

Becca Brooker

From: CJ Horvath <cj@horvathdevelopment.com>
Sent: Friday, March 28, 2025 2:49 PM
To: Becca Brooker; Joseph Theall
Cc: Gonzalo Puigbo; Laurie Calvert; Beverly Gallo; Jacob Taylor; Michaela McDowell
Subject: SCC Sponsor Loan Request
Attachments: 2025.03.06 - Crossframe - Appraisal.pdf; SCC Proforma update Cross Street rental 3.28.2025 3x50^1.pdf

Hi Becca and Joe,

Following up on our call from Wednesday – SCC would like to include a seller carryback/sponsor loan in the Cross Street project to account for the value of the land it is contributing to the project. The ECSB appraisal shows the as-is value of the land as \$770,000. SCC is contributing that value to the new Cross Street project but instead of fully donating the land to the project it would like to request a seller carryback loan be provided from SCC to CrossFrame LLC (borrower), where the loan would be repaid using all residual receipts that the property produces. See the snippet below from the cashflow pages on the attached proforma showing repayment – the property is projected to produce between \$6k - \$8k per year after mandatory debt service to ECSB. By including this seller carryback financing in the project, it will allow SCC to receive repayment for the \$770k land value it is contributing to the project. We are specifically requesting that this be repaid prior to the SAHT loan from cashflow. But the sponsor loan could still be junior to the SAHT loan on title. Let us know if you would like to discuss further or have any questions. Thank you for considering this request.

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Gross Income</i>					
Leased Units	\$ 76,356	\$ 78,265	\$ 80,222	\$ 82,227	\$ 84,283
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 76,356	\$ 78,265	\$ 80,222	\$ 82,227	\$ 84,283
 Vacancy	 \$ (7,636)	 \$ (7,826)	 \$ (8,022)	 \$ (8,223)	 \$ (8,428)
Gross Effective Income	\$ 68,720	\$ 70,438	\$ 72,199	\$ 74,004	\$ 75,854
 Operating Expenses	 \$ 42,148	 \$ 43,623	 \$ 45,150	 \$ 46,731	 \$ 48,366
NOI	\$ 26,572	\$ 26,815	\$ 27,049	\$ 27,274	\$ 27,488
 Debt Service	 \$ 20,144	 \$ 20,144	 \$ 20,144	 \$ 20,144	 \$ 20,144
Cashflow	\$ 6,428	\$ 6,671	\$ 6,905	\$ 7,130	\$ 7,344
Sponsor Loan Repaymer	\$ 6,428	\$ 6,671	\$ 6,905	\$ 7,130	\$ 7,344

Best,

C.J.

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