

## Red Cliffs Storage Yard - 3-Year Projected Pro Forma

### Financial Summary

Category	Year 1	Year 2	Year 3
Rental Income	\$180,000	\$189,000	\$198,450
Vacancy Allowance	(\$9,000)	(\$9,450)	(\$9,923)
Billboard Income	\$42,000	\$42,000	\$42,000
Total Revenue	\$213,000	\$221,550	\$230,527

### Operating Expenses

Property Taxes	\$14,000	\$14,420	\$14,853
Insurance	\$4,000	\$4,120	\$4,244
Utilities	\$6,000	\$6,180	\$6,365
Maintenance	\$8,000	\$8,240	\$8,487
Management Fees	\$10,000	\$10,300	\$10,609
Marketing	\$3,000	\$3,090	\$3,183
Other Expenses	\$5,000	\$5,150	\$5,305
Total OpEx	\$50,000	\$51,500	\$53,046

Net Operating Income (NOI):   \$163,000   \$170,050   \$177,481

### Capital Expenditures & Other

CapEx	\$10,000	\$10,000	\$10,000
Loan Payments	\$96,000	\$96,000	\$96,000
Other Expenses	\$4,000	\$4,000	\$4,000
Total Other	\$110,000	\$110,000	\$110,000

Net Cash Flow   \$53,000   \$60,050   \$67,481

### Performance Metrics

Cap Rate:	5.4%	5.6%	5.9%
ROI:	10.6%	12.0%	13.5%

### Assumptions:

- 16 acres: 15 fenced, 7 paved, 8 shovel-ready
- \$1.5M improvements (roads, fencing, lighting, utilities)
- Raw ground basis: \$1.6M
- Total project basis: ~\$3.1M before commissions

- 7 billboards included
- 5% vacancy allowance used
- Rental rate: ~\$0.92/SF/month
- Accelerated depreciation applied for tax efficiency

#### Comparable Property Summary

Property	Size	Sale Price	Billboards	Notes
Subject Property	16 acres	< \$3.5M	7	15 fenced, 8 shovel-ready
North Adjacent Parcel	11 acres	\$1.1M	2 (excluded)	Narrower, unimproved

#### Depreciation Note:

Land improvements (15-year MACRS)

Buildings/structures (39-year MACRS)

Equipment (5-7 year MACRS)

Site utilities (15-20 year MACRS)

#### Seller Note:

The current owners are divesting to focus on other ventures under the Bar W family of companies. After significant investment in early infrastructure and entitlements, they are seeking a buyer who can complete the vision and deliver long-term value to the Nephi community.