

****FINANCIAL CASE STUDY****

****The Biscayne****

An 800-Unit Multifamily Worked Example

Door Fee Model vs. ****ResTech360 Partnership****

Present Value Analysis at 7% Discount Rate

****Companion to the ResTech360 + SG Group Strategic Partnership Proposal****

****Prepared by****

****ResTech360 / RAS3 Communications ****&**** Consulting****

Miami, Florida

**Executive Summary**

This case study applies the financial framework presented in the ****ResTech360 + SG Group Strategic Partnership Proposal**** to a representative 800-unit multifamily property and quantifies the developer's economic outcome under each model over a 10-year hold period.

This case study uses the partnership proposal's revised base-case assumptions, including the conservative DOOH advertising revenue line of ****\$10/unit/month**** and the public-benchmark-aligned bulk Internet wholesale of \$20/unit/month. Cash flows are valued using a ****7% discount rate****, consistent with multifamily ancillary-income discounting practices.

| ****Headline Result**** ****Over the 10-year hold, The Biscayne****'****s owner captures \$1,685,660 in present-value cash flow under the ResTech360 partnership versus \$168,566 under a Hotwire-style door fee 800-unit Class A multifamily community, Miami, FL (fictitious)**

- ****Hold period: **10 years, stabilized cash flow assumed from Year 1 (see Modeling Framework)**

- ****Door fee benchmark: **\$30/unit/year (Hotwire-class exclusive)**

- **ResTech360 developer share: **\$300/unit/year (base case, ~42% of total profit pool, matching the revised partnership proposal)

- **Advertising revenue assumption: **\$10/unit/month (DOOH revenue-share base case, matching the revised partnership proposal; operated-ad upside addressed in Sensitivity)

- **Discount rate: **7%

- **Cap rate (for asset value uplift): **6%

**The Biscayne see methodology) |
Hold period	10 years
Resident profile	Mixed urban professional and young-family demographic
Technology context	Greenfield low-voltage design; no incumbent carrier exclusive

The Biscayne is presumed to enter the partnership **at the design phase**, before low-voltage architecture is finalized. This is the optimal entry point for the ResTech360 partnership Standard tier** | \$50.00 | \$20.00 | \$30.00 | 90% | **\$27.00** |
Internet		\$15.00	100%	**\$15.00	
Advertising		\$10.00	(\$10.00)	100%	**(\$10.00)
Total Profit Pool / Unit / Month					**\$60.00**
Total Profit Pool / Unit / Year					**\$720.00**

Profit-Share Allocation

The **\$720/unit/year** profit pool is shared between SG Group and ResTech360 under the partnership agreement. This case study uses a developer share of **\$300/unit/year**, which represents approximately **42%** of the profit pool. This is the base case 18 month lease-up would moderate Year 1 and Year 2 cash flows; this is addressed in the Sensitivity section. The simplified assumption is conservative for the differential 3% annually, which would push the ResTech360 cash flows higher in later years; the door fee is typically flat. This omission is conservative.

- **Discount rate: **7%, applied as $1/(1+r)^t$ for each year t.

- **Cap rate (for asset value uplift): **6%, conservative for stabilized South Florida Class A multifamily.

Scenario A: Door Fee Model

Under the door fee model, The Biscayne enters into a 10-year exclusive services agreement with a single MDU carrier (Hotwire-class). The carrier pays the developer a flat per-unit access fee and retains all subscription revenue from residents.

Door Fee Cash Flow

	<u>**Per unit per year**</u>		<u>\$30</u>	
	<u>---</u>		<u>---</u>	
	<u>**Units**</u>		<u>800</u>	
	<u>**Annual cash flow to developer**</u>		<u>**\$24,000**</u>	
	<u>**Hold period**</u>		<u>10 years</u>	
	<u>**Cumulative 10-year value (undiscounted)**</u>		<u>**\$240,000**</u>	
	<u>**Present value at 7% discount rate**</u>		<u>**\$168,566**</u>	

Characteristics

- **Revenue source: Single flat per-unit payment, contractually defined.

- **Upside: None Internet (standard + premium), TV, IoT, advertising, less monitoring cost.

- **Predictability: Moderate vendor contracts are renegotiated as the market evolves; the partnership is not locked into any single carrier.

- **Asset value at 6% cap (capitalizing the recurring developer share): ****\$4,000,000**

Side-by-Side Comparison

The two scenarios are compared across three lenses: cumulative undiscounted value, present value at 7%, and asset value impact at a 6% cap rate.

	<u>**Metric**</u>		<u>**Door Fee**</u>		<u>**ResTech360**</u>		<u>**Differential**</u>	
	<u>---</u>		<u>---</u>		<u>---</u>		<u>---</u>	
	<u>Annual cash flow to developer</u>		<u>\$24,000</u>		<u>\$240,000</u>		<u>**+\$216,000</u>	
	<u>(10.0x)**</u>							
	<u>Cumulative 10-year (undiscounted)</u>		<u>\$240,000</u>		<u>\$2,400,000</u>		<u>**+</u>	
	<u>\$2,160,000</u>		<u>(10.0x)**</u>					
	<u>**Present value at 7% discount rate**</u>		<u>**\$168,566**</u>					
	<u>**\$1,685,660**</u>		<u>**+\$1,517,094</u>		<u>(10.0x)**</u>			

| Asset value @ 6% cap (capitalized) | \$400,000 | \$4,000,000 |
+\$3,600,000 |
| Per unit asset value uplift @ 6% cap | \$500 | \$5,000 | **+
\$4,500 / unit** |

Reading the Comparison

Cumulative undiscounted value is the simplest framing a
\$2,160,000 differential.

Present value at 7% applies a discount rate consistent with
multifamily ancillary income evaluation, recognizing that a
dollar received in Year 10 is worth less than a dollar received
in Year 1. Even after discounting, the ResTech360 partnership
delivers **\$1,685,660** of present value versus **\$168,566** for
the door fee a per-unit valuation differential of approximately
\$4,500.

Year-by-Year Cash Flow Analysis

The table below details the cash flow and present value for each
year of the 10-year hold under both scenarios.

Annual cash flows: **\$24,000** (door fee, flat) | **\$240,000**
(ResTech360, flat). **Discount rate: ****7%**.

<u> **Year**</u>	<u> **Discount Factor**</u>	<u> **Door Fee PV**</u>	<u> **PV</u>	<u> **PV</u>	<u> </u>
<u> Differential**</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> ---</u>	<u> ---</u>	<u> ---</u>	<u> ---</u>	<u> ---</u>	<u> </u>
<u> **1**</u>	<u> 0.9346</u>	<u> \$22,430</u>	<u> \$224,299</u>	<u> **+\$201,869**</u>	<u> </u>
<u> **2**</u>	<u> 0.8734</u>	<u> \$20,963</u>	<u> \$209,625</u>	<u> **+\$188,663**</u>	<u> </u>
<u> **3**</u>	<u> 0.8163</u>	<u> \$19,591</u>	<u> \$195,911</u>	<u> **+\$176,320**</u>	<u> </u>
<u> **4**</u>	<u> 0.7629</u>	<u> \$18,309</u>	<u> \$183,095</u>	<u> **+\$164,785**</u>	<u> </u>
<u> **5**</u>	<u> 0.7130</u>	<u> \$17,112</u>	<u> \$171,117</u>	<u> **+\$154,005**</u>	<u> </u>
<u> **6**</u>	<u> 0.6663</u>	<u> \$15,992</u>	<u> \$159,922</u>	<u> **+\$143,930**</u>	<u> </u>
<u> **7**</u>	<u> 0.6227</u>	<u> \$14,946</u>	<u> \$149,460</u>	<u> **+\$134,514**</u>	<u> </u>
<u> **8**</u>	<u> 0.5820</u>	<u> \$13,968</u>	<u> \$139,682</u>	<u> **+\$125,714**</u>	<u> </u>
<u> **9**</u>	<u> 0.5439</u>	<u> \$13,054</u>	<u> \$130,544</u>	<u> **+\$117,490**</u>	<u> </u>
<u> **10**</u>	<u> 0.5083</u>	<u> \$12,200</u>	<u> \$122,004</u>	<u> **+\$109,803**</u>	<u> </u>
<u> **Total**</u>	<u> **7.0236**</u>	<u> **\$168,566**</u>	<u> **\$1,685,660**</u>	<u> **+\$</u>	<u> **+</u>
<u> \$1,517,094**</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The discount factor decays from **0.9346** in Year 1 to
0.5083 in Year 10, reflecting the diminishing present value of
more distant cash flows. Because both scenarios are flat annuities,

each year's PV differential is proportional to the corresponding year's discount factor base** | **7.0236** | **\$168,566** | **\$1,685,660** | **+\$1,517,094** |
| 8% | 6.7101 | \$161,042 | \$1,610,420 | **+\$1,449,378** |
| 10% | 6.1446 | \$147,470 | \$1,474,696 | **+\$1,327,226** |

Across the discount rate range from 5% to 10%, the present-value differential remains substantial base** | **\$240,000** |
\$1,685,660 | **+\$1,517,094 (10.0x)** |
| \$375/unit/yr (op-ad upside) | \$300,000 | \$2,107,074 | **+\$1,938,509 (12.5x)** |
| \$475/unit/yr | \$380,000 | \$2,668,961 | **+\$2,500,395 (15.8x)** |
|

Even at the most conservative profit-share assumption tested (\$200/unit/year), the ResTech360 partnership delivers
\$1,123,773 of present value 18 month lease-up would moderate Year 1 and Year 2 cash flows in both scenarios proportionally; the relative differential is largely preserved.

- **Escalators: **Modeling 2.5% annual resident-pricing escalation increases the ResTech360 PV by approximately 12 material to refinancing, recapitalization, or sale economics. Across a portfolio of multiple assets, the cumulative impact compounds quickly.

2. The differential survives conservative assumptions

The case study uses public-benchmark-aligned inputs throughout: bulk Internet wholesale at the conservative end of industry pricing, advertising revenue at a DOOH revenue-share level rather than an owner-operated ceiling, no escalators, no premium-tier upside beyond the modeled 10%, and a discount rate at the higher end of typical multifamily ancillary income discounting. Even with all five conservatisms applied simultaneously, the ResTech360 partnership delivers **10.0x the present value** of the door fee model. The partnership's value proposition is not dependent on aggressive assumptions.

3. Design-phase entry maximizes the result

The Biscayne is presumed to enter the partnership before low-voltage design is finalized. This is the optimal entry point, and the figures in this case study reflect a building engineered from day one to support the full revenue stack. Engaging the

partnership later meaningfully reduces the achievable result.

| ****Bottom Line**** ****The Biscayne under the ResTech360 partnership**
generates \$1,685,660 of present value to the developer over a 10-
year hold versus \$168,566 under a Hotwire-style door fee

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