ClaimZero

DEVELOPMENT RISK INTELLIGENCE · C1

Investment Command Center

The whole investment against its underwriting, at one data date

1400 Smallman Street · 1400 Smallman Street, Pittsburgh, PA (Strip District) · CZ-P51

Data date	Issue	Edition	Cadence
May 4, 2029	**May 4, 2029**	**R0 · DRAFT**	**Weekly (page 1 of the WDI); issued alone as the equity snapshot**

INVESTMENT POSITION

$7.94M profit · 11.4% IRR · grade E

Forecast profit **$7.94M** against $10.11M underwritten; levered IRR **11.42%** (−226 bp); development control grade **E** (57.2, provisional).

SIMULATION. 1400 Smallman Street (CZ-P51) is ClaimZero's simulated reference project. Rows tagged RECORD come from its 12-file datapack; rows tagged SIMULATED were generated for this program and are documented in FINANCIAL_LAYER_DERIVATION.md. No figure here describes a real property.

Prepared for: Owner, equity partners and board
Prepared by ClaimZero, Inc. · Reviewer: **UNSIGNED — DRAFT**. Not legal, appraisal, tax or investment advice; engineering judgments are findings for the responsible professional to confirm.
Every figure carries its basis: RECORD · SIMULATED · CZ CALC · INFERRED · PER SPONSOR · ASSUMPTION · UNKNOWN (owing party named). Nothing dated after the data date is used.

Contents

1. The investment at a glance 3
2. Underwritten against current 4
3. Returns and what moves them 6
4. Debt and covenants 7
5. The development curve 8
6. Development control grade and the 35 risk areas 9
7. What the owner must act on 10
8. Record, method and limits 13
9. Sources 13

Page numbers refer to this edition. Basis tags: RECORD datapack row · SIMULATED generated input · CZ CALC ClaimZero computation · INFERRED · PER SPONSOR · UNKNOWN not in the record.

1. The investment at a glance

Forecast profit **$7.94M** against $10.11M underwritten; levered IRR **11.42%** (−226 bp); development control grade **E** (57.2, provisional). The cost of the project has risen 4.7% since underwriting while sellout has moved +$2,044,179; the equity has absorbed the difference. Stage 6 of 9 (Construction).

LEVERED IRR · FORECAST

11.42% −226 bp

Against **13.67%** underwritten. Unlevered 8.63%. Monthly equity cash flows, annualized.

CZ CALC model CURRENT vs UNDERWRITTEN · equity cash flows

EQUITY MULTIPLE

1.348× −0.128×

$30.75M back on $22.81M in. Underwritten **1.477×**.

CZ CALC model funding and release waterfall

TOTAL DEVELOPMENT COST

$92.97M +4.7%

+$4,205,401 over $88.77M underwritten. Hard cost $73.91M = GMP $69.85M + 11 executed COs.

CZ CALC budget_lines GMP + change_orders EXECUTED + model interest

EQUITY REQUIREMENT

$22.81M +$1,605,026

Equity first, then debt; overruns funded by equity to keep the loan in balance. Underwritten **$21.20M**.

CZ CALC model funding waterfall

FORECAST PROFIT

$7.94M −$2,161,221

Margin **7.9%** of a $100.92M net sellout; return on cost 8.5% against 11.4%.

CZ CALC net sellout − TDC

DEVELOPMENT CURVE

8.8 pts billed over measured

Billed **81.5%**, measured 72.7%, plan 73.3%, loan drawn 64.1% of commitments.

SIMULATED requisitions · sov_lines measured · model draws

LOAN TO COST · SENIOR

65.61% 439 bp headroom

$61.00M on $92.97M against a **70% covenant**. With the URA TIF note: 76.69%.

CZ CALC loan_terms (SIMULATED) · model TDC

LOAN TO VALUE · NET SELLOUT

60.45% 555 bp headroom

On $100.92M net sellout against a 66% covenant. **No appraisal is in the record**; sellout stands in for value.

CZ CALC loan_terms ltv_covenant_pct · model net sellout

DSCR AT RENTAL CONVERSION

0.803× fails 1.20×

NOI $3,715,374 on $4,626,738 debt service. Conversion needs a **$20,179,697** paydown ≈ 52 conveyances. Debt yield 6.09%.

CZ CALC pf_assumptions rental_* (SIMULATED) · D-005

INTEREST RESERVE

$4,925,690

24.8% drawn

$1,222,175 accrued to the data date; model total $3,790,352 through payoff (within the reserve).

CZ CALC model monthly interest at 6.50% on drawn balance

SENIOR PAYOFF VS MATURITY

2030-04

Release at 90% of net proceeds (D-004) retires the senior loan in **2030-04**, before the Aug 20, 2030 maturity. Extension (2×12 months, 45% sales test, D-009) not needed on this forecast.

CZ CALC model release waterfall · loan_terms

CARRY PER DAY OF DELAY

$17.5k

General conditions $285,000/month (record) plus interest on the drawn balance and taxes/insurance: **$17,463** a day now, $20,604 at the $56.74M peak balance.

CZ CALC gmp_line_items 01 00 00 note · model balance

EXECUTED CHANGE ORDERS

$4,061,000 5.8% of GMP

11 executed to the data date; 10 owner-responsible, 1 shared, none contractor.

RECORD `change_orders status=EXECUTED, date ≤ data date`

OWNER CONTINGENCY

Exhausted

overrun $1,336,850

$2,724,150 (3.9% of GMP, R-008) against $4,061,000 of executed change orders.

CZ CALC `budget_lines HRD-CON − change_orders`

SALES

143 of 230 in contract

8.3/mo trailing 3

Underwriting floor **7.0/month** (D-003, R-003). Presale threshold of 81 met 2028-08 against 2028-07.

RECORD `sales_absorption`

NATIVE SCHEDULE FILE

UNKNOWN

OWED BY · CM / Scheduler · INT-112, INT-115

Baseline accepted 3 Mar 2028 as a 36-row CSV and PDF; **no native file and no update since** (428 days). Float and critical path cannot be computed.

UNKNOWN `intake_status INT-112, INT-115`

CONDITIONS OF APPROVAL

27 conditions

18 block the certificate of occupancy. Unbounded scope converted to priced change orders: 5 ($1,765,000).

RECORD `coa_register · change_orders cause UNBOUNDED_COA_RESOLVED`

RISKS AND DECISIONS

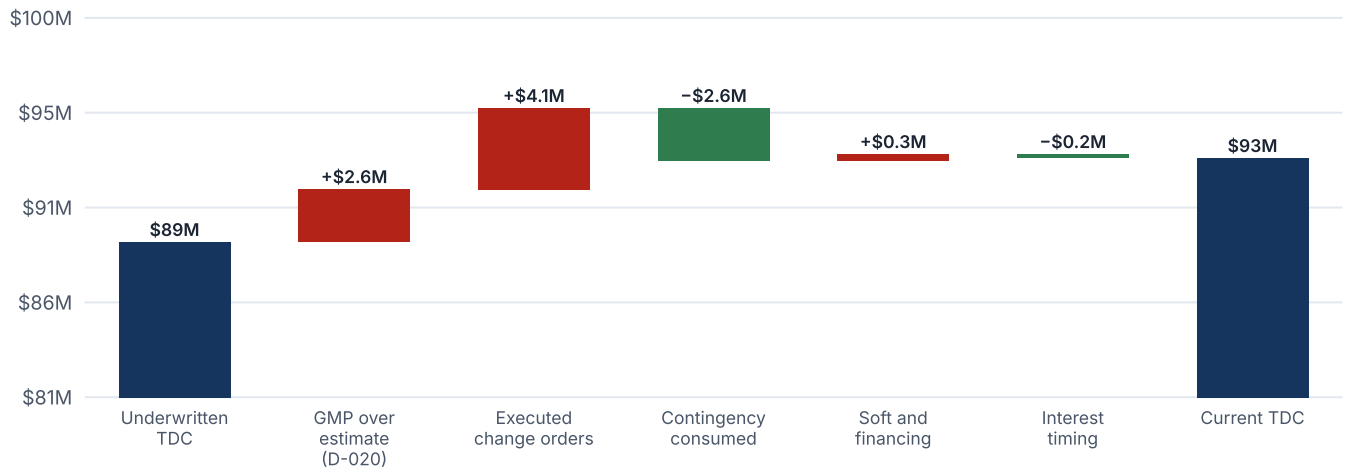
13 of 15 risks open

8 rated HIGH or CRITICAL; **R-003** (absorption, no rental fallback) and **R-010** (§3414(c) conveyance) are CRITICAL. 30 decisions closed; open: D-035.

RECORD `risk_register (identified-on INFERRED) · decision_log`

2. Underwritten against current

Total development cost is **$92,971,298**, +$4,205,401 over the $88,765,898 underwritten. The bridge shows where it went: the GMP came in $2,650,000 over the estimate, and 11 executed change orders added $4,061,000, of which the owner contingency covered $2,724,150.



TDC bridge, underwritten to current. Red adds cost, green removes it. The contingency step is the budgeted contingency released as change orders consumed it.

`budget_lines UNDERWRITTEN vs GMP + change_orders EXECUTED + model interest`

Uses

Use	Underwritten	Current	Change
Land and acquisition	$4,340,000	$4,340,000	+$0
Hard cost (GMP and change orders)	$67,200,000	$73,911,000	+$6,711,000
Owner hard-cost contingency (undrawn)	$2,899,920	$283,746	−$2,616,174

Use	Underwritten	Current	Change
Soft costs	$9,304,000	$9,458,200	+$154,200
Financing costs excl. interest	$1,032,000	$1,188,000	+$156,000
Interest (model, through payoff)	$3,989,978	$3,790,352	−$199,625
Total development cost	**$88,765,898**	**$92,971,298**	**+$4,205,401**

Sources

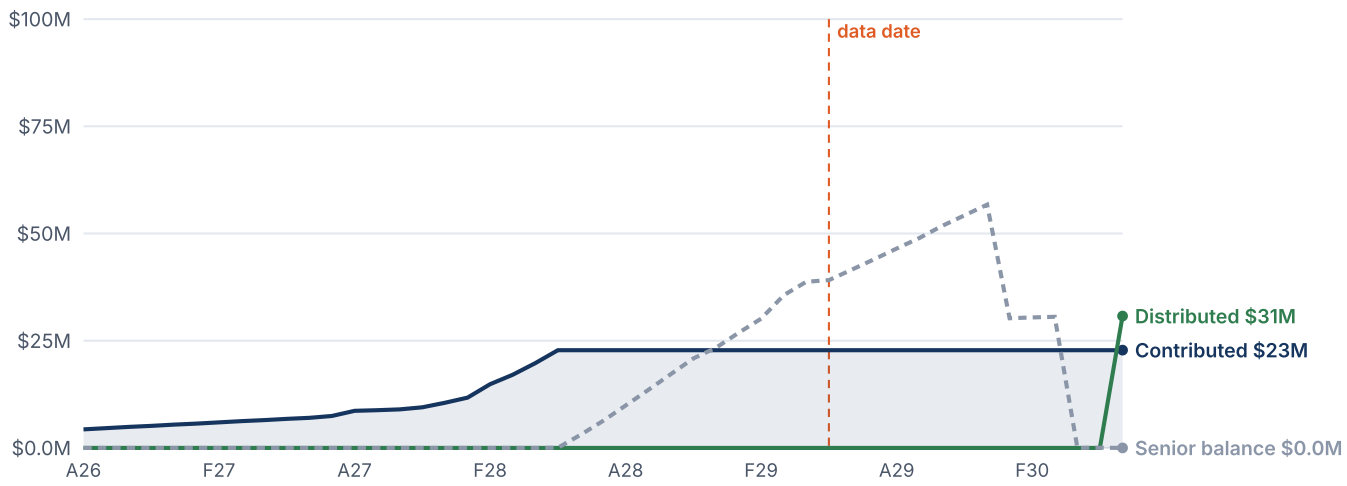
Source	UW committed	UW funded	Current committed	Current funded
Senior loan (Dollar Bank)	$58,200,000	$57,404,986	$61,000,000	$60,028,673
URA TIF note	$10,300,000	$10,159,302	$10,300,000	$10,135,989
Equity	—	$21,201,610	—	$22,806,636
Total sources = total development cost		**$88,765,898**		**$92,971,298**

Funded sources tie to total development cost to the dollar. Equity funds first (equity-first loan) and tops up whenever the loan would fall out of balance. The difference between committed and funded is undrawn commitment at payoff.

3. Returns and what moves them

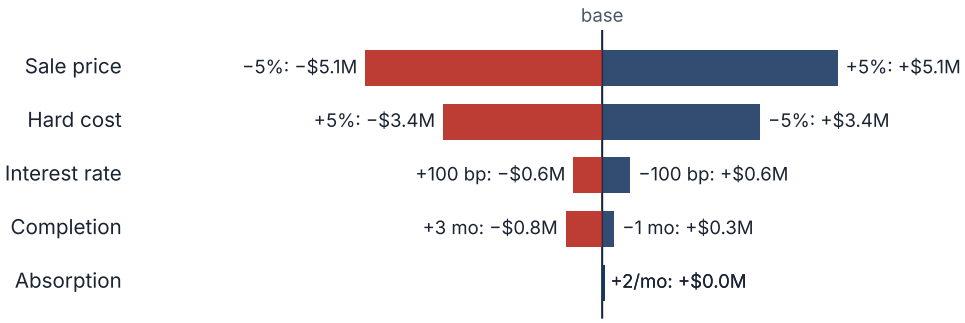
Equity multiple **1.348×** against 1.477×; levered IRR 11.42% against 13.67%. Sale price and hard cost dominate: a 5% move in either is worth about $5.1M–$3.4M of profit. Absorption moves timing, not profit — it shows in IRR only.

Measure	Underwritten	Current	Change
Levered IRR	13.67%	11.42%	−226 bp
Unlevered IRR	9.80%	8.63%	−117 bp
Equity multiple	1.477×	1.348×	−0.128×
Profit	$10,105,653	$7,944,432	−$2,161,221
Margin on net sellout	10.2%	7.9%	−235 bp
Return on cost	11.4%	8.5%	−284 bp
Net sellout	$98,871,551	$100,915,730	+$2,044,179
Equity contributed	$21,201,610	$22,806,636	+$1,605,026
Equity distributed	$31,307,263	$30,751,068	−$556,195



Equity in and out, and the senior balance. Contributions to the data date are modelled from the funding waterfall; distributions begin once the senior loan and the TIF note are repaid from closings.

`model CURRENT months`



Profit sensitivity around the $7.94M base case; each driver flexed alone.

`finance/model.ts sensitivities()`

The same drivers on levered IRR

Driver	Flex	IRR low case	IRR high case
Sale price	±5% on every contract not yet closed	−5%: −705 bp	+5%: +624 bp
Hard cost	±5% of the hard-cost budget	+5%: −529 bp	−5%: +602 bp
Interest rate	±100 bp on the senior loan	+100 bp: −80 bp	−100 bp: +78 bp
Completion	3 months late / 1 month early	+3 mo: −189 bp	−1 mo: +70 bp
Absorption	±2 units/month on remaining sales	−2/mo: −2 bp	+2/mo: +0 bp

4. Debt and covenants

All four tests are computed. Loan-to-cost and loan-to-value pass with headroom; **the rental-conversion test fails at 0.803×**, which means the sales covenant is the only exit. The loan agreement itself is not in the record (INT-097), so every covenant here runs on SIMULATED terms until it is delivered.

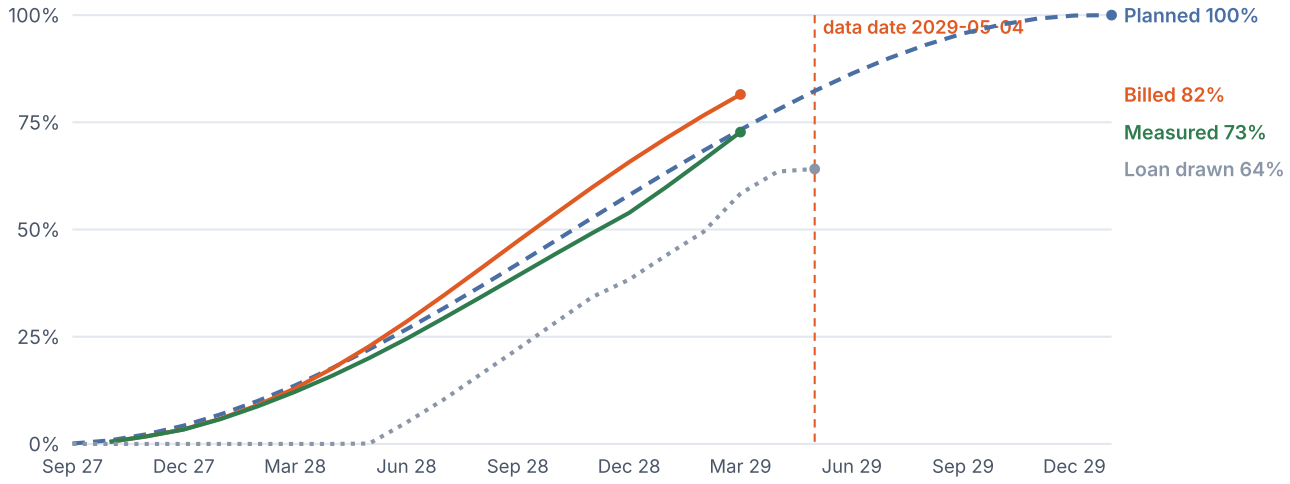
Test	Reading	Requirement	Headroom	Binding?
Loan to cost (senior)	65.61%	≤ 70%	439 bp	no
Loan to cost (senior + TIF)	76.69%	disclosure	—	no
Loan to value (net sellout)	60.45%	≤ 66%	555 bp	no
DSCR at rental conversion	0.803×	≥ 1.20×	$20,179,697 paydown	**yes — fails**
Debt yield (rental NOI ÷ loan)	6.09%	disclosure	—	—
Presale (81 units, 35%)	met 2028-08	by 2028-07-31	1 month late (D-028 equity bridge)	cured
Maturity	payoff 2030-04	before 2030-08-20	no extension needed	no

What the conversion test means

If sales stopped today, the building would have to be refinanced as rentals. At $2,180/unit/month the rental NOI of $3,715,374 supports a loan of about $40,820,303; the owner would need $20,179,697 — about 52 conveyances at 90% release — before the lender's 1.20× test is met. D-005 recorded "no rental fallback"; this is that decision's measured price.

5. The development curve

At Mar 29 the contractor has billed **81.5%** of the GMP against **72.7%** measured in place — 8.8 points, about $6,134,238 paid ahead of work. Plan stands at 73.3% and the loans are 64.1% drawn.



Four series, one contract, one clock. A widening gap between billed and measured is front-loading; the planned line is a cost-loaded S-curve between NTP and substantial completion because the native cost-loaded baseline is not in the record.

`requisitions (RECORD; periods INFERRED) · sov_lines measured (SIMULATED) · planned INFERRED · drawn = model`

6. Development control grade and the 35 risk areas

Index **57.2** — grade **E** (provisional). 53 of 60 applicable tests scored (88%); 11 red, 22 amber, 20 green, 7 unknown. Over four weeks the index moved −0.9 points.

01 Acquisition Risk Analysis **B** 83	02 Due Diligence and Site Evaluation **D** 67	03 Schematic Highest and Best Use **A** 100	04 Financial and Market Analysis **C** 75 ▼ -25	05 Capital Stack and Underwriting **E** 50 ▼ -25
06 Purchase and Loan Agreements **E** 50	07 Conceptual Design **A** 100	08 Entitlement and Regulatory **B** 83	09 Design Development **A** 100	10 Specifications and Construction Documents **A** 100
11 Pre-Construction **E** 50	12 Guaranteed Maximum Price **E** 50	13 Procurement Gaps and Risks **C** 75	14 Long Lead Items and FF&E **F** 0	15 Excavation and Foundation **F** 0
16 Structure and Facade **E** 50	17 Elevator and MEP **E** 50	18 Finishes **F** 0	19 Monthly Draw and Reporting **F** 25	20 Change Order Analysis **E** 50 ▼ -17
21 Cost Intelligence **E** 50	22 Schedule Intelligence **F** 0	23 Project Management **E** 50	24 Field Supervision and Quality Control **?** not assessed	25 Manpower and Productivity Risks **?** not assessed
26 Site Safety Management **?** not assessed	27 Building Inspections **A** 100	28 Controlled Inspections **?** not assessed	29 Commissioning **E** 50 · 1 unk	30 Post Amendment Approvals **E** 50
31 Marketing and Sales **A** 100	32 Temporary Certificate of Occupancy **F** 0	33 Turnover and Move-In **n/a** not yet in stage	34 Notices, Claims and Dispute Records **A** 100 · 1 unk	35 Final Certificate of Occupancy **n/a** not yet in stage

Grade A B C D E F ? not assessed (record missing) n/a not yet in stage · arrow = 4-week direction beside the grade, not part of it

Records the grade could not use — and who owes them

Area	Test	Owed by	Gap
24 Field Supervision and Quality Control	Per-floor survey (plumb, flatness) register	CM / Surveyor	Per-floor survey register not in the record
24 Field Supervision and Quality Control	QA/QC inspection log	CM	QA/QC log not in the record
25 Manpower and Productivity Risks	Manpower against plan by trade	CM	Daily manpower logs not in the record
26 Site Safety Management	Recordable incident rate and inspections	CM / Safety	Safety log not in the record
28 Controlled Inspections	Special (controlled) inspection reports	Special inspector	Special inspection reports not in the record
29 Commissioning	Commissioning plan (OPR / Cx plan)	Cx agent	Owner's Project Requirements and Cx plan not in the record
34 Notices, Claims and Dispute Records	Notice and claims register	Owner's Rep	Notice register not in the record

7. What the owner must act on

10 investment findings carry a remedy, an owner and a closing test. The full set of 23 findings across all areas is in the WDI (C2).

K05.4 · AREA 05 — CRITICAL

Capital Stack and Underwriting: Rental-conversion coverage (no-sale fallback)

FACT	0.803× vs 1.20× (paydown $20.18M ≈ 52 conveyances) CZ CALC
ANALYSIS	Test: ≥1.20× GREEN · 1.00–1.20× AMBER · <1.00× RED. Reading is **RED**.
CONSEQUENCE	Area 05 grades E (50); this reading costs the area 100 points on this KPI.

Remedy. Keep the sales covenant as the only exit: no conversion is financeable without a paydown of this size; record it in the risk register as R-003's measured consequence **Owner:** Owner / Lender · **Due:** standing · **Closes when:** senior balance below the supportable loan

SOURCE `pf_assumptions rental_* (SIMULATED) · loan_terms`

K06.1 · AREA 06 — CRITICAL

Purchase and Loan Agreements: Executed loan agreement in the record (INT-097)

FACT	Not delivered SIMULATED
ANALYSIS	Test: received = GREEN. Reading is **RED**.
CONSEQUENCE	Area 06 grades E (50); this reading costs the area 100 points on this KPI.

Remedy. Deliver the executed loan agreement, draw history and takeout sheet; every covenant test here runs on SIMULATED terms until then **Owner:** Owner / Lender · **Due:** 10 business days · **Closes when:** INT-097 and INT-099 received; covenants re-tested on the instrument

SOURCE `intake_status INT-097`

K20.2 · AREA 20 — CRITICAL

Change Order Analysis: Owner contingency remaining

FACT	exhausted — overrun $1,336,850 CZ CALC
ANALYSIS	Test: ≥50% left GREEN · 0–50% AMBER · overrun RED. Reading is **RED**.
CONSEQUENCE	Area 20 grades E (50); this reading costs the area 100 points on this KPI.

Remedy. Fund the overrun by capital call and reset a contingency for the remaining 8 months of work **Owner:** Owner · **Due:** before the next draw · **Closes when:** loan in balance with a funded contingency

SOURCE `budget_lines HRD-CON (3.9% of GMP) — executed change orders`

K22.1 · AREA 22 — CRITICAL

Schedule Intelligence: Native schedule file in the record

FACT	Baseline as 36-row CSV + PDF only; no native P6/XER SIMULATED
ANALYSIS	Test: native file = GREEN. Reading is **RED**.
CONSEQUENCE	Area 22 grades F (0); this reading costs the area 100 points on this KPI.

Remedy. Contract demand under the CM agreement for the native baseline and every monthly update **Owner:** CM / Scheduler · **Due:** 10 business days · **Closes when:** XER received; float and critical path computed

SOURCE `intake_status INT-112, INT-115`

K19.1 · AREA 19

HIGH

Monthly Draw and Reporting: Billed against measured, whole contract

FACT	8.8 pts ($6,134,238 billed ahead) at PA-018 SIMULATED
ANALYSIS	Test: <3 pts GREEN · 3–6 AMBER · ≥6 RED. Reading is **RED**.
CONSEQUENCE	Area 19 grades F (25); this reading costs the area 100 points on this KPI.

Remedy. Hold the gap in retainage: certify at measured on every line above 5 pts **Owner:** Owner's Rep · **Due:** next pay application · **Closes when:** whole-contract gap under 3 pts

SOURCE `sov_lines billed_to_date − measured_to_date ÷ scheduled`

K22.2 · AREA 22

HIGH

Schedule Intelligence: Schedule updates since baseline

FACT	None since the 3 Mar 2028 baseline (428 days) SIMULATED
ANALYSIS	Test: update within 45 days = GREEN. Reading is **RED**.
CONSEQUENCE	Area 22 grades F (0); this reading costs the area 100 points on this KPI.

Remedy. Require a native update with each pay application; withhold certification of the GC line without it **Owner:** Owner's Rep · **Due:** next pay application · **Closes when:** current update received

SOURCE `intake_status INT-115 · cm_reports (PDF narrative only)`

K04.1 · AREA 04

MEDIUM

Financial and Market Analysis: Forecast profit against underwriting

FACT	$7.94M vs $10.11M (79%) CZ CALC
ANALYSIS	Test: ≥90% of underwritten GREEN · 70–90% AMBER · <70% RED. Reading is **AMBER**.
CONSEQUENCE	Area 04 grades C (75); this reading costs the area 50 points on this KPI.

Remedy. Re-underwrite: stop further owner-scope change and price the remaining estimate-class lines **Owner:** Owner · **Due:** next monthly cycle · **Closes when:** forecast profit back within 10% of underwriting

SOURCE `model CURRENT vs UNDERWRITTEN`

K05.1 · AREA 05

MEDIUM

Capital Stack and Underwriting: Equity requirement against underwriting

FACT	$22.81M vs $21.20M (+7.6%) CZ CALC
ANALYSIS	Test: ≤5% over GREEN · 5–15% AMBER · >15% RED. Reading is **AMBER**.
CONSEQUENCE	Area 05 grades E (50); this reading costs the area 50 points on this KPI.

Remedy. Notice the additional capital call to members now; size it to the in-balance deficiency, not the overrun to date **Owner:** Owner · **Due:** before the next draw · **Closes when:** call funded and the loan in balance

SOURCE `model funding waterfall (equity first, in-balance)`

K06.4 · AREA 06

MEDIUM

Purchase and Loan Agreements: Interest-rate protection

FACT	Floating at 6.50% all-in; no cap or swap in the record SIMULATED
ANALYSIS	Test: hedged = GREEN · unhedged with < 1 year to payoff = AMBER. Reading is **AMBER**.
CONSEQUENCE	Area 06 grades E (50); this reading costs the area 50 points on this KPI.

Remedy. Price a 12-month cap at +100 bp strike against the $0.6M profit exposure in the rate sensitivity **Owner:** Owner · **Due:** 30 days · **Closes when:** cap bought or the exposure accepted in writing

SOURCE `loan_terms all_in_rate_pct note`

K19.2 · AREA 19

MEDIUM

Monthly Draw and Reporting: Pay-application dates usable

FACT	period_ending is 2027-10-31 on all 24 rows; periods INFERRED monthly INFERRED
ANALYSIS	Test: dated per period = GREEN. Reading is **AMBER**.
CONSEQUENCE	Area 19 grades F (25); this reading costs the area 50 points on this KPI.

Remedy. Re-issue the requisition log with true period-ending and certification dates **Owner:** CM · **Due:** 10 business days · **Closes when:** dated log received; aging recomputed

SOURCE `requisitions.csv (PROVENANCE defect 1) · requisition_periods`

8. Record, method and limits

What the record holds at the data date

- Change orders: 2 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- Decision log: 3 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- Decision log: 1 row(s) carry no date in the source; used as the register stood, and disclosed.
- Sales absorption: 13 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- Pay applications: 6 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- G703 schedule of values: 240 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- Intake status: 23 row(s) dated after 2029-05-04 excluded (not knowable at the data date).
- Risk register rows carry no identified-on date in the source; dates are INFERRED from each row's own trigger (risk_identified.csv).
- Pay-application periods are INFERRED monthly from NTP; the datapack's period_ending column is defective (PROVENANCE defect 1). A pay application is knowable 12 days after its period ends.
- Soft-cost actuals are not in the record; soft costs are spent on the budget plan (ASSUMPTION).
- Sales after the data date are forecast at the trailing-three-month pace; closings follow three cumulative TCO blocks (D-026).

Method

- Grading: CZ KPI catalog v0.1 (proposed, 27 Oct 2026). Points GREEN 100 · AMBER 50 · RED 0 · UNKNOWN excluded. Area score = mean of scored KPIs; index = equal weight per area (Ken, 10 Sep 2026). Bands A ≥90 · B ≥80 · C ≥70 · D ≥60 · E ≥50 · F <50 (lib/grade-scale.ts). "Provisional" whenever any applicable KPI is UNKNOWN.
- Trajectory (4-week direction and change) is computed by the same engine at the data date minus 28 days and printed beside each grade; it never enters the grade.
- As-of rule: every register is read through `AsOfView` — a row enters only if its known-at date is on or before the data date. Rows dated later are excluded and counted; undated rows are used as the register stood and disclosed.
- Underwritten vs current: both cases run through one cash-flow engine; the underwritten case uses the underwriting budget and price list with the capital stack as committed, the current case uses the record to the data date and forecasts the remainder by stated rules.
- Interest: 6.50% all-in on the drawn senior balance, monthly; TIF note non-interest-bearing to the project and repaid from net proceeds after the senior loan (SIMULATED term — if the note is serviced by tax increment instead, equity returns rise by up to $10.3M).
- Rental conversion: NOI = units × rent × 12 × (1 − vacancy) × (1 − opex ratio); debt service on the full commitment at 6.50%, 30-year amortization.

9. Sources

- Datapack (RECORD): `data/datapack/smallman-sim/*.csv` — 12 files, 253 rows, byte-identical to Egnyte `/Shared/11 - ClaimZero/WDI Build Package/datapack/` (PROVENANCE.md, SHA-512 verified).
- Simulated registers (SIMULATED): `data/datapack/smallman-sim/sim/*.csv`, generated by `scripts/generate-smallman-sim.ts` (deterministic); basis of every value in FINANCIAL_LAYER_DERIVATION.md.
- Grading: `lib/report-program/grading/` — KPI catalog v0.1 (proposed), 35 areas approved 18 Oct 2026; grade bands `lib/grade-scale.ts`.
- Finance: `lib/report-program/finance/model.ts` — monthly cash-flow model, funding waterfall (equity first, in-balance), release at 90% of net proceeds (D-004).
- Reference layout: Project Command Center (Ken, screenshot 26 Oct 2026) and lib/command-center/p51-board.ts (frozen W140 reading; its CO-012/013 and D-032–D-034 counts are future evidence at W140 and are not used here).