

**The XYZ Retail Center, 123 Main Street**  
**Summary of Retail Property Development Assumptions**

Analysis Shown: 6/3/2013

**BUILDING PROFILE**

Project Name:	<b>The XYZ Retail Center, 123 Main Street</b>		
Lot Acreage	<b>23.00 Acres</b>	Programmed Gross Parking Area	<b>50,000 GSF</b>
Total Gross Building Area Above Grade	<b>250,000 SF</b>	Parking Spots	<b>510 Spots</b>
		Parking Spots/1,000 RSF of Retail	4.25 Spots
Zoning	<b>C-3-C</b>	Useable SF Per Parking Spot	98 SF
Height Limit (Stories)	<b>10 Stories</b>	Garage Floorplate	<b>25,000 SF</b>
Number of Floors	<b>1 Stories</b>	Levels of Parking Required	2.00 Levels
Average Slab to Slab Height	<b>12.00 Feet</b>	Total Storage Space	<b>10,000 SF</b>
Height Limit (Feet)	<b>140 Feet</b>		
Building Height (Feet)	12.0 Feet		
		<b>Above-Grade GSF excluding Parking</b>	<b>250,000 SF</b>
Ground Floor Retail RSF	<b>80,000 RSF</b>	<b>Total Building Gross SF including Parking</b>	<b>300,000 SF</b>
Second Floor Retail RSF	40,000 RSF		
Ground Floor Office	<b>10,000 RSF</b>		
Rentable Office SF	120,000 RSF		
Retail & Office Efficiency Factor	96.00%		

**PROJECT TIMING VARIABLES**

Month #	Date/ Duration	Duration	Month #
Project/Analysis Start Date	1 <b>5/1/2013</b>		
Land Contract Execution	<b>6/1/2013</b>	1st Retail Tenant Rent Commencement	Month 26
Land Deposit Date	6/1/2013	Last Retail Tenant Rent Commencement	Month 46
Land Closing Date	<b>10/1/2013</b>	Post-Construction Leasing	23 Months
Months of Pre-Construction *	5 Months		
Construction Start Date	6 <b>10/1/2013</b>	1st Office Tenant Rent Commencement	Month 26
# of Months of Construction	<b>18 Months</b>	Last Office Tenant Rent Commencement	Month 47
Constr. End/C of O Rcvd	23 4/1/2015	Post-Construction Leasing	24 Months
Total Development Period	23 Months		

\* Starting at Project/Analysis Start Date

**DEVELOPMENT USES OF FUNDS**

<b>Land &amp; Acquisition Costs</b>	<b>5.00% Deposit</b>	<b>14.11%</b>	\$413,043/Acre	<b>\$9,500,000</b>
<b>Parking Space Acquisition Costs</b>	<b>\$5,000/Space</b>			\$2,550,000
<b>Total Hard Costs</b>		<b>57.55%</b>	<b>\$155.04/GSF</b>	\$38,760,000
Retail Hard Costs		37.12%	<b>\$100.00</b>	\$25,000,000
Office Hard Costs		14.85%	\$40.00	<b>\$10,000,000</b>
Owner Directed Hard Costs		0.09%	\$0.24	<b>\$60,000</b>
FF&E		0.00%	\$0.00	<b>\$0</b>
Contingency (Developer)	<b>2.00% of Base Building Hard Costs</b>	1.04%	\$2.80	\$700,000
Retail Tenant Improvements			\$6.00	\$1,500,000
Office Tenant Improvements			\$6.00	\$1,500,000
<b>Total Soft Costs and Fees</b>	<i>25.43% of Base Building Hard Costs</i>	<b>13.22%</b>	\$35.60	<b>\$8,900,000</b>
Soft Costs			<b>\$30.00</b>	\$7,500,000
Retail Leasing Costs		0.00%	\$0.00	\$0
Office Leasing Costs		0.00%	\$0.00	\$0
Developer Fee	<b>2.00% of Base Building Hard Costs</b>	1.04%	\$2.80	\$700,000
CM Fee (Developer)	<b>2.00% of Base Building Hard Costs</b>		\$2.80	\$700,000
<b>Financing Costs excluding any Operating Deficit</b>		<b>10.93%</b>	<b>\$29.46</b>	<b>\$7,364,404</b>
<b>Total Development Cost (Uses of Funds)</b>		<b>99.60%</b>	<b>\$268.30</b>	<b>\$67,074,404</b>
Operating Deficit (Funded by Equity)				\$272,733
<b>Total Development Cost Including Operating Deficit</b>		<b>100.00%</b>	<b>\$269.39 PSF</b>	<b>\$67,347,138</b>

**DEVELOPMENT SOURCES OF FUNDS**

<u>Equity</u>	<i>% of Sponsor Equity</i>	<i>% of Total Equity</i>	Initial Investment	Deficit Share	<i>% of Cost</i>	<b>Total Equity w/Deficits</b>
Sponsor Equity	50.00%	25.00%	<b>\$5,000,000</b>	\$242,152	7.78%	\$5,242,152
Partner Equity	50.00%	25.00%	<b>\$5,000,000</b>	\$242,152	7.78%	\$5,242,152
Third Party Investor Equity		50.00%	<b>\$10,000,000</b>	<b>\$484,304</b>	15.57%	<b>\$10,484,304</b>
Equity Total		100.00%	<b>\$20,000,000</b>	<b>\$968,608</b>	31.14%	<b>\$20,968,608</b>

<u>Debt</u>	Date	<i>% of Cost</i>	Amount
<b>Mezzanine Loan</b>	<b>5/1/2013</b>	<b>10.00% Interest</b>	<b>\$0</b>
Loan Fees - Front End		<b>5.00%</b>	
<b>Senior Loan *</b>		<b>6.00% Interest</b>	<b>\$42,058,088</b>
Mortgage Recording Tax		<b>1.00%</b>	
Loan Fees - Front End		<b>0.50%</b>	
Loan Fees - At Draws		<b>0.50%</b>	
<b>Debt Total</b>		<b>62.45%</b>	<b>\$42,058,088</b>
<b>Property Cash Flow</b>		<b>6.42%</b>	<b>\$4,320,442</b>
<b>Total Sources of Funds</b>		<b>100.00%</b>	<b>\$67,347,138</b>

**The XYZ Retail Center, 123 Main Street**  
**Summary of Retail Property Operating and Sale Assumptions - 6/3/2013**

**CASH FLOW**

Annual OpEx, RE Taxes and CapEx Inflation Factor	<b>0.00%</b>
Annual CapEx Reserve PSF Retail	<b>\$0.20</b>
Annual CapEx Reserve PSF Office	<b>\$0.20</b>

**Retail Use (Multiple Tenants)**

Rentable SF	120,000 RSF
Vacancy	<b>2.50%</b>
Credit Loss	<b>0.00%</b>

**Office Use (Multiple Tenants)**

Rentable SF	120,000 RSF
Vacancy	<b>2.00%</b>
Credit Loss	<b>1.00%</b>

**Daily Public Parking**

% of Monthly Contracts Sold	<b>85%</b>
% of Monthly Contract Spots not utilized per Day	<b>10%</b>
Occupancy Rate on Daily Spaces	<b>90%</b>
Daily Parking Rate	<b>\$0.00</b>
# of Work Days per Year	<b>300</b>
Profit Margin after Operator Costs	<b>60%</b>
Parking Income Escalation	<b>3%</b>

**Vacant Space Assumptions**

Retail Space O&M and RE Tax PSF/Year	<b>\$2/SF/Year</b>
Office O&M and RE Tax PSF/Year	<b>\$2/SF/Year</b>
Storage O&M and RE Tax PSF/Year	<b>\$2/SF/Year</b>
Parking O&M Spot/Year	<b>\$5/Spot/Year</b>

**PERMANENT LOAN REFINANCING OF DEVELOPMENT LOAN(S)**

Last Office Tenant Rent Start	2/1/2017	Month 46	NOI at Point of Refinancing	\$7,594,192
Month # of Refinancing (Enter 0 if None)		<b>Month 48</b>	Maximum Loan Amount *	\$81,783,602
Date of Refinancing		4/1/2017	Amount Borrowed	<b>Maximum Loan Amount</b>
			Principal Amount	\$81,783,602
Term		<b>25 Years</b>	Remaining Senior Loan Principal	\$42,058,088
Amortization Period		<b>25 Years</b>	Excess Proceeds to Equity	\$39,725,514
Interest Rate		<b>5.00%</b>		
Interest Only Period (Enter 0 if None)		<b>0 years</b>	Loan/Broker Fees/Closing Costs	<b>1.0%</b>
Monthly Payment		\$478,099		
New Loan LTC		121.44%		

\* *The Lesser of the two Maximum Loan Proceeds Amounts*

**DISPOSITION**

<u>Retail Asset</u>	<b>Month 96</b>	<u>Office Building Asset</u>	<b>Month 96</b>
Disposition of Retail	4/1/2021	Disposition of Office & Parking	4/1/2021
Sale Date	(Year 7 of operation)	Sale Date	(Year 7 of operation)
Capitalization Rate	<b>9.00%</b>	Capitalization Rate	<b>7.50%</b>
Selling Costs	<b>2.00%</b>	Selling Costs	<b>2.00%</b>
Annual NOI in Month 108:	\$4,256,047	Annual NOI in Month 108:	\$4,061,561
Retail Disposition, Net	\$46,343,627	Office Space Disposition, Net	\$53,071,065

**RETURNS SUMMARY, FROM MONTHLY CASH FLOWS**

Total Equity Invested *	\$20,968,608	<u>Internal Rate of Return</u>	
Going-In NOI	\$7,424,311	Project	31.80%
Going-In Yield	11.02%	Waterfall #1	
Net Cash Flow	\$54,093,287	Developer	37.30%
Multiple on Equity **	3.58x	Third Party Investor	24.19%
Net Present Value	<b>at 7.00%</b> \$31,851,385	Waterfall #2	
		Developer Partner	37.30%
		Sponsor	37.30%

Notes

\* *Includes equity funding of any operating and funding shortfalls.*

\*\* *Ignores the time value of money.*

Capital Structure (bar heights are not to scale)

The XYZ Retail Center, 123 Main Street

	% Equity	% TDC	Equity % TDC	Debt % TDC	Amount **	Total Equity *	Total Debt *	Share of Developer Equity	Deficits Funded by Equity	Equity Investment including Deficit Liabilities		% TDC - Actual %s
Developer Sponsor Equity +	25.00%	9.39%	37.55%		\$5,000,000	\$20,000,000		50.00%	\$968,608	\$5,242,152	Developer Sponsor Equity +	7.78%
Developer Partner Equity +	25.00%	9.39%			50.00%			\$5,242,152		Developer Partner Equity +	7.78%	
Third Party Investor Equity +	50.00%	18.78%			\$10,484,304			Third Party Investor Equity +		15.57%		
Mezzanine Loan		0.00%			\$0				\$20,968,608	Mezzanine Loan	0.00%	
Senior Loan **		62.45%		62.45%	\$42,058,088	\$42,058,088				Senior Loan **	62.45%	
<b>Total Sources of Funds (TDC)</b>	<b>100%</b>	<b>100%</b>			<b>\$63,026,695</b>						Property Cash Flow as Source of Funds	6.42%
<b>Sources of Funds From Above</b>					<b>\$63,026,695</b>							<b>100.00%</b>
<b>Property Cash Flow As Source of Funds</b>					<b>\$4,320,442</b>							
<b>Total Sources of Funds</b>					<b>\$67,347,138</b>							

+ While the equity slices are shown stacked vertically, note that this is simply the graphic representation and does not imply that there is any Preferred equity in the transaction.

\* The Senior Loan Amount on a residual basis after designating the dollar amounts of the other sources of funds.

\*\* Principal Amount includes Funded Interest Reserve and Funded Loan Fees.

^ Equity amounts in this column do not include the pro-rata portion of the Operating and Financing Deficits to be funded by the Equity investors. See Column T for adjusted totals.

Partnership Structure

The XYZ Retail Center, 123 Main Street

Total Required Equity (Purchase + Operation) \$20,968,608 (Includes Operating Deficit Funding)

Sponsor Equity	25.00%	\$5,242,152	50.00%
Developer Partner	25.00%	\$5,242,152	50.00%
Sponsor	50.00%	\$10,484,304	100.00%
Third Party Investor	50.00%	\$10,484,304	
	100.00%	\$20,968,608	

Profit Sharing

Waterfall #1

Partnership Structure	% Total Equity	
Sponsor Equity	50.00%	Profit >>
Investor	50.00%	Sharing >>
Total	100.00%	Splits >>

Note: By its nature, the Preferred Return includes the Return of Capital.

	IRR Hurdle Rates				
	Pref: 5%	Tier 1: 10%	Tier 2: 12%	Tier 3: 15%	Tier 4: > 15%
Sponsor Equity	50.00%	45.00%	42.50%	40.00%	37.50%
Sponsor Promote	0.00%	10.00%	15.00%	20.00%	25.00%
Investor Equity	50.00%	45.00%	42.50%	40.00%	37.50%
	100.00%	100.00%	100.00%	100.00%	100.00%

Waterfall #2

Sponsor Structure	% Sponsor Equity	
Sponsor Equity	50.00%	Profit >>
Developer Partner	50.00%	Sharing >>
Total	100.00%	Splits >>

Note: By its nature, the Preferred Return includes the Return of Capital.

	IRR Hurdle Rates				
	Pref: 8%	Tier 1: 11%	Tier 2: 13%	Tier 3: 16%	Tier 4: > 16%
Sponsor Equity	50.00%	50.00%	50.00%	50.00%	50.00%
Sponsor Promote	0.00%	0.00%	0.00%	0.00%	0.00%
Developer Partner Equity	50.00%	50.00%	50.00%	50.00%	50.00%
	100.00%	100.00%	100.00%	100.00%	100.00%

Annual Summary - Sources and Uses of Funds

The XYZ Retail Center, 123 Main Street

USES OF FUNDS	Data Series Profile	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land and Acquisition Costs	[REDACTED]	\$12,050,000	12,050,000	0	0	0	0	0	0	0	0	0	0	0	0
Retail Hard Costs including Contingency, excluding TIs	[REDACTED]	\$25,000,000	1,625,000	20,625,000	2,750,000	0	0	0	0	0	0	0	0	0	0
Office Hard Costs	[REDACTED]	\$10,000,000	650,000	8,250,000	1,100,000	0	0	0	0	0	0	0	0	0	0
Owner Directed Hard Costs	[REDACTED]	\$60,000	3,900	49,500	6,600	0	0	0	0	0	0	0	0	0	0
FF&E	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Office TIs	[REDACTED]	\$1,500,000	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0
Total Retail TIs	[REDACTED]	\$1,500,000	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0
Total Hard Costs	[REDACTED]	\$38,060,000	2,278,900	28,924,500	6,856,600	0	0	0	0	0	0	0	0	0	0
Tenant Moving Allowance	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Tenant Other CapEx	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail Tenant Other CapEx	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Tenant Leasing Commissions and Other Leasing Costs	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail Tenant Leasing Commissions and Other Leasing Costs	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Fee	[REDACTED]	\$700,000	262,500	350,000	87,500	0	0	0	0	0	0	0	0	0	0
CM Fee	[REDACTED]	\$700,000	262,500	350,000	87,500	0	0	0	0	0	0	0	0	0	0
All Other Soft Costs	[REDACTED]	\$7,500,000	4,500,000	2,475,000	525,000	0	0	0	0	0	0	0	0	0	0
Total Soft Costs	[REDACTED]	\$8,900,000	5,025,000	3,175,000	700,000	0	0	0	0	0	0	0	0	0	0
Soft Costs Contingency	[REDACTED]	\$700,000	45,500	577,500	77,000	0	0	0	0	0	0	0	0	0	0
<b>Subtotal Eligible Development Costs for Senior Loan Funding</b>	[REDACTED]	<b>\$59,710,000</b>	<b>19,399,400</b>	<b>32,677,000</b>	<b>7,633,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing Costs</b>															
Mezzanine Debt Financing			0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Fees - Front End	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service - paid in Cash	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Debt Financing			0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized (funded) Front End Loan Fee	[REDACTED]	\$210,290	0	210,290	0	0	0	0	0	0	0	0	0	0	0
Capitalized (funded) Loan Fees at Loan Draws	[REDACTED]	\$198,550	0	160,382	38,168	0	0	0	0	0	0	0	0	0	0
Capitalized (funded) Loan Interest Reserve	[REDACTED]	\$1,939,247	0	776,921	1,162,327	0	0	0	0	0	0	0	0	0	0
Loan Interest - paid in Cash	[REDACTED]	\$4,595,735	0	0	1,231,088	2,523,485	841,162	0	0	0	0	0	0	0	0
Mortgage Recording Tax - paid in Cash	[REDACTED]	\$420,581	0	420,581	0	0	0	0	0	0	0	0	0	0	0
Total Financing Costs	[REDACTED]	\$7,364,404	0	1,568,174	2,431,583	2,523,485	841,162	0	0	0	0	0	0	0	0
<b>Total Development Costs (TDC) before Operating Deficit</b>	[REDACTED]	<b>\$67,074,404</b>	<b>19,399,400</b>	<b>34,245,174</b>	<b>10,065,183</b>	<b>2,523,485</b>	<b>841,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Deficit</b>	[REDACTED]	<b>(\$272,733)</b>	<b>0</b>	<b>0</b>	<b>(272,733)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Development Costs (TDC)</b>	[REDACTED]	<b>\$67,347,138</b>	<b>19,399,400</b>	<b>34,245,174</b>	<b>10,337,916</b>	<b>2,523,485</b>	<b>841,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Revenue Less Interest (from Cash Flow Tab) &gt;&gt;&gt;&gt;&gt;</b>	[REDACTED]	<b>\$108,870,640</b>	<b>0</b>	<b>(420,581)</b>	<b>(530,655)</b>	<b>612,231</b>	<b>2,703,937</b>	<b>1,860,477</b>	<b>2,114,200</b>	<b>2,306,076</b>	<b>100,224,955</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SOURCES OF FUNDS</b>															
<b>Developer Sponsor Equity</b>															
Direct Project Costs Draw	[REDACTED]	\$5,000,000	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Operating Deficit Draw	[REDACTED]	\$242,152	0	105,145	137,007	0	0	0	0	0	0	0	0	0	0
Post-Refinancing Development Costs Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refinancing Shortfall Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Sponsor Total Funding	[REDACTED]	\$5,242,152	5,000,000	105,145	137,007	0	0	0	0	0	0	0	0	0	0
<b>Developer Partner Equity</b>															
Direct Project Costs Draw	[REDACTED]	\$5,000,000	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Operating Deficit Draw	[REDACTED]	\$242,152	0	105,145	137,007	0	0	0	0	0	0	0	0	0	0
Post-Refinancing Development Costs Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refinancing Shortfall Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Partner Total Funding	[REDACTED]	\$5,242,152	5,000,000	105,145	137,007	0	0	0	0	0	0	0	0	0	0
<b>Third Party Investor Equity</b>															
Direct Project Costs Draw	[REDACTED]	\$10,000,000	9,399,400	600,600	0	0	0	0	0	0	0	0	0	0	0
Operating Deficit Draw	[REDACTED]	\$484,304	0	210,290	274,013	0	0	0	0	0	0	0	0	0	0
Post-Refinancing Development Costs Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refinancing Shortfall Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Third Party Investor Total Funding	[REDACTED]	\$10,484,304	9,399,400	810,890	274,013	0	0	0	0	0	0	0	0	0	0
<b>Total Equity Draws</b>	[REDACTED]	<b>\$20,968,608</b>	<b>19,399,400</b>	<b>1,021,181</b>	<b>548,027</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Mezzanine Loan</b>															
Direct Project Costs Draw	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Fees - Front End	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Interest Payments	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayment from Cash Flow	[REDACTED]	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Senior Loan</b>															
Direct Project Costs Draw	[REDACTED]	\$39,710,000	0	32,076,400	7,633,600	0	0	0	0	0	0	0	0	0	0
Loan Fees - Front End	[REDACTED]	\$210,290	0	210,290	0	0	0	0	0	0	0	0	0	0	0
Loan Fees - At Loan Draws	[REDACTED]	\$198,550	0	160,382	38,168	0	0	0	0	0	0	0	0	0	0
Funded Interest Reserve	[REDACTED]	\$1,939,247	0	776,921	1,162,327	0	0	0	0	0	0	0	0	0	0
Cash Interest Payments, if any	[REDACTED]	\$4,595,735	0	0	1,231,088	2,523,485	841,162	0	0	0	0	0	0	0	0
Repayment from Disposition and/or Refinancing	[REDACTED]	(\$42,058,088)	0	0	0	0	(42,058,088)	0	0	0	0	0	0	0	0
<b>Sources of Funds after Deficits and Late Development Cost Funding</b>		<b>\$67,347,138</b>	<b>19,399,400</b>	<b>34,245,174</b>	<b>10,337,916</b>	<b>2,523,485</b>	<b>841,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Annual Summary - Cash Flow

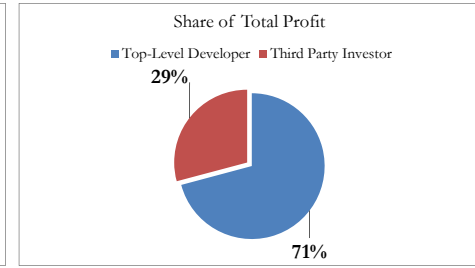
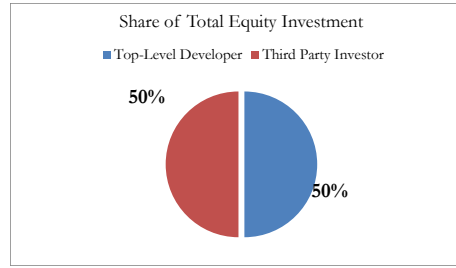
The XYZ Retail Center, 123 Main Street

		Data Series Profile	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
<b>OFFICE</b>	Office, Parking and Other Gross Potential Rent		\$26,658,538	0	0	1,575,000	2,834,344	3,945,970	4,082,689	4,172,575	4,264,452	4,329,759	1,453,749	0	0	0	
	Plus Vacancy		(\$533,171)	0	0	(31,500)	(56,687)	(78,919)	(81,654)	(83,452)	(85,289)	(86,595)	(29,075)	0	0	0	
	Less Free Rent		(\$809,971)	0	0	(550,000)	(127,813)	(65,344)	(66,814)	0	0	0	0	0	0	0	0
	Daily Public Parking Net Operating Income		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Office, Ofc. Parking and Public Parking Rental Income		\$25,315,396	0	0	993,500	2,649,844	3,801,706	3,934,221	4,089,124	4,179,163	4,243,163	1,424,674	0	0	0	
	Total Expense Reimbursements		\$2,209,002	0	0	175,000	304,500	310,590	316,802	323,138	329,601	336,193	113,179	0	0	0	0
	Gross Income		\$27,524,398	0	0	1,168,500	2,954,344	4,112,296	4,251,023	4,412,262	4,508,764	4,579,356	1,537,853	0	0	0	0
	Plus Credit Loss		(\$266,585)	0	0	(15,750)	(28,343)	(39,460)	(40,827)	(41,726)	(42,645)	(43,298)	(14,537)	0	0	0	0
	<b>Total Operating Income</b>		\$27,257,813	0	0	1,152,750	2,926,001	4,072,836	4,210,196	4,370,536	4,466,119	4,536,058	1,523,316	0	0	0	0
	Less Total O & M and Real Estate Taxes		\$2,290,077	0	0	226,867	307,833	315,387	321,666	328,002	334,465	341,057	114,801	0	0	0	0
Less Office Building Capital Expenditure Reserve		\$518,000	0	0	0	18,000	42,000	66,000	90,000	114,000	138,000	50,000	0	0	0	0	
<b>Office NOI after CapEx Reserve</b>		\$24,449,736	0	0	925,883	2,600,168	3,715,449	3,822,530	3,952,534	4,017,655	4,057,002	1,358,515	0	0	0	0	
<b>RETAIL</b>	Retail Gross Potential Rent		\$27,704,982	0	0	583,333	1,484,167	4,562,025	4,671,886	4,784,502	4,899,947	5,018,292	1,700,830	0	0	0	
	Plus Vacancy		(\$692,625)	0	0	(14,583)	(37,104)	(114,051)	(116,797)	(119,613)	(122,499)	(125,457)	(42,521)	0	0	0	
	Less Free Rent		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Retail and Retail Parking Rental Income		\$27,012,357	0	0	568,750	1,447,063	4,447,974	4,555,089	4,664,890	4,777,448	4,892,835	1,658,309	0	0	0	
	Total Expense Reimbursements		\$3,095,189	0	0	116,667	322,000	442,784	467,879	493,477	519,586	546,218	186,578	0	0	0	0
	Gross Income		\$30,107,546	0	0	685,417	1,769,063	4,890,758	5,022,968	5,158,367	5,297,034	5,439,053	1,844,887	0	0	0	0
	Plus Credit Loss		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Operating Income</b>		\$30,107,546	0	0	685,417	1,769,063	4,890,758	5,022,968	5,158,367	5,297,034	5,439,053	1,844,887	0	0	0	0
	Less Total O & M and Real Estate Taxes		\$8,872,970	0	0	910,867	1,233,513	1,236,318	1,247,835	1,259,515	1,271,428	1,283,579	429,915	0	0	0	0
	Less Retail Capital Expenditure Reserve		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Retail NOI after CapEx Reserve</b>		\$21,234,576	0	0	(225,450)	535,549	3,654,440	3,775,133	3,898,852	4,025,607	4,155,474	1,414,972	0	0	0	0
	<b>Net Revenue Before Debt Service</b>		\$136,835,699	0	0	700,433	3,135,717	7,369,889	7,597,663	7,851,386	8,043,261	102,137,350	0	0	0	0	0
	Total Cash Debt Service Expense *		\$27,965,058	0	420,581	1,231,088	2,523,485	4,665,952	5,737,186	5,737,186	5,737,186	1,912,395	0	0	0	0	0
	<b>Plus Capital Events</b>																
	Office Building and Parking Sale, Net		\$53,071,065	0	0	0	0	0	0	0	0	53,071,065	0	0	0	0	
	Retail Condominium Sale, Net		\$46,343,627	0	0	0	0	0	0	0	0	46,343,627	0	0	0	0	
	<b>Total Capital Events Revenue, Net</b>		\$99,414,692	0	0	0	0	0	0	0	0	99,414,692	0	0	0	0	
<b>Net Revenue After Debt Service</b>		\$108,870,640	0	(420,581)	(530,655)	612,231	2,703,937	1,860,477	2,114,200	2,306,076	100,224,955	0	0	0	0	0	
<b>Financing Cash Flows **</b>																	
Sponsor Equity Draw		(\$5,000,000)	(5,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operating and Financing Deficits Draw		(\$242,152)	0	(105,145)	(137,007)	0	0	0	0	0	0	0	0	0	0	0	
Refinancing Shortfall Draw		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Late Development Cost Draws		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Developer Partner Equity Draw		(\$5,000,000)	(5,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operating and Financing Deficits Draw		(\$242,152)	0	(105,145)	(137,007)	0	0	0	0	0	0	0	0	0	0	0	
Refinancing Shortfall Draw		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Late Development Cost Draws		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Third Party Investor Equity Draw		(\$10,000,000)	(9,399,400)	(600,600)	0	0	0	0	0	0	0	0	0	0	0	0	
Operating and Financing Deficits Draw		(\$484,304)	0	(210,290)	(274,013)	0	0	0	0	0	0	0	0	0	0	0	
Refinancing Shortfall Draw		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Late Development Cost Draws		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue Paid Towards Late Development Costs		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mezzanine Loan Draw		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Senior Loan Draw		\$39,710,000	0	32,076,400	7,633,600	0	0	0	0	0	0	0	0	0	0	0	
Senior Loan Repayment		(\$42,058,088)	0	0	0	0	(42,058,088)	0	0	0	0	0	0	0	0	0	
Mezzanine Loan Repayment		\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Permanent Loan Proceeds		\$81,783,602	0	0	0	0	81,783,602	0	0	0	0	0	0	0	0	0	
Permanent Loan Repayment from Retail Condominium Sale		(\$46,343,627)	0	0	0	0	0	0	0	0	(46,343,627)	0	0	0	0		
Permanent Loan Repayment from Office Building Sale *		(\$28,159,241)	0	0	0	0	0	0	0	0	(28,159,241)	0	0	0	0		
<b>Project Levered Cash Flow</b>		\$54,093,287	(19,399,400)	(1,021,181)	(530,655)	612,231	42,429,451	1,860,477	2,114,200	2,306,076	25,722,087	0	0	0	0	0	

Joint Venture Return Detail

The XYZ Retail Center, 123 Main Street

	Sponsor	Developer Partner	Third Party Investor	Total Project	Top-Level Developer (Sponsor and Partner)
Equity Investment	\$5,242,152	\$5,242,152	\$10,484,304	<b>\$20,968,608</b>	\$10,484,304
Share of Equity Investment	25.00%	25.00%	50.00%	100.00%	50.00%
Gross Return	\$24,408,196	\$24,408,196	\$26,245,502	<b>\$75,061,895</b>	\$48,816,393
Net Profit (Return on Equity)	\$19,166,045	\$19,166,045	\$15,761,198	<b>\$54,093,287</b>	\$38,332,089
Multiple on Equity	4.66x	4.66x	2.50x	<b>3.58x</b>	4.66x
Internal Rate of Return	37.30%	37.30%	24.19%	<b>31.80%</b>	37.30%
Time from Equity Investment to Final Return (months)	96	96	96	<b>96</b>	96

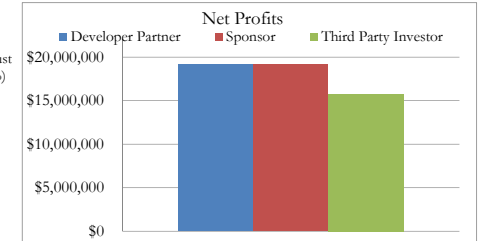


Waterfall #1 Summary - Top-Level Developer and Third Party Investor

Tier	Developer (Sponsor and Partner) Cashflow	Developer Share	Third Party Investor Cashflow	Third Party Investor Share	Total Cashflow
Tier 1	\$12,367,197	50%	\$12,367,197	50%	\$24,734,394
Tier 2	\$3,173,543	60%	\$2,115,695	40%	\$5,289,238
Tier 3	\$1,699,412	65%	\$915,068	35%	\$2,614,480
Tier 4	\$3,382,344	70%	\$1,449,576	30%	\$4,831,920
Tier 5	\$28,193,897	75%	\$9,397,966	25%	\$37,591,862
<b>Total</b>	<b>\$48,816,393</b>	<b>65%</b>	<b>\$26,245,502</b>	<b>35%</b>	<b>\$75,061,895</b>
Less Equity Investment	(\$10,484,304)	50%	(\$10,484,304)	50%	(\$20,968,608)
<b>Net Profit (Return on Equity)</b>	<b>\$38,332,089</b>	<b>71%</b>	<b>\$15,761,198</b>	<b>29%</b>	<b>\$54,093,287</b>

Waterfall #1 Structure - Top-Level Developer and Third Party Investor

IRR Hurdle Ranges	Developer Promote	Developer Equity Pro-Rata Share	Investor Profit Share	Total (must be 100%)
Preferred Return	0%	50%	50%	100%
Tier 1	0% through 5%	10%	40%	100%
Tier 2	Above 5% through 10%	15%	35%	100%
Tier 3	Above 10% through 12%	20%	30%	100%
Tier 4	Above 12% through 15%	25%	25%	100%

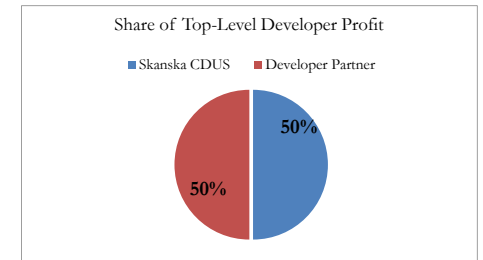
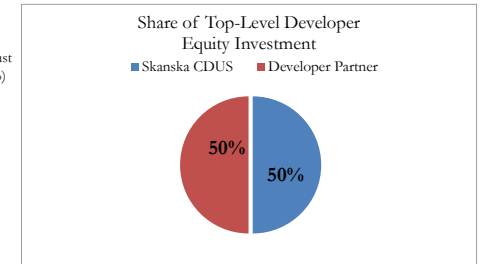


Waterfall #2 Summary - Sponsor and Developer Partner

Tier	Sponsor Cashflow	Sponsor Share	Partner Cashflow	Partner Share	Total Cashflow
Tier 1	\$6,888,862	50%	\$6,888,862	50%	\$13,777,724
Tier 2	\$706,056	50%	\$706,056	50%	\$1,412,112
Tier 3	\$499,323	50%	\$499,323	50%	\$998,646
Tier 4	\$793,603	50%	\$793,603	50%	\$1,587,207
Tier 5	\$15,520,352	50%	\$15,520,352	50%	\$31,040,705
<b>Total</b>	<b>\$24,408,196</b>	<b>50%</b>	<b>\$24,408,196</b>	<b>50%</b>	<b>\$48,816,393</b>
Less Equity Investment	(\$5,242,152)	50%	(\$5,242,152)	50%	(\$10,484,304)
<b>Net Profit (Return on Equity)</b>	<b>\$19,166,045</b>	<b>50%</b>	<b>\$19,166,045</b>	<b>50%</b>	<b>\$38,332,089</b>

Waterfall #2 Structure - Sponsor and Developer Partner

IRR Hurdle Ranges	Sponsor Promote	Sponsor Equity Pro-Rata Share	Partner Profit Share	Total (must be 100%)
Preferred Return	0%	50%	50%	100%
Tier 1	0% through 8%	11%	50%	100%
Tier 2	Above 8% through 11%	13%	50%	100%
Tier 3	Above 11% through 13%	16%	50%	100%
Tier 4	Above 13% through 16%	16%	50%	100%



Waterfall #1 Check	\$0
Waterfall #2 Check	\$0