

SENSITIVITY ANALYSIS | FREEWAY CROSSING



**1031 EXCHANGE
ELIGIBLE**

Please consult with your tax professional concerning 1031 exchange eligibility.

EXIT CAP RATE SENSITIVITY

| Cap Rate ⁴ | Exit NOI ⁵ | Net Exit Value ⁶ | IRR ¹ | Net Profit | Equity Multiple ² |
|-----------------------|-----------------------|-----------------------------|------------------|--------------|------------------------------|
| 6.50% | \$ 914,410 | \$ 13,807,598 | 14.7% | \$ 4,627,223 | 1.9x |
| 6.75% | \$ 914,410 | \$ 13,296,205 | 13.5% | \$ 4,141,400 | 1.8x |
| 7.00% | \$ 914,410 | \$ 12,821,341 | 12.3% | \$ 3,690,279 | 1.7x |
| 7.25% | \$ 914,410 | \$ 12,379,226 | 11.1% | \$ 3,270,270 | 1.6x |
| 7.50% | \$ 914,410 | \$ 11,966,585 | 10.0% | \$ 2,878,261 | 1.6x |

NOI SENSITIVITY

| NOI Adjustment | Exit NOI ⁵ | Net Exit Value ⁶ | IRR ¹ | Net Profit | Equity Multiple ² |
|----------------|-----------------------|-----------------------------|------------------|--------------|------------------------------|
| 90.00% | \$ 822,969 | \$ 11,539,207 | 8.6% | \$ 2,385,383 | 1.5x |
| 95.00% | \$ 868,690 | \$ 12,180,274 | 10.5% | \$ 3,037,831 | 1.6x |
| 100.00% | \$ 914,410 | \$ 12,821,341 | 12.3% | \$ 3,690,279 | 1.7x |
| 105.00% | \$ 960,131 | \$ 13,462,408 | 14.0% | \$ 4,342,727 | 1.8x |
| 110.00% | \$ 1,005,852 | \$ 14,103,475 | 15.5% | \$ 4,995,175 | 2.0x |

*Please refer to the page at the end of this document - Key Terms and Definitions - for definitions of metrics used on this page.

The above figures contain estimates which may or may not be realized based upon a variety of assumptions and are not a guarantee or promise of any kind. Prospective investors are cautioned that an investment in commercial real estate carries with it the risk of loss of some or all of the principal investment.

KEY TERMS & REFERENCES | FREEWAY CROSSING



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KEY TERMS

- 1. Targeted Net IRR:** Net Internal Rate of Return “Net IRR” is defined as the annualized, compound rate of return using equity contributions and distributions as they occurred on specific dates during the investment period. Net IRR is reflective of all fees charged and paid to First National Realty Partners LLC and its affiliates and subsidiaries. “Targeted” refers to a goal which may or may not be attained based on a variety of assumptions which may or may not be realized.
- 2. Targeted Equity Multiple (Net EM):** The total distributions and remittances to equity investors divided by the total equity contributions from investors during the investment period. Net EM is reflective of all fees charged and paid to First National Realty Partners LLC and its affiliates and subsidiaries. “Targeted” refers to a goal which may or may not be attained based on a variety of assumptions which may or may not be realized.
- 3. Targeted Average Cash-on-Cash:** Average of the targeted annual cash flows return on invested equity over the projected hold period. All projected Cash-on-Cash returns are reflective of all fees charged and paid to First National Realty Partners and its affiliates and subsidiaries. Cash Distributions and any specific returns are not guaranteed. “Targeted” refers to a goal which may or may not be attained based on a variety of assumptions which may or may not be realized.
- 4. Cap Rate:** Calculated as the property’s annual net operating income (NOI) divided by the property’s purchase price.
- 5. Exit NOI:** A property’s annual net operating income as projected for the 12 months proceeding the date of sale.
- 6. Net Exit Value:** The Net Exit Value is net of selling costs totaling 1.85% of the exit price.

Note: Securities are only available to verified accredited investors who can bear the loss of their investment.

DISCLAIMER

FIRST NATIONAL REALTY PARTNERS

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