

FINANCIAL MODEL

THE SHOPPES AT GRAYHAWK

THE SHOPPES AT GRAYHAWK	12/31/22	12/31/23	12/31/24
Potential Base Rent	1,807,719	1,839,929	1,880,384
Other Revenue	3,000	3,090	3,183
Absorption & Turnover Vacancy	(110,692)	(39,286)	0
Scheduled Base Rent	1,700,027	1,803,733	1,883,567
+ Expense Reimbursement Revenue	764,998	830,526	898,135
Potential Gross Income	2,465,025	2,634,259	2,781,702
- General Vacancy Loss	0	(18,753)	(46,831)
Effective Gross Revenue	2,465,025	2,615,506	2,734,871
Operating Expenses			
- CAM	219,362	225,942	232,720
- Insurance	54,045	59,450	65,395
- Property Taxes	511,572	537,151	564,008
- Property Management Fee	123,251	130,775	136,744
Total Operating Expenses	908,230	953,318	998,867
Net Operating Income	1,556,795	1,662,188	1,736,004
Below NOI Costs			
- Tenant Improvements	38,125	115,351	0
- Leasing Commissions	18,924	48,769	0
- CapEx	400,000	0	0
+ Release of Reserves	(457,049)	(164,120)	0
- Lender Required Capital Reserves	16,200	16,686	17,186
- Admin	44,200	44,200	44,200
- Asset Management Fee	169,634	189,352	204,015
Total Leasing, Capital & Asset Mgt Costs	230,033	250,237	265,400
Cash Flow Before Debt Service	1,326,762	1,411,951	1,470,604
Debt Service	648,226	654,545	654,545
Net Distributable Cash Flow	678,535	757,406	816,059
Net-Net to the Partner	6.8%	7.6%	8.2%
Average Net-Net to the Partner	6.8%	7.2%	7.6%

SAMPLE INVESTMENT

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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		68,407	76,358	82,271
Plus Upside				186,528
Total Cash Flows	(1,000,000)	68,407	76,358	1,268,799
Annualized Rate of Return				13.0%
Equity Multiple				1.4x

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FIRST NATIONAL REALTY PARTNERS

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