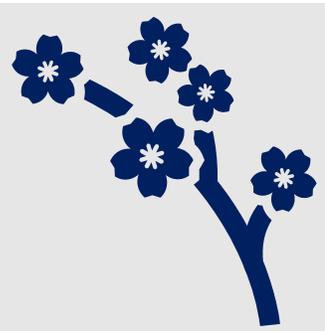
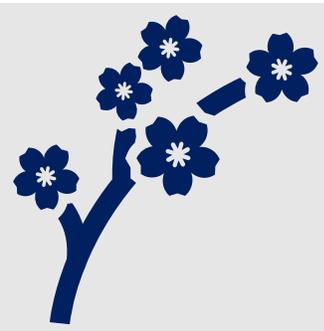


Presidential Cove

La Plata, Maryland



Gator Homes
Building Company



The Gator Homes Team

Senior Partner

Ryan LoFurno

Project Executive
Project Management



Senior Partner

Evan McCluan

Site Design
Sustainability



Junior Partner

Samantha Butler

Product Design



Senior Partner

Gal Shraga

Finance
Marketing



Junior Partner

Rain Meekins

Estimate

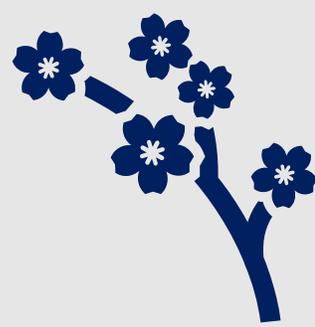
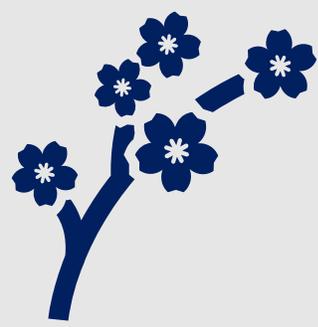


Junior Partner

Austin Rowe

Schedule





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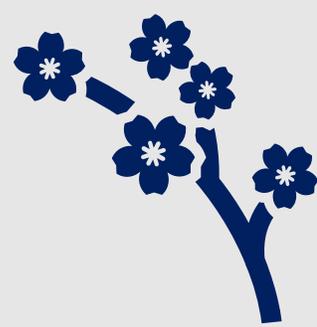
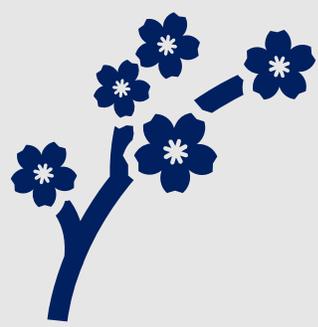
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Executive Summary

Dear Investment Committee,

Our team is very proud to present our latest opportunity for growth and development. We have identified a plot of land within DR Horton's Heritage Green development that shows great potential for profit, which leads us into our proposal for Presidential Cove.

Market Analysis

La Plata is a growing rural town located in Charles County, Maryland and is a half hour drive away from Washington D.C. We have identified comparable developments in the area which has factored into the products we offer and our cost. There are also certain demographics we are targeting in order to sell our products.

Product Design and Selection

Product Design

Presidential Cove will mainly cater to different identified demographics in the La Plata area. We will be offering three types of products that will come in the form of single-family, zero lot, and townhome units. These will all range from 1548 to 3264 square feet, coming with a range of upgrades packages and community amenities to fit the client's needs.

Site Design

Our site design manages to preserve the natural beauty of the area while implementing features of New Urbanism. Ultimately, the layout of the neighborhood is conducive to the formation of a true community and promotes health and wellness through an active lifestyle. The neighborhood's unique spoke-like design also allows buyers to choose between attached or detached housing, opening the market to more potential residents.

Sustainability

Each unit places an emphasis on the four major areas of sustainability in construction: site, systems, indoor quality, and impact costs. Homeowners can expect to save hundreds on their utility bills through energy efficient systems and appliances, benefitting both their wallets and our planet.

Construction Management

Estimate: Project Total Cost

The pricing for the Presidential Cove development community has been put together by Gator Homes' experienced estimating team with current data to support all figures. In the estimate

section, we have presented detailed figures to explain our final number for the cost of the development as a whole.

Schedule: Total Project

Gator Homes will begin development on the Heritage Greens property on March 1, 2023, and turnover the development on December 24, 2031. Our construction durations are based on our 4-phase process, in which we will stagger start from completion of horizontal construction.

Project Management

Site Management and Logistics

Throughout the construction of Presidential Cove we must ensure that all of our products are built to the highest quality in a timely manner. Having the proper plans and staff in place are important to giving our clients the high standard products they deserve.

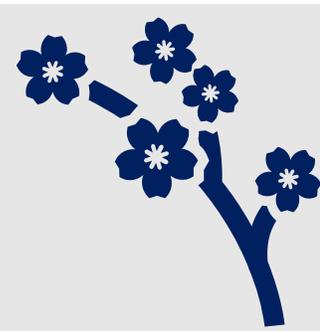
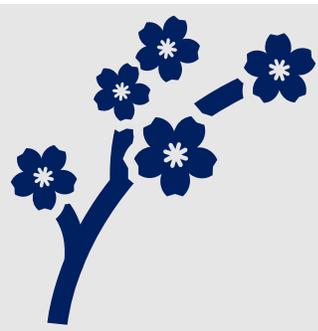
Sales and Marketing

Our starting prices range from \$345k to \$580k which were determined by the products we offer and homes sales in the past 6 months. We will use different forms of marketing through advertising and events to spread the word of our community.

Financial and Risk Analysis

Our Gator Homes Development Team has thoroughly performed a financial and risk analysis based on many factors in the La Plata residential market. We have provided a base, pessimistic, and optimistic scenario.

Gator Homes Building Company is confident that Presidential Cove has the potential to become a thriving, successful development. Thank you for taking the time to read through our plan and we hope to have the chance to turn this idea into reality.



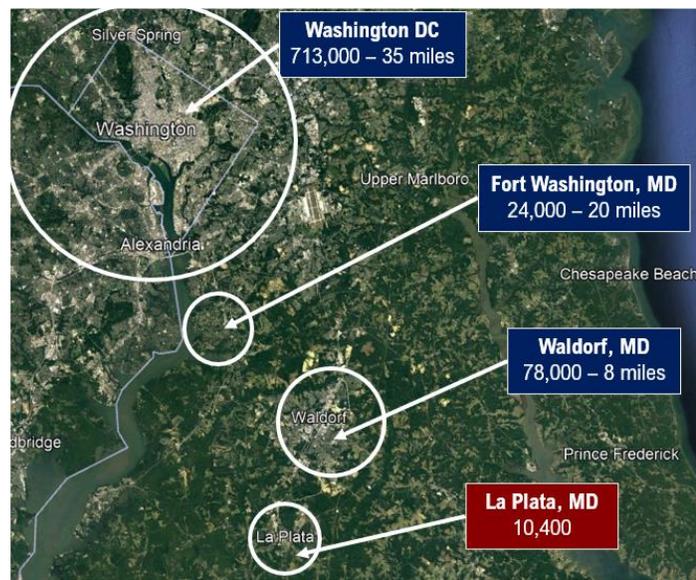
Market Analysis

1.1 La Plata Community

La Plata is a rural town with roughly 10,400 residents located in Charles County, Maryland. Over the past decade, the population has grown 1.1%. Recently, commercial investment along Highway 301 has attracted homebuilders to the area. Current approved projects are estimated to increase the population by 5,000 people.

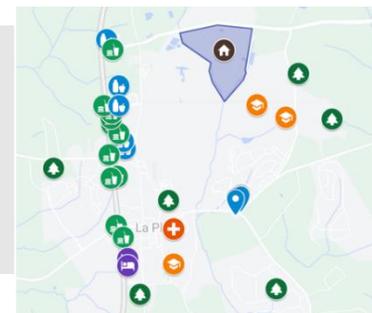
Transportation La Plata’s nearest urban population center is Washington DC, located about 35 miles north. 86% of workers living in La Plata commute an average of 30 minutes using their cars. It is no surprise that 98% of La Plata’s households have at least one vehicle at their disposal and 50% of households cite having three or more.

For those relying on public transportation, bus routes are within a mile of Presidential Cove and connect directly to Washington DC. The last bus leaves at 7:50 AM Eastern Time every morning and arrives at 9:00 AM.



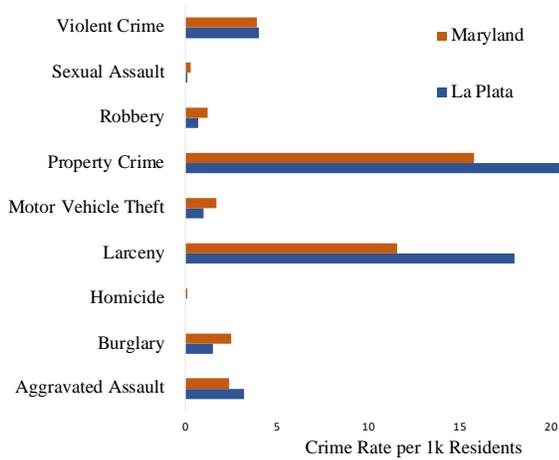
Local Resources within 1.5 miles

- + 5 Grocery Stores
- + 20 Eateries
- + 1 Elementary School
- + 2 Parks



Events & Attractions In their free time, La Plata residents enjoy local parks, live theatre, and mini golfing. La Plata hosts annual popular events including the Summer Concert Series and Rocktoberfest. Moreover, Charles County hosts several festivals throughout the year like the fan’s favorite Lobster fest. The city is also home to a local minor league baseball team and is within driving distance of Major League Baseball (40 minutes) and National Football League Stadiums (90 minutes).

Crime La Plata has a crime rate of 1.76 crimes per 100 residents, having received a B+ rating from CrimeGrade. In addition to being lower than the national average, this rating puts La Plata within the top 25% in the country. La Plata's property and larceny crime rate notably stand out when compared with the rest of Maryland.



Weather La Plata is a good place to live for those who want to experience the four seasons without the extreme temperatures. The most comfortable months are September, May, and June while the least are January and February. The winter lows tend to be 26°F while the summer high is 86°F.

- Percent Sunny Days 56%
- Percent Precipitation Days 30%
- Avg. Annual Rainfall 45 inches
- Avg. Annual Snowfall 16 inches

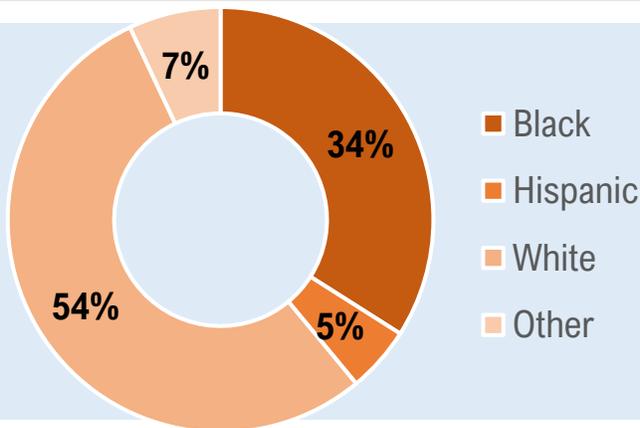
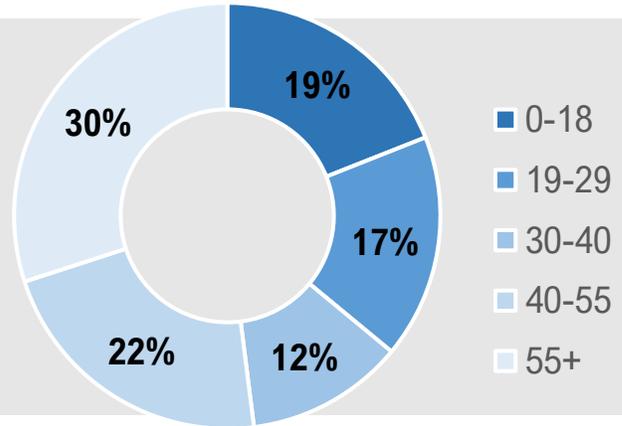
	LOW	HIGH
Winter	30F	50F
Spring	54F	75F
Summer	64F	83F
FALL	38F	58F

Cost of Living Although La Plata is 14.1% more expensive than the typical US town, it boasts lower than average health service costs. La Plata is overall 36% cheaper when compared to the nearby metropolitan area of Washington DC, especially for housing and transportation costs.

CATEGORY	LA PLATA	WASHINGTON DC	US AVG
Overall	114.1	150.6	100
Grocery	108.4	114.1	100
Housing	148	240.8	100
Utilities	106	106	100
Transportation	104.5	135.3	100
Health	84.9	95.5	100
Miscellaneous	107	105.7	100

1.2 Demographics

Age 52% of La Plata's population is over the age of 40, with 30% of this group being over 55. This provides a strong indication of retirement or near retirement age people, which is the age group is expected to grow the fastest over the next five years.



Race By race, La Plata demographics are similar to Maryland's as a whole.

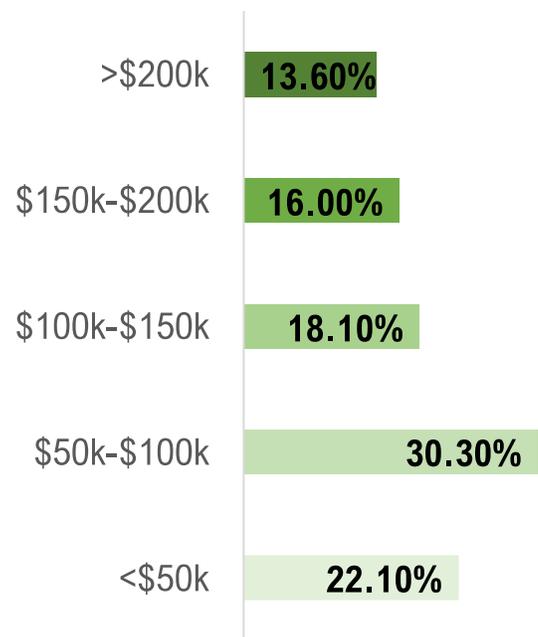
Citizenship 96.16% of La Plata's population are US citizens.

Public Schools Like many other aspects of La Plata, their high school is of average quality. In the most recent public report, 2018-2019, La Plata earned 66% compared to the average 71% score. However, La Plata students test noticeably higher for college readiness. Moreover, La Plata High School scored highly on having a well-rounded curriculum.

Education Levels Of those over 25+, 40% has completed higher education, 26% drop out of college, and 34% completed high school or below.

Household Income The average household income is \$114,500. This is more than Maryland's and US's average of \$87k and \$71k, respectively. Moreover, La Plata poverty rate of 2.6% is significantly lower than Maryland's 9.0% and US's 12.8%.

Income Distribution



1.3 Competition

Comparable Developments

(3) Hawthorne Greene (55+)

1,372-2043 SF
From \$336k-\$485k
Distance: 4 Miles

(4) The Village of Steeple Chase

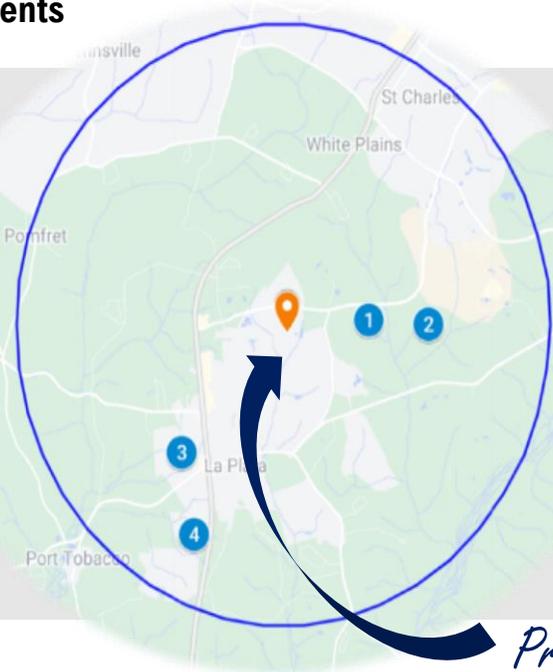
1963 SF
From \$350k
Distance: 5 Miles

(1) The Parkland Villas (55+)

1,386-2195 SF
From \$376k-\$416k
Distance: 2 Miles

(2) St. Charles Single Family Homes

1816-2922 SF
From \$500k
Distance: 2 Miles



Presidential Cove

Local Homebuilders

Rank	Builder	Avg. Selling Price YTD	Market Share
1	NVR	\$627,546	23.10%
2	Lennar	\$548,397	12.30%
3	Stanley Martin Homes	\$664,672	9.20%
4	PulteGroup Inc.	\$713,537	5.40%
5	DRB Homes	\$584,998	5.40%
6	D.R. Horton, Inc.	\$634,038	5.20%

Absorption Rates by Community

Name	House Type	Distance from DC	Average Price	Price Per SF	Average Absorption
Potomac Shores	Townhomes	34.8 miles	\$577,000	\$290 / SF	8.2
St. Charles	Single Family	37.0 miles	\$560,000	\$244 / SF	8.2
Renn Quarter	Townhomes	47.4 miles	\$485,000	\$241 / SF	10.9
Bloom Village	Townhomes	24.9 miles	\$500,000	\$269 / SF	10.8
St. Charles	Townhomes	37.0 miles	\$417,000	\$182 / SF	9.1

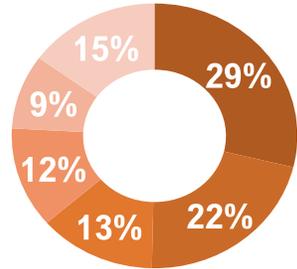
1.4 Job Market

Employers & Industries

The majority of jobs in La Plata are in stable industries with high job security. Top three employers in La Plata are the naval support facility, Charles County government, and the local hospital.

Job Growth

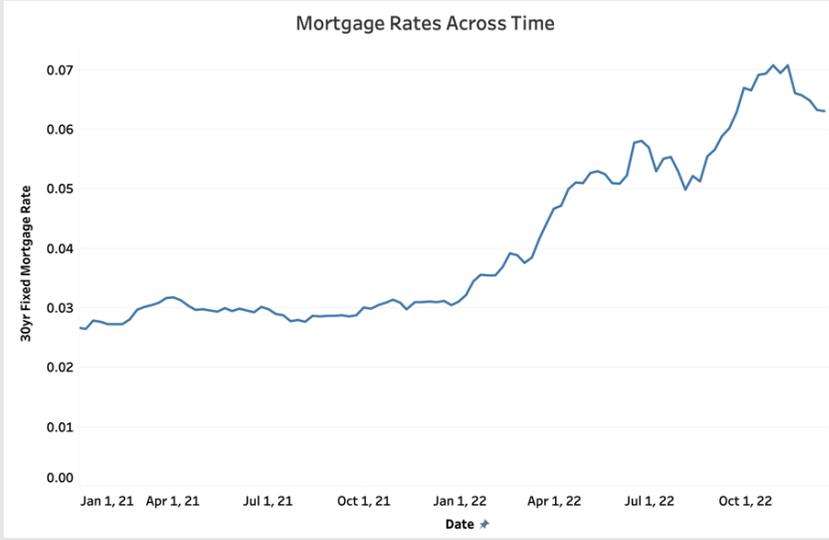
The Washington DC area has gained 86,000 new jobs over the last year from the hospitality, education, and government industries. The 2023 and 2024 forecasts predict 64,000 and 40,000 increases in the job market respectively.



- Finance & Professional Business Services
- Government
- Education and Health
- Trade, Transport, & Utilities
- Hospitality
- Other

1.5 Housing Market

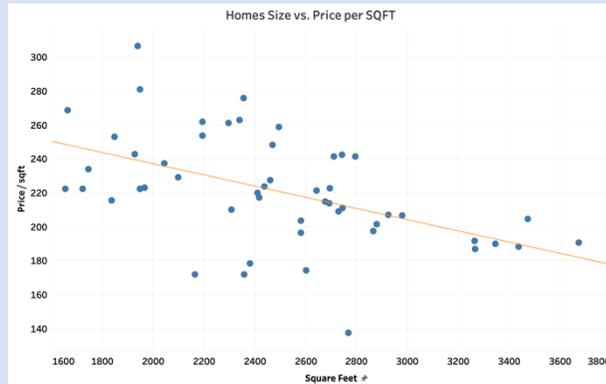
Macroenvironment Rising mortgage rates and inflation have caused home prices to decrease for 9 straight months. As of Dec 15, 2022, the interest rate on a 30-year fixed mortgage was 6.31% while the year prior it was 3.12%. This translates to \$766 higher monthly payment on a \$400k 30-yr fixed mortgage. Secondly, lower home prices, inflation, and supply chain issues are reducing the probability of homebuilders. Therefore, they are becoming more selective with the projects they greenlight.



Regional Market Like other housing markets, the Washington-Arlington-Alexandria exhibiting signs it has peaked. According to Zonda, the median closing price of a new attached house and detached house are \$529k and \$716k, respectively. This represents a year-over-year increase of 3.2% and 8.4%, respectively. However, both types of homes are selling \$100k below their listing price, which represents market favoring buyers. Moreover, new homes sales have decreased by 23%, quarterly starts have decreased by 16%, and months of inventory increased slightly to 8.8. Signs indicating a tougher market for homebuilders in the area.

Local Market Based upon data from Zillow, La Plata’s housing market remains steady. The typical home value is \$454,000 representing a 7.7% year-over-year increase. Additionally, sales-to-list ratio is 1.00, 43.8% of homes selling above list, and the median day to pending is 19 days. Moreover, according to Zonda, a nearby by development, St. Charles, has a healthy sales rate of 8.2.

Price per Square Foot The inverse relationship between price per square foot and home square footage indicates large homes don’t generate good returns. Additionally, most homes in the area are within the 2400 to 2900 square foot range. This fits with our target market of first-time buyers and seniors as they look for smaller homes



Market Affordability

Assumptions

- 30-year fixed rate mortgage
- Interest rate of 6.98%
- Mortgage payments are 28% of gross income

Max Home Price Calculator		Down Payment			
		5%	10%	15%	20%
Annual Household Income	\$ 50,000	\$184,943	\$195,217	\$206,701	\$219,620
	\$ 100,000	\$369,886	\$390,435	\$413,402	\$439,239
	\$ 150,000	\$554,828	\$585,652	\$620,102	\$658,859
	\$ 200,000	\$739,771	\$780,870	\$826,803	\$878,478

Despite the spike in interest rates, La Plata’s median home prices of \$400k remain affordable to most income brackets. Moreover, our lowest base price of \$350k captures the \$100k annual income bracket, which is below La Plata’s average household income of \$114,500.

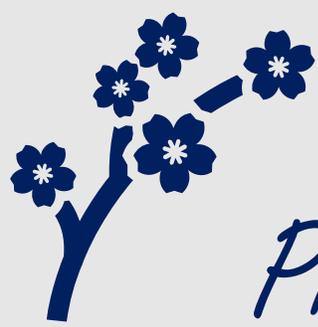
Target Market

Seniors

30% of La Plata’s population is over 55. Moreover, it’s the fastest growing age group in the area driven by lower health care cost and the local hospital. For seniors, we designed townhomes with a 1st floor master bedroom and single-story homes.

1st Time Buyers

La Plata’s low living costs coupled with only being an hour to DC area will attract young professionals starting their families. To attract them, we are building single family homes with sizeable yards. Moreover, our community emphasizes green spaces that kids can play in.



Product Design and Selection

Providing our homeowners with quality houses that exceed their expectations is our top priority. Our objective is to build homes that truly fit La Plata, MD and satisfy the needs of the community. Furthermore, our homes and community are designed to serve a wide range of individuals and families. La Plata is home to retirees, professionals, and families alike. We plan to create a vibrant community and ensure that no homeowner will ever regret their decision to live in Presidential Cove.

Product Design

2.1 Floor Plans

Each model home we chose was carefully selected and adjusted to fit the needs of our community and the greater La Plata area. After extensive research, we decided that contemporary homes with traditional accents would best fit the growing needs of current and prospective La Plata residents. We also noticed a gap in the local market for homes that truly feel new and elevated but are still affordable. We have designed fresh, high quality, and environmentally conscious homes that will provide residents with the lifestyle of their dreams.

Our single-family models were acquired from custom home building companies, America's Home Place and A.R. Homes. Our zero-lot-line home plans came from Kara Bolton Homes, based in Gainesville, FL. Lastly, our townhome exterior design comes from the joint venture of Minto Group, Inc., and Metropia Urban Design. To make our plan collection cohesive and easy for prospective homebuyers to read, we redrew each floor plan. Along the way, we also made changes to the plans provided by our sources to ensure the most functional and cost-effective plans for our clients.

Our eight floor plans offer various combinations of stories, bedrooms, bathrooms, and garages. This will allow us to appeal to a larger number of potential homeowners and fulfill their unique needs. In that same spirit, we also give our clients a wide range of options for customization that will allow them to truly personalize their new home. We hope that our choices for our home plans achieve a healthy dichotomy between uniformity and customization to yield the best result for our clients.

Gator Homes Building Company

NOW PRESENTS The Floor Plans of

Presidential Cove

Starwix

Shiloh

Townhome Single Unit

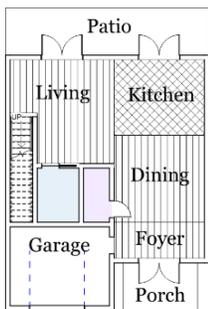
1654 Square Feet
3 Bedrooms, 2.5 Baths, 1 Car Garage
Starting at \$350,000

Townhome Corner Unit

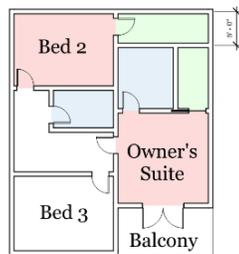
1723 Square Feet
3 Bedrooms, 3 Baths, 1 Car Garage
Starting at \$365,000



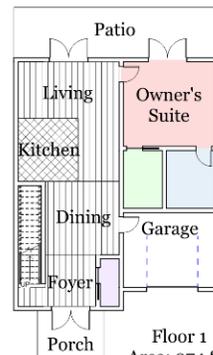
Credit: Minto Group Inc. and Metropia Urban Design, Union Village Traditional Townhome Streetscape



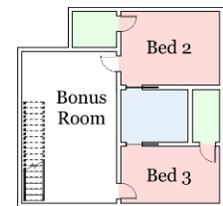
Floor 1
Area: 769 SF



Floor 2
Area: 885 SF



Floor 1
Area: 974 SF



Floor 2
Area: 749 SF

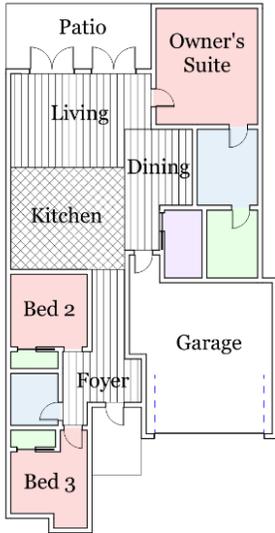
Room Legend

- Bathroom
- Bedroom
- Closet
- Laundry Room
- Room

Chelsea

Zero-Lot Home

1548 Square Feet
3 Bedrooms, 3 Baths, 2 Car Garage
Starting at \$340,000



Room Legend

- Bathroom
- Bedroom
- Closet
- Laundry Room
- Study



Credit: Kara Bolton Home, Michelline II Model

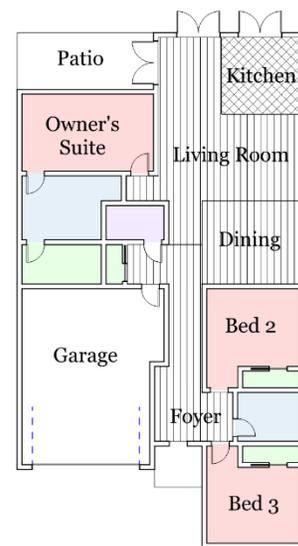
Zero-Lot Home

1836 Square Feet
3 Bedrooms, 2 Baths, 2 Car Garage
Starting at \$370,000

Concord



Credit: Kara Bolton Homes, Michelline Model



Room Legend

- Bathroom
- Bedroom
- Closet
- Laundry Room
- Study

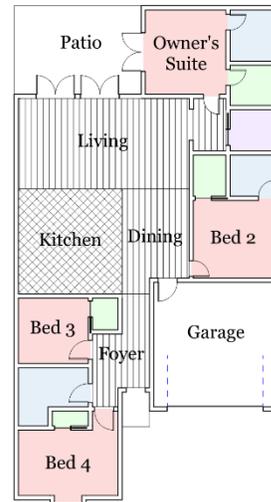
Zero-Lot Home

2098 Square Feet
4 Bedrooms, 3 Baths, 2 Car Garage
Starting at \$455,000

Winchester



Credit: Kara Bolton Home, Tami Model



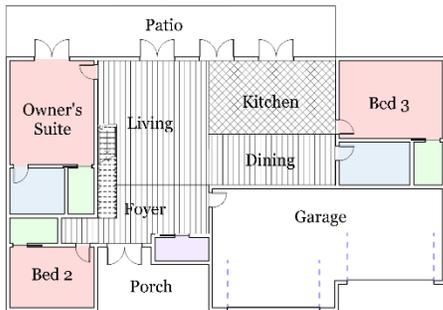
Room Legend

- Bathroom
- Bedroom
- Closet
- Laundry Room
- Study

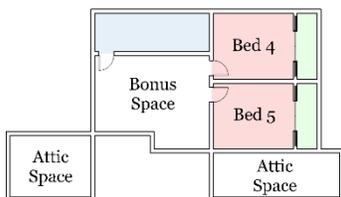
Franklin

Single Family Home

2978 Square Feet
5 Bedrooms, 3 Baths, 3 Car Garage
Starting at \$570,000



Floor 1
Area: 2147 SF



Floor 2
Area: 831 SF

Room Legend

- Bathroom
- Bedroom
- Closet
- Laundry Room
- Study



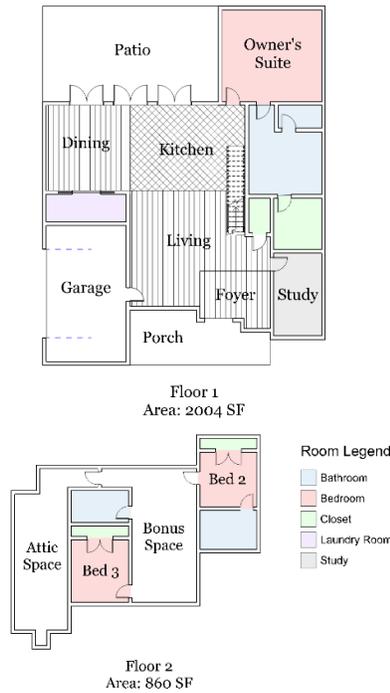
Credit: America's Home Place, Lexington Model Farmhouse

Hamilton

Single Family Home

2864 Square Feet

3 Bedrooms, 3 Baths, 3 Car Garage
Starting at \$520,000



Credit: AR Homes, Cambridge

Single Family Home

3264 Square Feet

4 Bedrooms, 3 Baths, 3 Car Garage
Starting at \$580,000

Revere



Credit: AR Homes, Caswell 1439



2.2 Upgrade Packages

Package Additions	Costs	Sales Price	Profit	Markup
<i>Outdoors Package</i>				
Pavestone Fire Pit	\$575.00	\$1,150.00	\$575.00	
Black Steel Fence	\$2,050.00	\$4,100.00	\$2,050.00	
Patio Enlargement	\$1,150.00	\$2,300.00	\$1,150.00	
Pressure Regulating Sprinkler System	\$285.00	\$570.00	\$285.00	
Outdoors Total	\$4,060.00	\$8,120.00	\$4,060.00	100.00%
<i>Smart Home Technology Package</i>				
Google Nest Learning Thermostat	\$560.00	\$1,120.00	\$560.00	
Brilliant Smart Home Control	\$900.00	\$1,800.00	\$900.00	
Wall-Mounted Theater Speaker System	\$1,190.00	\$2,380.00	\$1,190.00	
SimpliSafe Beacon Alarm System	\$1,350.00	\$2,700.00	\$1,350.00	
Smart Home Technology Total	\$4,000.00	\$8,000.00	\$4,000.00	100.00%
<i>Kitchen Finishes Package</i>				
Soft Close Cabinets/Drawers	\$400.00	\$800.00	\$400.00	
Marble Countertops	\$2,100.00	\$4,200.00	\$2,100.00	
Marble Backsplash	\$1,000.00	\$2,000.00	\$1,000.00	
Sink/Faucet Upgrade	\$500.00	\$1,000.00	\$500.00	
Kitchen Finishes Total	\$4,000.00	\$8,000.00	\$4,000.00	100.00%
<i>Bathroom Finishes Package</i>				
Marble Tile Floor	\$970.00	\$1,940.00	\$970.00	
Marble Countertops	\$580.00	\$1,160.00	\$580.00	
Glass Shower Door	\$1,600.00	\$3,200.00	\$1,600.00	
Hibiscus Simple Select Shower	\$850.00	\$1,700.00	\$850.00	
Bathroom Finishes Total	\$4,000.00	\$8,000.00	\$4,000.00	100.00%
Separate Add-Ons				
Built-in Closets	\$625.00	\$1,250.00	\$625.00	100.00%
Garage Storage Shelves (Wall & Ceiling)	\$740.00	\$1,480.00	\$740.00	100.00%
Senior Stair Lift	\$6,500.00	\$13,000.00	\$6,500.00	100.00%
Laundry Room Sink	\$675.00	\$1,350.00	\$675.00	100.00%

2.3 Community Amenities

Community Center To encourage the growth of a vibrant and welcoming community, we have designed a community center that will appeal to all residents. It is located on the west side of Presidential Village next to our entrance. We have a 7,000 square foot clubhouse featuring a fitness center, conference room, and office space. We have a large pool area allowing residents to cool down and have fun during Maryland's warm summers. This rendering from our friends at Pelican Point community in Sussex County is similar to how our community center will be structured.



Community Center: 7000 SF
Fitness Center, Conference Room

Sports Courts Several sports courts that can be used for tennis, basketball, and the fastest-growing sport in the country: pickleball, are located at the center of the community.



Large Pool Area: 34,000 SF
Grilling, Lounging, Hot Tub

Play Area Adjacent to the community enter is a 9000 SF playground.

Green Spaces What sets Presidential Village apart is over 500k SF of communal green spaces. We believe that maintaining green space is incredibly important for the environment and cultivates a sense of community. With this in mind, we created plenty of green pods across the development. These spaces will have benches, trees, open grass, and perimeter sidewalks to provide our residents with a tranquil space to get some fresh air.



7 Sports Courts
Basketball, Pickleball, & Tennis

Homeowner's Association To support all these amenities offered, our homeowners will pay a Homeowner's Association fee of \$70 per month.

Site Design and Development

The layout of a neighborhood ultimately shapes and fosters a community. At Gator Homes Building Company, we want to ensure residents are provided with the appropriate tools to mold a better future for themselves, their families, and neighbors.

3.1 Concept Inspiration

Market Challenge: Housing Prices Up for Growth, a policy and research group, suggests that we're short 3.8 million homes from what's required. A lack of supply in tandem with historic demand increased home prices by roughly 49% over the last ten years.

Industry Issue: Urban Sprawl Residential developments today are often plagued by a multitude of correctable problems that reduce the overall quality of life including leapfrog development, low density, single use development, poor accessibility, and a lack of public space.

New Urbanism Approach The Congress for New Urbanism states that "New Urbanism is a planning and development approach based on the principles of how cities and towns had been built for the last several centuries: walkable blocks and streets, housing in close proximity, and accessible public spaces." We drew inspiration from multiple leaders in this specialty before setting to build our site plan.

- **Jane Jacobs:** In her book, *The Life and Death of Great American Cities*, she writes that neighborhoods should aim to foster lively streets, create a permeable network, and utilize parks and public space.
- **Clarence Perry:** Designed the "Neighborhood Unit" to cater to the pedestrian, creating a radius in which everything was a brief walk away. Perry also noted six features that make the neighborhood unit unique: size, boundaries, open spaces, institution sites, local shops, and an internal street system.

Presidential Cove Takeaways

- **Middle Housing Strategy:** Smaller apartment buildings, including duplexes and townhomes, provide multiple benefits: they allow for a greater population density without constructing massive buildings and simplify construction and increase supply, ultimately lowering housing costs. Nearly 50% of units at Presidential Cove are townhomes, which are more cost-efficient and build quicker than single family units.
- **Communal Design Focus:** We were inspired to found Presidential Cove's neighborhood design on communal principals to allow residents to venture outside of immediate residential pocket and create relationships with neighbors. Our unique layout design choices have provided Presidential Cove with an interactive lot arrangement as well as multiple common spaces.



3.2 Challenge: Topographical Considerations

Instead of clearing and leveling the entirety of the lot, we sought to enhance the natural beauty of the land while trying to minimize the harm to the local ecosystem.

Software We used topographical data and satellite imagery to get a better understanding of the site. Next, we used a software, geothinQ, to determine which areas were buildable. The software utilizes public land data to map wetland areas and major contours in the land.

Analysis Overlapping the two maps, along with any standing water, we could find which areas are more conducive to construction. Clark Run and associated low lying areas create a 'Y' shape around the exterior of the site, presenting a unique challenge. While these areas do not appear to contain much, if any, water, they do represent elevation changes. Leveling the site would require excessive grading and filling. Clark Run will remain completely intact as we seek to build around it to preserve the area around the community and act as green space and a recreation area.



3.3 Site Plan Features

Layout Optimization and Spoke Design Presidential Cove features a central public area for residents located around a large low-lying area on the west side of the site. This location is beneficial in making the best use of the natural greenery without compromising a large portion of buildable land. Most importantly, it allows the community center to serve as hub, with main roads branching from it, acting as a 'spoke' or wagon wheel.

Density Control One key benefit of the spoke design motivated by New Urbanism ideas is density control. Presidential Cove's lot sizes are smallest as main roads converge towards the community center and tend to increase outwards. This opportunity to provide variance in lot sizes across the community has allowed us to introduce significant middle housing.

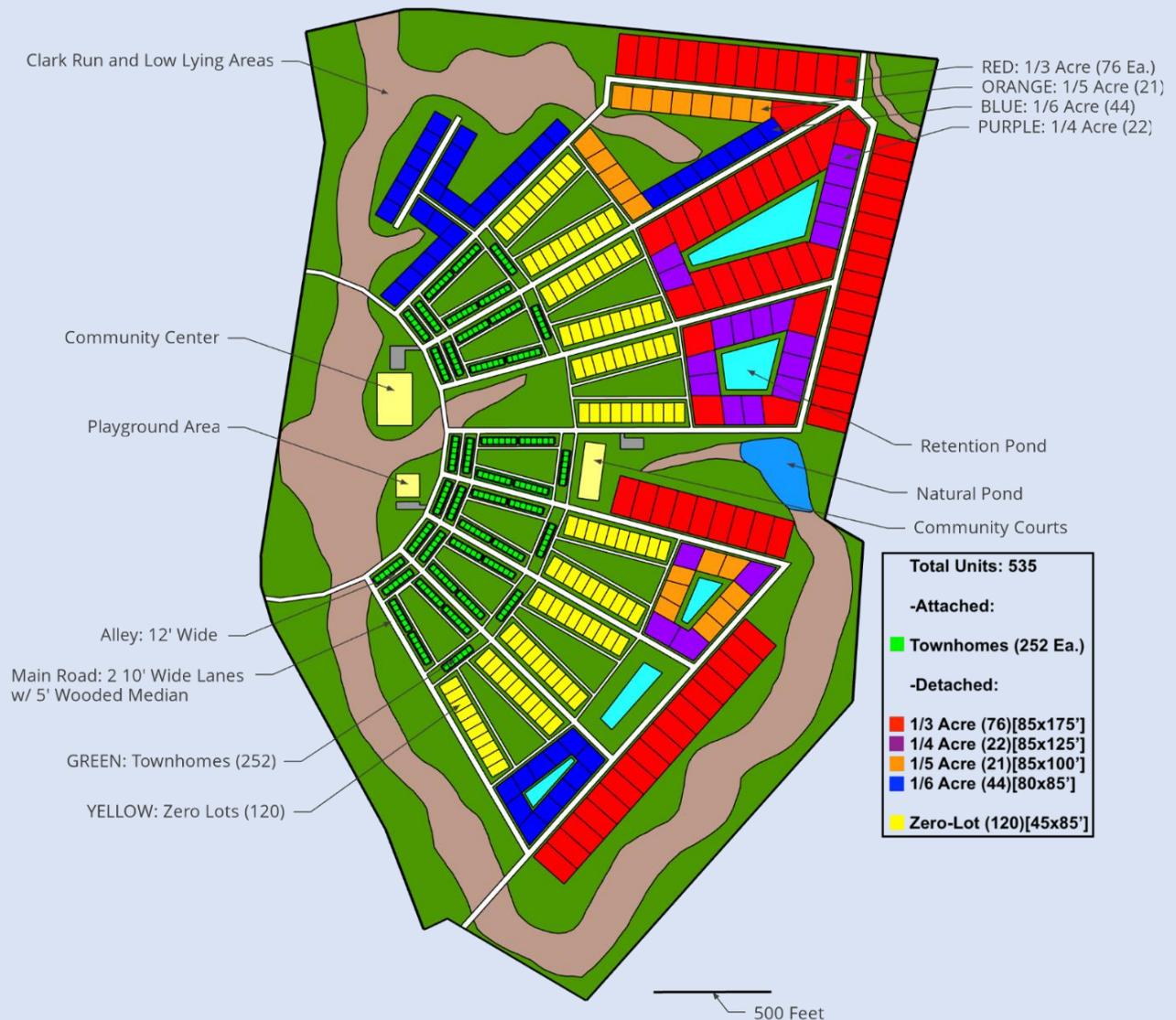
Traffic Control Main streets are comprised of two 10 foot wide roads stextend outwards, similar to the radii of a circle, and are connected through series of 12 foot wide alleys. These main roads serve as the arteries of the community and provide direct entry and exit without winding through the neighborhood. Additionally, all main roads contain a five foot wooded median to instill a sence of privacy. The smaller alleys help discourage through traffic while allowing direct access to every house. Between the larger and smaller roads, the community will be thoroughly connected.

3.4 Lot Overview

Attached Townhomes Presidential Cove features three types of housing, six different lot sizes, and 535 total units. The first of these are townhomes, at 252 total units and a fixed lot size. At six units per lot, townhomes increase the density of the community near the hub and offer a budget friendly option for anyone seeking to move into the area at a lower cost. Each row home has a driveway with immediate access to a small road. Furthermore, row home groups, or pods, have their own parks.

Zero-lot Homes As the spokes diverge, larger lots become available. As a transitory option between the row homes and single-family housing, we have opted to provide 180 units of zero-lot housing at a fixed lot size. Zero-lots are skinnier in width but remain detached as a standalone home and come at. Like the row homes, zero-lot pods also include their own parks. These parks provide their immediate communities with a place to socialize, walk a pet, or just enjoy the outdoors.

Single Family Homes There are 163 total single-family homes offered at four lot sizes (accommodative to all three floor plans): $\frac{1}{3}$ acre, $\frac{1}{4}$ acre, $\frac{1}{5}$ acre, and $\frac{1}{6}$ acre. Since all lots are essentially the same width, the main differences are their location and size. Our largest lots of $\frac{1}{3}$ acres, sit along the very edge of the community, backing up to green space. The four single family housing pods surround a retention pond and are slightly more isolated,



common characteristics sought by detached homebuyers. Finally, two other detached housing areas on the north side of the community, settled into the nooks of Clark Run.

Vision By varying density and lot sizes, we present future residents with a multitude of options, from closer-knit communities to more individualistic single homes. We envision that as residents grow old and downsize, they may opt to stay within the community and simply move from detached to attached housing.

Sustainability

4.1 Choosing Sustainability

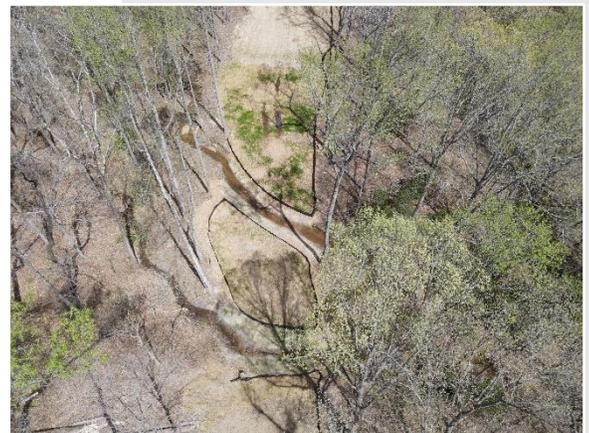
Energy Efficiency When accounting for electrical system energy losses, the U.S. Energy Information Administration estimates that the residential sector is responsible for 21% of U.S. energy consumption. With more energy usage comes a larger carbon footprint, and as 59% of our electricity in the U.S. is generated through the burning of fossil fuels. The implementation of energy efficient practices into both the construction and life cycle of the home ultimately reduces waste and helps to protect the planet and future generations. Of course, energy efficiency also benefits homeowners in the form of lower electrical bills.

Health and Wellness With less pollutants in our water and air, our overall health inevitably improves. Importantly, and unique to our community, careful site development minimizes the impact on the surrounding ecosystem while also encouraging an active lifestyle and providing residents with immense greenery. From the very beginning, we designed our neighborhood to allow for a smooth integration of the natural environment into our homeowner's daily lives. Residents can step out of homes and immediately enjoy the natural beauty of Maryland.

Areas of Focus Too consumed by individual components, contractors forget that our buildings function as a whole. Within this whole, there are four areas of focus: site, systems, indoor quality, and costs. Consideration of each aspect allows for contractors to construct a building that improves the health and welfare of both its occupants and the environment.

4.2 Site

Natural Preservation The site is currently wooded with no apparent prior development. To prevent deforestation and minimize our impact on the surrounding ecosystem we will set aside protected areas around the community. Additionally, we dedicated a significant amount of land for new tree growth. Trees planted along the five-foot medians in our streets and in the open parks will provide, shade, beauty, and privacy. Dense tree coverage also prevents the development of heat islands that raise temperatures of the buildings in their immediate vicinity which in turn contributes to increased energy consumption.



Stormwater Management As La Plata receives more rainfall than the national average, we need to direct the run-off away from the houses and streets. To avoid this flooding, our storm water management consists of two parts: Clark Run, and retention ponds. Leaving Clark Run's low areas intact will tremendously aid our ability to properly divert rainfall. We also have five retention ponds that will receive run-off from their immediate areas.

4.3 Systems

Systems refer to the interconnectedness of the individual components within a building, and encompasses everything from the building's orientation to its appliances.

Roofing and Insulation To reflect heat out, we selected an asphalt shingle product surfaced with granules that reflect infrared radiation as opposed to absorbing it, keeping our roofs much cooler than traditional counterparts. Any heat that enters through the roof must then pass through the attic insulation. Rather than spray foam, we will use cellulose insulation which offers a higher R-value per inch than fiberglass and is made up of recycled paper.

Low-E and Gas Filled Windows Houses in La Plata, which experiences hot summers and cold winters, will benefit from the use of soft coated Low-E windows. Low-E glass is widely renowned for its ability to manage heat, reflecting the sun's heat in the summer but also insulating the home and retaining heat in the winter. Furthermore, energy efficient windows are doubled-paned with a gas insulator to optimize its thermal properties.

HVAC and Smart Thermostats Heat pumps units are capable of both cooling and heating thanks to a reversing valve in the exterior unit. Consequently, in moderate climates, homes do not require a gas or oil furnace to provide heat. However, as heat pumps can generally produce air that is about 55 degrees warmer than outside air, homeowners may elect to pair a smaller furnace with the heat pump to create a hybrid system for extremely cold days. We recommend pairing the Carrier Infinity 24 Heat Pump with Greenspeed Intelligence to Carrier's Infinity Touch smart thermostat. Carrier's Greenspeed technology allows for the unit to vary its output, helping the unit to reach a SEER value up to 24.

Reduced Water Consumption We intend to install Delta Foundations two-piece toilets with a dual flush feature, offering either an industry standard 1.6 gallon full flush or 1.1 gallon half flush. This toilet is WaterSense certified and just slightly more expensive than its single flush counterpart, but will save homeowners money during the life of the home. Additionally, the average showerhead uses roughly 2.5 gallons per minute, while WaterSense certified fixtures use 2.0 gallons or less. Less water consumed per shower reduces the water heated in the water heater, and thus also saves on electricity.

Water Heaters For our larger houses with a higher hot water demand, the Rheem Performance Platinum High Efficiency Electric Heater with a 50-gallon capacity will be standard. However, our

smaller houses with less demand will be built with the Rheem Performance 36 kW Tankless Electric Heater, producing 7-gallons of hot water per minute. Energy.gov estimates that for households using less than 41 gallons of hot water daily, tankless heaters are somewhere between 24%-34% more efficient than their traditional counterparts.

Energy Efficient Appliances To directly impact our usage, our homes come standard with Energy Star appliances. Energy Star, an EPA program, recognizes efficient appliances that adhere to federal guidelines. We have selected to install Energy Star refrigerators, dishwashers, washing machines, and dryers.

4.4 Indoor Quality



Lighting Our selection of floor plans allows for plenty of natural light to enter, which is exponentially more beneficial to our health. As the natural light dies out towards the end of our day, energy efficient and intelligent LED lights will kick in. Smart LEDs connect through the home's internet to provide the homeowner with immense control over their lighting.

Low VOC Materials We intend to build our homes with low usage of volatile organic compounds, VOC. These are chemicals found in a lot of materials that release fumes that may build up and make occupants feel nauseous. To prevent this, our selection of paints, caulk, carpets, and flooring are all categorized as Low VOC.

4.5 Costs

Impact Costs Impact costs refer to the consequences of construction and the cost of operations. Reduction of waste through modular design and careful construction practices ensure that less material ends up in the dump. Additionally, Gator Construction aims to reduce its carbon footprint through the sourcing of local materials. The purchase of materials from around the Mid-Atlantic region of the United States not only supports local businesses, but minimizes distances traveled, reducing transportation costs and emissions.

Monetary Costs The table on the following page provides costs of operation and a general estimate as to how much homeowners could potentially save by implementing energy efficient appliances and features. While it's impossible to accurately predict a household's electrical and water consumption, we can use data from the region to piece together a rough guess. Importantly, we used an average of \$0.1256 per kilowatt hour, and \$0.00512 per gallon, which we believe are representative of La Plata. Furthermore, we used an average electrical consumption of 1,204 kWh per month to determine cost savings for cellulose insulation.

Appliance/Feature	Our Selection	Industry Standard	Estimated Annual Savings
Cool Roof; Avg. Floorplan 2,250 SFT	NA; Estimated \$0.05 Savings Per Square Foot	NA; Standard Roof	\$113
Energy Efficient Windows	NA; Low-E and Gas Filled	NA; Standard Double Pane	\$55; EnergyStar Estimate for Baltimore, MD
Cellulose Insulation; EnergyStar Estimated 12% Electricity Reduction	NA; Estimated \$1,597 Electric Bill with Reduction	NA; Estimated Average \$1815 Electric Bill with Inadequate Insulation	\$218
HVAC System; MD Avg. 1169 Cooling Hours	\$220; SEER 24 System	\$378; SEER 14 System	\$158
Water Heater; Rheem Performance 36 kW Tankless	\$437; EnergyGuide Estimated 3,476 kWh/year	\$550; Average 4,380 kWh/year	\$113
LED Lighting; EIA US Avg. 1,105 kWh/year	\$11; 10 Watt LED Bulb	\$66; 60 Watt Incandescent Bulb	\$55
Energy Star Refrigerator; GE 20.9 CFT Bottom Freezer	\$61; EnergyStar Estimated 488 kWh/year	\$68; Federal Standard Estimated 543 kWh/year	\$7
EnergyStar Washer; GE 4.5 CFT Front Loader	\$19; EnergyStar Estimated 150 kWh/year	\$24; Energy.Gov Estimated 25% Less Efficient	\$5
EnergyStar Dryer; 7.8 CFT Front Loader	\$76; EnergyStar Estimated 608 kWh/year	\$92; Energy.Gov Estimated 20% Less Efficient	\$16
EnergyStar Dishwasher; GE 24 in.	\$34; EnergyStar Estimated 270 kWh/year	\$39; Federal Standard 307 kWh/year	\$5
WaterSense Dual Flush Toilet; Estimated 7 Flushes/Day	\$15; Estimated 1.17 Gallons/Flush	\$21; Average 1.6 Gallons/Flush	\$6/Person
WaterSense Showerhead; 8 Min. Shower	\$30; 2 Gallons/Minute	\$37; 2.5 Gallons/Minute	\$7/Person



At Gator Homes, we take pride in the strategies that our experienced project personnel employ to ensure that all aspects of our construction and development processes are to the highest standard possible. The estimate and schedule subsections below highlight two of the most important aspects imperative to success on the Presidential Cove project: money and time.

Estimate: Project Total Cost

The following estimate demonstrates the flow of costs through the entire Presidential Cove project. At Gator Homes Building Company, it is our goal to assess the costs for each stage of the projects to provide accurate cost information to the Investment Committee and to effectively analyze the potential of our investment opportunities.

5.1 Land Development Estimate

The Land Development Estimate covers all costs associated with the evolution of the site. This begins with transforming the raw land into a beautiful buildable community. Some of the key costs in this section include site clearing and grading, roadway, and utility infrastructure, as well as landscaping and community amenities.

5.2 Vertical Unit Estimate

The Vertical Unit Estimate demonstrates all costs associated with the construction for any model home type. Since our models start at the same quality, we utilized a unit cost method to develop this estimate. After the vertical construction costs are calculated, the land developments costs are distributed on a per unit basis.

Assumption: School Impact Fees We budgeted \$6,500, which is half of the Charles County School Fee, into the Vertical Construction Costs for all Zero Lot Homes and Corner Townhome units, which are designated for older demographics. For all other models, we budgeted the full impact fee of \$13,000.

5.3 Total Project Estimate

After achieving a per unit cost for each model, the Total Project Estimate forecasts the profitability of all units at Presidential Cove.

LAND DEVELOPMENT ESTIMATE

Item	Unit Cost	Unit	Quantity	Activity Cost
Prerequisite Activities and Fees				
Permits and Fees				
Land Development Permitting Fees	\$1,406,400.00	LS	-	\$1,406,400.00
Preliminary and Final Platting Fees	\$19,395.00	LS	-	\$19,395.00
Planning Division Review Fees	\$4,674.00	LS	-	\$4,674.00
Inspection Fees	\$613,591.00	LS	-	\$613,591.00
Utility Connections and Fees	\$269,640.00	LS	-	\$269,640.00
Other Government Fees	\$250.00	LS	-	\$250.00
Total Permits and Fees				\$2,313,950.00
Surveys				
ALTA Comprehensive Boundary Survey	\$16,220.00	LS	1	\$16,220.00
Topographic Survey	\$50,600.00	LS	1	\$50,600.00
Underground Utilities Survey	\$13,500.00	LS	1	\$13,500.00
Tree Survey	\$17,300.00	LS	1	\$17,300.00
Geotechnical Survey	\$19,000.00	LS	1	\$19,000.00
Total Prerequisite Services				\$116,620.00
Other				
Bonds	\$511,600.00	LS	-	\$511,600.00
Insurance	\$1,023,200.00	LS	-	\$1,023,200.00
Homeowner's Association Startup	\$8,000.00	LS	-	\$8,000.00
Total Other				\$1,542,800.00
Total Prerequisite Activities and Fees				\$3,973,370.00
General Conditions				
Equipment and Materials	\$15,600.00	LS	-	\$15,600.00
Stormwater Pollution Prevention Plan	\$17,000.00	LS	-	\$17,000.00
Mobilization and Demobilization Trailer	\$8,500.00	LS	-	\$8,500.00
General Expenses/Bills	\$1,200.00	Months	111	\$133,200.00
Portlets	\$375.00	Months	111	\$41,625.00
Dumpsters	\$850.00	Each	19	\$16,150.00
	\$2,100.00	Each	8	\$16,800.00
Total General Conditions				\$248,875.00

Horizontal Site Development				
Earthwork				
Site Clearing	\$4,965.00	per acre	160	\$794,400.00
Grading, Dewatering, Turbidity Control	\$10,000.00	per lot	325	\$3,250,000.00
Fill - Build Up of Low-Lying Areas	\$10.00	cubic yards	13,339	\$133,390.00
Excavation and Backfill - Utilities Trench	\$11.40	cubic yards	302,535	\$3,448,899.00
Excavation and Backfill - Overspill	\$11.40	cubic yards	378	\$4,309.20
		Total Earthwork		\$7,630,998.20
Utilities				
Underground Electric Power Line - 6" PVC	\$19.50	linear feet	26,892	\$524,394.00
Underground Gas Line - 6" HDPE	\$16.80	linear feet	26,892	\$451,785.60
Underground Phone Line - 6" PVC	\$19.50	linear feet	26,892	\$524,394.00
Transformers - 300 kva	\$2,522.00	each	55	\$138,710.00
		Total Utilities		\$1,639,283.60
Stormwater Management				
5 Retention Ponds	\$0.25	cubic feet	677,255	\$169,313.75
Culvert Headwalls	\$6,500.00	each	10	\$65,000.00
18" RCP Culverts	\$1,033.50	each	5	\$5,167.50
Class I Rip Rap	\$31.00	cubic yards	55	\$1,705.00
18" RCP Overspills for Retention Ponds	\$47.50	linear feet	1330	\$63,175.00
Curb Inlets	\$215.00	each	532	\$114,380.00
Square Closed Storm Drains	\$72.00	each	18	\$1,296.00
Stormwater Line - 24" HDPE	\$23.00	linear feet	26,892	\$618,516.00
Manholes Assembly - frame and cover	\$5,333.00	each	52	\$277,316.00
		Total Stormwater Management		\$304,361.25
Roadways				
Asphalt Parking Lot (3)	\$3.27	square feet	9,600	\$31,392.00
Asphalt Main Roads – 2x 10ft Lanes	\$3.27	square feet	412,880	\$1,350,117.60
Asphalt Alleys – 1x 12ft Lane	\$3.27	square feet	231,624	\$757,410.48
1ft Concrete Curb	\$6.50	linear feet	82,576	\$536,744.00
5ft Concrete Sidewalk	\$7.00	square feet	96,510	\$675,570.00
		Total Roadways		\$3,319,842.08
Landscaping/Other				
10ft Custom Community Entrance Sign	\$9,500.00	LS	1	\$9,500.00
Entrance Gate Assembly	\$2,600.00	Each	4	\$10,400.00
Community Signage	\$400.00	Each	136	\$54,400.00
Landscaping	-	LS	1	\$319,743.20
Rye Grass	\$0.20	SF	750,000	\$150,000.00
American Holly Tree	\$375.00	Each	160	\$60,000.00
Blackgum Tree	\$260.00	Each	108	\$28,080.00
Eastern 'Redcedar' Tree	\$150.00	Each	136	\$20,400.00
Atlantic White Cedar Tree	\$250.00	Each	135	\$33,750.00
Alum Root "Coral Bells"	\$31.00	Each	138	\$4,278.00
Wild Ginger	\$21.70	Each	160	\$3,472.00
Blue Moss Phlox	\$23.00	Each	190	\$4,370.00
White Moss Phlox	\$23.00	Each	190	\$4,370.00
Silky Dogwood	\$54.00	Each	80	\$4,320.00

Coastal 'Sweetpepperbush'	\$48.90	Each	88	\$4,303.20
Little Bluestem	\$15.00	Each	160	\$2,400.00
12ft Light Pole Assembly	\$750.00	Each	420	\$315,000.00
Fire Hydrant Assembly	\$800.00	Each	36	\$28,800.00
Bike Racks	\$200.00	Each	6	\$1,200.00
Benches	\$300.00	Each	24	\$7,200.00
Waste Receptacles	\$300.00	Each	6	\$1,800.00
		Total Landscaping/Other		\$748,043.20
Community Amenities				
Community Center - 7,000 Square Feet				\$2,213,053.00
Construction Costs	\$310.00	SF	7000	\$2,170,000.00
Fitness Center	\$38,000.00	LS	-	\$38,000.00
Front Desk and Office Space	\$2,938.00	LS	-	\$2,938.00
Conference Room	\$2,115.00	LS	-	\$2,115.00
Large Pool Area - 34,000 SF	-	LS	1	\$1,300,000.00
Sports Courts - 23,000 SF	\$40,000.00	Each	7	\$280,000.00
Large Children's Play Area - 9,000 SF	-	Lump Sum	1	\$145,000.00
		Total Community Amenities		\$3,938,053.00
		Total Horizontal Site Development		\$17,580,581.33

Hard Land Development Costs	\$21,802,826.33
Contingency (10%)	\$2,180,282.63
TOTAL LAND DEVELOPMENT COSTS	\$23,983,108.96

VERTICAL UNIT COST ESTIMATE

Residential Cove Model Overview

Residential Cove Model Overview															
1. Stanwix		2. Shiloh		3. Chelsea		4. Concord		5. Winchester		6. Franklin		7. Hamilton		8. Revere	
1654 SF		1723 SF		1548 SF		1836 SF		2098 SF		2978 SF		2864 SF		3264 SF	
2 Floors, 3 Bed, 2.5 Bath, 1 Car Garage		2 Floors, 3 Bed, 3 Bath, 1 Car Garage		1 Floor, 3 Bed, 2 Bath, 2 Car Garage		1 Floor, 3 Bed, 2 Bath, 2 Car Garage		1 Floor, 4 Bed, 2.5 Bath, 2 Car Garage		2 Floors, 5 Bed, 3 Bath, 3 Car Garage		2 Floors, 3 Beds, 3 Bath, 3 Car Garage		2 Floors, 4 Bed, 3 Bath, 3 Car Garage	

Vertical Construction Costs

Vertical Construction Costs																
	Percent	Cost														
Sitework																
Building Permit Fees	9.49%	\$2,133.66	13.56%	\$2,222.67	12.98%	\$1,996.92	13.90%	\$2,368.44	14.60%	\$2,706.42	12.77%	\$3,841.62	12.55%	\$3,694.56	13.27%	\$4,210.56
Impact Fees - Misc.	4.56%	\$1,025.48	6.52%	\$1,068.26	6.24%	\$959.76	6.68%	\$1,138.32	7.02%	\$1,300.76	6.14%	\$1,846.36	6.03%	\$1,775.68	6.38%	\$2,023.68
Impact Fees - School Fees	57.79%	\$13,000.00	39.66%	\$6,500.00	42.25%	\$6,500.00	38.15%	\$6,500.00	35.05%	\$6,500.00	43.20%	\$13,000.00	44.16%	\$13,000.00	40.96%	\$13,000.00
Water and Sewer Fees Inspection	10.96%	\$2,464.46	15.66%	\$2,567.27	14.99%	\$2,306.52	16.06%	\$2,735.64	16.86%	\$3,126.02	14.74%	\$4,437.22	14.50%	\$4,267.36	15.32%	\$4,863.36
Architecture, Engineering Services	12.06%	\$2,712.56	17.24%	\$2,825.72	16.50%	\$2,538.72	17.67%	\$3,011.04	18.56%	\$3,440.72	16.23%	\$4,883.92	15.95%	\$4,696.96	16.87%	\$5,352.96
Other	5.15%	\$1,157.80	7.36%	\$1,206.10	7.04%	\$1,083.60	7.54%	\$1,285.20	7.92%	\$1,468.60	6.93%	\$2,084.60	6.81%	\$2,004.80	7.20%	\$2,284.80
Subtotal	13.94%	\$22,493.96	9.47%	\$16,390.02	7.32%	\$15,385.52	7.25%	\$17,038.64	7.21%	\$18,542.52	7.66%	\$30,093.72	7.67%	\$29,439.36	7.76%	\$31,735.36
Foundations																
Excavation and backfill	23.09%	\$3,408.00	16.07%	\$3,528.00	23.19%	\$5,472.00	23.06%	\$6,432.00	18.89%	\$5,400.00	16.57%	\$6,360.00	16.06%	\$5,856.00	13.42%	\$5,256.00
Concrete Footing	15.82%	\$2,334.48	11.01%	\$2,416.68	15.88%	\$3,748.32	15.80%	\$4,405.92	12.94%	\$3,699.00	11.35%	\$4,356.60	11.00%	\$4,011.36	9.19%	\$3,600.36
CMU Foundation Wall	12.78%	\$1,885.76	39.09%	\$8,580.54	32.66%	\$7,709.04	32.78%	\$9,143.28	36.55%	\$10,448.04	38.64%	\$14,830.44	39.10%	\$14,262.72	41.49%	\$16,254.72
Concrete Slab on Grade - Driveway, Garage	44.83%	\$6,616.00	31.40%	\$6,892.00	26.24%	\$6,192.00	26.33%	\$7,344.00	29.35%	\$8,392.00	31.04%	\$11,912.00	31.41%	\$11,456.00	33.32%	\$13,056.00
Other	3.47%	\$512.74	2.43%	\$534.13	2.03%	\$479.88	2.04%	\$569.16	2.27%	\$650.38	2.41%	\$923.18	2.43%	\$887.84	2.58%	\$1,011.84
Subtotal	9.14%	\$14,756.98	12.68%	\$21,951.35	11.22%	\$23,601.24	11.87%	\$27,894.36	11.12%	\$28,589.42	9.77%	\$38,382.22	9.50%	\$36,473.92	9.58%	\$39,178.92
Framing																
Framing - Exterior, Partition, Roof	58.09%	\$8,117.74	57.99%	\$8,117.74	59.82%	\$25,190.58	59.72%	\$26,283.80	59.66%	\$28,184.14	59.83%	\$48,590.14	59.84%	\$47,838.84	59.72%	\$46,636.30
Trusses	32.67%	\$4,564.92	32.61%	\$4,564.92	33.64%	\$14,165.64	33.58%	\$14,780.40	33.55%	\$15,849.04	33.64%	\$27,324.12	33.65%	\$26,901.64	33.58%	\$26,225.40
Sheathing	5.10%	\$711.96	5.09%	\$711.96	5.25%	\$2,209.32	5.24%	\$2,305.20	5.23%	\$2,471.87	5.25%	\$4,261.56	5.25%	\$4,195.67	5.24%	\$4,090.20
Other	4.14%	\$578.90	4.31%	\$603.05	1.29%	\$541.80	1.46%	\$642.60	1.55%	\$734.30	1.28%	\$1,042.30	1.25%	\$1,002.40	1.46%	\$1,142.40
Subtotal	8.66%	\$13,973.52	8.09%	\$13,997.67	20.02%	\$42,107.34	18.73%	\$44,012.00	18.38%	\$47,239.35	20.67%	\$81,218.12	20.82%	\$79,938.55	19.10%	\$78,094.30
Exterior Finishes																
Exterior Wall Finishes - Hardie Board, Stone Veneer	51.12%	\$5,444.40	51.12%	\$5,444.40	53.60%	\$16,894.80	53.80%	\$17,628.00	54.11%	\$18,902.52	54.67%	\$32,588.40	54.61%	\$32,084.52	54.50%	\$31,278.00
Roofing	19.66%	\$2,094.00	19.66%	\$2,094.00	20.62%	\$6,498.00	20.69%	\$6,780.00	20.81%	\$7,270.20	21.03%	\$12,534.00	21.01%	\$12,340.20	20.96%	\$12,030.00
Windows and Doors	16.19%	\$1,724.06	16.19%	\$1,724.06	16.97%	\$5,350.02	17.04%	\$5,582.20	17.13%	\$5,985.80	17.31%	\$10,319.66	17.29%	\$10,160.10	17.26%	\$9,904.70
Other	13.03%	\$1,388.00	13.03%	\$1,388.00	8.81%	\$2,776.00	8.47%	\$2,776.00	7.95%	\$2,776.00	6.99%	\$4,164.00	7.09%	\$4,164.00	7.28%	\$4,179.00
Subtotal	6.60%	\$10,650.46	6.15%	\$10,650.46	14.99%	\$31,518.82	13.94%	\$32,766.20	13.59%	\$34,934.52	15.17%	\$59,606.06	15.30%	\$58,748.82	14.04%	\$57,391.70
Major Systems Rough-ins																
Plumbing (except fixtures)	15.08%	\$4,397.40	29.62%	\$10,854.90	29.62%	\$9,752.40	29.62%	\$11,566.80	29.62%	\$13,217.40	29.62%	\$18,761.40	29.62%	\$18,043.20	29.62%	\$20,563.20
Electrical (except fixtures)	41.47%	\$12,090.74	34.37%	\$12,595.13	34.37%	\$11,315.88	34.37%	\$13,421.16	34.37%	\$15,336.38	34.37%	\$21,769.18	34.37%	\$20,935.84	34.37%	\$23,859.84
HVAC - including startup	41.98%	\$12,239.60	34.79%	\$12,750.20	34.79%	\$11,455.20	34.79%	\$13,586.40	34.79%	\$15,525.20	34.79%	\$22,037.20	34.79%	\$21,193.60	34.79%	\$24,153.60
Other	1.47%	\$430.04	1.22%	\$447.98	1.22%	\$402.48	1.22%	\$477.36	1.22%	\$545.48	1.22%	\$774.28	1.22%	\$744.64	1.22%	\$848.64
Subtotal	18.07%	\$29,157.78	21.17%	\$36,648.21	15.66%	\$32,925.96	16.62%	\$39,051.72	17.36%	\$44,624.46	16.12%	\$63,342.06	15.87%	\$60,917.28	16.98%	\$69,425.28
Interior Finishes																
Insulation	6.18%	\$3,556.10	6.24%	\$3,704.45	6.10%	\$3,328.20	6.31%	\$3,947.40	6.47%	\$4,510.70	6.81%	\$6,402.70	6.78%	\$6,157.60	6.89%	\$7,017.60
Drywall	7.33%	\$4,217.70	7.40%	\$4,393.65	7.23%	\$3,947.40	7.49%	\$4,681.80	7.67%	\$5,349.90	8.08%	\$7,593.90	8.04%	\$7,303.20	8.17%	\$8,323.20
Trims, Doors, and Mirrors	15.82%	\$9,097.00	15.95%	\$9,476.50	15.60%	\$8,514.00	16.15%	\$10,098.00	16.55%	\$11,539.00	17.43%	\$16,379.00	17.34%	\$15,752.00	17.63%	\$17,952.00

Painting	2.56%	\$1,472.06	2.58%	\$1,533.47	2.52%	\$1,377.72	2.61%	\$1,634.04	2.68%	\$1,867.22	2.82%	\$2,650.42	2.81%	\$2,548.96	2.85%	\$2,904.96
Lighting	2.99%	\$1,720.16	3.02%	\$1,791.92	2.95%	\$1,609.92	3.05%	\$1,909.44	3.13%	\$2,181.92	3.30%	\$3,097.12	3.28%	\$2,978.56	3.33%	\$3,394.56
Cabinets, Countertops	13.17%	\$7,575.32	13.28%	\$7,891.34	12.99%	\$7,089.84	13.45%	\$8,408.88	13.78%	\$9,608.84	14.52%	\$13,639.24	14.44%	\$13,117.12	14.68%	\$14,949.12
Appliance Package	14.09%	\$8,100.00	13.64%	\$8,100.00	14.84%	\$8,100.00	12.96%	\$8,100.00	11.62%	\$8,100.00	8.62%	\$8,100.00	8.92%	\$8,100.00	7.95%	\$8,100.00
Flooring	21.43%	\$12,322.30	21.61%	\$12,836.35	21.13%	\$11,532.60	21.88%	\$13,678.20	22.42%	\$15,630.10	23.61%	\$22,186.10	23.49%	\$21,336.80	23.88%	\$24,316.80
Plumbing Fixtures	8.25%	\$4,746.98	8.32%	\$4,945.01	8.14%	\$4,442.76	8.43%	\$5,269.32	8.64%	\$6,021.26	9.10%	\$8,546.86	9.05%	\$8,219.68	9.20%	\$9,367.68
Prefabricated Fireplace	6.73%	\$3,870.00	6.51%	\$3,870.00	7.09%	\$3,870.00	6.19%	\$3,870.00	5.55%	\$3,870.00	4.12%	\$3,870.00	4.26%	\$3,870.00	3.80%	\$3,870.00
Other	1.44%	\$827.00	1.45%	\$861.50	1.42%	\$774.00	1.47%	\$918.00	1.50%	\$1,049.00	1.58%	\$1,489.00	1.58%	\$1,432.00	1.60%	\$1,632.00
Subtotal	35.63%	\$57,504.62	34.31%	\$59,404.19	25.95%	\$54,586.44	26.60%	\$62,515.08	27.12%	\$69,727.94	23.91%	\$93,954.34	23.65%	\$90,815.92	24.90%	\$101,827.9

Final Steps																
Landscaping	42.24%	\$5,425.12	40.12%	\$5,651.44	49.84%	\$5,077.44	51.41%	\$6,022.08	51.32%	\$6,881.44	37.09%	\$9,767.84	34.02%	\$9,393.92	34.26%	\$10,705.92
Outdoor Structures	48.75%	\$6,260.76	51.32%	\$7,230.44	39.52%	\$4,026.28	37.61%	\$4,405.72	37.73%	\$5,059.20	54.99%	\$14,481.96	58.71%	\$16,210.52	58.42%	\$18,255.28
Clean Up	5.54%	\$711.22	5.26%	\$740.89	6.53%	\$665.64	6.74%	\$789.48	6.73%	\$902.14	4.86%	\$1,280.54	4.46%	\$1,231.52	4.49%	\$1,403.52
Other	3.48%	\$446.58	3.30%	\$465.21	4.10%	\$417.96	4.23%	\$495.72	4.22%	\$566.46	3.05%	\$804.06	2.80%	\$773.28	2.82%	\$881.28
Subtotal	7.96%	\$12,843.68	8.14%	\$14,087.98	4.84%	\$10,187.32	4.98%	\$11,713.00	5.22%	\$13,409.24	6.70%	\$26,334.40	7.19%	\$27,609.24	7.64%	\$31,246.00

Total Vertical Construction Costs	\$161,381.00	\$173,129.88	\$210,312.64	\$234,991.00	\$257,067.44	\$392,930.92	\$383,943.08	\$408,899.48
Vertical Costs per Square Foot	\$97.57 / SF	\$100.48 / SF	\$135.86 / SF	\$127.99 / SF	\$122.53 / SF	\$131.94 / SF	\$134.06 / SF	\$125.28 / SF
Weighted Average Horizontal Costs per Lot	\$9,802.01	\$9,802.01	\$35,707.32	\$35,707.32	\$35,707.32	\$105,694.01	\$105,694.01	\$105,694.01
Total Unit Cost	\$171,183.01	\$182,931.89	\$246,019.96	\$270,698.32	\$292,774.76	\$498,624.93	\$489,637.10	\$514,593.49

Stanwix Shiloh Chelsea Concord Winchester Franklin Hamilton Revere

TOTAL PROJECT ESTIMATE

	Input	Total	Unit Average	M1	M2	M3	M4	M5	M6	M7	M8
Lots and Products											
Number of Lots	535										
Products	8										
Production Units		527		167	83	29	39	49	60	60	40
Models		8		1	1	1	1	1	1	1	1
Square Feet				1,654	1,723	1,548	1,836	2,098	2,978	2,864	3,264
Base Price		227,480,000	425,196	350,000	365,000	340,000	370,000	455,000	570,000	520,000	580,000
Sales Revenue											
Base Sales Revenue		227,480,000	425,196	350,000	365,000	340,000	370,000	455,000	570,000	520,000	580,000
Premiums Revenue		8,610,000	16,093	10,000	10,000	10,000	10,000	10,000	30,000	30,000	30,000
Options Revenue		6,544,000	12,232	8,000	8,000	16,000	16,000	16,000	16,000	16,000	16,000
Other Sales Revenue	0	0	0	0	0	0	0	0	0	0	0
Gross Sales Revenue		242,634,000	453,521	368,000	383,000	366,000	396,000	481,000	616,000	566,000	626,000
Costs											
Lot Costs											
Land Acquisition	6,000,000	6,000,000	11,215	11,215	11,215	11,215	11,215	11,215	11,215	11,215	11,215
Site Development	18,232,800	18,232,800	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080
Common Areas	3,938,000	3,938,000	7,361	7,361	7,361	7,361	7,361	7,361	7,361	7,361	7,361
Property Tax	200,000	200,000	374	374	374	374	374	374	374	374	374
Total Lot Costs		28,370,800	53,030								
Construction Costs											
Direct Construction		135,143,700	252,605	201,300	204,000	188,100	218,600	243,500	350,000	339,300	380,000
Options Cost		3,272,000	6,116	4,000	4,000	8,000	8,000	8,000	8,000	8,000	8,000
Net Model Upgrade	150,000	150,000	280	280	280	280	280	280	280	280	280
Warranty Expense		242,634	454	368	383	366	396	481	616	566	626
Total Construction Costs		138,808,334	259,455	205,948	208,663	196,746	227,276	252,261	358,896	348,146	388,906
Project Expenses											
Other Cost of Sales	87,980	87,980	164	164	164	164	164	164	164	164	164
Salaries	6,890,000	6,890,000	12,879	12,879	12,879	12,879	12,879	12,879	12,879	12,879	12,879
Overhead	424,000	424,000	793	793	793	793	793	793	793	793	793
Marketing / Advertising	137,800	137,800	258	258	258	258	258	258	258	258	258
Total Project Expenses		7,539,780	14,093								
Direct Sales Costs											
Commissions	2.00%	4,852,680	9,070	7,360	7,660	7,320	7,920	9,620	12,320	11,320	12,520
Closing Costs	4,000	2,140,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Buyer Incentive	1.00%	2,426,340	4,535	3,680	3,830	3,660	3,960	4,810	6,160	5,660	6,260
Other Percent	0.20%	485,268	907	736	766	732	792	962	1,232	1,132	1,252
Other Dollar	1,000	535,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Direct Sales Costs		10,439,288	19,513	16,776	17,256	16,712	17,672	20,392	24,712	23,112	25,032
Total Costs											
		185,158,202	346,090	289,847	293,042	280,581	312,071	339,776	450,731	438,381	481,061
Net Profit											
		57,475,798	107,431	78,153	89,958	85,419	83,929	141,224	165,269	127,619	144,939
Profit Margin											
		23.69%	23.69%	21.24%	23.49%	23.34%	21.19%	29.36%	26.83%	22.55%	23.15%
	Total	Unit AVG	M1	M2	M3	M4	M5	M6	M7	M8	

Schedule: Total Project

6.1 Schedule Overview

We will start development of the Heritage Greens Property on March 1st, 2023. This will commence upon completion of our pre-development, which includes permitting, surveying, and the notice to proceed. From then, site development and home construction will commence on a phased basis. Our milestone dates are presented on the right, most notably, our start date on October 3rd, 2022, and our end date on December 24th, 2031. These dates put our project at a total duration of 9 years 3 months. The development is broken down into four phases, which stagger start upon completion of the previous phase's site development. This ensures that our site development trade partners can continue working consistently to finish the site development of all phases prior to the start of Phase 2 Vertical Construction.

<i>Presidential Cove Schedule Milestones</i>		
Stage	Start	End
Pre-Development	10/3/22	2/27/23
Phase 1	3/1/23	8/11/25
Site Development	3/1/23	10/31/23
Home Construction	7/12/23	8/11/25
Phase 2	6/21/23	9/10/27
Site Development	6/21/23	10/20/23
Home Construction	8/12/25	9/10/27
Phase 3	10/23/23	10/11/29
Site Development	10/23/23	2/21/24
Home Construction	9/13/27	10/11/29
Phase 4	2/22/24	11/12/31
Site Development	2/22/24	6/24/24
Home Construction	10/12/29	11/12/31
Closeout	11/12/31	12/24/31

6.2 External Considerations

In today's uncertain residential market, planning and communication will be crucial to maintaining our schedule. Some of the major factors that our management team will consider are supply issues, labor shortages, and increasing climate phenomena. This will involve further front-end oversight including:

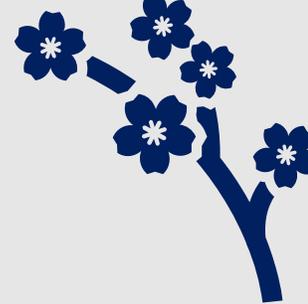
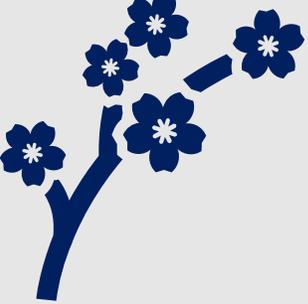
- Order long-lead items in advance
- Encouraging stronger relations and employing reputable trade partners
- Having plans and procedures in place to mitigate effects of inclement weather

Another factor, perhaps larger picture, is a looming economic recession that would vastly impact the whole project. This would affect the factors stated earlier. These factors, along with many others that could affect our schedule will constantly be on the radar in meetings and management conversations.

6.3 Vertical Construction Durations

Below, we have broken down each home type by line-item duration to get the total duration to construct each home. These durations have then been put into the master phasing schedule under “Vertical Construction.” The total durations for the home types in the master schedule are based on our management personnel, which can only be allocated to a certain number of homes at any given time. We will have one Project Manager on Townhomes, one on Zero Lot Homes, and one on Single Family Homes. This was then used to determine our number of homes starts per month, which came out to a maximum of 8.

Presidential Cove Home Construction Schedules							
	Townhomes	Zero Lot Homes			Single Family Homes		
	Stanwix (4) + Shiloh (2)	Chelsea	Concord	Winchester	Hamilton	Franklin	Revere
Square Footage	10,062	1,548	1,836	2,098	2,864	2,978	3,264
Task	Durations (Days)						
Sitework	6	2	2	2	3	3	3
Prep Footings	9	3	3	3	3	3	3
Formwork/Rebar	5	1	1	1	2	2	2
Pre-pour Inspection	1	1	1	1	1	1	1
Pour Footings	2	1	1	1	2	2	2
Post-pour Inspection	1	1	1	1	1	1	1
CMU Foundation Walls	14	5	6	6	8	8	9
Floor Framing	13	4	4	4	6	6	7
Exterior, Partition, & Roof Framing	28	8	9	10	13	13	15
Structural Sheathing	9	3	3	3	4	4	5
Roof Underlayment	3	1	1	1	1	1	1
Roofing	12	3	3	4	5	5	6
Housewrap	5	2	2	2	3	3	4
Windows & Exterior Doors	8	3	3	3	3	3	3
Exterior Masonry	12	5	5	5	6	6	7
Exterior Siding	10	4	4	4	5	5	5
MEP Rough-ins	9	6	7	8	8	8	8
Pre-Insulation Inspection	1	1	1	1	1	1	1
Insulation	7	3	3	3	4	4	4
Drywall	24	13	14	15	14	14	14
Rough Painting	8	3	3	3	4	4	4
Interior Doors	5	2	2	2	2	2	2
Millwork	10	4	4	4	4	4	4
Countertops	2	1	1	1	1	1	1
MEP Finishes	5	4	4	4	4	4	4
Final Paint	5	2	2	2	2	2	2
Flooring	12	4	5	6	6	6	7
Mirrors	1	1	1	1	1	1	1
Door Hardware	2	1	1	1	1	1	1
Furnish Appliances?	2	1	1	1	1	1	1
Grading, Irrigation, and Drainage	5	3	3	3	3	3	3
Landscaping	7	4	4	4	4	4	4
Driveways/Sidewalks	10	4	4	4	4	4	4
Final Clean	2	1	1	1	1	1	1
Final Inspection	1	1	1	1	1	1	1
Contractor Punch	2	1	1	1	1	1	1
Total Duration (Days)	258	107	112	117	133	133	142
Average Duration (by type)	258	112			136		



Project Management

The mission of our project management team is to ensure the success of Presidential Cove by making sure the construction of the development gets done on time, safely, and on budget. To accomplish this, we have a detailed a construction plan for our management team on site.

Site Management and Logistics

7.1 Means and Methods

Pre-Development By March 1, 2023, we will receive all the necessary permits and be able to begin sitework. Sitework will start with clearing and leveling the site where our roadwork, lots, common areas, and other construction will occur. While this is happening, we will coordinate with the Charles County Utility Department, so existing underground utilities under Rosewick Road can be connected to our site. Then, we will excavate and place our underground utilities and construct our roads as per the schedule. After that, we will be able to begin construction of our homes.

Phasing Our site will be broken up into four phases. Each phase will be in line with the spokes of our community. This allows us to develop our townhomes, zero lot homes, and single-family homes simultaneously. Our phasing plan and site design will also help minimize interaction between residents of completed areas and the construction crew. We have multiple entrances that can act as either construction or resident entrances into the community as necessary. Minimal interaction between the residents and construction is important to maintain a high-quality community lifestyle and reduce the risk of any safety incidents.



Site Management Roads will be built prior to the start of each phase. During the sitework phase, we will rough grade areas where the future roads will be placed to allow for construction traffic for the duration of the project. Our on-site management team will primarily work out of a site trailer set up in the Phase 4 area of our site. Prior to completing Phase 3, the team will set up in the model home garages and the trailer will be moved off site. “Phase Kickoff Meetings” will be held among site management and the subcontractors prior to the beginning of each phase.

7.2 Phasing Breakdown

Phase 1: 121 Homes and 761 Days

The first phase includes 42 townhomes, 20 zero lot homes, and 59 single family homes. It will also include the construction of all community areas (the least number of homes are being built during phase 1). The community area construction will be managed by the zero-lot home superintendent. Both field engineers will assist in single family home construction for this phase. **Our eight model homes will be built first**, so we can showcase each floor plan. The construction entrance on this phase will be from the north coming off Rosewick Road and the residential entrance will come from the roundabout in the west.

Phase 2: 138 Homes and 759 Days

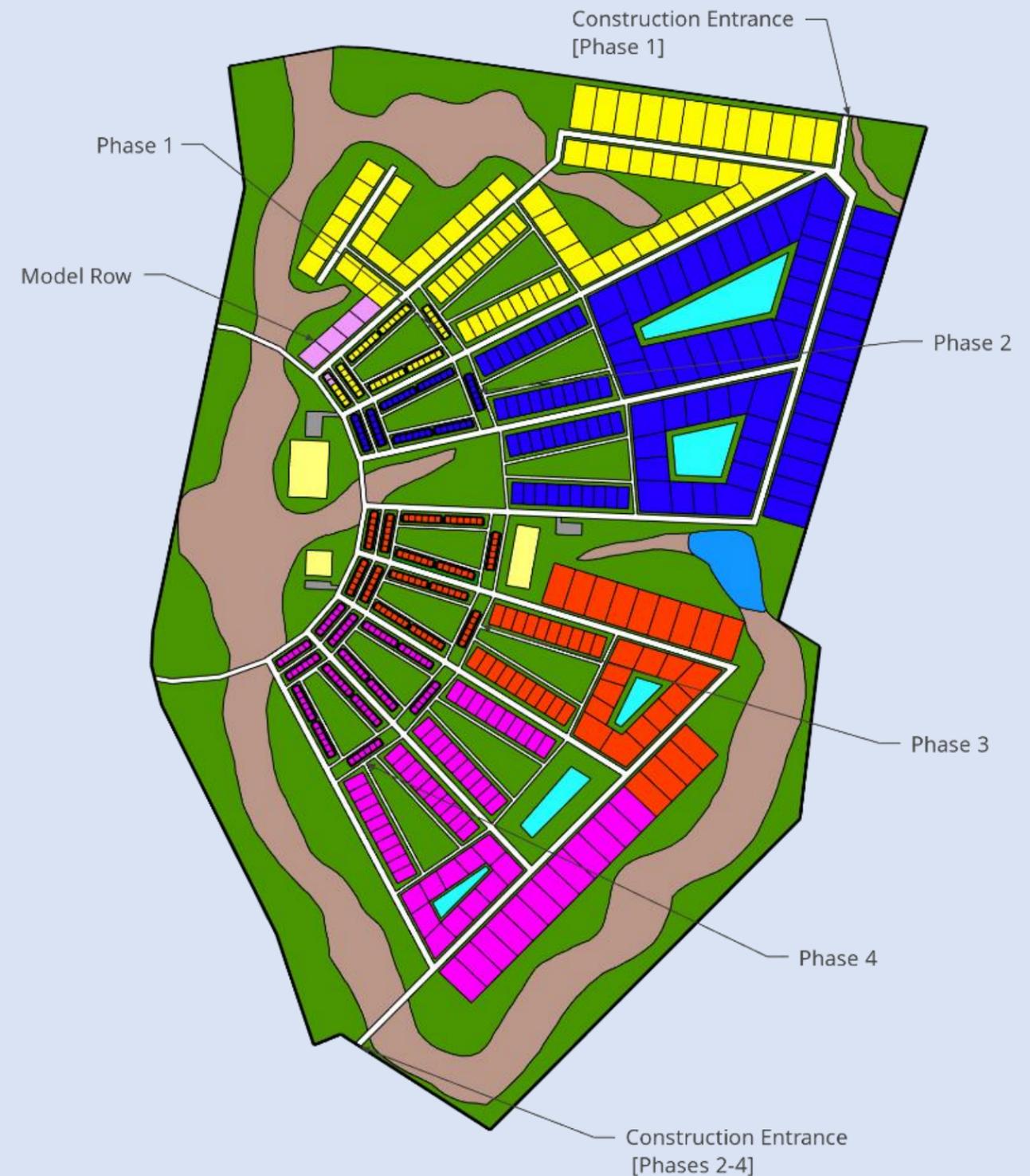
The second phase will include 42 townhomes, 40 zero lot homes, and 56 single family homes. The field engineers will continue to assist the single-family homes superintendent. The construction entrance will move to the southernmost entrance where it will stay until the end of the project, opening all other entrances to residents.

Phase 3: 129 Homes and 759 Days

The third phase will include 84 townhomes, 20 zero lot homes, and 25 single family homes. Compared to the second phase, half the number of single-family homes and twice as many townhomes are being built. Therefore, the two field engineers will assist the townhomes superintendent where they will remain until the completion of the project.

Phase 4: 147 Homes and 761 Days

The fourth phase will include 84 townhomes, 40 zero lot homes, and 23 single family homes. This phase includes the greatest number of homes. For this reason, it will be important to build momentum throughout the project to ensure we are keeping a good pace. Towards the end of this phase, we will begin to demobilize from the site and resolve any issues around the site that may arise.



7.3 Quality Control and Assurance

Standard QA-QC Procedures Given the amount of competition in the surrounding area and our product pricing, it is essential every home constructed meets our high standards. To verify this, quality-control inspections will be conducted to guarantee the best quality for our customers.

Communication To minimize time and cost consuming mistakes and failures to meet requirements, our superintendents will communicate with subcontractors starting the day they are awarded the contract. They will review everything from our quality expectations to safety requirements. If a superintendent finds a standard been compromised, they will immediately inform the appropriate workers and subcontractors to ensure the issue is resolved.

Stormwater and General Pollution Prevention Plan Implementing a thorough stormwater pollution prevention plan will be crucial to mitigating runoff and maintaining the integrity of our site and homes during construction. Considering the multitude of low-lying areas around our buildable area, we will be taking multiple measures to ensure the protect the safety and hygiene of the community.

- **Silt Fencing:** Silt fencing will surround all retention ponds, any soil stockpiles, and the entire jobsite.
- **Silt Curtains:** Silt curtains will surround all roadwork near low-lying areas at any sitting water source.
- **Catch Basins:** Catch basins will be located at all our stormwater drains. These will be inspected weekly for damage and buildup.
- **Waste Disposal:** Large metal dumpsters will be conveniently located near active construction and emptied weekly to avoid dumping into the lowlands or existing water.



7.4 Staffing Requirements and Budget

Our approach to a successful project team begins with assigning the right people to the right roles. Following this premise will ensure all phases of construction are executed professionally and in a timely manner. We have specific tasks that we have assigned our staff to get ahead of any potential disruptions. Everyone on our team will also be good communicators that are able to work with both buyers and subcontractors.

Position	Salary	Quantity	Annual Cost
Project Executive	\$115,000	1	\$115,000
Project Manager	\$95,000	1	\$95,000
Superintendent	\$90,000	3	\$270,000
Project Engineer	\$80,000	2	\$160,000
Field Engineer	\$70,000	2	\$140,000
Total			\$780,000

Project Executive To put in simple terms, the project executive will oversee the development. They will monitor all construction activities and the home selling process to ensure everything is going smoothly. To help them achieve their duties, the project executive will delegate tasks to the project manager and the superintendent. From these tasks the executive will receive daily updates on the projects progress.

Project Manager The project manager will be more office orientated, focusing on the required documentation for the construction of a residential development. They will also monitor costs and make sure the sales team have all the required resources needed to start selling homes once they are completed.

Superintendent The superintendents will oversee the day-to-day construction activities of the development to ensure the project will stay on schedule. They will have to decide on the appropriate means and

methods put in place for the project to succeed, as well as coordinate with subcontractors and our home office. We will have one superintendent overseeing each product type.

Project Engineer The project engineers' main responsibilities are as follows: processing orders and deliveries, reviewing changes in orders and options, and sustainability initiatives. Project engineers will report to the project manager, who may assign them additional tasks.

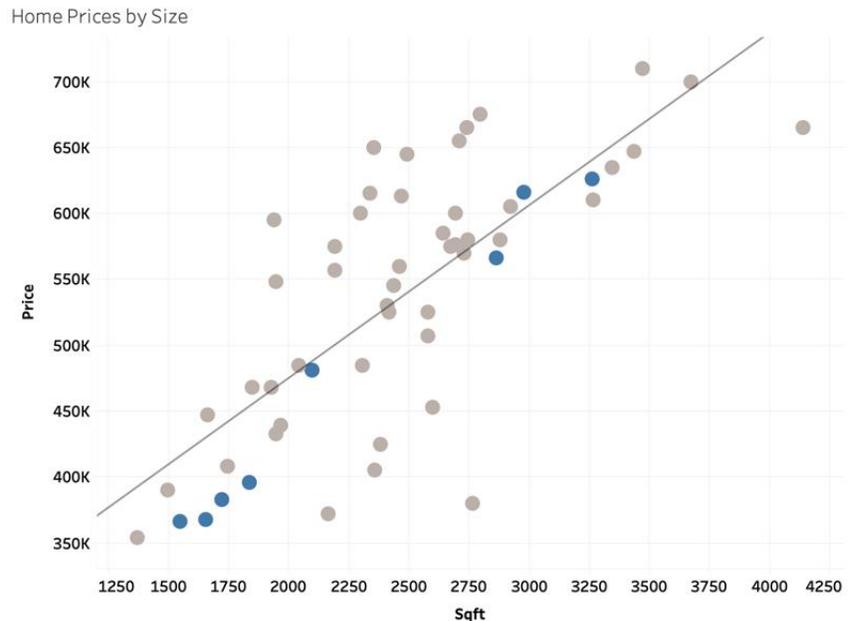
Field Engineer The field engineers' main responsibilities are as follows: monitoring on-site safety measures, maintaining drawing sets in the field, and assisting superintendents in overseeing day-to-day construction. They will report to an assigned superintendent who may provide them additional tasks. This role will be critical in ensuring that home construction is able to occur smoothly and on schedule.

Sales and Marketing

8.1 Sales

Pricing Starting prices range from \$345k to \$580k. They were calculated by comparing our product offering to home sales in the past six months.

With each blue dot representing a different model at its expected selling price, our homes are conservatively priced. Due to downward trends in the housing market, we decided to provide more affordable options.



Our Sales Team The sales team is dedicated to sell every unit. The team consists of a sales manager and three salesmen. We believe they will be able to achieve this through sufficient training. The training will include an overview of New Urbanism, our models, the various options and premiums available, and set of policy and procedures. The team will work out of a model home until the office space in the common area is constructed. On weekdays, the team will work from 8AM – 4PM, and work reduced hours on weekends from 10AM – 1PM.

Responsibilities of the sales team include following leads, communicating with and assisting the construction team, and facilitating the closings. For example, the sales team will set up open houses and tours. After closing a home, they will guide the buyer through the closing process. Moreover, they will relay the move in date to the appropriate construction manager and help supervise any final walk-throughs for the home.

Signage At each entrance to our neighborhood, there will be sign depicting our homes, starting prices, amenities, our website's URL, and contact information.

Buyer incentives Initially, we will offer \$5k off our closing costs if clients finance through DHI Mortgage. This allows buyers to put a larger down payment, reducing their monthly payment. If we don't meet our target sales rate of 5, this incentive will gradually increase to lure more buyers without decreasing starting prices. However, if this becomes unsustainable, we will start decreasing are listing prices.

8.2 Product Marketing

Presales To kickstart our community, we will sponsor an event at Fun Haven Golf, located 2.5 miles from Presidential Cove. At the event, prospective buyers will be able to enjoy mini golf and free food while learning about our different models, unique site plan, and amenities. Attendees will also be able to take a virtual tour of our models. We expect to generate 15 presales from this event and other advertising efforts.

Buyers who purchase their home prior to its completion, are to be granted access to our client construction progress tracker. By logging in with their given credentials, buyers are able to see the latest construction updates and photos.

Premiums Lot Our lots vary by size, view, proximity to amenities, and location. Based on current market conditions, lot premiums will range from \$10,000 to \$25,000. These lot premiums will help us generate an additional \$8.6M in revenue. Most of this revenue is tied to our single-family homes, as those lots are bigger and typically have a more favorable location.

Premium	Price
Proximity to amenities	\$10,000
Facing nature	\$15,000
1/5 acre	\$15,000
1/4 acre	\$20,000
1/3 acre	\$30,000
Less thru traffic	\$10,000

Options Buyers will have the ability to choose certain upgrades to their home. They can choose from a kitchen, bathroom, technology, and/or outdoor package. On each of these packages, we expect to generate a 50% profit margin. We expect townhome buyers to purchase one package and expect zero lot and single-family buyers to purchase two packages. This will help generate an additional \$7.0M of revenue.

Warranty Each of our homes will come with a 10-year full coverage warranty. The warranty will cover major structural damages, roof repairs, and system failures to provide our clients with confidence in their purchase.

Advertising

Website The focal point of our digital campaign is our website. The site will contain an overview of the site design, amenities, available models, options, starting price points, and community events.

The website will include a chat feature in which prospective buyers may ask questions and receive answers quickly. If the chat bot is incapable of providing an answer, it will prompt the prospective buyers to submit their contact information. A member of our sales team would then be able to contact them and answer their question.

Search Engine To reach those who are actively searching for a house, we plan to use search engine advertisements. These ads will be targeted towards young professionals looking to move away from the city, seniors looking to downsize, and those who are searching for homes in our development area.

Social Media As both of our target markets use social media on a day-to-day basis, we plan to roll out ads on Instagram and Facebook.

As both of our target markets use social media daily, we plan to roll out ads on Instagram and Facebook. Depending upon the user's age, our ads will showcase facts about our entry level homes or our single-story homes. All ads will redirect potential clients to our website.

Our sales team is also responsible for uploading content to our Instagram and Facebook pages. The pages will consist of photos of our model homes, community events, and general information.

Billboards Billboards will advertise to buyers looking to move out of the city. Therefore, we will buy two billboards: one alongside Highway 301 and another alongside Highway 49.

Marketing Budget

Marketing Budget	2023	2024	2025	2026	2027	2028	2029	2030	2031
Employees									
Sales Team (4)	\$ 500,000	\$ 675,979	\$ 675,979	\$ 675,979	\$ 675,979	\$ 675,979	\$ 675,979	\$ 675,979	\$ 675,979
Digital Advertising			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Website	\$ 8,500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Search Engine	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Social Media	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
Client Dashboard	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Traditional Advertising									
Billboards (2)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Signage	\$ 1,000	\$ -							
Model Homes									
Staging	\$ 160,000								
Signage	\$ 2,000								
Cleaning	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600
Miscellaneous									
Office Supplies	\$ 7,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Total	\$ 751,900	\$ 751,379							



Financial and Risk Analysis

9.1 Risks

Housing Market As home prices continue trending down, it remains uncertain at what price points we would be able to sell our models. Thus, we set conservative prices, and ran both pessimistic and optimistic models where the prices decrease by 15% or increase by 5%.

Cost With so many moving pieces like constantly changing commodity prices and increased labor rates, it is hard to pinpoint an exact budget. Consequently, we set a contingency of 10% for horizontal cost and used upper estimates for vertical costs. The pessimistic model is up 5% and optimistic model down 10%.

Labor Due to high inflation and instability in the labor market, it is possible we will have to raise wages to maintain enough workers on our crews.

Safety To keep our workers safe and avoid any legal issues, we will strictly enforce safety procedures. Any worker that acts carelessly will be dismissed from their crew.

Legal To avoid disputes with our contractors, we have set a vendor policy outlining roles and responsibilities, terms of insurance, and payment policy. Furthermore, we have taken out insurance ourselves as a precaution.

9.2 Assumptions

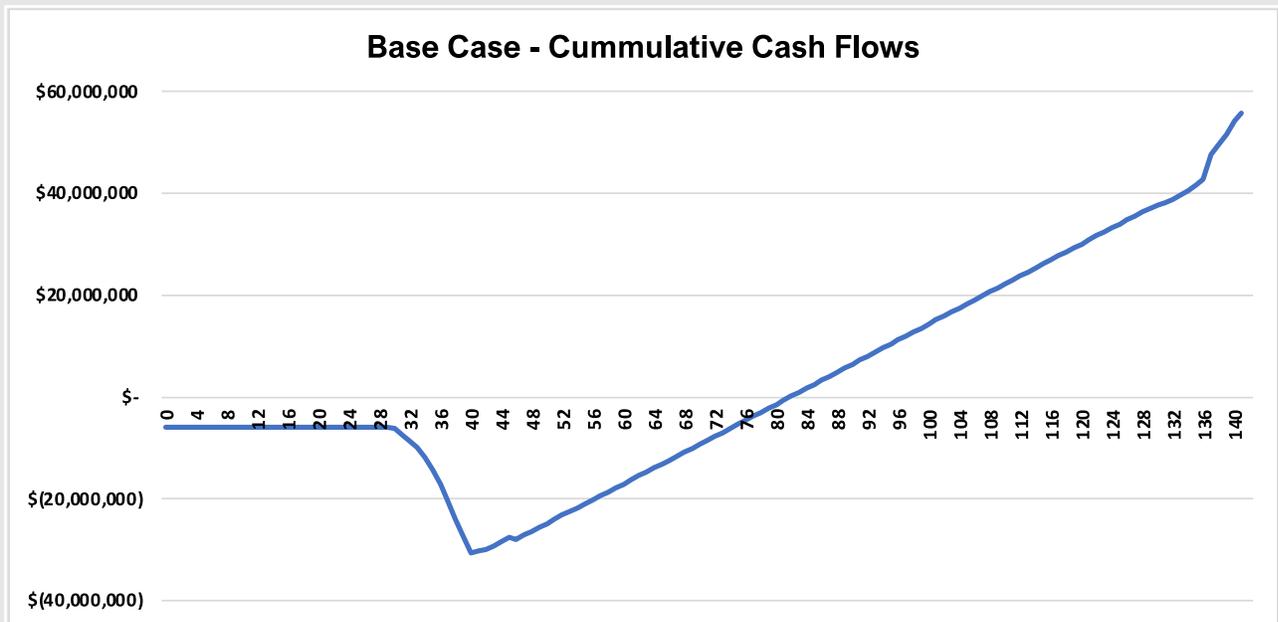
Absorption According to Zonda, similar projects in the have absorption rates ranging from 8 to 10. Due to the down trending markets, our base absorption rate is 5, pessimistic is 4.25, and optimistic is 7.

Dates As previously discussed, we are capable of starting construction on 8 units at a time and construction per unit last 5 months. This means construction on the project will end in December 2031. Therefore, given our base absorption, our last unit will close in May 2023. Therefore, given our base absorption, our last unit will close in May, 2023.

Models

Models	Number of Units	Expected Selling Price	Direct Cost per SF
Stanwix	168	\$368,000	\$100
Shiloh	84	\$383,000	\$103
Chelsea	30	\$366,000	\$141
Concord	40	\$396,000	\$133
Winchester	50	\$481,000	\$127
Franklin	56	\$616,000	\$135
Hamilton	66	\$566,000	\$137
Revere	41	\$626,000	\$128

9.3 Base Scenario



Cash Flows The breakdown of total cash generated, and its schedule are depicted above. As 2.5 years passed between the land purchase and breaking ground, there are no change in cash flows. After breaking ground, we incur all horizontal costs during the initial year and half of construction, leading to a peak equity \$30,528,280. Starting in December of 2023, we begin generating positive cash flows stabilizing at \$787,489 a month leading to the break-even point in June 2027.

Return on Investment Our cash flows yield a profit margin of 24.32% and an all-cash IRR of 22.85%. If the land was purchased in January of 2023, the IRR would have increased by 3.35%, which represents lost returns due to standing still.

Base Scenario

Category	Amount
Net Receipts	\$234,586,376
Land Acquisition	\$6,000,000
Site Development	\$18,232,800
Common Area	\$3,938,000
Direct Vertical Cost	\$138,427,566
Other Expenses	\$11,986,443
Profit	\$ 56,001,567
IRR	22.85%

9.4 Alternative Scenarios

Pessimistic Scenario Assumption

Category	Assumption
Starting Prices	-15%
Construction Cost	5%
Max Starts	7
Absorption Rate	4.25
Last unit sold	July 2032

Optimistic Scenario Assumption

Category	Assumption
Starting Prices	+5%
Construction Cost	-10%
Max Starts	8
Absorption Rate	8
Last unit sold	July 2031

Pessimistic Scenario

Category	Amount
Net Receipts	\$214,254,903
Land Acquisition	\$6,000,000
Site Development	\$19,144,440
Common Area	\$4,134,900
Direct Vertical Cost	\$142,747,131
Other Expenses	\$11,724,807
Profit	\$30,503,625
IRR	8.59%

Optimistic Scenario

Category	Amount
Net Receipts	\$259,734,735
Land Acquisition	\$6,000,000
Site Development	\$16,409,520
Common Area	\$3,544,200
Direct Vertical Cost	\$122,354,684
Other Expenses	\$11,772,281
Profit	\$99,654,050
IRR	32.06%

Exit Strategy As the scenario analysis indicates, IRR diminishes by more than half when the pessimistic scenario materializes. Our sales manager and project manager will continuously report their respective financial numbers. If the numbers, indicate returns are too low to justify continuing the project, we will modify our plans accordingly. For example, one possible exit strategy may include renting out empty units, demobilizing the site, and selling the remaining lots either to individual buyers, investors, or contractors.



Student Chapters

NAHB Student Competition Four-Year Programs: Production Home Builder Honor Pledge

To the best of my knowledge and belief, the information used in my team's solution to the competition is in accordance with the rules and guidelines of the NAHB Student Competition. On my honor, I have neither given nor received unauthorized assistance in the completion of this project.

Team (School) Name: University of Florida

Team Members:

Print Name	Signature
Gal Shraga	
Samantha Butler	
Ryan LoFurno	
Evan McCluan	
Rain Meehins	
AUSTIN POWE	

Alternate Members (Optional):

Print Name	Signature

Faculty Advisor/Coach:

Print Name	Signature
MARK RUSSELL	

This form is REQUIRED. Please upload (1) copy per team within your Solution submission.