MAIN & HERTEL 331 Unit Graduate Student Housing Development in Buffalo NY



Webinar starts at 6.03 PM PST, Audio is muted until then







Jean-Marc Landau



Dave Freeman



Neal Bawa



Justin Earl



TODAY'S AGENDA



Who are we?

An introduction to the Main & Hertel Management Team

What's different and special about this market segment



What are the numbers?

Assumptions, loans, splits, returns and more

Minimum investment amount and timeframe



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Why student housing?

Why this market, submarket & property?

3

Let's understand the opportunity

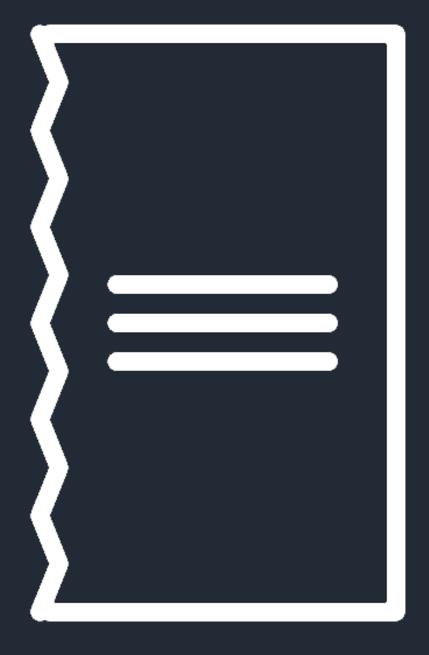
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How long and how much?



Q&A session

HOUSEKEEPING & LEGAL

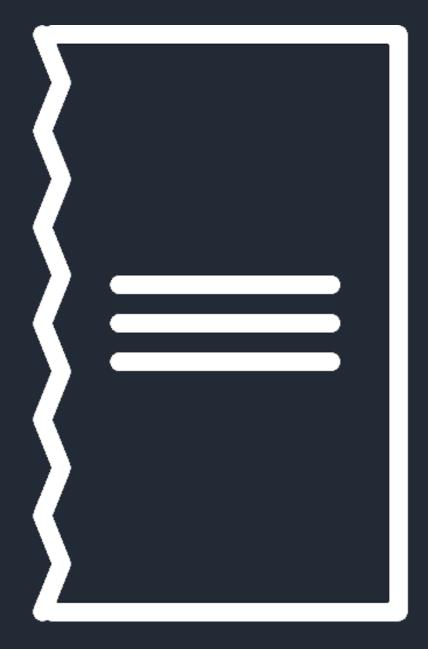


Feel free to type your questions in the text box. We will answer them at the end.

This presentation is being recorded. You will automatically be sent a copy.

All numbers shown are estimates and subject to change as we negotiate with contractors to reduce costs, the architect to add units, and make improvements where possible.

HOUSEKEEPING & LEGAL



(PPM).

opportunity only.

the investment opportunity.

- This material does not constitute an offer or a solicitation to purchase securities. An offer can only be made by the Private Placement Memorandum
- This document is an informational summary of the prospective investment
- The PPM and its exhibits contain complete information about the Property and

HOUSEKEEPING & LEGAL



This presentation has been prepared to summarize such information for prospective investors in the Company.

The information contained herein is not a substitute for an investor's complete review of all of the information attached to the PPM as part of their own due diligence regarding this investment opportunity and its suitability for their investment portfolio.

WHO ARE WE? An Introduction to the Main & Hertel Management Team











Jean-Marc Landau



Dave Freeman



Neal Bawa





Over the course of Mr. Freeman's student housing career, he has participated in the acquisition of over \$1Billion of student housing properties personally or for companies he has worked for.

Mr. Freeman is a Founding Partner and Principal for Blackfish Investments, a real estate development firm specializing in student housing opportunities.

From 2011 through July 2013 Mr. Freeman was the Executive Vice President of Acquisitions and President of a new brand for Campus Crest Communities (NYSE – CCG), a publicly traded student housing REIT headquartered in Charlotte, North Carolina. While with Campus Crest, Mr. Freeman was involved in acquisitions of student housing properties and portfolios throughout the United States and the UK.

Mr. Freeman served as the president of Glenwood Intermountain Properties. Under Mr. Freeman's guidance, Glenwood was able to secure a \$200M equity commitment from Rothschild for the purpose of building a portfolio of student housing properties. That pipeline of new properties was purchased by Campus Crest.

Prior to forming Glenwood Intermountain Properties, Mr. Freeman was the managing partner of Glenwood Student Communities (GSC) which was founded in 1987. Over the past 25+ years, Mr. Freeman as an owner and operator has overseen the acquisition, development, renovation, and management of over \$80 million of student housing assets for the GSC partnership.

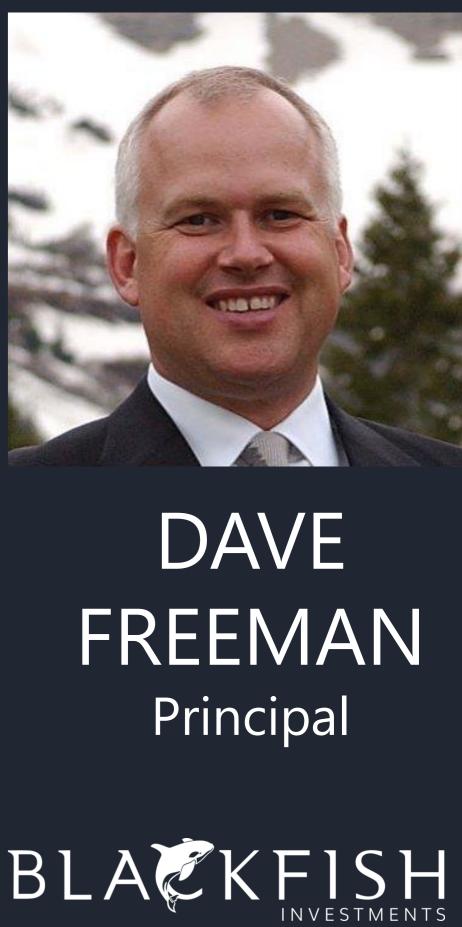
Mr. Freeman started his post college career with Equitec Finacial Group, a publicly traded finance and real estate investment company based out of Oakland, CA. He started in the commercial mortgage lending division, and by the time he left, he was the National Director of Lending.

While still attending college, Mr. Freeman started his career in real estate as a property manager of a 1,152 bed single student housing complex adjacent to Brigham Young University.

Mr. Freeman served on the founding advisory board of Property Solutions (now Entrada), an award winning, high-tech, property management web portal and on-line payment software / service provider.

Mr. Freeman has a Bachelors of Arts Degree from Brigham Young University.





Mr. Earl is a Founding Partner and Principal at Blackfish Investments, a real estate development firm specializing in student housing projects. He brings 10 years of development experience from having worked with some of the largest real estate players in Utah and regionally. With Blackfish, Mr. Earl works with acquisitions, development, design, and financing of new projects.

Prior to Blackfish, Mr. Earl was Director of Acquisitions and Development with the largest multifamily developer in Utah, ICO (Ivory Commercial). He was responsible for the growth and development objectives of ICO Development in the commercial real estate product types (retail, office, industrial) and in Student Housing. His responsibilities included acquisitions, development, property management, leasing, and underwriting.

Before ICO, Mr. Earl worked with Phillips Edison & Company, a public/private REIT specializing in grocery anchored shopping centers throughout the US with 27 million square feet in 250+ shopping centers in approximately 37 states. He was primarily responsible for the value creation through remerchandising and leasing a portfolio of shopping centers in a multi-state territory. His first role with Phillips Edison was as a financial analyst/underwriter for new shopping center acquisitions. While an analyst, Mr. Earl underwrote more than \$1.3 billion in potential new acquisitions in 24 states.

Mr. Earl was also the Land Acquisition Manager and the Development Manager for Alpine Homes, a subsidiary of a "Top 50" private home building company in the US. Responsibilities included sourcing new deals, negotiating terms with land sellers, market/competitive analysis, financial analysis, entitlement work with cities, rezoning, designing projects, and project management to finished lots.

As developer, Mr. Earl's projects have included (partial list):

- The Point on Flamingo 388 bed student housing conversion from multi family
 Ritz Classic—314 unit multi family 5 story podium—ground up development
 500 E South Temple—152 unit multi family midrise—ground up and redevelopment

Sour remple—152 unit multi family midnse—ground up and redevelopment
Belle Monet—72 condo units for lease—ground up development
UVU Student Housing—1,120 bed student housing—ground up development
Ivory Ridge Office Building—35,000 sq ft medical office bldg.—ground up development
Park City Business Center—32,000 sq ft flex industrial bldg.—ground up development
Ivory Ridge Retail—3,200 sq ft retail building—ground up development
Mountain Point Business Center—700,000+ sq ft industrial park—entitlements and site prep
Numerous single family neighborhoods throughout Utah's Wasatch Front—ground up development





Jean-Marc purchased his first 6-unit apartment building in 1982. The property was uninhabitable and in foreclosure. He left his engineering job to rehab the property full time. As interest rates dropped from 19% to 12.5%, values skyrocketed, and he fell in love with real estate. He purchased/syndicated/managed several more apartment rehab projects in the following years until his construction business briefly took the forefront in the late 80s, renovating several larger properties and building high-end homes.

In 1992, a seminar on buying and selling real estate loans introduced him to the world of mortgages and changed his course. The note business quickly led to origination of loans, and a rapidly growing brokerage that would fund more than 3500 properties and \$1.5 billion in residential, commercial, construction, and resort property loans over the next 15 years.

The collapse of 2008 let him to new explorations, and back to his roots. The story that stuck in his mind was his showing a client how she could sell her rental property producing \$3,000 a year and redeploy that capital to produce \$110,000 per year. That transaction resulted in another pivot for Jean-Marc, this time taking him back to his investment roots. The next step was to figure out how to consistently source attractively-priced properties that would provide ongoing cash flow. By choosing to focus on larger apartment complexes with strong value-add plays in emerging markets (his favorite combination of predictability and profitability), Jean-Marc was able to establish a nationwide network of partners to help source the best deals in these markets.

With opportunities flowing, Jean-Marc launched Financial Attunement, Inc., a financial strategy firm dedicated to sourcing reliable investment s that provide a true return, sufficient to live from, bringing life balance, overall strategy, and abundant passive cash flow into people's lives.

In the first 7 years, the company has placed over \$30Mil of our investor capital, purchased over 2000 units for over \$120Mil in six states, and still managing 1400 of those units. Three projects have been sold to date, all proving very attractive returns.

Much of the capital for Financial Attunement's projects is sourced through BAMF – the Bay Area Multi Family Meetup group he co-founded to teach and spread the word about apartment investing.



JEAN MARC LANDAU Principal







Neal owns and manages an extensive 1,500 unit+ Multifamily and Single Family real estate portfolio in 7 U.S. States. He speaks at Multifamily events, IRA events & meetups across the country. Over 4,000 students attend his multifamily seminar series each year and hundreds attend his Multifamily boot camps.

He is the co-organizer of the largest Multifamily Investing Meetup in the U.S. (BAMF), with 4000+ members. Over 250 investors are invested in Neal's projects. Neal has been interviewed on over a dozen of the country's top real estate podcasts.

Neal's past experience includes 17 years of revenue (P&L) experience as the senior-most executive in a California education company with over 350 employees and \$40MM in revenue.

Neal is a backyard tomato farmer and a protein diet health nut. He believes in positivity and Karma, is passionate about Cricket and about the enormous potential of self-driving electric vehicles to solve the global climate crisis. He lives with his wife and his two sons in Fremont, CA





OUR PROPERTY MANAGER

Property Management Expertise

SGFusion Living has focused on student housing for 30 years. They have managed as many as 3,700 beds at a time across Utah, Arizona, Nevada, California, Colorado and Florida

Strong Expertise in Budgeting

SGF partnered closely with us in the due diligence, proforma and budgeting process. They regularly shop the competition and their rent comps are very reliable.

High Caliber Staff

SGF's staff of 35 employees is experienced with a strong attention to detail.

Awarded Performance

SGF has won "Best of Provo Apartments" the past 4 years for its service above and beyond the call of duty.



Shelly Freeman President/Owner SGFusion Living

HOW WE SELECT MARKET



EMPLOYMENT

We look for metros and submarkets that are adding a significant number of highpaying jobs, resulting in a stable local economy



RENT GROWTH

The 5-year rent growth forecast is one of our key indicators. We use a powerful proprietary method to calculate this value.



SUPPLY & DEMAND

We monitor the supply of local units carefully to ensure it will not spike the vacancy rates and negatively impact rents.



SALES TRENDS

We continuously monitor local sales to compute cap rates and determine whether our cap rates are on target to reach our projections.

HOW WE SELECT PROPERTIES





LOCAL DRIVERS

VALUE ADD

Properties with local job growth drivers have the most potential.

Underwriting hundreds of properties to find a strong contender.



RENT GROWTH TRACK RECORD

Do the property and submarket have a strong 12month track record?



HIDDEN POTENTIAL

Are there quick fixes like bad marketing, cur appeal, or poor staff?

OUR PORTFOLIO & TRACK RECORD



Lodge at Glenwood Apartments Student housing.

73.51% average annual return if sold today based on current valuation. 26 year hold to date.



1425 North Apartments Student housing.

31.78% average annual return if sold today based on current valuation. 2.75 year hold to date.



Riviera Apartments 134 Units | 544 Beds Provo, Utah

Purpose built student housing. Value add. 41.96% avg annual return. 18 year hold.

Visit <u>www.BlackFishInvestments.com/projects</u> for our full portfolio



1849 North Apartments Student housing.

31.41% average annual return if sold today based on current valuation. 2.75 year hold to date.





University Villa Apartments 124 Units | 514 Beds Provo, Utah

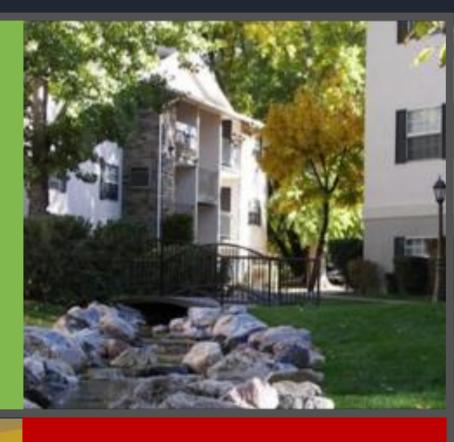
Value add with substantial renovation. 16.54% avg annual return.

4 year hold.

Raintree Apartments 145 Units | 924 Beds Provo, Utah

Development/construction student housing. 24.86% avg annual return.

17 year hold.



Cambridge Court Apartments 162 Units Provo, Utah

Purpose built student housing. 21.07% avg annual return.

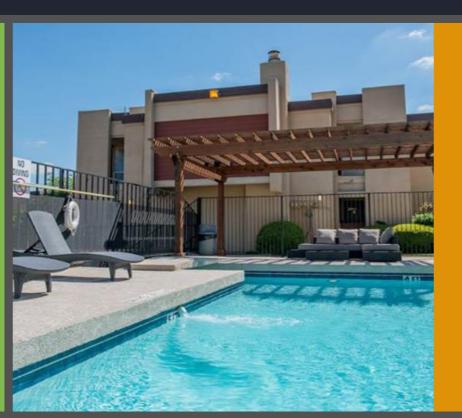
15 year hold.

OUR PORTFOLIO & TRACK RECORD



Point on Flamingo Las Vegas, NV

192 unit traditional apartments being converted to a 380 bed student housing community.



South Lakeside Chicago, IL

237 unit acquired in 2015. Severely mismanaged & in need of remodeling, now achieving average rent bumps of \$120/mo



Tree House Longview, TX

172 unit value add purchased in 2013. Currently for sale with \$100 higher per door.

Visit <u>www.Financial-Attunement.com/portfolio</u> for our full portfolio



Woods of Ridgmar Fort Worth, TX

235 unit value add project acquired December 2016. Higher end finishes on remodeled units bringing significant rent bumps.



FINANCIAL ATTUNEMENT



Villas Del Lago Dallas, TX

248 unit value add purchased Spring 2014. Sold for nearly 80% over purchase price after 21 months ownership.



Chancellor Springville, UT

224 unit value add purchased in Feb 2014 for \$7.6MM. Sold March 2016 with average annual investor return of 39%.



La Siera New Braunfels, TX

152 unit value add a San Antonio submarket. Purchased in 2012. Sold in 2016 with average annual investor returns of 28%.



OUR PORTFOLIO & TRACK RECORD



Art City

Art City Center is a beautiful new construction mixed use project in Springville, UT. The iconic mid-rise secure access residential facility has 102 units. The project was completed in April 2018 and is halfway through lease-up.



Woods of Ridgmar

235-unit stabilized property acquired in Ft. Worth, TX in Dec 2016. We have rehabbed 150+ units to a higher spec. And have successfully raised rents and improved tenant base. Now issuing regular distributions.





South Lake Side

6 Building, 237 unit project in Chicago. Well behind schedule for turnaround. 1st property mgr hired not a good fit. We are back to 85% physical occupancy and 80% economic occupancy (up from 50%). Pushing hard to get to cash flow positive.

Brandon Properties

Collection of 2005-built brick Triplexes in a gated community in Hegeswich, IL. Purchased in 2013, value of portfolio is now up 30%+. Cash flowing at over 16% annualized cash on cash.



grocapitus

Love Cove Resort

Marina and RV park acquired in Charlotte, NC in 2016, and turned into highend glamping resort. Installed 16 of 36 cabins. Daily rate and occupancy climbing continuously. The model works and we are looking to buy more resorts.



The Point on Flamingo

192-unit C class property in Las Vegas purchased in May 2017. Borders UNLV campus on two sides, and is now transformed into purpose built student housing. It is run as full-service, furnished housing, rented by the bed to individual students. First 100 students now in.



Windsor Park

60 unit property, purchased in 2018 as a 1031 exchange in an up and coming area close to SLC airport, which is undergoing a \$3.6 Billion expansion. The plan is to rehab 50 of the 60 units during 2018 and 2019 to boost cash flow.



Rails on Main

322 unit new construction purposebuilt student housing project next to the university in Buffalo, NY. First raise of \$6.2MM used to buy land, demo, land remediation & rezoning Project well timed as Buffalo economy surged in 2017. Starting construction 2018, for 2020 completion.



Windward Forest

216 unit Class Property in East Atlanta. 94% occupied property, will undergo light rehab on all units.

Property purchased Sept 13, 2018







WHY STUDENT HOUSING? Why is this an amazing multifamily segment?

THE STUDENT HOUSING ADVANTAGE

Outperforms other sectors

Even through the Great Recession, student housing outperformed Office, Retail, Industrial, and even Multifamily real estate

One lease per person, not per unit

Annual lease with 12 equal payments and a parental guarantee. A lease per bed drives a premium.



"From a total portfolio perspective, student housing provides both defensive and diversification benefits from other traditional property sectors as it is less volatile and less dependent on the economic cycle,..." - Bloomberg April 19, 2017

Common area to socialize

Rooms share kitchens and living rooms. Graduate student housing is mostly studios and 1 bedroom units so common areas are distributed throughout the property for easy socializing and studying

One bath per bedroom

Gives added privacy and desirability compared with shared bathrooms.

OPPORTUNITY IN GRADUATE STUDENT HOUSING

Why Graduate Student Housing?

Careers that required Bachelors degrees 20 years ago now require Graduate degrees, leading to graduate enrollment outpacing undergraduate enrollment.

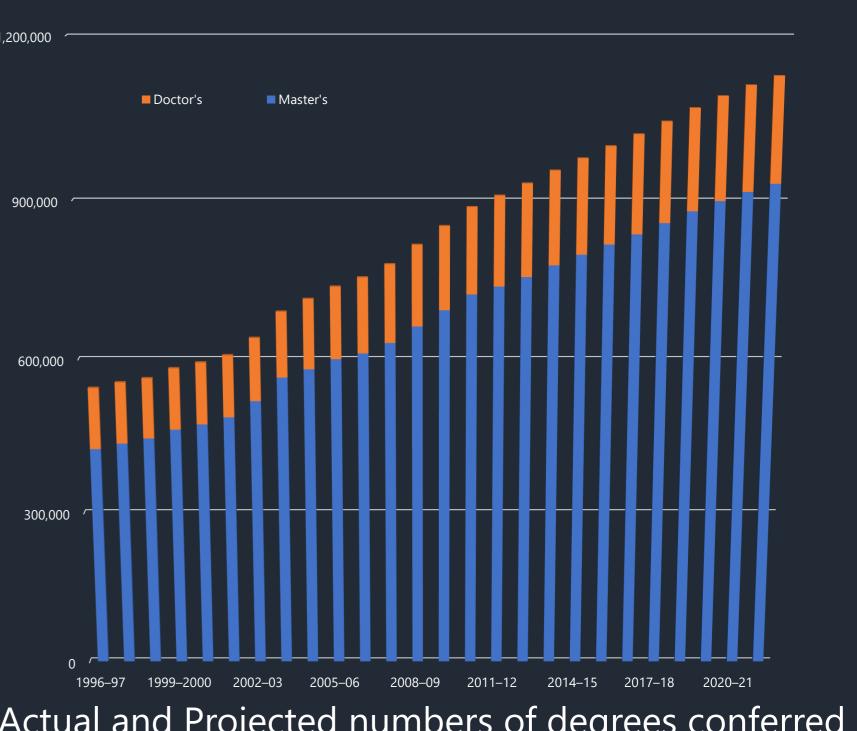
Today's graduate students are not the grad students of 20-years ago...they are not married and do not have kids. They have a higher expectation for living conditions. They don't want married/family housing, nor do they want to live in the "Party" properties populated by undergraduate students.

Universities that provide on-campus housing focus on undergraduate housing, leaving grad students to fend for themselves.

National and Regional student housing developers focus on undergraduate housing where there are more bodies to fill beds.

3.1% annual growth in Undergraduate enrollment

3.6% annual growth in Graduate enrollment



Actual and Projected numbers of degrees conferred

THE MAJOR DIFFERENCES

VS

Undergraduate Housing

2-4 bedroom units with 2-6 roommates

Fully-furnished units

400-800 bed communities

Over-the-top amenities (fitness center, lazy river hot-tubs, concierge, outdoor cinema, etc.)

Party!

Graduate Housing

Private studio or 1-bedroom units

Fully-furnished units

150-400 bed communities

Focused amenities (fitness, study rooms, conference space, collaboration areas, coffee lounge)

Go to the party...not live at the party



WHY BUFFALO AND THIS NEIGHBORHOOD Let's explore the metro and the Main & Hertel submarket

BUFFALO BY THE NUMBERS



\$19Bil.



Entrepreneur Magazine ranks Buffalo as #2 for cities where Entreprenuership is booming

Has been invested into Buffalo Area development projects.

Students enrolled in Buffalo area universities. 7,500 5,750

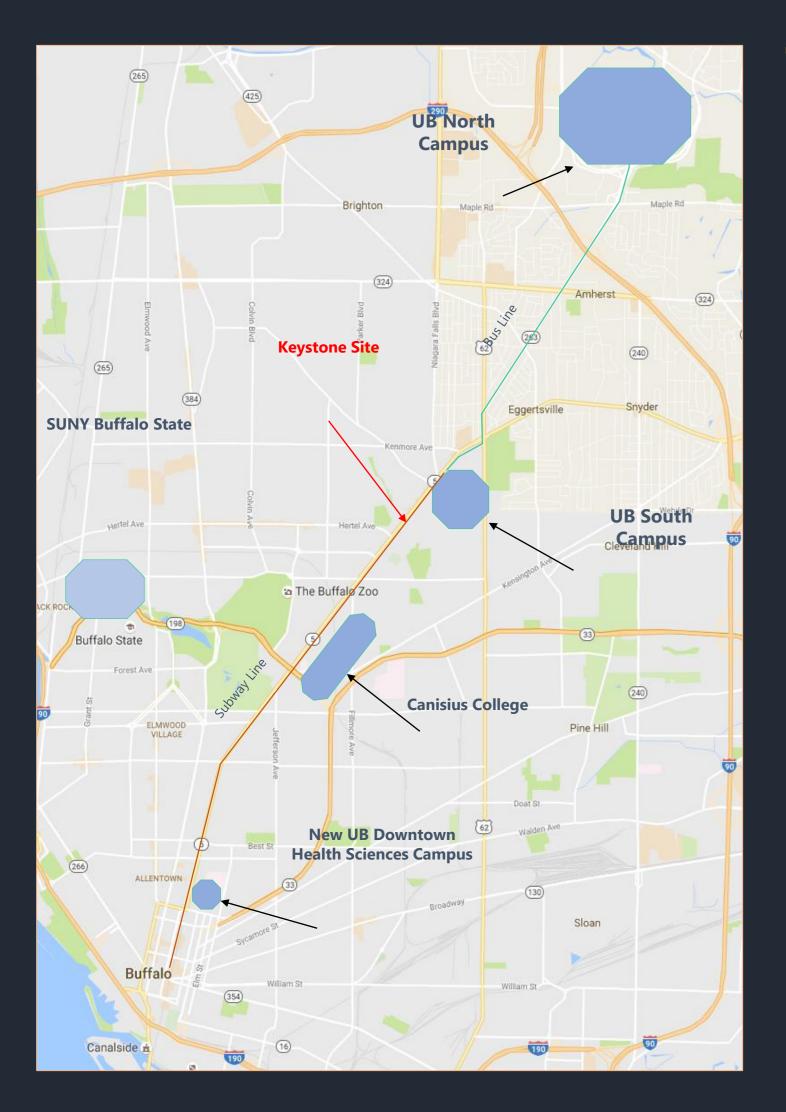
7,500

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Students living around South Campus commute to North Campus. 5,750 Grad Students at the South Campus.

The Downtown Medical Campus is only a 12-minute ride on the subway stop adjacent to the site. There are ZERO purpose-built Graduate Student Housing communities in Buffalo

SCHOOL CAMPUSES OF SPECIAL INTEREST



The University at Buffalo has three campuses.

The North Campus - 22,545 Students enrolled

North Campus is considered the main campus. The majority of undergraduate classes and housing as well as the athletic facilities are on the North Campus.

The South Campus - 5,758 Students enrolled

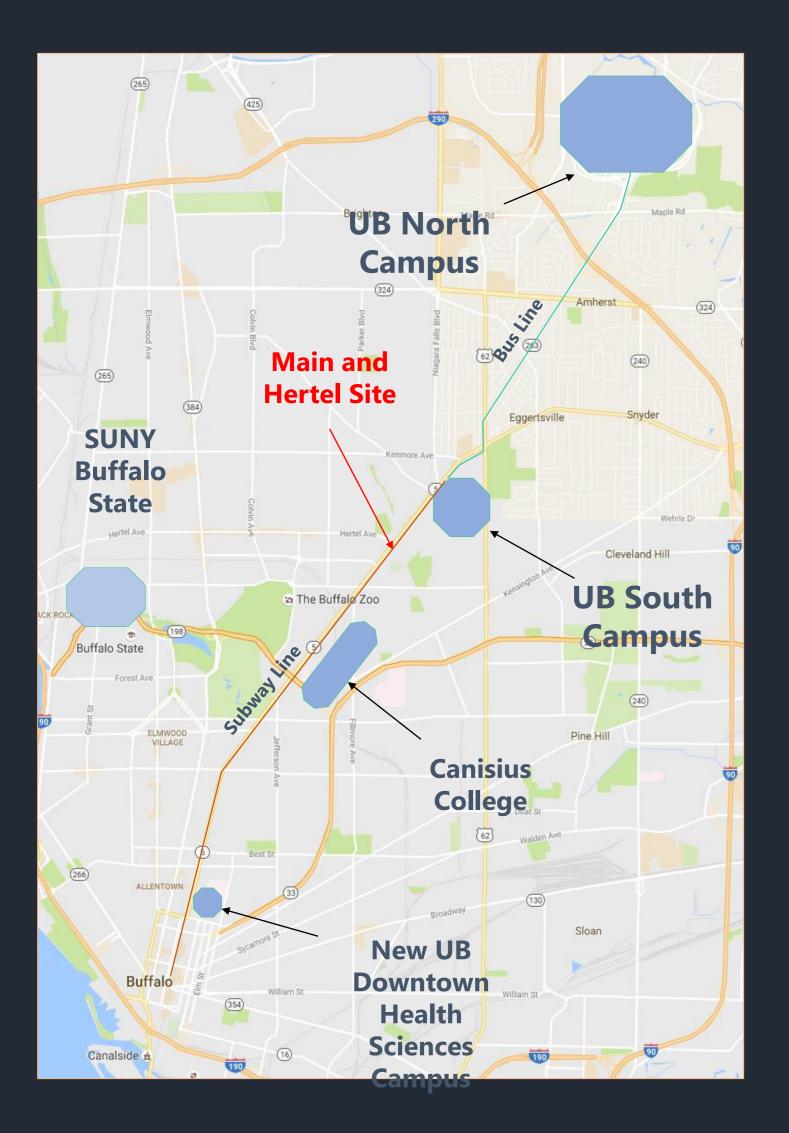
South Campus has primarily graduate programs. The area around the South Campus is called University District. This is where the typical University night life and social venues can be found. Housing is substandard single family homes.

An additional 7,500 Students who have class on the North Campus shuttle from the South Campus up to the North Campus on the Stampede line. They do this because of the University District atmosphere and easy access to the social scene.

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SCHOOL CAMPUSES OF SPECIAL INTEREST



The Downtown Campus - 1,500+/- Students

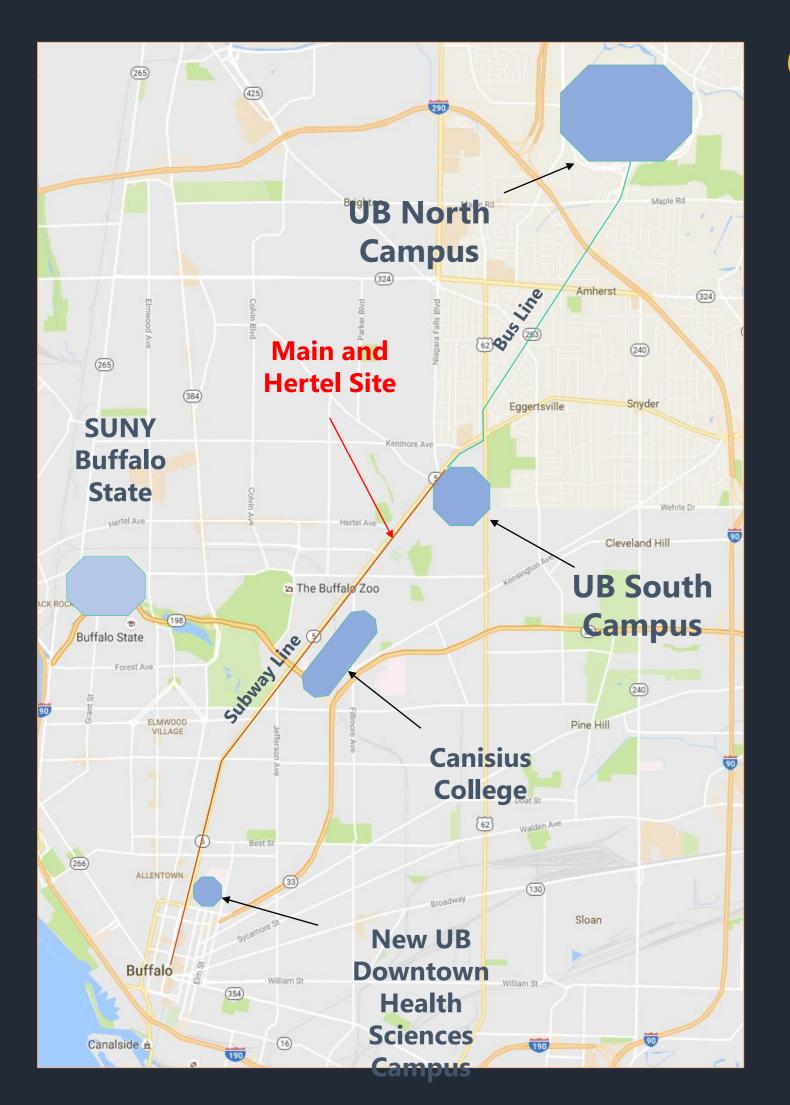
Downtown Campus (Health Sciences) is currently under construction just north of downtown Buffalo along Main Street and is part of the much larger regional Medical District. The Health Sciences programs will migrate from the South Campus to the new Downtown Campus over the next few years.

Housing options downtown are very limited with high barriers to entry for new development. The subway that stops across the street from the Keystone property is a 12-minute ride to the stop that is under the new Health Sciences buildings.





SCHOOL CAMPUSES OF SPECIAL INTEREST



Other Noteworthy Campuses

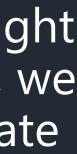
Canisius College - 5,148 Students enrolled

Canisius College is a private Catholic university. Though our project is not targeted toward Canisius students, we expect that it will be a popular alternative to their on-campus housing as we are a 5 minute subway ride with a stop at our Property and a stop on their Campus.

Buffalo State University – 10,256 Students enrolled

Buffalo State is located 2.9-miles west of the Property. It is nearly a straight drive down Hertel to get between Buffalo State and the Property. Again, we are not targeting these students, but there is almost no housing proximate to Buffalo State, and Keystone is an easily accessible option.

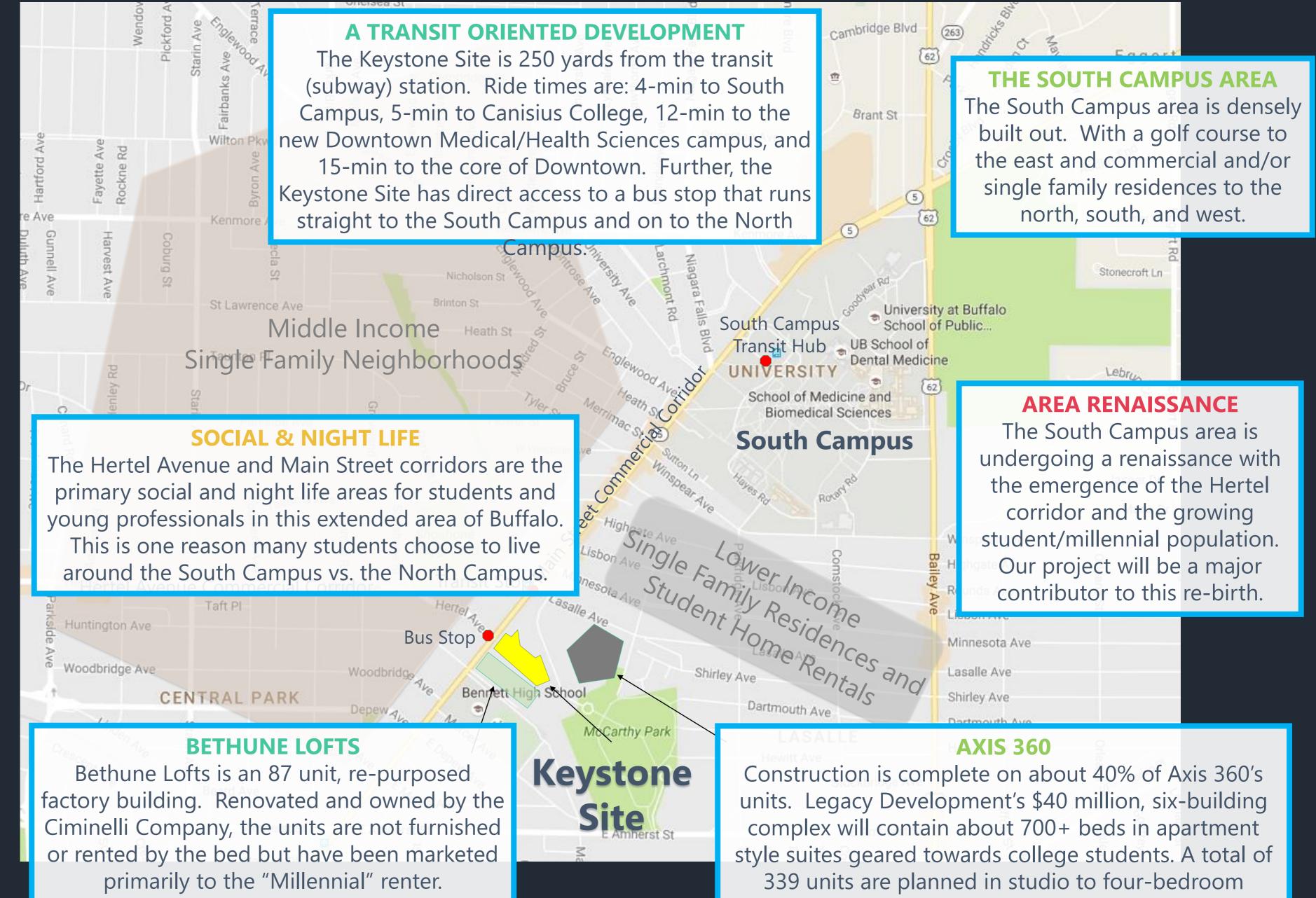


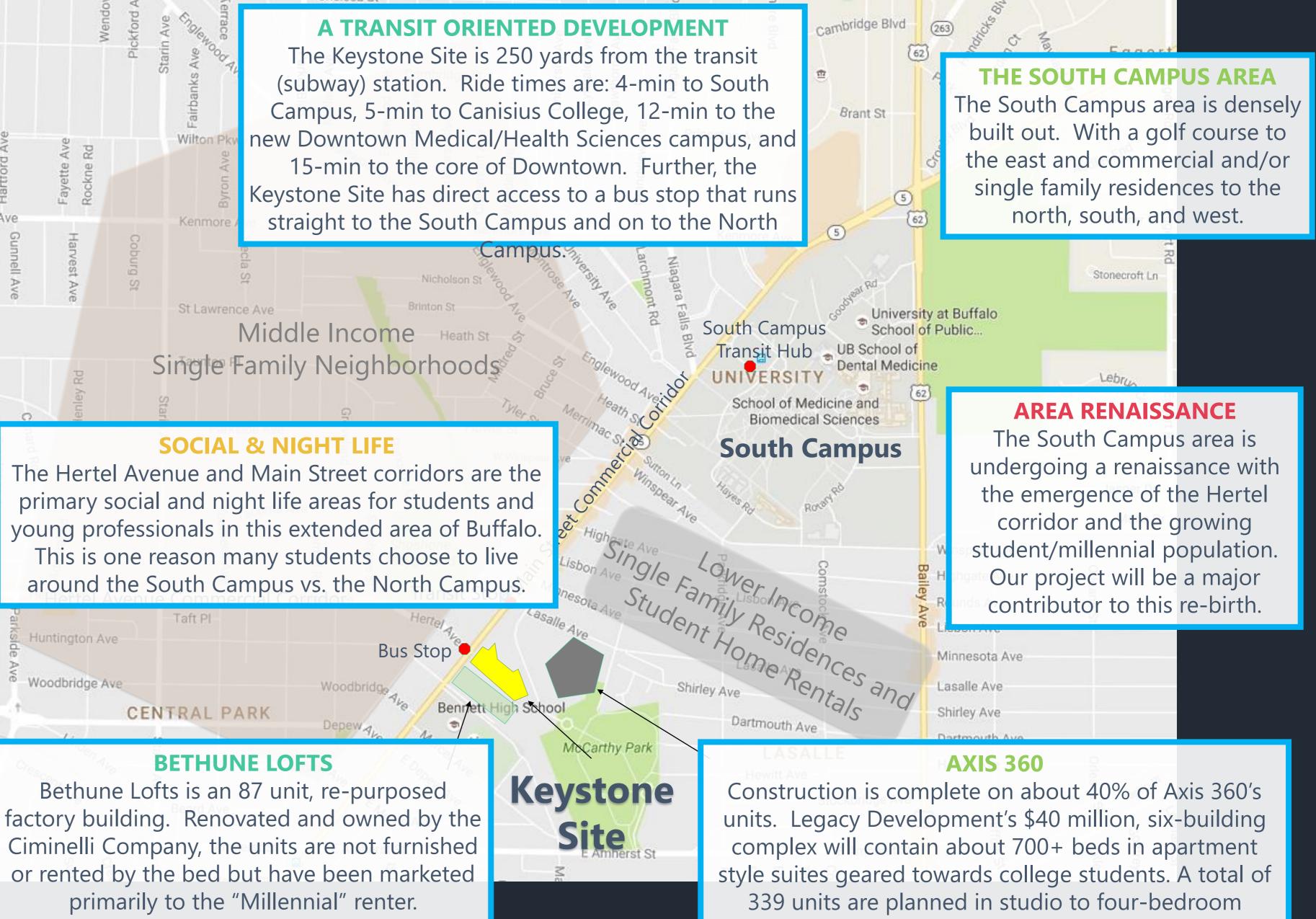




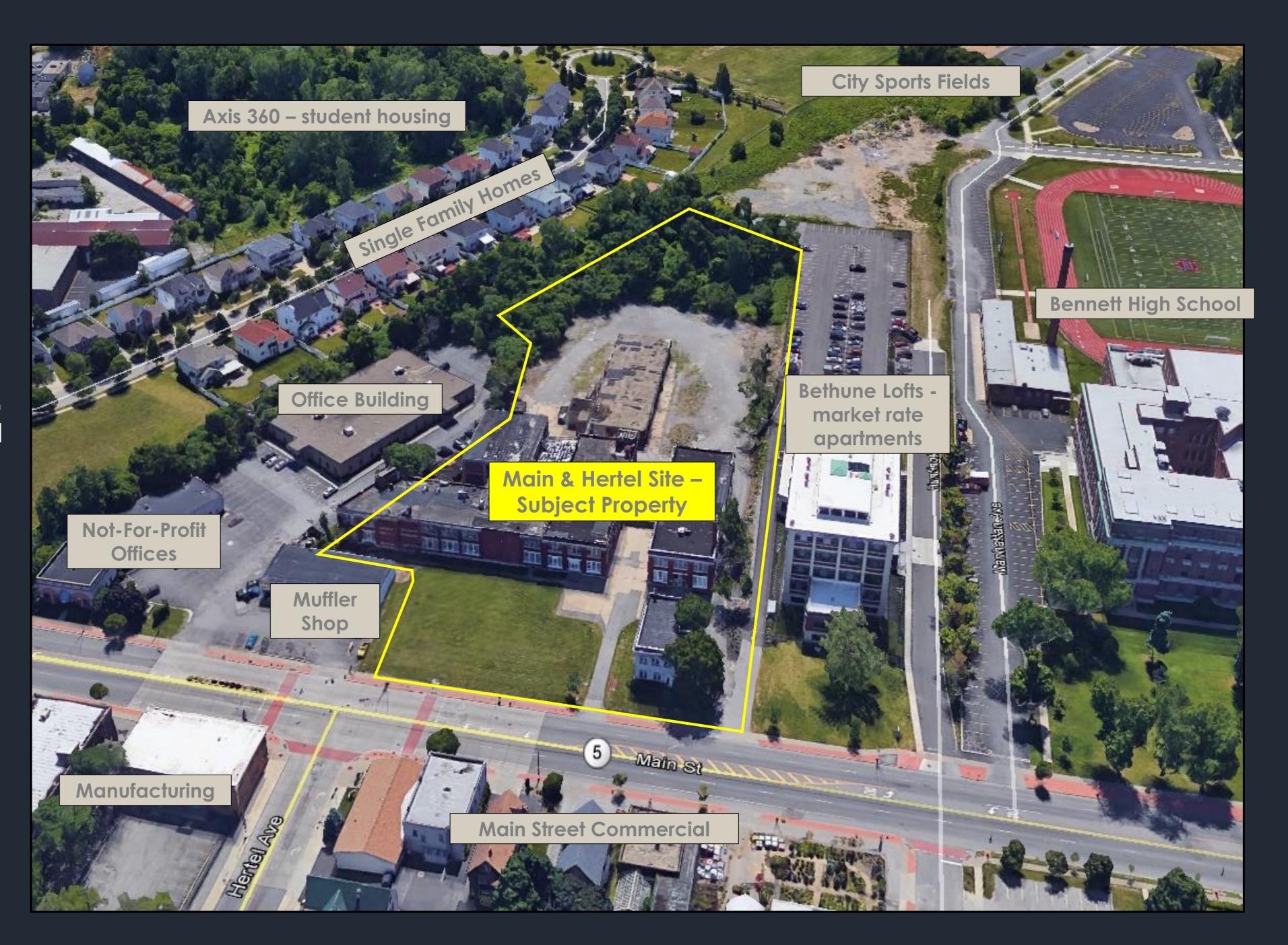
THE MAIN AND HERTEL SITE The future home of Main & Hertel Graduate Student Housing

CONTEXT OF SITE





NEIGHBORING USES



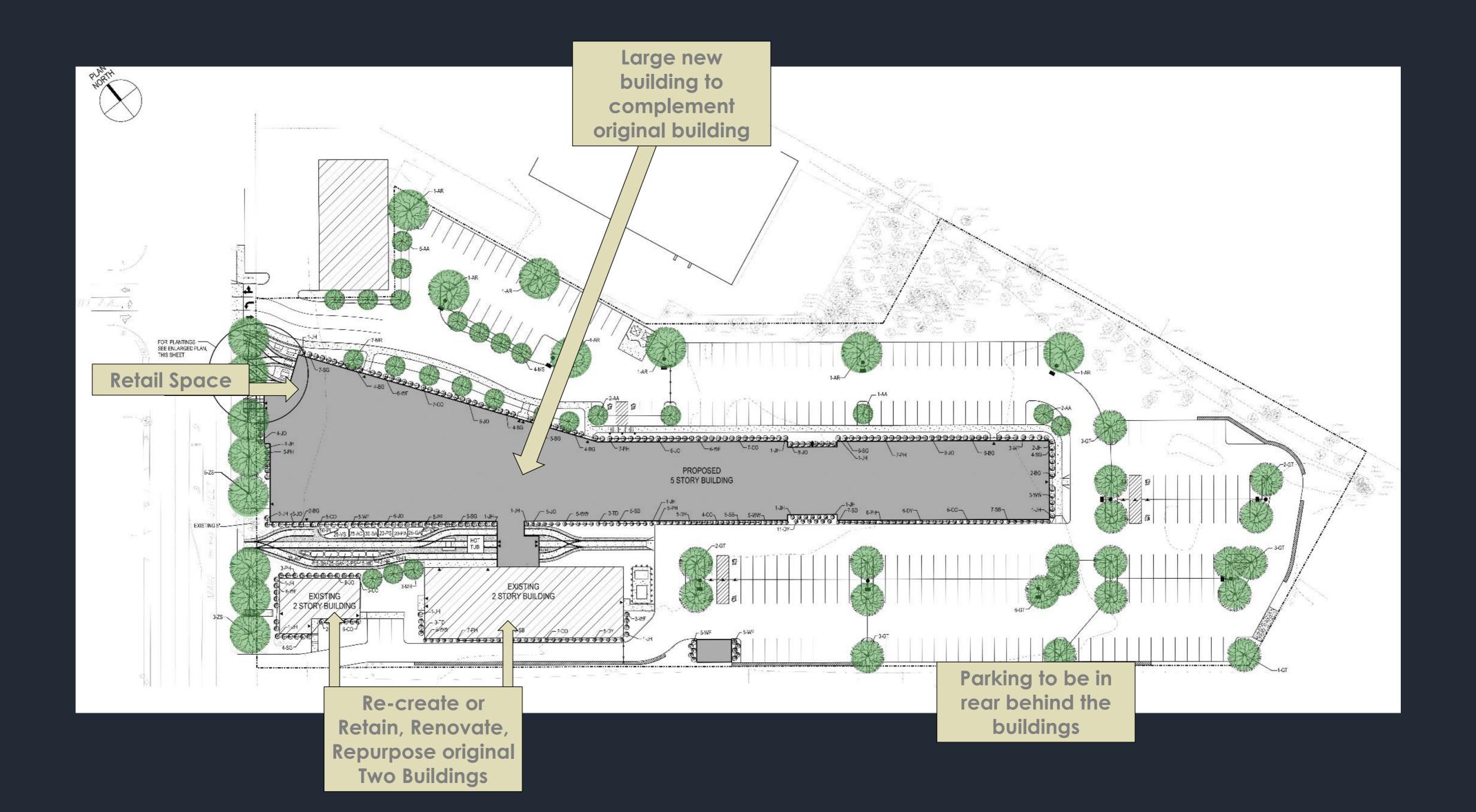
•5 Story construction and re-purposed factory buildings (99% residential/1% retail) •331 Units •362 Private bedrooms •1 Retail Space ~2,350 SqFt Study, exercise, collaborative work/study, and relaxation amenities Secure building and unit entrances •284 Parking spaces on site

CONCEPT VIEW - NIGHT

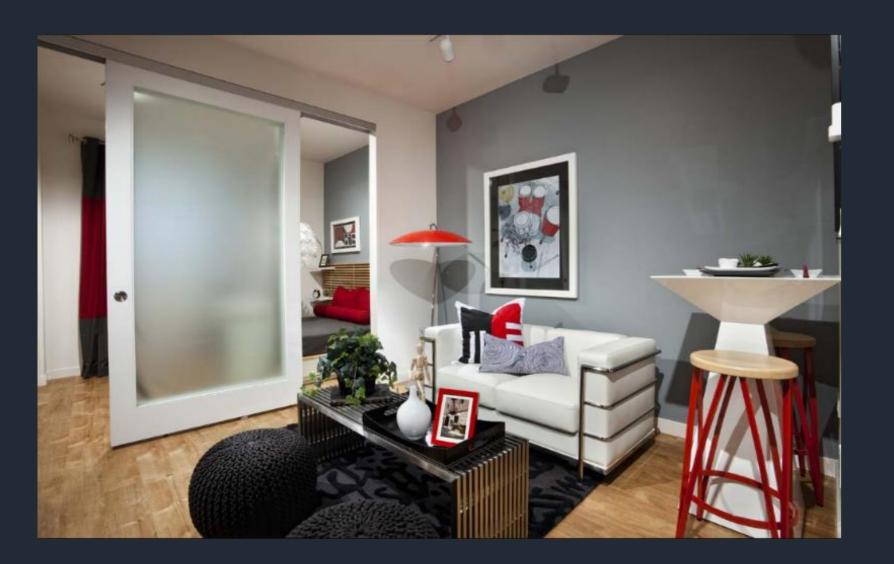




PROJECT SITE PLAN

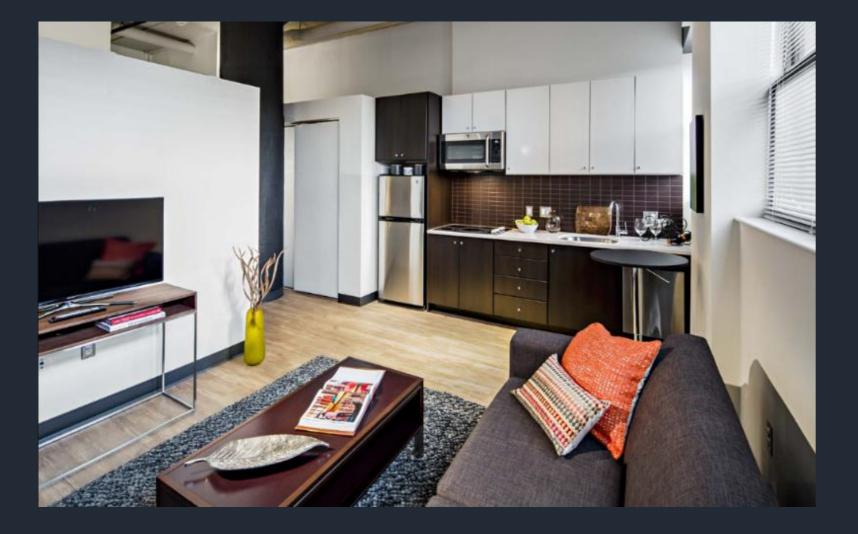


UNIT CONCEPT DESIGN



The Units are:

- Large HDTV





• Beds individually leased • Fully furnished • Queen size bed • Large study desk • High-speed Internet • Utilities included (capped) • One wall is a White Board • Washer & Dryer included







WHAT ARE THE NUMBERS? Project status, assumptions, loans, splits, returns, and more!

Due Diligence

- Environmental Phase I & Phase
- Soil sampling.
- Geotechnical Studies for soil, bedrock & ground water
- Storm water storage
- Historic status of buildings identified
- Traffic studies
- Parking studies

Project Costing

- Multiple general contractors have reviewed the design
- Provided preliminary project costing estimates.
- Procurement companies researching better pricing for budgeted finishes and furniture

Public Meetings

- Neighboring property owners attended
- City Councilors attended
- Very positive feedback

DUE DILIGENCE – COMPLETED WORK

City Approvals

- Preservation Board – approved demo of 100year old buildings
- Planning Board approved environmental impacts
- Zoning Board of Appeals – approved our application for several variances from the zoning code
- Planning Board site plan approval

Design Work

- Progressed over 10 months to the final design
- Design is efficient, attractive, and conducive to great resident life and minimal impacts to neighbors.

Govt Incentives

- Project accepted into NY **Brownfields** Cleanup Program
- 485-a Property Tax Abatement – City Tax Assessor has confirmed our design and plans qualify for the 13-year property tax abatement program

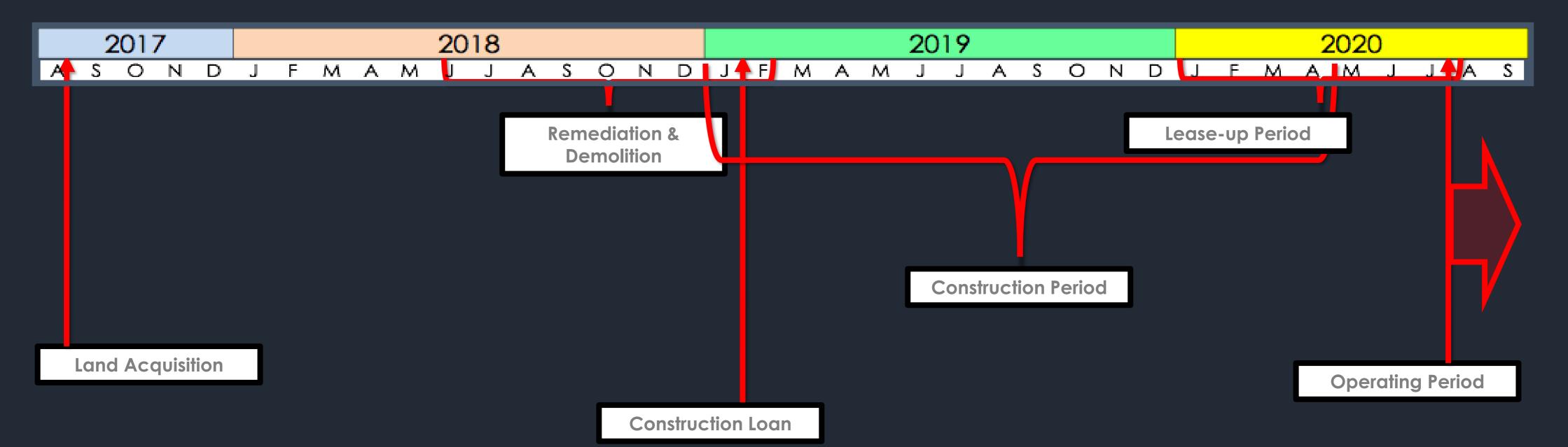


PROJECT TIMELINE

Early Investor Period

(Class A Investors)

Investors that invest to facilitate land acquisition, remediation, and demolition.



Late Investor Period

(Class B Investors) Investors that invest to facilitate construction loan after land acquisition.

See the Investment Summary for more detailed information.



FINANCIAL HIGHLIGHTS

PROJECTED AVERAGE ANNUAL RETURNS

34.2% Early Investor 26.15% Late Investor

INVESTOR PREF

8% at stabilization

PROJECT SIZE

\$51.2MM, Buildto cap rate 7%

These numbers are projections and subject to change. For additional information, see the PPM and Subscription Documents

LOAN RATE

7%, 2 yr. construction, 80% LTC

LOAN & DCR

\$40.8MM loan, Yr 1 DCR = 1.51x

TOTAL EQUITY TO BE RAISED

\$10.38 MM (2 phases)

5-YEAR PROFORMA SUMMARY

EARLY INVESTOR RETURNS

Early Investor Cash Investment	(6,170,000)
Early Investor Kicker	2,191,044
Early Investor Distributions	6,184,015
Early Investor Return of Capital	8,170,439
Early Investor Cash Flows	10,375,498
Early Investor Cash Flow Per \$100,000 Invested	168,160
Early Investor Cash On Cash Returns	
Early Investor IRR	24.30%
Early Investor Simple Annual Return	34.20%
Early Investor Cash Multiple	2.68×

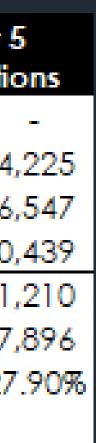
LATE INVESTOR RETURNS

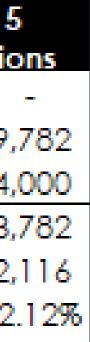
Late Investor Contributions	(3,714,000)
Late Investor Distributions	3,722,436
Late Investor Return of Capital	3,714,000
Late Investor Cash Flows	3,722,436
Late Investor Cash Flow Per \$100,000 Invested	100,227
Late Investor Cash On Cash Returns	
Late Investor IRR	19.36%
Late Investor Simple Annual Return	26.15%
Late Investor Cash Multiple	2.002x

Yr 1 Abatement / Demo	Yr 2 Const. Period	Yr 3 Const. Period/Leasing	Year 4 Operations	Year 5 Operatio
(6,170,000)	-	-	-	
-	-	612,324	754,496	824,
-	-	246,800	870,669	5,066,
-	-	-	-	8,170,
(6,170,000)	-	859,124	1,625,164	14,061,
(100,000)	-	13,924	26,340	227,
0.00%	0.00%	6 13.92%	26.34%	227

Yr 1 Abatement		Yr 2 Const.	Yr 3 Const.	Year 4	Year 5
	/ Demo	Period	Period/Leasing	Operations	Operatio
	(2,600,000)	(1,114,000)	-	-	
	-	-	148,560	524,095	3,049,3
	-	-	-	-	3,714,0
	(2,600,000)	(1,114,000)	148,560	524,095	6,763,
	(70,005)	(29,995)	4,000	14,111	182,
	0.00%	0.00%	4.00%	14.11%	182.

These projected numbers are the investor's net returns after management team's fees and share.

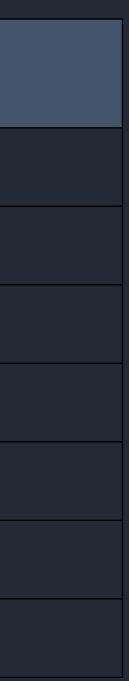




EXIT ASSUMPTIONS

Key Metrics	Returns		
NOI at Stabilization	\$3,573,627	Early Investor Simple Annual Return	34.20%
Going-in Valuation Cap Rate	6.00%	Early Investor IRR	24.30%
Value at Stabilization	\$59,560,445	Early Investor Op Yr. 1 Cash-on-Cash	25.3%
Total Project Costs	\$51,197,707	Late Investor Simple Annual Return	26.15%
Value Creation at Stabilization	\$8,362,738	Late Investor IRR	19.36%
Hold Period in Years from Start of Operation	2	Late Investor Op Yr. 1 Cash-on-Cash	14.1%
NOI at Disposition	\$3,779,538	Build-To-Cap Rate	6.98%
Exit Cap Rate	5.83%		
Disposition Valuation	\$65,150,000		
Value Creation @ Sale	\$13,952,293		

These numbers are projections and subject to change. For additional information, see the PPM and Subscription Documents



SENSITIVITY ANALYSIS

At this point, the biggest variable is the loan sizing and pricing for the Construction Loan. Below is a table showing returns to investors based on interest rate sensitivity.

Interest Rate Sensitivity				
Construction Loan Rates	6%	7%	8%	10%
Late Investor Simple Annual	28.50%	26.15%	23.46%	18.36%
Early Investor Simple Annual	36.01%	34.20%	32.14%	28.23%
Equity at 80%	10,284,851	10,387,541	10,507,166	10,742,976

OUR FEES



Developer, acquisition and loan fees

Promoters are charging a 5% (of project costs) developer fee for this project, which is a typical developer fee, a 0.75% (of project costs) acquisition fee, and loan brokerage fees of 0.5% of debt amount if a 3rd party broker is involved and 1% if no 3rd party broker is involved for construction loan and 1% of debt amount for permanent financing.



Share of rent profits

Promoters receive 30% of the rent profits only AFTER early investors receive 10% Pref (preferred return) on their early investment and AFTER all investors receive an additional 8% Pref. after stabilization.



Asset management fees

Asset management fees of 1% of Effective Gross Income are taken out of Property Management Fees, not out of investor cash flows.



Upside on sale

At the sale of the asset, investors are repaid their initial investment 1st, then net profits (after accounting for investor capital, debt and selling costs) are split 70% to early investors/30% to Promotors. If returns for the property are higher than 25% annually for late investors, then returns ABOVE that 25% threshold are shared in a 60/40 split between late investors and Promoters.

INVESTOR CRITERIA



Minimum investment

Stage 2 Class B Investor minimum investment is \$100K, Accredited Investors Only



Investment timeline

Verbal indication of interest by December 20th. Money should be wired by Jan 1 (Jan 20 for IRA customers).



Next steps

Contact Neal by email at neal@Grocapitus.com or call 510-367-1510 to discuss this opportunity further.

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Ready to invest

Email neal at <u>neal@grocapitus.com</u> to get started. The PPM and Subscription Documents are now available. Request your copy of the documents ASAP (docs will be sent to everyone on the webinar automatically). Our investment process is 100% green, paperless, easy and takes less than 7 minutes when you are ready to sign.

QUESTIONS AND POLL





BUFFALO'S ROBUST STUDENT POPULATION

Buffalo has a LARGE student population. With over 70,000 students, of which 15,000 are graduate students, it is a prime market to explore.

71,000

Enormous student population in Buffalo

School	Students
Buffalo State College	10,256
Erie Community College	15,084
University at Buffalo	29,806
Bryant & Stratton College	693
Canisius College	5,148
D'Youville College	3,067
Daemen College	2,800
Medaille College	2,497
Trocaire College	1,467
Totals	70,800

15,000

Large cohort of graduate students

Undergrads Endowmen Graduates Endowment (in MM) t (per student) 9,116 1,140 \$36.0 \$3,510 15,084 University at Buffalo 9855 \$624.8 19,951 \$20,962 graduate enrollment 693 \$20,319 3,381 1,767 \$104.6 stands out 1,963 1,104 \$38.6 \$12,586 2,045 \$10.0 \$3,571 755 1,914 565 \$8.0 \$3,227 1,467 \$1.2 \$818 15 186 55,611

After drilling down further, we see that the largest group of graduate students comes from University at Buffalo. Thus, UB became our focus with the other schools playing supporting roles.







NEW CONCEPT WORKS FOR UNIVERSITY AT BUFFALO STUDENTS

Our Graduate Housing Project Description

A large number of today's graduate students are single and once lived in purpose-built student housing as undergraduates. Though they no longer want to live with the younger undergraduates, they have grown accustomed to turn-key student housing.

We have designed highly efficient and livable units and buildings that can be built cost effectively and provide high quality, purpose-built, graduate student housing in excellent proximity to the University at Buffalo South Campus and transit/bus lines to other Universities in the market.



NEW CONCEPT WORKS FOR UNIVERSITY AT BUFFALO STUDENTS



The only High Quality "Turn-key" housing targeted to Graduate Students, young medical and business professionals, and more serious upperclassmen undergraduates in the market.

- 5 Story construction and re-purposed factory buildings (99% residential/1% retail)
 - 321 Units
 - 352 Private bedrooms
 - 1 Retail Space ~2,350 SqFt
- Study, exercise, collaborative work/study, and relaxation amenities
- Secure building and unit entrances
- 284 Parking spaces on site



FIRST FLOOR LAYOUT



1 Bedroom A 485 SF	1 Bestroom A 485 SF	13edroom A 485 SF	23edroom A. 720 SF	1 Bedroom A 485 SF	<u>1 Bedroom A</u> 485 SF	Studio 8 405 SF	Studio 8 405 SF	<u>2 Bedroom A</u> 720 SF	1 Bedroom A 485 SF	1 Bedroom A 485 SF	<u>Studio A</u> 375 SF	Studio A 375 SF	1 Bedroom A 485 SF	Studio A	1 Bedroom B 475 SF	
11=1	1-1			15		15			15	121	121			1 13	b i - p	51
12			-12		2		12	- E		2		K.	-14	- 24	12	Γ
4853F	1 Bedroom A 485 SF	1 Bedroom A 485 SF	2 Bedroom A 720 SF	1 Bedroom A 485 SF	1 Bedroom A 485 SF	<u>Studio 8</u> 415.SF	3tudio 8 415 SF	2 Bedroom A 720 SF	1 Bedroom A 485 SF	1 Bedroom A 485 SF	Studio A 375 SF	Studio A 375 SF	2 Bedroom A 720 SF	375 SF	1 Bedroom B 475 SF	t I
403.57	403.54	403.55	72058	~~~~		410.07	410.5F	720.54		460.37	3/3.5P	3/3.9	720.54	3/55P	4/35	ļ

35600 SF

1545 SF 1410 SF

Туре	Count
1 Bedroom A	162
1 Bedroom B	10
1 Bedroom C	2
1 Bedroom D	6
1 Bedroom E	2
1 Bedroom F	2
2 Bedroom A	29
2 Bedroom B	3
Office	1
Studio A	65
Studio B	20
Studio C	15
Studio D	8

Unit Count - Total

Total Sque	Total Square Footage					
Туре	Area					
1 Bedroom A	78390 SF					
1 Bedroom B	4755 SF					
1 Bedroom C	1210 SF					
1 Bedroom D	2850 SF					
1 Bedroom E	980 SF					
1 Bedroom F	1140 SF					
2 Bedroom A	20930 SF					
2 Bedroom B	2310 SF					
Amenity	7740 SF					
Basement	965 SF					

Circulation

Commercial MEP

Program Type

