

**Bermuda Bay Apartments
TAMPA FLORIDA**

Summary of Salient Facts			
Total Development Costs:		\$48,505,339	
Developed Cost Per Unit: (All Costs)		\$134,737	
Developed Cost Per Sq. Ft.: (All Costs)		\$ 126.45	
Number of Units:		360	
Land Cost:* includes commission		\$6,000,000	
Land Cost Per Unit:		\$16,667	
Acres - Total:		23.05	
Hard Cost Per Sq. Ft. A/C:		70.00	
Site Utilities Estimate :		1,534,336	
Acres - Buildable:		23.05	
Density (buildable site acreage):		15.62	
Average Unit Size:		1,049	
Net Operating Income:		\$3,964,686	
Stabilized Return on Costs after Reserves:		8.17%	
Construction Period Interest		\$ 1,900,000	
Interim Rents		\$500,000	
Average Rent Per Unit:		\$1,442	
Average Rent Per Square Foot:		\$1.38	
Expenses per Unit:		(\$5,800)	
Expense Ratio:		34.50%	
Reserve Allowance:		\$200	
Construction Start Date: Horizontal		January 15, 2015	
Construction Start Date: Vertical		April 15, 2015	
Construction Period:	Months	18	
Lease up Period:	Months	16	
Stabilization:	Months	24	
Total AC Square Footage:(not including clubhouse)		377,584	
Number of Buildings:		21	
Number of Floors:		2+3+4	
Developer		Bermuda Bay Associates, LLC	

**Bermuda Bay Apartments
TAMPA FLORIDA**

Sources & Uses

352 Units

<u>Cost Item</u>	<u>Total</u>	<u>Per Unit</u>	<u>Per A/C SF</u>
Hard Costs	\$26,850,880	\$74,585.78	\$70.00
Contractor Fee and Overhead	\$2,148,070	\$5,966.86	\$5.60
Garages-free standing	\$960,000	\$2,666.67	\$2.50
Parking area	\$525,000	\$1,458.33	\$1.37
Landscape/Irrigation/Related Costs*in 11	\$0	\$0.00	\$0.00
Pool and deck area*in 11	\$0	\$0.00	\$0.00
Site Fill-to 9' slab*at \$12/cy	\$1,500,000	\$4,166.67	\$3.91
Site Utilities & Fill- Estimate	\$1,534,336	\$4,262.04	\$4.00
Land Costs	\$6,000,000	\$16,666.67	\$15.64
Design Fees - A & E	\$650,000	\$1,805.56	\$1.69
Consultants	\$121,500	\$337.50	\$0.32
Surveying/Testing/Third Party Reports	\$114,500	\$318.06	\$0.30
Permitting/Impact/Municipal Fees	\$2,358,553	\$6,551.54	\$6.15
FF&E	\$698,000	\$1,938.89	\$1.82
Preleasing/Marketing	\$734,500	\$2,040.28	\$1.91
Other Development Cost (see attached detailed development budg	\$910,000	\$2,527.78	\$2.37
Interest Expense*E34@60% AOB,4.25% then @85% year 2	\$1,900,000	\$5,277.78	\$4.95
Interim Rents	(\$500,000)	(\$1,388.89)	(\$1.30)
General Contingency	\$500,000	\$1,388.89	\$1.30
Development Overhead	\$750,000	\$2,083.33	\$1.96
Development Fee	\$750,000	\$2,083.33	\$1.96
Total Project Cost	\$48,505,339	\$134,737	\$126.45

	<u>Dollar Amount</u>	<u>Per Unit</u>	<u>% of Total Cost</u>
Debt			
Construction Loan-70% LTC	\$33,953,738	\$94,316	70.00%
Mezz Loan		\$0	0.00%
Total Debt	\$33,953,738	\$94,316	70.00%
Equity			
Equity	\$13,551,602	\$37,643	27.94%
Developer Equity	\$1,000,000	\$2,778	2.06%
Total Equity	\$14,551,602	\$40,421	30.00%
Total Capitalization	\$48,505,339	\$134,737	100.00%

Value - CAP Rate 6.00% \$66,078,099 \$183,550

**Bermuda Bay Apartments
TAMPA FLORIDA**

Stabilized Proforma Operating Statement

			RSF	Balcony	Total	Rent	Rent/SF	Monthly Total	Total	Square Feet
15.56%	56	1BR JR.	660	69	729	\$1,100	\$1.67	\$61,600	\$739,200	36,960
6.67%	24	1BR/1BA carriage	678	217	895	\$1,175	\$1.73	\$28,200	\$338,400	16,272
7.78%	28	1BR/1BA solarium	898	0	898	\$1,299	\$1.45	\$36,372	\$436,464	25,144
7.78%	28	1 BR/1BA	826	72	898	\$1,275	\$1.54	\$35,700	\$428,400	23,128
21.11%	76	2BR/2BA-solarium	1,225	0	1,225	\$1,525	\$1.24	\$115,900	\$1,390,800	93,100
21.11%	76	2BR/2BA	1,105	120	1,225	\$1,500	\$1.36	\$114,000	\$1,368,000	83,980
10.00%	36	3BR/2BA-solarium	1,435	0	1,435	\$1,790	\$1.25	\$64,440	\$773,280	51,660
10.00%	36	3BR/2BA	1,315	120	1,435	\$1,750	\$1.33	\$63,000	\$756,000	47,340
100.00%	360		1,049			\$1,442	\$1.38	\$519,212	\$5,491,344	377,584

Growth Rates

	3.50%
Expenses	3.00%

	Per Unit	Year 1 Lease Up	Year 2 Lease Up	Year 3 Stabilized	Year 4 Stabilized	Year 5 Stabilized
Vacancy	7.00%	\$5,491,344	\$5,491,344	\$5,683,541	\$5,882,465	\$6,088,351
(Loss to lease Up)		\$0	(\$384,394)	(\$397,848)	(\$411,773)	(\$426,185)
Effective Gross Rental Income	\$13,577	\$2,168,387	\$4,887,727	\$5,285,693	\$5,470,692	\$5,662,167
Rent Premiums-1st, 3rd and 4th floor	\$25	\$40,500	\$81,000	\$83,835	\$86,769	\$89,806
Garage Income	\$125	\$60,000	\$120,000	\$124,200	\$128,547	\$133,046
Fee Income:Appl. Redec.pet,late,early term.mtm,misc	\$60	\$129,600	\$259,200	\$268,272	\$277,662	\$287,380
Other Income:Water,sewer,washer d	\$65	\$140,400	\$280,800	\$290,628	\$300,800	\$311,328
Total Collected Income	\$15,635	\$2,538,887	\$5,628,727	\$6,052,628	\$6,264,470	\$6,483,727
Operating Expenses**	Per unit					
Management Fees	3.50%	88,861	197,005	\$202,916	\$209,003	\$215,273
Management Expenses:supplies,phones,travel,meals,	\$200	36,000	72,000	\$74,160	\$76,385	\$78,676
Advertising & Promotion	\$178	32,040	64,080	\$66,002	\$67,982	\$70,022
Payroll: Administrative	\$725	130,500	261,000	\$268,830	\$276,895	\$285,202
Payroll: Maintenance	\$450	81,000	162,000	\$166,860	\$171,866	\$177,022
Utilities	\$925	166,500	333,000	\$342,990	\$353,280	\$363,878
Contract Services	\$504	90,720	181,440	\$186,883	\$192,490	\$198,264
Maintenance Expenses	\$235	42,300	84,600	\$87,138	\$89,752	\$92,445
Turnover/Make Ready	\$125	0	45,000	\$46,350	\$47,741	\$49,173
Insurance	\$400	72,000	144,000	\$148,320	\$152,770	\$157,353
Real Estate Taxes***	\$1,275	229,500	413,100	\$425,493	\$438,258	\$451,406
Reserves	\$200	0	0	\$72,000	\$63,000	\$63,000
Total Operating Expenses		\$969,421	\$1,957,225	\$2,087,942	\$2,139,420	\$2,201,713
Expense Per Unit		(\$2,693)	(\$5,437)	(\$5,800)	(\$5,943)	(\$6,116)
Net Operating Income Before Reserves		\$1,569,466	\$3,671,502	\$4,036,686	\$4,188,050	\$4,345,014
Expense Ratio		38.18%	34.77%	34.50%	34.15%	33.96%
Return on Costs		2.00%	7.57%	8.17%	8.50%	8.83%
Net Operating Income After Reserves (with taxes)		\$969,421	\$3,671,502	\$3,964,686	\$4,125,050	\$4,282,014
Value:Cap Rate	6.00%			\$66,078,099	\$68,750,828	\$71,366,892

** from 2014 actual budget of BEOB-344 units in Ormond Beach

*** Estimated on real estate comps in market

SQUARE FOOTAGE	
Net Rentable Square Footage	383,584
Clubhouse-included above	-
Gross Square Footage	383,584
Number of Units	360
Average Unit Square Footage with balconies	1,066
Acres -Developable Area	23.05
Density - /Net Acre	15.62
Land Costs per Unit	\$ 16,000
Garage Spaces	80
Surface Parking	640
	720

KEY DATES	
Land Purchase Date	9/24/13
Construction Start Date:	1/15/15
Construction Period	18

DEVELOPMENT INPUTS

		TOTAL COST	PER UNIT	PER A/C SQ. FT.
	Total Units/Sq. Ft.		360	383,584
			<i>TOTAL UNITS</i>	<i>TOTAL A/C SF</i>
LAND	<i>Land</i>	\$5,760,000	16,000	15.02
	<i>Commission-</i>	\$240,000	667	0.63
	Total Land	\$6,000,000	\$16,667	15.64
DIRECT CONSTRUCTION COSTS:	<i>Construction Costs (includes Clubhouse)</i>	\$70.00	26,850,880	74,586
	Contractor Fee and General Conditions	8.00%	2,148,070	5,967
	Garages-free standing @\$12,000 each		960,000	2,667
	Elevators in 7 buildings@ \$75,000		525,000	1,458
	Landscape/Irrigation/related costs* in Construction Costs		0	0.00
	Site Fill-150,000 CY*at \$10.00/cy		1,500,000	4,167
	Pool and deck area* in Construction Costs		0	0.00
	Site Utilities/Walls/Front entrance		1,534,336	4,262
	Total Direct Costs	\$33,518,286	\$93,146	\$87.38
INDIRECT CONSTRUCTION COSTS:	<i>Design</i>			
	Architect - Design	350,000	972	0.91
	Structural Engineer* in Arch	40,000	111	0.10
	Land Planner: site plan approval,rezoning, CPA	20,000	56	0.05
	Civil Engineer	140,000	389	0.36
	MEP Engineer* in Arch	0	0	0.00
	Landscape / Hardscape Design	60,000	167	0.00
	A&E Reimbursable	20,000	56	0.00
	Other A&E	20,000	56	0.00
	Total Design	\$650,000	\$1,806	\$1.69
	<i>Consultants</i>			
	Architectural Administration / Inspections	80,000	222	0.21
	Inspecting Civil Engineer	9,000	25	0.02
	Interior Designer	30,000	83	0.08
	Colored Rendering	2,500	7	0.01
	Total Consultants	\$121,500	\$338	\$0.32
	<i>Survey / Testing</i>			
	Surveying (ALTA / Topo / Tree)	40,000	111	0.10
	As-Built Survey	15,000	42	0.04
	Geotechnical	25,000	69	0.07
	EPC Fees	4,500	13	0.01
	Materials Testing	10,000	28	0.03
	Traffic Study	8,000		
	Appraisal	7,500	21	0.02
	Market Study	4,500	13	0.01
	Total Survey / Testing	\$114,500	\$318	\$0.30
	<i>Permits and Fees</i>			
	Building Permit-Inspection Fees (\$58,402.24)	65,000	181	0.17
	Plan Review Fee (\$38,934.82)	45,000	125	0.12
	Transportation Impact Fee-\$672/unit	241,920	672	0.63
	City Utility Connection Fees	1,035	3	0.00
	Wetland Mitigation Fee	162,000	450	0.42
	Water Connection Fee	28,000	78	0.07
	Sewer Connection Fee	41,310	115	0.11
	CIAC-Contribution in aid of Construction Fees-\$2145/unit	772,200	2,145	2.01
	School Impact Fees-see schedule	924,960	2,569	2.41
	Fire Line Capacity Fee	17,128	48	0.04
	Other review fees***	60,000	167	0.16
	Total Permits and Fees	\$2,358,553	\$6,552	\$6.15
FURNISHINGS/EQUIPMENT:	Weight Room Equipment	75,000	208	0.20
	Pool / Courtyard FF&E and Pots	100,000	278	0.26
	Model Unit	35,000	97	0.09
	Club and Rec Room Furnishings	100,000	278	0.26
	Office Equipment	25,000	69	0.07
	Golf Carts	25,000	69	0.07
	Audio Visual / Security	10,000	28	0.03
	Maintenance Equipment	40,000	111	0.10
	Washer / Dryers	288,000	800	0.75
	Total Furnishing/Equipment	\$698,000	1,939	1.82

PRELEASING/MARKETING COSTS:	Advertising / Promotions	75,000	208	0.20
	Leasing Brochures	15,000	42	0.04
	Design / Graphics / Displays / Postage	7,500	21	0.02
	Common Area Signage	25,000	69	0.07
	Lease-up Expenses	150,000	417	0.39
	Main Entrance Signage	50,000	139	0.13
	Remburseables (Travel / Lodging)	12,000	33	0.03
	Operating Reserve	400,000	1,111	1.04
	Total Marketing Costs	\$734,500	\$2,040	\$1.91
OTHER DEVELOPMENT COSTS:	Loan Origination Fees-broker/lender	350,000	972	0.91
	Legal & Closing Costs	100,000	278	0.26
	Builders Risk Insurance	150,000	0	0.00
	Other Insurance	150,000	417	0.39
	Real Estate Taxes -2 years	160,000	444	0.42
	Total Other Development Costs	910,000	\$2,528	\$2.37
INTEREST EXPENSE:	Construction Period Interest (interest for 24 months)	1,900,000	5,278	4.95
	Interim Rents: see lease up	(500,000)	(1,389)	(1.30)
	Total Interim Interest:	\$ 1,400,000	\$3,889	\$3.65
DEVELOPMENT & OVERHEAD FEES:	Development Overhead	\$750,000	\$2,083	\$1.96
	Development Fee	\$750,000	\$2,083	\$1.96
	Total Development Fees	\$1,500,000	\$4,167	\$3.91
GENERAL CONTINGENCY:	General Contingency	\$500,000	1,389	1.30
TOTAL PROJECT COSTS		48,505,339	\$ 134,737	\$ 126.45

***City of Tampa Water-\$70;SWFWMD-\$3000;COT Wastewater-\$250;COT Plan Review-\$425;EPC-FDEP Sewer-\$650;Hills FDEP water review-\$860; EPC-\$4000

Bermuda Bay Apartments

TAMPA FLORIDA

SHAMROCK REALTY ADVISORS, INC.

Lease-Up Schedule

Lease-Up Assumptions:

Land Closing Date	September-13
Months to Construction Start	16
Months to First Unit Delivered from Construction Start	9
Total Construction Period	23
The Number of Months of Lease-Up is to	15
Months to Stabilization	24
Months Abated Rent (Concessions)	0.0

Summary Information:

Units	360
Avg. Net Units Leased/Mo.	22.0
Net Monthly Absorption	6.11%
Stabilized Occupancy	93%

Lease-Up Time Line:

Land Close	Construction Start Date	First Unit Delivered	Last Unit Delivered	Stabilization
November-13	January-15	October-15	December-16	January-17

Lease-Up Projections								Rental Income	Lease Up Deficit	Interim Rents	Interim Expenses
Months		Concessions		Apartments		Delivered					
		per Month*	Cumulative	Net Leased per Month	Cumulative	per Month	Cumulative				
1	Oct-15	0.0	0.0	22.0	22.0	26	26	31,730	(451,426)		(\$4,937)
2	Nov-15	0.0	0.0	22.0	44.0	26	51	63,459	(419,696)		(\$9,874)
3	Dec-15	0.0	0.0	22.0	66.0	26	77	95,189	(387,967)		(\$14,811)
4	Jan-16	0.0	0.0	22.0	88.0	26	103	126,918	(356,237)		(\$19,747)
5	Feb-16	0.0	0.0	22.0	110.0	26	129	158,648	(324,508)		(\$24,684)
6	Mar-16	0.0	0.0	22.0	132.0	26	154	190,378	(292,778)		(\$29,621)
7	Apr-16	0.0	0.0	22.0	154.0	26	180	222,107	(261,048)		(\$34,558)
8	May-16	0.0	0.0	22.0	176.0	26	206	253,837	(229,319)		(\$39,495)
9	Jun-16	0.0	0.0	22.0	198.0	26	231	285,567	(197,589)		(\$44,432)
10	Jul-16	0.0	0.0	22.0	220.0	26	257	317,296	(165,859)		(\$49,369)
11	Aug-16	0.0	0.0	22.0	242.0	26	283	349,026	(134,130)		(\$54,306)
12	Sep-16	0.0	0.0	22.0	264.0	26	309	380,755	(102,400)		(\$59,242)
13	Oct-16	0.0	0.0	22.0	286.0	26	334	412,485	(70,671)		(\$64,179)
14	Nov-16	0.0	0.0	22.0	308.0	26	360	444,215	(38,941)		(\$69,116)
15	Dec-16	0.0	0.0	22.0	330.0	0	360	475,944	(7,211)		(\$74,053)
16	Jan-17	0.0	0.0	5.0	335.0	0	360	483,156	0		(\$75,175)
17	Feb-17	0.0	0.0	0.0	335.0	0	360	483,156	0		(\$75,175)
18	Mar-17	0.0	0.0	0.0	335.0	0	360	483,156	0	3,748,422	(\$75,175)
19	Apr-17	0.0	0.0	0.0	335.0	0	360	483,156	0		(\$75,175)
20	May-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
21	Jun-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
22	Jul-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
23	Aug-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
24	Sep-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
25	Oct-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
26	Nov-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
27	Dec-17	0.0	0.0	0.0	335.0	0	360	483,156	0		
28	Jan-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
29	Feb-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
30	Mar-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
31	Apr-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
32	May-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
33	Jun-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
34	Jul-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
35	Aug-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
36	Sep-18	0.0	0.0	0.0	335.0	0	360	483,156	0		
Total		0.0		335.0		360					

*Includes concessions from units leased in prior months.

Bermuda Bay Apartments

Start-Up Capital

	Budgets	month 1	month 2	month 3	month 4	month 5	PAID-as of August '14
Architect - Design/MEP/Structural	\$ 127,670.00	\$ 33,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 34,670.00	\$ 15,000.00
Land Planner: site plan approval	\$ 15,000.00	\$ 3,000.00	\$ 6,500.00	\$ 3,000.00	\$ 2,500.00		\$ 16,718.01
Civil Engineer	\$ 82,100.00	\$ 6,935.00	\$ 27,440.00	\$ 21,550.00	\$ 22,690.00	\$ 4,285.00	\$ 20,120.49
Landscape / Hardscape Design	\$ 15,000.00		\$ 8,000.00	\$ 7,000.00			
Interior Design							
A&E Reimbursable	\$ 5,000.00					\$ 5,000.00	
Other A&E							
Tree Survey/Topography	\$ 18,900.00		\$ 9,000.00	\$ 9,900.00			\$ 17,195.58
Surveying (ALTA)							
As-Built Survey							
Geotechnical	\$ 20,000.00	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00			\$ 14,188.12
EPC/TPC/CITY ZONING FEES	\$ 6,000.00						\$ 6,113.12
Materials Testing							
Econometric Study	\$ 8,000.00	\$ 8,000.00					
Appraisal	\$ 7,500.00		\$ 7,500.00				
Market Study	\$ 6,500.00						\$ 6,500.00
Soil Remediation	\$275,000						\$ 275,000.00
Plan Checking Fee: City							
Permit Fees							
Land Deposit-Refundable	\$ 75,000.00	\$ 50,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 55,863.01
Land Loan Fees	\$ 90,000.00						\$ 90,000.00
Construction Loan Fee-Application Fee	\$ 10,000.00		\$ 10,000.00				\$ 10,000.00
Legal & Closing Costs							
Legal Fees - Land Acquisition	\$ 10,000.00	\$ 10,000.00					\$ 10,000.00
Legal Fees - Partnership	\$ 40,000.00	\$ 20,000.00		\$ 10,000.00	\$ 10,000.00		\$ 22,218.21
Legal Fees - Construction Loan							
Legal Fees - Equity Member							
Legal Fees - Zoning / Site Plan	\$ 10,000.00		\$ 6,500.00	\$ 3,500.00			
Legal Fees - Environmental							
Title Policy							
Land Loan Interest	\$ 300,000.00						\$ 300,000.00
Accounting Fees							\$ 1,192.50
Bank Charges							\$ 224.98
Remibursables (Travel / Lodging)							
Builders Risk Insurance							
Liability Insurance							
Doc Stamps & Intangible Tax on Mortgage							
Doc Stamps on Deed							
Real Estate Taxes							\$ 14,653.36
Operating Reserve							
Contingency							
Pre-Development Fee							
Total Start-Up Capital Needed	\$ 1,121,670.00	\$ 135,935.00	\$ 104,940.00	\$ 89,950.00	\$ 60,190.00	\$ 48,955.00	\$ 874,987.38