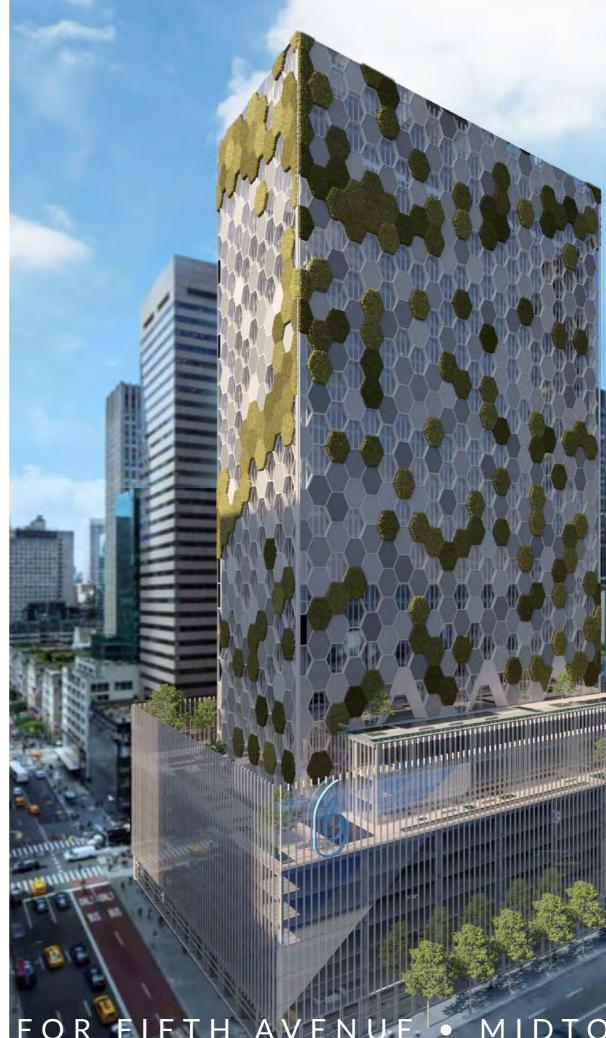


#### FIFTH AVENUE

#### 2020 VISION OF A FRESH FUTURE FOR FIFTH AVENUE • MIDTOWN



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William K. Vanderbilt Jr. Mansion, 666 Fifth Avenue designed by Stanford White 1908

### **EXECUTIVE SUMMARY**

**Vision Developments** is seeking an equity partner to acquire and redevelop 666 Fifth Avenue, a 1.2 million square feet mixed-use development in New York. The site has a total area of 61,755 square feet with an existing 41-story office tower. The project features 55,032 rsf of retail spaces, 118,218 rsf of serviced apartments and 1,027,465 rsf of office space.

The project will preserve the existing structure of the 666 Fifth Avenue tower with a proposed interior and exterior renovation. The target tenants for this project includes financial firms both large and boutique, banks and law firms. The Plaza District is a well-amenitized neighborhood for office tenants. It is equipped with plenty of amenity options within walking distance to the building like up-scale gyms, child day-care and rooftop bars with Manhattan view. 666 will include high end amenities for both office uses and the public including restaurent space, gym and exercise facilities, and retail provisions. Creating a building of live, work and play.

Land closing has completed with existing tenant buyout and termination of leases planned immediately. Renovation work is expected to commence May 2020, completed in Jun 2021 and following a two year lease-up period, 666 will be fully leased in May 2023. The total project cost including office, serviced apartments and retail components is \$2.00 billion (\$1,629/gsf). The sponsor has already engaged acquisition/construction lenders to provide indicative debt terms (4.00% spread over LIBOR).

When completed, 666 Fifth will be a significant addition to the midtown office market and lead the way in transforming old to new. Midtown Manhattan has always been an area for commercial activity and the home to financial and legal services. The historically supply of office facilities was built primarily around 1960/70s and is now facing the huge issue of competing high quality stock in Hudson Yards and Grand Central area. The project is located within the iconic Plaza District. The site benefits from high paedestrian traffic and is located right alongside numerous transit lines, making it easier to commute to 666 Fifth.

The sponsor is currently seeking the JV equity partner to contribute 90% of net equity. Based on the sponsor's rent assumptions of average \$112/rsf for office spaces, \$105/rsf for retail spaces, 12.5% average vacancy, and \$35 Opex, the project generates a stabilized NOI at year 5 of \$110.1 million, and 8% development yield. Based on a sale at the end of lease-up (Year 5) at an exit cap rate of 5.00% for the office, serviced apartments and retail portion, the projected returns are: levered IRR: 18.03%, 1.94x multiple.



### INVESTMENT HIGHLIGHTS

#### Project Scope: 1.2M SF

#### **Development Period: 3 years**

#### **Development Yield: 8.1%**

#### LP Contribution: \$485.86M

#### **Project Type: Mixed use**

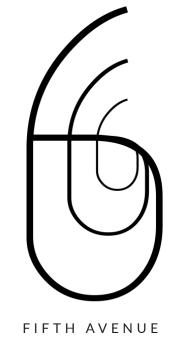
#### **Development Cost: \$2.0BN**

#### Project IRR: 18.07%

#### LP IRR: 17.21%



# **PROJECT OVERVIEW**







### ZONING ANALYSIS

The lot at 666 Fifth Avenue is currently zoned C5-2.5, C5-3, MID allowing a total FAR of 15 for commercial use, amounting to a total of 926,325 buildable square feet. The existing building has a gross floor area of 1,246,882 SF which means that at present, the existing building is overbuilt by 320,557 SF.

#### **Existing Building On Site**

Address	666 Fifth
Property Type	Office
Year Built:	1957; Re
Floors:	41: 39 St
Total RSF:	1,548,45
Typical Floor Size:	Range fro
Height:	536'
Construction:	Steel rein
Previous Uses:	Construc

#### Zoning Lot

Zoning	C5-2.5 /
Lot SF	61,755
FAR	15.0
Maximum SF (ZFA)	926,325
Existing GFA	1,246,88
ZFA Efficiency	85%
Existing ZFA	1,059,85
Available ZFA	-133,525
RSF	1,548,45
Load Factor	24%

#### N Avenue

enovated 1999

Stories of Commercial Office Space

59 SF

rom 19,703 to 61,356 square feet.

nforced concrete

C5-3

2

5C

39

### CONTEXT ANALYSIS

666 Fifth Avenue is a 40-story commercial and office building located in the Plaza District neighborhood of Midtown Manhattan. It is located in a prime position on NYC's iconic 5th Avenue, a street synonymous with prestigious housing, Museums and culture, high-end retail and a hub of business activity.

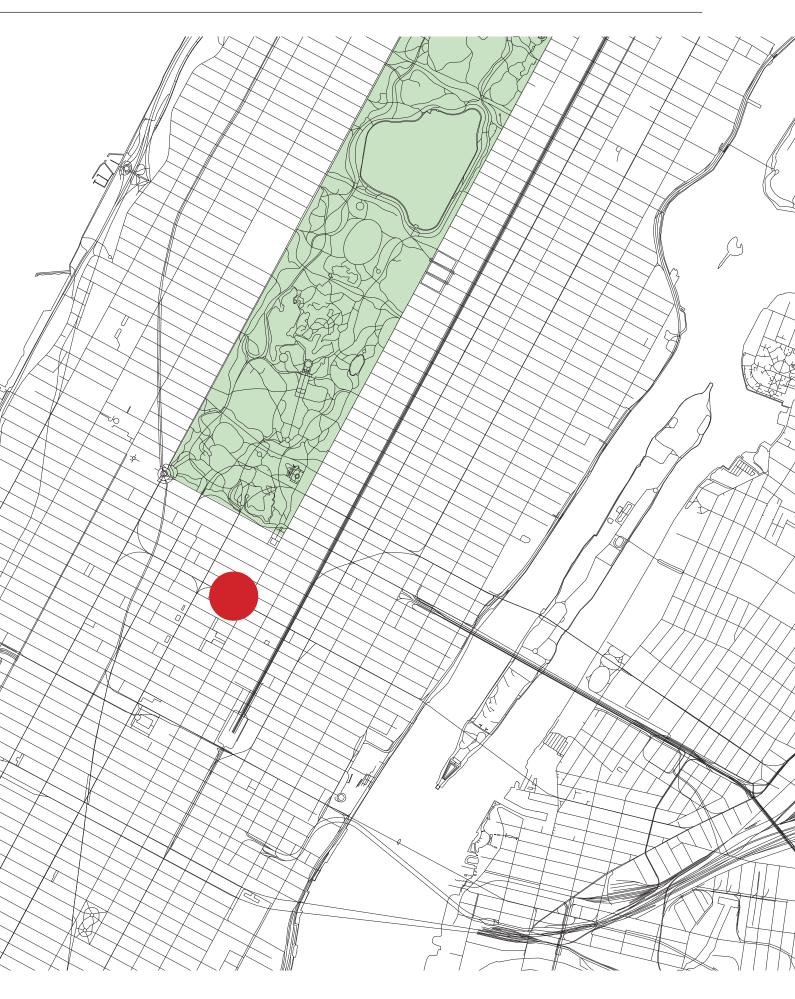
Despite the recent commercial shift away from Midtown towards areas such as Hudson Yards, the geographic location of 666 presents an opportunity to create a highquality building that is differentiated from the existing stock of buildings in the area, many of which are tired and dated thus unable to meet the needs of companies and workers today.

The redevelopment proposal of 666 has been shaped by considering the following questions:

What is the workplace of the future going to look like?

What makes this building a participant to the neighborhood and a good neighbour?

As such a proposal has been developed to create a mixed-use building that addresses all elements of live, work and play. It provides class A office space alongside servicedapartments for the business traveller and amenities for both the worker and their family. **PROJECT OVERVIEW** 



### SITE ANALYSIS **EXISTING HERITAGE**

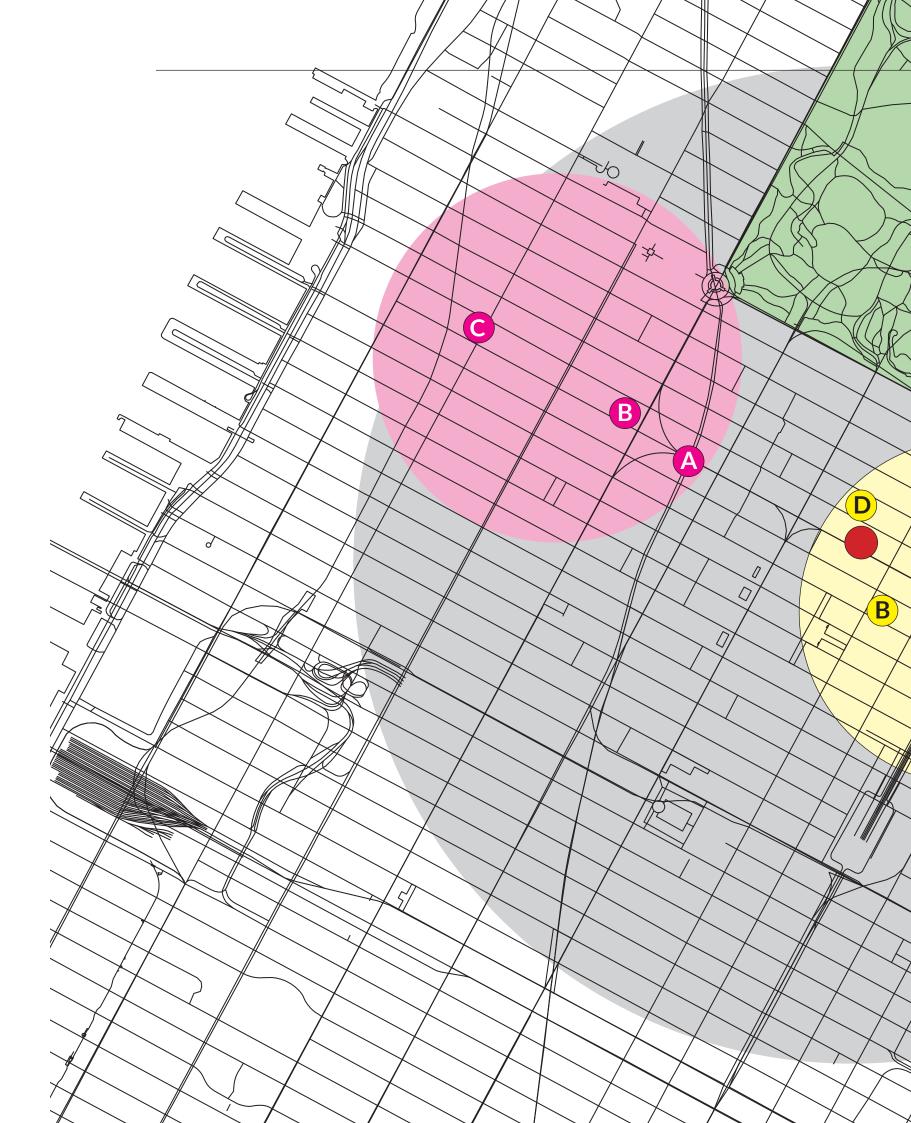
- 1960's full mechanical venting
- Deep Floorplates with poor daylight and air flow
- Low ceilings not fit for purpose

 Sealed building 

M. CAN

- Re-circulating airbourne virusesCarbon-fuel dependent
- Outdated and tired
- Prime location
- Trophy building
  Record-setting \$1.8 billion for the building in 2007





PROJECT OVERVIEW

### CULTURAL

666 is located in an area of cultural significance, both with regards to the Theatre District, Museums and Historic landmarks. It is situated in a prime position both for North to South and East to West footfall, thus presenting an opportunity to capitalise upon the high number of people frequenting the area. The redevelopment of 666 with provide cultural and social amenities for public and private users, forming an environment that people want to spend time in and creating a holistic experience in terms of live, work and play. By doing so, it establishes a Midtown destination of work, entertainment, and culture.

666 5th Avenue

1 mile radius

A Broadway Theatre

B Broadway Comedy Club

C A.R.T/New York Theatres

A Lipstick Building

**B** Seagram Building

**C** St. Patricks Cathedral

D MoMa

#### **PROJECT OVERVIEW**

### BUSINESS

A large number of major commercial buildings and key headquarters are in the surrounding areas of the site as highlighted however the area is increasingly out of favour. The Midtown area is a hotspot for Law firms and Financial companies to locate, however existing office supply is not reflective of current wants and demands of the physical office space.

#### **OPPORTUNITY:**

Firms that will be targeted include boutique finance companies to occupy smaller floor plates at the top of the building, alongside law firms and others disheartened with their existing office environment. By maintaining larger floors at the podium, larger single tenants focused upon Technology, Finance and Insurance are the key prospective tenants.

The newly developed 666 will place flexibility as a key attribute of the proposed design, utilising modular systems to ensure minimal time is spent building out the space and thus allow it to be changed quickly in the future.

Creating a workplace that instigates innovation and focuses on the employee will be the core values driving this redevelopment. 666 will create an ecosystem within the building that allows tenants to come together as a natural act, fostering collaboration and symbiosis.



- 1 mile radius
- A Trump Tower
- **B** CBS Corporation
- C Credit Agrigole CIP
- D Warner Brothers
- E HSBC Tower

E

 $(\mathbf{A})$ 

×C B

E

### HOTELS

Over 30 hotels can be found within a 15-20 minute walking distance, including famous names such as the New York Hilton Midtown, The Baccarat and the Sheraton New York Times Square Hotel. There is a surplus of hotel stock in the Midtown area, particularly luxury towards the Central Park area and middle/economy hotels located further south towards Times Square. Thus, the demand for a hotel at 666 is not convincing enough to merit inclusion within this proposal.

B

#### **OPPORTUNITY:**

The Apartment Hotel (Serviced Apartment) model is thus attractive due to its ability to cater to the Business / longer stay travellers. A partnership with 'AKA stay' maintains quality alongside prices in line with 4 / 5 Star Hotels but with lower turnover of guests. This model would service the surrounding Midtown demand from short-stay workers and business travellers. In addition this will provide an attractive on-site accomodation facility for the building and its members, inspired by the likes of The Ned London.

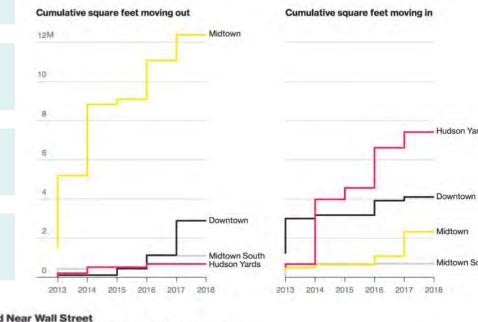
The serviced apartment component, 'AKA stay' will comprise 300 spacious studios, one and twobedroom furnished apartments ideal for individuals staying a week or longer. AKA offers one of the best Technogym fitness centers in NYC, an exclusive lounge, and private access to our café for hearty breakfasts, energizing espressos, mid-day lunches, and afternoon tea. These amenities will be accesible to both short stay residents and the public.



### **NEIGHBORHOOD CONSIDERATIONS**

Declining Midtown office	Midtown Departures Midtown stands out among Mar districts.	nhattan office markets in compa
market conditions.	Cumulative square feet moving	out Cumula
12M Sq.Ft moving out of	12M	Midtown
Midtown Manhattan.	8	
7.8M Sq.Ft shift towards	6	
Hudson Yards.	4	
Top sector moving into	2	Downtown
Midtown: Financial Services.		Midtown South Hudson Yards

anies departing for other NYC business



"Wall Street" Is No Longer Concentrated Near Wall Street

inancial services is the largest industry by percentage to choose to move to Hudson Yards.

7.419.000 total square feet of relocations into Hudson Yards

4101.000 total square feet of relocations into Downtow

30.0% Financial Service			Printing and Publishing Adv			6.8% Avertising and ablic Relations		
22.4% Treeviewon Radio and Entertainment 15.9% Chamicale, Columbicale and Pharmaceuticale			14.2% Computer Technology	13.6% Retail	8.0% Legal Services			
						6.7% Associations and Nonprofits		4.5% Management Consulting
				58.3%				7% vision, Radio Entertainment
		Auditing and Democra						
	3.4%	E.3% Aliyo failing pro- Rubeic Response	1.6% Kinma Teati	22.8% Retail	14.2% Associal	ions and Nonprofits		
		2.0%		4.7% Legal Services		egal Services	Corr	3% iputer inology
			1	2,318,000 total squar into Midtown	e feet of relocation	ns		K total sq. ft.



### **PLAZA DISTRICT**

#### Midtown

The neighborhood presents an exciting opportunity for a development that both adds to and improves the existing identity of the Plaza District by creating a new, innovative development. All of this is possible due to the favorable demographic profile, good access to transit, and relative lack of existing amenities and neighborhood resources. Commercially, the Plaza district has been struggling to retain some major tenants due to increasing competition from new developments downtown and on the Far West Side. Thus, there is an opportunity for 666 to be at the forefront of Midtown, high quality mixed-use space.

#### Demographics

The central location of 666 in a well-established business district, gives the project a distinct locational advantage for Manhattan living and working. Residents and daytime office users of 666 Fifth Avenue can enjoy short commute times, giving the project a distinct locational advantage for Manhattan living and working.

- Young, working population who are high earners
- Provides convenience, activity, and affordability in your late 20s
- Professionals without a family
- 57th Street = Billionaires Row, a stream of supertall, super-pricey towers rapidly rising and altering the NYC

Mean commute to work in Midtown is 26.6 minutes, Manhattan mean is 31.8 minutes.

#### Demand

From demographic and neighborhood analysis, there appears to be demand for entertainment options in the neighborhood, servicing both Midtown and the Upper East Side. A proposed solution will be to install a high-end coffee shop or bakery as well as a "mid-luxury" restaurant. with a Danny Meyer collaboration proposed. Increasingly, commercial tenants are looking for improved amenities in and around their offices in order to attract talent.

As a means of differentiating this building from others in Midtown Manhattan, high end amenity space will be provided for both building users and the public. creating both an entertainment and commercial center.

Population of 27,000 citizens

f igstarrow igstarrow The most common age range is

71% of the total residents are professionals which have an

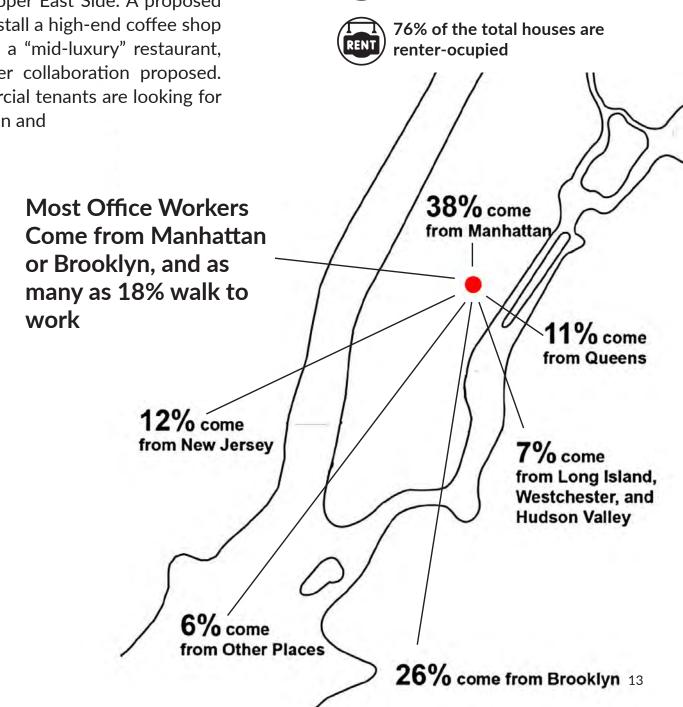
68% of the houses are occupied against 32% vacant

Total of 22,000 housing units in midtown area

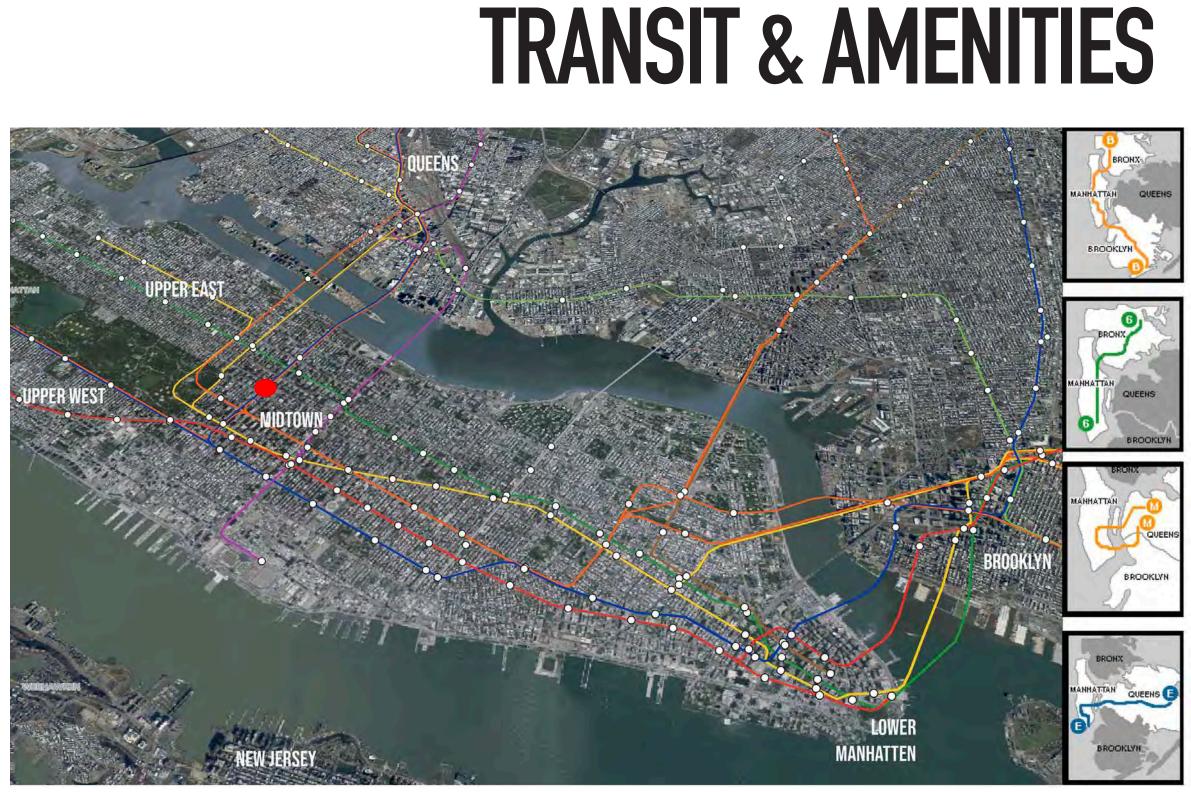
/ 20-34 years (38% of the total)

average income of \$120,000/year

#### **Office workers**



**OCATIO** OF 666 || THE HEART O THE MIDTOWN FFICE DISTRICT, 42% OF THE MIDTOWI MANHATTAN RESIDENTS CURRENTL WALK TO WORK 39 NITH USING PUBLI T R A N S P O R T



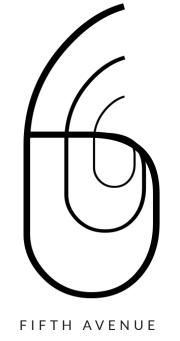
#### ersus the nyc average, the mean travel time to work is 23 minutes versus 40 mins.

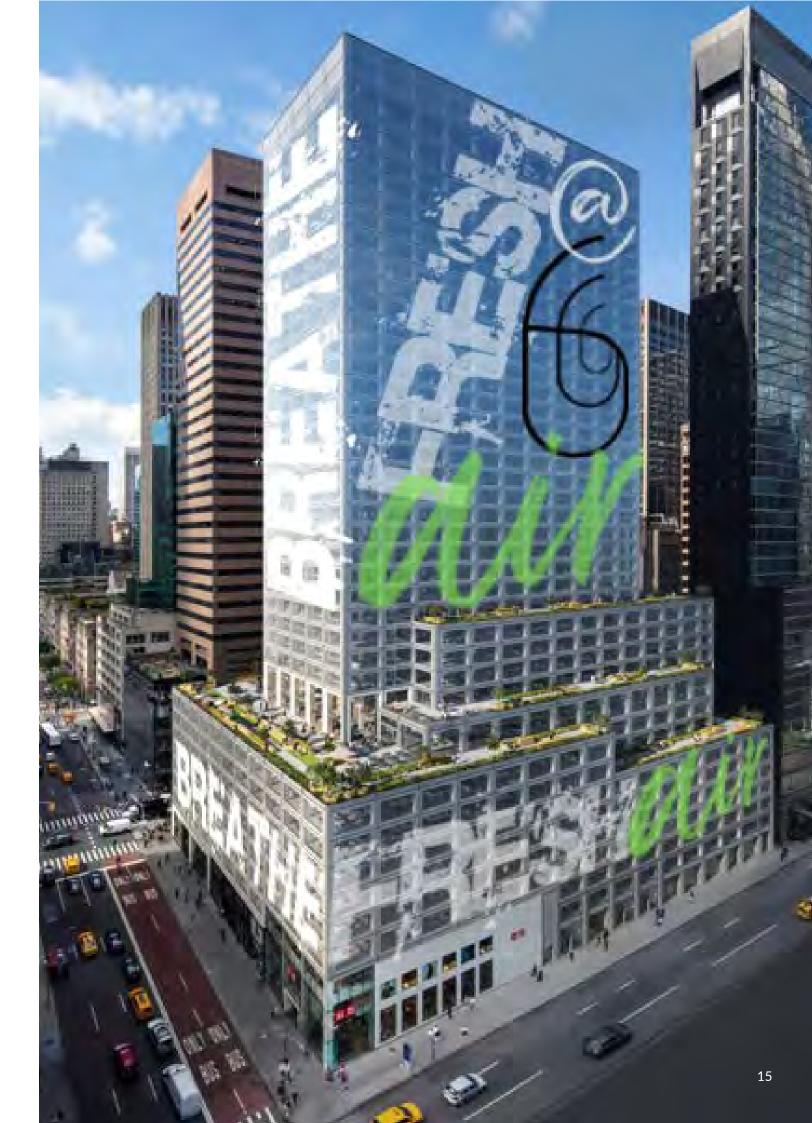
1 Minute Walk to the 5th Avenue / 53rd Street Station (E & M lines).

This provides commuters direct access to 666 from WTC Lower Manhattan / Jamaica Queens (E), Forest Hills / Ridgewood (M).

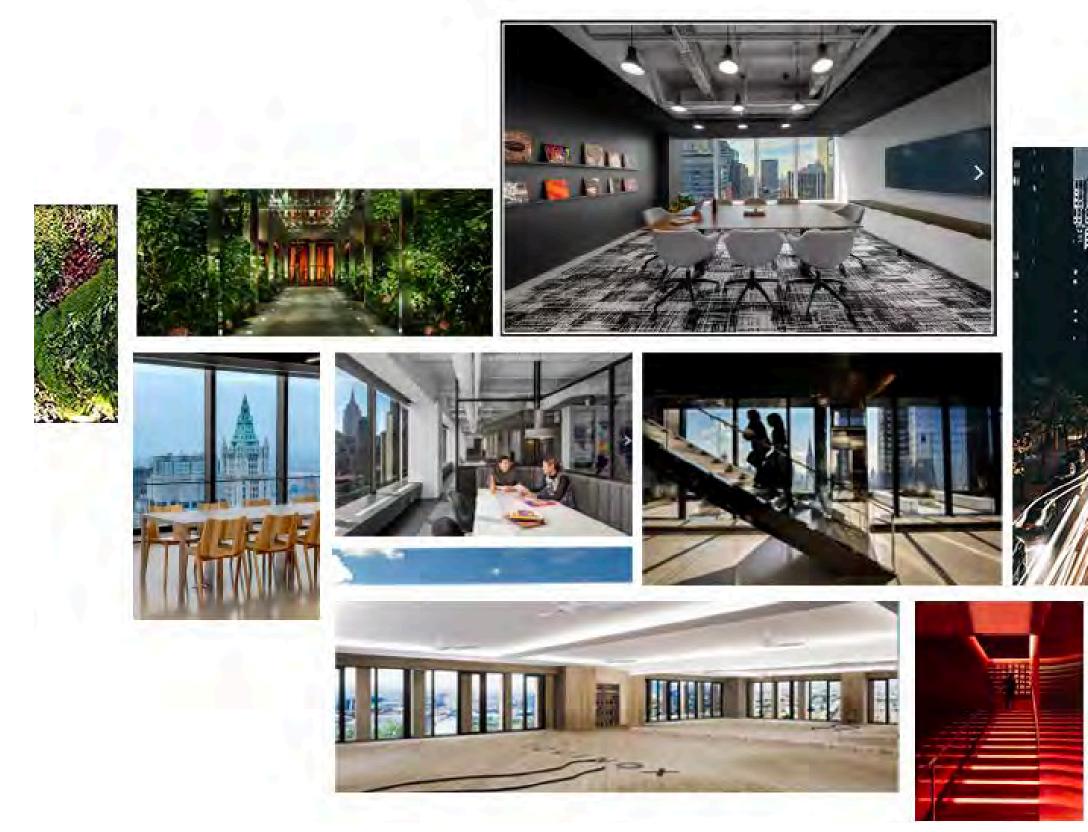
6 Minute Walk to the 47- 50th StreetRockefeller Subway Station (B,D,F & M lines). Connecting areas such as Park Slope, the Lower East Side and Greenwich Village.

# MARKET ANALYSIS





### MARKETING MOOD



#### **MARKET ANALYSIS**

Subm Year I Year I Class Total Key T

### MARKET MAPPING & EXISTING SUPPLY

	1345 AVENUE OF THE AMERICAS, 10019
Submarket:	Sixth Avenue
Year Built:	1969
Year Renovated:	1988
Class:	Α
Total RSF:	1,896,140
Key Tenants:	Alliance Bernstein, Fortress Investment Group, BBVA, Rubenstein

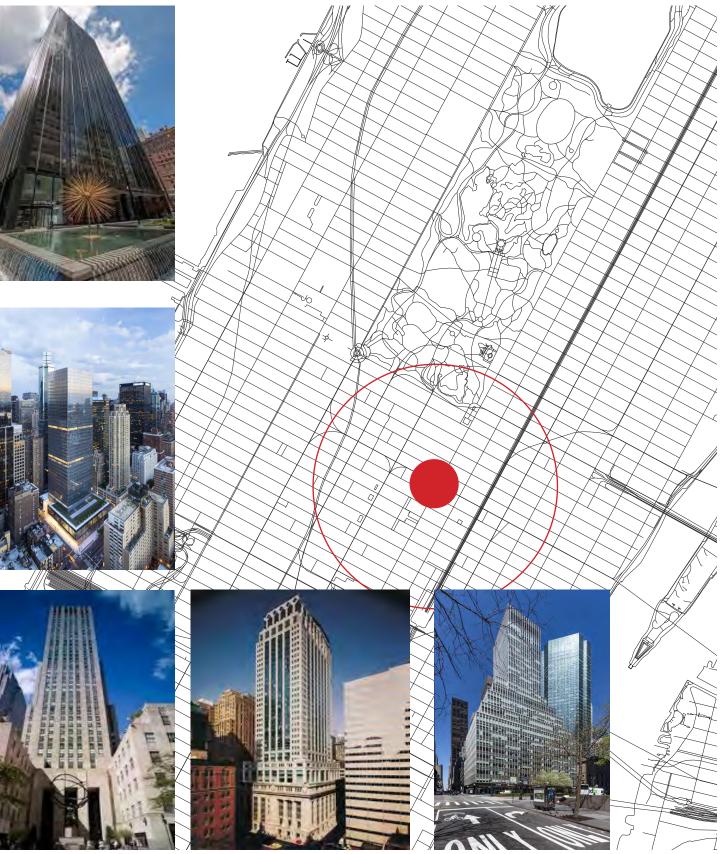
	250 WEST 55TH STREET, 10019
Submarket:	Columbus Circle
Year Built:	2013
Year Renovated:	N/A
Class:	Α
Total RSF:	981,143
Key Tenants:	Gibson Dunn & Crutcher, Kaye Scholer, Morrison & Foerster, Soros

	630 5TH AVENUE, 10020
Submarket:	Madison/Fifth Avenue
Year Built:	1934
Year Renovated:	N/A
Class:	A
Total RSF:	1,255,326
Key Tenants:	Bessemer Securities, BakerHostetler, Riverside Partners, Alfred P.

	450 LEXINGTON AVENUE, 10017
Submarket:	Park Avenue
Year Built:	1992
Year Renovated:	N/A
Class:	A
Total RSF:	902,034
Key Tenants:	Warburg Pincus, David Polk & Wardwell, Herbert Smith Freehills

	1350 PARK AVENUE, 10022
arket:	Park Avenue
uilt:	1960
enovated:	Demolition proposed for 2023
	A
RSF:	567,000
enants:	Ziff Brothers, M&T Bank Corp, Raymond James, Marshall Wace,Square Mile





### TARGET TENANTS

Providing Class A office space alongside serviced-apartments and new amenities including a health club, leisure facilites, high end restaurant and barista- served café enables the renovated 666 Building to be capable of targeting tenants from comparable A class buildings, in the Midtown area who are seeking more than high quality office spaces. Companies are more and more requiring enhanced spaces and facilities.

David Goldstein, a vice chairman at Savills Studley states that recruitment and retention are now an ever-growing factor in deciding where to locate a business. The new additional facilities that 666 will provide enables the proposal to be viewed as an equal or superior offering.

The target tenant profile for the new spaces will be from the Financial and Legal Services Sectors as this remains the strongest sector in the Midtown market. Renovation the be Class A space with move the target tenant away from the Class B and C office stock in NYC which is projected to decrease further by 7.8 MSF between 2013 and 2025.

In order to identify target tenants more specifically a review of comparable A office buildings within a 1 mile radius has highlighted opportunities where companies have leases expiring close to the time 666 will be completing. A proactive marketing strategy to focus on these potential tenants can be commenced in 2022.

Tenant	Industry	Location	Class	Area (SF)	Expiry Date	Rent (\$)
Alliance Bernstein	<b>Financial Services</b>	1345 Avenue of Americas, 10019	А	992,043	June 28, 2022	110
Gibson Dunn & Crutcher	Legal Services	250 West 55th Street, 10019	А	222,000	Apr 11, 2023	142
Bessemer Securities	Legal Services	630 5th Av-enue, 10020	А	159,586	May 1, 2023	124
Warburg Pincus	<b>Financial Services</b>	450 Lexing-ton Avenue, 10017	А	135,000	June 30, 2022	145
iStar Financial	Financial Services	1095 Avenue of The Americas	А	107,022	Jan 1, 2023	153
Rabobank	Bank	245 Park Avenue, 10017	А	103,585	Apr 30, 2023	138
Crowell & Moring	Legal Services	590 Madi-son Avenue, 10022	А	100,000	Apr 30, 2023	135
Centerline Capital Group	Financial Services	1095 Avenue Of The Americas	А	99,552	Jan 17, 2023	145
Warburg Pincus	<b>Financial Services</b>	450 Lexing-ton Avenue, 10017	А	84,461	Nov 1, 2023	145
Financial	<b>Financial Services</b>	399 Park Avenue, 10022	А	73,785	July 1, 2023	130
Тпанса				, 0, , 05	July 1, 2020	100

#### **350 PARK AVENUE: EXISTING TENANTS**

Tenant	Industry	Area	Expiry Date	Rent (\$)	Mar
Ziff Brothers	<b>Financial Services</b>	127,220	2021 & 2022	84 - 93	Researchin
M&T Bank Corp	Banks	102,000	2021 & 2023	67 - 69	tified anoth
Raymond James	Financial Services	73,660	2021 & 2022	66 - 109	within 350
Square Mile Capital/ USA	<b>Financial Services</b>	21,485	2024	92	block is sch
Marshall Wace	Financial Services	39,579	2023 & 2024	100 - 104	2023 and t
Citco	<b>Financial Services</b>	19,912	2026	121 - 150	2023 and the
Fidelity Investments	Banks	18,405	2023 & 2028	112 - 190	further op
CCIC	<b>Financial Services</b>	8,109	2026	114	Turther op

### **TENANT PROFILE**



#### arketing Opportunity:

ing target tenants also idenother potential group located 50 Park Avenue. This office cheduled to be demolished in I the new building opening in nese displaced tenants present opportunities for marketing.



#### Jonathon Age: 42 Residence: Westchester

Works in a typical financial office in Midtown. He is happy with the location of his office however is disappointed in the lack of facilities his building such as in-building restaurants and cafes. Due to this Jonathon finds it difficult to network with his peer group at his place of work. Jonathon would also like to use gym/ leisure facilities when time is available during his working day. This is often at short notice so he is unable to travel far to reach these.



#### Loretta Age: 38 Residence: New Jersey

Is a director in a busy media company in Lower Manhattan. Commute times are of key importance to Loretta as her roles requires frequent travel to many locations throughout Manhattan and beyond. Loretta would prefer to be located in a building with immediate access to the subway systems. Part of Loretta's role is networking with clients which the building lobby and general spaces do not accommodate. The clients often travel from out of town and selecting appropriate accommodation at short notice can be difficult. Were the building to include facilities such as an Art Program, a high end restaurant and hotel/ serviced apartments these would be highly beneficial.





#### Omar Age: 29 Residence: Manhattan

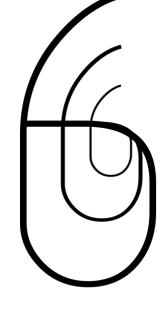
Is a recent graduate who is delighted with his new employment. However, when comparing his place of employment with fellow graduates he is aware of the poor environmental quality of the spaces within the building. This concern has increased greatly given the current COVID-19 crisis. Omar is also concerned with the low energy performance of the building and the overall environmental impact.



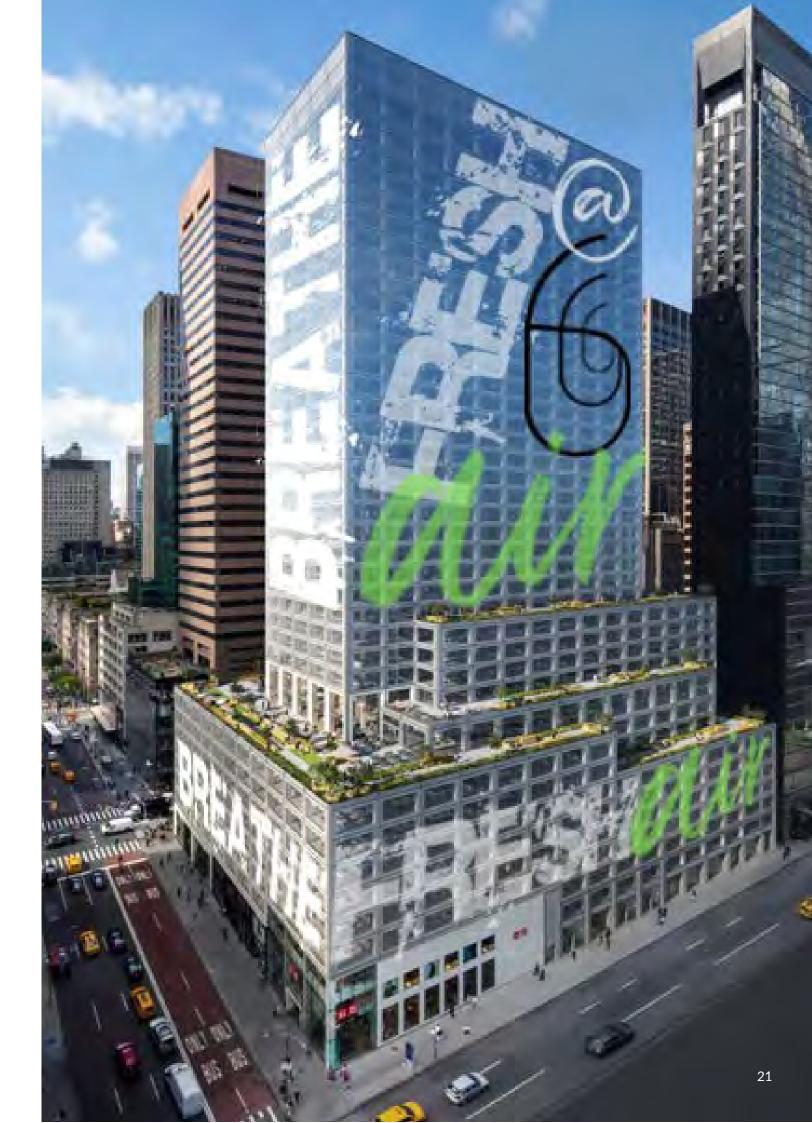




# DESIGN PROPOSALS



FIFTH AVENUE



### **PROGRAMMING** & RENOVATIONS

The primary programming change to the property will be to create a mixed-use development, incorporating serviced apartments for the business travellerandofficespacethataimstobringaPropTech presence to the building and neighborhood. This PropTech strategy will serve to make the building an innovative hub in terms of technology and sustainability, making 666 highly competitive with other leading commercial buildings both in terms of infrastructure and tenant base.

Conceptual designs include a private restaurant, sports facilities, spa and wellness areas, rentable conference rooms, business lounges, stadium style auditoriums, and various F&B kiosks. This level of amenities will create an additional, attractive space for tenants and offer additional areas for collaboration to facilitate conversation and community between the tenant base.

Millennials are now the largest generation in the workforce, and their job satisfaction is driven more by flexibility, work/life benefits and amenities, less by large, personal offices in their workplace. Thus, high quality amenities will be offered to attract and retain employees, making 666 a place of not only work, but work life balance.



#### **DESIGN PROPOSALS**

### **RENOVATION PROGRAM**



• Use of **Sky Gardens**, **Atriums** + **Voids** througout the height of a tall building enhances the stack effect for efficient natural ventilation





- Adopting **natural ventilation** is necessary to limit the spread of airborne virus. Stack Chimney's will direct hot air out of the building. Columbia University's Science Centre by Renzo Piano is used a exemplar of good practise
- North Facade encorporating high insulating glass + insulated shutters. South facade built to allow future capacity of 50% photovoltaic panels



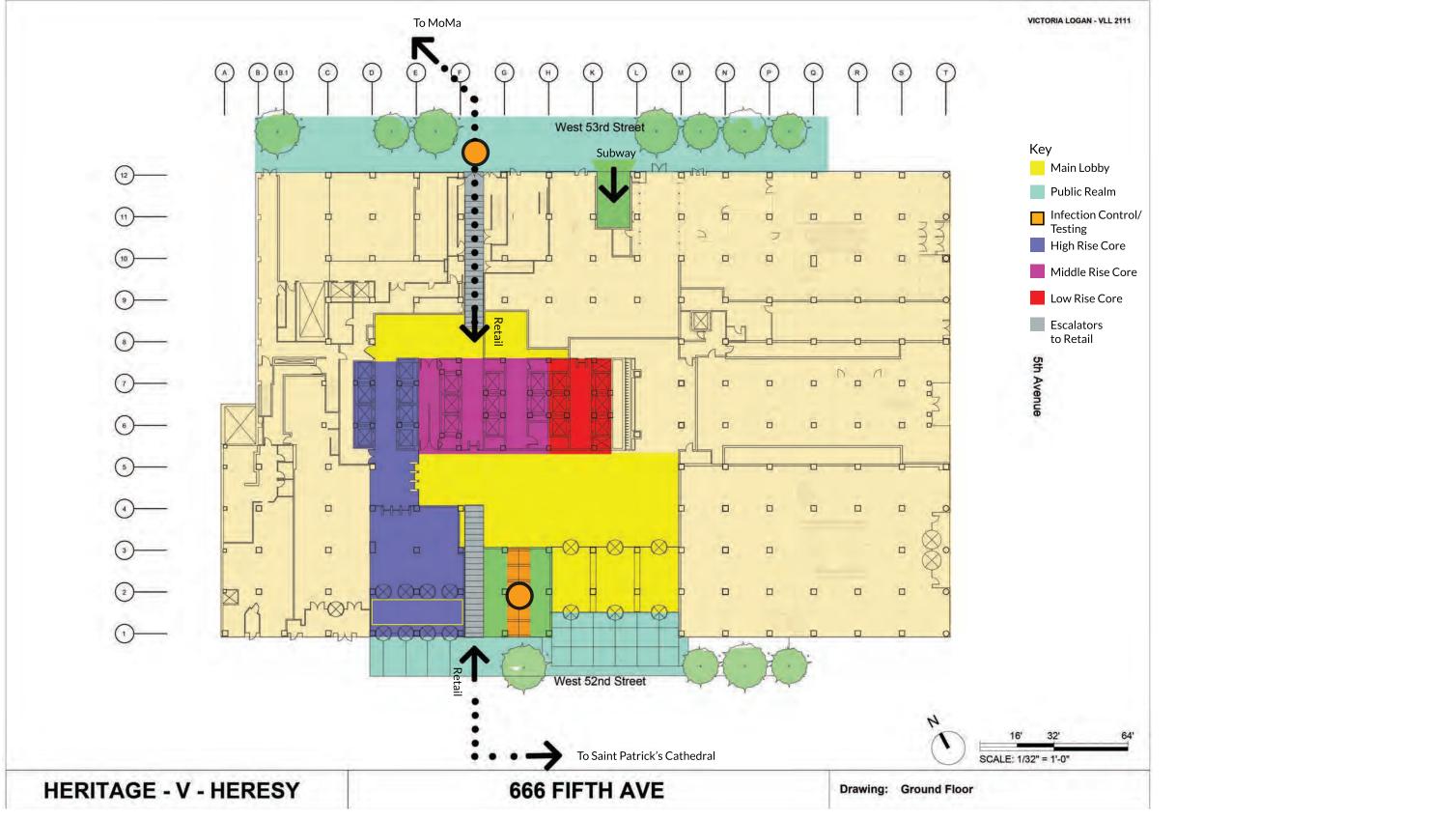
• Intelligent Building Management Systems (BMS) for Fire, Venting, Natural Alrflow, Fire Damping, Local Sub-Store Steam Release System



• Intelligent Facade System: Photovoltaic and Green systems. Con Edison system adapted with Chilled Underfloor Loop linking to the Intelligent Facade. The project will preserve the existing structure of 666 Fifth Avenue with an internal and external renovation proposed. The existing floor-to-floor height is a constraint, thus the dropped ceilings will be removed with services exposed creating a more open, authentic and industrial quality. The renovation will preserve the distinguished qualities of 666 whilst transforming it into a forward looking building. Architecture firm GroupWork (Amin Taha) will be consulted for the exterior transformation, in order to include their innovative approach towards sustainability and building materials.

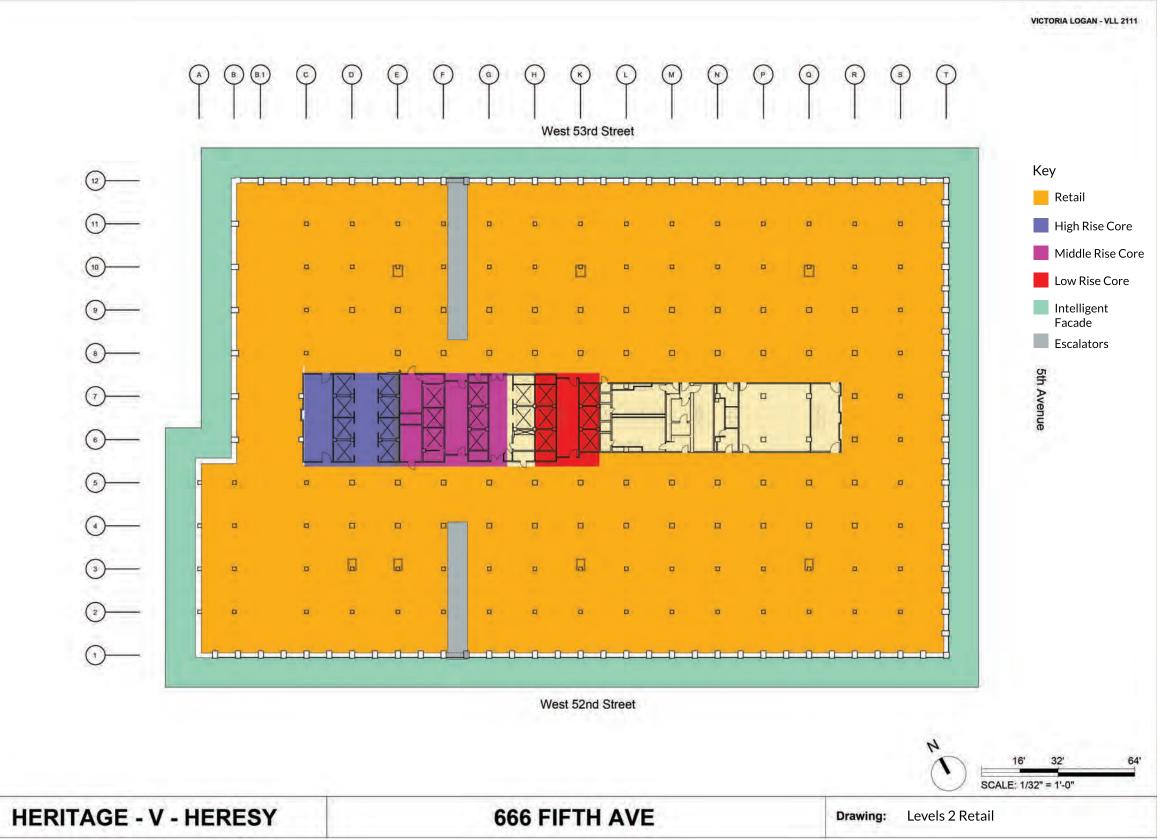
Above is a sample of the space designated 'The Club Deck', including shared amenities and public / private amenities. The specified target tenants for this project will include boutique firms (Financial) to occupy the smaller floor plates with larger tenants proposed (Technology / Law firms) looking for high quality space. The vision for this building will be driven by creating a workplace of the future, placing flexibility (floorplates), connectivity and technology at the forefront.

### LOBBY PLAN

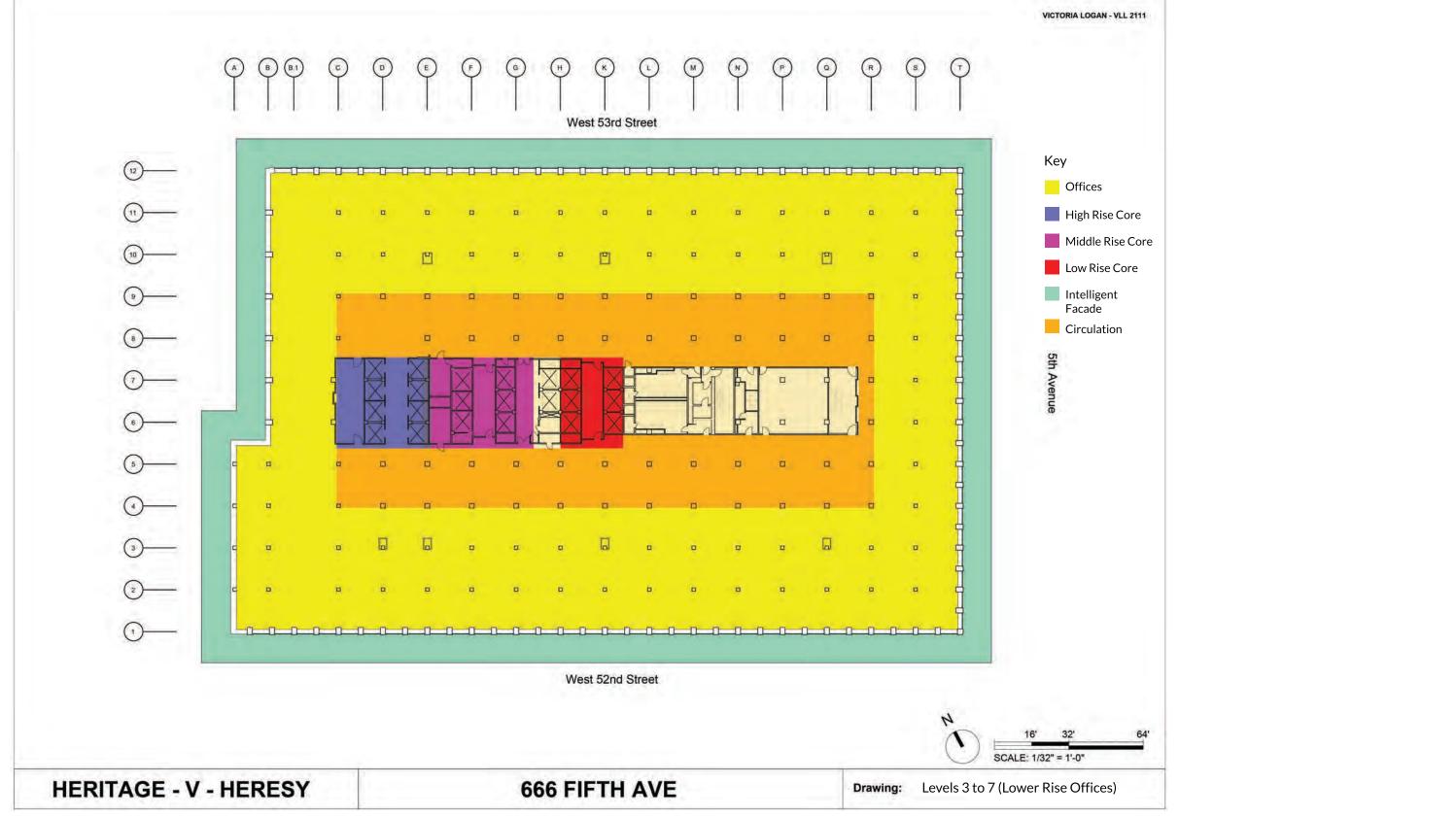


#### DESIGN PROPOSALS • FLOOR PLANS

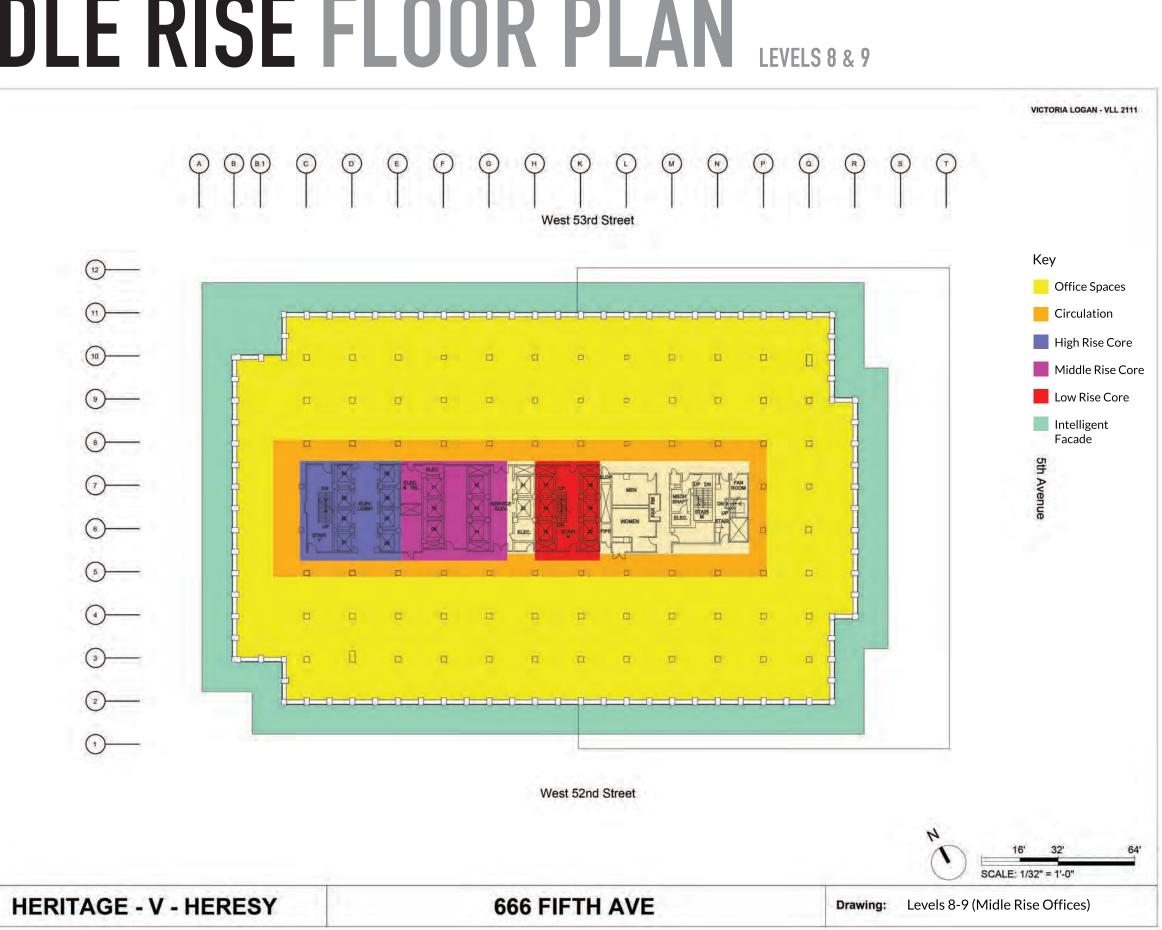
### LEVEL 2 RETAIL PLAN



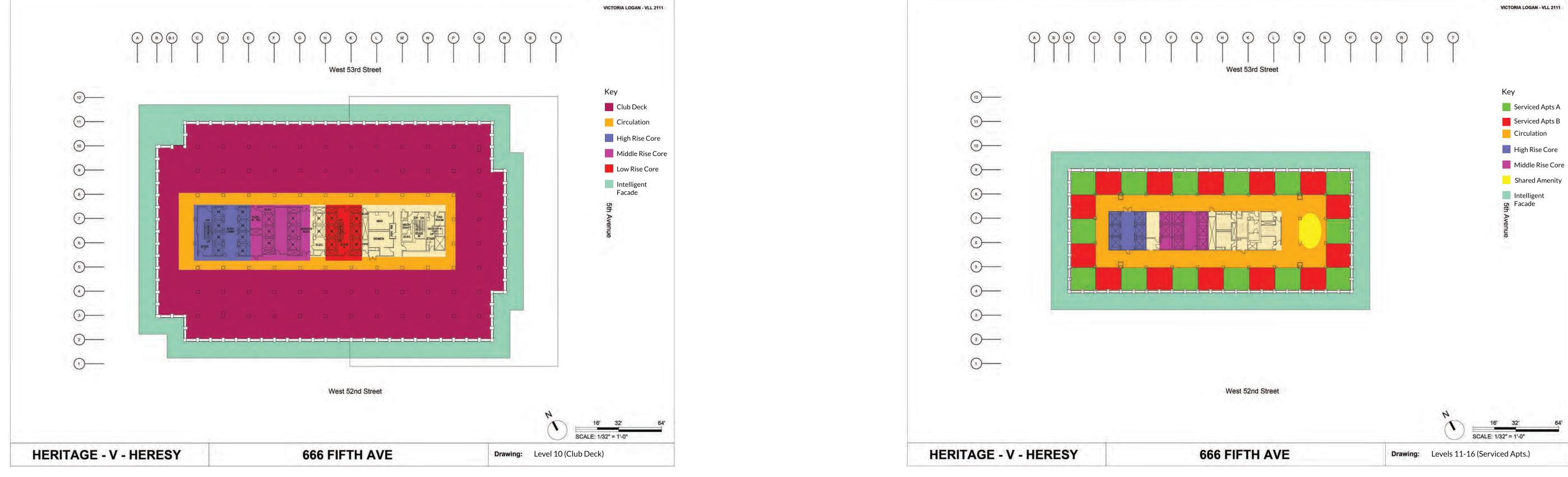
#### **LOWER RISE FLOOR PLAN** I FVFLS 3 TO 7



### MIDDLE RISE FLOOR PLAN



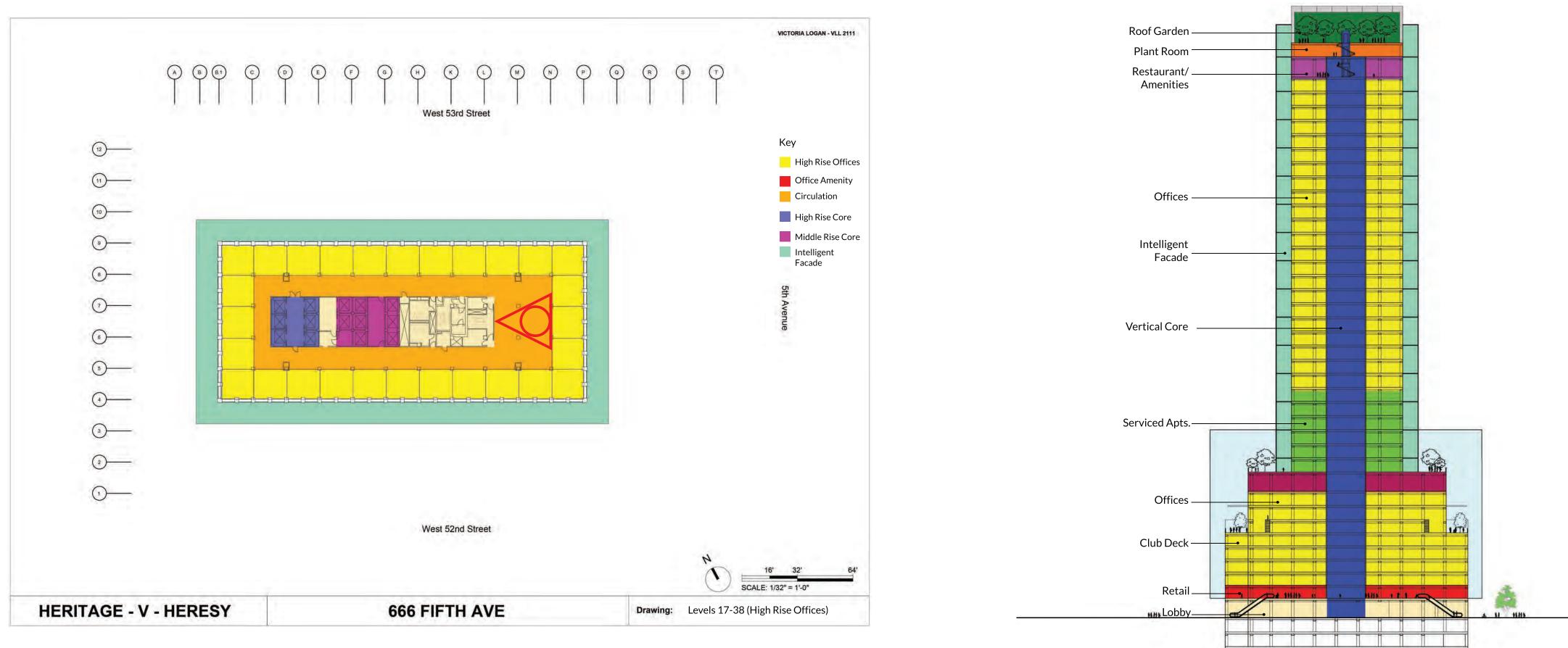
### CLUB DECK FLOOR PLAN LEVEL 10



**DESIGN PROPOSALS** • FLOOR PLANS

### SERVICE APARTMENT FLOOR PLAN LEVELS 11 TO 16

### HIGH RISE FLOOR PLAN LEVELS 17 TO 38



### PROPOSED SECTION Stacking plan

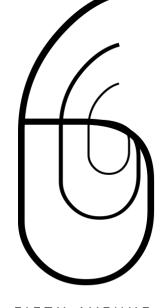
		Program		
Floor	D	CEA.	ZFA	RSF
L41	Program Mechanical	GFA	0 2FA	0
40 - Club Lounge	Retail	3,830 14,736	0	0
L39	Office	19,703	17,339	21,532
L33 L38	Office	19,703	17,339	21,532
L37	Office	19,703	17,339	21,532
L36	Office	19,703	17,339	21,532
L35	Office	19,703	17,339	21,532
L34	Office	19,703	17,339	21,532
L33	Office	19,703	17,339	21,532
L32	Office	19,703	17,339	21,532
L31	Office	19,703	17,339	21,532
L30	Office	19,703	17,339	21,532
L29	Office	19,703	17,339	21,532
L28	Office	19,703	17,339	21,532
L20 L27	Office	19,703	17,339	21,532
L26	Office	19,703	17,339	21,532
L25	Office	19,703	17,339	21,532
L24	Office	19,703	17,339	21,532
L23	Office	19,703	17,339	21,532
L22	Office	19,703	17,339	21,532
L21	Serviced Apartments	19,703	17,339	21,532
L20	Serviced Apartments	19,703	17,339	21,532
L19	Serviced Apartments	19,703	17,339	21,532
L18	Serviced Apartments	19,703	17,339	21,532
L17	Serviced Apartments	19,703	17,339	21,532
L16	Serviced Apartments	19,703	17,339	21,532
15 - Club Lounge	Retail	19,703	17,339	21,532
L14	Office	32,241	28,372	35,234
L13	Office	32,241	28,372	35,234
L12	Office	32,241	28,372	35,234
L11	Office	32,241	28,372	35,234
L10	Office	41,589	36,598	45,450
L9	Office	54,117	47,623	59,141
L8	Office	54,117	47,623	59,141
L7	Office	61,313	53,955	67,005
L6	Office	61,356	53,993	67,052
L5	Office	61,356	53,993	67,052
L4	Office	61,356	53,993	67,052
L3	Office	61,356	53,993	67,052
L2	Retail	20,593	18,122	22,505
L1	Lobby	20,593	18,122	22,505
Total		1,137,851	984,971	1,223,201

Total

1,223,201

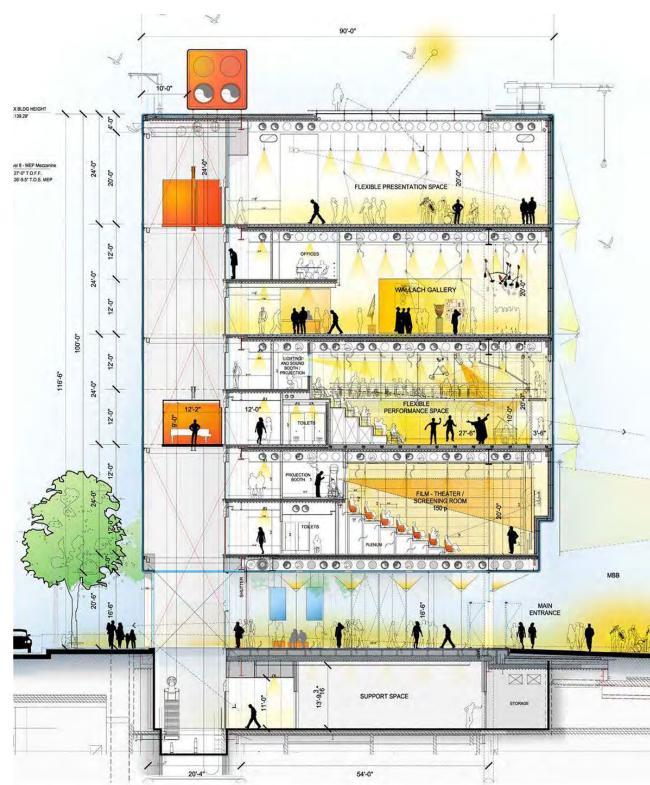
#### 2020 VISION OF A FRESH FUTURE FOR FIFTH AVENUE • MIDTOWN





### **INSPIRED DESIGN**

RPBW's active double skin facade kick starts a 'new generation' of campus design at Columbia University.

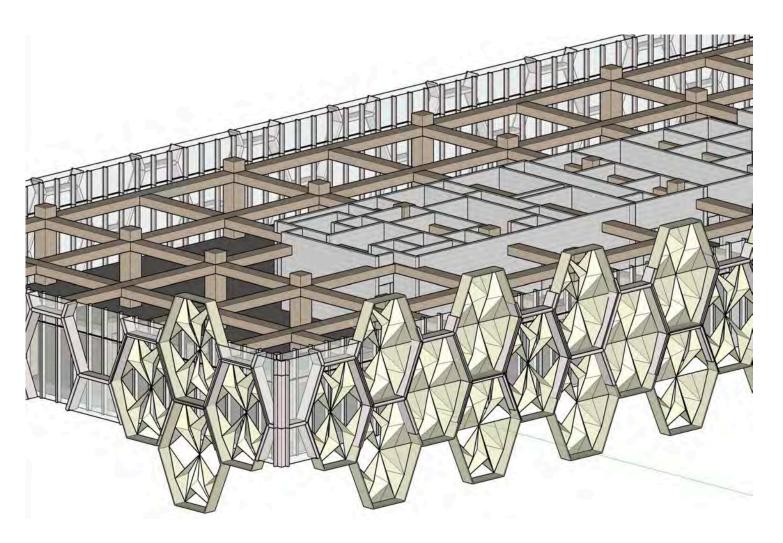




### PROPTECH

Detail of Facade panel, designed by IFE (Intelligent Facade Engineering), a Scotland based Prop-Tech comapny for the use on 666 Fifth Avenue by Vision Developments.

Technical detail below and shown on 3D rendering to right. Cost of panels are \$80 psf with benefits gained towards creating a healthy building and energy production.



SUSTAINABILITY • INTELLIGENT FACADE ENGINEERING

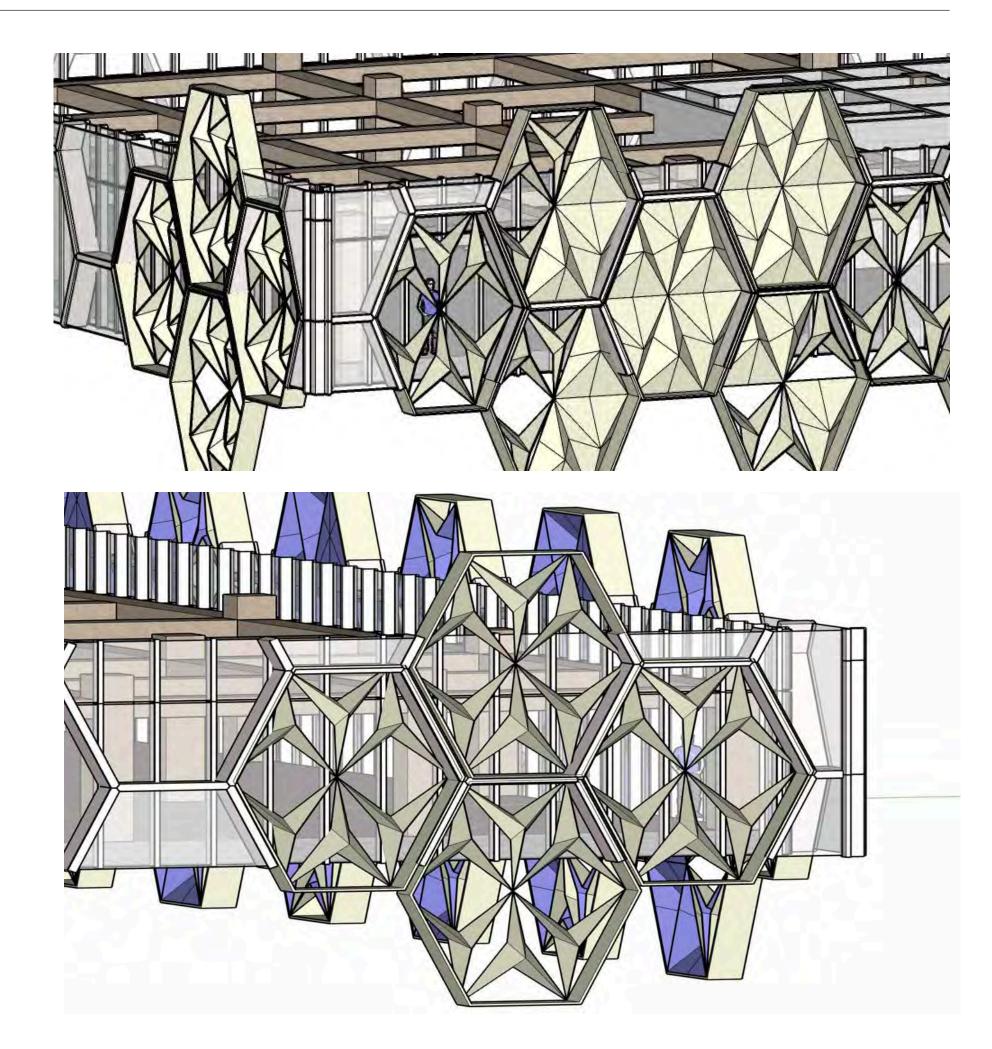


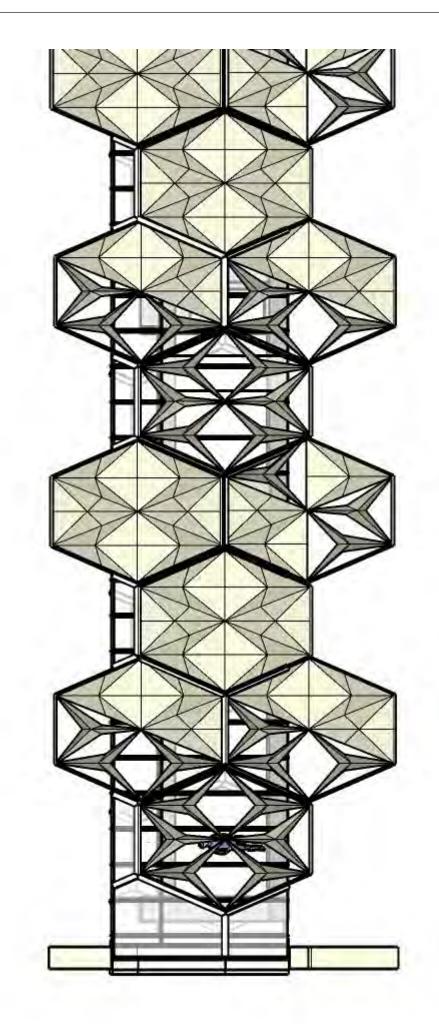
### PROPTECH

Detail of Facade panel, designed (Intelligent Facade IFE by Engineering), a Scotland based Prop-Tech comapny for the use on 666 Fifth Avenue by Vision Developments.

Technical detail below and shown on 3D rendering to right. Cost of panels are \$80 psf with benefits gained towards creating a healthy building and energy production.

Copyright @ IFE Engineering



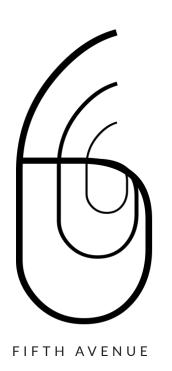


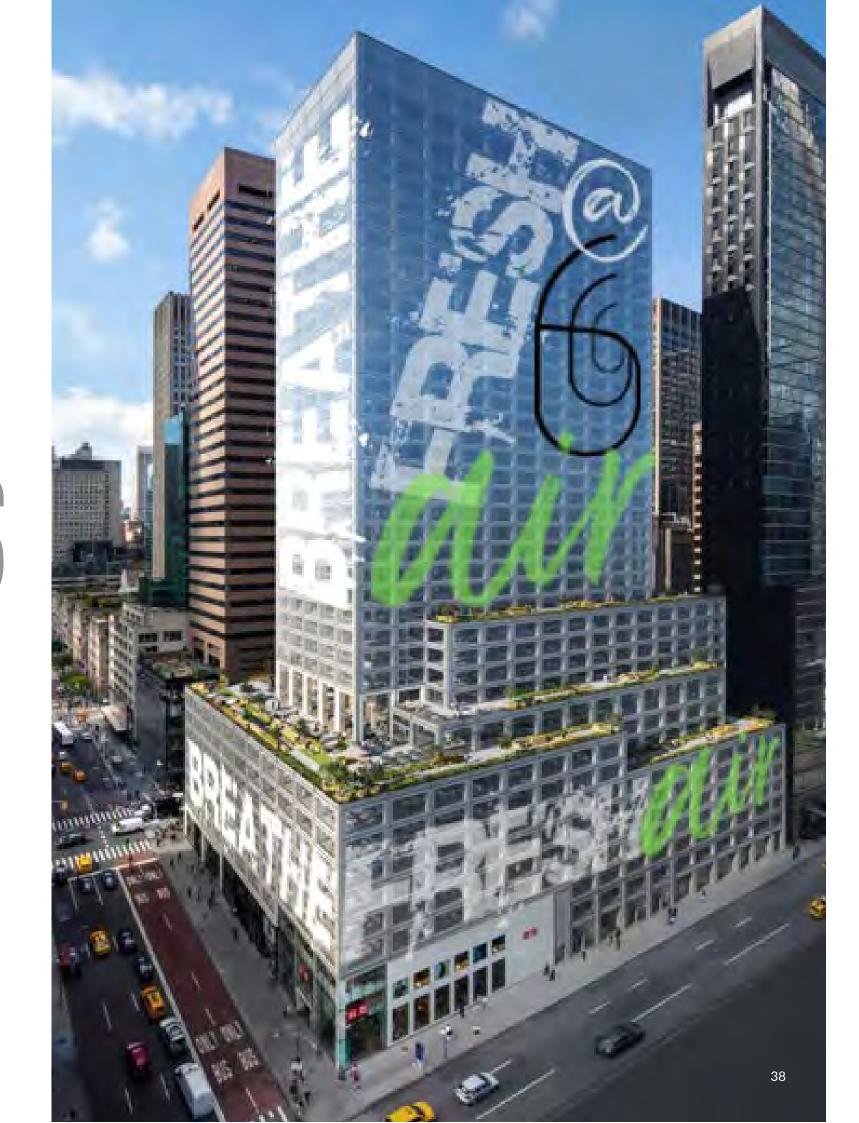
### **SUSTAINABILITY**

The redevelopment of 666 Fifth Avenue will place sustainability at the forefront of the proposal, incorporating factors such as:

- LEED Silver certification under LEED v4 Operations + Maintenance: Example of 1155 Avenue of the America as an existing Buildings; one of the first two buildings in NYC to receive certification under the more stringent LEED v4 rating system
- Pre-packaged LEED v4 Commercial Interiors Certification guidelines for tenant use ENERGY STAR certified
- Thermal ice storage plant; makes and stores ice at night when electricity demand is low, uses ice to supplement cooling during the day
- High efficiency ECM fan wall technology, coils and motors provide tenants with floor by floor service
- EPA WaterSense-labeled new plumbing fixtures to promote high-performance and water efficiency
- Tenant recycling program and organics collection program for composting
- Use of green cleaning products, equipment and strategies to promote a healthier work environment
- Renewable wind power is purchased to offset 100% of the building's electricity use Green roofs and exclusive outdoor terraces for tenants to enjoy

# FINANCIAL ANALYSIS & APPENUICES





### **CAPITAL STRUCTURE AND ACQUISTION**

Sources & Uses	
Uses	
Acquistion & Closing Costs	\$1,298,901,175
Hard Costs	\$424,875,042
Soft Costs	\$71,879,378
Financing Costs	\$206,901,554
Total Uses	\$2,002,557,148
Sources	
Equity	\$754,232,668
Debt	\$1,248,324,480
Total Sources	\$2,002,557,148

Acquisition Costs		
Category		Total
Purchase Price		\$1,291,419,883
Purchase PSF (ZFA)		\$1,036
Closing / Financing Costs		\$ 74,256,643
Total Acquistion Cost		\$1,291,419,883
Land	30%	\$387,425,965
Building	70%	\$903,993,918
<b>Construction Cost Summa</b>	ry	
	<u>\$/GSF</u>	<u>\$Amt</u>
Hard Cost	\$416.00	\$418,017,191
Soft Cost	\$57.40	\$71,570,775
Contingency	10%	
Total Cost (PSF)	\$520.74	
Total Cost (\$)	\$1,994,730,551	
Development Budget		
GSF		1,246,882
Land		\$1,291,419,883
Hard Costs		\$418,017,191
Soft Costs		\$71,570,775
Dev. Budget (ex-IR)		\$1,781,007,848
Accrued Interest		\$131,984,767
Total Dev. Budget		\$1,912,992,616
LTC		65%
Construction Loan		\$1,243,445,200
Max Const. Loan		 \$1,243,445,200
Equity		\$537,562,648

### **DEVELOPMENT COSTS**

Total Development Budget						
	Amount		\$/GSF	\$/ZFA	% of TDC	% Scope of Work
Land Acquisition Costs			-	· · · · · · · · · · · · · · · · · · ·		*
Acquiition Price	\$1,291,419,883		\$1,036	\$1,177	64.7%	
Closing Costs	\$7,481,292		\$6	\$7	0.4%	
Total Acquisiton Costs	\$1,298,901,175		\$1,042	\$1,184	65.1%	
Hard Construction Costs						
Direct Costs						
General Requirement	\$12,468,820		\$10	\$11	0.6%	
Demolition	\$1,870,323		\$10	\$2	0.1%	15%
Environmental	\$7,481,292		\$6	\$7	0.4%	
Site Works	\$2,805,485		\$15	\$3	0.1%	15%
Shell	\$74,812,920		\$60	\$68	3.8%	
Interiors	\$49,875,280		\$40	\$45	2.5%	
Services	\$13,092,261		\$70	\$12	0.7%	15%
Tenant CapEx	\$174,563,480		\$140	\$159	8.8%	
Indirect Costs						
General Conditions	\$14,962,584		\$12	\$14	0.8%	
Insurance & Bonds	\$23,690,758		\$19	\$22	1.2%	
Taxes	\$16,209,466		\$13	\$15	0.8%	
Cost Inflation	\$16,209,466		\$13	\$15	0.8%	
Contingency	\$9,975,056		\$8	\$9	0.5%	
Total Hard Construction Costs	\$418,017,191		\$416	\$381	21.0%	
<u>Soft Costs</u>						
Design - Professional & Consultant Fees	\$12,000,000		\$10	\$11	0.6%	
Construction	\$5,360,000		\$4	\$5	0.3%	
Legal	\$3,000,000		\$2	\$3	0.2%	
Insurance	\$7,000,000		\$6	\$6	0.4%	
Marketing	\$3,000,000		\$2	\$3	0.2%	
Environmental Reserve	\$1,200,001		\$1	\$1	0.1%	
Retail Condo Owner Concessions	\$20,000,000		\$16	\$18	1.0%	
Soft Cost Contingency	\$1,200,000		\$1	\$1	0.1%	
Developer Fee						
Development Fee and Staff Costs	\$18,810,774	5%	\$15	\$17	0.9%	
Total Soft Costs	\$71,570,775		\$57	\$277,255,566	3.6%	
	φ11,010,110		φυτ		0.070	
Financing Costs						
Financing Fees	\$74,256,643		\$60	\$1,263,158	3.7%	
Capitalized Interest Reserves	\$131,984,767		\$106	\$1,263,158	6.6%	
Total Financing Costs	\$206,241,411		\$165	\$41,687,353	10.3%	
Total Development Cost	\$1,994,730,551		\$1,681	\$318,944,484	100.0%	
<b>•</b>						

### **RENT AND OPERATING ASSUMPTIONS**

Office Kent Assumptions		
Floor 4-7	\$90.00	
Floor 8 (Terrace)	\$95.00	
Floor 9	\$95.00	
Floor 10 (Terrace)	\$105.00	
Floor 11-14	\$97.00	
Floor 15 (terrace)	\$110.00	
Floor 16-24	\$110.00	
Floor 25-33	\$125.00	
Floor 34-38	\$135.00	
Floor 39	\$165.00	
Average Projected Rent (Gross)	\$112.70	
Office RSF	1,027,465	
Vacancy	8%	

Ofice Income & Expenses - Stabilz	ed		
	Total	PSF	% of Income
Income			
Base Income	\$ 115,795,326	\$112.70	108.7%
Plus CPI Adjustments	φ 110,700,020 \$0	\$0.00	0.0%
Total Potential Income	\$115,795,326	\$112.70	108.7%
Less Vacancy	\$9,263,626	\$9.02	8.7%
EGI	\$106,531,699	\$104	100.0%
Operating Expenses			
Reimbursable Expenses			
Property tax	\$4,623,593	\$4.50	4%
Insurance	\$513,733	\$0.50	0.4%
Utilities	\$2,568,663	\$2.50	2%
Janitorial	\$2,825,529	\$2.75	2%
Maintenance	\$2,825,529	\$2.75	2%
Non reimbursable expenses			
Management	\$1,027,465	\$1.00	1%
NOI Operating	\$92,147,187	<b>\$92</b>	
Capital Expenditure			1.00/
Cap Ex Reserve	\$10,653,170	\$10.37	10%
Tenant Improvements	\$0	\$0.00	0%
Leasing Comissions	\$4,052,836	\$3.94	4%
Total CapEx	\$14,706,006	\$14.31	
Net Cash Flow	\$77,441,181		

### **RENT AND OPERATING ASSUMPTIONS**

Service Apartments Assumptions	
Total Number of Hotel Rooms	300
Annual Rooms Available	109,500
Daily Occupied Rooms	255
Annual Occupied Rooms	93,075
Occupancy Rate	85%
Average Daily Rate (ADR)	\$325.00
RevPAR	\$276.25

Service Apartments Income & Expense		0/ 0 <b>.</b>	rer Avan. Noom	rer Occ. Room
	Total	% of Income	$(\mathbf{P} \Delta \mathbf{R})$	/POR)
Income				
Room Revenue	\$35,587,500	62.5%	\$118,625	\$139,559
6 Food & Beverage	\$17,793,750	31.3%	\$59,313	\$69,779
6 Other Operated Departments	\$3,558,750	6.3%	\$11,863	\$13,956
Total Income	\$56,940,000	100.0%	\$189,800	\$223,294
EGI	\$51,601,875			
Department Expenses				
6 Rooms	\$7,117,500	12.5%	\$23,725	\$27,912
6 Food & Beverage	\$3,558,750	6.3%	\$11,863	\$13,956
6 Other Operated Departments	\$711,750	1.3%	\$2,373	\$2,791
Total Dept. Expenses	\$11,388,000	20.0%	\$37,960	\$44,659
Undistributed Operating Expenses				
General & Admin	\$990,000	1.7%	\$3,300	\$3,882
5 Sales & Marketing	\$1,440,000	2.5%	\$4,800	\$5,647
Property Ops & Maint.	\$540,000	0.9%	\$1,800	\$2,118
Utility Costs	\$525,000	0.9%	\$1,750	\$2,059
Total Undistributed Op. Expenses	\$3,495,000	6.1%	\$11,650	\$13,706
Fees				
Management Fee	\$3,558,750	6.3%	\$11,863	\$38.24
Franchise Fee	\$4,270,500	7.5%	\$14,235	\$45.88
Total Fees	\$7,829,250	13.8%	\$26,098	\$84.12
Fixed Charges				
RE Property Taxes	\$4,555,200	8.0%	\$2,600	\$48.94
Insurance	\$569,400	1.0%	\$780	\$6.12
Total Fixed Charges	\$5,124,600	9.0%	\$3,380	\$55.06
Net Operating Income	\$23,765,025	41.7%	\$79,217	\$255.33
6 FF&E Reserve	\$1,708,200	3.0%	\$5,694	\$18.35
Net Cash Flow	\$22,056,825	38.7%	\$73,523	\$236.98

Retail SF	
Market Rent (NNN)	
Average Vendor Size (SF)	
Vendors	
Total Vendor Rentable	
Occupancy	
Retail Expenses	
Rent Growth	
Expense Growth	

	Total	PSF	% of Income
Income			
Base Income	\$7,350,000	\$105.00	100.0%
Plus CPI Adjustments	<b>\$</b> 0	\$0.00	0.0%
Total Potential Income	\$7,350,000	\$105.00	100.0%
Less Vacancy	\$1,102,500	\$15.75	15.0%
EGI	\$6,247,500	\$89.25	85.0%
Reimbursable Expenses Non reimbursable expenses	\$0 \$4 685 695	\$0.00 \$66.94	0.0%
NOI Operating	\$4,685,625	\$66.94	
<u>Capital Expenditure</u>			
CapEx Reserve	\$735,000	\$10.50	10.0%
Tenant Improvements	\$O	\$0.00	0%
Leasing Comissions	\$374,850	\$5.36	6%
Total CapEx	\$1,109,850	\$15.86	
Net Cash Flow	\$3,575,775		

Retail Assu

Note: these estimated revenues and expenses are in 2019 dollars, the pro forma cash flows account for yearly growth.

mptions	
	55032
	\$105
	5000
	14
	70,000
	85%
	25%
	2%
	1%

### **EXIT STRATEGY AND RETURN MATRIC**

Returns: Sale	e @ Stabilizati	on	
	IRR	EM	Cash-on-Cash @ Yr 5
Unlevered	10.60%	1.6x	2.73%
Levered	18.07%	$2.73 \mathrm{x}$	
LP	17.21%		
GP	19.79%		

Returns: Refi	& Sale		
	IRR	EM	Dev. Yield @ Stabilization
Unlevered	7.91%	2.5x	8.10%
Levered	11.93%	4.4x	
LP	17.21%		
GP	19.79%		

Exit Assumptions	
Exit Cap Rate	5.00%
Discount Rate	7.50%
Exit Option 1	
Exit Year	5
Selling Price	\$2,731,216,031
Selling Costs	2.00%
Total Proceeds	\$2,676,591,710
Exit Option 2	
Exit Year	10
Selling Price	\$3,264,055,982
Selling Costs	2.00%
Total Proceeds	\$3,198,774,862

#### **SELECTED STRATEGY:**

- SALE AT STABILIZATION
- ASSUMPTIONS: 5% CAP RATE, IN LINE WITH **COMPARITIVE ASSETS AT END OF Q4 2019**
- LEVERED IRR: 18.07%
- EM: 2.75X
- CASH ON CASH: 2.73%

### EXIT STRATEGY A – SALE AT STABILIZATION

Sarge Vare (#) Yoar (Data)         Pre-Dre         Development         Lasse-up         Lasse-up         Stabilization           Stabilized Year         2019         2029 <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>DCF P</th> <th>ro-I</th> <th>Forma</th> <th></th> <th></th> <th></th> <th></th>							DCF P	ro-I	Forma				
Yare (Date)         2000         2001         2002         2001         2002         2001         2002         2001         2002         2001         2002         2001         2002	<u>Stage:</u>		Pre-Dev		Develop	ome	ent		Lease-up		Lease-up		Stabilization
Stabilized Year       0	Year (#)		0		1		2		3		4		5
Office Income         \$         2.5494.581         \$         52,107,807         \$         118,111,232           Office Income         \$         1.4355,000         \$         25,015,000         \$         3.5078,300           Retail Income         \$         1.4355,000         \$         25,015,000         \$         7.497,000           Office Vacancy         \$         \$         5         -         \$         1.64,017,000         \$         7.497,000           Office Vacancy         \$         \$         \$         \$         \$         \$         5         -         \$ <td< td=""><td>Year (Date)</td><td></td><td>2019</td><td></td><td>2020</td><td></td><td>2021</td><td></td><td>2022</td><td></td><td>2023</td><td></td><td>2024</td></td<>	Year (Date)		2019		2020		2021		2022		2023		2024
Hotel Income       \$       14.235.00       8       25.023.00       8       5.078,900         Retal Income       \$       4.235.00       8       3.007,200       8       7.407,000         Other Vanney       \$       \$       8.0021,201       8       8.0024,201       8       8.005,800         Other Vanney       \$       \$       \$       \$       \$       8       (.4458,800)         Other Vanney       \$ <td< td=""><td>Stabilized Year</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0</td><td></td><td>1</td></td<>	Stabilized Year										0		1
Hotel Income       9       14235.000       8       25.093.000       8       56.078.900         Retal Income       9       4.235.000       8       3.007.000       8       7.407.000         Office Vacuuty       9       9       8       8.008.73.921       8       8.008.73.921         Office Vacuuty       9       9       9       8       9.004.94.98.900       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.407.000.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8       1.409.001.96       8 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>													
Retail Income       \$       1,837,500       \$       3,307,500       \$       7,497,000         Total PGI        \$       1,64021,531       \$       \$       10,893,006       \$       10,893,006       \$       10,893,006       \$       10,893,006       \$       10,893,006,007,007       \$       10,893,007,007       \$       10,694,843,007       \$								\$	28,948,831	\$	52,107,896	\$	118,111,232
Total PG1       \$								\$		\$	25,623,000	\$	58,078,800
Office Vacancy       \$       -       \$       -       \$       -       \$       (9448,809)         Hold Vacancy       \$       -       \$       -       \$       (1,2144,50)         Brail Vacancy       \$       -       \$       440,21,313       \$       \$10,421,579       \$       (1,124,50)         Office Operating Expension       -       \$       (4,604,763)       \$       (1,64,801,763)       \$       (10,421,579)       \$       (10,421,579)       \$       (10,421,579)       \$       (10,421,579)       \$       (14,430,163)         Management Fee       -       *       (43,63,770)       \$       (14,431,162)       (43,83,769)       \$       (14,431,162)       (43,83,769)       \$       (14,431,162)       (43,83,78)       \$       (43,83,78)       \$       (43,81,182)       (43,83,78)       \$       (43,81,182)       (43,83,78)       \$       (43,81,182)       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,81,182)       \$       (43,11,182)       \$       (43,11,182)       \$								\$		\$		\$	
Hand Yaoney       s       -       s       -       s       -       s       (5,711,820)         Retal Yaoney       s       4       s       4       s       1.194.501       s       1.195.501       s       1.195.501.501       s       1.195.501.501       <								\$	45,021,331		81,038,396		
Retail Vacany       s       -       s       -       s       -       s       1/14/530)         Total GCI       -       -       8       45,021,331       8       81,038,306       8       164,040,763         Ordice Operating Expenses       -       -       8       (1,694,020)       8       (10,642,023)       8       (10,640,017)         Management Fee       -       -       8       (1,504,000)       8       (1,639,0200)       8       (1,639,010)         Retail Operating Expenses       -       -       8       (1,504,000)       8       (1,639,0100)       8       (1,639,0100)       8       (1,639,0100)       8       (1,639,0100)       8       (1,639,0100)       8       (1,639,0100)       8       (1,639,0100)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8       (1,640,0176)       8	C C								-		-		, , ,
Total Edi       \$       45,021,331       \$       \$1,038,336       \$       194,401,763         Office Operating Expenses       \$       (1,5789,766)       \$       (101,21,579)       \$       (103,0001)         Note Operating Expenses       \$       (1,686,000)       \$       (11,81,178)       \$       (10,000,011)         Management Fee       \$       \$       (1,690,016)       \$       (12,850,400)       \$       (14,901,763)         NOI (Operating)       \$       \$       \$       \$       \$       (1,690,003)       \$       (2431,152)       \$       (4,902,053)         NOI (Operating)       \$	•								-		-		· · · · ·
Office Operating Expenditure       \$ <td< td=""><td>·</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>, , ,</td></td<>	·												, , ,
Hotel Operating Expenses       \$       (7,886,900)       \$       (13,836,420)       \$       (14,113,14)         Ratil Operating Expenses       \$       (439,373)       \$       (12,836,610)       \$       (14,41,13)         Management Fee       \$       (1,536,640)       \$       (24,41,13)       \$       (443,413)         Management Fee       \$       \$       \$       \$       \$       (24,41,13)       \$       (443,413)         Management Fee       \$       \$       \$       \$       \$       \$       (44,40,21,33)       \$       \$       (14,40,21,33)       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       (14,40,21,33)       \$       \$       \$       110,005,413       \$ <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>													
Reail Operating Expenses       \$       (450,373)       \$       (826,875)       \$       (843,413)         Management Fee       \$       (1,30,040)       \$       (2,431,120)       \$       (443,920,33)         NOI Operating)       \$       \$       (1,30,040)       \$       (2,431,150)       \$       (1,430,203)         Leasing Costs       \$       \$       (1,400,133)       \$       (1,404,0170)       \$       (1,404,0170)         Capex Reserve / FFXE       \$       \$       (4,60,2133)       \$       (1,404,0170)       \$       (1,404,0170)         Capex Reserve / FFXE       \$       \$       (1,201,419,883)       \$       (1,414,5370)       \$       (1,6144,0170)         Capex Information Cost       \$       (1,201,419,883)       \$       (1,421,76,995)       \$       (1,421,76,995)       \$       (1,421,76,995)       \$       (1,421,76,995)       \$       (1,6440,170)         Development Cost       \$       (1,201,419,883)       \$       (1,201,419,883)       \$       (1,421,76,995)       \$       (2,731,216,031)       \$       (4,640,4121)         Development Cost       \$       (1,201,203,010)       \$       (286,505,702)       \$       (167,206,876)       \$       23,31,664       <									,		(		· · · · · ·
Management Fee       \$       (1,350,040)       \$       (2,431,152)       \$       (4,502,053)         NOI (Operating)       *       29,734,650       \$       55,522,370       \$       (133,883,19)         Lessing Costs       Costs       \$       (1,200,353)       \$       (1,201,419,843)       \$       (1,33,840,13)       \$       (1,347,481)         Cpex Reserve / FF&E       *       \$       (4,502,133)       \$       (1,201,419,843)       \$       (1,347,461)       \$       (2,3,474,658)       \$       (1,345,376)       \$       (2,3,787,658)         NOI (Property)       *       (1,291,419,883)       (286,595,702)       \$       (167,206,876)       \$       -       2,731,216,031         Development Cost       \$       (1,350,244,053)       \$       (286,595,702)       \$       (167,206,876)       23,431,664       \$       42,176,995       \$       2,736,687,191         Sales Costs       \$       .       \$       .       \$       .       \$       .       \$       2,736,687,191         Cash Flow Bérice Debt Service       \$       .       \$       .       \$       .       \$       .       \$       .       23,431,664       \$       42,176,995       \$									( /		( ,		· · · · ·
NOI (Operating)       s       29,734,650       \$       53,529,370       \$       133,883,139         Leasing Costs       (1,800,873)       \$       (3,241,541)       \$       (7,347,481)         Total Leasing Costs & Capex       *       (4,602,783)       \$       (8,103,840)       \$       (1,404,076)         Total Leasing Costs & Capex       *       (1,291,419,883)       *       (6,302,986)       \$       (11,345,376)       \$       (23,787,658)         NOI (Property)       *       (1,291,419,883)       *       (28,6595,702)       \$       (167,206,876)       *       *       2,731,216,031         Sales Costs       \$       .       \$       .       \$       .       \$       .       2,731,216,031         Sales Costs       \$       .       \$       .       \$       .       \$       .       2,731,216,031         Sales Costs       \$       .       \$       .       \$       .       \$       .       \$       2,731,216,031         Sales Costs       \$       1.071,285,0270       \$       (167,206,876)       \$       2,431,664       \$       42,176,095       \$       2,786,687,191         Unleveved Cash Flow       \$       1.580,244,									· · · · · ·		( )		,
Leasing Costs       s       (1,800,853)       s       (3,241,536)       s       (7,347,41)         Capex Reserve / FFxE       s       (4,502,133)       s       (8,103,840)       s       (16,440,176)         Total Leasing Costs & Capex       s       (1,291,419,883)       (6,302,986)       s       (11,345,376)       s       (23,787,658)         Not (Property)       s       (1,291,419,883)       s       23,431,664       s       42,176,995       s       10,0095,481         Development Cost       \$       (1,327,205,270)       \$       (286,595,702)       \$       (167,206,876)       s       -       \$       -       2,731,216,031         Sales Costs       \$	-								. ,		. ,		
Capex Reserve / FF&E       \$													
Total Leasing Costs & Capex       \$       (6,302,986) \$       (11,345,376) \$       (23,787,658)         NOI (Property)       \$       (1,291,419,883)       \$       (286,595,702) \$       (167,206,876)       \$       44,176,995 \$       \$       110,095,481         Acquisition Cost       \$       (1,291,419,883)       \$       (286,595,702) \$       (167,206,876)       \$       \$       \$       2,731,216,031         Bevelopment Cost       \$       (1,327,205,270)       \$       (286,595,702) \$       \$       (167,206,876)       \$       2,3431,664 \$       42,176,995 \$       \$       2,731,216,031         Sales Costs       \$       1,327,205,270)       \$       (286,595,702) \$       \$       (167,206,876) \$       \$       23,431,664 \$       42,176,995 \$       \$       2,786,687,191         Unlevered Cash Flow       \$       1,580,244,525       \$       -       \$       -       \$       -       \$       2,786,687,191         Discount Rate       7.5%       253,039,254       5	8								,		( )		· · · · ·
NOI (Property)       \$       23,431,664       \$       42,176,995       \$       10,095,481         Acquisition Cost       \$       (1,291,419,883)		_							,		· · · · · · · · · · · · · · · · · · ·		· · · · · ·
Acquisition Cost       \$ (1,291,419,883)         Development Cost       \$ (35,785,387)       \$ (286,595,702)       \$ (167,206,876)         Reversionary Sale       \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -													
Development Cost       \$       (35,785,387)       \$       (286,595,702)       \$       (167,206,876)         Reversionary Sale       \$       -       \$       2,731,216,031       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$	NOI (Property)							\$	23,431,664	\$	42,176,995	\$	110,095,481
Development Cost       \$       (35,785,387)       \$       (286,595,702)       \$       (167,206,876)         Reversionary Sale       \$       -       \$       2,731,216,031       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$	A survivities Cost	ф	(1,001,410,000)										
Reversionary Sale       \$       -       \$       2,731,216,031       S       2,786,687,191       S       S	-		· · · · · · · · · · · · · · · · · · ·	ф		ф							
Sales Costs       \$       -       \$       -       \$       -       \$       -       \$       -       \$       (54,624,321)         Cash Flow Before Debt Service       \$       (1,327,205,270)       \$       (286,595,702)       \$       (167,206,876)       \$       23,431,664       \$       42,176,995       \$       2,786,687,191         Discount Rate       -       7.5%       -       5       1,580,244,525       -       5       -       5       -       5       23,431,664       \$       42,176,995       \$       2,786,687,191         Discount Rate       -       7.5%       -       5       1,580,244,525       -       -       5       -       5       -       5       -       5       -       5       -       5       -       5       -       5       -       5       -       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191       5       2,786,687,191 </td <td>-</td> <td></td> <td>(35,785,387)</td> <td></td> <td></td> <td></td> <td>(167,206,876)</td> <td>æ</td> <td></td> <td>æ</td> <td></td> <td></td> <td></td>	-		(35,785,387)				(167,206,876)	æ		æ			
Cash Flow Before Debt Service       \$       (1,327,205,270)       \$       (286,595,702)       \$       (167,206,876)       \$       23,431,664       \$       42,176,995       \$       2,786,687,191         Unlevered Cash Flow       \$       1,071,288,002       \$       (167,206,876)       \$       23,431,664       \$       42,176,995       \$       2,786,687,191         Discount Rate       7.5%         Present Value       \$       1,580,244,525       \$	•		-				-		-		-	ф	
Unlevered Cash Flow       \$ 1,071,288,002         Discount Rate       7.5%         Present Value       \$ 1,580,244,525         NPV       \$ 253,039,254         Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ -       \$ -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ -         Cash Flow After Debt Service       \$ (537,686,269)       \$ -       \$ -       \$ 23,431,664       \$ (1,333,129,351)       \$ 2,786,687,191         Levered IRR       18.25%       -       \$ -       \$ -       \$ 2,786,687,191	Sales Costs	\$	-	\$	- :	Þ	-	ф	-	Þ	-	ф	(34,624,321)
Unlevered Cash Flow       \$ 1,071,288,002         Discount Rate       7.5%         Present Value       \$ 1,580,244,525         NPV       \$ 253,039,254         Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ -       \$ -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ -         Cash Flow After Debt Service       \$ (537,686,269)       \$ -       \$ -       \$ (1,333,129,351)       \$ 2,786,687,191         Levered IRR       18.25%       -       \$ -       \$ (1,333,129,351)       \$ 2,786,687,191	Cash Flow Refore Debt Service	¢	(1 397 905 970)	¢	(086 505 700)	¢	(167,906,876)	¢	98 481 664	¢	40 176 005	¢	9 786 687 101
Discount Rate       7.5%         Present Value       \$ 1,580,244,525         NPV       \$ 253,039,254         Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ -       \$ -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ -         Cash Flow After Debt Service       \$ (537,686,266)       \$ -       \$ -       \$ 23,431,664       \$ (1,333,129,351) \$ 2,786,687,191         Levered IRR       18.25%       18.25%       -       \$ 23,431,664       \$ (1,333,129,351) \$ 2,786,687,191				φ	(280,395,702)	φ	(107,200,870)	φ	23,431,004	φ	42,170,995	φ	2,780,087,191
Present Value       \$       1,580,244,525         NPV       \$       263,039,254         Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       160         Loan Proceeds       \$       789,519,001       \$       286,595,702       \$       167,206,876         Loan Proceeds       \$       789,519,001       \$       286,595,702       \$       167,206,876         Interest Payment       \$       -       \$       -       \$       -         Principal Payment       \$       -       \$       -       \$       -         Balloon Payment       \$       -       \$       -       \$       -       \$       -         Cash Flow After Debt Service       \$       (537,686,269)       \$       -       \$       -       \$       23,431,664       \$       (1,333,129,351)       \$       2,786,687,191         Levered IRR       18.25%       -       \$       -       \$       23,431,664       \$       (1,333,129,351)       \$       2,786,687,191		φ											
NPV       \$       253,039,254         Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       10.69%         Interest Payment       \$       789,519,001       \$       286,595,702       \$       167,206,876         Interest Payment       \$       789,519,001       \$       286,595,702       \$       167,206,876         Principal Payment       \$       -       \$       -       \$       -       \$       -         Balloon Payment       \$       -       \$       -       \$       -       \$       -       \$       -       \$       27,86,687,191         Levered IRR       \$       (537,686,269)       \$       -       \$       23,431,664       \$       (1,333,129,351)       \$       2,786,687,191		\$											
Cash on Cash       7.5%         Unlevered IRR       10.69%         Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ -       \$ -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ (1,375,306,346)         Cash Flow After Debt Service       \$ (537,686,269)       \$ -       \$ -       \$ 23,431,664       \$ (1,333,129,351)       \$ 2,786,687,191         Levered IRR       18.25%       -       \$ -       \$ -       \$ -       \$ -       \$ -       \$ -       \$ -													
Unlevered IRR       10.69%         Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ -       \$ -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ (1,375,306,346)         Cash Flow After Debt Service       \$ (537,686,269)       \$ -       \$ -       \$ 23,431,664       \$ (1,333,129,351)       \$ 2,786,687,191         Levered IRR       18.25%		φ											
Equity Multiple       1.60         Loan Proceeds       \$ 789,519,001       \$ 286,595,702       \$ 167,206,876         Interest Payment       \$ -       \$ 167,206,876       -         Principal Payment       \$ -       \$ -       \$ -         Balloon Payment       \$ -       \$ -       \$ -       \$ -         Cash Flow After Debt Service       \$ (537,686,269)       \$ -       \$ -       \$ 23,431,664       \$ (1,333,129,351)       \$ 2,786,687,191         Levered IRR       18.25%       -       \$ -													
Loan Proceeds       \$       789,519,001       \$       286,595,702       \$       167,206,876         Interest Payment       \$       -       \$       -       \$       -         Principal Payment       \$       -       \$       -       \$       -         Balloon Payment       \$       -       \$       -       \$       -         Cash Flow After Debt Service       \$       (537,686,269)       \$       -       \$       -       \$       (1,333,129,351)       \$       2,786,687,191         Levered IRR       18.25%       -       \$       -       \$       -       \$       -       \$       (1,333,129,351)       \$       2,786,687,191													
Interest Payment       \$       -       \$       -       \$       -       \$       -       \$       -       \$       -       \$       Principal Payment       \$       -       \$       \$       -       \$       \$       1,375,306,346       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       18.25 %       -       \$       *       *       *       *       *       1,333,129,351)       \$       2,786,687,191       \$       \$       *       *       *       *       *       *	Equity multiple		1.00										
Interest Payment       \$       -       \$       -       \$       -       \$       -       \$       -       \$       -       \$       Principal Payment       \$       -       \$       \$       -       \$       \$       1,375,306,346       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       2,786,687,191       \$       \$       18.25 %       -       \$       *       *       *       *       *       1,333,129,351)       \$       2,786,687,191       \$       \$       *       *       *       *       *       *	Loan Proceeds	\$	789 519 001	\$	286 595 702	\$	167 206 876						
Principal Payment       \$       -       \$       23,431,664       \$       (1,333,129,351)       \$       2,786,687,191       \$       \$       2,786,687,191       \$       <			-		, ,		-						
Balloon Payment       \$       -       \$       -       \$       -       \$       (1,375,306,346)         Cash Flow After Debt Service       \$       (537,686,269)       \$       -       \$       -       \$       23,431,664       \$       (1,333,129,351)       \$       2,786,687,191         Levered IRR       18.25%	-		_				_	\$	-	\$	-		
Cash Flow After Debt Service       \$ (537,686,269)       - \$       - \$       23,431,664       \$ (1,333,129,351)       2,786,687,191         Levered IRR       18.25%			_				_		_		(1.375.306.346)		
Levered IRR 18.25%	J T	r		т	·	·		r		T	( , ,0 0 0,0 10)		
Levered IRR 18.25%	Cash Flow After Debt Service	\$	(537, 686, 269)	\$	- :	\$	-	\$	23,431,664	\$	(1, 333, 129, 351)	\$	2,786,687,191
			· · · · · · · · · · · · · · · · · · ·								, , , , ,		
			2.75										

### EXIT STRATEGY B – REFI AND HOLD

							DCF	Pro-Forma									
Stage:		Pre-Dev	Developm	ent	Lease-up	Lease-up	Stabilization										
Year (#)		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year (Date)		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Stabilized Year						0	1	2	3	4	5	6	7	8	9	10	11
Office Income				\$	28,948,831 \$	52,107,896 \$	118,111,232 \$	120,473,457 \$	122,882,926 \$	125,340,584 \$	127,847,396 \$	130,404,344 \$	133,012,431 \$	135,672,679 \$	138,386,133 \$	141,153,856 \$	143,976,933
Hotel Income				\$	14,235,000 \$	25,623,000 \$	58,078,800 \$	59,240,376 \$	60,425,184 \$	61,633,687 \$	62,866,361 \$	64,123,688 \$	65,406,162 \$	66,714,285 \$	68,048,571 \$	69,409,542 \$	70,797,733
Retail Income				\$	1,837,500 \$	3,307,500 \$	7,497,000 \$	7,646,940 \$	7,799,879 \$	7,955,876 \$	8,114,994 \$	8,277,294 \$	8,442,840 \$	8,611,696 \$	8,783,930 \$	8,959,609 \$	9,138,801
Total PGI				\$	45,021,331 \$	81,038,396 \$	183,687,032 \$	187,360,773 \$	191,107,988 \$	194,930,148 \$	198,828,751 \$	202,805,326 \$	206,861,432 \$	210,998,661 \$	215,218,634 \$	219,523,007 \$	223,913,467
Office Vacancy				\$	- \$	- \$	(9,448,899) \$	(9,637,877) \$	(9,830,634) \$	(10,027,247) \$	(10,227,792) \$	(10,432,348) \$	(10,640,994) \$	(10,853,814) \$	(11,070,891) \$	(11,292,308) \$	(11,518,155)
Hotel Vacancy				\$	- \$	- \$	(8,711,820) \$	(8,886,056) \$	(9,063,778) \$	(9,245,053) \$	(9,429,954) \$	(9,618,553) \$	(9,810,924) \$	(10,007,143) \$	(10,207,286) \$	(10,411,431) \$	(10,619,660)
Retail Vacancy				\$	- \$	- \$	(1,124,550) \$	(1,147,041) \$	(1,169,982) \$	(1,193,381) \$	(1,217,249) \$	(1,241,594) \$	(1,266,426) \$	(1,291,754) \$	(1,317,590) \$	(1,343,941) \$	(1,370,820)
Total EGI				\$	45,021,331 \$	81,038,396 \$	164,401,763 \$	167,689,799 \$	171,043,595 \$	174,464,467 \$	177,953,756 \$	181,512,831 \$	185,143,088 \$	188,845,949 \$	192,622,868 \$	196,475,326 \$	200,404,832
Office Operating Expenditure				\$	(5,789,766) \$	(10,421,579) \$	(10,630,011) \$	(10,842,611) \$	(11,059,463) \$	(11,280,653) \$	(11,506,266) \$	(11,736,391) \$	(11,971,119) \$	(12,210,541) \$	(12,454,752) \$	(12,703,847) \$	(12,957,924)
Hotel Operating Expenses				\$	(7,686,900) \$	(13,836,420) \$	(14,113,148) \$	(14,395,411) \$	(14,683,320) \$	(14,976,986) \$	(15,276,526) \$	(15,582,056) \$	(15,893,697) \$	(16,211,571) \$	(16,535,803) \$	(16,866,519) \$	(17,203,849)
Retail Operating Expenses Management Fee				¢	(459,375) \$ (1,350,640) \$	(826,875) \$ (2,431,152) \$	(843,413) \$ (4,932,053) \$	(860,281) \$ (5,030,694) \$	(877,486) \$ (5,131,308) \$	(895,036) \$ (5,233,934) \$	(912,937) \$ (5,338,613) \$	(931,196) \$ (5,445,385) \$	(949,819) \$ (5,554,293) \$	(968,816) \$ (5,665,378) \$	(988,192) \$ (5,778,686) \$	(1,007,956) \$ (5,894,260) \$	(1,028,115) (6,012,145)
NOI (Operating)				ې و	<b>29,734,650</b> \$	53,522,370 <b>\$</b>	(4,932,033) \$ 133,883,139 \$	136,560,802 \$	(3,131,308) \$ 139,292,018 \$	(3,233,934) \$ 142,077,858 \$	144,919,415 \$	(3,443,383) \$ 147,817,803 \$	(5,554,255) \$ 150,774,159 \$	153,789,643 \$	(5,778,080) \$ 156,865,435 \$	160,002,744 \$	163,202,799
Leasing Costs				<del>م</del> د	(1,800,853) \$	(3,241,536) \$	(7,347,481) \$	(7,494,431) \$	(7,644,320) \$	(7,797,206) \$	(7,953,150) \$	(8,112,213) \$	(8,274,457) \$	(8,439,946) \$	(8,608,745) \$	(8,780,920) \$	(8,956,539)
Capex Reserve / FF&E				ψ ¢	(4,502,133) \$	(8,103,840) \$	(16,440,176) \$	(16,768,980) \$	(17,104,359) \$	(17,446,447) \$	(17,795,376) \$	(18,151,283) \$	(18,514,309) \$	(18,884,595) \$	(19,262,287) \$	(19,647,533) \$	(20,040,483)
Total Leasing Costs & Capex	-			φ \$	(6,302,986) \$	(11,345,376) \$	(23,787,658) \$	(24,263,411) \$	(24,748,679) \$	(25,243,653) \$	(11,133,516) \$ (25,748,526) \$	(26,263,496) \$	(26,788,766) \$	(27,324,541) \$	(27,871,032) \$	(28,428,453) \$	(20,010,103) (28,997,022)
NOI (Property)				\$	23,431,664 \$	42,176,995 <b>\$</b>	. ,	112,297,391 \$	114,543,339 \$	116,834,205 \$	119,170,889 \$	121,554,307 \$	123,985,393 \$	126,465,101 \$	128,994,403 \$	131,574,291 \$	, ,
				Ŷ	20,101,001 φ	12,110,000 φ	110,000,101 φ	φ	φ	110,001,200 φ	110,110,000 φ	121,001,001 φ	120,000,000 φ	120,100,101 φ	120,001,100 ¢	101,011,201 ¢	101,200,111
Acquisition Cost	\$	(1,291,419,883)															
Development Cost	\$	(35,785,387) \$	(286,595,702) \$	(167,206,876)													
Reversionary Sale	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	3,264,055,982 \$	-
Sales Costs	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(65,281,119.63) \$	-
Cash Flow Before Debt Service	\$	(1,327,205,270) \$	(286,595,702) \$	(167,206,876) \$	23,431,664 \$	42,176,995 \$	110,095,481 \$	112,297,391 \$	114,543,339 \$	116,834,205 \$	119,170,889 \$	121,554,307 \$	123,985,393 \$	126,465,101 \$	128,994,403 \$	3,330,349,153	
Discount Rate		7.5%															
Valuation at Stabilization							£2,369,838,012										
NPV	\$	80,450,414															
Development Yield at Stabilization		8.1%															
Unlevered IRR		7.95%															
Equity Multiple		2.51x															
							REFINANCE								SAI	LE @ YR 10 After Re	fi
Construction Loan Proceeds	\$	789,519,001 \$	286,595,702 \$	167,206,876													
Construction - Interest Payment						\$	(122,687,754)										
Construction Loan repayment						\$	(1,375,306,346)										
Refinance Proceeds						\$	1,482,629,906									<i>,</i>	
Interest Payment						\$	(54,606,729) \$	,	(51,034,698) \$	(49,138,809) \$	(47,165,678) \$	(45,112,159) \$	. ,	( )	, ,	(36,026,661)	
Principal Payment						\$	(42,962,520) \$	,	,	(48,430,440) \$	(50,403,571) \$	(52,457,090) \$	. ,	( )	· /	(61,542,588)	
Loan Balloon Repayment						\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(1,099,216,369)	
Cash Flow After Debt Service	¢	(537,686,269) \$	- \$	- \$	23,431,664 \$	40 176 005 0	(0 897 000) \$	14.700 140 ¢	16 074 000 ¢	19,264,956 \$	91601640 ¢	23,985,058 \$	96 416 144	00005050 P	91 405 154 p	2,133,563,536 <b>\$</b>	
Cash Flow After Debt Service Cash on Cash at Stabilization	¢	(537,686,269) \$ 11.7%	- \$	- \$	23,431,004 \$	42,176,995 \$	(2,837,962) \$	14,728,142 \$ 2.74%	16,974,090 \$	19,204,996 \$	21,601,640 \$	25,985,058 \$	26,416,144 \$	28,895,852 \$	31,423,134 \$	2,133,303,336 \$	-
Levered IRR								2.7470									
Equity Multiple		12.02%															
Value at Stabilization		4.43x \$686,691,475															
Discount Rate		\$686,691,475 7.5%															
Discount nat		1.570															

### **SENSITIVITY ANALYSIS**

					Off	ice rent					
\$ 92.70	\$ 97.70	\$ 102.	70 \$	107.70	\$	112.70	\$ 1	17.70	\$ 122.70	\$ 127.70	\$ 132.70
12.6%	14.3%	15	.9%	17.4%		18.9%		20.3%	21.7%	23.0%	24.2%
12.3%	13.9%	15	.5%	17.1%		18.5%		20.0%	21.3%	22.6%	23.9%
11.9%	13.6%	15	.2%	16.7%		18.2%		19.6%	21.0%	22.3%	23.5%
11.6%	13.2%	14	.8%	16.3%		17.8%		19.2%	20.6%	21.9%	23.2%
11.2%	12.9%	14	.4%	16.0%		17.4%		18.9%	20.2%	21.5%	22.8%
10.8%	12.5%	14	.1%	15.6%		17.1%		18.5%	19.8%	21.1%	22.4%
10.5%	12.1%	13	.7%	15.2%		16.7%		18.1%	19.5%	20.8%	22.0%
10.1%	11.8%	13	.3%	14.9%		16.3%		17.7%	19.1%	20.4%	21.6%
9.7%	11.4%	13	.0%	14.5%		15.9%		17.3%	18.7%	20.0%	21.2%

7%

11% 12%

2nd Promote

2nd Promote

						Off	ice Rent					
	\$ 92.70	\$ 97.7	) \$	102.70	\$ 107.70	\$	112.70	\$ 117.70	\$	122.70	\$ 127.70	\$ 132.70
1.00%	10.5%	12.2	%	13.8%	15.3%		16.8%	18.2%		19.6%	20.9%	22.1%
1.25%	10.7%	12.4	%	14.0%	15.5%		17.0%	18.4%		19.7%	21.0%	22.3%
1.50%	10.9%	12.5	%	14.1%	15.6%		17.1%	18.5%	_	19.9%	21.2%	$22.4^{\circ}$
1.75%	11.0%	12.7	%	14.3%	15.8%		17.3%	18.7%		20.1%	21.4%	$22.6^{\circ}$
2.00%	11.2%	12.9	%	14.4%	16.0%		17.4%	18.9%		20.2%	21.5%	22.8%
2.25%	11.4%	13.0	%	14.6%	16.1%		17.6%	19.0%		20.4%	21.7%	22.9%
2.50%	11.5%	13.2	%	14.8%	16.3%		17.8%	19.2%		20.5%	21.8%	23.1%
2.75%	11.7%	13.3	%	14.9%	16.5%		17.9%	19.3%		20.7%	22.0%	23.3%
3.00%	11.8%	13.5	%	15.1%	16.6%		18.1%	19.5%		20.9%	22.2%	23.4%

		mote and zhu	11
	1st Promote		
8.84%	12.00%	13.50%	
7.00%	18.07%	18.07%	19

18.84%	12.00%	13.50%	15.00%	16.50%	18.00%
17.00%	18.97%	18.97%	18.97%	18.97%	18.97%
18.50%	18.90%	18.90%	18.90%	18.90%	18.90%
20.00%	18.84%	18.84%	18.84%	18.84%	18.84%
21.50%	18.77%	18.77%	18.77%	18.77%	18.77%
23.00%	18.70%	18.70%	18.70%	18.70%	18.70%

	LP's 1st Prop	note and 2nd	l Promote's a	affect on LP	IRR
	1st Promote				
16.75%	6.00%	8.00%	10.00%	12.00%	14.00%
11.00%	15.43%	15.43%	15.43%	15.43%	15.43%
13.00%	16.08%	16.08%	16.08%	16.08%	16.08%
15%	16.75%	16.75%	16.75%	16.75%	16.75%
17.00%	17.45%	17.45%	17.45%	17.45%	17.45%
19.00%	18.00%	17.94%	17.88%	17.81%	17.74%

Serviced Apartment	Vacancy
--------------------	---------

	7.00%	9.00%	11.00%	13.00%	15.00%	17.00%	19.00%	21.00%	23.0
\$245.00	15.70%	15.42%	15.13%	14.84%	14.55%	14.25%	13.95%	13.65%	13.3
\$265.00	16.52%	16.22%	15.91%	15.60%	15.29%	14.98%	14.66%	14.34%	14.0
\$285.00	17.32%	17.00%	16.68%	16.35%	16.02%	15.69%	15.36%	15.02%	14.6
\$305.00	18.10%	17.76%	17.42%	17.08%	16.74%	16.39%	16.04%	15.69%	15.3
\$325.00	18.86%	18.51%	18.16%	17.80%	17.44%	17.08%	16.71%	16.34%	15.9
\$345.00	19.61%	19.25%	18.88%	18.51%	18.14%	17.76%	17.37%	16.99%	16.6
\$365.00	20.35%	19.97%	19.59%	19.20%	18.81%	18.42%	18.02%	17.62%	17.2
\$385.00	21.07%	20.68%	20.28%	19.88%	19.48%	19.07%	18.66%	18.24%	17.8
\$405.00	21.77%	21.37%	20.96%	20.55%	20.13%	19.71%	19.29%	18.85%	18.4

				Ret	tail Vacancy				
	7.00%	9.00%	11.00%	13.00%	15.00%	17.00%	19.00%	21.00%	23.00%
\$65.00	16.86%	16.83%	16.80%	16.77%	16.74%	16.71%	16.68%	16.65%	16.62%
\$75.00	17.05%	17.02%	16.98%	16.95%	16.92%	16.88%	16.85%	16.81%	16.78%
\$85.00	17.25%	17.21%	17.17%	17.13%	17.09%	17.06%	17.02%	16.98%	16.94%
\$95.00	17.44%	17.40%	17.35%	17.31%	17.27%	17.23%	17.18%	17.14%	17.10%
\$105.00	17.63%	17.58%	17.54%	17.49%	17.44%	17.40%	17.35%	17.30%	17.26%
\$115.00	17.82%	17.77%	17.72%	17.67%	17.62%	17.57%	17.52%	17.47%	17.41%
\$135.00	18.20%	18.14%	18.08%	18.02%	17.97%	17.91%	17.85%	17.79%	17.73%
\$155.00	18.58%	18.51%	18.44%	18.38%	18.31%	18.24%	18.17%	18.11%	18.04%
\$175.00	18.95%	18.87%	18.80%	18.72%	18.65%	18.57%	18.50%	18.42%	18.35%

				Ex	it Cap Rate				
	4.00%	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%	6.00%
\$1,091,419,883	31.63%	29.22%	26.95%	24.79%	22.73%	20.76%	18.88%	17.08%	15.34%
\$1,141,419,883	30.30%	27.89%	25.60%	23.43%	21.37%	19.39%	17.50%	15.68%	13.93%
\$1,191,419,883	29.01%	26.59%	24.29%	22.11%	20.04%	18.05%	16.14%	14.31%	12.55%
\$1,241,419,883	27.75%	25.32%	23.01%	20.82%	18.73%	16.73%	14.81%	12.97%	11.20%
\$1,291,419,883	26.51%	24.07%	21.75%	19.55%	17.44%	15.43%	13.50%	11.65%	9.86%
\$1,341,419,883	25.30%	22.85%	20.52%	18.30%	16.19%	14.16%	12.22%	10.35%	8.55%
\$1,391,419,883	24.12%	21.66%	19.31%	17.09%	14.96%	12.92%	10.97%	9.09%	7.27%
\$1,441,419,883	22.97%	20.49%	18.14%	15.90%	13.76%	11.71%	9.74%	7.84%	6.02%
\$1,491,419,883	21.84%	19.35%	16.98%	14.73%	12.58%	10.51%	8.53%	6.62%	4.78%

	Exit Cap Rate														
_	4.00%	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%	6.00%						
\$281	28.9%	26.5%	24.2%	22.0%	19.9%	18.0%	16.1%	14.2%	12.5%						
\$301	28.3%	25.9%	23.6%	21.4%	19.3%	17.3%	15.4%	13.6%	11.8%						
\$321	27.7%	25.3%	23.0%	20.8%	18.7%	16.7%	14.8%	12.9%	11.1%						
\$341	27.1%	24.7%	22.4%	20.2%	18.1%	16.1%	14.1%	12.3%	10.5%						
\$361	26.5%	24.1%	21.8%	19.5%	17.4%	15.4%	13.5%	11.6%	9.9%						
\$381	25.9%	23.5%	21.2%	18.9%	16.8%	14.8%	12.9%	11.0%	9.2%						
\$401	25.3%	22.9%	20.6%	18.3%	16.2%	14.2%	12.3%	10.4%	8.6%						
\$421	24.8%	22.3%	20.0%	17.8%	15.6%	13.6%	11.7%	9.8%	8.0%						
\$441	24.2%	21.7%	19.4%	17.2%	15.0%	13.0%	11.1%	9.2%	7.4%						

### **RISKS AND MITIGANTS**

#### RISKS

- COMPETITION: LOWER RENTS
- RETAIL VACANCY RISK
- LOWER OFFICE RENT
- DELAY TO RENOVATION WORK

#### GP's 1st Promote and 2nd Promote's affect on GP IRR

#### **MITIGANTS**

• INNOVATIVE AND QUALITY RENOVATION PLAN **TO DIFFERENTIATE 666 OFFERING** 

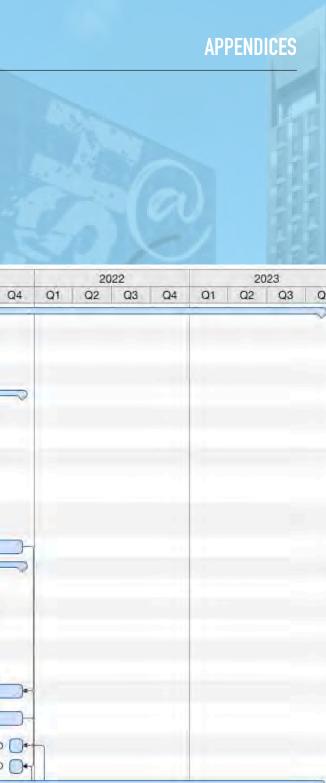
 RETAIL USES ARE COMPLIMENTARY TO THE **OFFICE SPACE AND APART-HOTEL, PROVIDING** LIFE-WORK-PLAY ENVIRONMENT

 OFFICE RENTAL RATE HAS BEEN MARKET **TESTED AND 666 PROVIDING SUPERIOR QUALITY** THAN OTHERS AT DIRECT PRICE POINT

 PRECONSTRUCTION AND DESIGN **ALREADY COMMENCED TO ALLOW IMMINENT** CONSTRUCTION

## APPENDICES

# Traits	Title	Expected Start	t Expected End	Expected Duration	2018			2019				2020				2021				
					Q1		the second second	Q4	Q1	Q2		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	(
0 .0	666 5th Avenue Renovation	1 Mar 2019	7 Nov 2023	5.1 years		66	6 5th Aver	nue Renova	ition 💭				1							_
10	Preconstruction	1 Mar 2019	29 March 2019	1.05 months			F	reconstruc	tion 📿	0										
2	Due Diligence	1 Mar 2019	28 March 2019	1 month	Due Dilig			ence [	Ъ											
3	Acquisition	29 Mar 2019	29 March 2019	1 day	Acquis				sition L	-0-							-			
4	Design	1 April 2019	2 Dec 2021	2.91 years	þ				Design	4			1			_	-			-
5	Concept Design	1 April 2019	26 April 2019	1 month	Concept De				esign C	·0-			1							
6	Schematic Design	29 Apr 2019	21 June 2019	2 months	Schematic				tic Desi	m	h						10			
7	Design Development	24 Jun 2019	16 August 2019	2 months	Design Developmen					- Ch		1				16-6				
8	Construction Information Production	19 Aug 2019	6 Dec 2019	4 months	Construction Information Production										-					
9	Bid & GC Contract Negotiation	9 Dec 2019	31 Jan 2020	2 months	Bid & GC Contract Negotiation							5								
10 0	Construction Administration	31 Jan 2020	2 Dec 2021	2 years	0					Sonstru	ction Admir	histration	FC	-			-			
11 0	Construction	31 Jan 2020	2 Dec 2021	2 years					1		Con	struction	5							
12	Sitework	31 Jan 2020	27 Feb 2020	1 month								Sitework	-0-	1						
13 0	Demolition	28 Feb 2020	21 May 2020	3 months						1		Demo	Ition (							
14	Utilities - Steam	22/05/2020	16 July 2020	2 months								Uti	Ities - S	team (	H					
15	Superstructure	17 July 2020	25 Feb 2021	8 months									Sup	erstructur	e 👛		h			
16	HVAC	26 Feb 2021	12 August 2021	6 months												н	IVAC	-	DT	1
17	Interior Fitout - Offices	10 Sep 2021	2 Dec 2021	3 months													Interior F	Fitout - C	Offices (	-
18	Interior Fitout - Serviced Apartments	13 Aug 2021	2 Dec 2021	4 months										Interio	r Fltout -	Serviced	Apartme	onts (		
19	Office - TCO	5 Nov 2021	2 Dec 2021	1 month					1	1			10					(	Office - To	co
20	Serviced Apartments - TCO	5 Nov 2021	2 Dec 2021	1 month													Service	d Apartr	ments - T(	co i
21	Operation	2 Mar 2020	3 Nov 2023	4 years	2				1.1			Opera	tion 💭	-		_				
22 0	Marketing	2 Mar 2020	31 Dec 2021	2 years								Mark	eting (							
23	Office Lease-up	3 Jan 2022	3 Nov 2023	2 years					1										Office Le	ease
24	Serviced Apartments Lease- up	3 Dec 2021	5 October 2023	2 years													Serviced	i Apartm	nents Lea	se•u
25	Financing	1 April 2019	3 Nov 2023	5 years	Fir				ancing	4		_	1			_	-			-
26	Acquisition/ Construction Loan Refinance	1 April 2019	3 Nov 2023	5 years	Acquisition/ Construction Loan Refinance					-								_		
27	Investment	6 Nov 2023	6 Nov 2023	1 day					1				100							
28	Hold Period After Stabilization	6 Nov 2023	6 Nov 2023	1 day																
29	Exit Date	7 Nov 2023	7 Nov 2023	1 day																



Investment G

Exit Date

Hold Period After Stabilization





#### 2020 VISION OF A FRESH FUTURE FOR FIFTH AVENUE • MIDTOWN