

Pro Forma Year 1 Assumptions

Operating Income

Scheduled Market Rent: This income category is calculated by annualizing the monthly rent of \$307,751, which is derived from the March 31, 2025 rent roll, which includes the 44 AMB units which have been adjusted to \$1.26 rent per square foot (market and in-place).

Gain / Loss to Lease: This income category is assumed to be 10.03% of Scheduled Market Rent, which matches the current LTL on the March 31, 2025 rent roll.

Vacancy: This income category is assumed to be 4.05% of Scheduled Market Rent, which is equivalent to 5.00% Vacancy of the remaining 106 apartment units post 44 unit AMB conversion. This reflects the 93.40% leased in the March 31, 2025 rent roll assuming all 'Vacant-Rented' units convert to executed leases and not including the 44 AMB units.

Concessions: Concessions are assumed to be 0.66% in Year 1, which matches the current concessions from the T-12.

Collection Loss / Bad Debt: This income category is assumed to be 0.19% of Scheduled Market Rent, which matches the current Collection Loss from the T-12.

Garage / Parking This income category assumes that a new owner can charge for Covered and Uncovered Parking. The Amenity Income table is below.

Year 1

Amenity Description	Number	Monthly Rent	Total Monthly Rent	Annual Income
Apartment Residents (Roof)	23	\$85.00	\$1,955	\$23,460
Spot 149	1	\$85.00	\$85	\$1,020
Apartment Residents (EV)	9	\$150.00	\$1,350	\$16,200
Apartment Residents (Valet)	2	\$300.00	\$600	\$7,200
1900 EMP +J+D	5	\$100.00	\$500	\$6,000
Apartment Residents (Floors 2-6)	66	\$105.00	\$6,930	\$83,160
Hotel ¹	67	\$245.94	\$16,478	\$197,738
Total/Average ²	173		\$27,556	\$330,667

- 1. 3.00% annual rent bumps
- 2. 3.00% vacancy applied to residential

Year 2

Amenity Description	Number	Monthly Rent	Total Monthly Rent	Annual Income
Apartment Residents (Roof)	23	\$93.50	\$2,151	\$25,806
Spot 149	1	\$93.50	\$94	\$1,122
Apartment Residents (EV)	9	\$165.00	\$1,485	\$17,820
Apartment Residents (Valet)	2	\$330.00	\$660	\$7,920
1900 EMP +J+D	5	\$110.00	\$550	\$6,600
Apartment Residents (Floors 2-6)	66	\$115.50	\$7,623	\$91,476
Hotel ¹	67	\$253.32	\$16,973	\$203,670
Total/Average ²	173		\$29,158	\$349,892

- 1. 3.00% annual rent bumps
- 2. 3.00% vacancy applied to residential

Expense Reimbursements: This income category assumes that water/sewer, electricity, fuel and trash costs are billed back to the residents at an average monthly rate of \$76.45 per unit. This is derived using the T-12 Income (Feb. 24 - Jan. 25), with a 3.00% increase, less 30% for the removal of the 44 AMB units. The Expense Reimbursements breakdown is below:

Utility	Monthly	Annually	Per Unit
Electricity	\$5,023	\$60,278	\$402
Water/Sewer	\$2,928	\$35,141	\$234
Natural Gas	\$118	\$1,411	\$9
Trash Removal and Other Utilities	\$3,399	\$40,784	\$272
Total Utilities	\$11,468	\$137,612	\$917

Other Residential Income (106 Units):

This income category is derived from fees, forfeited deposits, vending, laundry, and other miscellaneous income and is assumed to be \$48.25 per unit monthly. This is derived using the T-12 Income (Feb. 24 - Jan. 25), with a 3.00% increase, less 30% for the removal of 44 AMB units.

AMB (44 Units) Exp. Reimb.:

This income category is derived from the 44 AMB units reimbursing for insurance, real estate taxes and the Texas franchise tax. The calculation derivation is below:

Expense	Year 1 PF	*30% (44 AMB)
Insurance	\$142,993	\$42,931
Real Estate Taxes	\$856,410	\$256,923
Texas Franchise Tax	\$13,961	\$4,188
Total	\$1,013,364	\$304,042

Commercial Income:

This income category assumes that a new owner can charge for 1st floor retail, hotel meeting space and garage billboard. The Commercial Income breakdown is below.

Income Description	Monthly Rent	Total Annual Rent	Notes
1st Floor Retail	\$5,513	\$66,150	5.00% annual bumps per lease
Hotel Meeting Space	\$5,464	\$65,564	3.00% bumps each Feb.
Garage Billboard	\$8,000	\$96,000	No increases
Total/Average	\$18,976	\$227,714	

Operating Expenses

Salaries & Payroll:

This expense category is estimated to be \$283,050 annually or \$2,670 per unit, which is an amount that is typical for properties of this size, age, and condition. Figures are derived using T-12 expense (Feb. 24 - Jan. 25). Below are the staffing and payroll assumptions:

Position	Number	Employment	Annual Salary	Total by Position
Business Manager	1.00	Full Time	\$90,000	\$90,000
Leasing Consultant	1.00	Full Time	\$78,000	\$78,000
Maintenance Supervisor ¹	1.00	Full Time	\$51,716	\$51,716
Housekeeper ¹	1.00	Full Time	\$28,149	\$28,149
Total Salaries	4.00			\$247,866
Leasing & General Bonuses (106 units at \$120 per unit)				\$12,750
Payroll Taxes and Benefits (8.61% of Total Salaries)				\$22,433
Total Payroll				\$283,050

1. Multiplied by 70% for reduction of 44 AMB units

Marketing & Promotion:	This expense category is estimated to be \$24,150 annually or \$161 per unit, which is an amount that is typical for properties of this size, age, and condition. This figure is derived using the T-12 expense (Feb. 24 - Jan. 25) multiplied by 70% to account for a reduction in 44 AMB units. This category includes media advertising, locator fees, resident relations, and entertainment.
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General & Administrative:	This expense category is estimated to be \$67,500 annually or \$450 per unit, which is an amount that is typical for properties of this size, age, and condition. This category includes office supplies, computer expenses, office equipment, telephone and facsimile expenses, travel, permits and inspections, uniform expenses, and all other leasing office expenses.
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Utilities:	This expense category is estimated to be \$160,950 annually or \$1,073 per unit, which is consistent with budgeted operations. This figure is derived using the T-12 expense (Feb. 24 - Jan. 25) multiplied by 70% to account for a reduction in 44 AMB units. Below is a detailed breakdown of the projected utilities.
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Utility	Monthly	Annually	Per Unit
Electricity	\$5,875	\$70,500	\$470
Water/Sewer	\$3,425	\$41,100	\$274
Natural Gas	\$138	\$1,650	\$11
Trash Removal and Other Utilities	\$3,975	\$47,700	\$318
Total Utilities	\$13,413	\$160,950	\$1,073

Repair & Maintenance:	This expense category is estimated to be \$70,050 annually or \$467 per unit, which is an amount that is typical for properties of this size, age, and condition. This figure is derived using the T-12 expense (Feb. 24 - Jan. 25) multiplied by 70% to account for a reduction in 44 AMB units. This category includes all maintenance and repair expenses for the property.
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Contract Services:	This expense category is estimated to be \$44,400 annually or \$296 per unit, which is an amount that is typical for properties of this size, age, and condition. This figure is derived using the T-12 expense (Feb. 24 - Jan. 25) multiplied by 70% to account for a reduction in 44 AMB units. This category includes all third party service contracts such as landscape maintenance, pool service and security.
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Turnover Expense:	This expense category is estimated to be \$9,450 annually or \$63 per unit, which is an amount that is consistent with historical and budgeted operations. This figure is derived using the T-12 expense (Feb. 24 - Jan. 25) multiplied by 70% to account for a reduction in 44 AMB units. This category includes all of the apartment preparation expenses.
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Management Fee:	This expense category is estimated to be \$116,413 annually or \$776 per unit, which equates to 2.75% of Effective Gross Income. This is an amount that is typical for properties of this size, age,
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and condition.

Property Taxes:

Pro Forma taxes are based on the 2024 assessed value of \$38,317,610 and multiplied by the current millage rate of 2.23503%.

There are three DCAD accounts associated with 1900 Pacific¹

Jurisdiction	Tax Value	Tax Rate ¹	Estimated Taxes
City of Dallas	\$38,317,610	0.704700	\$270,024
Dallas ISD	\$38,317,610	0.997235	\$382,117
Dallas County	\$38,317,610	0.215500	\$82,574
Dallas College	\$38,317,610	0.105595	\$40,461
Parkland College	\$38,317,610	0.212000	\$81,233
Franchise Tax	N/A	N/A	\$14,012
Total ²		2.235030	\$870,422

1. 00C7714000RES0000, 00C77140REST95000, 00C7714000HOTL200

2. Tax Rate is based on the property's 2024 total tax rate

3. Total Taxes in Proforma include Franchise Tax

Insurance:

This expense category is estimated to be \$142,993 annually or \$953 per unit, which is an amount that is consistent with historical and budgeted operations. This category includes all property and casualty insurance expenses.

Replacement Reserves:

This expense category is estimated to be \$37,500 annually or \$250 per unit. This category includes all major capital improvements.