

JAL-JCP REAL ESTATE PARTNERS

# THE SHOPPES AT SAN FELIPE

OFF-MARKET INVESTMENT OFFERING

**61,196**

SF RETAIL

**4.54**

ACRES

**95.2%**

OCCUPIED

NEC SAN FELIPE & S. VOSS | HOUSTON, TEXAS 77057

CONFIDENTIAL



MAY 2026

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# Deal Snapshot

Off-Market Acquisition / Sponsor-Discretion Exit / Land-Sale Modeled

## 18.27%

PROJECT IRR

## 3.70x

PROJECT MULTIPLE

## 15.73%

LP IRR (NET)

## 3.11x

LP EQUITY MULTIPLE

## 8.22%

AVG CASH-ON-CASH

### INVESTMENT SUMMARY

Purchase Price	<b>\$31,750,000</b>
Total Basis	<b>\$32,500,000</b>
Going-In Cap Rate	<b>5.94%</b>
Year 1 NOI (MTM)	<b>\$1,982,029</b>
LP Equity Required	<b>\$14,000,000</b>
Senior Debt (SouthState · 60% LTV)	<b>\$19,500,000</b>
Interest Rate	<b>6.06%</b>
I/O → Amortization	<b>2-yr IO + 3-yr P&amp;I (30-yr Am)</b>

### MODELED EXIT — LAND SALE

Land Sale (197,762 SF × \$300/SF)	<b>\$59,328,600</b>
Less: Loan Payoff	<b>(\$25,374,931)</b>
Less: Disposition Costs (2.0%)	<b>(\$1,186,572)</b>
Net Proceeds to Equity	<b>\$32,767,097</b>
+ Op CF + Refi + Y10 Escrow	<b>\$18,993,094</b>
Total Distributions	<b>\$51,760,191</b>
LP Total Distributions	<b>\$43,508,153</b>
Avg Cash-on-Cash	<b>8.22%</b>

# Property Overview



**Wild Fork Foods**



**CVS Pharmacy**



**East Wing**

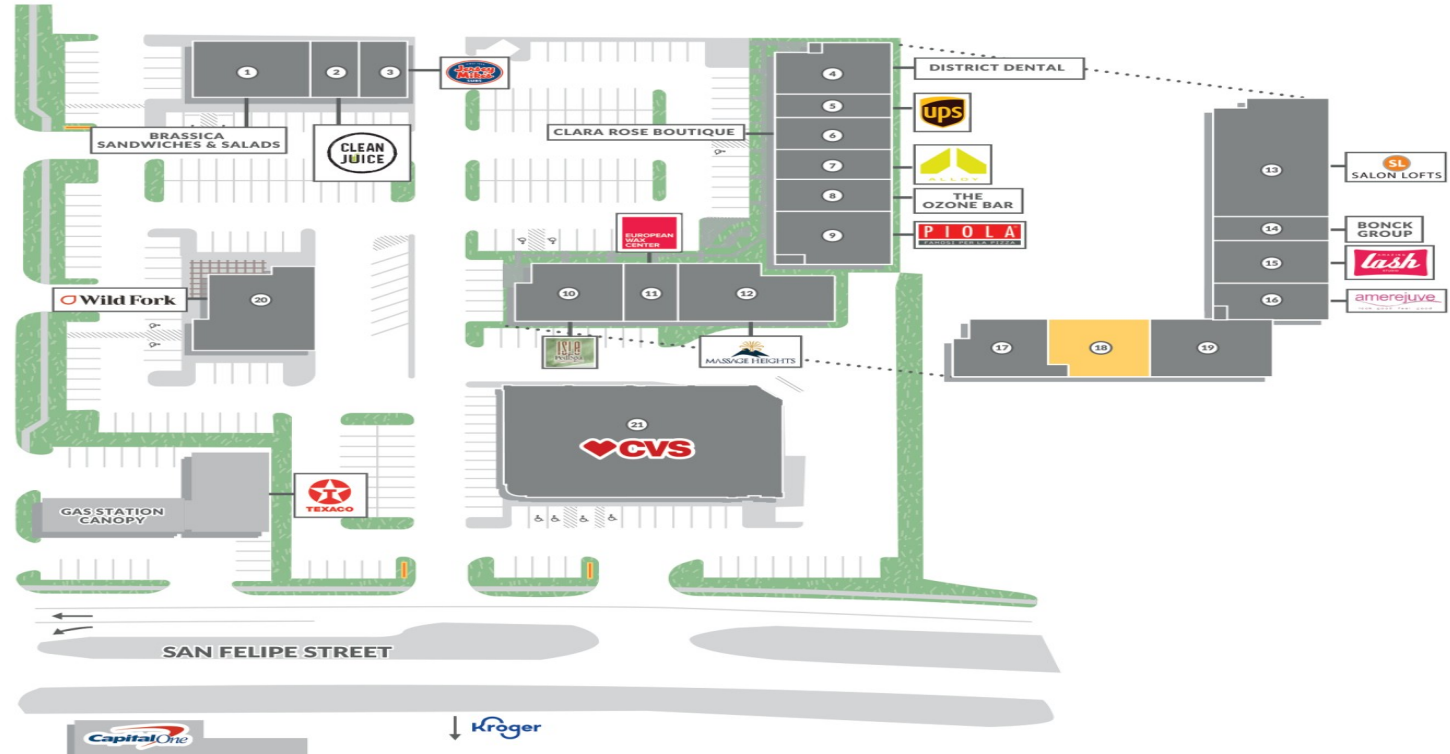


**North Wing**

# Site Plan

61,196 SF retail center on 4.54 acres at the NEC of San Felipe & S. Voss.

KEY	BUSINESS	LEASE AREAS
1	Brassica Sandwiches and Salads	3,000 SF
2	Clean Juice	1,253 SF
3	Jersey Mike's Sub	1,250 SF
4	Distinct Dental	2,500 SF
5	The UPS Store	1,235 SF
6	Clara Rose Boutique	1,690 SF
7	Alloy Personal Training	1,575 SF
8	The Ozone Bar	1,690 SF
9	Piola	2,670 SF
10	Isle Pedi Spa	2,695 SF
11	European Wax Center	1,421 SF
12	Heights Wellness Retreat - Voss	3,707 SF
13	Salon Lofts	6,094 SF
14	Bonck Group	1,275 SF
15	Amazing Lash Studio	2,250 SF
16	Amerejuve Medspa	1,839 SF
17	School of Rock	2,462 SF
18	Vacant	2,307 SF
19	Proposed Church	3,199 SF
20	Wild Fork Foods	4,084 SF
21	CVS Pharmacy	64,417 SF



# Financial Overview

## YEAR 1 OPERATING STATEMENT

<b>Rental Revenue</b>	
Potential Base Rent	2,067,017
Absorption & Turnover Vacancy	(32,298)
Scheduled Base Rent	2,034,719
<b>Total Rental Revenue</b>	<b>2,034,719</b>
<b>Other Tenant Revenue</b>	
Total Expense Recoveries	604,360
Total Other Tenant Revenue	604,360
<b>Total Tenant Revenue</b>	<b>2,639,079</b>
<b>Other Revenue</b>	
Signage Income	3,120
Total Other Revenue	3,120
Potential Gross Revenue	2,642,199
<b>Effective Gross Revenue</b>	<b>2,642,199</b>
<b>Operating Expenses</b>	
CAM	161,235
CAM – Utilities	65,794
TAX	403,580
INS	36,675
ADMIN	8,370
Management Fee (3%)	79,266
<b>Total Operating Expenses</b>	<b>754,919</b>
<b>Net Operating Income</b>	<b>1,887,280</b>

## CASH FLOW SUMMARY (UNDERWRITTEN HOLD)

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
NOI	\$1,982K	\$2,071K	\$2,181K	\$2,305K	\$2,440K	\$2,485K	\$2,648K	\$2,750K	\$2,917K	\$2,994K
Debt Svc	\$1,182K	\$1,182K	\$1,412K	\$1,412K	\$1,412K	\$1,331K	\$1,331K	\$1,714K	\$1,714K	\$1,714K
+ T-bill Int	\$43K	\$34K	\$33K	\$34K	\$32K	\$32K	\$31K	\$29K	\$23K	\$23K
<b>Op. CF</b>	<b>\$843K</b>	<b>\$923K</b>	<b>\$802K</b>	<b>\$927K</b>	<b>\$1,059K</b>	<b>\$1,187K</b>	<b>\$1,349K</b>	<b>\$1,066K</b>	<b>\$1,226K</b>	<b>\$1,303K</b>
<b>CoC</b>	<b>6.48%</b>	<b>7.10%</b>	<b>6.17%</b>	<b>7.13%</b>	<b>8.15%</b>	<b>9.13%</b>	<b>10.38%</b>	<b>8.20%</b>	<b>9.43%</b>	<b>10.02%</b>

Total Op CF (10-yr): \$10.69M / Avg Cash-on-Cash: 8.22% / Yr 5 Refi Cash-Out: \$7.74M

## MODELED LAND-SALE EXIT

Land Sale (197,762 SF × \$300/SF)	\$59,328,600
Less: Loan Payoff	(\$25,374,931)
Less: Disposition Costs (2.0%)	(\$1,186,572)
Net Sale Proceeds	\$32,767,097
<b>LP Total Distributions (incl ops)</b>	<b>\$43,508,153</b>

# Rent Roll

21 tenants / 95.2% occupied / WALT 5.77 yrs / \$1.98M Yr 1 in-place rent

SUITE	TENANT	SF	% GLA	LEASE END	PSF	ANNUAL RENT	NOTES / OPTIONS
100	Distinct Dental	2,500	5.2%	7/31/33	\$32.50	\$81,250	Steps to \$35 PSF by 2031
110	The UPS Store	1,235	2.6%	11/30/31	\$38.00	\$46,930	Steps to \$41.80 PSF (12/26)
115	Clara Rose Boutique	1,690	4.3%	7/31/30	\$40.00	\$67,600	2% annual · One 5-yr opt @ \$44.17
120	Alloy Personal Training	1,575	3.3%	10/31/34	\$45.00	\$70,875	Two 5-yr opts @ \$54.45, \$59.90
130	The Ozone Bar	1,690	4.3%	10/31/29	\$41.82	\$70,676	2% annual · One 5-yr opt @ \$45.27
135	Piola	2,670	5.5%	11/30/27	\$33.00	\$88,110	Two 5-yr opts @ \$36.30, \$39.93
150	Heights Wellness Retreat	3,707	7.7%	2/28/33	\$31.00	\$114,917	One 5-yr opt @ \$36.50
160	European Wax Center	1,421	2.9%	5/31/26	\$32.67	\$46,424	Expiring · 2026 mark-to-market
170	Isle Pedi Spa	2,695	5.6%	4/30/33	\$34.03	\$91,711	Two 5-yr opts @ \$41.17, \$45.29
200	Salon Lofts	6,094	13.1%	10/31/32	\$23.00	\$140,162	Three 5-yr opts to \$32.21
220	Bonck Group	1,275	2.6%	6/30/29	\$27.00	\$34,425	Two 5-yr opts @ \$29.70, \$32.67
225	Amazing Lash Studio	2,250	4.7%	11/30/26	\$29.10	\$65,475	Expiring · 2026 mark-to-market
230	Amerejuve Medspa	1,839	3.8%	7/31/29	\$21.00	\$38,619	Steps to \$24 PSF by 2028
260	Vacant — Retail	2,307	4.8%	—	—	—	Available for lease
280	School of Rock	2,462	6.1%	5/31/29	\$29.70	\$73,121	One 5-yr opt @ \$32.67
1413A	Brassica Sandwiches & Salads	3,000	6.2%	2/29/36	\$65.00	\$195,000	New lease · steps to \$70.20
1413C	Clean Juice	1,253	2.6%	9/30/27	\$45.00	\$56,385	Two 5-yr opts @ \$50.00, \$55.00
1413D	Jersey Mike's Subs	1,250	2.6%	9/30/31	\$40.10	\$50,125	Two 5-yr opts @ \$48.52, \$53.37
1415	Proposed Church	3,199	6.6%	2/28/31	\$3.75	\$12,000	** Assumed terms (proposed)
1417	Wild Fork Foods	4,084	8.5%	5/31/33	\$61.21	\$249,982	Four 5-yr opts to \$98.59
6532	CVS Pharmacy (Ground Lease)	13,000	—	1/31/33	—	\$385,000	~13K SF on 1.31 ac · escalates to \$491K
	<b>Retail subtotal (leased)</b>	<b>45,889</b>	<b>95.2%</b>		<b>\$34.73</b>	<b>\$1,593,787</b>	<b>19 tenants · excludes vacant + CVS</b>
	<b>TOTAL YR 1 IN-PLACE RENT</b>	<b>61,196</b>	<b>100%</b>			<b>\$1,978,787</b>	<b>Incl. CVS ground lease (\$385K · escalates to \$491K)</b>

# Year 5 Refinance

Cash-out refinance returns 55.3% of invested equity while maintaining healthy debt coverage.

## \$7,736,687

NET CASH-OUT

*Returned to investors in Yr 5 (MTM-lifted NOI)*

## 55.3%

EQUITY RETURNED

*Of original \$14M invested (\$13M basis + \$1M escrow)*

## 1.87x

DSCR (IO PERIOD)

*Yr 6 NOI / IO Pmt*

## 1.60x

DSCR (AMORT)

*Yr 8 NOI / Amort Pmt*

### ORIGINAL LOAN / YEARS 1 - 5

Loan Amount	<b>\$19,500,000</b>
Interest Rate	<b>6.06%</b>
Structure	<b>2-yr IO + 3-yr P&amp;I (30-yr Am)</b>
Debt Service (Yrs 1-2, IO)	<b>\$1,181,700</b>
Debt Service (Yrs 3-5, Amort)	<b>\$1,411,988</b>
Yr 5 Balance	<b>\$18,744,438</b>

### NEW LOAN / YEARS 6 - 10

Appraised Value (5.50% Cap)	<b>\$44,356,993</b>
New Loan (60% LTV)	<b>\$26,614,196</b>
Interest Rate	<b>5.00%</b>
Structure	<b>2-yr IO + 3-yr P&amp;I (30-yr Am)</b>
Debt Service (Yrs 6-7, IO)	<b>\$1,330,710</b>
Debt Service (Yrs 8-10, Amort)	<b>\$1,714,449</b>

# Houston & Memorial Villages

For the investor who has never driven Voss Road — why capital keeps moving into this corridor.

## § 01 • HOUSTON MSA

### 4th-largest U.S. metro.

MSA Population

**7.5M**

U.S. Census 2024 • #5 metro

10-yr Growth

**+20%**

+1.3M residents since 2014

MSA GDP

**\$697B**

BEA 2023 • 23rd-largest globally

Fortune 500 HQs

**25+**

3rd most of any U.S. metro

State Income Tax

**0%**

Texas • constitutional

## § 02 • MEMORIAL VILLAGES

### The Greenwich of Texas.

Median HH Income

**\$250K+**

ACS • Piney Point / Hunters Creek

Median Home Value

**\$2.3M**

HAR MLS 2024 • 77024

Combined Population

**~24,500**

6 incorporated villages

Memorial HS

**Top 2%**

U.S. News • Texas public

Property Crime

**-84%**

vs. U.S. avg • City-Data

## § 03 • SAN FELIPE & VOSS

### Where it all meets.

Avg HH Income (1-mi)

**\$250K+**

ESRI / Claritas 2024

Avg HH Income (3-mi)

**\$180K+**

ESRI / Claritas 2024

Daytime Pop (3-mi)

**250K+**

incl. Uptown / Galleria

Traffic — San Felipe

**35K VPD**

TxDOT count • 2024

Traffic — S. Voss

**28K VPD**

TxDOT count • 2024

#### WHY THIS MATTERS FOR THE DEAL

Adjacent land trades at \$225–\$350/SF; nearby residential dirt has run to \$450+/SF. We are stepping in at \$163/SF — the number 2019 appraisals assigned to this dirt.

# Land Comparables

Subject trades at or below raw land value — acquiring 61,196 SF of improvements for free.

COMPARABLE	LOCATION	ACRES	SALE PRICE	\$/SF	YEAR	NOTES
7500 San Felipe St	NWC Voss & San Felipe	2.87	\$20.4M	\$163*	2019	CapRidge — 168K SF office included
6363 Woodway Dr	Woodway & Bering	4.0	\$22.6M	\$130*	2019	CapRidge — 218K SF office included
Tradition at Woodway	6336 Woodway Dr	2.6	\$20.4M	\$180	2018	Sold to Tradition Senior Living
4702 Westheimer	Adj. River Oaks District	3.4	N/A	\$225–300	2024	Fertitta — vacant land
BLVD Place / Post Oak	Post Oak Blvd	6.3	N/A	\$250–350	2024	Goff / Schnitzer / Doggett JV
River Oaks District	4444 Westheimer	14.0	\$450M	\$738**	2024	Fertitta — improved
Tanglewood Residential	Adjacent area	Varies	Various	\$453 avg	2024	47 residential lot sales
<b>SHOPPES AT SAN FELIPE</b>	<b>1415 S. Voss Rd</b>	<b>4.54</b>	<b>\$31.75M</b>	<b>\$163</b>	<b>2026</b>	<b>Subject — buildings included</b>

\*HCAD appraised (2019), includes buildings. Today's land-only values 20–30% higher. \*\*Includes 300K+ SF retail, 67K office, 279 apts.

## BUYING AT LAND VALUE

In 2019, the office building across the street appraised at \$163/SF with improvements. Our basis matches that — six years later — with \$1.89M NOI and 61,196 SF of buildings effectively free.

# Land Appreciation Thesis

Market data supports a \$300/SF exit — and the deal works even at \$225/SF. Sponsor retains full discretion on timing.

**\$163/SF → \$300/SF = 6.2% CAGR over the underwritten hold**

## MARKET DATA

<b>Houston Heights Land Values</b>	+64% over 10 years (6.4% annual)	<i>HAR / Redfin</i>
<b>Houston Overall Appreciation</b>	5.4% avg annual (2014–2024)	<i>ZHVI / Census</i>
<b>Tanglewood (Adjacent)</b>	\$453/SF avg residential (2024)	<i>HAR MLS</i>
<b>Tanglewood YoY Growth</b>	+7.3% in 2024 alone	<i>HAR MLS</i>
<b>Houston Median \$/SF</b>	+4.7% YoY (metro-wide)	<i>Redfin / Zillow</i>
<b>Fertitta / 4702 Westheimer</b>	\$225–300/SF vacant land (2024)	<i>HCAD / CoStar</i>
<b>BLVD Place / Post Oak JV</b>	\$250–350/SF land basis (2024)	<i>CoStar / Press</i>

## CONSERVATIVE CASE / \$225/SF EXIT

**3.2%**

REQUIRED ANNUAL  
GROWTH

**40% below**

VS. HOUSTON AVG  
(5.4%)

**\$44.5M**

EXIT LAND VALUE

**121%**

LP IRR (NET)

**2.28x**

LP EQUITY MULTIPLE

**~\$128/SF**

BREAKEVEN LAND \$/SF

### 6.2% ANNUAL GROWTH IS BELOW MARKET TREND

Houston's Inner Loop corridors have averaged 5–7% land appreciation annually. At just 3.2% growth (\$225/SF exit), LPs still earn ~12.1% IRR with a 2.28x multiple — well above hurdle.



# Next Buyer Economics — Post-Exit

Developer pro forma at exit validates the land-value thesis. MF development occurs after our sale — sponsor controls exit timing.

## 19.2%

DEVELOPER IRR

## 2.78x

EQUITY MULTIPLE

## \$255.4M

STABILIZED VALUE

## 28.8%

PROFIT MARGIN

### TOTAL DEVELOPMENT COST

Land (+ 1.5% close)	\$60,218,529
CVS Buyout	\$2,202,971
Demo & Site Prep	\$1,328,352
Hard Costs (\$220/SF)	\$91,366,044
Soft Costs (22%)	\$20,100,530
FF&E (\$5K/unit)	\$2,245,000
Dev Fee (4%)	\$4,458,663
Contingency (5%)	\$4,568,302
Financing/Carry	\$11,748,769
<b>Total Dev Cost</b>	<b>\$198,237,159</b>
Cost/Unit	\$441,508

### STABILIZED OPERATIONS

MF Gross Potential Rev	\$19,140,870
Vacancy & Loss (7%)	(\$1,339,861)
Other Income	\$987,800
Retail (NNN)	\$1,183,619
<b>EGI</b>	<b>\$19,972,428</b>
OpEx (36.4%)	(\$7,195,530)
<b>Stabilized NOI</b>	<b>\$12,770,454</b>
Dev Yield	6.4%
Stab Value (5.0% Cap)	\$255,409,077
Value/Unit	\$568,840

# Value-Add Opportunities

Underwritten hold unlocks multiple upside levers beyond base-case projections — sponsor retains full discretion on exit timing.

## PAD SITE DEVELOPMENT

- 4.54-acre site has excess parking and underutilized frontage along San Felipe
- Potential to carve 2–3 outparcel pads for QSR, bank, or medical tenants
- Ground leases at \$35–50/SF generate \$200–400K incremental NOI
- Pad site income is additive to land value at exit

## PHYSICAL IMPROVEMENTS

- Façade refresh, signage upgrades, and monument sign on San Felipe
- LED parking lot lighting and landscape improvements
- Modernize common areas to attract higher-quality tenants
- Budgeted at \$36K/yr CapEx reserve — major projects self-funded

## TENANT UPGRADES & LEASE-UP

- Current rents ~21% below market — mark-to-market adds \$471K NOI
- Re-tenant smaller suites (1,000–2,500 SF) to higher-credit operators
- Target food & beverage, medical, and service tenants for premium rents
- Push occupancy from 95.2% to 98%+ with targeted leasing

## STRATEGIC ACQUISITIONS & EXIT

- Opportunity to purchase hard corner Texaco gas station — expands site for development
- Assemblage creates larger, more valuable MF development parcel
- Pre-entitle for mixed-use to command premium land price at exit
- Competitive tension among developers in Houston's hottest corridor

# LP Cash Flow to 3.11x Equity Multiple

\$14.0M invested / \$43.5M returned — Pre-exit distributions plus modeled land-sale exit.

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	TOTAL
Net Operating Dist.	\$668K	\$748K	\$627K	\$752K	\$884K	\$1,012K	\$1,174K	\$891K	\$1,051K	\$1,128K	\$8,935K
Refi Cash-Out	—	—	—	—	\$7,736K	—	—	—	—	—	\$7,736K
<b>Total LP Pre-Exit</b>	<b>\$668K</b>	<b>\$748K</b>	<b>\$627K</b>	<b>\$752K</b>	<b>\$8,620K</b>	<b>\$1,012K</b>	<b>\$1,174K</b>	<b>\$891K</b>	<b>\$1,051K</b>	<b>\$1,128K</b>	<b>\$16,671K</b>
Cash-on-Cash	5.14%	5.75%	4.82%	5.78%	6.80%	7.78%	9.03%	6.85%	8.08%	8.68%	Avg 12.8%
<b>% Equity Back</b>	<b>4.8%</b>	<b>10.1%</b>	<b>14.6%</b>	<b>20.0%</b>	<b>81.5%</b>	<b>88.8%</b>	<b>97.2%</b>	<b>103.5%</b>	<b>111.0%</b>	<b>119.1%</b>	

## MODELED EXIT — THROUGH LP WATERFALL

Land Sale (197,762 SF × \$300/SF)	\$59,328,600
Less: Loan Payoff	(\$25,374,931)
Less: Disposition Costs (2.0%)	(\$1,186,572)
<b>Net Sale Proceeds</b>	<b>\$32,767,097</b>
Pre-Exit Distributions (model)	\$16,670,858
<b>Total Distributable</b>	<b>\$50,010,191</b>
Tier 1: Return of Capital	\$14,000,000
Tier 2: Pref to 1.25x	\$3,500,000
Tier 3: 80% of Remaining	\$26,008,153
<b>LP Total Distributions</b>	<b>\$43,508,153</b>

### 3.11x

LP EQUITY MULTIPLE

### 15.73%

LP IRR (NET)

### \$43.5M

TOTAL LP DISTRIBUTIONS

### 119.1%

EQUITY RETURNED PRE-EXIT

# Tax-Advantaged Returns

Commercial real estate's tax shield materially enhances after-tax LP economics.

## § 01 • DEPRECIATION SHELTER

### Paper losses offset cash distributions.

#### 39-Year Straight-Line

Non-cash deduction on improvements basis, annually

#### Cost Segregation Study

Carves 15–25% of basis into 5 / 7 / 15-yr lives

#### Bonus Depreciation

First-year write-off on qualifying short-life assets<sup>1</sup>

#### Interest Deduction

Senior debt interest fully deductible (RE election)

#### Combined Effect

Tax losses likely in early years despite positive cash flow

## § 02 • PASS-THROUGH STRUCTURE

### K-1 economics flow directly to LPs.

#### LP / LLC Entity

No entity-level federal income tax

#### Annual Form K-1

Allocable share of income, loss, and depreciation

#### Passive Loss Utilization

Offsets paper losses against other passive income

#### §199A QBI Deduction

Up to 20% on qualified pass-through income<sup>2</sup>

#### No Phantom Income

Distributions generally track cash, not taxable income

## § 03 • TAX-EFFICIENT EXIT

### Land sale at capital-gain rates.

#### LTCG on Appreciation

Land gain at ~23.8% federal (20% + 3.8% NIIT)

#### §1250 Recapture Cap

Depreciation recapture capped at 25% on real property<sup>3</sup>

#### 1031 Exchange Option

Sponsor may structure like-kind exchange to defer

#### Texas — 0% State Tax

vs. CA 13.3% · NY 10.9% · IL 4.95%

#### After-Tax IRR Uplift

Materially improves effective LP yield vs. taxable comp

## CONSULT YOUR TAX ADVISOR

Tax treatment of an LP investment depends on the investor's individual circumstances, entity structure, and changes in law. Projections assume current federal rules; nothing herein constitutes tax advice. <sup>1</sup>Bonus % per current law. <sup>2</sup>§199A subject to income thresholds. <sup>3</sup>Recapture applies only to depreciation taken.

# Sensitivity Analysis — Land Price

LP IRR (net of fees and promote) across a range of exit land prices.

## LP RETURNS BY LAND SALE PRICE (\$/SF)

	\$200	\$225	\$250	\$275	\$300	\$325	\$350	\$375	\$400
<b>LP IRR</b>	10.5%	12.1%	13.4%	14.6%	<b>15.7%</b>	16.7%	17.6%	18.5%	19.3%
<b>LP Multiple</b>	2.00x	2.28x	2.55x	2.83x	<b>3.11x</b>	3.38x	3.66x	3.94x	4.22x
<b>Gross Exit Value</b>	\$39.6M	\$44.5M	\$49.4M	\$54.4M	<b>\$59.3M</b>	\$64.3M	\$69.2M	\$74.2M	\$79.1M

**BASE CASE \$300/SF → 15.7% LP IRR / 3.11x EM** Even at \$250/SF (17% below base), LP IRR holds 13.4% with a 2.55x multiple.

## LAND PRICE SUPPORTED AT 19.2% DEVELOPER IRR / BY MF RENT

MF Rent/SF/Mo	\$4.25	\$4.50	\$4.70	\$4.90	\$5.10	\$5.30
<b>Land \$/SF (19.2% Dev IRR)</b>	\$217	\$243	\$274	<b>\$300</b>	\$328	\$355
<b>LP IRR at That Price</b>	10.8%	12.5%	14.1%	<b>15.7%</b>	16.8%	17.9%
<b>LP Multiple</b>	2.22x	2.53x	2.90x	<b>3.11x</b>	3.54x	3.86x

# Sensitivity Analysis — Hold Period

Project (gross) and LP (net of fees and promote) returns across alternative exit timing and structures.

## RETURNS BY EXIT SCENARIO · PROJECT (GROSS) & LP (NET)

EXIT SCENARIO	BASE 10-YR / \$300/SF	2A · 5-YR · \$246/SF (MF Developer)	2B · 5-YR · 5.5% Cap (REIT)
Project IRR (gross)	18.27%	21.13%	17.90%
Project equity multiple	3.70×	2.45×	2.15×
LP IRR (net)	15.73%	17.72%	14.89%
LP equity multiple	3.11×	2.16×	1.92×

TARGET CASE 5-yr / \$246/SF · MF Developer → 21.13% Project IRR / 2.45x EM (17.72% LP IRR / 2.16x net of promote)

## EXIT MECHANICS — DOLLARS RECOVERED / PER SCENARIO

EXIT MECHANICS	BASE 10-YR / \$300	2A · 5-YR · \$246 (MF Developer)	2B · 5-YR · 5.5% Cap (REIT)
Gross sale price	\$59,328,600	\$48,649,452	\$44,357,000
Net sale proceeds	\$32,767,097	\$28,932,025	\$24,725,422
Implied cap rate	4.75%	4.75%	5.50%

# Sensitivity Analysis — CVS Parcel Strategies

Standalone monetization paths for the 1.48-acre / 64,417 SF CVS parcel — sell or contribute to MF developer.

## CVS PARCEL STRATEGIES · PROJECT (GROSS) & LP (NET)

EXIT SCENARIO	BASE 10-YR / \$300/SF (MF Developer)	SCENARIO 3 — CVS YR7 SALE (MF Developer)	SCENARIO 4 — CONTRIBUTION (Ride-Along Equity)
Project IRR (gross)	18.27%	19.60%	19.71%
Project equity multiple	3.70×	3.37×	4.21×
LP IRR (net)	15.73%	17.15%	17.11%
LP equity multiple	3.11×	2.85×	3.52×

TARGET CASE S3B — CVS Land Contribution → 19.71% Project IRR / 4.21x EM (17.11% LP IRR / 3.52x net of promote)

## EXIT MECHANICS — KEY ASSUMPTIONS / PER SCENARIO

EXIT MECHANICS	BASE 10-YR / \$300/SF	SCENARIO 3 (CVS Sale Yr7 + Y10 Remaining)	SCENARIO 4 (Contribution + Y10 Both)
Gross sale price	\$59,328,600	\$56.1M (\$16.1M Y7 + \$40.0M Y10)	\$56.1M + \$27.3M land equity
Net sale proceeds	\$32,767,097	\$33.3M (\$15.78M Y7 + \$17.52M Y10)	\$60.6M (incl. \$27.3M dev equity)
Land basis (\$/SF)	\$300/SF (full assemblage)	\$250 CVS · \$300 remaining	\$250 CVS · \$300 remaining

# Sensitivity Analysis — Stress Test

LP returns under adverse scenarios with debt coverage analysis.

## DOWNSIDE SCENARIOS

SCENARIO	LAND \$/SF	EXIT VALUE	LP IRR	LP MULTIPLE	IMPACT VS BASE
<b>Base Case</b>	<b>\$300</b>	<b>\$59.3M</b>	<b>15.73%</b>	<b>3.11x</b>	<b>—</b>
Land -17%	\$250	\$49.4M	13.4%	2.55x	-2.3pp IRR
Land -33%	\$200	\$39.6M	10.5%	2.00x	-5.3pp IRR
5-Yr Hold (Sell Yr 5)	\$275	\$54.4M	21.0%	2.47x	+5.2pp IRR
NOI -10% (all years)	\$300	\$59.3M	13.9%	2.99x	-1.8pp IRR
Refi Rate 6.5%	\$300	\$59.3M	14.9%	2.98x	-0.8pp IRR
No Refinance	\$300	\$59.3M	13.8%	3.16x	-1.9pp IRR

## DEBT SERVICE COVERAGE RATIO BY YEAR

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
NOI	\$1,982K	\$2,071K	\$2,181K	\$2,305K	\$2,440K	\$2,485K	\$2,648K	\$2,750K	\$2,917K	\$2,994K
Debt Svc	\$1,182K	\$1,182K	\$1,412K	\$1,412K	\$1,412K	\$1,331K	\$1,331K	\$1,714K	\$1,714K	\$1,714K
<b>DSCR</b>	<b>1.68x</b>	<b>1.75x</b>	<b>1.54x</b>	<b>1.63x</b>	<b>1.73x</b>	<b>1.87x</b>	<b>1.99x</b>	<b>1.60x</b>	<b>1.70x</b>	<b>1.75x</b>

Min DSCR: 1.54x (Yr 3) / All years exceed 1.25x SouthState covenant

# Risk Factors & Mitigants

## RISK FACTOR

## MITIGANT

### Tenant Turnover

Diverse 21-tenant roster with 95.2% occupancy and 5.77-year WALT. No single tenant (ex-CVS) exceeds 13% of revenue.

### Below-Market Rent

Current rents ~21% below market — creates natural upside buffer. Mark-to-market adds \$471K to NOI without any new tenants.

### Land Value Compression

Even at \$225/SF (3.2% annual growth, well below Houston's 5–7% average), LP IRR is still 12.1% with a 2.28× multiple.

### Interest Rate / Refi Risk

Conservative 60% LTV with DSCR  $\geq$  1.54x (Yr 3 trough). No-refi scenario still yields 13.8% LP IRR.

### Property Tax Reassessment

HCAD reassessment risk offset by triple-net recovery structure — taxes are passed through to tenants under existing leases.

### Insurance / Storm Exposure

Houston Gulf Coast location mitigated by concrete tilt-wall construction, flood zone X (minimal risk), and NNN expense recovery.

### Zoning / Deed Restrictions

Confirmed NO deed restrictions. Standalone commercial plat. Houston Ch. 42 — no height limits on this parcel.

# JAL-JCP Real Estate Partners

Institutional discipline. Operator-driven execution.

## — THE PARTNERSHIP

JAL-JCP is a partnership between Justin A. Levine and James C. Pappas focused on acquiring retail real estate with durable cash flow and long-term value creation. Combined experience spans private real estate, public markets, and institutional capital formation.

Strategy centers on unanchored strip centers — acquired below replacement cost, underwritten to in-place cash flow, and held with conservative leverage for downside protection.

## COMBINED EXPERIENCE

**43+ yrs**

combined experience

**\$900M+**

invested & managed

**3.9M SF**

across 26 assets

**\$2.5B+**

institutional equity raised

## — HOW WE OPERATE

**01**

### Partnership & Leadership

- Longstanding collaboration across CRE
- Complementary backgrounds: private RE, public markets, capital formation
- Institutional discipline · operator-driven execution

**02**

### Strategy & Market Focus

- Private real estate with long-term value creation
- Primary emphasis on unanchored strip centers
- "Cash-flow day one" — acquire below replacement cost

**03**

### Investor Alignment

- Flexible: deal-by-deal, SMA, or programmatic venture
- Modest leverage — capped at ~60% LTV
- Operate assets directly — no double-promote structures

# Justin A. Levine

JAL-JCP Real Estate Partners · jlevine@jalstrategies.com

**20+ yrs**

COMMERCIAL REAL ESTATE

**\$600M**

INVESTED/MANAGED AT LEVCOR

**3.9M SF**

ACROSS 26 ASSETS (TX & NC)

**\$2.5B**

EQUITY RAISED AT BLACKSTONE

Former President of Levcor, Inc., a full-service national CRE firm that has developed, owned, or managed 25M sf of real estate. At Levcor (2014–2025) served as President, SVP/CIO, and VP.

Helped invest and/or manage \$600M across 26 assets and 3.9M sf in Texas and North Carolina — delivering a 4.13× realized equity multiple and 16.1% realized IRR across six exited assets, with an additional twenty active assets carrying an estimated 3.36× total equity multiple as of underwriting.

Previously at The Blackstone Group (2006–2011) in New York, where he helped raise ~\$2.5B of institutional equity for global real estate platforms across 15 private-equity advisory assignments. Active member of the Urban Land Institute.

## EDUCATION & AFFILIATIONS

- M.B.A., The Wharton School of Business
- B.S. Economics & Communication Studies, Northwestern University
- Urban Land Institute (ULI) — Member; former Houston District Council Chair (2022–24)
- ICSC member · Licensed Texas real estate salesperson

## — TRACK RECORD AT LEVCOR, INC.

### REALIZED · 6 EXITED ASSETS

**4.13×**

realized equity multiple  
16.1% realized IRR

Northwest Mall · UTMB  
Village @ West Oaks · Sherman

### UNREALIZED · 20 ACTIVE ASSETS

**3.36×**

est. total equity multiple  
\$600M invested & managed

3.9M SF  
TX & NC portfolio

# James C. Pappas

JAL-JCP Real Estate Partners · jcp@jcpinv.com

**17+ yrs**

PUBLIC RE & CREDIT

**\$250M+**

DISCRETIONARY CAPITAL AT JCP

**\$50M+**

CO-INVEST RAISED

**10+**

PUBLIC-COMPANY BOARDS SERVED

Founded JCP Investment Management in June 2009 — a value-based, SEC-registered investment firm operating across equity, credit, and distressed securities, primarily in North America.

Currently serves on the board of Tandy Leather Factory (NASDAQ: TLF). Prior board seats: Jamba Inc., U.S. Geothermal, The Pantry, and Chairman of Morgan's Foods — several taken private or sold at a premium.

Previously with The Goldman Sachs Group (Investment Banking / Leveraged Finance) and Banc of America Securities (Consumer & Retail Investment Banking).

## EDUCATION & AFFILIATIONS

- M.S. Finance, Texas A&M University
- B.B.A., Texas A&M University
- Houston Methodist Gastrology Board
- Endowment Board — Houston Greek Orthodox Church

JCP Investment Management is not the sponsor, manager, or investment adviser of this offering.

## — TRACK RECORD AT JCP INVESTMENT MANAGEMENT

### JCP INVESTMENT MANAGEMENT · SINCE 2009

**\$250M+**

discretionary capital deployed  
\$50M+ co-invest raised

17+ yrs  
public RE & credit

### PUBLIC-COMPANY GOVERNANCE

**10+**

public-company boards  
Current: NASDAQ: TLF

Chairman  
Morgan's · Jamba · Pantry

# Investment Thesis

0 1

## ACQUIRE

YEAR 0

- \$31.75M / \$163/SF land basis
- \$14.0M LP equity (\$13M basis + \$1M escrow) / 42% LTV
- 5.94% going-in cap
- Below replacement cost

0 2

## OPERATE

HOLD PERIOD

- \$1.89M Year 1 NOI
- Yr 5 refi / 55.3% equity returned (MTM-lifted)
- 8.2% avg levered cash-on-cash
- \$10.68M modeled operating CF (10-yr)

0 3

## EXIT

AT DISCRETION

- Land sale at \$300/SF (model)
- \$59.3M gross / \$32.8M net
- 18.27% project IRR
- 15.7% LP IRR / 3.11x multiple

### THE THESIS

Off-market acquisition of income-producing real estate at raw land value in Houston's best corridor. Modeled land-sale exit at \$300/SF delivers 15.7% LP IRR / 2.98x EM. Underwriting reflects SouthState \$19.5MM @ 6.06% + \$14MM equity inclusive of \$1MM sponsor TI/LC self-escrow. Sponsor retains full discretion on exit timing and form.

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JAL-JCP REAL ESTATE PARTNERS

# THE SHOPPES AT SAN FELIPE

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OFF-MARKET INVESTMENT OFFERING / \$31,750,000

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