

redcar

3550 Hayden Ave
Culver City

CONFIDENTIAL INVESTMENT SUMMARY

LOCATION



Concept Rendering



Existing Property



EXECUTIVE SUMMARY

The Opportunity

3550 Hayden Ave (the "Property" or "Asset") is located in the Hayden Tract of Culver City just blocks away from the Apple Beats Campus. The Asset was sourced off-market and presents an opportunity to create best-in-class creative space within walking distance from Apple and Nike.

Currently, the Property is fully leased to GOAT (the world's largest online resale marketplace for sneakers) until July 2020 at a monthly rate of \$37,359 (\$2.50/SF). GOAT subleases to a production company called Rocco & Co., who is already in discussions with Redcar to sign a new short-term lease for 12 months while Redcar prepares for the redevelopment. This extension will allow Redcar to generate cash flow while planning and permitting a 25,000 RSF redevelopment.

Business Plan

- Redcar Fund I ("Redcar" or the "Sponsor") is under contract to acquire 3550 Hayden Ave for \$13.25mm (\$527/Redev SF). Redcar plans to fund the acquisition with 100% equity.
- The Asset will be redeveloped into approximately 25,000 RSF of best-in-class creative office space by implementing \$6.1mm (\$242/Redev SF) of base building upgrades.
- Redcar plans to obtain construction financing of 60% LTC followed by a permanent loan upon stabilization. Based on a total project cost of \$23.2mm (\$924/Redev SF), Redcar aims to achieve a return on cost of 7.0% by Q1 2023.
- An exit at the end of year 5 at a 5.0% cap rate will generate gross proceeds of **\$34.8mm** and a total gross IRR / Equity Multiple of 19.2% / 1.9x.

The Property

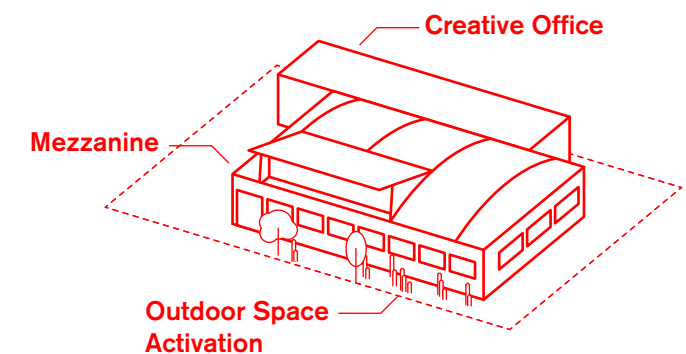
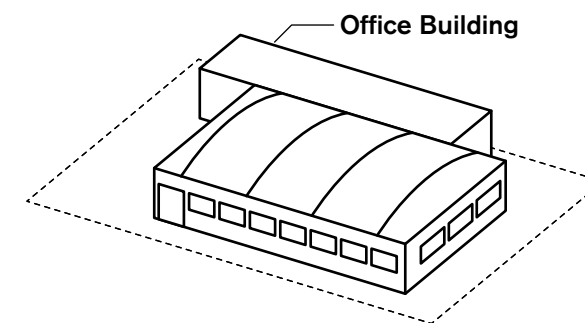
Existing Building SF:
14,956 SF

Land SF:
21,337 SF

Post Re-development Building Area:
25,147 RSF (68% Increase)

Existing
11,042 Bldg SF
14,956 SF Land

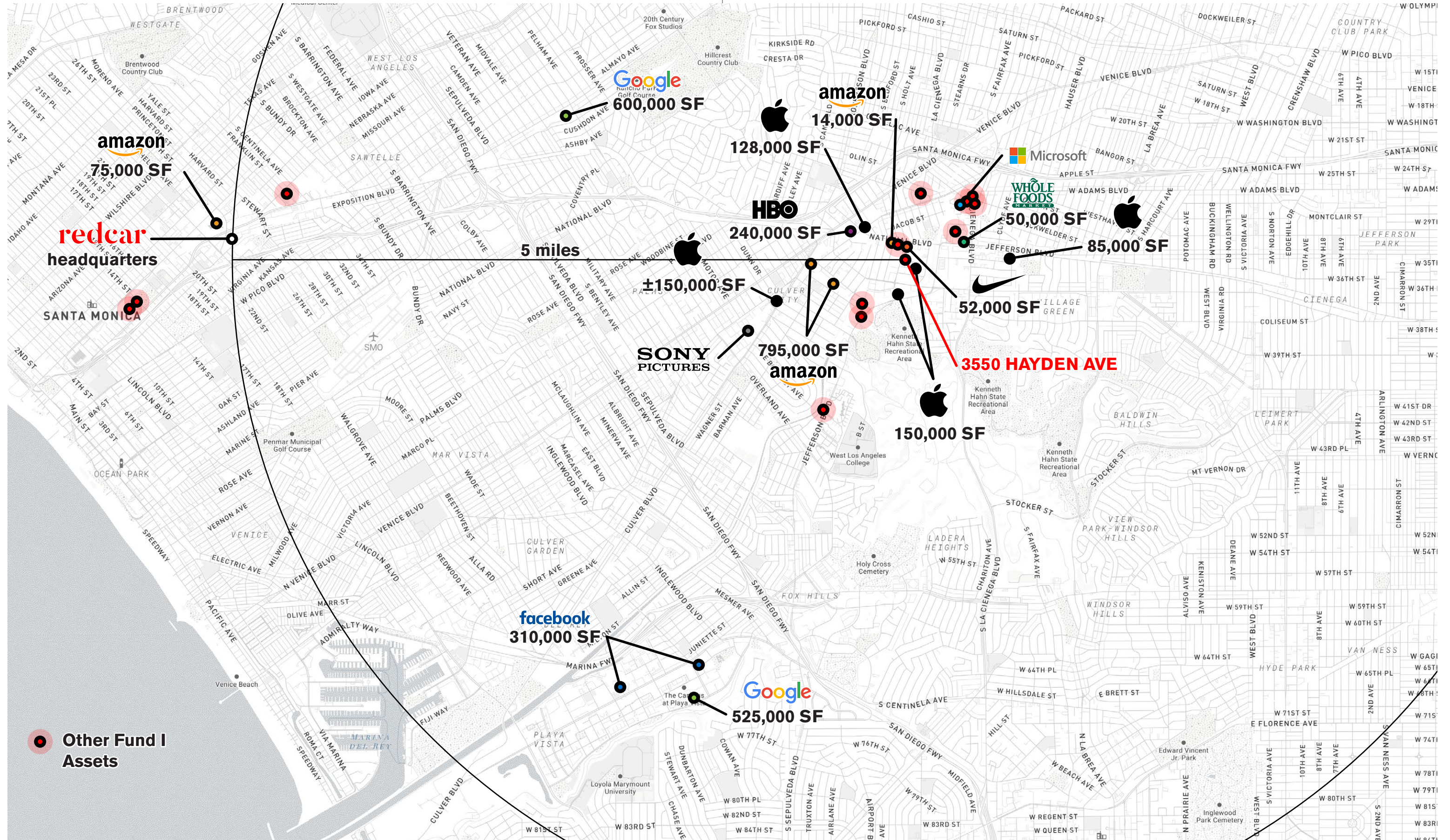
Proposed
Redevelopment
25,147 SF Bldg



PROPERTY



PROXIMITY TO TENANTS



CONCEPT RENDERING



SOURCES & USES

At Close

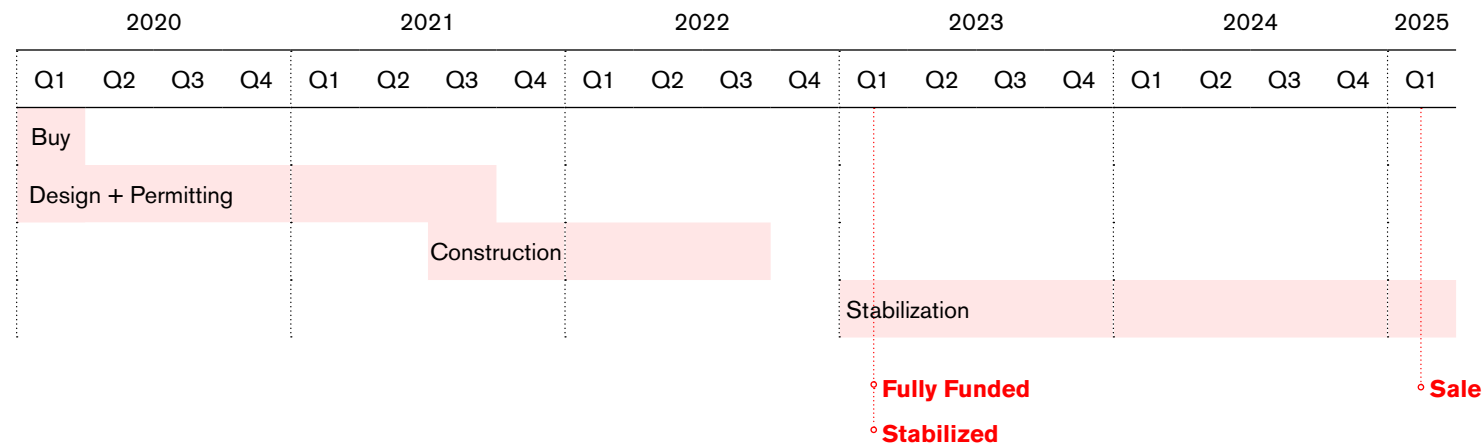
SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt	\$0	\$0	0%	Purchase Price	\$13,250,000	\$527	95%
Equity	14,000,000	557	100%	Closing Costs ¹	397,500	16	3%
				Working Capital	352,500	14	3%
Total Sources	\$14,000,000	\$557	100%	Total Uses	\$14,000,000	\$557	100%

Fully Funded Projections (01/31/23)

SOURCES	\$ AMOUNT	\$/SF	%	USES	\$ AMOUNT	\$/SF	%
Debt Outstanding	\$14,000,000	\$557	60%	Purchase Price	\$13,250,000	\$527	57%
NOI	529,622	21	2%	Closing Costs ¹	397,500	16	2%
Equity	8,700,000	346	37%	Tenant Buyout	-	0	-
				Remaining Working Capital	180,156	7	1%
				Base Building	6,092,904	242	26%
				TI/ LC	2,470,769	98	11%
				Operating Shortfall	264,448	11	1%
				Loan Fees / Costs	-	0	-
				Debt Service	573,845	23	2%
Total Sources	\$23,229,622	\$924	100%	Total Uses	\$23,229,622	\$924	100%

1—Closing Costs include commissions of 1% for Industry Partners.

Timeline



ASSUMPTIONS, RISKS & MITIGANTS

Underwriting Assumptions

Redevelop the Property into 25,147 RSF of best-in-class creative office over 12 months and lease based on today's market rents of \$5.00/SF (stabilizing at a 7.0% yield on cost).

Redcar Fund I Projected Return Summary

Hold Period	5 years
Exit Cap Rate	5.00%
Exit Price	\$34,838,700 (\$1,385/SF)
Gross IRR	19.2%
Gross EM	1.9x
Total Equity	\$14,000,000

Risks and Mitigants

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

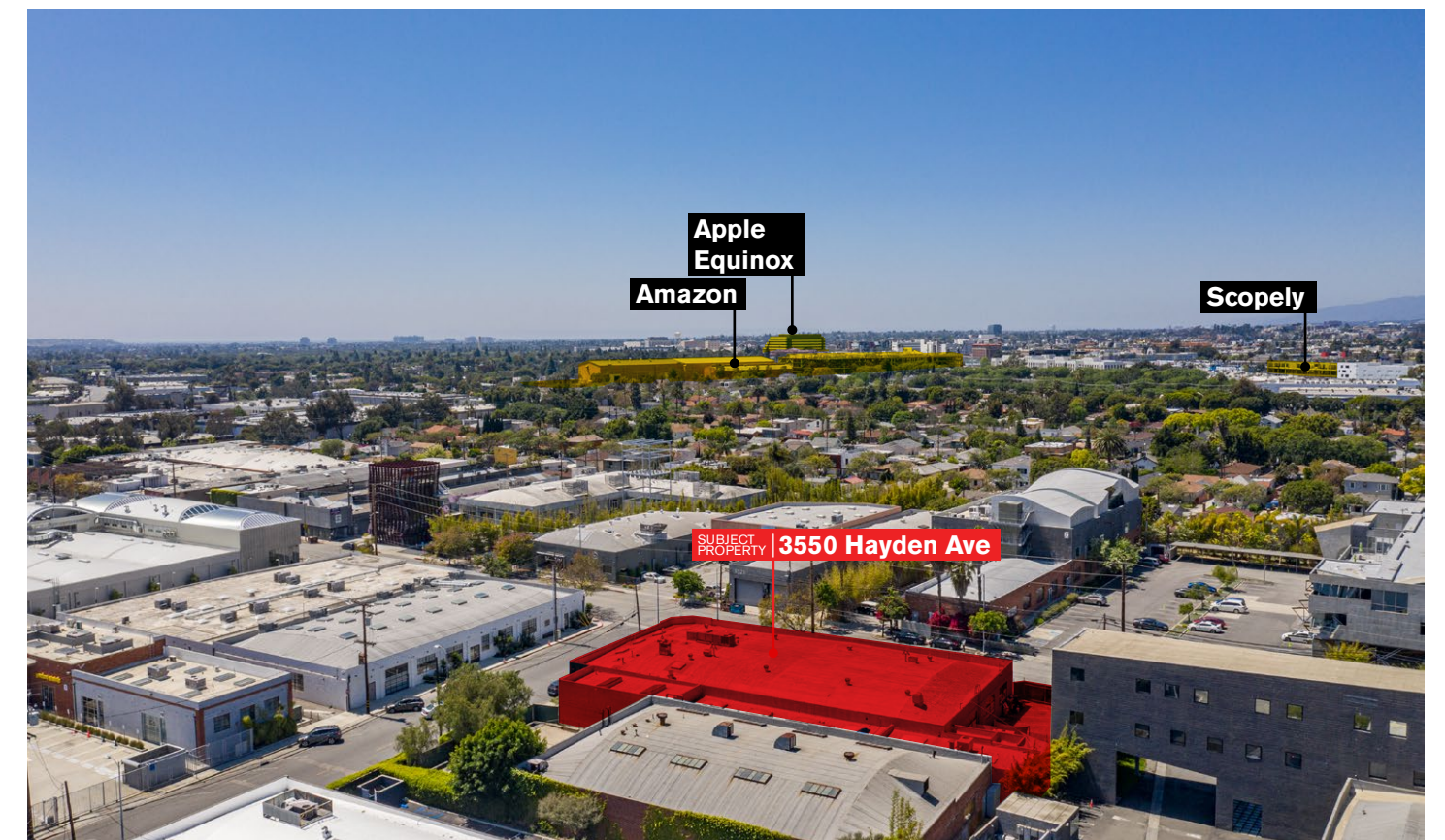
- The Property benefits from a diverse in-place tenancy
- Extensive sponsor experience successfully repositioning similar buildings in multiple Los Angeles submarkets, including nearby properties at 3520 Schaefer St, and 5895 Blackwelder St.

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

- High quality creative office supply in the area is extremely limited.
- High demand for transit oriented creative space. Developments near transit have increased rental rates 19% faster than projects not located near transit.

Cap Rates: Capitalization rates may widen

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



MARKET INSIGHTS

THE SUBMARKET

Culver City is currently one of the most talked about office submarkets in Los Angeles. Since the recovery, the submarket has experienced impressive tenant demand as well as outsized rent growth. This has spurred elevated construction levels, and the pipeline is currently among the fullest of any submarket in L.A. today.

Culver City has won several of the mega lease deals announced in L.A. and has benefited from the content production arms race underway in the city among the media juggernauts. Amazon, Apple, and HBO have all made sizable commitments to buildings in the submarket.

Looking at investment sales, Culver City had seen a lull during the past few years, but with the sale of C3 in May and the Blackwelder office campus in October, sales activity in 2019 was well above historical averages.

The submarket's central location allows employers to pull talent from a wide range of directions. Additionally, the Metro Expo Line, which connects Culver City to Santa Monica and Downtown Los Angeles, increasingly drives companies to locate in Culver City. Tech and creative firms constitute much of the tenancy. The submarket's increasing appeal has narrowed the discount the submarket has typically offered compared to other premier Westside submarkets.

CREATIVE OFFICE LEASING

Culver City holds the mantle as one of the current leasing hotspots in Los Angeles. Looking at recent activity, Culver City saw strong net absorption during the second half of 2019, allowing the vacancy rate to fall to record lows—2.9% at the beginning of 2019 and 4.50% by Q4.

The submarket has evolved into a favorite location for tech and creative firms that decide to locate outside of Silicon Beach. Recent mega deals by Amazon, Apple, and HBO attest to

the submarket's allure. In late 2018, Amazon announced that it was taking an additional 250,000 SF in Hackman Capital's Culver Studios project.

With previous announced deals, Amazon will have a footprint of well over 600,000 SF in Culver Studios.

Amazon also has another 70,000 SF in the Culver Steps development that completed in summer 2019.

In early 2019, HBO made it official that it will take all the office portion, around 240,000 SF, of the Ivy Station mixed-use project in Culver City. HBO will move from its current headquarters in Santa Monica. In April 2019, Scopely, a mobile gaming company, agreed to take 60,000 SF in the Platform mixed-use development that will soon complete. This will expand the firm's footprint, which already includes offices in the Hayden Tract area of the submarket.

One of the exciting developments of last year was the arrival of the West Adams section of the submarket as an office cluster. As rental rates escalated and options in prime Culver City dwindled, pioneering developers bought industrial buildings to convert to office along the Expo line near the Expo/Crenshaw stop, several miles east of Downtown Culver City. Before these conversions, this area had almost nonexistent office stock.

In January 2019, sneaker marketplace GOAT signed for 56,000 SF, taking all the space in the 3339 Exposition Pl. renovation. In May of that year, both salad shop sweetgreen and The RealReal announced deals for new headquarters. The former will lease 50,000 SF at 3629 11th Ave. once the building's renovations are completed.

The RealReal moved into 27,000 SF at 3317-3325 Exposition Pl. in September 2019. These tenants are likely betting this location will evolve with the completion of the Crenshaw Line, which will meet the Expo Line at the Expo/Crenshaw stop.



redcar

CONSTRUCTION

Supply additions this cycle have largely come in the form of existing small to midsized industrial assets being converted to office use. These projects will likely continue to bring additional stock to Culver City over time, but the recent development wave has decidedly shifted to ground-up construction. The bellwether of this trend was the completion of IDS Realty's 280,000-SF C3 in the southwestern section of the submarket in 2017. Bytedance's multi-floor lease brought the project to full occupancy in late 2018. The most recent addition, Culver Steps, completed in August 2019. The office portion is entirely leased to Amazon Studios.

Culver Steps is adjacent to the old Culver Studios that is undergoing extensive renovations and preparing for Amazon Studios' move there in 2021. In total, Amazon will have almost 600,000 SF of office and production space in the submarket once renovations at Culver Studios are completed. Within Culver Studios, there is also a 200,000-SF office portion that is anticipated to finish in 2020 and is also anticipated to be leased by Amazon.

Ivy Station, across from the Culver City Expo Line stop, will include 240,000 SF of office. The project will also consist of apartments, retail, and a hotel. HBO has already committed to the entire office portion, even though the project is expected to complete in 2021. A 128,000-SF project being developed by Lincoln Property Group, 8777 Washington, will come on line in 2020 and is fully committed to by Apple.

Samitaur Constructs, a group that has developed several other notable projects in the Hayden Tract portion of the submarket over the years, has broken ground on what is billed as the first "creative" high-rise building in Los Angeles, (W) rapper. The project will comprise a 180,000- SF, 16-story tower near the Expo/La Cienega metro stop.

Top Tenants

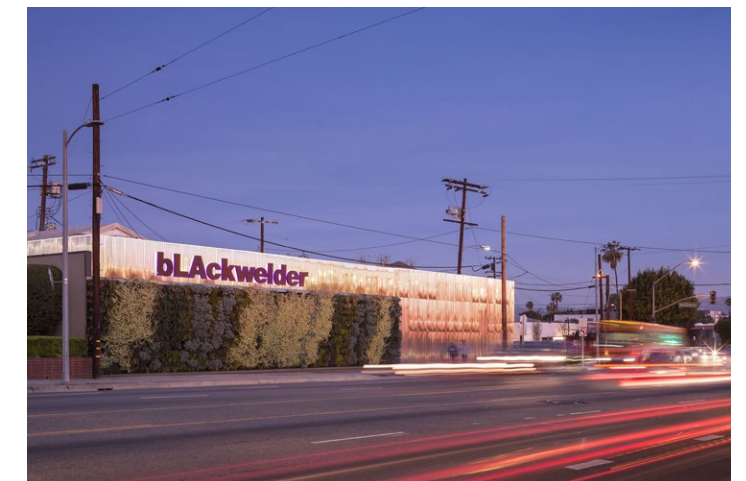
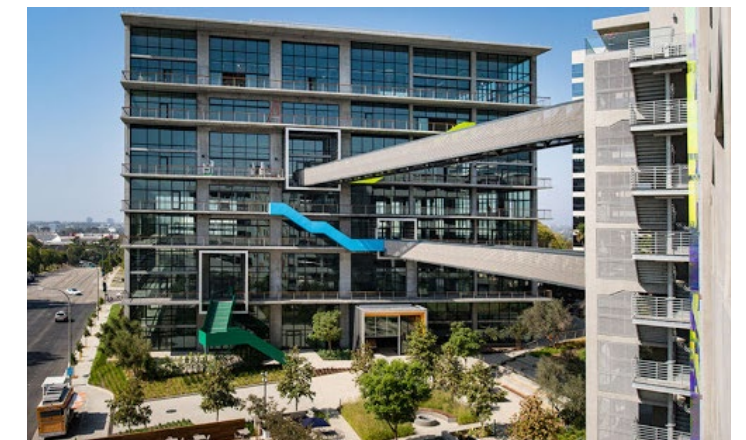
Sony	2,600,000 SF
Amazon	750,000 SF
Apple	513,000 SF
HBO	240,000 SF

SALES

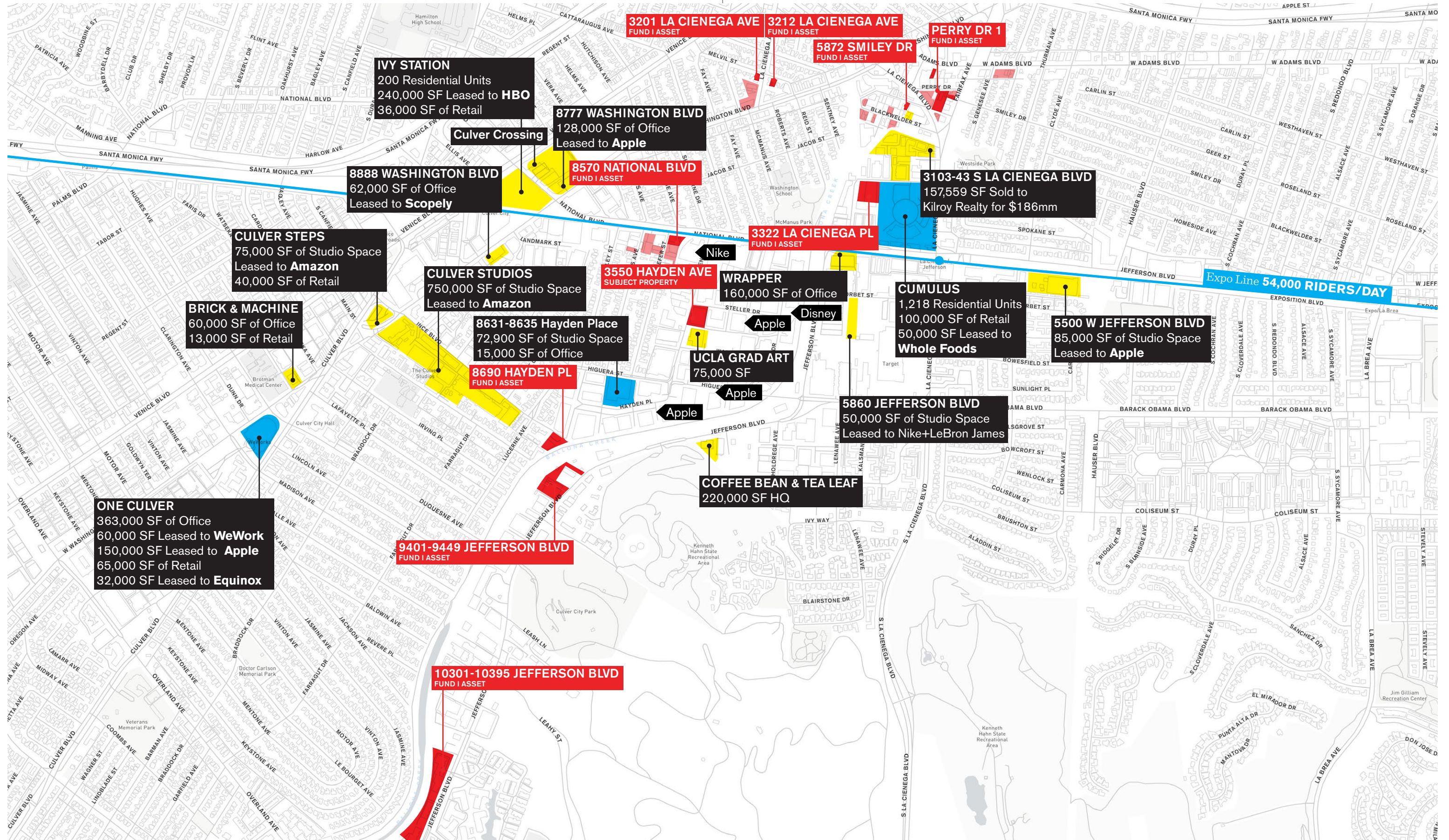
Transaction activity was strong in 2019, after a relative lull in 2017 and 2018. The largest single-asset office trade in the submarket's history occurred in May 2019, with the sale of C3 at 5800 Bristol Pkwy. As one of the newest buildings in Culver City, C3 garnered \$260 million (\$835/SF) with a reported in-place cap rate of 4.6%. The sale was a recapitalization in which the sellers brought in Morgan Stanley as a JV partner. Morgan Stanley acquired a 49% minority stake, while the sellers, a JV between PNC Realty Advisors, held on to 51%. The property was fully leased upon sale.

More recently, in October 2019, Kilroy acquired the 158,000-SF, 19-property Blackwelder office campus from Lincoln Property Company for \$186 million (\$1,093/SF). The acquisition is Kilroy's first play in Culver City. The campus is a former cabinet and furniture manufacturing facility that was converted into creative office space. The property was 100% leased at the time of sale to media and creative companies including the Mill Group, Stagwell Marketing Group, and Hungryman.

The impressive pricing Kilroy was willing to pay was due to the site's redevelopment potential. The properties sit on 6.9 acres next to the massive Cumulus multifamily project underway and are walking distance to the Metro Expo Line.



MARKET ACTIVITY



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 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)



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.



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.



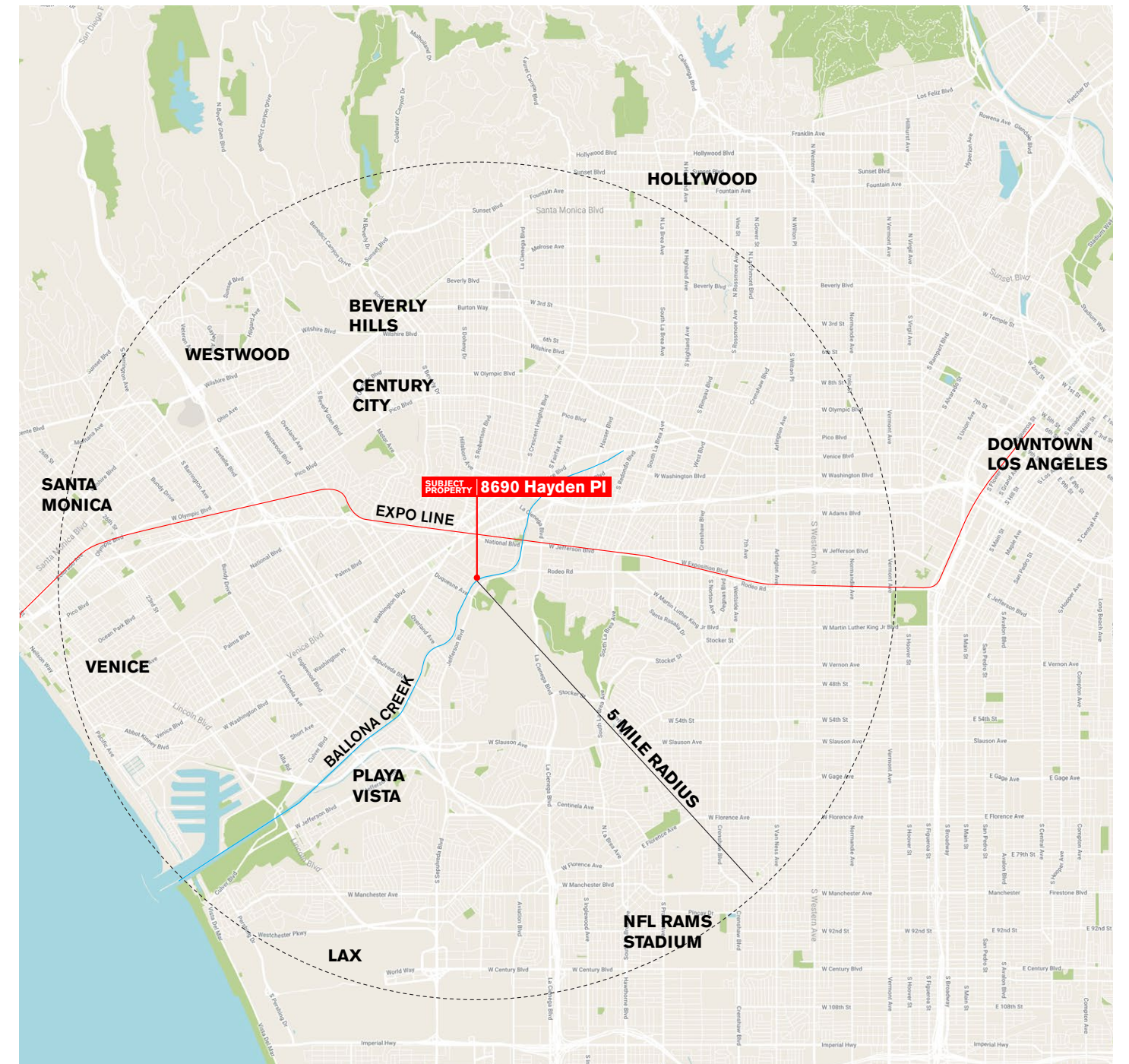
Apple leased all of Hackman Capital Partners' 85,000-square-foot creative office development at 5500 W. Jefferson Boulevard near Culver City. The space, which sits near the La Cienega Expo Line Station, would be used for original content production.

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 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.



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.

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.



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



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).

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.

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.

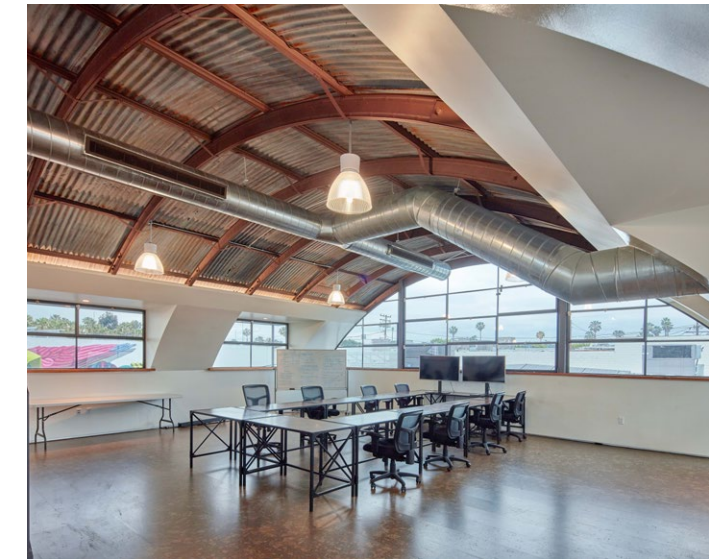
The following years have been very active for the Redcar team with another 25 properties acquired and one sold. Redcar's Fund I current Culver City portfolio alone spans twelve properties, with over 250,000 of total building SF (at acquisition). Redcar's Culver City office

tenants include Microsoft and Framestore, and nearby tenants in the Westside also include Headspace, Birdie G's, Lululemon, 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 250,000 SF of existing Culver City portfolio is planned to be expanded to almost 600,000 SF.



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



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.



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.



Birdie G's SUPPER & COCKTAILS SANTA MONICA

Located on an industrial stretch near Bergamot Station, Birdie G's looks more like an Arts District mega-restaurant than a comfort food spot in the middle of inland Santa Monica. There are exposed rafters, cement brick walls, and a long bar looking into an open kitchen. If that all sounds familiar to you, it's because the interior doesn't look much different from other upscale restaurants these days. Birdie G's serves comfort food, but it's comfort food we've never seen inside an LA restaurant before.



3520-24 Schaefer St, as acquired in 2016.



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



3512-16 Schaefer St, as acquired in 2017.



3030 La Cienega Blvd, as acquired in December 2015.



3520-24 Schaefer St, as proposed in 2019.



3030 La Cienega Blvd, construction near completion.



5895 Blackwelder St, as acquired in 2013.



3008 Main St, as acquired in 2015.

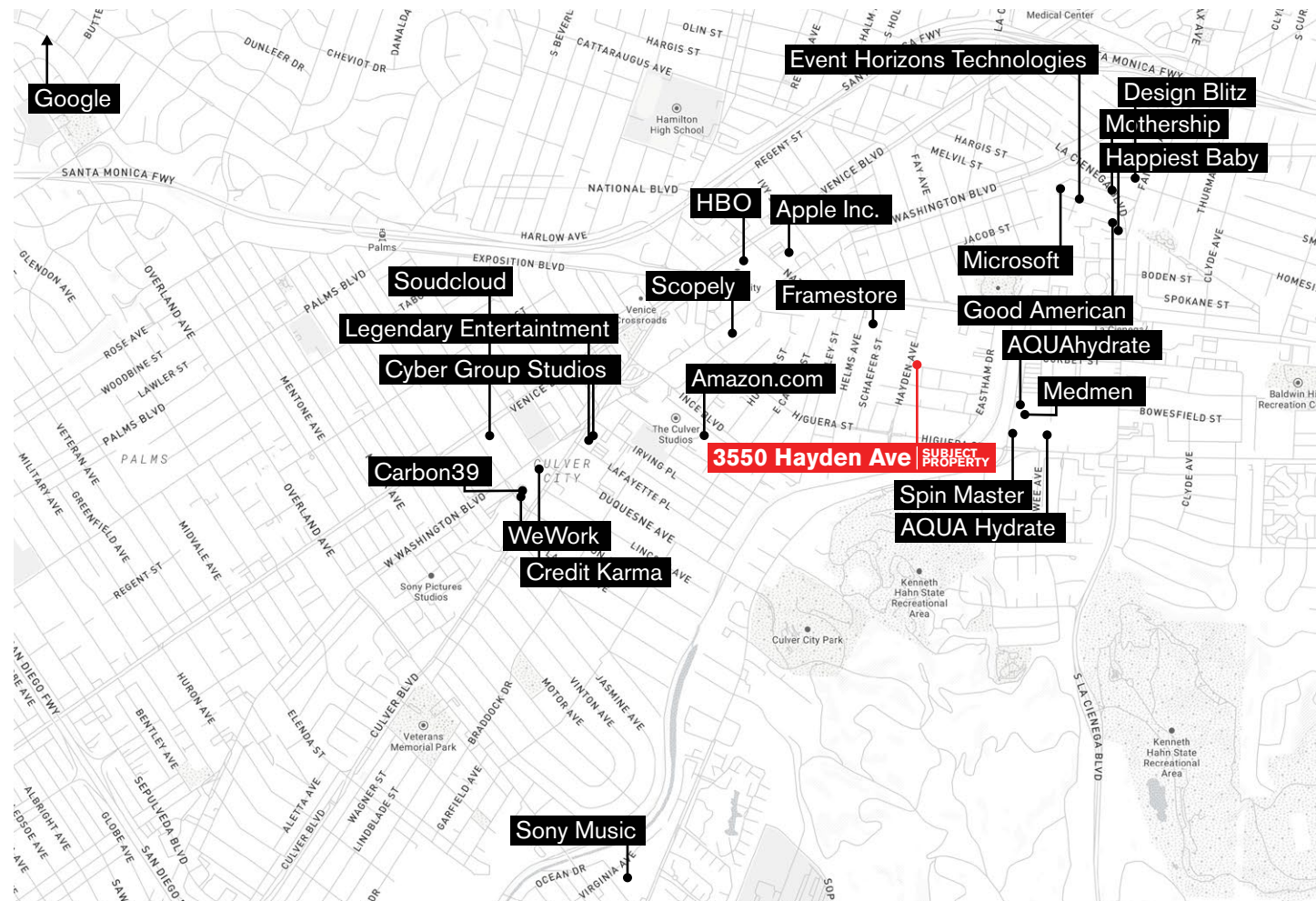


5895 Blackwelder St, post development.



3008 Main St, post development.

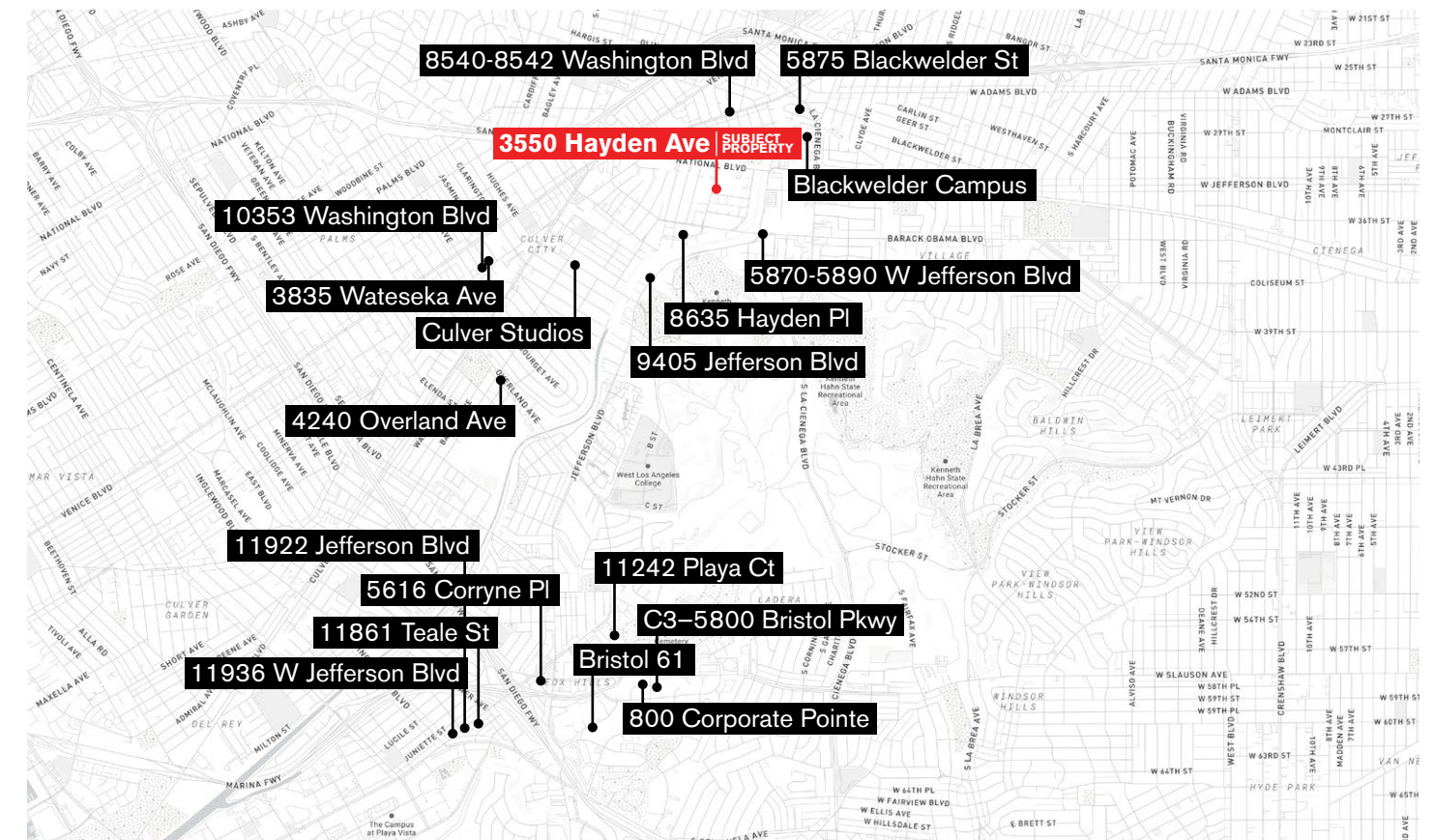
OFFICE LEASE COMPS¹



TENANT NAME	ADDRESS	LCD	SF	RENT ²	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				
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				
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	
HBO	8830 National Blvd	21-Mar	230,000	\$4.20	188	3.00%			
Weighted Average Rent				\$5.28					

1—None of the properties listed above represent prior, current, or prospective Redcar investments and are being provided for illustrative purposes only.
2—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.

SALE COMPS¹



ADDRESS	TYPE	SALE PRICE (MM)	SALE DATE	BUILDING SF	\$ / SF BLDG	LAND AREA	\$/ SF LAND
5870-5890 W Jefferson Blvd	Office	\$169,000,000	02/04/20	154,135	\$1,096	305,647	\$553
8540-8542 Washington Blvd	Office	\$3,285,000	12/15/19	3,150	\$1,043	4,050	\$811
Culver Studios	Office	\$1,005,000,000	11/19/19	729,833	\$1,377	415,660	\$2,418
11936 W Jefferson Blvd	Office	\$4,500,000	10/30/19	7,411	\$607	10,454	\$430
Blackwelder Campus	Office	\$186,000,000	10/24/19	157,559	\$1,181	361,584	\$514
5875 Blackwelder St	Office	\$6,200,000	10/18/19	5,248	\$1,181	7,841	\$791
8631-8635 Hayden Pl	Industrial	\$40,000,000	10/18/19	72,900	\$549	116,602	\$343
11847-11861 Teale St	Industrial	\$8,000,000	10/18/19	12,321	\$649	22,216	\$360
5616 Corryne Pl	Industrial	\$2,500,000	10/09/19	4,000	\$625	6,865	\$364
4240 Overland Ave	Office	\$1,525,000	08/28/19	1,125	\$1,356	2,497	\$611
C3	Office	\$260,000,000	05/31/19	310,985	\$836	142,942	\$1,819
11242 Playa Ct	Office	\$6,500,000	03/28/19	7,749	\$839	17,860	\$364
11922 Jefferson Blvd	Office	\$1,120,000	03/25/19	1,325	\$845	2,500	\$448
3835 Wateseka Ave	Land	\$32,600,000	03/01/19	3,500	\$9,314	42,500	\$767
10351-10353 Washington Blvd	Office	\$6,275,280	02/11/19	8,672	\$724	9,148	\$686
Bristol 61	Office	\$39,150,000	02/06/19	75,418	\$519	212,708	\$184
9405 Jefferson Blvd	Industrial	\$14,750,000	11/06/18	7,425	\$1,987	36,833	\$400
800 Corporate Pointe	Office	\$148,000,000	09/22/17	245,786	\$602	254,468	\$582

1—None of the properties listed above represent prior, current, or prospective Redcar investments and are being provided for illustrative purposes only.

BASE CASE CREATIVE OFFICE UNDERWRITING¹

Property Summary

Property	3550 Hayden Ave
Property Type	Creative Office
Market	-
Year Built	1947
Parking	10
Existing Building SF	14,956 SF
Land Area (Sq. Ft.)	21,337 SF
Acquisition Date	3/1/20

Acquisition Metrics

	EXISTING	POST-REDEV
Total RSF	14,956	25,147
Purchase	\$13,250,000	\$13,250,000
\$PSF	\$886	\$527
All-in	\$23,229,622	\$23,229,622
\$PSF	\$1,553	\$924
Parking Stalls	10	10
\$/Stall	\$24,000	\$24,000

Projected Returns Summary

RETURNS SUMMARY	UNLEVERAGED	LEVERAGED (GROSS)
IRR	14.3%	19.2%
EM	1.8x	1.9x
Profits	15,793,654	12,746,070
ROC ²	7.0%	
Cash on Cash Yield ³		15.0%

Exit Assumptions

Exit Date	3/31/25
Hold Period (in)	60 Months
Fwd Exit NOI	\$1,741,935
Fwd Exit Free Rent	-
Adjusted Fwd NOI ⁴	\$1,741,935
Exit Cap Rate	5.00%
Gross Proceeds	\$34,838,700
\$ PSF	\$1,385
(Less) Cost of Sale	2.00%
(Less) Free Rent	-
Net Proceeds	\$34,141,926
\$ PSF	\$1,358



BASE CASE CREATIVE OFFICE UNDERWRITING

Sources & Uses at Close

SOURCES		\$/SF	%	USES		\$/SF	%
				Purchase Price	\$13,250,000	\$527	95%
Debt	\$0	\$0	0%	Acquisition Fee	-	0	-
				Closing Costs ¹	397,500	16	3%
Equity	14,000,000	557	100%	Tenant Buyout	-	0	-
				Working Capital	352,500	14	3%
				Base Building	-	0	-
				TI/ LC	-	0	-
				Operating Shortfall	-	0	-
				Loan Fees / Costs	-	0	-
				Interest Carry	-	0	-
Total	\$14,000,000	\$557	100%	\$14,000,000	\$557	100%	

Sources & Uses Fully Funded - 01/31/23¹

SOURCES		\$/SF	%	USES		\$/SF	%
Debt Outstanding	14,000,000	\$557	60%	Purchase Price	\$13,250,000	\$527	57%
				Acquisition Fee	-	0	-
NOI	529,622	\$21	2%	Closing Costs	397,500	16	2%
Equity	8,700,000	\$346	37%	Tenant Buyout	-	0	-
				Remain Work Capital	180,156	7	1%
				Base Building	6,092,904	242	26%
				TI/ LC	2,470,769	98	11%
				Operating Shortfall	264,448	11	1%
				Loan Fees / Costs	-	0	-
				Debt Service	573,845	23	2%
Total	23,229,622	\$924	100%	23,229,622	\$924	100%	

Construction and Recap

	CONSTRUCTION	RECAP
Repayment (Month)	2/28/23	2/28/43
Date	7/31/21	2/28/23
Total Loan	14,000,000	19,398,313
LTC	60%	83.51%
Rate	3.25%	5.00%
Fixed / Floating	Floating	Floating
Loan Type	IO	IO
Amortization	NA	NA
Months of IO	NA	NA
Term	19 Months	240 Months
Loan Fees / Costs	0.00%	0.00%
Exit Fee	0.00%	0.00%

1—Closing Costs include commissions of 1% for Industry Partners.

1—Definitions for investment performance metrics available upon request.

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

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

4—Adjusted Forward NOI is calculated by taking the sum of the Forward Exit NOI and the Forward Exit Free Rent.

ESTIMATED SUMMARY FINANCIALS

Summary Financials

	100%	33%	58%	100%	100%
Physical Occupancy	100%	33%	58%	100%	100%
Net Economic Occupancy	100%	33%	23%	100%	100%
FISCAL YEAR ENDING	YR 1	YR 2	YR 3	YR 4	YR 5
04/2030	2019	2020	2021	2022	2023
Base Rental Revenue ¹	448,308	149,436	933,745	1,628,720	1,677,582
(Less) Rent Abatement	-	-	(666,961)	-	-
Scheduled Base Rent	448,308	149,436	266,784	1,628,720	1,677,582
Expense Reimb. Income	216,695	62,938	194,282	438,315	453,265
Parking Income	-	-	15,043	26,422	27,215
Total Gross Revenue	665,003	212,374	476,109	2,093,457	2,158,062
Effective Gross Revenue	665,003	212,374	476,109	2,093,457	2,158,062
Operating Expenses	265,143	231,684	322,906	455,516	466,859
Net Operating Income	399,860	(19,310)	153,203	1,637,941	1,691,203
ROC	1.7%	-0.1%	0.7%	7.1%	7.3%
Tenant Improvements	-	-	2,000,884	-	-
Leasing Commissions	-	-	469,885	-	-
Base Building	-	3,554,194	2,538,710	-	-
Tenant Buyout	-	-	-	-	-
Net Cash Flow	399,860	(3,573,504)	(4,856,276)	1,637,941	1,691,203

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

Investment Summary

FISCAL YEAR ENDING 01/31	YR 0 MAR-20	YR 1 2019	YR 2 2020	YR 3 2021	YR 4 2022	YR 5 2023	TOTAL
Investment	(14,000,000)	-	-	-	-	-	(14,000,000)
NOI	-	399,860	(19,310)	153,203	1,637,941	1,691,203	3,862,897
CapEx	-	-	(3,554,194)	(5,009,479)	-	-	(8,563,673)
Disposition Proceeds	-	-	-	-	-	34,141,926	34,141,926
NCF	(14,000,000)	399,860	(3,573,504)	(4,856,276)	1,637,941	35,833,129	15,441,150
Constr. Funding	-	-	8,295,100	5,704,900	-	-	14,000,000
Constr. Loan Fees / Costs	-	-	-	-	-	-	-
Constr. Interest	-	-	(173,956)	(448,835)	-	-	(622,791)
Constr. Repayment	-	-	-	(14,000,000)	-	-	(14,000,000)
TIs & LCs Reserve Draw	-	-	-	2,470,769	-	-	2,470,769
Base Building Reserve Draw	-	-	2,787,527	2,538,710	-	-	5,326,237
Interest Carry Rserve Draw	-	-	207,573	515,265	-	-	722,839
Acq. Financing CF	-	-	8,121,144	(8,743,935)	-	-	-
Refi Funding	-	-	-	19,398,313	-	-	19,398,313
Refi Interest	-	-	-	(96,992)	(1,163,899)	(1,163,899)	(2,424,789)
Refi Repayment	-	-	-	-	-	(19,398,313)	(19,398,313)
Refi Financing CF	-	-	-	19,301,321	(1,163,899)	(20,562,211)	-
Contributions to WC	-	-	-	-	-	-	-
CF Sweep	-	(399,860)	(123,529)	-	-	-	(523,389)
Proceeds from Financing	-	-	-	(180,156)	-	-	(180,156)
Capital Call	-	-	(5,326,250)	-	-	-	(5,326,250)
Distributions from WC	-	-	-	-	-	-	-
Return of Capital	-	-	-	180,156	-	-	180,156
Drawdown of Working Capital	-	-	875,889	-	-	-	-
Work Cap. Beginning Bal	-	352,500	752,360	-	-	-	-
Work Cap. Ending Bal	352,500	752,360	-	-	-	-	-
NFC After DS	(14,000,000)	-	5,300,000	5,701,110	474,042	15,270,918	12,746,070
Levered IRR	19.2%	-	-	-	-	-	-
Leveraged CF (Net of Holdbacks)	(14,000,000)	-	5,300,000	5,701,110	474,042	15,270,918	12,746,070
Average Outstanding Equity	-	14,000,000	10,466,667	8,235,128	3,121,532	3,121,532	-
Debt Outsanding at YE	-	2.9%	-27.4%	-65.6%	15.2%	16.9%	-
DSCR	-	(0.11x)	0.28x	1.41x	1.45x	1.73x	-
Debt Yield	-	-	0.6%	8.4%	8.7%	8.7%	-
Net IRR	19.2%	-	-	-	-	-	-
Net Profit	12,746,070	-	-	-	-	-	-
Net EM	1.910433595	-	-	-	-	-	-
Peak Equity	-14,000,000	-	-	-	-	-	-

The above information represents Redcar's good faith estimation of potential property-level performance metrics assuming, among other things, Redcar is able to implement its business plan, and does not represent actual property-level performance metrics. There can be no assurance that Redcar will be able to successfully implement its business plan on the timeline indicated above or at all.

ASSUMPTION SUMMARY

Rent Roll (In-Place)

TENANT	TYPE	STATUS	RSF	USF	LCD	EXP	Y1 BASE RENT	BASE RENT (\$/MO.)	ESC.%	ABAT. MOS.	LEASE TYPE	TIS (\$/SF)	LC'S (%)
GOAT	Office	Contract	14,956	14,956	Jan-20	Jul-21	\$448,308	\$2.50 PSF	-	-	NNN	\$0.00 PSF	0.00%

Rent Roll (Redevelopment)

TENANT	TYPE	STATUS	RSF	USF	LCD	EXP	Y1 BASE RENT	BASE RENT (\$/MO.)	ESC.%	ABAT. MOS.	LEASE TYPE	TIS (\$/SF)	LC'S (%)
Office	Office	Speculative	25,147	20,956	Sep-22	Aug-27	\$1,600,707	\$5.30 PSF	3.0%	5	NNN	\$79.57 PSF	6.00%

Parking

	STALLS	\$/AMOUNT	% FIXED
Existing	10	\$24,000.00	0.00%
Redevelopmet	10	\$24,000.00	0.00%

Base Building

BUILDING		\$ / RSF	BASE BUILDING	BB START DATE	BB COMPLETION	# OF MOS.
3550 Hayden Ave	14,956 USF	\$250 / SF	\$3,739,000	Sep-21	Aug-22	12 Months
3550 Hayden Ave	6,000 USF	\$300 / SF	\$1,800,000	Sep-21	Aug-22	12 Months
10% Contingency			\$553,900	Sep-21	Aug-22	12 Months
TOTAL BASE BUILDING	20,956 USF		\$6,092,900			

Inflation

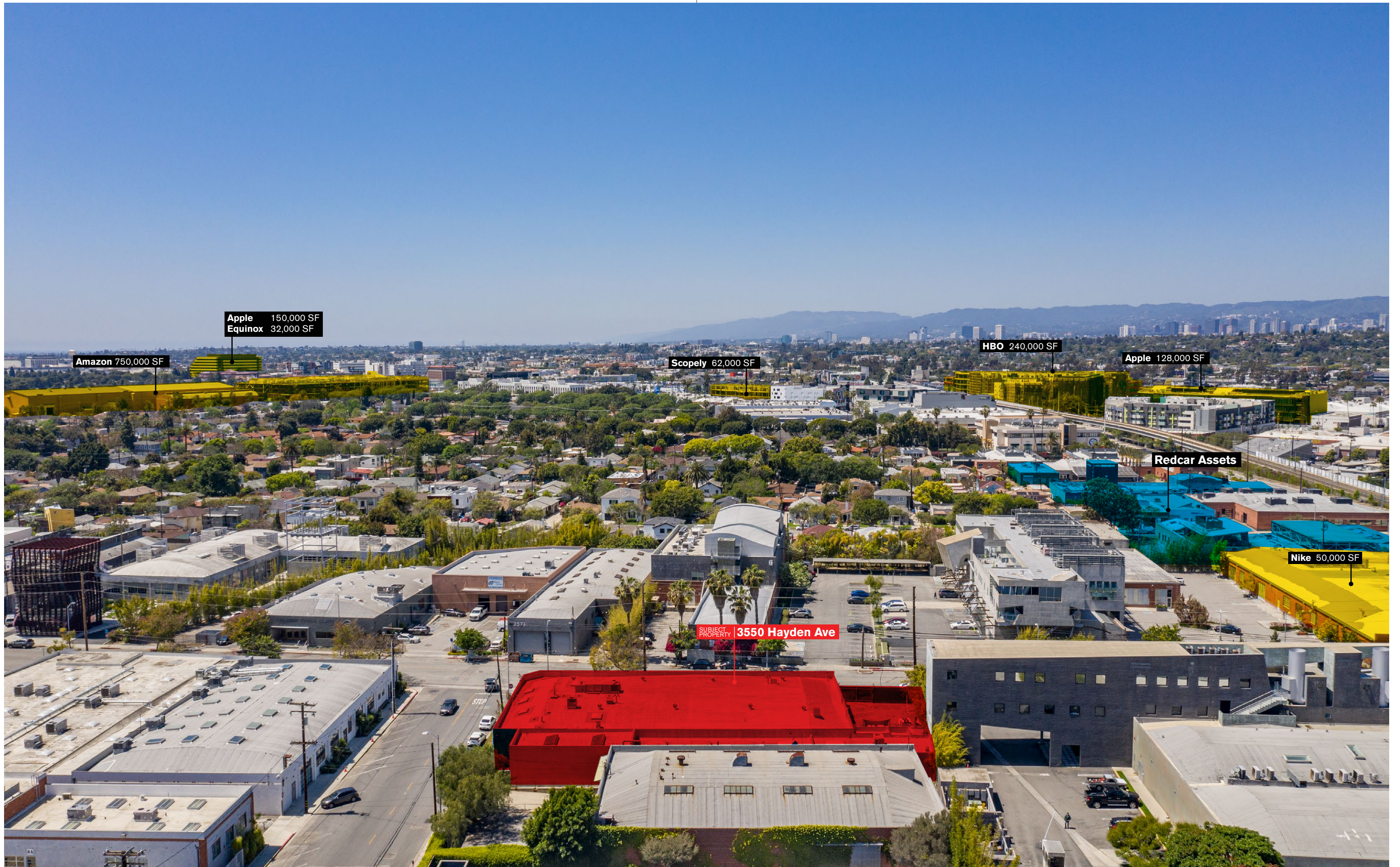
TYPE	DEC-19	DEC-20	DEC-21	DEC-22	DEC-23	DEC-24	DEC-25
General Inflation	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Market Rent	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Reimbursable Expenses	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Property Taxes	-	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Non-Reimbursable Exp.	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	REIMBURS. RENEW		
\$5.00 NNN	\$5.00	3.00%	\$75.00	\$37.50	6.00%	3.00%	5 Years	5 Months	75.00%	5 Months 0 Months	NNN

Expirations

YEAR ENDING	FEB-21	FEB-22	FEB-23	FEB-24	FEB-25	FEB-26	FEB-27	FEB-28	FEB-29	FEB-30	FEB-31
January	14,956	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
February	14,956	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
March	14,956	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
April	14,956	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
May	14,956	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
June	14,956	0	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
July	14,956	0	25,147	25,147	25,147	25,147	25,147	0	25,147	25,147	25,147
August	14,956	0	25,147	25,147	25,147	25,147	25,147	0	25,147	25,147	25,147
September	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
October	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
November	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
December	14,956	0	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
Avg. Occupied SF	14,956	6,232	12,574	25,147	25,147	25,147	25,147	20,956	25,147	25,147	25,147
Total NRA	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147	25,147
Occupancy %	59%	25%	50%	100%	100%	100%	100%	83%	100%	100%	100%



Amazon 750,000 SF

Apple 150,000 SF
Equinox 32,000 SF

Scopely 62,000 SF

HBO 240,000 SF

Apple 128,000 SF

Redcar Assets

Nike 50,000 SF

SUBJECT PROPERTY 3550 Hayden Ave

