DEBT FINANCING

KEY TERMS FOR DEBT

Loan Type	Agency
Loan Proceeds	$9,350,000
Index	10-Year Treasury
Index Floor	4.31%
Spread	1.50%
All-In Rate	5.81%
Term	5
Interest Only	60
Amortization	30
Fixed/Floating	Fixed
Prepayment Penalty	YM
Supplemental Financing	Yes
Origination Fee	1.0%
Max LTV/LTC	55%
Min DSCR	1.55x
Replacement Reserves	$250/u/Year
Amortized Debt Service	$658,766

CPI Capital is strategically opting for a lower Loan to Value (LTV) ratio of 55% for the acquisition of the Atlas at Bay Point, a decision aligned with our commitment to safeguarding investor capital and maximizing returns.

This conservative approach offers several advantages over higher leverage options.

Firstly, it shields investors' equity capital from market volatility, providing a secure foundation for long-term investment growth.

Secondly, by utilizing the lower LTV, we secure full-term interest-only financing for the 5-year duration, enhancing cash-on-cash returns by deferring principal payments. This not only bolsters investor income streams but also mitigates risk during the holding period.

Moreover, the lower leverage allows for better terms from lenders, including a reduced interest rate spread over the 10-year treasury, further enhancing overall investment performance.

While higher leverage options may offer speculative potential for increased Internal Rate of Return (IRR) and Averaged Annualized Returns (AAR), the emphasis here is on safeguarding investor equity and maximizing cash-on-cash returns.

By prioritizing capital protection and sustainable income generation, we present an attractive investment opportunity at the Atlas at Bay Point, offering investors a compelling blend of stability, income, and long-term growth potential.