EXECUTIVE SUMMARY

Finders Development Corp. is seeking an equity partner for the acquisition and value-add development of an attractive trophy building, 666 Fifth Ave. New York, NY 10103, located at the heart of the Plaza District in New York City. The development project will consist of the renovation of 39 stories of commercial office space and a reconfiguration of the HVAC system to create class A commercial office spaces and amenities serving the high demand of office-using employment sectors, FIRE (finance, insurance and real estate) and TAMI (technology, advertising, media, and information) as well two floors of retail to enhance the community experience.

666 Fifth Ave is an iconic building with direct transportation access in a prime location, but it is outdated and requires a major transformation. A full exterior and interior renovation of the building will not only save 28 metric tons of embedded carbon as an alternative to demolition, but also preserve its unique character and history. The building offers 1,548,459 sq ft of rentable floor area and has the potential to be one of the most successful commercial properties in Manhattan’s Midtown neighborhood.

The ground floor and mezzanine levels as well as two floors below grade are currently owned by Vornado Realty Trust and function as commercial retail stores including famous apparel retailers such as Zara, Hollister Co, and Uniqlo. The former property owners of the 39 floors above these retail levels have suffered from paying its debts and are offering a 99-year lease.

Finders Development Corp. is currently negotiating terms to close a deal for $1.1 million and intends to carry out the redevelopment as of right given zoning conditions (highlighted in detail under Zoning Analysis). The project is expected to be commence construction in April 2021, complete in July 2023 and be fully leased in Q4 2026. The project requires a total development budget of $2 billion. The project will be funded with a $1.1 million acquisition loan and $1.2 million construction loan.

Based on the sponsor’s rent assumptions of average 107/rsf for office spaces, $200/rsf for retail spaces, a 2.0% increase in rent growth for the office portion, and 5.0% Opex ratio, the project generates a stabilized NOI at year 6 of $177 million, and a 26% development yield. Based on a sale at the end of lease-up (Year 6) at an exit cap rate of 5.0%, the projected returns are: levered IRR: 24%, 5.7x equity multiple.

Finders Development Corp. is seeking an LP equity investment of $732 million in exchange for a 10% share in the partnership.
**INVESTMENT HIGHLIGHTS**

_Opportunity to acquire a trophy building in the Plaza District_

For decades, the Plaza District has been synonymous with **high end office and retail space**, hosting premier brands along Fifth Ave and Madison Ave and some of the largest office leases. In addition to the major retail corridors, the surrounding residential and commercial neighborhoods contribute to the **significant foot traffic**. With its wide consumer population, the Plaza District continues to preserve its **extended sales cycle**.

_Prime location on Fifth Ave with direct transportation access_

The site is conveniently located within close proximity to the N, Q, R, W, 1, 2, 4, 5, 6, A, B, C, D, and F Subway lines within a five-block radius. There is also **direct access available to the E and M Subways** at 53rd Street Station on top of Fifth Avenue. The site is also only an **11-minute walk to Grand Central Terminal**. Whether for locals or business travelers, the site is very accessible from all directions and to **key transfer locations**, such as JFK, within three stops.

_Unmet Demand_

An increasing trend in leasing activity in the Midtown region since 2016 presents a demand for high end office space. Asking rents have jumped from 2% between 2015-2018 to 10% in 2019. Major leasing activity is driven by the FIRE and TAMI industries which will help drive the projected tenants to 666 Fifth Ave.

_Attractive Risk-Adjusted Returns_

The proposed redevelopment project provides an **attractive risk-adjusted return**. The expected project-level levered return is 24%. The return to the LP investors is projected to be 15%, a 3.6x equity multiple.

---

**Project Scope**

1.5M sq ft

**Project Type**

89% Office  
11% Retail

**Development Period**

24 months

**Stabilized Valuation**

$177M

**LP Contribution**

$735 M

**Development Yield**

26%

**Cash on Cash**

38%
EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

PROJECT OVERVIEW
Development Concept
Programming
Design Concept

ZONING ANALYSIS
Site Overview
Site Conditions

MARKET ANALYSIS
Plaza District Overview
Office Market
Retail Market

FINANCIAL ANALYSIS
Key Assumptions
Capital Structure
Proforma
JV Return Metric

DELIVERY & EXECUTION
Project Delivery Schedule
Marketing Strategy

RISK & MITIGANTS

APPENDIX
DEVELOPMENT CONCEPT

The development concept and programming aims to capitalize on an unmet commercial market demand at the center of the Plaza District by providing a mix-use program dominated by office space. The primary construction will include reconfiguring of the ventilation system to be located around the cores and a new curtain wall system to provide floor to ceiling windows. (1)

CLASS A OFFICE

31 of the 39 floors will consist of 1,180,158 sq ft of class A office spaces catering to high-end tenants in the FIRE and TAMI industries. By providing office space as the primary program, the project expects to meet a continually growing demand in the Plaza District. The rents will be relative to the respective floors, increasing in price as they move higher and take advantage of exceptional views such as that of Central Park.

AMENITIES

The building has terraces provided by the setbacks on the 8th, 10th, and 15th floors. The terraces on the 8th and 15th floors will be for the private use of tenants on these respective floors. The 10th floor, including its rooftop terrace, will be combined with the 11th floor as spaces for amenities for the entire building. These include large conference halls, lounges, and cafes. In addition, floors 27 and 28 will also provide additional amenities with more exceptional views of the city and surrounding neighborhood.

RETAIL

The two retail levels on the second and third floors will acknowledge the evolving nature of retail shops and be committed to offering space for sustainable agriculture and a high-quality selection of natural and organic foods and products. This will create a synergy between not only the office space and the proposed retail but also the retail on the ground and below-grade levels. Consumers, and especially tenants occupying the office spaces, will be able to work within the building and do their groceries or grab food from the various open buffets and catering.
## PROGRAMMING OVERVIEW

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Total Office Rentable: 1,180,159
Total Retail Rentable: 164,304

Building Footprint: 61,755
Total Office Units: 55
Total Gross SF: 1,479,624
Total Amenity SF: 178,880
Total Office Rentable: 1,180,159
Total Retail Rentable: 164,304
LOCATION

666 Fifth Ave will provide 55 units of class A office space across 1,180,159 rentable sq ft. These units are scattered on floors 4-9, 12-26 and 29-39. The building provides terraces as it setbacks on the 8th, 10th, 11th, and 15th floors allowing for an increase in price for those particular floors.

UNIT MIX + PRICING

The project is focused on high-end, established tenants in the FIRE and TAMI industries. To accommodate different scale tenants, a variety in the size of office units features large scale offices from over 32,000 sq ft to medium size units for a minimum 8,800 sq ft. In addition, pricing/sf changes as the floor number increases to reflect the exceptional views that are provided and to give tenants alternate leasing options. (2)
Office tenants will also have exclusive access to more than 175,000 sf of amenity space on the 10th, 11th, 27th and 28th floors, including a rooftop, cafes, lounges and large conference halls. The green rooftop will feature an outdoor kitchen and chaise lounges for use during the warm seasons.

While offices and most amenity spaces will be finished in a carrara marble flooring, a wooden finish will be used where appropriate (in certain lounge areas) to create a calming effect and bridge the natural greenery.
**PROGRAMMING : RETAIL**

**PURPOSE**

Physical retail stores have been evolving into a new community experience. Consumers are interested in a shopping experience in which they can not only buy clothing but also shop for groceries and work within. Such stores serve as key amenities within some of Manhattan’s largest new mixed-use developments. Areas in Manhattan with high foot traffic is witnessing the growth of the food hall concept. The design concept behind including organic food suppliers within the retail levels serves two purposes.

1. To create a synergy in which necessary daily activities can take place in the same building - making it more convenient for tenants.
2. To drive more foot traffic from the surrounding neighborhoods.

In line with the project’s high-end target tenants, the two retail levels occupying the 2nd and 3rd floors will be leased out to established organic suppliers such as Whole Foods Market or Trader Joe’s. Such retail chains have proven their success in urban settings and will be a unique offering within a trophy building.
DESIGN CONCEPT

RENOVATIONS

666 Fifth Avenue’s value-add development will consist of a renovation of all floors above the existing retail into class A office space for leasing with two extra floors of retail above the existing (making a total of three floors above grade). Piping and ductwork will be improved and exposed where the slab to slab heights fall below 12 ft to eliminate unnecessary congestion within the spaces. Reconfiguring the ventilation system to be located around the cores in order to achieve floor to ceiling windows as well as exposed ceilings will provide maximum daylight, and make the offices and amenity areas feel more spacious.

The facade will be torn down, redesigned, and rebuilt floor by floor. Though a lot of budget and effort has been put into the existing facade when it was first designed by Carson and Ludin Architects in 1957, a new curtain wall facade will help achieve the desired floor-to-ceiling glazing.
AMENITIES & SERVICES

Tenants will have exclusive access to over 175,000 sq ft of amenity space located on the 10th, 11th, 27th, and 28th floors. Services and facilities will include:

- Terrace (10th floor)
- Cafes
- Conference Halls
- Lounges
SITE OVERVIEW

666 Fifth Ave is a through lot, commercial and office building located between 52nd and 53rd streets in Midtown Manhattan, New York City.

The building is located within the C5-2.5, C5-3, and MID zoning districts. C5 central commercial districts include continuous retail frontage that serve the metropolitan region. Typical permitted uses include department stores, large office buildings, and mixed-use with residential space above office or commercial floors. Other permitted uses include hotels and custom manufacturing that is in line with the character of the district. A bonus for additional floor area is available in return for providing a public plaza however, the rebuilding of 666 Fifth Ave will be done as of right as the building is built over the permitted FAR. The maximum FAR for this lot is 15.0 (926,325 sq ft of as-of-right floor area), the property has 1,246,882 sq ft of existing gross floor area.

The special Midtown District (MID) zone is designated to guide development in the area with three goals: growth, stabilization, and preservation. Special bonuses are also permitted under this zone for several reasons such as subway station improvements, theater rehabilitation, or public plaza spaces. However, as noted above, this redevelopment will not seek any discretionary action.

3 main entrances facing 52nd and 53rd streets serve the users. Two of these entrances are positioned opposite of each other on either side, while the third entrance is located more inward on 53rd street.

The building is also ‘grandfathered in’ meaning it is exempt from certain new provisions under the zoning ordinance. One example is the use of street signage where there has formerly been flexibility with typically non-permitted street signage that has been erected before certain street signage bans were carried out.
SITE CONDITIONS

The proposal is seeking to redevelop the existing building without any discretionary zoning action, including all floors above the ground level owned by Vornado Realty Trust. Since the property last changed hands in 2007, maintenance has been relatively low, with the exception of a complete lobby renovation in 1999 that created new retail space, a glass curtain wall covering the first and second floors and side entrances on 52nd and 53rd streets, and a modernization of the building’s elevators.

ELEVATORS

24 Westinghouse elevators serve the entire building; 20 passenger elevators (8 cars in the low-rise elevator bank, 6 cars in the mid-rise bank, and 6 cars in the high-rise bank). The remaining 4 elevators are a set of internal freight cars (one that services from the Sub-Basement to the 19th floor [6'-6” long by 6'-8” wide by 7'-4” high] and one that services from the Sub-Basement to the 39th floor [5'-7” long by 6'-8” wide by 9'-2” high with a 5’x2’x2’ doghouse in the ceiling to accommodate large deliveries]) and a set of burwak cars that service from the loading dock to the basement and Sub-Basement (5’-3” long by 6'-8” wide by 7’-7” high each). The loading dock is located on 53rd Street and includes two bay and two burwak freight cars that operate 8:30 - 5:30 pm.

FLOOR PLATES + HEIGHTS

Floor plates currently range from 24,000 sq ft to 78,500 sq ft. With the repositioning of the HVAS system around the cores, there will be a decrease in rentable sq ft. With the proposed design, these lost numbers will be compensated when redesigning the facade and building the curtain wall a few feet beyond the existing perimeter.

Slab-to-slab heights range from 8’- 8” to 11’- 8 1/2”. Where ceiling heights are low, the ductwork coverings on the ceilings will be torn down to achieve additional height.
PLAZA DISTRICT OVERVIEW

The day time population of the Midtown region is over 12,800 people.

According to labor statistic for the New York City Region (Bronx, Kings, New York, Queens and Richmond Counties) private sector jobs in New York City increased by 1.8% (+71,000) to 4,122,000 in December 2019. Most of these gains were recorded in the educational and health services (+44,900), followed by professional and business services (+24,600), trade, transportation, and utilities (+8,900), leisure and hospitality (+6,200), and information (+700). Losses were reported in financial activities (-7,100), natural resources, mining, and construction (-4,500), manufacturing (-1,700), and other services (-1,000). [NYS Dept. of Labor]

The city’s seasonally adjusted unemployment rate was 3.9% in December 2019, a 0.1% decrease from the previous years recorded rate. 58.1% of the city’s working age population (16+) were recorded as working, 66% of which are employed in the private sector in the Midtown region, according to December 2019 statistics.

BUILT ENVIRONMENT + SURROUNDING USES

A large majority of building uses in the Plaza District is commercial and office buildings (65.55%). This is followed by mixed-use residential and commercial buildings (14.44%) located mostly north of the site. Most of these buildings were built during the ‘tall office building’ boom of the early 1900’s.

There are no vacant lots nearby and much of the existing constructions in the area are residential and hotel developments. 53 West 53rd Street (block 1269 - north of the site) was developed and completed in 2019 by LendLease Construction and features an 82-story, luxury condo tower. 11 West 53rd, on the same block is a 16-story enlargement development by Turner Construction Corp. The nearest business developments are 2 blocks away with only 7 and 24-stories proposed by Turner Construction Company and Folor Inc respectively.
OFFICE MARKET

NY State Dept. of Labor data shows a static 1.3% growth rate in office-using employment between 2018 and 2019. While total private-sector employment in the city reached a record high in 2019 (4.06 million), office-using employment reached 1.71 million with the addition of 22,100 jobs. Trending data suggests that office-using employment will continue to be a strength.

Annual leasing activity (not including renewals) (3), totalled more than 31.6 million sq ft in 2019. A majority of leasing activity occurred in Midtown South at 7.0 million sq ft and Downtown at 7.3 million sq ft. While these numbers compared modestly to the prior five-year annual average, activity picked up during late 2019 and brought momentum to the Midtown market in 2020.

2018 leasing activity was dominated by the sector, FIRE (finance, insurance and real estate), which lost about 2,500 jobs the following year. TAMI (technology, advertising, media, and information) accounted for 25% of 2019’s entire leasing activity (31.6 million sq ft). In fact, major tech companies like Google and Facebook made significant lease commitments in 2019 to accommodate future growth which suggests that there will be extensive technology employment growth in NYC in the years ahead.

Studies also showed a high demand for not only medium blocks of 25,000 to 49,999 sq ft and 50,000 to 99,999 sq ft but also renovated buildings. The most striking trend in the market was the declining leasing velocity of non-renovated or “commodity” space (-16% of the total). Commodity space leasing captured about half as much square footage of leasing in 2019 ( 3.25 million sq ft) as it did in 2018.

In addition, Class B and C office stock in NYC is projected to decrease further between 2013-2025, spiked by the conversion of existing office space into residential, the high cost to develop commercial space, and incongruities between the required leasing terms of tenants and owners. Thse conversions also create an oversupply of residential stock.
The tech industries who had tremendous leasing activity in 2019 at 7.57 million sq ft. With an average assumed $325/sf spent on renovation costs, Finders Development Corp. will be able to ask for $85+/sf in rents for office space and project a 2% growth each year. This price will increase about 0.03% per each floor above.

Manhattan office class type lease rate trends between 2018 and 2019 show an overall increase. Specifically Class A+ demand has shown a drastic increase in the third quarter, followed by a slight increase in Q3 in Class C offices which showed an overall decrease since Q3 2018. Class A and Class B offices have maintained a steady pattern, however they not declined. **Class A lease rate trends show an overall increase** starting at the beginning of the third quarter.

(4) See Appendix for trends in lodging.
RETAIL MARKET

The Plaza District showed unusually high leasing activity during Q4 of 2019 with 97,703 sq ft of newly leased retail space over 11 deals. Food and beverage was the most active industry with over 670,000 sq ft over 208 new leases. Of those, two of the top leasing transactions (5) took place in the Plaza District.

Major new retailers in the area include the Fasano Hotel and Restaurant Group, a high-end Brazilian hospitality company, who plans to open a new Italian eatery at 280 Park Avenue and replace the former 20,000 sq ft Four Seasons Restaurant. The neighborhood will also add a new Urbanspace, famous for its collaborations with local chefs and dining hall concepts, situated at a through block location at 135 West 50th Street for 18,394 sq ft.

Market data on asking rents are based on ground floor retail only and though there is a preference for street level retail, certain precedents such as the Shops at Hudson Yards or Columbus Circle in the Time Warner Center have reversed the initial skepticism that above ground retail will struggle. With careful design and leasing, perhaps through new typologies, second and third floor retails can continue to be a part of an already existing routine across the country. In fact, the Apple store on Fifth Ave offers no single merchandise on the ground level and is packed on an average day. [citylab]

GROCERY INDUSTRY

According to a report released by ABS Partners in June 2019, the U.S. grocery industry’s continuing growth will be steady over the next 5 years. Though, grocery sales growth rarely exceed the overall retail growth, they almost never show a decline due to the industry’s resilience to economic downturn.

Technology will play a role in redefining the future of retail, however, diversification of experience for customers persists to be a key strategy. The grocery e-commerce share of the overall online retail market is substantially low and accounts for about 2-3% (between $17 billion - $26 billion) of the total grocery market.

‘The pace of e-commerce grocery growth depends on consumer demand and the industry’s ability to fund it.’ Though numbers are likely to increase in the distant future, for now, large brands are already investing in ways to adjust store contents and to accommodate for a easier check-outs and unique experiences.
EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

PROJECT OVERVIEW
Development Concept
Programming
Design Concept

ZONING ANALYSIS
Site Overview
Site Conditions

MARKET ANALYSIS
Plaza District Overview
Office Market
Retail Market

FINANCIAL ANALYSIS
Key Assumptions
Capital Structure
Proforma
JV Return Metric

DELIVERY & EXECUTION
Project Delivery Schedule
Marketing Strategy

RISK & MITIGANTS

APPENDIX
**KEY ASSUMPTIONS**

<table>
<thead>
<tr>
<th><strong>Purchase Price:</strong></th>
<th>$1.1 billion</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Total Development Budget:</strong></th>
<th>The total development budget is $2.04 billion. Initial hard costs are based on RS Means data and reflect the cost estimates of construction in New York. <em>The estimated construction costs are also in line with other developers in the area such as Brookfield Properties.</em></th>
</tr>
</thead>
</table>

| **Debt Financing:** | Total loan proceeds of $1.67 billion  
$1.03 billion permanent loan post upon construction completion at the end of 24 months |
|---------------------|----------------------------------------------------------------------------------|

| **Equity Capitalization:** | Total equity capitalization of $816 million.  
■ Finders Development Corp. to contribute $81.6 million (10%)  
■ LP equity partner to contribute $735.2 million (90%) |
|--------------------------|-----------------------------------------------------------------|

| **Distribution Waterfall:** | All partners to receive distributions pari-passu up to a preferred return of 15%  
■ Finders Development Corp. receives 25% promote over the preferred return  
■ Finders Development Corp. receives 45% promote over a 25% return hurdle |
|-----------------------------|-----------------------------------------------------------------|

| **Schedule:** | 24 months of redevelopment to accommodate for interior renovations and facade renewal  
■ Commercial lease-up period of 30 months, and sale upon stabilization (year 11) |
|----------------|-----------------------------------------------------------------|

| **Pricing:** | Average price per sq ft of $107 for office and $200 for retail which reflects comparable leases in the Plaza District.  
Unit prices range from $85 - $160 for office space |
|----------------|-----------------------------------------------------------------|

<table>
<thead>
<tr>
<th><strong>Valuation/Sale</strong></th>
<th>Analysis assumes sale of property at stabilization at $306 million valuation based on a 10-year DCF analysis using a 6.0% discount rate and a 5.0% exit cap rate</th>
</tr>
</thead>
</table>
## Capitalization

<table>
<thead>
<tr>
<th>Debt:</th>
<th>Total ($)</th>
<th>Factor (%)</th>
<th>Promote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Loan</td>
<td>$1,225,364,098</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Interest Reserves</td>
<td>$66,169,661</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Operating Reserves</td>
<td>$382,313,598</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td><strong>$1,673,847,357</strong></td>
<td><strong>67%</strong></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Equity:</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>LP Investment</td>
<td>$735,218,459</td>
</tr>
<tr>
<td>GP Investment</td>
<td>$81,690,940</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>$816,909,398</strong></td>
</tr>
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</table>

## Returns Summary

<table>
<thead>
<tr>
<th>Project Level:</th>
<th>IRR</th>
<th>Multiple</th>
<th>Cash on Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlevered</td>
<td>16%</td>
<td>3.7x</td>
<td>15%</td>
</tr>
<tr>
<td>Levered</td>
<td>24%</td>
<td>5.7x</td>
<td>38.4%</td>
</tr>
<tr>
<td><strong>LP Equity</strong></td>
<td>15%</td>
<td>3.6x</td>
<td>162%</td>
</tr>
</tbody>
</table>

Finders Development Corp. is seeking an investor for the acquisition and value-add development of an attractive trophy building, 666 Fifth Ave. New York, NY 10103, located at the heart of the Plaza District in New York City.
### Office Lease Assumptions

#### Projected Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor 4-7</td>
<td>85</td>
<td>87</td>
<td>88</td>
<td>89</td>
<td>90</td>
<td>92</td>
<td>93</td>
<td>94</td>
<td>96</td>
<td>98</td>
<td>100</td>
<td>102</td>
</tr>
<tr>
<td>Floor 9 (Terrace)</td>
<td>90</td>
<td>92</td>
<td>94</td>
<td>95</td>
<td>96</td>
<td>97</td>
<td>99</td>
<td>101</td>
<td>103</td>
<td>105</td>
<td>108</td>
<td>110</td>
</tr>
<tr>
<td>Floor 9</td>
<td>90</td>
<td>92</td>
<td>94</td>
<td>96</td>
<td>97</td>
<td>99</td>
<td>101</td>
<td>103</td>
<td>105</td>
<td>108</td>
<td>110</td>
<td>112</td>
</tr>
<tr>
<td>Floor 10 (Terrace)</td>
<td>100</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>104</td>
<td>106</td>
<td>108</td>
<td>110</td>
<td>112</td>
<td>114</td>
<td>116</td>
<td>118</td>
</tr>
<tr>
<td>Floor 11-14</td>
<td>94</td>
<td>96</td>
<td>98</td>
<td>100</td>
<td>102</td>
<td>104</td>
<td>106</td>
<td>108</td>
<td>110</td>
<td>112</td>
<td>114</td>
<td>116</td>
</tr>
<tr>
<td>Floor 15 (Terrace)</td>
<td>105</td>
<td>107</td>
<td>109</td>
<td>111</td>
<td>114</td>
<td>116</td>
<td>118</td>
<td>121</td>
<td>123</td>
<td>125</td>
<td>128</td>
<td>131</td>
</tr>
<tr>
<td>Floor 16-23</td>
<td>120</td>
<td>122</td>
<td>125</td>
<td>127</td>
<td>130</td>
<td>132</td>
<td>135</td>
<td>138</td>
<td>141</td>
<td>144</td>
<td>147</td>
<td>150</td>
</tr>
<tr>
<td>Floor 24-33</td>
<td>120</td>
<td>123</td>
<td>125</td>
<td>127</td>
<td>130</td>
<td>132</td>
<td>135</td>
<td>138</td>
<td>141</td>
<td>144</td>
<td>147</td>
<td>150</td>
</tr>
<tr>
<td>Floor 34-38</td>
<td>160</td>
<td>163</td>
<td>166</td>
<td>170</td>
<td>173</td>
<td>177</td>
<td>180</td>
<td>184</td>
<td>187</td>
<td>191</td>
<td>195</td>
<td>199</td>
</tr>
</tbody>
</table>

#### Rent Growth Rate

| Year | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |

### Office Revenue

#### Floor 4-7

- Year 1: $29,597,671
- Year 10: $106,899,404

#### Floor 9 (Terrace)

- Year 1: $7,581,678
- Year 10: $24,694,017

#### Floor 9

- Year 1: $6,558,229
- Year 10: $23,895,093

#### Floor 10 (Terrace)

- Year 1: $7,386,932
- Year 10: $23,426,511

#### Floor 10

- Year 1: $6,689,404
- Year 10: $23,983,629

#### Floor 15 (Terrace)

- Year 1: $4,596,931
- Year 10: $21,322,796

#### Floor 16-23

- Year 1: $23,735,318
- Year 10: $101,657,323

#### Floor 24-33

- Year 1: $30,135,832
- Year 10: $158,604,168

#### Floor 34-38

- Year 1: $16,324,978
- Year 10: $76,931,780

#### Floor 39

- Year 1: $4,572,424
- Year 10: $23,694,848

### Potential Gross Income

| Floor 2 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| Floor 3 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |

#### Rent Growth Rate

- Year 0: 0.0%
- Year 1: 0.0%

### Total Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2011-2019</th>
<th>2021-2025</th>
<th>2026-2030</th>
<th>2031-2035</th>
<th>2036-2040</th>
<th>2041-2045</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor 2</td>
<td>$151,213,949</td>
<td>$205,302,115</td>
<td>$259,390,281</td>
<td>$313,478,448</td>
<td>$367,566,615</td>
<td>$421,654,782</td>
</tr>
</tbody>
</table>

### Effective Gross Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2011-2019</th>
<th>2021-2025</th>
<th>2026-2030</th>
<th>2031-2035</th>
<th>2036-2040</th>
<th>2041-2045</th>
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<td>$259,390,281</td>
<td>$313,478,448</td>
<td>$367,566,615</td>
<td>$421,654,782</td>
</tr>
</tbody>
</table>

### NPV

- Year 0: $1,964,665,055

### Levered Cash Flow

- Year 0: $1,656,585,007
- Year 10: $4,677,460

### Financial Summary

**Total Leased Space: 135,350,724 square feet**

- Beginning Balance: $20,537,993
- Year 10: $209,831,804

**Total

### Capital Expenditure

- Year 1: $1,111,900,000
- Year 10: $202,896,002

### Equity Multiple

- Year 1: 1.1x
- Year 10: 2.5x

**Unlevered Cash Flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>6</th>
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<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>429,076,414</td>
<td>75,143,397</td>
<td>138,042,838</td>
<td>176,170,180</td>
<td>212,363,198</td>
<td>177,529,388</td>
<td>190,740,629</td>
<td>222,333,785</td>
<td>245,316,377</td>
<td>268,799,837</td>
<td>292,921,156</td>
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</table>

### Levered Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>8</th>
<th>9</th>
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<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>2,097,746,250</td>
<td>237,107,908</td>
<td>206,064,102</td>
<td>162,368,438</td>
<td>176,170,180</td>
<td>212,363,198</td>
<td>190,740,629</td>
<td>222,333,785</td>
<td>245,316,377</td>
<td>268,799,837</td>
<td>292,921,156</td>
<td></td>
</tr>
</tbody>
</table>

### Financial Ratios

- Leverage: 10.6x
- Equity Multiple: 2.5x

### Net Operating Income (NOI)

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
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<th>2</th>
<th>3</th>
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<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor 2</td>
<td>42,097,141</td>
<td>75,143,397</td>
<td>138,042,838</td>
<td>176,170,180</td>
<td>212,363,198</td>
<td>177,529,388</td>
<td>190,740,629</td>
<td>222,333,785</td>
<td>245,316,377</td>
<td>268,799,837</td>
<td>292,921,156</td>
<td></td>
</tr>
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</table>

### Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>8</th>
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<th>10</th>
<th>11</th>
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</thead>
</table>

**Total Leased Space: 135,350,724 square feet**
### Capital Contributions

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LP (LP)</td>
<td>90%</td>
<td>59,552,695</td>
</tr>
<tr>
<td>GP (GP)</td>
<td>10%</td>
<td>6,616,966</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>66,169,661</td>
</tr>
</tbody>
</table>

### Total Cashflow Summary

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Total Contribution</td>
<td>66,169,661</td>
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<tr>
<td>Total Distributions</td>
<td>4,611,562,498</td>
</tr>
<tr>
<td>Total Profit</td>
<td>3,955,346,837</td>
</tr>
</tbody>
</table>

### IRR Hurdle

<table>
<thead>
<tr>
<th>Tier I - Hurdle</th>
<th>Tier II - Hurdle</th>
<th>Tier III - Hurdle</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Year

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>9</th>
<th>10</th>
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</table>

### Tier I Hurdle

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>0</th>
<th>66,169,661</th>
<th>72,786,827</th>
<th>74,029,726</th>
<th>35,199,392</th>
<th>(44,697,195)</th>
<th>97,749,289</th>
<th>178,317,965</th>
<th>289,536,673</th>
<th>434,859,845</th>
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<tbody>
<tr>
<td>Preferred Return</td>
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<td>7,279,665</td>
<td>7,402,973</td>
<td>3,539,039</td>
<td>(4,493,719)</td>
<td>9,779,029</td>
<td>17,811,796</td>
<td>29,093,617</td>
<td>45,481,385</td>
</tr>
<tr>
<td>Tier I Distributions to JV Fund</td>
<td>100%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>66,169,661</td>
<td>72,786,827</td>
<td>74,029,726</td>
<td>35,199,392</td>
<td>(44,697,195)</td>
<td>97,749,289</td>
<td>178,317,965</td>
<td>289,536,673</td>
<td>434,859,845</td>
<td>0</td>
</tr>
<tr>
<td>Tier I Distributions</td>
<td>10%</td>
<td>5,135,565</td>
<td>47,223,306</td>
<td>83,416,525</td>
<td>48,582,375</td>
<td>70,709,717</td>
<td>93,386,912</td>
<td>116,369,504</td>
<td>478,745,830</td>
<td>0</td>
</tr>
<tr>
<td>Preferred Return</td>
<td>0</td>
<td>9,925,449</td>
<td>11,414,267</td>
<td>12,356,072</td>
<td>7,125,987</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>66,169,661</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tier I Distributions to JV Fund</td>
<td>100%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Ending Balance</td>
<td>66,169,661</td>
<td>76,095,110</td>
<td>82,373,812</td>
<td>47,506,578</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Tier II Promotion</td>
<td>15%</td>
<td>66,169,661</td>
<td>0</td>
<td>5,135,565</td>
<td>47,223,306</td>
<td>74,781,337</td>
<td>24,640,293</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LP Distributions</td>
<td>15%</td>
<td>59,552,695</td>
<td>0</td>
<td>4,622,008</td>
<td>42,500,976</td>
<td>49,169,308</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>GP Distributions</td>
<td>15%</td>
<td>6,616,966</td>
<td>0</td>
<td>513,556</td>
<td>4,722,331</td>
<td>5,463,256</td>
<td>0</td>
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<tr>
<td>Tier II Distributions</td>
<td>80%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>119,586,457</td>
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<tr>
<td>GP Promote (Tier II)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>119,586,457</td>
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<tr>
<td>GP Promote (Tier III)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>5,037,193</td>
<td>6,160,073</td>
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<td>0</td>
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<td>0</td>
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<tr>
<td>Remaining Cash Flow</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>GP Distributions from Fund</td>
<td>59,552,695</td>
<td>0</td>
<td>4,622,008</td>
<td>42,500,976</td>
<td>49,169,308</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### IRR (LP)

<table>
<thead>
<tr>
<th></th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Multiple (LP)</td>
<td>3.6x</td>
</tr>
<tr>
<td>IRR (LP)</td>
<td>15%</td>
</tr>
</tbody>
</table>

### IRR (GP)

<table>
<thead>
<tr>
<th></th>
<th>54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Multiple (GP)</td>
<td>3.6x</td>
</tr>
<tr>
<td>IRR (GP)</td>
<td>54%</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

PROJECT OVERVIEW
Development Concept
Programming
Design Concept

ZONING ANALYSIS
Site Overview
Site Conditions

MARKET ANALYSIS
Plaza District Overview
Office Market
Retail Market

FINANCIAL ANALYSIS
Key Assumptions
Capital Structure
Proforma
JV Return Metric

DELIVERY & EXECUTION
Project Delivery Schedule
Marketing Strategy

RISK & MITIGANTS

APPENDIX
Finders Development Corp. is currently negotiating terms to close a deal for $1.1 billion. The project is expected to **commence construction on April, 2021, continue for 24 months, deliver by July, 2023.**

The marketing process for the office and retail will begin upon the start of construction. **All units are expected to close by the December, 2026.**

Stabilization is expected to be reached by Q4 2026, after which the project will fully capitalize its returns and sell sell out, paying off its construction loan.
MARKETING STRATEGY

OFFICES + RETAIL

As an established and fully-integrated real estate services company, Finders Development Corp. intends to work with CBRE for the leasing of 666 Fifth Ave. CBRE’s specialization in marketing strategies for all types of commercial real estate in addition to their many years of experience and market knowledge will lend itself to a successful partnership.

At least 40% of the rentable sq ft is anticipated to be in contract by the end of the construction period. This equals to more than 25,800 sq ft per month and will help achieve the velocity between the first TCO and sellout.

EXIT

Finders Development Corp. intends to exit the property at the end of the ten year lease-hold. With the renovations upon acquisition and new capital improvements to be invested at year 5, the property’s value will offer attractive returns at sell out.

Both domestic and international buyers have formerly expressed interest in the building but deals fell through before a close. For this reason, Finders Development Corp. sees several potential buyers upon exit. These include major players in Manhattan’s major retail market and who have a large portfolio.
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RISK & MITIGANTS

APPENDIX
## RISK & MITIGANTS

<table>
<thead>
<tr>
<th>RISKS</th>
<th>MITIGANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Risks</strong>: Construction; unions, cost overruns, time</td>
<td>Finders Development Corp will work with top tier contractors</td>
</tr>
<tr>
<td>overruns, difficult &amp; expensive area for construction.</td>
<td>with similar experience in the Plaza District as well as the</td>
</tr>
<tr>
<td></td>
<td>project type. Such contractors include Tishman and Turner)</td>
</tr>
<tr>
<td></td>
<td>High construction contingency in place.</td>
</tr>
<tr>
<td><strong>Market Saturation</strong>: NYC’s net absorption in 2019 was negative</td>
<td>There is a high inflow of jobs coming to the city as well as new</td>
</tr>
<tr>
<td>3.26M Square Feet, indicating that space vacated / supplies exceeded</td>
<td>sectors such as technology. The project is well located to major</td>
</tr>
<tr>
<td>new leasing. In other words, supplies are accelerating faster than</td>
<td>transportation links that allows employees to commute easily from</td>
</tr>
<tr>
<td>demand.</td>
<td>Manhattan to Queens and Long Island City.</td>
</tr>
<tr>
<td><strong>Competition risk</strong>: New buildings are being developed with higher</td>
<td>Compensate the low ceilings for completely renewed MEP</td>
</tr>
<tr>
<td>ceilings. Our redevelopment proposal restricts us with a lower</td>
<td>systems, latest technology infrastructure suitable for technology tenants</td>
</tr>
<tr>
<td>existing ceiling height.</td>
<td>and floor-to-ceiling glazing for maximum sunlight. Exposed duct work</td>
</tr>
<tr>
<td></td>
<td>will also mitigate the effects of low heights.</td>
</tr>
<tr>
<td><strong>“WeWork bust”</strong>: WeWork is the largest tenant in NYC office market</td>
<td>The projected LTV (60%) provides cushion against dropping rents. A drop</td>
</tr>
<tr>
<td>with a high risk of default. If they default on their leases, the</td>
<td>in rent will affect the entire office market, placing 666 Fifth Ave at</td>
</tr>
<tr>
<td>rent levels for office will drop due to high vacancy in the market.</td>
<td>an advantage over older building in less prime locations.</td>
</tr>
<tr>
<td><strong>Community opposition</strong>: The community may oppose the redevelopment</td>
<td>Finders Development Corp. will have an open dialogue and work closely</td>
</tr>
<tr>
<td>project for causing noise disturbance during construction. In addition,</td>
<td>with community boards to insure a smooth development process.</td>
</tr>
<tr>
<td>replacing the current facade with a new one may bring up speculations</td>
<td></td>
</tr>
<tr>
<td>regarding the building being a historical landmark.</td>
<td></td>
</tr>
<tr>
<td><strong>Lease-Up taking longer than expected</strong></td>
<td>Current low vacancy rates in the market lend itself to some flexibility</td>
</tr>
<tr>
<td></td>
<td>during lease-up period</td>
</tr>
</tbody>
</table>
The current ventilation system runs through the perimeter of the floor plates. One of each alternating column is also a fake column with vertical vents running through. Reconfiguring the location of the ventilation system will not only eliminate all of the fake columns but also the ductwork along the windows and allow for a curtain wall with large window coverage.

Annual leasing activity in recent years has been the highest ever since the years 1998-2000. There were a recorded 33 transactions in 2019 for 100,000 sq ft. or more - the third consecutive year with 30+ transactions of that size. Leasing of blocks averaged at 250,000 sq ft or more. A majority of these large leases took place in the Midtown Market with Google and Facebook leasing over 1 million sq ft, followed by Publicis renting over 977,000 in Midtown South. [CBRE]
## Comparable Properties

<table>
<thead>
<tr>
<th>Label</th>
<th>Address</th>
<th>Year Built</th>
<th>Year Renovated</th>
<th>Building SF</th>
<th>Floor Count</th>
<th>Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>666 Fifth Ave</td>
<td>1957</td>
<td>1999</td>
<td>1,548,459</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>425 Park Ave</td>
<td>1957</td>
<td>2019</td>
<td>670,000</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>1100 Avenue of the Americas</td>
<td>1906</td>
<td>2020</td>
<td>386,180</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>1407 Broadway</td>
<td>1950</td>
<td>2015</td>
<td>1,100,000</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>75 Rockefeller Plaza</td>
<td>1947</td>
<td>2017</td>
<td>623,000</td>
<td>33</td>
<td>$ 84.58</td>
</tr>
<tr>
<td>F</td>
<td>390 Madison Ave</td>
<td>1952</td>
<td>2018</td>
<td>862,154</td>
<td>32</td>
<td>$ 93.17</td>
</tr>
<tr>
<td>G</td>
<td>1271 Avenue of the Americas</td>
<td>1959</td>
<td>2016</td>
<td>2,100,000</td>
<td>48</td>
<td>$ 94.47</td>
</tr>
<tr>
<td>H</td>
<td>7 East 49th</td>
<td>1923</td>
<td></td>
<td>1,042,944</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

## E 75 Rockefeller Plaza

### Building Overview
- Building SF: 623,000
- Rent SF: 231,238
- Occupancy: 37.12%
- Vacancy: 62.88%

### Average Rent per Floor Height
- Low Rise: $ 82.50
- Mid Rise: $ 86.67
- High Rise: $ 84.58

### Recent Lease Transactions

<table>
<thead>
<tr>
<th>Floors Occupied</th>
<th>Number of Floors</th>
<th>Starting Rent</th>
<th>Transaction SF</th>
<th>Transaction Date</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>0.5</td>
<td>$ 92.00</td>
<td>$ 4,122</td>
<td>2020</td>
<td>Mid Rise</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>$ 85.00</td>
<td>$ 14,116</td>
<td>2017</td>
<td>Mid Rise</td>
</tr>
<tr>
<td>6 - 7</td>
<td>2</td>
<td>$ 83.00</td>
<td>$ 61,000</td>
<td>2017</td>
<td>Mid Rise</td>
</tr>
<tr>
<td>17</td>
<td>1</td>
<td>$ 92.00</td>
<td>$ 27,000</td>
<td>2016</td>
<td>Mid Rise</td>
</tr>
<tr>
<td>2 - 15</td>
<td>14</td>
<td>$ 82.50</td>
<td>$ 125,000</td>
<td>2016</td>
<td>Low Rise</td>
</tr>
</tbody>
</table>

## F 390 Madison Ave

### Building Overview
- Building SF: 862,154
- Rent SF: 623,034
- Occupancy: 72.26%
- Vacancy: 27.74%

### Average Rent per Floor Height
- Low Rise: $ 81.00
- Mid Rise: $ 84.50
- High Rise: $ 108.00

### Recent Lease Transactions

<table>
<thead>
<tr>
<th>Floors Occupied</th>
<th>Number of Floors</th>
<th>Starting Rent</th>
<th>Transaction SF</th>
<th>Transaction Date</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 - 6</td>
<td>3</td>
<td>$ 80.00</td>
<td>$ 145,369</td>
<td>2018</td>
<td>Low Rise</td>
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<tr>
<td>14</td>
<td>1</td>
<td>$ 80.00</td>
<td>$ 58,148</td>
<td>2018</td>
<td>Mid Rise</td>
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<tr>
<td>22 - 32</td>
<td>11</td>
<td>$ 108.00</td>
<td>$ 211,724</td>
<td>2018</td>
<td>High Rise</td>
</tr>
<tr>
<td>15 - 22</td>
<td>8</td>
<td>$ 89.00</td>
<td>$ 1,073</td>
<td>2017</td>
<td>Mid Rise</td>
</tr>
<tr>
<td>7 - 12</td>
<td>6</td>
<td>$ 82.00</td>
<td>$ 206,720</td>
<td>2016</td>
<td>Low Rise</td>
</tr>
</tbody>
</table>

## G 1271 Avenue of the Americas

### Building Overview
- Building SF: 2,101,000
- Rent SF: 421,024
- Occupancy: 20.05%
- Vacancy: 79.95%

### Average Rent per Floor Height
- Low Rise: $ 82.20
- Mid - Low Rise: $ 92.67
- Mid - High Rise: $ 85.00
- High Rise: $ 98.50
- Top - High Rise: $ 115.00
- Average Price PSF: $ 94.47

### Recent Lease Transactions

<table>
<thead>
<tr>
<th>Floors Occupied</th>
<th>Number of Floors</th>
<th>Starting Rent</th>
<th>Transaction SF</th>
<th>Transaction Date</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>37 - 41</td>
<td>5</td>
<td>$ 100.00</td>
<td>$ 242,600</td>
<td>2019</td>
<td>High Rise</td>
</tr>
<tr>
<td>35</td>
<td>1</td>
<td>$ 97.00</td>
<td>$ 3,600</td>
<td>2019</td>
<td>High Rise</td>
</tr>
<tr>
<td>22 - 21</td>
<td>2</td>
<td>$ 91.00</td>
<td>$ 77,637</td>
<td>2019</td>
<td>Mid - Low Rise</td>
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<tr>
<td>11 - 12</td>
<td>2</td>
<td>$ 91.00</td>
<td>$ 77,637</td>
<td>2019</td>
<td>Low Rise</td>
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<tr>
<td>23</td>
<td>1</td>
<td>$ 90.00</td>
<td>$ 38,314</td>
<td>2019</td>
<td>Mid - Low Rise</td>
</tr>
<tr>
<td>42 - 48</td>
<td>7</td>
<td>$ 115.00</td>
<td>$ 236,632</td>
<td>2018</td>
<td>Top - High Rise</td>
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<tr>
<td>25 - 34</td>
<td>10</td>
<td>$ 85.00</td>
<td>$ 407,000</td>
<td>2018</td>
<td>Mid - High Rise</td>
</tr>
<tr>
<td>14.5 - 17</td>
<td>3.5</td>
<td>$ 80.00</td>
<td>$ 137,986</td>
<td>2018</td>
<td>Low Rise</td>
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<tr>
<td>18 - 22</td>
<td>5</td>
<td>$ 79.00</td>
<td>$ 270,000</td>
<td>2017</td>
<td>Low Rise</td>
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<tr>
<td>2 - 3</td>
<td>2</td>
<td>$ 79.00</td>
<td>$ 148,000</td>
<td>2017</td>
<td>Low Rise</td>
</tr>
<tr>
<td>4 - 9</td>
<td>6</td>
<td>$ 77.00</td>
<td>$ 400,000</td>
<td>2016</td>
<td>Low Rise</td>
</tr>
</tbody>
</table>
4. The peak ADR for Q3 in 2019 in Midtown East was $295.36. In general, however, occupancies, ADR, and RevPAR, show a decrease in % change from 2018 for both luxury and upscale lodging.

5. The most notable transaction in the fourth quarter under the active leading food and beverage industry was Yard House, an American sports bar chain which leased more than 20,000 sq ft at Times Square and Fasano Hotel and Restaurant Group and UrbanSpace leasing in the Plaza District. The availability of ground-floor retail spaces across Manhattan's shopping corridors show a slight increase (219 spaces). Fifth Avenue's availability decreased from 12 ground floor spaces to 8. Landlords are putting an effort to subdivide large spaces and offer better pricing which has proven to be successful.