



Regency North Apartments

Investment Overview

IMPORTANT

NOTICES AND DISCLOSURES

This presentation is the property of CITC Management, LLC doing business as Prosperity CRE ("Prosperity CRE") and is strictly confidential. It contains information intended only for the person to whom it is transmitted. With receipt of this information, recipient acknowledges and agrees that: (i) this document which is not intended to be distributed, and if distributed inadvertently, will be returned to Prosperity CRE upon request as soon as possible; (ii) the recipient will not copy, fax, reproduce, divulge, or interest only, and does not constitute or set forth professional opinions or advice. The information in this document is speculative and may or may not be accurate. Actual information and results may differ. Prosperity CRE does not intend to update or otherwise revise the Financials to reflect circumstances existing after the date hereof or to reflect the occurrence of unanticipated events even if some or all of the underlying assumptions do not come to fruition. (iii) all of the information herein will be treated as confidential material with no less care than that afforded to its own confidential material.

This presentation is for informational purposes only and is not intended for any other use. This presentation is not an offering memorandum or prospectus and should not be treated as offering material of any sort. The information contained in this presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities. This presentation is intended to be of general interest to all interested parties.

Prosperity CRE makes no representations or warranties which respect to the accuracy of the whole or any part of this Prosperity CRE presentation and disclaims all such representations and warranties. Neither Prosperity CRE nor its principals, employees, or agents shall be liable to any user of this document or to any other person or entity for the truthfulness or accuracy of information contained in this presentation or for any errors or omissions in its content, regardless of the cause of such inaccuracy, error, or omission. Furthermore, Prosperity CRE, its principals, employees, or agents accept no liability and disclaim all responsibility for the consequences of any user of this document or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it, or for any actual, consequential, special, incidental, or punitive damages to any person or entity for any matter relating to this document even if advised of the possibility of such damages. Any and all projections that may be contained in this document have been estimated based on unknown variables which may or may not occur in the future.

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements express Prosperity CRE's expectations or predictions of future events or results. They are not guarantees and are subject to many risks and uncertainties. There are a number of factors beyond Prosperity CRE's control that could cause actual events or results to be significantly different from those described in the forward-looking statements. Any or all of the forward-looking statements in this document or in any other statements Prosperity CRE makes may turn out to be wrong. Except as required by applicable law, Prosperity CRE does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. In light of the significant uncertainties inherent in the forward-looking statements made in this document, the inclusion of this information should not be regarded as a representation by Prosperity CRE or any other person that its objectives, future results, levels of activity, performance or plans will be achieved.

The financial information contained herein has not been audited or reviewed by our independent certified public accountants and accordingly they express no opinion or other form of assurance as to this financial information. No representation or warranty of any kind is or can be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from Prosperity CRE's financial information (the "Financials") or the assumptions underlying them. No representation or warranty can be made as to Prosperity CRE's future operations or the amount of any future income or loss. Some assumptions on which the Financials are based may inevitably not materialize, and unanticipated events and circumstances will occur. Further, the Financials are not prepared nor are they presented in accordance with generally accepted accounting principles. Therefore, the actual results achieved during the period presented may vary from the Financials, and the variations may be material. Prospective investors are cautioned not to rely on the Financials contained in the presentation. Prosperity CRE does not intend to update or otherwise revise the Financials to reflect circumstances existing after the date hereof or to reflect the occurrence of unanticipated events even if some or all of the underlying assumptions do not come to fruition.

Prosperity CRE is not an investment adviser or a broker-dealer and is not registered with the U.S. Securities and Exchange Commission. The information in the presentation should not be used as the sole basis of any investment decisions, nor is it intended to be used as advice with respect to the advisability of investing in, purchasing or selling securities, nor should it be construed as advice designed to meet the investment needs of any particular person or entity or any specific investment situation. Nothing in this presentation constitutes legal, accounting or tax advice or individually tailored investment advice. The recipient of this presentation assumes responsibility for conducting its own due diligence and assumes full responsibility of any investment decisions.

Regency North Apartments

Kansas City, MO

A 180-unit apartment complex located in Kansas City's exploding Northland multifamily submarket



Prosperity CRE
Commercial Real Estate

Regency North Apartments

Overview



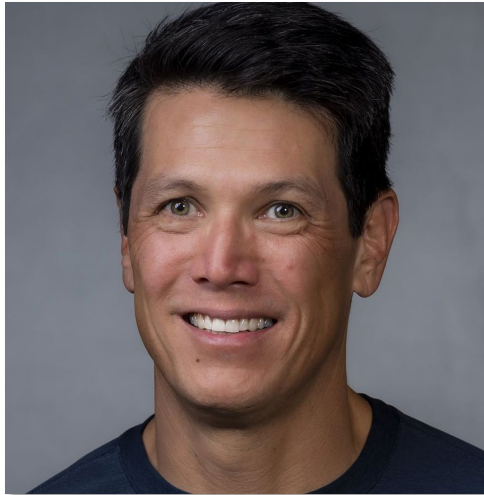
- Executive Summary
- Prosperity CRE & Orion Property Management
- Kansas City Market
- Regency North Apartments Submarket
- Acquisition – Sources & Uses
- Regency North Apartments – Units & Current Amenities
- Renovation Plan
- Rent Comparisons & Projected Increased Rents
- Additional NOI Optimization
- Projected Cash Flow
- Projected Investor Returns
- Next Steps

Regency North Apartments

Executive Summary



- Regency North Apartments – Built 1970 / 2009 renovated
- Located in the Northland of Kansas City, Missouri
- **\$23,000,000 Purchase Price**
- Approximately ***\$2,500,000 in interior and exterior*** renovations
- Total of ***\$4,500,000 – 5,000,000 in Equity Interests***
- Hold Period 3 to 5 years
- ***Reg D 506b offering*** to accredited and sophisticated partners
- **70/30 Limited Partner / General Partner** Ownership Split
- **8% Preferred Return** ; Cumulative and Compounding
- **100% Return of Capital** before profit split



ZACH WINNER
Principal and Manager



MARK ADAIR-RIOS
Principal and Manager

- Private Equity Real Estate Firm based in Los Angeles, California
- Commercial Real Estate Investments that Deliver Ongoing Cash Flow & Build Long Term Wealth
- Combined 50+ years of real estate investment experience
- Sponsor team currently owns and manages:
 - Over 1,000+ Units of Multifamily Apartments
 - 75,000 Square Feet of Commercial Real Estate
 - Over \$75 Million in Assets under Principal Management



Prosperity CRE
Commercial Real Estate



John Han
Co-Sponsor



Ashley Wilson
Co-Sponsor



Jason J Scott
Co-Sponsor



ORION PROPERTY MANAGEMENT



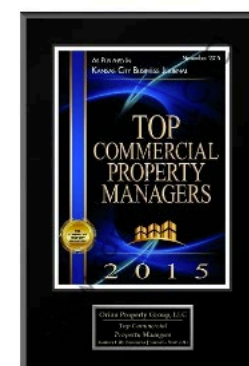
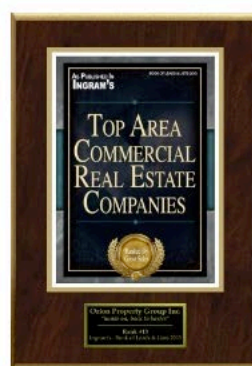
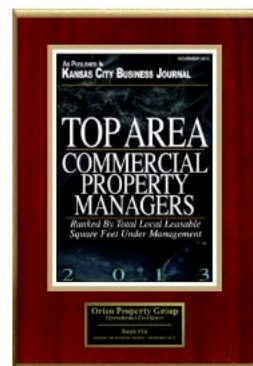
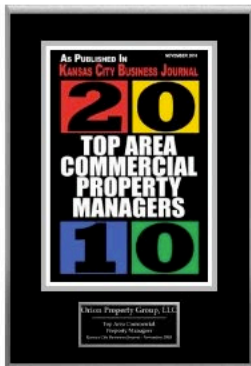
Key Traits

- Regional property management company
- Corporate office in KC
- Specializes in 100-to-950-unit multifamily complexes
- Deep familiarity with Northland submarket

Designations

- Certified Property Managers (CPM)
- Certified Commercial Investment Managers (CCIM)
- Accredited Residential Managers & Leasing Consultants
- Accountants

Recent Awards





Prosperity CRE
Commercial Real Estate

Case Studies

ENCLAVE APARTMENTS

Amarillo, TX



Role: Lead Sponsor
Loan Key Principals

Description: 225 Unit Multifamily Apartment Complex

Built: 1974

Purchased: December 11, 2018

Sold: September 22, 2021

Purchase Price: \$10,350,000

Sale Price: \$16,250,000

Loan: Debt Fund Bridge - \$9,181,000

Capital Budget: \$1,125,000

Holding Period: 2.75 years

Investor Returns: **IRR = 25.4%**
AAR = 29.8%
EM = 1.8%

HIDDEN HILLS APARTMENTS

Kansas City, MO



Role: Lead Sponsor
Loan Key Principals

Description: 80 Unit Multifamily Apartment Complex

Built: 1984

Purchased: May 30, 2019

Sold: November 1, 2022

Purchase Price: \$5,350,000

Sale Price: \$10,100,000

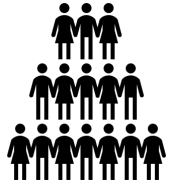
Loan: Agency Debt - \$3,975,000

Capital Budget: \$1,400,000 / Spent \$1,250,000

Holding Period: 3.25 years

Investor Returns : **IRR = 17.5%**
AAR = 21.5%
EM = 1.7%

The Kansas City Market



1.7% Population Growth... 2.27M by 2027



4.8% Net-Migration Gains in 2020 & 2021



40% Residents Age 25+ Hold Bachelor's Degree or Higher



\$87K Median Household Income by 2025 - Up by 13.7%

**TOP
10**

Prime Location for
Launching a Business

**TOP
10**

City for Tech Industry
Job Growth

#3

In the Nation for High -
Paying Occupations

#8

Hottest US Job Market &
Largest Migration Gains
since Start of Pandemic

Kansas City's Diverse Economy

TECHNOLOGY & DATA CENTERS

- Meta building \$800 million hyperscale data center in Platte County
- Average salary for computer and mathematical occupations: \$87,020
- 3,918 technology related companies located in KC

ANIMAL HEALTH CORRIDOR

- The corridor represents 56% of worldwide animal health/pet food sales
- The corridor is home to more than 300 animal health companies

FINANCIAL SERVICES

- 79,400 Employed in KC financial services sector
- Home of one of two IRS processing center in the country
- \$76,650: Avg. salary for business and financial operations workers
- KC is a growing FinTech hub

BIOSCIENCES

- Home to more than 245 biotech companies
- 28,000 people employed in the bioscience related fields
- 22% increase in employment in bioscience since 2015
- \$73,480: Average salary for biosciences occupation workers

DISTRIBUTION

- 64,000 KC workers employed in the distribution sector
- 4 Intermodal Logistics Parks
- More than 40 million square feet of industrial development since 2012

AUTOMOTIVE MANUFACTURING

- KC is the second largest auto industry trading hub in North America
- 658,000 automobiles manufactured annually in Kansas City
- Panasonic is building a \$4 billion battery plant for EV's



RECENT HIRING ANNOUNCEMENTS



1,100 JOBS



1,000 JOBS



900 JOBS



510 JOBS



500 JOBS



500 JOBS



450 JOBS



200 JOBS

Kansas City Top Employers

Silicon Prairie STEM Job Growth includes:

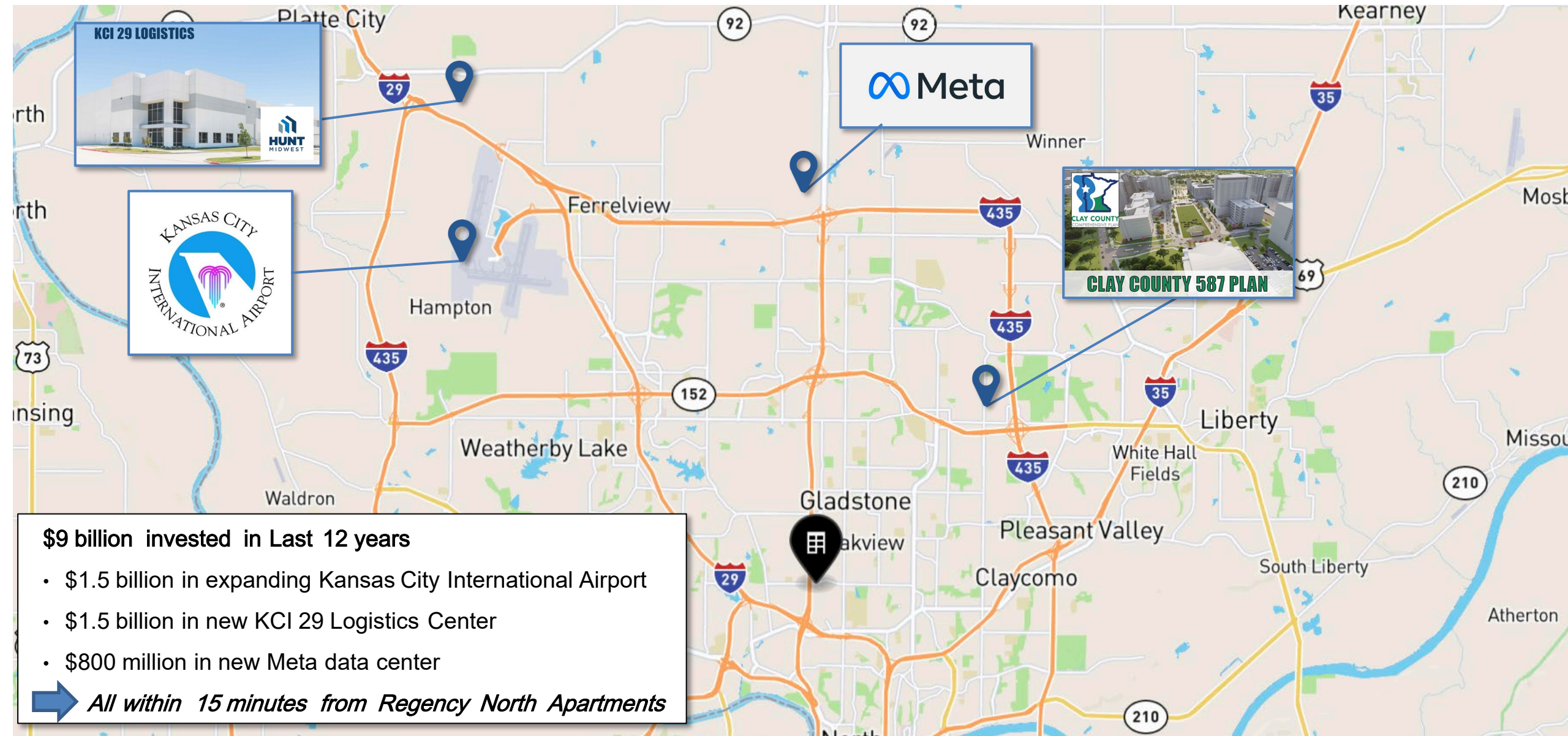
- *Engineering*
- *Medical Research*
- *Information Technology*
- *Health Care*
- *Electronics*

Top 15 Employers

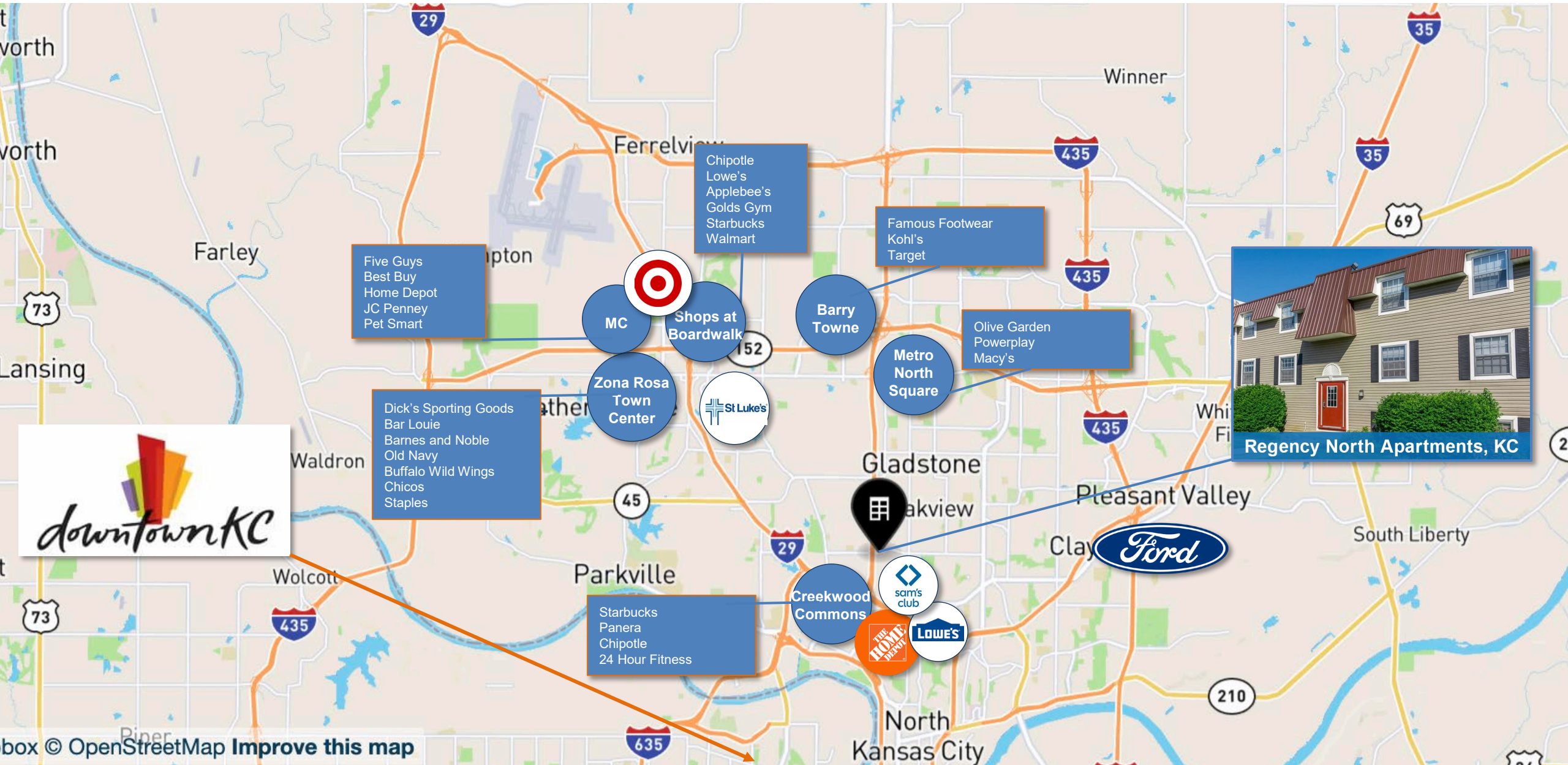
| Rank | Organization | Industry | # of Employees |
|------|-----------------------------|----------------------|----------------|
| 1. | Federal Government | Government | 20,846 |
| 2. | Children's Mercy Hospital | Health services | 8,382 |
| 3. | Cerner Corporation | Health Care IT | 6,879 |
| 4. | Honeywell | Electronics | 5,000 |
| 5. | Saint Luke's Health Systems | Health Services | 4,638 |
| 6. | Internal Revenue Service | Government | 4,600 |
| 7. | City of Kansas City, MO | Government | 4,411 |
| 8. | Truman Medical Centers | Health Services | 3,579 |
| 9. | SS&C | Health Care Info Mgt | 3,125 |
| 10. | Burns & McDonnell | Architects/Engineers | 2,907 |
| 11. | Research Medical Center | Health Services | 2,496 |
| 12. | University of Missouri – KC | Higher Education | 2,427 |
| 13. | Commerce Bank | Banking | 2,409 |
| 14. | Hallmark Cards | Greeting Cards | 2,262 |
| 15. | Federal Reserve Bank of KC | Banking | 2,218 |



Regency North Map of Area with Business Growth



Regency North Map of Area with Nearby Retail



Regency North Apartments Neighborhood



High Median Home Values \$311,000:
Above Missouri & US median home value



Average Market Rents: \$1,283/month



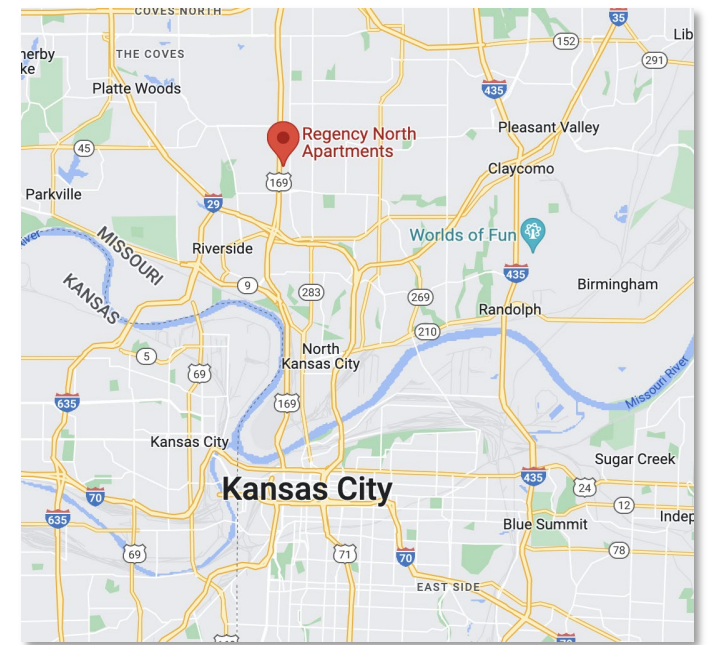
Highly Rated School & District: West Englewood Elementary & Local School District rated 8 out of 10



- Low-Crime Neighborhood
- No Incidents at Property in Last 6 Months
- Security Service with Daily Patrol



Access to High-Paying Jobs



JOBS WITHIN AN HOUR

| WITHIN | HIGH-PAYING* JOBS |
|------------|-------------------|
| 5 minutes | 474 |
| 10 minutes | 11780 |
| 15 minutes | 68980 |
| 20 minutes | 159980 |
| 30 minutes | 288642 |
| 45 minutes | 495763 |
| 60 minutes | 536255 |

*Annual salary of \$75,000 or more



*Data from Neighborhood Scout report

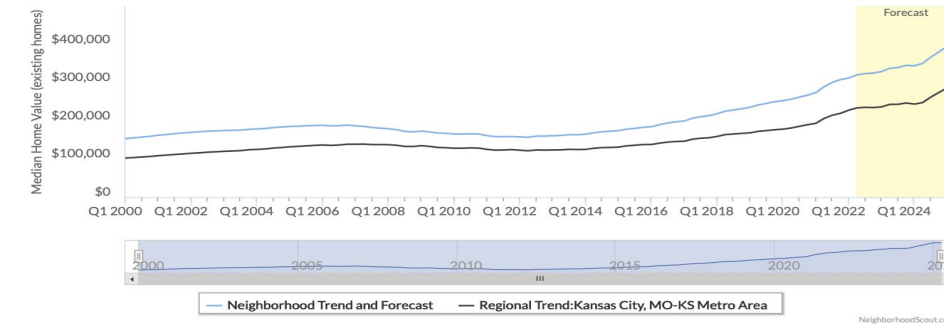
Regency North Apartments Neighborhood Trends



Home Values Rising



SCOUT VISION Neighborhood Home Value Trend and Forecast ①



Better Schools

AVG. ANNUAL CHANGE IN K-12 SCHOOL PERFORMANCE Over last 5 years



Job & Income Growth



Job Growth Last 2 Years: 15.36%



Wage Growth Last 2 Years: 7.22%

*Data from Neighborhood Scout report

Regency North Apartments

Property Info

| Property Info | |
|---------------------------|---|
| Address | 6024 N Jefferson St, Kansas City, MO 64118 |
| Purchase Price | \$23,000,000 |
| Total Units | 180 |
| Price per Unit | \$127,700 |
| Current Occupancy | 97% |
| Year Built/Year Renovated | 1970/2009 |

| Market Info | |
|--------------------|-------------------|
| 3 Mi. HH Income | \$62,500 |
| Location & Quality | B / B |
| Submarket | North Kansas City |

Yardi, Costar and MMGRE data sources

**Projected Budget and Sources & Uses are estimated. Class A1 is a debt structure with priority repayment over common equity; Due diligence is still being conducted and specific loan terms have not yet been finalized. Going-In Debt Assumptions: 67.4% Loan to Value; 10 Year Agency debt; 6.25% all-in fixed rate; Expect fluctuating Treasury Market conditions until Index lock*



Regency North Apartments Sources & Uses*

| Sources | |
|----------------------|---------------------|
| Senior Debt | \$14,950,000 |
| Class A1 Pref Equity | \$3,000,000 |
| Class A2 Equity | \$9,430,678 |
| Total Sources | \$27,380,678 |

| Costs and Fees | |
|----------------------|------|
| Acquisition Fee | 2% |
| Loan Placement Fee | 1% |
| Asset Management Fee | .75% |

| Uses | |
|-----------------------------|---------------------|
| Purchase Price | \$23,000,000 |
| Closing Costs and Loan Fees | \$987,315 |
| Partnership Costs and Fees | \$757,909 |
| Operating Reserves | \$100,000 |
| Renovations | \$2,535,455 |
| Total Uses | \$27,380,678 |

| Sponsor Cash Contribution | |
|---------------------------|--------------|
| Class A1 & A2 Equity | ~\$1,200,000 |

**Projected Budget and Sources & Uses are estimated. Class A1 is a debt structure with priority repayment over common equity; Due diligence is still being conducted and specific loan terms have not yet been finalized. Going-In Debt Assumptions: 65% Loan to Value; 10 Year Agency debt; 5.8% all-in fixed rate; Expect fluctuating Treasury Market conditions until Index lock*

Regency North Apartments – Units and Current Amenities

| Unit Type | Units | SF |
|------------------|------------|--------------|
| 1 Bed 1 Ba | 30 | 834 |
| 2 Bed 1 Ba | 30 | 957 |
| 2 Bed 2 Ba | 75 | 1,075 |
| 3 Bed 2 Ba | 45 | 1,384 |
| TOTAL/AVG | 180 | 1,115 |

Unit Amenities

Balcony
 Patio
 Dishwasher
 Disposal
 Fireplace

Common Area Amenities

Laundry Facilities
 On-Site Property Management
 Pet Play Area
 Public Transportation
 Business Center
 Fitness Center
 Pool
 Playground
 Sundeck
 Courtyard
 Grill and Picnic Area



Regency North Apartments Renovation Plan

Common Area Capital Improvements

- Rebranding with updated signage
- Upgrade property management office
- Building trim paint and power wash
- Upgrade apartment building door trim & numbers
- Refresh landscaping & tree trimming
- Upgraded playground
- Add bark park and interior dog wash
- Possibly add pickle ball courts



| Exterior Capex Budget | |
|----------------------------|------------------|
| HVAC and Roof Repairs | \$360,000 |
| Building Paint and Gutters | \$235,000 |
| Amenities | \$150,000 |
| Landscape/Tree Trimming | \$75,000 |
| Signage / Rebranding | \$50,000 |
| Total Exterior | \$870,000 |



Regency North Apartments Renovation Plan

Interior Unit Renovations

- Stainless front Appliances, including microwave
- Upgraded surface countertop
- New cabinet door fronts and hardware
- Upgraded backsplash
- LED lighting fixtures
- LVT wood flooring throughout
- Ceiling fan lighting in bedrooms
- Upgraded bathroom vanity, faucets, lighting
- Modern two-tone paint



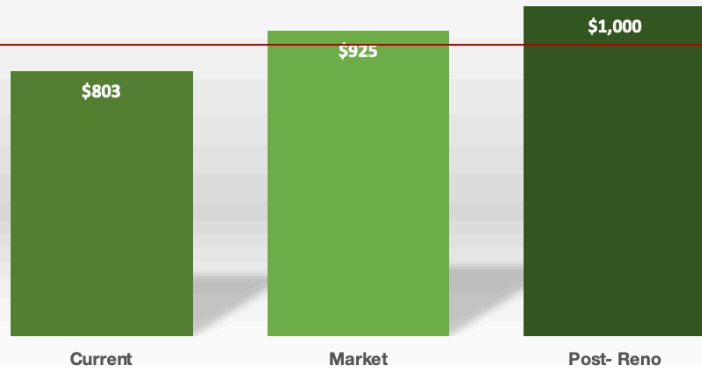
| Interior Renovation Spend | Per Unit | Renovation Premium |
|---------------------------|----------------|--------------------|
| 1 Bedroom | \$6,000 | \$75 |
| 2 Bedroom | \$7,750 | \$168 |
| 3 Bedroom | \$8,500 | \$160 |
| Weighted Avg | \$7,646 | \$153 |

Regency North Apartments

Projected Rent Increases

1 Bedroom

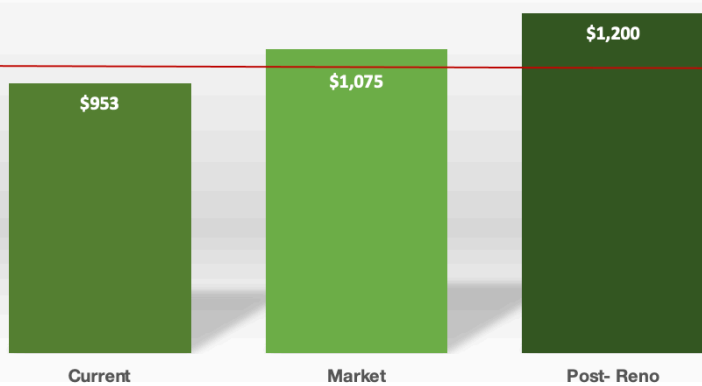
Average \$918



| Rent Assumptions | Units | SF | Current | Market | Post - Reno |
|------------------|------------|--------------|--------------|----------------|----------------|
| 1 Bed 1 Ba | 30 | 834 | \$803 | \$925 | \$1,000 |
| 2 Bed 1 Ba | 30 | 957 | \$953 | \$1,075 | \$1,200 |
| 2 Bed 2 Ba | 75 | 1,075 | \$997 | \$1,100 | \$1,290 |
| 3 Bed 2 Ba | 45 | 1,384 | \$1,136 | \$1,280 | \$1,460 |
| TOTAL/AVG | 180 | 1,115 | \$993 | \$1,117 | \$1,269 |

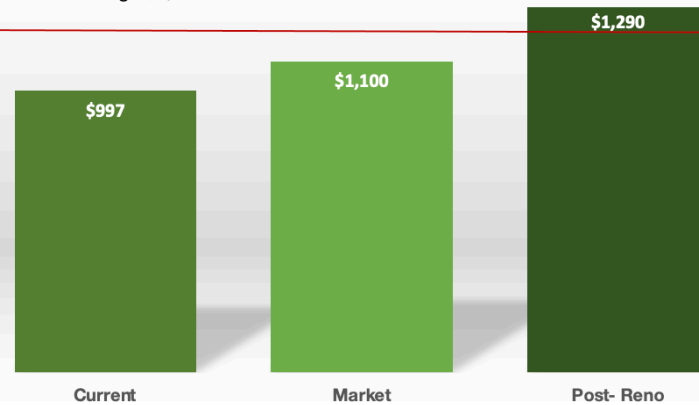
2 Bedroom 1 Bath

Average \$1,046



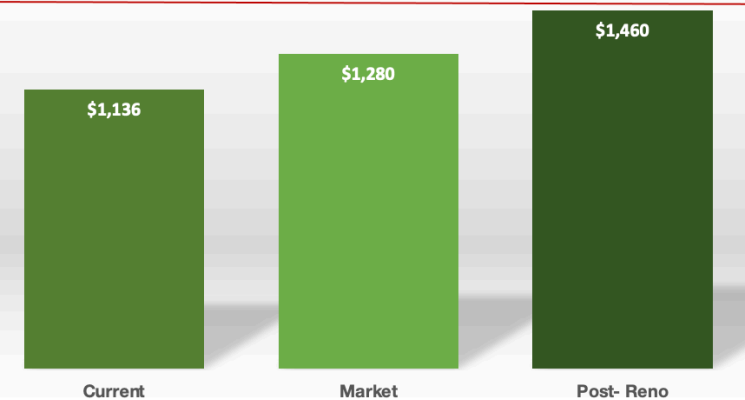
2 Bedroom 2 Bath

Average \$1,202



3 Bedroom 2 Bath

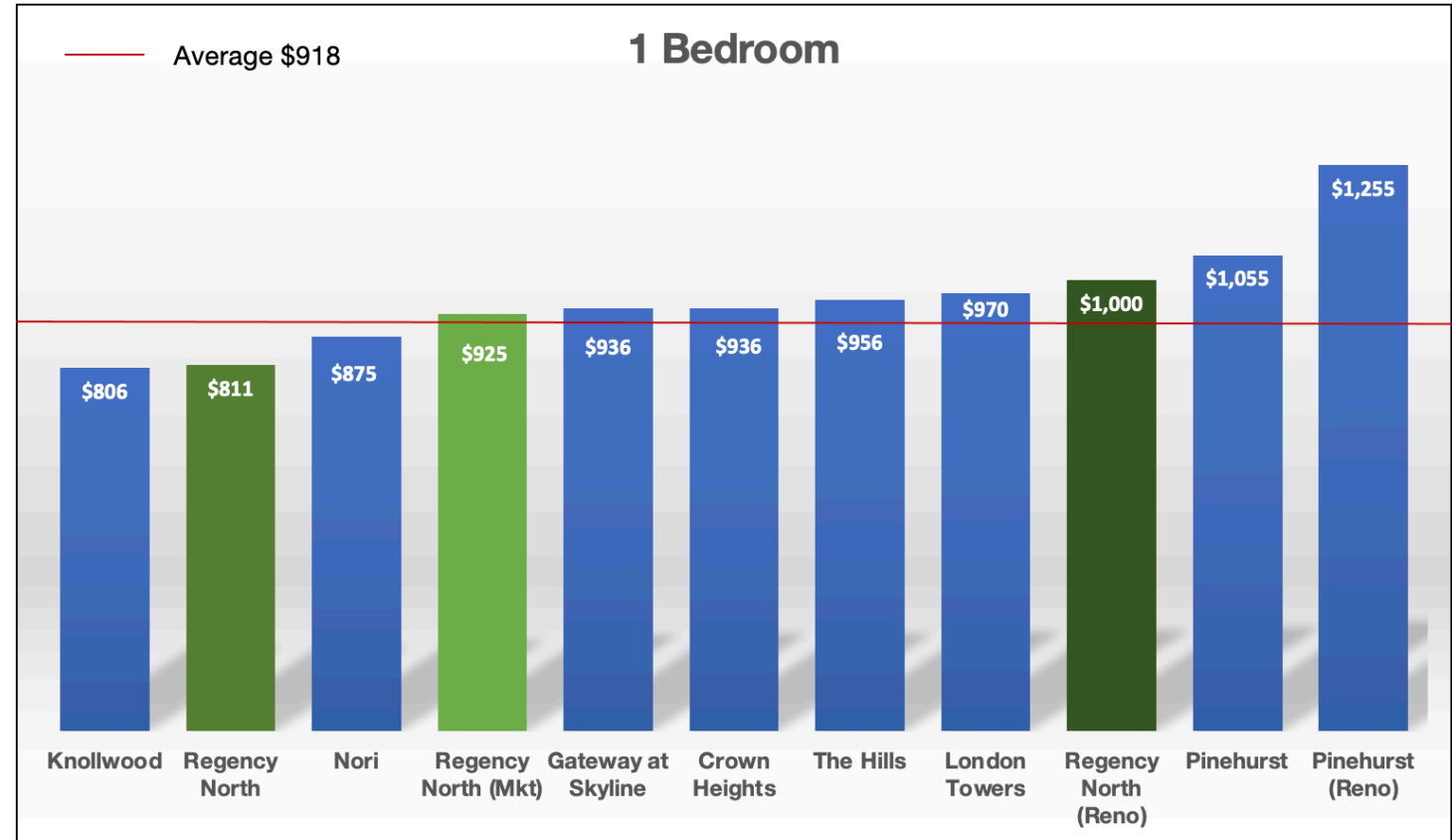
Average \$1,472



Regency North Apartments

Rent Comps 1 Bed 1 Ba

| 1 Bedroom | Rent | S.F |
|----------------------|--------------|------------|
| Knollwood | \$806 | 754 |
| Regency North | \$811 | 834 |
| Nori | \$875 | 750 |
| Gateway at Skyline | \$936 | 715 |
| Regency North (Mkt) | \$925 | 834 |
| Crown Heights | \$936 | 870 |
| The Hills | \$956 | 720 |
| London Towers | \$970 | 685 |
| Regency North (Reno) | \$1,000 | 834 |
| Pinehurst | \$1,055 | 650 |
| Pinehurst (Reno) | \$1,255 | 650 |
| Average | \$918 | 746 |

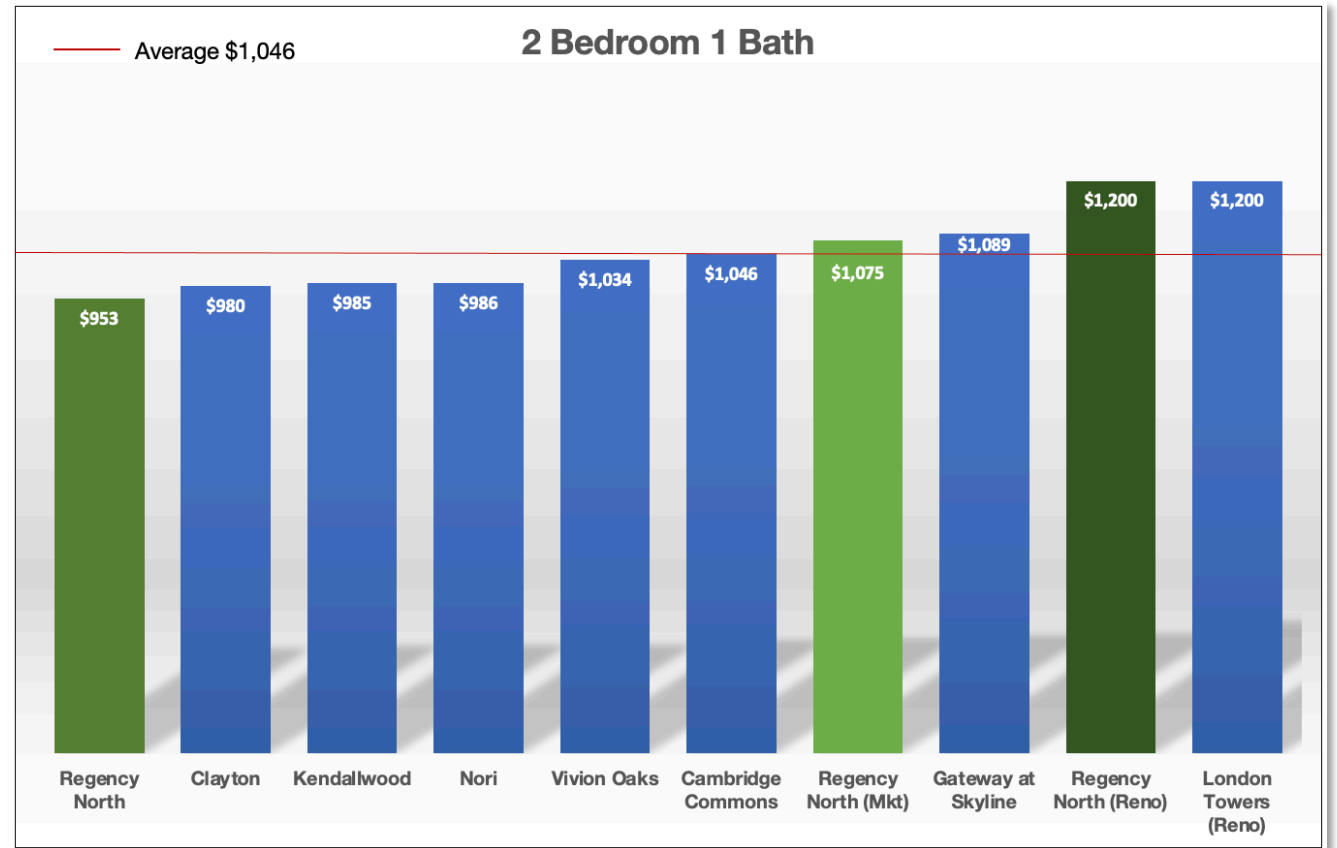


Yardi Matrix; 3 Mi; Average vintage 1970

Regency North Apartments

Rent Comps 2 Bed 1 Ba

| 2 Bedroom 1 Bath | Rent | S.F |
|----------------------|----------------|------------|
| Regency North | 953 | 957 |
| Clayton | 980 | 1,000 |
| Kendallwood | 985 | 1,066 |
| Nori | 986 | 860 |
| Vivion Oaks | 1,034 | 1,150 |
| Cambridge Commons | 1,046 | 850 |
| Regency North (Mkt) | 1,075 | 957 |
| Gateway at Skyline | 1,089 | 769 |
| Regency North (Reno) | 1,200 | 957 |
| London Towers (Reno) | 1,200 | 870 |
| Average | \$1,046 | 938 |



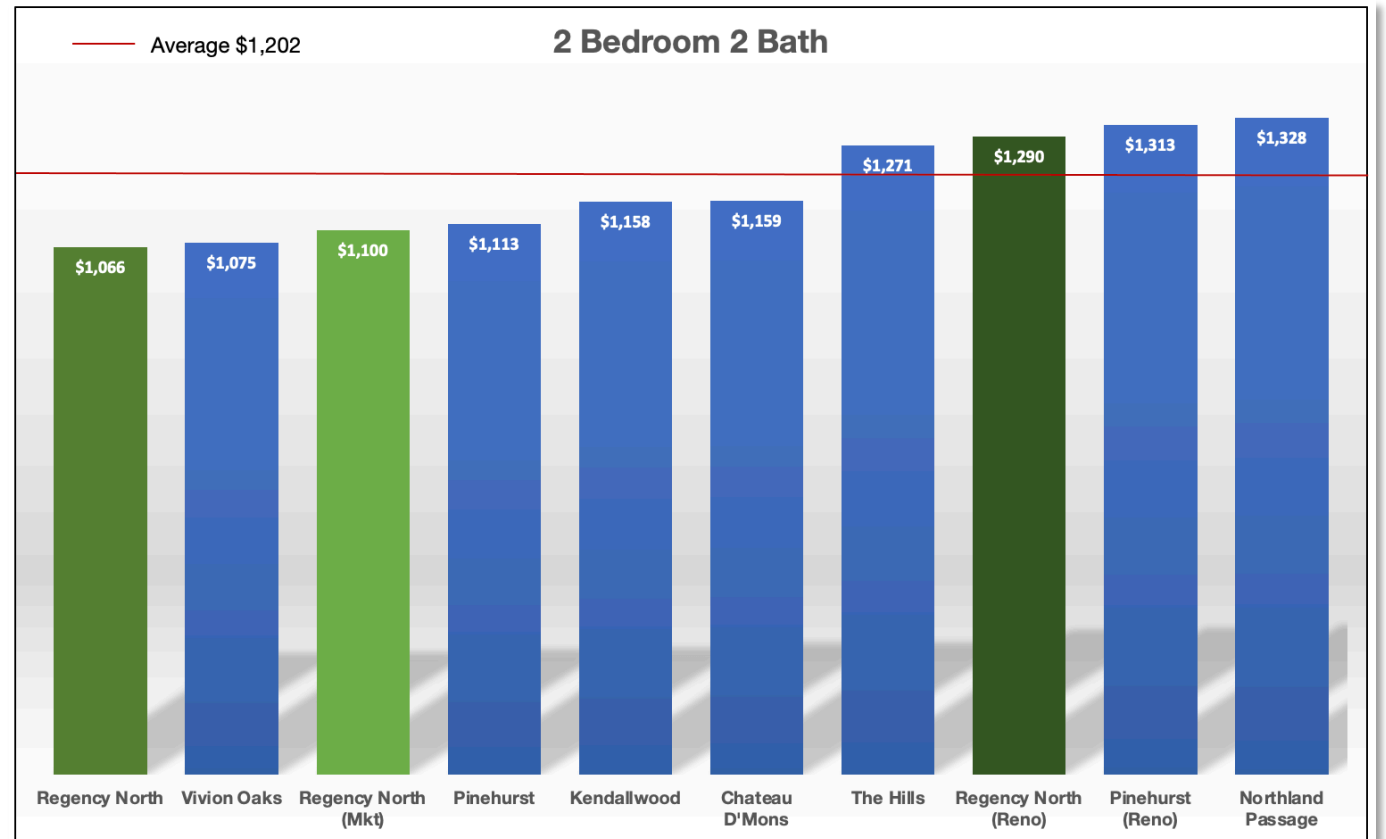
Yardi Matrix; 3 Mi; Average vintage 1970

Regency North Apartments

Rent Comps 2 Bed 2 Ba

| 2 Bedroom 2 Bath | Rent | S.F |
|----------------------|----------------|------------|
| Regency North | \$1,066 | 1,135 |
| Vivion Oaks | \$1,075 | 1,123 |
| Regency North (Mkt) | \$1,100 | 1,135 |
| Pinehurst | \$1,113 | 900 |
| Kendallwood | \$1,158 | 1,053 |
| Chateau D'Mons | \$1,159 | 930 |
| The Hills | \$1,271 | 960 |
| Regency North (Reno) | \$1,275 | 1,135 |
| Pinehurst (Reno) | \$1,313 | 900 |
| Northland Passage | \$1,328 | 955 |
| Average | \$1,202 | 974 |

Yardi Matrix; 3 Mi; Average vintage 1979; Some comps blended averages

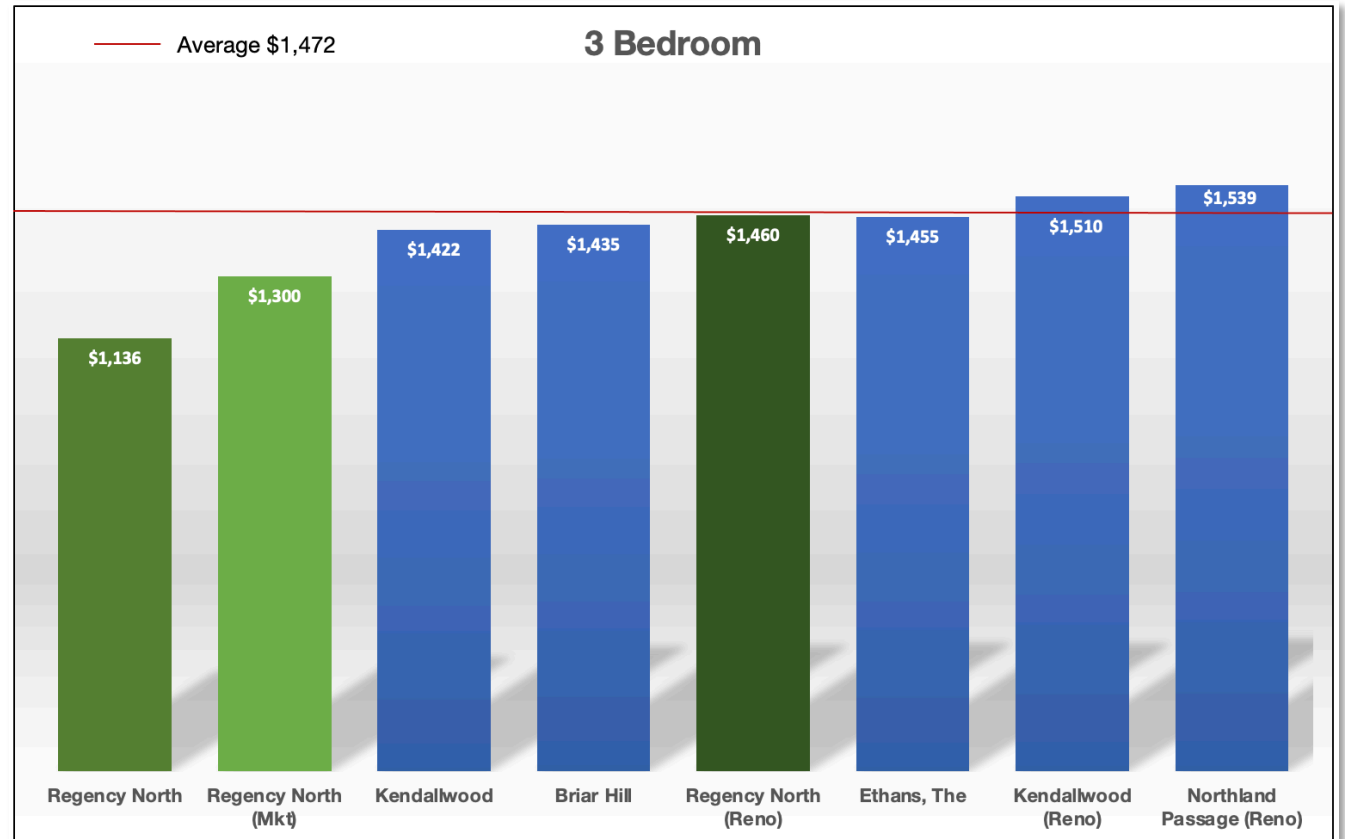


Regency North Apartments

Rent Comps 3 Bed 2 Ba

| 3 Bedroom | Rent | S.F |
|--------------------------|----------------|--------------|
| Regency North | \$1,136 | 1,384 |
| Regency North (Mkt) | \$1,280 | 1,384 |
| Kendallwood | \$1,422 | 1,343 |
| Briar Hill | \$1,435 | 1,360 |
| Regency North (Reno) | \$1,450 | 1,384 |
| Ethans, The | \$1,455 | 1,141 |
| Kendallwood (Reno) | \$1,510 | 1,364 |
| Northland Passage (Reno) | \$1,539 | 1,223 |
| Average | \$1,472 | 1,286 |

Yardi Matrix; 3 Mi; Average vintage 1976; Some comps blended averages



Additional Optimization of Net Operating Income

Additional Revenue Streams

- Maximizing Residential Utility Reimbursement (RUBS)
- Increasing Reserved Parking Revenue– VIP Spaces
- Increasing Covered Parking Revenue - Carports
- Additional administrative charges - \$15 per unit Insurance Reimbursement / \$25 Cam Fee

Reducing Expenses

- Payroll Expenses are above submarket norms (e.g., fulltime painter on staff)
- Repairs and Maintenance, Turnover Costs and Administrative Costs

Projected Increase in Net Operating Income

- By the end of Year 3, we project increasing the Net Operating Income by nearly \$950,000

Regency North Apartments

Projected Cash Flow*

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Gross Revenues | \$ 2,451,018 | \$ 2,524,549 | \$ 2,600,285 | \$ 2,678,294 | \$ 2,758,642 |
| Renovation Premium | \$ 89,904 | \$ 265,180 | \$ 355,114 | \$ 365,767 | \$ 376,740 |
| Economic Vacancy | (\$ 240,230) | (\$ 208,237) | (\$ 191,197) | (\$ 196,933) | (\$ 202,841) |
| Other Income | \$ 387,925 | \$ 441,467 | \$ 454,711 | \$ 468,352 | \$ 482,403 |
| Estimated Gross Income | \$ 2,688,617 | \$ 3,022,959 | \$ 3,218,913 | \$ 3,315,480 | \$ 3,414,944 |
| Expenses | (\$ 1,064,853) | (\$ 1,104,409) | (\$ 1,192,271) | (\$ 1,228,039) | (\$ 1,264,880) |
| Replacement Reserves | (\$ 54,000) | (\$ 54,000) | (\$ 54,000) | (\$ 54,000) | (\$ 54,000) |
| Net Operating Income | \$ 1,569,765 | \$ 1,864,550 | \$ 1,972,642 | \$ 2,033,441 | \$ 2,096,065 |
| Debt Service | (\$ 974,842) | (\$ 1,047,100) | (\$ 1,047,100) | (\$ 1,047,100) | (\$ 1,047,100) |
| Sales Proceeds | \$0 | \$0 | \$0 | \$0 | \$18,268,752 |
| Net Property Cash Flow * | \$ 584,923 | \$ 742,404 | \$ 850,496 | \$ 911,296 | \$ 19,342,671 |
| Sponsor CF/Sale Proceeds | \$0 | \$0 | \$0 | \$0 | \$3,138,155 |
| Net Investor CF/Sales Proceeds | \$ 584,923 | \$ 742,404 | \$ 850,496 | \$ 911,296 | \$ 16,204,516 |

**Projected cash flow based on current underwriting. Month 1 debt service paid at closing. Due diligence is still being conducted and specific loan terms have not yet been finalized. Final projected cash flow will be provided in final offering documents. Net property level CF includes annual accounting, asset management and year 5 reserve release.*

Regency North Apartments Projected Investor Returns

– Summary*

| Target Returns | |
|---------------------------------------|----------------|
| Cumulative Preferred Return | 8% |
| Return of Capital before Profit Split | 100% |
| Average Annual Return | 20.0 – 21.0% |
| Internal Rate of Return | 16.75 – 17.75% |
| Average Cash-On-Cash Return | 8.0 – 9.0% |
| Equity Multiple | 1.9 – 2.1x |
| Anticipated Holding Period | 3 - 5 Years |

| Investor Waterfall | Investors | Promote |
|--------------------|-----------|---------|
| Preferred Return | 8% | 100% |
| Hurdle 1 | 15% | 70% |
| Hurdle 2 | Above 15% | 50% |

Note: 100% Return of Investor Capital before Hurdle 1; Ongoing Pref return calculated on cumulative & compounding Capital Account balance

Projected Returns for \$100,000 Investment

| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------|-------------|---------|---------|------------------------|---------------------|------------------|
| Cash Flow | (\$100,000) | \$6,202 | \$7,872 | \$9,018 | \$9,663 | \$171,828 |
| \$100,000 | | | | ~2.05x Equity Multiple | Total Return | \$204,584 |
| | | | | ~20.92% 5 Yr. AAR | Total Profit | \$104,584 |

**Projected return range based on current underwriting. Due diligence is still being conducted and specific loan terms have not yet been finalized. Final projected investor returns will be provided in final offering documents. Class A2 total equity equals \$9,430,678; IRR compounded monthly*

Underwriting Assumptions

- ***Organic rent growth 3%*** vs. current rent growth of 7 -9% & market rent growth of 6.6%
- ***Physical vacancy of 5% & economic vacancy of 8.5%*** vs. current physical vacancy of 2% & economic vacancy of 6.75%
- **Conservatively estimating full 24 to 30 months to upgrade all units**
 - Upgrading units upon lease expiration vs. upgrading during occupancy
 - Underwritten renovation downtime: 14 days
- **Break Even Point:**
 - Occupancy can decline to a 77% break even point
 - Gross income can decline by approximately \$400,000 (20%) from Y1 projection to break even
- ***Expansion of exit cap rate*** from current average market of 5.2% by ***.06% per year***
- Targeting ***fixed -rate agency debt*** to avoid volatility in current debt market



Next Steps and Timing

Next Steps

- Link to Register on our Investor Portal : [Review Docs in portal](#)
- Contact info :
 - Jeff Greenberg: 805.813.6804 jeff@synergeticig.com

Timing

- December 23, 2022: Private Placement Memorandum & Subscription Agreement Available
- December 27, 2022 Webinar 6 PM pacific [Register for Webinar](#)
- December 31, 2022: Deadline to sign Subscription Agreement & Submit investment funds
- January 15, 2023: Estimated close of escrow on purchase
- January, 2023: First monthly Investor Update
- April, 2023: First Quarterly Class A2 Investor Distribution