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OVERARCH Design Development is sponsoring this deal. We plan to build a ground-up, all-wood, sustainable office project in the Gowanus neighborhood of Brooklyn. Our advantage lies in the relationship between our firm and a land owner in Gowanus on Baltic Street, who is ready to contribute his property on favorable terms and create a springboard for our development.

We are seeking $9M in limited partner equity against a $29M total project cost. Our investment alongside this amount will be $1M. We will build and stabilize our office project over a 30-month period, then hold and target sale five years after that. Returns are projected at a 18.3% IRR with a 2.6x equity multiple. Distributions will be pari-passu to an 8% investment hurdle, with a 25% promote to the sponsor before a second hurdle at 12%. The promote thereafter will be 50%.

We will look forward to your feedback on this presentation. Thank you for your attention and consideration of our proposal. Please contact us for further details at overarch.net.

$9M EQUITY RAISE
$29M PROJECT COST
90 MONTH DURATION
2.6x EQUITY MULTIPLE
18.3% IRR
7.7% DEVELOPMENT YIELD
**BROOKLYN OFFICE**

**Brooklyn is the place for creative office.** Commercial development during this cycle in Kings has focused on several key locations. Dumbo, where marquee projects like CIM’s Panorama and RFR’s Dumbo Heights command rents at $65 a foot, is the heart of the Technology, Advertising, Media and Information (TAMI) workplace. Connected to this district and anchoring the “Tech Triangle” is the Navy Yard, where Rudin and Boston Properties are bringing the 610,000 square foot Dock 72 to market this spring. Such larger format projects target startup and maker businesses, and average closer to $40 a foot. Downtown Brooklyn adds the third point to this zone, where Tishman Speyer is now leasing the Wheeler, a 620,000 adaptive reuse project, at $70 a foot.

**Secondary locations are gaining ground.** Outside this central area, peripheral Brooklyn neighborhoods have emerged as sites for contemporary office development. These include East Williamsburg/Bushwick, recently branded Morgantown. Firms like Savanna, Hudson, and Lincoln have invested during the past several years in Bushwick, where rents average $45 a foot. Williamsburg has also grown in popularity, where projects like Heritage’s 350,000 square foot 25 Kent are seeking $80 a foot. Simon Baron’s 12 Franklin, a 134,000 square foot project currently under construction in Greenpoint, is another example of high-end creative office planned for the North Brooklyn waterfront. Red Hook, which has gained notoriety via Thor’s Red Hoek Point and LIVWRK’s 160 Van Brunt, currently occupied by Tesla, rounds out this group of secondary neighborhoods.

**Our opportunity is to add Gowanus to the Brooklyn office map.** Despite the success of projects in the Gowanus area like LIVWRK’s 92 Third Street, completed in 2015, or Industrie Capital’s planned 200,000 square foot Roulston House at 94 Ninth Street, office development in Gowanus is under-subscribed. We seek to capitalize on momentum created by the planned neighborhood rezoning (more on that later) and bring a new quality of boutique creative workplace to Brooklyn’s hottest area, at the achievable price of $45 a foot. We believe that recent declines in Brooklyn leasing volume and negative borough absorption may signal that product is generally available in Brooklyn, but not in Gowanus, and not of the differentiated nature we propose here.

**CENTRAL CLASS A RENTS AT $65-$80**
**SECONDARY LOCATIONS AT $45**
**LACK OF INVENTORY IN GOWANUS**
### Selected Development Projects

**Greater than 1MSF**
- 01. 80 FLATBUSH
- 02. INDUSTRY CITY

**1MSF < 200KSF**
- 03. RED HOEK POINT
- 04. PANORAMA
- 05. DOCK 72
- 06. 25 KENT
- 07. 10 JAY STREET

**Less than 200KSF**
- 08. DUMBO HEIGHTS
- 09. 45 MAIN STREET
- 10. 470 VANDERBILT
- 11. 1 WYTHE AVENUE
- 12. 12 FRANKLIN STREET
- 13. 34 NINTH STREET
- 14. 315 MESSROUE STREET
- 15. 456 JEFFERSON STREET
- 16. 456 JOHNSTON AVENUE
- 17. 96 EVERGREEN AVENUE
- 18. 101 VARICK AVENUE
- 19. 92 THIRD STREET
- 20. 215 MOORE STREET
- 21. 160 VAN BRUNT STREET
GOWANUS IS HOT

It's no secret that Gowanus is the next neighborhood in Brooklyn. Gowanus, the poster child for environmental degradation and urban blight, is having its moment. New York imagines this Superfund location as the next Chelsea, where a neglected piece of infrastructure like the High Line will be transformed into a catalyst for development. The Canal, once a dumping ground for chemicals and cadavers alike, will be a kind of little Venice, where wildlife flourishes and kayakers paddle. A broad neighborhood upzoning, the draft version of which was released this January, will further incentivize private investment alongside city initiatives, and Brooklyn will have its latest example of a future urban theme park for live, work and play.

No, it's not too late. While big names like RFR, Two Trees and Kushner have recently come to Gowanus, the development community has really just arrived in this section of Brooklyn. 365 Bond, a pioneering residential project opened by Lightstone three years ago, is still the most visible window to the future Gowanus. Rezoning, which will allow for greater density and requires mandatory inclusionary housing in most locations, has in fact dropped the price of developable land per foot. What needs to happen now is clarity about how the City plan for the neighborhood takes shape, and a moment where cult favorites like Dinosaur BBQ, Ample Hills and Pig Beach get backed up sponsorship that is truly institutional.

Gowanus needs everything. Given the industrial past of the Canal and its surroundings, much of the emphasis around the City’s plan is making Gowanus a place to live. What also needs to happen, though, is for Gowanus to be remade as a place to work. The surrounding neighborhoods of Carroll Gardens, Boerum Hill and Park Slope are stocked with affluent entrepreneurs, many of whom would prefer not to hike all the way to Downtown Brooklyn or Dumbo to reach an office. These are founders and VC’s who own and fund the businesses making the Tech Triangle thrive. What they want is a place within the formative area nearest to them, Gowanus, to remake the world.

NEARBY TRANSIT
NEARBY RESTAURANTS AND BARS
HUGE NEARBY SPENDING POWER
BUT NOT MUCH OFFICE NEARBY, SO LET'S BUILD IT!
DISTANCE TO SITE

BERGEN STREET SUBWAY - 7 MIN WALK
ATLANTIC AVE SUBWAY - 11 MIN WALK
UNION STRET SUBWAY - 11 MIN WALK
CARROLL STREET SUBWAY - 11 MIN WALK
ATLANTIC TERMINAL LIRR - 14 MIN WALK

DOWNTOWN BROOKLYN - 1.3 MILES
DUMBO - 1.8 MILES
WILLIAMSBURG - 3.4 MILES

SELECTED FEATURES

OFFICE
01. 92 3RD STREET
02. 94 9TH STREET

RESIDENTIAL
03. 363-365 BOND STREET
04. COMMON BALTIC
05. 275 4TH AVENUE

GYM
06. GOTHAM ARCHERY
07. BROOKLYN BOULDERS

FOOD + BEVERAGE
09. WHOLE FOODS
10. COLLECTIVE ARTS
11. DINOSAUR BARBQUE
12. AMPLE HILLS
13. ABBOTSFORD ROAD
14. DOT AND LINE
15. FRANKIE’S 457
16. PIG BEACH
17. FREEK’S MILL
18. CLOVER CLUB
CARROLL GARDENS  COBBLE HILL  LOWER MANHATTAN

Neighborhood Aerial View (Photo by Tankhouse)
Our proposal is for development on an assemblage of three lots. We have a relationship with the owner of 465 Baltic Street. Additionally, we have been in informal talks to purchase 471 and 475 Baltic Street for a number of years. We have a high degree of confidence that we can acquire and assemble these three properties within our acquisition budget, which is $9.45M, or $180 per buildable foot. If we are not able to convince neighboring owners to contribute to this project, we will plan our building on a smaller basis. Our goal in developing 17,000 square foot floor plates is to attract larger tenants. Despite this we believe a thesis about developing office in Gowanus will function at a number of project scales. We will put down 10% against the acquisition cost to option the three lots, and close at entitlement, scheduled twelve months out.

We are planning for upzone. This proposal takes into account the scheduled increase in FAR for our parcels to 3.0. While we understand that the details of the rezoning are not fixed, we are confident that this will be a base case scenario for the future of Baltic Street. If anything, we believe that the industrial character of our block will be preserved by local planners, and that authorities will look favorably on commercial as opposed to residential development. We also seek to exploit the difference in our zone between allowable height and density. The relatively low FAR and relatively tall allowable height at 85 feet on Baltic Street means we can build in a way that is more expressive and less formula-driven than elsewhere in New York. We will seek to demonstrate this freedom with a design that provides generous spaces, with significant volume and access to light and air throughout.

The future is today. While we are enthusiastic about the transition imagined for Gowanus, we believe it is crucial to plan a building for the Baltic Street that exists today. We are convinced that the industrial character of our block will remain unchanged in the near term, and if we want our tenants to feel comfortable in their surroundings the day our project opens. The newly constructed warehouse for R&A cycles across from us at 468 Baltic and the NYCHA campuses at the ends of the 400 block are going nowhere. What is happening is that the large building on the corner of Butler and Nevins is being renovated for creative office. What is also happening is that the former ASPCA headquarters next door to that is being made into offices. What is taking place today is the formation of a creative commercial district at the head of the Canal that our project will anchor and lead.

THREE LOT ASSEMBLAGE
FAR 3.0
MAX HEIGHT 85 FEET
3 LOTS - 465 + 471 + 475 BALTIC = 17,500SF
465 BALTIC STREET

BALTIC STREET PANORAMA
INDUSTRIAL FABRIC
ADJACENT NYCHA SUPERBLOCKS
A BIG GREEN BOX

We are building 60,000 feet over five floors. Our project will take advantage of the allowable height on Baltic Street of 85 feet and distribute 3.0 FAR over five levels. The idea behind our massing is to raise three typical office floors with tall ceilings one level off the ground. This will create an elevated workplace volume, protected from future floods. A small lobby with flex retail space at ground will be set back from the curb. Tenants will use elevators located behind a large feature art wall. A wide, interconnecting stair will link the three principal floors, serving as a social meeting area. If a single tenant takes more than one floor, this connective space will be opened to office areas. If more granular partitioning occurs, it will be directly linked to the reception area of each level by a corridor.

The views are amazing! Offered as an amenity to tenants, a 6,000 square foot enclosed lounge will sit at the 65 foot high setback level of our project. This will be surrounded by an 11,000 square foot sky deck, facing southwest over the Canal towards New York Harbor. Views of lower Manhattan will be available from the west edge of this space. Prospect Park will feature to the east. Our idea is that this rooftop lounge will be available to all tenants, in any leasing scenario. We have allowed for a large back-of-house area attached to the core that will provide food and beverage or catering facility. The transparent facade at the roof and glass handrail will make this amenity location a singular, elevated space in South Brooklyn.

Wood is way in. Our project will be framed entirely in sustainably-harvested Canadian spruce, laid over a concrete foundation. Facade glazing will be held in place by treated wood frames, and nail-laminated timber panels will serve as our floors. Exterior decking at the roof level will be Forest Service Council certified teak. We believe that tenants in the Brooklyn creative space will buy the sustainable vision that this all-wood product creates. The cost basis for our project in terms of structure will be 15% less than that of conventional concrete. We have planned orthogonal layouts in order to optimize value. The design we imagine is modular, flexible and generous. Our plan will be to commission the project LEED Platinum.

SUSTAINABLE WOOD CONSTRUCTION
60,000 SQUARE FEET
LEED PLATINUM
LEVEL 01
ENCLOSED LOBBY - 5,140SF
CORE - 960SF
EXTERIOR PLAZA - 11,400SF

LEVEL 02
CREATIVE OFFICE - 16,540SF
CORE - 960SF

LEVEL 03
CREATIVE OFFICE - 16,540SF
CORE - 960SF

LEVEL 04
CREATIVE OFFICE - 16,540SF
CORE - 960SF

LEVEL 05
AMENITY LOUNGE - 5,580SF
CORE - 960SF
ROOF DECK - 10,960SF
BUILDING SECTION
FIVE LEVELS
16’ FLOOR-TO-FLOOR
14’-6” CEILING HEIGHT
We aren’t the first to imagine wood office in Brooklyn. In fact, our friends at New York-based Flank Architecture and Development have done a lot of homework for us. Their twin mass timber office projects at 320 and 360 Wythe in Williamsburg are coming on-line this spring. As Flank's project architect Todd Wilson pointed out in a presentation to the Wood Products Council last fall in Washington, his decision to switch their projects from concrete to wood resulted in an overall 15% cost savings for the job. With 100,000 square feet in 360 and 15,000 square feet in 320, that adds up to a lot of budget. $493,635 to be precise, or $4.30 per foot between both structures.

Another great advantage of timber is speed. Like other modular elements, wood structural frames reduce work on site while improving quality control. In the case of Flank’s projects on Wythe Avenue, switching from cast-in-place concrete to timber took 1.5 months off projected time line. This saved $345,000 in debt burden and $100,869 in construction management general conditions, respectively. In addition to speed-to-market savings, Flank estimates that while it may not be able to charge more rent on a per foot basis for its wood projects, tenants will favor the unique design about 320 and 360 Wythe. This will in turn reduce duration of the lease-up period and improve cost performance for the project when debt burden is highest.

Risk lies in permitting. While the Wythe projects may have turned out well enough eventually, there were moments along the way when the viability of mass timber in Brooklyn did not appear certain. For instance, Todd Wilson and his team were forced to switch from more conventional cross-laminated timber floor assemblies to nail-laminated ones during plan check. This was due to the fire department, which interpreted the New York code to require greater attachment between grouped timber members than could be provided by glue alone. Such reveals the unproven quantity that exists for building authorities in newly popular mass timber construction. We are confident that as the success of projects like 320 and 360 grows, inspectors will better understand and more routinely approve their innovative methods.

15% COST SAVINGS WOOD VS. CONCRETE
1.5 MONTH TIMELINE REDUCTION
MANAGEABLE PERMIT RISK

320 Wythe

Interior
Typical Office View at Stair
WE KNOW TENANTS

We have the inside edge on Tech. During our time at Columbia we have formed a connection with the Partners of Metaprop, a real estate tech focused venture firm. Many of the portfolio companies sponsored by Metaprop, including Bowery Valuation, Flip and Enertiv, are poised for exponential growth while navigating funding rounds. We will leverage our relationship with these firms and other startups in the proptech community to position our project as an incubator for the sector. This will function for Gowanus in a similar way that Heritage’s Generator at 215 North Moore Street does for Bushwick. The attractive location and price point for our space versus what is currently available in Dumbo or Downtown will align with the needs of the startup universe and bring tenants to Baltic Street. We will start our leasing process during construction to ensure quick occupancy from a tenant that will allow us to quickly refinance the project.

A tech hub every borough. One model for the kind of tech incubator we imagine has just gained approval for a site on East 14th Street in Manhattan. The Union Square Tech Training Center, a 240,000 square foot project being pursued by RAL Development with the support of NYEDC and Microsoft, will be part co-working, part training academy, part step-up space for digital innovation. As Emil Skandul of Capitol Foundry noted in a recent opinion in the New York Daily News, this kind of workforce development center must be deployed not only centrally, but in outer boroughs as well: “We can decide to make our economy equitable by providing opportunities for the lower and working classes to be a part of the economy of tomorrow. Why shouldn’t there be a 21-story tech hub in every borough?”

On the innovation spectrum. Like RAL’s project in the Village, our Tech Training center will blend space types. Market rate offices will be complemented by co-working and incubator areas beneath the umbrella of nonprofits like Civic Hall and General Assembly. The result will be a fertile ground for innovative thinking in the progressive mold of Gowanus itself. Crucially, it will also brand our project with a community-facing message. In a time where local political opposition has shaped real estate transactions, and the details of South Brooklyn re-zonings in Sunset Park and Gowanus have not been made clear, such inclusive planning will endear neighbors to development that can appear threatening. As City Council member Carlina Rivera was compelled to back RAL in its development efforts on 14th Street, so we will enlist support from Brad Landers and his constituents in District 39.

TECH SECTOR ENGAGEMENT
EDC/PRIVATE INITIATIVES
LOCAL SUPPORT

ALL ABOUT THE MONEY

Realistic assumptions guide our analysis. We have structured a deal around research, dialogue with players active in the market, and our deep knowledge of the New York marketplace. This begins with our understanding of the $9.45M acquisition price for the parcels on Baltic Street. We believe that once clarity emerges with regards to the City’s plans and the Gowanus rezoning, froth will subside from local development land trading. The owners of 465 Baltic share this assumption, and want to invest their interest in the neighborhood at a fair price for out-sized returns. They will participate in this deal as equity partners, and will reap tax and other benefits of enabling our project to go forward at a less than exorbitant basis.

Building wood in Brooklyn isn’t cheap. We believe that our $232 per square foot hard cost assumption is accurate. Additionally, we have allowed 30% of this amount for soft costs associated with our wood building, bringing the combined construction cost to $302 per foot. We have spoken with local developers, engaged the mass timber community, and consulted traditional cost manuals like RS Means to derive our inputs. We do not intend to value engineer our project away from the kind of high-quality, sustainable vision of this proposal. We will use every advantage we have as architects and developers to ensure that technology and efficiency are brought to bear in the construction process at 465 Baltic. We will pursue entitlement and project financing over a 12 month period, followed by 15 months of construction. Leasing will begin with our entitlement work, and our hold period will extend 60 months past occupancy in month 29 to ensure stable and profitable operation before sale.

Interest rates are rising. We believe that the current rate environment remains historically low, and have conservatively planned our exit cap rate and construction interest rate assumptions at 6 and 6.5%, respectively. We have sensitized rental rates in our analysis, against both stabilized occupancy and timing of stabilization. This data shows us that with some variation in stabilized occupancy, we will be able to achieve between a 16.0% and 20.3% IRR at our middle-value rent number of $45 per foot. Holding our targeted rent at $45 per foot, which we feel is very achievable, our IRR range widens to between 15.9% and 23.3% as stabilization timing lengthens and shortens by three month increments. We have timed our sale to balance IRR with an equity multiple of 2.6x. This will make our deal attractive to LP’s with hurdles based around multiple on invested capital.

$9.45M ACQUISITION COST / $180 PER FOOT
$232 / $70 / $302 PSF HARD / SOFT / COMBINED COST
6.0% EXIT CAP RATE
## Executive Summary

### Description
- **Office Development**
- **Total Development Cost**: $28,902,395
- **Project Duration**: 90 months
- **Location**: 465-471-475 Baltic Street, Brooklyn, NY, 11217
- **Profit**: $16,365,804
- **Limited Partner Equity**: $9,104,254
- **Equity Multiple**: 2.6x
- **Sponsor Equity**: $1,011,584
- **Levered IRR**: 18.3%
- **Debt**: $18,786,556
- **Development Yield**: 7.7%

### Property
- **Lot Size Square Feet**: 17,500
- **FAR**: 3.0
- **FAR Square Feet**: 52,500
- **Grossing Factor**: 15%
- **Gross Square Feet**: 60,375
- **Efficiency**: 85%

### Timing
- **Analysis Start Date**: May-2019
- **Acquisition Closing Month**: 12
- **Preconstruction Period (Months)**: 12
- **Construction Period (Months)**: 15
- **Construction Period Total (Months)**: 27
- **Stabilization / Refinance Month**: 29
- **Commercial Sale (Month)**: 90

### Commercial
- **Rent SPSF (NNN)**: $45
- **Annual Rent (NNN)**: $2,309,344
- **Effective Rent**: $2,078,409
- **Reversionary Cap Rate**: 6.00%
- **Stabilized Value**: $38,489,063
- **Sales Cost**: 3.00%
- **Net Revenue**: $37,334,391
- **Net Revenue (with inflation)**: $41,549,359

### Refinance
- **Amortization**: 25
- **Interest**: 4.75%
- **LTV**: 75%
- **Amount - LTV**: $28,866,797
- **DSCR**: 1.25
- **Max Payment**: $1,847,475
- **Amount - DSCR**: $27,004,308
- **DY**: 10%
- **Amount - DY**: $23,093,438
- **Refinance Amount**: $23,093,438
- **Payment - Monthly**: $131,660

### Financing Costs
- **Loan Fees**: 1.50%
- **Interest Reserve**: $961,496
- **Total**: $1,243,295

### Acquisition
- **Purchase Price**: $9,450,000
- **Purchase FAR PSF**: $180
- **Purchase Price Lot SF**: $540
- **Deposit Amount**: $945,000

### Sources
- **Construction Loan**: 65%
- **Equity**: 35%
- **Total**: $28,902,395

### Uses
- **Acquisition Cost**: $180
- **Hard Cost**: $232
- **Soft Cost**: $70
- **Financing Costs**: $24
- **Total**: $506

### Leasing
- **Tenant Improvements**: $5.00
- **Leasing Commissions**: $5.00
- **Free Rent Months**: 12
- **Rent Growth**: 3%

### Construction Cost
- **Hard Costs**: $232
- **Soft Costs**: 30%
- **Total**: $23,093,438

### Sensitivity Tables

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<td>20.0%</td>
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Chasing waterfalls. Capital contributions will occur in the first two years of our project, with limited partners investing 90% of required project cost. In total, LP’s will be responsible for $10.6M of equity for this deal. We as general partner will invest $1.2M alongside this amount. Distributions will be made in equal standing up to 8%, after which the GP will earn a 25% promote. A second hurdle has been established at 12%, with promote structured at 50%.

Thank you for your attention. We are thrilled to present this unique, exciting investment opportunity and look forward to seeing you in Brooklyn!

10% GP CO-INVEST
HURDLES AT 8 + 12%
PROMOTED INTEREST 25 + 50%
| Tier I (up to Hurdle 1) | 8.0% | 10.0% | 90.0% | 0.0% |
| Tier II (from Hurdle 1 up to Hurdle 2) | 12.0% | 10.0% | 67.5% | 22.5% | 25.0% |
| Tier III (Above Hurdle 2) | 10.0% | 45.0% | 45.0% | 50.0% |

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<th>Year 3</th>
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**Tier I**

**LP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $9,104,254
  - Capital Contribution: $9,104,254
  - Tier I Distributions: $0
  - Ending Balance: $9,104,254

- **Cashflow**
  - 8.0% ($9,104,254) + 10.0% ($1,011,584) = $5,413,656

**GP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $9,104,254
  - Capital Contribution: $9,104,254
  - Tier I Distributions: $0
  - Tier II Distributions: $0
  - Tier II Promote: $0
  - Ending Balance: $9,104,254

- **Cashflow**
  - 21.1% ($1,011,584) = $2,831,379

**Total**

- **Cashflow After Tier I Distributions**
  - $2,872,076 ($139,610) + $635,212 + $702,588 + $772,012 + $21,639,365 = $21,639,365

**Tier II**

**LP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $10,196,765
  - Capital Contribution: $10,196,765
  - Tier I Distributions: $0
  - Tier II Distributions: $0
  - Ending Balance: $10,196,765

- **Cashflow**
  - 12.0% ($10,196,765) = $12,853,290

**GP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $10,196,765
  - Capital Contribution: $10,196,765
  - Tier I Distributions: $0
  - Tier II Distributions: $0
  - Tier II Promote: $0
  - Ending Balance: $10,196,765

- **Cashflow**
  - 32.7% ($1,011,584) = $5,413,656

**Total**

- **Cashflow After Tier II Distributions**
  - $2,436,145 + $541,366 + $5,413,656 = $8,431,167

**Tier III**

**LP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $2,872,076
  - Capital Contribution: $2,872,076
  - Tier I Distributions: $0
  - Tier II Distributions: $0
  - Tier III Distributions: $0
  - Ending Balance: $2,872,076

- **Cashflow**
  - 14.2% ($2,872,076) = $2,831,379

**GP**

- **Beginning Balance**
  - Hurdle: $0
  - Preferred Return Due: $2,872,076
  - Capital Contribution: $2,872,076
  - Tier I Distributions: $0
  - Tier II Distributions: $0
  - Tier III Distributions: $0
  - Ending Balance: $2,872,076

- **Cashflow**
  - 31.7% ($2,872,076) = $5,413,656

**Total**

- **Cashflow After Tier III Distributions**
  - $2,436,145 + $541,366 + $5,413,656 = $8,431,167
## MONTHLY PRO FORMA

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<td>Rabsky</td>
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<td>D5030 Communications &amp; Security</td>
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Timber Reduction 15%

Building Size 60,375
Project - 94 Ninth Street
Neighborhood - Gowanus
Developer - Industrie Capital
Type - Adaptive Reuse
Size - 200,000
Rent PSF - $45
Opening - 2020

Project - 215 Moore Street
Neighborhood - Bushwick
Developer - Heritage
Type - Adaptive Reuse
Size - 75,000
Rent PSF - $45
Opening - 2015

Project - 315 Meserole Street
Neighborhood - Bushwick
Developer - Hudson
Type - Adaptive Reuse
Size - 100,000
Rent PSF - $45
Opening - 2018

Project - 10 Jay Street
Neighborhood - Dumbo
Developer - Glacier
Type - Adaptive Reuse
Size - 230,000
Rent PSF - $65
Opening - 2018
Project - 25 Kent
Neighborhood - Williamsburg
Developer - Heritage
Type - New Build
Size - 350,000
Rent PSF - $80
Opening - 2018

Project - Dock 72
Neighborhood - Navy Yard
Developer - Boston Properties / Rudin
Type - New Build
Size - 610,000
Rent PSF - $65
Opening - 2019

Project - Red Hoek Point
Neighborhood - Red Hook
Developer - Thor
Type - New Build
Size - 795,000
Rent PSF - NA
Opening - 2022

Project - 12 Franklin
Neighborhood - Greenpoint
Developer - Simon Baron
Type - New Build
Size - 134,000
Rent PSF - NA
Opening - 2021
ANNUAL PRO FORMA

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<td>$2,215,129</td>
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% of Hard Cost
- 100.00%
- 0%
- 80%
- 20%
- 0%
- 0%
- 0%
- 0%
- 0%

% of Soft Cost
- 100.00%
- 44%
- 44%
- 11%
- 0%
- 0%
- 0%
- 0%
- 0%

Acquisition Cost
- $9,450,000
- $9,450,000
- $0
- $0
- $0
- $0
- $0
- $0
- $0

Hard Cost
- $14,007,000
- $0
- $11,205,600
- $2,801,400
- $0
- $0
- $0
- $0
- $0

Soft Cost
- $4,202,100
- $1,867,600
- $1,867,600
- $466,900
- $0
- $0
- $0
- $0
- $0

Total Cost
- $27,659,100
- $11,317,600
- $13,073,200
- $3,268,300
- $0
- $0
- $0
- $0
- $0

Interest Rate
- 0.54%
- 0.54%
- 0.54%
- 0.54%
- 0.54%
- 0.54%
- 0.54%
- 0.54%
- 0.54%

Interest
- $961,496
- $0
- $495,948
- $465,548
- $0
- $0
- $0
- $0
- $0

Financing Cost - Construction Loan
- $281,798
- $281,798
- $0
- $0
- $0
- $0
- $0
- $0
- $0

Total Cost (with Financing Cost)
- $28,902,395
- $11,599,398
- $13,569,148
- $3,733,848
- $0
- $0
- $0
- $0
- $0

Paydown
- ($18,786,556)
- $0
- $0
- $0
- $0
- $0
- $0
- $0
- $0

Refinance Proceeds
- $23,093,438
- $0
- $0
- $23,093,438
- $0
- $0
- $0
- $0
- $0

Loan Payment
- ($8,031,241)
- $0
- $0
- $921,518
- ($1,579,916)
- ($1,579,916)
- ($1,579,916)
- ($1,579,916)
- ($789,958)

Paydown
- ($20,322,691)
- $0
- $0
- $0
- $0
- $0
- $0
- $0
- ($20,322,691)

Levered CF
- $16,365,804
- ($10,115,838)
- $0
- $2,872,076
- ($139,610)
- $635,212
- $702,588
- $772,012
- $21,639,365

Multiple
- 2.6x

RRR
- 18.3%

Development Yield
- 7.7%

HBU ANALYSIS

<table>
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<tr>
<th>Office</th>
<th>Resi</th>
<th>Retail</th>
<th>Hotel</th>
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<tr>
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