

Software's User Manual

XL2

Team No: 10

| Name | Primary Role | Secondary Role |
|-----------------------|-------------------------------------|---------------------------|
| Kevin Crimi | Prototyper, Builder | Feasibility Analyst |
| Sindhu Nachimuthu | Project Manager, Life Cycle Planner | Builder |
| Ritesh Nanda | Operations Concept Engineer | Reviewer, Tester, Trainer |
| Muthukumaran Dhanapal | Software Architect, Builder | Feasibility Analyst |
| Ted Lee | IIV & V, Tester, Quality Manager | Project Manager |

Version History

| Date | Author | Version | Changes made | Rationale |
|----------|--------------|---------|---|--|
| 11/26/12 | Ritesh Nanda | 1.0 | <ul style="list-style-type: none">• Original template | <ul style="list-style-type: none">• Initial draft V1.0 |

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1. Introduction

1.1 System Overview

The User Manual outlines the use of the XL2 software application. The software takes all the real estate parameters and more, into account and generates analytical reports to raise the quality and standard of the analysis to a new level. It is an invaluable tool for the real estate entrepreneurs and companies to cope up with the changing market trends and variables.

1.2 System Requirements

1.2.1 Hardware Requirements

A windows based Computer System

1.2.2 Software Requirements

Microsoft Excel 2007 or above versions

2. Installation Procedures

Copy the .exe file in any directory/folder. The reports or excel files that needs to be generated could be saved in any directory/folder in the system irrespective of where the .exe file is placed.

3. Operational Procedures

3.1 Running the software

- Double click on the .exe file and the following software window would pop up.

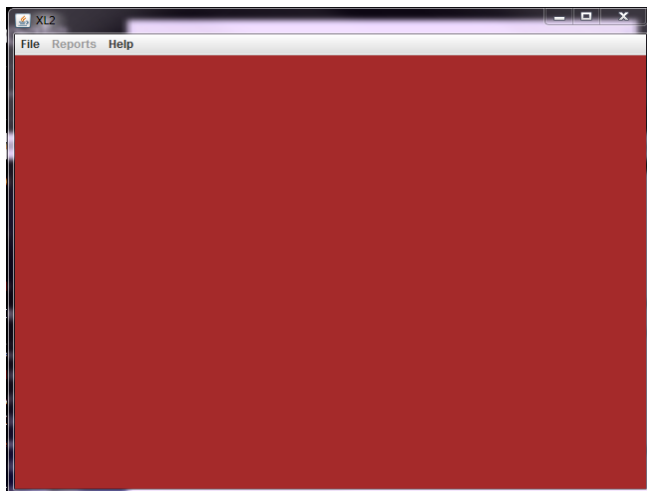


Figure 1

3.2 Creating a new Project

- Click on File option and choose New Project
- Select the desired template to create a new project : For now its limited to Hotel

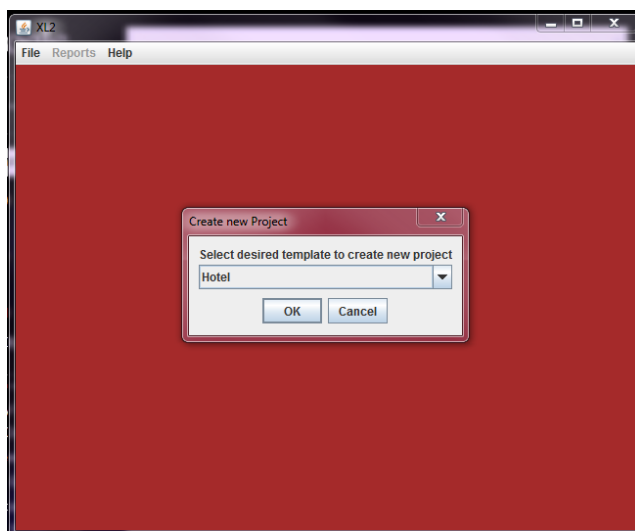
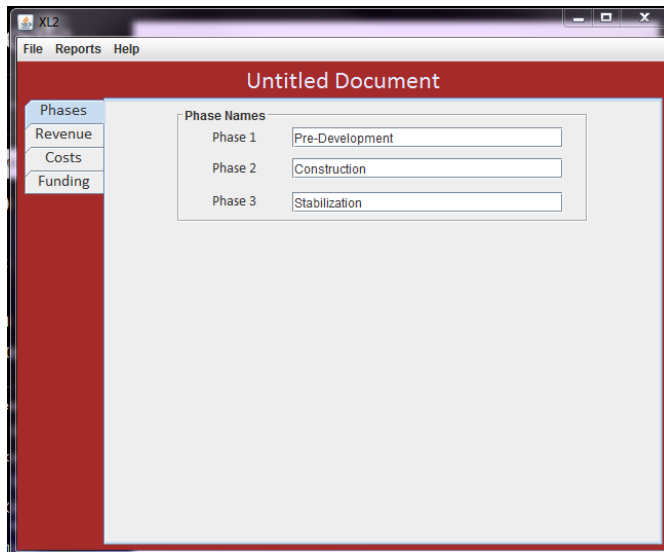


Figure 2

3.3 Phase Information

- Enter the names of the Phases.
- The default phase names are Pre-Development, Construction and Stabilization.

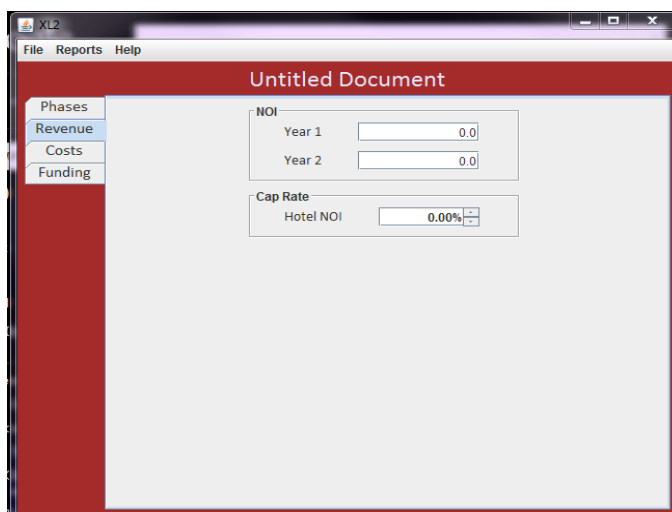


The screenshot shows the XL2 software window titled 'Untitled Document'. On the left, a sidebar contains a 'Phases' tab and three sub-tabs: 'Revenue', 'Costs', and 'Funding'. The 'Phases' tab is active. The main content area is titled 'Phase Names' and contains three input fields labeled 'Phase 1', 'Phase 2', and 'Phase 3'. The default values entered are 'Pre-Development', 'Construction', and 'Stabilization' respectively.

Figure 3

3.4 Revenue Information

- Enter the Net Operating Income and the Cap Rate.



The screenshot shows the XL2 software window titled 'Untitled Document'. On the left, a sidebar contains a 'Phases' tab and three sub-tabs: 'Revenue', 'Costs', and 'Funding'. The 'Revenue' tab is active. The main content area displays 'NOI' with two input fields for 'Year 1' and 'Year 2', both containing the value '0.0'. Below this, the 'Cap Rate' section shows 'Hotel NOI' with a value of '0.00%' and a small percentage icon.

Figure 4

3.5 Costs

- Enter all the costs: You could select or choose from four options
 - i) Land Acquisition
 - ii) Pre Development
 - iii) Direct Development
 - iv) Indirect Development

The screenshot shows the 'Pre-Development Costs' form within the XL2 software. The form is titled 'Untitled Document' and has a menu bar with 'File', 'Reports', and 'Help'. On the left, there is a sidebar with 'Phases' (Land Acquisition, Pre-Development, Direct Development, Indirect Development) and 'Revenue' (Costs, Funding). The 'Pre-Development' phase is selected. The form contains the following fields:

| Pre-Development Costs | |
|-------------------------------------|------------------|
| Architecture, Design & Engineering | 0.00% of Directs |
| Entitlement Costs | 0.0 |
| Legal, Title, Ins., & Misc. Expense | 0.0 |
| Preconstruction Services | 0.0 |
| Contingency | 0.00% of Pre-Dev |

Figure 5

3.6 Funding

- Enter various types of Funding: You could enter or choose from three options
 - i) Pre Development
 - ii) Development
 - iii) Stabilization

The screenshot shows the 'Funding' form within the XL2 software. The form is titled 'Untitled Document' and has a menu bar with 'File', 'Reports', and 'Help'. On the left, there is a sidebar with 'Phases' (Pre-Development, Development, Stabilization) and 'Revenue' (Costs, Funding). The 'Development' phase is selected. The form contains the following fields:

| Funding | |
|---------|--------------|
| Equity | 2920401.0548 |
| Debt | 0.0 |
| NOI | 0.0 |

Figure 6

3.7 Generate Reports

Now that all the parameters have been successfully entered into the system, to generate reports

- Click on the Reports tab in the Menu Bar and choose out of three options to generate different types of reports.
 - i. Cash Flow Summary Report
 - ii. Budget Report

Reports like the below ones would open up:

1)

| | Pre-Development | Construction | Stabilization | Total |
|--|-------------------|------------------|----------------|-------------------|
| Land Acquisition | | | | |
| Land Acquisition | 5,000,000 | - | - | 5,000,000 |
| Commission and Closing Cost | 150,000 | - | - | 150,000 |
| Subtotal | 5,150,000 | - | - | 5,150,000 |
| Pre-Development Cost | | | | |
| Architecture/Design/Engineering | 760,403 | - | - | 760,403 |
| Entitlement Cost | 600,000 | - | - | 600,000 |
| Legal, Title, Ins., & Misc. Expense | 420,000 | - | - | 420,000 |
| Preconstruction Services | 100,000 | - | - | 100,000 |
| Contingency | 141,030 | - | - | 141,030 |
| Subtotal | 2,021,433 | - | - | 2,021,433 |
| Maintenance Cost | | | | |
| Maintenance/Hotel Repairs* | 380,000 | 65,000 | - | 1,045,000 |
| Contingency | 169,324 | 1,903,382 | - | 2,078,705 |
| Subtotal | 1,149,324 | 1,974,382 | - | 3,123,705 |
| Indirect Cost | | | | |
| Property Taxes | 275,917 | 215,773 | - | 491,690 |
| Insurance | 105,000 | 989,870 | - | 1,094,870 |
| G & A | 1,050,000 | - | - | 1,050,000 |
| Misc. Exp. Reimbursements | 315,000 | 112,500 | - | 427,500 |
| Leasehold Payments | 1,604,647 | 570,174 | 912,278 | 3,087,100 |
| Contingency | 34,796 | 162,285 | - | 197,081 |
| Subtotal | 3,385,360 | 2,050,602 | 912,278 | 6,348,240 |
| TOTAL PROJECT COSTS | 11,706,116 | 4,024,984 | 912,278 | 16,643,378 |
| Less: Existing Deposit with City of Santa Barbara | - | - | - | - |
| TOTAL NET PREDEVELOPMENT BUDGET | 11,706,116 | 4,024,984 | 912,278 | 16,643,378 |
| * \$270,000 being funded with deposits from city | | | | |

Figure 7

2)

| | A | B | C | D | E | F | G | H | I | J |
|-----|---|---|---|---|---|---|---|---|---|---|
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| 99 | | | | | | | | | | |
| 100 | | | | | | | | | | |

Sales Proceeds:

| | |
|--|-------------------|
| Timeshare Sales | 12,613,200 |
| Hotel/Retail/Parking NOI | 5,963,886 |
| Timeshare NOI | 258,053 |
| Hotel/Retail/Parking Sale | 70,904,785 |
| Timeshare Sale | 3,067,995 |
| Refund Existing Deposit with City | 250,000 |
| Less: Commissions (Unit Sales) | (756,792) |
| Less: Commissions (Retail/Hotel/Timeshare) | (1,479,456) |
| TOTAL NET SALE PROCEEDS | 90,821,671 |

Development Costs:

| | |
|--------------------------------|-------------------|
| Land Acquisition | 5,150,000 |
| Pre-Development Cost | 2,021,433 |
| Direct Development Cost | 33,027,728 |
| Indirect Development Cost | 15,342,075 |
| TOTAL DEVELOPMENT COSTS | 55,541,235 |

Project Financing:

| | |
|-----------------------|-------------------|
| Hotel NOI | 4,004,323 |
| Equity | 10,195,986 |
| Debt | 35,904,036 |
| TOTAL SOURCES: | 50,104,345 |

Overall Equity Activity:

| | |
|----------------------|-------------------|
| Capital Contribution | 10,195,986 |
| Distributions | (50,913,313) |
| NET CASH FLOW | 40,717,327 |

LEVERED IRR 27.46%

Investor Summary Pre-Development Costs Full Build Returns Summary

Ready Calculate

Figure 8

If you choose the third option i.e. View Full Excel Model then the report would be generated in the following manner:

3)

| | | Pre-Development Budget | Construction Budget | Stabilization Budget | Total Development Budget | Total | 12/10 | 1/11 | 2/11 | 3/11 | 4/11 | 5/11 |
|---|--|------------------------|---------------------|----------------------|--------------------------|-------|-------|------|------|------|------|------|
| FULL BUILD CASH FLOW | | | | | | | | | | | | |
| INCOME: | | | | | | | | | | | | |
| Net Proceeds: | | | | | | | | | | | | |
| Timeshare Unit Sales | | | | | | | | | | | | |
| Timeshare Sales | | | | | | | | | | | | |
| Hotel/Retail/Parking NOI | | | | | | | | | | | | |
| Timeshare NOI | | | | | | | | | | | | |
| Hotel/Retail/Parking Sale | | | | | | | | | | | | |
| Timeshare Sale | | | | | | | | | | | | |
| Refund Existing Deposit with City | | | | | | | | | | | | |
| Less: Commissions (Unit Sales) | | | | | | | | | | | | |
| Less: Commissions (Retail/Hotel/Timeshare Sale) | | | | | | | | | | | | |
| TOTAL NET PROCEEDS | | | | | | | | | | | | |
| DEVELOPMENT COSTS: | | | | | | | | | | | | |
| Land Acquisition | | | | | | | | | | | | |
| Land Acquisition | | | | | | | | | | | | |
| Commission and Closing Cost | | | | | | | | | | | | |
| Subtotal | | | | | | | | | | | | |
| Pre-Development Cost | | | | | | | | | | | | |
| Architecture/Design/Engineering | | | | | | | | | | | | |
| Entitlement Cost | | | | | | | | | | | | |
| Legal, Title, Ins., & Misc. Expense | | | | | | | | | | | | |
| Preconstruction Services | | | | | | | | | | | | |
| Contingency | | | | | | | | | | | | |
| Subtotal | | | | | | | | | | | | |
| Direct Development Cost | | | | | | | | | | | | |
| Architecture/Design/Engineering | | | | | | | | | | | | |
| Fees and Permits | | | | | | | | | | | | |
| Direct Construction - Hotel/Timeshare | | | | | | | | | | | | |
| Direct Construction - Retail | | | | | | | | | | | | |
| Offsite Upgrades | | | | | | | | | | | | |
| Common Area FF&E & OSE | | | | | | | | | | | | |
| Maintenance/Hotel Repairs | | | | | | | | | | | | |

4. Troubleshooting

4.1 Frequently Asked questions

There are no frequently asked questions currently by users.

4.2 Error Codes and Messages

The program does not throw any error codes.

4.3 Note

The User Manual will further be updated on completion of the Development.