CONFIDENTIAL

IDEAL

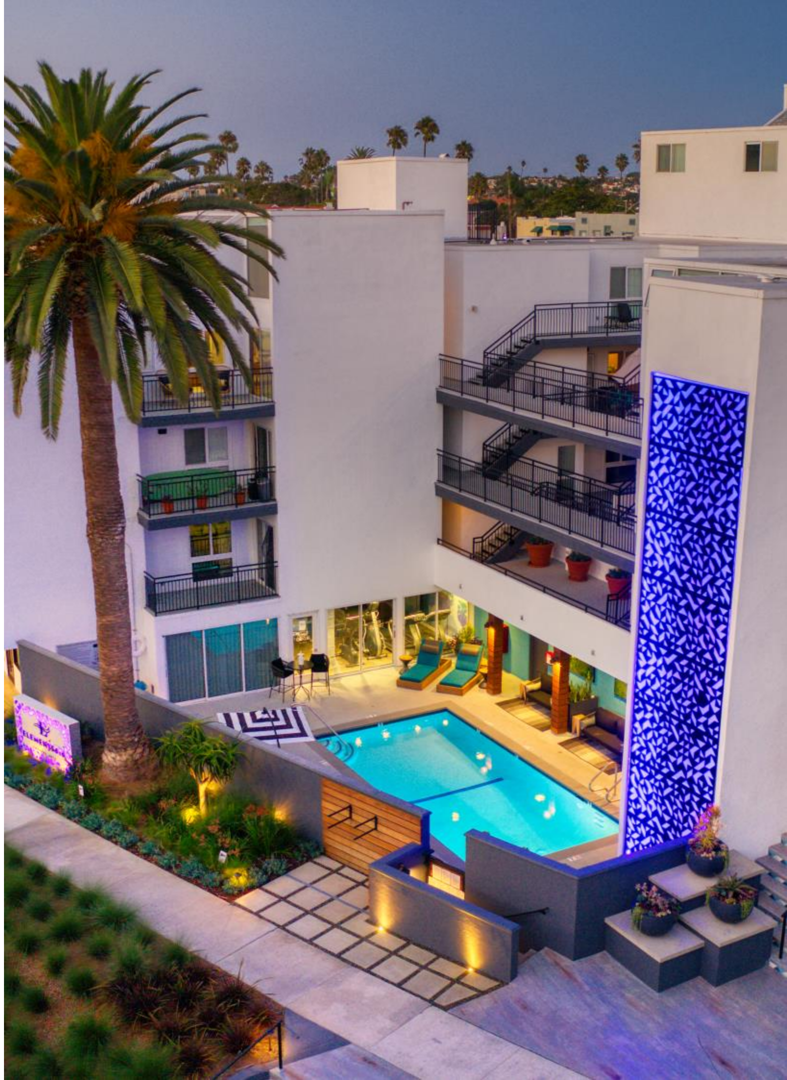
CAPITAL GROUP

COMPANY SUMMARY

Who We Are.

IDEAL Capital Group ("IDEAL") is a private real estate investment firm focused exclusively on multifamily acquisitions. Evolved from a closely-held family company initiated over four decades ago, IDEAL and its affiliated companies have an extensive track record having developed and acquired over $3 billion of real estate representing over 15,000 units, presently operating over 160 partnerships on behalf of institutional investors and private equity clients alike.

$3B DEVELOPMENT VOLUME + **$1B** INVESTOR EQUITY PLACED + **35** YEAR HISTORY



Our Values & Partners

We're relationship people, which means that the strength, integrity, and duration of our partnerships with clients, lenders, and investors matter to us. And as partners, we always invest significant capital into every deal we do.

PARTNERS

Transamerica
Wells Fargo
Aegon
Greystar
Berkadia
Freddie Mac
us bank
Fannie Mae
Heitman
A Real Estate Investment Management Firm
WinnCompanies
Tilden
Tilden Properties
Pacific Urban Investors
JLL
CBRE

Our Strategy

Our multifamily operational history dates to the late 1980's, giving us significant proprietary data in acquisitions, management, and repositioning strategies.

At IDEAL, we stick with what we know: multifamily housing. ***People always need a place to live***.

We target well-constructed properties located in highly liquid markets with strong employment growth. We focus on utilizing cheap, long-term and low leverage debt.

Our Underwriting Process

We have built a significant pipeline of on and off market deals from national, regional, and local brokers throughout the Western US. Because we have access to so many deals, we can underwrite with precision and offer on only the deals with the highest value potential.

Our financial models are conservative and go through multiple layers of revisions and stress testing. Each property must get full approval from our asset management, construction, and acquisition teams.

ACQUISITION PROCESS

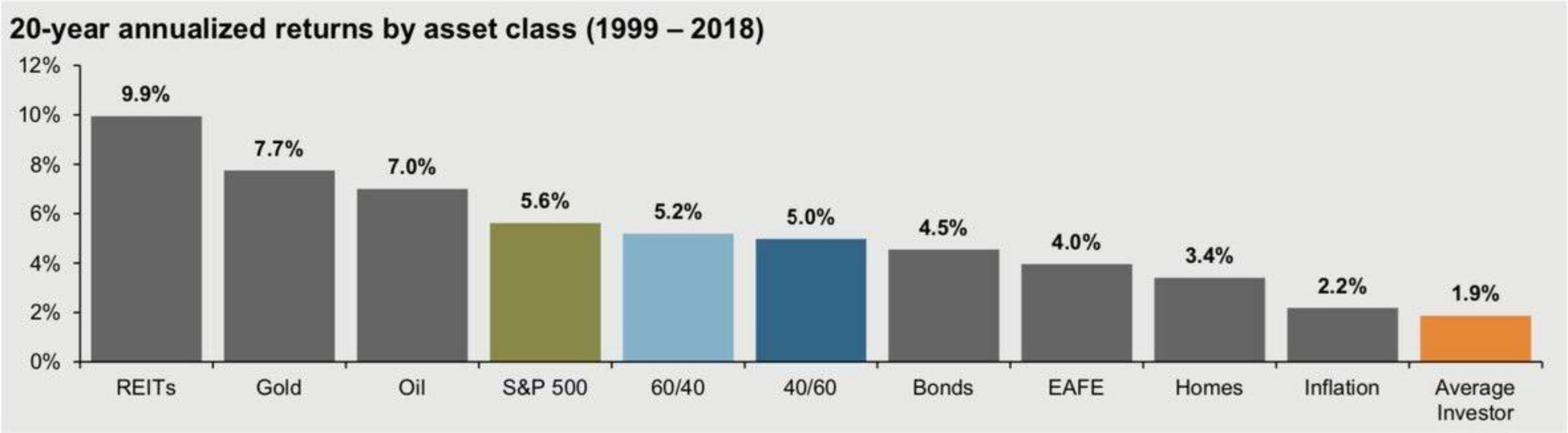
ACQUIRE PROPERTY

IDEAL CAPITAL GROUP

Why Real Estate?

“IDEAL” FUNDAMENTALS.

We believe real estate offers the best risk-adjusted returns due to real estate’s unique ability to produce regular income, deprecation tax benefits, equity growth, appreciation in asset value, and the ability to utilize fixed rate, long-term leverage.



Source: J.P. Morgan Asset Management; (Top) Barclays, Bloomberg, FactSet, Standard & Poor’s; (Bottom) Dalbar Inc.
Indices used are as follows: REITS: NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Bloomberg Barclays U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz., Inflation: CPI. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high-quality U.S. fixed income, represented by the Bloomberg Barclays U.S. Aggregate Index. The portfolio is rebalanced annually. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/18 to match Dalbar’s most recent analysis.
Guide to the Markets – U.S. Data are as of March 31, 2019.

J.P.Morgan
Asset Management

SOLD 2/14/2022

SunTerra, Oceanside, CA

IDEAL acquired SunTerra Apartment Homes in 2019 for $66,250,000 and began the value-add repositioning of this workforce housing garden style community. IDEAL added premium features to all unit interiors. Further, IDEAL rebranded the site, creating an oasis pool and BBQ zone, and added community gathering spaces throughout the property. Average market rents increased several hundred dollars, and IDEAL sold SunTerra for $97,500,000 in February 2022.

PROJECTED IRR	ACTUAL IRR	ACTUAL EQUITY MULTIPLE
13%	34.16%	2.04x

BEFORE

AFTER

SOLD 3/18/2022

Elements 616, Redondo Beach, CA

IDEAL acquired Novella Apartments in May 2019 for $53,500,000 and rebranded it as Elements 616 Apartments. Elements 616 went through a multi-million dollar deep renovation, enhancing the clubhouse, pool zone, fitness center, leasing office, and select units. Elements 616 became the premier multifamily community in the South Bay. Occupancy increased from 10% to 95%. IDEAL sold the property to a private individual for $74,500,000.

PROJECTED IRR	ACTUAL IRR	DEAL-LEVEL EQUITY MULTIPLE
11%	11.37%	1.3x

BEFORE

AFTER

SOLD 6/30/2022

Apex, Reno, NV

IDEAL acquired Silver Ridge Apartments in Reno, NV in September 2020 and rebranded it as Apex Apartments. Apex went through a multi-million dollar renovation, enhancing the clubhouse, pool zone, children's playground, fitness center, leasing office, and select units. Average monthly rents increased $300+. IDEAL paid its investors a monthly distribution of 7% during the hold period. IDEAL sold Apex in June 2022 for $101,250,000, increasing final equity from $24,000,000 to approximately $52,500,000 in just 18 months.

PROJECTED IRR	ACTUAL IRR	DEAL-LEVEL EQUITY MULTIPLE
15%	63.25%	2.3x

BEFORE

AFTER

SOLD 12/01/2022

Elements at 901, Kingsburg, CA

IDEAL acquired Kings Point Apartments in Kingsburg, CA in July 2017 for $10,650,00 and rebranded it as Elements at 901 Apartments. Elements at 901 went through a multi-million dollar renovation, enhancing the clubhouse, pool zone, children's playground, fitness center, leasing office, and select units. Average rents in 2017 were $971; by 2022, Elements at 901 was achieving $2,000 rents. IDEAL sold Elements at 901 for $23,250,000, increasing final equity from $3,976,736 to approximately $12,247,066.

PROJECTED IRR	ACTUAL IRR	DEAL-LEVEL EQUITY MULTIPLE
15%	29.55%	3.07x

BEFORE

AFTER

Invest With IDEAL

- **Value-Add Opportunities**
  - Renovations and repositioning
  - 3-5 year hold period
  - Less cash flow, more equity appreciation
- **Stabilized Opportunities**
  - Management repositioning
  - 7-10 year hold period
  - Steady cash flow, less equity appreciation
- **Delaware Statutory Trusts**
  - 1031 exchange eligible
  - 5-7 year hold period
  - Steady cash flow, less equity appreciation
- **Custom-Tailored Funds**
  - Large equity position
  - Customizable (1031 or non-1031)
  - Generational wealth creation

30%+
Average IRR

2x
Average Equity Multiple

Experts at §1031 Exchanges

26 US Code §1031 Is The Single Most Powerful Wealth Building Tool in Real Estate

At IDEAL Capital Group, we are experts at facilitating successful 1031 exchanges. We can handle all aspects of an exchange, including asset dispositions, identification of replacement properties, and strategic acquisition of the new properties. Since 2019, we have placed over **$490,000,000 of 1031 exchange equity** for our clients, helping each one achieve their financial goals.

Your 1031 Options

Whether You Have $50,000 or $50,000,000, We Can Help You Satisfy Your 1031 Exchange

We offer two options for 1031 exchange investors. First, if you have a sizable 1031 exchange, we offer can **custom-tailored funds** just for you, executing on one of more properties to fit your exchange goals. Second, if you have a relatively smaller sum of 1031 equity, our **Delaware Statutory Trusts offer 1031-elligible fractional ownership of Class A passive real estate.**

Custom-Tailored Funds

Perfect for Generational Wealth Preservation and Growth

Among other services for our custom-tailored funds, we can provide the following:

- Identify prospective Exchange properties and share financial models for the prospective Exchange properties with Client.
- Negotiate competitive rates for vendors, including those related to brokerage, legal, accounting, third party reports, debt, and other parties.
- Work with Client to create a priority list of prospective Exchange property characteristics, geography, type, and financial profile.
- Review, edit, create and/or advise on loan agreements, legal entity formation, and organizational charts for the Exchange.
- Analyze and recommend to Client the optimal debt execution for the Exchange.
- Coordinate with legal and tax teams on compliance with the 1031 exchange rules, including the proper allocation of debt/equity and the decision to identify replacement properties using the "three-property" rule, the "200%" rule, or the "95%" rule.
- Edit, analyze, and negotiate the purchase and sale agreement for the Exchange.
- Coordinate all property due diligence inspections on behalf of Client and Client's lender, including those for the appraisal, environmental study, property condition assessment, zoning report, pest control report, seismic study, ALTA survey, and other reports, as applicable.
- Work with insurance companies to obtain competitive insurance coverages for the Exchange property.
- Negotiate property management contracts for the Exchange properties.
- Work with legal counsel to review any and all legal matters and debt documents for the Exchange.
- Create and distribute the business plan for each Exchange property to Client and the property management team.
- Manage the on-site property management team on behalf of Client during the ownership period of the Exchange properties.
- Create, edit, and oversee the implementation of the Exchange property budgets, including hosting calls with management and site visits.
- Oversee the physical condition of the property and/or other management needs, including creation of a preventative maintenance plan.
- Prepare or work with outside accounting teams to prepare a cost segregation study, yearly K1's, or other tax documents.
- Compile key data metrics on property performance, creating reports for the Client.
- Periodically analyze the equity in the property, presenting opportunities to add supplemental financing or ultimately initiate a disposition.
- Distribute to Client on a monthly or quarterly basis cash flow from the property operations.

CASE STUDY #1

Vintage at SLO & Artisan Square

1031 Exchanged Six Small Properties Into Two Northern California Value-Add Properties

- Sold six aging rural apartments in 2019 and 1031 exchanged into Union North and Artisan Square
- Implemented a value-add repositioning of Union North over 2 ½ years

BEFORE EXCHANGE

ORIGINAL CASH FLOW	ORIGINAL EQUITY
$686k	$20.2M

AN ORIGINAL ASSET

UNION NORTH

CASE STUDY #1

Vintage at SLO & Artisan Square

1031 Exchanged Union North into Vintage at SLO

- Sold Union North for $29.25M, turning **$7M of equity into $16M in two years**
- 1031 Exchanged Union North (91 units, 1971 construction in Manteca) into Vintage at SLO (105 units, 2020 construction in San Luis Obispo, CA)

AFTER EXCHANGE

NEW CASH FLOW	NEW EST. EQUITY
$1.3M	$45.1M

VINTAGE AT SLO

ARTISAN SQUARE

CASE STUDY #2

Jade, Upper West, Entrada, Village at Gracy Farms

1031 Exchanged Kings Villages Apartments into Jade, Entrada, Upper West, and Village at Gracy Farms

- This family had a low leverage (26% LTV) affordable housing property. Concerns included:
  - Concentration risk in one asset in California
  - Aging asset with capital needs
  - Very little remaining depreciation

BEFORE EXCHANGE

APARTMENT UNITS	CASH FLOW	2020 DEPRECIATION
313	$4.8M	$1.1M

KINGS VILLAGES

KINGS VILLAGES

CASE STUDY #2

Jade, Upper West, Entrada, Village at Gracy Farms

- Sold Kings Villages and 1031 exchanged into:
  - Jade, a 2021 vintage 287-unit Class A multifamily building on the Las Vegas Strip
  - Upper West, a 2021 vintage 207-unit Class A multifamily building in Salt Lake City
  - Entrada, a 2004 vintage 172-unit Class A multifamily building in Downtown San Diego
  - Village at Gracy Farms, a 1994 vintage Class B multifamily building in Austin, TX

AFTER EXCHANGE

APARTMENT UNITS	2022 CASH FLOW	NEW DEPRECIATION
974	**$5.5M**	**$17M**

UPPER WEST

JADE APARTMENTS

Delaware Statutory Trust

- A Delaware Statutory Trust ("DST") is a 1031-exchange eligible property-owning entity.
- We buy the asset, create the DST, and allow investors to come into the fund after they sell their own properties.
- Our DSTs aim for monthly cash flow and equity growth.
- DSTs are completely passive, meaning you have no responsibilities for management or reporting—we do it all.
- You have limited liability and no loan recourse.
- You can invest some, most, or all of your 1031 exchange.

Institutional-level reporting and management.
Limited liability.
Total passivity.

You Receive **100%** of Net Sales Proceeds, Depreciation, and Net Cash Flow

Unparalleled Tax Benefits

A DST is an entity that is considered a "like kind" replacement property for the purposes of completing a 1031 exchange. By investing in a DST, e.g. *ICG1031 Hudson DST*, investors are eligible to **defer their capital gains via a 1031 exchange**. Further, while DSTs are illiquid investments, investors can **1031 exchange out of the DST** once we elect the sell the DST. We also will perform a cost segregation study upon takeover, aiming to **offset investor cash flow with depreciation**. Please consult your tax professionals for applicability to your specific situation.

Delaware Statutory Trusts (“DST”)

Per IRS Revenue Ruling 2004-86, DSTs are viable “like-kind” replacement properties for the purposes of completing a 1031 exchange.

Key Points About DSTs

- Allows investors to seamlessly 1031 exchange after sale of the investor’s relinquished property, eliminating identification and closing timing risk
- Ability to invest in institutional quality real estate and garner economies of scale
- Investors are completely passive and do not play any role in the management of the real estate
- Investors have limited liability and no recourse liability under the loan
- investors can 1031 exchange out of the fund once we elect to sell the DST
- DSTs aim to provide steady, monthly cash flow to investors with value appreciation potential

Step 1: Sell Property

Step 2: Identify *[To Be Determined]* DST as replacement property

Step 3: Close on *[To Be Determined]* DST within 180 days

Step 4: Receive monthly cash flow and quarterly investor updates

Please consult your legal and tax professionals before making an investment. DSTs may not be suitable for all investors. Our fund is limited to accredited investors only. Tax laws may change before, during, or after the hold period, which may impact the desirability of the fund. Please refer to the fund documents for specifics on each DST.

DELAWARE STATUTORY TRUST

The Hyve, Tempe, AZ

APARTMENT UNITS	EQUITY RAISED	CASH ON CASH (2021)
296	$47.8M	5.26%

IDEAL acquired The Hyve utilizing a Delaware Statutory Trust. The Hyve is situated in the dynamic submarket of Tempe. Two blocks from Arizona State University, The Hyve is a Class A apartment building well positioned for long-term value appreciation. IDEAL raised $47,851,000 of equity over a seven week period from 1031 exchange investors nationwide.

POOL AREA

CLUBHOUSE

Renovation Track Record

We aim to add value through strategic, thoughtful renovations and operational efficiencies.

Through IDEAL Capital Group and its affiliated companies, IDEAL has developed or renovated 15,000+ units across the Western United States. From $50,000 per unit rehabilitations to common area redevelopments, we have the expertise on how to control costs and increase value in multifamily assets.

Entrada, San Diego, CA

Entrada, San Diego, CA

After

Entrada, San Diego, CA

Before

Entrada, San Diego, CA

After

Entrada, San Diego, CA

Before

Entrada, San Diego, CA

After

Apex, Reno, NV

Before

Apex, Reno, NV

After

Elements 616, Redondo Beach, CA

Before

Elements 616, Redondo Beach, CA

After

Elements 616, Redondo Beach, CA

Before

Elements 616, Redondo Beach, CA

After

Elements 616, Redondo Beach, CA

Before

Elements 616, Redondo Beach, CA

After

Elements 616, Redondo Beach, CA

Before

Elements 616, Redondo Beach, CA

After

Elements 616, Redondo Beach, CA

Elements 616, Redondo Beach, CA

After

Oak View, Visalia, CA

Before

Oak View, Visalia, CA

After

Meet Our Executive Team

AUSTIN HERZOG
PRESIDENT

Austin entered the multifamily industry in 2005 as a developer, finance specialist, and portfolio manager and currently serves as President of IDEAL Capital Group. His areas of specialization include market rate acquisitions, development, finance, construction oversight, portfolio asset management, dispositions, and restructuring. Austin's highly specialized ability to recognize and implement asset repositioning opportunities has allowed IDEAL to deliver consistent results and above-market returns. Austin has successfully established and maintained strategic long-term industry relationships with brokers, lenders, and equity partners.

KEVIN CONWAY, ESQ.
MANAGING DIRECTOR

Kevin manages front-end operations of IDEAL's value-add platform, completing $1B in transactions with multiple institutional and private equity partners.

He is a licensed attorney with the California State Bar and is instrumental in sourcing new acquisitions, developing equity relationships, and structuring partnerships.

Kevin is responsible for negotiating, drafting, and analyzing key legal documents. He also creates underwriting models for each new acquisition and coordinates market assessment and in-house analysis for each new investment considered.

Kevin is a graduate of the University of Southern California Gould School of Law, and a *cum laude* graduate from the University of California, Los Angeles.

PETER HERZOG
CHAIRMAN

Peter serves as the Chairman and Advisor to IDEAL. His primary scope of activity currently includes the direction of the Advisory Board and executive oversight of portfolio operations.

Since 1984, Peter has been responsible for the development and finance of over 15,000 apartment units. Much of his energy has been focused on exploring and utilizing a broad range of tax-exempt and conventional financing options through the changing needs of multiple economic and industry cycles. Under his guidance, Peter has secured in excess of $800 million in tax-exempt bond, tax credit, and conventional financing.

TOM WILEY
VICE PRESIDENT
OF CONSTRUCTION
MANAGEMENT

Tom has over 35 years of experience in multifamily construction, rehabilitation, and facilities maintenance, with assets ranging from Class A to value-add rehabilitation opportunities in garden, mid-rise, and tower communities nationwide. Prior to joining IDEAL, Tom was the Senior Director of Facilities at WinnResidential, responsible for operations of more than 16,000 residential units plus one million square feet of commercial space in seven states.

As IDEAL's VP of Construction Management, Tom focuses on pre-acquisition strategic planning, contractor oversight, bid management, and overall implementation of the firm's construction strategies, ensuring that projects are completed on time and on budget.

Contact

KEVIN CONWAY

Managing Director

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KEVIN@IDEALCAPGROUP.COM

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