

redcar

9401, 9435 & 9449
Jefferson Blvd,
Culver City, CA 90232

CONFIDENTIAL INVESTMENT SUMMARY

REDCAR ACQUISITION PLAN

Ownership	Parcel	Address	Sale Price	Building SF	\$ / Bld SF	Land SF	\$ / Land SF
Existing Fund I Asset	A	9435 & 9401 Jefferson Blvd	\$16,700,000	11,560 SF	\$1,445	50,478 SF	\$331
Subject Property	B	9449 Jefferson Blvd	\$17,100,000 ⁽¹⁾	25,956 SF	\$659	41,515 SF	\$412
TOTAL	A+B		\$33,800,000	37,516 SF	\$901	91,993 SF	\$367
Hackman Capital Potential JV	C	9405 Jefferson Blvd	\$14,750,000	7,425 SF	\$1,987	36,883 SF	\$400

(1) Includes \$2.1 mm tenant buyout



EXECUTIVE SUMMARY

The Opportunity

9449 Jefferson Blvd (the “Property” or “Investment”), presents an accretive add-on opportunity, located adjacent to 9401 & 9435 Jefferson Blvd which were acquired by Redcar Fund I (“Redcar” or the “Sponsor”) in March 2019. The Property comprises a single industrial warehouse located in Culver City on the Ballona Creek and presents a unique opportunity to develop a best-in-class creative office campus in combination with 9401 & 9435 Jefferson Blvd within one of the strongest markets on the Westside. The project will take advantage of nearby access to Ballona Creek and its remarkable views.

Business Plan

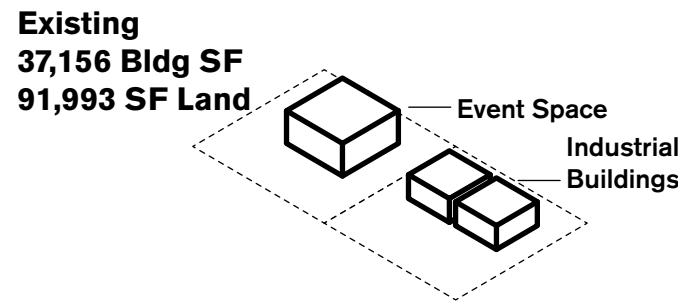
- Redcar is under contract to acquire 9449 Jefferson Blvd for \$17.1mm (\$412 / Land SF) inclusive of a tenant buyout and will be funding with \$15.6mm of additional equity prior to closing.
- Contingencies are scheduled to be waived on July 31, 2019. The seller has the option to close with 30 days’ notice following the waiver of contingencies. The latest closing date is May 29, 2020.
- At close of escrow the existing \$10mm bridge loan on 9401 & 9435 Jefferson Blvd will be refinanced and/or upsized to \$17.4mm (55% of the combined purchase price).
- The Property will be redeveloped as part of a larger project with Redcar’s existing neighboring properties, 9401 & 9435 Jefferson Blvd, totaling approximately 105,000 RSF of best-in-class creative office with 315 underground parking spaces, by implementing \$57.8mm (\$550 per RSF) of base building improvements and additions.
- Upon closing, 13,626 SF will be leased back to the seller at \$13,626 per month for a period of 12 months. In addition, Unici Casa, an event hosting venue, currently occupies the balance of space and will remain in occupation rent free until February 2021.
- Redcar has negotiated a \$2.1mm buyout of the tenant’s existing 5 year, below market, renewal option to accelerate the redevelopment.
- Prior to construction, Redcar plans to secure financing of 60% LTC followed by a permanent loan upon stabilization. Based on a total project cost of \$113mm (\$1,077 per RSF), Redcar aims to achieve a return on cost of 6.8% by Q3 2023.
- An exit at the end of year 5 at a 5% cap rate will generate gross proceeds of \$159mm and a total gross IRR / Equity Multiple of 21% / 2.0x.

The Property

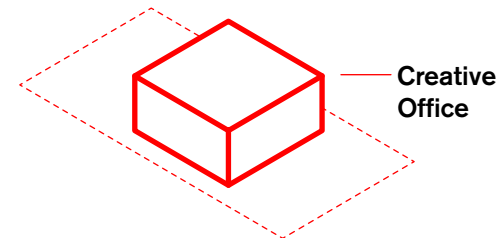
Existing Building SF:
37,156 SF

Land SF:
91,993 SF

Post Re-development Building Area:
105,000 SF



Proposed Redevelopment
105,000 SF Bldg



SOURCES & USES

At Close

SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt	\$10,000,000	\$95	58%	Purchase Price	\$16,700,000	\$159	98%
Credit Line	2,000,000	19	12%	Closing Costs ¹	148,774	1	1%
Equity	5,100,000	49	30%	Working Capital	163,787	2	1%
				Loan Fees / Costs	87,439	1	1%
Total Sources	\$17,100,000	\$163	100%	Total Uses	\$17,100,000	\$163	100%

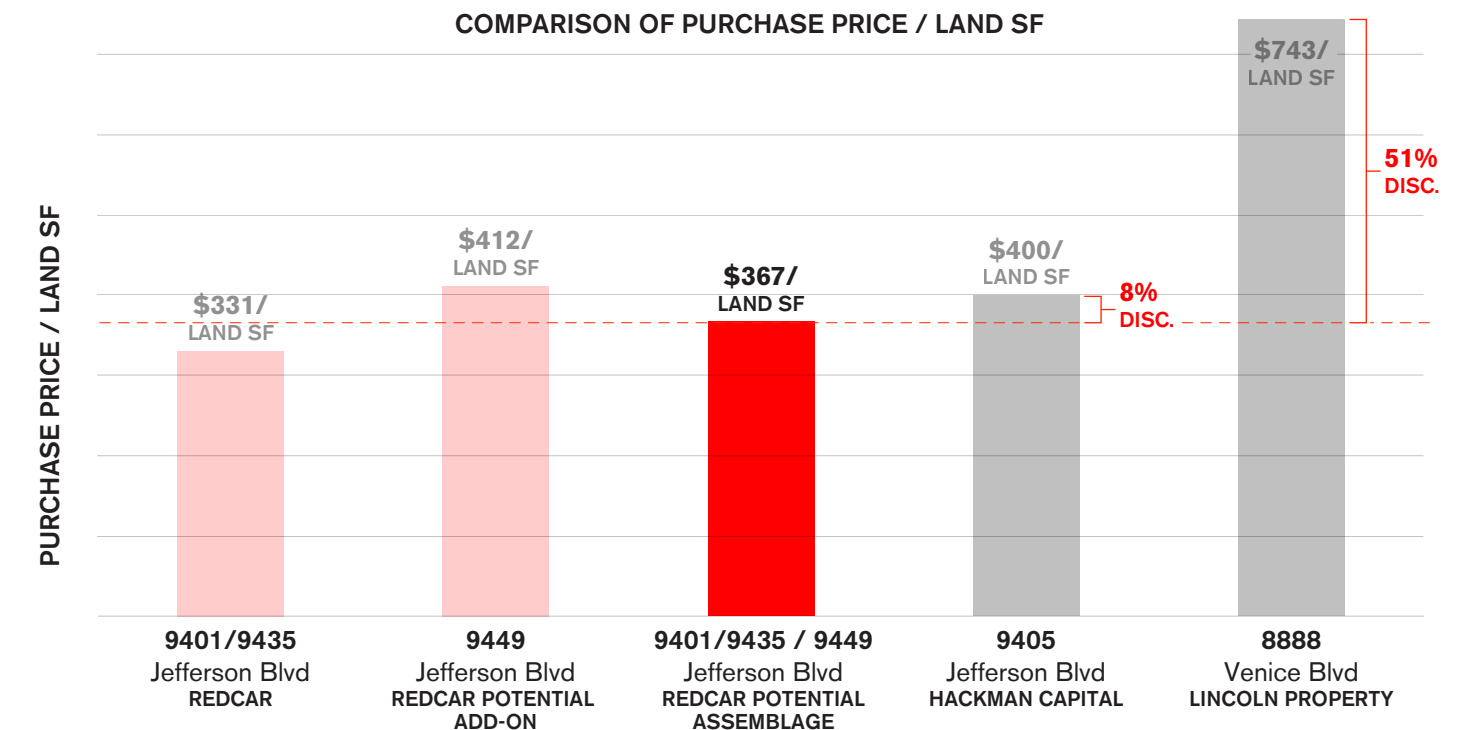
Fully Funded 08/21/23

SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt Outstanding	68,000,000	\$648	60%	Purchase Price	\$31,700,000	\$302	28%
NOI	210,871	\$2	0%	Closing Costs ^{1,2}	748,774	7	1%
Equity	44,900,000	428	40%	Tenant Buyout	2,100,000	20	2%
				Remaining Working Capital	407,230	4	0%
				Base Building	57,750,000	550	51%
				TI/ LC	9,763,061	93	9%
				Operating Shortfall	2,237,061	21	2%
				Loan Fees / Costs	2,179,726	21	2%
				Debt Service	6,225,019	59	6%
Total Sources	\$113,110,871	\$1,077	100%	Total Uses	\$113,110,871	\$1,077	100%

1—Closing costs include seller’s transfer taxes for 9401 and 9435 Jefferson Blvd.

2—Closing costs also include a 2% commission to Zamel and Associates and 1% to Industry Partners.

Note: \$/PSF is based on redeveloped RSF of \$105,000



HIGHLIGHTS

Prime Location

- Located in one of the strongest submarkets in Los Angeles with a record 10-year occupancy rate at 94%+
- At the center of the Jefferson Creative Office Corridor and bound by Nantworks at the Western edge and Apple to the East.
- 2 mm SF recently leased nearby to Apple, Amazon, HBO & Google.

Discounted Purchase Price

- Hackman Capital Partners is a LA-based development company and the developer of Amazon's new studio space at Culver Studios, Apple's office at 5500 Jefferson Blvd, and new owner of CBS Studios (\$750mm acquisition). Hackman Capital has closed on a portion of 9405 Jefferson Blvd and is under contract to purchase the balance with a total basis of \$400/Land SF – Redcar's purchase of 9401, 9435 & 9449 Jefferson Blvd represents a 8% discount.
- Similarly, Lincoln Property Company, the developer of Apple's built to suit at 8777 Washington Blvd, is purchasing Culver Crossing (8888 Venice Blvd) for \$145,000,000 or \$743 per SF of Land. Redcar's purchase of 9401, 9435 & 9449 Jefferson Blvd represents a 51% discount.

Unobstructed Views

- Ability to develop a best-in-class creative office project overlooking the Ballona Creek and Baldwin Hills, whilst Hackman Capital Partners project will be limited to windows facing Jefferson Blvd without incorporating any large building setbacks.

Several Pedestrian Oriented Amenities Nearby

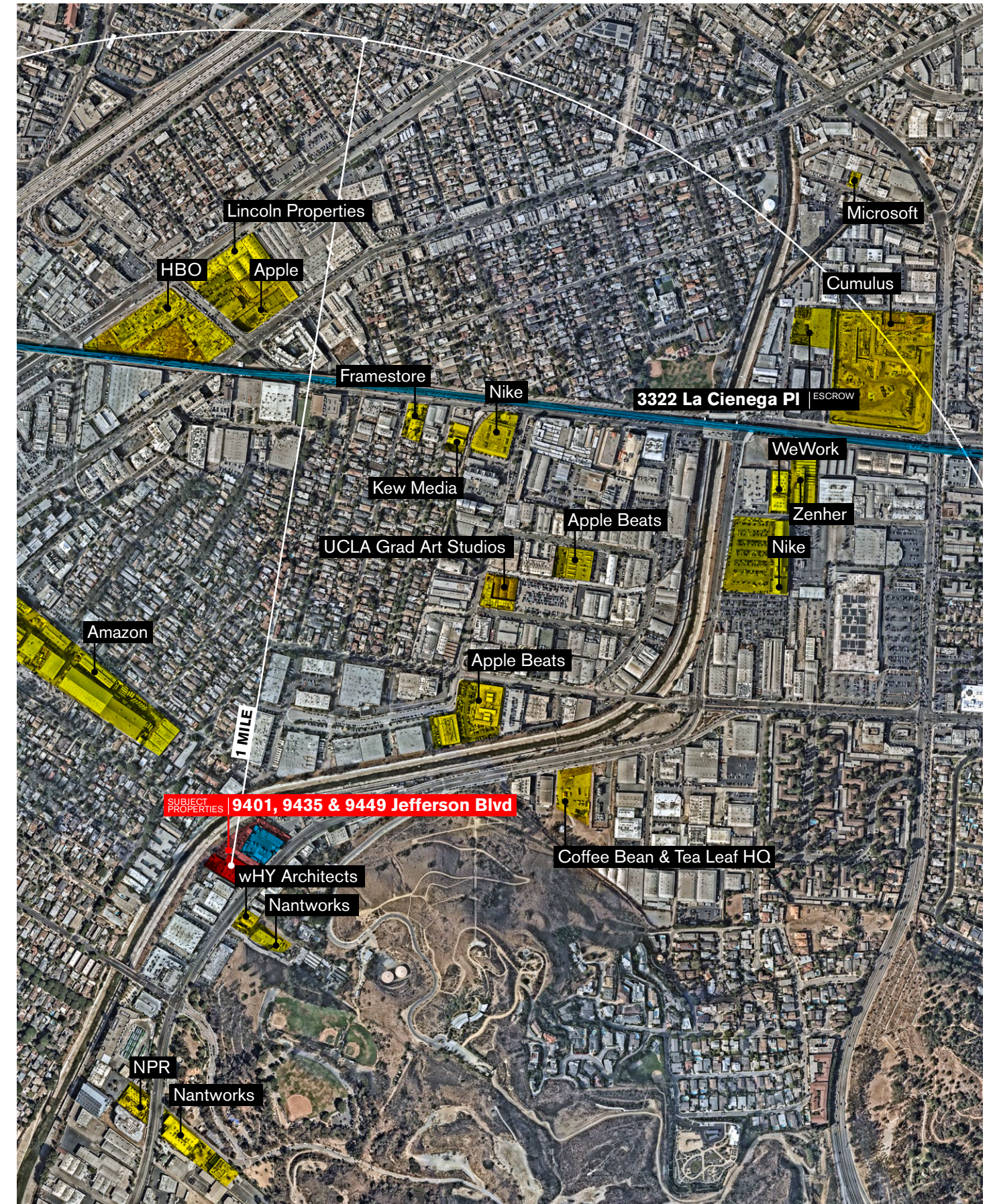
- Accessible public transportation with the La Cienega/ Jefferson Expo Line Station, a bike path along Ballona Creek, and a planned pedestrian bridge across the creek

Recent Redcar Leasing

- A comparable Redcar project at 3512 & 3520 Schaefer Street was recently leased to KEW Media Group, a publicly traded content production company. The 32,207 SF office lease has a starting rate of \$4.95 PSF net which is similar to the Property's base case underwriting. This also compares to a 9,300 SF office lease Redcar signed with Lululemon, a publicly traded retailer with a market cap of nearly \$20 billion, for 3008 Main Street in Santa Monica at a rate of \$7.31 PSF net.



NEARBY TENANTS

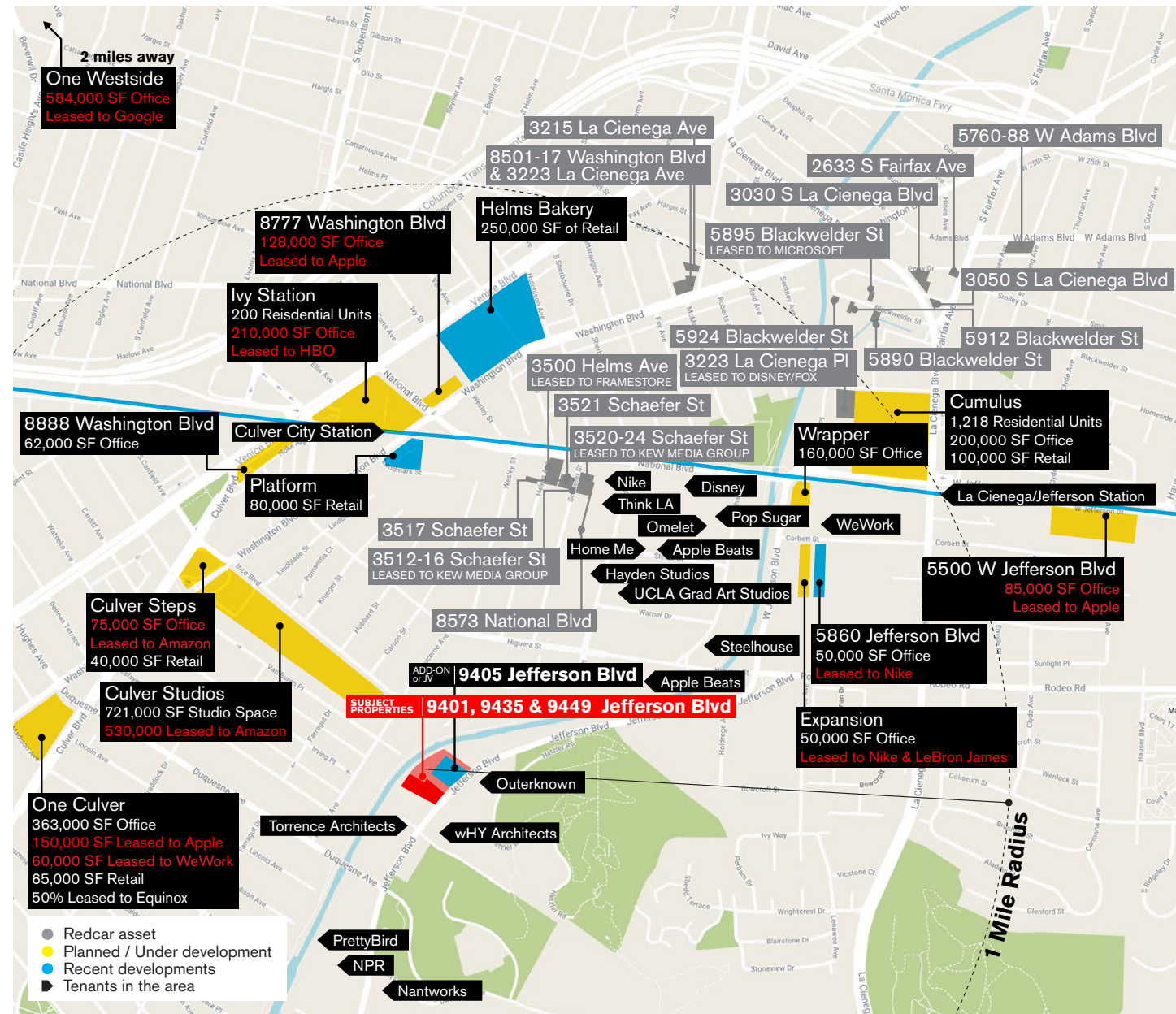




Concept Renderings



ABOUT THE AREA



Leasing Activity Summary

2.0 MILLION SF

of Recently Announced Office/Studio Leases

Recent Institutional Tenant Leases

363,000 SF Total 512,000 SF Total Culver City Footprint	605,000 SF Total	210,000 SF Total	584,000 SF Total

redcar

OFFICE MARKET IN THE AREA



Apple, the technology giant has agreed to lease the entirety of Lincoln Property Co.'s 128,000-square-foot building at 8777 Washington Boulevard in Culver City. Located on the corner of Washington and National boulevards just seven miles east of the Santa Monica Pier, the four-story complex will include office space, as well as 4,500 square feet of ground-level retail.



The complex, designed by TCA Architects, includes a seven-story podium building, about 1,200 residential units, 100,000 square feet of retail, and 200,000 SF of office. A grocery store is reportedly planned to take up some of that square footage. A 30-story tower designed by Solomon Cordwell Buenz is also planned.



The project from Lowe Enterprises, located on the former Culver City Station park-and-ride lot at Washington and National Boulevards, will consist of three mid-rise structures containing 200 apartments, a 148-room hotel, 36,000 square feet of ground-floor retail and restaurant space, and 210,000 square feet of offices which will be taken by HBO.

OFFICE MARKET IN THE AREA



The full Culver Studios redevelopment, referred to as the “innovation plan,” will grow the existing campus from roughly 358,000 SF of studios and media production space to an over 720,850 SF complex with production space, sound stages, and offices designed by Gensler. Amazon, the online retail and media giant will occupy an impressive 530,000 square feet of the Culver Studios. (That’s almost double the amount of space that was initially announced in October, 2017)



Amazon has also agreed to lease 75,000 square feet of office space at the Culver Steps development. That will give Amazon more than 600,000 SF of space in Culver City for its production arm, as well as the company’s video and advertising departments and the movie reference site IMDb, which Amazon owns.



The eight-story building, located on a full block at 10000 Washington Boulevard in Culver City, offers 300,000 square feet of office space on its upper floors and 65,000 square feet of street-level commercial space. Portions of the building have already been leased by WeWork and Equinox Fitness, and Apple is in talks to take the remaining 150,000 SF.

OFFICE MARKET IN THE AREA



Google will rent nearly all of the former Westside Pavilion shopping mall as the tech giant further expands its presence in Los Angeles. The company will help turn the indoor shopping center into a light-filled office complex where it will occupy 584,000 square feet. The property has been renamed One Westside.



The project, located at 5860 Jefferson Boulevard, consists of a warehouse-like one-story building featuring a mezzanine level. The project features just under 50,000 square feet of rentable space, and is now Nike’s office space. On the same site a duplicate of the building with the same square footage is expected to host Nike and LeBron James partnership project, for a total of 100,000 SF leased.



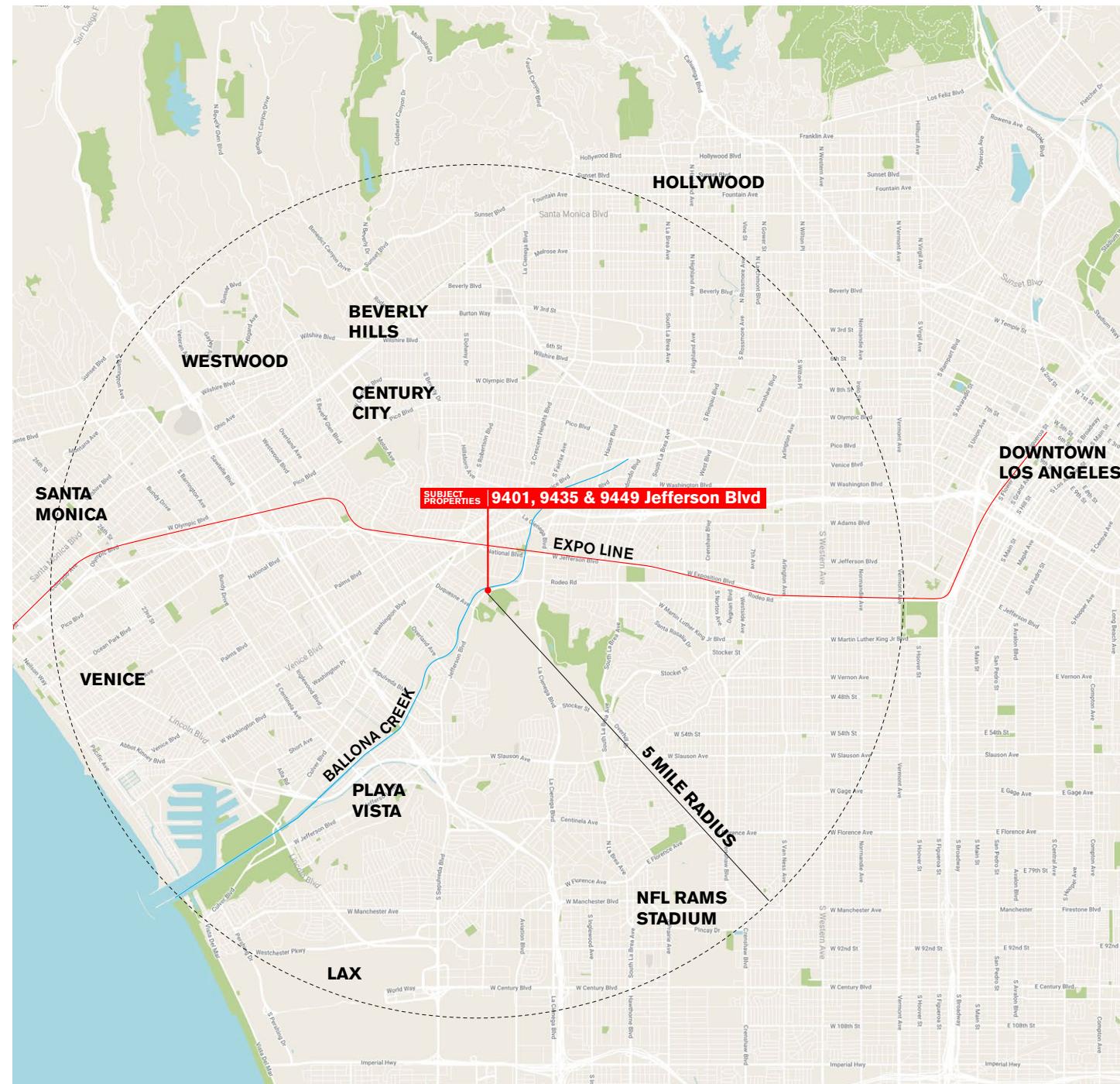
Apple leased all of Hackman Capital Partners’ 85,000-square-foot creative office development at 5500 W. Jefferson Boulevard near Culver City. The space, which sits near the La Cienega Expo Line Station, would be used for original content production.

CENTRAL LOCATION

In LA's Geographic Center

The Property is conveniently located at the center of the Jefferson Creative Office Corridor - one of the most dynamic creative submarkets of the Los Angeles Westside, with a record 10-year low vacancy rate at 94%+ occupancy. The submarket has gained the attention of creative tenants in the region due in part by the submarkets strategic location and accessibility – midway between Santa Monica and Downtown LA, and between Hollywood and Playa Vista.

In addition, the Jefferson Creative Office Corridor benefits by the many pedestrian oriented amenities nearby, accessible public transportation with La Cienega/Jefferson Expo Line Station, and a bike path along Ballona Creek.



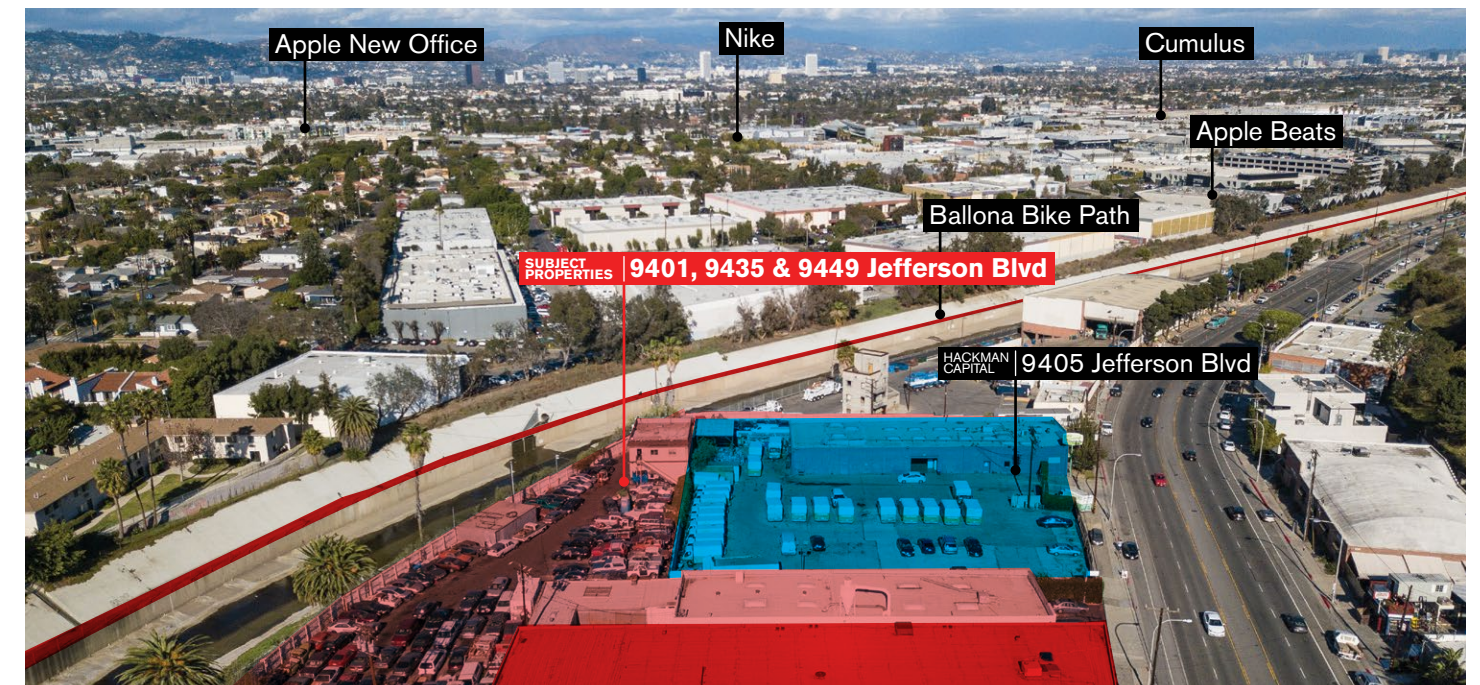
BALLONA CREEK

A Connectivity Opportunity

Ballona Creek once meandered through the Ranchos of the Los Angeles Basin. During the rainy season, it and several other small streams would be transformed into torrents as they carried the collected water from the Los Angeles watershed area to the Santa Monica Bay. It would flood large areas of the Los Angeles basin, and the creek's course shifted as that flooding carved new paths through the land.

The County of Los Angeles began straightening the creek around 1920 in order to protect the growing metropolis from potentially devastating flood damage. During the 1930's, the Army Corps of Engineers carved it into a large channel and lined all but its last couple of miles with concrete to speed the water's flow to the ocean. An extensive system of drains, mostly underground, was built to funnel stormwater into the creek.

Today, Ballona Creek is a nine-mile-long (About four miles lies within Culver City) flood control channel. It drains the Ballona Creek watershed, which covers approximately 130 square miles: from the Santa Monica mountains on the north to the Baldwin Hills on the south, and from the Harbor Freeway (110) on the east to eastern edge of Santa Monica. A paved service road for County maintenance vehicles runs along the westernmost seven miles, striped for a bike path.



CULVER CITY

Art Scene

Culver City has a very active artistic community that includes a well established Arts District, in fact USA Today included Culver City's Arts District in their Top 10 Arts Districts in the US.

The Westside neighborhood of Culver City, a network of former industrial spaces tucked between the 10 and 405 Freeways, has transformed into a family-friendly and very walkable art colony. The collection of 40-some galleries includes established institutions like Blum & Poe alongside studios displaying the works of emerging artists. Some well-known artists—including as Ed Ruscha, have established their studios in the city, attracted by the space availability, it's central location, local amenities, and the numerous galleries in the area.



Blum & Poe is a contemporary art gallery located in Los Angeles, New York, and Tokyo.

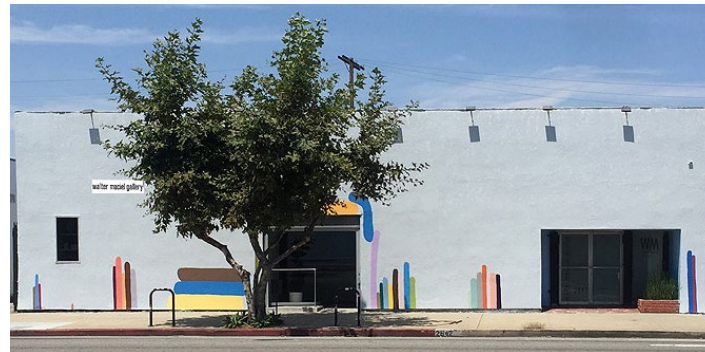
Renown Local Artists

• Ed Ruscha

Edward Joseph Ruscha IV (born December 16, 1937) is an American artist associated with the pop art movement. He has worked in the media of painting, printmaking, drawing, photography, and film. Ruscha studied graphic design at the Chouinard Art Institute (now California Institute of the Arts) in the late 1950s, and later worked as a layout artist at a Los Angeles advertising agency. Ruscha lives and works in Culver City, California. His personal studio is situated next door to 9449 Jefferson Blvd.

• Kenny Scharf

Kenny Scharf (born 1958) is an American painter who lives in the hills across the street from 9449 Jefferson Blvd. He was born in Los Angeles and moved to Manhattan, New York City to receive his B.F.A. in 1980 with a major in painting at the School of Visual Arts. He is known for his participation in the interdisciplinary East Village art scene during the 1980s alongside Jean-Michel Basquiat & Keith Haring. His do-it-yourself practice spanned painting, sculpture, fashion, video, performance art, and street art. Growing up in post-World War II California, Scharf was fascinated by television & the futuristic promise of modern design. His works often consist of pop culture icons, such as the Flintstones and the Jetsons, or caricatures of middle-class Americans in an apocalyptic science fiction setting.



Walter Maciel Gallery features the work of emerging, mid-career and established artists who participate in national and international exhibitions and art fairs. The primary focus of the gallery is to promote the careers of artists through solo and group exhibitions, museum relationships, art fairs and important private collections.



Fabien Castanier Gallery is a contemporary art gallery that represents both established and emerging international artists. The gallery cultivates an interdisciplinary program through emphasizing contemporary art including: painting, sculpture, installation, and new media. Fabien Castanier Gallery founded in 2011 in Los Angeles (CA) and in 2017 opened a space in Miami (FL).



HONK depicts its title word in diagonally-inclined, capitalised serif typography —Ed Ruscha, 1962



The gasoline station is Ruscha's most iconic image. He began experimenting with the subject in his first artist's book, *Twenty-six Gasoline Stations* (1963), which reproduces a series of banal photographs the artist took while driving on Route 66 between Los Angeles and his hometown of Oklahoma City. —Ed Ruscha, 1963



Mural on Houston and the Bowery — Kenny Scharf, 1962-2010

CULVER CITY

Restaurant & Bar Scene

Culver City is a neighborhood on the rise with a burgeoning restaurant scene and enough coffee shops to attract visitors from other neighborhoods. Up until recently, Culver City struggled to keep up with Santa Monica and Downtown LA weekly headlines announcing the newest restaurant concept and bars. This has changed. Culver City now offers a great selection of restaurants, bars, coffee shops and boutique liquor stores.

Newcomers

- **Margot**

Margot is the work of IB Hospitality's Rohan Talwar, a name (until now) most closely associated with international projects and the neighborhood favorite Norah in West Hollywood. Now he's taking up some serious square footage atop one of LA's most successful new developments in years, with Roberta's, Hayden, the Boba Guys, and Sweetgreen's headquarters all below.

- **Simonette**

Culver City is set for a big new injection of French flavor, thanks to the Palisociety team and developer Grifka Group. The pair partnered up for the new Palihotel Culver City which will debut next month, and along with the property comes Simonette, a cozy new all-day French bistro.

- **Ms. Chi**

Top Chef runner up Shirley Chung opened her long-awaited restaurant Ms. Chi, an all-day establishment that goes into the former Hanjip space on Main Street, Culver City. Chung wants to use her first big standalone restaurant (she also has a Ms. Chi counter at The Fields) as a place that will help redefine Chinese cuisine for Angelenos, and it starts with breakfast.



Destroyer. Destroyer is in many ways a passion project similar to Kahn's sister restaurant Vespertine, which sits just across the street. Both are esoteric and thoughtful, though the former manages to be a good deal more approachable, both in price point and cuisine. Still, Destroyer has always carried much the same design and direction as its more avant-garde companion, including the use of stoneware, foams, and surprising ingredients.



Vespertine. Jordan Kahn (Destroyer, Red Medicine) creates an otherworldly experience with this reservations-only, fine-dining venture where food and eating are treated as art, with high-concept and boundary-crossing seasonal dishes that evade classification. Acclaimed postmodern architect Eric Owen Moss designed the multi-functional space, and it sets the tone from the minute you pull up.

CULVER CITY



Hi-Lo. Hi-Lo was born to bring the experience of a well-made craft drink to the good people who want to be part of those moments. Hi-Lo is a rejuvenation of the classic neighborhood corner store celebrating the thirst for local and regionally focused craft beer and wine, new American whiskeys, artisanal spirits and an elevated selection of convenience items, epicurean snacks, gourmet foods and heritage sundries.



N/Naka. There's no easy way to classify n/naka, the shining Palms restaurant star by chef Niki Nakayama and partner Carole Iida. It's a fine dining haven in a city overrun with casual offers, sure, but that doesn't convey the appeal of a Friday night dinner inside, with tables close enough together that the mood feels like one big party.

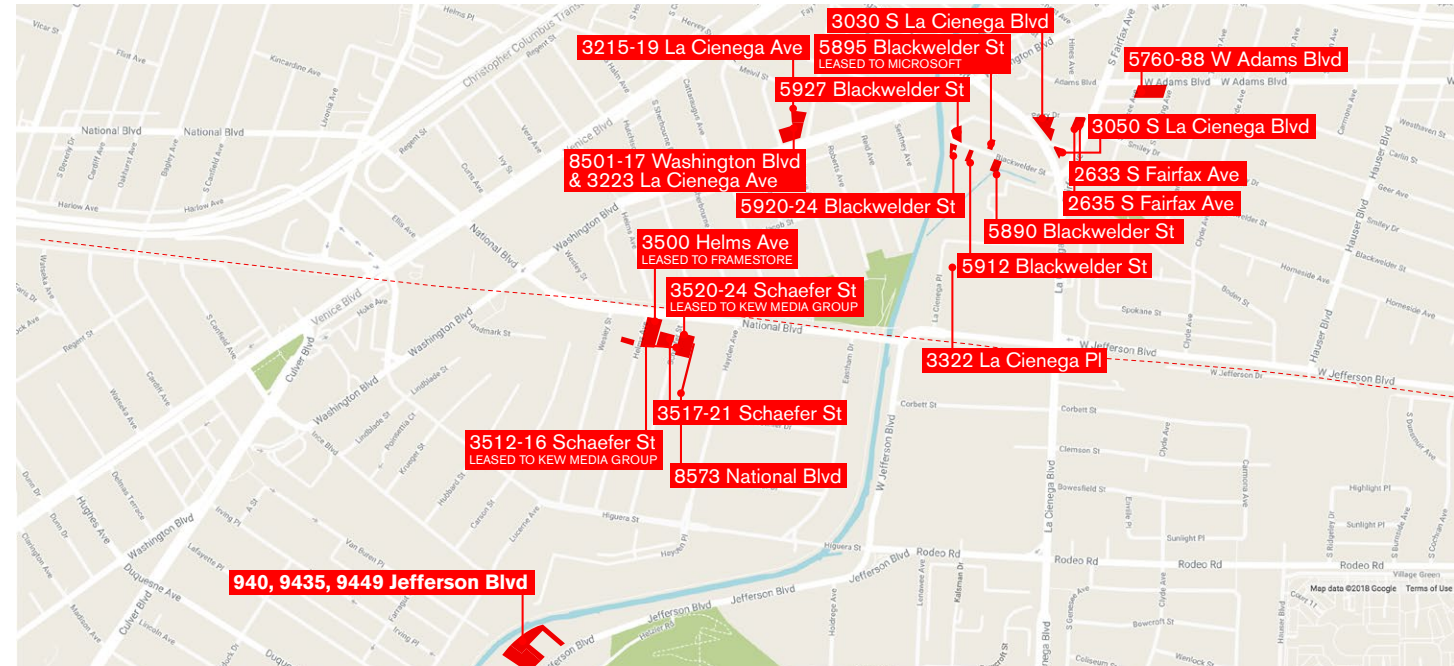
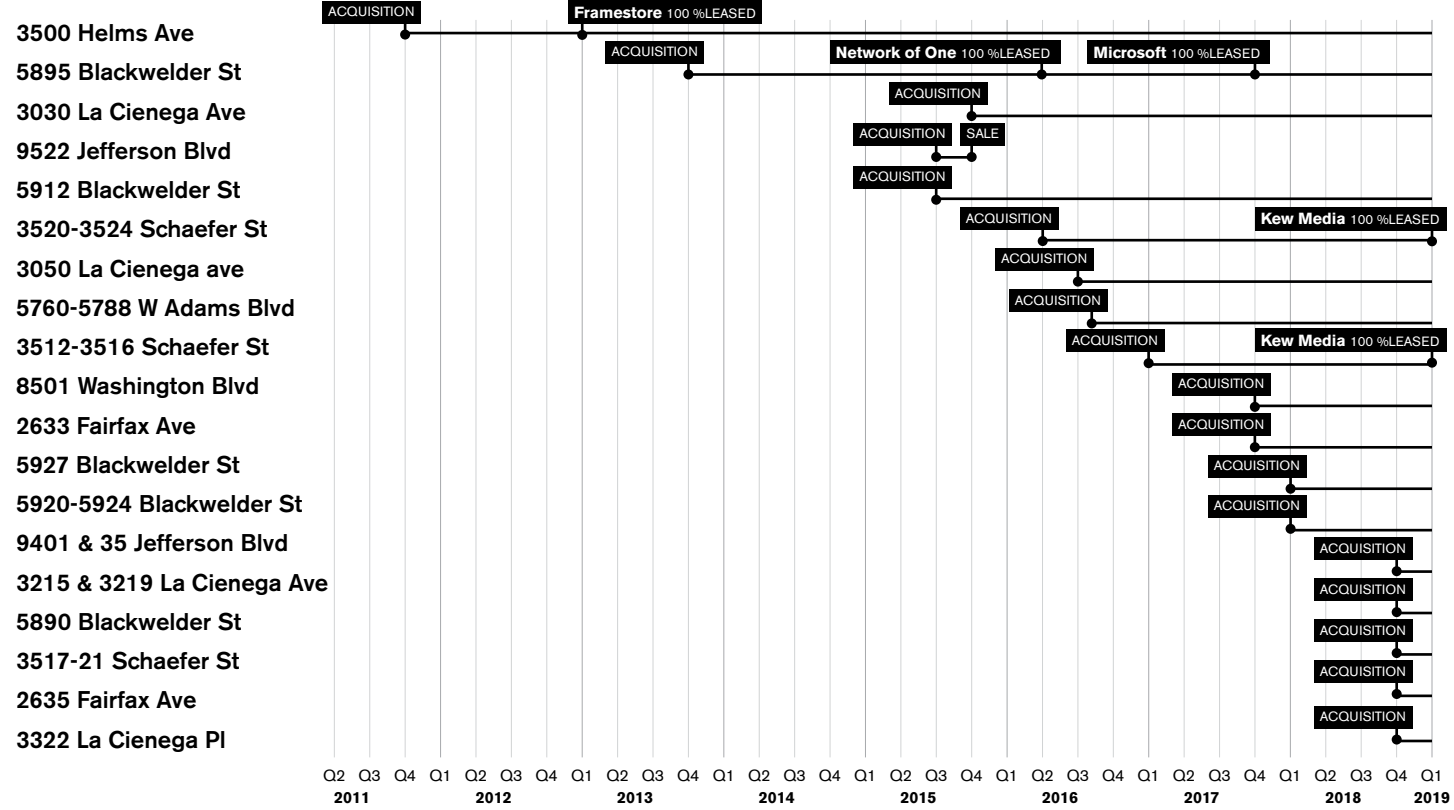
REDCAR EXPERIENCE IN CULVER CITY

Redcar has broad development experience in Culver City, starting with its first acquisition of 3500 Helms Ave in 2011. After redevelopment this first acquisition was quickly leased in its entirety as Framestore's headquarters.

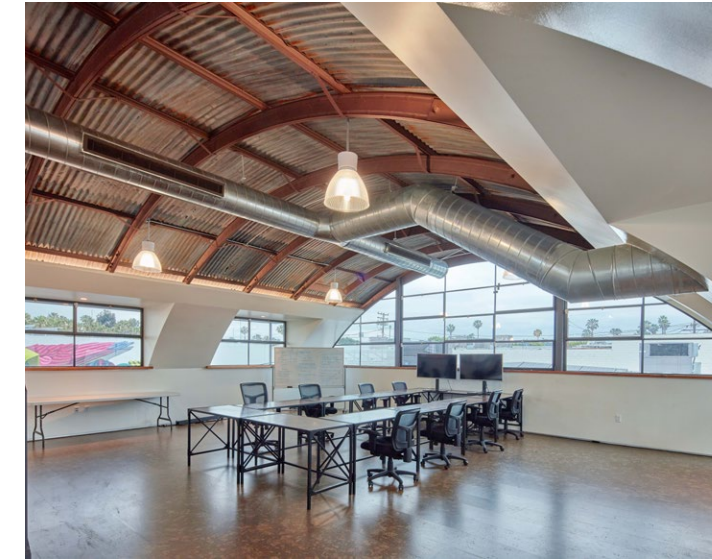
The following years have been very active for the Redcar team with another fourteen more properties acquired and one sold. Redcar's current Culver City portfolio alone spans eighteen properties, with over 100,000 of

total building SF (at acquisition). Redcar's Culver City office tenants include Microsoft and Framestore, and nearby tenants in the Westside also include Headspace, Rustic Canyon, Wells Fargo, and The Donerail Group.

Part of Redcar's unique re-development strategy includes systematically and strategically increasing the square footage of assets maximizing rentable area. The approximately 100,000 SF of existing portfolio is planned to be expanded substantially.



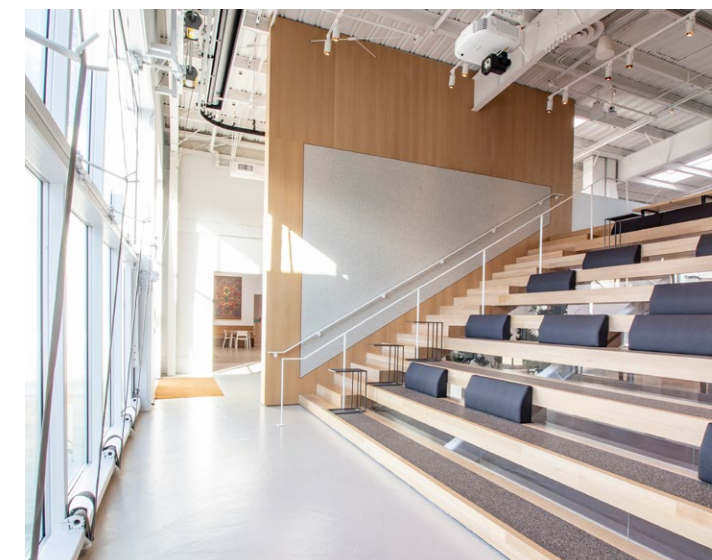
REDCAR TENANTS ON THE WEST SIDE



Microsoft Corporation is an American multinational technology company. It develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services.



Framestore is home to a collective of visionaries working across film, advertising and content. Their work and skillset is wide-ranging and global. They are known mainly for their visual effects, which have been some images and scenes for some of Hollywood's biggest pictures. Framestore has also touched smaller screens through the advertising industry.



Headspace is an English-American online healthcare company, specializing in meditation. It was incorporated in May 2010 in London, England by writer, public speaker and health advocate Andy Puddicombe and entrepreneur Richard Pierson

REDCAR TENANTS ON THE WEST SIDE



H A T C H

Hatch was born out of a desire for something chic and elevated. Ariane, Hatch's founder, created the clothing brand to fill a void in the maternity clothing market. With this in mind, she created an original line of chic and timeless clothing meant to be worn for every stage.

A mother of two, Ariane formerly worked on Wall Street and is also the founder of a bridal clothing company.



THE DONERAIL GROUP

Donerail Group is an investment firm headed by former Starboard Value LP executive William Wyatt.

The tenant was looking for a high-quality office space within walking distance to amenities. The Brentwood Country Mart, together with quality finishes the space provided made this a perfect fit for The Donerail Group.

Redcar delivered the space with new steel windows and doors and a large custom sliding door that opens to a private patio for this unit.



RUSTIC CANYON

Upscale, Californian casual small plates & a unique wine list served in a stylish-yet-casual spot. Rustic Canyon grew from a series of dinners that founder Josh Loeb held inside his family's home nestled in Rustic Canyon, an intimate neighborhood carved into the mountains of Santa Monica.

REDCAR TENANTS ON THE WEST SIDE



lululemon athletica

Lululemon athletica, is a Canadian athletic apparel retailer with 13,400 employees. Lululemon is a yoga-inspired athletic apparel company for women and men. The company makes a variety of types of athletic wear, including performance shirts, shorts, and pants, as well as lifestyle apparel and yoga accessories.

As of January 28, 2018, it operated 404 company-operated stores under the lululemon and ivivva brands in the United States, Canada, Australia, the United Kingdom, New Zealand, China, Singapore, Japan, Ireland, South Korea, Germany, and Switzerland.



KEW MEDIA GROUP

KEW MEDIA GROUP is a leading publicly-listed content company that produces and distributes multi-genre content worldwide. Companies included in the KEW family are the production companies: 4East, Architect Films, Awesome, Bristow Global Media, Collins Avenue Productions, Frantic Films, Jigsaw Productions, Media Headquarters, Our House Media, Sienna Films, Spirit Digital Media and Two Rivers Media; and the distribution companies: KEW MEDIA Distribution and TCB Media Rights.



TWENTIETH CENTURY FOX Film Corporation is an American film studio that is a subsidiary of Walt Disney Studios, a division of The Walt Disney Company. The studio is located on the Fox lot in Los Angeles.

For over 83 years, it was one of the "Big Six" major American film studios; formed from the merger of the Fox Film Corporation and Twentieth Century Pictures in 1935. In 2019, Disney acquired 20th Century Fox. Starting with Breakthrough, all studio releases will be distributed by Walt Disney Studios Motion Pictures.



3520-24 Schaefer St, as acquired in 2016.



3512-16 Schaefer St, as acquired in 2017.



3520-24 Schaefer St, in final construction stage in 2019.



3520-24 Schaefer St, as proposed in 2019.



3030 La Cienega Blvd, as acquired in December 2015.



5895 Blackwelder St, as acquired in 2013.

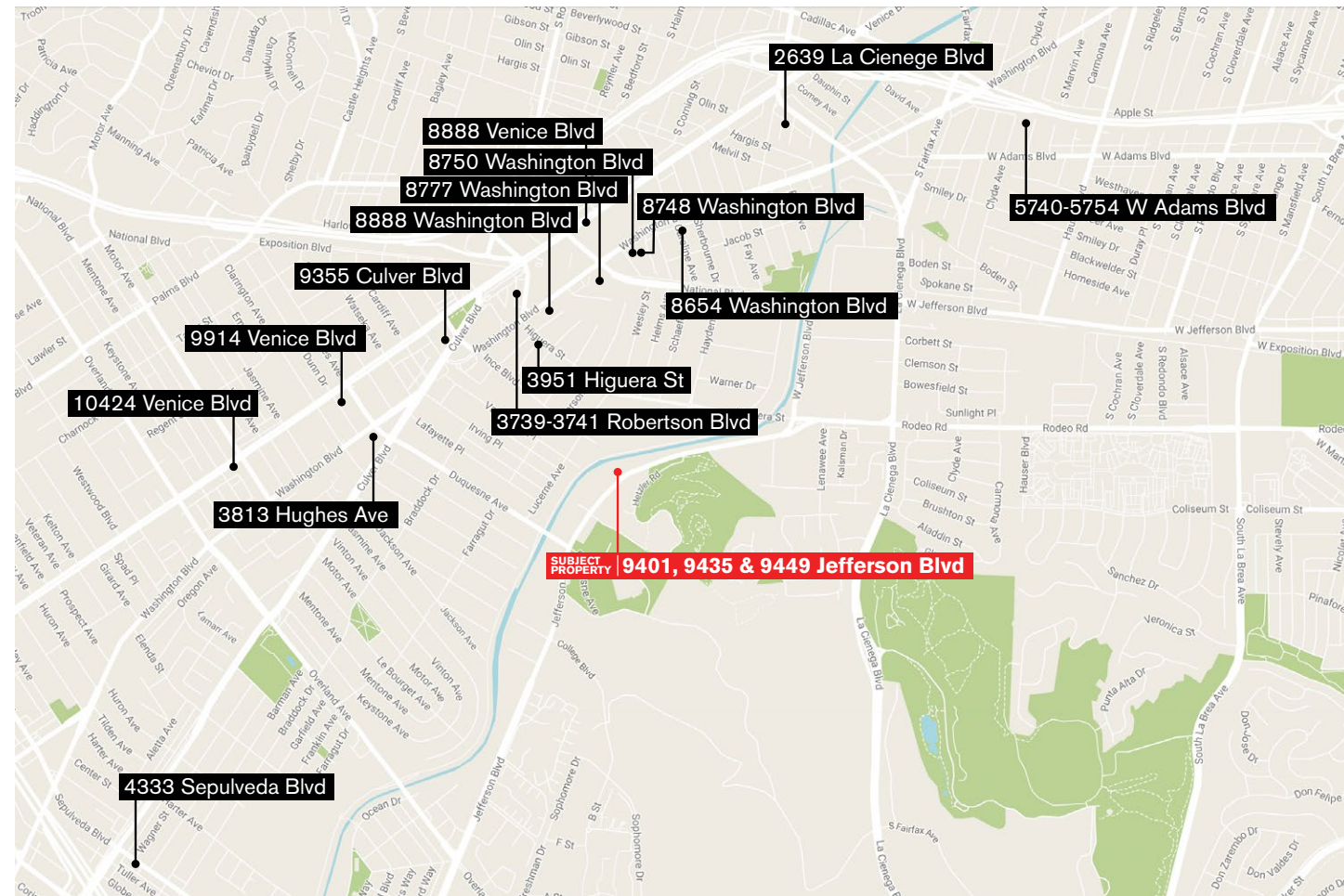


3030 La Cienega Blvd, rendering of planned design.



5895 Blackwelder St, post development.

SALE COMPARABLES



ADDRESS	SALE DATE	SALE PRICE	BLDG SF	LAND SF	\$ / BLD SF	\$ / LAND SF
8888 Venice Blvd	Escrow	\$145,000,000	108,000	195,133	\$1,343	\$743
8777 Washington Blvd	Jan 2017	\$25,000,000	14,547	42,690	\$1,719	\$586
8888 Washington Blvd	Sep 2017	\$10,500,000	10,000	26,088	\$1,050	\$402
8750 Washington Blvd	Jan 2017	\$7,567,450	8,200	18,351	\$923	\$412
9355 Culver Blvd	Feb 2017	\$7,100,000	6,600	7,426	\$1,076	\$956
10424 Venice Blvd	Jul 2018	\$6,517,000	6,470	16,709	\$1,007	\$390
8654 Washington Blvd	Jun 2018	\$3,850,000	4,025	4,791	\$957	\$804
3951 Higuera St	Dec 2017	\$3,650,000	4,480	7,405	\$815	\$493
2639 La Cienega Blvd	Oct 2017	\$3,600,000	4,130	7,361	\$872	\$489
9914 Venice Blvd	Jul 2018	\$3,027,516	3,444	4,948	\$879	\$612
5740-5754 W Adams Blvd	Mar 2018	\$2,700,000	1,961	15,659	\$1,377	\$172
3739-3741 Robertson Blvd	Oct 2017	\$2,100,000	1,943	5,227	\$1,081	\$402
4333 Sepulveda Blvd	Jan 2018	\$1,345,000	1,217	3,998	\$1,105	\$336
3818 Hughes Ave	Jul 2018	\$1,142,791	1,300	4,917	\$879	\$232
8748 Washington Blvd	Jan 2017	\$1,032,550	1,187	2,657	\$870	\$389
Weighted Average Sale Price					\$1,263	\$617

OFFICE LEASE COMPARABLES



TENANT NAME	ADDRESS	LCD	SF	RENT	TERM	ESC	TI (\$)	FREE RENT
Google	10800 Pico Blvd	2022	584,000	\$5.25	168			
HBO	8830 National Blvd	2020	230,000	\$4.20	188		\$100	8
Scopely	8888 Washington Blvd	20-Aug	60,000	\$5.75	120	3.00%	\$75	10
AQUAhydrate	5870 Jefferson Blvd	18-Mar	4,000	\$4.00	36	3.00%		
MedMen	5870 Jefferson Blvd	18-May	5,300	\$4.25	59	3.00%		
MedMen	5880 Jefferson Blvd	18-Apr	18,200	\$4.50	60	3.00%		2
Cyber Group Studios	9696 Culver Blvd	17-Dec	1,494	\$3.65	36	3.00%		
Legendary Enter.	9696 Culver Blvd	17-Dec	4,249	\$3.75	6			
KEW Media Gp.	3512-24 Schaefer St	19-Aug	32,207	\$4.95	122	3.00%	65	2
Microsoft Corp	5927 Blackwelder St	18-Apr	2,000	\$6.00	54	4.00%		
Amazon.com	9336 Washington Blvd	20-Jan	530,000	\$5.65	180	2.00%	100	
WeWork	10000 Culver Blvd	18-Aug	70,000	\$4.55	180	3.00%	80	10
Carbon 39 (LOI)	10000 Culver Blvd	18-Nov	20,000	\$4.75	132	3.00%	70	12
Apple Inc.	8777 Washington Blvd	19-Jul	128,000	\$4.50	125	4.00%		5
Henkel	5800 Bristol Parkway	17-Nov	48,500	\$3.83	144		105	6
Red Light Prod.	5800 Bristol Parkway	17-Aug	26,382	\$3.55	129	3.00%		8
Dentsu Inc.	5800 Bristol Parkway	17-Aug	49,000	\$3.60	120	3.00%		
Spark 44	5870 W Jefferson Blvd	17-Jan	8,200	\$3.99	48	3.00%		
Leo DiCaprio Fdation.	8522 National Blvd	18-May	5,009	\$3.86	84	3.00%		
Weighted Average Rent				\$5.03				

1— Gross rents have been adjusted by \$1.00/SF and Modified Gross by \$0.50/SF, (to portray NNN rents) which is based on Redcar's completed projects in Culver City.

ASSUMPTIONS, RISKS & MITIGANTS

Underwriting Assumptions

Redevelop the Property along with 9401 & 9435 Jefferson Blv into 105,000 RSF of best-in-class creative office over 49 months and lease based on today's market rents of \$5.00/SF NNN and stabilize at a 6.8% yield on cost.

Returns Summary

Hold Period	5 years
Exit Cap Rate	5.00%
Exit Price	\$158,754,260
Gross IRR	21%
Gross Equity Multiple	2.0x
Gross Profit	\$44,293,650
Total Equity	\$44,900,000



Risks and Mitigants

Redevelopment Risk: Construction costs may increase and project timeline could be delayed.

- Extensive sponsor experience successfully repositioning similar buildings in multiple Los Angeles submarkets, including nearby properties at 3500 Helms Ave, and 3520 Schaefer St.

Market Risk: Rental rates could decline if market momentum stalls.

- High quality creative office supply in the area is extremely limited
- Demand currently increasing for transit oriented creative space in LA. New nearby tenants include Amazon, Apple, Apple Beats, HBO, Nike, among others.

Cap Rates: Capitalization rates may widen

- Properties in this part of Los Angeles are trading at cap rates below underwritten exit cap

BASE CASE CREATIVE OFFICE UNDERWRITING

Returns Summary

RETURNS SUMMARY	UNLEVERAGED	LEVERAGED
IRR	10.6%	21.0%
EM	1.5x	2.0x
Profits	56,627,411	44,293,650
ROC ¹	6.8%	
Cash on Cash Yield ²		8.5%

Exit Assumptions

Exit Date	3/31/24
Hold Period (in Months)	60 Months
Fwd Exit NOI	\$7,937,713
Fwd Exit Free Rent	-
Adjusted Fwd NOI	\$7,937,713
Exit Cap Rate	5.00%
Gross Proceeds	\$158,754,260
(Less) Cost of Sale 1.50%	(\$2,381,314)
(Less) Free Rent	-
Net Proceeds	\$156,372,946

Property Summary

Property	9401 & 9435 & 9449 Jefferson
Property Type	Creative Office
Market	Culver City
Year Built	1980 (9401) / 1955 (9435)
Parking	40 Spaces
Existing Building SF	11,600 SF
Land Area (Sq. Ft.)	91,993 SF
Acquisition Date	3/29/19

Acquisition Metrics

	EXISTING	POST-REDEV
Total RSF	37,516	105,000
Purchase	\$16,700,000	\$16,700,000
\$PSF	\$445	\$159
All-in	\$113,110,871	\$113,110,871
\$PSF	\$3,015	\$1,077
Parking Stalls	40	315
\$/Stall	\$0	\$150

1—ROC calculated based on fwd 12-month NOI upon stabilization.

2—CoC calculated based on fwd 12-month leveraged cash flow upon stabilization.

BASE CASE CREATIVE OFFICE UNDERWRITING

Sources & Uses at Close

SOURCES		\$/SF	%	USES		\$/SF	%
				Purchase Price	16,700,000	\$159	98%
Debt	\$10,000,000	\$95	58%	Acquisition Fee	-	\$0	-
Credit Line	2,000,000	19	12%	Closing Costs ¹	148,774	\$1	1%
Equity	5,100,000	49	30%	Tenant Buyout	-	\$0	-
				Working Capital	163,787	\$2	1%
				Base Building	-	\$0	-
				TI/ LC	-	\$0	-
				Operating Shortfall	-	\$0	-
				Loan Fees / Costs	87,439	\$1	1%
				Interest Carry	-	\$0	-
Total	\$17,100,000	\$163	100%	\$17,100,000	\$163	100%	

Sources & Uses Fully Funded - 08/31/23

SOURCES		\$/SF	%	USES		\$/SF	%
Debt Outstanding	\$68,000,000	\$648	60%	Purchase Price	\$31,700,000	\$302	28%
				Acquisition Fee	-	0	-
NOI	210,871	2	0%	Closing Costs ^{1,2}	748,774	7	1%
				Tenant Buyout	2,100,000	20	2%
Equity	44,900,000	428	40%	Remain. Work Capital	407,230	4	0%
				Base Building	57,750,000	550	51%
				TI/ LC	9,763,061	93	9%
				Operating Shortfall	2,237,061	21	2%
				Loan Fees / Costs	2,179,726	21	2%
				Debt Service	6,225,019	59	6%
Total	\$113,110,871	\$1,077	100%	\$113,110,871	\$1,077	100%	

Financing Assumptions

	CREDIT LINE	ACQUISITION LOAN	BRIDGE LOAN	CONSTRUCTION LOAN	RECAP
Repayment (Month)	9/30/19	5/31/20	4/30/21	9/30/23	3/31/24
Date	3/29/19	3/29/19	5/31/20	4/30/21	9/30/23
Total Loan	2,000,000	10,000,000	17,435,000	68,000,000	76,478,620
LTC	2%	9%	15%	60%	68%
Spread	-50 bps	0 bps	0 bps	0 bps	0 bps
Rate	Prime	8.00%	L+450 bps	L+300 bps	5.50%
Fixed / Floating	Fixed	Fixed	Floating	Floating	Fixed
Loan Type	IO	IO	IO	IO	IO
Amortization	NA	NA	NA	NA	NA
Term	6 Months	14 Months	11 Months	29 Months	120 Months
Loan Fees / Costs	0.00%	0.87%	2.00%	2.50%	2.00%
Exit Fee	0.00%	0.00%	0.25%	0.00%	0.00%

1—Closing Costs include seller transfer taxes for 9401 and 9435 Jefferson Blvd.

2—Closing costs also include a 2% commission to Zamel and Associates and 1% to Industry Partners.

SUMMARY FINANCIALS

Summary Financials

FISCAL YEAR ENDING 03/31	YR 1 2020	YR 2 2021	YR 3 2022	YR 4 2023	YR 5 2024
Base Rental Revenue ¹	(96,087)	117,069	28,218	-	7,090,706
(Less) Rent Abatement	-	-	-	-	(2,954,461)
Scheduled Base Rent	(96,087)	117,069	28,218	-	4,136,245
Expense Reimb. Income	-	-	-	-	1,635,181
Parking Income	-	-	-	-	642,949
Other Income	-	-	-	-	-
Total Gross Revenue	(96,087)	117,069	28,218	-	6,414,375
Vacancy	-	-	-	-	-
Effective Gross Revenue	(96,087)	117,069	28,218	-	6,414,375
Operating Expenses	514,692	579,452	545,417	646,700	1,861,014
Net Operating Income	(610,779)	(462,383)	(517,199)	(646,700)	4,553,361
Tenant Improvements	-	-	-	-	7,681,598
Leasing Commissions	-	-	-	-	2,081,463
Base Building	250,000	250,000	27,072,916	28,625,001	1,552,083
Tenant Buyout	-	-	-	-	-
Net Cash Flow	(860,779)	(712,383)	(27,590,115)	(29,271,701)	(6,761,783)

1—Base Rental Revenue is net of Absorption & Turnover Vacancy

2—Closing costs include seller transfer taxes.

SUMMARY FINANCIALS

Investment Summary

FISCAL YEAR ENDING 03/31	YR 0 MAR 2019	YR 1 2020	YR 2 2021	YR 3 2022	YR 4 2023	YR 5 2024	TOTAL
Investment	(17,012,561)	(2,100,000)	(15,600,000)				(34,712,561)
NOI		(610,779)	(462,383)	(517,199)	(646,700)	4,553,361	2,316,300
CapEx		(250,000)	(250,000)	(27,072,916)	(28,625,001)	(11,315,144)	(67,513,061)
Disposition Proceeds	-	-	-	-	-	156,372,946	156,372,946
NCF	(17,012,561)	(2,960,779)	(16,312,383)	(27,590,115)	(29,271,701)	149,611,163	56,463,624
Constr. Funding	12,000,000	-	-	23,855,942	31,227,273	12,916,785	80,000,000
Constr. Loan Fees/Costs	(87,439)	-	-	(1,700,000)	-	-	(1,787,439)
Constr. Interest		(850,000)	(133,333)	(830,518)	(1,955,572)	(1,701,564)	(5,470,987)
Constr. Principal		-	-	-	-	-	-
Constr. Repayment		(2,000,000)	(10,000,000)	-	-	(68,000,000)	(80,000,000)
Constr. Penalty		-	-	-	-	-	-
TIs & LCs Reserve Draw		-	-	-	-	9,763,061	9,763,061
Base Bldg Reserve Draw		-	-	6,117,990	28,625,001	1,552,083	36,295,074
Interest Carry Rsv. Draw		-	-	259,364	2,602,272	1,194,411	4,056,048
Acq. Financing CF	11,912,561	(2,850,000)	(10,133,333)	21,325,424	29,271,701	(56,784,779)	
Refi Funding		-	-	-	-	74,949,048	74,949,048
Refi Interest		-	-	-	-	(2,103,162)	(2,103,162)
Refi Principal		-	-	-	-	-	-
Refi Repayment		-	-	-	-	(76,478,620)	(76,478,620)
Refi Penalty		-	-	-	-	-	-
Refi Financing CF		-	-	-	-	(3,632,734)	
Bridge Loan Funding		-	17,086,300	-	-	-	17,086,300
Bridge Loan Interest		-	(348,700)	-	-	-	(348,700)
Bridge Loan Interest		-	(955,438)	(94,875)	-	-	(1,050,313)
Bridge Loan Principal		-	-	-	-	-	-
Bridge Loan Repayment		-	-	(17,435,000)	-	-	(17,435,000)
Bridge Loan Penalty		-	-	(43,588)	-	-	(43,588)
Bridge Loan Financing CF		-	15,782,162	(17,573,463)	-	-	
Contributions to WC							
CF Sweep		-	-	-	-	-	-
Proceeds from Financing		-	-	-	-	(407,230)	(407,230)
Capital Call		(1,800,000)	(1,786,300)	(23,600,000)	-	-	(27,186,300)
Distributions from WC							
Return of Capital		-	-	-	-	407,230	407,230
Drawdown of Work Cap.		1,710,779	1,801,154	23,838,154	-	-	
Work Capi Beginning Bal.	-	163,787	253,008	238,154	-	-	-
Work Capital Ending Bal.	163,787	253,008	238,154	-	-	-	-
NFC After DS	(5,100,000)	(5,900,000)	(10,300,000)	(23,600,000)	0	89,193,650	44,293,650
Levered IRR	20.9%						
Leveraged CF (Net Fees & Holdbacks)	(5,100,000)	(5,900,000)	(10,300,000)	(23,600,000)	-	89,193,650	44,293,650
Average Outstanding Equity		8,800,000	19,583,333	42,933,333	44,900,000	41,272,595	
Debt Outsanding at YE		10,000,000	17,435,000	23,855,942	55,083,215	-	
DSCR		(0.72x)	(0.42x)	(0.56x)	(0.33x)	1.20x	
Debt Yield		-6.1%	-1.7%	-3.0%	-2.7%	8.3%	
Gross IRR	21.0%						
Gross Profit	44,293,650						
Gross EM	1.99x						
Peak Equity	44,900,000						

1—Cash on Cash calculation excludes, return of working capital and net proceeds from financing and disposition.

ASSUMPTION SUMMARY

Rent Roll (Existing)

TENANT	STATUS	SUITE	TYPE	LCD	EXP.	RSF	LOAD FACTOR	USF	Y1 BASE RENT	BASE RENT (\$/MO.)	ESC.%	ABAT. MOS.	LEASE TYPE	TIS (\$/SF)	LC'S (%)
9435 Jefferson	Vacant	9435	Office	Jan-18	Jul-18	5,600	0%	5,600	\$0	\$0.00 PSF	0.0%	0 Months	NNN	\$0.00 PSF	0.00%
9401 Jefferson	Vacant	9401	Office	Jan-18	Jul-18	6,000	0%	6,000	\$0	\$0.00 PSF	0.0%	0 Months	NNN	\$0.00 PSF	0.00%
9449 Jefferson	Unici Casa	100	Office	Dec-06	Feb-21	11,847	0%	11,847	\$0	\$0.00 PSF	0.0%	0 Months	NNN	\$0.00 PSF	0.00%
9449 Jefferson	Sale Leaseback	200	Office	May-20	Dec-20	14,109	0%	14,109	\$169,308	\$1.00 PSF	0.0%	0 Months	NNN	\$0.00 PSF	0.00%

Rent Roll (Redevelopment)

TENANT	STATUS	SUITE	TYPE	LCD	EXP.	RSF	LOAD FACTOR	USF	Y1 BASE RENT	BASE RENT (\$/MO.)	ESC.%	ABAT. MOS.	LEASE TYPE	TIS (\$/SF)	LC'S (%)
9401, 9435 & 9449 Jefferson	Speculative	100	Office	Apr-23	Mar-28	105,000	20%	87,500	\$7,090,705	\$5.63 PSF	3.0%	5 Months	NNN	\$73.16 PSF	6.00%

Parking

	Stalls	\$/Amount	% Fixed
Existing	40	\$0.00	-
Redevelopment	315	\$150.00	-

Base Building

Building	RSF / Parking Stalls	\$/RSF	Base Building	BB Start Date	BB Completion
9401, 9435 & 9449 Jefferson	105,000 RSF	\$400 / SF	\$42,000,000	Apr-19	Mar-23
9401, 9435 & 9449 Parking	315 Stalls	\$50,000 / SF	\$15,750,000	Apr-19	Mar-23
TOTAL	105,000 RSF	\$550 / SF	\$57,750,000		

Inflation

TYPE	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
General Inflation	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Market Rent	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Reimbursable Expenses	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Property Taxes	-	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Non-Reimbursable Exp.	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Miscellaneous Income	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Leasing Costs	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
CPI	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Retail	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Expense	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

MLAs

NAME	RENT (\$/MO)	ANNUAL RENT INCREASES	TI'S NEW	LC'S RENEW	TERM	DOWN-TIME	RENEWAL PROBABILITY	ABATEMENT NEW	RENEW	REIMBURS.		
\$5.00 NNN	\$5.00	3.00%	\$65.00	\$32.50	6.00%	3.00%	5 yrs	6 mos	75.00%	5 mos	0 mo	NNN

Expirations

YEAR ENDING	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
January	0	0	25,956	0	0	105,000	105,000
February	0	0	25,956	0	0	105,000	105,000
March	0	0	14,109	0	0	105,000	105,000
April	0	0	14,109	0	105,000	105,000	105,000
May	0	0	14,109	0	105,000	105,000	105,000
June	0	25,956	0	0	105,000	105,000	105,000
July	0	25,956	0	0	105,000	105,000	105,000
August	0	25,956	0	0	105,000	105,000	105,000
September	0	25,956	0	0	105,000	105,000	105,000
October	0	25,956	0	0	105,000	105,000	105,000
November	0	25,956	0	0	105,000	105,000	105,000
December	0	25,956	0	0	105,000	105,000	105,000
Avg. Occupied SF	0	15,141	7,853	0	78,750	105,000	105,000
Total NRA	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Occupancy %	0%	14%	7%	0%	75%	100%	100%

