



Presented by



NEAL BAWA
Grocapitus

ANNA MYERS
Grocapitus

GARY LEE
Seneca Capital Partners

MARK KENNEY
Think Multifamily

PARK CANYON

151 unit Multifamily | Dalton GA

True off Market, high value Add B Class Property Between Atlanta and Chattanooga





Presented by



NEAL BAWA
Grocapitus

ANNA MYERS
Grocapitus

GARY LEE
Seneca Capital Partners

MARK KENNEY
Think Multifamily

PARK CANYON

151 unit Multifamily | Dalton GA

True off Market, high value Add B Class Property Between Atlanta and Chattanooga

5:00





Our Goal for Today

The Agenda

- ✓ Who are we? – An introduction to the Management team
- ✓ Our Investing process
- ✓ Why this region between Atlanta & Chattanooga? – Let's explore this compelling area.
- ✓ Why this city of Dalton GA? – Let's explore the Neighborhood
- ✓ Why this property? – Let's understand the opportunity
- ✓ What are the Numbers? – Assumptions, Loans, Splits, Returns & more
- ✓ How long and How much? - Investment amount and Timeframe
- ✓ Time for your Questions

Before we start, some housekeeping

Let's get this out of the way

- ✓ Feel free to type questions in at any point. We will answer them during or at the end.
- ✓ This presentation is being recorded. You will get a copy.
- ✓ All numbers shown are preliminary (and are likely to change due to ongoing due diligence). We put the property in contract recently.

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

Meet the management team

President and CEO, Grocapitus



Neal Bawa

CEO & Founder
Grocapitus

About Neal

- ✓ Neal's companies have owned / managed a portfolio of over \$120 Million
- ✓ Over 1,600 units of Multifamily and Student housing, in 7 states
- ✓ Nationally known Multifamily mentor and speaker
- ✓ About 4,000 investors attend his Multifamily webinar series and hundreds attend Multifamily Boot camps
- ✓ Co-founder of the largest Multifamily Investing Meetup in the U.S. with 3000+ members.

Key Focus

Investor Management

Leasing and Tenant Marketing

Submarket and Property Selection

Operations and metrics

Meet the management team

Co-Founder, Think Multifamily



Mark Kenney

Co-Founder
Think Multifamily

About Mark

- ✓ Over 3,500 units of Multifamily
- ✓ Own 8 properties (1200 units) in Atlanta
- ✓ Multifamily mentor & holds events
- ✓ Strong financial background (CPA)
- ✓ Developed multiple tools to help others become successful with their multifamily investing
- ✓ Founded several companies and has strong process and operational experience

Key Focus

Key Principal

Lender Interaction

Guidance and Mentoring

Oversight on Financials

Meet our boots on the ground



Gary Lee

About Gary

- ✓ Degree in Civil Engineering
- ✓ Certified Commercial Investment Member (CCIM), member and designee
- ✓ Seasoned Real Estate Investor – over 25 years Experience
- ✓ Experienced Multifamily Operator: 955 Units Purchased with Mark Kenney since Jan 2017 in Atlanta Metro
- ✓ Comprehensive experience in sourcing opportunities/acquisitions, valuation, financing, dispositions, and capital markets.

Key Focus

Operating Partner

Off Market Opportunities

Asset Management

Oversight on Property

Meet the management team

The strength of the project is in the team



Anna Myers

Operating Partner &
Project Manager



Julianne Feliza

Transaction Coordinator &
Investor Relations



Jennifer Pineda

Tenant Leasing &
Marketing

Core Competencies

What we are really good at



FIND & VERIFY

We identify high quality properties with significant upside and a very favorable risk to reward ratio.

We employ a proprietary research-focused process to uncover the best metros, sub-markets, neighborhoods and target properties.



ACQUIRE & STABILIZE

After uncovering an investment property that meets our stringent criteria, our Asset Managers and Principals spring into action and work hand in hand with our property team to acquire the asset.

If the property is a turnaround property team members work relentlessly to stabilize the property.



ADD VALUE

With effective management and enhancement of the property we are able to improve occupancy rates and increase rent rates, resulting in increased property values and higher cash flow for happy investors.



3 to 5 YR EXIT

Our goal is to sell the property and return capital and profits to investors in a 3-5 year time period.

We take pride in communicating regularly with our investors on progress toward reaching the projected exit price.

How we select markets

Location, Location, Location



EMPLOYMENT

We look for metros and submarkets that are adding a significant number of high-paying 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.

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.



Love Cove Resort

Marina and RV park acquired in Charlotte, NC in 2016, and turned into high-end 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.

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.



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.



Rails on Main

322 unit new construction purpose-built 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.



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.



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.



Windward Forest

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

Property purchased Sept 13, 2018



Let's take a look at the Region



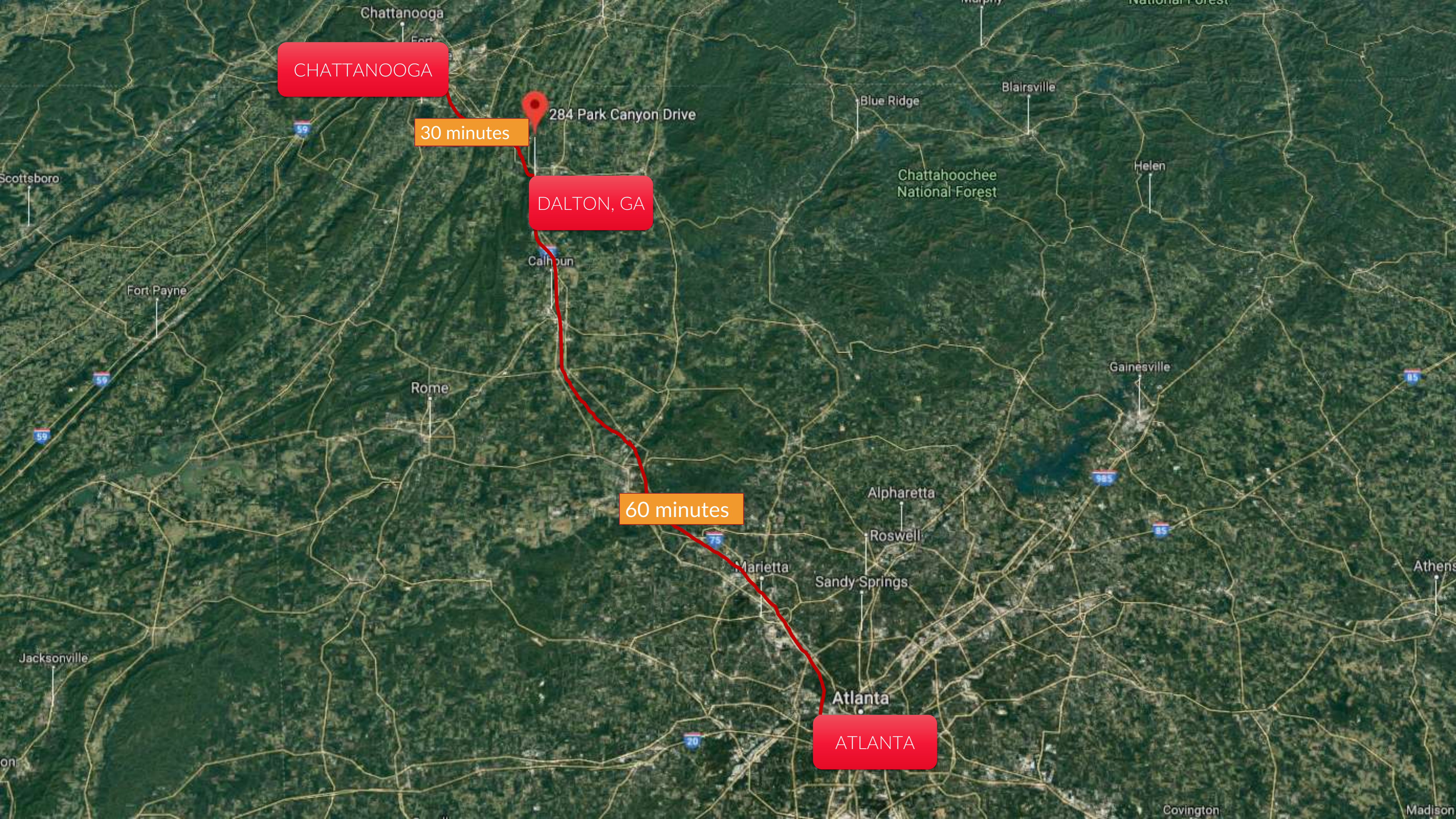
CHATTANOOGA

30 minutes

DALTON, GA

60 minutes

ATLANTA



ATLANTA - EPICENTER OF THE SOUTHEAST ECONOMY

#1

Top State for Doing Business
- Area Development 2016

#1

Top State for Business Climate
- Site Selection 2016

#2

Top Metros for Workforce Training
- Business Facilities 2016

#1

Top City for Engineering Jobs
- SpareFoot 2015

KEY METRO ATLANTA RANKINGS

<p>#2</p> <p>Best Cities for Millennials <i>- Forbes, 2015</i></p>	<p>#2</p> <p>U.S. City for Foreign Investment in 2014 (18th in the World) <i>- IBM Global Locations Trends, 2014</i></p>	<p>#3</p> <p>City for Inc. 5000 Headquarters <i>- Inc. Magazine, 2015</i></p>
---	---	--



9th
largest MSA in the U.S. boasting a population of 5.5M+ people

10th
largest economy in the U.S., according to the U.S. Bureau of Economic Analysis

Projected to be the **6th** most populated metro area by 2020

3rd
largest concentration of FORTUNE 500 headquarters of any U.S. city

More than **75%**
1000 companies have operations in the metro area

ATLANTA'S FORTUNE 500 COMPANY HQS



Chattanooga Market

Expanding Local Economy with Low Unemployment

9,287

Jobs Added in 2017

- Jobs added at twice the rate of the U.S., creating over 9,200 jobs in 2017.
- Unemployment rate reached a 17-year low due to positive job and population gains.
- Rapidly expanding economic base grounded by core sector of high-end manufacturing; but transportation, tourism, healthcare, and education also consistently thriving drivers.

3.8%

Unemployment Rate

CHATTANOOGA'S RECENT ECONOMIC ACCOLADES

A model of
URBAN
RENEWAL -
Garden &
Gun

Astonishing
Transformation
during the last
20 years -
Smart Meetings

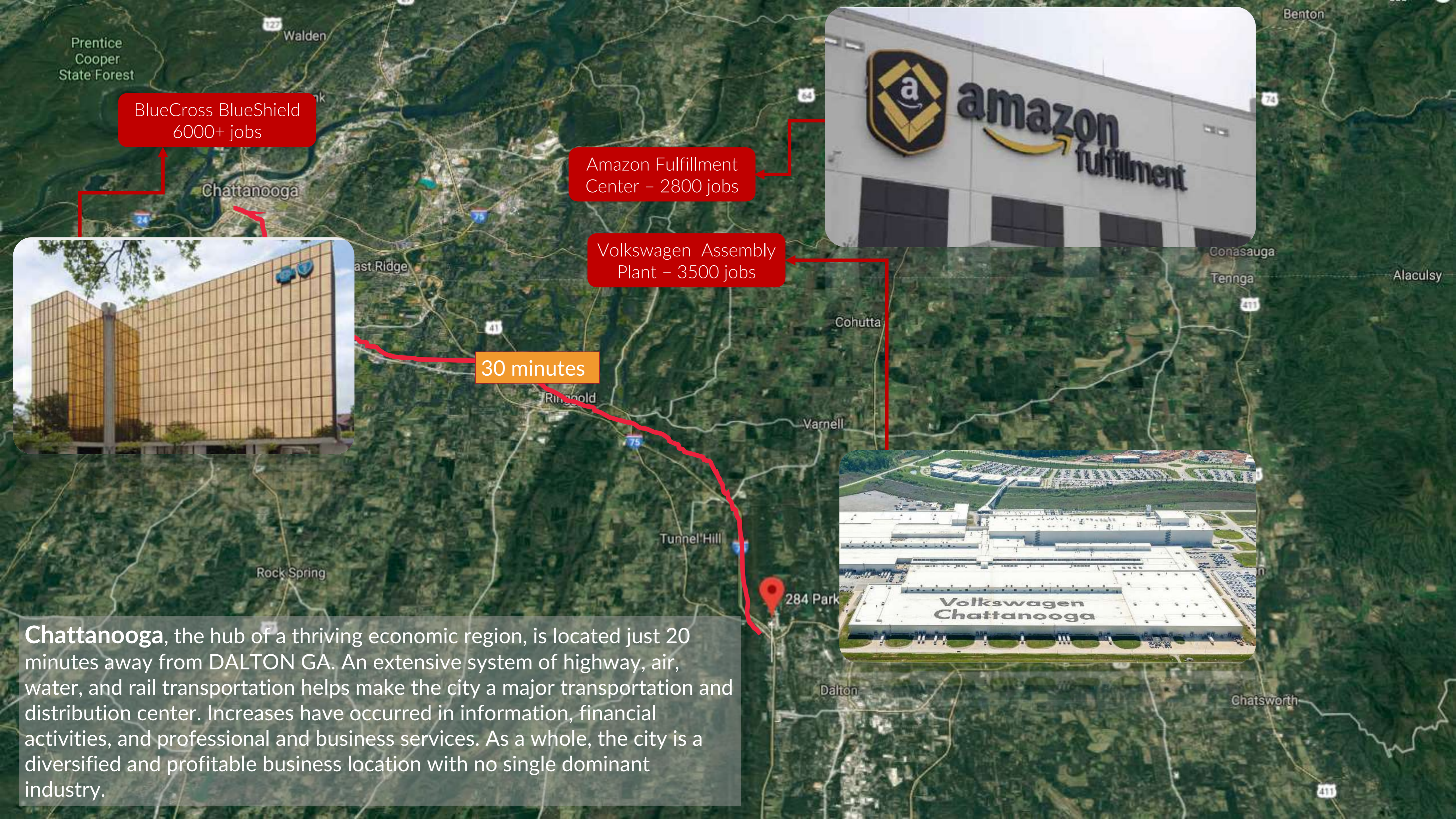
#11 in the
nation for job
creation from
foreign
investment -
Nooga

#1 growth of
new business
starts in
Tennessee -
Business Cloud

Rebuild over four
decades with
urban renewal
and **business**
incentives - WSJ

#2 among
Tennessee cities
for jobs - Times
Free Press

Budding
culinary,
cultural and
high-end hotel
scene - Forbes



BlueCross BlueShield
6000+ jobs

Amazon Fulfillment
Center - 2800 jobs

Volkswagen Assembly
Plant - 3500 jobs

30 minutes



Chattanooga, the hub of a thriving economic region, is located just 20 minutes away from DALTON GA. An extensive system of highway, air, water, and rail transportation helps make the city a major transportation and distribution center. Increases have occurred in information, financial activities, and professional and business services. As a whole, the city is a diversified and profitable business location with no single dominant industry.



**APPALACHIAN
REGIONAL PORT**

PORT OF SAVANNAH

**GEORGIA
PORTS**

APPALACHIAN REGIONAL

The Appalachian Regional Port (ARP) provides a powerful new gateway to global markets.

Connecting the Mid-South to the World

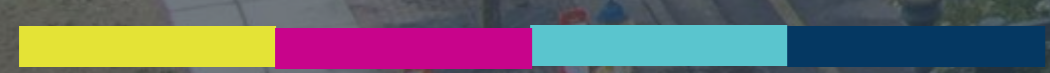
- CSX Transportation, Class I Rail Provider
- Import and Export Cargo
- Serves Fastest Growing Region in the US
- Cost Effective Geographic Advantage



- Inland Port opened August 2018 - Eleven miles due East of Dalton.
- Will bring **1,400** jobs to the Dalton area.
- \$24 million development allows shipping containers loaded on to freight trains for the 388-mile trip by rail to the Port in Savannah



Let's take a look at the City of Dalton, GA



Dalton is a growing economy

It's winning national recognition

#4 in 2016 for Fastest Growing Small Metro Economies

1.	St. George, UT	6.9%
2.	Lake Charles, LA	6.4%
3.	Bend, OR	5.9%
4.	Dalton, GA	5.1%
5.	Madera, CA	4.9%
6.	Naples, FL	4.8%
7.	Reno, NV	4.8%
8.	Port St. Lucie, FL	4.1%
9.	Bowling Green, KY	4.0%
10	The Village, FL	3.9%
	U. S average	1.7%

#2 in 2016 for Most Improved Small Metros Economies

1.	Madera, CA	+9.60
2.	Dalton, GA	+4.54
3.	Walla Walla, WA	+2.95
4.	Atlantic City, NJ	+2.70
5.	Bowling Green, KY	+2.40
6.	Burlington, NC	+2.21
7.	Harrisonburg, VA	+2.18
8.	Bay City, MI	+2.17
9.	Great Falls, MT	+2.12
10	Kokomo, IN	+2.06
	U. S average	-0.40



DALTON AND WHITFIELD COUNTY



- Dalton is in Whitfield County - population grew **26%** between 2000 and 2016.
- Median Household Income was **\$42,583** in 2017 and is expected to grow to \$48,218 by 2022.

Dalton Market Statistics

Expansion and Investment



HEALTHCARE

\$72 million of new construction at Dalton's Hamilton Health Care System will create hundreds of high-paying jobs less than 1.5 miles from Park Canyon

\$27 million world-class Children's Hospital to be completed by April 2019.
\$46 million Peoples Cancer Center, scheduled to open in 2019
\$16 million renovation of common areas was recently completed

Hamilton Health Care has been named multiple times as **one of the Top 100 Hospitals** in the United States by HCIA and Mercer Consulting.



MANUFACTURING AND LOGISTICS EXPANSION:

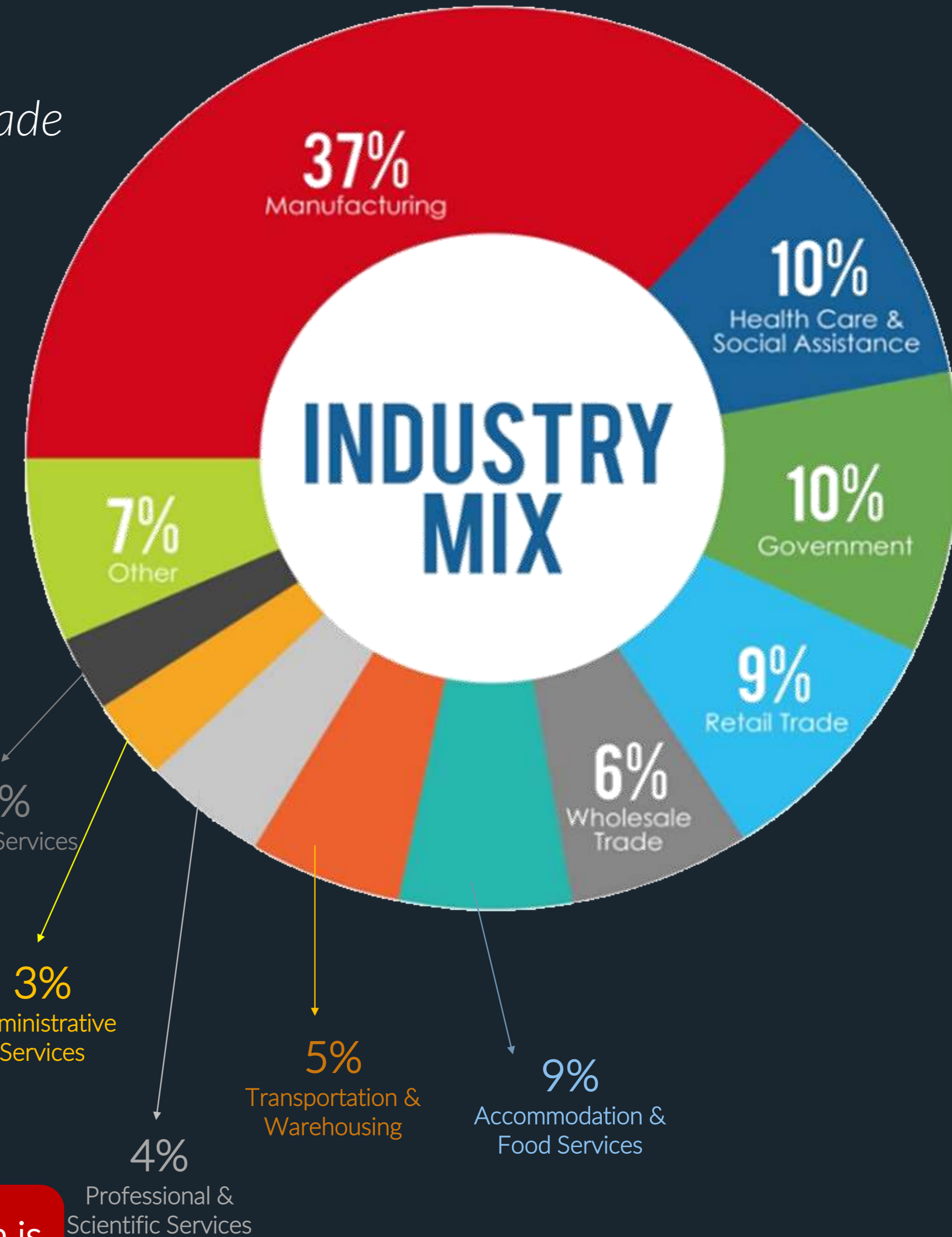
Over past 5-years over \$1 billion of construction in the manufacturing and logistics sectors has occurred in the Dalton metro.

Most recently, Hanwha Q CELLS Korea, a leader in the global solar industry, will create more than 500 jobs and invest \$150 million in a new solar module manufacturing facility in Dalton.

The company will produce high-performance, high-quality photovoltaic modules at the new facility, which is scheduled for completion in 2019.

The largest industry sectors in the Dalton region include:
Manufacturing, Government, Health Care and Social Assistance and Retail Trade

Industry	Number of 2018 Jobs	Forecasted 2028 Jobs	2018-2028% Change	2018-2028 Change	Avg. Earnings Per Worker
Manufacturing	88,178	84,772	-3,406	-4%	\$66,446
Government	63,450	64,955	1,505	2%	\$66,411
Health Care and Social Assistance	47,927	56,057	8,130	17%	\$56,750
Retail Trade	47,017	50,264	3,247	7%	\$33,914
Accommodation and Food Services	41,091	45,039	3,948	10%	\$19,022
Administrative and Support and Waste Management and Remediation Services	27,862	32,052	4,190	15%	\$33,902
Transportation and Warehousing	22,607	21,729	-878	-4%	\$56,301
Other Services (except Public Administration)	18,864	20,162	1,298	7%	\$31,646
Wholesale Trade	16,339	17,846	1,507	9%	\$65,449
Construction	15,609	17,887	2,278	15%	\$67,711



Top 10 Highest Ranked Industries by 2018 Job Counts | Source: EMSI, 2018 Q2

Reliance on Manufacturing dropping. Growth is in Healthcare and in construction

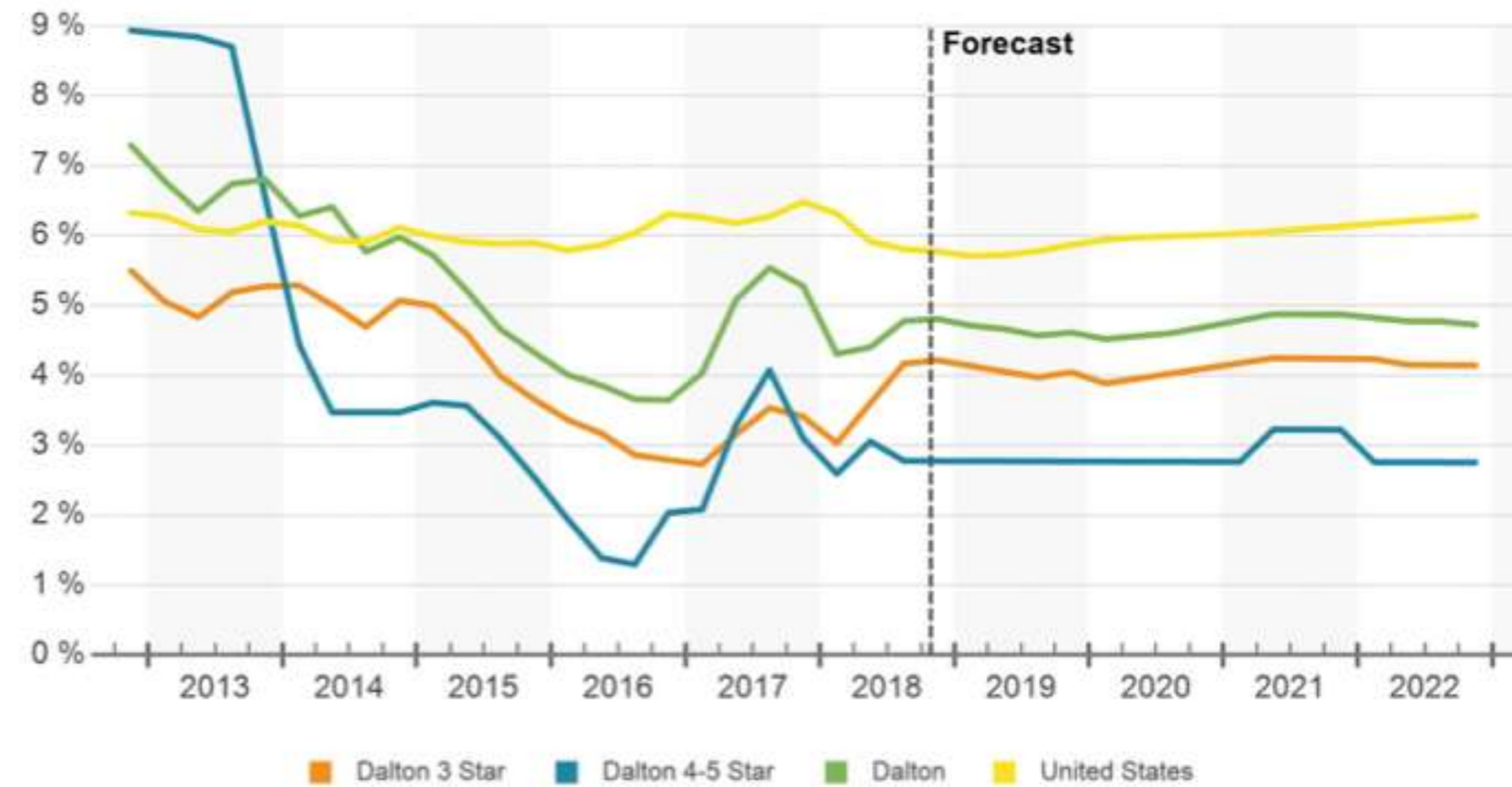
Lack of New Construction in Dalton

- Options for housing are limited because of the lack of new construction of both single family and multifamily homes over past decade. Land is also constrained in Dalton due to its location between two mountain ranges.
- No new construction of Multifamily on horizon
- Jobs have returned to Whitfield County, but housing has not kept pace with jobs leading to vacancy rates under 5% coupled with 6% rent growth.

Dalton Multi-Family

Vacancy Rate	12 Mo. Asking Rent Growth
4.8%	6.0%

VACANCY RATE





A brief look at the neighborhood

Park Canyon is in an excellent neighborhood



\$46 million Cancer Center Delivers mid-2019



Highway 75 - 20 minutes to Chattanooga, or 60 minutes the other way to Atlanta

Appalachian Mountain Range on both sides - makes Dalton into a valley with limited land to develop.

Walmart Supercenter, Petco, Kohl's & Home Depot

PARK CANYON



Dalton High School

\$27 million Children's Hospital Delivers April 2019



Dalton State College

Brand New Hilton Garden Inn less than 1/2 mile from Park Canyon next to Dalton State College

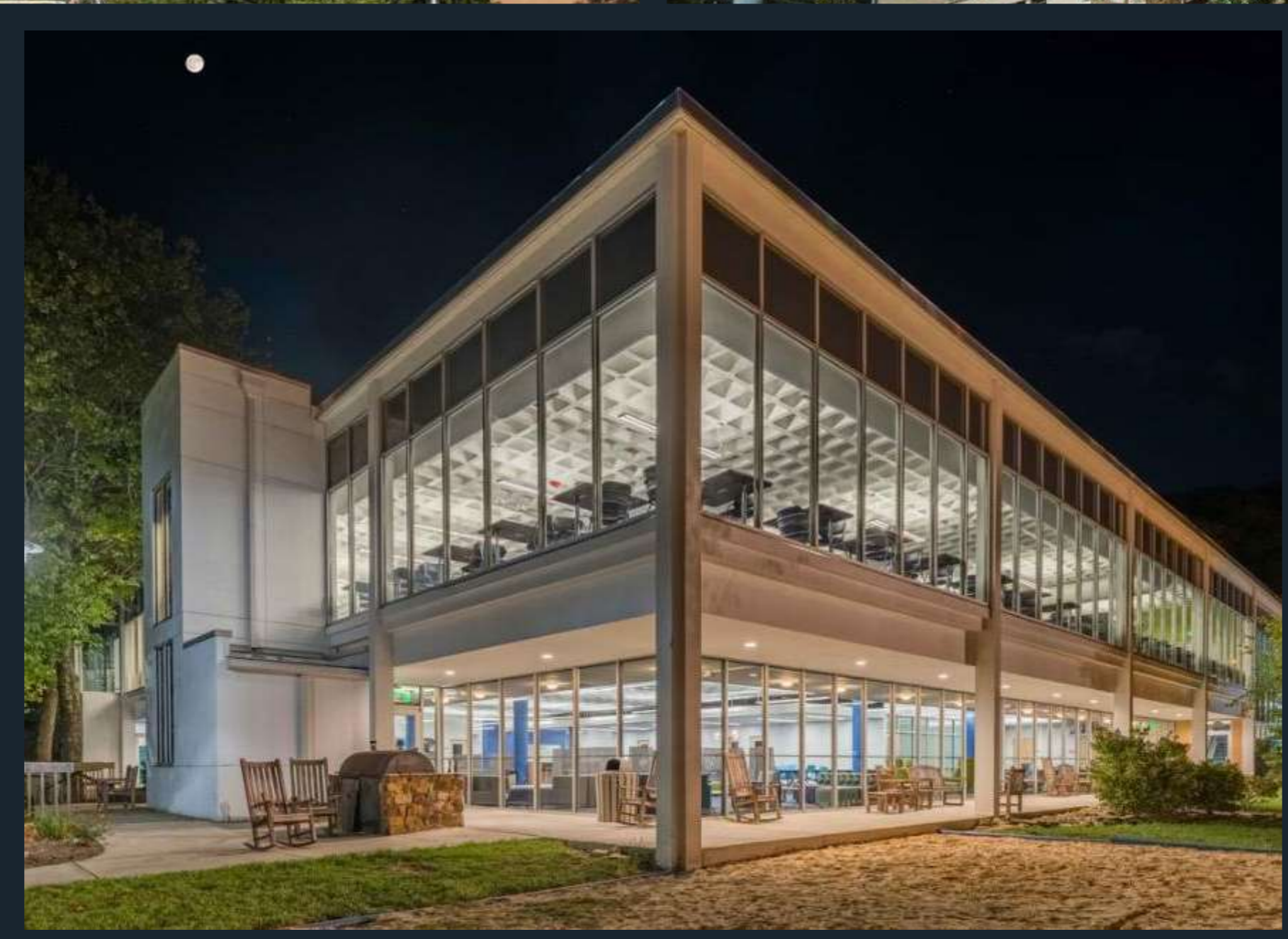


Dalton State College is located directly adjacent to Park Canyon. Significant expansion of the University of Georgia College System school has been completed with more to come.

<https://www.daltonstate.edu/>



DALTON
STATE



Dalton State College Campus

Park Canyon



PC





Let's take a closer look at the Property

Why we think Park Canyon is a winner



The Property's Vital Stats

Price, Occupancy, Unit Count, Age

HOUSEHOLD
INCOME
\$42.5K

OCCUPANCY
97% Physical
92% Economic

UNIT COUNT
151 Units

RENTS
Well Below Market

Current Owner of 25
Years has not
aggressively pushed rents

PRICE
\$10.27MM + \$453k
Improvements
\$68K per door

(appraised \$450k higher)
Off Market Deal

AGE
Built 1988 – Class B+

Zero Units are
recently renovated
A True Value Add
Opportunity



Property Amenities

A+ Amenities for the Area

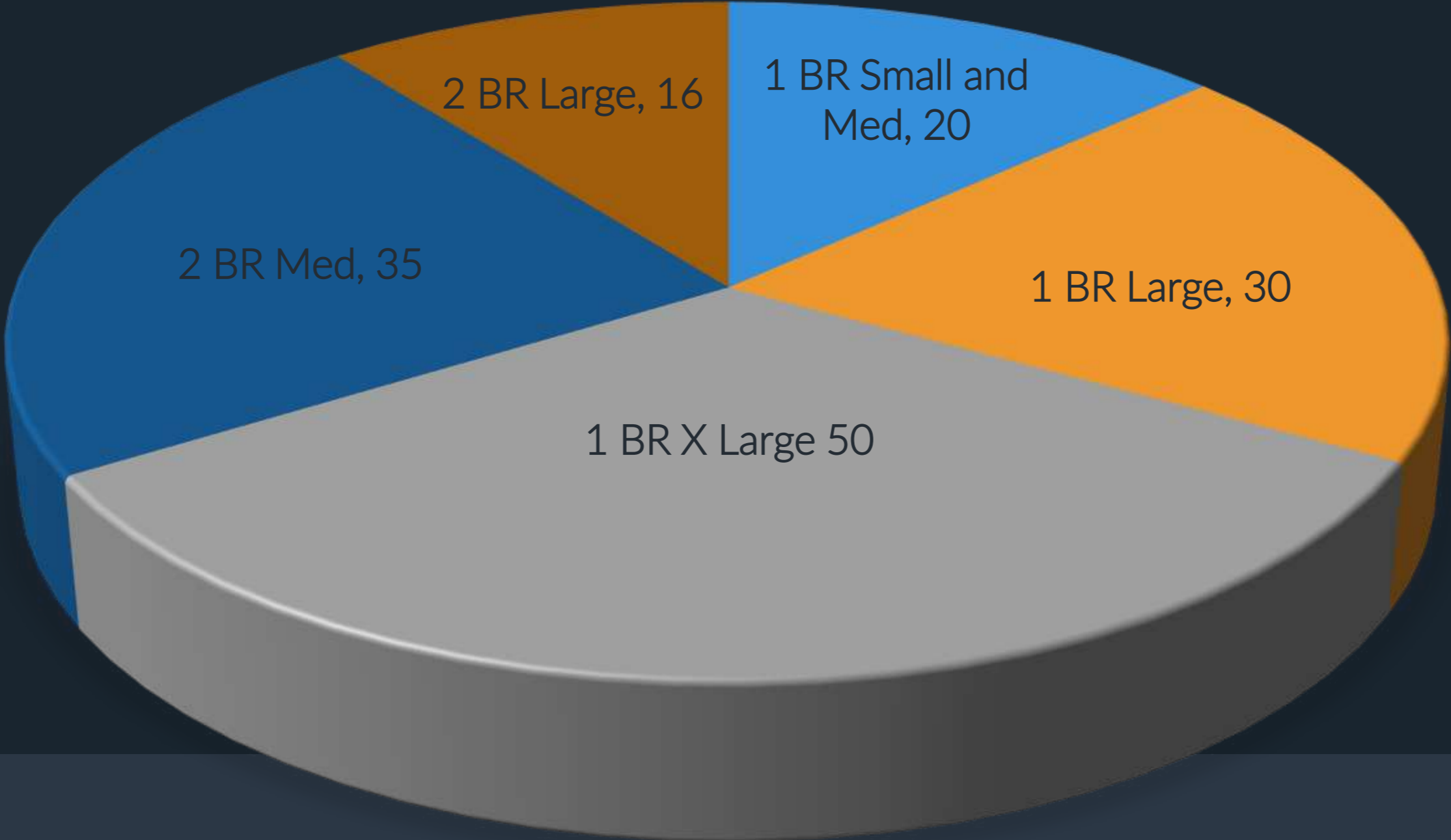
Two-Level Waterfall Pool
Year-Round 12-Person Hot-tub
Large, well-appointed Clubhouse
Gas Grill-Patio at Clubhouse
Gated Grilling area in park
Covered Bicycle Storage
Covered Car Wash/Vacuum Center
Large Laundry Facility
Covered Mail Kiosk
Pond with Fountain
Gazebo & Picnic Area
Ample Pet-Walking Trail





Excellent Unit mix makes leasing easier

A preferred mix of 1BR, and 2BR







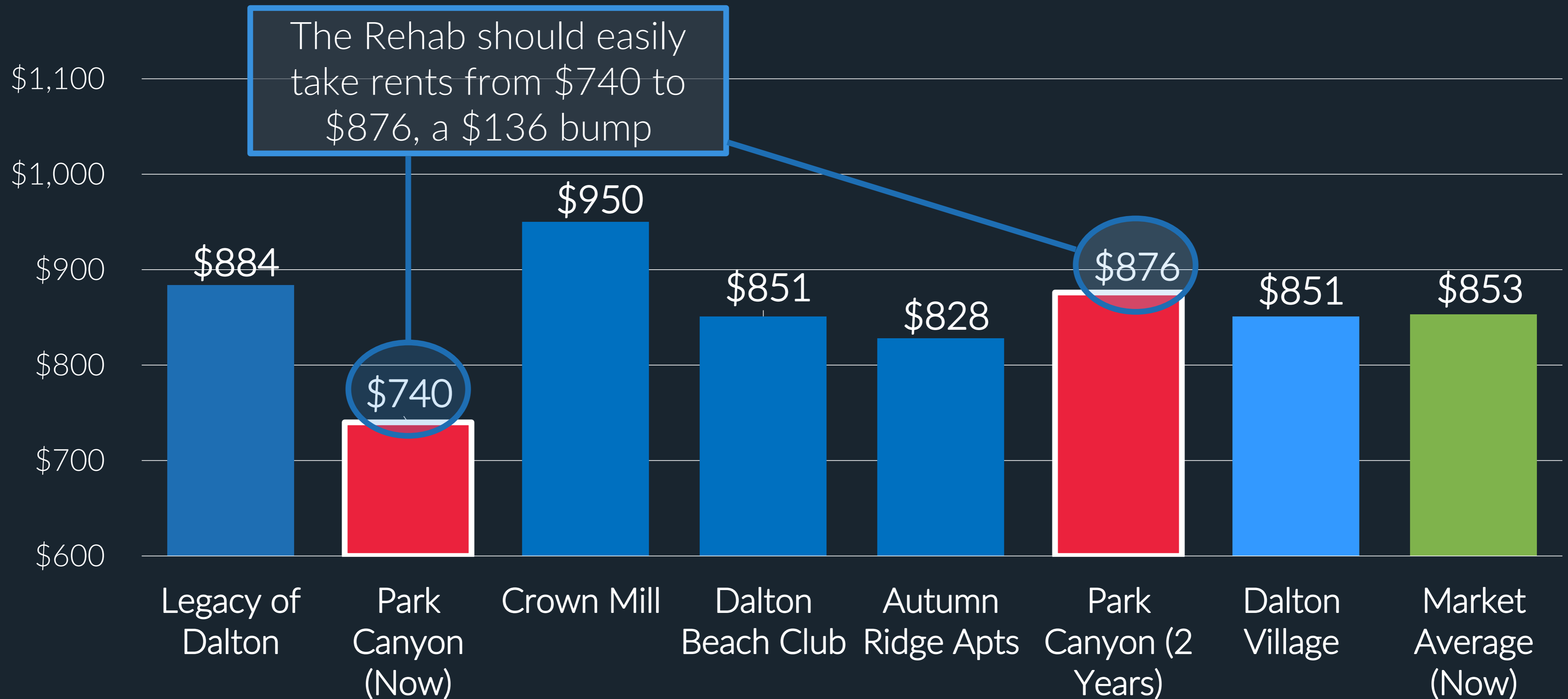






Our Plan to increase rents

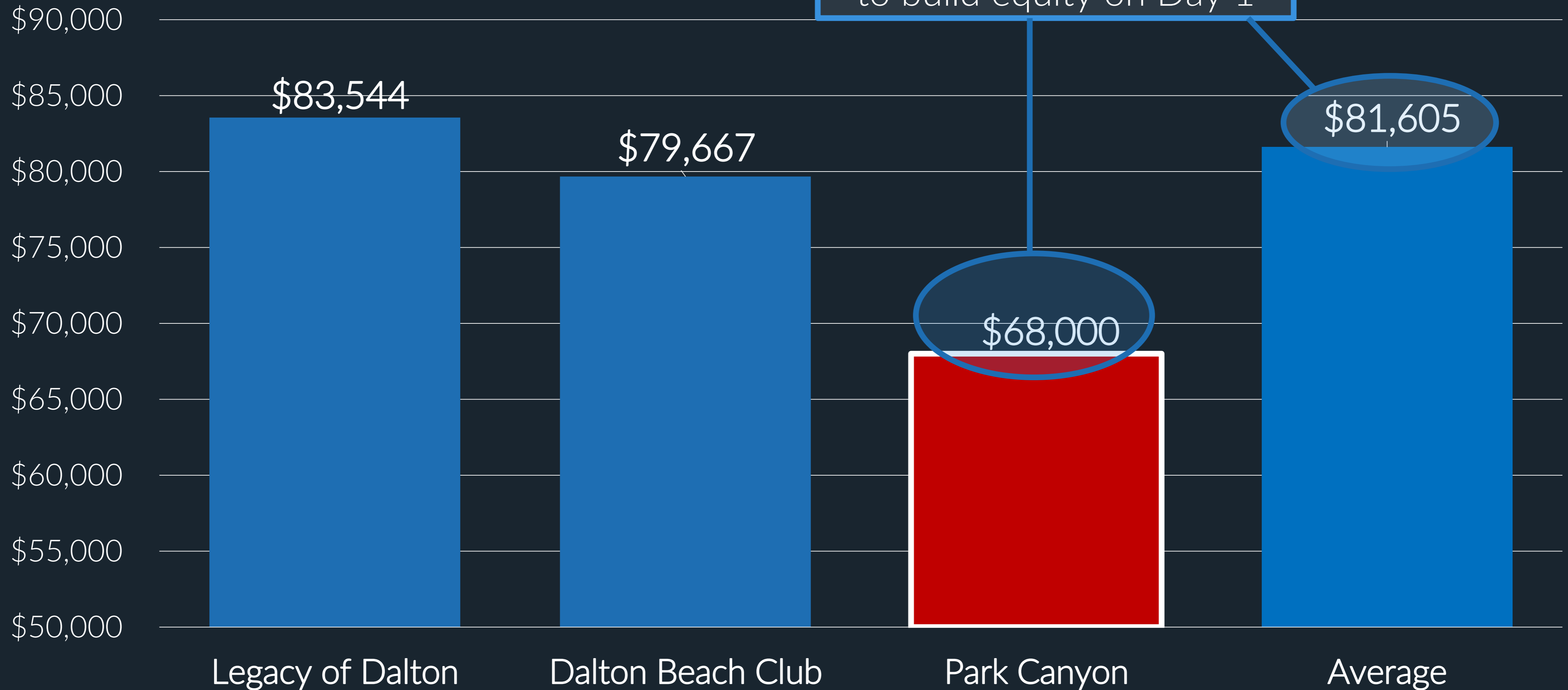
Rehab to increase rents \$136 per unit



Buying off market is the key

We are buying over \$10,000 per door below comparable sales

Buying off market allows us to build equity on Day 1



Our Property Manager

Our third party property management company in Dalton GA



Property management expertise

SMP – Strategic Management Partners - Currently manages 8000 units specializes in turnarounds and stabilizing assets, has extensive experience increasing profitability primarily for B and C class apartment communities.



Close Relationship – Proven Track Record

Gary and Mark are very familiar with SMP and use them for other Properties in their Portfolio



Remarkable Continuum of Staffing

The Head of Maintenance as well as the main Property Manager who have been with the property since 1990 (!!) are staying on with the property as the property management transitions to SMP. We could not be more thrilled to have their expertise, especially given the stellar tenant reviews and state of the property = pristine.



Renovations

They have in-house expertise to manage the rehab and renovation process. They source manpower and material from local sources at excellent prices.

Bottom line: Why we like this project

What makes the project so compelling



Rents are significantly under market, and no interior renovations have been done

Current Ownership acquired the property 25 years ago and has not been aggressive in pushing rents. There is organic rent growth available even without doing interior renovations.



Strong Management Team with lots of experience in the Region

The project partners have many projects in Atlanta and nearby surrounding areas. Gary lives in Atlanta.



Submarket and market / metro has long term growth potential

With all of the new construction in the immediate area which will bring jobs, coupled with Dalton State College next door, Chattanooga 20 minutes away and the impact of the Regional Port – Dalton has strong growth, immediate potential.



Off Market Deal paired with safe, long term loan

Most projects need bridge loans to make the numbers work these days. Because this is a true off market deal, the numbers work with a 12 year fixed agency loan in place which will make this a safe long term investment. Intended hold is 5 years.

And don't forget
that Whopper of
a construction
value-add
opportunity



**B
O
N
U
S**

But before the financials, here is the unexpected bonus

A bizarre piece of good luck gives us a big future growth option



An Unexpected bonus to juice future returns

Opportunity sometimes comes from unexpected quarters



Last year a fire burned 20 units to the ground at Park Canyon

The seller pocketed the big fat insurance check instead of rebuilding. Surprisingly, the seller then decided to sell the property to us off-market based on its current income without the 20 units that burned.



The 20 units, when rebuilt, would have over \$200K a year in Net Operating Income.

At 7 cap, that could increase our selling price by almost \$3 million dollars.



Our back of the napkin math gave us a very profitable number

Additional equity would be required, but our return on that additional equity was nearly 4X. This would boost investor returns massively. The numbers are so high that we have chosen not to include them in our proforma AT ALL until we get construction quotes and decide whether to proceed or not



It will take several months to figure out accurate construction costs

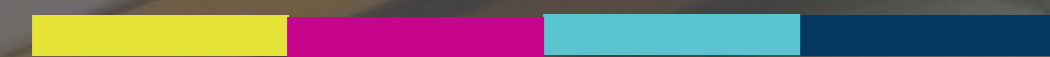
But we believe that if we choose to rebuild, we could increase the projected returns very significantly, making this a true home run project, with incredible value-add ability. Construction projects are time consuming, but this project already has the six most time consuming items dialed in – Entitlement, zoning, parking, city approvals, Utilities and piping, and the concrete foundation. This allows us to build quickly, and build at a very reasonable price, with lower completion risk.





Now, let's end with a brief look at the Financials

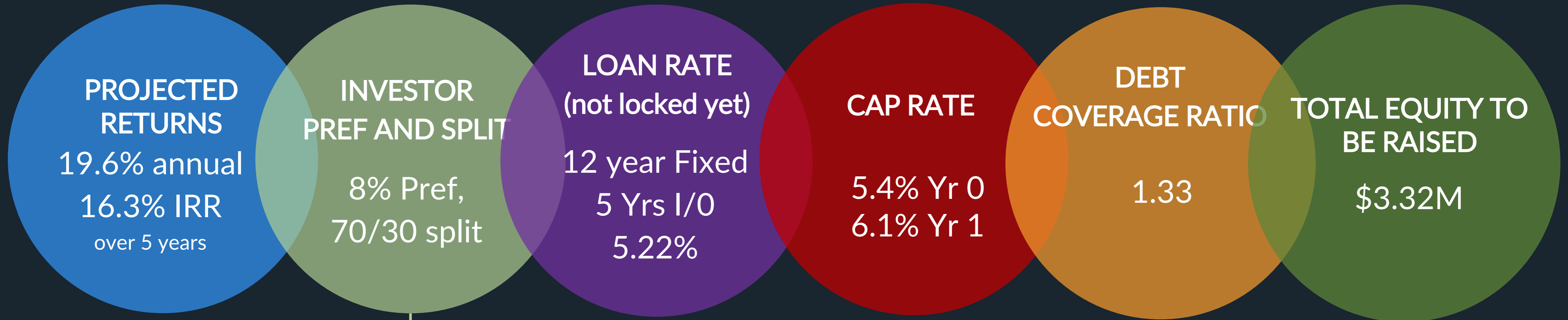
What are the numbers telling us?



14.73%

Financial Highlights

The investment's vital statistics



Note that this is not a true 70/30 split. Investors get all of the first 8% per year returns. Promoters only share 30% of the portion above 8% per year. For example if the Project makes 20% per year, then the promoters only make 30% of 12% (not 30% of 20% returns). So, they make 3.6% out of 20%, which is closer to 18% of the returns.

Projected Returns in percentages

Our cash flow and return projections over 5 years

Year 1 cashflow	Year 2 cashflow	Year 3 cashflow	Year 4 cashflow	Year 5 cashflow
5.6%	10.3%	11.2%	11.6%	11.9%

+

Projected returns on sale
45%

=

Total 5 Yr. Projected returns
19.6% annualized

16.3 IRR

Projected Returns on \$100,000 invested

Our cash flow and return projections over 5 years

Year 1 cashflow	Year 2 cashflow	Year 3 cashflow	Year 4 cashflow	Year 5 cashflow
\$5,600	\$10,300	\$11,200	\$11,600	\$11,900

+

Projected returns on sale
\$45,000

=

Total 5 Yr. Projected returns
\$96,000

16.3 IRR

Our Fees

The components of our fees structure



Acquisition and loan fees

Promoters are charging a 2.0% (of purchase price) acquisition fee for this property. This a common acquisition fee number in projects of this size.



Share of rent profits

Promoters receive 30% of the rent profits. Investors have an 8% Pref. (preferential return).



Asset management fee

A minimal fee of 1.5% of gross rents is charged annually to manage the asset on an ongoing basis. We estimate this fee will start at \$34K per year and grow to \$47K per year by year 10.



Upside on sale

Investors have 8% Pref. For returns beyond 8% a year, Investors get 70%, partners get 30%. If final returns for the property are higher than 20% annually, then returns ABOVE that 20% threshold are shared in a 50% (Promoter) /50% (Investors) split.

Minimums, Qualifications and Timelines

How much and when, and who qualifies



Minimum Investment

Our minimum investment is \$75K, with first priority given to \$100K or greater investments



Who can invest?

Both non-accredited and accredited investors can invest in this project. Investors will self verify their accredited status. Third party verification is not required. Non-accredited is limited to 35 total investors.



Investment timeline

Verbal indication of interest by Nov 9, docs go out Nov 9 money needs to be in by Nov 24. Our closing date is Nov 26, and it absolutely cannot be pushed back.

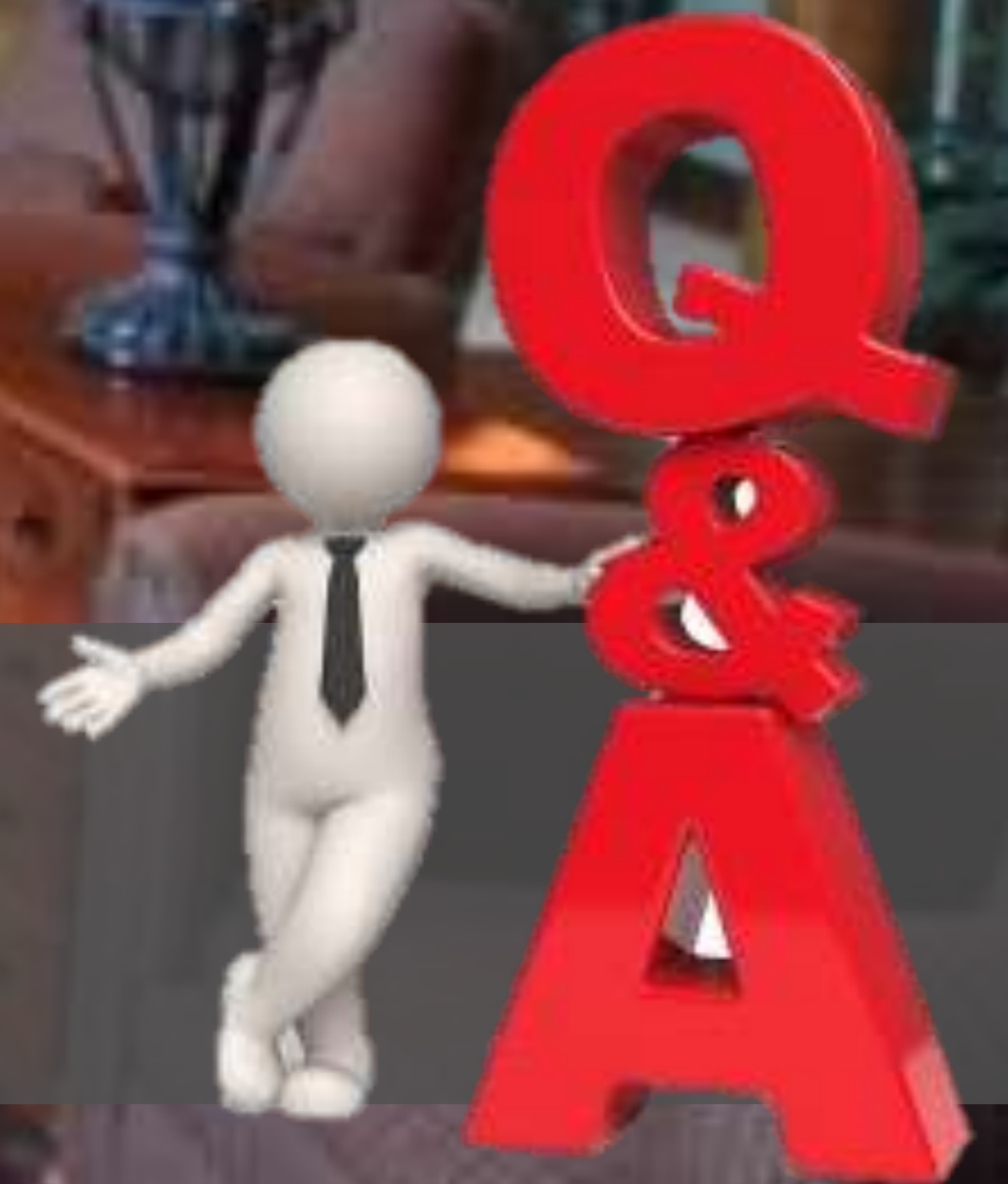


Next steps

Email us your questions at info@grocapitus.com or ask for the subscription documents and PPM. If you want to talk further, call us at 510-367-1510

Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

Park Canyon



Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

Park Canyon



Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

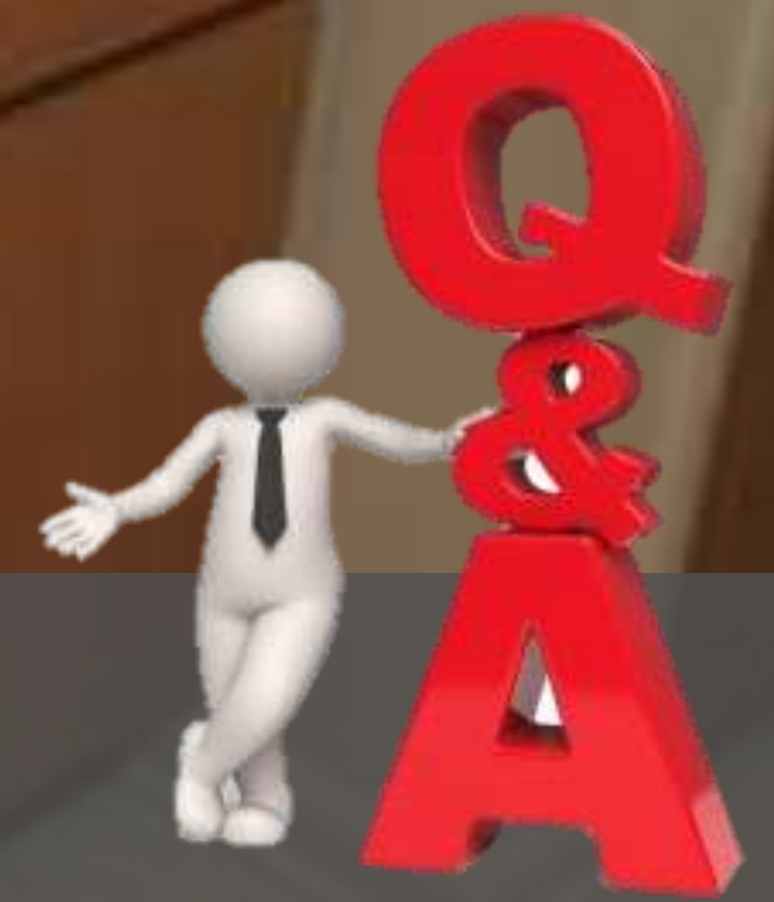
Think Clean!



Park Canyon



Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

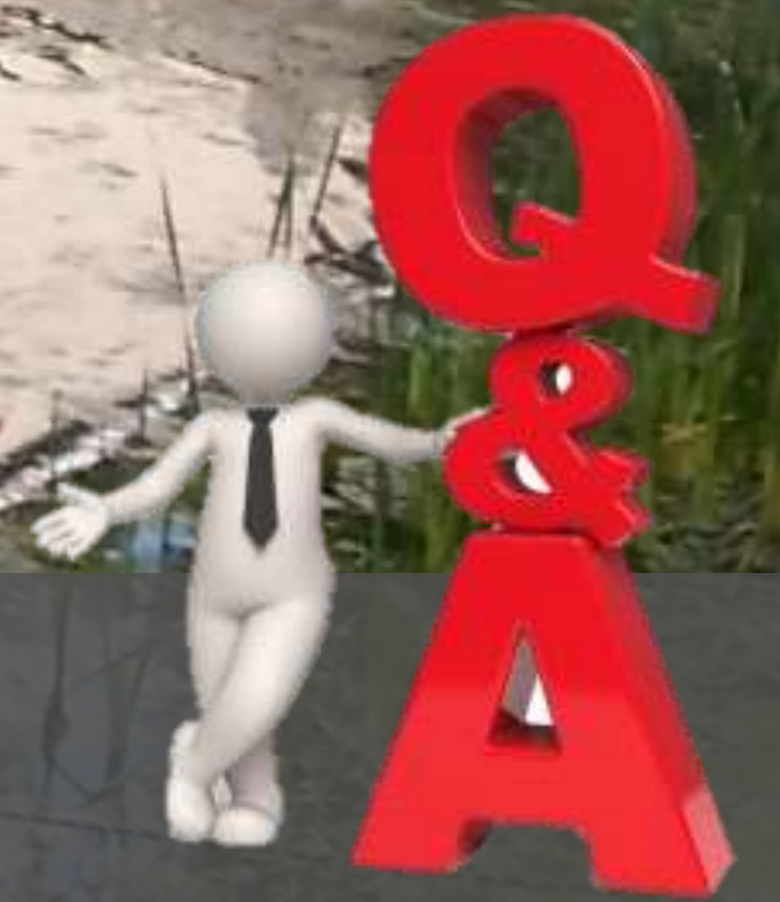
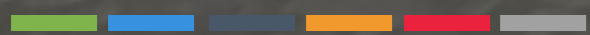


Park Canyon



Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

Park Canyon



Questions? You can type them
in if you are watching Online.
Please answer our Poll before you go.

Park Canyon



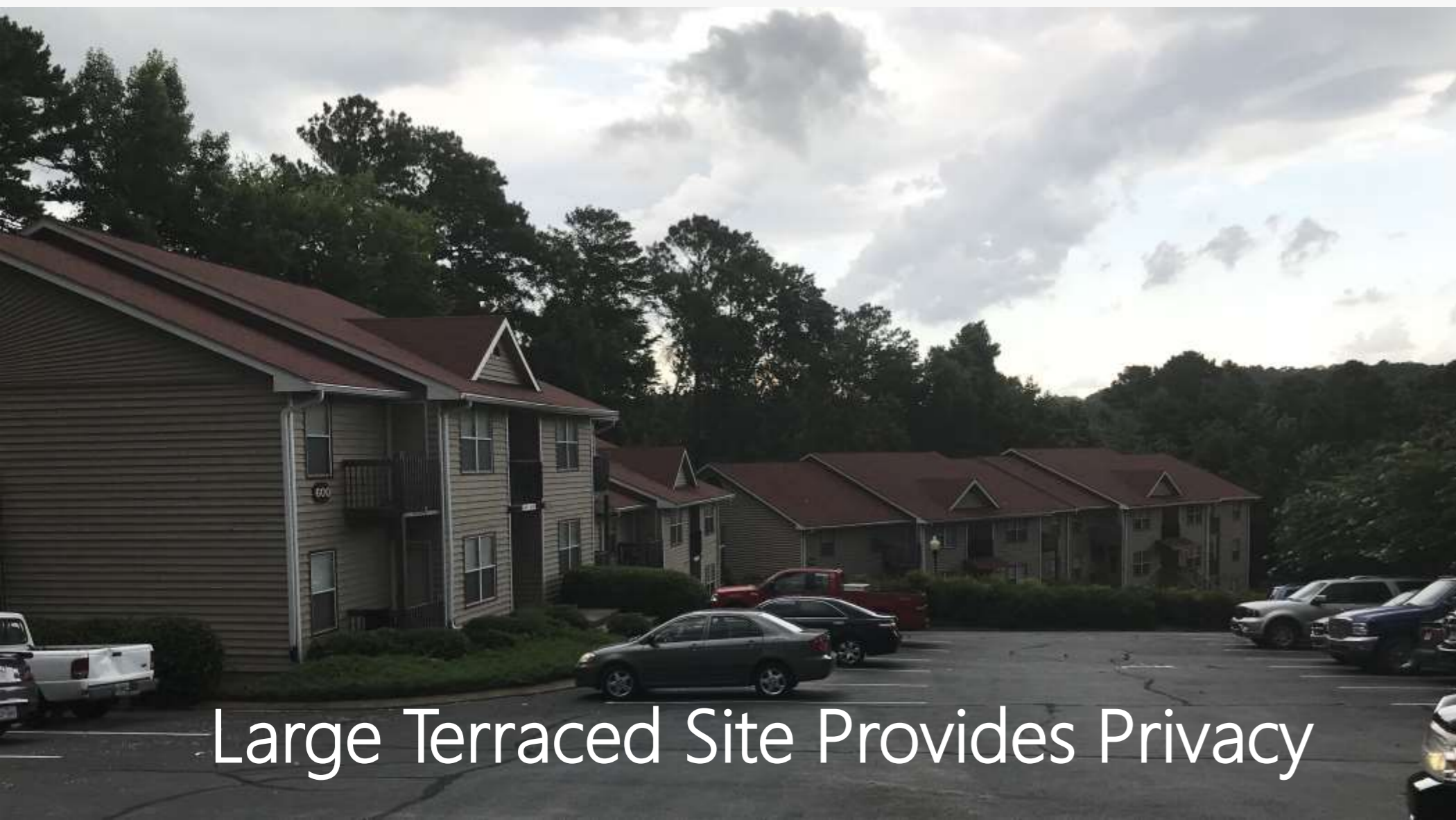
Property Characteristics-Exteriors



All roofs are new to less than 5-years old



Durable Cedar Siding



Large Terraced Site Provides Privacy



Outstanding Curb Appeal and Landscaping

Typical Floorplans

One Bedroom One Bath



Two Bedroom Two-Bath Jack & Jill



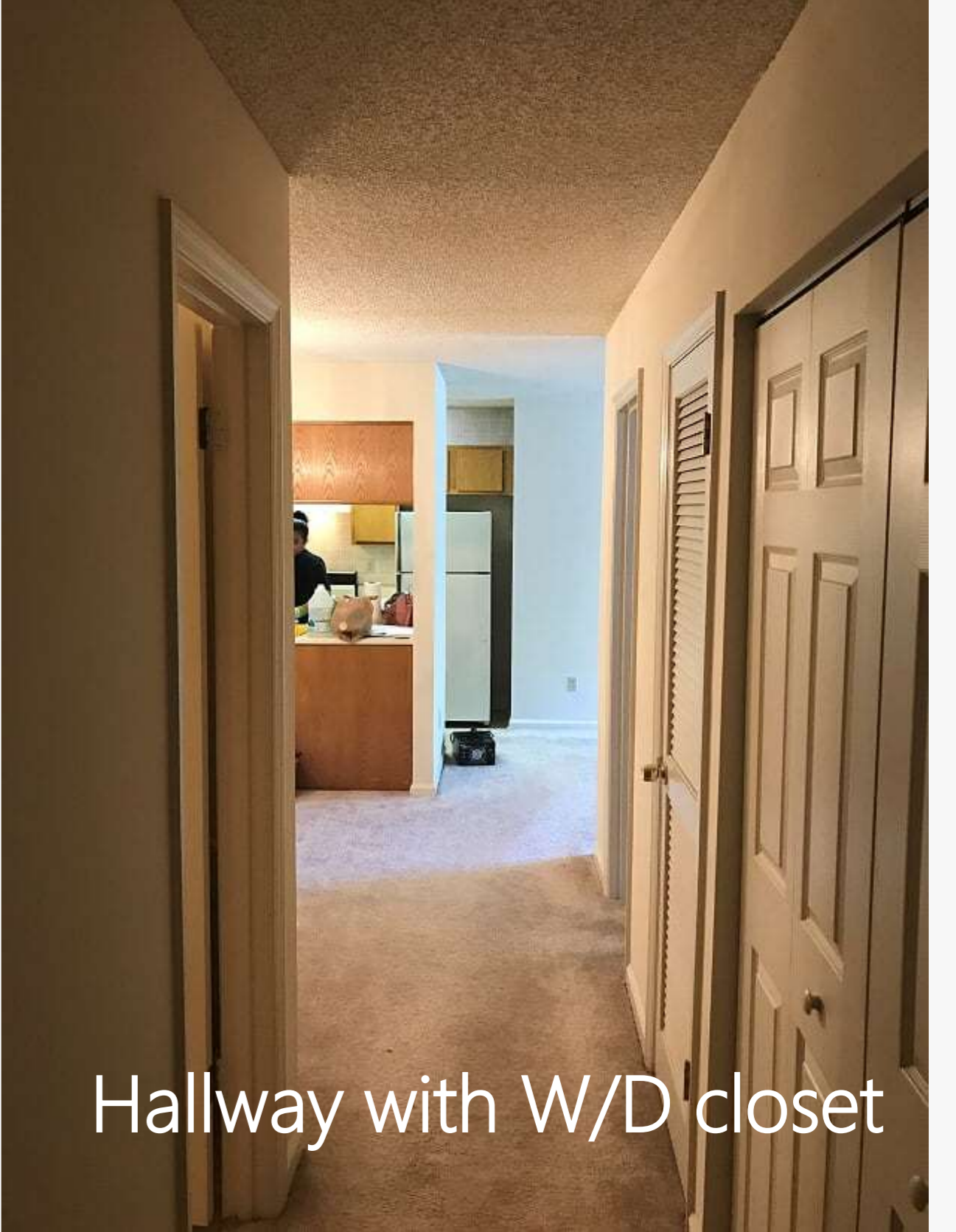
Property Characteristics-Interiors



Hardwood Cabinets in Excellent Condition Throughout. \$200 upgrade Vinyl tile backsplash. Easy way to increase rents



Timeless Open Floorplan: Living Room, Dining Room plus extras like a coat closet



Hallway with W/D closet



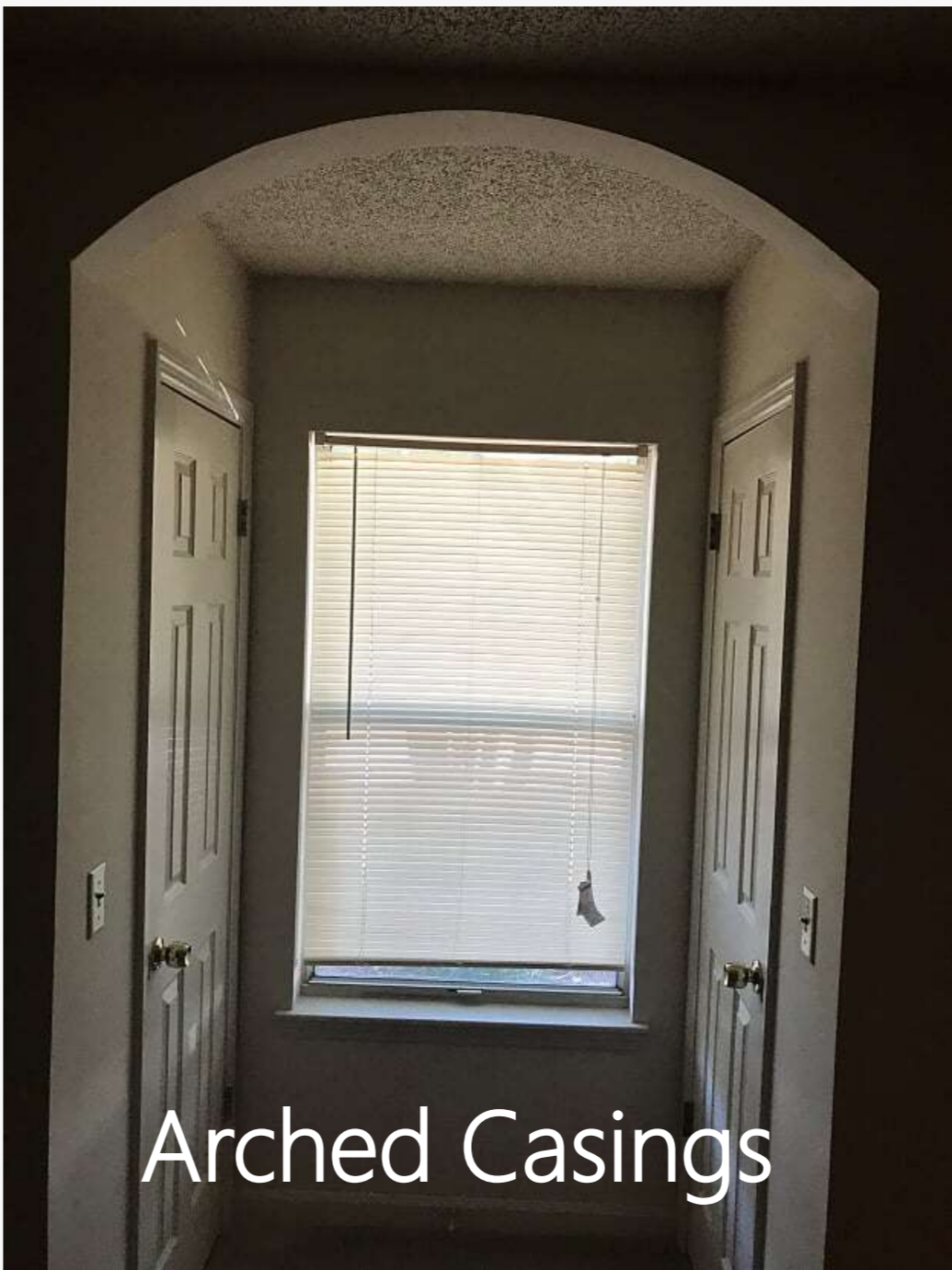
Hardwood Vanities with Scratchless Countertops



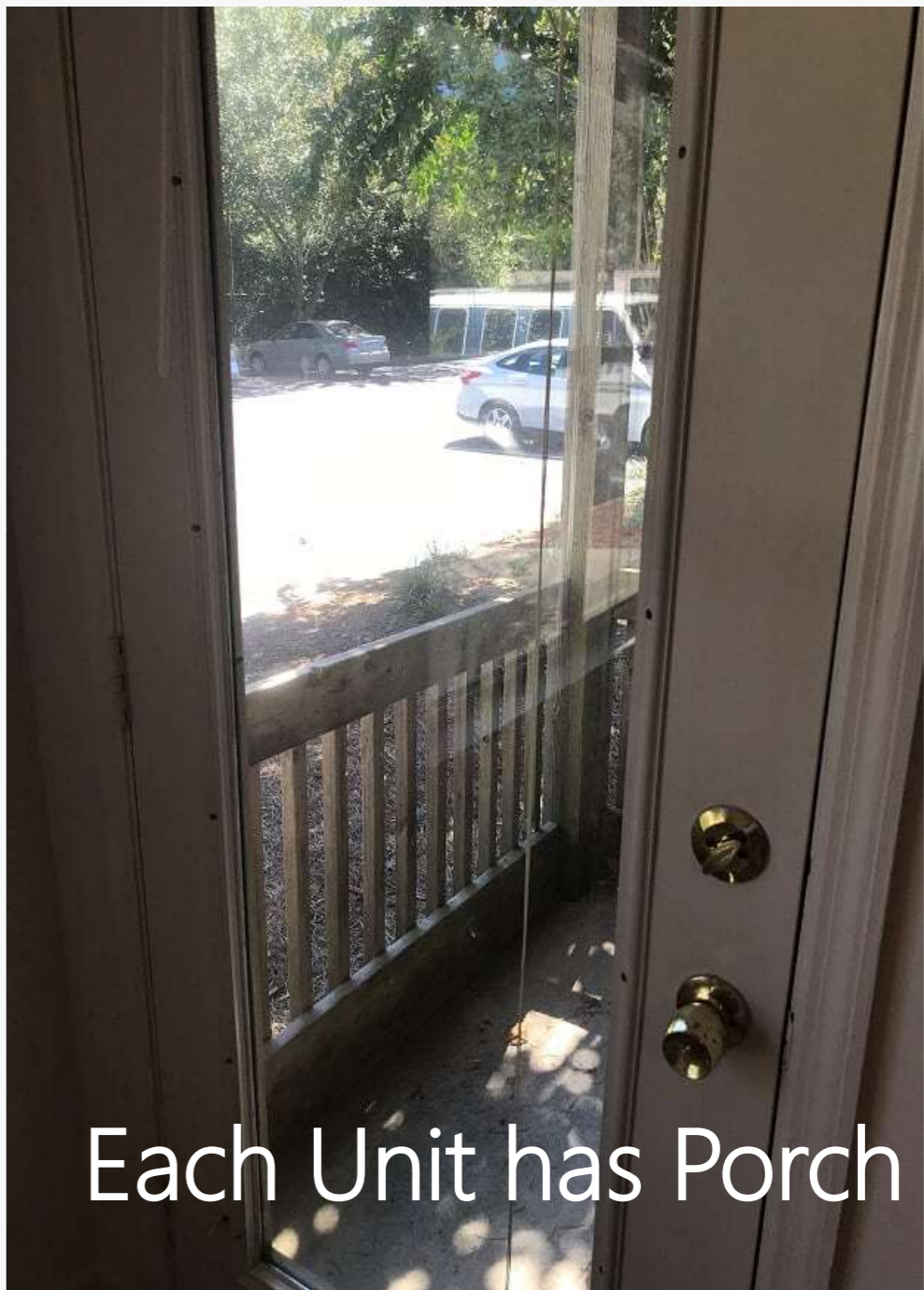
Jack & Jill Design Provides Each Bedroom with Own Vanity and Toilet. All Bath/Showers are one-piece; no leaks



All Bedrooms have two big closets



Arched Casings



Each Unit has Porch

Property Amenities

- Two-Level Waterfall Pool
- Year-Round 12-Person Hot-tub
- Large, well-appointed Clubhouse
- Gas Grill-Patio at Clubhouse
- Gated Grilling area in park
- Covered Bicycle Storage
- Covered Car Wash/Vacuum Center
- Dog Park
- Large Laundry Facility
- Covered Mail Kiosk
- Gazebo & Picnic Area
- Ample Pet-Walking Trail





