



VERSION E / SEPTEMBER 2026

Oak Ridge Professional Center

Lender Ready Financing Package

Commercial acquisition and construction financing

FINANCING REQUEST	IDENTIFIED PROJECT COST	BALANCE TO FUND
\$3.80 million	\$4.48 million	\$680,000

Borrower Mercer Development Group, LLC

Location NE corner of Oak Ridge Boulevard and County Line Road, Tampa Bay area, Florida

Prepared by FOND for commercial financing review

FICTIONAL DEMONSTRATION AND TRAINING SAMPLE

This sample demonstrates how FOND could restructure an incomplete borrower submission. Items requiring borrower verification or third-party support are expressly identified and are not represented as verified facts.

Readiness conclusion The project concept may warrant further review, but the submission is not yet complete. Cost reconciliation, equity verification and supported repayment analysis remain necessary before final lender submission.

Executive financing summary

Mercer Development Group, LLC proposes to acquire an approximately 3.2-acre site and develop Oak Ridge Professional Center, a planned two-story professional/medical office building of approximately 25,000 square feet. The proposed project is intended to serve medical, dental and professional-service users seeking newer space with visibility and access in the surrounding market.

The borrower is seeking approximately \$3.80 million of construction financing. Based on the borrower's preliminary line-item budget, however, the currently identified project costs total approximately \$4.48 million, not \$4.40 million as stated in the original submission. The proposed sources of funds therefore do not presently reconcile and must be corrected before lender submission.

FOND's review also identified material items that require support before the package should be presented as lender-ready: documented site control, verified borrower cash equity and liquidity, a current personal financial statement, final design responsibility, a qualified general contractor and written construction pricing, permitting status, market/rent support, and a defensible construction/lease-up/refinance schedule.

Accordingly, this revised package distinguishes between borrower-supplied information, preliminary assumptions, and items still requiring verification. It does not assume that unsupported equity, value, schedule, or repayment claims will be accepted by a lender.

Financing request and proposed structure

Item	Current Request / Assumption	Status / Lender Issue
Loan request	\$3,800,000	Borrower request; final sizing subject to verified cost, equity, LTC/LTV and debt-service underwriting.
Purpose	Land acquisition + construction	Requires executed purchase agreement/site control and final construction budget.
Construction term	Borrower requested 24 months	Should be sized to a validated development schedule plus appropriate contingency.
Interest period	Interest-only requested	Terms to be determined by lender.
Guarantee	Borrower states guarantees can be discussed	Guarantor structure and financial capacity not yet documented.
Exit	Permanent refinance; secondary sale	Must be supported by stabilized NOI, value, lease-up and permanent-debt assumptions.

Borrower and sponsor track record

Borrower: Mercer Development Group, LLC. Managing Member: Daniel R. Mercer. The original submission states that Mr. Mercer has more than 15 years of construction, sales and real-estate-related experience and has worked with subcontractors, property owners and investors. A detailed resume/project history was referenced but not included in the materials reviewed.

The original submission states approximate net worth of \$1.5 million and describes credit as 'good,' but provides no current personal financial statement, liquidity schedule, credit authorization/report, tax returns, or verification of contingent liabilities. These items should be obtained before any conclusion is drawn regarding guarantor strength.

Sponsor experience must be evaluated against documented responsibility, relevant project scale and realized results. No project-level track record was included in the reviewed submission. The record below is an evidence request, not a completed sponsor project.

Project record field	Borrower disclosure	Supporting evidence required
Project name and type	Not supplied	Project schedule and description
Location	Not supplied	Address or property record
Sponsor role	Not supplied	Role, ownership interest and responsibility
Size	Not supplied	Area, units or other relevant scale
Total project or deal value	Not supplied	Budget or closing statement
Financing amount	Not supplied; applicability unconfirmed	Loan or closing records if applicable
Completion date and status	Not supplied	Completion record and dated project history
Outcome	Not supplied	Sale, refinance, operating or completion results
Supporting evidence	Not supplied	Source documents and corroborating references

For each relevant project, the borrower should identify Daniel R. Mercer's actual role and ownership interest, dates, value, debt and outcome, and provide corroborating records or references. Distinguish ownership and development responsibility from brokerage, sales, construction support or subcontractor coordination. Mark fields not applicable only after borrower confirmation.

Project status and preliminary budget

Project description and current status

Component	Borrower Submission	Required Before Final Submission
Site	Approx. 3.2 acres; asking price \$850,000	Executed purchase agreement/LOI, legal description, survey/title status and due-diligence period.
Building	Approx. 25,000 SF, two stories	Site-specific plans, area confirmation and design-development status.
Architect	Final architect TBD	Executed architectural agreement and responsibility for adaptation/final design.
General contractor	TBD	Qualified GC, written estimate/GMP or sufficiently developed budget and schedule.
Permitting	Not documented	Jurisdiction, entitlement/zoning confirmation, submission status, review path and estimated approval dates.
Leasing	No tenant LOIs	Leasing plan, broker engagement if applicable, target tenant pipeline and support for rent/absorption assumptions.

Preliminary project budget reconciled review

Cost Item	Borrower Amount	Review Note
Land purchase	\$850,000	Preliminary; supporting documentation required.
Closing / title / legal	\$45,000	Preliminary; supporting documentation required.
Building construction - 25,000 SF @ \$112/SF	\$2,800,000	Preliminary; supporting documentation required.
Sitework / parking / landscaping	\$285,000	Preliminary; supporting documentation required.
Architect / engineering	\$120,000	Preliminary; supporting documentation required.
Permits / impact fees	\$95,000	Preliminary; supporting documentation required.
Interest / loan costs	\$150,000	Preliminary; supporting documentation required.
Marketing / leasing	\$35,000	Preliminary; supporting documentation required.
Contingency	\$100,000	Preliminary; supporting documentation required.
TOTAL OF LINE ITEMS	\$4,480,000	Original package stated \$4,400,000; discrepancy = \$80,000.

Critical reconciliation item: the original sources schedule totaled \$4.40 million while the detailed uses total \$4.48 million. At a \$3.80 million loan request, the currently indicated funding gap/equity requirement is \$680,000 before any lender-required reserves, revised contingency, cost changes or excluded items. The original package identified only \$350,000 of cash plus \$250,000 of plans/predevelopment/'sweat equity'; lender treatment of non-cash contributions cannot be assumed.

Sources and operating assumptions

Sources of funds preliminary

Source	Amount	Treatment
Requested construction loan	\$3,800,000	Borrower request; subject to underwriting.
Verified borrower cash equity	TBD	Must be documented; original submission referenced \$350,000 but did not evidence funds.
Eligible predevelopment costs	TBD	Only documented, lender-eligible costs should be credited.
Unfunded balance based on current \$4.48MM uses	\$680,000 less eligible verified credits	Must be resolved before final lender package.

Operating Projections Underwriting Review

The borrower's original projection used occupancy of 60% / 85% / 95% / 95% and referenced rents around \$31/SF, but the rental-income figures do not transparently reconcile to a stated rentable-area assumption, rent commencement schedule, concessions, tenant improvements, leasing commissions, expense recoveries, or annual escalations. FOND would not present those projections as final lender underwriting without a supporting assumptions schedule.

Assumption	Borrower Position	Required Support / Revision
Rentable area	Approx. 25,000 SF building	Confirm gross vs. rentable SF and efficiency factor.
Base rent	Approx. \$29-\$32/SF; \$31/SF referenced	Provide current comparable leases/listings and clarify NNN/full-service structure.
Occupancy	60% Y1; 85% Y2; 95% Y3+	Tie to monthly/quarterly lease-up schedule and market absorption.
CAM/other income	\$40K-\$78K	Define reimbursable expenses and recovery assumptions.
Operating expenses	\$145K-\$190K	Build line-item expense budget including reassessed taxes, insurance, utilities/common area, management and reserves.
Tenant costs	Not shown	Add TI, LC, free rent and turnover assumptions where applicable.

Information status All borrower amounts and project assumptions in this fictional scenario remain unverified. Arithmetic reconciliation does not establish cost eligibility, liquidity, value or creditworthiness.

Repayment and exit analysis

Primary proposed exit: refinance the completed project into permanent financing after sufficient lease-up and stabilization. This is a reasonable category of exit, but the original submission did not demonstrate that permanent loan proceeds would be sufficient to retire the construction debt.

Before lender submission, the refinance analysis should show: (1) stabilized NOI supported by a detailed operating model; (2) a supported capitalization-rate/value assumption; (3) permanent lender LTV and DSCR assumptions; (4) estimated permanent loan proceeds; and (5) a sensitivity case for slower lease-up, lower rents, higher expenses and/or a higher exit cap rate.

Secondary exit: sale of the completed project. The original submission referenced an estimated value range of \$5.5-\$6.5 million and separately used a \$6.0 million value, but no appraisal, broker opinion, comparable-sale analysis or internally consistent capitalization calculation was supplied. The stated \$625,000 NOI at a 6.5% capitalization rate mathematically implies approximately \$9.62 million of value, not \$6.0 million. This discrepancy must be resolved rather than carried into a lender package.

Repayment decision sequence

1 COMPLETE AND LEASE	2 ESTABLISH STABILIZED NOI	3 SIZE PERMANENT DEBT
Supported construction and absorption schedule	Documented rents, expenses, TI/LC and recoveries	Apply both LTV and DSCR constraints

Permanent proceeds after transaction costs must cover the construction balance and other required payoff amounts. If proceeds fall short, identify documented additional equity, a supportable alternative financing structure or sale proceeds. No successful exit is established in this sample.

Value reconciliation requiring resolution

BORROWER INPUT	MATHEMATICAL RESULT	UNDERWRITING STATUS
\$625,000 NOI / 6.5% cap rate	Approximately \$9.62 million implied value	Conflicts with stated \$6.0 million value; not verified

06 / EXECUTION MILESTONES

Development timeline

The original timeline is not presently supportable because several critical path items are still undefined. A lender-facing schedule should be milestone-based and should begin with the actual status of site control, design and governmental approvals rather than assume immediate construction.

SITE CONTROL > DESIGN AND APPROVALS > GC PRICING > CONSTRUCTION > LEASE UP > STABILIZATION AND REFINANCE

Milestone	Original Statement	Revised Lender-Ready Treatment	Evidence Needed
Site control / closing	30-60 days after financing	Potentially achievable only if contract, diligence and closing conditions support it.	Purchase agreement/LOI; title; survey; diligence schedule.
Design / engineering	60-90 days with permitting	Do not combine final design and permitting until scope/status are verified.	Architect/engineer schedule; site-specific plans.
Entitlements / permits	Included in 60-90 days	TBD based on jurisdiction, zoning and submission status; add review/resubmittal contingency.	Zoning/entitlement confirmation; permit matrix; agency schedule.
GC pricing / contract	Not separately scheduled	Must occur before final construction budget and lender closing requirements are satisfied.	Bid/GMP; GC agreement; schedule of values.
Construction	Approx. 10 months	Treat as preliminary until GC provides a critical-path schedule; include weather/inspection/utility contingency.	GC construction schedule.
Preleasing / lease-up	Starts during construction; substantially complete within 6 months after	Model separately from construction; tie occupancy to documented leasing assumptions.	Leasing plan; broker input; tenant pipeline/LOIs.
Stabilization / refinance	12-18 months	TBD; likely dependent on completion plus lease-up and lender-required stabilization.	Permanent debt assumptions and refinance model.

Sequence is illustrative. Parallel activities and milestone dates require confirmation by the project team; no firm start, completion or refinance date is established.

Market support and required information

Market Support Required

The original package relies primarily on general statements regarding traffic, residential growth and observed asking rents. Prior to final lender submission, the file should include concise, source-identified support for competing properties, asking/achieved rents where available, vacancy/occupancy, new supply, absorption, relevant medical/professional demand drivers and comparable sales or capitalization evidence. Unsupported promotional language should be minimized.

Conditions and Information Required to Complete Package

1. Executed purchase agreement, LOI or other evidence of site control, including purchase price and key dates.
2. Current personal financial statement for each proposed guarantor and evidence of liquidity/equity funds.
3. Borrower/entity organizational documents and ownership schedule.
4. Detailed sponsor resume and relevant completed-project history.
5. Site-specific architectural/civil status and professional contracts.
6. Written GC estimate or GMP, schedule of values and preliminary construction schedule.
7. Zoning/entitlement/permit status and expected governmental review path.
8. Detailed sources-and-uses schedule that fully reconciles.
9. Documentation of eligible predevelopment costs proposed as equity credit.
10. Rent/comparable support and leasing strategy; tenant pipeline/LOIs if any.
11. Detailed operating pro forma with explicit rent, occupancy, reimbursements, expenses, TI/LC and escalation assumptions.
12. Refinance and sale exit analyses that mathematically reconcile to NOI/value/debt assumptions.

FOND preliminary readiness conclusion

The project concept may warrant further financing review, but the materials originally submitted are not yet sufficient for a disciplined lender presentation. The principal deficiencies are not cosmetic: they concern equity verification, cost reconciliation, sponsor financial capacity, project team/status, schedule support, operating assumptions and repayment analysis.

Upon receipt and verification of the outstanding information above, the package can be converted into a final lender-facing submission with a concise executive financing narrative, reconciled sources and uses, supported financial projections, milestone schedule, repayment analysis and indexed supporting exhibits.

This document is a fictional training sample. FOND has not independently verified any borrower, property, market, cost, value, credit, legal, tax, engineering or financial information reflected in the scenario.

Original submission issues identified

1. Detailed project budget totals \$4.48MM, while stated total and sources equal \$4.40MM.
2. \$3.80MM loan plus stated \$350K cash plus \$250K non-cash/predevelopment contributions equals \$4.40MM, leaving the \$80K budget discrepancy unresolved.
3. Borrower cash equity and liquidity are not documented.
4. 'Sweat equity' is treated as a funding source without evidence that a lender would recognize it.
5. Property is not shown as under executed contract.
6. Architect and GC are TBD; construction estimate is described as verbal/preliminary.
7. No tenant LOIs; leasing and absorption claims are unsupported.
8. Operating projections lack a transparent assumptions schedule.
9. Stated stabilized NOI/cap-rate calculation conflicts materially with the stated project value.
10. Timeline combines or compresses design, permitting, construction, lease-up and refinance without critical-path support.
11. Personal guarantee capacity is asserted but not documented.
12. Exit alternatives are listed but not underwritten.