

# THE SHOPPES AT SAN FELIPE

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## MARK-TO-MARKET & EXIT ANALYSIS

*5-yr levered IRR ~17.5%, 2.11x equity — tied to Operating Model financing*

1415 SOUTH VOSS RD · HOUSTON, TX 77057 · 48,196 SF

May 2026 · CONFIDENTIAL — FOR DISCUSSION PURPOSES

## From in-place to exit: 2.11x equity / 17.5% IRR

MTM lifts NOI ~30% with 100% recovery; going-in cap up ~154 bps.

\$33.6M basis → \$44.7M exit @ 5.50% cap → 2.11x equity / 17.5% IRR over 5-yr hold.

NOI STABILIZED

**\$2.46M**

+30% vs in-place

ALL-IN BASIS

**\$33.6M**

PP + acq + TIA + LC

EXIT VALUE

**\$44.7M**

5.50% cap on stab NOI

PROFIT TO EQUITY

**\$15.7M**

5-yr hold, 60% LTV

5-YEAR LEVERED RETURNS — TIED TO OPERATING MODEL FINANCING

**2.11x**

EQUITY MULTIPLE

**17.49%**

LEVERED IRR (5-YR)

**6.53%**

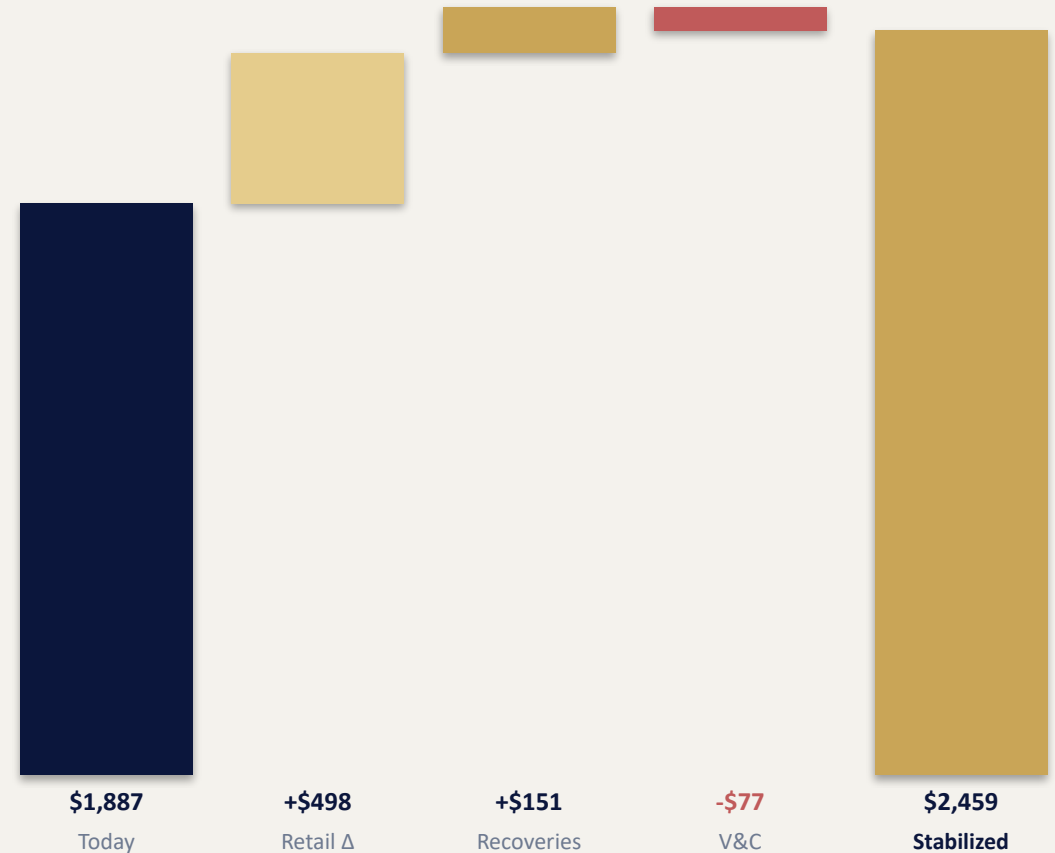
AVG CASH-ON-CASH

# From in-place NOI to stabilized at market + 100% recovery

## EGI BUILDUP

Line	Today	Stabilized	Δ
Retail base rent	\$1,682K	\$2,180K	+\$498K
CVS ground lease	\$385K	\$385K	—
Expense recoveries (100% NNN @ stab)	\$604K	\$755K	+\$151K
Other / signage	\$3K	\$3K	—
Less: Turnover vacancy / V&C	(\$32K)	(\$109K)	(\$77K)
<b>EFFECTIVE GROSS INCOME</b>	<b>\$2,642K</b>	<b>\$3,214K</b>	<b>+\$572K</b>
Operating expenses (flat NNN)	(\$755K)	(\$755K)	—
<b>NET OPERATING INCOME</b>	<b>\$1,887K</b>	<b>\$2,459K</b>	<b>+\$572K</b>

## NOI WATERFALL (\$K)



+30.3% NOI growth — MTM + lease-up + 100% recovery

## MARK-TO-MARKET DETAIL

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# Where the rent gap lives

Three tenants = \$195K (55%) of \$357K MTM. F&B endcaps already above market.

## BELOW-MARKET TENANTS — ROLL TO \$42 PSF ON EXPIRY

Tenant	SF	Cur PSF	Uplift	Expires
Salon Lofts	6,094	\$23.00	\$115,786	2032
Heights Wellness	3,707	\$31.00	\$40,777	2033
Amerejuve Medspa	1,839	\$21.00	\$38,619	2029
School of Rock	2,462	\$29.70	\$30,283	2029
Amazing Lash	2,250	\$29.10	\$29,025	11/26
Piola	2,670	\$33.00	\$24,030	2027
Distinct Dental	2,500	\$32.50	\$23,750	2033
Isle Pedi Spa	2,695	\$34.03	\$21,479	2033
Bonck Group	1,275	\$27.00	\$19,125	2029
Others (4)	5,865	—	\$10,999	—
European Wax	1,421	\$40.00	\$2,842	5/31 (renewed)
<b>TOTAL MTM (in-place)</b>	<b>32,778</b>		<b>\$356,715</b>	

## VACANT SF — LEASE TO MARKET

Suite	SF	New Rent
Suite 260 — Vacant Retail	2,307	\$96,894
Suite 1415 — Vacant Inline	3,199	\$134,358
<b>TOTAL LEASE-UP</b>	<b>5,506</b>	<b>\$231,252</b>

## AT / ABOVE MARKET — NO ROLL NEEDED

Tenant	SF	Cur PSF
Brassica Sandwiches (F&B)	3,000	\$65.00
Wild Fork Foods (F&B)	4,084	\$61.21
Alloy Personal Training	1,575	\$45.00
Clean Juice (F&B)	1,253	\$45.00

Brassica & Wild Fork validate \$60+ F&B comp — further upside if endcaps re-leased to similar credits.

# +154 bps cap pickup for ~3.6% of basis in TIA + LC

Capitalize \$20 PSF TIA + \$10 PSF LC (\$30 PSF × 38,284 SF = \$1.15M). 100% expense recovery at stabilization.

## LEASE-UP CAPITAL — TIA + LC BREAKOUT

Bucket	SF	TIA	LC	\$/SF	Capital
MTM rolled tenants	32,778	\$20	\$10	\$30	\$983,340
Vacant lease-up	5,506	\$20	\$10	\$30	\$165,180
<b>TOTAL LEASE-UP</b>	<b>38,284</b>				<b>\$1,148,520</b>

TIA subtotal: \$765,680

LC subtotal: \$382,840

## GOING-IN CAP RATE — SCENARIOS

Scenario	NOI	Cap Rate
Today, on Purchase Price	\$1,887K	5.94%
Today, on Total Basis	\$1,887K	5.81%
Stabilized, on PP	\$2,459K	7.75%
<b>Stabilized, PP + TIA + LC</b>	<b>\$2,459K</b>	<b>7.48%</b>
Stabilized, Total Basis + TIA + LC	\$2,459K	7.31%

### NET CAP RATE UPLIFT

5.94% → 7.48%

### TIA + LC AS % OF PP

+154 bps / 3.6%

EXIT ANALYSIS @ 5.50% CAP

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## Tied to Operating Model financing · 5-yr hold (Scenario 2B)

Debt and going-in equity assumed at \$19.5M and \$13.0M (~60% LTV). Sources tie to uses at \$33,648,520.

### USES — ALL-IN BASIS

Line	\$
Purchase Price	\$31,750,000
Acquisition costs (2.36%)	\$750,000
TIA (\$20 PSF × 38,284 SF)	\$765,680
Leasing commissions (\$10 PSF)	\$382,840
<b>TOTAL USES</b>	<b>\$33,648,520</b>

### SOURCES — FINANCING (per Operating Model)

Senior debt (assumed; ~60% LTV)	\$19,500,000
Going-in equity (assumed; ~40%)	\$13,000,000
+ Lease-up equity (TIA + LC)	\$1,148,520
<b>TOTAL SOURCES</b>	<b>\$33,648,520</b>

Sources = Uses = \$33,648,520 (Total Equity In = \$14,148,520)

### 5-YEAR LEVERED CASH FLOW

Yr	NOI	Debt Svc	OCF	Loan Bal EOY
1	\$1,887K	\$1,073K	<b>\$815K</b>	\$19,500K
2	\$2,030K	\$1,073K	<b>\$958K</b>	\$19,500K
3	\$2,173K	\$1,366K	<b>\$807K</b>	\$19,206K
4	\$2,316K	\$1,366K	<b>\$950K</b>	\$18,896K
5	\$2,459K	\$1,366K	<b>\$1,093K</b>	\$18,569K
<b>CUMUL OPERATING CF (Yrs 1-5)</b>				<b>\$4,621,977</b>

### EXIT @ YR 5 @ 5.50% CAP

Stabilized NOI (Yr 5)	\$2,459,282
÷ Exit cap rate	5.50%
<b>Gross Exit Value</b>	<b>\$44,714K</b>
Less: 2% disposition	(\$894K)
<b>Net Sale Proceeds</b>	<b>\$43,820K</b>
Less: Yr 5 loan payoff	(\$18,569K)
<b>EQUITY PROCEEDS AT SALE</b>	<b>\$25,251K</b>

# Stabilized NOI and cap rate uplift across market rent assumptions

Above-market tenants (Brassica \$65, Wild Fork \$61, Clean Juice \$45, Alloy \$45) held at their PSF. Vacant SF leased at market.

Mkt PSF	Stab Rent	Stab NOI	NOI Uplift	SF Rolled	TI/LC \$	Cap (PP+TI)	Δ bps
\$38	\$2,042,336	\$2,328,340	+\$441K	30,998	\$929,940	7.12%	+118
\$40	\$2,106,802	\$2,389,582	+\$502K	32,233	\$966,990	7.30%	+136
<b>\$42</b>	<b>\$2,180,170</b>	<b>\$2,459,281</b>	<b>+\$572K</b>	<b>38,284</b>	<b>\$1,148,520</b>	<b>7.48%</b>	<b>+153</b>
\$45	\$2,295,022	\$2,568,391	+\$681K	38,284	\$1,148,520	7.81%	+186
\$48	\$2,418,358	\$2,685,560	+\$798K	41,112	\$1,233,360	8.14%	+220
\$50	\$2,500,582	\$2,763,673	+\$876K	41,112	\$1,233,360	8.38%	+243

## BASE CASE: \$42 PSF BLENDED MARKET RENT

Triangulated from recent leases — Clara Rose \$40, EWC renewal \$40, Ozone \$41.82, Alloy \$45.

Going-in cap rises from 5.94% to 7.48% (+153 bps) after capitalizing \$1.15M of TIA + LC.

Conservative \$40 PSF still delivers +136 bps; \$45 PSF upside extends to +186 bps.

# Levered returns across exit cap assumptions

5-yr hold · 60% LTV @ 5.50% rate · 2-yr IO + 30-yr amort · Yr 5 loan balance \$18.57M · 100% recovery.

Exit Cap	Gross Exit	Net Sale	Equity Proc.	Total Returns	Multiple	Levered IRR
4.50%	\$54.65M	\$53.56M	\$34.99M	\$39.61M	2.80x	24.5%
5.00%	\$49.19M	\$48.20M	\$29.63M	\$34.26M	2.42x	20.9%
<b>5.50%</b>	<b>\$44.71M</b>	<b>\$43.82M</b>	<b>\$25.25M</b>	<b>\$29.87M</b>	<b>2.11x</b>	<b>17.5%</b>
6.00%	\$40.99M	\$40.17M	\$21.60M	\$26.22M	1.85x	14.3%
6.50%	\$37.84M	\$37.08M	\$18.51M	\$23.13M	1.63x	11.4%
7.00%	\$35.13M	\$34.43M	\$15.86M	\$20.48M	1.45x	8.5%

## BASE CASE: 5.50% EXIT CAP

**Yield on cost 7.31% — 181 bps inside exit cap.**

Cap compression to 5.00% → 2.42x / 20.9% IRR.

Even 7.00% downside still pencils 1.45x / 8.5%.

# Where the lever gets pulled

## QUICK WINS · 2026–2027

### \$108K

*rent capture by end of '27*

- European Wax renewal signed at \$40 — 6/26
- Amazing Lash expiry 11/26 — push to \$40
- Vacant Suite 260 (2,307 SF) — \$97K
- Vacant Suite 1415 (3,199 SF) — \$134K
- Piola (2,670 SF) expiring 11/27
- Clean Juice (1,253 SF) expiring 9/27

## BIG BETS · 2029–2032

### \$210K

*from below-market roll-overs*

- Salon Lofts — 6,094 SF @ \$23 → +\$116K (10/32)
- Amerejuve — 1,839 SF @ \$21 → +\$39K (7/29)
- Bonck Group — 1,275 SF @ \$27 → +\$19K (6/29)
- School of Rock — 2,462 @ \$29.70 → +\$30K
- Three '29 rollovers cluster
- Salon Lofts = largest below-mkt gap

## STRUCTURAL INFLECTION · 2033

### 12,986 SF

*rolling at once + CVS expiry*

- Heights Wellness (3,707 SF) — 2/33
- Isle Pedi Spa (2,695 SF) — 4/33
- Wild Fork Foods (4,084 SF) — 5/33
- Distinct Dental (2,500 SF) — 7/33
- CVS ground expires 1/33 — \$404K → \$491K
- Natural inflection w/ optionality

**BOTTOM LINE · 5-yr hold delivers 2.11x equity / 17.5% IRR with Operating-Model financing, 100% recovery, \$20 TIA.**