

FINANCIAL MODEL

SOUTHGATE CENTER

FINANCIAL MODEL	10/31/23	10/31/24	10/31/25
Potential Base Rent	2,150,606	2,195,697	2,231,862
Absorption & Turnover Vacancy	(68,266)	(11,877)	(15,501)
Scheduled Base Rent	2,082,340	2,183,820	2,216,361
+ Expense Reimbursement Revenue	647,223	673,482	651,638
+ Other Revenue	3,249	3,347	3,447
Potential Gross Income	2,732,812	2,860,648	2,871,446
- General Vacancy Loss	(8,648)	(61,295)	(58,568)
Effective Gross Revenue	2,724,164	2,799,354	2,812,878
Operating Expenses			
- CAM	85,470	82,890	79,774
- Insurance	130,835	143,918	158,310
- Property Taxes	551,278	552,840	517,210
- Property Management Fee	94,688	96,306	96,985
Total Operating Expenses	862,271	875,954	852,279
Net Operating Income	1,861,894	1,923,400	1,960,599
Below NOI Costs			
- Tenant Improvements	113,400	45,468	31,164
- Leasing Commissions	44,403	15,144	23,604
- Lender Required Reserve	167,424	167,424	167,424
- CAPEX	810,974	0	0
- Admin Fee	31,392	31,392	31,392
+ Release of Reserves	(942,596)	(60,612)	(54,768)
- Asset Management Fee	75,956	84,150	87,684
Total Leasing, Capital & Asset Mgt Costs	300,953	282,966	286,500
Cash Flow Before Debt Service	1,560,940	1,640,434	1,674,099
Debt Service	837,359	838,793	838,793
Net Distributable Cash Flow	723,582	801,640	835,305
Net-Net to the Partner	5.6%	6.2%	6.4%
Average Net-Net to the Partner	5.6%	5.9%	6.1%

SAMPLE INVESTMENT

SOUTHGATE CENTER

SAMPLE INVESTMENT	Year 0	Year 1	Year 2	Year 3
Sample Investment Based on a 3-Year Hold	(1,000,000)			
Return of Capital				1,000,000
Annual Cash Distributions		55,810	61,831	64,427
Plus Upside				229,838
Total Cash Flows	(1,000,000)	55,810	61,831	1,294,265
Annualized Rate of Return				12.8%
Equity Multiple				1.4x

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