

1650 Euclid St



Project Overview

1650 Euclid St

In June 2019, the Fund acquired 1650 Euclid Street, a 22,528 SF land parcel in the Santa Monica submarket of Los Angeles. The asset, acquired in an off-market transaction, is across the street from another 15,000 SF parcel that sold in August 2018 for \$833/Land SF. At \$755/Land SF, the Property was acquired at a 9% discount relative to that sale. The Fund entered into a strategic joint venture with an

affiliate of Steven M. Rales, the co-founder of Danaher Corporation and owner of the neighboring building which houses his production company, Indian Paintbrush, and who has the potential to be the ultimate buyer of the Property following completion. The business plan calls for delivering 65,904 RSF of creative office over a 5 year period.

SUMMARY

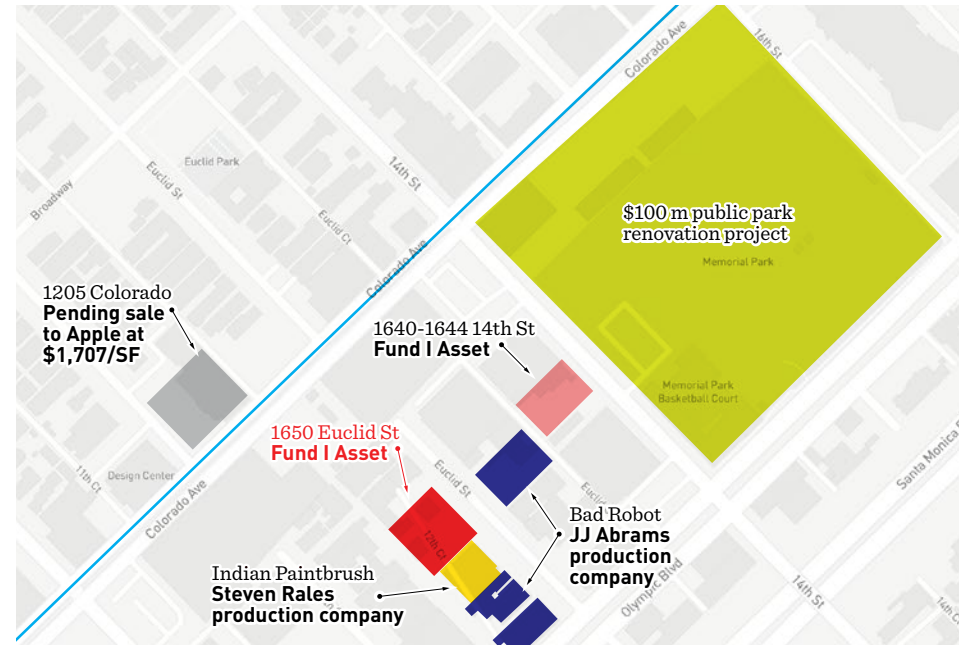
Address	1650 Euclid Street	UW Gross IRR / EM	24.1% / 2.5x
Acquisition Date	June 2019	Proj. Gross IRR / EM	28.8% / 2.4x
Purchase Price	\$17,000,000	Fund Ownership Percentage ¹	35%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$10,050,000 / \$11,050,000 (52%)
RSF at Acquisition	1,759 SF	Proj. Fully Funded Equity/ Debt (LTC)	\$32,700,000 / \$40,800,000 (55%)
Proj. RSF as Redeveloped	65,904 SF	Proj. Fully Funded Basis (\$/RSF) ²	\$73,734,150 (\$1,119)
Land Area	22,528 SF (.52 acres)	Proj. Exit Date	2Q 2024
Status	Permitting	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$122,781,956 (\$1,863 / 4.50%)
Occupancy	NA		
Proj. Stabilized ROC / COC	7.3% / 8.5%		

¹ JV between Redcar Fund I (35%) and Steven Rales' investment entity (65%). Any promote paid by Steven Rales' entity will benefit Fund investors.

² Fully funded basis includes NOI used to fund the project

Highlights

- + Redcar is working with renowned architect House & Robertson through the entitlement and permitting process, and throughout construction. A preliminary review of the project in October 2020 with the city of Santa Monica Architectural Review Board was received well and we expect the project to be fully permitted and ready for construction in July 2021.
- + Redcar has also engaged CW Driver for preconstruction services. This process allows cost bidding for the project and potential VE opportunities, and the ability to break ground promptly upon receipt of permits.
- + Additionally, Redcar has selected James Corner Field Operations as the landscape architect for the project, now fully coordinating with House & Robertson. Field Operations is most well known for its work on the High Line in New York City, as well as Santa Monica's Tongva Park.



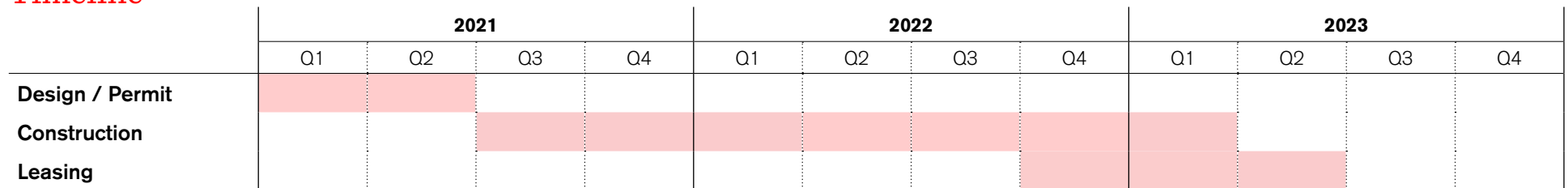
Leasing

TENANT	TYPE	LCD	EXP.	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)	PARKING SPACES	Y1 PARKING REVENUE
Rent Roll (Existing)											
Vacant											
Rent Roll (Redevelopment)											
Spec Office	Office	02/23	01/33	65,904	\$4,969,041	\$6.28/SF	5 mos.	NNN	\$73.16/SF	131	\$314,400

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	65,904 RSF	\$638/SF	\$42,039,806	August 2021	January 2023

Timeline





Bad Robot's proposed new offices, across the street from 1650 Euclid St