GROUND-UP DEVELOPMENT

Illustrative: 200-unit multifamily development

West End, St. Louis Park, Minnesota · 200 units · Mid-rise multifamily, 4 over 1 podium · Sponsored by Sample Sponsor LLC

RAISING	PROJECTED INVESTOR RETURN	MULTIPLE	PREFERRED RETURN	MINIMUM
$18.3M	**15.16%**	**2.73x**	**8%**	**$25,000**
of $52.2M total cost	annual, over the hold	over 10 years	accrues and compounds	accredited investors only

This is a worked example and not an offering. The deal does not exist: it is a demonstration of what an invited investor sees, built on a real model with illustrative assumptions. Every figure in this deck is generated from the same record as the deal page, and the final slide carries the full disclosures.

The ask, and what it builds

Equity funds first and is exhausted before the loan draws, which is what a construction lender requires. Every budget line rolls into one of the use sections at right.

EQUITY BEING RAISED

$18.3M

35% of a $52.2M project. $25,000 minimum per investor.

TOTAL PROJECT COST

$52.2M

$260,945 per unit all in, 200 units.

CONSTRUCTION DEBT

$33.9M

65% of cost, interest only. $2.2M of interest capitalized into basis.

HOLD

10 years

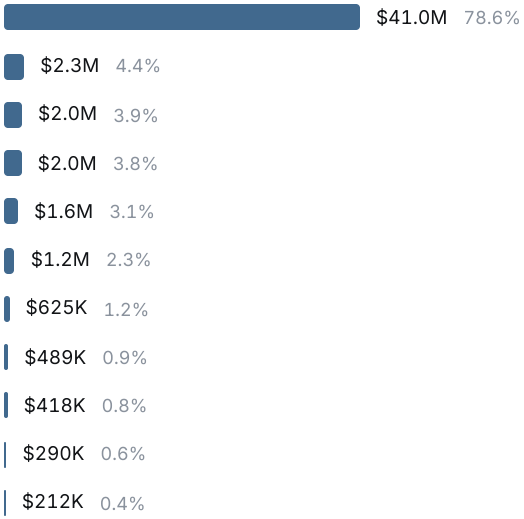
Refinance month 61, sale month 120 at a 5.50% exit cap.

SOURCES



Equity **$18.3M** Construction loan **$33.9M** Total **$52.2M**

USES, BY SECTION



Total uses	**$52.2M**

A 200-unit ground-up development in West End, St. Louis Park, Minnesota, built over 24 months and held for 10 years. It fills to stabilized occupancy 11 months after first delivery. The month 61 refinance distributes $14.0M (about $7.7M capital, about $7.0M accrued preferred return), and the building sells in month 120 for $80.0M.

Ten years, year by year

Years run from closing, so construction occupies years one and two and the first stabilized year is year four. Occupancy after stabilization is held flat, a stated simplification.

YEAR	PHASE	OCCUPANCY	EFFECTIVE GROSS INCOME	NOI	RESERVE	DEBT SERVICE	CAPITAL EVENT	CASH TO EQUITY
1	Construction	n/a	n/a	n/a	n/a	n/a	-$13.3M	**-$13.3M**
2	Construction	n/a	n/a	n/a	n/a	n/a	-$5.0M	**-$5.0M**
3	Lease-up	46%	$2.5M	$1.1M	$50K	$2.4M	n/a	**$0**
4	First stabilized year	95%	$5.8M	$3.8M	$100K	$2.4M	n/a	**$1.3M**
5	Operating	95%	$5.9M	$3.9M	$103K	$2.4M	n/a	**$1.4M**
6	Refinance	95%	$6.0M	$4.0M	$105K	$3.2M	$14.0M	**$14.7M**
7	Operating	95%	$6.2M	$4.1M	$108K	$3.2M	n/a	**$815K**
8	Operating	95%	$6.4M	$4.2M	$110K	$3.2M	n/a	**$914K**
9	Operating	95%	$6.5M	$4.3M	$113K	$3.2M	n/a	**$1.0M**
10	Sale	95%	$6.7M	$4.4M	$116K	$3.2M	$35.1M	**$36.2M**
TEN-YEAR TOTAL				**$29.7M**		**$22.9M**		**$38.2M**

CAPITAL IN

$18.3M

drawn across years one and two, equity first

REFINANCE, MONTH 61

$14.0M

distributed: about $7.7M capital, about $7.0M accrued preferred return

SALE, MONTH 120

$35.1M

net proceeds after repaying $43.3M of debt

The year 3 lease-up deficit is funded by the reserve and a sponsor commitment, stated with figures in the deal page's diligence answers. The split of the last column is the next slide.

The cash flow, split through five tiers

Every distribution over the hold walks the tiers in order, investors paid first. Bars are a yearly run of the tier rules, on one scale; blue is the investors' side, amber is the sponsor's. Totals below are the monthly model's, as on the deal page.

1 Preferred return
Until investors have received an 8% annual return on unreturned capital



$13.2M
investors $13.2M

2 Return of capital
Until investors have received all contributed capital back



$18.3M
investors $18.3M

3 Sponsor catch-up
Until the sponsor has received 20% of profit distributed to that point



$8.8M
investors $4.4M and sponsor $4.4M

4 Residual to a 15% investor return
Until investors have received a 15% annual return



$16.2M
investors $13.2M and sponsor $3.1M

5 Residual above a 15% investor return
All remaining proceeds

Nothing reaches this tier in the base case

$0

DISTRIBUTED OVER THE HOLD

$57.3M

to equity, monthly model

TO INVESTORS OVER THE HOLD

$49.9M

87.0% of every distributed dollar

INVESTOR MULTIPLE

2.73x

times their capital, an IRR of 15.16%

TO THE SPONSOR: THE PROMOTE

$7.5M

earned only after investors receive the 8% preferred return and all contributed capital; fees are on the terms slide

Tier rules are stated in full on the terms slide. The sponsor's co-investment earns pari passu with investors and is separate from the promote.

The projection, and where the money comes from

One set of cash flows, measured several ways. The gap between the levered project return and the investor return reflects the promote, the sponsor's fees, and the sponsor's return on its co-investment.

Project, unlevered	**10.27%** before any debt
Project, levered	**16.85%** 3.14x before the split
Investor	**15.16%** 2.73x after the split
Sponsor	**37.24%** $7.5M promote, earned last

UNTRENDED YIELD ON COST

6.51%

at today's rents and costs, against a 5.50% exit cap. 7.26% trended to stabilization.

ONE INVESTOR'S $100,000

$273,080

back over 10 years: $100,000 in, $173,080 of profit, 2.73x.

REFINANCE, MONTH 61

$14.0M

distributed: about $7.7M capital, about $7.0M accrued preferred return.

AVERAGE CASH-ON-CASH

5.7%

per operating year, on full equity. Zero until delivery: a development pays later and ends higher.

WHERE DISTRIBUTIONS ACTUALLY ARRIVE



62% of distributions arrive at the sale. Operations contribute $7.3M across the hold, the refinance distributes $14.0M, and the sale distributes $35.1M.

The multiple does not account for time and the IRR is sensitive to early distributions, so they are read together: 2.73x and 15.16% a year describe the same cash flows.

200 units over structured parking

Mid-rise multifamily, 4 over 1 podium. Average 895 sf and $2,184 per unit per month across four plans; 230 stalls, 1.15 per unit, the same garage the parking income line comes from.

UNIT MIX

TYPE	UNITS	SIZE	RENT	RENT / SF
Studio	30	535 sf	$1,625	$3.04
1BR	80	715 sf	$1,850	$2.59
2BR	75	1,150 sf	$2,550	$2.22
3BR	15	1,300 sf	$3,250	$2.50

PRO FORMA RENTS AGAINST THE TRACKED MARKET

TYPE	OURS	WEST END MEDIAN	DELTA
Studio	$1,625	$1,599	+1.6%
1BR	$1,850	$1,849	+0.1%
2BR	$2,550	$2,578	-1.1%
3BR	$3,250	no posted comp	n/a

SPECIFICATION HIGHLIGHTS

UNIT INTERIORS

Countertops
Quartz, 3 cm, eased edge, kitchens and baths

Cabinets
Flat panel, soft close, two tone scheme by floor

BUILDING AND SYSTEMS

Construction
Four wood-framed stories over one concrete podium story with structured parking

Parking
230 structured stalls; 46 EV ready

AMENITIES

Fitness
2,100 square feet, strength and cardio, on demand studio

Rooftop terrace
Grills, firepit lounge, downtown skyline orientation

SERVICES

Trash
Valet pickup five nights a week, chute per floor

Access
Fob and phone credentialed, cameras at entries and garage

SCHEDULE, CLOSING TO SALE

Closing	Construction start	Construction complete	First delivery	Stabilized	Refinance	Sale
Jan 2027, m0	Feb 2027, m1	Jan 2029, m24	Feb 2029, m25	Jan 2030, m36	Feb 2032, m61	Jan 2037, m120

Hard costs are $41.0M, $205,000 per unit: the figure a cost consultant benchmarks. The full spec book, the budget lines that price it, and the location detail live on the deal page.

Rent check: pro forma unit rents in today's dollars against asking medians from the tracked West End set, snapshot of 2026-11-08, joined on bed count. Asking rents on standing buildings, not closed leases.

Sample Sponsor LLC: 6 completed developments, 600 units

Sample rows in the format a live profile carries. On a live deal the evidence document sits one click behind each verification mark, and an admin sets the level only after reviewing it.

PROJECT	COMPLETED	UNITS	TOTAL COST	NOI AGAINST PROJECTION	PROJECTED IRR	REALIZED IRR	VERIFICATION
Lake Street Flats	2016	64	$11.8M	+6.5% vs projected	16%	**18.4%**	Third-party verified
Excelsior Commons	2018	112	$23.5M	−1.1% vs projected	15.5%	**14.7%**	Document verified
Como Avenue Lofts	2019	48	$9.1M	+3.8% vs projected	15%	**Operating**	Document verified
Nicollet Yards	2021	156	$34.3M	−7.5% vs projected	16.5%	**Operating**	Sponsor reported
Highland Row	2022	88	$20.7M	+1.2% vs projected	15.5%	**Operating**	Sponsor reported
Wayzata Boulevard	2024	132	$31.7M	No actuals yet	16%	**Operating**	Sponsor reported

COMPLETED DEVELOPMENTS

6

2 exited, 4 operating

UNITS DELIVERED

600

sum of the records above

TOTAL COST BUILT

$131.2M

sum of the records above

VERIFIED ROWS

3 of 6

document or third party verified; the rest are sponsor reported

THE PROJECT TEAM

SPONSOR AND DEVELOPER

Sample Sponsor LLC

6 completed developments, record above, co-invested pari passu

GENERAL CONTRACTOR

Sample Builders Co

Bid package in progress; guaranteed maximum price to be executed before closing, contingency inside the GMP

ARCHITECT

Sample Architecture Studio

Schematic design under way, construction administration through delivery

CONSTRUCTION LENDER

Sample Regional Bank

Term sheet signed, in-balance tested at each draw

PROPERTY MANAGER

Sample Residential Management

Engaged for pre-leasing at first delivery and operations after

COUNSEL

Sample Law LLP

Entitlements through the expired appeal period, loan and equity closings

Alignment: the sponsor co-invests $548K, 3.0% of the equity, pari passu with investors, and carries the completion guarantee unpaid.

Every fee, both loans, five tiers

What an allocator needs to model their own return rather than take ours. The preferred return is 8%, accrued from funding and compounded annually; unpaid pref rolls forward rather than lapsing.

EVERY FEE THE SPONSOR EARNS

FEE	RATE	WHEN IT IS EARNED	TEN-YEAR TOTAL
Development fee	4.0%	Earned pro rata over the 24 months of construction, paid from the budget	**$2.0M**
Asset management fee	1.0% a year	Paid quarterly from operations, beginning at first delivery	**$1.5M**
Promote	20% to 30%	Earned only at the refinance and the sale, never before	**$7.5M**
Construction management fee	None	Not charged	**$0**
Acquisition fee	None	Not charged	**$0**
Guaranty fee	None	Not charged	**$0**
Refinance fee	None	Not charged	**$0**
Disposition fee	None	Not charged	**$0**

Construction loan — $33.9M

Sample Regional Bank, construction lending group, term sheet signed

RATE	TERM	AMORTIZATION
Floating, SOFR plus 275 basis points, with a purchased cap at 4.50%. Underwritten at 7.00% all in: the cash flow's construction debt service is drawn at that rate, above today's 5.90% indication and below the 7.25% capped maximum	42 months from closing	Interest only

The assumption it rests on: Floating. The cap strike of 4.50% is 135 basis points above the indicated index, so the first 135 basis points of any rate move is carried by the deal and not by the cap.

Permanent loan — $47.0M

Not yet engaged: agency or life company execution assumed at month 61

RATE	TERM	AMORTIZATION
Assumed at 5.40% fixed	10 years from funding in month 61	30 years

The assumption it rests on: This is a forecast of a rate five years out, not a commitment. It is the single most consequential undisclosed assumption on most deal pages: the whole refinance distribution rests on it, and at 6.50% instead the loan sizes to roughly $41.6M and the month 61 distribution falls from $14.0M to about $8.6M.

THE WATERFALL, TIER BY TIER

1. **Preferred return.** Until investors have received an 8% annual return on unreturned capital, 100/0 investors to sponsor.
2. **Return of capital.** Until investors have received all contributed capital back, 100/0 investors to sponsor.
3. **Sponsor catch-up.** Until the sponsor has received 20% of profit distributed to that point, 50/50 investors to sponsor.
4. **Residual to a 15% investor return.** Until investors have received a 15% annual return, 80/20 investors to sponsor.
5. **Residual above a 15% investor return.** All remaining proceeds, 70/30 investors to sponsor.

Clawback: tested at final liquidation. Promote received in excess of what realised results support is repaid to investors before the partnership closes.

What this document is, and what it is not

A worked example

Illustrative: 200-unit multifamily development does not exist. This deck demonstrates the format an invited investor receives; the assumptions are illustrative and the sponsor is a sample entity.

Invite only, never public

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The sponsor owns every projection

Apolis standardizes the format. Every return figure, rent, cost and date in this deck is the sponsor's own claim, stated so it can be examined, not endorsed.

One record, two renderings

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