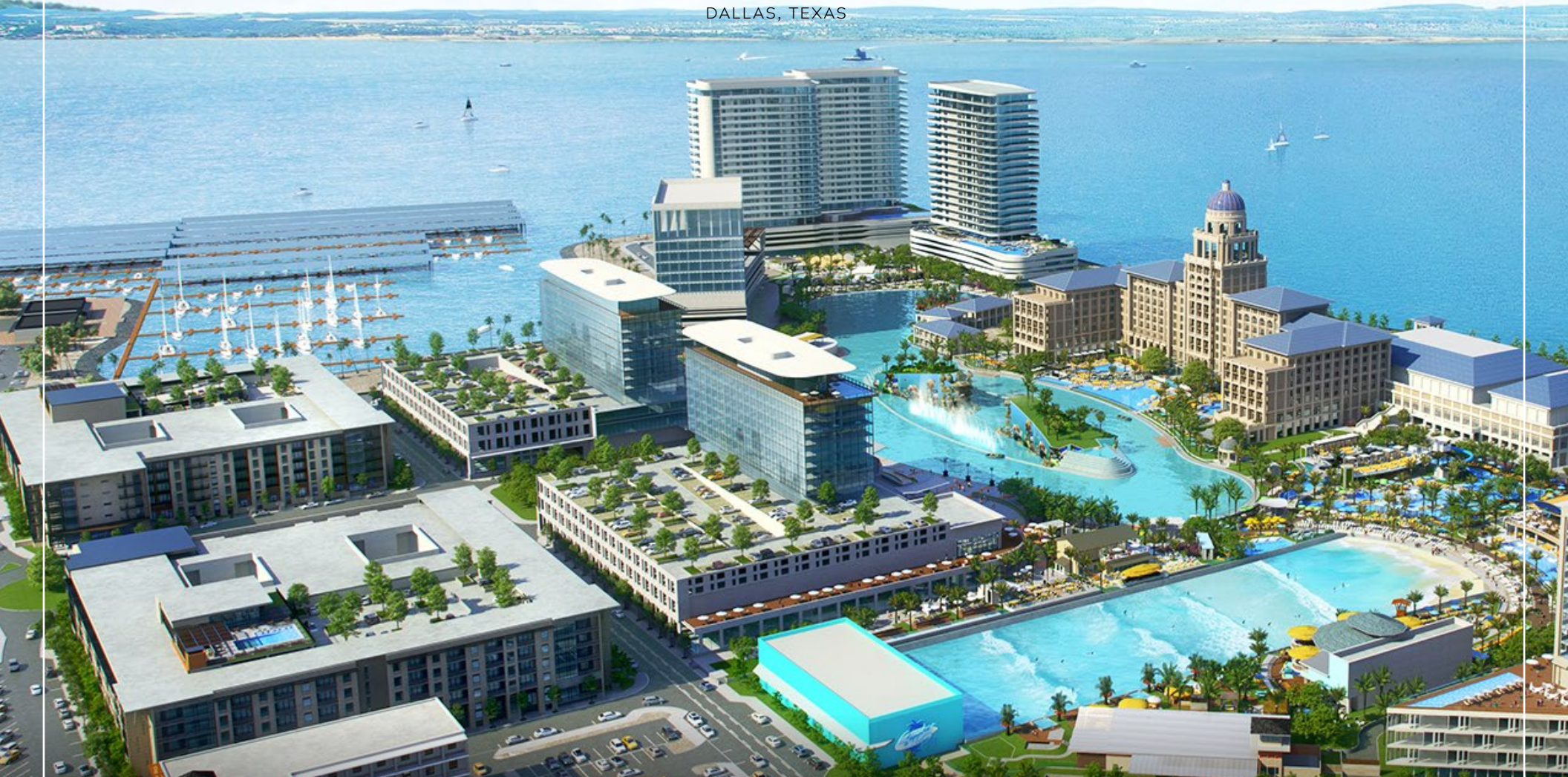




Harborside

AT SAPPHIRE BAY

DALLAS, TEXAS



Capitalization Request - Senior Construction Loan

317-UNIT GROUND-UP MULTIFAMILY DEVELOPMENT IN THE \$1 BILLION SAPPHIRE BAY MIXED-USE DEVELOPMENT





EXCLUSIVE REPRESENTATION

Colliers International has been retained by Floridays Development Company as exclusive agent to arrange the senior construction loan for Harborside at Sapphire Bay.

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The details and specifications are not finalized, and any feature or amenity is subject to change. All images and renderings used in this presentation are provided as conceptual illustrations and subject to change.

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The Plaza Office, Retail, & Restaurants

THE OPPORTUNITY

Colliers Dallas Multifamily Advisors has been retained by Floridays Development Company as exclusive agent to arrange the senior construction loan for Harborside at Sapphire Bay, a proposed \$79 million Class A apartment development located within the 116-acre Sapphire Bay development in Rowlett, Texas. Harborside at Sapphire Bay will consist of one five-story building containing 317 apartment units. The building permits have been issued and groundbreaking is planned for July 2024. The sponsorship group has already closed the land, received completed construction drawings, obtained hard bids for the construction, and is ready to execute the construction contract with the general contractor.

Located just off Interstate 30 at the Dalrock Road exit, the site is in the heart of the Sapphire Bay development, a \$1 billion mixed-use, master-planned community that when completed will consist of 1,500+ residential units, 1.7 million square feet of mixed-use restaurant, retail, entertainment, office and hospitality space, 20+ acres of parks and trails, a 1,000-slip marina. Sapphire Bay sits on a peninsula in the center of Lake Ray Hubbard surrounded by 2 miles of shoreline. The development will feature 18.5 acres of aquatic attractions including a 7-acre man-made lagoon, a choreographed show fountain, a one-of-a-kind surf village, and a lazy river water park. Anchoring the development will be the 500-room Sapphire Bay Resort and Conference Center, operated and managed by Destination Hotels by Hyatt.

Colliers is seeking a lender to provide the debt portion of the overall capitalization for the development of Harborside at Sapphire Bay. The developer's business plan calls for construction commencement in July 2024, initial occupancy in December 2025, and the sale of the project after occupancy stabilization is achieved in the fall of 2026. Based on a total development cost of \$78,735,004 (\$248,375 per unit, and \$289 per square foot), the developer is seeking floating rate financing for a three-year term with total proceeds of \$51,177,774, or 65 percent of the overall capitalization of the project. The operations, which have been conservatively underwritten, generate an attractive yield on development cost of 6.41 percent and a strong debt yield of 9.86 percent based on current rents.

Property Identification

Property	Harborside at Sapphire Bay
Street Address	1101 Sapphire Bay Blvd.
City, County, State, Zip	Rowlett, TX 75088

Property Description

Number of Units	317 units
Net Rentable Area	271,525 square feet
Average Unit Size	857 square feet
Projected Year of Completion	2026
Design Description	5-story with 5 level central garage
Garage Parking Spaces	470 parking spaces
Parking Ratio	1.48 spaces per unit

Yield on Cost

Stabilized NOI	\$5,044,912
Total Development Cost	\$78,735,004
Return on Total Development Cost	6.41%

Senior Loan Request

Loan Amount	\$51,177,774
Loan to Cost	65.00%
Annual Debt Service	\$4,257,991
Debt Yield	9.86%



EXECUTIVE SUMMARY

Cost Summary	Cost	Per Unit	Per SF	% of Total
Land Cost	\$3,250,000	\$10,252	\$11.97	4.13%
Hard Cost	63,162,578	199,251	232.62	80.22%
Soft Cost Before Dev. Fees	10,029,227	31,638	36.94	12.74%
Development Fee & Overhead	2,293,199	7,234	8.45	2.91%
Total Development Cost	\$78,735,004	\$248,375	\$289.97	100.00%

Capital Structure	Amount	Per Unit	Per SF	% of Total
Senior Debt	\$51,177,774	\$161,444	\$188.48	65.00%
Equity	27,557,230	86,931	101.49	35.00%
Total	\$78,735,004	\$248,375	\$289.97	100.00%

Equity Partnership	Amount	Per Unit	Per SF	% of Total
Investor Equity	\$24,801,507	\$78,238	\$91.34	90.00%
Sponsor Equity	2,755,723	8,693	10.15	10.00%
Total	\$27,557,230	\$86,931	\$101.49	100.00%

Investment Returns	Investment	Profit	IRR	Multiple
Unleveraged	\$78,735,004	\$109,035,253	23.35%	1.40x
Leveraged	\$27,557,230	\$49,681,263	35.39%	1.95x



INVESTMENT HIGHLIGHTS

EXPERIENCED PARTNER

Flordays Development Company has been in the real estate development business for over 30 years specializing in the development of multifamily apartments, luxury high-rise condominiums, single-family subdivisions as well as hotels and resorts. Founded in 1990 by President and CEO Angus Rogers, the company has developed thousands of hotel beds and residential units over the years.

PRIME LOCATION WITH SUPERIOR AMENITIES

Located on the eastern edge of the DFW Metroplex on Lake Ray Hubbard's shore, Sapphire Bay is a \$1 billion mixed-use development project that will become a unique waterfront destination where business, leisure, and entertainment harmonize to create an extraordinary experience. Located in the heart of Sapphire Bay, Harborside will offer its residents an incredible living experience with stunning view of the lake and a plethora of extraordinary amenities including:

- Miles of hike and bike trails, parks, kayaking, boating, and the Sapphire Bay Dog Park
- The white sand beach and turquoise blue water of the 7-acre Sapphire Bay Lagoon
- Breathtaking views of the nightly entertainment provided by the Fountains at Sapphire Bay
- Access to the Sapphire Bay Surf Village for concerts and events

SAPPHIRE BAY IS THE ULTIMATE EXPRESSION OF

Live + Work + Play



Sapphire Bay is breaking ground to become the newest master planned community in the heart of the Dallas/Fort Worth Metroplex. The 116-acre development will be Texas' first resort destination anchored by a state-of-the-art man-made lagoon, offering guests a luxurious stay along its shore at the 500-room Sapphire Bay Resort - operated and managed by Destination Hotels by Hyatt. The project will also feature a one-of-a-kind surf village and water park, 1,500+ residential units, 1.7 million square feet of mixed-use restaurant, retail, entertainment, office and hospitality space, 20+ acres of parks and trails, a 1,000-slip marina, and The Fountains at Sapphire Bay which is destined to become one of the most magnetic pieces of public art in the United States.

THE SURF VILLAGE

Nothing will beat watching the sun set as the waves roll in, crashing along the shores of a 600-foot-long surf lagoon at Sapphire Bay's Surf Village. The attraction is poised to become an iconic lifestyle experience complete with a state-of-the-art surf club surely to become a magnetic pulse for the development. Made possible with next-generation technology, the surf lagoon is fully programmable for all skill levels and will produce a new wave every 10 seconds allowing for multiple riders at one time. Serving 7-foot barrels to advanced surfers or small lines to a Barney, it will always be time to hang loose at Sapphire Bay.

The Surf Village at Sapphire Bay will transcend visitors into paradise with white sand beaches and luscious landscape, three resort style pools, two swim-up bars, a lazy river, and multiple outdoor beach gathering spaces for relaxation and games. Chaises lounges, day beds, and private cabanas will complete the day under the Texas sun with dedicated waitstaff serving both local and tropical favorites.



The Surf Village

FAST-GROWING I-30 CORRIDOR WITH EXCELLENT CONNECTIVITY TO DFW'S MAJOR EMPLOYMENT CENTERS

The community benefits from its close strategic location along Interstate Highway 30 and the President George Bush Turnpike, which offer its residents convenient connectivity to all points of the greater Dallas area and is about a twenty minute drive from Downtown Dallas.

When the eastern extension of the President George Bush Turnpike finally connected with Interstate Highway 30 about 10 years ago, it fueled residential and commercial growth in the far eastern edge of the DFW Metroplex. The growth in Rockwall County has exceeded the metro average and leads among eastern counties in the metroplex. Interstate Highway 30 has always provided convenient access to Dallas' biggest employment centers located in Dallas Downtown and Uptown. However, the addition of President George Bush Turnpike offers commuters better access to employment nodes to the northwest in Richardson, Plano, and Allen.

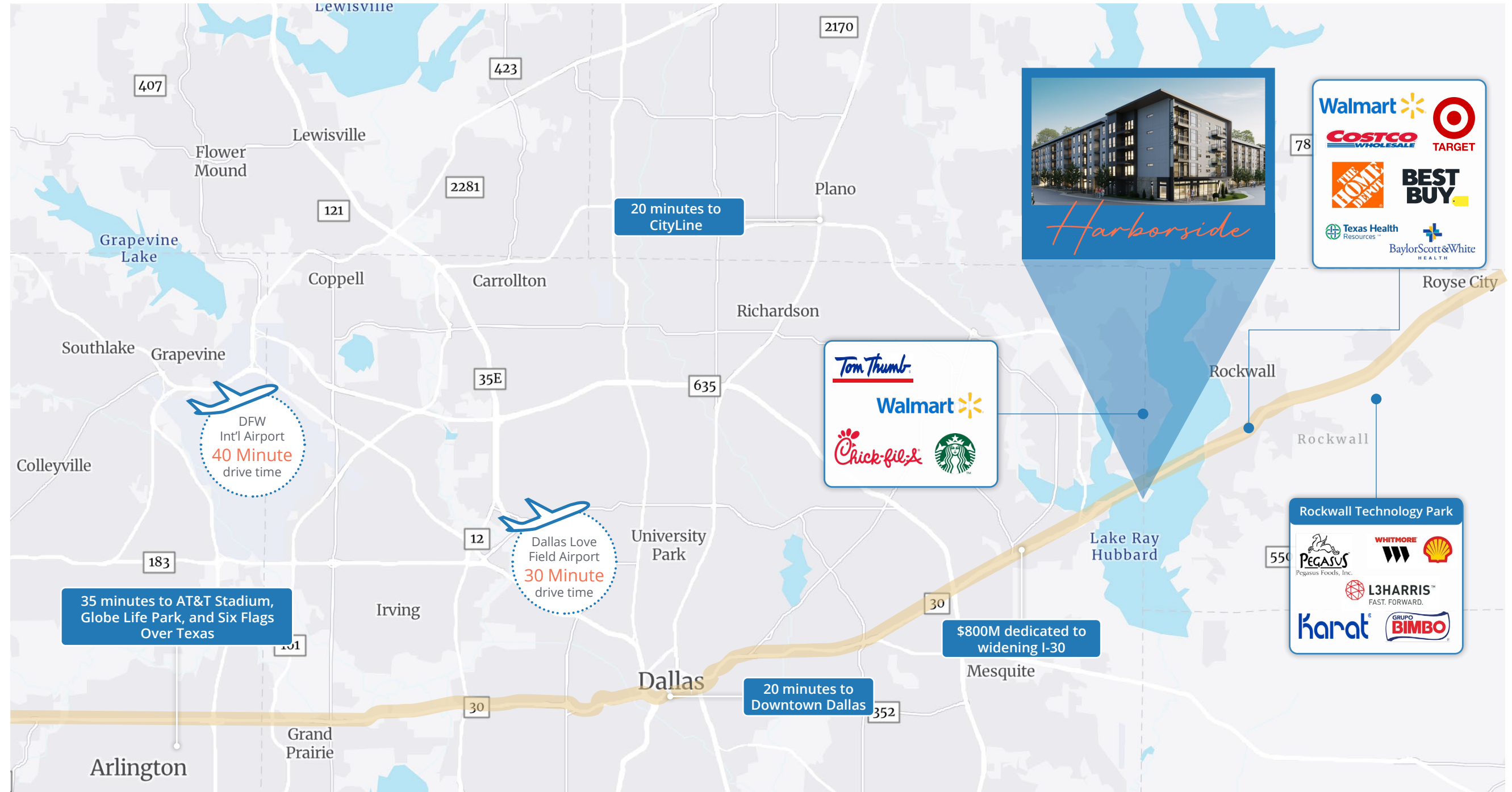
FLOURISHING HIGH DEMAND SUBMARKET

Harborside is located in the Garland/Rowlett submarket; however, due to its southern location in the submarket on the shore of Lake Ray Hubbard, it also reaps the benefits of the adjacent Rockwall submarket.

Both Garland and Rowlett have experienced incredible population growth over the years. Both submarkets benefit from excellent highway access. Close proximity to both I-30 and George Bush Tollway make office jobs in Uptown and Downtown Dallas just as close as office jobs in northern towns like Frisco and McKinney. Most local employment growth falls within the manufacturing and distribution sectors.

Overall, both submarkets have performed well. Properties in the northwestern part of the Garland/Rowlett submarket aim to tap into spillover demand created by the growth in the northern suburbs, particularly the CityLine development in Richardson. Most of that growth falls along the George Bush Tollway, a key thoroughfare for commuters.

Developers are chasing the demographic growth in both submarkets and have enlarged apartment inventory in the past decade. Despite a flurry of new deliveries, vacancy remains very tight thanks to a wave of pent-up demand.



SPONSOR PROFILE

DEVELOPER

Floridays Development Company was established in 1990 and is headquartered in Sarasota, FL. The company has developed a wide range of projects including: luxury condominium towers, resorts & hotels, multi-family apartments, senior care housing, residential and commercial sub-divisions. Floridays Development Company is led by CEO Angus Rogers who holds a BS & MS in engineering from the University of Michigan and has over 30 years of building experience that spans a diverse spectrum of product types with values exceeding \$1 billion.

GENERAL CONTRACTOR

Crossland Construction Company, Inc. was established by Ivan Crossland, Sr. in Kansas in 1977. They are a family and minority-owned company, currently ranked 66th on Engineering News Record's list of Top 400 contractors in the nation. They are more than managers and perform over 35% of their own work. Their services include Pre-Construction, General Contracting, Design-Build, Design-Bid-Build and Construction Management. The company consists of over 1,500 employees and nine offices, with total contractual experience amounting to \$1 billion+ and total square footage of 10 million+. Harborside at Sapphire Bay will be the third project that Crossland has built for Floridays Dev Co., including the sister property next door, Surfside at Sapphire Bay.

ARCHITECT

GFF Architects is a distinguished award-winning multi-disciplinary design firm based in Dallas with a track record of success that began with their founding in 1982. Today their staff of over 140 offers architecture, interior design, planning and landscape architecture throughout the US. In recent years GFF has received national rankings that included: Architect 50 (#1 US firm for business), Engineering News-Record magazine's Top 500 Design Firms, Top 100 Green Design Firms and Top Texas Design Firms. Over the years, they have had successful engagements spanning a broad range of building types and diverse experience with corporate, real estate, and institutional clients.

PAST PROJECTS

Development Team

Owner	ARBO Apartment Group II, LLC
Developer	Floridays Development Company
Architect	GFF Architects
Civil	Manhard Consulting
Structural	SCA Consulting Engineers
MEP	V3 Consulting Engineers
Interior Design	Keaton Interiors
Landscape	GFF Architects
Telecom/IOT	McDonald Telecom Consulting LLC
General Contractor	Crossland Construction Company

Resort/Hotels	Size	Location
Floridays Orlando Resort	432 Keys	Orlando, Florida
Home2 Suites by Hilton	146 Keys	Orlando, Florida
Art Ovation (Marriott Autograph)	162 Keys	Sarasota, Florida
Hyatt Place	122 Keys	Lakewood Ranch, Florida
Home2 Suites by Hilton	100 Keys	Casey Key, Florida
Home2 Suites by Hilton	125 Keys	Brandon, Florida
Home2 Suites by Hilton	120 Keys	Orlando, Florida
Holiday Inn	143 Keys	Orlando, Florida
Home2 Suites by Hilton	118 Keys	Largo, Florida
Home2 Suites by Hilton	118 Keys	Sarasota, Florida
Margaritaville	131 Keys	Anna Maria Sound, Florida
Home2 Suites by Hilton	108 Keys	Lakewood Ranch, Florida
Hampton Inn / Home2 Suites by Hilton	276 Keys	Austin, Texas
Margaritaville	130 Keys	Dallas, Texas
Resort/Hotel Subtotal	2,231 Keys	

Apartments	Size	Location
Glenbrooke Apartments	40 Units	Sarasota, Florida
Stratford Oaks Apartments	165 Units	Pensacola, Florida
Alpine Valley Apartments	219 Units	Florida
The Greens at Viera-East Apartments	208 Units	Viera, Florida
Bellagio Apartment Residences	330 Units	Naples, Florida
Northside at The Woodlands Apartments	300 Units	Garland, Texas
Surfside at Sapphire Bay	315 Units	Rowlett, Texas
Apartments Subtotal	1,577 Units	

Condominiums	Size	Location
The Grande Riviera	13	Sarasota, Florida
Sage Longboat Key	16	Longboat Key, Florida
Condominium Subtotal	29 Units	



Art Ovation Hotel



Floridays Resort Orlando



Sage Longboat Key



Sage Longboat Key



Compass by Margaritaville



Grande Riviera Condos



Oasis at the Tower



Northside at the Woodlands



Property Information



PROPERTY DESCRIPTION

Property Identification

Community Name	Harborside at Sapphire Bay
Street Address	1101 Sapphire Bay Blvd.
City, County, State, Zip Code	Rowlett, TX 75088

Site Description

Location	Southeast corner of Sapphire Bay Blvd. & Marina Vista
Site Area	2.97 acres
Project Density	107 units per acre
Zoning	FB-BS (Planned Development)





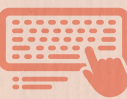




Property Description

Number of Units	317 units
Net Rentable Area	271,525 square feet
Average Unit Size	857 square feet
Projected Year of Completion	2026
Design Description	5-story with 5 level central garage
Garage Parking Spaces	470 parking spaces
Parking Ratio	1.48 spaces per unit

UNIT MIX

Unit Type	Unit Description	Number of Units	Unit Size	Total Area
S1	Studio	5	545	2,725
S2	Studio	5	576	2,880
A1	1B/1B	5	678	3,390
A2	1B/1B	20	694	13,880
A3	1B/1B	98	742	72,716
A4	1B/1B	35	768	26,880
A5	1B/1B	15	785	11,775
A6	1B/1B	10	794	7,940
A7	1B/1B	38	809	30,742
A8	1B/1B	10	839	8,390
A9	1B/1B	5	843	4,215
B1	2B/2B	27	1,080	29,160
B2	2B/2B	9	1,198	10,782
B3	2B/2B	20	1,275	25,500
B4	2B/2B	15	1,370	20,550
Total/Average		317	857	271,525

COMMUNITY AMENITIES

 <p>ROOFTOP POOL AND LOUNGE WITH PANORAMIC LAKE VIEWS</p>	 <p>LARGE FITNESS CENTER WITH YOGA/PILATES STUDIO</p>	 <p>PRIVATE DOG PARK & DOG WASHING STATION</p>
 <p>BIKE STORAGE AND REPAIR AREA</p>	 <p>BUSINESS CENTER WITH VIDEO-TELECONFERENCING CAPABILITIES</p>	 <p>EXCLUSIVE MEMBERSHIP TO SAPPHIRE BAY SURF VILLAGE</p>
 <p>SURROUNDED BY 20+ ACRES OF PARKS AND TRAILS</p>	 <p>MULTIPLE COURTYARDS WITH FIRE PITS</p>	 <p>WALKING DISTANCE TO THE MARINA WITH BOAT RAMPS, STORAGE, & RENTALS</p>

UNIT AMENITIES

 <p>HIGH CEILINGS WITH 8-FOOT DOORS</p>	 <p>HARDWOOD INSPIRED FLOORING</p>	 <p>SLEEK QUARTZ COUNTERTOPS</p>
 <p>STAINLESS STEEL APPLIANCES</p>	 <p>DESIGNER BACKSPLASHES WITH UNDER CABINET LIGHTING</p>	 <p>SMART HOME LOCKS AND THERMOSTATS</p>
 <p>KITCHEN ISLANDS IN SELECT UNITS</p>	 <p>DOUBLE-VANITY SINKS IN SELECT UNITS</p>	 <p>GLASS-ENCLOSED SHOWERS IN SELECT UNITS</p>

SITE PLAN



PHASE 1 DEVELOPMENT

THE SURF VILLAGE

BEER GARDEN AND
CONCERT/EVENT LAWN

HOTEL



COMMUNITY PARK

THE PLAZA OFFICE, RETAIL,
AND RESTAURANTS

SAPPHIRE BAY LAGOON



FLOOR PLATES - LEVEL 1



FLOOR PLATES - LEVEL 2



FLOOR PLATES - LEVEL 3



ROOM COLOR LEGEND

- 0 Efficiency
- 1 Bed
- 2 Bed
- AMENITY
- STAIR/ELEVATOR
- STORAGE/UTILITY
- OUTDOOR CLUB
- POOL

LEVEL 3

UNITS:	
EFFICIENCY:	05 UNITS
1-BEDROOM:	44 UNITS
2-BEDROOM:	16 UNITS
	65 UNITS
PARKING:	
PUBLIC:	N/A
SECURE:	85 SPACES

FLOOR PLATES - LEVEL 4



ROOM COLOR LEGEND

- 0 Efficiency
- 1 Bed
- 2 Bed
- AMENITY
- STAIR/ELEVATOR
- STORAGE/UTILITY
- OUTDOOR CLUB
- POOL

LEVEL 4

UNITS:	
EFFICIENCY:	05 UNITS
1-BEDROOM:	44 UNITS
2-BEDROOM:	16 UNITS
	65 UNITS
PARKING:	
PUBLIC:	N/A
SECURE:	85 SPACES

FLOOR PLATES - LEVEL 5

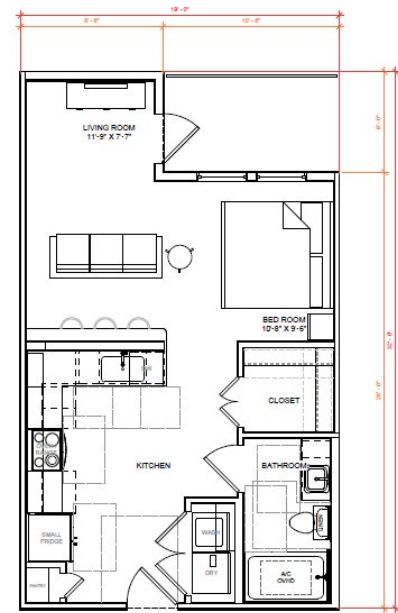
FLOOR PLATES - LEVEL 6



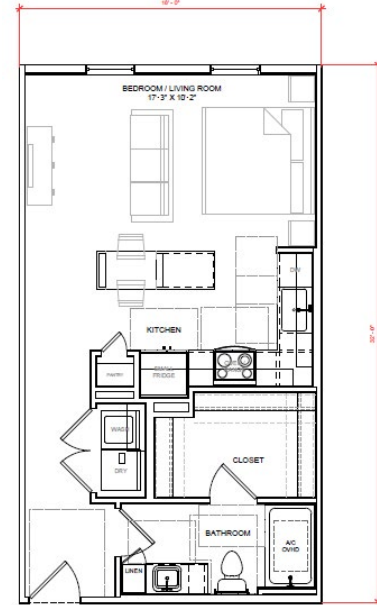


FLOOR PLANS

EFFICIENCY UNIT PLANS



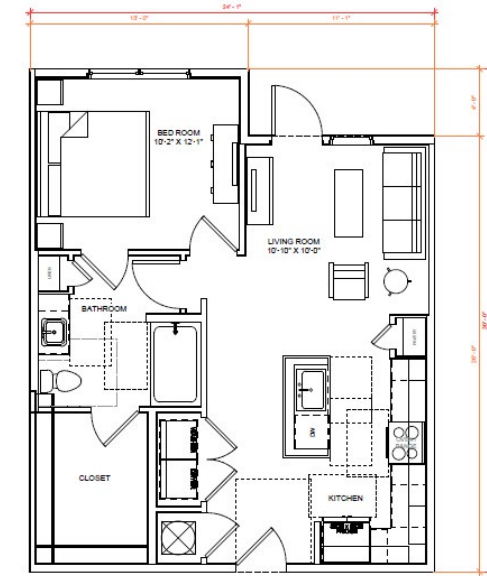
S1
545 SF



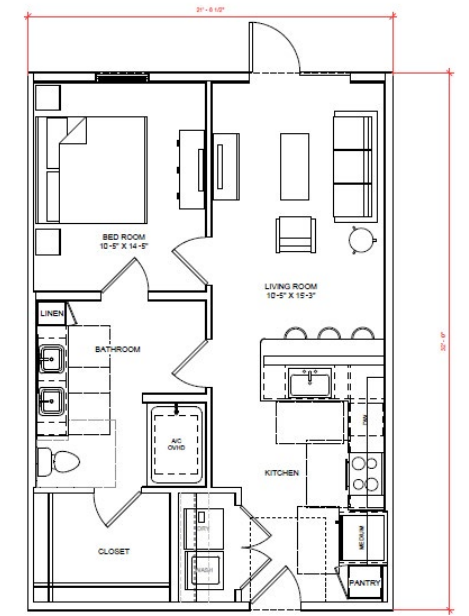
S2
576 SF

FLOOR PLANS

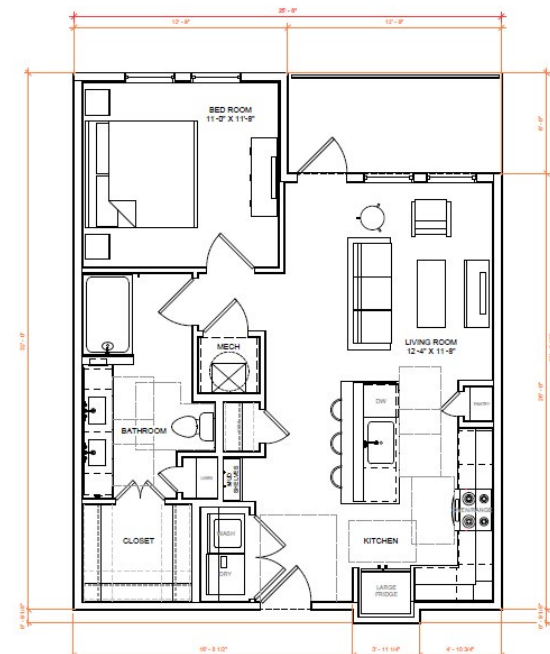
ONE BED UNIT PLANS



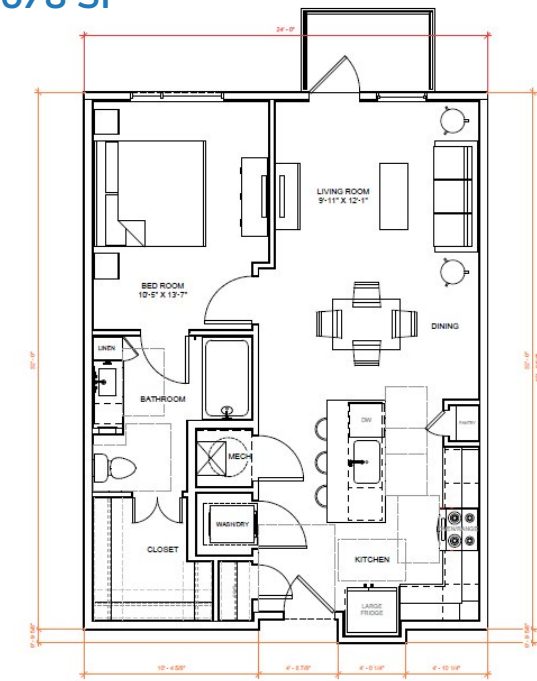
A1
678 SF



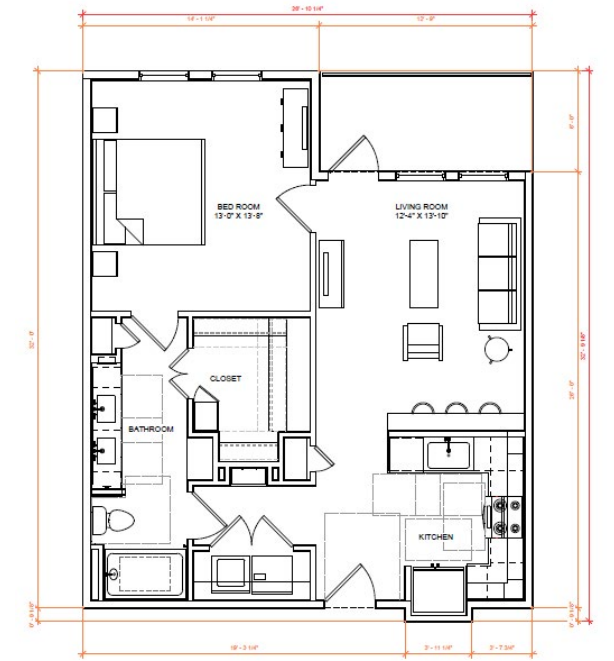
A2
694 SF



A3
742 SF



A4
768 SF

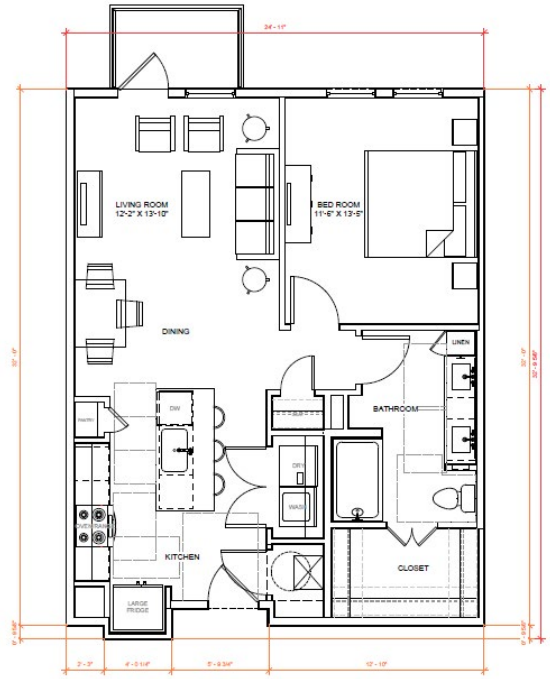


A5
785 SF

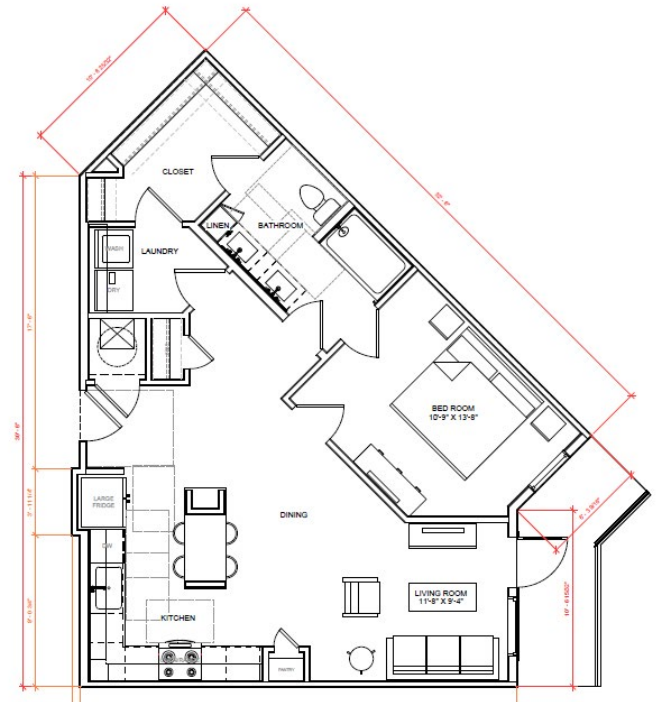
FLOOR PLANS

ONE BED UNIT PLANS

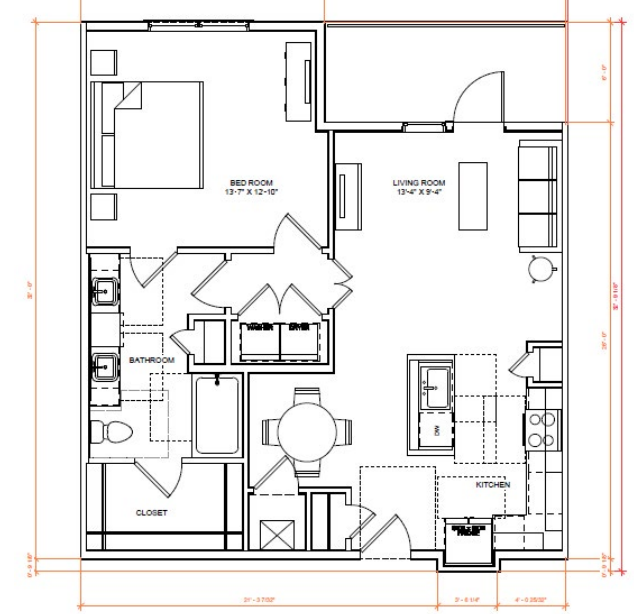
A6
794 SF



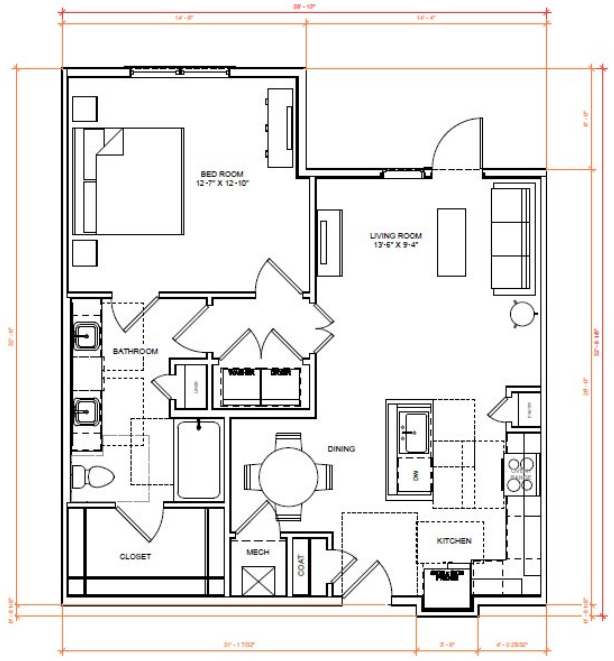
A7
809 SF



A9
843 SF



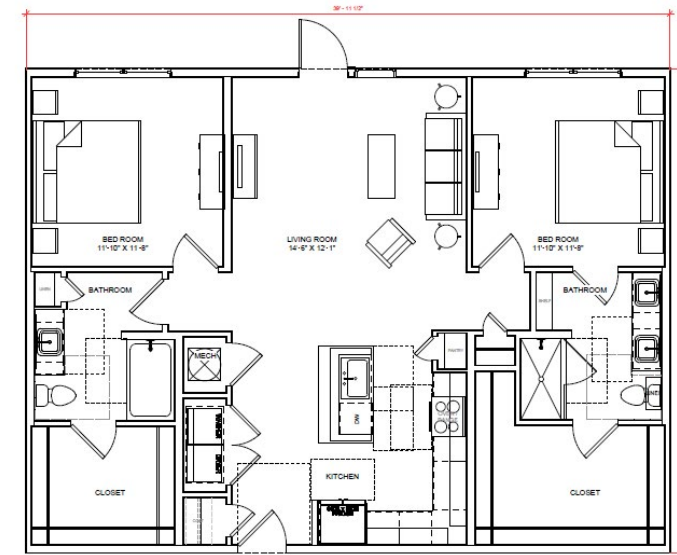
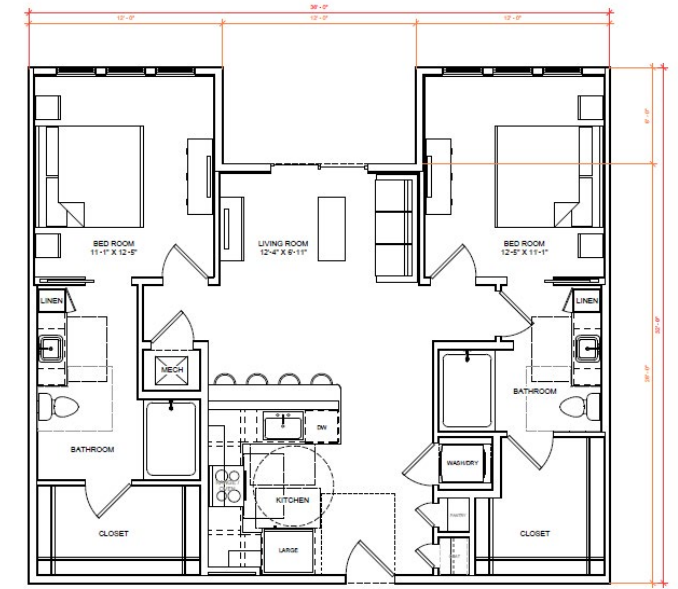
A8
839 SF



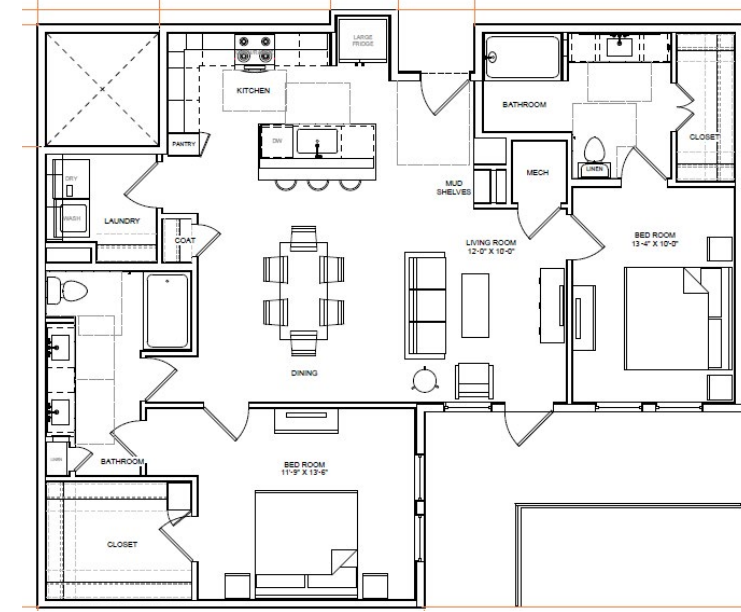
FLOOR PLANS

TWO BED UNIT PLANS

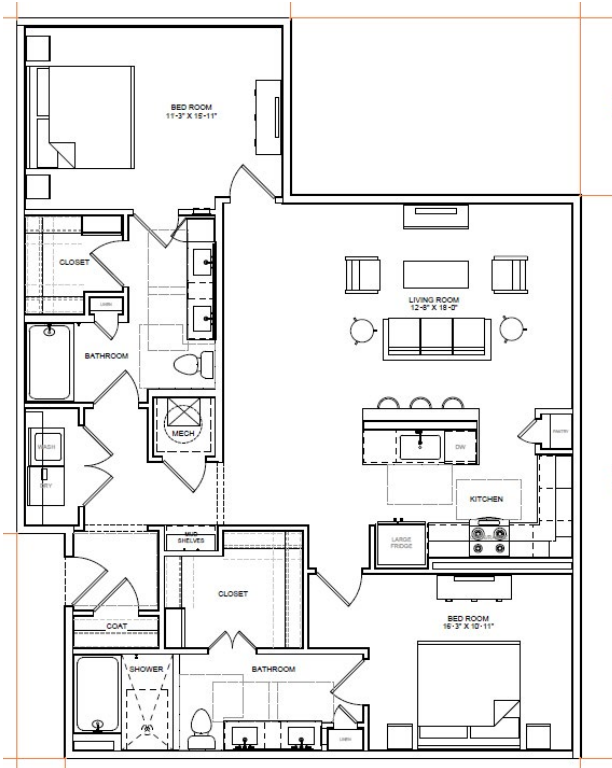
B1
1,080 SF



B2
1,198 SF



B3
1,275 SF



B4
1,370 SF



SAPPHIRE BAY

Market Overview

ROWLETT SUBMARKET



2023 POPULATION:
67,339



MEDIAN HOUSEHOLD
INCOME: \$110,951



MEDIAN HOME
VALUE: \$300,500



PERSONS 25+ WITH
HIGH SCHOOL
DIPLOMA: 93%

SUBMARKET OVERVIEW

Rowlett is primarily a bedroom community located directly to the east of the office-using employment growth of North Dallas. From a development and investment perspective, the submarket offers several benefits. Population growth has matched the booming metro average over the past years. The Rowlett submarket includes portions of both Dallas and Rockwall counties; while still smaller, growth in Rockwall County has exceeded the metro average and leads among the eastern counties in the metroplex. Furthermore, to accommodate current and future growth, the George Bush Turnpike offers commuters seamless access to employment nodes to the west including Plano and Richardson. Also, Rowlett has made efforts to revitalize its downtown area, bringing in new retail and new housing in an effort to beautify the city.

PERFORMANCE & RENT GROWTH

The Rowlett submarket has performed very well over the past years. Most of the area's growth falls along the George Bush Tollway, a key thoroughfare for commuters. At \$1,440, market rents come in at a \$100 discount compared to the Dallas-Fort Worth average. The largest rents are found in newer builds, located along the George Bush Tollway.

CONNECTIVITY TO DALLAS

Rowlett has direct connectivity to Dallas via I-30 in addition to easy, uninterrupted access to Richardson, Plano & Legacy West by way of the recently completed George Bush Turnpike extension. Additionally, TxDOT has undertaken an expansion/improvement project of I-30 located where the highway crosses Lake Ray Hubbard (i.e., the location of the Sapphire Bay Development). Segment 1 of the project has an estimated cost of \$142 million and will directly improve the ingress to Sapphire bay when traveling east on I-30 from Dallas. Segment 1 includes constructing frontage roads, ramp modifications, as well as reconstructing the Dalrock Road interchange. Overall, the project aims to reduce vehicle bottlenecks, break up any rush hour traffic, and overall increase the traffic flows moving both east and west. The outcome of this project will be efficient accessibility from the Sapphire Bay development to all main travel arteries of the Dallas-Fort Worth metroplex. **Segment 1 of the project is approximately 85% complete, on-time and has a projected completion date of August 2024.**



SUBMARKET DEVELOPMENT PIPELINE

Future constraints in the Rowlett/Rockwall development pipeline will generate a favorable leasing environment for Harborside at Sapphire Bay. Supply is projected to acutely diminish in 2H 2025, which coincides with operations beginning at the project in November 2025. Combined with Rowlett & Rockwall's surging population, Harborside will be positioned to drive market rate upon delivery. Per Colliers' research, Harborside at Sapphire Bay should be the only project delivering in 2026 in the Rowlett/Rockwall submarket.

DEVELOPMENT PIPELINE

DELIVERY SCHEDULE

Map #	Property	Address	Submarket	Developer	Units	Stories	Type	Mi. to Harborside	Status	Start	1st Delivery	Completion	2022				2023				2024				2025											
													1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25								
Stabilized																																				
1	Embree Hill	4901 Peninsula Way	Garland	Starwood Capital Group	222	3	Low-Rise	2.4	Stabilized	Sep-21	Sep-22	Feb-23					37	111	74																	
Lease-Up																																				
1	Harbor Hill	2400 Summer Lee Dr.	Rockwall	First Enterprise Corp.	265	4	Mid-Rise	2.7	Lease-Up	May-21	Oct-23	Mar-24																								
2	Ablon at Harbor Village	2600 Lakefront Trl.	Rockwall	PegasusAblon	375	5	Mid-Rise	2.5	Lease-Up	May-20	Jul-22	Sep-22					375																			
3	The Royalton at Discovery	2350 Discovery Blvd.	Rockwall	SWBC Real Estate	290	3	Low-Rise	5.8	Lease-Up	Aug-21	Dec-22	Oct-23																								
Under Construction																																				
1	The View at Sapphire Bay	600 Winners Cir.	Rowlett	Zale Properties	394	5	Mid-Rise	0.44	Under Construction	Nov-22	Oct-24	Oct-25																								
2	One90 Main	4600 Main St.	Rowlett	Integrated RE Group	325	3	Low-Rise	3.1	Under Construction	Jan-22	Apr-24	Nov-24																								
3	Surfside at Sapphire Bay	1100 Sapphire Bay Blvd.	Rowlett	Floridays Development	315	5	Mid-Rise	0.02	Under Construction	May-23	Nov-24	May-25																								
Units Delivered by Quarter					Total Units	2,186							0	0	412	137	152	78	81	159	133	135	135	280	182	227	77	0								
Units Delivered by Year											549				470				683				484													

*The above dates and projections are Colliers' best estimates



Financial Information

INVESTMENT SUMMARY

Development Team

Developer	Flordays Development Company
General Contractor	Crossland Construction Company
Architect	GFF Architects
Landscape Architect	GFF Architects
Civil Engineer	Manhard Consulting
Structural Engineer	SCA Consulting Engineers
MEP Engineer	V3 Consulting Engineers
Interior Designer	Keaton Interiors

Projected Timeline

Construction Commencement	July 2024
Initial Occupancy	December 2025
Construction Completion	June 2026
Occupancy Stabilization	November 2026
Disposition	December 2026
Estimated Leasing Velocity	26 units/month

Yield on Cost

Stabilized NOI	\$5,044,912
Total Development Cost	\$78,735,004
Return on Total Dev. Cost:	6.41%

Capital Structure	Amount	Per Unit	Per SF	% of Total
Senior Debt	\$51,177,774	\$161,444	\$188.48	65.00%
Equity	27,557,230	86,931	101.49	35.00%
Total	\$78,735,004	\$248,375	\$289.97	100.00%

Equity Partnership	Amount	Per Unit	Per SF	% of Total
Investor Equity	\$24,801,507	\$78,238	\$91.34	90.00%
Sponsor Equity	2,755,723	8,693	10.15	10.00%
Total	\$27,557,230	\$86,931	\$101.49	100.00%

Sale / Reversion

Holding Period:	30 months
Capitalization Rate:	4.75%
Gross Sale Proceeds:	\$106,208,684

Investment Returns	Investment	Profit	IRR	Multiple
Unleveraged	\$78,735,004	\$109,035,253	23.35%	1.40x
Leveraged	\$27,557,230	\$49,681,263	35.39%	1.95x



INVESTMENT SUMMARY CONT.

Senior Debt Loan Request

Loan Amount	\$51,177,774
Loan to Cost	65.00%
Borrower	To-be-formed SPE that is an affiliate of the sponsor
Interest Rate Type	Floating rate
Interest Rate Percentage	8.32% (3.00% over SOFR)
Loan Term	36-month term plus two 12-month extension options
Amortization	Interest only for initial term and the extension periods
Recourse	Available
Prepayment	Open to prepayment without penalty
Transaction Timing	Funding requested by July 2024

Loan Metrics

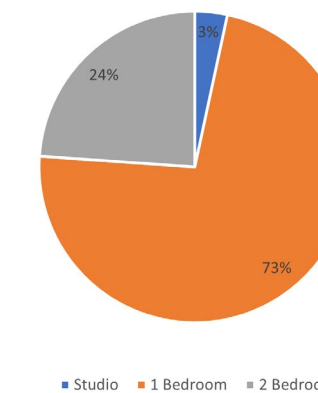
Loan to Cost	65.00%
Loan to Stabilized Value	48.19%
Annual Debt Service	\$4,257,991
Debt Yield	9.86%

UNIT MIX & RENT SCHEDULE

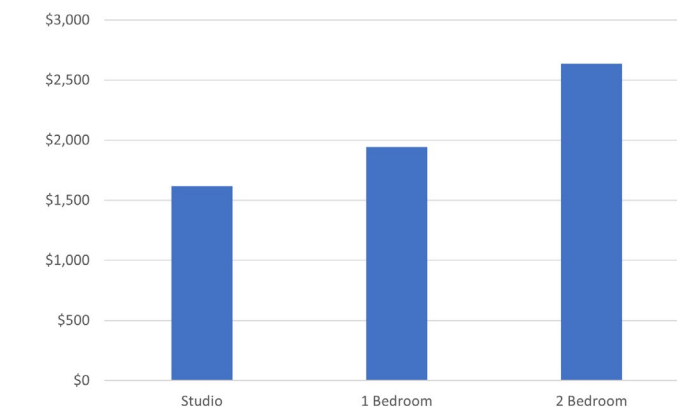


Unit Type	Unit Description	Number of Units	Unit Size	Total Area	Market Rent Per Unit	Market Rent Per Sq. Ft.
S1	Studio	5	545	2,725	\$1,580	\$2.90
S2	Studio	5	576	2,880	\$1,658	\$2.88
A1	1B/1B	5	678	3,390	\$1,787	\$2.64
A2	1B/1B	20	694	13,880	\$1,841	\$2.65
A3	1B/1B	98	742	72,716	\$1,922	\$2.59
A4	1B/1B	35	768	26,880	\$1,948	\$2.54
A5	1B/1B	15	785	11,775	\$1,955	\$2.49
A6	1B/1B	10	794	7,940	\$1,963	\$2.47
A7	1B/1B	38	809	30,742	\$1,989	\$2.46
A8	1B/1B	10	839	8,390	\$2,000	\$2.38
A9	1B/1B	5	843	4,215	\$2,005	\$2.38
B1	2B/2B	27	1,080	29,160	\$2,461	\$2.28
B2	2B/2B	9	1,198	10,782	\$2,570	\$2.15
B3	2B/2B	20	1,275	25,500	\$2,715	\$2.13
B4	2B/2B	15	1,370	20,550	\$2,880	\$2.10
Total/Average		317	857	271,525	\$2,083	\$2.43

Unit Composition



Monthly Rents



STABILIZED OPERATING PRO FORMA

	Annualized	Monthly	Percent	Per Unit	Per Sq. Ft.
Operating Income			(SMR)		
Scheduled Market Rent	7,921,985	\$660,165	100.00%	\$24,990	\$29.18
Economic Loss	(396,099)	(33,008)	(5.00%)	(1,250)	(1.46)
Total Rental Income	\$7,525,885	\$627,157	95.00%	\$23,741	\$27.72
Garage / Parking	32,847	\$2,737	0.41%	\$104	\$0.12
Telecom Revenue	144,552	12,046	1.82%	456	0.53
Expense Reimbursements	283,277	23,606	3.58%	894	1.04
Other Residential Income	116,927	9,744	1.48%	369	0.43
Total Ancillary Income	\$577,603	\$48,134	7.29%	\$1,822	\$2.13
Effective Gross Income	\$8,103,488	\$675,291	102.29%	\$25,563	\$29.84
Operating Expenses			(EGI)		
Salaries & Payroll	\$568,133	\$47,344	7.01%	\$1,792	\$2.09
Marketing & Promotion	128,298	10,692	1.58%	405	0.47
General & Administrative	100,490	8,374	1.24%	317	0.37
Utilities (Net)	308,032	25,669	3.80%	972	1.13
Repair & Maintenance	140,051	11,671	1.73%	442	0.52
PID Maintenance	50,000	4,167	0.62%	158	0.18
Total Controllable Expenses	\$1,295,004	\$107,917	15.98%	\$4,085	\$4.77
Management Fee	\$214,984	\$17,915	2.65%	\$678	\$0.79
Property Taxes	1,263,287	105,274	15.59%	3,985	4.65
Insurance	237,750	19,813	2.93%	750	0.88
Total Fixed Expenses	\$1,716,021	\$143,002	21.18%	\$5,413	\$6.32
Total Operating Expenses	\$3,011,026	\$250,919	37.16%	\$9,499	\$11.09
Net Operating Income	\$5,092,462	\$424,372	65.13%	\$16,065	\$18.76
Net Operating Income	\$5,092,462	\$424,372	62.84%	\$16,065	\$18.76
Replacement Reserves	(47,550)	(3,963)	(0.59%)	(150)	(0.18)
Net Cash Flow After Reserves	\$5,044,912	\$420,409	62.26%	\$15,915	\$18.58

DEVELOPMENT BUDGET

	Budget	Percentage	Per Unit	Per Sq.Ft.
Sources of Funds				
Senior Debt	\$51,177,774	65.00%	\$161,444	\$188.48
Investor Equity	24,801,507	31.50%	78,238	91.34
Developer Equity	2,755,723	3.50%	8,693	10.15
Total Sources of Funds	\$78,735,004	100.00%	\$248,375	\$289.97
Uses of Funds				
Land Cost	\$3,250,000	4.13%	\$10,252	\$11.97
Construction Costs	54,002,965	68.59%	170,356	198.89
General Conditions	2,371,026	3.01%	7,480	8.73
Site Development	1,985,759	2.52%	6,264	7.31
Fee + Insurance	2,940,250	3.73%	9,275	10.83
Hard Cost Contingency	1,862,578	2.37%	5,876	6.86
Permit & Impact Fees	819,238	1.04%	2,584	3.02
Architecture & Engineering Services	1,208,100	1.53%	3,811	4.45
Marketing & Advertising	200,000	0.25%	631	0.74
Builders Risk Insurance	650,000	0.83%	2,050	2.39
Furniture, Fixtures & Equipment	550,000	0.70%	1,735	2.03
Senior Lender's Fees	255,889	0.33%	807	0.94
PID Prepayment	1,300,000	1.65%	4,101	4.79
Legal & Professional Expenses	150,000	0.19%	473	0.55
Title Insurance	225,000	0.29%	710	0.83
Ad Valorem Taxes	950,000	1.21%	2,997	3.50
Construction Interest	1,818,112	2.31%	5,735	6.70
Operating Deficit	97,888	0.12%	309	0.36
Soft Cost Contingency	575,000	0.73%	1,814	2.12
Lease-Up Reserve	430,000	0.55%	1,356	1.58
Development Fee & Overhead	2,293,199	2.91%	7,234	8.45
Equity Placement Fee (Colliers)	600,000	0.76%	1,893	2.21
Debt Placement Fee (Colliers)	200,000	0.25%	631	0.74
Total Uses of Funds	\$78,735,004	100.00%	\$248,375	\$289.97

PRO FORMA ASSUMPTIONS

Operating Income

Scheduled Market Rent:	This income category is calculated by annualizing the monthly rent of \$660,165, which is derived from the unit mix
Economic Loss:	This income category is assumed to be 5.00% of Scheduled Market Rent
Garage / Parking:	This income category is based on reserved parking income of \$3,250 per month, which assumes that 84% of the 50-reserved parking spaces are leased at an average of \$65.00 per month.
Telecom Revenue:	This income category is based on broadband internet service estimated at \$40.00 per unit, monthly (assuming stabilized occupancy of 95%).
Expense Reimbursements:	This income category assumes that water/sewer, pest control and trash costs are billed back to the residents at an average monthly rate of \$74.47 per unit.
Other Residential Income:	This income category is derived from fees, forfeited deposits, vending, laundry, and other miscellaneous income and is assumed to be \$30.74 per unit monthly.

Operating Expenses

Salaries & Payroll: This expense category is estimated to be \$568,134 annually or \$1,792 per unit, which is an amount that is typical for properties of this size, age, and condition. Below are the staffing and payroll assumptions:

Position	Number	Employment	Annual Salary	Total by Position
Business Manager	1.00	Full Time	\$93,571	\$93,571
Assistant Manager	1.00	Full Time	\$49,905	\$49,905
Leasing Consultant	1.00	Full Time	\$45,746	\$45,746
Maintenance Supervisor	1.00	Full Time	\$74,857	\$74,857
Assistant Maintenance Technician	1.00	Full Time	\$56,143	\$56,143
Porter	1.00	Full Time	\$38,468	\$38,468
Total Salaries	6.00		\$358,690	\$358,690
Leasing & General Bonuses (317 units at \$237 per unit)				\$75,000
Payroll Taxes and Benefits (31.00% of Total Salaries)				\$134,444
Total Payroll				\$568,134

Marketing & Promotion: This expense category is estimated to be \$128,298 annually or \$317 per unit, which is an amount that is typical for properties of this size, age, and condition. This category includes media advertising, locator fees, resident relations, and entertainment.

General & Administrative: This expense category is estimated to be \$100,490 annually or \$317 per unit, which is an amount that is typical for properties of this size, age, and condition. This category includes office supplies, computer expenses, office equipment, telephone and facsimile expenses, travel, permits and inspections, uniform expenses, and all other leasing office expenses.

Utilities: This expense category is estimated to be \$308,032 annually or \$972 per unit, which is and is offset by resident reimbursements.

Repair & Maintenance: This expense category is estimated to be \$140,051 annually or \$442 per unit, which is an amount that is typical for properties of this size, age, and condition. This category includes all maintenance and repair expenses for the property as well as parts, supplies, and uniforms.

PID Maintenance: This expense category is estimated to be \$50,000 annually or \$158 per unit, based on information from master developer.

Management Fee: This expense category is estimated to be \$214,984 annually or \$678 per unit, which equates to 2.65% of Effective Gross Income. This is an amount that is typical for properties of this size & age.

Property Taxes: This expense category is estimated to be \$1,263,287 annually or \$3,985 per unit. Below is a summary:

Tax Jurisdiction	Tax Rate ¹
City of Rowlett	0.7104
Rockwall County	0.2760
Rockwall ISD	1.0192
Total Tax Rate	2.0056

1. Tax Rate is based on the 2023 tax rates

Due Date	Const Month	Project Cost	Completion Percent	Improvement Value	Land Value	Total Value	Value Percent	Tax Rate	Total Taxes
Jan-25	5	\$78,735,004	0.00%	\$0	\$2,924,096	\$2,924,096	100.00%	2.0056	\$58,646
Jan-26	17	\$78,735,004	52.50%	\$41,335,877	\$2,924,096	\$44,259,973	100.00%	2.0056	\$887,678
RE Taxes During Construction									\$946,324

Note: Property Taxes start being paid from operations in month 18

Jan-27	29	\$78,735,004	100.00%	\$75,810,908	\$2,924,096	\$78,735,004	80.00%	2.0056	\$1,263,287
Stabilized Operating Pro Forma Property Taxes									\$1,263,287

Insurance: This expense category is estimated to be \$237,750 annually or \$750 per unit, which is an amount that is consistent with operations of similar properties in the area. This category includes all property and casualty insurance expenses.

Replacement Reserves: This expense category is estimated to be \$47,550 annually, which, at \$150 per unit, is an amount typical for properties of the subject's age. This category includes all major capital improvements.

CASH FLOW FORECAST

	Year 0	Year 1	Year 2	Year 3
Development Cost		Construction	Lease-Up	Stabilization
Land Cost	\$3,250,000	\$0	\$0	\$0
Hard Cost	0	31,581,289	31,581,289	0
Soft Cost	1,985,889	5,004,820	5,331,716	0
Total Development Cost	\$5,235,889	\$36,586,109	\$36,913,005	\$0
Operating Income				
Rental Income	\$0	\$0	\$1,506,760	\$3,360,804
Economic Loss	0	0	(80,831)	(180,292)
Total Rental Income	\$0	\$0	\$1,425,929	\$3,180,512
Total Ancillary Income	\$0	\$0	\$109,860	\$245,041
Effective Gross Income	\$0	\$0	\$1,535,789	\$3,425,553
Operating Expenses				
Salaries & Payroll	\$0	\$0	\$331,411	\$284,067
Marketing & Promotion	0	0	74,841	64,149
General & Administrative	0	0	58,619	50,245
Utilities (Net)	0	0	179,685	154,016
Repair & Maintenance	0	0	81,696	70,026
PID Maintenance	0	0	29,167	25,000
Total Controllable Expenses	\$0	\$0	\$755,419	\$647,502
Management Fee	\$0	\$0	\$40,744	\$90,879
Property Taxes	0	0	0	105,274
Insurance	0	0	138,688	118,875
Total Fixed Expenses	\$0	\$0	\$179,432	\$315,028
Total Operating Expenses	\$0	\$0	\$934,851	\$962,531
Net Operating Income	\$0	\$0	\$600,938	\$2,463,022
Net Operating Income	\$0	\$0	\$600,938	\$2,463,022
Replacement Reserves	0	0	(9,044)	(20,173)
Net Cash Flow After Reserves	\$0	\$0	\$591,894	\$2,442,850
Project Cash Flows				
Unlevered Cash Flows	(\$5,235,889)	(\$36,461,126)	(\$34,530,095)	\$106,527,360
Levered Cash Flows	(\$5,235,889)	(\$22,321,341)	(\$0)	\$53,608,839





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