



APPLETON INDUSTRIAL INVESTMENT

On April 30th, 2019, F Street Development and its investment group (F Street Development 1919, LLC) closed on 152,000 square feet of industrial manufacturing space in Appleton, Wisconsin. F Street Development syndicated this investment with multiple investors, which completed the \$1.5 million equity raise required for the acquisition.

BUSINESS PLAN

F Street Development's goal is to create shareholder value on each investment. We do this by developing an investment thesis, identifying the opportunity, generating a business plan, and executing to achieve the results.

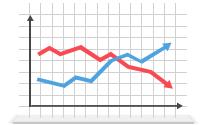
We acquired the property under market due to several indicators that we use to evaluate:

NO VACANCY

2% OF THE MARKET



STRONG INDUSTRIAL CORRIDOR IN FOX VALLEY



UNDER MARKET RENTS OF 10-20%

EXECUTION

Upon acquisition, we immediately (alongside our trusted brokers) commenced negotiations with tenants we knew were interested in leasing space in the Fox Valley region. After a few weeks and engaging in discussions with multiple companies, we had two options to lease the entire space. One is to a local company and the other was to lease to the current tenant, Reynolds Presto.

In our negotiations, we leveraged competition in order to extract as much term and dollars per square foot of rent to strike a deal for a 10-year lease with Reynolds Presto, at rates that were 10%+ above in-place rents.

THE RESULT

The property was purchased at \$4.5M. After signing the new 10-year lease, F Street Development increased the value of the property to approximately \$6.7M (\$2.2M increase in value!). Upon lease execution and successful re-financing with the original lender, on August 15th, we successfully returned 100% of investor's capital in addition to the 7% preferred return that accrued from April 30th (date of closing) to August 15th (the date of payoff).

When underwriting the financials of the investment, developing the investment thesis and conducting due diligence on the property, the Appleton and Fox Valley industrial corridor, F Street Development's projected payback period of investor capital was approximately 4 years. However, due to F Street Development's strategy, execution, and negotiation skills with the hard work of its team and brokers, the actual payback period was approximately 3.5 months.

