

Washington Ave. Apartments
Clearwater FL

PROJECT SUMMARY: 18 Units @ 80% of AMI, 49 Units @ 100% of AMI & 104 Units @ 120% of AMI

Units

171

Proforma Date

9/9/2020

PROJECT INFORMATION

| | |
|---------------------------|----------------------------|
| Project Name | Washington Ave. Apartments |
| City, State | Clearwater FL |
| Address | 213 Washington Street |
| County | Clearwater FL |
| Number of Units | 171 |
| Construction Type | Frame |
| Project Type | New Construction |
| # of Buildings With Units | 1 |
| Demographic | Family |
| Section 8? (Yes/No) | No |

INPUTS

| | |
|---------------------|-----|
| Bond Deal (Yes/No) | No |
| Dev Fee NC | 10% |
| Deferred Dev Fee NC | 50% |
| Management Fee | 5% |
| GC Fee | 5% |
| Hard Cost Conting | 5% |
| Vacancy | 7% |
| Rent Escalator | 2% |
| Expense Escalator | 3% |
| Residual Cap Rate | NA |

OPERATING BUDGET SUMMARY 2022 (SEE DETAIL IN OP EXP TAB)

| Inflator | Mgt. Fee 1.02 | 1.03 | 1.03 | 1.03 |
|----------------------|---------------|-----------|-----------|-----------|
| Inflated Years | 2020 | 2021 | 2022 | 2023 |
| Payroll & Related | 233,717 | 240,728 | 247,950 | 255,389 |
| Maintenance & Sec | 112,829 | 116,214 | 119,700 | 123,291 |
| Administrative | 78,236 | 80,583 | 83,000 | 85,490 |
| Management Fee - | 134,621 | 138,660 | 142,820 | 147,105 |
| RE Taxes | 193,420 | 199,223 | 205,200 | 211,356 |
| Utilities - Electric | 56,415 | 58,107 | 59,850 | 61,646 |
| Utilities - Water & | 128,948 | 132,816 | 136,800 | 140,904 |
| Utilities - Trash | 30,701 | 31,622 | 32,571 | 33,548 |
| Insurance | 142,486 | 146,761 | 151,164 | 155,699 |
| Totals Exp. | 1,111,373 | 1,144,714 | 1,179,055 | 1,214,428 |
| Expenses per DU | 5,792 | 6,694 | 6,895 | 7,102 |
| Replacement Reser | 42,714 | 43,995 | 45,315 | 46,674 |
| Totals | 1,154,087 | 1,188,709 | 1,224,370 | 1,261,102 |

DEVELOPMENT TEAM

| | |
|--------------------|----------------------------|
| Developer | SP Clearwater WFH LLC |
| Partnership/Owner | SP Clearwater WFH LLC |
| Managing Member: | J. David Page |
| General Contractor | Cambridge Management Inc |
| | Wichman Construction, Inc. |

UTILITY ALLOWANCE CALCULATIONS

| Inflator 1.03 | IBR | 2BR |
|------------------|-----|-----|
| 2020 80% HOME UA | 94 | 113 |
| 2021 80% HOME UA | 97 | 116 |
| 2022 80% HOME UA | 100 | 120 |
| 2023 80% HOME UA | 103 | 124 |

DEVELOPMENT TIMING

| Closing | 7/1/2021 | Days | Project Parking Uses and Rates per Month | Rate Per Mo. | Vacancy % | Garage Stalls: |
|-----------------|------------|------|--|--------------|-----------|----------------------|
| 25% Complete | 10/29/2021 | 120 | Garage Stalls | 2022 | 2022 | Tenant Pkg |
| 50% Complete | 2/26/2022 | 120 | Surface Covered Stalls | | | Tenant Covered |
| 75% Complete | 6/26/2022 | 120 | Total Parking | | | Public Pkg |
| First Bldg Occ. | 9/24/2022 | 90 | Tenant Garage | \$110 | 5% | Washer Dryer Rentals |
| Completion/CO | 12/23/2022 | 90 | Tenant Covered Surf. | \$95 | 10% | Tenant Charges |
| 93% Occupied | 3/23/2023 | 90 | Public/Staff Cov. Surf | \$95 | 35% | Other Income |
| Stabilization | 6/21/2023 | 90 | Uber/Lyft stalls | \$0 | 0% | Total Other Inc./1 |
| Total Days | 720 | | Total Parking | 275 | | Parking Count: |
| 99% Complete | 9/24/2022 | | Days to 93% Stabilized Occupancy | | | Parking Garage |
| | | | | | | Surface Covered |
| | | | | | | State-Visitor |

AMI AND MARKET RENT 2022 RENT CALCULATION - RENT INFLATOR 1.02

| Unit Type-AMI Setaside | 2020 AMI Rents | Rent Esc | 2021 AMI Rents | 2022 AMI Rents | 2023 AMI Rents | 2022 Utility Allow | 2020 Mkt. Rents | 2021 Mkt. Rents | 2022 Mkt. Rents | 2023 Mkt. Rents |
|------------------------|----------------|----------|----------------|----------------|----------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| IBR @ Low Home 50% | \$660 | 1.02 | \$673 | \$686 | \$700 | \$100 | \$1,298 | \$1,324 | \$1,350 | \$1,377 |
| IBR @ High Home 50% | \$838 | 1.02 | \$855 | \$872 | \$889 | \$100 | \$1,298 | \$1,324 | \$1,350 | \$1,377 |
| IBR @ County 80% | \$1,055 | 1.02 | \$1,076 | \$1,098 | \$1,120 | \$0 | \$1,298 | \$1,324 | \$1,350 | \$1,377 |
| IBR @ County 100% | \$1,320 | 1.02 | \$1,346 | \$1,373 | \$1,400 | \$0 | \$1,298 | \$1,324 | \$1,350 | \$1,377 |
| IBR @ County 120% | \$1,584 | 1.02 | \$1,616 | \$1,648 | \$1,681 | \$0 | \$1,298 | \$1,324 | \$1,350 | \$1,377 |
| 2BR @ Low Home 50% | \$791 | 1.02 | \$807 | \$823 | \$839 | \$120 | \$1,490 | \$1,520 | \$1,550 | \$1,581 |
| 2BR @ High Home 50% | \$1,007 | 1.02 | \$1,027 | \$1,048 | \$1,069 | \$120 | \$1,490 | \$1,520 | \$1,550 | \$1,581 |
| 2BR @ CNY 80% | \$1,266 | 1.02 | \$1,291 | \$1,317 | \$1,343 | \$0 | \$1,490 | \$1,520 | \$1,550 | \$1,581 |
| 2BR @ CNY 100% | \$1,582 | 1.02 | \$1,614 | \$1,646 | \$1,679 | \$0 | \$1,490 | \$1,520 | \$1,550 | \$1,581 |
| 2BR @ CNY 120% | \$1,899 | 1.02 | \$1,937 | \$1,976 | \$2,016 | \$0 | \$1,490 | \$1,520 | \$1,550 | \$1,581 |

RENT SCHEDULE

| BR Type | # Units | AMI % | HVAC SF | 2022 Gross Rents | 2022 Mkt. Rents | 2022 UW Rents | % of Mkt | Rent/SF | Monthly Rev | Annual Rev |
|---------------------|---------|-------|---------|------------------|-----------------|---------------|----------|---------|-------------|-------------|
| IBR @ Low Home 50% | 1 | 50% | 725 | \$686 | \$1,350 | 587 | 43.48% | \$0.81 | \$587 | \$7,044 |
| IBR @ High Home 50% | 3 | 80% | 725 | \$1,098 | \$1,350 | 772 | 57.19% | \$1.06 | \$2,316 | \$27,792 |
| 1 BDRM County 80% | 3 | 80% | 725 | \$1,373 | \$1,350 | 1,098 | 81.33% | \$1.51 | \$3,294 | \$39,528 |
| 1 BDRM County 100% | 17 | 100% | 725 | \$1,648 | \$1,350 | 1,350 | 100.00% | \$1.86 | \$22,950 | \$275,400 |
| 1 BDRM County 120% | 33 | 120% | 725 | \$1,976 | \$1,350 | 1,350 | 100.00% | \$1.86 | \$44,550 | \$534,600 |
| 2BR @ Low Home 50% | 1 | 80% | 925 | \$1,048 | \$1,550 | 928 | 45.35% | \$0.76 | \$703 | \$8,436 |
| 2BR @ High Home 50% | 6 | 80% | 925 | \$1,317 | \$1,550 | 1,317 | 59.87% | \$1.42 | \$5,268 | \$63,216 |
| 2 BDRM County 80% | 4 | 80% | 925 | \$1,646 | \$1,550 | 1,550 | 100.00% | \$1.68 | \$49,600 | \$595,200 |
| 2 BR-2B County 100% | 32 | 100% | 925 | \$1,976 | \$1,550 | 1,550 | 100.00% | \$1.68 | \$110,050 | \$1,320,600 |
| 2 BR-2B County 120% | 71 | 120% | 925 | \$2,016 | \$1,550 | 1,550 | 100.00% | \$1.68 | \$244,886 | \$2,936,632 |
| | 171 | | | 858 | | 1,432 | | | | |

(1) 80% HOME Rents have estimated 2022 1B U/A \$100 and 2B U/A \$120.

SOURCES AND USES OF FUNDS

Washington Ave. Apartments
Clearwater FL

| Units |
|-------|
| 171 |

| SOURCES OF FUNDS | | | | | |
|-------------------------------------|------------------|----------------------|------------------|----------------------|--|
| SOURCES | PER UNIT | CONST. PERIOD | PER UNIT | PERMANENT PERIOD | |
| Equity | \$ 18,421 | \$ 3,150,000 | \$ 18,421 | \$ 3,150,000 | |
| mlp First Mortgage | 137,238 | \$23,467,723 | 152,865 | 26,139,859 | |
| CRA Investment - Land Lease Sale | 20,000 | \$3,420,000 | 20,000 | 3,420,000 | |
| City Home Loan | 5,146 | \$880,000 | 5,146 | 880,000 | |
| Brownfield Sales Tax Exemption | - | \$0 | 585 | 100,000 | |
| CDBG/Other City Grant | 4,678 | \$800,000 | 4,678 | 800,000 | |
| Penny IV Economic Development Grant | 12,865 | 2,200,000 | 12,865 | 2,200,000 | |
| Deferred Fee - 50% | - | 0 | 10,217 | 1,747,136 | |
| TOTAL SOURCES | \$198,349 | \$ 33,917,723 | \$224,778 | \$ 38,436,995 | |

| USES OF FUNDS | | | | | |
|----------------------------------|------------------|----------------------|------------------|----------------------|--|
| USES | PER UNIT | CONST. PERIOD | PER UNIT | PERMANENT PERIOD | |
| Construction Costs & Contingency | \$ 167,544 | 28,649,990 | \$ 167,544 | 28,649,990 | |
| Financial Costs | 12,911 | 2,207,755 | 12,911 | 2,207,755 | |
| General Development Costs | 17,427 | 2,979,978 | 17,427 | 2,979,978 | |
| Legal & Audit Costs | 468 | 80,000 | 614 | 105,000 | |
| ODR | - | 0 | 5,848 | 1,000,000 | |
| Developer Fee | - | 0 | 20,434 | 3,494,272 | |
| TOTAL USES OF FUNDS | \$198,350 | \$ 33,917,723 | \$224,778 | \$ 38,436,995 | |

DETAILED DEVELOPMENT BUDGET

| | | | | | |
|--|--|--|---------------|---------------------|-----------------|
| Washington Ave. Apartments | | | | | |
| Clearwater FL | | | | | |
| CONSTRUCTION COSTS | | | | Units | 171 |
| | | | | TOTAL | PER UNIT |
| Hard Costs Apartments | | | | 21,256,475 | 124,307 |
| Hard Costs Garage | | | | 3,257,772 | 19,051 |
| Total Hard Costs | | | | 24,514,247 | 143,358 |
| Builders Overhead | | | 2.00% | 491,865 | 2,876 |
| Gen. Cond. - Includes Testing & Surveys | | | 2.50% | 613,851 | 3,590 |
| TOTAL COSTS | | | | 25,619,963 | 149,824 |
| Builder's Profit | | | 5.00% | 1,280,998 | 7,491 |
| TOTAL CONSTRUCTION CONTRACT | | | | 26,900,961 | 157,315 |
| Construction Contingency | | | 5.00% | 1,345,048 | 7,866 |
| TOTAL CONSTRUCTION COST & CONTINGENCY | | | | 28,246,009 | 165,181 |
| OTHER CONTRACTOR COSTS | | | | | |
| Wichman PP Bond | | | 0.65% | 169,476 | 991 |
| Wichman Liability Insurance | | | 0.50% | 134,505 | 787 |
| Wichman Builders Risk 18 mos. | | | | 100,000 | 585 |
| TOTAL OTHER CONTRACTOR COSTS | | | | 403,981 | 2,362 |
| TOTAL CONSTRUCTION COST, CONTINGENCY & CONTRACTOR OTHER COSTS | | | | 28,649,990 | 167,543 |
| FINANCIAL COSTS | | | | | |
| Loan Application Fee | | | \$ 26,139,859 | 7,500 | 44 |
| Loan Processing Fee | | | | 1,000 | 6 |
| Const Loan Orig | | | 1.00% | 261,399 | 1,529 |
| Perm Loan Orig | | | 1.00% | 261,399 | 1,529 |
| Const Monitoring per 18 mos. | | | \$ 2,500 | 45,000 | 263 |
| Closing Costs | | | | | |
| Lender Legal | | | | 40,000 | |
| Perm Loan Closing Costs | | | | 21,500 | 126 |
| Mortgage Recording Cost | | | | 91,490 | |
| Capitalized Interest - 24 Month: See Debt Assumptions Tab | | | | 1,478,467 | 8,646 |
| TOTAL FINANCIAL COSTS | | | | 2,207,755 | 12,093 |
| GENERAL DEVELOPMENT COSTS | | | | | |
| Legal & Audit | | | | | |
| Borrowers Counsel | | | | 30,000 | 175 |
| Pinellas County Legal Counsel | | | | 30,000 | 175 |
| City of Clearwater Legal Counsel | | | | 25,000 | 146 |
| Accounting: Audit Tax Return | | | | 20,000 | 117 |
| Subtotal Legal & Audit | | | | 105,000 | 614 |
| Architect & Engineering | | | | | |
| Architect - Apartment & Garage Design | | | | 585,760 | 3,425 |
| Architect - CA 18 Mos. Garage & Apartments | | | | 90,000 | 526 |
| Architect - Landscape | | | | 30,000 | 175 |
| Civil Engineering Design | | | | 100,000 | 585 |
| Civil Engineering Construction Supervision | | | | 10,000 | 58 |
| Soils, Geotech | | | | 16,300 | 95 |
| Subtotal Architect & Engineering | | | | 832,060 | 4,866 |
| Other Development Costs | | | | | |
| Market Study | | | | 6,000 | 35 |
| Appraisal | | | | 7,500 | 44 |
| Building Permits | | | 0.80% | 204,960 | 1,199 |
| ALTA Boundary and Topo Survey | | | | 6,000 | 35 |
| Phase I ESA | | | | 2,500 | 15 |
| Impact Fees & Water Connection (\$5,373/DU) | | | | 918,848 | 5,373 |
| Regional Retention Pond Connection Fee | | | | 100,000 | 585 |
| Utility Connection Fees | | | | 273,600 | 1,600 |
| Marketing Cost | | | | 100,000 | 585 |
| Title/Recording Fees - NIC Mortgage Recording Tax in Finance Cost | | | | 78,510 | 459 |
| Threshold Inspections, Material Testing & Water Proofing Inspections | | | | 150,000 | 877 |
| Soft Cost Contingency | | | | 100,000 | 585 |
| FF&E | | | | 200,000 | 1,170 |
| Subtotal Other Development Costs | | | | 2,147,918 | 12,561 |
| TOTAL GENERAL DEVELOPMENT COSTS | | | | 3,084,978 | 18,041 |
| Reserves | | | | | |
| Reserves - ODR | | | | 1,000,000 | 5,848 |
| TOTAL GENERAL DEVELOPMENT COSTS PLUS RESERVES | | | | 6,292,733 | 36,800 |
| LAND LEASE DURING CONSTRUCTION PERIOD | | | | | |
| Land Lease Payment Const. Period \$0.00 | | | | 0 | 0 |
| TOTAL DEVELOPMENT COST BEFORE DEVELOPER FEE | | | | 34,942,723 | 204,343 |
| DEVELOPER FEE | | | 10% | 3,494,272 | 20,434 |
| TOTAL DEVELOPMENT FEE - 50% DEFERRED | | | | 3,494,272 | 20,434 |
| TOTAL DEVELOPMENT COSTS | | | | \$38,436,995 | 224,778 |

OPERATING BUDGET PROJECTIONS AS STABILIZED 2022 PROFORMA

Washington Ave. Apartments

Clearwater FL

Units

171

PUPA

INCOME

| | | | |
|--------------------------------|-------|------------------|---------------|
| Potential Rental Income | | 2,938,632 | 17,185 |
| Less: Vacancy/Collection Loss | 7.00% | -205,704 | -1,203 |
| Effective Rental Income | | 2,732,928 | 15,982 |

| | Occupancy % | | |
|---|-------------|------------------|---------------|
| 191 Tenant GarageStalls @ \$110 ea./mo. Occupancy @ | 95% | 247,044 | 1,445 |
| 35 Covered Tenant Surface Stalls @ \$95 ea./mo. Occupancy @ | 90% | 35,916 | 210 |
| 40 Public/Staff Parking Stalls @ \$95 ea./mo. Occupancy @ | 65% | 29,640 | 173 |
| Tenant Charges - Per Mo. @ 93% Occupancy | \$ 10 | 19,080 | 112 |
| Total Other Income - per Mo. @ 93% Occupance | \$ 8 | 15,264 | 89 |
| Total Other Income | | 346,944 | 2,029 |
| TOTAL EFFECTIVE INCOME | | 3,079,872 | 18,011 |

Variable Expenses

| | | |
|-----------------------------------|----------------|--------------|
| Payroll (Incl Mait, Tx, Benefits) | 247,950 | 1,450 |
| Maintenance-Security Costs | 119,700 | 700 |
| Administrative/Compliance | 93,000 | 544 |
| SUBTOTAL VARIABLE EXPENSES | 460,650 | 2,694 |

Fixed Expenses

| | | | |
|---|-------|----------------|--------------|
| Management Fee - 5% of Rent Income - 1% Subord. to D! | 5.00% | 142,820 | 835 |
| Real Estate Taxes | | 171,000 | 1,000 |
| Utilities - House Electric | | 66,950 | 392 |
| Utilities - Water & Sewer | | 153,900 | 900 |
| Utilities - Trash | | 32,571 | 190 |
| Insurance (Property/Liability) | | 151,164 | 884 |
| SUBTOTAL FIXED EXPENSES | | 718,405 | 4,201 |

| | | |
|---------------------------------|------------------|--------------|
| TOTAL OPERATING EXPENSES | 1,179,055 | 6,895 |
|---------------------------------|------------------|--------------|

| | | |
|-----------------------------|--------------------|---------------|
| NET OPERATING INCOME | \$1,900,817 | 11,116 |
|-----------------------------|--------------------|---------------|

| | | | |
|--|------------------|------------------|---------------|
| R/R Contribution | | 45,315 | 265 |
| Land Lease Annual Payment | | 34,200 | 200 |
| Adjusted Net Operating Income | | 1,821,302 | 10,651 |
| Debt Service - Must Pay Minimum DSC @ 5.00% Rate | 1.219 | 1,494,504 | 1,219 |
| City Home Loan Payment Subord. To First Mortgage | 1.211 | 10,000 | 58 |
| Less Debt Service | 1.211 | 1,504,504 | 8,798 |
| Cash Flow Available for Equity | 3,150,000 | 316,798 | 10.06% |

WASHINGTON APARTMENTS DEBT ASSUMPTIONS

| | | | | |
|-------------------------------------|--|--------------------|------------------------------|--------------|
| Washington Ave. Apartments | | Units | | |
| Clearwater FL | | 171 | | |
| CONSTRUCTION-PERMANENT DEBT | | | | |
| Permanent 1st Mortgage | | | CONSTRUCTION PERIOD INTEREST | |
| Program | | Conventional Loan | Loan Amount | \$23,467,723 |
| Lender Name | | NLP | Annual Interest Rate | 4.50% |
| Loan Amount | | \$26,139,859 | Monthly Rate | 0.3750% |
| Loan Amount/Unit | | \$152,864.67 | Amortizing (Yes/No) | No |
| Interest Rate (3.5% per ME 6/4/19) | | 4.50% | Term in Months | 24 |
| Amortizing (Yes/No) | | Yes | Average Balance | 70% |
| Amortization Period (Yrs) | | 35 | Construction Interest | \$1,478,467 |
| Term (Yrs) | | 15 | | |
| Funds at? | | Closing | | |
| Mo. Debt Service 1st Mtg. | | \$123,709 | | |
| Home Loan Mo. Debt Service | | \$833 | | |
| Annual Debt Service Payments | | \$1,494,504 | | |
| Adjusted Net Operating Income | | \$1,821,302 | | |
| DSCR Required | | 1.15 | | |
| DSCR Actual | | 1.22 | | |
| Home Loan 2nd Mortgage | | 880,000 | | |
| Loan Forgiveness | | 680,000 | | |
| Loan Principal | | 200,000 | | |
| Lender Name | | City of Clearwater | | |
| Qualified Home Units | | 11 | | |
| Loan Amount | | \$880,000 | | |
| Loan Amount/Unit | | \$80,000 | | |
| Deferred Portion of Home Loan | | -\$680,000 | | |
| Amortizing Home Loan | | \$200,000 | | |
| Interest Rate (Incl FHFC Servicing) | | 0.00% | | |
| Amortizing (Yes/No) | | Yes | | |
| Amortization Period (Yrs) | | 20 | | |
| Term (Yrs) | | 20 | | |
| DSCR Required | | NA | | |
| Actual DSCR | | NA | | |
| Origination Fee | | NA | | |
| Monthly Payment | | \$833 | | |
| Funds at? | | Closing | | |
| Annual Payment | | \$10,000 | | |