



Pro Forma

Sample Project

Somewhere, CA

1-Nov-2007

Preliminary Economics	BLDG. SF	SITE SF	ACRE	Building & Site	\$128.84
	55,800	207,781	5	Land Costs	\$10.59

NO	ITEMS	QUANT	UN	COST	SUBTOTAL	TOTAL	%	
A								
1	Construction Cost	1	LS	\$7,189,203	\$ 7,189,203	\$ 7,189,203	48.7%	
2	Tenant Improvement Allowance	1	LS	\$1,290,160	\$ 1,290,160	\$ 1,290,160	8.7%	
3	Interium Post Office Improvements	1	LS	\$75,000	\$ 75,000	\$ 75,000	0.5%	
4	Permits & Fees	1	LS	\$ 1,292,572	\$ 1,292,572	\$ 1,292,572	8.8%	
5	A & E, Engineering	1	LS	\$ 647,269	\$ 647,269	\$ 647,269	4.4%	
6	Land Related Costs							
a	Land Cost -- DEVELOPER TO INSERT	207,781	SF	\$10.59	\$ 2,200,000	\$ 2,200,000	14.9%	
b	Real Estate Taxes -- DEVELOPER TO INSERT	207,781	SF	0.03864	\$ 8,028	\$ 8,028	0.1%	
c	Closing Costs -- DEVELOPER TO INSERT	1	LS		-	\$ -	0.0%	
d	Escrow and Title Fees -- DEVELOPER TO INSERT	1	LS		-	\$ -	0.0%	
					-	\$ -		
					-	\$ -		
					-	\$ -		
	Total Land Costs				\$ 2,208,028	\$ 2,208,028	15.0%	
7	Miscellaneous Developer Costs							
a	Legal	1	LS	30,000	\$ 30,000	\$ 30,000	0.2%	
b	Owners General Liability	1	LS	55,000	\$ 55,000	\$ 55,000	0.4%	
c	Course of Construction Insurance	1	LS	15,000	\$ 15,000	\$ 15,000	0.1%	
d	Testing & Inspections (In Construction Cost)			-	\$ -	\$ -		
e	Signage (In Construction Cost)			-	\$ -	\$ -		
f	Site Furnishings (In Construction Cost)			-	\$ -	\$ -		
g	Reproduction Costs	1	LS	30,000	\$ 30,000	\$ 30,000	0.2%	
h	Marketing & Advertising -- DEVELOPER TO INSERT	1	LS	-	\$ -	\$ -	0.0%	
i	Broker Commissions -- DEVELOPER TO INSERT	48	FAC	120,197	\$ 230,777	\$ 230,777	1.6%	
	Total Miscellaneous Developer Costs				\$ 360,777	\$ 360,777	2.4%	
8	OH & P / Management (Based on "Construction & Permit Costs")			\$ 9,771,934	\$ 3.0%	\$ 293,158	\$ 293,158	2.0%
9	Finance on Construction							
a	Legal -- DEVELOPER TO INSERT	1	LS	38,000	38,000	\$ 38,000	0.3%	
b	Points (.005 X LTV) -- DEVELOPER TO INSERT	0.5%	16,614,168	LTV	83,071	83,071	\$ 83,071	0.6%
c	Interest Reserve -- DEVELOPER TO INSERT	7.25%	16,614,168	LTV	60%	10	\$ 602,264	4.1%
d	Lease Up-interest -- DEVELOPER TO INSERT	7.25%	16,614,168	LTV	60%	6	\$ 361,358	2.4%
	Total Finance Costs				N/A	\$ 1,084,693	7.4%	
10	Contingency (Based on items 1 - 5 above) -- DEV TO INSERT			\$ 10,494,203	\$ 3.0%	\$ 314,826	\$ 314,826	2.1%
	Total Project Cost...		\$ 264.44 SF			\$ 14,755,685	100.0%	
B	INCOME / EXPENSE							
1	Lease	Total		Lease/mo	Mo	Total Lease		
a	All (Office & Retail -- See worksheet)	1	LS	\$ 120,197	12	\$ 1,442,359		
2	Gross Income					\$ 1,442,359		
3	Less Vacancy -- DEVELOPER TO INSERT	5%			\$ 72,118	(72,118)		
	Sub Total					\$ 1,370,241		
4	Operation Expense -- DEVELOPER TO INSERT	3%	nnn		\$ 41,107	(41,107)		
5	N. O. I.					\$ 1,329,133		
6	Value - Cap Rate -- DEVELOPER TO INSERT	6.0%				\$ 22,152,224		
	LTV -- DEVELOPER TO INSERT	75%				\$ 16,614,168		
	Total Project Costs					\$ 14,755,685		
	Total Equity Required (Based on Cap & LTV) Cannot be negative!					\$ (1,858,483)		
	Total Equity Required By Lender (Used for Debt Service Calcs) -- DEV TO INSERT					\$ 750,000		
C	DEBT SERVICE / NET INCOME							
1	N.O.I.	Loan Amount		Term	Rate	\$ 1,329,133		
2	Debt Service on Loan (TPC less Equity) -- DEVELOPER TO INSERT	\$ 14,005,685		30	7.75%	\$ (1,127,483)		
3	Cash Flow					201,651		
				Percentage Return on Equity			27%	



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Rent & Sales Assumptions

ASSUMPTIONS	BLDG SF	\$/SF COST	\$/SF SALE	\$/SF RENTAL RATE	TOTAL CONST. COST	TOTAL SALES PRICE	MONTHLY RENT
SELL -- Building A (2nd floor)	4,825	\$ 156.15	\$ 332.00	\$ 1.90	\$ 753,410	\$ 1,601,900	\$ 9,168
SELL -- Building C	10,136	\$ 156.15	\$ 300.00	\$ 1.90	\$ 1,582,708	\$ 3,040,800	\$ 19,258
SELL -- Building F	6,836	\$ 156.15	\$ 300.00	\$ 1.90	\$ 1,067,422	\$ 2,050,800	\$ 12,988
SELL -- Building G	7,816	\$ 156.15	\$ 300.00	\$ 1.90	\$ 1,220,447	\$ 2,344,800	\$ 14,850
LEASE -- Building A (1st floor)	8,036	\$ 156.15	\$ 332.00	\$ 2.65	\$ 1,254,799	\$ 2,667,952	\$ 21,295
LEASE -- Building B	5,946	\$ 156.15	\$ 350.00	\$ 2.65	\$ 928,451	\$ 2,081,100	\$ 15,757
LEASE -- Building D	3,643	\$ 156.15	\$ 300.00	\$ 2.25	\$ 568,844	\$ 1,092,900	\$ 8,197
LEASE -- Building E	7,412	\$ 156.15	\$ 300.00	\$ 1.90	\$ 1,157,363	\$ 2,223,600	\$ 14,083
LEASE -- Building E Garage	1,150	\$ 156.15	\$ 300.00	\$ 4.00	\$ 179,569	\$ 345,000	\$ 4,600
Total Project-All Buildings	55,800	\$ 156.15			\$ 8,713,014	\$ 17,448,852	\$ 120,197
TOTAL	55,800				\$ 8,713,014	\$ 17,448,852	\$ 120,197

Rates are linked to analysis sheet.