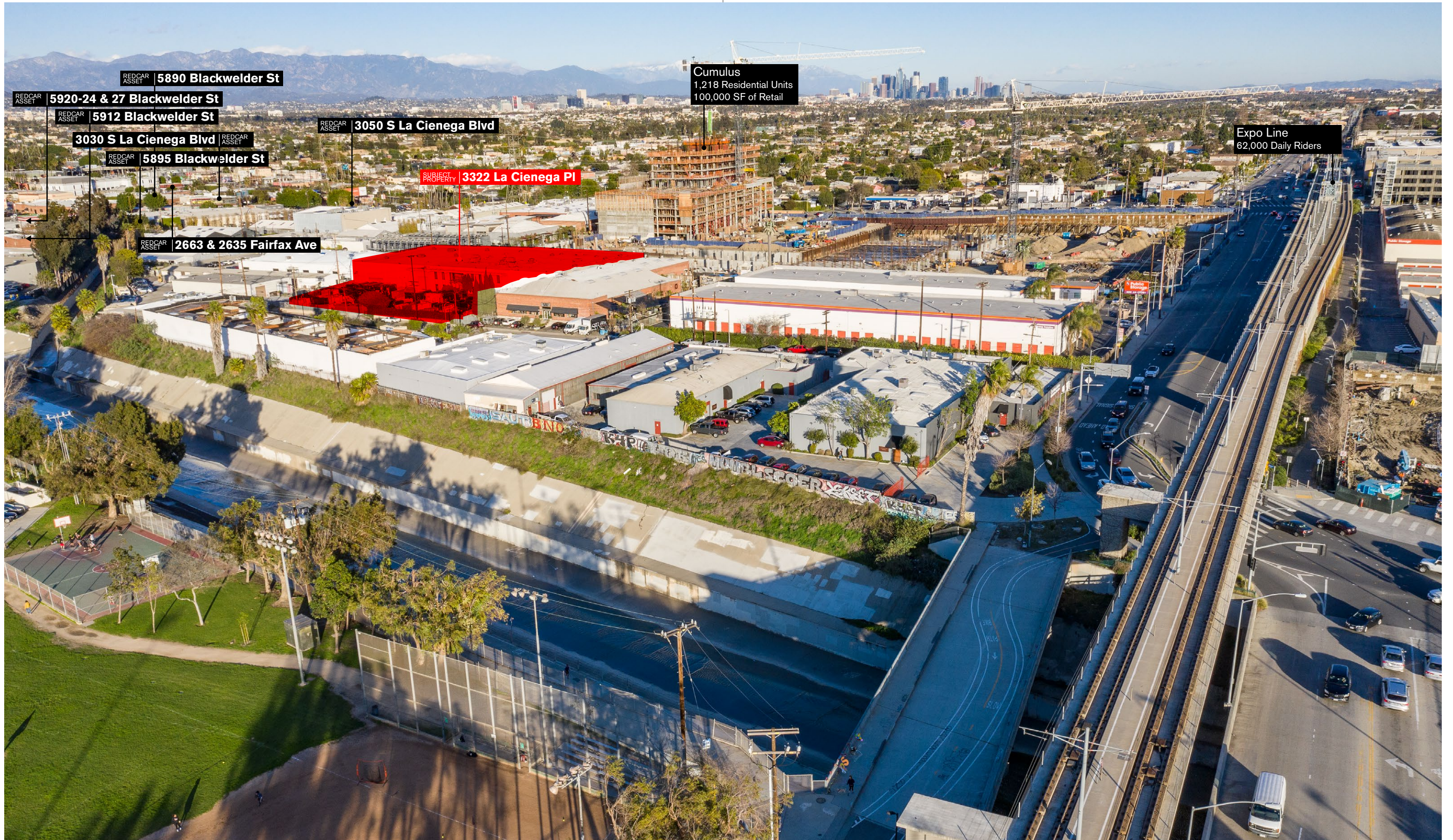


redcar

3322 La Cienega Pl
Los Angeles, CA 90016

CONFIDENTIAL INVESTMENT SUMMARY

PROPERTY LOCATION



EXECUTIVE SUMMARY

The Opportunity

3322 La Cienega PI (the “Property” or “Asset”) is located directly adjacent to the 11-acre Cumulus development by Carmel Partners which includes 1,218 apartment units and approximately 100,000 SF of retail space. The Asset was sourced off-market and presents an opportunity to create best-in-class creative space within walking distance to a Metro rail station, and adjacent to a transformative residential and retail development.

Currently, the Property is fully leased to Twentieth Century Fox until August 2019 at a monthly rental rate of \$2.02/SF NNN. Upon the purchase of the Property, Redcar will start discussions with the existing tenant to extend the lease term by an additional two years. This extension will allow Redcar to generate cash flow while planning and permitting a 70,000 RSF redevelopment.

Business Plan

- Redcar Fund I (“Redcar” or the “Sponsor”) is under contract to acquire 3322 La Cienega PI for \$29.0mm (\$417/Redev SF). Redcar plans to obtain a \$17.4mm bridge loan (60% LTC) from Deutsche Bank and \$12.7mm of investor equity to fund the acquisition of the Property.
- The Asset will be redeveloped into approximately 70,000 RSF of best-in-class creative office space by implementing \$27.8mm (\$400 per RSF) of base building upgrades.
- Redcar plans to obtain construction financing of 50% LTC followed by a permanent loan upon stabilization. Based on a total project cost of \$71.3mm (\$1,024 per RSF), Redcar aims to achieve a return on cost of 6.8% by Q4 2023.
- An exit at the end of year 5 at a 5.0% cap rate will generate gross proceeds of \$99.3mm and a total gross IRR / Equity Multiple of 19.5% / 1.9x.

Next Steps

- Redcar has posted a total of \$3,000,000 in deposits and waived contingencies on March 9th, 2019.
- Redcar will close escrow with equity from investors and a loan from Deutsche Bank on April 8th, 2019.

The Property

Existing Building Area: 30,444 SF **Land Area:** 57,499 SF

Post-Redevelopment Building Area: 70,000 RSF (130% increase)

SOURCES & USES

At Close

SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt	\$17,400,000	\$250	58%	Purchase Price	\$29,000,000	\$417	96%
Equity	12,700,000	182	42%	Closing Costs ¹	362,500	5	1%
				Working Capital	346,000	5	1%
				Loan Fees / Costs	391,500	6	1%
Total Sources	\$30,100,000	\$432	100%	Total Uses	\$30,100,000	\$432	100%

Fully Funded (11/30/23)

SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt Outstanding	\$35,400,000	\$509	50%	Purchase Price	\$29,000,000	\$417	41%
NOI	2,788,217	40	4%	Closing Costs ¹	362,500	5	1%
Equity	33,100,000	476	46%	Remaining Working Capital	196,057	3	0%
				Base Building	27,840,000	400	39%
				TI/ LC	6,669,716	96	9%
				Operating Shortfall	887,381	13	1%
				Loan Fees / Costs	1,231,500	18	2%
				Debt Service	5,101,063	73	7%
Total Sources	\$71,288,217	\$1,024	100%	Total Uses	\$71,288,217	\$1,024	100%

¹—Closing Costs include 1.00% commission for Industry Partners

HIGHLIGHTS

Prime Location

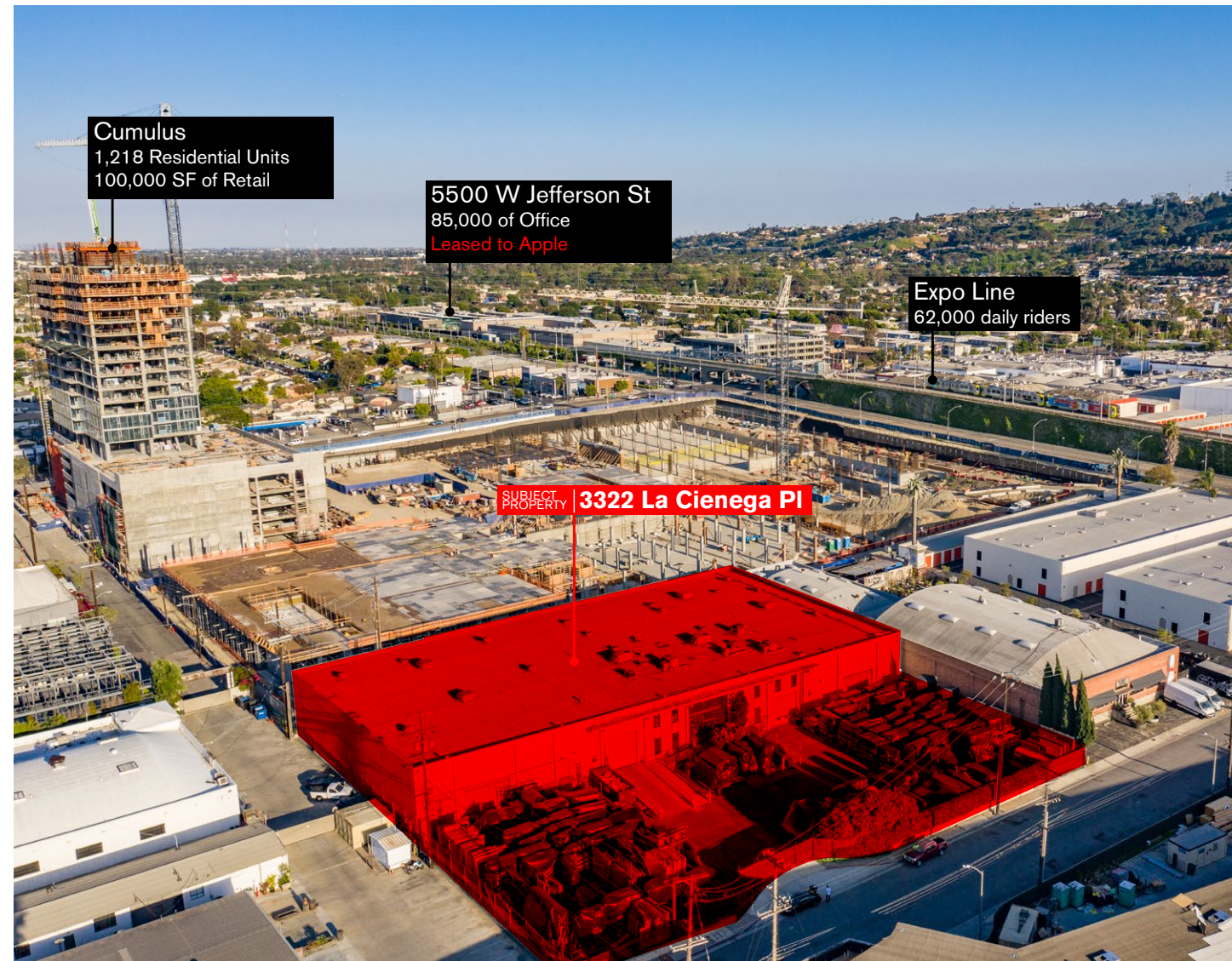
- Located in one of the strongest submarkets in Los Angeles with a record occupancy rate at 95%+
- Directly adjacent to one of the largest development projects in the region, with over 1,200 apartment units, 100,000 SF of retail space and a large outdoor courtyard area.
- Over 2mm SF recently leased nearby to Apple, Amazon, HBO & Google.
- Within walking distance to Expo Line's La Cienega/Jefferson Station, which connects Downtown Santa Monica and Downtown Los Angeles, and has over 62,000 daily riders on average.

Direct Access to Ballona Creek

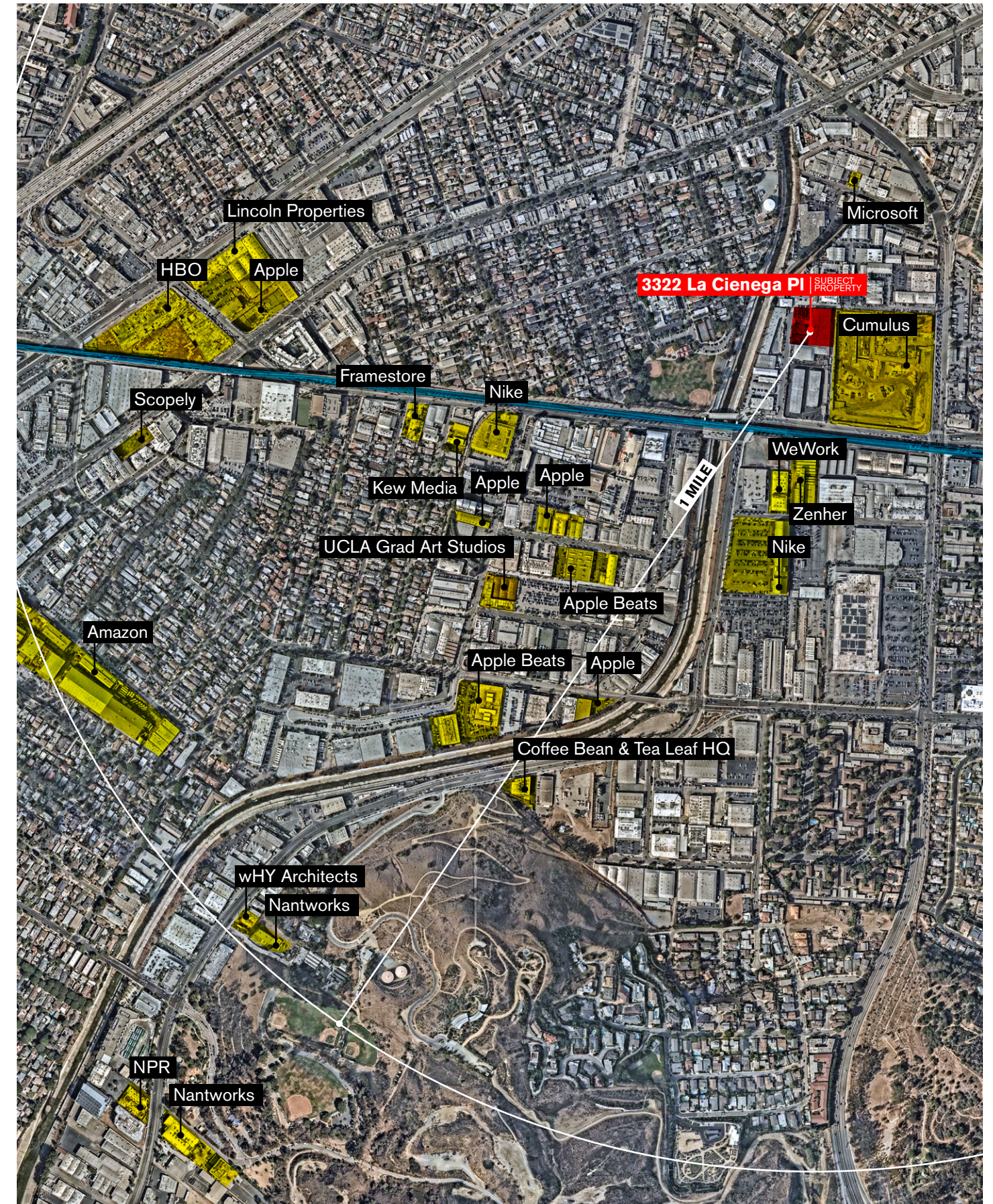
- Accessible public transportation with the La Cienega/Jefferson Expo Line Station, a bike path along Ballona Creek, and a planned pedestrian bridge across the creek

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.



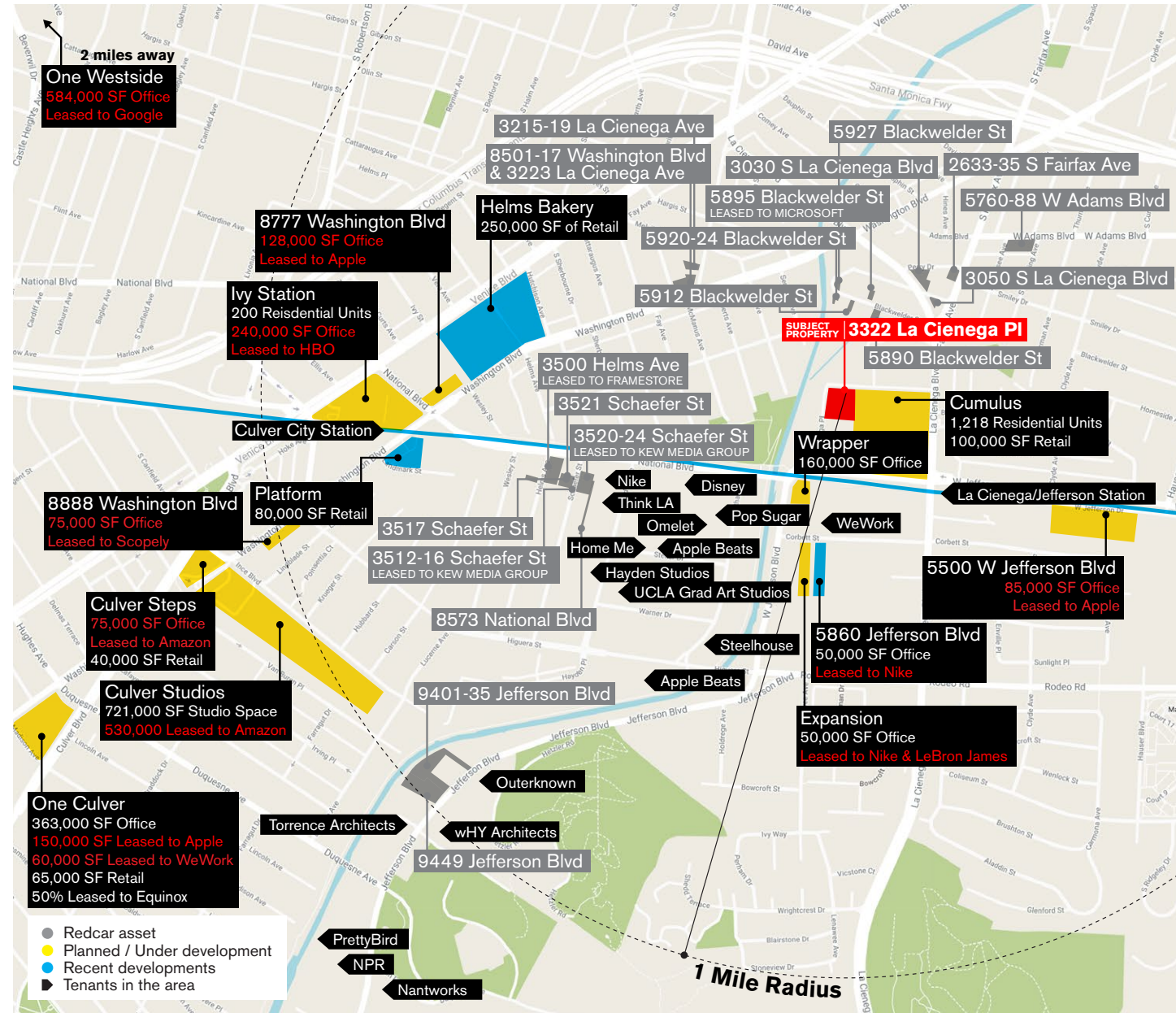
NEARBY TENANTS



CONCEPT RENDERING



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

240,000 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 240,000 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)

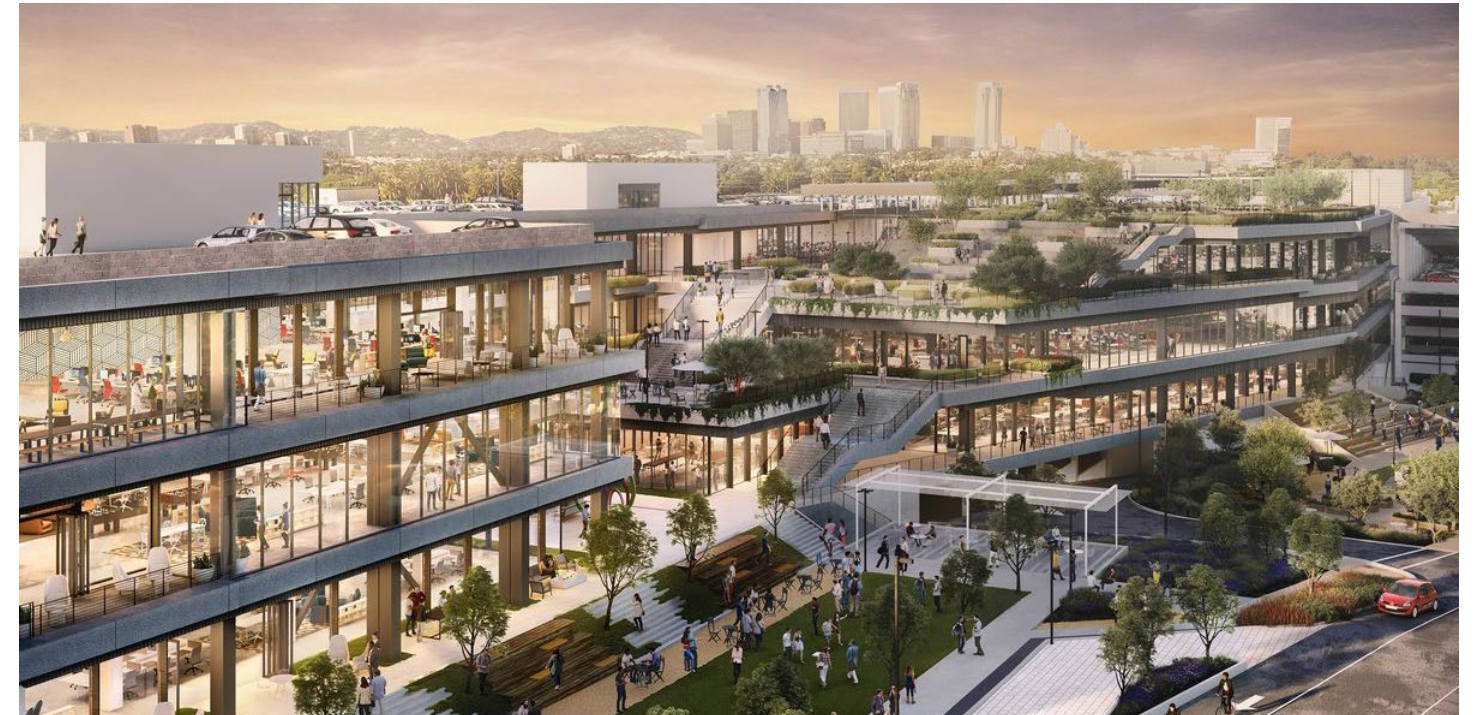


Amazon has also agreed to lease 75,000 square feet of office space at the Culver Steps development. That will give Amazon more than 600,000 SF of space in Culver City for its production arm, as well as the company’s video and advertising departments and the movie reference site IMDb, which Amazon owns.



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. At completion, it will feature just under 50,000 square feet of rentable space, which is rumored to become Nike’s next 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.



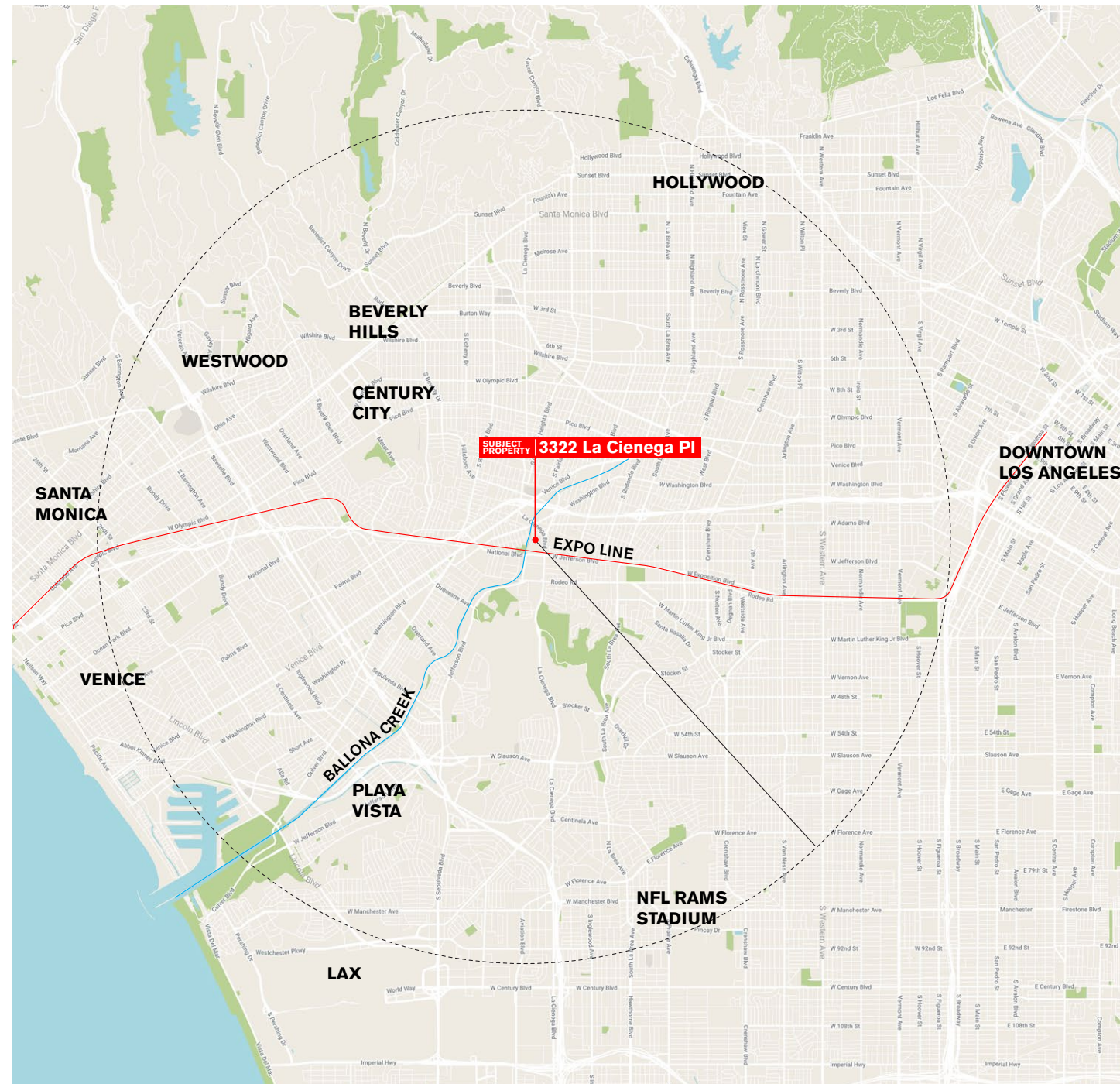
Apple leased all of Hackman Capital Partners’ 85,000-square-foot creative office development at 5500 W. Jefferson Boulevard near Culver City. The space, which sits near the La Cienega Expo Line Station, would be used for original content production.

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 95%+ 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.



CUMULUS DEVELOPMENT

Largest Residential Development West of the 110 Freeway

Work is well underway at the Cumulus development in Culver City, with the concrete podium for the tower already several levels above ground.

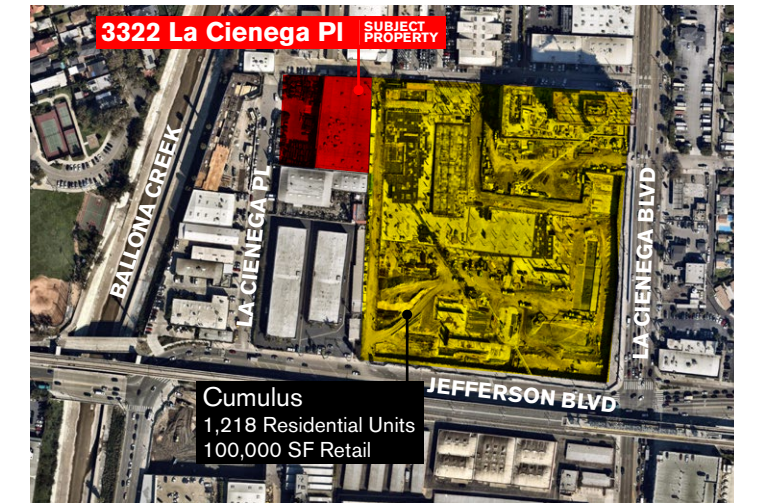
San Francisco-based developer Carmel Partners is behind the behemoth complex, which sits on an 11-acre site that was once occupied by Cumulus Media's radio broadcast facility. The project will consist of a combined 1,218 apartments and 100,000 square feet of commercial space divided between two separate buildings.

A podium-type mid-rise structure fronting La Cienega and Jefferson Boulevards is being designed by TCA Architects. It will house a majority of the project's 1,218 apartments as well as amenities, and ground-floor retail and restaurant space.

The second building is a 30-story tower being designed by Chicago-based firm Solomon Cordwell Buenz. It will hold approximately 300 apartments atop a parking podium and additional amenities.

Both buildings will wrap around a publicly accessible one-acre park, designed by landscape architecture firm Studio MLA.

This is the second multifamily project in the area for Carmel, who is also responsible for Linea, a 595-unit development currently rising at Expo/Sepulveda Station.



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.

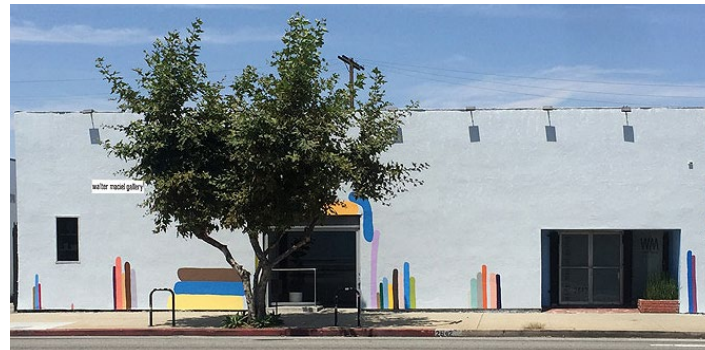


Blum & Poe is a contemporary art gallery located in Los Angeles, New York, and Tokyo.

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.



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.

• 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.



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.

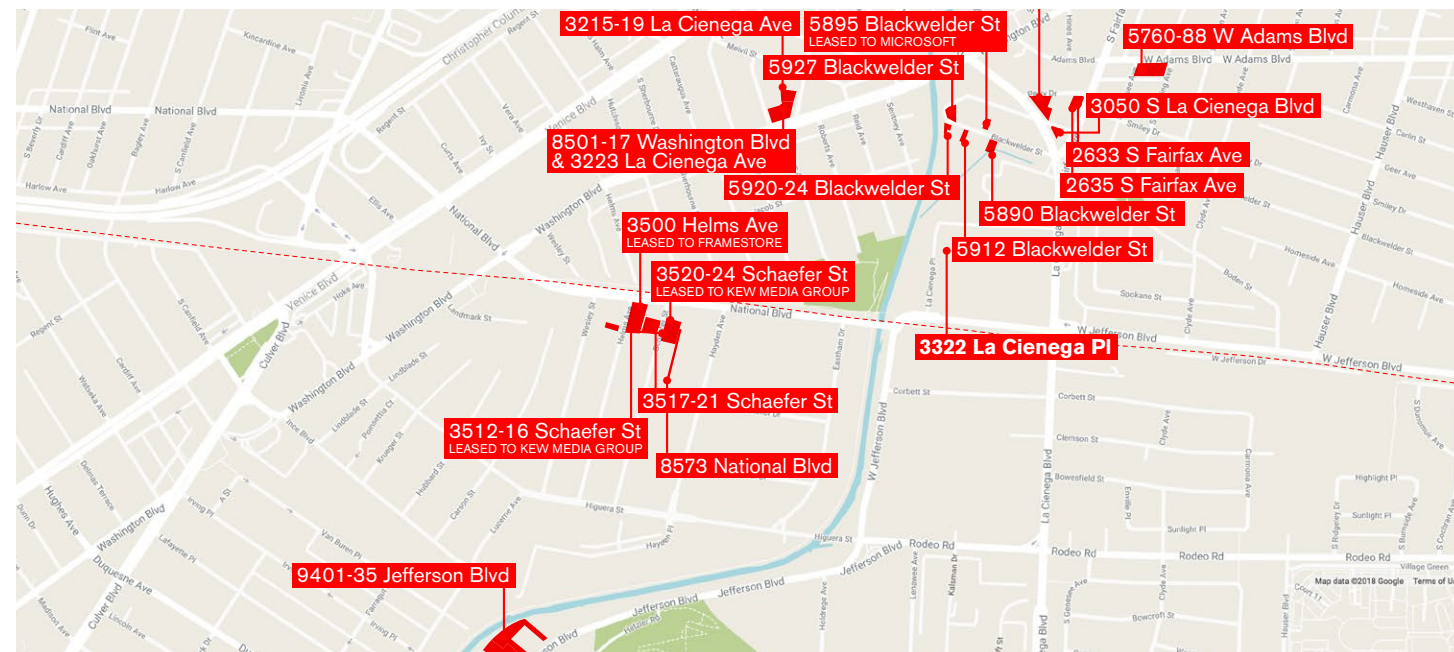
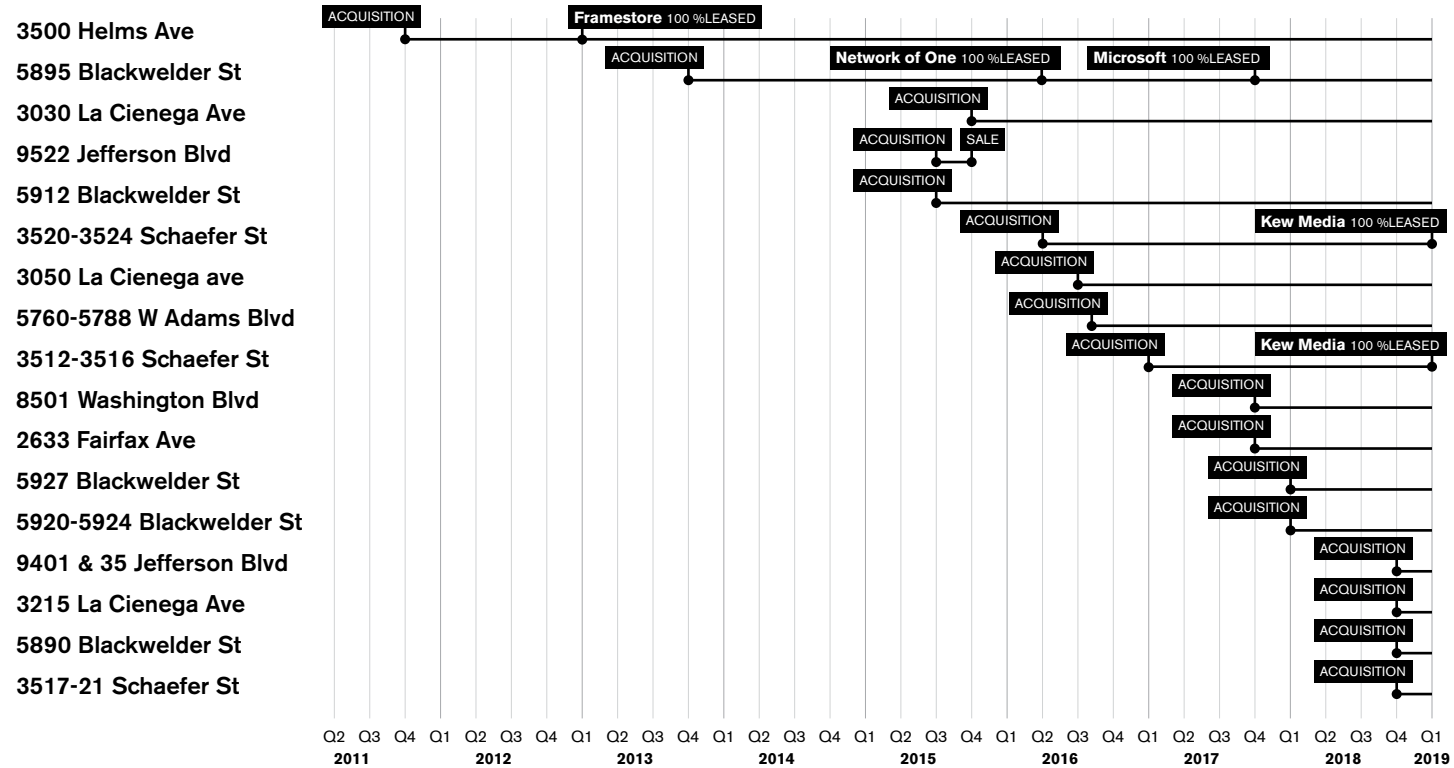
REDCAR EXPERIENCE IN CULVER CITY

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.

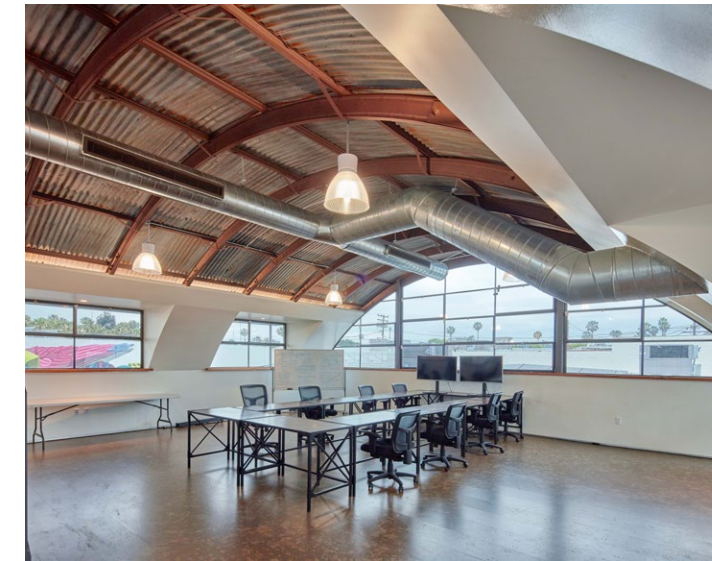
The following years have been very active for the Redcar team with another fourteen more properties acquired and one sold. Redcar's current Culver City portfolio alone spans eighteen properties, with over 100,000 of

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.

With primary offices in London, Los Angeles, New York, Sydney and Toronto, the KEW MEDIA GROUP companies develop, produce and distribute more than 1,000 hours of content every year, as well as distribute a library of more than 13,000 hours, to almost every available viewing platform internationally. KEW aspires to offer great content from all over the world to viewers of all ages and tastes.



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.

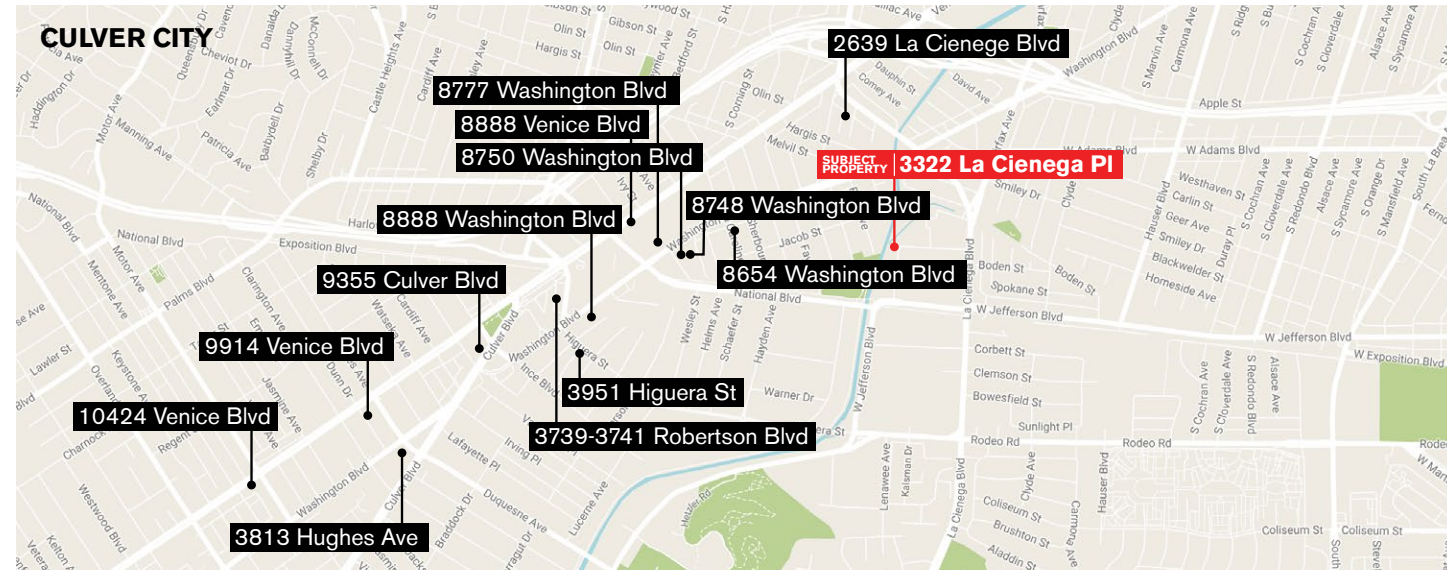


3030 La Cienega Blvd, rendering of planned design.

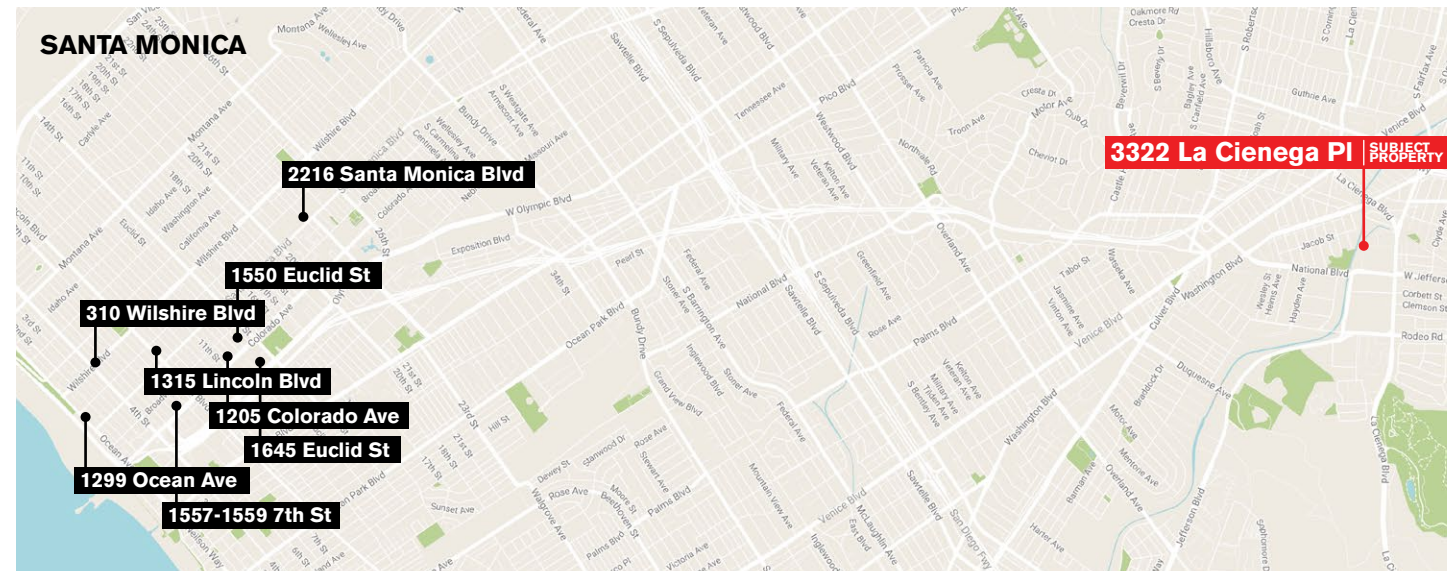


5895 Blackwelder St, post development.

SALE COMPARABLES

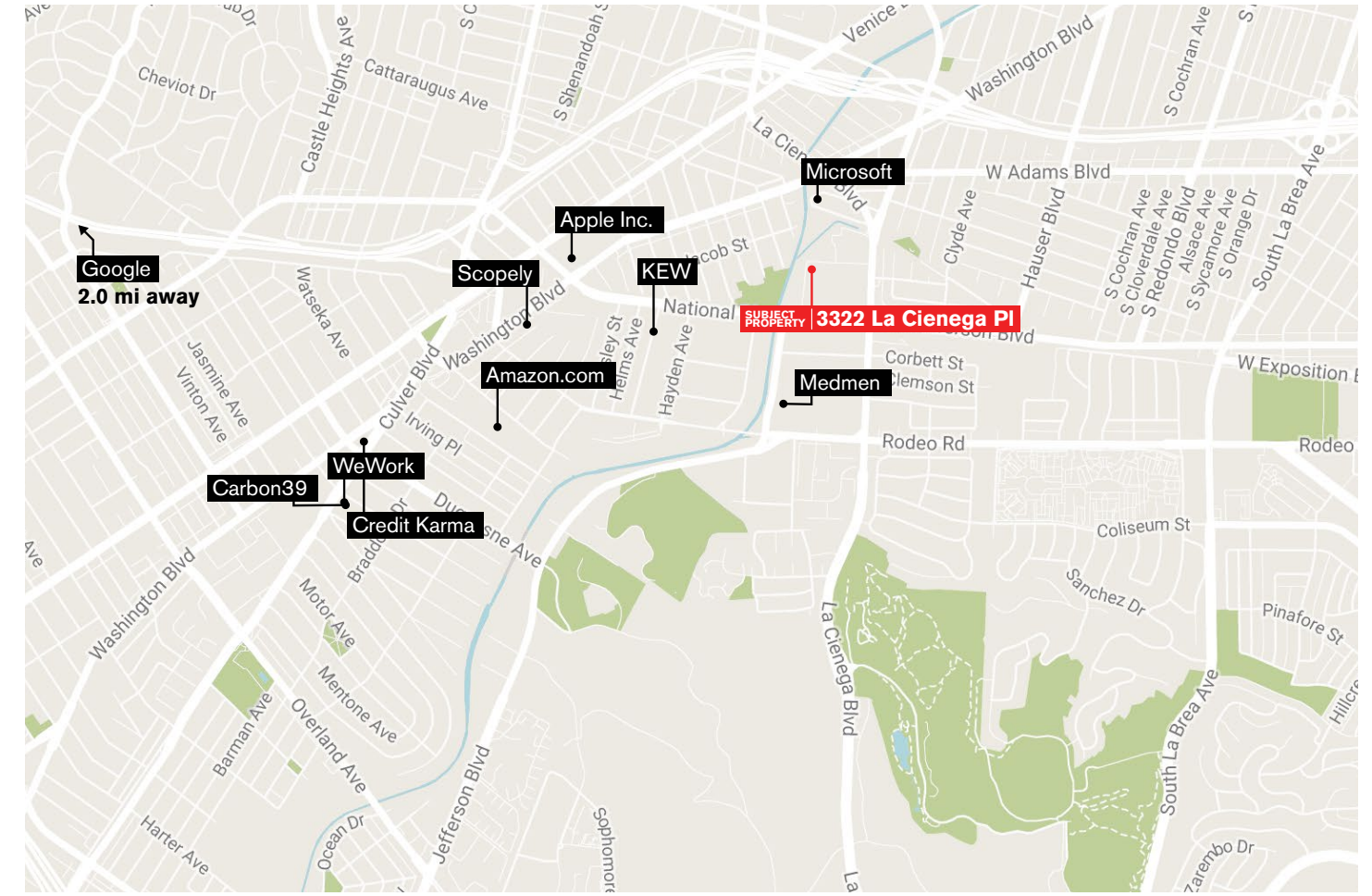


ADDRESS	SALE DATE	SALE PRICE	BLDG SF	LAND SF	\$ / BLD SF	\$ / LAND SF
8888 Venice Blvd	Jan 2019	\$122,000,000	108,000	195,133	\$607	\$625
8777 Washington Blvd	Jan 2017	\$25,000,000	14,547	42,690	\$1,719	\$586
8888 Washington Blvd	Sep 2017	\$10,500,000	10,000	26,088	\$1,050	\$402
8750 Washington Blvd	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
Weighted Average Sale Price					\$1,168	\$594



ADDRESS	SALE DATE	SALE PRICE	BLDG SF	LAND SF	\$ / BLD SF	\$ / LAND SF
1205 Colorado Ave	Aug 2018	\$30,272,727	23,431	22,455	\$1,292	\$1,348
1299 Ocean Ave	Apr 2017	\$285,000,000	205,713	52,707	\$1,385	\$5,407
2216 Santa Monica Blvd	Aug 2018	\$7,200,000	5,297	14,000	\$1,359	\$514
1315 Lincoln Blvd	Sep 2017	\$30,500,000	23,557	22,507	\$1,295	\$1,355
1557-1559 7th St	Sep 2017	\$5,450,000	3,900	7,496	\$1,397	\$727
Weighted Average Sale Price					\$1,369	\$3,008

OFFICE LEASE COMPARABLES



TENANT NAME	ADDRESS	LCD	SF	RENT	TERM	ESC	TI (\$)	FREE RENT
Scopely	8888 Washington Blvd	20-Aug	60,000	\$5.75	120	3.00%	75	10
Google	10800 Pico Blvd	2022	584,000	\$5.25	168			
Credit Karma	10000 Washington Blv	19-Jan	19,000	\$4.70	60	3.50%	60	4
MedMen	5880 Jefferson Blvd	18-Apr	18,200	\$4.50	60	3.00%		2
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
Weighted Average Lease Rate				\$5.29				

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 into 70,000 RSF of best-in-class creative office over 24 months and lease based on today's market rents of \$5.00/SF (stabilizing at a 6.9% yield on cost).

Returns Summary

Hold Period	5 years
Exit Cap Rate	5.0%
Exit Price	\$99,310,760
Gross IRR	19.5%
Gross Equity Multiple	1.9x
Total Equity	\$33,100,000 (\$476/SF)

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

Property Summary

Property	3322 La Cienega Place
Property Type	Creative Office
Market	Culver City
Year Built	1973
Parking	60 Spaces
Existing Building SF	35,000 RSF
Land Area (Sq. Ft.)	57,499 SF
Acquisition Date	4/8/19

Acquisition Metrics

	EXISTING	POST-REDEV
Total RSF	35,000	69,600
Purchase	\$29,000,000	\$29,000,000
\$PSF	\$829	\$417
All-in	\$71,288,217	\$71,288,217
\$PSF	\$2,037	\$1,024
Parking Stalls	60	70
\$/Stall	\$0	\$200

Returns Summary

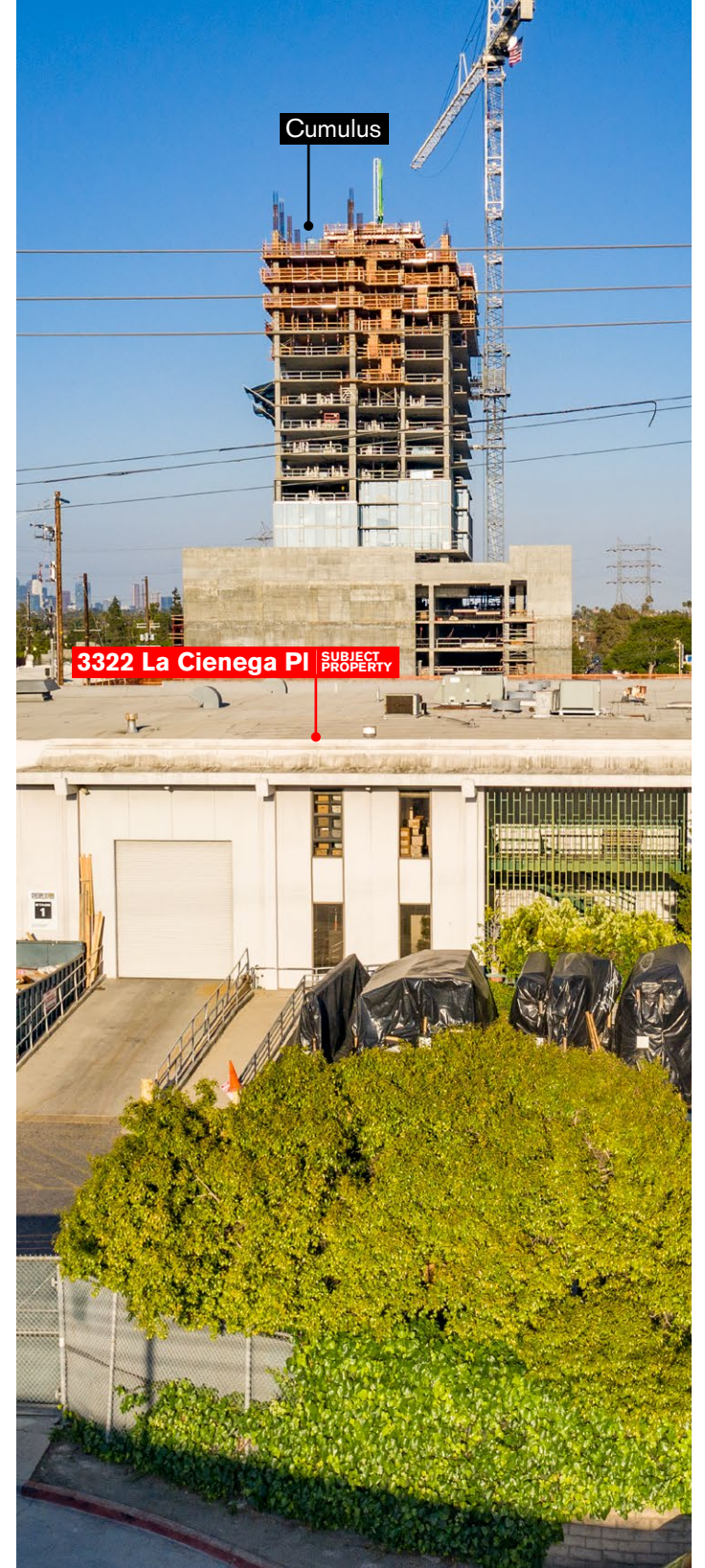
RETURNS SUMMARY	UNLEVERAGED	LEVERAGED
IRR	14.2%	19.5%
EM	1.6x	1.9x
Profits	37,857,385	29,111,356
ROC ¹	6.8%	
Cash on Cash Yield ²		22.0%

Exit Assumptions

Exit Date	4/30/24
Hold Period (in Months)	60 Months
Fwd Exit NOI	\$4,965,538
Fwd Exit Free Rent	-
Adjusted Fwd NOI	\$4,965,538
Exit Cap Rate	5.00%
Gross Proceeds	\$99,310,760
\$ PSF	\$1,427
(Less) Cost of Sale 1.50%	(\$1,489,661)
(Less) Free Rent	-
Net Proceeds	\$97,821,099
\$ PSF	\$1,405

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	\$29,000,000	\$417	96%
Debt	\$17,400,000	\$250	58%	Acquisition Fee	-	0	-
				Closing Costs ¹	362,500	5	1%
Equity	12,700,000	182	42%	Tenant Buyout	-	0	-
				Working Capital	346,000	5	1%
				Base Building	-	0	-
				TI/ LC	-	0	-
				Operating Shortfall	-	0	-
				Loan Fees / Costs	391,500	6	1%
				Interest Carry	-	0	-
Total	\$30,100,000	\$432	100%		\$30,100,000	\$432	100%

Sources & Uses Fully Funded - 11/30/23

SOURCES		\$/SF	%	USES		\$/SF	%
Debt Outstanding	\$35,400,000	\$509	50%	Purchase Price	\$29,000,000	\$417	41%
				Acquisition Fee	-	0	-
NOI	2,788,217	40	4%	Closing Costs	362,500	5	1%
Equity	33,100,000	476	46%	Remain Work Capital	196,057	3	0%
				Base Building	27,840,000	400	39%
				TI/ LC	6,669,716	96	9%
				Operating Shortfall	887,381	13	1%
				Loan Fees / Costs	1,231,500	18	2%
				Debt Service	5,101,063	73	7%
Total	\$71,288,217	\$1,024	100%		\$71,288,217	\$1,024	100%

Financing Assumptions

	ACQUISITION	CONSTRUCTION	RECAP
Repayment (Month)	9/30/21	12/31/23	12/31/28
Date	4/8/19	9/30/21	12/31/23
Total Loan	17,400,000	35,400,000	61,019,638
LTC	24%	50%	86%
Rate	L+335 bps	L+350 bps	5.00%
Fixed / Floating	Floating	Floating	Fixed
Loan Type	IO	IO	IO
Amortization	NA	NA	NA
Months of IO	NA	NA	NA
Term	29 Months	27 Months	60 Months
Loan Fees / Costs	2.25%	2.25%	2.00%
Exit Fee	0.25%	0.00%	0.00%

1—Closing Costs include 1.0% commission to Industry Partners.

SUMMARY FINANCIALS

Summary Financials

Physical Occupancy	100%	100%	33%	0%	67%
Net Economic Occupancy	100%	100%	33%	0%	46%
FISCAL YEAR ENDING 04/2030	YR 1 2020	YR 2 2021	YR 3 2022	YR 4 2023	YR 5 2024
Base Rental Revenue ¹	1,122,200	1,260,000	420,000	-	3,133,416
(Less) Rent Abatement	-	-	-	-	(1,175,031)
Scheduled Base Rent	1,122,200	1,260,000	420,000	-	1,958,385
Expense Reinbur. Income	587,674	584,023	183,203	-	779,972
Parking Income	-	-	42,000	-	120,602
Other Income	-	-	-	-	-
Total Gross Revenue	1,709,874	1,844,023	645,203	-	2,858,959
Vacancy	-	-	-	-	-
Effective Gross Revenue	1,709,874	1,844,023	645,203	-	2,858,959
Operating Expenses	600,456	617,075	501,876	445,816	984,334
Net Operating Income	1,109,418	1,226,948	143,327	(445,816)	1,874,625
ROC	1.6%	1.7%	0.2%	-0.6%	2.6%
Tenant Improvements	-	-	-	-	5,091,802
Leasing Commissions	151,200	-	-	-	1,426,714
Base Building	214,284	214,284	9,184,768	13,670,000	4,556,664
Tenant Buyout	-	-	-	-	-
Net Cash Flow	743,934	1,012,664	(9,041,441)	(14,115,816)	(9,200,555)

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

SUMMARY FINANCIALS

Investment Summary

FISCAL YEAR ENDING 4/30	YR 0 APR 2019	YR 1 2020	YR 2 2021	YR 3 2022	YR 4 2023	YR 5 2024	TOTAL
Investment	(29,708,500)	-	-	-	-	-	(29,708,500)
NOI	-	1,109,418	1,226,948	143,327	(445,816)	1,874,625	3,908,502
CapEx	-	(365,484)	(214,284)	(9,184,768)	(13,670,000)	(11,075,180)	(34,509,716)
Disposition Proceeds	-	-	-	-	-	97,821,099	97,821,099
NCF	(29,708,500)	743,934	1,012,664	(9,041,441)	(14,115,816)	88,620,544	37,511,385
Constr. Funding	17,400,000	-	-	17,443,500	5,568,294	12,388,206	52,800,000
Constr. Loan Fees/Costs	(391,500)	-	-	(796,500)	-	-	(1,188,000)
Constr. Interest	-	(1,022,813)	(1,005,771)	(1,012,214)	(1,076,337)	(1,160,006)	(5,277,141)
Constr. Principal	-	-	-	-	-	-	-
Constr. Repayment	-	-	-	(17,400,000)	-	(35,400,000)	(52,800,000)
Constr. Penalty	-	-	-	(43,500)	-	-	(43,500)
TIs & LCs Reserve Draw	-	-	-	-	-	6,518,516	6,518,516
Base Bldg Reserve Draw	-	-	-	-	5,027,676	4,556,664	9,584,340
Interest Carry Rsv. Draw	-	-	-	-	540,618	1,116,968	1,657,586
Acq. Financing CF	17,008,500	(1,022,813)	(1,005,771)	(1,808,714)	4,491,957	(24,171,800)	-
Refi Funding	-	-	-	-	-	59,799,245	59,799,245
Refi Interest	-	-	-	-	-	(1,016,994)	(1,016,994)
Refi Principal	-	-	-	-	-	-	-
Refi Repayment	-	-	-	-	-	(61,019,638)	(61,019,638)
Refi Penalty	-	-	-	-	-	-	-
Refi Financing CF	-	-	-	-	-	(2,237,387)	-
Contributions to WC	-	-	-	-	-	-	-
CF Sweep	-	(4,166)	(14,805)	(33,861)	-	-	(52,832)
Proceeds from Financing	-	-	-	-	-	(196,057)	(196,057)
Capital Call	-	-	-	(20,400,000)	-	-	(20,400,000)
Distributions from WC	-	-	-	-	-	-	-
Return of Capital	-	-	-	-	-	196,057	196,057
Drawdown of Work Cap.	-	283,045	7,912	10,884,016	9,623,859	-	-
Work Capi Beginning Bal.	-	346,000	67,121	74,014	9,623,859	-	-
Work Capital Ending Bal.	346,000	67,121	74,014	9,623,859	-	-	-
NFC After DS	(12,700,000)	-	0	(20,400,000)	-	62,211,356	29,111,356
Levered IRR	19.5%						
Leveraged CF (Net of Holdbacks)	(12,700,000)	-	-	(20,400,000)	-	62,211,356	29,111,356
Average Outstanding Equity	-	12,700,000	12,700,000	24,600,000	33,100,000	24,901,566	-
Debt Outsanting at YE	-	17,400,000	17,400,000	17,443,500	23,011,794	-	-
DSCR	-	1.08x	1.22x	0.14x	(0.41x)	0.86x	-
Debt Yield	-	6.4%	7.1%	0.8%	-2.6%	8.1%	-
Gross IRR	19.5%						
Gross Profit	29,111,356						
Gross EM	1.88						
Peak Equity	33,100,000						

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 (%)
20th Century Fox ¹	Contractual	100	Office	Jun-11	Aug-21	35,000	0.0%	35,000	\$846,600	\$2.02 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 (%)
Office	Speculative	100	Office	Sep-23	Aug-28	69,600	20%	58,000	\$4,700,125	\$5.63 PSF	3.0%	3 Months	NNN	\$73.16 PSF	6.00%

Parking

	Stalls	\$/Amount	% Fixed
Existing	60	\$0.00	0.00%
Redevelopmet	70	\$200.00	0.00%

Base Building

Building	RSF / Parking Stalls	\$ / RSF	Base Building	BB Start Date	BB Completion	# of Months
3322 La Cienega_Pre-Development	Predev	\$7 / SF	\$500,000	Apr-19	Aug-21	29 Months
3322 La Cienega	69,600 RSF	\$393 / SF	\$27,340,000	Sep-21	Aug-23	24 Months
TOTAL	69,600 RSF	\$400 / SF	\$27,840,000			

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	TI'S RENEW	LC'S NEW	LC'S RENEW	TERM	DOWN-TIME	RENEWAL PROBABILITY	ABATEMENT NEW	ABATEMENT RENEW	REIMBURS.
\$5.00 NNN	\$5.00	3.00%	\$65.00	\$32.50	6.00%	3.00%	5 Years	6 Months	75.00%	3 Months	0 Months	NNN

Expirations

YEAR ENDING	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
January	35,000	35,000	35,000	0	0	69,600	69,600
February	35,000	35,000	35,000	0	0	69,600	69,600
March	35,000	35,000	35,000	0	0	69,600	69,600
April	35,000	35,000	35,000	0	0	69,600	69,600
May	35,000	35,000	35,000	0	0	69,600	69,600
June	35,000	35,000	35,000	0	0	69,600	69,600
July	35,000	35,000	35,000	0	0	69,600	69,600
August	35,000	35,000	35,000	0	0	69,600	69,600
September	35,000	35,000	0	0	69,600	69,600	69,600
October	35,000	35,000	0	0	69,600	69,600	69,600
November	35,000	35,000	0	0	69,600	69,600	69,600
December	35,000	35,000	0	0	69,600	69,600	69,600
Avg. Occupied SF	35,000	35,000	23,333	0	23,200	69,600	69,600
Total NRA	69,600	69,600	69,600	69,600	69,600	69,600	69,600
Occupancy %	50%	50%	34%	0%	33%	100%	100%

