

Town Center – Multifamily Development

Santa Maria, CA



Property Basics			
Property Name	Town Center	Property Type	Multifamily
Street	300 Town Center E	Class	A
City, ZIP	Santa Maria, CA 93454	# of Buildings	1
NRSF	51,888	# of of Stories	3
Commercial NRSF	5,616	# of of Units	82
Density	146.43	Average Unit SF	633
Zoning	DSP	Site Area	0.56

Property Assumptions		Project Schedule	
Valuation Cap Rate:	5.50%	Start of Construction	1/1/2027
Vacancy:	5.00%	Construction Timeline	24 Months
Concessions/Bad Debt:	0.00%	Grand Opening	1/31/2029
Rent Growth:	3.00%	Units leased per mon	08 Units
Expense Growth:	3.00%	Sale Date	12/31/2031

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Loan Assumptions		
Loan Amount:	\$ 15,552,811	Spread: 3.00%
Loan Term:	3 Years	Treasury/SOFR: 5.00%
Interest Rate	8.0%	Max LTC: 65.00%
Amortization Term:	1000 Years	Cost \$23,927,401
Constant	8.0%	Sponsor Equity \$4,592,371
Perm Conversion:	Month 34	Origination Fee \$155,528

JV Equity		
LP Contribution:	\$ 5,500,000	Sponsor Contribution \$4,592,371
Term:	3 Years	LP Equity Share: 54.5%
First LP IRR Hurdle:	15.0%	Sponsor Equity Share 45.5%
Return of Capital:	Pari Passu	Waterfall Method IRR
Hurdle 2:	25.0%	Promote: 30.0%
Hurdle 3:	40.0%	Promote Above 40%: 90.0%

Untrended Ratios		
LTV	53%	Monthly Payment: \$103,685
LTC	65%	Annual Payment: \$1,244,225
DCR on NOI	1.30	Balance Due @ Maturity: \$15,552,811
Debt Yield on NOI	10.4%	Breakeven % 83.6%
Return on Cost	6.8%	Loan Per Unit \$189,668
Return on Cost no Land Lift	7.8%	Cost Per Unit \$291,798

Exit Assumptions		Return Metrics	
Assumed Sale Month	Month 60	Unlevered IRR	12.8%
Exit Cap Rate	5.50%	Levered IRR	15.5%
Cost of Sale	3.0%	Unlevered EMx	1.62x
NOI capped	FL-12	Levered EMx	1.98x
NOI (12 months after sale)	\$1,925,469	Return on Cost	8.0%
		Return on Equity	14.8%
		CAGR	7.9%

Sale Summary		
Gross Sale Proceeds	\$35,008,529	
Less: Cost of Sale	\$1,050,256	
Net sale Proceeds	\$33,958,273	
Less: Debt Repayment	\$15,430,411	
Borrower Cash Flow	\$18,527,862	

Risk Metrics	
DCR @ Sale	1.51
Debt Yield @ Sale	12.4%
Breakeven Month	Month 31

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Market Data		Sep-26	
Market	Santa Barbara	Submarket	Santa Maria
Asset Type	Multifamily	Asset Type	Multifamily
Vacancy	4.5% +90bp YoY	Vacancy	6.9% up 260bp YoY
Rent (\$/Unit)	\$2,422	Rent (\$/Unit)	\$2,178
Rent Growth YOY	1.30%	Rent Growth YOY	2.80%
Market Cap Rate	5.0%	Submarket Cap Rate	5.2%
Average Sale Price/Unit	\$322,000	Average Sale Price/Unit	\$266,000
Inventory (# of Units)	\$34,810	Inventory (# of Units)	\$10,403
Under Construction (SF)	814	Under Construction (SF)	104
T-12 Net Absorption (SF)	225	T-12 Net Absorption (SF)	91
12 Mo. Sales Volume (\$)	\$161,250,130	12 Mo. Sales Volume (\$)	\$83,276,000

Demographics			Sep-26	
	<i>ZIP: 93454</i>	<i>2 mile</i>	<i>5 mile</i>	<i>10 mile</i>
2020 Population		88,150	123,304	177,275
2025 Population		88,189	123,177	174,624
2030 Population		87,992	122,858	173,622
Annual Growth (2020-2025)		0.01%	-0.02%	-0.30%
Annual Growth (2025-2030)		-0.04%	-0.05%	-0.11%
Median Age		29.6	31.2	33.5
2025 Households		22,501	33,520	51,107
Owner Occ. Households		9,928	17,619	30,289
Renter Occ. Households		12,531	15,824	20,475
Avg. HH Size		3.7	3.5	3.3
HH Income (Average)		\$66,936	\$81,183	\$84,076
HH Income (Median)		\$71,712	\$84,133	\$89,044

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Multifamily Unit Mix								
% MIX	TYPE	# of UNITS	UNIT SF	TOTAL SF	2026 MARKET RENT/UNIT	2026 MARKET RENT/SF	TOTAL ANNUAL MARKET RENT	HH INCOME TO QUALIFY*
6.1%	Studio	5	516	2,580	\$1,985	\$3.85	\$119,100	\$79,400
81.7%	1 Bed 1 Bath	67	594	39,823	\$2,495	\$4.20	\$2,005,980	\$99,800
12.2%	2 Bed 2 Bath	10	949	9,485	\$3,295	\$3.47	\$395,400	\$131,800
100%	TOTALS / AVERAGES:	82	633	51,888	\$2,561	\$4.05	\$2,520,480	\$102,459

2025 Median HH Income 3 Mile Radius: \$84,133

* Income to qualify assumes 30% of hh income spent on rent

OTHER INCOME DETAIL						
ITEM	\$/UNIT /YEAR	\$/Year	\$/Mo.	\$/Unit/Mo	Per SF/Unit	Per Mo
Other Income	\$4	\$ 24,600	\$25	\$0.30		\$3.24
TOTAL OTHER INCOI	\$300	\$ 24,600	\$ 25	\$25.00		\$3.24

Retail Rent Roll									
PRO-RATA SHARE	SUITE	TENANT NAME	NRSF	ANNUAL RENT	MONTHLY RENT	ANN RENT PSF	MO RENT PSF	LEASE TYPE	RENT INCREASES
100.0%	100	Vacant	5,616	\$ 117,936	\$ 9,828	\$ 21.00	\$ 1.75	Gross	3% increases per year
1 TOTAL UNITS			TOTALS:	5,616 \$ 117,936	\$ 9,828	\$ 21.00	% OF NRSF		
							100%		

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Proforma - Untrended Rents			Annual		Per Unit		Per NRSF	% of EGI
INCOME								
Rental Income			\$2,520,480	\$	30,738	\$	48.58	99.58%
Commercial Income			\$117,936	\$	1,438	\$	2.27	4.66%
Less: Apartment Vacancy	5.0%	\$	126,024	\$	1,537	\$	2.43	4.98%
Less: Commercial Vacancy	5.0%	\$	5,897	\$	72	\$	0.11	0.23%
ADJUSTED RENTAL INCOME		\$	2,506,495	\$	30,567	\$	48.31	99.03%
Other Income		\$	24,600	\$	300	\$	0.47	0.97%
EFFECTIVE GROSS INCOME		\$	2,531,095	\$	30,867	\$	48.78	100.00%
OPERATING EXPENSES								
Repairs and Maintenance		\$	75,383	\$	919	\$	1.45	2.98%
Security		\$	65,200	\$	795	\$	1.26	2.58%
Landscaping		\$	75,383	\$	919	\$	1.45	2.98%
Administrative		\$	20,364	\$	248	\$	0.39	0.80%
Advertising/Marketing		\$	34,654	\$	423	\$	0.67	1.37%
Payroll		\$	120,219	\$	1,466	\$	2.32	4.75%
Property Insurance		\$	25,456	\$	310	\$	0.49	1.01%
Property Management		\$	105,660	\$	1,289	\$	2.04	4.17%
Real Estate Taxes		\$	258,792	\$	3,156	\$	4.99	10.22%
Replacement Reserves		\$	40,929	\$	499	\$	0.79	1.62%
TOTAL OPERATING EXPENSES		\$	907,604	\$	11,068	\$	17.49	35.9%
NET OPERATING INCOME		\$	1,623,491		\$19,799	\$	31.29	64.1%
Value at CAP Rate of:	5.5%	\$	29,518,014	\$	359,976	\$	568.88	
Rounded Valuation:		\$	29,520,000	\$	360,000	\$	568.92	
Development Cost			\$23,927,401	\$	291,798	\$	461.14	
Construction Loan Assumptions								
Loan Amount		\$	15,552,811	\$	189,668		\$299.74	
Annual Payment		\$	1,244,225	\$	15,173		\$23.98	
Monthly Payment		\$	103,685	\$	1,264		\$2.00	
Interest Rate			8.0%					
Amortization			Interest Only					
RATIOS								
LTV		53%	MONTHLY PAYMENT:			\$103,685		
LTC		65%	ANNUAL PAYMENT:			\$1,244,225		
DCR on NOI		1.30	BREAKEVEN PCTG:			82%		
DEBT YIELD ON NOI		10.44%	BREAKEVEN AMOUNT:			\$2,151,829		
3 YEAR CAGR		7.25%	RETURN ON COST:			6.79%		
GROSS RENT MUTIPLIER		11.19	RETURN ON COST NO LAND LIFT:			7.77%		

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Trended Proforma (5 Years)		Annual		Per Unit		Per NRSF	% of EGI
INCOME							
Rental Income		\$2,995,834	\$	36,535	\$	57.74	99.56%
Commercial Income		\$140,822	\$	1,717	\$	2.71	4.68%
Less: Vacancy	5.0%	\$ 149,792	\$	1,827	\$	2.89	4.98%
Less: Commercial Vacancy	5.0%	\$ 7,041	\$	86	\$	0.14	0.23%
ADJUSTED RENTAL INCOME		\$ 2,979,823	\$	36,339	\$	57.43	99.02%
Other Income		\$ 29,374	\$	358	\$	0.57	0.98%
EFFECTIVE GROSS INCOME		\$ 3,009,196	\$	36,698	\$	57.99	100.00%

OPERATING EXPENSES							
Repairs and Maintenance		\$ 90,011	\$	1,098	\$	1.73	2.99%
Security		\$ 77,853	\$	949	\$	1.50	2.59%
Landscaping		\$ 90,011	\$	1,098	\$	1.73	2.99%
Administrative		\$ 24,316	\$	297	\$	0.47	0.81%
Advertising/Marketing		\$ 41,378	\$	505	\$	0.80	1.38%
Payroll		\$ 143,547	\$	1,751	\$	2.77	4.77%
Property Insurance		\$ 30,395	\$	371	\$	0.59	1.01%
Property Management		\$ 126,163	\$	1,539	\$	2.43	4.19%
Real Estate Taxes		\$ 309,011	\$	3,768	\$	5.96	10.27%
Replacement Reserves		\$ 48,872	\$	596	\$	0.94	1.62%
TOTAL OPERATING EXPENSES		\$ 1,083,727	\$	13,216	\$	20.89	36.0%

Net Operating Income		\$ 1,925,469		\$23,481		\$ 37.11	64.0%
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Value at CAP Rate of:	5.5%	\$ 35,008,529	\$	426,933	\$	674.70
Rounded Valuation:		\$ 35,010,000	\$	426,951	\$	674.73
Project Cost		\$23,927,401	\$	291,798	\$	461.14

Perm Debt Assumptions

Loan Amount	\$	21,203,006	\$	258,573	\$408.63
Annual Payment	\$	1,540,375	\$	18,785	\$29.69
Monthly Payment	\$	128,365	\$	1,565	\$2.47
Interest Rate		6.0%			
Amortization		30 Years			
Mortgage Constant		7.3%			

PERM DEBT RATIOS			
LTV	61%	MONTHLY PAYMENT:	\$128,365
LTC	89%	ANNUAL PAYMENT:	\$1,540,375
DCR on NOI	1.25	BREAKEVEN PCTG:	87%
DEBT YIELD ON NOI	9.08%	BREAKEVEN AMOUNT:	\$2,624,102
3 YEAR CAGR	13.53%	RETURN ON COST:	8.05%
GROSS RENT MUTIPLIER	11.69	RETURN ON COST NO LAND LIFT:	9.22%

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Development Costs	Total Amount	Per Unit	Per (NRSF)	% of Cost
Land Costs				
Purchase Price	\$240,000	\$2,927	\$4.63	1.0%
Imputed Equity	\$3,040,000	\$37,073	\$58.59	12.7%
Subtotal Land Costs	\$3,280,000	\$40,000	\$63.21	13.7%
Soft Costs				
Entitlements				
Planning & Entitlements	\$67,240	\$820	\$1.30	0.3%
Design Consultants				
Architect - Design	\$123,000	\$1,500	\$2.37	0.5%
Architect - CDs	\$156,115	\$1,904	\$3.01	0.7%
Landscape Architect	\$6,895	\$84	\$0.13	0.0%
Civil Engineer	\$12,300	\$150	\$0.24	0.1%
Structural Engineer	\$106,442	\$1,298	\$2.05	0.4%
MEP Engineer	\$85,803	\$1,046	\$1.65	0.4%
City Fees				
CC YARD Fee (AB 1600)	\$4,076	\$50	\$0.08	0.0%
City Hall (AB 1600)	\$3,057	\$37	\$0.06	0.0%
Rec & Parks (AB 1600)	\$111,082	\$1,355	\$2.14	0.5%
Police (AB 1600)	\$12,909	\$157	\$0.25	0.1%
Fire (AB 1600)	\$19,363	\$236	\$0.37	0.1%
Library (AB 1600)	\$9,512	\$116	\$0.18	0.0%
Traffic (AB 1600)	\$132,143	\$1,612	\$2.55	0.6%
School Districts	\$728,996	\$8,890	\$14.05	3.0%
Water Connection	\$53,785	\$656	\$1.04	0.2%
Wastewater Connection	\$3,837	\$47	\$0.07	0.0%
State Water Connection	\$258,581	\$3,153	\$4.98	1.1%
Parks Dev Tax (Quimby)	\$226,648	\$2,764	\$4.37	0.9%
Miscellaneous				
OCIP Insurance	\$147,557	\$1,799	\$2.84	0.6%
Coningency	\$113,467	\$1,384	\$2.19	0.5%
Subtotal Soft Costs	\$2,382,809	\$29,059	\$45.92	10.0%

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Hard Costs				
01 General Requirements	\$305,730	\$3,728	\$5.89	1.3%
03 Concrete	\$1,375,785	\$16,778	\$26.51	5.7%
04 Masonry	\$305,730	\$3,728	\$5.89	1.3%
05 Metals	\$611,460	\$7,457	\$11.78	2.6%
07 Thermal & Moisture Protection	\$611,460	\$7,457	\$11.78	2.6%
08 Openings	\$917,190	\$11,185	\$17.68	3.8%
09 Finishes	\$1,834,380	\$22,370	\$35.35	7.7%
11 Equipment	\$152,865	\$1,864	\$2.95	0.6%
13 Special Construction	\$152,865	\$1,864	\$2.95	0.6%
14 Conveyance	\$76,433	\$932	\$1.47	0.3%
21 Fire Suppression	\$305,730	\$3,728	\$5.89	1.3%
22 Plumbing	\$1,222,920	\$14,914	\$23.57	5.1%
23 HVAC	\$1,375,785	\$16,778	\$26.51	5.7%
26 Electrical	\$1,070,055	\$13,049	\$20.62	4.5%
27 Communications	\$152,865	\$1,864	\$2.95	0.6%
31 Earthwork	\$458,595	\$5,593	\$8.84	1.9%
32 Exterior Improvements	\$611,460	\$7,457	\$11.78	2.6%
33 Utilities	\$764,325	\$9,321	\$14.73	3.2%
97 Change Order	\$305,730	\$3,728	\$5.89	1.3%
98 Wage Related	\$152,865	\$1,864	\$2.95	0.6%
Additional Podium Budget	\$495,000	\$6,037	\$9.54	2.1%
Contingency (5%)	\$789,075	\$9,623	\$15.21	3.3%
Subtotal Hard Costs	\$16,570,575	\$202,080	\$319.35	69.3%
OH/Profit/Fees				
G.C. Fee (Profit / Overhead)	\$789,075	\$9,623	\$15.21	3.3%
Acquistion Fee	\$2,400	\$29	\$0.05	0.0%
Developer Fee	\$902,542	\$11,007	\$17.39	3.8%
Subtotal OH/Profit/Fees	\$1,694,017	\$20,659	\$32.65	7.1%
Financing Costs				
Senior Interest Reserve	\$1,244,225	\$15,173	\$23.98	5.2%
Lender Origination Fee	\$155,528	\$1,897	\$3.00	0.7%
Debt Placement Fee	\$155,528	\$1,897	\$3.00	0.7%
Equity Placement Fee	\$110,000	\$1,341	\$2.12	0.5%
Legal Fees	\$20,000	\$244	\$0.39	0.1%
Inspection / Draw Fees	\$15,000	\$183	\$0.29	0.1%
Title Insurance	\$10,000	\$122	\$0.19	0.0%
Appraisal	\$7,500	\$91	\$0.14	0.0%
Subtotal Financing Costs	\$1,717,781	\$20,949	\$33.11	7.2%
Project Costs Ex Financing Costs	\$23,927,401	\$291,798	\$461.14	100.0%

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Source & Use

Sources:	<u>Amount</u>	<u>Per Unit</u>	<u>Per SF</u>	<u>% of Total</u>
Loan	\$15,552,811	\$189,668	\$ 299.74	60.6%
JV Equity	\$5,500,000	\$67,073	\$ 106.00	21.4%
Borrower Equity	\$4,592,371	\$56,005	\$ 88.51	17.9%
Total Sources:	\$25,645,182	\$312,746	\$ 494.24	100.0%

Uses:

Land Costs	\$3,280,000	\$40,000	\$ 63.21	12.8%
Soft Costs	\$2,382,809	\$29,059	\$ 45.92	9.3%
Hard Costs	\$16,570,575	\$202,080	\$319.35	64.6%
OH/Profit/Fees	\$1,694,017	\$20,659	\$ 32.65	6.6%
Interest Reserve	\$1,244,225	\$15,173	\$ 23.98	4.9%
Financing Costs	\$473,556	\$5,775	\$ 9.13	1.8%
Total Uses:	\$25,645,182	\$312,746	\$ 494.24	100.0%

Financing Cost Detail:

Lender Origination Fee	\$155,528	1.00%
Debt Placement Fee	\$155,528	1.00%
Equity Placement Fee	\$110,000	2.00%
Legal Fees	\$20,000	
Inspection / Draw Fees	\$15,000	
Title Insurance	\$10,000	
Appraisal	\$7,500	
Total Financing Costs:	\$473,556	

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Town Center - Cash Flow Projection															
Grand Opening January-2029		Sale Date December-2031	Sale Month Month 60	Sale Year Year 5	Date Year Month Occ. % Occ. Units	Year 0 12/31/2026	Year 1 12/31/2027	Year 2 12/31/2028	Year 3 12/31/2029	Year 4 12/31/2030	Year 5 12/31/2031				
Rental Income						0.0%	0.0%	0.0%	100.0% 82	100.0% 82	100.0% 82				
Unit Type	# Units	SF	Rent/SF/Mo	Monthly Rent	Rent Growth										
Studio	5	516 SF	\$3.85	\$1,985	3.0%	\$ -	\$ -	\$ -	\$ 80,906	\$ 134,048	\$ 138,070				
1 Bed 1 Bath	67	594 SF	\$4.20	\$2,495		\$ -	\$ -	\$ -	\$ 1,346,819	\$ 2,257,748	\$ 2,325,481				
2 Bed 2 Bath	10	949 SF	\$3.47	\$3,295		\$ -	\$ -	\$ -	\$ 259,378	\$ 432,064	\$ 445,026				
Totals:	82 Units	51,888 SF	00,000 SF	\$210,040		\$ -	\$ -	\$ -	\$ 1,687,103	\$ 2,823,861	\$ 2,908,576				
Averages:		633 SF	\$4.05 /SF	\$2,561 /Unit		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Other Income		\$/Unit/Mo	Monthly Income	Annual Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Other Income		\$25	\$2,050	\$24,600		\$ -	\$ -	\$ -	\$ 16,500	\$ 27,688	\$ 28,518				
Commercial Income						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Leased Income		\$1.75	\$9,828	\$117,936		\$ -	\$ -	\$ -	\$ 128,872	\$ 132,738	\$ 136,720				
Gross Potential Income						\$ -	\$ -	\$ -	\$ 1,832,475	\$ 2,984,286	\$ 3,073,815				
Less: Vacancy					5.00%	\$ -	\$ -	\$ -	\$ (22,847)	\$ (141,193)	\$ (145,429)				
Less: Commercial Vacancy					5.00%	\$ -	\$ -	\$ -	\$ (6,444)	\$ (6,637)	\$ (6,836)				
Effective Gross Income						\$ -	\$ -	\$ -	\$ 1,803,185	\$ 2,836,456	\$ 2,921,550				
Expenses															
	Annual Expense	Expense Inflation p.a.	Occ. Dependent?	Expense Growth											
Repairs and Maintenance	\$75,383	3.0%	YES	3.0%	\$ -	\$ -	\$ -	\$ -	\$ (50,562)	\$ (84,844)	\$ (87,389)				
Security	\$65,200	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (43,733)	\$ (73,384)	\$ (75,585)				
Landscaping	\$75,383	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (50,562)	\$ (84,844)	\$ (87,389)				
Administrative	\$20,364	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (13,659)	\$ (22,920)	\$ (23,608)				
Advertising/Marketing	\$34,654	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (23,244)	\$ (39,003)	\$ (40,173)				
Payroll	\$120,219	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (80,635)	\$ (135,307)	\$ (139,366)				
Utilities	\$85,565	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (57,392)	\$ (96,304)	\$ (99,193)				
Property Insurance	\$25,456	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (17,074)	\$ (28,650)	\$ (29,510)				
Property Management	\$105,660	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (70,870)	\$ (118,921)	\$ (122,489)				
Real Estate Taxes	\$258,792	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (173,582)	\$ (291,273)	\$ (300,011)				
Replacement Reserves	\$40,929	3.0%	YES		\$ -	\$ -	\$ -	\$ -	\$ (27,453)	\$ (46,066)	\$ (47,448)				
Less: Total Expenses	\$907,604				\$ -	\$ -	\$ -	\$ -	\$ (608,766)	\$ (1,021,517)	\$ (1,052,162)				
mgmt. fee % of EGI:					0%	0%	0%	4%	4%	4%					
Expense Ratio:					0%	0%	0%	34%	36%	36%					
Net Operating Income						\$ -	\$ -	\$ -	\$ 1,194,419	\$ 1,814,939	\$ 1,869,387				
Development Costs															
Steepness		1				0.0000%	50.0000%	50.0000%	0.0000%	0.0000%	0.0000%				
Start Date		Construction Periods													
1/1/2027		24 Mo.													
Land Acquisition Cost	Start Date	Periods	Starting Month	Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Land Purchase Price	12/31/2026	1	0	\$ 3,280,000	\$ 3,280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Subtotal Land Acquisition				\$ -	\$ 3,280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Soft Costs	Start Date	Periods	Starting Month		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Soft Costs	1/31/2027	9	1	\$ -	\$ -	\$ 2,382,809	\$ -	\$ -	\$ -	\$ -	\$ -				
OH/Profit/Fees	1/31/2027	24	1	\$ 2,382,809	\$ -	\$ 847,009	\$ 847,009	\$ -	\$ -	\$ -	\$ -				
Subtotal Soft Costs				\$ 1,694,017	\$ -	\$ 3,229,817	\$ 847,009	\$ -	\$ -	\$ -	\$ -				
				\$ 4,076,826											
Hard Costs	Start Date	Periods	Starting Month	(DO NOT EDIT)		\$ -	\$ 8,285,288	\$ 8,285,288	\$ -	\$ -	\$ -				
Hard Costs	1/31/2027	24	1	241	\$ 16,570,575	\$ -	\$ 8,285,288	\$ 8,285,288	\$ -	\$ -	\$ -				
Subtotal Hard Costs				\$ 16,570,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Development Costs					\$ 3,280,000	\$ 11,515,105	\$ 9,132,296	\$ -	\$ -	\$ -	\$ -				
Unlevered Cash Flow						IRR: 12.83%	\$ (3,280,000)	\$ (11,515,105)	\$ (9,132,296)	\$ 1,194,419	\$ 1,814,939	\$ 35,827,661			
Sources															
Equity		Total Equity	LTC			\$ 10,092,371	\$ 6,338,815	\$ -	\$ -	\$ -	\$ -				
Balance BOM		\$ 10,092,371	42%		\$ (3,753,556)	\$ (6,338,815)	\$ -	\$ -	\$ -	\$ -	\$ -				
Draw					\$ 6,338,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Balance EOM					\$ 3,753,556	\$ 10,092,371	\$ 10,092,371	\$ 10,092,371	\$ 10,092,371	\$ 10,092,371	\$ 10,092,371				
Cumulative Drawn					\$ 10,092,371										
Construction Loan		Total C. Loan	LTC		\$ -	\$ 14,308,586	\$ 9,132,296	\$ -	\$ -	\$ -	\$ -				
Balance BOM		\$ 15,552,811	65%		\$ -	\$ (5,176,290)	\$ (9,132,296)	\$ -	\$ -	\$ -	\$ -				
Draw		Available for Construction	Interest Reserve	Rate	\$ -	\$ 9,132,296	\$ -	\$ -	\$ -	\$ -	\$ -				
Balance EOM		\$ 14,308,586	\$ 1,121,826	8.0%	\$ -	\$ (89,345)	\$ (786,462)	\$ (1,230,344)	\$ (1,234,433)	\$ (1,234,433)	\$ (1,234,433)				
Debt Service					\$ -	\$ 89,345	\$ 786,462	\$ 246,018	\$ -	\$ -	\$ -				
Interest Reserve					\$ -	\$ 5,265,635	\$ 15,184,393	\$ 15,430,411	\$ 15,430,411	\$ 15,430,411	\$ 15,430,411				
Cumulative Drawn					\$ -										
Financing Costs		Total	Month Expensed		\$ 473,556	0									
Total Debt Repayment															
Levered Cash Flow						IRR: 15.52%	\$ (3,753,556)	\$ (6,338,816)	\$ -	\$ 210,094	\$ 580,512	\$ 19,162,818			

Town Center – Multifamily Development

Santa Maria, CA

Sensitivity Analysis

IRR Matrix		
Sale Date	Unlevered IRR	Levered IRR
December-2029	16.18%	19.84%
December-2030	13.97%	17.08%
December-2031	12.83%	15.52%
December-2032	12.14%	14.51%
December-2033	11.68%	13.81%
December-2034	11.36%	13.29%
December-2035	11.11%	12.89%
December-2036	0.00%	0.00%
December-2037	0.00%	-8.71%

Cap Rate Sensitivity					
Cap Rate	Unlevered IRR	Levered IRR	Unlevered EMx	Levered EMx	Property Value
4.50%	17.79%	23.51%	1.94 x	2.72 x	\$ 42,788,202
4.75%	16.43%	21.40%	1.85 x	2.51 x	\$ 40,536,192
5.00%	15.15%	19.38%	1.77 x	2.31 x	\$ 38,509,382
5.25%	13.96%	17.42%	1.69 x	2.14 x	\$ 36,675,602
5.50%	12.83%	15.52%	1.62 x	1.98 x	\$ 35,008,529
5.75%	11.77%	13.67%	1.56 x	1.83 x	\$ 33,486,419
6.00%	10.77%	11.87%	1.50 x	1.70 x	\$ 32,091,152
6.25%	9.81%	10.11%	1.45 x	1.57 x	\$ 30,807,506
6.50%	8.91%	8.38%	1.40 x	1.46 x	\$ 29,622,602

Vacancy Sensitivity					
Vacancy	Unlevered IRR	Levered IRR	Unlevered EMx	Levered EMx	Property Value
0.00%	14.89%	18.97%	1.75 x	2.27 x	\$ 37,732,014
3.00%	13.67%	16.94%	1.67 x	2.09 x	\$ 36,097,923
8.00%	11.54%	13.26%	1.55 x	1.80 x	\$ 33,374,438
15.00%	8.32%	7.23%	1.38 x	1.39 x	\$ 29,561,559
25.00%	3.11%	-4.39%	1.13 x	0.81 x	\$ 24,114,589

Expense Growth Sensitivity					
Expense Growth	Unlevered IRR	Levered IRR	Unlevered EMx	Levered EMx	Property Value
0.00%	15.20%	19.47%	1.77 x	2.32 x	\$ 38,210,761
2.00%	13.68%	16.96%	1.67 x	2.10 x	\$ 36,128,841
4.00%	11.92%	13.94%	1.57 x	1.85 x	\$ 33,832,493
6.00%	9.89%	10.26%	1.46 x	1.59 x	\$ 31,304,401
8.00%	7.52%	5.62%	1.34 x	1.30 x	\$ 28,526,220

Rent Growth Sensitivity					
Rent Growth	Unlevered IRR	Levered IRR	Unlevered EMx	Levered EMx	Property Value
0.00%	5.45%	1.18%	1.24 x	1.24 x	\$ 26,315,782
2.00%	10.43%	11.26%	1.49 x	1.49 x	\$ 31,970,956
4.00%	15.18%	19.44%	1.76 x	1.76 x	\$ 38,193,368
6.00%	19.75%	26.52%	2.07 x	2.07 x	\$ 45,027,620
8.00%	24.18%	32.89%	2.40 x	2.40 x	\$ 52,520,889

Town Center – Multifamily Development

Santa Maria, CA

Equity Waterfall

Promote Structure Method

Return of Capital

IRR

Pari Passu

Equity Contributions

	%	Amount
Sponsor	45.5%	4,592,371
LP Investors	54.5%	5,500,000
Total Equity		10,092,372

Promote Structure (IRR Hurdles)

	Pref	Up to 15.0% IRR to LP
Hurdle 1 (Preferred Return)		up to 25.0% IRR to LP
Hurdle 2	> 15.0% IRR to LP	up to 25.0% IRR to LP
Hurdle 3	> 25.0% IRR to LP	up to 40.0% IRR to LP
Hurdle 4	> 40.0% IRR to LP	

Promote Structure

Incentive Breakdown

Sponsor Promote

30.0%

50.0%

90.0%

Distribution as %

Sponsor %

45.5%

61.9%

72.8%

94.6%

LP %

54.5%

38.1%

27.2%

5.4%

Monthly Hurdle Rate Calculation Method

XIRR()

*Sponsor will get promote % of LPs Original contribution %

Summary of Investor Level Returns

Limited Partner (LP) Returns

Preferred Return	5,142,142
Return of Capital	5,500,000
Excess Cash Flow	162,258
Total LP Distributions	10,804,400
Total LP Contributions	5,500,000
Total LP Profit	5,304,400
LP IRR	15.36%
LP Equity Multiple	1.96x

Sponsor Returns

Preferred Return	4,293,568
Return of Capital	4,592,372
Excess Cash Flow	135,481
Promote	127,602
Total Sponsor Distributions	9,149,024
Total Sponsor Contributions	4,592,372
Total Sponsor Profit	4,556,652
Sponsor IRR	15.70%
Sponsor Equity Multiple	1.99x

Town Center – Multifamily Development

Santa Maria, CA

Rent Comparables

MAP KEY	PROJECT NAME	SITE AREA (GROSS ACRES)	STUDIO	1 beds	2 beds
			AVG SF PER UNIT	AVG SF PER UNIT	AVG SF PER UNIT
			# OF UNITS	# OF UNITS	# OF UNITS
			MARKET RENT	MARKET RENT	MARKET RENT
			RENT/SF	RENT/SF	RENT/SF
			Concession	Concessions	Concessions
			EFF RENT/SF	EFF RENT/SF	EFF RENT/SF
	Town Center	0.56 acres	516 sf	594 sf	949 sf
	300 Town Center E	146.43 units/acre	5 units	67 units	10 units
	Santa Maria, CA 93454	2028	\$1,985	\$2,495	\$3,295
	SUBJECT	82 units	\$3.85	\$4.20	\$3.47
		3 stories			
	The Residences at Depot		650 sf	732 sf	856 sf
	201 N Depot St		10 units	18 units	40 units
	Santa Maria, CA 93458	2021			
	<1 Mile	80 units	\$0.00	\$0.00	\$0.00
	B	3 stories			
	Gateway Apartments				940 sf
	101 N Broadway	0			17 units
	Santa Maria, CA 93454	2024			\$2,458
	<1 Mile	17 units	\$0.00	\$0.00	\$2.61
	B	3 stories			0.7%
	Las Brisas			766 sf	1,064 sf
	983 W Dan Blough Dr	0 units/acre		142 units	173 units
	Santa Maria, CA 93455	2026		\$2,547	\$3,162
	3 Miles	340 units	\$0.00	\$3.33	\$2.97
	A	3 stories		14.3%	14.3%
	Montiavo				1,318 sf
	2460 S Rubel Way	0 units/acre			120 units
	Santa Maria, CA 93455	2004/2012			\$3,314
	3 Miles	208 units	\$0.00	\$0.00	\$2.51
	A	2 stories			1.3%
	Parke West Apartments		512 sf	614 sf	852 sf
	1060 Village Dr	0 units/acre	15 units	19 units	52 units
	Orcutt, CA 93455	2018	\$1,696	\$2,834	\$2,481
	7 Miles	86 units	\$3.31	\$4.62	\$2.91
	A	4 stories	0.6%	0.6%	0.6%
		95.3%	\$3.29	\$4.58	\$2.89

Town Center – Multifamily Development

Santa Maria, CA

	Bradley Garden Apartments		N/A	651 sf	864 sf
	1055 Village Dr	0 units/acre	10 units	36 units	62 units
	Orcutt, CA 93455	2020	\$2,475	\$2,480	\$2,726
	7 Miles	128 units	\$0.00	\$3.81	\$3.16
	A	3 stories		0.7%	0.7%
	93.7%		\$0.00	\$3.78	\$3.13
	Azure Apartment Homes		406 sf	695 sf	916 sf
	703 E Meehan St	0 units/acre	1 units	110 units	131 units
	Santa Maria, CA 93454	2020	\$1,925	\$2,208	\$2,602
	3 Miles	318 units	\$4.74	\$3.18	\$2.84
	B	3 stories	0.9%	0.9%	0.9%
	92.1%		\$4.71	\$3.15	\$2.82
	Sierra Sands Apartments			753 sf	999 sf
	327 Plaza Dr	0 units/acre		65 units	85 units
	Santa Maria, CA 93454	2024		\$1,985	\$2,757
	3 Miles	184 units	\$0.00	\$2.64	\$2.76
	B	3 stories		0.5%	0.5%
	96.6%		\$0.00	\$2.62	\$2.74
	Elements Apartments		462 sf	656 sf	948 sf
	3517 Mercury Dr	0 units/acre	10 units	28 units	10 units
	Santa Maria, CA 93455	2023	\$1,795	\$2,383	\$2,750
	5 Miles	167 units	\$3.89	\$3.63	\$2.90
	B	4 stories	0.4%	0.4%	0.3%
	91.6%		\$3.86	\$3.60	\$2.88
	Santa Maria Studios		426 sf		
	2660 Santa Maria Way	0 units/acre	160 units		
	Santa Maria, CA 93455	2024	\$1,208		
	5 Miles	160 units	\$2.84	\$0.00	\$0.00
	B	5 stories	0.3%		
	99.4%		\$2.82	\$0.00	\$0.00
Average Occupancy - Total Units Surveyed:		93.0%	AVERAGES BY FLOOR PLAN		
		2,159	STUDIO	1 beds	2 beds
UNIT SF			491 sf	695 sf	973 sf
# OF UNITS			206 units	418 units	690 units
MARKET RENT			\$1,820	\$2,490	\$2,785
RENT/SF			\$3.70	\$3.58	\$2.86