Opportunity Fund (ICO1)

A special purpose fund with a proven sponsor, projected 50%+ IRR

3Q24 Update

This confidential investment briefing is an overview of our current funds and does not constitute an offer.

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HIGHLY CONFIDENTIAL *December 2024*

A love letter from our attorney…

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ICO1 Update 3Q24 – Early Exit update

Valuations

- JLL Securities has begun to provide underlying values for 25x Phase I assets.
  - Basket 1: Sponsor at $775 MM vs. JLL at $735 MM… small gap. < 10%.
  - 15 are almost complete; good agreement on valuations. 10 in discussion to fine tune.
  - Generally, JLL valuations are +/- 1 standard deviation within Sponsor's internal expectations.
- Baseline requirement for any asset to be contributed to NewCo is:
  - It must have an estimated market value at or above total capitalization (e.g., debt plus unreturned contributed capital).
- Overall, we are very encouraged by all facets of the upcoming launch of NewCo including:
  - The valuation process,
  - Raising new and replacement capital,
  - The pipeline of opportunities for new acquisitions and
  - Third-party businesses for the operating companies.

Updated process timing

1. Early December 2024: Receive relative valuations of Phase I assets determined by JLL Securities.
2. Mid-January 2025: Begin investor election and consent solicitation process.
   - Gathering investor consent to the transaction
   - Commitments on whether to redeem existing investor's interests or exchange for an interest in NewCo
   - Equity multiple (EM) varies by project from 1.2x to 4.0x. Older projects are generally higher due to value creation.
3. December 2024 – March 2025: Capital raising effort for the redemption of investors electing to exit.
4. March 2025: Close Transaction (close new capital investment; existing Investors either transfer or sell).
5. March 2025: Distribution to Redeeming Investors (assuming #4 above occurs).

If the REOC doesn't work, we simply hold the asset and continue with the original business plan.

ICO1 Update 3Q24 – Elements (Tampa) – 17% of fund

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Will it sell early?
- This asset is on the bubble regarding whether it will sell early – possible valuation is too high (cap rate is too low).
- Among the bigger LP, 90% gave initial "soft commit" to sell early. May be optimal to sell separately.
- Ironton has the option to make a separate decision on each asset regarding staying in NewCo or exiting early.
- Sponsor confirmed the JLL appraisal came in sufficiently above total capitalization in initial proforma.

Hurricane impact?
- Asset was hit by two hurricanes . The damage did not meet the minimum deductible and will be more than $1.3M.
- LURIN has begun the restoration process and expects the restoration to be complete in January 2025.

Operations status?
- Occupancy at approximately 90%; 93% pre-leased, achieving approximately 90% of underwritten proforma rent.

Refi status?
- Elements existing debt matures on December 6th, 2024, one month past its original maturity date.
- Sponsor was able to negotiate a one-month extension.
- Sponsor has secured a refinancing solution that is set to close on or before the above maturity date.
- Unfortunately, refinancing requires a cash-in solution. Although the asset received capital in early 2024, the extended timeframe needed to find a debt solution, the tighter capital markets and impacts from the two hurricanes all culminated in the need for additional capital to refinance the asset.
- Blended rate from 9.2% to 6.9%. Cash raised sets up interest reserve account.

Capital call plan?
- Ironton arrange a short-term loan to cover the capital call; ICO1 LP will not need to write a check.

ICO1 Update 3Q24 – Delmar (Tampa) – 65% of fund

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Will it sell early?
- If it qualifies for an early exit; it would be in phase II (late '25). Otherwise, 2-3-year timing on exit.
- This asset might sell at a lower cap rate than the weighted average that goes into the NewCo basket. Trophy.
- Selling separately (even if it takes a year or two longer) might give the best overall result.
- Ironton has the option to make a separate decision on each asset regarding staying in NewCo or exiting early.

Hurricane impact?
- Complex is on the bay; had flooding from hurricane storm surge. Sponsor has biz interruption insurance.
- Asset was hit by two hurricanes. Insurance coverage @ $500k cap per building. Damage was below the minimum deductible.
- Restoration process underway; target completion in January 2025.
- 3 buildings (15, 16, 17) most impacted. 140 units impacted. 50-60 units w/ 2' unit. Flood cut drywall. Rest: 1-2" water, still need remediation. Relocated 35 tenants to other units.
- Some landscaping damage. Tree limbs. Lost pool use. But no tree thru building or missing roofs. Will inspect roofs..

Operations status?
- Was 90% occupied; now 70% ; 200 of 600 units are down. Tarps, messy.
- Focused on restoration. <u>Almost done</u>. Great news: no asbestos!
- Full coverage on fixing those units.

Refi status?
- In middle of refi at Del Mar.

Capital call plan?
- Not yet announced; expected in early/mid December.
- Ironton arrange a short-term loan to cover the capital call; ICO1 LP will not need to write a check.

ICO1 Update 3Q24 – Westshore Palms (Panhandle FL) – 18%

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Will it sell early?

- Asset is a good candidate for phase I sale in Spring '25.
- Ironton has the option to make a separate decision on each asset regarding staying in NewCo or exiting early.

Operations Status

- "Crushing it." Strong lease growth + strong renewals. 92% occupied.
- Had to spend the capex budget to get the rent increase. 3 years into project; mature.
- Renovation = mostly done.
  - Did most of interiors – counters, backsplash. Exterior done.
  - Not done? Didn't get approval from city on pool, so less. Did the pool + landscaping + fence + lighting
  - Interior = halfway done… now doing as units turn over … getting pro forma rents or better.
- Current 92% / preleased 95%
  - Better than market. Better than pro-forma.
  - If you can take old unit pre-renovation and get the rents … no more renovation.
  - Will only do light renovation if need to get the rent.

Hurricane impact?

- Not impacted.

Refi Status

- Current loan matures in February 2025. Cash-in (via capital call) required to refinance.
- Buying down the rate by 2.5% (affordable to do so). Blended debt goes from 9.1% to 6.1%.

Capital call plan?

- Ironton arrange a short-term loan and/or will fund the capital call; ICO1 LP will not need to write a check.

ICO1 - 2 Capital Calls

Due to the hurricanes in Florida, we received a Capital Call from the Sponsor (see capital call below). Ironton has arranged for a short-term loan to fund this, so you won't need to send in a check to cover it. When the investment returns capital, the loan will be paid off prior to any pay outs. While this capital call is already arranged, if you have interest in assisting in providing loans in future situations like this – if any – let us know.

Keep in mind that all of these refis cut the interest rate by approximately 30% - as example from 9.5% to 6.5% (each one varies) - which significantly helps the interest carry that has impacted these projects to date. As such, we are in support of the refis - even though require additional capital - because the interest burden is significantly lightened. Its identical to if you went to refi you house and the bank told you they could get you a much better interest rate on the new if you could come up with $10-15K to pay down the balance + cover the loan closing costs.

As you know, the property was impacted by Hurricane Helene and Milton. Unfortunately, the hurricanes not only impacted the asset physically, but they also impacted the plans for the asset as it relates to its debt structure. We were actively seeking a refinancing solution or a potential sale of the asset prior to the storms. We received an executable refinancing term sheet and had started marketing the asset for sale in September.

Unfortunately, the asset was hit by both hurricanes, and the property requires extensive restorations following the storms, leading the new lender to pull the term sheet. LURIN also determined that selling the asset while physically impaired post hurricane would not result in a favorable outcome for investors or the existing lender. As such, we have worked out an agreement with the existing lender to provide additional time to find a refinancing solution post the restoration of the asset to correspond to the timeline laid out in the Refinancing section below. To facilitate the modification with the lender, LURIN and Jon P. Venetos were required to provide several financial guarantees to bridge the asset, as well as completion guarantees regarding the restoration of the property from the hurricanes.

ICO1 - 1st Capital Call Elements on Third

Refinancing & Capital Call

Elements on Third's existing debt structure expires on December 6th, 2024, which is one month past its original maturity date of November 6th, 2024, as LURIN was able to negotiate a one-month extension with the existing lender. In addition, LURIN has secured a refinancing solution that is set to close on or before the above maturity date, which is further described below.

Over the past 10 months, LURIN has been working on securing a refinancing solution for the asset. There were many challenges along the way, specifically centered around capital markets rather than asset specific issues, and the process was far more difficult and took significantly longer than originally anticipated. Although the capital markets have become more accessible through the course of 2024, they remain restrictive. Lenders, both agency and bridge, have increasingly tightened their debt yield requirements (i.e., moved debt yield higher), despite the tightening cycle concluding and a new easing cycle beginning. In addition, post the first rate cut by the Federal Reserve, the belly of the yield curve (2 to 10 year) experienced significant steepening and increased 50 to 75 bps across the curve from the lows. All of these factors have led to a challenging environment to refinance the asset from a capital markets perspective.

In addition, in late September and mid-October, the asset was hit by two hurricanes, Helene and Milton, both of which caused damage to the property. Milton had the most impact on the asset, damaging the roofs on Sea Glass Tower and requiring a full replacement. The damage to the asset did not meet the minimum deductible and will be in excess of $1.3M. LURIN has begun the restoration process and expects the restoration to be complete in January 2025.

Despite the above, the asset has had strong operational and financial performance, with occupancy at approximately 90% and achieving approximately 90% of underwritten proforma rent. This has allowed us to secure a refinancing solution that addresses the upcoming debt maturity, lowers the cost of capital, and provides a debt solution to allow for the asset to be fully monetized. Unfortunately, the refinancing solution requires a cash-in solution. Although the asset received capital in early 2024, the extended timeframe needed to find a debt solution, the tighter capital markets and impacts from the two hurricanes all culminated in the need for additional capital to refinance the asset.

ICO1 - 1st Capital Call Elements on Third

Debt Details

Existing Debt Structure:

•**Varde Loan:** $115,000,000 (3Yr + 1Yr + 1Yr / SOFR + 395bps / Floating)

•**Cost of Debt:** 9.2%

•**Maturity Date:** December 6th, 2025

New Debt Structure:

•**Bridge Debt Strategies Loan:** $95,000,000 (2Yr / 4.79% / Fixed)

•**Smith Hill Pref:** $25,000,000 (2Yr / SOFR + 900bps / Floating)

•**Blended Cost of Debt:** 6.9%

•**Maturity Date:** December 6, 2026

•**New Debt Service Reduction:** ~$4M annually

ICO1 - 1st Capital Call Elements on Third

Financial Snapshot

Income	3Q24	Annualized
Effective Gross Income	$2,353,520	$11,710,848
Total Operating Expenses	$1,319,754	$4,339,789
Net Operating Income	$1,033,766	$7,371,059
Existing Debt Service	$2,693,056	$10,773,768
Net Cash After Debt Service	($1,659,676)	($3,402,709)
Est. New Debt Service	$1,660,625	$6,642,500
Est. Net Cash After Debt Service	($626,859)	$728,559
Est. New Debt Service w/DSR	$1,223,125	$4,895,500
Est. Net Cash After Debt Service & DSR	($189,359)	$2,478,559

As mentioned, the above refinancing will require a capital call to fill the gap between the existing and new debt structures.

ICO1 - 1st Capital Call Elements on Third

Sources & Uses

Sources		Uses	
Bridge Debt Strategies Loan	$95,000,000	Varde Loan	$115,000,000
Smith Hill Pref	$25,000,000	CC & CC[1]	$11,097,500
New Capital	$6,097,500		
Total	**$126,097,500**	**Total**	**$126,097,500**

(1) CC & CC = Closing Costs & Carry Costs includes but not limited to exit fees, buy down fees, legal fees, debt service reserves, interest rate caps, title & insurance, etc.

The refinancing solution for Elements on Third requires the purchase of an interest rate cap and the creation of a debt service reserve for the 1st lien and preferred at closing. As such, the dollars needed to close are greater, but it also means all debt requirements for the asset are covered for the next 2 years.

Capital Call

As outlined in the Sources & Uses above, the asset requires ~$6.0M of additional capital to close the above refinancing. LURIN is calling $7.0M, or ~22%, of total equity capital, and we request funding by **December 5th, 2024**.

ICO1 - 2nd Capital Call Westshore Palms

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REFINANCING & CAPITAL CALL

Westshore Palms existing debt structure matures in February 2025. Given the strong operational and financial performance of the asset, with occupancy at approximately 92% and achieving approximately 88% of underwritten proforma rent, we have secured a refinancing solution that addresses the existing debt obligations and the upcoming debt maturity in 2025, while also significantly lowering the cost of capital and providing a longer duration debt structure (five- year term if needed).

While capital markets have become more accessible over the back half of 2024, lending requirements are still fairly restrictive and the recent widening in mid to longer-term rates has unfortunately changed this from what was originally planned to be a cash neutral refinancing to a cash-in refinancing. The asset is under application with Freddie Mac for a 1st lien loan and Mirasol Partners for a preferred equity replacement with a close in early to mid-December 2024.

Debt Details

Existing Debt Structure:

•**Acore Loan**: $36,593,907 (3Yr + 1Yr + 1Yr / SOFR + 375bps / Floating)

•**Blended Cost of Debt:** 9.1%

•**Maturity Date:** February 18, 2025

New Debt Structure:

•**Freddie Mac Loan**: $30,600,000 (5Yr / 4.79% / Fixed)

•**Mirasol Pref:** $6,000,000 (5Yr / SOFR + 900bps / Floating)

•**Blended Cost of Debt:** 6.1%

•**Maturity Date:** December 15, 2029

•**New Debt Service Reduction:** ~$1.1M annually

ICO1 - 2nd Capital Call Westshore Palms

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Financial Snapshot

Income	3Q24	Forward 12 Months
Effective Gross Income	$936,951	$3,969,528
Total Operating Expenses	$377,995	$1,309,296
Net Operating Income	$558,956	$2,660,232
Existing Debt Service	$827,937	$3,311,749
Net Cash After Debt Service	($268,981)	($651,571)
Estimated New Debt Service	$456,192	$1,824,770
Estimated Net Cash After Debt Service	$102,764	$835,463

As mentioned, the above refinancing will require a capital call to fill the gap between the existing and new debt structures.

Sources & Uses

Sources		Uses	
Freddie Loan	$30,605,000	Acore Loan	$36,593,907
Mirasol Pref	$6,100,000	CC & CC[1]	$2,110,663
New Capital	$2,099,570		
Total	**$38,704,570**	**Total**	**$38,704,570**

(1) CC & CC = Closing Costs & Carry Costs includes but not limited to exit fees, buy down fees, legal fees, debt service reserves, interest rate caps, title & insurance, etc.

Capital Call

As outlined in the Sources & Uses above, the asset requires $2.1M of additional capital to close the above the refinancing. LURIN is calling $3.1M, or 25%, of the originally committed equity capital, and we request funding by December 6th, 2024.

Ironton Capital – Current Funds Overview

For Accredited Investors for Informational Purposes Only – Not an Offer to Invest

	National Diversified Funds (NDFs)	Short Term Income Fund (STI)	Medium Term Income Fund (MTI)	Opportunity Funds
Underlying industry	• Real estate	• Real estate (80%+) • Medical receivables (20%-)	• Medical receivables	• Mainly real estate
Target returns	• 16%+ 5-6 year timeline	• 8-9%+	• 11-13%; fixed (based on capital contribution)	• 30%+ 1-3 year timeline
Launch frequency	• Bi-annual, closed ended	• Evergreen, open ended	• Opens 1-3 times a year • Closed ended	• Varies
Liquidity	• Cash distributed as individual projects cash flow	• Quarterly dividends • Principal back w/ 30day notice	• Quarterly dividends • Access to principal after one year lockup	• Varies
Fund size	• $10-20M	• $200M+	• $30M+	• $1-10M
Individual investments	• 10-15	• 200-400	• 10,000+	• Varies
Tax advantages	• Targeting depreciation tax shelter	• REIT income treatment	• No tax advantage	• Varies
Min investment	• $50K (one-time) • $25K (investments in multiple NDFs)	• $50K	• $50K	• $50K

Executive Summary

We are delighted to introduce the Ironton Capital Opportunity Fund 1 (ICO1), the first in a series of funds, whose investment thesis is driven by specific events driving premium returns.

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FUNDING CAPITAL CALLS SHORTFALLS WITH 50% IRR

A Dallas-based developer well known to Ironton through prior investments, has issued several interest-rate related capital calls. Some existing LPs chose to not participate in these calls. These LPs will be diluted by 30%+ and the investors funding the shortfall will accrete the equivalent amount (approximately 2-3x), resulting in potential 50-80% LP IRRs.

NO SYSTEMIC RISK

The developer is running nearly 50 projects seven of which require capital calls. The issue is not systemic. Ironton avoids funding capital calls related to operational issues. On a case-by-case basis, Ironton has decided to fund capital calls related to financing issues, if driven by factors outside developer control.

DERISKED PROJECTS

The projects were initiated in 2021-2022. Derisked in four ways: (a) stabilized (90%+ occupancy, market rents), (b) renovations nearly complete, (c) on track for 2-3 year exit, and (d) financing risk mitigated by the capital calls.

REOC OFFERS OPTION FOR A QUICK 100%+ EXIT

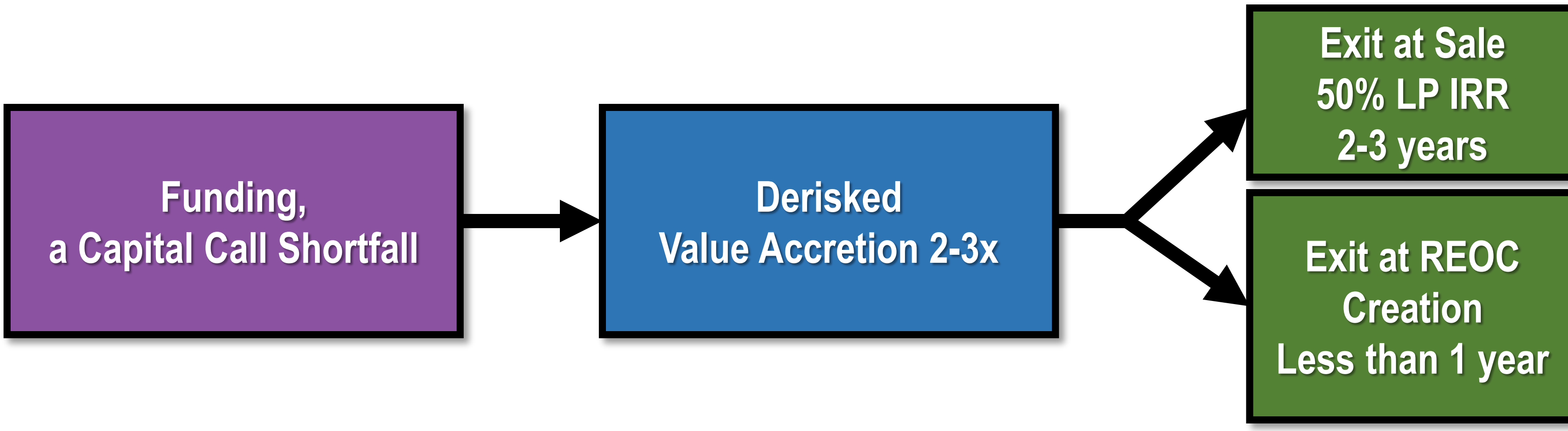
Fund offers a unique advantage to the new investor. The developer is establishing a real estate operating company (REOC). Targeted investments are slated for REOC inclusion. Investors will have option to exit at REOC creation (est. Dec 31, 2024) with potential returns over 100%.

DIVERSIFIED FUND

Invest in three capital calls, each estimated at 50%+ LP IRR at sale, in 2-3 years.

Executive Summary

We are delighted to introduce the Ironton Capital Opportunity Fund 1 (ICO1), the first in a series of funds, whose investment thesis is driven by specific events driving premium returns.



How does it work?

An event-driven unicorn investment, propelled by three drivers:

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Underlying Economics of Original Projects

- 3-5 year project
- 20% LP IRR

Funding, a Capital Call Shortfall

- 1-3 year project (already underway)
- ***50%+ LP IRR***
- Lower risk than original project
  - Occupancy already 90%+
  - Renovations nearly complete
  - Financing issues addressed
  - Short runway
- **Most importantly, the ACCRETION effect**

Creation of a Real Estate Operating Company (REOC)

- Alternative exit scenario
- **Over 2x return on capital, in less than a year**

Our Criteria

Each project is tracking or outperforming original targets

- **Each investment would have originally met Ironton's investment criteria**
  - ✓ Experienced Sponsor with differentiating advantages
  - ✓ 3-5 year timeline within target
  - ✓ 20%+ LP IRR comfortably within 17-20% target
- **Operationally, the project is currently meeting or exceeding underwriting criteria**
  - ✓ Stabilized operation (90%+ occupancy)
  - ✓ Rent increases meet or beat original projections
  - ✓ Renovation timeline and budget on track
- **Capital call is driven exclusively by higher interest rate environment than original underwriting – no operational issues**

Their Shortfalls

Key advantages to funding capital call shortfalls

- **We only invest in fundamentally sound projects!**
  - ✓ Shorter timeline to project completion
  - ✓ Key operational and renovation targets achieved
  - ✓ Capital call addresses financing shortfall
- **Sponsor incentivizes shortfall funding with co-GP economics**
  - ✓ No fees or carry for shortfall investments
- **Most importantly, funding the shortfall is highly accretive!**

Example Project	Starting Equity ($M)	Ownership Before Call	Call ($M)	Equity After Call ($M)	Ownership Before Discount	Shortfall Discount	Ownership After Discount
Investors funding call	$20	80.0%	$4	$24	80.0%		80.0%
Investors not funding call	$5	20.0%		$5	16.7%	30%	14.0%
New equity funding shortfall	***$0***	***0.0%***	***$1***	***$1***	***3.3%***		***6.0%***
Total	**$25**	**100.0%**	**$5**	**$30**	**100.0%**		**100.0%**

Accretion of new equity 1.8x

2 Exits to Double the Money

REOC provides an additional exit option, at a high return

- Sponsor has decided to offer the creation of a real estate operating company (REOC) **independently of the funding the capital call shortfall** – it is an entirely unrelated event
- In a REOC, instead of investing on a specific project investors have collective ownership of all projects that meet certain criteria:
  - ✓ At inclusion, the specific project appraises at least as much as its accounting value
  - ✓ Stabilized, cash flow positive project
  - ✓ Majority of investors in specific project choose to include the project in the REOC
- **Each investor has the OPTION to convert project ownership into REOC ownership, or be cashed out at the appraised value of the equity**

- REOC Benefits
  - ✓ Diversification
  - ✓ Potentially better overall economics
  - ✓ More predictable cashflow
  - ✓ Significantly better principal liquidity
- Potential Shortcoming
  - Investors don't get to choose individual investments – they invest in all the projects included in the REOC

How the 2 Exits Work for Us

Interplay of funding capital call shortfalls and the creation of a REOC

Funding, a Capital Call shortfall	+	Creation of a Real Estate Operating Company (REOC)

- **The two events are entirely independent, but timing is highly beneficial to investors funding capital call shortfalls**
  - Shortfall funding results in IMMEDIATE accretion
  - Creation of a REOC less than a year after from funding the capital call shortfall creates an option for a quick exit at the ACCRETED valuation
  - There is NO OBLIGATION to exit the REOC – only an OPTION

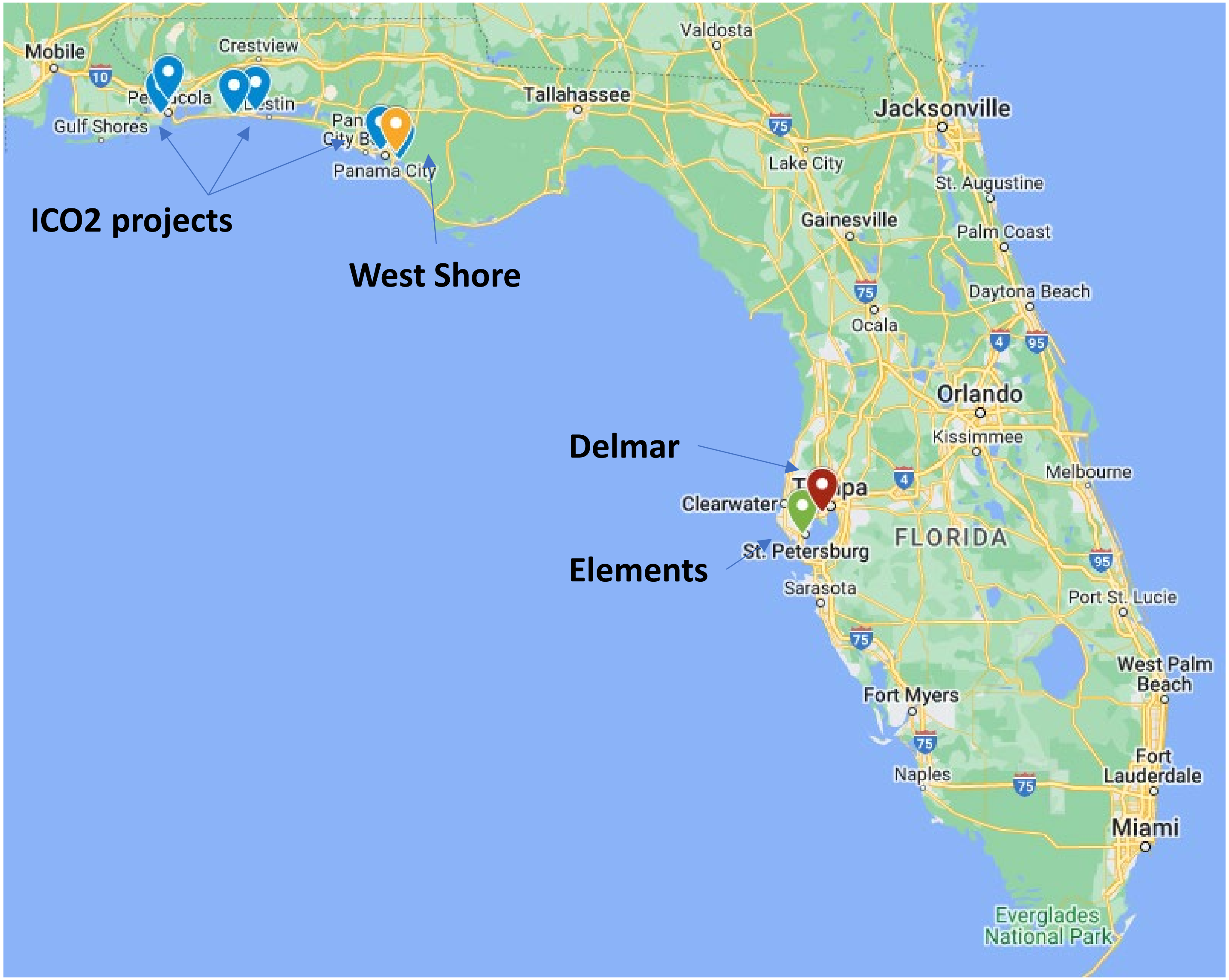
Ironton Opportunity Fund (ICO1)

Three investments in capital call shortfalls:

Elements on 3rd	1,091	22%	60% buy new rate cap	1.9x	92%	48%	100%	50%
Westshore Palms	834	42%	100% debt service	2.9x	96%	30%	Near complete	70%
The Delmar	3,448	46%	65% buy new rate cap	3.1x	94%	15%	50%	80%

- **A diversified unicorn fund**
  - Each investment may or may not qualify for the REOC
  - For each investment, Ironton has the OPTION to make a separate decision regarding following the REOC or exiting
- **Lowest projected outcome is over 50%+ IRR**
  - Ironton LPs can expect standalone IRRs over 50%
  - REOC exit IRRs are higher
- **Project outcomes will be a mix of standalone and REOC exits**

Project Locations



Project 1: Elements on Third

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Project 1: Elements on Third

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Project 1: Elements on Third

Project 1: Elements on Third: Overview and Strategy

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Overview
- Value-add project; acquired Nov 2021 (29 months into project)
- Purchased off-market from motivated seller
- St Petersburg, FL. Built in 1962 (renovated 2005, now dated), 2019 and 2021
- 430 units, 844 SF / unit average
- 9 garden buildings; 1 “industrial loft” and 1 high-rise
- Premier location close to downtown and beaches in a historic neighborhood
- Many bars, restaurants within walking distance; 75 walk score
- Easy and plentiful parking (rare in this area)

Strategy
- Most units renovated at purchase
- $6 MM to finish units that remain needing work at purchase
- Add amenities: new pool, dog park, outdoor rec area
- Building had non-stop construction disruptions 2017-2021
- Leases at purchase at depressed relative to market. $400+/ mo below market
- Sponsor has several other projects in this submarket; leading to scale economics

Project 2: Delmar

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Project 2: Delmar

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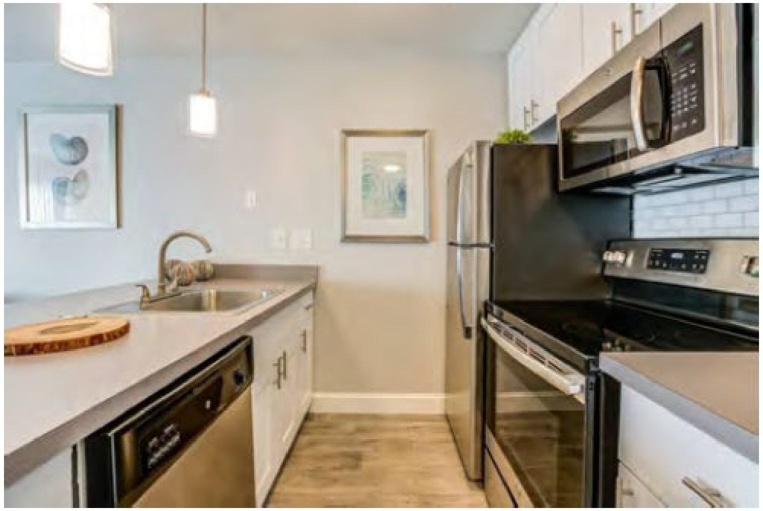	
	

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Project 2: Delmar

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Project 2: Delmar

Project 2: Delmar: Overview and Strategy

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Overview
- Value-add project; acquired June 2022 (21 months into project)
- Tampa, FL. Built in 1979. 689 units. Class B.
- On the water in the highly desired Westshore neighborhood
- No competitor is on the water, and there are no land parcels to develop on water
- $2MM+ homes are being developed adjacent to property
- Centrally located within ten-minute drive of two biggest employment centers

Strategy
- Prior owner renovated 138 units, leaving 551 needing rehab at purchase
- Much of the exterior and common areas needed updates at purchase, as well
- Renovated competitors are getting $500-700 / month more than subject
- Reposition as Class-A with $12MM interior and $5MM exterior update plan

Track record
- Sponsor has several other 21 projects in FL; leading to scale economics

Project 3: West Shore Palms

All figures are for discussion; past results do not predict future returns.
This presentation does not constitute an offer. For accredited investor use only.

Project 3: West Shore Palms

Project 3: West Shore Palms: Before Photos

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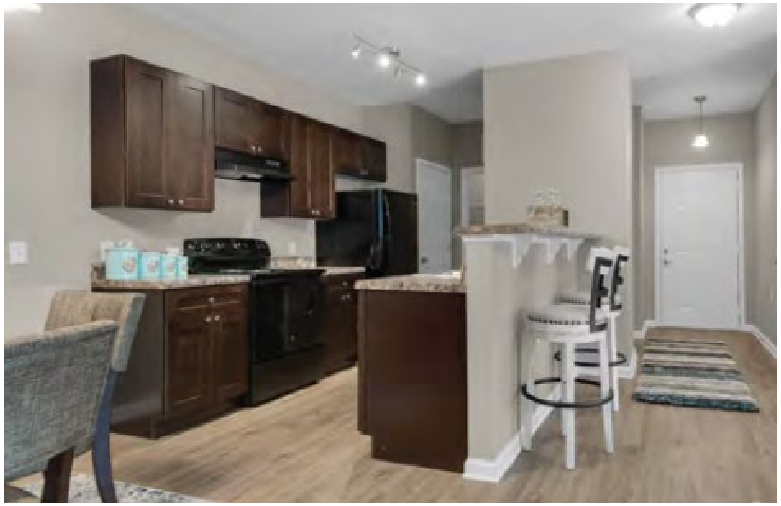

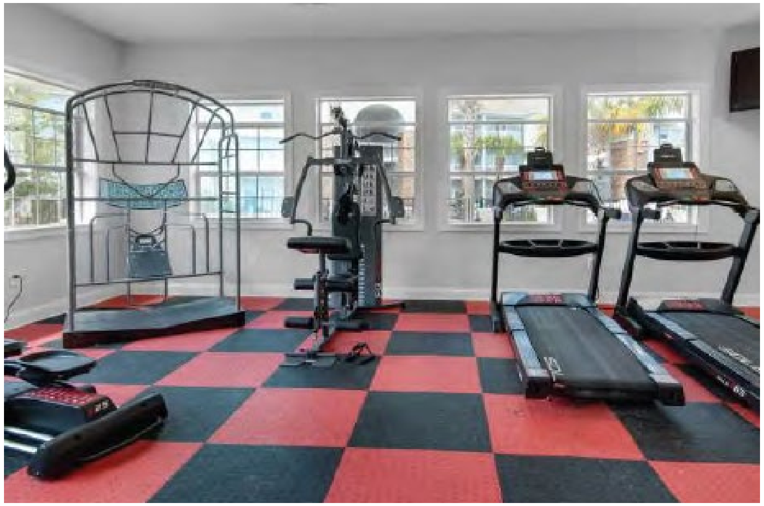

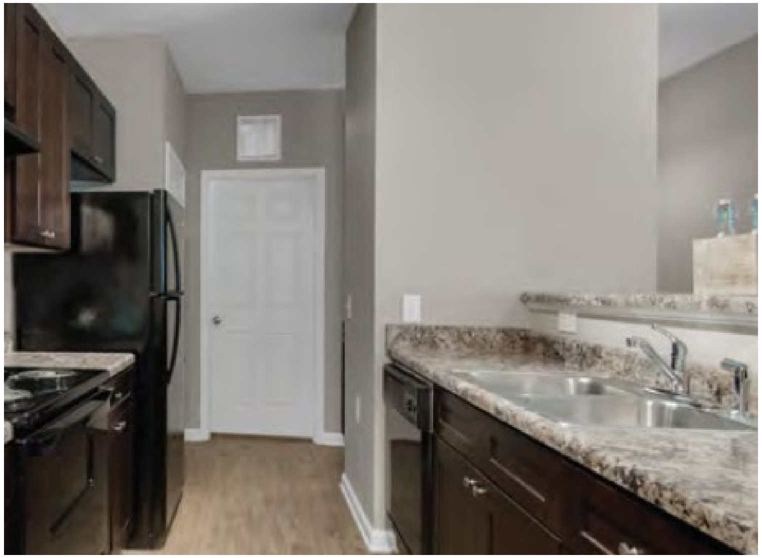

Project 3: West Shore Palms: Overview and History

- Value-add project; acquired 4Q 2021 (28 months into project)
  - Panama City Beach, FL. Built in 2008. 216 units. Class B+
  - Built by seller. Recently renovated. Purchased off-market during seller bankruptcy
  - Requires much less renovation than typical Sponsor projects
  - Strong market with large, stable military presence (Tyndall Air Force Base; Naval Support Activity Center). Historically low vacancy rates

- History
  - Was under contract to sell in 2018 when hurricane Michael impacted property
  - Buyer aborted; seller had good insurance and rebuilt property: new roofs, interiors, windows, clubhouse. $17 MM insurance claim
  - Put under contract again with original buyers, who had strict occupancy and rent targets (to meet their bank loan needs)
  - Seller discovered fraud on part of GC doing renovation
  - Seller couldn't perform; buyer walked
  - Owner chose bankruptcy exit to get out of project
  - Sponsor bought off-market for under cost basis and well under replacement cost
  - $2 MM earnest money and 55 day close helped

Project 3: West Shore Palms: Strategy

Track record

- Sponsors prior projects in this market generated LP IRR of 41% and 47%

- Strategy:
  - Only owner of property had “mom and pop” informal management approach
  - Operated as non-profit to avoid paying taxes; necessitated lower than market rents
  - Pro-forma at purchase +$390 / month in rents
  - $2.1 MM renovation (mostly interior upgrades; exterior in excellent condition)
  - Target for superior product to all competitors with mid-market pro-forma rents

- Problem:
  - Rate cap purchased on buy date has expired
  - Gap between cost of current debt and debt service once stabilized and refied.
  - New agency debt cost expected at 5.0 – 5.5% with current rates

Our Investors

"Before Ironton, the performance of my retirement assets had been inconsistent at best even under professional management. I believe I have moved my money from and unpredictable market subject to many economic factors and significant risk, to a fundamentally sound business model that is a hedge against inflation. I have confidence in the leadership/management team at Ironton and would recommend their funds to family and friends with confidence." ~ John S.

"We all know that determining where to invest is incredibly challenging. I have always been ready to invest in Ironton Capital funds. Lon has a freakish ability to understand and analyze real estate deals. Lon has surrounded himself with a great team of like minded experienced investors that know where and when to direct funds for maximum gain." ~ Tom M.

"I had set a goal years ago of how much I wanted to generate in passive income from equity produced by my hard work as the owner of a small business for 13 years. Based on the projected returns on the National Diversified Funds as well as periodic cash flows generated by the Short and Mid Term Funds, I've been able to establish a profile of investments that is anticipated to outperform my original goals. This relationship has allowed me to move from active to passive income." ~ Justin H.