



USG REALTY
CAPITAL

The Opportunity Zone Experts™





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Investment in the Interests is speculative, illiquid, and involves a high degree of risk, including tax risk. There is no guarantee that the investor will receive any return on, or even a return of their investment. Only investors who can afford the loss of their entire investment should consider investing in the Interests. The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the confidential Private Placement Memorandum (the “PPM”) which is available upon request, (iii) do not and cannot replace the PPM and is qualified in its entirety by the PPM, and (iv) may not be relied upon in making an investment decision related to any investment offering by USG Realty Capital, LLC, or any affiliate, or partner thereof (“Issuer”). All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. With respect to any goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some, or all of the principal invested. These “targeted” factors are based upon reasonable assumptions more fully outlined in the Offering Documents/PPM for the respective offering.

Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. All offerings are intended only for accredited investors unless otherwise specified. Past performance is no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Investment offerings and investment decisions may only be made on the basis of a confidential private placement memorandum issued by Issuer, or one of its partner/issuers. Issuer does not warrant the accuracy or completeness of the information contained herein.

REAL ESTATE RISK DISCLOSURE:

- No guarantee that any will achieve its objectives;
- All real estate investments have the potential to lose value;
- The income stream and depreciation schedule may affect your income bracket and/or tax status. An unfavorable tax ruling may cancel deferral of capital gains and result in immediate tax liabilities;
- All financed real estate investments have potential for foreclosure;
- These assets are illiquid securities. There is no secondary market;
- If a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions;
- Costs associated with the transaction may impact investors’ returns and may outweigh the tax benefits; and
- Tax benefits are not guaranteed and are subject to changes in the tax code.



Securities offered through KCD Financial, Inc., Member FINRA/SIPC. Only available in states where KCD Financial, Inc. is registered. KCD Financial, Inc. is not affiliated with any other entities identified in this communication.

Material risks associated with investing in real estate, development, and private offering securities that potential investors should consider include but are not limited to:

- A significantly limited ability to sell or transfer Interests
- Uncertain economic outlook including changes in national, regional and local economic and demographic conditions, capital expenditures, interest rates, financing activities and tax status of the Company
- Complex taxation involving, among other things, significant issues as to the character and timing of realization of gains and losses. **Prospective investors are strongly urged to consult their tax advisors with respect to the possible tax consequences of an investment. These tax consequences may be different for different investors.**
- Construction difficulties, delays, and defects
- Inability to complete and lease up the Facility on schedule, collect rents or other receivables
- Availability of financing, including construction financing and financing necessary to extend or refinance debt maturities
- Ability to control operating costs, provide effective and efficient management and maintenance of the Property
- Uninsured natural disasters and the inability to obtain adequate insurance on favorable terms
- The Sponsor and its Affiliates will receive substantial fees and compensation from the operation of the Property. The compensation arrangements are not the result of arm's-length negotiations.

All real estate and development investments carry the risk of a complete loss of invested capital. Returns, cash flow, appreciation, distributions after appreciation are not guaranteed and could be lower than anticipated. Please read the entire Private Placement Memorandum (PPM) for a full discussion of the business plan and risk factors prior to investing. By accepting this material, you agree to keep all terms and provision of this offering and the lease confidential, and you will not share or disseminate any of the information in this offering or lease.



Agenda Digest

- The USG Difference
- The Fund!
 - Investors Choice
OZ Fund (ICOZ)
- The Opportunity!
 - Peyton Lofts
(Spokane, Washington)



Greg Genovese

**Founder & CEO
USG Realty Capital**



USG Difference

In two words...“Experience and Track Record”

- Executive Team with over 100 Years of Experience In Real Estate Development & Asset Management.
- Over \$2B raised in Investment Equity & over \$5B in Assets Acquired over 30+ Years.
- 4th Opportunity Zone Fund
 - 10th Asset



USG Advisory Board



Audrey Kamin
Director, Business
Development



K. Hart
Chief Marketing Officer
Oceanview Life &
Annuity Company



Mark V. Petersen
Managing Director,
Head of Capital Markets
for Lighthouse Life Capital



Prof. Jonathan Morris
Professor Georgetown
University
Founder/Managing Director
REIT Academy. LLC



Awards & Accolades



“the editors of *Real Estate Forum* and *GlobeSt.com* are pleased to inform you that we have selected **Marina Square** as a top project in the category of “**Economic Revitalization.**”





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Oregon



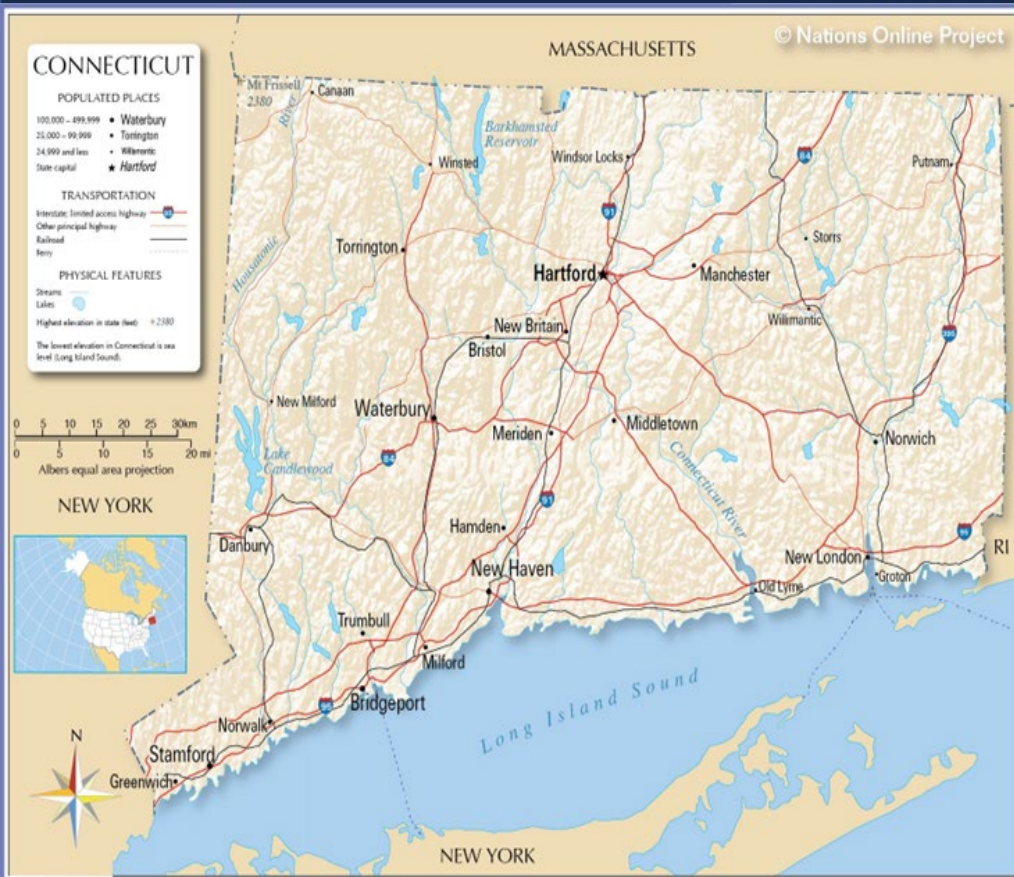
9th & Washington
Hillsboro, OR





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Connecticut



KindCare Assisted Care
Bristol, CT





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Wisconsin



Elevation 1659
Milwaukee, WI





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North Dakota



The Avery Apartments
Fargo, ND





Year	Name	Location	Type (Assets)	Total	Stage
2019	Marina Square ¹	Bremerton, WA	MF/Retail/Park. (3)	\$140,000,000	Open & Leasing
2020	Market Flats ^{2, 3,}	Olympia, WA	MF/Retail (2)	\$12,000,000	Open & Leasing
2021	KindCare	Bristol, CT	Senior Living (1)	\$25,900,000	Pre-Open & Leasing
2022	Elevation 1659	Milwaukee, WI	Multi-Family (1)	\$25,150,000	Under Construction
2023	Peyton Lofts	Spokane, WA	MF/Retail (2)	\$34,244,940	Project Start 2023
2023	The Avery	Fargo, ND	Multi-Family (1)	\$37,736,209	Project Start 2023
Totals ⁴			10 Assets	\$275,031,149	

(1) USG OZI, LLC is a joint venture LLC between USG Realty Capital, LLC and OZI, LLC. Prior Performance displayed represents the track record of the companies in which the principals of USG OZI, LLC are principal owners of 20% or greater.

(2) Gregory Genovese Jr. is the CEO of the Manager, is Founder & Chief Executive Officer of USG Realty Capital, LLC, and past principal owner of Sound West Realty Capital, LLC (greater than 20%) and was the President of Sound West OZ Fund I, LP.

(3) OZI Group, LLC is the Managing Member of OZI, LLC and is a principal owner of OZI Fund I and OZI Fund II (greater than 20%).

(4) Past performance is not indicative of future results. There can be no assurance that the Company's objectives will be achieved.



Why we like Smaller, In-Fill Projects?

The term “infill development” refers to **building within unused and underutilized lands within existing development patterns, typically in urban areas.**

“How you get out of an investment is as important as how you got in.”

“CapEx counts”.



Why we like In-Fill projects





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Investors Choice OZ Fund

America's Investor-Directed Qualified Opportunity Zone Fund

A Better Way to Invest in Opportunity Zones

Multiple
Projects

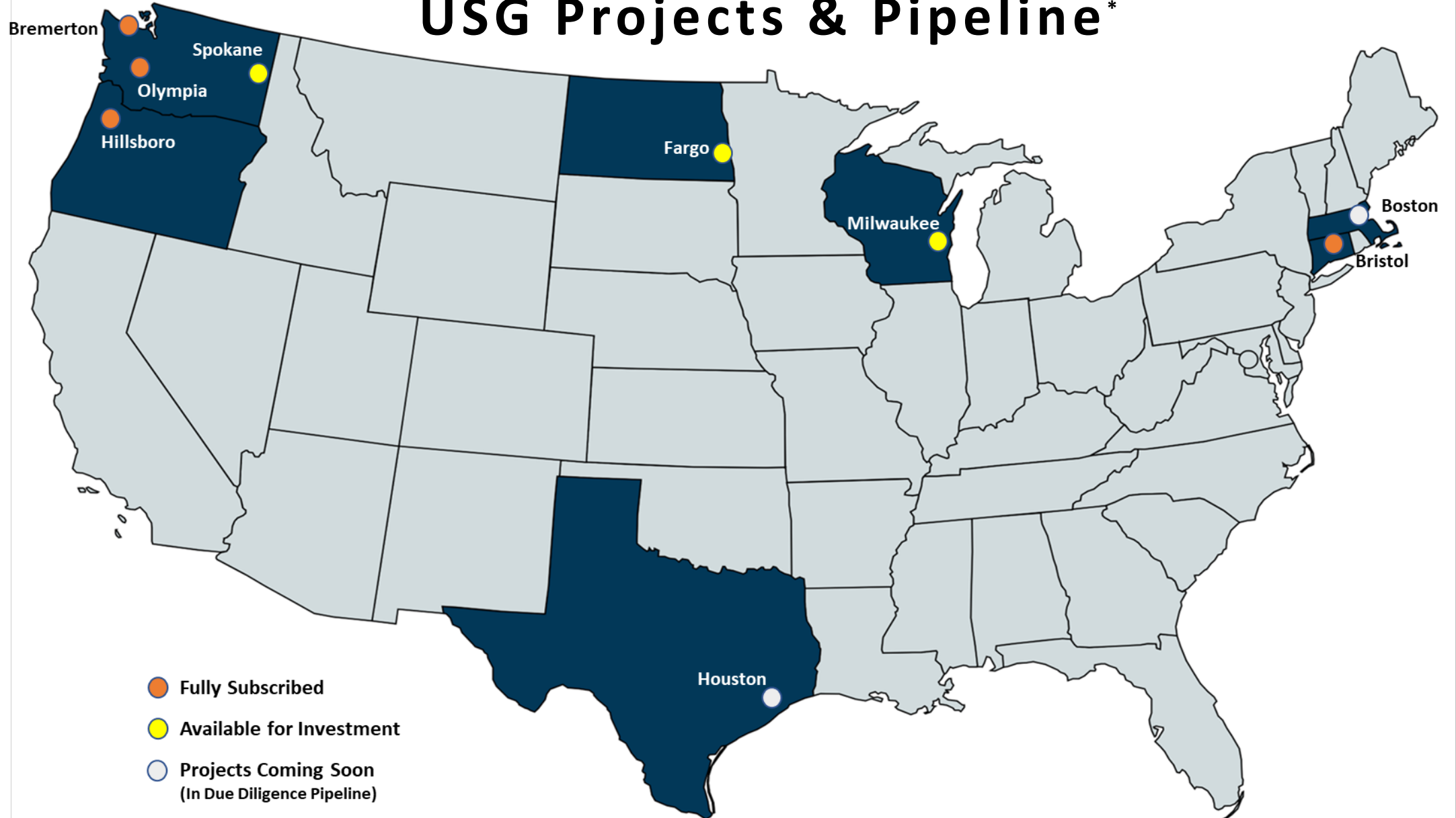
National
Demographics

Recession Resilient
Asset Classes

**You Choose
Your Investment
Projects**



USG Projects & Pipeline*



* The purchases of these properties are subject to satisfactory completion of agreed upon closing conditions and negotiation and execution of definitive documentation between the Fund and the applicable development partner for each property. The Fund's ability to close on these properties is contingent upon the Fund's ability to raise sufficient proceeds in this Offering and to obtain sufficient amounts of debt on attractive terms to acquire the properties; satisfactory completion of entitlements and due diligence on the properties and the respective sellers of the properties; satisfaction of the conditions to the acquisition in accordance with the purchase agreements; and no material adverse change relating to the properties, the respective sellers of the properties, or certain economic conditions. There can be no assurance that the acquisition of these properties will be completed. Other properties may be identified in the future that we may acquire prior to, instead of, and/or subsequent to these properties. Due to the considerable conditions required to acquire these properties, not make any assurances that the closing of these properties will occur.

KEY OFFERING DETAILS

OFFERING SIZE \$50,000,000	PREFERRED ANNUALIZED RETURNS¹ (per project) 10-12%		
MINIMUM INVESTMENT \$50,000	RETURN DISTRIBUTION CHART²		
	<u>Investor</u> 100% 80% No Claw-back Provision	<u>Sponsor</u> 0% 20%	<u>Criteria</u> <hr style="width: 100%;"/> Until Preferred Returns are Met From Preferred Returns and Greater

Footnotes:

1. Preferred Returns are contractual on a per project basis as described in the Offering Memorandum. There can be no assurance these objectives will be achieved.
2. There can be no assurance that investors will receive a distribution. Distributions will be paid in accordance with the operating agreement of the joint ventures and the Fund.



The USG Difference - Building a Best-In-Class OZ Fund Model

- ❑ National in Scope in Key Demographics
 - ❑ Recession Resilient Asset Classes, Locations, and Demographics in Non “Equity Rush” Areas

- ❑ Smaller In-Fill Projects
 - ❑ Minimize CapEx at Exit to Maximize Return Potential
 - ❑ Greater Competition between Potential Lenders

- ❑ Mitigate Interest Rate Risk with In-Place Construction Financing

- ❑ Local & Regional Developers
 - ❑ Project Coordination with Local Developers & Contractors, City Planners, Local Governments, & Area Economic Development Alliance’s

- ❑ Project Co-Management with our Developer Partners
 - ❑ Investor Aligned Asset Management to Eliminate Potential Conflicts of Interest between Developer and Investors
 - ❑ USG Economics are Aligned with our Investors

- ❑ Realistic Pro Forma based on Current Economic Conditions
 - ❑ Assumptions based on Current Real Estate Investment Cycle

- ❑ Preferred Returns to Investors from 10% to 12%

- ❑ Third-Party Social Impact Reporting (Ongoing)



Available Fund Investment Assets



KindCare

Bristol, CT

- Senior Living
- 117 units
- **Preferred Annualized Return 11%¹**



Elevation 1659

Milwaukee, WI

- Multifamily
- 76 units
- **Preferred Annualized Return 12%¹**



The Avery Apartments

Fargo, ND

- Multifamily
- 168 units
- **Preferred Annualized Return 10%¹**



Peyton Lofts

Spokane, WA

- 96 Multifamily Units
- 16,500 SF Retail - Fully Leased
- **Preferred Annualized Return 10%¹**

1. Per Project preferred returns are set by the fund manager, ICOZ Manager, LLC. The preferred returns are contractual in nature as they are displayed here. There is no guarantee that investors will receive the preferred returns represented here.



YOU CHOOSE! – One Fund, Multiple Project Choices

(Hypothetical Portfolios)

CURRENT PROJECTS	INVESTOR A	%	INVESTOR B	%	INVESTOR C	%	INVESTOR D	%
Milwaukee, WI - Elevation 1659	\$500,000	50	\$100,000	25			\$1,250,000	50
Bristol, CT – KindCare	\$250,000	25	\$100,000	25			\$500,000	20
Fargo, ND – The Avery Apts.			\$100,000	25	\$50,000	50		
Spokane, WA – Peyton Lofts	\$250,000	25	\$100,000	25	\$50,000	50	\$750,000	30
TOTAL INVESTMENT	\$1,000,000	100	\$400,000	100	\$100,000	100	\$2,500,000	100

One K-1! – Delivered By March 1st Annually



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Peyton Lofts – Spokane, WA

10% Preferred Return¹,
Development Opportunity,
Tax Advantaged Opportunity Zone,
Tax Free State (Washington)

Footnote: (1) Preferred Returns are stated as Annual Cash-on-Cash Returns, and does not take into account Opportunity Zone Benefits, nor any tax advantaged benefits.



Peyton Lofts Spokane, WA

- 96 Market Rent Units – Multi-Family
 - 16,500SF – Retail – Fully Leased¹ (10 Years)
 - Developer: 4Degrees¹
 - Downtown Spokane
 - Adjacent to Multi Transit Terminal
 - Popular Dining and Business Section
 - **\$11.9M in Total Project Equity**
 - \$22.3M Loan Proceeds
 - \$34.2M in Project Costs
 - 10% Preferred Annualized Returns²
-



4 DEGREES

TW CLARK
CONSTRUCTION

Footnotes:

1. Referenced developer co-partners with Investors Choice OZ Fund, LLC to build the project.
2. Preferred Returns are contractual on a per project basis as described in the Offering Memorandum. There can be no assurance these objectives will be achieved. There can be no assurance that investors will receive a distribution. Distributions will be paid in accordance with the operating agreement of the joint ventures and the Fund.



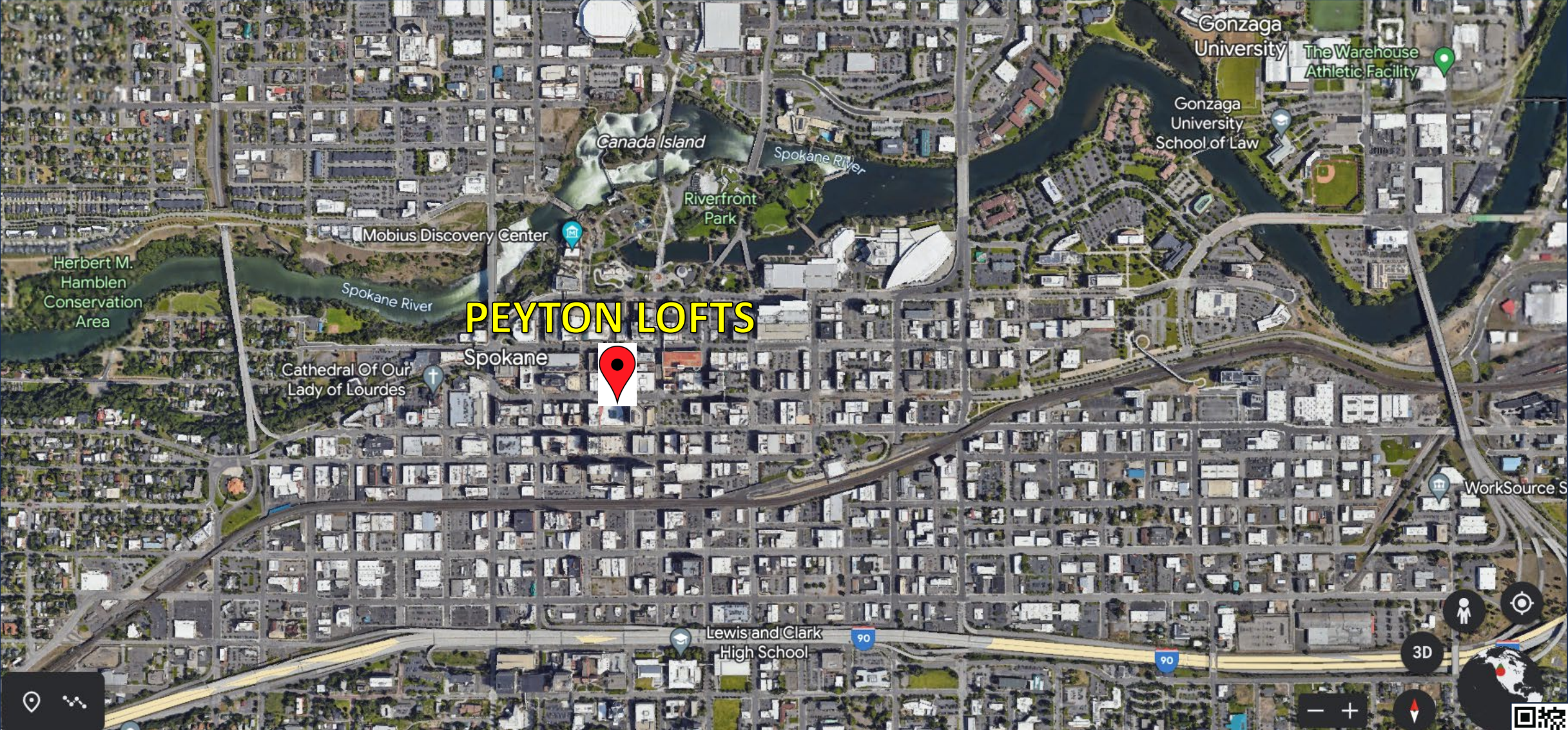
Spokane, WA



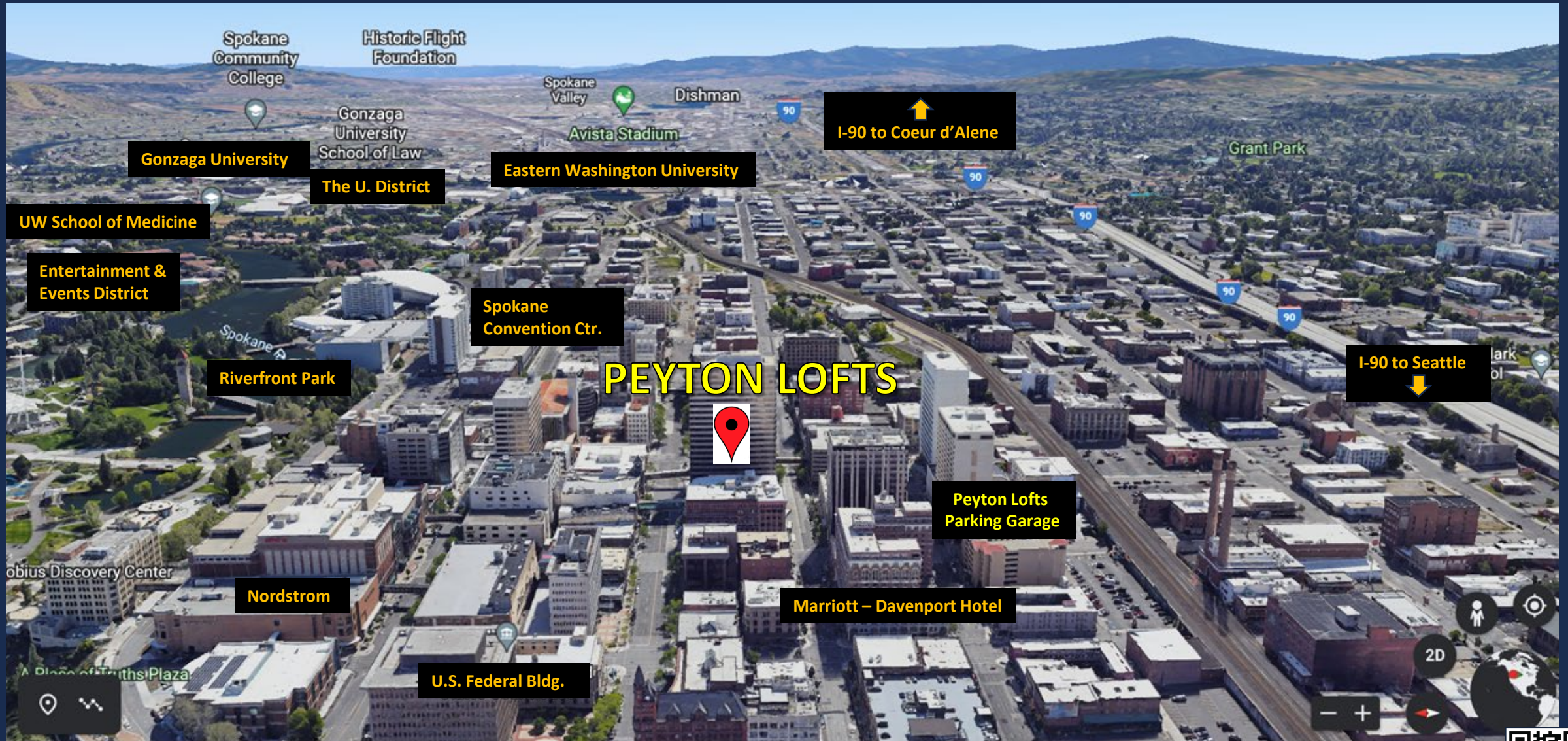
Spokane, WA



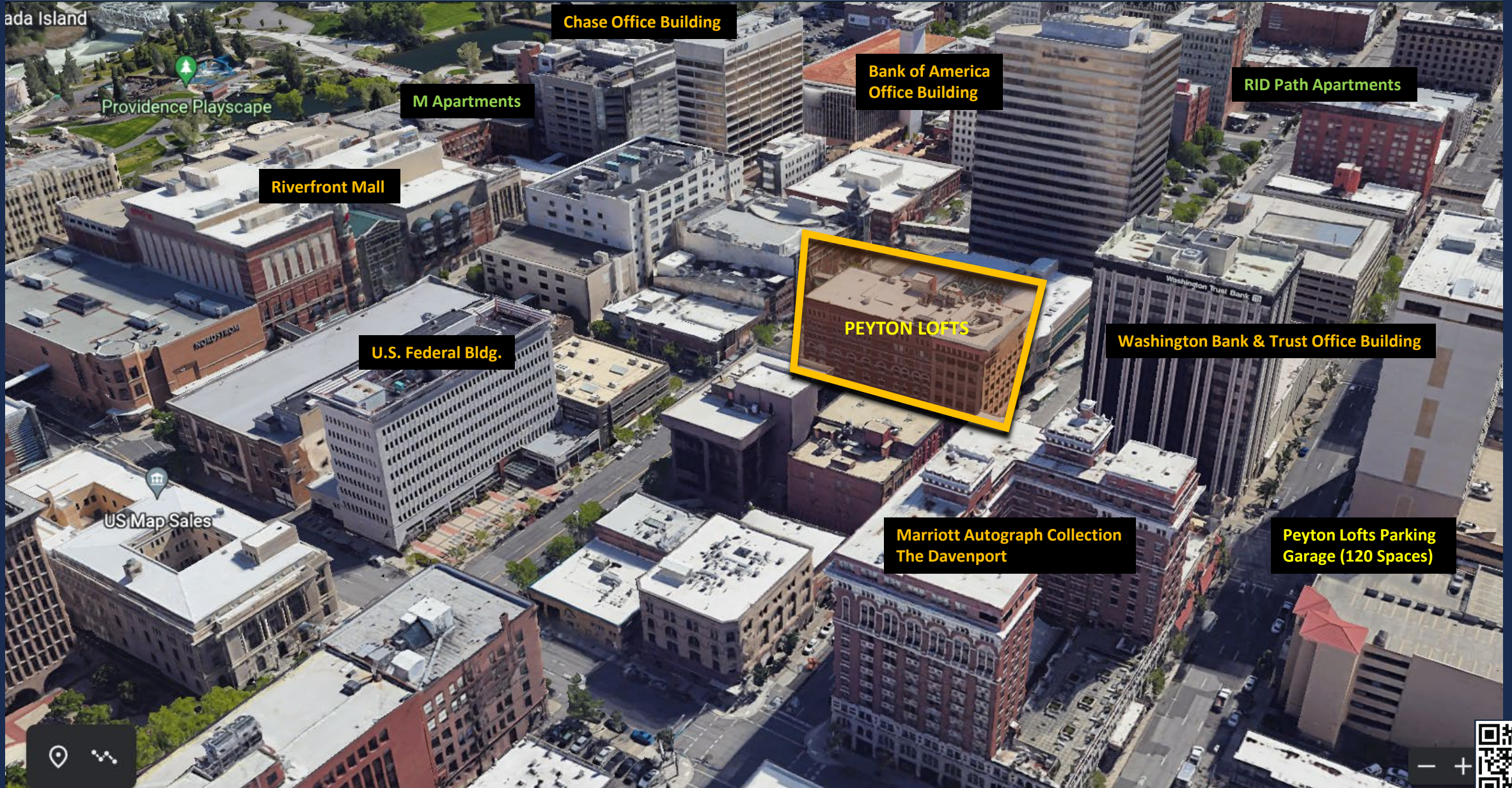
Spokane, WA



Spokane, WA



Spokane, WA



ada Island

Providence Playscape

Chase Office Building

M Apartments

Bank of America
Office Building

RID Path Apartments

Riverfront Mall

PEYTON LOFTS

Washington Bank & Trust Office Building

U.S. Federal Bldg.

Marriott Autograph Collection
The Davenport

Peyton Lofts Parking
Garage (120 Spaces)

US Map Sales



Peyton Lofts – Spokane, WA



Peyton Lofts – Current Renderings



Peyton Lofts – Spokane, WA



D LIVING RM/KITCHEN



ENLARGED SECTION VIEWS

- KITCHEN
- BAR SEATING
- SCREEN STAGE
- SOCIAL STAIR
- STUDY NOOK
- FITNESS CLASSROOM
- CLIMBING WALL
- CORRIDOR
- WEIGHTLIFTING AREA
- STUDY NOOK



E FITNESS

Peyton Lofts – Current Renderings



Peyton Lofts – Spokane, WA



Peyton Lofts – Spokane, WA



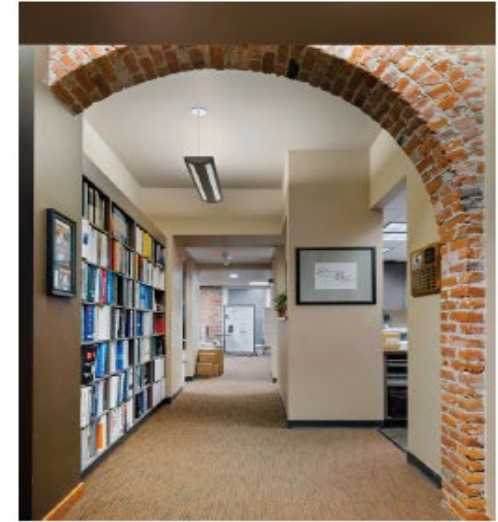
Peyton Lofts – Current Renderings



Peyton Lofts – Spokane, WA

INTERIOR PHOTOS

Peyton Lofts – Photos (July 2023)



Peyton Lofts – Spokane, WA

EXTERIOR PHOTOS

Peyton Lofts – Current Photos (July 2023)





Peyton Lofts – Spokane, WA

Additional Risk Mitigating Benefits

- 10 Year Parking Lease in Place (120 Spaces for 96 Units).
- Project Cash Flowing from Day-One.
 - First Floor Retail Tenants (10).
 - All Tenants on new 10-year leases and open during construction.
- Floors 2-6 (7 floors total) have been fully cleared (demo'd) to accept new construction.
- Indoor Construction Project.
 - Weather is not a factor!





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Area Demographics & Employment





Population Growth (in thousands)



Data Source: Applied Geographic Solutions and GIS Planning 2022, TaxFoundation.Org 2021 and GIS Planning research.



Spokane, WA – Largest Employers

amazon.com

SkyOne
Aerospace

GONZAGA
UNIVERSITY

Providence

KAISER
ALUMINUM

PEPSI

Pyrotek®

Washington Trust Bank
Member FDIC

UNITED STATES
AIR FORCE

Avista®
TECHNOLOGIES

CATERPILLAR®

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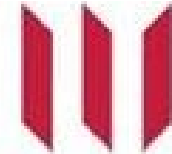
Source: City of Spokane. (www.my.spokanecity.org)



Spokane Area, WA – Educational Institutions



Elson S. Floyd
College of Medicine
WASHINGTON STATE UNIVERSITY



WHITWORTH
UNIVERSITY



SCHOOL OF LAW



University
of Idaho

Spokane, WA – Transportation Hubs





Market Rental Analysis



Spokane, WA – Average Rents

Average Rent in Spokane, WA

Avg. Rent

Studio - \$1,225

1 Bed - \$1,210

2 Beds - \$1,450

🔄 Last updated 7/18/2023

Average Apartment Cost in Spokane, WA

The average rent for [apartments in Spokane, WA](#), is between \$1,210 and \$1,450 in 2023. For a [studio apartment](#) in Spokane, WA, the average rent is \$1,225. When it comes to [1-bedroom apartments](#), the average rent in Spokane, WA, is \$1,210. For a [2-bedroom apartment](#), the average rent is \$1,450.

Why we like this project?

- In-Fill Development – Limited Capacity with Barriers to Entry
- Smaller Projects
 - Quicker Build = Quicker Refinance and quicker time to cash flow.
 - Low Loan Amount Needed – Local Banks get involved

“How you get out of an investment is as important as how you got in.”

- Strong Long-Term Demand for MF Housing
- Strong Employment Characteristics with Growing Work Force and multiple Corporate Headquarters
- Over College 77,000 Students locally and growing
- Local Government and EDA’s are supportive of the project
- Rental Growth continues to be well above the National Average





Audrey Kamin
Director, Business Development

Ms. Kamin has over 30 years in the financial services industry having started at E.F Hutton in NYC in retirement planning services. After working as a Financial Advisor for Great American Securities, specializing in 403B and education related clients, Audrey began product wholesaling Annuities for Metlife Investors. From 2004 – 2012, Ms. Kamin was responsible for raising capital in her territory, which included San Diego County, the inland empire and Las Vegas.

In addition to her experience in financial planning, wholesaling and National Accounts, Audrey spent over two years at a Regional Broker Dealer recruiting Financial Advisors.



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