

PEAK 15 CAPITAL

PEAK 15 CAPITAL FUND I LLC OVERVIEW



PEAK 15 CAPITAL

PEAK 15 CAPITAL

The information herein has been prepared on a confidential basis solely for your informational purposes and is being furnished to a limited number of to accredited investors as such class is determined in accordance with federal securities laws for discussion purposes only. It is not an offer to buy or sell or a solicitation of an offer to buy or sell any limited partnership interests, securities or to otherwise participate in any investment or trading strategy ("Investment"). If any offer of Investment is made, it shall be pursuant to a definitive Operating Agreement, Private Placement Memorandum subscription documents and/or other relevant definitive legal documents, prepared by or on behalf of the Opportunity which would contain material information not contained herein and which shall supersede the information herein in its entirety ("Definitive Legal Documentation"). The Opportunity mentioned in this document will not be registered in your jurisdiction and to the fullest extent possible any such offer will be made only pursuant to private placement exemptions available. It may therefore not be eligible for sale or investment in your state or country and may not be suitable for you or certain types of investors. As such, any decision to make an Investment should be made after reviewing the Definitive Legal Documentation for the Opportunity which will contain representations by you that you are a sophisticated investor meeting any relevant regulatory requirements and that you have conducted such investigations as you deem necessary and after consulting your own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of making an Investment.

Although the information provided on the following pages has been obtained from sources which Peak 15 Capital Fund I LLC believes to be reliable, Peak 15 Capital Fund I LLC does not represent or warrant its accuracy and such information may be incomplete or condensed and must not be relied upon by you. The information is subject to change without notice. Since the Peak 15 Capital Fund I LLC furnishes all information as part of a general information service and without regard to your particular circumstances, Peak 15 Capital Fund I LLC and its affiliates shall not be liable for any damages arising out of any inaccuracy in the information. Investing is speculative and may involve substantial investment, liquidity and other risks. Investments can be leveraged and performance results can be volatile and may result in loss of principal. Past performance is no indication of future results. There is no secondary market for the investors' interests and high expenses may offset any profits the Opportunity may generate.

(i) "All projections and forward-looking statements are based on the information available to the company and its analysis of the same. They are not promises of performance or specific returns"; and (ii) "All case studies and historical statements are provided for informational purposes. They are not promises of future performance or specific returns."

FIRM OVERVIEW



PEAK 15 CAPITAL



Peak 15 Capital ("Peak 15") is a Charlotte NC Based multi-disciplinary Real Estate Private Equity firm with a primary focus on Multifamily value-add opportunities in the Southeast and Sunbelt states.

The firm offers best-in-class capital advisory platform for sponsors and syndicators in various sectors of commercial real estate.

Peak 15's proprietary Co-GP investment fund ("Co-GP Fund") platform seeks to generate superior risk-adjusted return opportunities via equity investments into a tranche of the real estate capital stack rarely accessible to outside investors.

PEAK 15 CAPITAL: EXECUTIVE FUND MANAGERS



JOHN AZAR

Founder & Managing Partner,
Member of Investment Committee

John is the Founder and Managing Partner of Peak 15 Capital. A capital advisory and syndication firm servicing commercial real estate operators and sponsors in identifying, sourcing & securing their capital stack. John is also a Managing Member of MACC Venture Partners, a Southeast focus owner/operator of multifamily assets. In his leadership of Peak 15, he directs strategic development, investor and client growth, and new acquisitions and syndications. He also heads the investment committee, capital management and growth. John is also the head of the Peak 15 Coaching program for new syndicators and sponsors.

Previously he was a co-Founder and Managing Partner of Boston Venture Partners (BVP), a private equity consulting and finance firm based in Boston specializing in real estate development, and structured finance. At BVP he worked on a cumulative portfolio of \$1.8 Billion spanning from Boston to Miami as well as London. His previous roles as an equity trader and commercial banker in financial institutions and banks such as Bank of America and Morgan Stanley provided an integral understanding of debt and equity markets as well as deal structure, honing his skills and insights into the critical planning issues relevant to growing successful companies.

John is a podcaster and Co-Host of his own podcast called Breaking Resistance as well as being a regular guest speaker in various commercial real estate conferences and Podcasts. John serves on the boards of directors of several non-profit and for-profit organizations. He holds a BA from the University of North Carolina, Charlotte and an MBA from Boston University Questrom School of Business.



FRANCISCO HERRERA

Partner & Head of Investments,
Member of Investment Committee

Francisco is the Managing Director for Peak 15 Capital and Head of Investments for the Peak 15 Capital Fund. As part of the Senior Management Team of Peak 15, Herrera oversees all production development, investor relations, and multifamily division. Herrera is responsible for all production activity through sourcing and managing general Co-GP investment opportunities as well as other strategic initiatives for the Peak 15 Capital Fund. Herrera also serves as a member of the firm's investment committee. He also co-heads the Peak 15 Coaching Program for new syndicators and sponsors.

Herrera's involvement with Peak 15 Capital began since inception. Prior to his tenure, he worked at a private equity consulting firm based out of New York City who specialized in commercial real estate and real estate development. Since inception, Herrera participated in and closed transactions exceeding \$100 Million in equity across a full range of assets, from ground-up Class A urban core to Class C multifamily in the U.S. markets.

He is also a podcaster and Co-Host alongside John Azar in their show called Breaking Resistance. Herrera is a native of Orange County, CA where he resides in the Anaheim community with his wife and daughter.

PEAK 15 TIMELINE



Co- GP Fund I:

INVESTMENT STRATEGY

Overview

Peak 15's platform intentionally produces strategic and programmatic Co-GP equity investments with selected elite sponsors (GPs) in Joint Ventures who bring vast knowledge, experience and a striking track record. In a Co-GP landscape, Peak 15's proprietary Co-GP Fund platform has been intentionally produced to target some of the nation's best-in class sponsors (GPs), and to provide them with a rare capital combination that consolidates the benefits of our institutional competitive set.

Given that Peak 15 also comes from the institutional equity world, we also have the capabilities to raise the full LP capital stack by leveraging our programmatic relationships with private office and institutional

capital groups, while maintaining an alignment of interests through our pari-passu return of capital. This allows Peak 15 to offset our passive investment through the joint major decision making and bilateral oversight of our GP and LP partners.

Lastly, Peak 15 seeks to reduce risk by diversifying amongst variables such as partners, asset classes, business plan, and geography, while taking an investment approach that never over-exposes to a specific project, sponsor or market.



APPRECIATION

RECESSION-PROOF AND RESILIENT

HEDGE AGAINST INFLATIONARY PERIODS

SUPERIOR RISK-ADJUSTED RETURNS

YIELD AND CASH FLOW WEALTH

DEPRECIATING TAX BENEFITS

REAL TANGIBLE ASSETS

WHY MULTIFAMILY?

Proven to be the best asset class which offers substantial upside potential and downside protection in volatile market conditions. The chart below outlines the benefits as to why so many investors and operators flock to this robust performing asset.

Why a CO - GP FUND?

There are two inherent disconnections in the market that we've identified to have a greater need: 1) operators identifying a programmatic Co-GP equity partner and 2) traditional LP investment funds offering alpha returns to retail investors.

Traditionally, sponsors prefer to operate through direct investment vehicles as opposed to Joint Ventures or Co-GP with other sponsors. We've identified a shift in the market, where direct investments are becoming more competitive through the result of a hyper-injection of equity capital in the market. This opened the window of creativity to construct a Co-GP Fund platform that offers both the sponsor and the outside investor economic benefits and scalability.

Co- GP Fund I SPONSOR BENEFITS

- 01** Increase sponsor (GP) strength and experience via collectively from our Peak 15 Senior Management team with over 10+ years
- 02** Reduce at risk capital allocation to any single asset or project by sharing GP equity contribution with Peak 15
- 03** Increase liquidity for new deal pursuit costs
- 04** Maintain balance sheet liquidity for loan carve-outs and recourse debt
- 05** Leverage returns via a disproportionate share of the promote or carried interest
- 06** Single programmatic Co-GP partnership with the passive qualities of an Institutional LP and Retail Investor

Co- GP Fund I INVESTOR BENEFITS

- 01** Superior risk-adjusted returns via participation in GP and LP economics of all assets executed
- 02** Real estate opportunities very rarely offered or accessible to outside investors
- 03** Diversified investment platform across various assets, markets, and elite partnerships
- 04** Participation in tax depreciation value through our cost segregation studies across all assets
- 05** Hedge against rising inflationary rates at an all-time high in 2022

CAPITAL STACK STRUCTURE

Let's explain the difference between LP, GP and CO-GP

LP (LIMITED PARTNER)

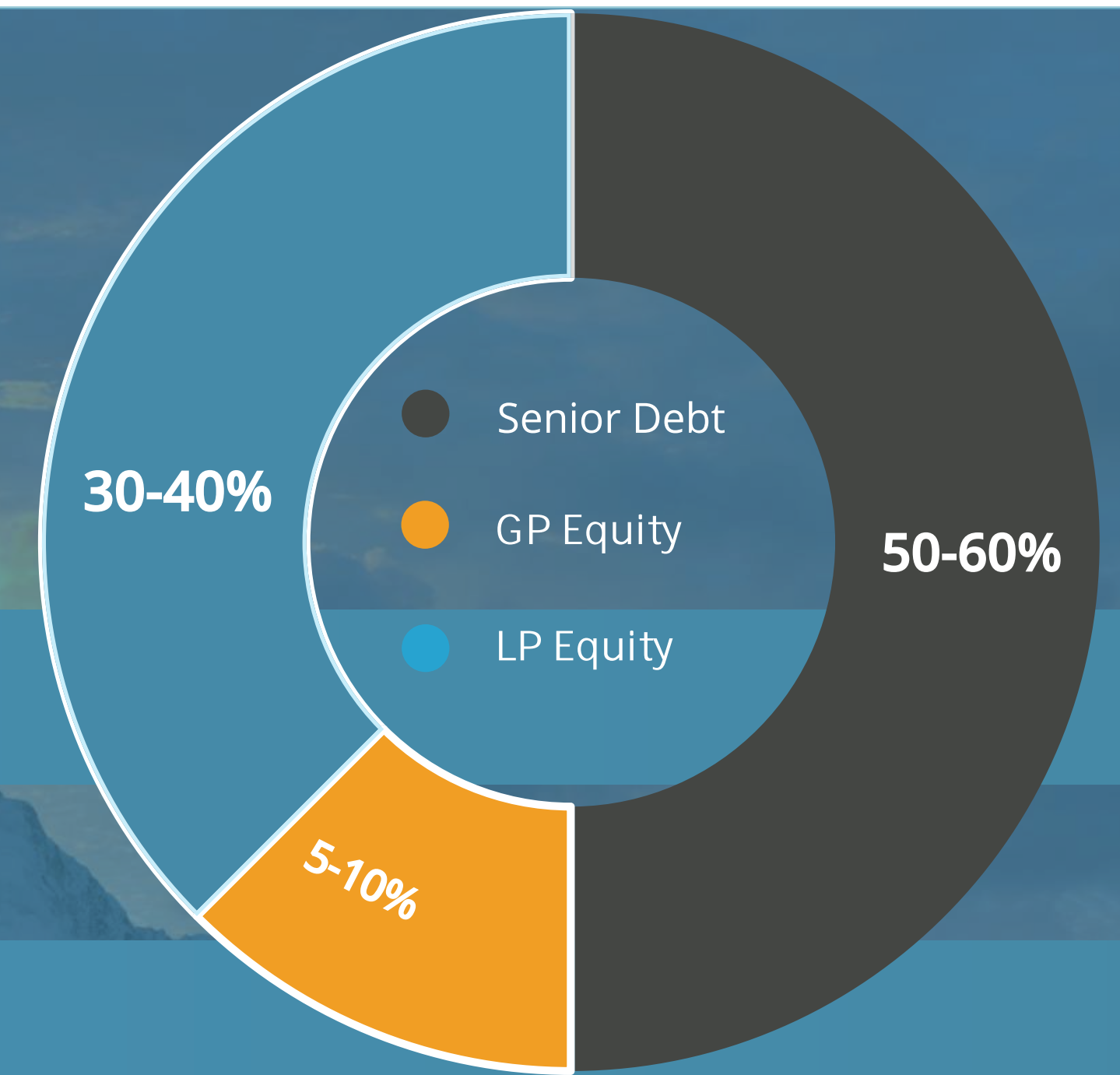
They are generally passive investors in real estate acquisitions/syndications that participate in the passive returns generated from a well managed deal and receive quarterly cash on cash distributions. These distributions are their share of the rental profits garnered from the principle/manager/general partner of the deal that is in charge of running and managing a rental multifamily property. Limited Partners also participate on the upside profit from a deal upon a liquidity or sale event of the property. LP's also benefit from depreciation expenses charged to the property in the form of cost segregation. That depreciation is passed along to the Limited Partner upon an annual K1 tax reporting form.

Limited Partner do not sign on the loan of the deal and do not have any personal exposure to the debt or the management of the property. Hence why they are passive investors.

GP (GENERAL PARTNERS)

They are the principles of the deal. They generally find, analyze, secure, finance and manage a real estate asset from acquisition to disposition. They are rewarded by taking their profits after the Limited Partner is paid on their participation. They have personal exposure and personal liability into the deal and are generally guarantors on most of the deal they put under contract. They participate in the profits of the deal but their percentage of the profits is not tied to their capital contribution number. It is based on the GP/LP splits that is outlined by the deal.

They also participate in the tax benefits of the depreciation expenses alongside LPs (Limited Partners)



CO-GP

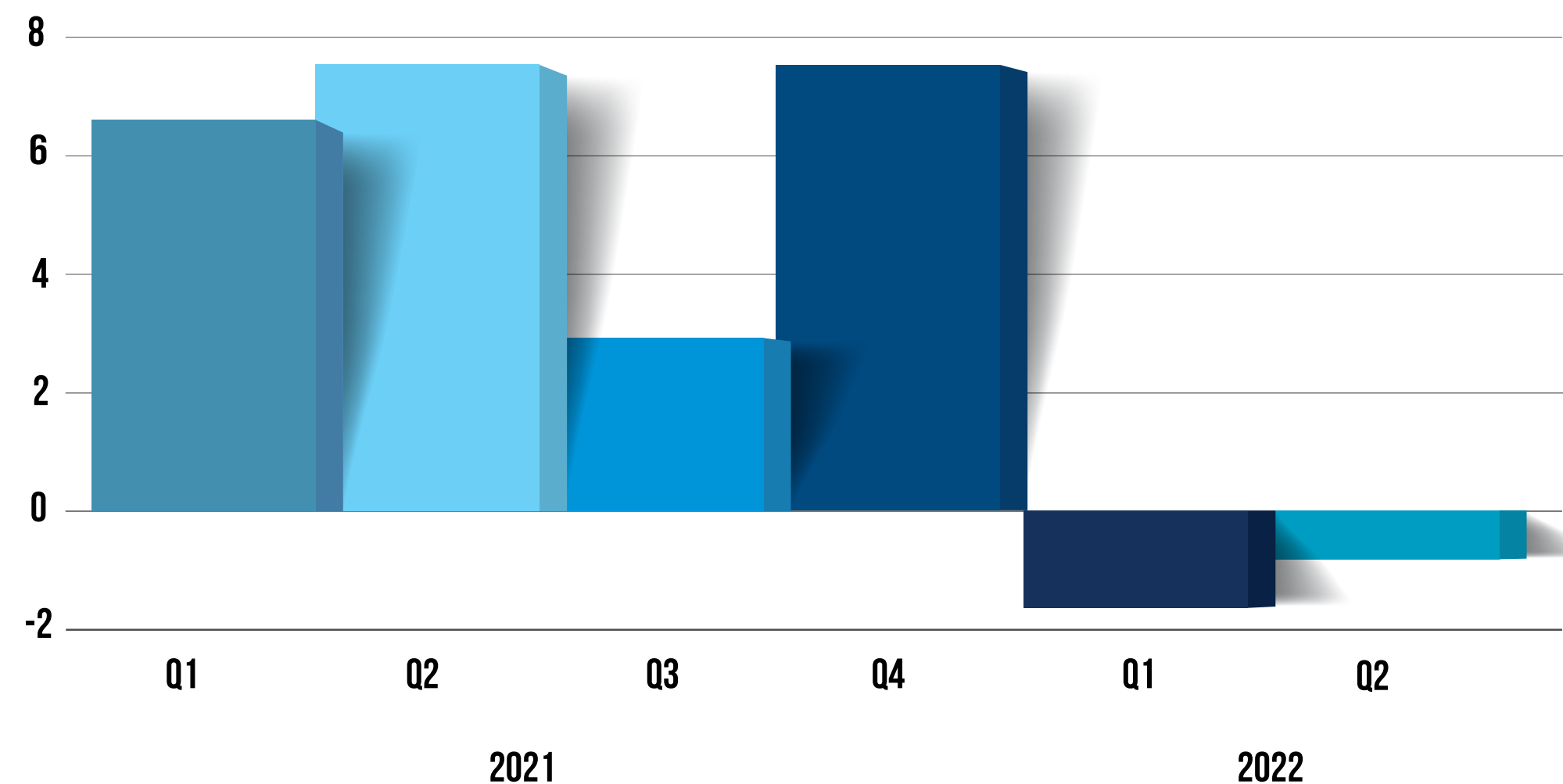
It is all the same benefits and responsibilities of a General Partner but is being done in conjunction of another Sponsor/General Partner who split the responsibility of running and managing the deal and/or the capital stack.

WHY NOW?

Peak 15 Capital Fund I was purposely launched not despite the negative headwinds ahead and expected recession, but because of those market conditions today.

The abnormal factor of the economy right now is the high inflation. To our benefit, real estate is the perfect asset to hedge against it. Historically, this has been proven over time and there is no reason that it would not be true today.

REAL GDP: PERCENT CHANGE FROM PRECEDING QUARTER



U.S. BUREAU OF ECONOMIC ANALYSIS

SEASONALLY ADJUSTED AT ANNUAL RATES

¹Source: September 2022 report from www.Bea.gov

²Source: June 2010 article in Economic News from Reuters



OPPORTUNITY DURING A RECESSION

- U.S. GDP¹ has now experienced a decline in two-consecutive quarters, giving us a plain sight that we are heading into a recession.
- History tells us that the 09' Great Recession, the world got richer with North America ranks of the rich rose 17 percent and wealth grew to \$10.7 Trillion an astonishing 18% increase.²
- The U.S. was home to the most millionaires in 2009 and we believe that this next recession will be the next big opportunity.²

OPPORTUNITY IN A MACRO MARKET

The Federal Reserve's response to inflation, rate hikes, is making debt more expensive, but the rate hikes also have the effect of disturbing the normal growth of the market.

This disconnection will certainly mean pain for some operators that did not underwrite conservatively, but it means that conservative operators like us will have the opportunity to buy properties at great prices.

- In a report by Real Capital Analytics¹, 2020 set a quarterly sales record of 2,900 apartments being traded at roughly \$63.6 Million and ending 2020 overall at \$146.6 Billion.
- 2021 far surpassed 2019 and 2020 levels, with a total of 12,070 properties traded at a value of \$336.3 Billion. ¹
- We happen to notice the aggressive and overvalued purchases made by many sponsors, in whom, many of these transactions were being executed with high-leverage bridge debt.



BENEFITS

- 1** SPONSORS WHO PURCHASED 2-YEAR RATE CAPS DURING COVID ARE NOW FINDING THEIR INTEREST PAYMENTS WILL DOUBLE AND POTENTIALLY FORCE A SALE.
- 2** DEBT MARKETS HAVE NOW BECOME EXPENSIVE AND CONSTRAINT WITH FEDERAL RATE HIKES, FAVORING BUYERS THROUGH PRICE ADJUSTMENTS AND INCREASING CAP RATES.
- 3** CONSERVATIVE AND PATIENT INVESTORS LIKE US SEE A MASSIVE OPPORTUNITY IN 23' Q1 AND 23' Q2, PERFECTLY TIMED FOR A RIPE MARKET FOR BUYING DISCOUNTED TANGIBLE, RECESSION PROOF, CASH FLOWING ASSETS.

¹Source: February 2022 Report from Real Pages.



Value PROPOSITION



Fully vet and select elite sponsors with proven capabilities and business strategies aligned with the fund.

Fund Managers review and stress test projects to safeguard return metrics.

Capitalize the GP stack with sponsor through fund capital.

Sponsor leads and directs asset value-add improvements and execute business plan.

Capitalize on the true value-add created in the business plan with sage and optimal timing to liquidate asset.



KEY INVESTMENT TERMS

01 Investment Vehicle

Peak 15 Capital Fund I, LLC

02 Target Equity Offering

\$12 Million¹

03 Target Fund Term Life

3 to 5 year hold period with one 3 year extension (8 years)

04 Target Return Profile

20+% IRR (net of fees and promote/carried interest), including projected 6% average cash-on-cash return upon stabilization of each asset under the fund

05 Target Preferred Return

6% Preferred Return

06 Promote Splits: Tiered

- 80/20 (80% to investors 20% to manager) up to 14% IRR
- 60/40 (60% to investors 40% to manager) 14%+IRR

07 Shared Management Fees

- Acquisition Fee: 1% of Purchase Price, with 50/50 splits between Fund Manager and Fund
- Disposition Fee: 1.0% of gross sale price of any liquidated assets, with 50/50 splits between Fund Manager and Fund
- Capital Origination Fee:² Up to 1% of invested capital from the Fund, with 50/50 splits between Fund Manager and Fund

08 Fund Management Fees

- Asset Management Fee: 2% per annum, of all invested and committed equity capital
- Fund Organization Fee: a one-time fee of 0.50% of all equity capital or \$60,000 for structuring and launching of fund

09 Reporting & Distributions

- Cash Distributions: Quarterly, following the first acquisition and upon stabilization
- Reporting: Annually, K1 Distributions

¹MANAGING MEMBER, AT ITS DISCRETION, MAY INCREASE THE MAXIMUM COMMITMENTS UP TO \$12 MILLION

²FEE IS CHARGED TO CO-SPONSOR AT THE MANAGING MEMBER'S DISCRETION

PEAK 15 CAP FUND I - COMPARISON CHART

	Normal Individual Deal Syndication	Normal Multifamily Fund	Peak 15 Capital Fund I
Deal Diversification	None - One Deal only	Yes - Multiple Deals	Yes - Multiple Deals
Geographic Diversification	None - One Location only	Yes - Multiple Locations	Yes - Multiple Locations
IRR Returns Profile	12-18%	12-18%	18-35%+
Cash on Cash Return Profile	7-10%	5-8%	8-12%
GP Level Returns	No	No	☑
Liability Exposure	No	No	No
Tax Depreciation Benefits	☑	☑	☑
Sharing in Deal Fees	No	No	☑
Approximate Capital Multiples Range	1.5X - 2.2X	1.5X - 2.2X	2.2X - 4.0X

UNDERWRITE WITH PEAK



Value-Add Drivers:

Target B and C Class Multifamily, post-80s product ranging from \$10M-30M in total capitalization.

Demonstrate Cashflow from Day 1 and rental upside.

Buy at a discount to construction or replacement costs.

Must have physical or Operational improvement that will allow potential new income to boost NOI.

Opportunities are heavily stress-tested for recessionary scenarios and not rely just on future rental increases.



Markets:

Target supply constrain markets with strong economic fundamentals such as job and migration growth.

Established submarkets that offer recession resiliency.

Proximity to established employment, medical, shopping and retail centers.



Best-in-Class Operators:

Must have a strong existing footprint in the market for any presented opportunity.

Established track record with a primary focus in value-add Multifamily.

Alignment of ethical and core business values.



Debt Structure:

Low-leverage debt at 55-65% with fixed rate.

Long term financing to hedge against volatile debt markets such as today's environment with Fed rate increases.

CURRENT FUND ASSET

Copa Parque Apartments

Property Overview:

Copa Parque Apartments is an 108 unit, late 1960s community located approximately 5.6mi from the Hartsfield-Jackson Atlanta Airport in Forest Park, GA. This property offers significant value-add upside from current operational inefficiencies, interior renovations to capture true market rents, and beautifying the exterior amenities.

Forest Park is a true workforce housing submarket within one of the largest MSA's in the country, home to more than 6,000,000 residents and 29 Fortune 500/1000 Company HQ's.

Copa Parque Apartments was previously operating below market rents with 60% of units being unrenovated. The increasing demand for quality workforce housing in the Sunbelt states caused by an exodus migration provides an opportunity to further drive rental increases and capture the true value of the market.

Property Details:

Location: Forest Park, GA (Atlanta MSA)

Units: 108

Vintage: 1969

Price: \$11M / \$101,851K per unit

Debt Terms: Fannie Mae Assumable Loan of \$6.7M in proceeds at an attractive 3.2% with 3 years of I/O left.

Total equity: \$6,500,000

Closed: March 2023



CURRENT ASSET STRUCTURE



INVESTMENT SUMMARY:

Term Hold: 3-5 Year Hold

Average Cash on Cash: 10 -12%:

Stabilization: 18-24 months

LP IRR: 22.1%

GP IRR: 30%+

Waterfall Structure: 70 / 30 Splits

Fund Promote/Carried Interest: 50% Peak
15 / 50% Co-GP

Peak 15 Fund I Acquisition Fee: \$48,315
(Fund Investor's Distribution at Closing)



PRIVATE AND CONFIDENTIAL

FUND TARGETED ASSET: FOREST POINTE APARTMENTS



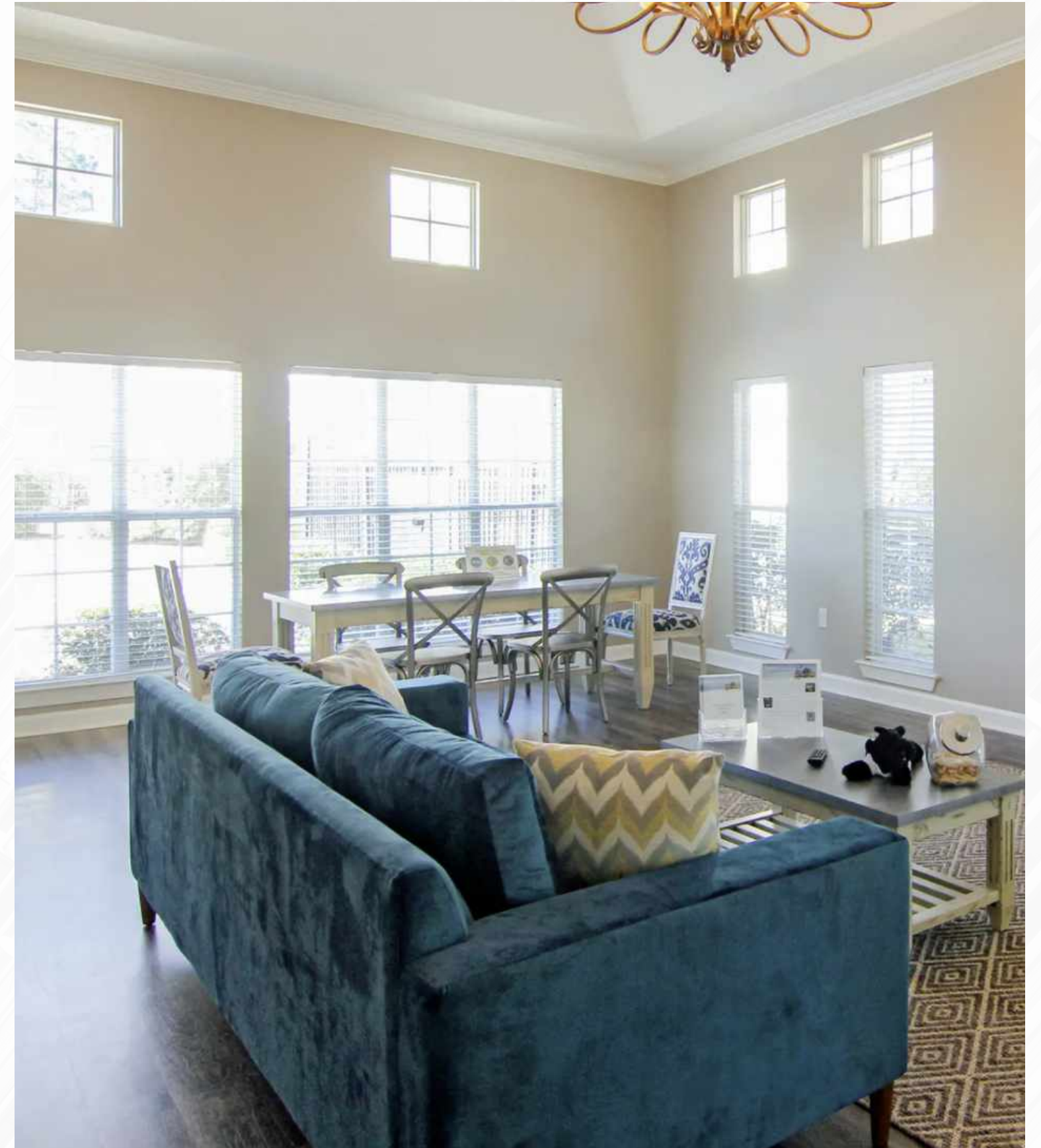
120 UNITS | 504 FOREST CIRCLE | WALTERBORO, SC



DeVanDylan
CAPITAL PARTNERS, INC.

EXECUTIVE SUMMARY

- Forest Pointe is an exceptional **institutional-quality** property in a tertiary market of Charleston, SC comprising of 120 garden-style apartments.
- Currently owned and operated by a dedicated **Mom-Pop shop** seeking to transition and recycle their capital.
- The property has been **undermanaged**, translating rents to **well-below market rents** for a **Class A** product, presenting an amazing opportunity in a market characterized by **limited supply** and nearly a **zero-vacancy rate**.
- Walterboro is experiencing **robust demand** for workforce housing and the scarcity of available units, bundled with a strong emphasis in **quality housing** contributes to the **low vacancy rate environment**.
- The recent development of the ground-breaking **Industrial Park** along the I-95 corridor is expected to create more than 575 new jobs. This significant development serves as a **vital connection** for local commuters, and further **increasing demand** through the influx of Summerville residents.
- With the rapid growth in the **clean energy** and **electric vehicle (EV) sector**, we envision a surge in new supply entering the market, however, this will only enhance the pace of our projected market rents, and our position in the market.





KEY ADVANTAGES

REASONS WHY WE LOVE THIS DEAL

Favorable Cost-Basis: The current market in Summerville/North Charleston presents a unique opportunity with Class A/B+ assets trading above \$200K per unit, while we are purchasing well-below comps and replacement costs at \$125K per unit. This provides us with substantial margin for a viable exit strategy, as economic drivers continue to expand in Colleton County.

Mitigating Debt Volatility: We have the advantage of assuming accretive Freddie Mac debt at a low interest rate of 3.45%. Additionally, there are 7.5 years of interest-only payments remaining, with supplemental financing to increase leverage.

High In-Place Cap Rate for Class A: Strong in-place cap rate, with T-3 figures exceeding 6%, and T-12 at 5.88%. These rates are significantly higher than those observed in the Charleston market for Class A and B assets.

Robust Growth and Accessibility to New Jobs: Conveniently situated near the 95-corridor for easy access to the new Industrial Park. This development is projected to generate over 575 new jobs in Colleton County, fostering rapid growth and an increased demand for housing in nearby areas like Walterboro.

Value-Add Potential: By enhancing the property's amenities and upgrading the interiors, we believe we can achieve premium rents over and above projected rents. As a demonstration, a nearby comp (Plantation Oaks) is currently achieving higher rents than Forest Pointe and is 1980s vintage, far inferior in quality and product.

Market Supply Constraint: While construction activities have been concentrated in the Summerville/North Charleston area, residents are increasingly seeking affordable housing in markets like Walterboro. Notably, Walterboro has not witnessed any new inventory additions for over 20 years, further solidifying its status as a supply-constrained market.

DEBT & EQUITY SUMMARY



PURCHASE PRICE

\$15,000,000 (\$125K/DOOR)

INVESTMENT STRATEGY

STABILIZED **VALUE-ADD**

HOLD PERIOD

3 TO 5 YEAR HOLD

DEBT FINANCING

FREDDIE LOAN AT **3.45% FIXED-RATE** WITH
SUPPLEMENTAL FINANACING

EQUITY REQUIRED

\$8,500,000 (85 LP / 15 GP)

PROJECTED INVESTOR IRR

17.6%

PROJECTED GP IRR

28.3%

PROJECTED AVERAGE COC

10.9%

WATERFALL STRUCTURE

PREFERRED RETURN 8%
70 LP / 30 GP SPLIT

STRATEGIC PARTNERS



INVESTOR PORTAL & FUND ADMINISTRATOR

LEGAL COUNSEL

TRUSTED BANK SERVICES

TrustServe[®]

VARNUM

Morgan Stanley

NEXT STEPS: JOIN OUR INVESTOR FAMILY



1

INTEREST/FIRST STEP

If you want to take the first step to joining us, let us know and we will send you your own exclusive invitation to our investor portal to register.

2

ACCREDITATION VERIFICATION

Our Fund Administrator will approve your accreditation status once you are registered through our portal.

3

E-SIGN DOCUMENTS

Review and e-sign all documents via our portal.

4

FUND YOUR COMMITMENT

Our Fund Administrator will provide you with the access as well as it'll be included in our portal for wiring instructions. Once funded, you'll be an official member of our investor family!

KEEP CLIMBING THROUGH ASSET VALUE CREATION AND WEALTH PRESERVATION



PEAK 15 CAPITAL

CONTACT US



azar@peak15cap.com
herrera@peak15cap.com



www.peak15cap.com



Charlotte, NC – 1213 W Morehead St,
5th Floor, Charlotte NC 28208