SQUARE DEAL
INVESTMENTS

KANSAS CITY PORTFOLIO

SKYLINE COLLECTION

JULY 2023 UPDATE

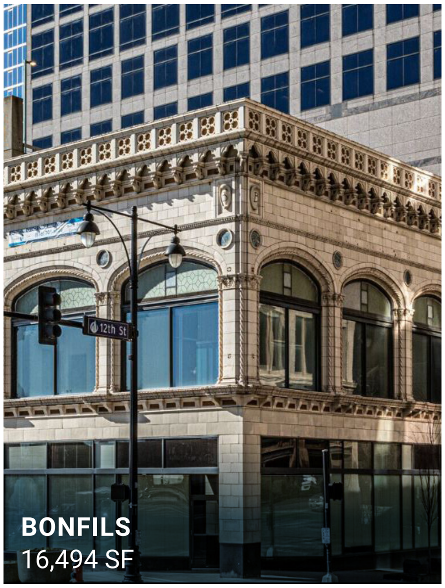
1111 Main • 1201 Walnut
Harzfeld's • Bonfils
1201 Walnut Garage
1034 Main Garage
Block 112 Surface Parking

PORTFOLIO OVERVIEW

1111 MAIN
FORMERLY TOWN PAVILION
792,158 SF

1201 WALNUT (1201)
481,815 SF

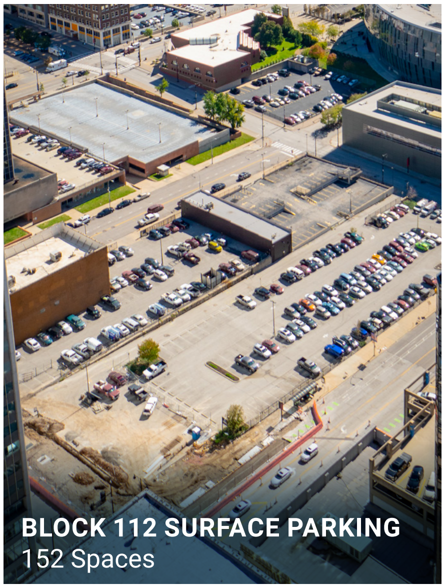
HARZFELD'S
34,520 SF



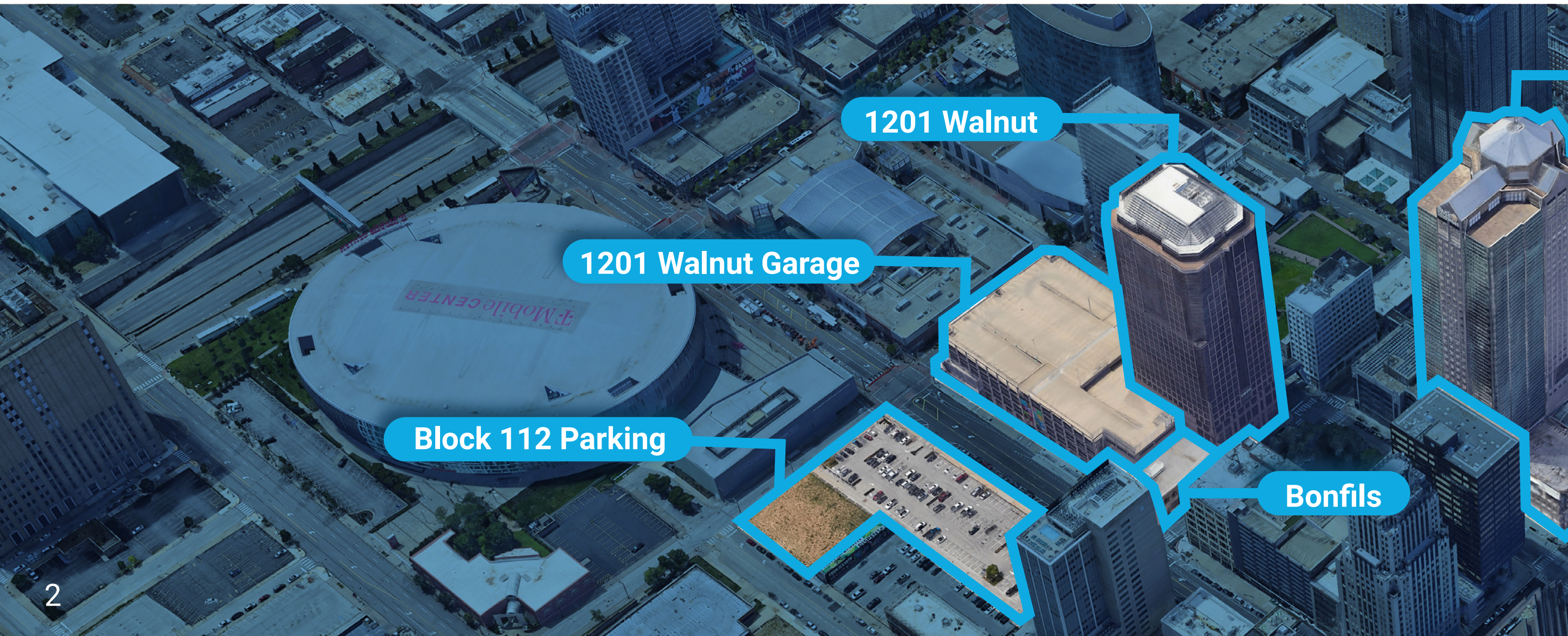
BONFILS
16,494 SF

1201 WALNUT GARAGE
FORMERLY TOWN PAVILION GARAGE
1,972 Spaces

1034 MAIN GARAGE
FORMERLY MAIN STREET GARAGE
472 Spaces



BLOCK 112 SURFACE PARKING
152 Spaces



PROPERTY FACTS

Total Square Feet	1,324,987
Total Parking Spaces includes 57 executive parking spaces below 1111 Main	2,653
Purchase Date	March 2019
Acquisition Cost | Per SF includes purchase price, reserves, closing costs	$201,950,000 | $152
Occupancy at Purchase	91.8%
Current Occupancy as of May 31, 2023	71.1%
Projected Occupancy [1] by YE 2024 & assumes no new lease-up	69.9%
Current Property Value [2] **| Per SF** as of June 2023	$136,930,000 | $103
Current Debt Balance as of May 31, 2023 | Assumable YM/1% | 3/17/47 Mat., 4.24% Fixed, 25 yr AM	$118,404,697
Cash Balance as of May 31, 2023	$8,105,694
Current Landlord Obligations [3] NAIC TI ($10M) | **MHDC TI and LC ($2M)** | Academy Bank TI ($2M)	$18,941,862

	1111 + 1201	HARZFELD'S
Asking Rate	$24.00	$20.00
In-Place Rents	$20.57	$18.80
Asking vs. In-Place Rents Delta	16.7%	6.4%

OWNERSHIP BREAKDOWN

	COPAKEN BROOKS (CDDH)	SQUARE DEAL (SDIM)	TOTAL (KCDH)
Ownership Share	28.8%	71.2%	100.0%
Invested Capital	$23,601,600	$58,410,000[4]	$81,950,000

[1] Occupancy is based on projections through December 2024. Actual occupancy may differ based on lease-up and renewal activity.
[2] Based on JLL Appraisal as of June 2023 as follows: 1111, 1201 & Garages ($129M), Block 112 Land ($5.39M), and Bonfils ($2.54M).
[3] Projects in red are pending.
[4] SDIM entity raised additional $61,600 of capital that was not invested in KCDH to cover entity level expenses.

KC OFFICE MARKET

The Kansas City office market has seen negative net absorption and increasing vacancy year-over-year since 2019. Market fundamentals are expected to remain contractionary in the near-term as existing office-occupiers continue to downsize their square footage requirements. New market entrants have continued to grapple with their office square footage needs as macroeconomic uncertainty, financial volatility, limited debt financing and the risk of recession has persisted. During this contractionary period in market fundamentals, the Kansas City office market experienced 2.6M sf of leasing activity in 2022, an increase of 11.7% from the year prior. A clear trend has emerged among the signed leases of 2022: quality and experience of the office asset is in demand. While office-occupant decision makers have largely decided to reduce their square footage needs, quality of the space has become top priority – even if it comes with a more expensive price tag.

The assets within the downtown office class A subset have an average age of 1980 and are currently 75% occupied. However, buildings with a vintage of 2000 and beyond in the same subset are currently 90% occupied, highlighting a stark contrast. Qualitative data indicates current demand for a certain office product in Kansas City and a flight-to-quality trend is underway. Older assets where upgrades may not be practical or feasible may face greater challenges in finding and retaining tenancy. With minimal top-of-the-market class A office availabilities and limited deliveries in downtown Kansas City, landlords must take inventory of their amenity packages and quality of available space as tenants push for an elevated employee experience and company image.

KC DOWNTOWN CLASS A OFFICE

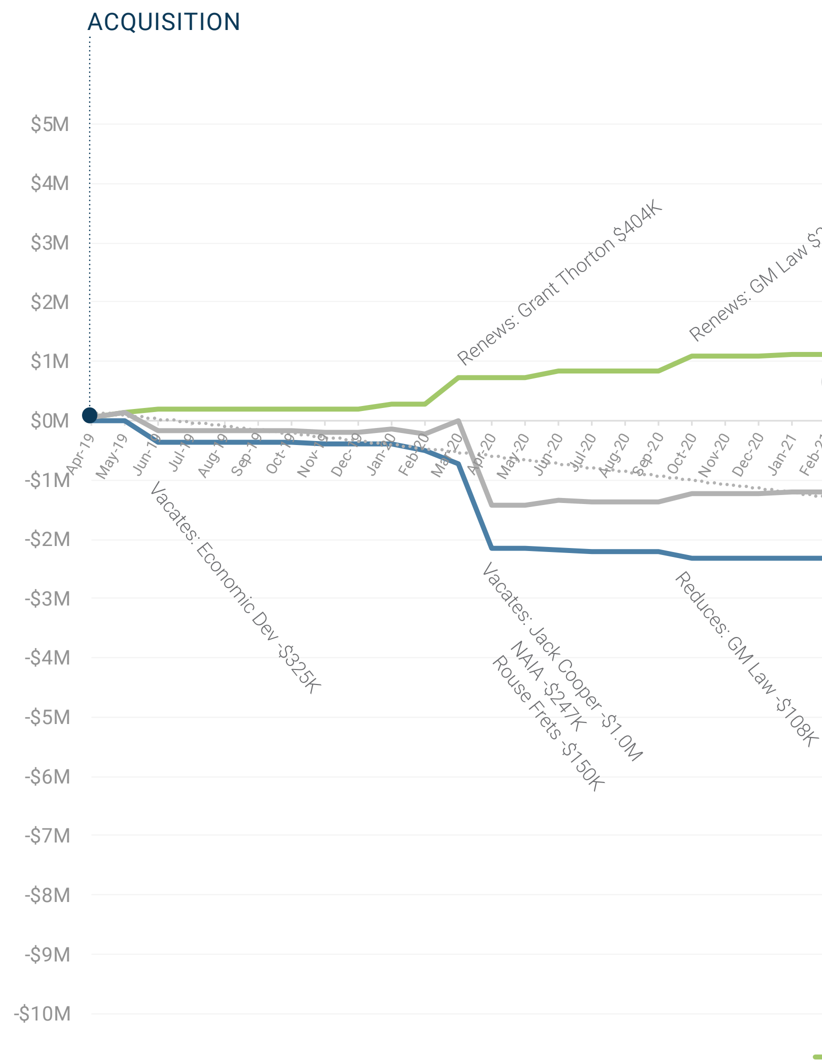
	4Q22	4Q21	4Q20
Inventory (SF)	8 M	8 M	8 M
Vacancy (%)	25.4%	20.8%	16.4%
Net Absorp. (SF)	-197 K	-329 K	-395 K
Asking Rate	$24.65	$24.61	$22.08
New Construction Rate	$45.00		
Sublet Ask. Rate	$17.08	$16.97	$17.86

KC MARKET CLASS A OFFICE

	4Q22	4Q21	4Q20
Inventory (SF)	28 M	28 M	28 M
Vacancy (%)	17.6%	15.9%	12.6%
Net Absorp. (SF)	-661 K	-746 K	-437 K
Asking Rate	$24.08	$23.69	$23.58
Sublet Ask. Rate	$18.36	$17.44	$17.98

Sources: KC Newmark Zimmer; JLL; Cushman & Wakefield; CoStar data

ANNUALIZED LEASE ACTIVITY SINCE ACQUIS



Graph Note: Sizeable annualized lease activity is labeled above; less sizeable activity is not labeled. Tenants in red

ACTUALS/PROJECTION VS. UNDERWRITING

	ACTUAL/PROJ. 12/31/2024	UW 12/31/2024	TOTAL Δ
In-Place Rents	$21.19	$22.16	-$0.97
Occupancy	67.7%	94.0%	-26.3%
Cumulative Tenant Revenue	133,570,593	164,153,182	-$30,582,589
Cumulative Leasing Costs	25,967,471	13,312,065	$12,655,406
TI	21,390,898	9,795,032	$11,595,866
LC	4,576,572	3,517,033	$1,059,539

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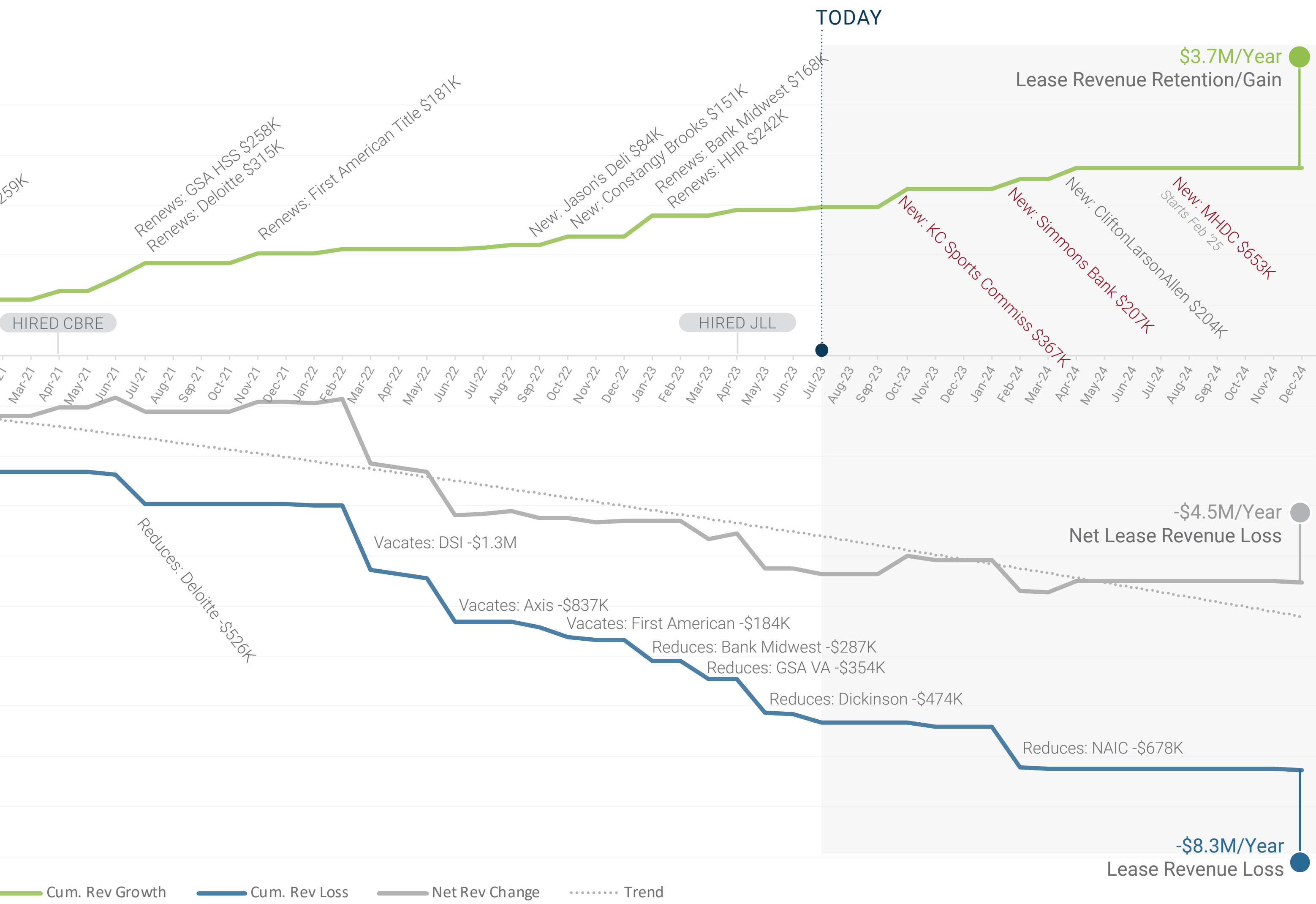


are pending deals.

Projections are based on assumptions that could change, 2023 and 2024 assume no new lease-up

2019	2020	2021	2022	Proj. 2023	Proj. 2024
Δ	Δ	Δ	Δ	Δ	Δ
-$0.77	$1.70	$0.52	-$1.02	-$2.47	-$0.97
0.4%	-9.6%	-12.2%	-14.1%	-24.8%	-26.3%
$307,439	-$774,574	-$4,879,866	-$6,106,223	-$9,848,177	-$9,281,189
$293,433	-$620,331	-$2,055,576	$720,820	$12,200,267	$2,116,793
$181,662	-$463,027	-$1,796,911	$701,023	$10,421,156	$2,551,964
$111,771	-$157,304	-$258,665	$19,796	$1,779,111	-$435,171

TENANT LEASING ACTIVITY

TYPE	SF	% PORTFOLIO
New	112,962	8.5%
Expansion	9,408	0.7%
Subtotal	**122,370**	**9.2%**
Vacate	-251,516	-19.0%
Reduction	-127,825	-9.6%
Subtotal	**-379,341**	**-28.6%**
Total	**-256,971**	**-19.4%**
Renewal	568,118	42.9%


1111 Main Lobby Renovation


1111 Main Fitness Club


1111 Main Lobby Renovation


1201 Walnut Lobby Renovation *(Rendering)*

PROGRESS SINCE ACQUISITION

BRANDING AND LEASING

After sluggish leasing activity, it was determined that additional depth was required to adequately cover the market. In response, Copaken Brooks (our partner and leasing broker) agreed to share the marketing/leasing responsibilities with CBRE effective April 2021, providing more research and marketing prowess for the assets.

With two years of lackluster performance, another change in our marketing and leasing strategy has been made. Effective April 2023, the branding and marketing was completely transformed including new names, logos and signage for the assets. We encourage you to view the new website at www.SkylineCollectionKC.com.

In addition to the rebranding efforts, we have hired JLL to exclusively handle the marketing and leasing of the properties. We have already seen a shift in the leasing activity at the assets, and are encouraged by the level of interest we are seeing from new leasing prospects.

CAPITAL IMPROVEMENTS

We have made extensive capital improvements to the assets since our 2019 acquisition. As a reminder, we have completely remodeled the expansive 1111 Main lobby, the lobby of 1201 Walnut is undergoing a renovation and installation of an Academy Bank branch, the fitness club was recently completed and already has over 500 members, a tenant lounge is in the design-phase, and select common areas in the towers are being updated. In total, almost $10 million thus far.

The combination of a new leasing team, new branding, refreshed lobbies and amenities provide the assets with the best advantage of attracting new tenants and retaining existing tenants, and the momentum is beginning to trend in our direction.

ADDITIONAL STRATEGIC STEPS

RESTRUCTURED LOAN
New 2yr interest-only period began July 2023
($5.8M Total Savings)

SELL NON-CORE ASSETS
Block 112 land ($9.6M Executed LOI), Bonfils ($2.5M Est.)

FUTURE EXIT

EXECUTE 250K SF LEASE-UP, SELL IN 2027

New Leases: $24 rate, $0.50 bumps, 7 yr term, $70 TI, 6% LC, 7 mo. free rent | Renew: 75% renewal probability, $25 TI

Opportunities
- Recoup most of initial capital
- Positioned for flight to quality
- Potential for higher lease rate environment

Challenges
- Requires additional capital
- Execution risk of new/renewing leases amid work-from-home pressures and potential economic recession
- Competing properties with new, well capitalized ownership
- Rising construction cost and TI costs
- No investor distributions until exit

RETURN SUMMARY		
Sale Date		12/31/2027
Occupancy		88.7%
Portfolio Value [1,2]		188,000,000
Assumes 7.75% cap rate		$144 PSF
Debt Balance [3]		(111,103,759)
New Capital Required [4]		(27,000,000)
Net Cash Balance		4,561,143
Net Sale Proceeds		**54,457,384**
SDIM Net Sale Proceeds	66% of invested capital	38,773,657
SDIM Distributions		10,562,475
Total Return		**49,336,132**
EQUITY MULTIPLE [5]		**0.84x**

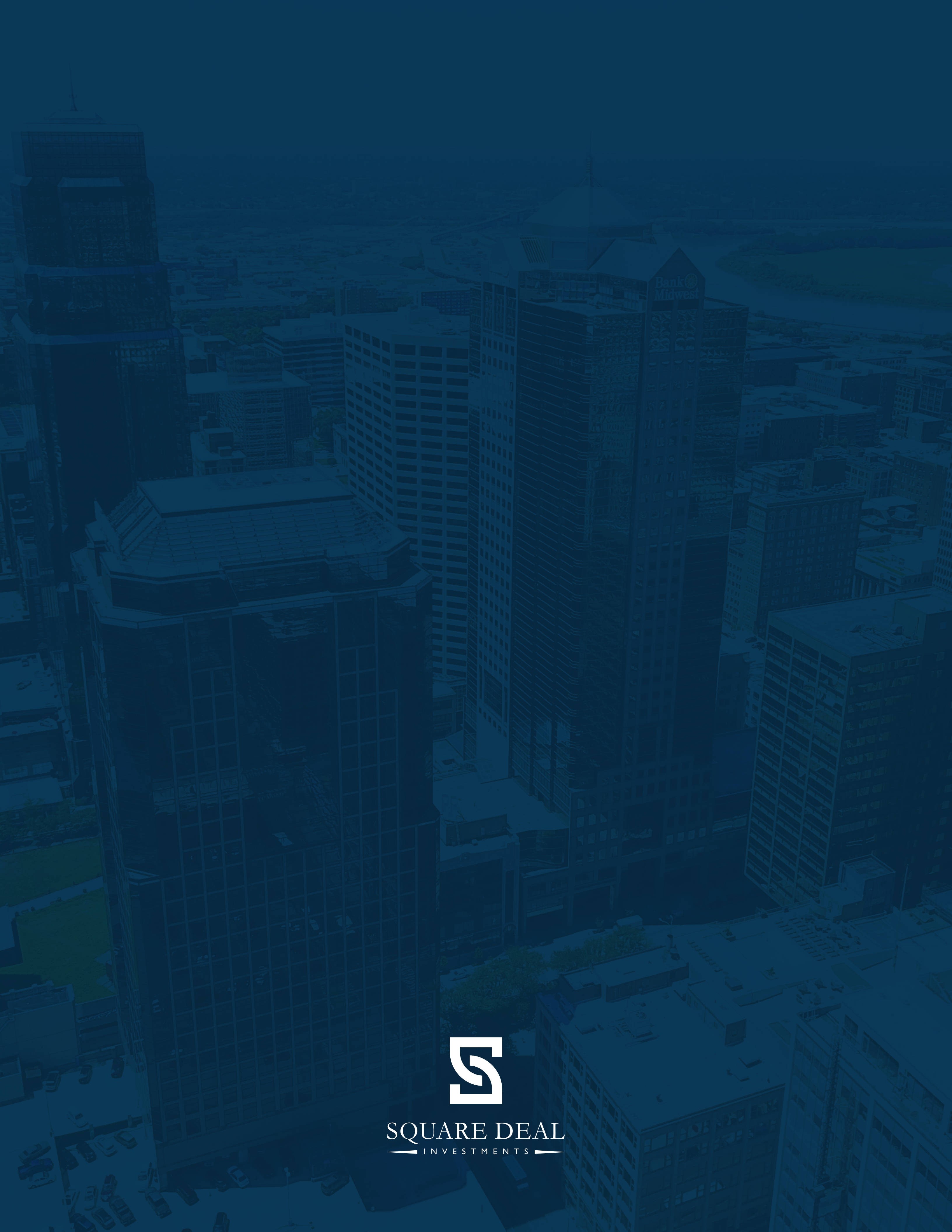
INCREMENTAL PROCEEDS ON NEW CAPITAL [6] 1.73x

ESTIMATED CAPITAL CALL SCHEDULE

No capital call projected in 2024 due to anticipated sale of Block 112 Land and Bonfils ($12M).
Assumes Lender permits the use of sale proceeds towards leasing costs.

	TOTAL	SQUARE DEAL	COPAKEN BROOKS
	100%	71.2%	28.8%
October 2023	15,000,000	10,680,000	4,320,000
April 2024	0	0	0
October 2025	12,000,000	8,544,000	3,456,000
TOTAL	27,000,000	19,224,000 [7]	7,776,000

Footnotes
[1] Excludes seller closing costs and any applicable assumption/yield maintenance costs.
[2] Includes 1111, 1201 & Garages only. Sale price based on a 7.75% cap rate on 2028 NOI. $144 PSF. Does not include Block 112 Land and Bonfils.
[3] As of 12/31/2027. Includes 2 years of interest-only effective 7/1/2023.
[4] Gross capital required for lease-up is reduced by $9.3M from sale proceeds of Block 112 land and $2.5M from sale of Bonfils, resulting in $27M of net new capital required.
[5] Multiple based on $58,410,000 of invested equity.
[6] Compared to exiting today at JLL Appraisal as of June 2023 as follows: (a) 1111, 1201 & Garages ($129M), (b) Block 112 Land ($5.39M), and (c) Bonfils ($2.54M).
[7] Represents a 33% capital call for each investor.



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