

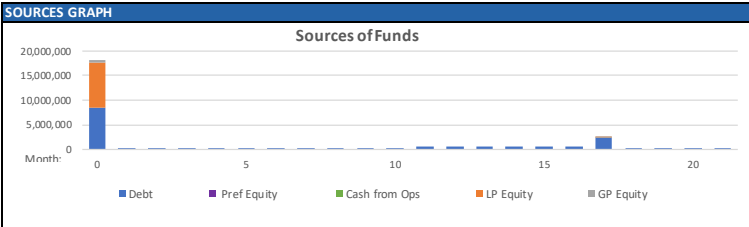
940 S HILL RETAIL ANALYSIS - INVESTOR SUMMARY

ANALYSIS START - MAR 2025
MODEL CREATED BY ALKALINE ADVISORS LLC

INVESTMENT DESCRIPTION			
Project Name	940 S Hill Retail Analysis		
Address	940 S Hill		
City, State, Zip	Los Angeles, CA		
Property Type	Retail		
Sponsor Name	TBD		
Acres	0.81 Acres		
FAR	0.94		
Gross Building Area	33,000 SF		
Net Square Footage	33,000 SF		
Building Efficiency Ratio	100.00%		
Project Timeline			
Project Start Date	Month 0	Mar-2025	
Construction Completion	Month 16	Jul-2026	
Stabilization	Month 21	Dec-2026	
Refinance Month	N/A	N/A	
Sale Month	Month 24	Mar-2027	

INVESTMENT RETURNS			
Metrics & Returns			
	<u>Unlevered</u>	<u>Levered</u>	
Distributions	32,958,817	16,618,485	
Contributions	(24,003,002)	(9,606,329)	
Profit	8,955,815	7,012,156	
IRR	19.90%	31.63%	
EMx	1.37x	1.73x	
ROI	37.31%	73.00%	

SOURCES & USES TABLE					
Sources					
	<u>%</u>	<u>/GSF</u>	<u>/RSF</u>	<u>Total</u>	
Debt	62.98%	495.16	495.16	16,340,332	
Cash from Operations	-	-	-	-	
LP Equity	35.17%	276.55	276.55	9,126,012	
GP Equity	1.85%	14.56	14.56	480,316	
Total Sources	100.00%	786.26	786.26	25,946,660	
Uses					
	<u>%</u>	<u>/GSF</u>	<u>/RSF</u>	<u>Total</u>	
Acquisition	69.18%	543.94	543.94	17,950,000	
Soft Costs	4.94%	38.87	38.87	1,282,680	
Hard Costs	9.89%	77.74	77.74	2,565,360	
1st Gen TI's & LC's	8.47%	66.56	66.56	2,196,415	
Interest + Loan Fees	7.49%	58.90	58.90	1,943,659	
Operating Shortfall	0.03%	0.26	0.26	8,547	
Total Uses	100.00%	786.26	786.26	25,946,660	



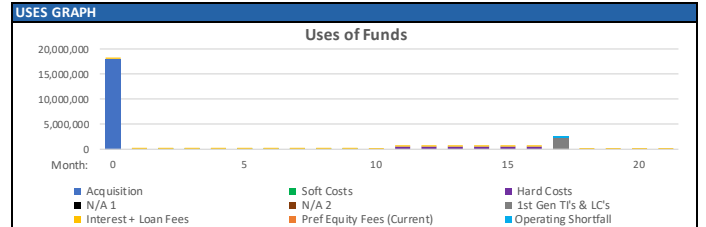
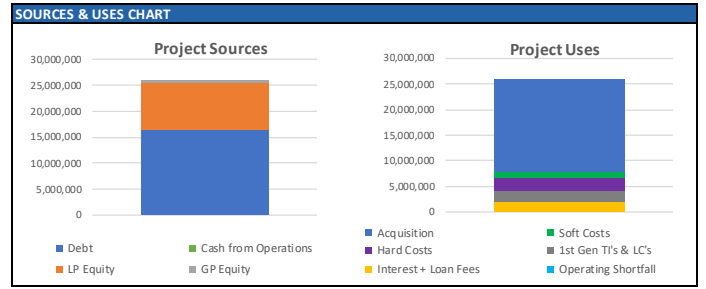
CONSTRUCTION LOAN NOTES	
<ul style="list-style-type: none"> Total financeable project costs pre-interest reserve: \$23,994,455 (60.00% LTC) Total loan amount including interest reserve and fees is \$16,340,332 (\$14,396,673 w/out reserve & fees) Total interest + loan fees are \$1,943,659, (Interest + loan fee reserves are \$1,943,659) Interest rate is floating at SOFR + 4.00% Loan payoff total is \$16,340,332 paid in month 24 	

SENSITIVITY ANALYSIS						
LEVERED IRR						
		<u>Sale Month</u>				
<u>Exit Cap</u>	22	23	24	25	26	
4.50%	48.92%	47.08%	45.20%	43.57%	42.02%	
4.75%	41.09%	39.68%	38.22%	36.96%	35.75%	
5.00%	33.72%	32.70%	31.63%	30.70%	29.81%	
5.25%	26.74%	26.08%	25.36%	24.74%	24.14%	
5.50%	20.11%	19.77%	19.37%	19.03%	18.70%	

SNAPSHOT			
Operations			
Revenues	2,409,942	<u>Stab. Mo 21</u>	<u>No Refi</u>
Expenses	(751,995)		<u>Sale. Mo 24</u>
Net Operating Income	1,657,947		1,670,337
Expense Ratio	31.20%		31.13%
NOI Capture	Forward 12		Forward 12
Cap Rate	5.00%		5.00%
Total Value	33,158,940		33,406,747
Development Spread			
Project Costs	25,946,660	<u>Stab. Mo 21</u>	<u>No Refi</u>
Untrended YOC	6.07%		<u>Sale. Mo 24</u>
Trended YOC	6.39%		6.07%
Cap Rate	5.00%		6.44%
Development Spread	139 bps		5.00%
Project Metrics ⁽¹⁾			
Cash on Cash	17.10%	<u>Stab. Mo 21</u>	<u>No Refi</u>
DSCR	N/A		<u>Sale. Mo 24</u>
Debt Yield	N/A		17.05%

(1) Cash on Cash, DSCR and Debt Yield metrics pull from first month after refinance.

DEAL NOTES	
<ul style="list-style-type: none"> The buyer acquires an existing retail building for redevelopment (33,000 RSF) Acquisition costs are \$17,950,000 total or \$543.94 per RSF Soft Costs costs are \$1,282,680 total or \$38.869 per RSF Hard Costs costs are \$2,565,360 total or \$77.74 per RSF 1st Gen TI's & LC's costs are \$2,196,415 total or \$66.56 per RSF Total project cost is \$25,946,660 and net project value at sale is \$33,406,747 	



IN-PLACE VS. MARKET RENT				
Tenant	RSF	In-Place	Market	Rent PSF/Yr.
New Tenant (Full Floor)	24,432	66.00	66.00	0.00%
Basement Space	8,568	12.00	12.00	0.00%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total/Average	33,000	78.00	78.00	0.00%

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ANALYSIS START - MAR 2025
MODEL CREATED BY ALKALINE ADVISORS LLC

ANNUAL SUMMARY

YEAR ENDING	Year 0 3/31/25	Year 1 3/31/26	Year 2 3/31/27	Year 3 3/31/28	Year 4 3/31/29	Year 5 3/31/30	Year 6 3/31/31	Year 7 3/31/32	Year 8 3/31/33	Year 9 3/31/34	Year 10 3/31/35
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CONSTRUCTION SCHEDULE											
Total Construction Costs Pre Interest Reserve	23,994,455	17,950,000	2,137,800	3,906,655	-	-	-	-	-	-	-
Loan Fees	160,000	-	-	-	-	-	-	-	-	-	-
Interest Owed	1,783,659	735,618	1,048,041	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees Accrued	1,943,659	160,000	735,618	1,048,041	-	-	-	-	-	-	-
Total Construction Costs	25,938,113	18,110,000	2,873,418	4,954,695	-	-	-	-	-	-	-

OPERATING STATEMENT											
Physical Occupancy	0%	0%	97%	97%	97%	97%	97%	97%	97%	97%	97%
Market Rent	-	-	1,000,608	1,745,346	1,797,707	1,851,638	1,907,187	1,674,990	2,115,477	2,178,941	2,244,310
Recoveries	-	-	375,502	754,950	776,233	798,120	820,629	602,547	639,856	657,916	676,488
Gross Potential Rent	-	-	1,376,110	2,500,296	2,573,940	2,649,758	2,727,816	2,277,537	2,755,333	2,836,857	2,920,798
Vacancy Loss	-	-	(41,283)	(75,009)	(77,218)	(79,493)	(81,834)	(68,326)	(82,660)	(85,106)	(87,624)
Free Rent	-	-	(403,128)	-	-	-	-	(348,227)	-	-	-
Other Rent Loss	-	-	-	-	-	-	-	-	-	-	-
Total Rental Income	-	-	931,699	2,425,287	2,496,721	2,570,265	2,645,981	1,860,984	2,672,673	2,751,751	2,833,174
Total Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	931,699	2,425,287	2,496,721	2,570,265	2,645,981	1,860,984	2,672,673	2,751,751	2,833,174
Total Operating Expenses	-	-	(384,049)	(754,950)	(776,233)	(798,120)	(820,629)	(785,507)	(863,635)	(888,009)	(913,076)
Net Operating Income	-	-	547,650	1,670,337	1,720,488	1,772,145	1,825,352	1,075,478	1,809,038	1,863,742	1,920,097
Total 2nd Gen TIs	-	-	-	-	-	-	-	(396,000)	-	-	-
Total 2nd Gen LCs	-	-	-	-	-	-	-	(488,079)	-	-	-
Replacement Reserves	-	-	(1,925)	(3,300)	(3,300)	(3,300)	(3,300)	(2,200)	(3,300)	(3,300)	(3,300)
Net Operating Income Less Capital Costs	-	-	545,725	1,667,037	1,717,188	1,768,845	1,822,052	189,199	1,805,738	1,860,442	1,916,797
Reserves Held	-	-	-	-	-	-	-	-	-	-	-
Reserves Paid	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	-	-	545,725	1,667,037	1,717,188	1,768,845	1,822,052	189,199	1,805,738	1,860,442	1,916,797

DRAW SCHEDULE - CAP STACK											
Partnership Equity											
Equity Required - Financeable	9,597,782	9,597,782	-	-	-	-	-	-	-	-	-
Equity Required - Non-Financeable	-	-	-	-	-	-	-	-	-	-	-
Total Equity Required	9,597,782	9,597,782	-	-	-	-	-	-	-	-	-
Construction Loan											
Debt Funded Pre Interest Reserves	14,396,673	8,352,218	2,137,800	3,906,655	-	-	-	-	-	-	-
Loan Repayment	(16,340,332)	-	-	(16,340,332)	-	-	-	-	-	-	-
Cumulative Balance	11,318,840	8,512,218	11,318,840	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Loan Fee (accrued)	160,000	160,000	-	-	-	-	-	-	-	-	-
Total Interest Owed	1,783,659	-	735,618	1,048,041	-	-	-	-	-	-	-
Interest Paid by CFs (current)	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest & Fees (accrued)	1,943,659	160,000	735,618	1,048,041	-	-	-	-	-	-	-
Total Construction Debt Funded	16,340,332	8,512,218	2,873,418	4,954,695	-	-	-	-	-	-	-

SALE VALUE											
Reversion Value	33,406,747	-	-	33,406,747	-	-	-	-	-	-	-
Selling Costs	(1,002,202)	-	-	(1,002,202)	-	-	-	-	-	-	-
Net Reversion Value	32,404,545	-	-	32,404,545	-	-	-	-	-	-	-

CONTRIBUTIONS & DISTRIBUTIONS											
Initial Contribution	(9,597,782)	(9,597,782)	-	(0)	-	-	-	-	-	-	-
Operating Shortfall	(8,547)	-	-	(8,547)	-	-	-	-	-	-	-
Total Equity Required	(9,606,329)	(9,597,782)	-	(8,547)	-	-	-	-	-	-	-
Distributions From Operations	554,272	-	-	554,272	-	-	-	-	-	-	-
Net Distributions from Refi & Disposition	16,064,213	-	-	16,064,213	-	-	-	-	-	-	-
Total Profit	7,012,156	(9,597,782)	-	16,609,938	-	-	-	-	-	-	-

YEAR ENDING	EMx	IRR	Profit	Year 0 3/31/25	Year 1 3/31/26	Year 2 3/31/27	Year 3 3/31/28	Year 4 3/31/29	Year 5 3/31/30	Year 6 3/31/31	Year 7 3/31/32	Year 8 3/31/33	Year 9 3/31/34	Year 10 3/31/35
NET CASH FLOWS														
Unlevered Cash Flow	1.37x	19.90%	8,955,815	(17,950,000)	(2,137,800)	29,043,615	-	-	-	-	-	-	-	-
Levered Cash Flow	1.73x	31.63%	7,012,156	(9,597,782)	-	16,609,938	-	-	-	-	-	-	-	-
Cash on Cash at Stabilization		17.10%	-	-	-	5.77%	-	-	-	-	-	-	-	-
DSCR at Refi (Net Reserves)		N/A (No Perm Debt)	-	-	-	-	-	-	-	-	-	-	-	-
Debt Yield at Refi		N/A (No Perm Debt)	-	-	-	-	-	-	-	-	-	-	-	-

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