

801-819 NE 2nd AVENUE FORT LAUDERDALE, FLORIDA

Business Plan

November 2020

Exhibit 6



BH3

Confidential and Proprietary

This is not an offering but rather an illustration of a potential investment transaction for further discussion. Projections are based on information gathered as available for fee simple asset investing. Performance factors are tied to market and property condition risks inherent in such investments. Prospective investors should carefully review and consider the underlying property, market risk factors, the factors set forth as well as the other information contained herein before investing. Fee simple investments involve a high degree of risk and, therefore should not be participated in by anyone who cannot afford the loss of the entire investment. All prospective investors should in their discretion seek the advice of counsel and third party professionals, and independently assess their own investment decisions together with their independent advisors.

DEAL HISTORY

- BH3 DJ Flagler acquired the property in November 2017 as an abandoned warehouse with the intent of facilitating the current adaptive re-use plan presently being implemented and nearing completion for Summer '20 to mixed uses including office, retail and food & beverage. At the time of acquisition, the Opportunity Zone legislation and locations had not yet been implemented
- Full gut rehabilitation including all new roof, mechanicals, plumbing, electrical, facade and structural retrofits
- Site is comprised of 4 parcels from 801, 807, 815 and 819 NE 2nd Ave. Collectively the site is about 0.85 acres (roughly 37k SF) and the structure is approximately 24,120 SF
- Site is zoned under the RAC zoning which allows for up to 12 stories in height with a wide variety of allowable uses including residential and commercial
- Since acquisition, the following has occurred:
 - The Opportunity Zone legislation and designations were enacted identifying this property within an Opportunity Zone
 - Obtained a change of use under the zoning code changing entitlements to the more accretive use types presently being implemented;
 - Secured lease with Florida East Coast Railroad to gain control of the entire allowable length of Progresso Drive for parking which is 855 feet long, enabling us to be singular in the neighborhood as having adequate parking for the desired tenant use types, which in turn enables us to not only attract such tenants, but also to garner better rents than other neighboring properties.; and
 - Value proposition for tenants due to the City of Fort Lauderdale being historically slow in issuing building permits whereby we are delivering finished white box spaces for with finished bathrooms, painted walls, and electrical and HVAC to the bays allowing tenants a quick path to opening their businesses with limited improvements necessary, thus also creating a shorter path to cash flows for ownership.





DEAL HIGHLIGHTS

- Acquisition of qualified opportunity zone project at or near completion under the “Original Use” qualification
- 50% pre-leased as of the date of this memo with ongoing discussions with additional prospective tenants; including 3 new leases signed during COVID-19
- Attainable and affordable rents in exciting neighborhood have only upward growth potential (e.g. average rents at \$25/ft NNN for brand new space doesn’t exist anywhere else in Ft. Lauderdale)
- Immediate closing and deployment of capital/income distributions commencing early 2021
- First Opportunity Zone deal to market in Flagler Village/Progresso neighborhood of Ft. Lauderdale
- One-story structure with liberal zoning allowing up to 12 stories of future development in burgeoning neighborhood with no additional value underwritten towards future development rights that may likely garner additional future upside
- Tax Benefits Include:
 - Tax-free cash flow distributions as a result of cost-segregated depreciation
 - Tax-free appreciation on all profits derived from sale at exit
 - No depreciation recapture on prior income distributions
- Project targeting affordable retail tenants with optimal downside protection and upside optionality in a continually maturing and improving neighborhood

PROFORMA YEARS 1-10

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<u>Income</u>										
Gross Rent	265,059	643,343	667,152	684,510	702,713	721,416	740,635	760,383	780,676	801,529
Vacancy	(13,253)	(32,167)	(33,358)	(34,225)	(35,136)	(36,071)	(37,032)	(38,019)	(39,034)	(40,076)
Effective Rent	251,806	611,175	633,794	650,284	667,577	685,345	703,603	722,364	741,643	761,453
Other Income	6,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
CAM Collection	88,672	70,253	182,280	185,142	188,060	191,037	194,074	197,171	200,330	203,552
Net Effective Rent	352,377	693,429	828,075	847,426	867,637	888,383	909,677	931,535	953,972	977,005
<u>Expenses</u>										
Real Estate Taxes	37,096	41,277	45,405	46,313	47,239	48,184	49,148	50,131	51,134	52,156
Insurance	32,083	35,000	35,000	35,700	36,414	37,142	37,885	38,643	39,416	40,204
General & Administrative	10,797	11,778	11,778	12,014	12,254	12,499	12,749	13,004	13,264	13,529
Repairs & Maintenance	16,195	17,667	17,667	18,020	18,381	18,748	19,123	19,506	19,896	20,294
Payroll	10,797	11,778	11,778	12,014	12,254	12,499	12,749	13,004	13,264	13,529
Utilities - CAM	10,797	11,778	11,778	12,014	12,254	12,499	12,749	13,004	13,264	13,529
Landscaping/Grounds	5,398	5,889	5,889	6,007	6,127	6,249	6,374	6,502	6,632	6,765
Trash Removal	2,159	2,356	2,356	2,403	2,451	2,500	2,550	2,601	2,653	2,706
Fire Safety Alarm	1,296	1,413	1,413	1,442	1,470	1,500	1,530	1,560	1,592	1,624
Management Fee	35,948	39,216	39,216	39,216	39,216	39,216	39,216	39,216	39,216	39,216
Total Operating Expense	162,565	178,153	182,280	185,142	188,060	191,037	194,074	197,171	200,330	203,552
Net Operating Income	189,812	515,276	645,794	662,284	679,577	697,345	715,603	734,364	753,643	773,453



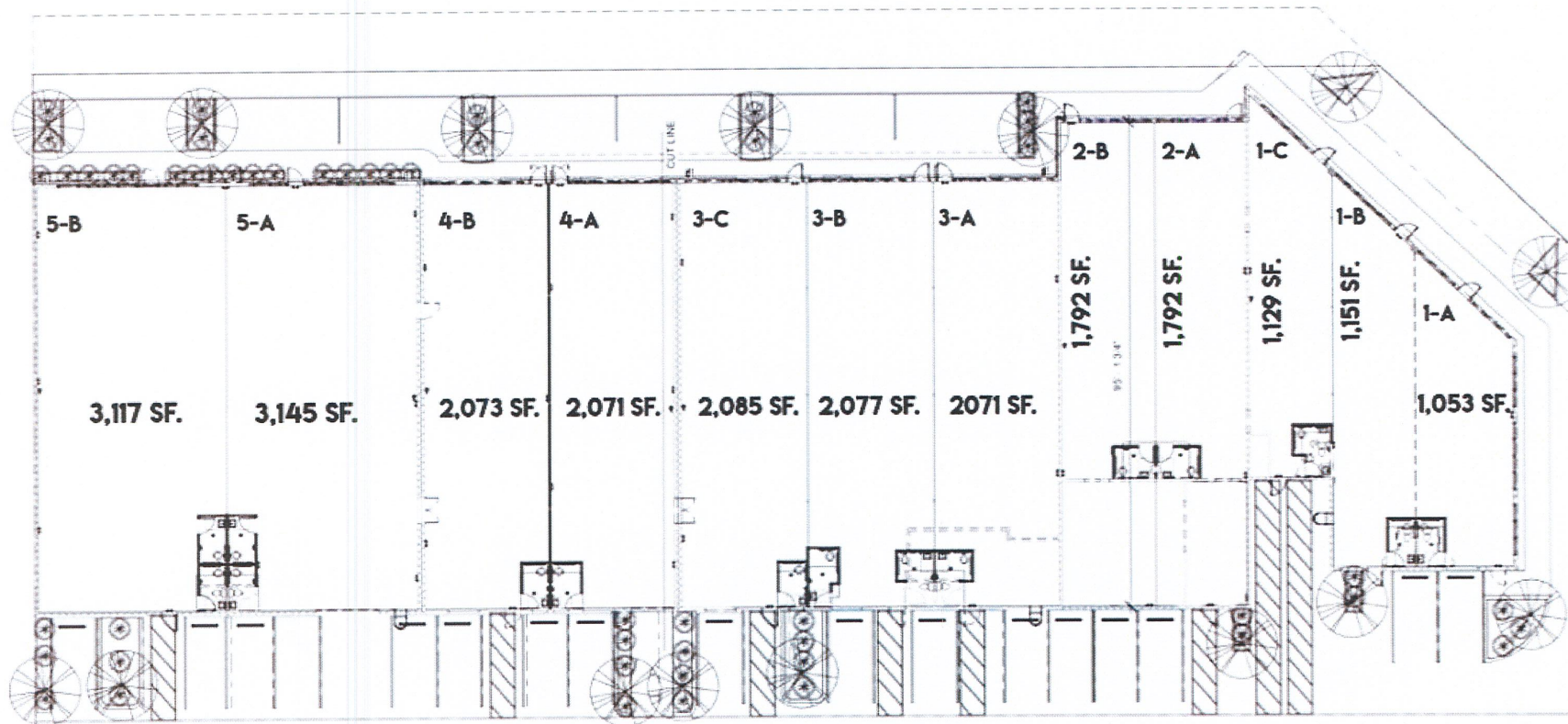
REMAINING COSTS TO COMPLETE PROJECT

BH3 Management projects that the following costs will be required to complete the project:

Funds to Complete Project	Cost	\$/FT
Remaining Hard Costs	1,800,397	76.43
Soft Costs	216,048	9.17
Developer Fee	90,020	3.82
Leasing Commissions	79,550	3.38
Tenant Improvements	235,560	10.00
Tax Reserve	41,526	1.76
Acquisition Fee	75,825	3.22
Contingency	246,310	10.46
Total Funds to Complete	2,785,235	118.24



SITE PLAN



1 PROPOSED PLAN- SOUTH
1/16" = 1'-0"

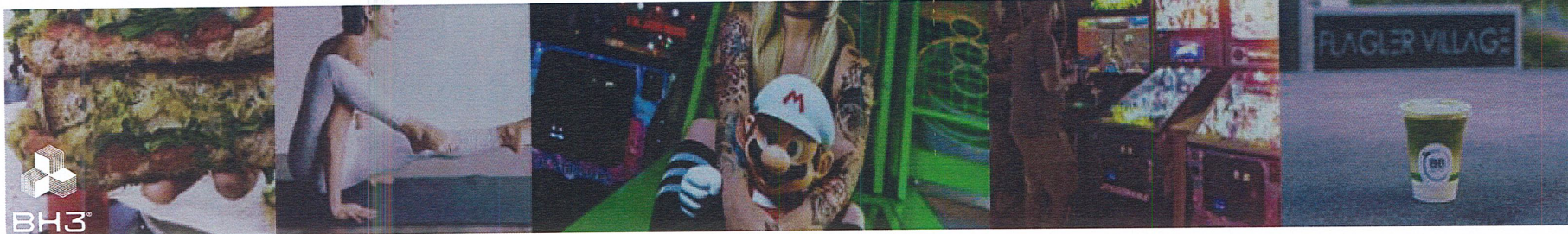
NEIGHBORHOOD DEMOGRAPHICS

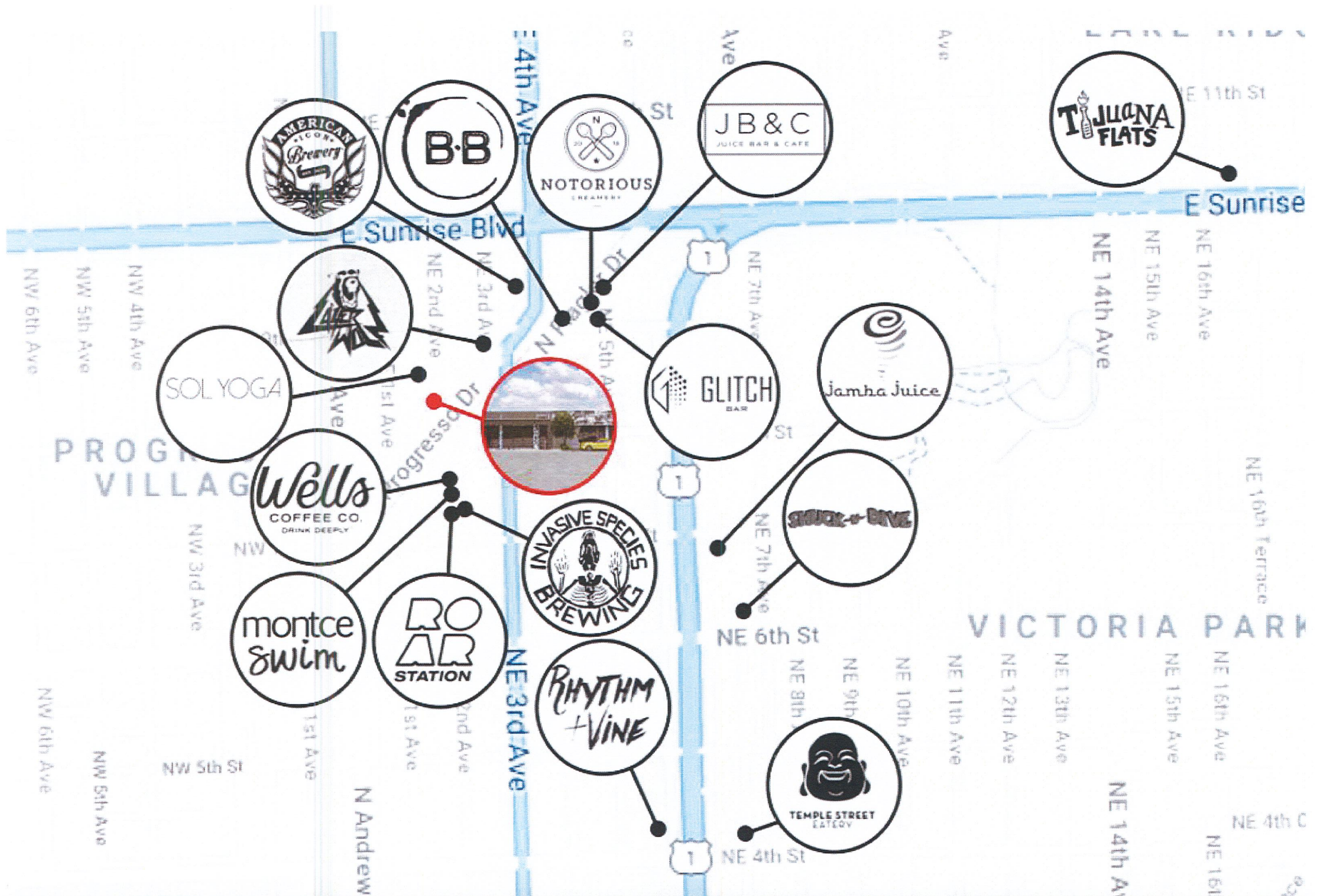
POPULATION OVERVIEW

26,739	45.8%
Estimated Population (2018)	have Bachelor degree or higher
30%	54%
are between ages of 20-34	spend less than 30 minutes commuting
70.6%	\$92,489
sought post-high school education	Estimated Average Household Income
63%	76%
of households have either no vehicle or 1 vehicle	are single
12,630	30%
Estimated Households (2018)	make more than \$100,00 year
2	69%
Average Household Size	are considered White Collar Workers

ECONOMIC OVERVIEW

4,351	\$393 MILLION
Total Businesses	Total Retail Expenditure
54,156	\$166.7 MILLION
Total Employees	Entertainment, Food & Beverage Expenditure
61,577	\$1,100
Daytime population	Average Monthly Entertainment, Food & Beverage Expenditure per Household
2.2%	14.4%
Unemployment Rate	of Household expenditures spent on Food & Beverage
\$1,264	
Renter-Occupied Median Rent	
\$834 MILLION	
Total Household Expenditure	





SPONSORSHIP

A SPECIALIZED REAL ESTATE FIRM WITH A FOCUS ON THREE DISCIPLINES:

- 1 SELECTIVE DEVELOPMENT,
- 2 COMMERCIAL REAL ESTATE DEBT AND
- 3 OPPORTUNISTIC INVESTING

SINCE INCEPTION IN 2009, BH3 MANAGEMENT (“BH3”) HAS ACQUIRED, RESTRUCTURED OR DEVELOPED, DOZENS OF MULTIFAMILY, CONDOMINIUM, AND MIXED-USE PROPERTIES IN SOUTH FLORIDA AND NEW YORK CITY THROUGH THESE INVESTMENT STRATEGIES. TO DATE, BH3 HAS ACQUIRED, DEVELOPED OR RESTRUCTURED MORE THAN 3 MILLION SQUARE FEET OF REAL ESTATE EQUATING TO MORE THAN \$1.2 BILLION IN TRANSACTION VALUE.

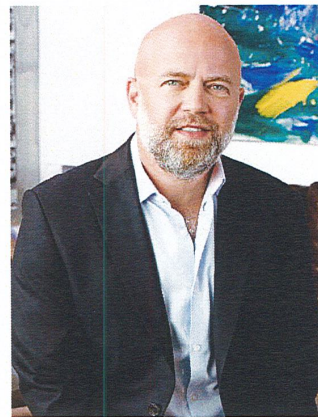
BH3 LEADERSHIP



GREGORY FREEDMAN
CO-FOUNDER

With an expertise in financial analysis, credit and underwriting, Mr. Freedman oversees investments, financial analysis and capital markets across all BH3 transactions. Gregory also serves as Co-Portfolio Manager of the BH3 Debt Opportunity Fund I, L.P. where he is jointly responsible for all major investment decisions, including sourcing/screening, analysis and execution.

Prior to cofounding BH3, Mr. Freedman was a principal in a private lending company based in South Florida that financed bridge loans on commercial and residential real estate, and oversaw capital markets relationships, loan/special servicing and workouts. Mr. Freedman holds a bachelor's degree from Florida Atlantic University.



DANIEL LEBENSOHN
CO-FOUNDER

With an expertise in complex distressed and workout scenarios, Mr. Lebensohn oversees legal, structuring and deal sourcing of BH3's acquisitions. Daniel also serves as Co-Portfolio Manager of the BH3 Debt Opportunity Fund I, L.P. where he is jointly responsible for all major investment decisions including legal strategy and asset dispositions.

Prior to cofounding BH3, Mr. Lebensohn served as an inhouse counsel to a Manhattan owner, operator and developer for several years and has more than 20 years of operational and investment experience, including acquisitions and management of multifamily projects in NYC through his first company Windward Real Estate. Mr. Lebensohn holds a juris doctorate from New York Law School and practiced law in New York City for more than 12 years.

