

**SMALL CHANGE/OXIDE - The Buvinger Building (4407 Butler Street)**  
Financial Summary

Sources and Uses	Initial Funding	Additional Funding	Total
Senior Loan	295,000	390,000	685,000
Developer (Issuer) Equity	10% 26,500	-	26,500
Investor Equity	90% 238,500	-	238,500
<b>Total Sources</b>	<b>560,000</b>	<b>390,000</b>	<b>950,000</b>

Building Area	Gross SF	Net SF
Residential	2,856	2,250
Retail	1,260	1,260
Parking	n/a	2 spaces
<b>Total GLA</b>	<b>4,116</b>	<b>3,510</b>

Project Costs	Initial Funding	Additional Funding	Total	PSF
Acquisition Price	495,000	-	495,000	\$120
Closing Costs	13,525	1,000	14,525	\$4
Financing Fees	0.5% 1,475	2,000	3,475	\$1
Legal Fees	6,200	-	6,200	\$2
Acquisition Fee	1.5% 7,425	-	7,425	\$2
Construction Costs	-	306,000	306,000	\$74
Soft Costs	31,875	1,000	32,875	\$8
Construction & Design Contingency	-	29,000	29,000	\$7
Residential Marketing	-	1,000	1,000	\$
Development Fee	7.0% -	25,000	25,000	\$6
Reserves: Retail Tenant Improvements	-	12,600	12,600	\$3
Reserves: Retail Leasing Commissions	-	8,500	8,500	\$2
Reserves: Retail Legal & Miscellaneous	-	4,500	4,500	\$2
<b>Total Uses</b>	<b>560,000</b>	<b>390,000</b>	<b>950,000</b>	<b>\$231</b>

Debt Financing Assumptions	Construction to			Year 5 Refinancing
	Acquisition Loan	Perm Loan	Year 5	
Amount	295,000	685,000	835,000	
LTV / LTC	60% LTV	75% LTC	75% LTV	
Term	12 mos	10yr (5yr adj)	10yr (5yr adj)	
I/O Period	12 mos	6 mos	-	
Interest Rate	4.50%	4.50%	5.00%	
Benchmark + Spread	Prime + 1%	5yr T + 2.5%	n/a	
Amortization	-	25 yrs	25 yrs	
Origination Fee	0.50%	0.5% of add'l	0.50%	

Acquisition loan assumed to be replaced with construction loan Oct' 16

Cash Flow Summary	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Income	82,425	84,398	86,035	96,506	105,356	107,990	110,690	113,457	116,294	119,201
Less: Vacancy	(34,963)	(3,842)	(3,924)	(21,258)	(4,571)	(4,686)	(4,803)	(5,046)	(5,046)	(5,172)
<b>Gross Income</b>	<b>47,462</b>	<b>80,556</b>	<b>82,111</b>	<b>75,248</b>	<b>100,785</b>	<b>103,305</b>	<b>105,887</b>	<b>108,534</b>	<b>111,248</b>	<b>114,029</b>
Less: Operating Expenses	(16,832)	(17,337)	(17,857)	(18,392)	(18,944)	(19,513)	(20,098)	(20,701)	(21,322)	(21,962)
Less: Property Management	5.3% (2,492)	(4,229)	(4,311)	(3,951)	(5,291)	(5,423)	(5,559)	(5,698)	(5,841)	(5,987)
Less: Residential Leasing	(3,550)	(1,333)	(1,366)	(1,400)	(1,435)	(1,471)	(1,508)	(1,545)	(1,584)	(1,624)
<b>Total Operating Expenses</b>	<b>(22,873)</b>	<b>(22,898)</b>	<b>(23,533)</b>	<b>(23,743)</b>	<b>(25,670)</b>	<b>(26,407)</b>	<b>(27,165)</b>	<b>(27,944)</b>	<b>(28,746)</b>	<b>(29,572)</b>

<b>Net Operating Income</b>	<b>24,588</b>	<b>57,657</b>	<b>58,578</b>	<b>51,505</b>	<b>75,115</b>	<b>76,898</b>	<b>78,723</b>	<b>80,590</b>	<b>82,501</b>	<b>84,457</b>
Yield on Acquisition+Renovation Cost	2.6%	6.2%	6.3%	5.5%	7.9%	8.1%	8.3%	8.5%	8.7%	8.9%
Less: Retail Tenant Improvements	-	-	-	(12,600)	-	-	-	-	-	-
Less: Retail Leasing Commissions	-	-	-	(8,500)	-	-	-	-	-	-
Less: Retail Legal Costs	-	-	-	(2,000)	-	-	-	-	-	-
Less: Debt Service	(35,332)	(45,689)	(45,689)	(45,689)	(45,689)	(58,576)	(58,576)	(58,576)	(58,576)	(58,576)
Plus: Reserve Draw	10,744	-	-	17,284	-	-	-	-	-	1,472
<b>Net Operating Cash Flow</b>	<b>-</b>	<b>11,968</b>	<b>12,888</b>	<b>-</b>	<b>29,425</b>	<b>18,322</b>	<b>20,147</b>	<b>22,014</b>	<b>23,926</b>	<b>27,353</b>

Cash Flow From Capital Events Summary										
Initial Equity Investment	(265,000)	-	-	-	-	-	-	-	-	-
Refinancing Proceeds	-	-	-	-	215,641	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	469,910
<b>Total Project Return</b>	<b>(265,000)</b>	<b>-</b>	<b>11,968</b>	<b>12,888</b>	<b>-</b>	<b>245,066</b>	<b>18,322</b>	<b>20,147</b>	<b>22,014</b>	<b>23,926</b>
<b>Project Level 10-year IRR</b>	<b>16.6%</b>									

Small Change Investors Cash Flow Summary										
Investor's Preferred Return on Investor's Capital Balance	8.0%	19,080	19,080	19,080	19,080	19,080	3,554	3,554	3,554	3,554
Payment of Current Return	-	-	11,968	12,888	-	19,120	3,594	3,594	3,594	3,594
Accrued Return Balance	-	19,120	26,272	32,504	51,624	41,319	26,591	10,038	-	-
Payment of Accrued Return	-	-	-	-	10,305	14,728	16,553	10,038	-	-
Excess Cash Flow Available for Distribution	-	-	-	-	-	-	-	8,383	20,332	23,759
Investor's Share of Cash Available	75%	-	-	-	-	-	-	6,287	15,249	17,819
Developer's Share of Cash Available	25%	-	-	-	-	-	-	2,096	5,083	5,940
Investor's Cash Flow From Operations	-	-	11,968	12,888	-	29,425	18,322	20,147	19,919	18,843
Investor's Cash Flow from Capital Events	(238,500)	-	-	-	-	194,077	-	-	-	360,336
<b>Total Return to Small Change Investors</b>	<b>(238,500)</b>	<b>-</b>	<b>11,968</b>	<b>12,888</b>	<b>-</b>	<b>223,502</b>	<b>18,322</b>	<b>20,147</b>	<b>19,919</b>	<b>18,843</b>
Cash on Cash Return (Cash Flow From Operations / Capital Balance)	-	5.02%	5.40%	-	12.34%	41.24%	45.35%	44.84%	42.42%	48.20%

Small Change Investors Capital Balance										
Investor's Capital Balance - BOP	238,500	238,500	238,500	238,500	238,500	44,423	44,423	44,423	44,423	44,423
Less: Investor's Refinancing Proceeds	-	-	-	-	(194,077)	-	-	-	-	-
Less: Investor's Sale Proceeds	-	-	-	-	-	-	-	-	-	(360,336)
Investor's Capital Balance - EOP	238,500	238,500	238,500	238,500	44,423	44,423	44,423	44,423	44,423	(315,913)
<b>Investor's 10-year IRR</b>	<b>15.8%</b>									

Sale Assumptions	Year 10
Cap rate (%)	6.75%
Sales cost (%)	5.25%
Transfer Tax (%)	2.00%
Gross Sales Price	1,280,215
Gross Sales Price per s.f.	\$311
Net Sales Proceeds	469,910