Development
Pro Forma

Property: The RealData Building
612 Old Post Road
Southport, CT 06824

Prepared For: Second Bank of Connecticut
555 River Road
Bridgeport, CT 06490

Prepared By: Northwood Development, LLC
16554 Maple Street
Southport, CT 06890

Date: February 12, 2010
Project Location: The RealData Building
612 Old Post Road
Southport, CT 06824

Type of Property: Office Park
35,000 SF, Gross Building Area
30,000 SF, Rentable Area

Date of this Report: February 12, 2010

Purpose: The following pro forma summarizes the various hard and soft development costs, and the proposed financing for this project.

For the sake of the analysis, certain assumptions have been made concerning development costs, financing terms, revenue rates and operating expenses.

Those assumptions and the potential economic benefits of this project are presented in the following pages.
The RealData Building
612 Old Post Road
Southport, CT 06824

Property type: Office Park
Architect: P.I. West
Lender: Second Bank of Connecticut
Contractor: Frank & Associates
Construction manager: Walter Fielding
Leasing agent: Maggie McHugh
Attorney(s): C. Darrow
Buyer: TBD

Developer: Northwood Development, LLC
16554 Maple Street
Southport, CT 06890

Zoning: Commercial
Construction type: Steel Framing
Gross Building Area: 35,000 SF
Usable Area: 25,000 SF
Loss Ratio: 28.57%
Footprint: 2,900 SF

Number of floors: 12
Number of suites or units: 23
Number of parking spaces: 77

Total rentable square feet: 30,000 SF

Floor Area Ratio (FAR): 0.38

Lot Size: 2.10 acres
Frontage: 412 f
Lot Coverage: 3.17%

Map or block number: 17
Lot or building number: 66
### TOTAL EQUITY, INCLUDING LAND
Developer's cash equity, including
- net lease-up cost or income: $2,176,207
- Land value as equity: 980,000
- Total Amount: $3,156,200

### DEVELOPMENT LOAN
- Amount: $5,078,000
- Interest rate: 8.000%
- Term: 22 months
- Points: 0.000
- Average balance outstanding: 50.000%

### TAKEOUT FINANCING
- Amount: $5,078,000
- Interest rate: 7.250%
- Term: 20
- Points: 0.000
- Debt Coverage Ratio (actual): 1.70
- Mortgage Constant: 9.485%
- Loan amount per square foot: $145.09
- Loan to total project cost: 71.17%
- Loan to final resale value: 55.95%
LEASE-UP TIME AFTER DEVELOPMENT 6 months

LEASE-UP INCOME AND COSTS

LEASE-UP PERIOD INCOME $ 392,625

LEASE COMMISSION
7.00% commission for 3 years $ 212,520

MISCELLANEOUS LEASING COSTS $ 0

OTHER LEASE-UP-PERIOD COSTS
Taxes for lease-up period 36,000
Insurance for lease-up period 18,000
Maintenance for lease-up period 5,000
Loan payments for lease-up period 240,812

TOTAL OTHER COSTS $ 299,812

TOTAL NET LEASE-UP PERIOD COSTS $ 119,707
## Project Soft Costs

### ARCHITECTURAL AND ENGINEERING

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General architectural &amp; engineering costs</td>
<td>127,500</td>
</tr>
<tr>
<td>Blueprints</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>TOTAL A &amp; E</strong></td>
<td><strong>$ 135,500</strong></td>
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<tr>
<td>Development loan interest</td>
<td>372,387</td>
</tr>
<tr>
<td>Appraisal fee</td>
<td>3,500</td>
</tr>
<tr>
<td>Title recording &amp; insurance</td>
<td>10,500</td>
</tr>
<tr>
<td>Legal fees, loans</td>
<td>5,000</td>
</tr>
<tr>
<td>Course-of-construction insurance</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>TOTAL FINANCING COSTS</strong></td>
<td><strong>$ 401,387</strong></td>
</tr>
<tr>
<td>Environmental survey, Phase 1</td>
<td>2,300</td>
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<tr>
<td>Soil tests</td>
<td>2,000</td>
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<tr>
<td>Engineering offsite costs</td>
<td>60,000</td>
</tr>
<tr>
<td>Zoning costs</td>
<td>7,000</td>
</tr>
<tr>
<td>Legal/consulting costs, land</td>
<td>10,000</td>
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<tr>
<td>Land title work</td>
<td>3,000</td>
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<tr>
<td><strong>TOTAL LAND SOFT COSTS</strong></td>
<td><strong>$ 84,300</strong></td>
</tr>
<tr>
<td>Accounting</td>
<td>3,350</td>
</tr>
<tr>
<td>Legal</td>
<td>5,000</td>
</tr>
<tr>
<td>Feasibility</td>
<td>12,000</td>
</tr>
<tr>
<td>Permits</td>
<td>16,500</td>
</tr>
<tr>
<td>Marketing</td>
<td>6,000</td>
</tr>
<tr>
<td>Signage</td>
<td>3,500</td>
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<tr>
<td>Development fee</td>
<td>110,000</td>
</tr>
<tr>
<td>Project management</td>
<td>60,000</td>
</tr>
<tr>
<td>Soft cost contingency</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>TOTAL DEVELOPMENT COSTS</strong></td>
<td><strong>$ 241,350</strong></td>
</tr>
</tbody>
</table>
## CONSTRUCTION COSTS

**General Project Costs**
- Dumpsters: 5,500
- Portable toilets: 3,000
- Security: 8,800

**Site Work**
- Site preparation, excavation, fill: 141,900
- Site improvements: 24,200
- Site electrical utilities: 15,400

**Substructure**
- Foundations: 412,500

**Shell**
- Shell superstructure: 687,500
- Exterior walls, windows, doors: 367,400
- Roofing: 100,000

**Interior**
- Partitions & doors: 770,000
- Staircases: 165,000
- Interior finishes: 426,800

**Conveying Systems**
- Elevators, escalators: 440,000

**Plumbing**
- Plumbing fixtures: 92,400
- Domestic water: 61,600
- Waste: 35,000
- Rain water drainage: 19,800
- Other plumbing costs: 6,050

**HVAC**
- Heating: 722,700
- Air conditioning: 561,000

**Fire Protection**
- Sprinkler systems: 440,000

**Electrical**
- Electric service: 49,500
- Branch wiring: 357,500
- Telecom and security: 12,980

**Special Construction**
- Alarm systems (smoke, fire, intrusion): 33,000

**TOTAL HARD COSTS**

$ 5,973,330

$ 170.67 per SF
## Total Project Cost

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND COST, part of developer's equity</td>
<td>$ 0</td>
<td></td>
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<tr>
<td>SOFT COSTS</td>
<td>$ 862,537</td>
<td>24.64</td>
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<tr>
<td>HARD COSTS</td>
<td>$ 5,973,330</td>
<td>170.67</td>
</tr>
<tr>
<td>CONSTRUCTION CONTINGENCY</td>
<td>$ 298,667</td>
<td>8.53</td>
</tr>
<tr>
<td>TOTAL PROJECT COST before lease-up period costs or income</td>
<td>$ 7,134,533</td>
<td>203.84</td>
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<tr>
<td>Net Lease-up Period Costs</td>
<td>$ 119,707</td>
<td>3.42</td>
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<tr>
<td>Value of Land as Equity</td>
<td>$ 980,000</td>
<td>466,666.67</td>
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<tr>
<td>TOTAL COST OVERALL (rounded, including lease-up period cost and land value)</td>
<td>$ 8,234,200</td>
<td>235.26</td>
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</table>

### LOANS REQUESTED

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Amount</th>
<th>Per SF</th>
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<tbody>
<tr>
<td>Development Loan</td>
<td>$ 5,078,000</td>
<td>145.09</td>
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<tr>
<td>Total Loans</td>
<td>$ 5,078,000</td>
<td>145.09</td>
</tr>
</tbody>
</table>

### EQUITY

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer's cash equity excluding land and net lease-up income or cost</td>
<td>$ 2,056,500</td>
<td></td>
</tr>
<tr>
<td>Plus net lease-up period costs</td>
<td>$ 119,707</td>
<td></td>
</tr>
<tr>
<td>Plus value of land as equity</td>
<td>$ 980,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total development equity (rounded)</strong></td>
<td><strong>$ 3,156,200</strong></td>
<td>90.18</td>
</tr>
</tbody>
</table>

- % of Total Cost Overall: 38.33%
- Cap Rate (Expected First Year NOI / Total Cost Overall): 9.92%

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The information, projections, and calculations presented in this document are believed to be accurate and correct but are not guaranteed.