

90 / 10 Equity Investment Structure

Acrage / Density / Duration

Project Start:	Oct-14	ross Acreage / Square Feet:	- /
Project Sale:	Oct-20	Net Acreage / Square Feet:	- /
Duration:	73 Months	Density:	#DIV/0!

Leasing Revenue

Product Information	No. Of Units	Net Rentable Area	Rate Psf	Monthly Rent	Total Net Rentable Area	Gross Monthly	Gross Annual
CAPITALIZED INCOME							
A1 1/1.....707 sf	40	707	2.80		28,280	\$79,184	\$950,208
A2 1/1.....802 sf	45	758	2.80	\$2,122	34,110	\$95,508	\$1,146,096
B2 2/2.....1053 sf	35	1,053	2.40	\$2,527	36,855	\$88,452	\$1,061,424
B3 2/2.....1060 sf	35	1,060	2.40	\$2,544	37,100	\$89,040	\$1,068,480
Total or Average	155	895	2.60		136,345	\$352,184	\$4,226,208
Average (weighted)		697			697		

ADDITIONAL REVENUE & OPERATING EXPENSES

Other Income	Operating Expenses	Total	Per Unit	% of GSI
Operations Revenue				
Allowance	Allowance	\$ 1,149,547	7,416	28.50%
Parking \$ 18,600	Salaries	\$ -	-	0.00%
Laundry	Management Fee	\$ -	-	0.00%
Storage \$ 18,600	G&A	\$ -	-	0.00%
	Marketing	\$ -	-	0.00%
Retail Space / Other \$ -	Repairs & Maintenance	\$ -	-	0.00%
	Gas	\$ -	-	0.00%
	Water	\$ -	-	0.00%
	Electric	\$ -	-	0.00%
Gross Scheduled Income \$ 4,226,208	Trash	\$ -	-	0.00%
Vacancy 5.00% \$ 211,310	Security	\$ -	-	0.00%
	Insurance	\$ -	-	0.00%
	Property Tax	\$ -	-	0.00%
	CAP EX	\$ -	-	0.00%
	Reserve	\$ -	-	0.00%
Operations Revenue \$ 18,600		\$ 1,149,547	\$ 7,416	28.50%
Retail \$ -				
Effective Gross \$ 4,033,498				
Less OP EX \$ 1,149,547				
TI Expenses for Office Leasing Operations -				
First Year NOI \$ 2,883,951				

Civic Center Drive -- BAY Area - Transit Oriented

SALES REVENUE & DEVELOPMENT AND DISPOSAL EXPENSES

REVENUE	Per Net SF	Per Unit	Per Gross SF
	136,345		154,937
Operating Income	9,502,186	69.69	61,304
Cap Sales Revenue @ 5.0%	64,500,797	473.07	416,134
TI Expenses for Office Leasing Operations	0	-	-
Total Project Revenue	74,002,984	542.76	477,439
			477.63
COSTS			
Land			
Land Price	0	-	-
Acquition Closing and Other	93,500	0.69	603
Subtotal	93,500	0.69	603
Hard Cost			
Demolition	250,000	1.83	1,613
Site Improvements	1,950,000	14.30	12,581
Parking Structure (3.87 Total Parking to Apart	14,175,000	103.96	91,452
Construction	18,170,910	133.27	117,232
Building & Developer's Contingency	1,318,057	9.67	8,504
Construction Indirects	1,535,386	11.26	9,906
Subtotal	37,399,353	274.30	241,286
			241.38
Soft Cost			
Fees & Permits	6,093,804	44.69	39,315
Professional Fees	2,549,000	18.70	16,445
Marketing, Leasing & Disposal	1,440,016	10.56	9,290
Management, Insurance & Property Taxes	2,143,703	15.72	13,830
Subtotal	12,226,523	89.67	78,881
			78.91
Subtotal Project Cost	49,719,376	364.66	320,770
			320.90
Subtotal Project Cost - Exclusive of Disposal Fees	48,279,360	354.10	311.61
Pre Finance Profit	24,283,608	178.10	156,668
			156.73
Finance Cost			
APT Primary Equ- (2 Fee	268,485	1.97	1,732
APT Co-Investm- (2 Fee	29,832	0.22	192
Const. Loan Fees	444,565	3.26	2,868
Const. Loan Interest	3,270,394	23.99	21,099
Mortgage Fees	380,000	2.79	2,452
Mortgage Interest	3,938,388	28.89	25,409
Subtotal	8,331,664	61.11	53,753
			53.77
Total Project Cost	58,051,040	425.77	374,523
			374.67
Pre Tax Profit	15,951,944	117.00	102,916
			102.96



CERTIFIED

ASC Developer

PERFORMANCE MEASURES

Apartment Exit CAP	5.00%
Sales Price	\$ 64,500,797
Disposal Fees	1,390,016
Net Sales	\$ 63,110,781
Returns	
Sale Profit	\$ 15,951,944
Build-To-CAP	5.97% ROC
Yield to CAP Spread	0.97%
Development Margin	19.47%
Profit on Cost%	27.48%
Profit on GDV%	24.73%
Profit on NDV%	24.73%
Development Yield% (on MI)	5.47%
Equivalent Yield% (Nominal)	5.00%
Gross Initial Yield%	5.18%
Net Initial Yield%	4.92%
Jan-00	0.00%
Project IRR% (with Interest)	11.93%
Equity IRR% (with Interest)	19.30%
Return on Equity%	106.81%

Construction Loan & Mortgage

Contributions: Equity & Det	\$ 47,210,626
Debt / Equity Ratio	68.41% / 31.59%
Construction Loan	
Construction Loan	32,294,813
Construction Loan	7.00% 1.25 pts.
Loan Fees	444,565
Interest	3,270,394
Project Funded Loan Fees	0
Project Funded Interest	0
Interest and Fees	3,714,959
Equity Contributions	
APT Primary Equity Partner	14,915,813 100.0%
APT Co-Investment Capital	13,424,231 90.0%
APT Co-Investment Capital	1,491,581 10.0%
Mortgage	
Mortgage	5.00% 1 pts.
Mortgage Fees & Interest	4,318,388
Mortgage Fees	380,000
Mortgage Interest	3,938,388
Mortgage Information	
Mortgage as % of Value	80%
Mortgage Cap. Rate	6.00%
Amortization (months)	360
Add Fees to Mortgage Amo	Yes
Funded Amount	38,380,000
Mortgage Interest	3,938,388
Monthly P&I Payments	206,032
Total Principal Repayment	38,380,000
	0
Total Project Revenue	74,002,984
Total Cost	58,051,039
Pre Tax Profit	15,951,945

Investment & Financing Summary

Total Equity & Debt Contributions	Contribution Amount	IRR	% Of Total Contributions	% of Total Equity	Preferred Return	Profit	Total Preferred Return & Profit	Multiple
Total Equity Contributions	-14,915,813	19.30%	31.6%	100.0%			15,951,945	2.07
APT Primary Equity Partner	-13,424,231	17.31%	28.4%	90.0%	4,865,222	7,540,885	12,406,107	1.92
APT Co-Investment Capital	-1,491,581	22.63%	3.2%	10.0%	540,580	1,447,934	1,988,514	2.33
Developer	0	-	0.0%	0.0%	0	1,557,324	1,557,324	0.00
Contribution Amount		% Of Total	Repayment	Interest	Total Returned			
Total Debt Contributions	-32,294,813							
Construction Loan	-32,294,813		36,009,772	3,714,959	39,724,731			
Apartment Development Mtgage	38,380,000							

Schedule

SCHEDULE	MONTHS
Closing	Oct-14
Design and Permit	Jan-16
Construction Start	Jan-16
ConstructIon Complete	Sep-17
Move-in Prep	Feb-16
First Leases	Sep-17
Stabilization Period End	Sep-18
Hold Period Ends	Aug-20
Sale	Sep-20

REVENUE WITH Escalation

Rental Area Summary	Units	NET ft ²	Rate ft ²	Unit Amount Annual	Rent at Lease Start	Rent At Sale	
# A1 1/1.....707 sf	40	28,280	2.80	23,755	950,208	1,044,458	
# A2 1/1.....802 sf	45	34,110	2.80	25,469	1,146,096	1,253,585	
# B2 2/2.....1053 sf	35	36,855	2.40	30,326	1,061,424	1,169,583	
# B3 2/2.....1060 sf	35	37,100	2.40	30,528	1,068,480	1,177,358	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Totals	155	136,345	2.58		4,226,208	4,644,984	
					2,272	2,497.30	Average (weighted)
					\$ 352,184	\$ 387,082	Monthly TOTAL

Investment Valuation

CAP Valuation	Leasing	Annual Income		CAP Value	
A1 1/1.....707 sf	997,197	Cap Rate	5.00%	20,193,234	- 5.000% vac. / non recov. cost
A2 1/1.....802 sf	1,190,906	Cap Rate	5.00%	24,115,851	- 5.000% vac. / non recov. cost
B2 2/2.....1053 sf	1,116,660	Cap Rate	5.00%	22,612,359	- 5.000% vac. / non recov. cost
B3 2/2.....1060 sf	1,124,083	Cap Rate	5.00%	22,762,678	- 5.000% vac. / non recov. cost
	-			-	Existing Leases NOI
	-			-	
	-			-	
	-			-	
	-			-	
	<u>4,428,846</u>			<u>89,684,122</u>	89,684,122
	95.3%	Aparment Occupancy			

Operating Expenses

28.5% Operating Expense	(1,262,221)	Cap Rate	5.00%	(25,559,975)	
Special Property Tax	-			-	
	<u>(1,262,221)</u>			<u>(25,559,975)</u>	(25,559,975)
	28.5%	Aparment Expense / Actual Income ratio			
	27.2%	Aparment Expense / Est. Gross Income ratio			
	3,166,625			64,124,147	

Operation - Additional Revenue

Reserved Parking	18,600			376,650	
	<u>18,600</u>			<u>376,650</u>	376,650

CAPITALIZED VALUE

<u>64,500,797</u>	NET Capitalized Value
416,134.17	NET CAP Revenue per Apartment Unit

REVENUE WITH Escalation

Project Operating Expense and Revenue (Cumulative)

cumulative Leasing Income			
A1 1/1.....707 sf		2,974,713	
A2 1/1.....802 sf		3,379,972	
B2 2/2.....1053 sf		3,415,143	
B3 2/2.....1060 sf		3,437,846	
		-	
		-	
		-	
		-	
		<u>13,207,674</u>	
cumulative Additional Revenue			
Reserved Parking - A1 1/1.....707 sf		15,200	
Reserved Parking - A2 1/1.....802 sf		16,200	
Reserved Parking - B2 2/2.....1053 sf		13,650	
Reserved Parking - B3 2/2.....1060 sf		13,650	
28.5% Operating Expense - A1 1/1.....707 sf			
28.5% Operating Expense - A2 1/1.....802 sf			
		<u>58,700</u>	cum. Gross Income
cumulative Operating Expenses			
28.5% Operating Expense - A1 1/1.....707 sf	(847,793)		
28.5% Operating Expense - A2 1/1.....802 sf	(963,292)		
28.5% Operating Expense - B2 2/2.....1053 sf	(973,316)		
28.5% Operating Expense - B3 2/2.....1060 sf	(979,786)		
		<u>(3,764,187)</u>	
			<u>9,502,187</u> cum. Net Operating Income
TI Expenses for Office Leasing Operations			
	-		
	-		
	-		
	-		
		<u>-</u>	Net Income Fro Existing Operations
TOTAL PROJECT REVENUE		<u>74,002,984</u>	

OUTLAY

ACQUISITION COSTS		Per Unit
Acquisition Legal	20,000	129
Market Study	10,000	
Cost Study	5,000	
Entitlement Consultant	15,000	
Phase 1	3,500	
	-	
	-	
	-	
	-	
	<u>53,500</u>	345.16
Other Acquisition		
Partnership Legal	40,000	
	-	
	-	
	<u>40,000</u>	
TOTAL ACQUISITION		<u>603.23</u>
	<u>93,500</u>	

Southern California - 90 / 10 Equity Structure
BAY Area - Transit Oriented



REVENUE WITH Escalation

HARD COSTS

Parking		Stalls	\$ per Stall		
Office Parking		350	28,000	9,800,000	
Apartment Parking		250	17,500	4,375,000	
		600			
Subtotal Parking				14,175,000	91,451.61 per Apartment Unit 3.87 Total Parking to Apartment Ratio 1.61 Apartment Parking Ratio
Apartment Shell Construction		Gross ft²	Rate ft²	Cost	
A1 1/1.....707 sf		32,136	120.00 pft ²	3,856,364	
A2 1/1.....802 sf		38,761	120.00 pft ²	4,651,364	103.96 Parking - Apartment PNSF
B2 2/2.....1053 sf		41,881	120.00 pft ²	5,025,682	91.49 Parking - Apartment PGSF
B3 2/2.....1060 sf		42,159	110.00 pft ²	4,637,500	
				-	
				-	
				-	
				-	
				-	
				-	
Subtotal Shell Const.				18,170,910	117,231.68
Contingencies					
Building Contingency		5.00%	890,077		
Developers Contingency		10.00%	427,980		
Subtotal Contingencies				1,318,057	
Site Improvements					
Demo Existing Buildings			250,000		
Grading			400,000		
Water			100,000		
Sewer			50,000		
Storm Drain			50,000		
Curb & Gutter			100,000		
Paving			100,000		
Dry Utilities			100,000		
Retaining Walls			100,000		
Walks			100,000		
Common Area			250,000		
Swimming Pools			200,000		
Rec Center			200,000		
Entry Monumentation			50,000		
Dupster Location Pads			50,000		
Screens & Security Fences			50,000		
Rental/Sales Office			25,000		
Model Units			25,000		
				-	
Subtotal Site Improvements				2,200,000	
Subtotal Improvements & Contingencies				3,518,057	
Other Construction					
Construction Indirects			1,000,000		
General Conditions			535,386		
				1,535,386	
				-	
TOTAL HARD COST				37,399,353	Per Unit 241,286.15 Per Net SF 274.30 Per Gross SF 241.38

REVENUE WITH Escalation

SOFT COSTS

Fees & Permits

Site Improvement Permits	1,500.00 /un	232,500	
Impact Fees paid @ Building Permit	30,000.00 /un	4,650,000	
School Fees	136,345 ft ² \$ 3.20	436,304	
Building Permits	5,000.00 /un	775,000	
		-	
		-	
			Per Unit
		6,093,804	39,315

PROFESSIONAL FEES

Civil Engineer	440,000	200,000	
Soils		125,000	
Dry Utility		15,000	
Traffic		50,000	
Air Quality Study		50,000	
Cost Estimate		20,000	
		-	
Architect	1,235,000	950,000	
Structural Engineer		200,000	
Title 24 Consultant		35,000	
HVAC		20,000	
Plumbing		15,000	
Electrical		15,000	
		-	
Landscape Architect		200,000	
HOA, DRE & Legal		50,000	
Project Manager		160,000	
Indirects - Site Management		125,000	
SWPPP's Consultant		50,000	
Printing and Copy Services		100,000	
Professionals Contingency		169,000	
		-	
			2,549,000

MARKETING & LEASING

Leasing Legal Fee		50,000	
		-	
			50,000

DISPOSAL FEES

Selling Agent Fees	1.00%	645,008	
Broker Co-Op	1.00%	645,008	
Sales Legal Fee		100,000	
		-	
			1,390,016

Management

Dev. Management Fee		2,000,000	
			2,000,000

MISCELLANEOUS FEES

Insurance	1.00%	143,703	
		-	
			143,703

TOTAL SOFT COST	-	12,226,523
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REVENUE WITH Escalation

FINANCE COSTS

Interest and Fees

Interest paid to Debt Sources:	-	
Construction Loan (7.00%)	3,270,394	
Total Interest paid to Debt Sources:		3,270,394
Mortgage Interest (5.00%)	3,938,388	
		3,938,388
		<u>7,208,782</u>

Debt & Equity Financing Fees

APT Primary Equity Partner - (2.00%) (Single)	268,485
APT Co-Investment Capital - (2.00%) (Single)	29,832
Construction Loan - Construction Loan (1.25%) (Single)	444,565
Mortgage - % Fee (1.00%) (Single)	380,000
	-
	<u>1,122,882</u>

COSTS EXCLUSIVE OF FINANCE AND DISPOSAL FEES

TOTAL COSTS	48,279,360	Per Unit
	58,051,040	311,480

PROFIT

		Contribution	IRR	Multiple
APT Primary Equity Partner		13,424,231	17.31%	1.92
Preferred Return (8.00%)	4,865,222			
IRR Lookback (12.00%)	2,918,633			
IRR Lookback (15.00%)	2,510,518			
Residual Percentage (50.00%)	2,111,734			
	<u>12,406,107</u>			
APT Co-Investment Capital	-	1,491,581	22.63%	2.33
Preferred Return (8.00%)	540,580			
IRR Lookback (12.00%)	324,293			
IRR Lookback (15.00%)	278,947			
Residual Percentage (20.00%)	844,694			
	<u>1,988,514</u>			
Developer	-			
Promote	81,073			
Promote	209,210			
Residual Percentage (30.00%)	1,267,040			
	<u>1,557,323</u>			
	<u>15,951,944</u>	Apartment Profit		

Performance Measures

Profit on Cost%	27.48%
Profit on GDV%	24.73%
Profit on NDV%	24.73%
Development Yield% (on MRV)	5.47%
Equivalent Yield% (Nominal)	5.00%
Gross Initial Yield%	5.18%
Net Initial Yield%	4.92%
Project IRR% (with Interest)	11.93%
Equity IRR% (with Interest)	19.30%
Return on Equity%	106.81%
Cost per Gross ft ²	375.00
Cost per Net ft ²	426.00
Floor Area Ratio	

‡ Inflation/Escalation applied