



grocapitus



ABRANOVA
REAL ESTATE



QRP, Solo 401k,
SD-IRA eligible

Nova RTP



46 Townhomes
2810 Courtney Creek Blvd
Durham, NC



NEAL BAWA

Grocapitus

ANNA MYERS

Grocapitus

Abraham Ng'hwani

ABRANOVA Real Estate

Today's Agenda

1

Who are we?

An introduction to the Management Team

2

Why the Durham area?

What's different and special about this market ?

3

Why build townhomes at this location?

Let's understand the opportunity

4

What are the numbers?

Assumptions, loans, splits, returns and more

5

How long and how much?

Minimum investment amount and timeframe

6

What did we forget?

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.
- ▶ 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 Neal

President and CEO, Grocapitus



Neal Bawa

CEO & Founder
Grocapitus

About Neal

- ✓ Neal's companies have owned / managed a portfolio of over \$180 Million
- ✓ Over 2,000 units of Multifamily and Student housing, in 9 states
- ✓ Nationally known Multifamily mentor and speaker
- ✓ About 5,000 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

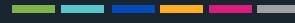
Investor Management

Leasing and Tenant Marketing

Submarket and property selection

Operations and metrics

Sample of Grocapitus 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 the apts are at 100% occupancy.



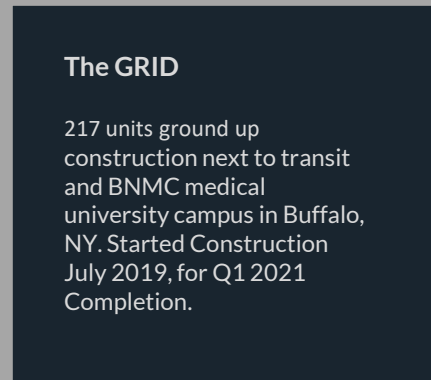
Equinox on Prince

Purchased March 2019, our first property in Tucson, AZ is an older 114 unit property in a growth area with new medical centers and malls nearby. Under market rents and tired units provide true value add opportunity. We've boosted occupancy by 10% in our 1st month of ownership as we re-brand and renovate to create a modern apt community.



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.



The GRID

217 units ground up construction next to transit and BNMC medical university campus in Buffalo, NY. Started Construction July 2019, for Q1 2021 Completion.



Chelsea Place

174-unit Class C property in East Atlanta, 95% occupied. Value Add project with under market rents, will undergo light rehab and rents pushed to market. Two miles from our other Atlanta property, so lots of efficiencies here.

Property purchased December 2018



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.



Lakewood Oaks

Our first project in Jacksonville FL is a 138-unit Class C (vintage 1974) in an emerging Class B area, acquired in Feb 2019. With under market rents, and no renovated units, this is a true value add. We will re-brand it, re-position it, then explore the possibilities to build 32 additional units.



Park Canyon

151-unit Class B Property in Dalton GA, Chattanooga Metro. Under market rents and 20 down units from a fire gives us opportunity to add significant value in this project.

Property purchased November 2018



Coyote Creek Apartments

116-unit new construction multifamily in St George UT, a city with 2% vacancy rate, and the property is zoned for vacation rentals as well. Construction starts Sept 2019, for completion Q1 2021

Our Partner | ABRANOVA Group



Abraham Ng'hwani
Founder & CEO



Abranova Building Company, Inc. is a full-stack real estate investment and construction development company. We utilize financial data analytics, simulation technologies, engineering and construction management to handpick and develop the most iconic real estate projects.

DUKE UNIVERSITY, Pratt
School of Engineering
*Bachelor of Science in Mechanical
Engineering and Materials Science*



OUR FOCUS

- High End Sub-divisions
- Multifamily
- Mid and Highrise Mixed Use



ABRANOVA
REAL ESTATE





Babylon Gardens Luxury Townhomes



Grandwood Circle Neighborhood



...in Treyburn Forest, Durham North Carolina

Meet the Team

The strength of the project is in the team



Anna Myers

Vice President &
Operating Partner



Julianne Feliza

Operations Manager
overseeing both
Investor Transactions
& Investor Relations



Ella Sta. Maria

Tenant Leasing &
Marketing



Nadine Fortich

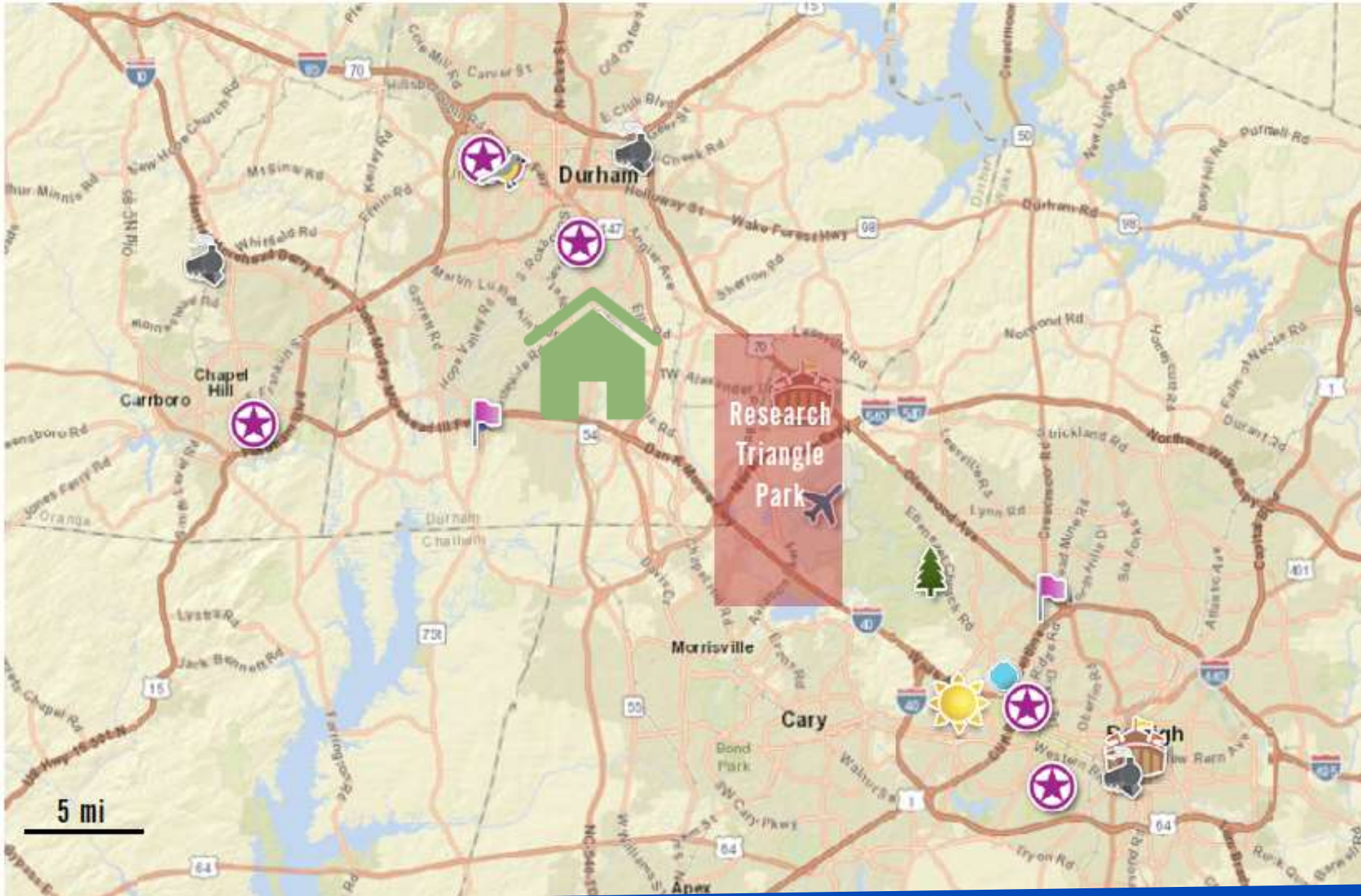
Property
Administrator






Raleigh-Durham



Vibrant communities to work and play!



-  NOVA RTP
-  University
-  Duke Gardens
-  City Transit
-  Museum
-  Attraction
-  Shopping
-  State Park
-  Airport

RALEIGH - DURHAM - CHAPEL HILL - RTP AREA

Center of Learning

RTP - situated central to 3 key universities making the 'triangle'



Duke
University



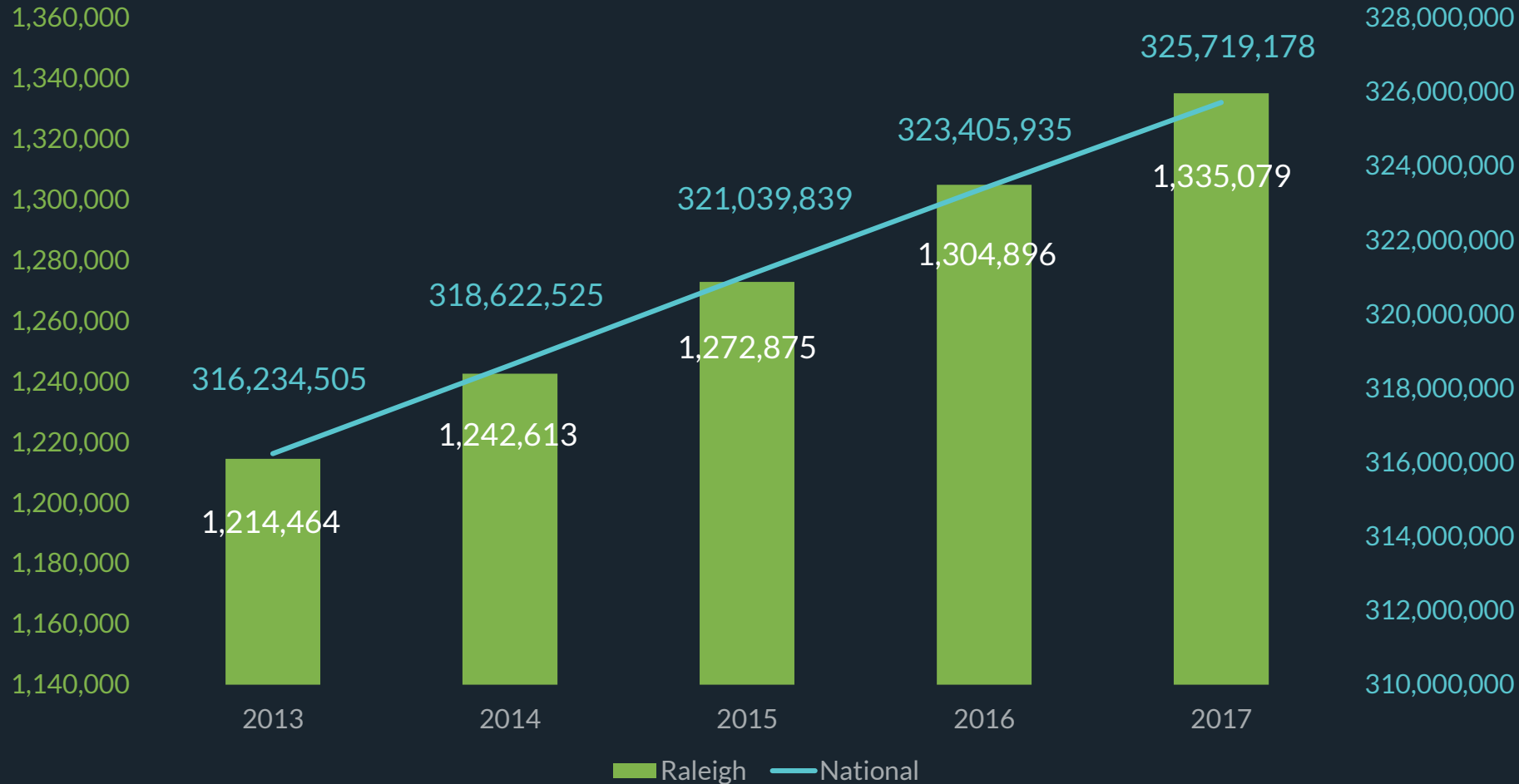
University of North
Carolina at Chapel Hill



North Carolina
State University

Population Growth | 2013 - 2017

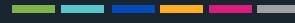
Raleigh measured against National



Between 2010 and 2017 Raleigh added **197,686** residents – up **17.4%**, more than **3 times the US** growth rate.

Note; Durham-Chapel Hill's population rose 11.6% during the same period

Best Reasons to like Raleigh-Durham!



#2
Best Place
to Live



#8
Best College



#2
Best Performing
City



#3
Most Access to
Quality Health
Care



#4
Best Cities for
Job Seekers



#1
Largest
Research Park
in the Country

2019 Raleigh awarded 2nd place out of 100 cities for Best Place to Live by Livability, Raleigh-Durham given 4th place by US News in 2016

US News Best Colleges awarded Duke University 8th spot with an overall score of 92/100 out of all colleges in the US

2018 Durham was awarded #2 spot for Milken Institute's Annual Best Performing Cities Report

Becker's Hospital Review awarded Raleigh-Durham with the #3 city with most access to Quality Health Care

Raleigh-Durham voted Best Cities for Job Seekers in 2017 according to CBSNEWS

With over 250 businesses of all sizes as well as 50,000 Tech, STEM and Creatives working there, and over 3200 patents awarded to RTP businesses – RTP is truly unique



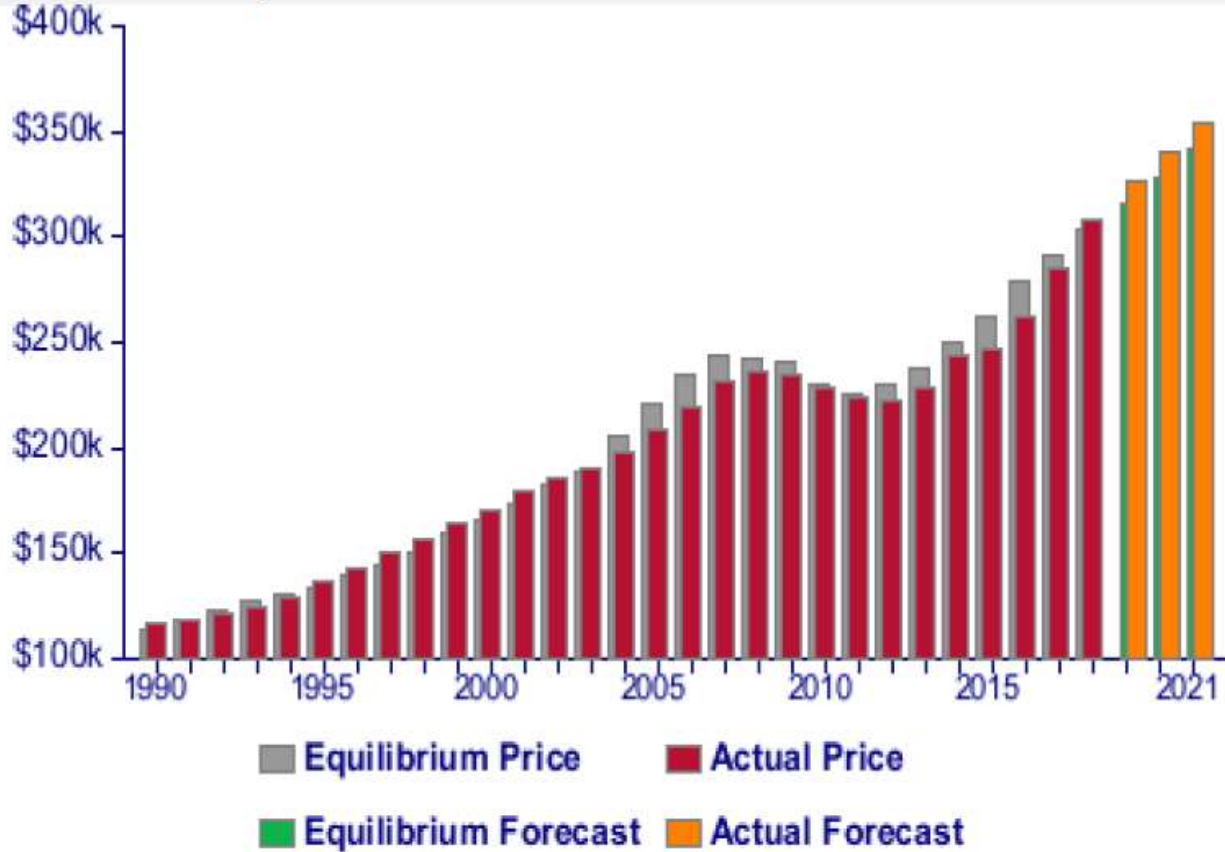
THE RESEARCH
TRIANGLE PARK



How is the Durham Real Estate Market Doing?

Forbes 2019 Forecast:
#2 Market
 for Single Family Real Estate Investing

Actual and Equilibrium Home Prices



Home Price Forecast

Home values for **Durham** are forecast to increase by 5 percent over the next 12 months. Nationally, prices are forecast to increase by 3.1 percent.

In the second and third year, prices are forecast to increase 4% and 4%, respectively.

County-Level Forecast

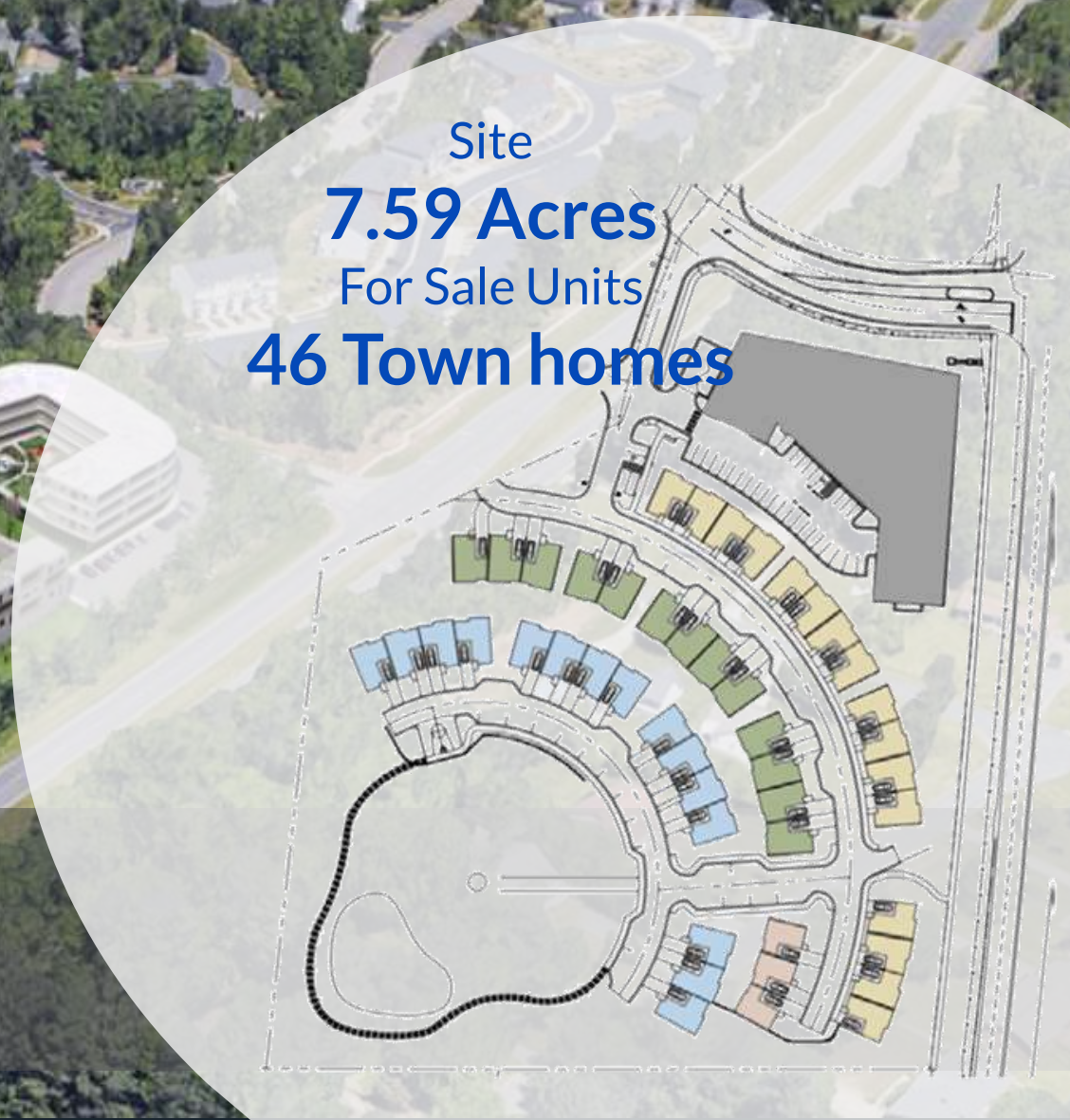
County	Year 1	Year 2	Year 3
Chatham County NC	5.1%	4.7%	4.1%
Durham County NC	7.5%	5.3%	4.7%
Orange County NC	4.8%	3.6%	3.0%



Site
7.59 Acres
For Sale Units
46 Town homes

Solid Market!

Tell me about the project ...



INTERIOR



Gym



Yoga Room



Community Kitchen



Community Coffee Shop



Multipurpose Large
Community Event Space



Lounge area / Co-
working area



10 rentable
office spaces



Children's Playroom

EXTERIOR



BBQ Area on
Terrace



Green Terrace for
Community Garden



Basketball court
(1/2 court)



Walking Trails



Dog Park by Pond



3 E-car plug-in



100 spaces

Amenities















Unit Information

All 46 units are THREE BEDROOM with 3 or 3.5 BATHS, average SF is 2300



Floor Plan	# of Units	Sq Ft per UNIT	Unit Base Price
Floorplan 1	15	2258	\$316,000
Floorplan 2	12	2451	\$343,140
Floorplan 3	3	2093	\$293,02
Floorplan 4	17	2289	\$320,460

\$/SF is
underwritten
/priced at ...

\$165

Sales Comps – Traditional vs Modern

Competing Projects

Name	# of Units	Year Built	# of Floor Plans	Unit Size	Cost/SF	HOA	Amenities
TRADITIONAL							
Southern Pointe	175	2018	3	1705	\$140	\$125	Clubhouse, pool, park
The Mackenzie at Ellis Crossing	130	2019	3	2207	\$150	tbd	Clubhouse, pool, garage
Meadows at Southpoint	171	2016	4	2196	\$137	tbd	Pool, trails, cabana
Morris Place	35	2018	3	2306	\$153	none	none
CONTEMPORARY							
Eleven	11	2019	3	1979	\$323	none	none
Glendale	9	2019	2	1600	\$309	none	none
The Grove	62	2019	7	2128	\$357	tbd	Outdoor common space

Traditional Townhomes



MEADOWS AT SOUTH POINT

1103 Catch Fly Ln

Proximity to Subject: 4.3 miles North East

Year Built: 2019



SOUTHERN POINTE

1113 Longitude Dr

Proximity to Subject: 1.2 miles North

Year Built: 2018-2019



WINSFORD AT THE PARK

114 Torpoint Rd

Proximity to Subject: 2.5 miles North East

Year Built: 2017



THE SCHUBERT

445 Cross Country Way

Proximity to Subject: 5.1 miles East

Year Built: 2019

Modern Townhomes



ELEVEN

524 North Mangum

Proximity to Subject: 6.2 miles North

Year Built: 2019



THE GROVE

512 Gordon Street

Proximity to Subject: 4.9 miles North

Year Built: 2019



GLENDALE

804 Glendale Avenue

Proximity to Subject: 5.6 miles North East

Year Built: 2019



THE SAINT

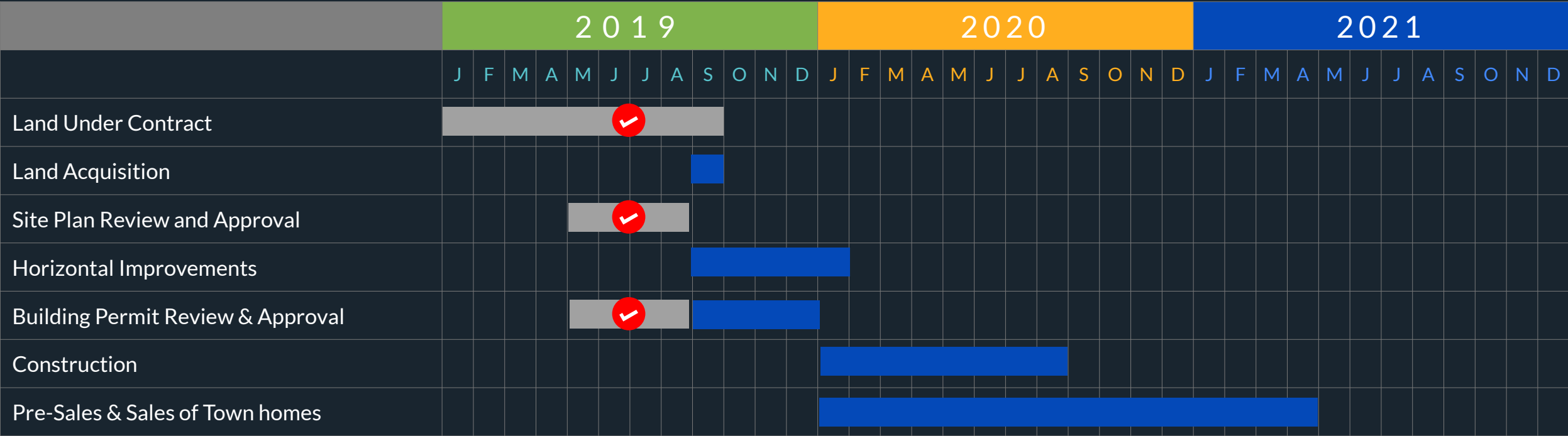
220 St. Marys Street

Proximity to Subject: 19.6 miles South East

Year Built: 2019

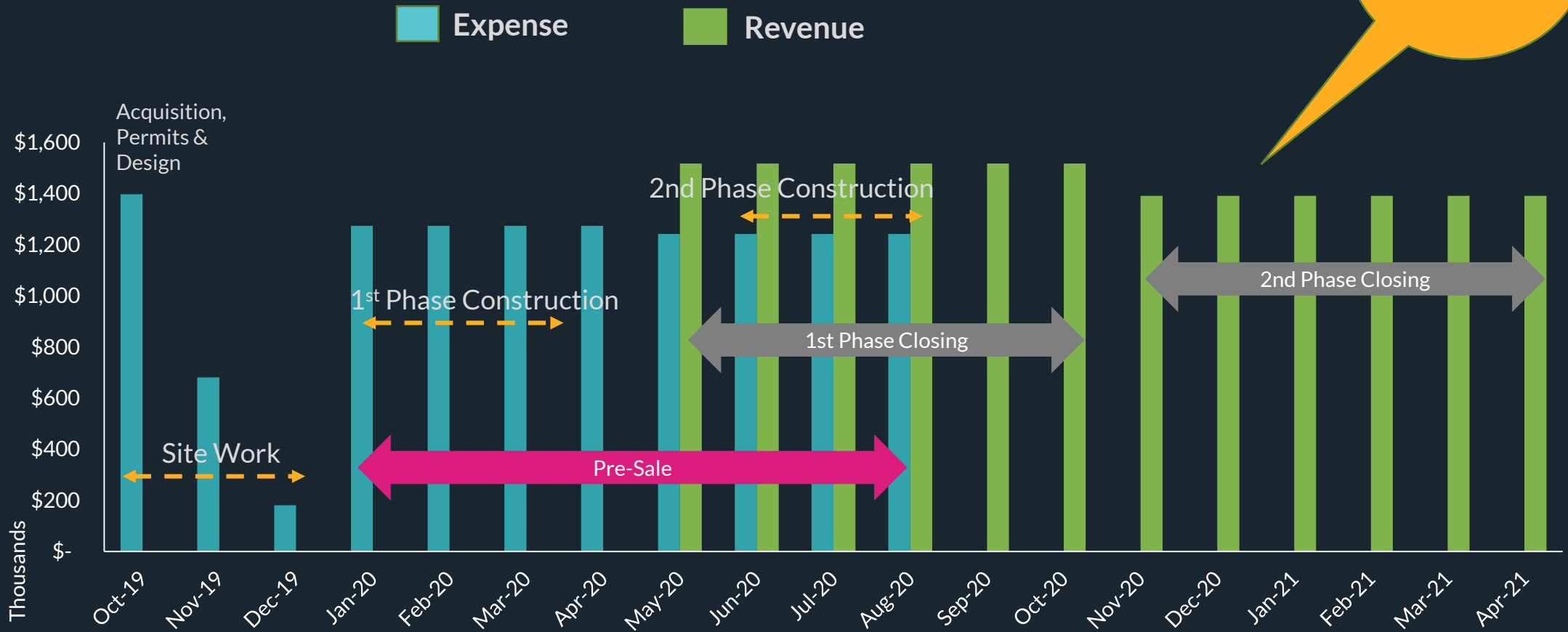


Timeline for Nova RTP – 46 Townhomes



Cash Flow

Cash Flow for 46 Units Townhouses (with credit + base timeline)



Distributions start 3 months after last expenses incurred

\$2.3 M

\$4.2 M

Capital Need = \$2.3M (500K buffer incl) + \$4.2M = \$6.5

*Counting \$1.5M business credit

Unique Project Structure...

How is this project different from our typical projects?



We are NOT buying
& renting units.
We are building &
selling town homes



Short Term Project
- Duration is 16 to
20 months



No use of loans
(better risk profile)



This is not a cash
flow project -
You are essentially
the bank

Benefits of Short Term vs Long Term Projects

Why is this short term project better than our long term projects?



Ideal investment
for solo 401k

Short term investments like this are an ideal vehicle for solo 401k's

All retirement accounts are welcome but check with your CPA about UBTI tax

Equivalent to
private lending

Think of this as a private lending project where you are the bank. But instead of making 3.6 or 6% as banks do, you will make ~24%

As "the bank" you receive a projected 4 times the risk return

No way to do that in a 5 year time frame. We can only give fair market value for long term projects

Unique project for those that have been sitting on the sideline

Unsure of the market? The duration and risk profile of this project are unique. Because you are in first lien position it has a very different risk profile



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

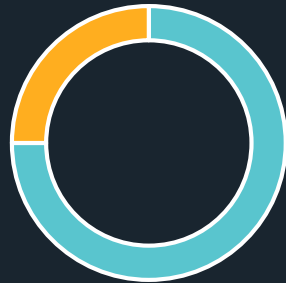
What are the numbers telling us?

Risk profile is not about making money...

It is about not losing money

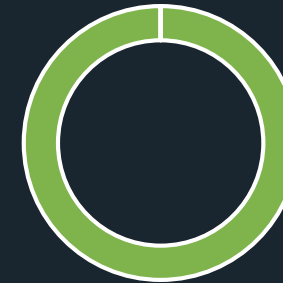
Ownership - Traditional

Investor/
Sponsor,
25%



Bank,
75%

Ownership - Today



Investor/
Sponsor
100%

Ownership - Traditional
after 25% Loss

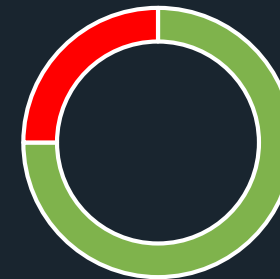
Investor/
Sponsor,
0%



Bank,
100%

Ownership - Today
after 25% Loss

Loss
25%



Investor/
Sponsor
Retains
75%

Why no debt?

We do not have anything against debt. Main street / economy is strong for certain indicators - like jobs - at all time low. But Wall Street is not doing as well.

There are risks associated with debt as we face political & economic uncertainties

Banks can delay the construction draws which will stop the project

Additional Timing Issues; Banking approval required to move to next phase of project which can cause delays; Need to get project to market as soon as possible

If bank freezes a construction loan, you still have to pay

Ability to leverage business lines of supply

What are the Alternate Exit Strategies?

What if they do not all sell in 24 months or the market crashes? We can ...

A

Sell via opendoor and receive 94% of sale price and have cash in one week

B

Lease them at market rate rentals, then sell them as already cash flowing assets to turn-key investors

C

For existing RTP investors or others, sell townhomes to them to rent out

D

Take out a small loan against the remaining townhomes to pay off all of the investors who want out, then hire a Property Manager and rent out all of the remaining town homes. Sell when market goes back up.

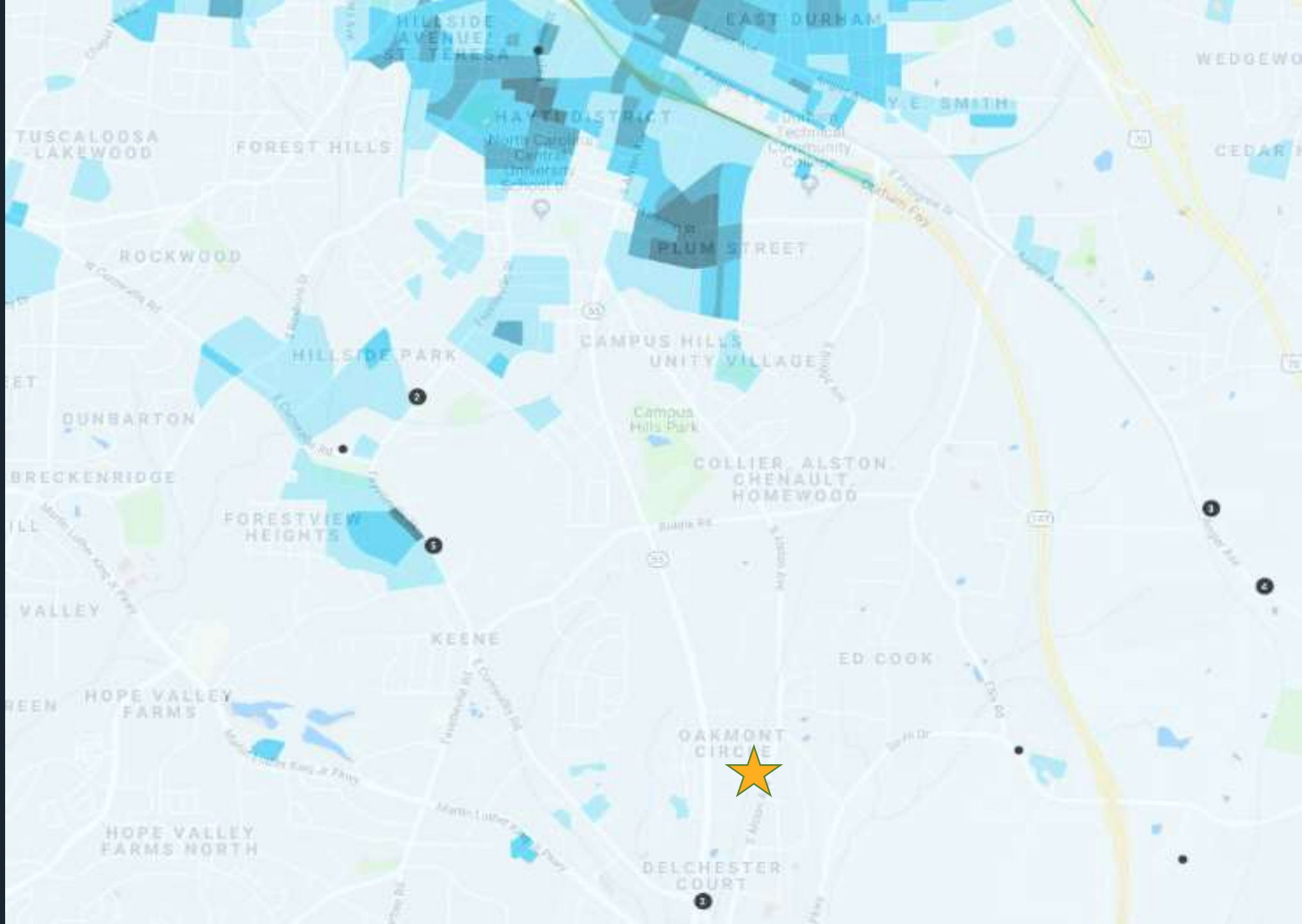


DURHAM PUBLIC SCHOOLS

CLOSE TO RESEARCH TRIANGLE PARK

	TYPE	NAME	DISTANCE (MI)	GRADES	STUDENTS	TUITION (\$)
	PUBLIC					
	Elementary	Bethesda	Less than 3	K - 5	671	Free
	Elementary	Pearsontown	Less than 1	PK - 5	832	Free
	Middle	Lowes Grove	Less than 3	6 - 8	708	Free
	Middle	Rogers-Herr	Less than 3	6 - 8	644	Free
	High	Hillside	Less than 2	9 - 12	1318	Free
	High	JD Clement Early College	Less than 3	9 - 12	252	Free
PRIVATE	➤ Elementary	Durham Academy/Lower	Less than 7	Pre-K, 1 - 4	-	\$15 - \$23K
	➤ Middle	Durham Academy/Middle	Less than 5	5 - 8	-	\$24K
	➤ High	Durham Academy/High	Less than 7	9 - 12	-	\$26 K

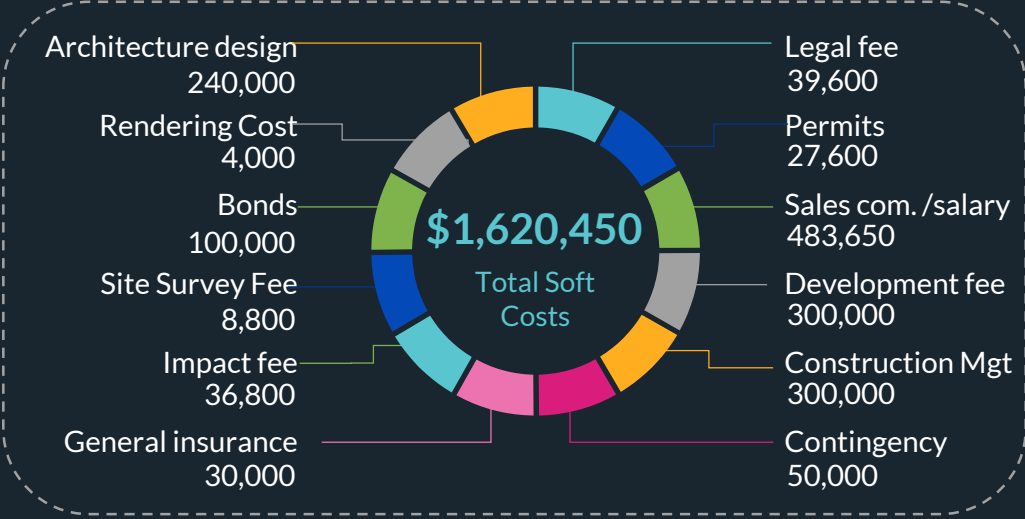
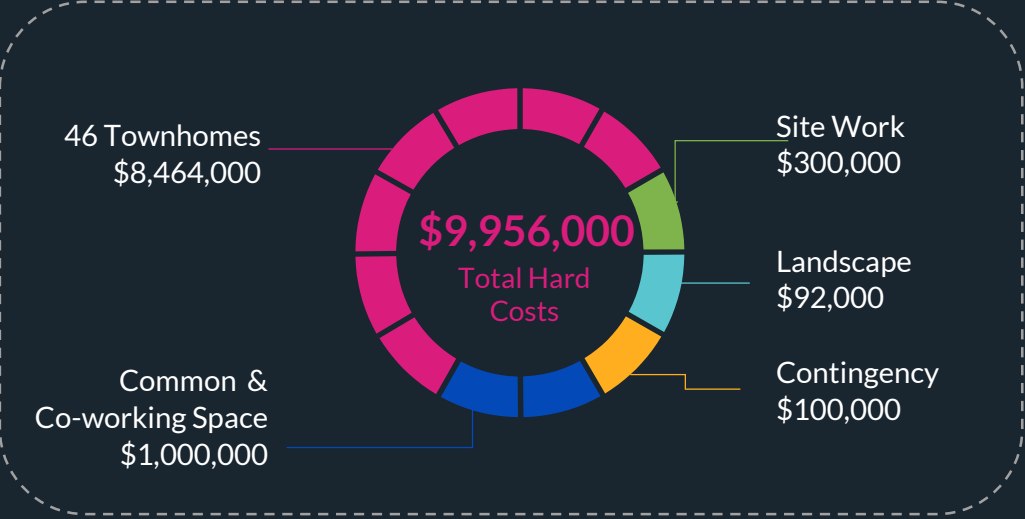
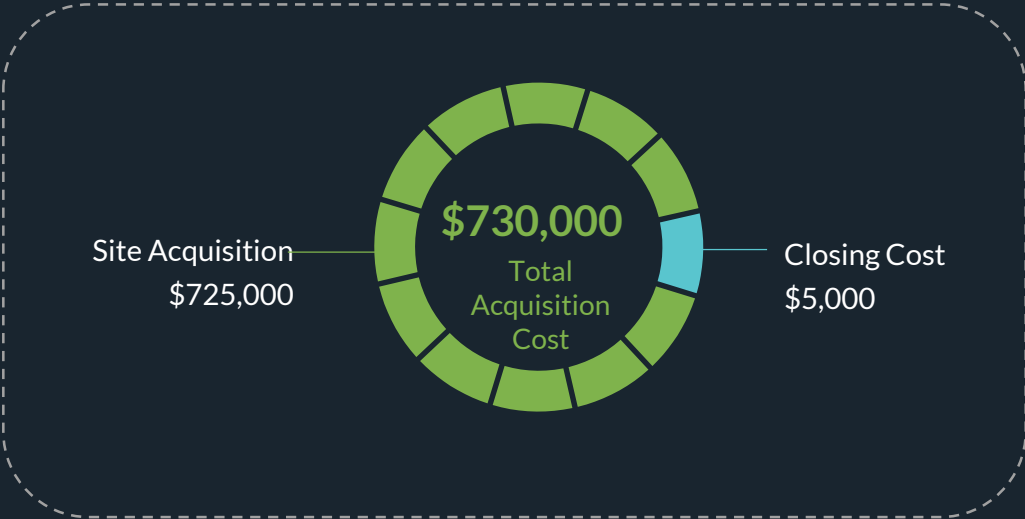
#WeAreDPS



Low
Crime
Rate



Cost to Build



Sensitivity Analysis : Sale Price vs Months to Build

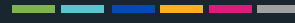
Equity Multiple - SA

LP Equity Multiple		Months to Build Per Phase (2 phases)								
1.36x		4.0	5.0	6.0	8.0	10.0	12.0	14.0	16.0	18.0
Unit Average Sales Price	\$320,000	1.18x	1.15x	1.14x	1.12x	1.11x	1.11x	1.11x	1.11x	1.10x
	\$335,000	1.24x	1.19x	1.18x	1.16x	1.14x	1.14x	1.14x	1.14x	1.13x
	\$350,000	1.29x	1.24x	1.22x	1.19x	1.17x	1.17x	1.17x	1.17x	1.17x
	\$365,000	1.35x	1.29x	1.26x	1.23x	1.21x	1.21x	1.20x	1.20x	1.20x
	\$380,000	1.40x	1.33x	1.30x	1.27x	1.24x	1.24x	1.23x	1.23x	1.23x
	\$395,000	1.46x	1.38x	1.34x	1.31x	1.27x	1.27x	1.26x	1.26x	1.26x
	\$410,000	1.51x	1.42x	1.38x	1.34x	1.31x	1.30x	1.30x	1.29x	1.29x
	\$425,000	1.56x	1.47x	1.42x	1.38x	1.34x	1.33x	1.33x	1.32x	1.32x
	\$440,000	1.62x	1.51x	1.46x	1.42x	1.37x	1.37x	1.36x	1.35x	1.35x

Average Annual Return - SA

LP Average Annual Return		Months to Build Per Phase (2 phases)								
24.3%		4.0	5.0	6.0	8.0	10.0	12.0	14.0	16.0	18.0
Unit Average Sales Price	\$320,000	12.3%	10.0%	9.0%	8.1%	7.1%	7.3%	7.1%	7.0%	6.9%
	\$335,000	15.9%	13.0%	11.8%	10.5%	9.3%	9.4%	9.2%	9.1%	9.0%
	\$350,000	19.5%	16.0%	14.5%	13.0%	11.6%	11.6%	11.3%	11.1%	11.0%
	\$365,000	23.1%	19.0%	17.3%	15.5%	13.8%	13.7%	13.4%	13.2%	13.0%
	\$380,000	26.8%	22.0%	20.0%	17.9%	16.1%	15.8%	15.5%	15.3%	15.1%
	\$395,000	30.4%	25.1%	22.7%	20.4%	18.3%	18.0%	17.6%	17.3%	17.1%
	\$410,000	34.0%	28.1%	25.5%	22.8%	20.5%	20.1%	19.7%	19.4%	19.2%
	\$425,000	37.6%	31.1%	28.2%	25.3%	22.8%	22.3%	21.8%	21.5%	21.2%
	\$440,000	41.2%	34.1%	31.0%	27.7%	25.0%	24.4%	23.9%	23.5%	23.2%

Financial Highlights



Project Size

46 town homes :
12.3 Million



Project Duration

Investor Equity in for projected 16 to 20 months



Total Equity to be Raised

\$6.5 Million
\$5 Million for Grocapitus to raise



Loans

NO LOANS!
Loan will only be taken as a back up strategy



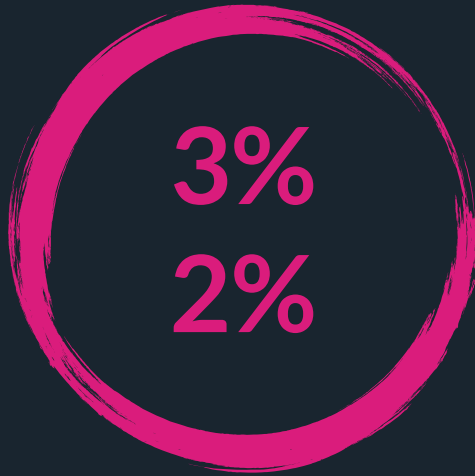
Business Lines of Credit

25% revolving supplier credit lines
to be used **as needed**

Investment Offering



Minimum investment



Developer Fee
Disposition Fee



Offering Type
*Accredited Investors
Only*



Ten Percent
Preferred Return



Split between LP/GP

2% Disposition Fee to GP is not paid out until after Investors, on average,
receive a 20% Average Annualized Return

Projected Returns in %



24.3%

Average Annualized Return

(assuming money in for 18 months)

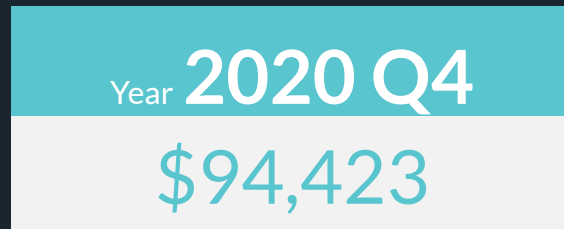
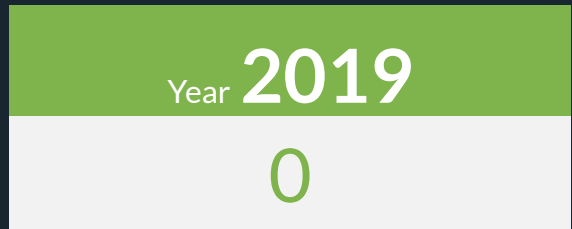
1.36x

Total Equity Multiple

Equity will be phased in so that the overall length of time an individual investor's money is invested is projected to be

16 to 20 months

Projected Returns on \$100,000 invested



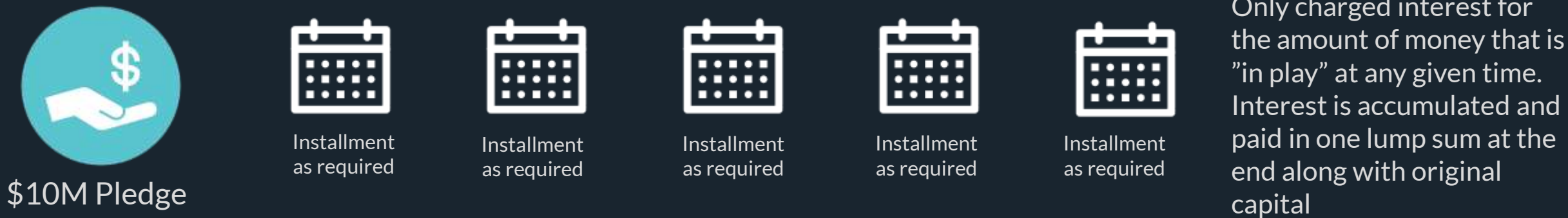
Total Projected Returns
minus the \$100,000 invested



Distributions from Sales will start three months after the last expenses are incurred to accommodate accounts payable and warranties on townhomes.

Equity comes into Project via “Cash Call”

Similar to a Construction Loan...



For this project : **You are the bank**

ANSWER *the* POLL

To reserve your spot



neal@grocapitus.com



510-367-1510

Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*



Questions?

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

Who will be selling the town homes?

We have an in-house broker who will be handling all sales and will not be charging a commission. This will save 5 - 6% on each transaction.

Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*

Questions?

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Questions?

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Online. *Please answer our Poll before you go.*



What if the co-working space is not utilized - if the customer base does not require or have interest in the coworking space?

If that happens, we will offer all the comparable amenities to the offerings on the market and at a competitive price that should allow us to take market share. Moreover, the maintenance and operation costs for this space will be covered by the community HOA dues.

Nova RTP Townhomes

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Nova RTP Townhomes

*46 Townhomes
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Questions?

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Online. *Please answer our Poll before you go.*

What happens if you have significant cost overruns?

Managing cost overruns and other construction inefficiencies is exactly why vertically integrated construction developers exist.

We have construction contracts with all of our subcontractors that guarantee the prices of each trade based on the current scope of work. Cost overruns usually happen when the scope of work change from the originally contracted work, which causes the subcontractors to submit change orders to make up for the price differences. We, on the other hand, eliminate such surprises by ensuring that our entire development is a design-build project – which helps us oversee any design issues that would result into change orders down the road. It's an iterative and vigilant process that we're constantly going through to make sure that we're on budget.

Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*

Questions?

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



Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*



Questions?

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

What are the risks for undertaking a ground-up project like this in such a stage of the economic cycle?

Even though there's no development project that doesn't have associated risks, the biggest risks for ground-up developments are usually related to cashflow, debt and cost overruns. As for cashflow and debt, we've eliminated all of them by funding the project entirely using equity (eliminating any debt-risk) while also phasing the construction in order to optimize our use of equity and maximize returns. Moreover, our vertically integrated construction development firm ensures that costs are kept in check by doing a vigilant design-build process throughout the preconstruction and construction stages of the project.

Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*

Questions?

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



Nova RTP Townhomes

*46 Townhomes
2810 Courtney Creek*

Questions?

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



When will money start come back to investors?

We are expecting at the latest December 2020 or January 2021 as the earliest distribution which is three months after our last expected expenses are incurred, for those that came in first...

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What's the experience of the Abranova team that makes them the right candidate to undertake this project?

The Abranova construction management team has a combined experience of about 40 years in the industry, spanning from working in Fortune 500 construction companies in China, India, Japan and the US.

Abraham, Jordan and Julia are all engineers and two of them have MBAs from Duke University. Billy Rathie is a veteran civil engineer with over 30 years of experience working with concrete structures, water and sewer infrastructures on large-scale subdivisions in the US.

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Why are you developing contemporary townhomes, which must be more expensive to build – while you could just stick to traditional townhomes and sell them quickly?

Based on our analysis of the market, we've learned that contemporary townhomes sell at an average of 30% - 50% above what a traditional house is selling for. In some cases, contemporary townhomes are selling at a 100% above what a traditional townhouse is selling for. We believe the premium that we're going for is worth it, and the market is available and waiting. For the 46 units we're building, our RTP market is seeing an average of 120 people per day who're permanently moving here for work, settlement, retirement etc. We think this is a terrific market to be in at this time.

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Why have you decided not to use conventional debt on the Nova RTP Project even though it could be immensely profitable for you?

We don't have anything against debt, but the Nova RTP project is designed to be a risk-adjusted investment opportunity at a time when Wallstreet is struggling while Mainstreet is doing well, with good job prospects; rising salaries and appreciating home values. We want to be able to complete our project and be the first to reach the marketplace while developers who are highly levered up in this market cycle are likely to have their loans frozen up if the banks are concerned about the economy.

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