

ASSET MANAGEMENT PLAN | RICHLAND MARKETPLACE

To realize this potential, a straightforward business plan focused on creating value has been developed by **First National Realty Partners' Asset Management Team** to maximize investor returns. The Business Plan consists of the following key criteria:

- 1** The foundation of the business plan is driven by the ability to generate consistent levels of high annual income that will increase during the holding period from a stable mix of e-commerce resistant tenants that is anchored by an essential operating grocery tenant with excellent sales.
- 2** Multiple opportunities exist for value creation that starts with the lease up of approximately 11,410 square feet of rentable vacant space which has the potential to increase NOI by over \$160,000 dollars which is a 7% increase over existing NOI. In addition, several tenants are paying below market rents which will allow us to increase NOI by bringing these rents to market over time.
- 3** Utilize our world class operating platform and full-time staff of over 100 real estate professionals, led by our industry-leading in-house leasing team, to implement our asset management plan to increase occupancy while operating the property in a more efficient manner to reduce expenses and increase net operating income during the holding period.
- 4** Leverage our existing presence and market knowledge in the Lehigh Valley to enhance operating efficiencies and drive value.
- 5** Utilize our strong institutional relationship with Aldi to pursue a long-term lease extension on their store.
- 6** Implement a cost segregation study to accelerate the depreciation of the property which will provide significant tax benefits to our partners throughout the holding period. These tax benefits have the potential for additional upside as a result of the recent passage of the CARES Act in March 2020.
- 7** The final element of the business plan is to exit with a sale estimated in Year 3. The successful execution of the components of the Business Plan will allow for the sale of the property at a similar cap rate with significantly higher net operating income at the conclusion of our hold period.

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FIRST NATIONAL REALTY PARTNERS

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