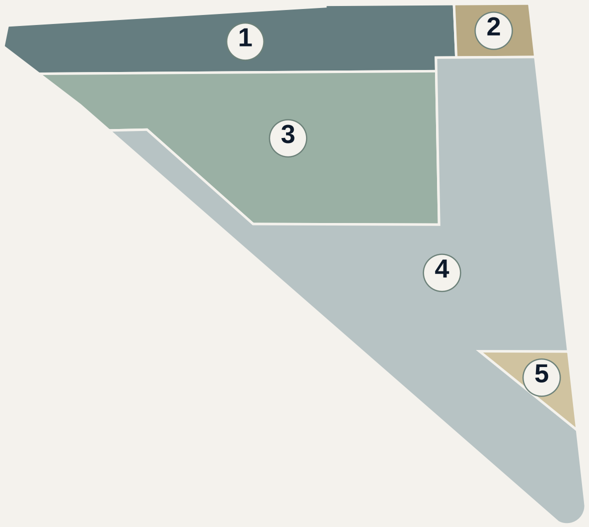
Distressed Retail Repositioning Investment Opportunity

SHORE ACRES CAPITAL

Executive summary

Create one retail destination from five parcels under unified ownership.



Five-parcel assemblage

11+ acres

90,000+ daily vehicles

124,720 SF

119,720 SF buildings + 5,000 SF pads

Target Grade A national tenants on triple-net leases. Discussions are underway.

Grocery-led visits, flexible suites and coordinated parking and leasing.

Approximate area; historical expressway traffic counts. Accepted offer; contracts pending. No executed leases represented.

Target investor return: three-year sale

1.85x+

Target total equity multiple

7%

Annual preferred return

23.9%

Illustrative annualized IRR

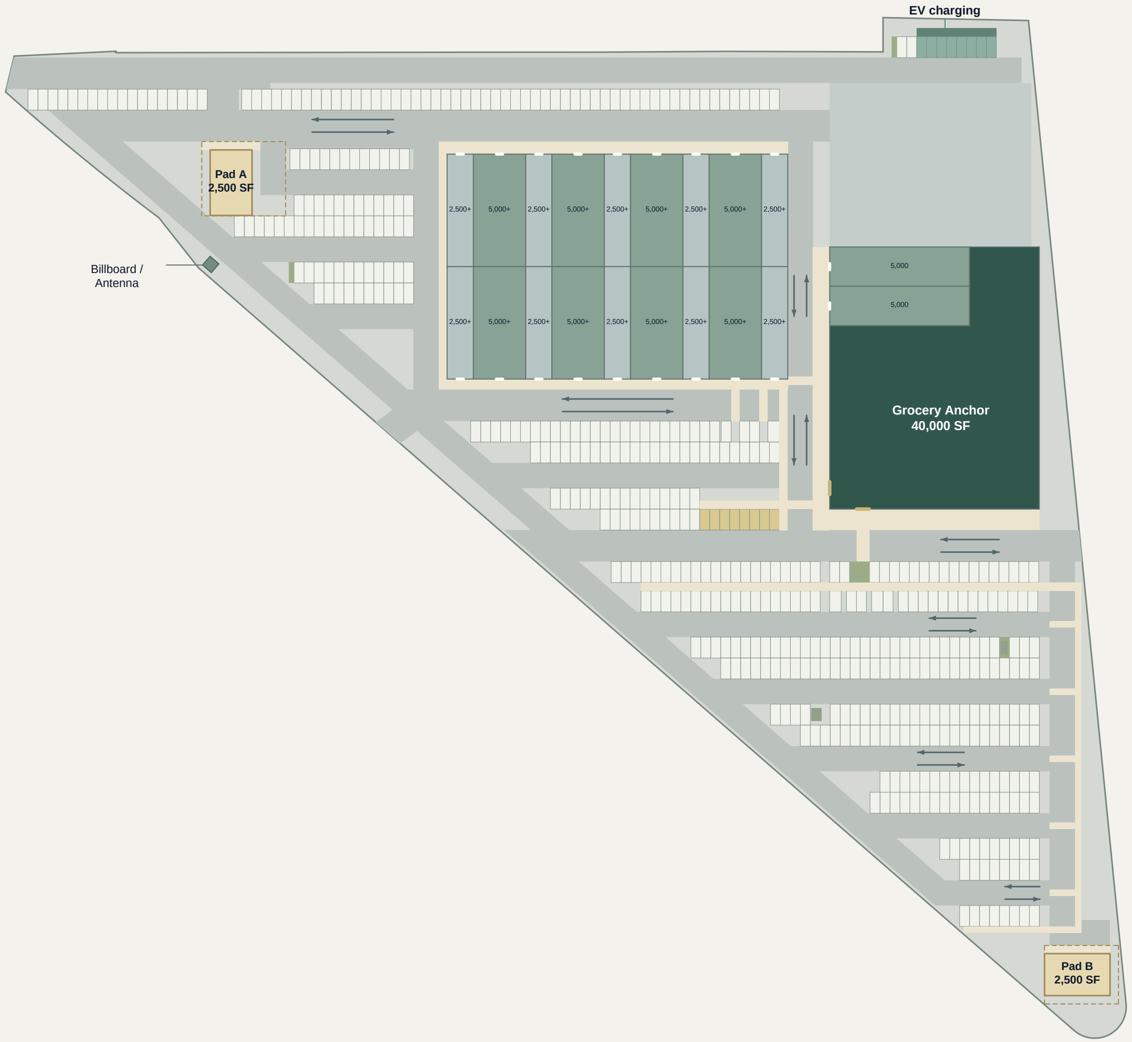
Per $100,000 invested

Timing	Target payment
Year 1 preferred distributions	$3,500
Year 2 preferred distributions	$7,000
Year 3 preferred distributions	$7,000
Year 3 sale payment	$167,500
Total received	**$185,000**

Pref accrues from month six. Quarterly payments of $1,750 begin at month nine.

Targets depend on available cash, execution and final investment terms.

Retail campus



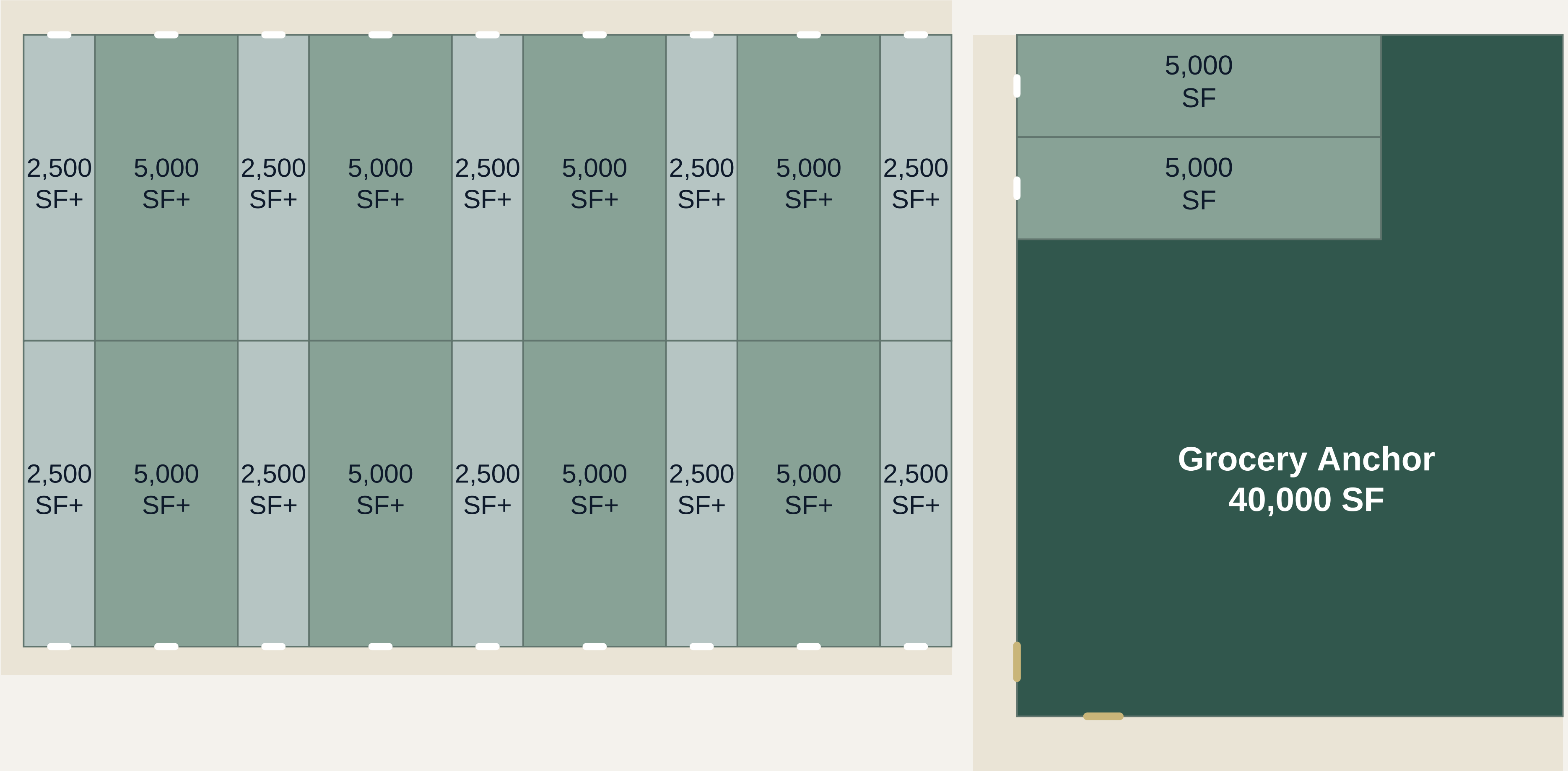
Grocery and retail

Two main buildings with connected parking and flexible storefront sizes.

Additional Streams of Revenue

Two stand-alone pads
EV charging
Billboard / antenna

Flexible storefronts and pad sites



Pad A
2,500 SF

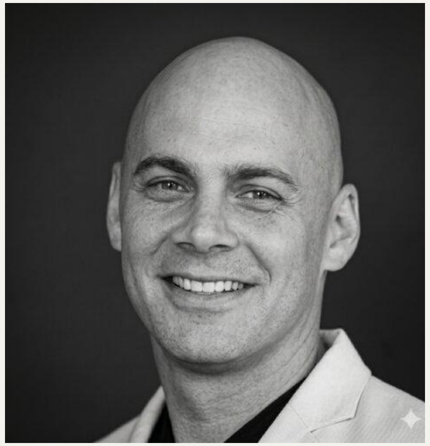
Pad B
2,500 SF

EV charging
Revenue

Billboard / Antenna
Revenue

Storefronts have direct entrances. Suite labels show minimum conceptual sizes. Main buildings total 119,720 SF; two pads add 5,000 SF.

Operator experience



Kenneth D’Anna

Founder / Operator

Kenneth brings 25+ years of experience repositioning and stabilizing distressed assets across residential, multifamily and retail properties, with 10M+ SF developed or renovated. He leads acquisitions, underwriting and asset management, drawing on experience in tax liens, foreclosures and short sales, supported by construction and title expertise.

Frank A. Deliessche, MSM, PMP

Head of Investor Relations

Frank brings more than 35 years of corporate operations experience, including international work at Pfizer leading global brand governance across 70 countries. His experience coordinating global stakeholders informs how Shore Acres Capital builds investor relationships and manages communications.

Acquisition and capital structure

$24M

Acquisition including closing costs

$28.47M

Debt financing at full draw

$8M

Investor equity

Acquisition uses	Amount
Purchase price	$23,000,000
Closing cost allowance	$1,000,000
Total acquisition	**$24,000,000**

Investor equity uses	Amount
Purchase down payment	$5,750,000
Closing costs	$1,000,000
Initial working capital	$1,250,000
Total investor raise	**$8,000,000**

75% financing of purchase and baseline construction. Closing costs funded with equity.

The $40/SF model needs another $3.46M during construction and lease-up, including pref.

Redevelopment budget and reserves

The base model includes the full $5M construction reserve.

Budget component	Allowance
Construction, including contingency	$8,658,695
Additional soft costs	$1,298,804
Construction reserve	$5,000,000
Total base redevelopment budget	**$14,957,499**

All cash-flow and exit scenarios include the reserve in the base budget.

Budget allowances, not contractor bids. Modeling assumes the full budget is spent and 75% is debt-financed.

When & How Do Investor Partners Get Paid?

Option 1 | Early exit/ flip

1.65x

Target total payment within six months

$100,000 → $165,000

One payment at sale.
No separate preferred return.

Option 2 | Redevelop and stabilize

7% annual pref

$1,750 quarterly distribution
per $100,000 invested.

1.85x+ total target

Three to five years, including pref.
Full exit through sale or refinancing.

Target payments depend on available cash, lender requirements and final investment terms.

Option 1: Early exit/ flip

1.65x

Target total equity multiple

Six months or less

Target from acquisition closing

Priority for the first 10 investors with a signed soft commitment of $100,000 or more

An early sale would follow the assemblage and tenant commitments, if an acceptable offer is received.

Illustrative investment	Single target payment at sale
$100,000	$165,000

Proposed terms depend on final documents and an actual sale. Returns are not guaranteed.

Option 2: Redevelop and stabilize

1.85x+ total investor target, including preferred distributions

Year 1

Reconfigure and lease

40% average leased
49,888 SF

Year 2

Complete lease-up

75% average leased
93,540 SF

Years 3–5

Stabilize and exit

100% leased
124,720 SF

7% annual pref accrues from month six. $1,750 quarterly per $100,000 begins at month nine.

Target exit through sale or refinancing. Timing, occupancy and distributions depend on execution and available cash.

Year 3 rent and stabilized cash flow

119,720 SF buildings + 5,000 SF pads = 124,720 SF

Starting blended rent	Base: $40/SF	$50/SF	$60/SF
Main-building rental income	$4.93M	$6.17M	$7.40M
Ground lease / pad income	$206,000	$257,500	$309,000
Billboard income ($5,000/month)	$60,000	$60,000	$60,000
Landlord taxes and insurance	$0	$0	$0
Less: management and reserve	-$0.17M	-$0.21M	-$0.25M
Net operating income	$5.03M	$6.28M	$7.52M
Less: loan interest	-$2.28M	-$2.28M	-$2.28M
Cash before investor distributions	$2.75M	$4.00M	$5.25M
Existing loan debt coverage	2.21x	2.76x	3.30x

Assumes triple-net leases, full occupancy and the first 3% rent increase in Year 3. Management: 3% of rent and billboard revenue.
Reserve: $0.10 per main-building SF. Areas and lease escalations remain subject to final lease terms.

Rental growth in years 3–5

3% annual increases, beginning in Year 3

Effective annual rent per SF	Year 3	Year 4	Year 5
$40/SF starting rent	$41.20	$42.44	$43.71
$50/SF starting rent	$51.50	$53.04	$54.64
$60/SF starting rent	$61.80	$63.65	$65.56

Annual net operating income	Year 3	Year 4	Year 5
$40/SF starting rent	$5,030,538	$5,180,067	$5,334,083
$50/SF starting rent	$6,276,616	$6,463,527	$6,656,046
$60/SF starting rent	$7,522,693	$7,746,987	$7,978,010

Assumed increases compound annually on building and pad rents. Billboard income remains $60,000 per year.
Full occupancy is assumed from Year 3. Escalations remain subject to final lease terms.

Exit valuation and investor payout

Year 3 sale proceeds, including the first 3% rent increase

$40/SF blended rent	6.00% exit cap	6.50% exit cap	7.25% exit cap
Gross property value	$83,842,301	$77,392,894	$69,386,732
Less: selling costs	-$4,422,681	-$4,082,475	-$3,660,150
Less: debt repayment	-$28,468,124	-$28,468,124	-$28,468,124
Less: investor payout at sale	**-$13,400,000**	**-$13,400,000**	**-$13,400,000**

$50/SF blended rent	6.00% exit cap	6.50% exit cap	7.25% exit cap
Gross property value	$104,610,260	$96,563,317	$86,574,008
Less: selling costs	-$5,518,191	-$5,093,715	-$4,566,779
Less: debt repayment	-$28,468,124	-$28,468,124	-$28,468,124
Less: investor payout at sale	**-$13,400,000**	**-$13,400,000**	**-$13,400,000**

$60/SF blended rent	6.00% exit cap	6.50% exit cap	7.25% exit cap
Gross property value	$125,378,219	$115,733,740	$103,761,284
Less: selling costs	-$6,613,701	-$6,104,955	-$5,473,408
Less: debt repayment	-$28,468,124	-$28,468,124	-$28,468,124
Less: investor payout at sale	**-$13,400,000**	**-$13,400,000**	**-$13,400,000**

Refinance and cash out investors

Year 3 illustration | 6.75% interest | 20-year amortization

Borrow only enough to repay the existing loan, cash out investors and cover refinance costs.

Starting blended rent	$40/SF	$50/SF	$60/SF
Refinancing loan	$43,163,015	$43,163,015	$43,163,015
Monthly principal and interest	$328,196	$328,196	$328,196
Refinance debt coverage	1.28x	1.59x	1.91x
Less: refinancing costs (3%)	-$1,294,890	-$1,294,890	-$1,294,890
Less: existing debt repayment	-$28,468,124	-$28,468,124	-$28,468,124
Investor exit payment	**$13,400,000**	**$13,400,000**	**$13,400,000**

$13.4M at refinancing + $1.4M in prior pref = $14.8M total on the $8M raise.

Investors retain no ownership. LTV: 55.8% / 44.7% / 37.3% at a 6.5% valuation cap.

Includes the first 3% rent increase in Year 3. Escalations and refinance terms are assumptions, subject to leases and lender approval.

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Investment inquiries

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