Haven at P83

(currently known as Stadium Vue)

163 Units | Phoenix MSA | $72,350,000

INVESTMENT HIGHLIGHTS

Rare Opportunity
To Purchase Townhome Community with
Extensive Value-Add
in a High Growth Market

#1
Fastest Growing City in the U.S.

5th
Largest City in U.S.

- Full Unit Upgrades
- High-End Appliances
- Rebranding
- Community Amenities

Increase Income by
$650+
per unit per month

Target Returns
(3-10 year hold)

1.8x-2.6x
Equity Multiple

13%-22%
IRR

76%-165%
Total Return

EXECUTIVE SUMMARY

What We Are Buying

Stadium Vue Townhomes
7677 W Paradise Ln, Peoria, AZ 85382
163 Units, Class A, built in 2007
Two and three-story townhome style units with direct access private garages
Purchase Price: $72,350,000

The Story

Stadium Vue Townhomes is an off-market acquisition facilitated through a broker relationship.

This is institutional-quality asset was constructed in Peoria AZ in 2007, adjacent to one of the largest and rapidly developing entertainment and shopping districts in Phoenix, The Arrowhead Towne Center and P83. Aside from the extraordinarily good location, this intrinsically unique asset is comprised 100% of townhomes, with an average unit size exceeding 1,100 sq.ft., and with each unit enjoying direct access to a private garage.

This community is located within 4 miles from another community in the WhiteHaven portfolio, Haven at Arrowhead. Both are minutes away from the in-coming TSMC campus.

Our Strategy

Purchase the asset for $72,350,000.

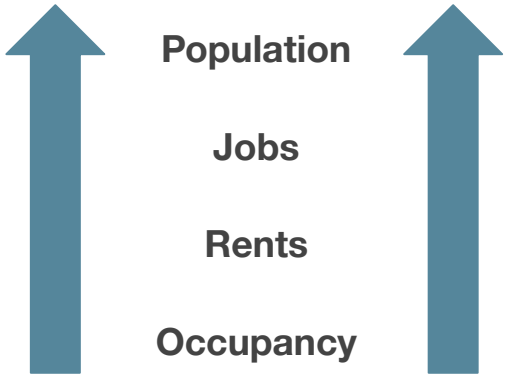
Renovate the property at a cost of $5M over a three year period, increasing revenue by $650+ per unit.

Once repositioned, either exit the transaction, or secure a Freddie Mac loan to cash-out refinance.

Our preferred exit on this transaction is 3-5 years, as this maximizes the risk-adjusted returns to the partners. However, we've underwritten a 10-year hold period to accommodate any real estate cycle.

Located in Phoenix,
5th largest city in the U.S.

Phoenix has Strong Fundamentals



In-place Income: $1,644

Repositioned Income: $2,304

(per unit per month)

How We Are Structuring

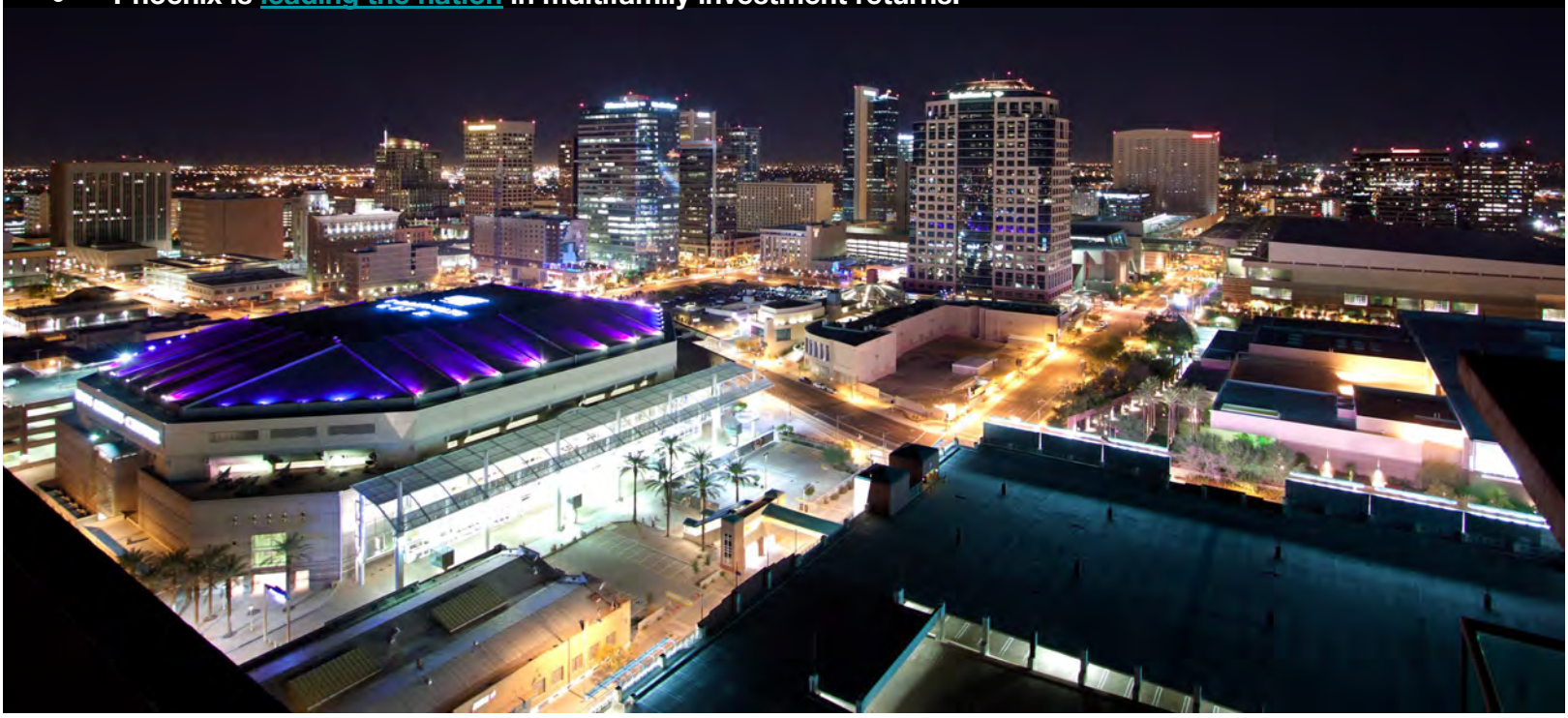
Class A Equity: $25,500,000

Target Returns: 1.8x - 2.6x
13% IRR - 22% IRR

Hold Period: 3-10 years. Potential for cash-out refinance with return of capital at the end of Year 3.

PHOENIX MARKET OVERVIEW

- **Stadium Vue Townhomes are located in the highly desirable suburb of Peoria in Maricopa County, within the Phoenix MSA. It is northwest of Phoenix and at the border of North Glendale and the Arrowhead Ranch master-planned community.**
- **Phoenix MSA is the fastest growing large city in the country for 5 years in a row. Phoenix MSA leads the country in 10-year population growth, having added 260,000 people since 2010, an 18.1% population increase.**
- **Phoenix is now the 5th largest city in the country, with MSA population of nearly 5 million.**
- **Arizona ranks 3rd in the nation for GDP growth in 2020.**
- **Maricopa County recorded the greatest population growth of any county in the U.S. in 2019 and 2020.**
- **Arizona ranked second in the nation in for job growth. Recently Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest manufacturer of semiconductor chips, announced approval of a new facility in Phoenix. They will build a three facilities for $35B and it will bring in 10,000 new jobs. The new TSMC campus will be 9 miles From Stadium Vue.**
- **In 2021, rents increased in Phoenix MSA by 22%, leading the nation, according to Yardi Metrics. Yet, the average monthly rent of $1,278 is well below the national average of $1,539, leaving much room for growth.**
- **Phoenix is leading the nation in multifamily investment returns.**



PHOENIX MARKET OVERVIEW - INCOME GROWTH

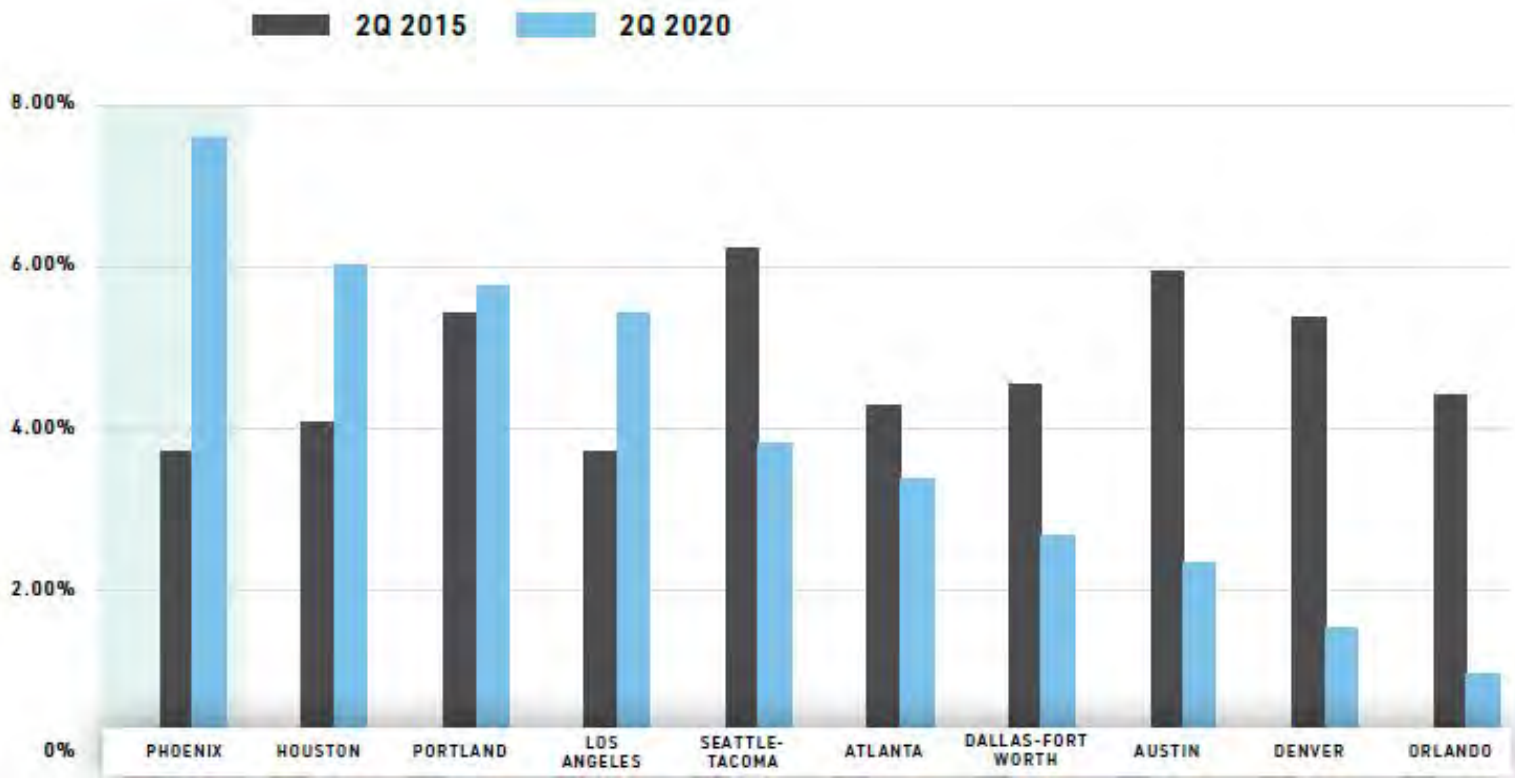
Phoenix MSA enjoys some of the strongest multifamily fundamentals in the country, and has for quite a few years. As shown on the previous page, Phoenix is at or near the top of every list for population growth, job growth, rent growth, etc.

What many don't realize, is Class A rent growth is leading the charge, with 2% rent growth in the month of April - *one month.* How are Class A rents able to grow faster than other classes of properties, even in the top rent growth market? The answer is because Phoenix also has the highest income growth of any major market over the last 10 years. Take a look at the data from Marcus & Millichap below.

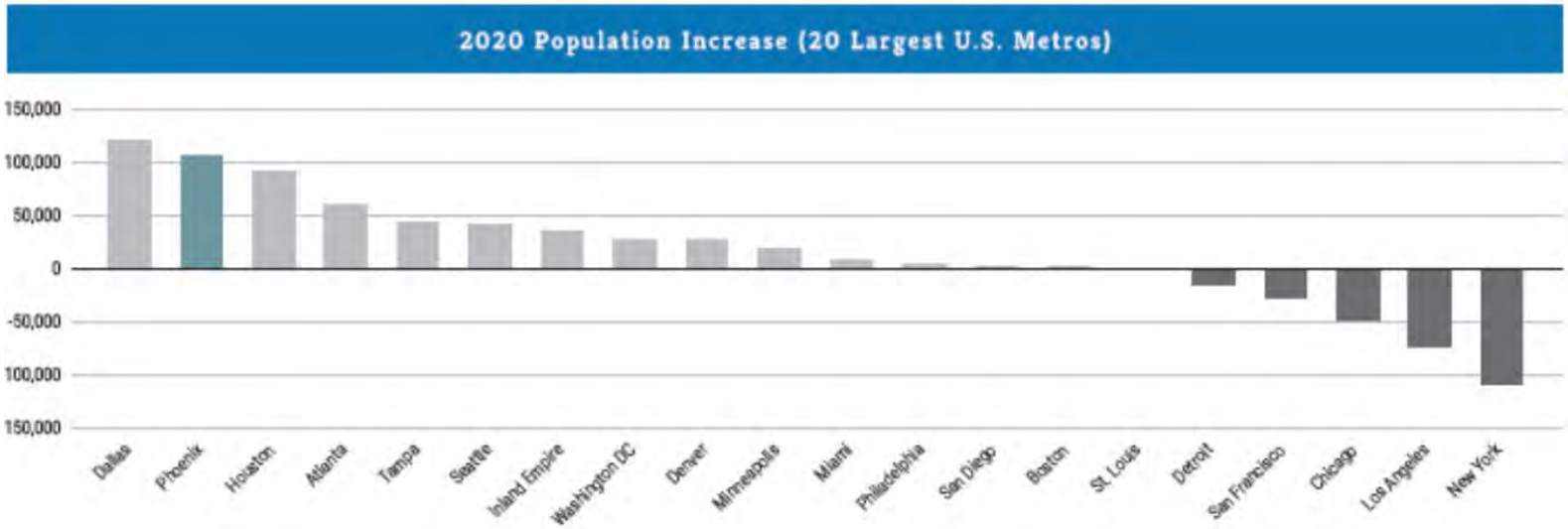
Accelerating Income Growth Over Last 10 Years

Phoenix MSA Rises to the Top of Major Markets in 2020 for Fastest Growing Household Income

Percent Change in Median Household Income



STRONG DEMOGRAPHICS



ATTRACTIVE
QUALITY OF LIFE

4 professional sports teams

#4 Best Cost of Living (USAToday)

#26 Best Place to Live in the U.S. (U.S. News & World Report)

36.2 median age*

185 golf courses

±84K new residents from domestic migration*

±132K total businesses*

±2.20M total jobs*

±5.05M total population*

*Source: CBRE Location Analytics & Mapping

Phoenix ranked #4 on USA Today's list of Best Cost of Living, determined by places where the average annual salaries are high and the cost of living is low.

Out of the 15 largest Metropolitan Statistical Areas in the United States, Phoenix ranked #7 for housing affordability based on median home price divided by median income, according to international think-tank Performance Urban Planning.

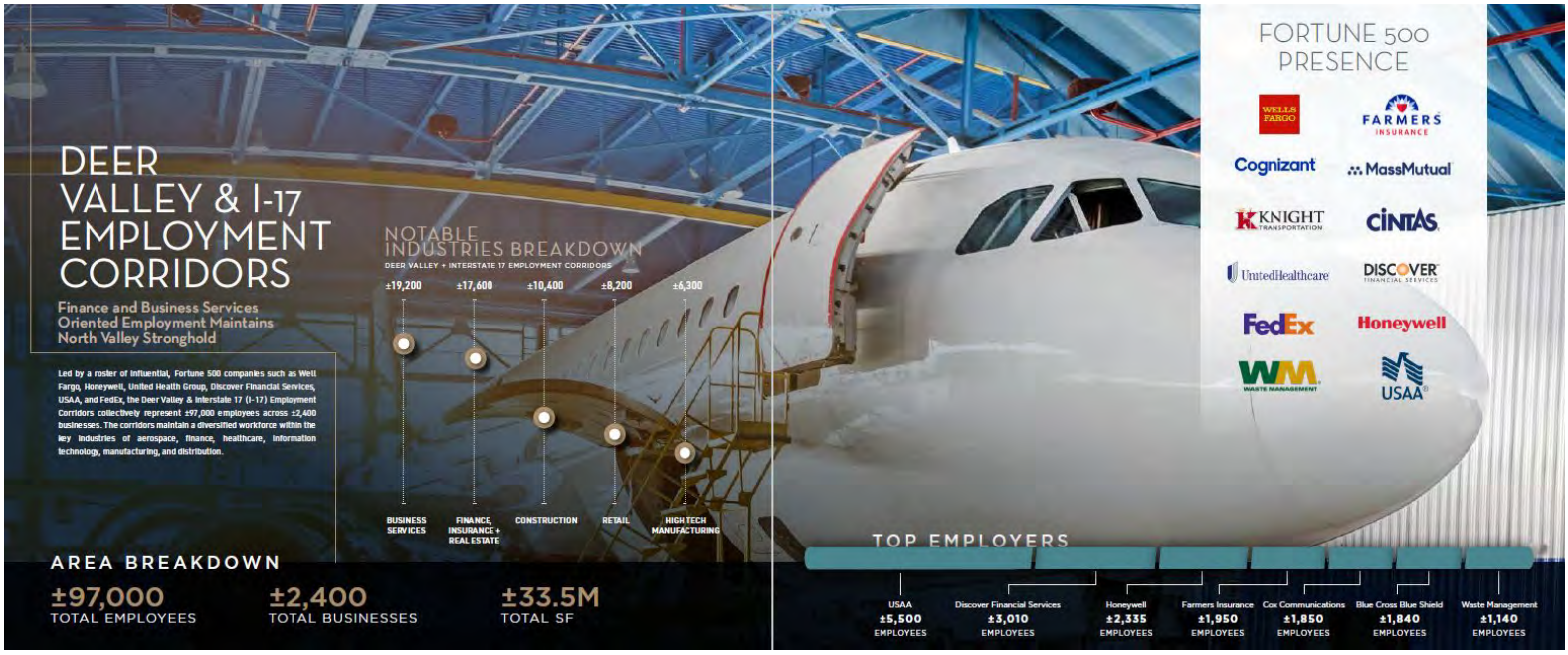
Phoenix ranked #26 on the U.S. News & World Report's 2019 list of Best Places to Live. Out of 125 metros, Phoenix had one of the highest "desirability" scores and offers a better value than similarly sized metro areas when comparing housing costs to median household income.

Phoenix ranked #7 on the Milken Institute's Best-Performing Cities report in 2021. The report ranked each metro for economic recovery and growth potential in 2021 citing Phoenix's nation-leading assets including strong population and employment growth, a diversifying technology industry, and the region's generally low cost of living.

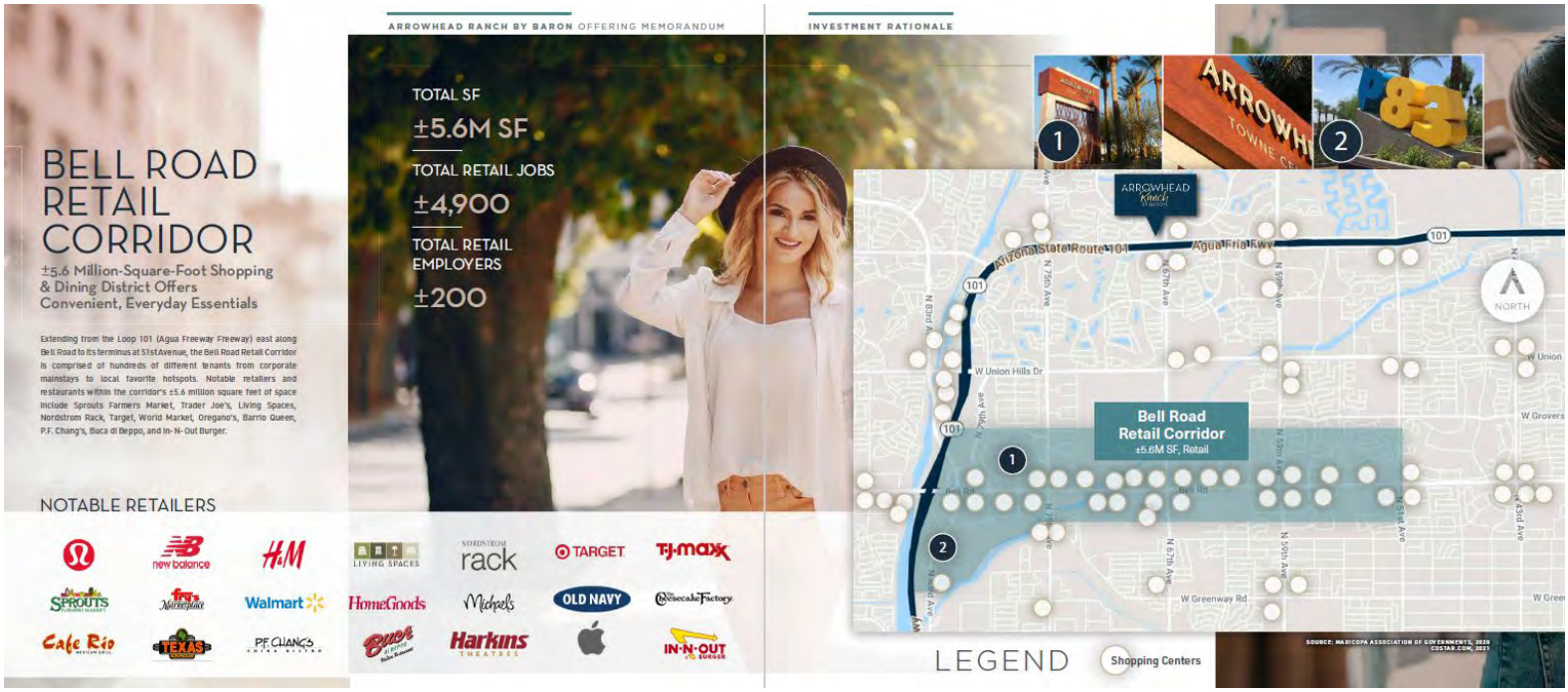
Phoenix is one of the few metro areas with franchises in the four major professional sports leagues. The NFL Arizona Cardinals play at University of Phoenix Stadium in Glendale, which hosted the championship game in 2015 and will play host again in 2023. The NHL Phoenix Coyotes are also based in Glendale and play at Gila River Arena. Downtown Phoenix is home to the NBA Phoenix Suns and MLB Arizona Diamondbacks. Phoenix is the mecca for spring training baseball, hosting 15 Cactus League Spring Training teams.

Phoenix is known worldwide for superior public and private golf facilities with 185 courses throughout Metro Phoenix. TPC Scottsdale is home to two championship golf courses and hosts the PGA fan favorite Waste Management Phoenix Open every February.

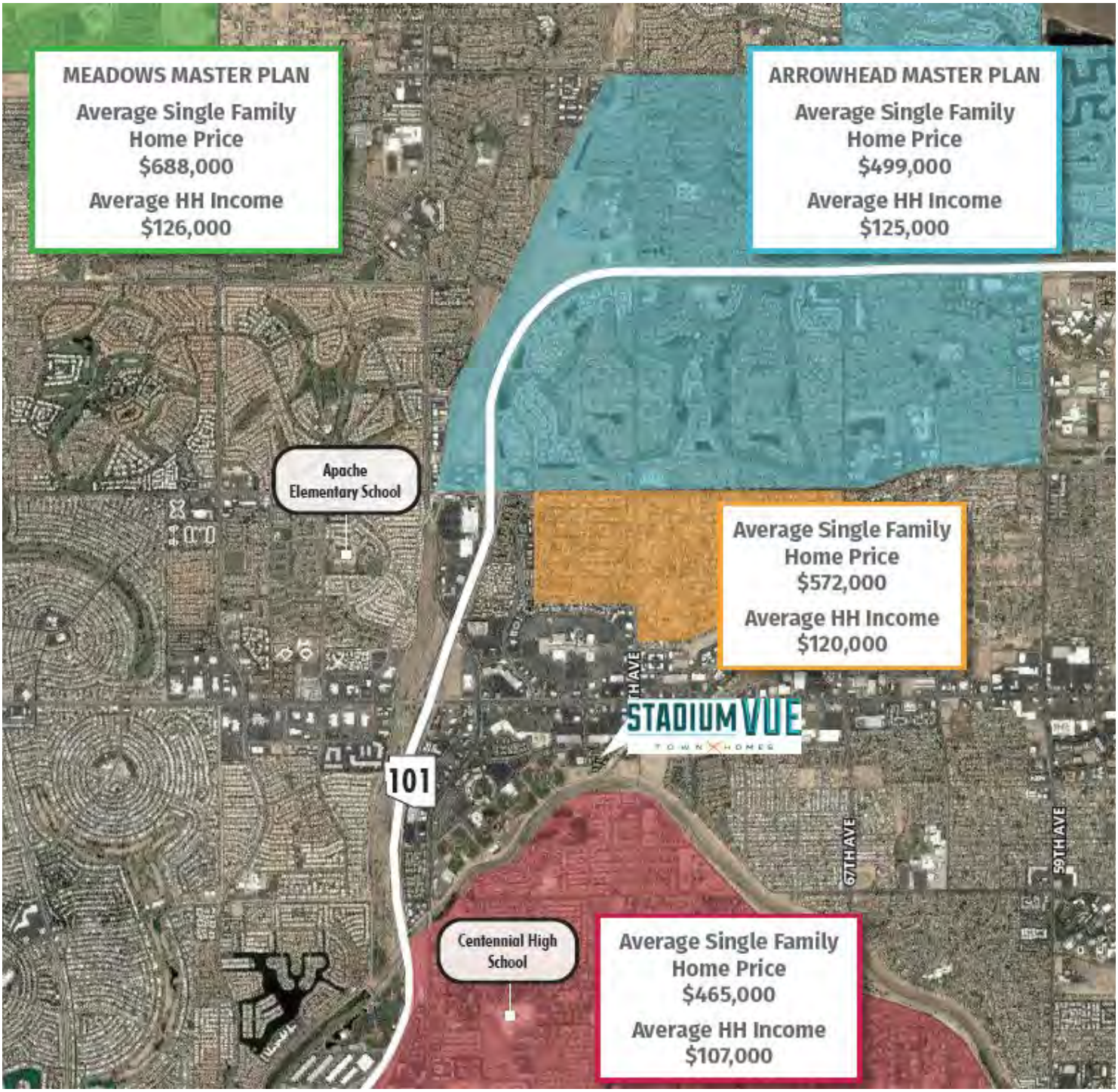
WEST VALLEY - STRONG EMPLOYMENT BASE



WEST VALLEY - HEALTHCARE & SHOPPING



2-MILE RADIUS INCOMES & HOME VALUES



NEIGHBORHOOD

Part of the P83 district, Stadium Vue Townhomes sits literally next door to some of the best shopping in Phoenix, the Arrowhead Towne Center and Arrowhead Crossing.

The Arizona Broadway Theater, one of two professional theaters in Phoenix, as well as the Peoria Sports Complex and the San Diego Padres Spring Training facility are also adjacent.

Furthermore, the City of Peoria has plans for which development has already began, to add 500,000+ square feet of Class A office space as part of the P83 district, as well as a mid-rise 5-story mixed-use community.

NEIGHBORHOOD

NEIGHBORHOOD

Important to note is that the $35B development by the TSMC, which will bring in thousands of high-paying direct jobs into the area, is only 9 miles from the P83 district. TSMC's investment represents the largest direct investment in the history of the State of Arizona. Easy access to the TSMC site will require just a few minute's drive along the 101 and 17 freeways. For the incoming TSMC employees, Stadium Vue with its' large 2x2 and 3x3 townhomes will be a uniquely attractive Class A residential option.

Equally importantly, it seems that the City of Peoria is appealing directly to TSMC and the supporting high-tech industry with the aforementioned office infrastructure at P83. With heavily industrial and manufacturing facilities just 7 miles and an easy access via freeway, Peoria seems to be positioning P83 as the high-end headquarter space to compliment.

Truly, in many ways, P83 is developing to be the ultimate live-work-play location for the high-tech industry in Phoenix, competing with South Chandler and Intel.

PROPERTY DESCRIPTION

Property

An institutional-grade asset, Stadium Vue Townhomes is a 163-unit community constructed in 2007 on 6.96 acres located at the corner of 77th Avenue and Bell Road in Peoria. Aside from its economically superior location, several of the physical characteristics of Stadium Vue Townhomes are exceptionally unique.

The community is comprised 163 all-townhome units. All 163 units enjoy direct access to a private garage in the first floor of the unit, with the living quarters being on the second and third floors. Townhome layout in an apartment setting is rare in the Phoenix market and offers specific competitive advantage. Additionally, a direct access private garage is an extraordinary desirable and scarce amenity within the currently available inventory, and appears to continue to remain as such since it is rarely included in new construction within an urban setting.

The unit mix includes one, two, and three-bedroom units. The weighted average unit size exceeds 1,100 square feet. There are 65 of the 1x1 townhomes that are 840 sq.ft. with a two-car tandem garage. There are 85 of the 2x2 units sized 1,246 sq.ft. and 1,248 sq.ft., and these have two-car tandem garages. Finally, there are three types of 3x3 layouts with side-by-side two-car garages, and these range from 1,387 sq.ft. to 1,517 sq.ft., but there are only 13 of these.

The units feature very large fully equipped kitchens, full-size in-unit washers and dryers, individual cooling and heating, individual water heaters, and patios and balconies. As you'll see on the following slide, there are spacious storage spaces within the garages. All of the unit interiors are outfitted with fire sprinklers.

There are a total of 15 buildings plus the office. The community amenities currently include the office, state of the art gym, resort-style pool, spa, grilling area, and a fantastic WiFi lounge. We plan on adding a bark-park, as well as some additional conversational areas throughout the community as part of our value-add scope.

UNIT MIX

A majority of the units are two-bedroom two-bathroom floor plans, constituting 52% of the unit mix. The one-bedroom, one-bath units make up 40% of the unit mix. There are 13 three-bedroom, three-bath units (8%).

The weighted average unit size is 1,102 sq.ft.

			Current		New	
Units	Type	SF	Rent	Rent/SF	Rent	Rent/SF
65	1x1	840	$1,453	$1.73	$1,975	$2.35
71	2x2	1,246	$1,784	$1.43	$2,525	$2.03
14	2x2	1,248	$1,792	$1.44	$2,525	$2.02
3	3x3	1,387	$1,946	$1.40	$2,750	$1.98
2	3x3	1,397	$1,961	$1.40	$2,750	$1.97
8	3x3	1,517	$2,047	$1.35	$2,900	$1.91
163		**1,102**	**$1,671**	**$1.52**	**$2,331**	**$2.12**

1x1
840 SF

2x2
1,248 SF

3x3
1,397 SF

3x3
1,517 SF

STRATEGIC APPROACH

The prior ownership did an excellent job of modernizing the community amenities. The office, leasing center, WiFi lounge, gym, and pool will require little improvement by us. On the other hand, only 68 out of 163 interiors have been renovated, and, unfortunately, fall short on the level of renovation.

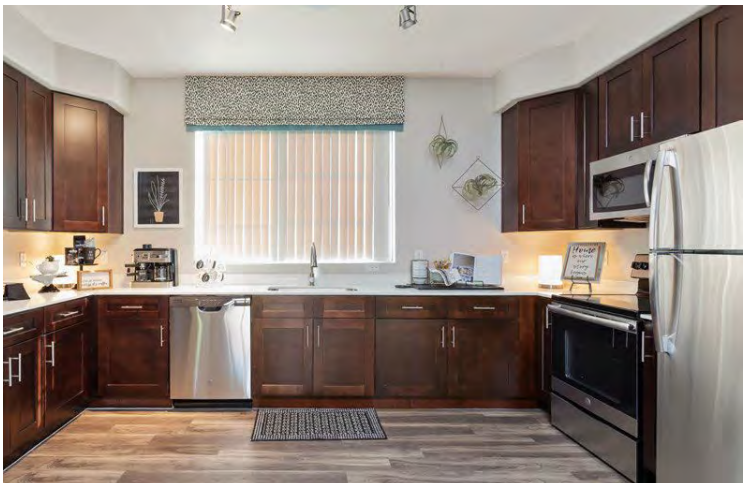
The construction budget on this project is $5M, most of which is allocated to the unit interiors.

Exterior Value-Add

As we mentioned, the prior ownership did a good job upgrading the common areas. We have allocated approximately $500,000 which will include a large deck structure behind the office to accommodate several activity areas, a firepit in the pool area, dog-park, signage, and some updated outdoor furniture.

Interior Value-Add

68 Prior Renovated Interiors



Classic Interiors

As is evident from the above image, the prior renovation features good quality cabinets, quartz countertops, and good quality vinyl plank flooring. While we might have used a different shade of cabinet finish and flooring, we certainly don't see any reason to redo this part of the scope.

However, the appliance package at this level of property should include a front-control range and french-style door refrigerator. It should include a backsplash in the kitchen, 8-inch baseboards, front-loading washer and dryer, and a much better paint scheme, and we plan to make those changes.

The remaining classic unit renovations represent a full scope, including new cabinets, countertops, flooring, baseboards, appliances, backsplash, and paint.

We intend to perform all of the exterior and common area upgrades in the first year. The interior upgrades will be completed within the first two-three years, as per the lease expiration schedule, by our team at WhiteHaven Construction. We anticipate stabilized operations by the end of year three.

We plan on exiting the asset in three to ten years, subject to market conditions.

RENOVATION BUDGET

Capital Expenditures Budget		
Item	**Amount**	**Per Unit**
Unit Interior Renovation	$3,744,000	$22,969
Signage	$50,000	$307
Deck	$200,000	$1,227
Dog Park	$100,000	$613
Pool	$100,000	$613
Subtotal	**$4,194,000**	**$25,730**
Contingency	$567,905	$3,484
Construction Management	$238,095	$1,461
Total Renovation Costs	**$5,000,000**	**$30,675**

Contingencies		
Item	**Amount**	**Per Unit**
Roof Contingency	$200,000	$1,227
Plumbing Contingency	$50,000	$307
HVAC Contingency	$114,100	$700
Overall Contingency	$203,805	$1,250
Total Contingencies	**$567,905**	**$3,484**

As you can see in the top line, our proposed interior unit renovation is $22,969 per unit, before contingency and construction management. The budget for various unit types ranges from $25,000 to $33,000, for a total of $4,424,000. However, the budget for 68 of the previously renovated units is discounted by $10,000 to account for the savings on the cabinets, quartz, and flooring. This leaves the interior renovation budget of $3,744,000, or $22,969 per unit.

The budget for the common area improvements is approximately $3,067 on a per unit basis, which brings the total renovation scope before contingencies and construction management to $25,730 per unit.

Current Bathroom Example

WhiteHaven Bathroom Renovation Example

SOURCES AND USES OF CAPITAL

Uses	
Purchase and Renovation	
Purchase Price	$72,350,000
Renovation Costs	$5,000,000
Total	**$77,350,000**
Closing Costs	
Entity Formation & Legal	$75,000
Buyer Due Diligence & PSA	$10,000
Lender Third Party Costs	$20,000
Lender Origination Fee	$1,037,094
Lender Application Fee	$30,000
Title & Escrow	$20,000
Interest Rate Cap	$500,000
Finance Fee	$1,185,250
Acquisition Fee	$1,808,750
Total Closing Costs	**$4,686,094**
Deposits and Reserves	
Taxes and Insurance to Lender	$275,280
Two months of Debt Service	$293,273
Working Capital	$1,776,353
Construction Float	$300,000
Funding Accounts	$57,050
Utility Account Deposits	$24,450
Total Deposits & Reserves	**$2,726,406**
Total Uses	**$84,762,500**

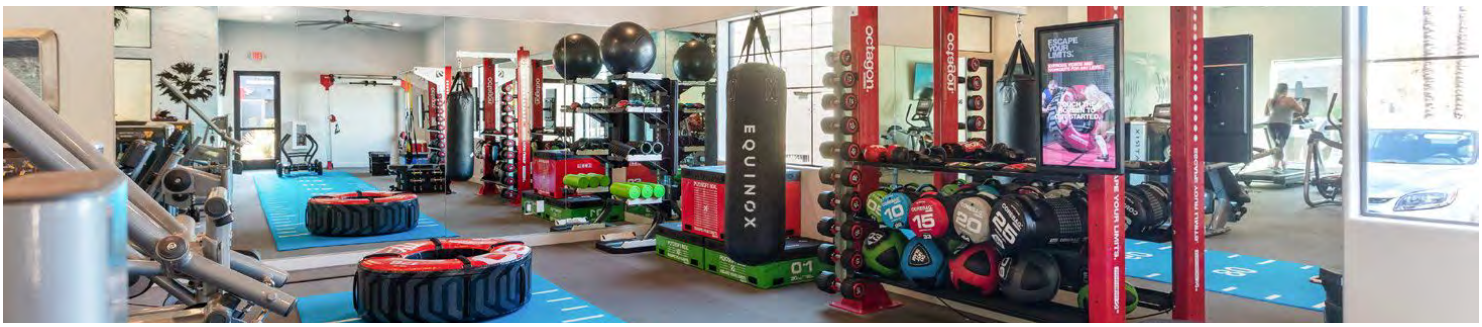
Sources	
Debt	$59,262,500
Equity	$25,500,000
Total Sources	**$84,762,500**

Margin of Safety	
Construction Contingencies	$567,905
Construction Float	$300,000
Working Capital	$1,776,353
Total	**$2,644,258**

Construction Contingencies - This represents our ability to cover mechanical and structural items that could need replacing during our hold period, as well as the overall contingency for projects that go over budget. A breakdown can be found on the previous slide.

Construction Float - While our lender does finance 100% of the renovation, we are required to pay for the work up front, and submit draw requests, accompanied by invoices and receipts. Once lender's inspector confirms that the work has been completed, we are reimbursed by the lender. This construction float that allows us to cover those up-front costs.

Working Capital - This supports our ability to withstand an economic hit to operations.



PROJECTED PROFIT & LOSS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME										
Gross Scheduled Rent	$4,559,400	$4,832,964	$5,098,777	$5,353,716	$5,594,633	$5,818,418	$6,022,063	$6,202,725	$6,388,807	$6,580,471
- LTL	21.24%	7.08%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
RENO LTL ALLOWANCE	968,616	342,244	76,482	80,306	83,919	87,276	90,331	93,041	95,832	98,707
Gross Potential Rent	**3,590,784**	**4,490,720**	**5,022,295**	**5,273,410**	**5,510,714**	**5,731,142**	**5,931,732**	**6,109,684**	**6,292,975**	**6,481,764**
+ Utility Income	195,683	199,597	203,589	207,661	211,814	216,050	220,371	224,778	229,274	233,860
+ Miscellaneous Income	185,820	189,536	193,327	197,194	201,138	205,160	209,264	213,449	217,718	222,072
Gross Scheduled Income	**3,972,287**	**4,879,853**	**5,419,211**	**5,678,264**	**5,923,665**	**6,152,352**	**6,361,367**	**6,547,911**	**6,739,966**	**6,937,695**
- Stabilized Loss (Excl. LTL)	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
- Reno Physical Vacancy Prem.	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stabilized Vacancy Allowance	**496,536**	**609,982**	**352,249**	**369,087**	**385,038**	**399,903**	**413,489**	**425,614**	**438,098**	**450,950**
GROSS OPERATING INCOME	**$3,475,751**	**$4,269,871**	**$5,066,963**	**$5,309,177**	**$5,538,627**	**$5,752,450**	**$5,947,878**	**$6,122,297**	**$6,301,869**	**$6,486,745**
Operating Expenses										
Taxes	$230,455	$235,064	$239,765	$244,561	$249,452	$254,441	$259,530	$264,720	$270,015	$275,415
Insurance	44,825	45,722	46,636	47,569	48,520	49,490	50,480	51,490	52,520	53,570
Repairs & Maintenance	73,350	74,817	76,313	77,840	79,396	80,984	82,604	84,256	85,941	87,660
General & Admin	48,900	49,878	50,876	51,893	52,931	53,990	55,069	56,171	57,294	58,440
Marketing	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Utilities	170,159	173,562	177,034	180,574	184,186	187,870	191,627	195,460	199,369	203,356
Contract Services	48,900	49,878	50,876	51,893	52,931	53,990	55,069	56,171	57,294	58,440
Payroll	219,801	224,197	228,681	233,254	237,920	242,678	247,532	252,482	257,532	262,682
Property Management	104,273	128,096	152,009	159,275	166,159	172,573	178,436	183,669	189,056	194,602
CapEx Reserve	16,300	16,300	16,300	16,300	16,300	16,300	16,300	16,300	16,300	16,300
Operating Expenses	**$970,663**	**$1,011,814**	**$1,053,401**	**$1,078,695**	**$1,103,967**	**$1,129,138**	**$1,154,132**	**$1,178,879**	**$1,204,170**	**$1,230,019**
NET OPERATING INCOME	**$2,488,789**	**$3,241,757**	**$3,997,261**	**$4,214,182**	**$4,418,359**	**$4,607,011**	**$4,777,446**	**$4,927,118**	**$5,081,399**	**$5,240,427**
Debt Service	1,759,638	1,837,138	1,837,138	2,182,505	2,182,505	2,182,505	2,182,505	2,182,505	3,360,145	3,360,145
Asset Management	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
CapEx Reserve	24,450	24,450	24,450	24,450	24,450	24,450	24,450	24,450	24,450	24,450
CASH FLOW	**$439,701**	**$1,115,170**	**$1,870,674**	**$1,742,227**	**$1,946,405**	**$2,135,057**	**$2,305,491**	**$2,455,164**	**$1,431,804**	**$1,590,832**

Cash Flow, CoC, & IRR - 3 Year Hold

	IRR	Multiple	Totals	Year 0	Year 1	Year 2	Year 3
Capital Calls			$ (25,500,000)	(25,500,000)	0	0	0
Cash Flow Distributions			$ 3,425,545	0	439,701	1,115,170	1,870,674
Capital Distributions			$ 46,593,252	0	0	0	46,593,252
Net Cash Flow		**1.96x**	**$ 24,518,797**	(25,500,000)	439,701	1,115,170	48,463,926
Capital Account							
Starting Balance				0	25,500,000	25,500,000	25,500,000
Add to Balance				25,500,000	0	0	0
Deduct from Balance				0	0	0	(25,500,000)
Ending Balance				25,500,000	25,500,000	25,500,000	0
Deal Level Cash on Cash					1.72%	4.37%	7.34%
Cash Flow from Capital Event				0	0	0	21,093,252
Pref Hurdle	***100% until reaching 10% return***						
Starting Balance				0	0	2,110,299	3,545,129
Pref Owed				0	2,550,000	2,550,000	2,550,000
Pref Paid			**$ 7,650,000**	**0**	**439,701**	**1,115,170**	**6,095,129**
Ending Balance				0	2,110,299	3,545,129	0
Distribution	***70% Thereafter***						
Cash Flow after Pref			16,868,797	0	0	0	16,868,797
Investor Take				**0**	**0**	**0**	**11,808,158**
Investor/Promote Split	**IRR**	**Multiple**					
Total to Investors	**22.22%**	**1.76x**	**$ 19,458,158**	**(25,500,000)**	**439,701**	**1,115,170**	**43,403,287**
Total to Promote				0	0	0	5,060,639
Investor Cash on Cash					**1.72%**	**4.37%**	**70.21%**

Cash Flow, CoC, & IRR - 5 Year Hold

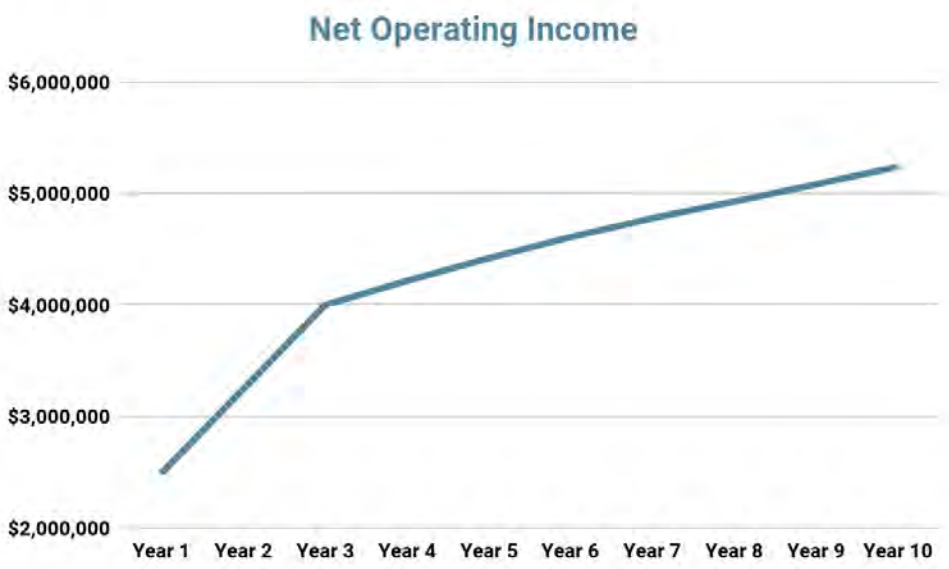
	IRR	Multiple	Totals	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Capital Calls			$ (25,500,000)	(25,500,000)	0	0	0	0	0
Cash Flow Distributions			$ 7,114,177	0	439,701	1,115,170	1,870,674	1,742,227	1,946,405
Capital Distributions			$ 49,085,830	0	0	0	3,094,779	0	45,991,051
Net Cash Flow	**19.27%**	**2.2x**	**$ 30,700,006**	(25,500,000)	439,701	1,115,170	4,965,453	1,742,227	47,937,455
Capital Account									
Starting Balance				0	25,500,000	25,500,000	25,500,000	22,405,221	22,405,221
Add to Balance				25,500,000	0	0	0	0	0
Deduct from Balance				0	0	0	(3,094,779)	0	(22,405,221)
Ending Balance				25,500,000	25,500,000	25,500,000	22,405,221	22,405,221	0
Deal Level Cash on Cash					1.72%	4.37%	8.35%	7.78%	8.69%
Cash Flow from Capital Event				0	0	0	0	0	23,585,830
Pref Hurdle	***100% until reaching 10% return***								
Starting Balance				0	0	2,110,299	3,545,129	4,224,455	4,722,750
Pref Owed				0	2,550,000	2,550,000	2,550,000	2,240,522	2,240,522
Pref Paid			**$ 12,131,044**	**0**	**439,701**	**1,115,170**	**1,870,674**	**1,742,227**	**6,963,272**
Ending Balance				0	2,110,299	3,545,129	4,224,455	4,722,750	(0)
Distribution	***70% Thereafter***								
Cash Flow after Pref			18,568,962	0	0	0	0	0	18,568,962
Investor Take				**0**	**0**	**0**	**0**	**0**	**12,998,273**
Investor/Promote Split	**IRR**	**Multiple**							
Total to Investors	**16.66%**	**1.99x**	**$ 25,129,318**	**(25,500,000)**	**439,701**	**1,115,170**	**4,965,453**	**1,742,227**	**42,366,767**
Total to Promote				0	0	0	0	0	5,570,689
Investor Cash on Cash					**1.72%**	**4.37%**	**7.34%**	**7.78%**	**89.09%**

Cash Flow, CoC, & IRR - 10 Year Hold

	IRR	Multiple	Totals	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital Calls			$ (25,500,000)	(25,500,000)	0	0	0	0	0	0	0	0	0	0
Cash Flow Distributions			$ 17,032,524	0	439,701	1,115,170	1,870,674	1,742,227	1,946,405	2,135,057	2,305,491	2,455,164	1,431,804	1,590,832
Capital Distributions			$ 58,569,074	0	0	0	3,094,779	0	0	0	0	0	0	55,474,294
Net Cash Flow	**14.3%**	**2.96x**	**$ 50,101,597**	(25,500,000)	439,701	1,115,170	4,965,453	1,742,227	1,946,405	2,135,057	2,305,491	2,455,164	1,431,804	57,065,126
Capital Account														
Starting Balance				0	25,500,000	25,500,000	25,500,000	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221
Add to Balance				25,500,000	0	0	0	0	0	0	0	0	0	0
Deduct from Balance				0	0	0	(3,094,779)	0	0	0	0	0	0	(22,405,221)
Ending Balance				25,500,000	25,500,000	25,500,000	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221	22,405,221	0
Deal Level Cash on Cash					1.72%	4.37%	19.47%	7.78%	8.69%	9.53%	10.29%	10.96%	6.39%	254.70%
Cash Flow from Capital Event				0	0	0	0	0	0	0	0	0	0	33,069,074
Pref Hurdle	***100% until reaching 10% return***													
Starting Balance				0	0	2,110,299	3,545,129	4,224,455	4,722,750	5,016,868	5,122,333	5,057,364	4,842,723	5,651,441
Pref Owed				0	2,550,000	2,550,000	2,550,000	2,240,522	2,240,522	2,240,522	2,240,522	2,240,522	2,240,522	2,240,522
Pref Paid			**$ 23,333,655**	**0**	**439,701**	**1,115,170**	**1,870,674**	**1,742,227**	**1,946,405**	**2,135,057**	**2,305,491**	**2,455,164**	**1,431,804**	**7,891,963**
Ending Balance				0	2,110,299	3,545,129	4,224,455	4,722,750	5,016,868	5,122,333	5,057,364	4,842,723	5,651,441	(0)
Distribution	***70% Thereafter***													
Cash Flow after Pref			26,767,943	0	0	0	0	0	0	0	0	0	0	26,767,943
Investor Take				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**18,737,560**
Investor/Promote Split	**IRR**	**Multiple**												
Total to Investors	**12.9%**	**2.65x**	**$ 42,071,214**	**(25,500,000)**	**439,701**	**1,115,170**	**4,965,453**	**1,742,227**	**1,946,405**	**2,135,057**	**2,305,491**	**2,455,164**	**1,431,804**	**49,034,744**
Total to Promote				0	0	0	0	0	0	0	0	0	0	8,030,383
Investor Cash on Cash					**1.72%**	**4.37%**	**7.34%**	**7.78%**	**8.69%**	**9.53%**	**10.29%**	**10.96%**	**6.39%**	**118.85%**

SALE ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
NOI	$2,488,789	$3,241,757	$3,997,261	$4,214,182	$4,418,359	$4,607,011	$4,777,446	$4,927,118	$5,081,399	$5,240,427
Exit Cap	3.25%	3.50%	3.75%	3.88%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%
Sale Price	**$76,578,110**	**$92,621,637**	**$106,593,640**	**$108,753,080**	**$110,458,987**	**$112,366,134**	**$113,748,705**	**$114,584,148**	**$115,486,330**	**$116,453,925**
Cost of Sale	$2,488,789	$3,010,203	$3,464,293	$3,534,475	$3,589,917	$3,651,899	$3,696,833	$3,723,985	$3,753,306	$3,784,753
Prepayment Fee	$592,625	$592,625	$0	$1,247,146	$1,247,146	$1,247,146	$1,247,146	$1,247,146	$1,223,211	$0
Loan Balance	$59,262,500	$59,262,500	$59,262,500	$62,357,279	$62,357,279	$62,357,279	$62,357,279	$62,357,279	$61,160,563	$59,921,284
Deposits Return	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406	$2,726,406
Net Sales Proceeds	**$16,960,602**	**$32,482,715**	**$46,593,252**	**$44,340,586**	**$45,991,051**	**$47,836,215**	**$49,173,853**	**$49,982,144**	**$52,075,655**	**$55,474,294**



Target Returns on $100,000 Investment

3 Year Hold

	Year 0	Year 1	Year 2	Year 3
Sample $100K Partner	$ (100,000)	$ 1,724	$ 4,373	$ 170,209
Cash on Cash		1.72%	4.37%	70.21%
IRR	**22.22%**			
Equity Multiple	**1.76x**			
ROI	**76.31%**			
Annualized ROI	**15.26%**			

5 Year Hold

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Sample $100K Partner	$ (100,000)	$ 1,724	$ 4,373	$ 19,472	$ 6,832	$ 166,144
Cash on Cash		1.72%	4.37%	7.34%	7.78%	89.09%
IRR	**16.66%**					
Equity Multiple	**1.99x**					
ROI	**98.55%**					
Annualized ROI	**19.71%**					

10 Year Hold

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sample $100K Partner	$ (100,000)	$ 1,724	$ 4,373	$ 19,472	$ 6,832	$ 7,633	$ 8,373	$ 9,041	$ 9,628	$ 5,615	$ 192,293
Cash on Cash		1.72%	4.37%	7.34%	7.78%	8.69%	9.53%	10.29%	10.96%	6.39%	118.85%
IRR	**12.95%**										
Equity Multiple	**2.65x**										
ROI	**164.99%**										
Annualized ROI	**16.50%**										

DEBT STRUCTURE

As is the case with any significant repositioning project where the in-place rents are low, a fixed rate GSE loan upon acquisition is not feasible because the property cannot meet the debt yield requirement. For this reason, we will be utilizing a bridge loan for the first two - three years, which we will then refinance into a GSE loan. The loan terms are as follows:

Years 1 - 3: Bridge Loan. Interest only loan at LIBOR + 310

Years 4 - 13: GSE 7-year loan. 5 years IO followed by 30-year amortization.

While our preferred exit is 3-5-years, this financing package will allow us to hold the asset long-term and provide us the flexibility to time our exit to maximize investor returns. And, of course, the ability to hold long-term represents a considerable margin of safety.

Notes:

While full amortization and fixed interest rate GSE loans are often perceived as the "safer" option, there are major drawbacks with these loans. Namely, as a "cost" for fixing the rate on securitized paper, both Fannie Mae and Freddie Mac use prepayment penalties in the form of either defeasance or yield maintenance. Both types are tied to the bond market, and both could be highly volatile, which can inhibit a preferred exit.

Essentially, both defeasance and yield maintenance serve the purpose of catching up the note owner's yield in the event the borrower exits the loan prior to maturity. For example, if we take out a fixed 7-year loan and would like to exit in 6 years, the prepayment will be minimal. However, should we desire to exit such a loan only 2 years into the amortization schedule, defeasance and yield maintenance could costs millions of dollars.

The most important safety element in our transaction is the ability to utilize market conditions to our advantage. A potentially excessively large prepayment penalty may inhibit our flexibility to exit this investment, which can impact safety and returns alike.

Therefore, we assumed a floating Freddie Mac loan with interest payments for the first 5 years, followed by 30-year amortized payments for the rest of the hold period. For all of our floating rate mortgages we utilize a rate cap, which is an insurance instrument accepted by Freddie Mac that pays out in the event the rates go above the insured level. In essence, these rate caps come close to accomplishing the same thing as a fixing the rate on a mortgage, but they are infinitely less expensive than a prepayment penalty associated with a fixed rate mortgage. We see this option as the best of all worlds, both less costly and less restricting.

The managers will evaluate market conditions at the appropriate time and make a final determination as to the timing and the choice of specific mortgage product.

Break-Even Economic Occupancy Stress Tests

Break-Even Economic Occupancy establishes the minimum economic occupancy necessary for break even operations. In other words, we answer the question - how much of an economic hit can the property sustain and still be able to pay its bills without dipping into the reserves?

The IREM Report which tracks income and expenses in multifamily across the United States, and is widely considered to be one of the more comprehensive reports available, indicates average all-in economic loss for Phoenix MSA of approximately 7.2% for stabilized garden style buildings. This includes physical vacancy and all other economic loss.

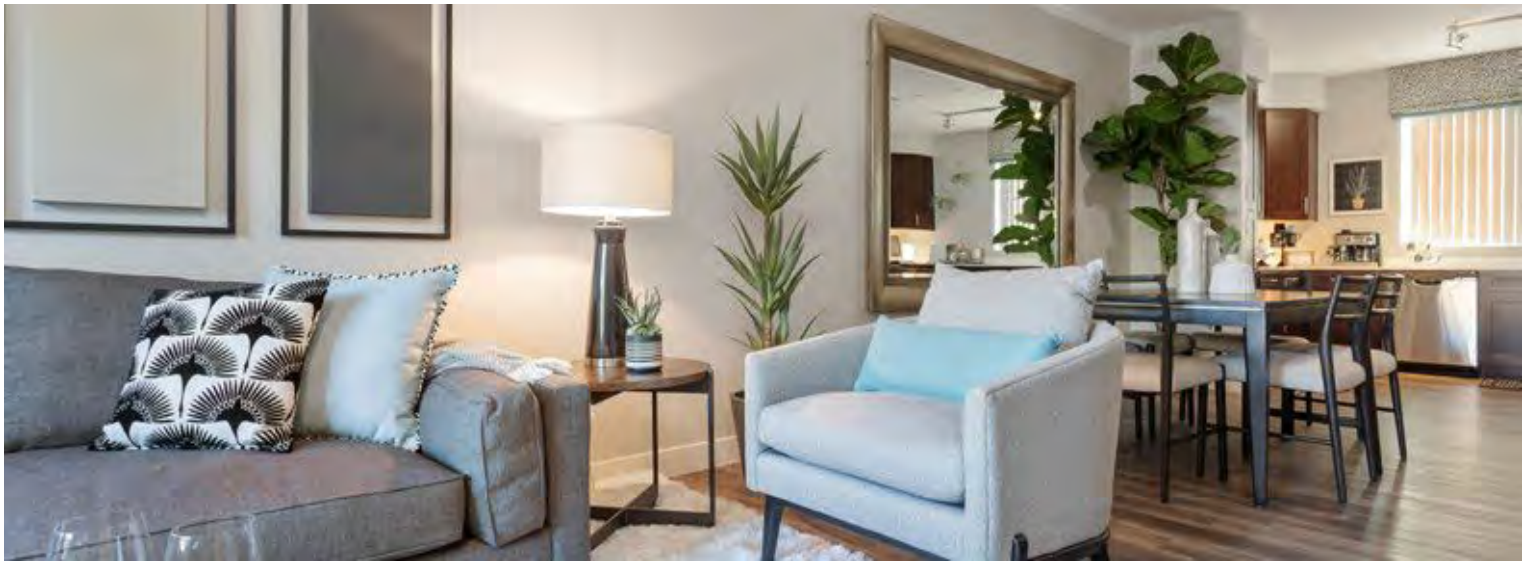
STABILIZED BREAK-EVEN ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Expenses, Capex, Debt Service*	$2,771,050	$2,889,701	$2,931,289	$3,301,950	$3,327,222
Gross Scheduled Income**	$3,972,287	$4,879,853	$5,495,693	$5,758,570	$6,007,584
Breakeven Occupancy* **	**69.76%**	**59.22%**	**53.34%**	**57.34%**	**55.38%**

*To maintain normal operations the following items need to be fully funded: Operating Expenses, Capital Expense Reserve Fund, and Debt Service.

**Gross income in this table is the Gross Scheduled Income with no economic losses taken into account.

***Break Even-Economic Occupancy indicates the necessary occupancy to meet break-even operations.



RENTAL COMPS

Introduction

Relative to value-add execution, there are only two approaches - one can either lead the way, or one can follow. Most institutional investors feel a lot safer not being first in line. Most tend to operate more in a “check the box” mode, following the path of a proven concept with a lot of supporting direct comparables before dipping their toe in the water.

The WhiteHaven model, however, is opportunistic. We like to lead, and we have proven this to be the safer approach for us. The simplest way to understand our perspective is to acknowledge that by being the first to prove a concept, we essentially contribute to the evolution of the very market cycle that eventually provides us the exit. We validate the value through our repositioning and then wait for the market to accept it, for it to become the norm, and for someone to eventually pay us.

Stadium Vue Townhomes represents a very compelling yet increasingly unique value-add opportunity, much as all of our projects. The reality is that being comprised 100% of townhome units, with each unit enjoying direct access to a private garage, this asset is so structurally unique that there simply aren’t any direct comps.

While comps for some of the units can be found in the same general location, but are missing garages and the renovation level, comps for other layouts simply do not exist in this location and we’ve had to head cross-town.

This uniqueness supports considerable market pricing, however, our assumptions are conservative. To help you understand our logic we’ve provided detailed narrative for our analysis. We feel the rationale is compelling, and we believe we’ve left considerable upside in our post-renovated projections of rents.

Let us begin.

RENTAL COMPS - 1x1

Property	Type	SF	Rent	Rent/SF	Year Built
Comps					
Sky at P83	1x1	850	$ 1,846	$ 2.17	2002
Arrowhead Landing	1x1	792	$ 1,768	$ 2.23	1998
Waterford at Peoria	1x1	845	$ 1,917	$ 2.27	2008
Solis at Towne Center	1x1	760	$ 1,776	$ 2.34	1998
Cortland at P83	1x1	766	$ 1,726	$ 2.25	2019
Subject					
Haven at P83	1x1	840	$ 1,975	$ 2.35	2007

Sponsor's Notes

Sky at P83, with similarly-sized units and very comparable community amenities, appears to be the best comp on the list. However, the finishing surfaces are outdated, and so is the use of white appliances. Arrowhead landing units are upgraded with a large refrigerator, but the countertops are laminate. Both Waterford at Peoria and Solis at Towne Center have upgraded interiors but simple apartment-style stainless appliance package, such as we would use in the 80's product.

None of the above comps feature direct access to a private garage.

The average monthly rent for this comp set is $1,806. The best way to do an "apples-to-apples" comparison is to back the garage premium out of our projections, thus enabling a more direct comparison.

At our other communities we are achieving $150 of rent for one-car detached garages. We believe that for a two-car tandem garage with direct access we can conservatively achieve at least $250 of rent. Backing $250 out of our projected rent of $1975 leaves us with an adjusted rent of $1,725, which is less than the monthly rent for this comp set of $1,806, But this rent does not take into account the superior condition and layout of the our post-renovated units.

Considering this on a per square foot basis, the average pricing among this comp set is $2.25. Our projected pricing of $1,975 is equal to $2.35 per square foot, which is $0.10 higher than the average of the comp set and only $0.01 higher than Solis at Towne Center, which is ten years older and doesn't feature direct access garages. And if we compare adjusted pricing (minus the garage), our projected rent is equal to $2.05 per square foot, which is lower than the $2.25 per square foot average of the comp set.

All of this ignores the fact that the private garages are oversized, meaning that residents will essentially have access to climate-controlled storage within the garage, which has value.

We believe our pricing is achievable and leaves quite a bit of room to overperform.

RENTAL COMPS - 2x2

Property	Type	SF	Rent	Rent/SF	Year Built
Comps					
Sky at P83	2x2	1,093	$ 2,168	$ 1.98	2002
Arrowhead Landing	2x2	960	$ 1,894	$ 1.97	1998
Arrowhead Landing	2x2	1,121	$ 2,512	$ 2.24	1998
Waterford at Peoria	2x2	1,086	$ 2,068	$ 1.90	2008
Solis at Towne Center	2x2	1,040	$ 1,938	$ 1.86	1998
Cortland at P83	2x2	1,229	$ 2,400	$ 1.95	2019
Subject					
Haven at P83	2x2	1,246	$ 2,525	$ 2.03	2007
Haven at P83	2x2	1,248	$ 2,525	$ 2.02	2007

Sponsor's Notes

Once again, Sky at P83 seems to be a good comp to baseline, specifically because the 2x2 units at this comp are the largest of the comp sett and the closest to the subject. Having said this, Sky at P83 2x2 units are only 1,093 square feet, which is approximately 150 square feet smaller that the 2x2 units at the subject. While a small difference in unit size of, for example 30 square feet, does not significantly impact the livability and desirability of a unit, 150 square feet is a very noticeable difference to the residents. All things being equal, most residents are most definitely willing to pay for substantive square footage such as this. Thus, while Sky at P83 is the best comp in this set, it's clearly not an ideal "apples-to-apples" comparison.

The average monthly rent for this comp set is $2,163, while the average unit size of 1,088 square feet. Our proposed monthly rent is $2,525, but units are quite a bit larger at 1,248 square feet. Thus, on a per square foot basis, the average rent in this comp set of $1.98 is only $0.05 lower than our proposed per square foot rent of $2.03.

And, obviously, inclusive in our projected rent of $2.03 per square foot are the tandem two-car garages, which are not available at any of the comps. So, for the benefit and pleasure of an additional 150 square feet and a direct access tandem two-car garage we are asking for $0.05 per square foot.

Another way to think about this is to back out $250, which is our two-car tandem garage premium, from our proposed rents of $2,525. The resulting $2,275 monthly rent is $112 higher than the average of the comp set. But, this represents only $1.82 per square foot, which compares very favorably to the $1.98 per square foot average of the comp set.

Arrowhead Landing is the highest priced comp in the set. Our proposed rent after the adjustment for the garage of $2,275 is only $13 higher than this comp. However, the units at Stadium Vue Townhomes are 125 square feet larger, meaning that our proposed pricing on a per square foot basis is lower than Arrowhead Landing.

We believe our pricing is achievable and leaves quite a bit of room to overperform.

RENTAL COMPS - 3x3's

Property	Type	SF	Rent	Rent/SF	Year Built
Comps					
The Highland	3x3	1,353	$ 2,903	$ 2.15	1998
The Catherine	3x3	1,343	$ 3,035	$ 2.26	1999
Inspiration at FLW	3x3	1,449	$ 3,515	$ 2.43	2002
Town Commons	3x3	1,760	$ 3,290	$ 1.87	2017
Nexa	3x3	1,301	$ 3,244	$ 2.49	2017
The Cameron	3x3	1,656	$ 4,445	$ 2.68	2020
The Tyler	3x3	1,590	$ 4,850	$ 3.05	2021
The Tyler	3x3	1,554	$ 4,553	$ 2.93	2021
The Tyler	3x3	1,583	$ 4,820	$ 3.04	2021
Subject					
Haven at P83	3x3	1,387	$ 2,750	$ 1.98	2007
Haven at P83	3x3	1,398	$ 2,750	$ 1.97	2007
Haven at P83	3x3	1,517	$ 2,900	$ 1.91	2007

Sponsor's Notes

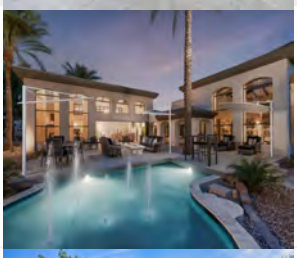
Let us begin with saying that three-bedroom units with three bathrooms are exceedingly rare, which is reflected in their pricing. Generally-speaking, as unit sizes get larger we can expect the pricing to come down on a pre square foot basis. This was the case with the 1x1 vs. 2x2 unit pricing we discussed on the prior slides, whereby the 1x1 comp average came in at $2.25 per square foot, while the 2x2 average of $1.98.

You might expect this trend to continue, and the 3x3 units to carry a higher nominal rent but lower per square foot rent. However, the data indicates just the opposite. The 3x3 average pricing in our comp set is a whopping $2.54 per square foot. This is significantly higher than even the one-bedroom units, reflecting scarcity, intrinsic desirability, and pricing power of the 3x3 layout.

In actuality, based on the rents we are seeing in the comp set, we believe we will be able to achieve $3,200 rents for our 3x3 units with attached side-by side two-car garages. However, we are underwriting $2,750 and $2,900 per month rent, which is $1.91-$1.98 per square foot. We are being very conservative, mostly because we needed to go so far out of our location to even find comps for the 3x3 unit layout, and also because as you can see above many of these comps are 2017 and later vintage.

There are only 13 of these units at the property, and we believe that for all intents and purposes these units will command market pricing simply because there really isn't a good comparative market that exists for these units in this location.

SALE COMPS

		Property	YOC	Units	SF	Price	$/Unit	$/SF
S)		**Stadium Vue**	2007	163	179,629	$72,350,000	$443,865	$403
1)		**Ascend at Kierland**	1998	364	381,672	$159,000,000	$436,813	$417
2)		**Elite North Scottsdale**	1996	360	381,190	$153,500,000	$426,389	$403
3)		**Desert Parks Vista**	2005	202	217,758	$84,600,000	$418,812	$389
4)		**Trevi**	2005	290	287,776	$117,000,000	$403,448	$407
5)		**Arrowhead Ranch by Baron**	1996	256	244,608	$102,000,000	$398,438	$417
		Average		**273**	**282,106**	**$114,741,667**	**$416,780**	**$406**

HOLDINGS & HISTORICAL RETURNS

Holdings

The table below indicates every asset in the WhiteHaven Capital's portfolio since 2018. As you can see we are not a volume buyer, but we are hyper focused on the quality of what we buy and are very willing to wait for the right opportunities.

Property	Units	Purchase Price	Purchase Year	Renovation Budget	Renovation Per Unit	Equity Raise	Exit Status	Sales Price	Hold Period
Canyon 35	98	$8,150,000	2018	$1,388,850	$14,172	$3,571,000	Sold	$15,500,000	36 Months
Haven at South Mountain	117	$10,750,000	2019	$1,500,000	$12,821	$4,500,000	Sold	$18,000,000	21 Months
Haven on Peoria	164	$19,750,000	2019	$2,700,000	$16,463	$7,450,000	Sold	$28,700,000	22 Months
Haven on the Rail	94	$10,600,000	2019	$3,000,000	$31,915	$4,200,000	Sold	$19,500,000	21 Months
Haven on Thomas	104	$16,000,000	2021	$2,800,000	$26,923	$10,419,000	N/A	N/A	Holding
Haven at Arrowhead	136	$45,000,000	2021	$5,000,000	$36,765	$15,700,000	N/A	N/A	Holding

Historical Returns on Full-Cycle Dispositions

As you can see in the table below, we've been able to significantly over-perform our projections on all of our full-cycle dispositions.

Property	Status	Target IRR	Actual IRR	Hold Period
Canyon 35 (Silver Tree)	Sold	15%	25%	36 Months
Haven at South Mountain (South Mountain Square)	Sold	15%	41%	21 Months
Haven on Peoria (Ridgepoint Apartments)	Sold	15%	25%	22 Months
Haven at the Rail (Sun Crest Apartments)	Sold	15%	50%	21 Months

This data is better understood in the context of ownership period and renovation saturation. Please see the following slide for more perspective.

HOLDINGS & HISTORICAL RETURNS

Historical Rent Increases

Property	Initial Rents	New Rents	Rent Increase	% Increase
Canyon 35	$571	$975	$404	71%
Haven at South Mountain	$748	$1,109	$361	48%
Haven on Peoria	$842	$1,118	$276	33%
Haven on the Rail	$897	$1,291	$394	44%
Average	**$765**	**$1,123**	**$359**	**47%**

Historical Revenue Increases Relative to Hold Period & Renovation

Finally, the table below places the revenue growth we've been able to achieve through our value-add business plan into the context of the duration of our ownership and the status of unit upgrades.

Property	First Month Gross Income	Last Month Gross Income	% Increase Gross Income	% Renovated	Hold Period (months)
Canyon 35	$58,905	$104,370	77%	99%	36
Haven at South Mountain	$88,079	$121,790	38%	70%	21
Haven on Peoria	$123,893	$178,614	44%	49%	22
Haven on the Rail	$79,243	$100,589	27%	29%	21
	$87,530	**$126,341**	**47%**	**62%**	**25**

WHITEHAVEN'S COMPETITIVE ADVANTAGE

Local Sponsors

WhiteHaven Capital is headquartered in Phoenix, with principals and operators reside in the Phoenix Metro. We focus our buying activities exclusively in the Phoenix market. Being local, we've developed deep relationships with brokers, lenders, and vendors alike. Being close to the action, we understand the dynamics intimately and are able to react quickly to preserve investor value.

In-House Construction

WhiteHaven Construction is wholly owned by WhiteHaven Capital principals, and serves as the construction arm for the benefit of WhiteHaven Capital's projects. To date, our renovation team has completed approximately 360 units for a total volume of $3.5M. Our construction team consists of 5 people, including a coordinator and 4 in the field. With the current staffing we renovate up to 30 interiors per month, and will expand the team as necessary. Being vertically integrated benefits investors in three ways:

1) Shorter renovation timelines

   Our team can renovate a unit in 30 days, and if we need to push it, in as little 3 weeks. Having control over the timing enables us to minimize the economic losses throughout the process.

2) Improved quality assurance

   Our construction manager ensures that our team, who are W-2 employees, maintains quality workmanship throughout the entire scope.

3) Reduced renovation costs

   As construction costs continue to rise, our costs are controlled by bringing our construction in-house. The costs of materials may change, but our labor costs are fixed. Also, we eliminate the risk of extravagant labor costs for change orders.

SPONSOR BIOS

WhiteHaven Capital is a real estate private equity firm with a focus on multifamily assets in Phoenix, Arizona. Since inception in 2018, the firm has transacted $200M, including full-cycle disposition of 4 assets.

WhiteHaven Construction was formed in 2019 with the sole purpose of executing unit renovations on behalf of WhiteHaven Capital properties, and is currently renovating nearly 500 units across our portfolio.

Ben Leybovich

As a principal of both WhiteHaven Capital and WhiteHaven Construction, Ben oversees new acquisitions, asset management, and investor relations.

Ben has been a real estate investor since 2006. He has been a principle in acquisitions totaling $80M, $1.5M of which he is the sole equity partner.

Ben resides outside of Phoenix in Mesa, Arizona with his wife, Patrisha, and their two kids, Aaron and Isabella.

Sam Grooms

As of principal of both WhiteHaven Capital and WhiteHaven Construction, Sam oversees acquisitions, financing, reporting and construction.

Sam began his career at Deloitte, where he assisted public companies with their SEC filings. He went on to manage the SEC reporting for Amkor, a $3 billion public company.

Sam graduated summa cum laude from Arizona State University with bachelor's and master's degrees in Accounting, and is a Certified Public Accountant.

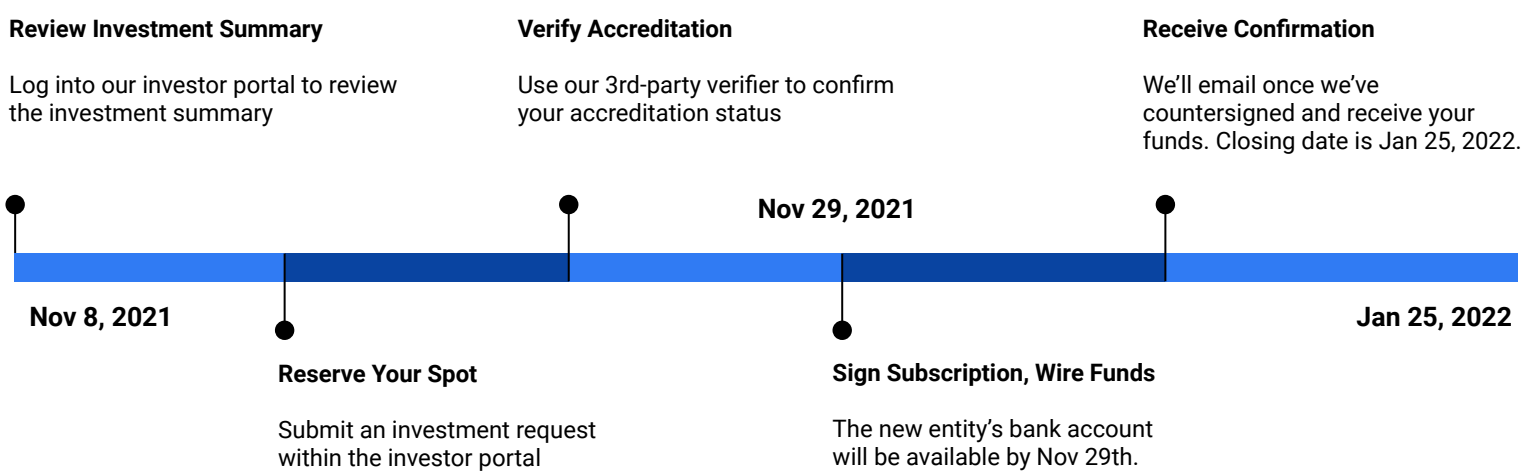
COMMITMENT INSTRUCTIONS AND TIMELINE

Eligibility

In order to be eligible to participate in this investment, prospective investors must meet the definition of an Accredited Investor as defined by Regulation D, promulgated under the Securities Act of 1933, as amended. There are two common categories of accredited investors:

1) Any natural person whose individual net worth or joint net worth with that person's spouse, at the time of his purchase, exceeds $1,000,000. Net worth excludes equity in primary residence.
2) Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

Timeline and Instructions



Verification of Accreditation

We will need to verify your status as an accredited investor. You will receive an email after submitting your investment request with instructions on what is required.

Minimum Investment

The minimum for this investment is $100,000.

Disclaimer

This informational property packet is not an offer to sell securities. An offer to sell securities can only be made via the Confidential Private Placement Memorandum. If you are interested in subscribing to this investment, please request access to the Confidential Private Placement Memorandum and Subscription Agreement.