
INNOVATIVE INVESTMENTS
REAL ESTATE SOLUTIONS

INVESTMENT PITCH DECK

January 2020

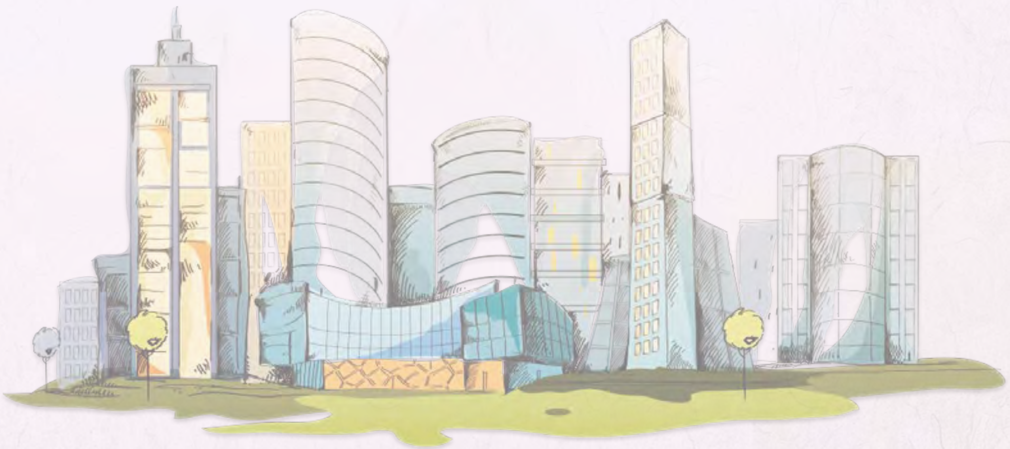


TABLE OF CONTENTS

TABLE OF CONTENTS

WELCOME MESSAGE

The Company is seeking equity partners who will contribute capital into diversified real estate projects in the city of Los Angeles with projected returns in the high teens (16% to 19% IRR).

The focus will be on value-add projects in subsidized affordable housing within the working class, core city neighborhoods, as well as value-add market-rate projects in stable, upper middle-class neighborhoods with strong rental demand.

COMPANY PROFILE

Our team has a vast, hands-on experience in property operations, asset management, financing, acquisitions, repositioning, and value-add strategies.

During the last ten years, we successfully executed numerous multifamily projects.

After developing and implementing value-add strategies (often increasing rental income by as much as 100% in the process), we leveraged the resulting increased value by placing favorable, low-rate, long-term debt on the property.

These projects typically resulted in returns of 60% to over 100% of the initially invested capital and quality assets that produced stable cash flow during the future years of operations.

WHO WE ARE

COMMERCIAL REAL ESTATE PROJECTS OVERVIEW

AFFORDABLE HOUSING	VALUE ADD PROJECTS
UPPER-MIDDLE-CLASS	RE-DEVELOPMENT PROJECTS
OFFICE AND STREET RETAIL	A+ COMMUNITIES PROJECTS

AFFORDABLE HOUSING : VALUE ADD PROJECTS

STRATEGIC PLAN

We propose to invest in commercial multifamily properties utilizing value-add approach. We expect to purchase 1-bedroom units at or below $160,000 per door and 2-bedroom units at or below $180,000 per door. We expect that once the value-add stage (12-18 months) is complete, the 1–bedroom units will be worth approximately $225,000 per door and the 2-bedroom units $275,000 per door.

60% to 70% of the portfolio should be comprised of the affordable housing projects in the densely-populated, working-class neighborhoods in the core city area with strong rental demand. We expect the turnaround time from acquisition, through stabilization period and until the refinance of the stabilized project for these properties to be approximately between 1 to 2 years. In our experience, exact timing of such projects varies from property to property and depends on our ability to facilitate turnover through active management approach and buyouts.

30% to 40% of the portfolio should be comprised of the value-add projects located in the stable upper-middle-class neighborhoods of Los Angeles. We will target older, rent-controlled properties that have been undermanaged, with rents significantly under market and interior/exterior in need of renovation work. We expect the turnaround time for these projects to be approximately 3 to 5 years.

All potential projects will be thoroughly underwritten based on our system, as well as significant experience and knowledge of existing market conditions. Each Project will include a detailed business plan along with financial analysis and projected returns, which will be submitted to capital partners for approval prior to purchase. **The Company and/or its affiliates will invest their own funds in all projects.**

UPPER-MIDDLE-CLASS : RE-DEVELOPMENT PROJECTS

STRATEGIC PLAN

We propose to acquire lower-density projects located in high demand, upper-middle-class areas of the city. The key here will be to find properties on large lots (or combine several properties on adjacent lots) that are close to major public transit lines and as such are subject to transit density bonus.

We will then operate these projects in their "as-is" condition, while preparing the plans for developing larger, high-end communities on the acquired land.

Once the project passes all city requirements and a builder is selected, we will vacate the property through the Ellis Act and construct condominium units for future sale or luxury apartments buildings to hold as trophy assets. Expected turnaround for these projects is approximately 3 to 7 years.

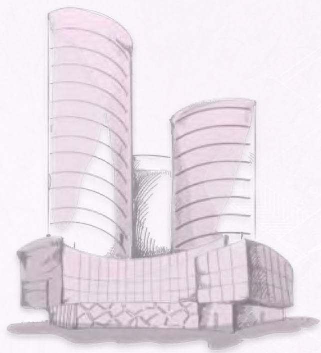
All potential projects will be thoroughly underwritten based on our experience and knowledge of existing market conditions. Detailed Business Plan along with Financial Analysis and Projected Returns will be submitted to capital partners for approval prior to purchase. **The Company and/or its affiliates will invest their own funds in all projects.**

OFFICE AND STREET RETAIL PROJECTS : A+ COMMUNITIES PROJECTS

STRATEGIC PLAN

Another diversification opportunity is to acquire office/street retail projects with expiring (in 5-7 years) under-market leases in older, less attractive buildings located in established A+ communities like Beverly Hills and Santa Monica. Once in-place leases expire, we will redevelop these buildings and re-let them at market rents. Once the project is completed, we will pursue a cash-out refinance and hold these "trophy assets" for long-term cash flow and equity appreciation. Expected turnaround for these projects is approximately 5 to 10 years.

All potential projects will be thoroughly underwritten based on our experience and knowledge of existing market conditions. A detailed business plan along with financial analysis and projected returns will be submitted to capital partners for approval prior to purchase. **The Company and/or its affiliates will invest their own funds in all projects.**



INVESTMENT SYSTEM

- IDENTIFY POTENTIAL INVESTMENT PROPERTIES ON THE MARKET BASED ON PRICE AND RENTAL UPSIDE
- THOROUGHLY UNDERWRITE THE PROPERTY
- CREATE AN OVERVIEW AND BUSINESS PLAN PRESENTATION FOR INVESTORS
- PLACE THE SELECTED PROPERTY IN ESCROW
- ARRANGE FINANCING
- FINALIZE THE ACQUISITION PROCESS
- IMPLEMENT THE BUSINESS PLAN ACCORDING TO THE CHOSEN OPERATING STRATEGY
- REFINANCE THE PROPERTY UPON REALIZING THE BUSINESS PLAN
- DISTRIBUTE AN ESTIMATED 60% TO 100% OF INITIALLY INVESTED CAPITAL
- ONCE 100% OF THE INITIALLY INVESTED CAPITAL IS DISTRIBUTED, GENERAL PARTNER PARTICIPATES ON A 50/50 BASIS
- HOLD THE PROPERTY FOR LONG-TERM CASH FLOW
- REFINANCE PERIODICALLY TO FUND FURTHER ACQUISITIONS

CASE STUDIES OVERVIEW

MANSFIELD APARTMENTS — 2009
69 Units Multifamily Property

CITRA APARTMENTS — 2015
32 Units Multifamily Property

LOS ROBLES APARTMENTS — 2016
20 Units Multifamily Property

AVALON APARTMENTS — 2017
16 Units Multifamily Property

WILLOW BROOK APARTMENTS — 2019
18 Units Multifamily Property

AVE 58 APARTMENTS — 2019
8 Units Multifamily Property

CASE STUDY : CITRA APARTMENTS

NON-RENT-CONTROLLED VALUE-ADD PROJECTS

Citra Apartments is a 32-unit multifamily property located in Burbank, CA. The property was acquired in August of 2015. It was purchased from an older couple who owned it for over 20 years. As a result of this mom-and-pop ownership, rents were significantly below market, while both interior and exterior of the building needed repairs.

The Company and its team were able to quickly complete cosmetic renovations. Because the property was not subject to rent control, rents were raised quickly by an average of 75%. As a result of the renovations and the newly increased NOI, the ownership group was able to sell the property less then 2 years later, doubling the initial investment.


THANK YOU