Jacksonville Portfolio

HOTEL TO MULTI - FAMILY • 334 UNITS • JACKSONVILLE, FL

ELEVATE
COMMERCIAL INVESTMENT GROUP

Disclaimer:

THIS PRESENTATION IS FOR DISCUSSION PURPOSES ONLY.

THE PRESENTATION DOES NOT CONSTITUTE AN OFFER, AGREEMENT, OR COMMITMENT TO RESTRUCTURE, REFINANCE, PURCHASE OR SELL ANY LIMITED PARTNERSHIP UNITS OR OTHER SECURITIES.

NO PARTY SHALL BE BOUND UNTIL THE ENTRY INTO DEFINITIVE AGREEMENTS REGARDING THE SUBJECT MATTER OF THIS PRESENTATION.

Overview

Investment Highlights

Investment Highlights

JACKSONVILLE
PORTFOLIO

- 3 Hotel buildings on 8.5 Acres - Mid-1980’s garden style
- Increasing value by repositioning to apartments, rebranding, upgrading exterior and interiors, adding storage units, improving amenities, improving operational excellence

$16.3M PURCHASE PRICE (48,653 KEY / UNIT)

$14.3M TOTAL COST RENOVATION

$34.0M TOTAL COST ALL IN

$7.2M TOTAL EQUITY REQUIRED

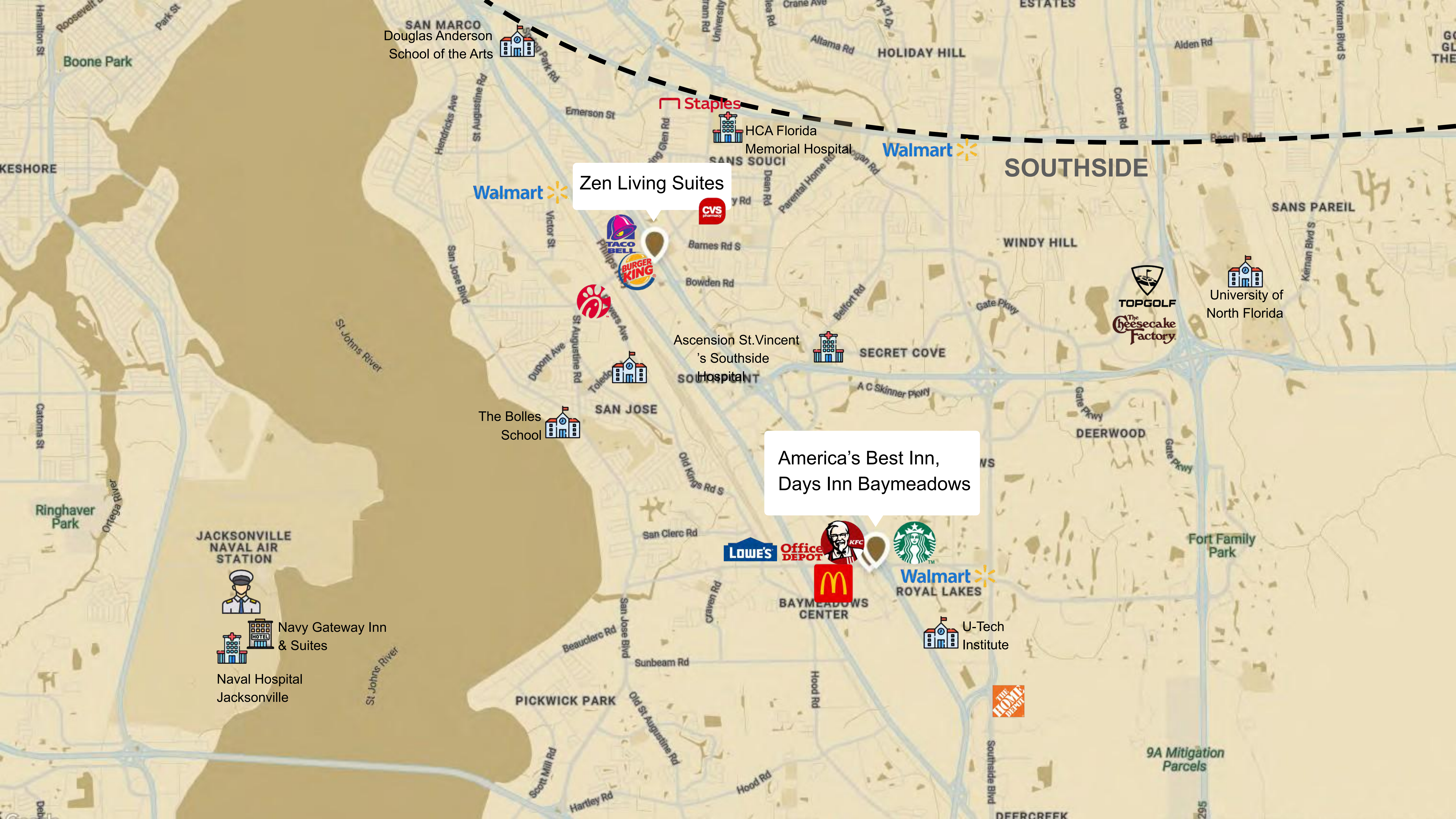
$52.4M PROJECTED VALUE UPON STABILIZATION

$18.4M VALUE CREATED


FLORIDA


Ingle
Cary State Forest
Bryceville
Baldwin
IMESON PARK
St Johns River
Mill Cove
Blount Island
ARLINGTON HILLS
EAST ARLINGTO
COMMONWEALTH
Jacksonville
REGENCY
RIVERSIDE
SOUTHBANK
SOUTHSIDE ESTATES
CRYSTAL SPRINGS
HILLCREST
WINDY HILL
CEDAR HILLS
SECRET COVE
JACKSONVILLE HEIGHTS
JACKSONVILLE NAVAL AIR STATION
BAYMEADOWS
ROYAL LAKES
Branan Field Wildlife and Environmental Area
CHIMNEY LAKES
ARGYLE FOREST
Bellair-Meadowbrook Terrace
MANDARIN STATION
DEERCREEK
OAKLEAF PLANTATION
Orange Park
MANDARIN
Jennings State Forest


Ed Austin Regional Park
Hanna Park
ARLINGTON HILLS
NORTH BEACH
Jacksonville Arboretum & Gardens
St Johns River
ARLINGTON
EAST ARLINGTON
GIRVIN
Atlantic Beach
REGENCY
THE BEACHES
Neptune Beach
SOUTHSIDE ESTATES
SANDALWOOD
GOLDEN GLADES/ THE WOODS
HOLIDAY HILL
3rd St N
Zen Living Suites
Jacksonville Beach
BEACH HAVEN
SANS PAREIL
WINDY HILL
America's Best Inn,
Days Inn Baymeadows
DEERWOOD CENTER
Ponte Vedra Beach
ROYAL LAKES
PICKWICK PARK
Sawgrass
DEERCREEK
MANDARIN STATION
Palm Valley
LORETTO
GREENLAND
MANDARIN
Julington Durbin



Zen Living Suites
America's Best Inn,
Days Inn Baymeadows
Douglas Anderson
School of the Arts
Staples
HCA Florida
Memorial Hospital
Walmart
Walmart
Walmart
CVS pharmacy
TACO BELL
BURGER KING
Ascension St.Vincent
's Southside
Hospital
The Bolles
School
SOUTHSIDE
TOPGOLF
The Cheesecake Factory
University of
North Florida
LOWE'S
Office DEPOT
KFC
U-Tech
Institute
Navy Gateway Inn
& Suites
Naval Hospital
Jacksonville
HOTEL
SAN MARCO
Boone Park
HOLIDAY HILL
SANS SOUCI
WINDY HILL
SANS PAREIL
SECRET COVE
SAN JOSE
DEERWOOD
ROYAL LAKES
BAYMEADOWS
CENTER
JACKSONVILLE
NAVAL AIR
STATION
Ringhaver
Park
Fort Family
Park
PICKWICK PARK
9A Mitigation
Parcels
St Johns River
St Johns River

Projected Returns

22%
IRR

2x+
EQUITY MULTIPLE

8%
TRUE PREFERRED RETURN -
WITH CATCH UP

90%+
PROJECTED INVESTOR CAPITAL RETURN
UPON REFINANCE, EST. END OF YEAR 2

5
YEAR TERM

100K
MINIMUM INVESTMENT (USD)
ACCREDITED INVESTORS ON LY

Why Real Estate

Investor Responses

- Capital preservation
- Strong compounding returns
- Double money as fast as possible
- Mailbox money
- Low time investment
- Leverage
- Investing in real assets to combat inflation
- Tax efficient
- Liability
- High fees regardless of performance
- Diversification
- US dollar exposure
- Regular, clear, consistent communication
- Trust

Why Real Estate is a Wise Investment?

- 90% of millionaires used real estate
- Income-generating physical asset
- Inflation hedge
- Leverage
- Limited supply
- Passive, stress-free investing
- Rental demand increasing
- Depreciation
- Downside protection with the big 3
- Always in demand
- Making a difference

5 Ways to Win in Real Estate

CASHFLOW

MORTGAGE
PAY DOWN

TAX
INCENTIVES

NATURAL
APPRECIATION

FORCED
APPRECIATION

Why Invest in Apartment Buildings

- Safer investment
- Lower vacancy risk
- Apartments are rare, increasing demand
- Economies of scale with expenses
- Predictable value add projections
- Bigger opportunity

Why Don’t More People Invest in Real Estate?

- Not sure how to start, it’s complicated
- Not sure how to find good deals
- Not sure how to build a team of experts
- Don’t have time, life is busy
- Don’t get around to getting started - it can be overwhelming
- Don’t want tenant headaches

Team

Sponsorship Team

JORGE ABREU

PARTNER

- Active and passive full-time multifamily real estate investor with 5,814 doors across the Southern US.
- CEO of Elevate Commercial Investment Group, Jorge also owns and operates JNT construction, that focuses on helping multifamily investors with their full renovations.

Frank Herman

PARTNER

- Frank’s recent successes include roles as an investor, operator, and equity partner in various projects (over 700 doors) including a recent acquisition General Partner role for a $28M purchase, rehab, and a condo conversion in Oxford, MS with the expected exit of over $60M.
- Frank’s purpose is to create legacy wealth for all stakeholders involved with all projects, from founders and employees to investors in order for everyone to achieve the financial freedom to actually live their dream life.

ERIC BODIWALA

PARTNER

- Co-founder / COO of Elevate Commercial Investment Group.
- 10+ years in the real estate acquisitions and construction business.
- Responsible for acquiring, rehabbing, wholesaling, and selling in excess of $500M worth of real estate in a variety of locations which include both residential and commercial properties.

ResProp
Residential Property Management

RESPROP

PROPERTY MANAGER

- 15+ years of experience owning and operating over $2B in multi-family assets.
- ResProp manages 9.5K units across 65 properties, with 250+ team members committed to serving 10 metro areas across Florida, Texas, and South Carolina.

ELEVATE
COMMERCIAL INVESTMENT GROUP

Elevate’s Successful Track Record

21 FOURTEEN

37 Units
Temple,
TX

Projected IRR: 18%
Actual IRR: 24%

Time of hold: 2 years

PORTFOLIO 1275

1,275 Units
Houston,
TX

Projected IRR: 16.5%
Actual IRR: 12.5%

Time of hold: 1.5 years

GREEN MEADOWS

104 Units
Augusta, GA

Projected IRR: 18-20%
Actual IRR: 110%

Time of hold: 1 year

Elevate’s Successful Track Record

CROSBY PARK

216 Units
Lawton,
OK

Projected IRR: 20%

Actual IRR: Projected to beat 20%

Time of hold: 3 years and holding (Investors received 60% of investors capital back)

PORTFOLIO 180

180 Units
Houston,
TX

Projected IRR: 21-24%
Actual IRR: 60% (under

contract) Time of hold: 1 year

LONE OAK

396 Units
Dallas,
TX

Initial Projected IRR:

26-27% Actual Projected

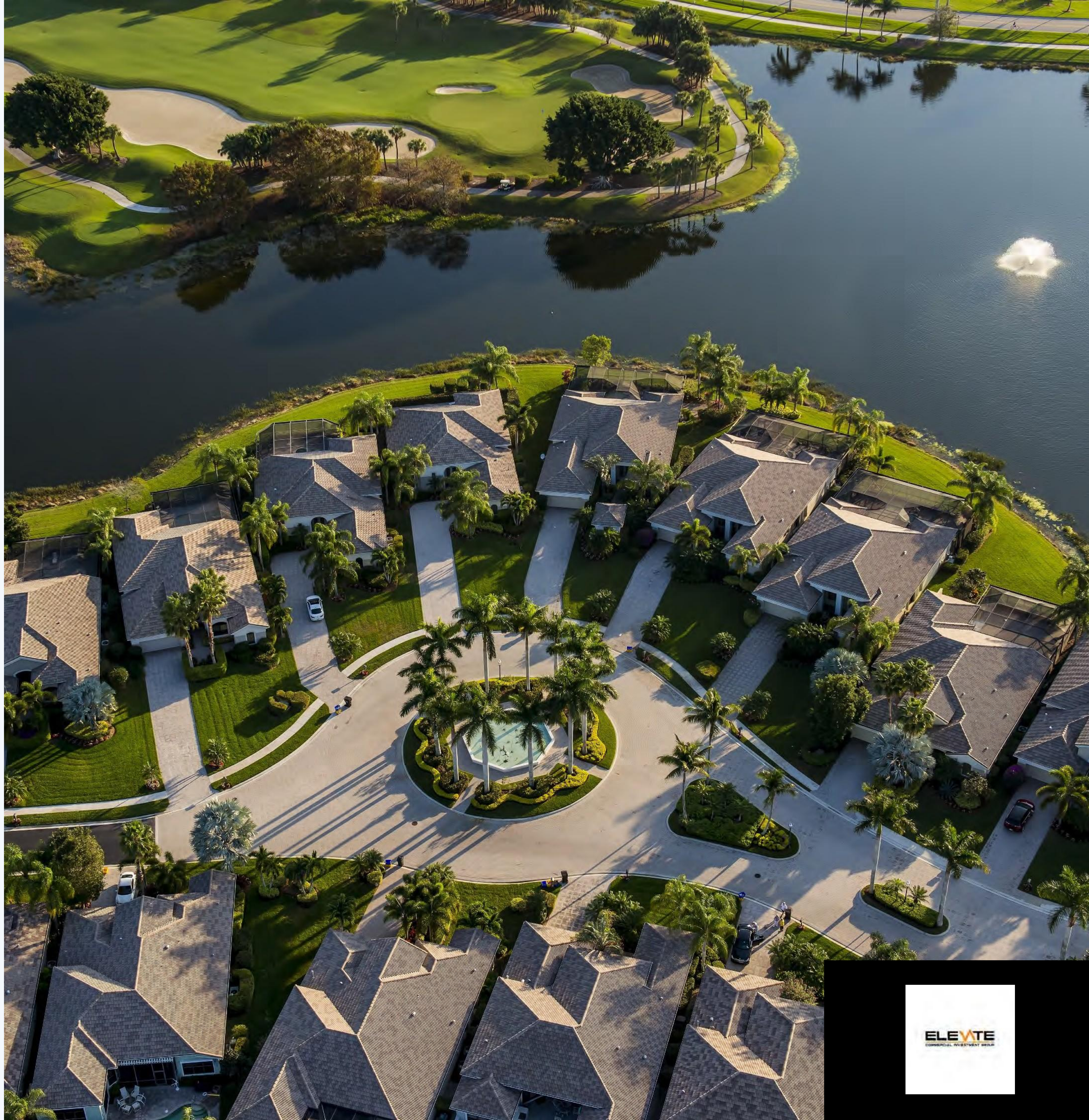
IRR: 300%

Time of hold: 1 year (currently listed)

Market

Why We Like Florida

- #1 destination in the US (Islander Media Group, May 2021)
- The 5 largest states saw 5-10% of their populations move to Florida (Stacker, July 2022)
- Billions invested in Everglades restoration, boosting the economy (Markets Insider, October 2019)
- Emerging market that delivers high returns
- Florida is a landlord-friendly state - no rent control
- Strong leadership that welcomes growth, incentives for businesses (Enterprise Florida, 2022)
- No state income tax AND low sales tax
- Affordability is much greater than states like New York & California (Business Insider, May 2021)
- Better quality of life with amazing weather
- Easier to maintain buildings without harsh winter
- Diversify to US dollars



Top US Growth Cities

Source: UHAUL Growth Index, Jan 2022

1. **Kissimmee - St. Cloud, FL**
2. Raleigh - Durham, NC
3. **Palm Bay - Melbourne, FL**
4. **North Port, FL**
5. Madison, WI
6. **Fort Myers - North Fort Myers, FL**
7. College Station - Bryan, TX
8. Sacramento - Roseville, CA
9. **Clermont, FL**
10. **Sarasota-Bradenton, FL**
11. **Daytona Beach, FL**

Top Employers

Source: JAXUSA Top Employers, 2022

US MILITARY
21,000 - Major Military and Civilian Deep-Water Port

AMAZON
16,000 - Advanced Transportation & Logistics

BAPTIST HEALTH
12,400 - Health & Biomedical

BANK OF AMERICA
7,700 - Financial Services, IT & Innovation

SOUTHEASTERN GROCERS
5,700 - Advanced Transportation & Logistics

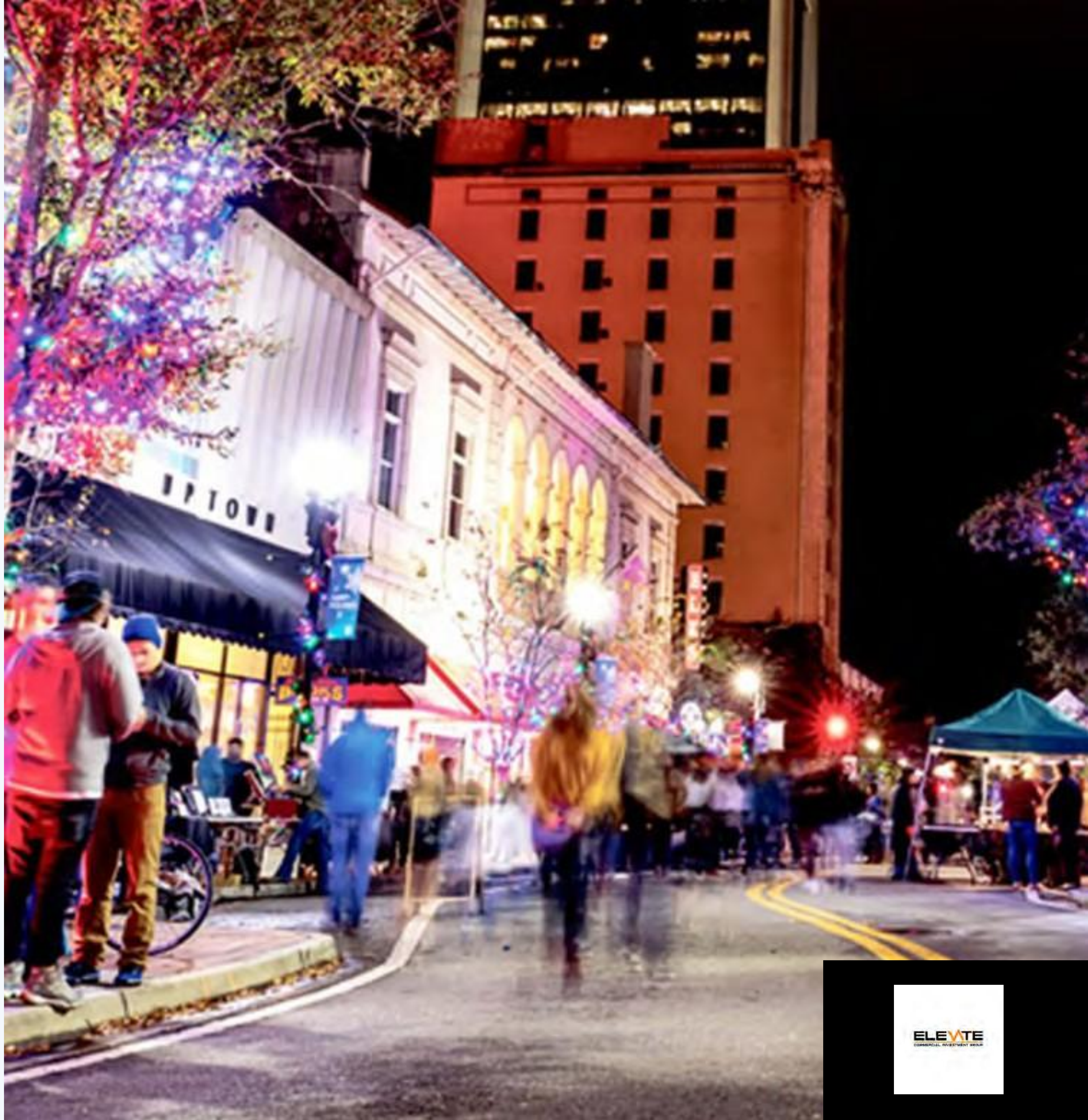
MAYO CLINIC
6,400 - Health & Biomedical

Why We Like The Baymeadows Neighbourhood

Strong demand from working-class tenants

Ranked in the top 10 neighbourhoods in Jacksonville (RentCafe, July 2020)

Home of the metro area’s well-known retail centres, St. Johns and The Avenues



Deal

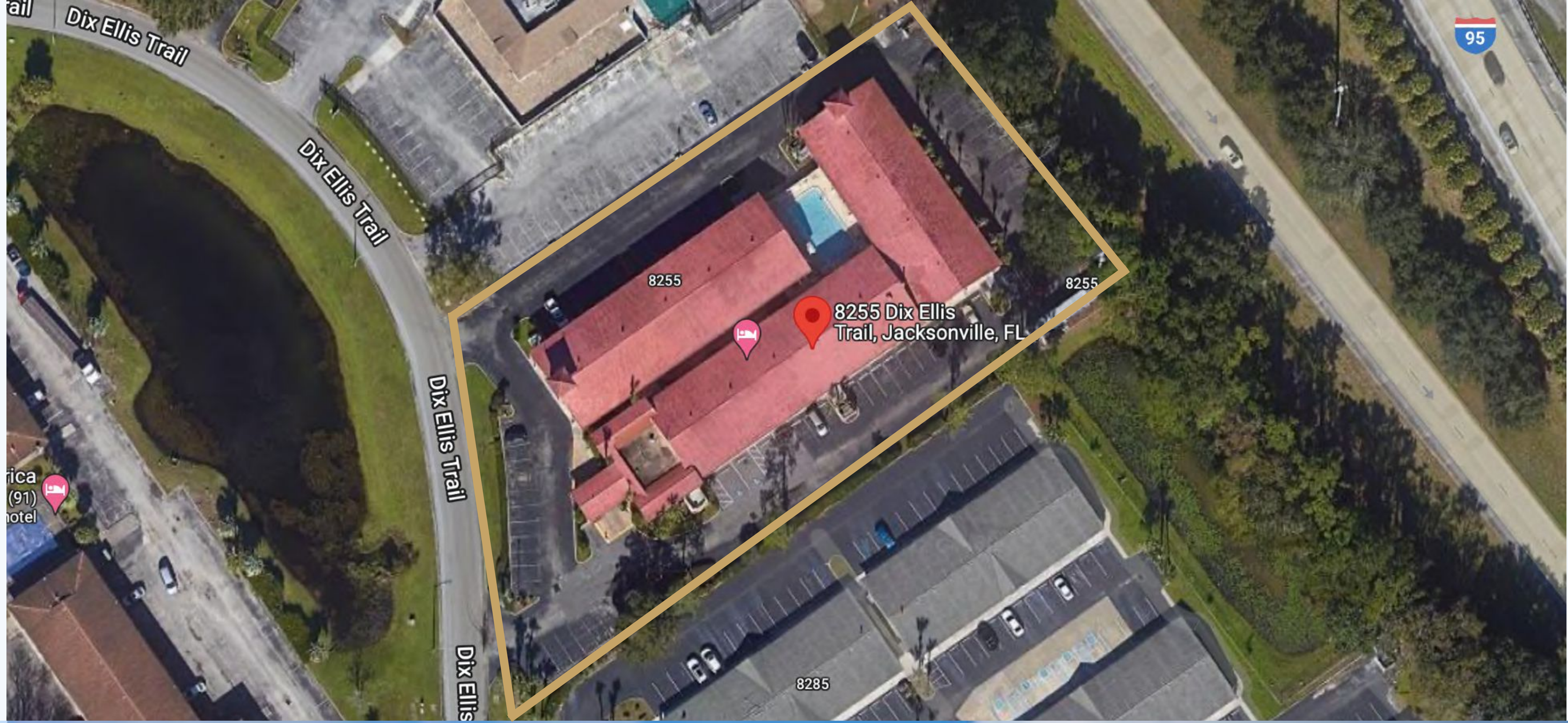



JAGUAR PLUMBING
904-662-4372


Reposition & Rebrand

DAYS INN BAYMEADOWS
8255 DIX ELLIS TRAIL
JACKSONVILLE, FLORIDA 32256

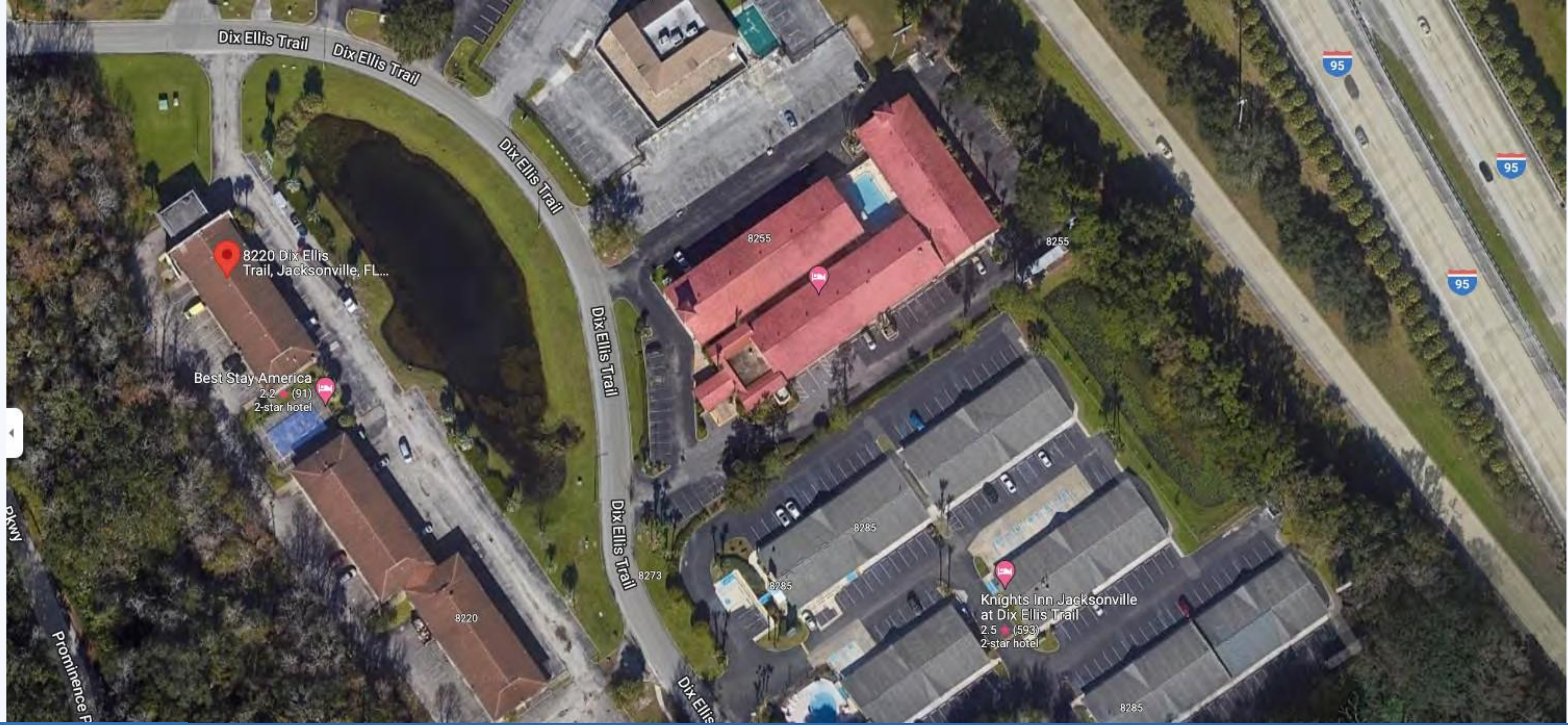
- Rooms: 105
- Buildings: 3
- Stories: 2
- Built/Renovated: 1982
- Lot Size: 1.71 Acres
- Parking Spaces: 77+40 per easement



Reposition & Rebrand

AMERICA'S BEST INN
8220 DIX ELLIS TRAIL
JACKSONVILLE, FLORIDA 32256

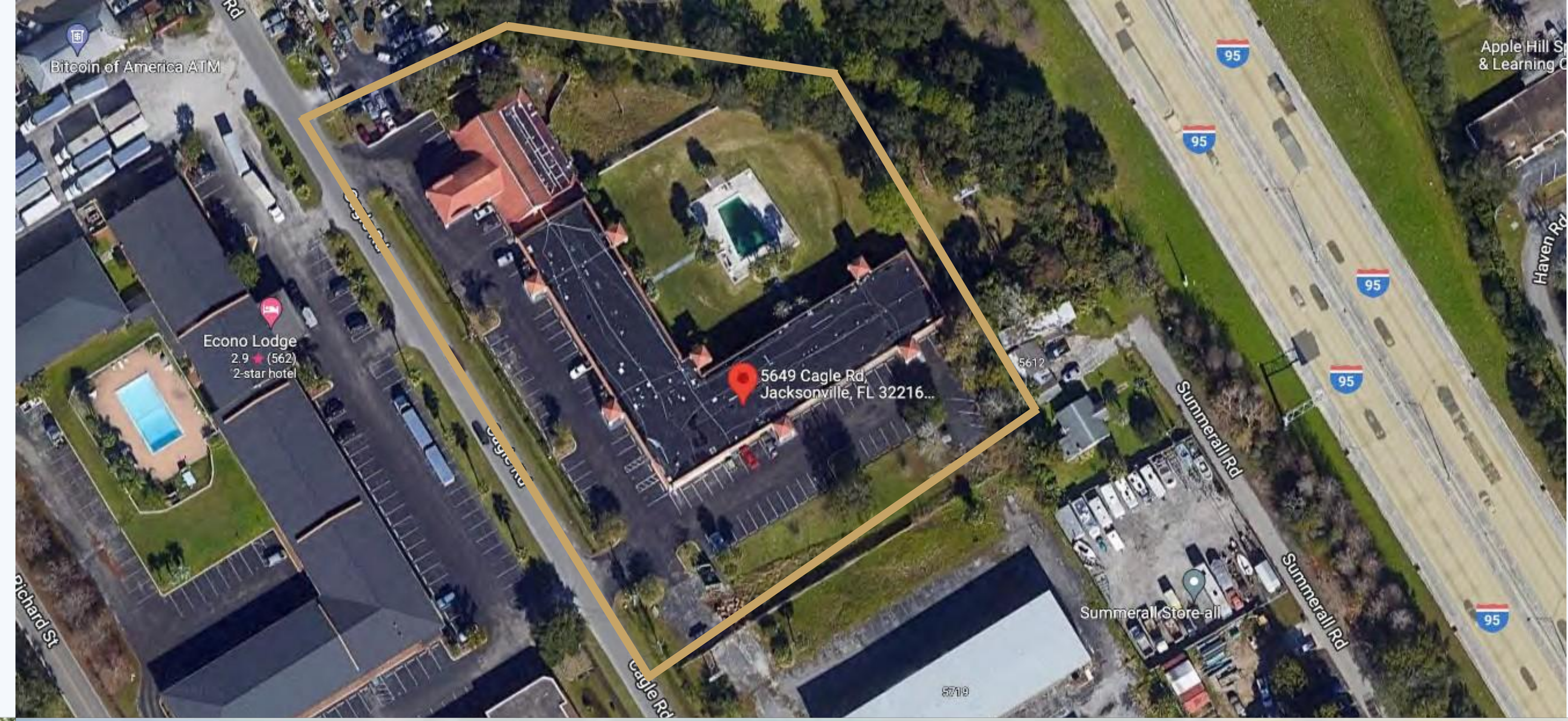
- Rooms: 115
- Stories: 2
- Built: 1984
- Lot Size: 3.71 Acres
- Parking Spaces: 150



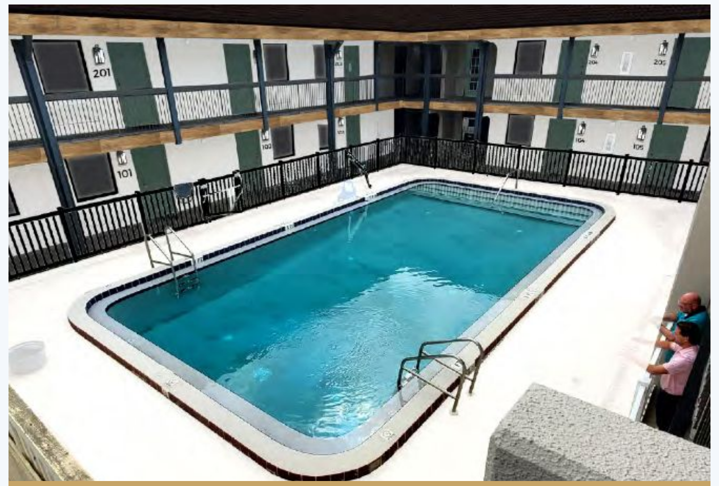
Reposition & Rebrand

ZEN LIVING SUITES
5649 CAGLE ROAD
JACKSONVILLE, FLORIDA 32216

- Rooms: 119
- Stories: 2
- Built: 1971
- Lot Size: 3.03 Acres
- Parking Spaces: 100



Exterior Upgrades



Pool & Furniture Upgrades

7’x8’ Self-Storage

Dog Park

Exercise Ground

New Signage

Interior Upgrades


Vinyl Plank Flooring


Designer Lighting Package


Stainless Steel Appliances


New Bath Vanities


New Countertops


New Kitchen Hardware


Upgraded Stained Cabinetry




Rent Comparables

8220 DIX ELLIS TRAIL

"There are another 3,300 units under construction, all of which will be A+ products at top-tier rents. The Hotel to Multifamily conversion product will be well received in this market, as there is strong demand for mid-tier affordable options that remains unmet."

$1,007
AVERAGE

$915
MEDIAN

SUMMARY STATISTICS

Sample Size	5
Sample Min	$788
Sample Max	$1,428
Sample Median	$915
Sample Avg	$1,007

PROPERTY NAME	ADDRESS	# UNITS	INCLUSIONS	AVAILABILITY	STUDIO RENT	STUDIO SQ. FT.	$/sq. ft.
Auburn Glen	8024 Southside Blvd.	251 (73 Studio)	Tenant pays utilities.	Sept/Oct	$915 (unrenovated)	520	$1.76/sq. ft.
Lofts at Baymeadows	8050 Baymeadows Circle W.	103 (91 Studio)	Utilities, trash, pest control included.	Mid-October	$1,069 (renovated)	425	$2.52/sq. ft.
Shadow Bay by Elon	8933 Old Kings Rd. S.	112 (10 Studio)	Water, trash included.	Unconfirmed	$788 (unrenovated)	288	$2.74/sq. ft.
Stonewood Apartments	8300 Old Kings Rd. S.	117 (55 Studio)	Unconfirmed	Unconfirmed	$835	300	$2.78/sq. ft.
SOLA South Luxe Apartments	8074 Gate Pkwy. W.	330 (10 Studio)	Tenant pays utilities.	None	$1,428 (renovated)	529	$2.70/sq. ft.

Unit Mix

MARKET RATE RENT ROLL

Studio Hybrids

A1	Americas	$975	110
A2	Days	$1,050	102
A3	Zen	$1,050	119
SUBTOTAL			**331**

One-Bedrooms

B1	After converted	$1,200	3
SUBTOTAL		**$1,200**	**334**

RENT GROWTH & VACANCY

Residential Rent Growth	3.5%
Residential Vacancy	4%
Loss to Lease	5%
Total Economic Vacancy	9%

Sales Analysis

PROPERTY NAME	ADDRESS	TYPE	YOC	# UNITS	GBA	LAND ACRES	LAND SF	ZONING	SALES DATE	TOTAL SALE	$/UNIT	$/SQ. F T.
Silversmith Creek	7211 Crane Ave.	3 Star Garden	1971	140	157,783 sq. ft.	7.75 ac.	337,590 sq. ft.	RMD-E	Jul-2022	$21.1M	$150,357/unit	$133.41/sq. ft.
Oasis Club	5800 University Blvd. W.	3 Star Garden	1972	242	214,042 sq. ft.	11.51 ac.	501,424 sq. ft.	RMD-E	Jun-2022	$36.6M	$151,240/unit	$170.99/sq. ft.
The Tree Hill Apartments	1135 Bert Rd.	2 Star Garden	1968	60	70,567 sq. ft.	1.65 ac.	71,874 sq. ft.	CCG-2	Apr-2022	$8.5M	$141,667/unit	$120.45/sq. ft.
Boat House Apartments	400 Century 21 Dr.	3 Star Garden	1973/2019	487	855,532 sq. ft.	26.96 ac.	1,174,408 sq. ft.	RMD-D	Dec-21	$65.3M	$134,180/unit	$76.38/sq. ft.

Overview of Investment

	TOTAL	PER UNIT	%
Acquisition Costs	$16,762,500	$50,187	49.3%
Hard Costs	$11,607,963	$34,754	34.1%
Soft Costs	$1,749,424	$5,238	5.1%
Contingency	$901,382	$2,699	2.6%
Interest & Financing Cost	$3,007,138	$9,003	8.9%
TO T AL	**$34,028,407**	**$101,881**	**100%**

Construction Budget

SOFT COSTS

Survey	$10,000
Environmental	$5,000
Appraisal	$50,000
Legal - Real Estate Purchase	$2,000
Legal - Land Use	$75,000
Legal - Partnership Agreements	$5,000
Legal - Contracts (A&E, Contractor, Consultants)	$5,000
Legal - Other	$2,500
Architecture & Engineering	$439,458
Real Estate Taxes	$106,880
Builder’s Risk & General Liability Ins.	$65,919
Accounting	$10,000
Permits & Fees	$88,000
Project Overhead	$81,428
Marketing/Lease-Up	$85,000
Other	$370,000
Development Fee	$348,239
Soft Cost Contingency	$174,942
TOTAL SOFT COSTS	**$1,924,366**

Construction Budget

HARD COSTS

Sitework/Demo	$254,600
Building Exterior/Façade	$1,000,250
Unit Interiors	$2,361,714
Corridors/Circulation	$337,048
Amenity/Common Areas	$1,664,714
Plumbing	$806,050
Electrical/Fire	$2,786,250
HVAC	$371,000
MEP	$300,000
Sprinklers	$757,750
General Contractors	$290,576
GC Fee	$678,011
Hard Cost Contingency	$726,440
TOTAL HARD COSTS	**$12,334,403**

Operating Projections Post - Construction

	YEAR 1 Ending Jul '24	YEAR 2 Ending Jul '25	YEAR 3 Ending Jul '26	YEAR 4 Ending Jul '27	YEAR 5 Ending Jul '28
REVENUES					
Gross Rental Income	$4,120,718	$4,228,611	$4,376,613	$4,529,794	$4,688,337
(Rental Vacancy)	($1,138,961)	($380,575)	($393,895)	($407,681)	($421,950)
Net Rental Income	**$2,981,757**	**$3,848,036**	**$3,982,718**	**$4,122,113**	**$4,266,387**
OTHER INCOME					
RUBS/WiFi	$220,622	$223,927	$228,405	$232,973	$237,633
Laundry/Pet/Misc	$240,679	$244,284	$249,169	$254,153	$259,236
Storage	$120,099	$121,898	$124,336	$126,823	$129,359
(Other vacancy)	($143,294)				
Net Other Income	**$438,106**	**$590,109**	**$601,910**	**$613,949**	**$626,228**
NET REVENUES	**$3,419,863**	**$4,438,145**	**$4,584,628**	**$4,736,062**	**$4,892,615**
OPERATING EXPENSES					
Property Management	$102,596	$133,144	$137,539	$142,082	$146,778
Payroll	$450,000	$509,455	$519,644	$530,037	$540,637
Administrative & Office	$150,000	$199,303	$203,289	$207,355	$211,502
Make Ready	$40,000	$100,119	$102,121	$104,164	$106,247
Utilities - Cable/Wifi	$70,000	$101,582	$103,613	$105,686	$107,799
Utilities - Water/Sewer/Trash	$70,000	$101,582	$103,613	$105,686	$107,799
Utilities - Electric/Gas	$50,000	$69,583	$70,975	$72,395	$73,843
Maintenance & Grounds	$101,083	$102,598	$104,649	$106,742	$108,877
Contract Services	$51,840	$52,616	$53,669	$54,742	$55,837
Property Taxes	$219,285	$222,570	$227,021	$231,561	$236,193
Insurance	$183,852	$186,606	$190,338	$194,144	$198,027
Total Operating Expense	**$1,488,656**	**$1,779,158**	**$1,816,471**	**$1,854,594**	**$1,893,539**
NET OPERATING INCOME	**$1,931,207**	**$2,658,987**	**$2,768,157**	**$2,881,468**	**$2,999,076**

4.7%

PURCHASE CAP RATE

5.5%

EXIT CAP RATE

Projected Operating Expenses

	PER UNIT		MONTHLY		% OF NET REVENUES
OPERATING EXPENSES	TOTAL	PER UNIT	TOTAL	PER UNIT	
Property Management	$129,762	**$389**	$10,813	**$32**	**7.1%**
Payroll	$501,522	**$1,502**	$41,794	**$125**	**27.4%**
Administrative & Office	$196,200	**$587**	$16,350	**$49**	**10.7%**
Make Ready	$98,560	**$295**	$8,213	**$25**	**5.4%**
Utilities - Cable/Wifi	$100,000	**$299**	$8,333	**$25**	**5.5%**
Utilities - Water/Sewer/Trash	$100,000	**$299**	$8,333	**$25**	**5.5%**
Utilities - Electric/Gas	$68,500	**$205**	$5,708	**$17**	**3.7%**
Maintenance & Grounds	$101,000	**$302**	$8,417	**$25**	**5.5%**
Contract Services	$51,797	**$155**	$4,316	**$13**	**2.8%**
Property Taxes	$219,104	**$656**	$18,259	**$55**	**11.9%**
Insurance	$183,700	**$550**	$15,308	**$46**	**10.0%**
TOTAL OPERATING EXPENSES	**$1,750,145**	**$5,239**	**$145,844**	**$437**	**95.5%**
Replacement Reserves	$83,500	**$250**	$6,958	**$21**	**4.5%**
TOTAL OP EX & RESERVES	**$1,833,645**	**$5,489**	**$152,802**	**$458**	**100%**

Partnership Breakdown

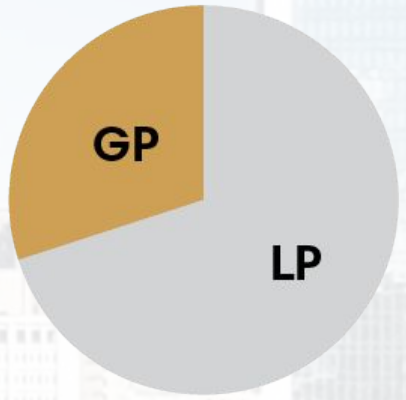
ON-MISSION TO
DELIVER EXCEPTIONAL
RETURNS:

3% acquisition fee on purchase price (invested back into company)

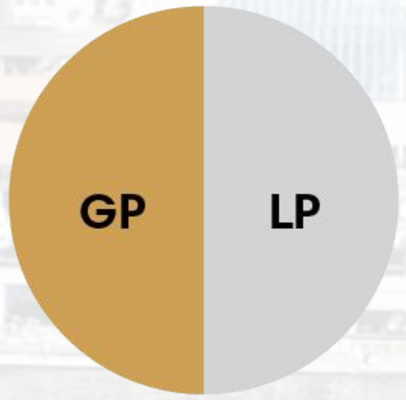
2% asset management fee on income

1% disposition fee of sale price

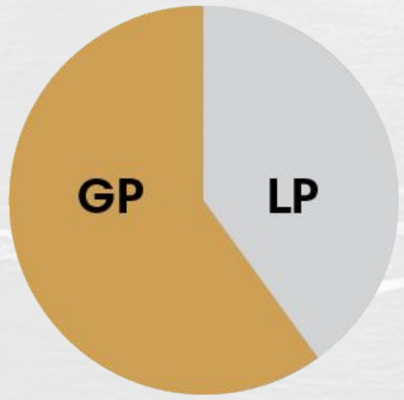
Highly-incentivized to achieve higher investor returns:



70/30 LP/GP equity split
up to 12% return



50/50 LP/GP equity split
up to 18% return



40/60 LP/GP equity split
over 18% return

Financing Terms

INITAL FINANCING

	TOTAL	PER UNIT	%
Debt	$26,859,618	$80,418	78.9%
Equity	$7,168,789	$21,463	21.1%
TOTAL	**$34,028,407**	**$101,881**	**100%**

- Bridge loan, non-recourse through CoreVest (active lender in the Hotel conversion to Multifamily space)
- Est. $26,900,000 LTC initial loan
- 30 month + one extension
- 79% LTC
- Full-term interest only
- 8% Interest rate

AFTER REFINANCE

	TOTAL	PER UNIT	%
Debt	$33,566,200	$100,498	64%
Equity	$18,880,988	$56,530	36%
TOTAL	**$52,447,188**	**$157,028**	**100%**

- Refinance to permanent debt upon stabilization, target year 2
- Est. $33,600,000 loan on refinance
- 30-year amortization
- 64% LTV
- 6% Interest rate
- Rate Cap will be purchased to hedge the risk of rising rates

Investor Return Projections

117%

RETURN ON INVESTMENT

SAMPLE RETURNS BASED ON $1,000,000 INVESTMENT

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Initial Investment	$ (1,000,000)	-	-	-	-	-	**$ (1,000,000)**
Projected Returns	-	-	-	$22,968	$37,706	$1,104,594	**$1,165,268**
Return of Initial Investment	-	-	$934,646	-	-	$65,354	**$1,000,000**
Total Return							**$1,165,268**
Return of Initial Investment							**$1,000,000**
GRAND TOTAL PROJECTED RETURN		-	$934,646	$22,968	$37,706	$1,169,948	**$2,165,268**

Exceptional Communication

MONTHLY REPORTS

Investors will receive monthly updates of how the business plan is going.

QUARTERLY ANALYSIS

Investors will receive additional information outlining financials.

DISTRIBUTIONS

Investors should expect to start receiving quarterly distributions beginning of year 3.

COMMUNICATION

We keep communication channels open and ongoing at all times.

Timeline

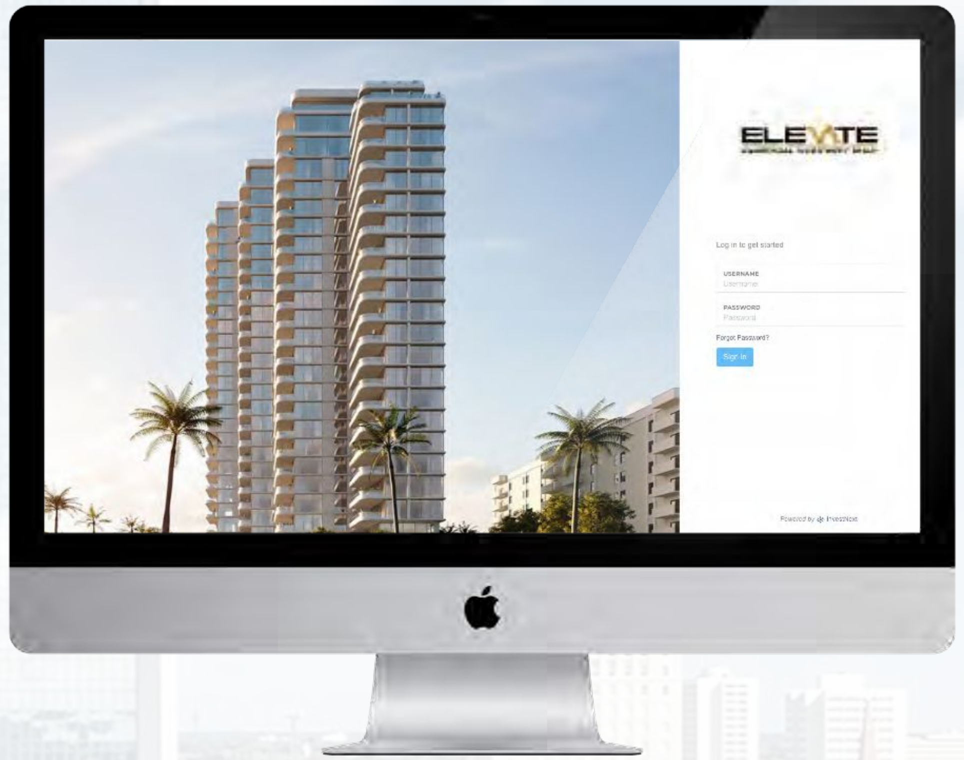
1	2	3	4	5
Month 1 Dec 22	Month 2 Jan 23	Month 22 Feb 25	Month 26 Mar 26	Month 59 Dec 27
CLOSING	CONSTRUCTION	STABILIZATION	PERM FINANCING	SALE

In Summary

- Accessing most powerful wealth vehicle in history
- Invest passively with proven team executing for you
- Incredible 22%+ projected returns with 90%+ of investment back in 2 years
- Investing in #1 destination state in US
- Jacksonville has good employment, population growth and is affordable
- Strong Communication
- Advocate investing and going to the wall for you

How to Invest

VISIT THE INVESTOR PORTAL LINK



STEP 1	STEP 2	STEP 3
Click ‘Invest Now’ to reserve	**E-Sign the documents**	**Wire funds**