EQUITI PARTNERS

INVESTMENT TOOLKIT

OWN QUALITY REAL ESTATE AND LEAVE THE WORK TO US.

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WHO WE ARE

INTEGRITY, QUALITY, PARTNERSHIPS & RESPECT.

Equiti Partners focuses on acquiring multifamily properties where we can add value to all stakeholders - from improving the quality of life of our residents, to driving appreciation for our investors by increasing operational efficiencies. Headquartered in Miami, FL, we focus on value-add and core-plus B and C class assets in high-growth markets throughout the United States.

OUR MISSION

To provide quality investment opportunities, allowing our investors to focus on doing what they love the most, while leaving the work to us.

CORE VALUES

We are good citizens. We operate with integrity and respect and do our best to provide value to others without expecting anything in return. We deliver on what we say, always making quality our top priority.

VALUE PROPOSITION

WHAT'S IN IT FOR YOU?

WHY YOU SHOULD INVEST AS A LIMITED PARTNER.

Access to larger, professionally-managed, income-producing properties, without having to fund them individually.

Access to superior deals, economies of scale, lower costs and better financing terms by leveraging our experience and existing relationships with brokers, sellers, appraisers, lenders, property managers, and other industry peers.

Diversification of your investment strategy; you will get access to different geographies and types of assets.

Advantages of ownership without having to manage your properties. No need to deal with tenants, contractors, lenders, brokers, repairs, and all the headaches owning a rental property can cause. Some of the advantages include passive income and tax benefits.

Have our experienced team working for you, and avoid trying to figure it out on your own while incurring sizeable expensive mistakes.

THE INVESTMENT PROCESS

HOW IT WORKS

SIGN UP
Sign up through our website.

CONNECT
Conversation with our team to understand your goals, ask questions, and see if you qualify.

REVIEW
Receive investment opportunities **as they become available**

INVEST
Fund the investment with only a few clicks and online document reviews.

ENJOY
Sit back and enjoy the benefits, cash-flow and appreciation. We will keep you updated throughout the process!

When you choose to invest with Equiti Partners, our standard process* looks like the following:

1. The first step is to sign up for our investor network.
2. We will then have an initial conversation. During this call we will address any questions you may have and discuss your goals and how we can help you. Not only do we want to meet our potential partners before, but we also comply with all SEC regulations and during this call we can determine if we are a good match. Either way, we can help you learn more about investing in apartment buildings
3. If we are a good fit for each other, we will include you in our deal flow. As soon as we find a suitable deal, we will share it with you. This usually takes around 3 weeks but can vary. Our team will share specifics on property location, characteristics, business plan, projected hold time, and projected returns. At this point, you also get the option to reserve you spot with a soft commitment. We fill our deals on a first-come first serve basis, and the amount of time it takes to fully subscribe a deal will vary but can often be maxed out in under a few hours. This is only a soft reserve, meaning you will get time to review the investment documents, private placement memorandum (PPM), deal specifics, ask questions, and do as much due diligence as you'd like.
4. When you have decided the deal fits your needs, we will send out the final PPM for your review and signature. Unless otherwise requested by you, this will be sent out via electronic signature. Here, you also get to choose if you will prefer your distributions come in the form of direct deposit or check. You will also fund your investment amount to the instructions provided by the PPM once you have signed the documents. Typically, you will wire your funds to the entity that will hold ownership to the property, the same entity in which you will have your equity participation in. Your ownership interest is held as a limited partner and typically your liability exposure is limited to the amount invested. We are not attorneys and strongly advise you get professional recommendations from your trusted attorneys regarding any concern in the documents and liability.
5. We typically close on the deal a few days after. We will notify all our investors when this happens. We will provide periodic updates for the life of the investment. Also, expect to receive quarterly distributions. Return of original invested capital will occur when we have a capital event such as a refinance or sale. Expect this to happen in 2 to 5 years, but will be dependent on the deal, market conditions, and best interest of our investors. At this point, you will also receive your share of proceeds from any realized gains.

**This is our standard process, but this will vary on a deal by deal basis.*

OUR FOCUS

WHY MULTIFAMILY?

Real estate private investments drive revenue through rental income, appreciation and profits generated by business activities that depend on the properties. By investing in real estate you can benefit from passive income, diversification, appreciation, tax benefits and more.

KEY BENEFITS

CASH FLOW AND PASSIVE INCOME
Receive periodic disbursements without significant effort beyond your initial investment.

APPRECIATION
The value of property is a product of income, not of comparable properties. This allows control of appreciation by optimizing net-operating-income (NOI) through increased revenue and controlled expenses, also known as forced appreciation.

MINIMIZED VOLATILITY
Price speculation is minimized at the asset market-level compared to homes, condos, stocks, bonds, REITs, and other investments

INFLATION HEDGE
Inflation and rents are directly correlated. With higher inflation, rents tend to increase, protecting our cash flow and asset value.

AMORTIZATION AND DEBT
Real estate can be easily financed, magnifying results. Also, as debt is paid off, principal is being paid down, increasing investors' equity.

DIVERSIFICATION
Private multifamily deals offers alternative strategic opportunities beyond stocks and bonds., allowing asset type and geographic diversification.

TAX BENEFITS
Multifamily real estate may generally be depreciated at a rate of 27.5 years vs. 39 years for other commercial Real Estate. Furthermore, depreciation can be accelerated with tools such as cost segregation and bonus depreciation. Also, a significant portion of returns can be taxed as capital gains as opposed to ordinary income.

ILLIQUIDITY PREMIUM
Illiquidity creates asset market inefficiencies, opening up opportunity, while giving investors a premium.

OPERATIONAL INEFFICIENCIES
Operational inefficiencies allow space to increase NOI, therefore creating opportunity to improve value and cash flow.

DEAL CREATIVITY
Multifamily allows for creativity in deals beyond acquisition and disposition price. Creative strategies can improve cash flow and value.

LENDER RELATIONSHIPS
For multifamily investors, potential volume positively influences lender relationships and terms.

TANGIBLE INVESTMENTS
Multifamily assets are stable, physical assets you can actually see and even visit.

OUR FOCUS

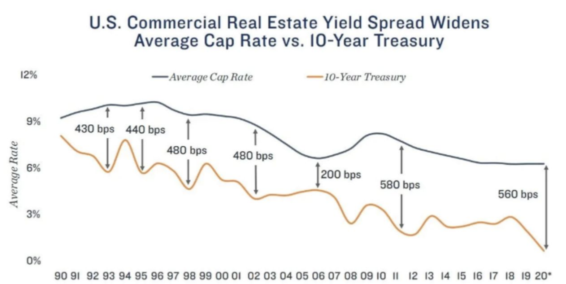
WHY MULTIFAMILY?

SCALABILITY AND ECONOMIES OF SCALE

Multifamily provides easier scalability & economies of scale, providing instant diversification and efficiencies, when compared to single-family homes.

LOW COST OF CAPITAL

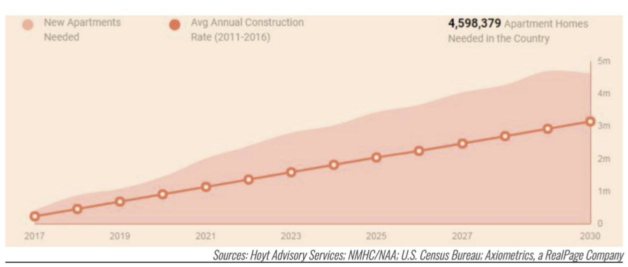
Low-interest rate environment is here to stay, which provides a cheaper cost of capital to fund deals while offering an excellent investment alternative with an attractive yield. Furthermore, the spread between cap rates and interest rates is historically high allowing higher positive leverage.



*Through September 11, 2020: Marcus & Millichap Research Services

DEMAND OUTPACES SUPPLY

From 2011 to 2016, only 225,000 apartments were delivered on average annually. To keep up with demand, we need an average of 320,000 annually through at least 2030.

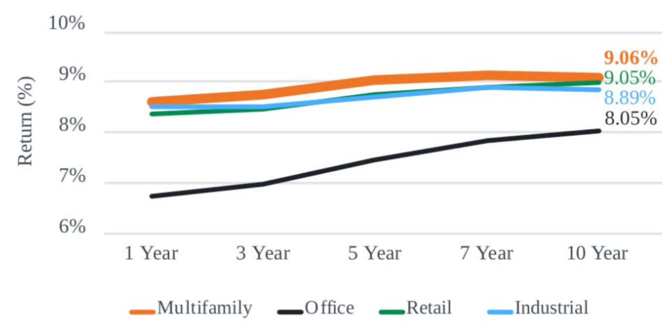


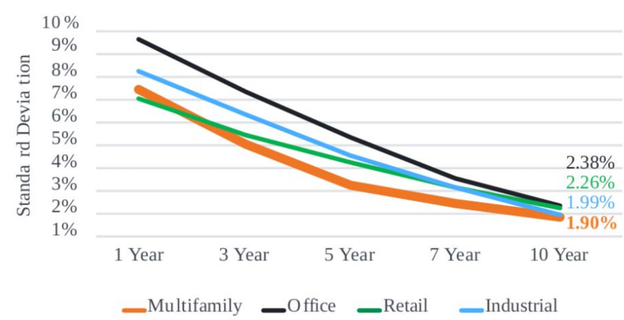
Sources: Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau; Axiometrics, a RealPage Company

The country will need to add 328,000 new apartment homes each year, on average, to keep up with demand from now through 2030. However, the industry averaged just 225,000 completions annually from 2011 to 2016.

HIGHER RETURNS, LOWER RISK

Since 1987, multifamily apartments have had a higher return for most hold periods, while having the lowest risk as measured by standard deviation.





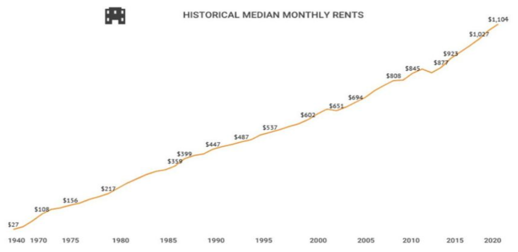
NATIONAL TRENDS

WHY NOW?

Despite the pandemic, market data shows now is as good as ever to invest in multifamily. We are benefitting from a historically liquid economy at the institutional level, which will put upward pressure on asset pricing, seeking yield.

MEDIAN MONTHLY RENTS ON THE RISE

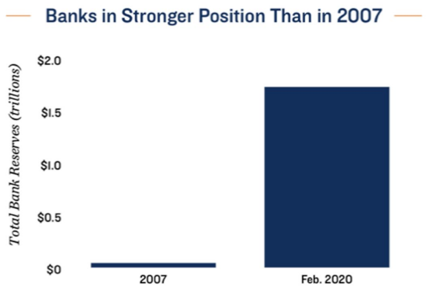
Historical median monthly rents have had a consistent upward trajectory.



Median Monthly Rent Nationwide Since 1940

BANKS IN STRONG POSITION

Banks went into the pandemic with a significantly stronger position when compared to the financial crisis of 2008.



**Source: Federal Reserve, New York Times; U.S. Census Bureau. As of February 11, 2021.*

LIQUID ECONOMY

Money supply is historically high, putting upward pressure on asset pricing, as most money is being held at the institutional level waiting to be deployed.

**Source: The Linneman Letter Summer 2021*

RENTING IS MORE AFFORDABLE

In March of 2021, the monthly payment on median-priced homes with a 10% down payment (including taxes and insurance) was $1,926, while average effective rent was $1,787 for a Class A apartment.

OUR APPROACH

INVESTMENT CRITERIA

Multifamily properties in high job growth markets (3%+), with higher-than average population or household growth.

Debt-service-coverage ratio of 1.3x or better, unless significant value-add, and 65%-80% Loan-to-Value.

Class B or C properties in secondary and tertiary markets. B or better neighborhood, no high crime areas.

Project level IRR projected at 15% or better and average Cash-on-Cash of 7% or better.

Areas with median household income of at least $30,000 and 3x income to rent ratio.

2.0x or better equity multiple.

Maximum deal size of $10 million and price per unit between $50,000 to $125,000.

Going in Cap Rate 5.5%-7%, or ability to decompress within one year.

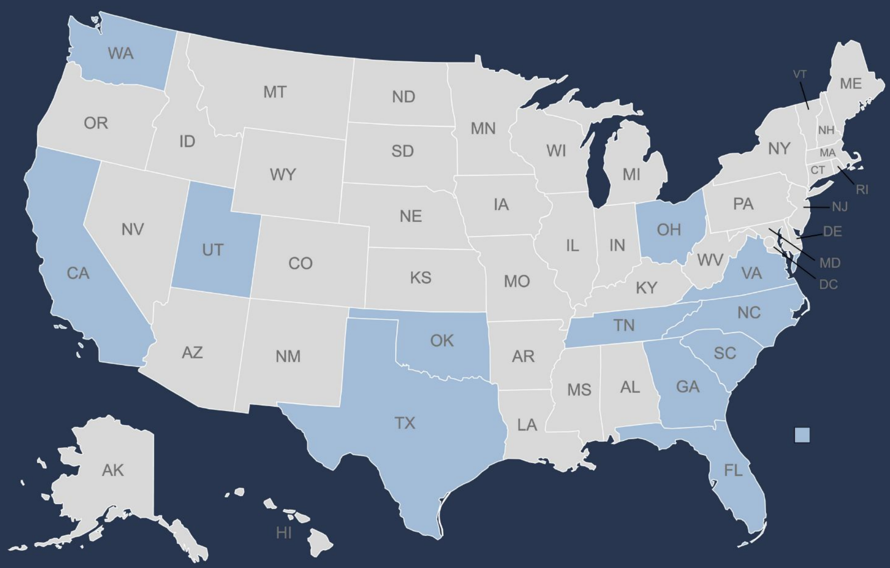
25 to 150 units.

4–8 year projected hold period.

OUR APPROACH

OUR MARKETS

At Equiti Partners, we invest mainly in secondary and tertiary markets with key attributes. Below is the latest footprint of where we are, or have been invested.



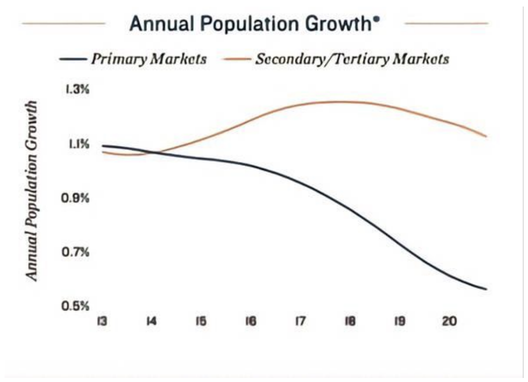
- Spokane, WA
- Santa Monica, CA
- Chula Vista, CA
- Pasadena, CA
- Park City, UT
- Oklahoma City, OK,
- Athens, GA
- Commerce, GA
- Fort Worth, TX
- Austin, TX
- Harlingen, TX
- Cleveland, OH
- Bedford, OH
- Columbia, TN
- Lilburn, GA
- Atlanta, GA
- Commerce, GA
- Radford, VA
- Bristol, VA
- Greensboro, NC
- North Charleston, SC
- Miami, FL
- Tampa, FL

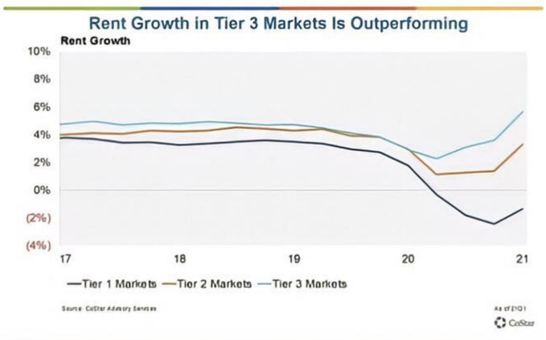
OUR APPROACH

WHY SECONDARY AND TERTIARY MARKETS?

INVERTED POPULATION GROWTH TRENDS

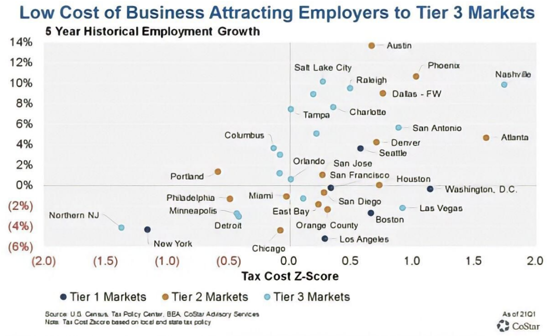
Population growth rate trends have inverted in favor of secondary and tertiary markets.





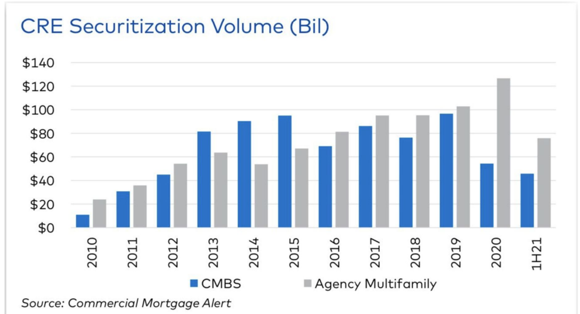
STEADY JOB GROWTH

Solid job growth due to employers attracted to the low cost of business and employee desirability to relocate.



STRONGER CASH FLOW

Cap rates average 150 to 200 basis points higher in secondary and tertiary markets than in primary markets. When the market inevitably dips, this housing type will only continue to grow as people seek an affordable place to live. Capital markets (lending) remains strong showing they are bullish, while LTVs remain conservative.



OUR APPROACH

INVESTMENT STRATEGY

HOW WE BUY

On average, for every 100 deals we underwrite, we put in 20 offers and buy one. 99% of the deals that hit our desk do not meet our disciplined underwriting. We target B and C class multifamily apartments that cash-flow day 1 and allow for value creation by bringing in operational efficiencies and property updates. We also seek markets that are experiencing organic growth.

HOW WE FINANCE

Every deal is unique, and with our experience, we analyze the risk and benefits of every scenario. We aim for longer-term debt to mitigate interest-rate and capital market liquidity risk. We look for cash flow to cover debt (DSCR) by at least 1.3x year one. DSCR is our most important financing metric.

HOW WE MANAGE

- Professional property management for all our deals.
- Property rebranding
- Upgrade interiors and exteriors
- Stabilize property and bring rents and occupancy to market.
- Ensure proper reserves, insurance, controlled expenses, and optimized revenue.
- Creative with additional sources of income, such as partnering with local laundry machine operators, implementing surety bonds and move-in fees.
- Strive to keep our community happy with creative events, gifts, perks and amenities.
- Cost-effective improvements, such as solar powered outdoor lighting and power washing facades.

OUR APPROACH

INVESTMENT STRATEGY

HOW WE EXIT

- We consider the different options that best fit the deal and the needs of our investors. Typically, the best time to exit is when the property is stabilized and market conditions are favorable.
- Long-term hold for cash-flow
- Refinance and return capital to our investors
- Sell by marketing the property with professional advisors in the local market. When selling, we like to proactively leave opportunities to add value and identify the proper target buyer who seeks such opportunities. If market conditions allow, we maximize value ourselves and sell to institutional investors looking for fully stabilized properties.

OUR OFFER

VALUE CREATION STRATEGY

The value of a property is determined by dividing its net operating income (NOI) by the Cap Rate

The market determines Cap Rate, and we control NOI. We increase the NOI, which directly correlates to distributable cash flow. Increasing NOI increases cash flow to our investors and increases property value.

- Ex. If we increase NOI by $1,000 a month in a 5% Cap Rate environment, its direct impact on the property's value would be calculated as follows: $1,000/month x 12 months = $12,000 additional NOI per year. $12,000/5% = $240,000 increase in value to the property.

NOI can be increased by increasing revenue and by reducing expenses. Many properties have unnecessary and inefficient expenses.

HOW WE CREATE VALUE

PROFESSIONAL PROPERTY MANAGEMENT

By implementing professional property management, we identify opportunities to maintain lean expenses without sacrificing quality.

UPGRADES & IMPROVEMENTS

By investing in our buildings' exteriors and interiors we increase the property's desirability, increase rents, thus increasing revenue.

REDUCE VACANCY AND LOSS TO LEASE

Sometimes mom and pop ownership does not optimize rents and occupancy. Our experience allows us to maximize this through marketing and other efforts.

MAINTENANCE EXPENSE

Investing back into our buildings drives our maintenance expenses down.

CREATING NEW INCOME STREAMS

Identifying new income streams and underutilized space to develop sources of additional revenue for the property.

GENERATING NEW INCOME STREAMS

- RUBS (Ratio-Utility-Billing-System): Billing utilities back to tenants, including water, sewer, electric, gas, trash, and pest.
- Fees: Application fees, move-In fees, parking, pet fee, and amenity fees.
- Laundry Machines: We partner with laundry machine operators and upgrade machines from coin-based to scan to pay and smart card machines.
- Study latest strategies to keep our communities safe, clean, and desirable. As an example, we work with PooPrints to analyze pet waste DNA not properly discarded and fine the responsible tenant.

CLOSING THE LOOP

HOW INVESTORS GET PAID

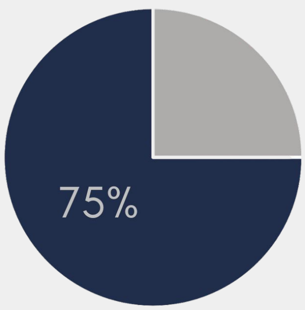
QUARTERLY DISTRIBUTIONS

Receive Quarterly distributions from distributable cash flow. The funds will be directly deposited into your bank account. We target average cash on cash of 8%-12% annually to investors.

Hypothetical scenario. Returns are not guaranteed and will vary depending on deal performance.

75/25 SPLIT

As an investor, you get ~75% of the proceeds. This will vary by deal, but return of invested capital is prioritized over our promote.



PREFERRED RETURN

On most deals we offer a ~7% annualized preferred return on your invested capital. On periods where the preferred return is not achieved, the remaining amount will be accrued towards subsequent periods. Until your preferred return, plus all accruals are met, we will not receive our promote.

CAPITAL EVENT

Refinance or Sale. If we refinance, we will prioritize the proceeds to return your original capital contribution. Any left-over proceeds will first pay off any pending accrued preferred returns, and then the split kicks in. A sale will work the same way. Both give you an opportunity to receive proceeds from increased property value.

ENJOY CAPITAL GROWTH

Our target IRR throughout the hold period is 15%-20%

Investor Sample		Year 1	Year 2	Year 3	Year 4	Year 5
Initial Investment	$(100,000)					
Distribution		$ 7,000	$ 8,000	$ 9,000	$ 10,000	$ 11,000
Return of Capital						$ 100,000
Gain on Sale						$ 65,000
Investor Cash Flow:	$(100,000)	$ 7,000	$ 8,000	$ 9,000	$ 10,000	**$ 176,000**
IRR	**17.80%**					

Hypothetical scenario. Returns are not guaranteed and will vary depending on deal performance.

ASSETS

PORTFOLIO

The following are some of the properties where we have management interest.

BERLIN STREET | ATHENS, GA

Located in Athens, Georgia, Berlin Street Apartments is a 44-unit Class B garden-style apartment complex built in 1996. The property is well situated within a mile from downtown and the University of Georgia, a great economic driver with an economic impact of over $14 billion. The property was acquired with a master lease agreement in place, with a plan to replace this lease with individual tenant leases to bring rents up to market and diversify our income stream. In addition, there is an average loss to lease burn-off of $100 per unit per month available on day one. Through our renovation plans, we expect to get an additional $169 per unit per month.

NORWOOD | ATLANTA, GA

Located in the North-Eastern Atlanta submarket of Lilburn, Georgia, in Gwinnett County, Norwood Apartments is a 98% occupied 76-unit Class B garden-style apartment complex built in 1984. As of acquisition, the area had a median household income within a 1, 3, and 5-mile radius of the property of $53,449, $60,319, and $65,318, respectively. Well located within the path of growth and progress, Gwinnett County has been one of the nation's fastest-growing for more than two decades and is projected to outperform the rest of the already strong Atlanta metro area through 2030.

Although well maintained, the asset is being acquired in its original condition, giving us the opportunity for rent increases through unit updates, along with exterior curb-appeal improvements. In addition, there is also an organic rent upside expected to remain strong due to limited new competition resulting from local regulations and community opposition.

CHAPEL WALK | GREENSBORO, NC

Located in Greensboro, North Carolina, Chapel Walk Apartments is a 92% occupied 128-unit class B+ apartment complex built in 2001. The asset has not been renovated since initially built, leaving us a unique value-add opportunity to renovate unit interiors and improve curb appeal. With these improvements we increased rents significantly to levels closer to nearby competitors.

Greensboro is in the Piedmont Triad, one of the fastest-growing regions in the country. At the time of acquisition, apartments in the Triad were rented for an average of $898 per month. In contrast, apartments located explicitly in the Guilford-Central submarket (where Chapel Walk is located) have the highest average rent at over $1,150 monthly. Therefore, our year three projections were comparatively conservative at $833. As of mid 2021 (year 2), we were over performing with 1 bedrooms at $865 and 2 bedrooms at $975.

ASSETS

PORTFOLIO

The following are some of the properties where we have management interest.

WINDSOR COURT | OKLAHOMA CITY, OK

Located in Oklahoma City's thriving historic district Mesta Park, Windsor Court Apartments is a 29-unit value-add Class B+ apartment complex built in the 1930s. The property features a quaint feel while being well maintained by prior owners. The property had no marketing and limited amenities with previous ownership, which allows us to increase rents by over 20% organically. We are implementing professional property management by partnering with an experienced local third-party property manager. Before our take over, rents were collected by check or cash. Our rents are now collected through electronic payment, which our tenants have welcomed. We also plan to upgrade the laundry rooms, parking, sidewalks, and landscaping. We also sourced financing from a local lender who provided mid 3's interest rate and other favorable terms, demonstrating the local market's trust in us and the asset. We were also able to secure a purchase price of over 15% below comparable transactions in the area.

COSGROVE FLATS | COLUMBIA, TN

Located in Columbia, TN, a town just 45 minutes from Nashville, Cosgrove Flats is a 36-unit value-add apartment complex with over 97% occupancy. Our renovation budget is $380,000 and will go towards upgrading some of the older units, along with exterior deferred maintenance and substantial reserves. This will optimize our net operating income by maximizing rents and lowering maintenance expenses by implementing preventive maintenance. Our plan also includes improving the desirability of living in this property, resulting in proud tenants and minimal turnover.

ASSETS

PORTFOLIO

The following are some of the properties where we have equity interest.

- Jackson Place Apartments | Commerce, GA (50-Units)
- Racquet Club Apartments | Santa Monica, CA (200-Units)
- Pacific Pointe Apartments | Chula Vista, CA (200-Units)
- Renaissance Woodbridge Hotel | Pasadena, CA (311 Keys)
- Berkshire | Fort Worth, TX (340-Units)
- Radford Student Housing | Radford, VA (214 Beds)
- Vantage at Harlingen | Harlingen, TX (288-Units)
- Stratford Suites | Spokane, WA (60 Keys)
- Smartland Portfolio | Cleveland, OH (50 SFH)
- NE Ohio Portfolio | Bedford, OH (10 SFH)
- Atlanta Residential | Atlanta, GA (3 SFH)
- Elm Park | Austin, TX (32-Units)









WHO WE ARE

MEET THE TEAM

BERNARD PIERSON
Managing Partner

Bernard has over 10 years of real estate experience. He has specialized in ground-up development and investing opportunities. Most recently, he led the development of over 100,000 square feet of single-family homes and condominiums, including land and infrastructure works. On the multifamily investing side, Bernard has been involved in general partnerships totaling 300+ units. He has also participated in the acquisition of 1,500+ units across 10+ properties with limited partnership interest. Bernard holds a Master's in Real Estate from Georgetown University and a BS in Business Administration from American University. He also earned a Certificate in Commercial Real Estate Analysis and Investment from MIT and is an active Urban Land Institute (ULI) member.

NAHILA CAMPOS
Operations and Marketing

Nahila has a passion for innovation and the role digital and social media channels have in achieving business objectives. She brings over ten years of experience in digital marketing and social media strategy. Her experience within digital includes everything from corporate positioning and reputation strategies, lead generation, paid media campaigns, among many others. Nahila has led award-winning digital marketing strategies and campaigns for global clients such as WeWork, Mastercard, and Coca-Cola. Her work has also received several awards, including a Gold Stevie Award for Digital Campaign of the Year, PR News' Campaign of the Year, and a Gold Effie Award for best local campaign.

MELISSA AVELLAN
Administrative Assistant

Melissa and her enthusiastic attitude adapt well to different work environments. She enjoys administration, marketing, and market analysis. She also has a passion for operational processes and takes pride in developing efficient workflows. Melissa has a Bachelor's in Business Administration and Marketing from Universidad Latina de Costa Rica. She is fluent in Spanish and English and can speak and write French. In the past, she worked for a prestigious research firm and a non -profit organization fulfilling her passion for social responsibility.

WHO WE ARE

ADVISORY BOARD

BILL HAM

Broadwell Property Group, CCO

With over 20 years of experience in real estate and owns upwards of 1,000 multifamily units. He has a proven track record of identifying, acquiring, operating, and divesting of large footprint Multifamily Housing. Bill also owns Phoenix Residential Management, a property management company running over 1,500 units. Most recently, he wrote the book Creative Cash, a masterpiece on multifamily creative financing. Bill can be seen and heard on countless podcasts and webinars and standing on stage giving presentations at tradeshows and other forums both online and off.

GINO BARBARO

Rand Partners, Principal

Gino owned and operated a restaurant for over twenty years before transitioning full-time into Multifamily real estate. He's been investing in real estate for more than 15 years and has grown his multifamily portfolio to over 1500 units. His passion lies in running the client relations for Rand Partners, along with underwriting deals and exploring new opportunities in the national market.

DARREN LIGHT

Crawford Investments, Principal Investor

A mechanical engineer by trade, Darren quickly realized that his W-2 job and 401K would not support the current and retirement lifestyle that he wanted. He started purchasing single-family rentals and doing flips four months after attending a local seminar. In 2017, Darren went full-time into real estate investing by cashing his 401K and stock options. Since October of 2018, he has become part-owner on the GP side of over 200 doors. Darren started a Multifamily meetup in Johnson City, TN, in March of 2019. With Johnson City being such a great market, he saw the need to bring other multifamily investors together to leverage the power of partnerships, the market, and capital.

USEFUL TERMS

GLOSSARY

AMORTIZATION: A gradual paying off of a debt by regular periodic installments which include interest and principal.

CAPITAL EXPENDITURE (CapEx): An expenditure for an asset that will improve or extend the useful life of an existing asset for a period to exceed one year.

CAPITALIZATION RATE (Cap Rate): Equals the property's annual net operating income (NOI) divided by the property's value. One way to think of cap rate is the return an investor would receive in an all-cash purchase. This is the most common used industry metric for valuing property.

COST SEGREGATION: The process of identifying and reclassifying personal property to accelerate depreciation, resulting in lower tax obligations.

CASH ON CASH: Annual cash distribution per dollar invested. The investor will have a yearly cash on cash return and an average cash on cash return. The latter is the average cash on cash for all investment periods.

GROSS RENT MULTIPLIER: Market Value divided by Gross Income. It is a quick way to estimating value and a common industry metric.

INTERNAL RATE OF RETURN (IRR): A metric used in financial analysis to estimate the profitability of potential investments. It is the discount rate that makes the net present value of all cash flows equal to zero. It can also be thought of as the annualized effective compounded return rate. The biggest difference with cash on cash return is that IRR takes into account the time value of money.

EQUITY MULTIPLE: Equals total profit plus maximum equity invested, divided by maximum equity invested. It calculates the growth multiple of your invested capital, including distributions. For instance, a 1.9x equity multiple, would mean you get back you investment plus 90% in profits through the life of the investment.

DEBT SERVICE COVERAGE RATIO (DSCR): DSCR compares a property's level of cash flow to its debt obligations. It is calculated by dividing NOI by annual debt service.

LOAN-TO-VALUE (LTV): Relationship between the loan and purchase price. The loan amount divided by the purchase price calculates the LTV.

NET OPERATING INCOME (NOI): Gross operating income less all operating expenses. Key metric used to calculate value. Operating expenses do not include CapEx; as a result, NOI is calculated before CapEx.

PROFORMA: Projection of property financials, including projected rents, gross operating income, operating expenses, NOI, capital expenditures, debt-service, and cash flow.

RUBS: Ratio Utility Billing System, a system used to bill utilities such as electric, water, gas and trash, back to tenants.

DISCLOSURE

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