

1420 N Bella Drive Beverley Hills

Square Footage:

12,500

Asset:

High-end Luxury Home

Uses

PSF

Acquisition	\$	2,500,000.00	\$	200.00
Construction	\$	5,250,000.00	\$	420.00
Total	\$	7,750,000.00	\$	620.00

Sources

Investor	\$	1,125,000.00		
Past Principal of Construction Loan	\$	1,375,000.00		
Construction Loan	\$	3,650,000.00		
Completion Loan	\$	1,600,000.00		
	\$	7,750,000.00	\$	620.00

Scenarios:

Exit Strategy

Middle

Appraisal-Value

Sale	\$	16,000,000.00	\$	18,000,000.00	\$	20,000,000.00
PSF	\$	1,280.00	\$	1,440.00	\$	1,600.00
Exit Costs (6%)	\$	960,000.00	\$	1,080,000.00	\$	1,200,000.00
Pay off of Constructon Loan + Interest	\$	5,249,714.60	\$	5,249,714.60	\$	5,249,714.60
Pay off of Completion Loan + Interest	\$	1,658,488.63	\$	1,658,488.63	\$	1,658,488.63
Deal Profit	\$	8,131,796.76	\$	10,011,796.76	\$	11,891,796.76
Return of Investor Equity	\$	1,125,000.00	\$	1,125,000.00	\$	1,125,000.00
Net Profit	\$	7,006,796.76	\$	8,886,796.76	\$	10,766,796.76
Deal Return Multiple		6.23		7.90		9.57
Investor Share %, Post Retun of Equity		70%		75%		80%
Sponsor Share %, Post Return of Investor Equity		30%		25%		20%
Investor Profit	\$	4,904,757.73	\$	6,665,097.57	\$	8,613,437.41
Sponsor Profit	\$	2,102,039.03	\$	2,221,699.19	\$	2,153,359.35

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Equity Return (Pro Rata, Pari Passu)

Total Equity Raise	\$ 1,125,000.00	100%
Investor 1	\$ 550,000.00	49%
Investor 2	\$ 400,000.00	36%
Investor 3	\$ 175,000.00	16%

Scenarios	Exit Strategy	Middle	As-Appraised
Deal Return	\$ 8,131,796.76	\$ 10,011,796.76	\$ 11,891,796.76

Investor 1

Return of Equity	\$ 550,000.00	\$550,000	\$550,000
Profit	\$ 2,397,881.56	\$ 3,258,492.15	\$ 4,211,013.84
Total	\$ 2,947,881.56	\$ 3,808,492.15	\$ 4,761,013.84
ROI	336%	492%	666%

Investor 2

Return of Equity	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
Profit	\$ 1,743,913.86	\$ 2,369,812.47	\$ 3,062,555.52
Total	\$ 2,143,913.86	\$ 2,769,812.47	\$ 3,462,555.52
ROI	336%	492%	666%

Investor 3

Return of Equity	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00
Profit	\$ 762,962.31	\$ 1,036,792.96	\$ 1,339,868.04
Total	\$ 937,962.31	\$ 1,211,792.96	\$ 1,514,868.04
ROI	336%	492%	666%

Equity Return			
Investor 1	\$ 550,000.00	\$ 550,000.00	\$ 550,000.00
Investor 2	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
Investor 3	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00

Profit			
Investor 1	\$ 2,397,881.56	\$ 3,258,492.15	\$ 4,211,013.84
Investor 2	\$ 1,743,913.86	\$ 2,369,812.47	\$ 3,062,555.52
Investor 3	\$ 762,962.31	\$ 1,036,792.96	\$ 1,339,868.04

Construction Loan

	Total	Monthly cost		
Project Cost	\$ 5,250,000.00	\$ 375,000.00		
Construction Loan	\$ 3,750,000.00			
Payment	\$471,986.32			
Interest Rate	10.50%			
Term (MO)	18.00	12 MO Interest Only		
Full Construction Loan (+Fees)	\$ 4,987,500.00			
Used	\$ 1,337,500.00			
Current Principal	\$ 3,650,000.00		Months	Interest Rate
Draw #1	\$ 750,000.00		2.00	10.50%
Draw #2	\$ 750,000.00		2.00	10.50%
Draw #3	\$ 750,000.00		2.00	10.50%
Draw #4	\$ 750,000.00		2.00	10.50%
Draw #5	\$ 650,000.00		2.00	10.50%
Principal	\$ 3,650,000.00		10.00	
Past Principal	\$ 1,337,500.00			
Interest	\$ 262,214.60			
Construction Loan	\$ 5,249,714.60			
Completion Loan Terms				
Principal	\$ 1,600,000.00			
Interest	4.50%			
Term (MO)	12.00			
Payment	\$175,465.90			
Refinance Completion Loan	\$ 1,600,000.00	Monthly		Interest Rate
Draw #6	\$ 750,000.00		2.00	4.50%
Draw #7	\$ 850,000.00		2.00	4.50%
Completion Loan	\$ 1,600,000.00		4.00	
Interest	\$ 58,488.63			
Total	\$ 1,658,488.63			
Senior Debt (Construction)	\$ 5,249,714.60			
Completion Loan	\$ 1,658,488.63			
Total Debt Pay Off	\$ 6,908,203.24		14.00	