar
- Beth Gullier Swinerton Builders
- -Mark Fraser Kidder Mattews
- Joe Kappler Macadam Forbes
- Adam Bean Doug Bean & Associates



## Appendix Section

The Trailhead Project
Assumptions
8/21/2020

Cost & Cas	h Flow Assumptions		Source/Notes
Total Development Cost		35,731,297	Untrended cost figure.
Lease-Up Assumptions			
Office Annual Rent Escalations		3.00%	r
Lease Term (Years) Vacancy/Credit Loss		5.00%	
Commissions (Years 1-5)		5.50%	
Commissions (Years 6-10) Retail (Detached Coffee)		2.50%	
Annual Rent Escalations Lease Term (Years)		3.00%	
Vacancy/Credit Loss Commissions (Years 1-5)		0.00%	
Commissions (Years 6-10)		2.50%	
Income/Expense Assumptions			
Income Rental Rate/Total Annual Rent	\$30.00/SF	2,701,620	
Operating Expenses			
Insurance Costs Property Mgt. Fee		3,000	Monthly Monthly
Property Taxes Utilities		397,448.68 2,000	Annum: millage rate X exch. ratio Monthly
Landscaping Security		2,000	Monthly Monthly
Miscellaneous			Monthly
Disposition Assumptions			
Sale Date (months) Terminal Cap Rate		120	[
Sales Costs (%) Sales Price (net of sales costs)		2.00% \$49,713,773	
Sales Price (net of sales costs) Capital Structure Assumptions		\$49,713,773	
Construction Debt LTC		65.00%	[
Rate Amortization Period		5.00% Interest Only	
Term Amount		10 23,225,343	
Payment (monthly) Debt Service Coverage Ratio		(\$96,772) 2.15	
Permanent Debt			-
LTV Rate		65.00% 4.00%	Initial Stabalized NOI
Amortization Period Amount		30 24,997,865	
Payment (monthly) Debt Service Coverage Ratio		(\$119,344) 1.75	
Equity			L
Required Equity Property Owner Contributed Land Equity	92.00% \$20.00/SF	12,505,954	20% of cap gain per OZ rules.
Property Owner Additional Equity Commitment High Net Worth Investors	32.00%	2,000,000 8,124,231	Does not qualify for OZ treatment
Sponsor	8.00%	1,000,000	
Building/Land Size Assumptions			
Building 1 Gross Building Size (SF)		67,810	r
Usable Area		57,639	
Load Factor Net Rentable Area		15.00% 66,284	
Floorplate Size (SF) Land Size (Acres) Land Size (SF)		33,905 7.93	
FAR		345,431	
Building 2			r
Gross Building Size (SF) Usable Area		21,744 18,482	Assumed 85% of gross building
Load Factor Net Rentable		15.00%	
Floorplate Size (SF) Land Size (Acres)		21,744 7.93	
Land Size (SF) FAR		345,431	
Detached Coffee Shop			-
Gross Building Size (SF) Usable Area		500 425	Assumed 85% of gross building
Load Factor Net Rentable		15.00% 489	-
Floorplate Size (SF) Land Size (Acres)		500 7.93	
Land Size (SF) Coverage		345,431	
FAR		0.00145	İ.
Total (Building 1 & Building 2 & Detached Coffee) Gross Building Size (SF)		90.054	ſ
Gross Building Size (SF) Usable Area Load Factor			Assumed 85% of gross building
Net Rentable		15.00% 88,028 56,149	
Floorplate Size (SF) Land Size (Acres)		7.93	
Land Size (SF) Usable Land Size (SF)		345,431 235,431	
		23.85%	-
Coverage Ratio Parking Ratio		0.0033	
Coverage Ratio		0.0033 0.26 300	
Coverage Ratio Parking Ratio FAR		0.26	
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1	Marshi, Basa   0.00000000	0.26 300	
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid)	Monthly Rate 0.666667%	0.26 300	Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1	Monthly Rate 0.666667%	0.26 300	
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital CF Distribution Tranche 3		0.26 300 8.0%	Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital CF Distribution Tranche 3 Hurdle Rate (CF>8% IRR up to CFs12% IRR) CF Splits:	Monthly Rate 0.666667% Daily Rate 0.031054%	0.26 300 8.0%	Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital CF Distribution Tranche 3 Hurdle Rate (CF>8% IRR up to CFs12% IRR)		0.26 300 8.0%	Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital Return of Capital CF Distribution Tranche 3 Hurdle Rate (CF-SMS (RR up to CFs12% (RR) CF Splits: Investors (HNW + Greg Daniels) Sponsor CF Distribution Tranche 4		0.26 300 100.0% 100.0% 70.0% 30.0%	Pari Passu Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferred Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital Return of Capital (CF Distribution Tranche 3 Hurdle Rate (CF>8% (RR up to CFs12% (RR) CF Splits: Investors (HNW + Greg Daniels) Sponsor CF Distribution Tranche 4 Hurdle Rate (CF>12% (RR) CF Splits:		0.26 300 100.0% 100.0% 70.0% 30.0%	Pari Passu Pari Passu
Coverage Ratio Parking Ratio FAR Parking Spots CF Distribution Assumptions CF Distribution Tranche 1 Preferera Return (Accrued and Unpaid) CF Distribution Tranche 2 Return of Capital CF Distribution Tranche 3 Hurdle Rate (CF-32% IRR up to CFs12% IRR) CF Splits: Investors (HNW + Greg Daniels) Sponsor CF Distribution Tranche 4 Hurdle Rate (CF-32% IRR)		0.26 300 100.0% 100.0% 70.0% 30.0%	Pari Passu Pari Passu

The Trailhead Project Summary (All Buildings)									
Gross Land Area (Acres)	7.93								
Gross Land Area (SF)	345,431								
Usable Land Area (SF)	235,431								
Gross Building Size (SF)	90,054								
Usable Area	76,546								
Net Rentable Area	88,028								
Floorplate Size (SF)	56,149								
Coverage Ratio	23.85%								
FAR	0.26								
Parking Spaces	300								
Construction Period (Months)	10								

Buyer-Paid Commissions Total Land Acquisition Cost/Value Predevelopment/Due Diligence Costs Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs	\$20.00/SF	Cost 6,908,616 0 6,908,616 7,000 30,000 5,000 4,000 10,000 10,000 20,000 10,000 20,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10	Cost/SF 76.72 76.72 76.72 0.08 0.33 0.06 0.04 0.50 0.01 0.01 0.03 0.02 0.01 0.03 0.06 1.98	Source Value assumes all site improvements
Land Value \$ Buyer-Paid Commissions Total Land Acquisition Cost/Value Predevelopment/Due Diligence Costs Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1		0 6,908,616 7,000 30,000 5,000 4,000 10,000 10,000 20,000 10,000 20,000 10,000 2,500 5,500	- 76.72 0.08 0.33 0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	Value assumes all site improvements
Land Value \$ Buyer-Paid Commissions Total Land Acquisition Cost/Value Predevelopment/Due Diligence Costs Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1		0 6,908,616 7,000 30,000 5,000 4,000 10,000 10,000 20,000 10,000 20,000 10,000 2,500 5,500	- 76.72 0.08 0.33 0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	Value assumes all site improvements
Buyer-Paid Commissions Total Land Acquisition Cost/Value Predevelopment/Due Diligence Costs Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1		0 6,908,616 7,000 30,000 5,000 4,000 10,000 10,000 20,000 10,000 20,000 10,000 2,500 5,500	- 76.72 0.08 0.33 0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	
Total Land Acquisition Cost/Value  Predevelopment/Due Diligence Costs  Appraisal  A/E  Arborist Environmental Testing (Phase I) Legal Fees Market Study  Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs  Construction Hard Costs Shell \$1	170.00/SF	7,000 30,000 5,000 4,000 10,000 10,000 30,000 20,000 10,000 2,500 5,000	0.08 0.33 0.06 0.50 0.11 0.11 0.33 0.22 0.11 0.03 0.06	
Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	30,000 5,000 4,000 10,000 10,000 30,000 20,000 10,000 2,500 5,000	0.33 0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	
Appraisal A/E Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	30,000 5,000 4,000 10,000 10,000 30,000 20,000 10,000 2,500 5,000	0.33 0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	
Arborist Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	5,000 4,000 10,000 10,000 30,000 20,000 10,000 2,500 5,000	0.06 0.04 0.50 0.11 0.33 0.22 0.11 0.03 0.06	
Environmental Testing (Phase I) Legal Fees Market Study Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	4,000 45,000 10,000 30,000 20,000 10,000 2,500 5,000	0.04 0.50 0.11 0.33 0.22 0.11 0.03	
Legal Fees Market Study Misc. DD Costs Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility <b>Total Predevelopment Costs</b> <b>Construction Hard Costs</b> Shell \$1	170.00/SF	45,000 10,000 30,000 20,000 10,000 2,500 5,000	0.50 0.11 0.33 0.22 0.11 0.03 0.06	
Market Study Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	10,000 10,000 30,000 20,000 10,000 2,500 5,000	0.11 0.11 0.33 0.22 0.11 0.03 0.03	
Misc. DD Costs Solis Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	10,000 30,000 20,000 10,000 2,500 5,000	0.11 0.33 0.22 0.11 0.03 0.06	
Soils Test/Geotech Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	30,000 20,000 10,000 2,500 5,000	0.33 0.22 0.11 0.03 0.06	
Survey (Boundary and ALTA) Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	20,000 10,000 2,500 5,000	0.22 0.11 0.03 0.06	
Traffic Study Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	10,000 2,500 5,000	0.11 0.03 0.06	
Archaeological Report Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	2,500 5,000	0.03 0.06	
Wetlands/Storm Facility Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF	5,000	0.06	
Total Predevelopment Costs Construction Hard Costs Shell \$1	170.00/SF			
Construction Hard Costs Shell \$1	170.00/SF	178,500	1.98	
Shell \$1	170.00/SF			1
	170.00/SF			
		15,309,180	170.00	
		115,000	1.28	Additional max site improvements
Total Construction Hard Costs		15,424,180	171.28	p
Construction Soft Costs				
Architect/Engineer	5.0%	765,459	8.50	
Reimbursables	5.0%	38,273	0.43	
Construction Survey		10,000	0.11	
Construction Period Property Taxes	2.00%	115,144	1.28	
P&P Bond	0.90%	138,818	1.54	
Construction Inspection		45,000	0.50	
Testing/Compaction		45,000	0.50	
Total Construction Soft Costs		1,157,693	12.86	
Project Soft Costs				
Closing Costs - Land Acquisition		65,000	0.72	
Net Negative Cash Flow after Debt Service (During Construction Period)		245,739	2.73	
Debt/Equity Costs/Fees	1.50%	535,969	5.95	
Contingency (as % of hard costs)	5.00%	771,209	8.56	
Legal Fees		225,000	2.50	
Environmental Insurance		100,000	1.11	
Misc. Costs		10,000	0.11	
Permits and Fees (Includes SDC's) \$	\$10.00/SF	900,540	10.00	
Development Fee	3.75%	1,291,493	14.34	
Total Project Soft Costs	ļ	4,144,950	46.03	
Lease up Costs				
	\$70.00/SF	6,303,780	70.00	
Brokerage Commissions	·	1,147,762	12.75	
Marketing/Miscellaneous		25,000	0.28	
Operating Expense/Net Negative CF During Lease-Up		440,816	4.90	
Total Lease up Costs		7,917,358	87.92	1
Total Project Costs	ŀ	35,731,297	396.78	

Rental Rate/Total Annual Rent	\$ 30.00 Per SF/Yr.	2,640,834	
Base Rent/Year		2,640,834	
Capital Reserves	\$ 0.10 Per SF/Yr.	(9,005)	
Vacancy/Credit Loss	5.00%	(132,042)	
Stabilized NOI		2,499,786	
Stabilized NOI		2,499,786	
Stabilized Return on Cost		7.00%	
Debt	65.00%	\$23,225,343	
Equity		\$12,505,954	

The Trailhead Pr Cash Flow Distri 8/21/2020

iead Project			4/24/2022	2/20/2022	2/24/2022	4/20/2022	F /24 /2022	c /20 /2022	7/24/2022	0/24/2022	0/20/2022	10/21/2022	11/20/2022	12/21/2022	4/24/2022	2/20/2022	2/24/2022	4/20/2022	F /24 /2022	c /20 /2022	7/24/2022	0/24/2022	0/20/2022	10/21/2022	11/20/2022	12/21/2022	2/20/2025	124 /2022
/ Distribution 0		Month	1/31/2022 0	2/28/2022 1	3/31/2022 2	4/30/2022 3	5/31/2022 <b>4</b>	5	7/31/2022 6	8/31/2022 7	9/30/2022 8	10/31/2022 9	11/30/2022 10	12/31/2022	1/31/2023 <b>12</b>	2/28/2023 13	3/31/2023 14	4/30/2023 15	5/31/2023 <b>16</b>	6/30/2023 17	7/31/2023 18	8/31/2023 <b>19</b>	9/30/2023 <b>20</b>	10/31/2023 21	11/30/2023 22	23 Pe	2/28/2025 1/: 37 rm Loan	/31/2032 120
CF FROM OPERATIONS			Due Diligence Co	onstruction									U	ease up											Но	d Period		
Lease Up (%) Cumulative Lease Up (%) Lease Up (SF)														0	0	25% 25% 22,514	25% 22,514	25% 22,514	25% 50% 45,027	50% 45,027	50% 45,027	25% 75% 67,541	75% 67,541	75% 67,541	25% 100% 90,054	100% 90,054		100% 90,054
Cumulative Lease up (SF) Base Rental Income Shell	\$30.00/SF													0	0	22,514 56,284	22,514	22,514	45,027	45,027	45,027	67,541	67,541	67,541	90,054 225,135	90,054 225,135	-	90,054
Escalations Total Base Rental Income Vacancy/Credit Loss Net Income After Vacancy/Credit Loss	\$30.00/SF 3.00% 5.00%												-	0 (10,416) (10,416)	0 (10,416) (10,416)	56,284 (10,416) 45,868	56,284 (10,416) 45,868	56,284 (10,416) 45,868	112,568 (10,416) 102,152	112,568 (10,416) 102,152	112,568 (10,416) 102,152	168,851 (10,416) 158,435	168,851 (10,416) 158,435	168,851 (10,416) 158,435	225,135 (10,416) 214,719	225,135 (10,416) 214,719	3.00% 238,846 2 (10,416) 228,430 2	285,194 (10,416) 274,779
Insurance Costs Property Mgt. Fee Property Taxes Utilities														(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)	(3,000) (33,121) (2,000)	(6,250) (3,000) (33,121) (2,000)
Landscaping Security Total CAM/Operating Expenses Tenant CAM/Operating Expense Reimbursement NOI													-	(2,000) (2,000) (48,371) 0 (52,300)	(2,000) (2,000) (48,371) 0 (50,700)	(2,000) (2,000) (48,371) 12,093	(2,000) (2,000) (48,371) 12,093	(2,000) (2,000) (48,371) 12,093	(2,000) (2,000) (48,371) 24,185	(2,000) (2,000) (48,371) 24,185	(2,000) (2,000) (48,371) 24,185	(2,000) (2,000) (48,371) 36,278	(2,000) (2,000) (48,371) 36,278	(2,000) (2,000) (48,371) 36,278	(2,000) (2,000) (48,371) 48,371	(2,000) (2,000) (48,371) 48,371	(2,000) (48,371) 48,371	(2,000) (2,000) (48,371) 48,371
NOT Debt Service (Const > Perm; see month 37) Net CF after DS (from operations)	Construction Rate (I/O) 5.00%	Perm Rate 4.00% (679,899)	0 0	0	(881)	(5,775) (5,775)	(10,709) (10,709)	(17,247) (17,247)	(25,418) (25,418)	(35,230) (35,230)	(43,476) (43,476)	(50,150) (50,150)	(56,852) (56,852)	(58,786) (63,811) (122,598)	(58,786) (64,322) (123,108)	9,590 (64,835) (55,245)	9,590 (72,853) (63,263)	9,590 (73,117) (63,527)	77,966 (73,381) 4,585	(81,169) (3,203)	(81,183) (3,216)	146,343 (81,196) 65,147	146,343 (88,984) 57,359	146,343 (88,984) 57,359	214,719 (88,984) 125,735	214,719 (96,772) 117,947	(119,344) (1	274,779 119,344) 155,435
CAPITALIZATION Construction Cost Curve		100.00%	0.0%	5.0%	7.5%	7.5%	10.0%	12.5%	15.0%	12.5%	10.0%	10.0%	10.0%															
Land Acquisition Predevelopment/Due Diligence Costs Construction Hard Costs Construction Soft Costs	6,908,616 178,500 15,424,180 1,157,693	6,908,616 178,500 15,424,180 1,157,693	6,908,616 178,500 0 420,673	0 0 771,209 539,280	0 0 1,156,814 15,860	0 0 1,156,814 15,860	0 0 1,542,418 15,860	0 0 1,928,023 15,860	0 0 2,313,627 15,860	0 0 1,928,023 15,860	0 0 1,542,418 15,860	0 0 1,542,418 15,860	0 0 1,542,418 70,860	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0 0	0 0 0 0
Project Soft Costs Lease up Costs (Excl. Net Negative CF During Lease Up) Net Negative CF During Lease up Total Project Costs	4,144,950 7,476,542 440,816 35,731,297	4,144,950 7,476,542 440,816 35,731,297	1,300,540 0 0 8,808,329	2,598,671 0 0 3,909,160	881 0 881 1,174,436	5,775 0 5,775 1,184,223	10,709 0 0 1,568,987	17,247 0 0 1,961,129	25,418 0 0 2,354,905	35,230 0 0 1,979,113	43,476 0 0 1,601,754	50,150 0 0 1,608,428	56,852 0 0 1,670,130	0 0 122,598 122,598	0 0 123,108 123,108	0 1,869,135 55,245 1,924,380	0 0 63,263 63,263	0 0 63,527 63,527	0 1,869,135 0 1,869,135	0 0 3,203 3,203	0 0 3,216 3,216	0 1,869,135 0 1,869,135	0 0 0	0 0 0	0 1,869,135 0 1,869,135	0 0 0	0 0 0 0	0 0 0 0
Total Required Capital Total Initial Equity Required	35.00%	35,731,297	8,808,329	3,909,160	1,174,436	1,184,223	1,568,987	1,961,129	2,354,905	1,979,113	1,601,754	1,608,428	1,670,130	122,598	123,108	1,924,380	63,263	63,527	1,869,135	3,203	3,216	1,869,135	0	0	1,869,135	0	0	0
Beginning Balance Required Equity Equity Funded Cumulative Funded Equity Remaining to Fund		35,731,297 12,505,954	0 8,808,329 8,808,329 8,808,329 0	8,808,329 3,909,160 3,697,625 12,505,954 211,535	12,505,954 1,174,436 0 12,505,954 1,174,436	1,184,223 0	1,568,987 0	12,505,954 1,961,129 0 12,505,954 1,961,129	12,505,954 2,354,905 0 12,505,954 2,354,905	12,505,954 1,979,113 0 12,505,954 1,979,113	1,601,754 0	12,505,954 1,608,428 0 12,505,954 1,608,428	12,505,954 1,670,130 0 12,505,954 1,670,130	12,505,954 122,598 0 12,505,954 122,598	12,505,954 123,108 0 12,505,954 123,108	1,924,380 0	63,263 0	63,527 0	1,869,135 0	3,203 0	3,216 0	1,869,135 0	0	12,505,954 0 12,505,954 0	1,869,135 0	0	0	505,954 0 505,954 0
Debt Funding Beginning Balance Debt Funding Debt Repayment	65.00%	23,225,343 (24,997,865)	0 0 0	0 211,535 0	211,535 1,174,436 0	1,385,972 1,184,223 0	2,570,195 1,568,987 0	4,139,182 1,961,129 0	6,100,311 2,354,905 0	8,455,216 1,979,113 0		12,036,083 1,608,428 0	13,644,511 1,670,130 0	15,314,641 122,598 0		15,560,347 1,924,380 0					19,483,856		21,356,208 0 0	21,356,208 0 0		23,225,343 2 0 0	0	997,865 0 997,865)
Ending Balance Total Equity Funding			0	211,535	1,385,972	2,570,195	4,139,182	6,100,311	8,455,216	10,434,329	12,036,083	13,644,511	15,314,641	15,437,239	15,560,347	17,484,728	17,547,991	17,611,517	19,480,653	19,483,856	19,487,072	21,356,208	21,356,208	21,356,208	23,225,343	23,225,343 2	24,997,865	0
Investors Sponsor	92.00% 8.00%	(11,505,954) (1,000,000) (12,505,954)	(8,103,998) (704,331) (8,808,329)	(3,401,956) (295,669) (3,697,625)	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0
SALE EVENT																												
Sale Event Gross Sale Proceeds	6.50%	50,728,339																										<b>X</b> 728,339
Sales Costs Net Sales Proceeds CF from Operations after DS CF Available for Distribution	2.00%	(1,014,567) 49,713,773	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,585 4,585	0	0	65,147 65,147	57,359 57,359	57,359 57,359	125,735 125,735	117,947 117,947	0 49,7 109,086 1	014,567) 713,773 155,435 869,208
Debt Repayment Remaining CF Available for Distribution Equity			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 4,585	0	0	0 65,147	0 57,359	0 57,359	0 125,735			997,865) 871,343
Funded Returned/Disbursed Net CF to Equity		(12,505,954)	(8,808,329) 0 (8,808,329)	(3,697,625) 0 (3,697,625)	0 0 0	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 4,585 4,585	0 0 0	0 0 0	0 65,147 65,147	0 57,359 57,359	0 57,359 57,359	0 125,735 125,735			0 871,343 871,343
CF DISTRIBUTION TRANCHE 1 - PREFERRED RETURN (8% PA	ARI PASSU)																											
Investors Beginning Preferred Return Balance Preferred Return Accrued Preferred Return Due Payment Toward Preferred Return Ending Preferred Return Balance		(8,048,304)	0 0 0 0	0 54,027 54,027 0 54,027	54,027 77,067 131,093 0 131,093	131,093 77,580 208,674 0 208,674	208,674 78,098 286,771 0 286,771	286,771 78,618 365,389 0 365,389	365,389 79,142 444,531 0 444,531	444,531 79,670 524,201 0 524,201	524,201 80,201 604,402 0 604,402	604,402 80,736 685,138 0 685,138	685,138 81,274 766,412 0 766,412	766,412 81,816 848,228 0 848,228	848,228 82,361 930,589 0 930,589	930,589 82,910 1,013,499 0 1,013,499	1,013,499 83,463 1,096,962 0 1,096,962	1,096,962 84,019 1,180,982 0 1,180,982	1,180,982 84,580 1,265,561 (4,218) 1,261,343	1,261,343 85,115 1,346,458 0 1,346,458	1,346,458 85,683 1,432,141 0 1,432,141	1,432,141 86,254 1,518,395 (59,937) 1,458,458	1,458,458 86,429 1,544,887 (52,772) 1,492,115	1,492,115 86,654 1,578,769 (52,772) 1,525,997	1,525,997 86,880 1,612,876 (115,681) 1,497,195	86,688 1,583,883	1,184,681	0 39,801 39,801 (39,801) 0
Sponsor Beginning Preferred Return Balance Preferred Return Accrued Preferred Return Due Payment Toward Preferred Return		(699,490)	0 0 0	0 4,696 4,696	4,696 6,698 11,394	11,394 6,743 18,136	18,136 6,788 24,924	24,924 6,833 31,757	31,757 6,878 38,635 0	38,635 6,924 45,559 0	45,559 6,970 52,530	52,530 7,017 59,546	59,546 7,064 66,610	66,610 7,111 73,721	73,721 7,158 80,879	80,879 7,206 88,085	88,085 7,254 95,339	95,339 7,302 102,641	102,641 7,351 109,992 (367)	109,625 7,398 117,023	117,023 7,447 124,470 0	124,470 7,496 131,966 (5,209)	126,757 7,512 134,268 (4,587)	129,682 7,531 137,213 (4,587)	132,627 7,551 140,178 (10,054)	130,124 7,534 137,658 (9,431)	102,962	0 3,459 3,459 (3,459)
Ending Preferred Return Balance Cash Remaining for Distribution		(053,450)	0	4,696	0 11,394 0	18,136	24,924	31,757	38,635	45,559	52,530	59,546	66,610	73,721	80,879	88,085	95,339	102,641	109,625	0 117,023	124,470	126,757	129,682	132,627	130,124	128,226	0 593,964 24,8	0
CF DISTRIBUTION TRANCHE 2 - RETURN OF CAPITAL			·	·	<u> </u>					Ű					,		, , , , , , , , , , , , , , , , , , ,			,	,	,	, ,				24,0	
Investors (includes sponsor before breakout below) Beginning Equity Balance Equity Funded in Period Return of Equity		11,505,954 (11,505,954)	0 8,103,998 0	8,103,998 3,401,956 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	11,505,954 0 0	0	0	970,078 0 970,078)
Réturn of Equity Ending Equity Balance Sponsor		0	8,103,998	0 11,505,954	11,505,954	11,505,954	0 11,505,954	0 11,505,954	11,505,954	11,505,954	11,505,954	11,505,954	11,505,954	11,505,954	0 11,505,954	0 11,505,954	11,505,954	11,505,954	11,505,954	11,505,954	0 11,505,954	11,505,954	11,505,954	0 11,505,954	11,505,954		(546,470) (5,5 10,959,484	0
Beginning Equity Balance Equity Funded in Period Return of Equity		1,000,000 (1,000,000)	0 704,331 0	704,331 295,669 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	1,000,000 0 0	0	518,869 0 518,869)
Ending Equity Balance		18,339,136	704,331	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	952,505	0
CF DISTRIBUTION TRANCHE 3 - 12% IRR HURDLE (CF>8% U	IP TO CF≤ 12%)	10,555,550	0	v	v	v	v	Ū	v	v	v	v	v	v	v	U	v	v	v	v	Ū	Ū	v	v	v	v	5 18,5	

Investors (includes sponsor before breakout below) Beginning IRR Hurdle Balance IRR Threshold Accrued Equity funded in Period Prior Payments IRR Hurdle Balance Due Payment Toward IRR Hurdle Ending IRR Hurdle Balance	XIRR (Check Figure)	14,731,029 11,505,954 (19,554,258) (6,682,725) 12.00%	0 0 8,103,998 0 8,103,998 8,103,998 (8,103,998)	8,103,998 70,761 3,401,956 0 11,576,715 0 11,576,715 (3,401,956)	11,576,715 111,966 0 11,688,681 0 11,688,681 0	11,688,681 109,385 0 0 11,798,066 0 11,798,066	11,798,066 114,107 0 11,912,173 0 11,912,173 0	11,912,173 111,477 0 12,023,649 0 12,023,649 0 0	12,023,649 116,288 0 12,139,938 0 12,139,938 0	12,139,938 117,413 0 12,257,351 0 12,257,351 0 0	12,257,351 114,707 0 12,372,058 0 12,372,058 0	12,372,058 119,658 0 12,491,716 0 12,491,716 0	12,491,716 116,900 0 12,608,616 0 12,608,616 0	12,608,616 121,946 0 12,730,562 0 12,730,562 0	12,730,562 123,126 0 12,853,687 0 12,853,687 0	12,853,687 112,233 0 12,965,921 0 12,965,921 0 0	12,965,921 125,402 0 13,091,322 0 13,091,322 0	13,091,322 122,511 0 13,213,834 0 13,213,834 0	13,213,834 127,800 0 (4,218) 13,337,415 0 13,337,415 4,218	13,337,415 124,814 0 13,462,229 0 13,462,229 0	13,462,229 130,202 0 13,592,431 0 13,592,431 0 0	13,592,431 131,461 0 (59,937) 13,663,955 0 13,663,955 59,937	13,663,955 127,870 0 (52,772) 13,739,053 0 13,739,053 52,772	13,739,053 132,879 0 (52,772) 13,819,160 0 13,819,160 52,772	13,819,160 129,323 0 (115,681) 13,832,801 0 13,832,801 115,681	13,832,801 133,786 0 (108,516) 13,858,072 0 13,858,072 108,516	14,102,888 123,141 0 (1,731,151) 12,494,878 0 12,494,878 1,731,151	6,682,725
Tranche 3 Cash Flow Distribution Splits Tranche 3 Cash Flow to Investors Tranche 3 Cash Flow to Sponsor Promote Tranche 3 Total Cash Flow Distributed		-	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	
Cash Remaining for Distribution		-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,792,386
CF DISTRIBUTION TRANCHE 4 - CF>12%																												
Investors	60.00%	(5,275,432)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5,275,432)
Sponsor	40.00%	(3,516,955)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,516,955)
CASH FLOW DISTRIBUTION SUMMARY																												
Total Project Invested Equily Tranche 1 Tranche 2 (Return of Capital) Tranche 3 Tranche 4 Total XIRR	15.91%	(12,505,954) 8,747,795 12,505,954 9,546,750 8,792,386 27,086,931	(8,808,329) 0 0 0 0 (8,808,329)	(3,697,625) 0 0 0 (3,697,625)	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 4,585 0 0 0 4,585	0 0 0 0 0	0 0 0 0 0	0 65,147 0 0 0 65,147	0 57,359 0 0 0 57,359	0 57,359 0 0 0 57,359	0 125,735 0 0 0 125,735	0 117,947 0 0 0 117,947	0 1,287,644 593,964 0 0 1,881,608	0 43,260 6,488,947 9,546,750 8,792,386 24,871,343
Investors Invested Equity Tranche 1 Tranche 2 (Return of Capital) Tranche 4 Total <i>XIRR</i>	14.20%	(11,505,954) 8,048,304 11,505,954 6,682,725 5,275,432 20,006,461	(8,103,998) 0 0 0 0 (8,103,998)	(3,401,956) 0 0 0 (3,401,956)	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 4,218 0 0 0 4,218	0 0 0 0 0	0 0 0 0 0	0 59,937 0 0 0 59,937	0 52,772 0 0 0 52,772	0 52,772 0 0 0 52,772	0 115,681 0 0 0 115,681	0 108,516 0 0 0 108,516	0 1,184,681 546,470 0 0 1,731,151	0 39,801 5,970,078 6,682,725 5,275,432 17,968,036
Sponsor Promote Invested Equity Tranche 1 Tranche 2 (Return of Capital) Tranche 3 Tranche 4 Total <i>XIRR</i>	26.90%	(1,000,000) 699,490 1,000,000 2,864,025 3,516,955 7,080,470	(704,331) 0 0 0 (704,331)	(295,669) 0 0 0 (295,669)	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 367 0 0 0 367	0 0 0 0 0	0 0 0 0 0	0 5,209 0 0 0 5,209	0 4,587 0 0 0 4,587	0 4,587 0 0 0 4,587	0 10,054 0 0 0 10,054	0 9,431 0 0 0 9,431	0 102,962 47,495 0 0 150,457	0 3,459 518,869 2,864,025 <u>3,516,955</u> 6,903,307