CRE DEVELOPMENT CAPITAL

INTRO

CRE is a real estate development and investment firm focused on mixed use and multi-family, industrial, and storage opportunities worldwide, including opportunity zones in the U.S.

We leverage our 30 years of experience in the industry to raise capital for ground up development projects.

Our funds invest directly and indirectly into a diversified portfolio of real estate properties. Our values align with our investor's values, and our investor's values align with ours.

WHY CRE?

30 + years of experience by each of our team members, advisors and development partners including but not limited to;

-Real Estate and Project Financing

-Real Estate Development and Construction

-Capital Relationships

-Partner Relationships

-Project and Investment Sourcing

MANAGING
PARTNER

Dwight Alexander

MANAGING PARTNER

Dwight served 22 years as a Senior Vice President of a wholesale banking institution with over $180 billion in assets.

As an investment banker and financial advisor for professional sports teams, states and local governments, Dwight specialized in the financing of stadiums, sports facilities and large transportation infrastructure. In addition, he structured and managed the issuance of over $10 billion in debt securities and was the lead financial advisor or lead banker on 13 stadium and arena projects including the, Tennessee Titans stadium, Oakland Coliseum, Camden Yards, the New Boston Garden, and the Phoenix Suns arena.

Dwight also served as lead financial advisor to the Bay Area Rapid Transit District (BART) on their SFO extension project as well as other general infrastructure and housing projects.

MANAGING
PARTNER

Lawrence Jatsek

MANAGING PARTNER

Lawrence has been involved in real estate investment and development for over 30 years as the CEO of a general contracting and development company which included, general contracting of complex projects and ground up development predominantly in the San Francisco Bay Area.

Lawrence has also had substantial involvement on hundreds of millions worth of real estate assets, involving high-rise, commercial and residential construction projects.

OZ TAX INCENTIVES

ONE

Temporary deferral of recognized gains when eligible funds invested in an OZ Fund.

TWO

Step-up in basis for investments held in OZ Funds depending on holding periods.

THREE

Post-acquisition gain receives permanent exclusion on the investment in the OZ Fund.

QUALIFIED OPPORTUNITY FUND – INVESTOR INCENTIVE ILLUSTRATION

1-1-2022	12-31-2026	4-15-2027	1-1-2032	12-31-2030
Realize $1M capital gain and invest in OZ Fund. Recognize $0	Original gain Tax recognized	2026 Tax Due on Original Gain of $1,000,00	Eligible to exclude post acquisition gains. After investment held for 10 years	Sell investment for $3M, realize a $2M gain and recognize zero gain
Defer tax bill of $238,000	**Tax Due on 2026 tax return**	**Pay $238,000**		**Tax savings of $476,000**

The following is provided for illustration of potential QOF tax benefits only and is not an indication of expected returns for actual investments in the fund. The investment may have a tax liability, and if invested in a QOF can possibly be deferred, reduced by 10% and paid in 2027 at a 23.8% rate in a conforming no-tax state and a 32.6% rate in a high-tax state (e.g., New York). As noted, the capital gains tax rate is considered to be 32.6% for a high tax resident, 23.8% for a no tax state resident for the purposes of this example. The illustration is merely to show potential results due to an investment in a QOF and assumes there will be a gain on the investment. There, of course, can be minimal or no gain or loss on an investment.

Tax benefits have the potential to generate a post-tax profit (on the original gain) that is materially higher in a QOF investment and relatively higher in a high-tax state vs. a low-tax state

Additional gains achieved through investments in Qualified Opportunity Funds that are held for 10 years or more are exempt from U.S. Federal income tax and state tax in conforming states and just U.S. Federal income tax for investors residing in non-conforming states

Total Gains Realized = $3,000,000

Total Tax Paid = $238,000 (paid in 2027)

THE STATE OF THE OZ PROGRAM GOING FORWARD

UNCERTAINTIES!

What are some of the wildcards investors are facing when considering aninvestment in a QOF or QOZB?

What will the capital gains tax rate be in 2026?

What is being considered in terms of new incentives?

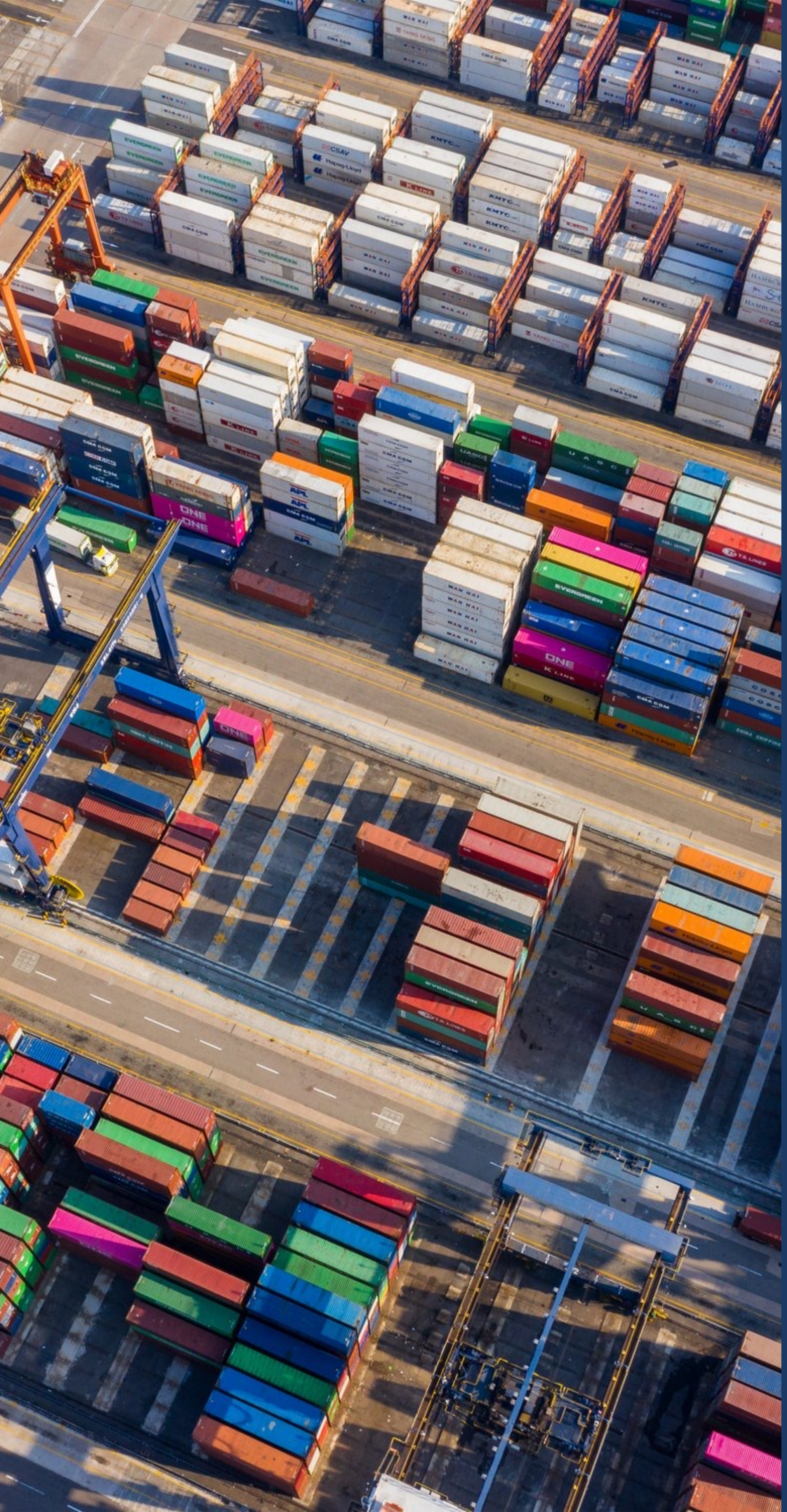
Will the Current Incentives be extended?

How long will the program be around?

THE BOTTOM LINE

The Ten Year-Zero Tax Benefit on the gain of an investment in a QOF or QOZB should far outweigh any tax hikes now or in the future.

It comes down to Proper Tax Planning and Proper Tax Management



SUPPLY CHAIN

WHAT ARE WE FACING NOW AND WHAT WILL WE FACE GOING FORWARD?

Example: Lumber Costs are impacting all developments
Why have lumber costs rocketed up?

PRODUCTION STOPPED EARLY ON IN THE PANDEMIC

People stayed home and decided to stay busy and take on a plethora of home improvement Projects

Demand for lumber and many other materials increased rather than decreased

Production stayed idle in an effort to protect workers

Interest rates lowered

Home buying Demand increased

Builders and Developers ramped up production thus increasing the demand for building materials

Lumber Output only rose by 3.3% while new residential construction rose by 12% and renovations by 7%

1000 Board Feet of lumber went from $349 in April of 2020 to $1514 by May 2021 a 334% increase

Other Supplies sitting on ships waiting to be unloaded and delivered adding to materials constraints

LABOR CONSTRAINTS

SHORTAGE OF LABOR TO UNLOAD SHIPS
Shortage of drivers to deliver materials

CONSTRUCTION COMPANIES ARE FACING:

- A shortage of skilled labor
- Increased wages to keep current employees
- Skilled labor is being poached driving up wages even more

THERE IS AN ESTIMATED NEED FOR MORE THAN 1 MILLION CONSTRUCTION WORKERS OVER THE NEXT TWO YEARS

THE EFFECT:

- Construction companies become limited in the number of projects they can take on
- Time to complete projects could take longer

INTEREST RATES

WORD ON THE STREET…

THE FED HIKED RATES IN 2022 so far.

WHAT WILL BE THE EFFECT?

WILL GROWTH SLOW?

WILL THE ECONOMIC RECOVERY SLOW OR STOP

POSSIBLE RECESSION?

OPINION

RATES SHOULD REMAIN LOW FOR NOW

It would be risky to raise rates to much to fast while the country is still “recovering”

Raising interest rates will not speed up the unloading of materials and supplies or reduce the price of fuel.

Supply will increase as production facilities continue to open up and hire labor therefore stabilizing material prices

INTEREST RATES

HOW DO WE MITIGATE THESE CHALLENGES?

- **SEEK OPPORTUNITIES IN MARKETS THAT ARE GROWING AND ABLE TO ABSORB COST INCREASES**
- Pay close attention to net “in” migration by both businesses and population
- Closely monitor supply and demand and projected projects (the pipeline) with in each asset class
- Monitor Payroll and income trends
- Target and closely monitor cities and what they are doing to attract new businesses and encouraging expansion of existing businesses

CRE OZ FUNDS

U.S. OPPORTUNITIES FUND

PHOENIX OPPORTUNITY ZONE FUND

U.S. Opportunities Fund

THE CHARLESTON

A CRE TAX ADVANTAGE OZ FUND

THE CHARLESTON

DEVELOPMENT

MULTI-FAMILY

SIZE

231,600 SF

PROGRAM

343 LUXRY APARTMENTS

114 STUDIO, 148 1 BR, 59 2 BR, 21 3 BR

PARKING

299 DESIGNATED PARKING SPACES

RETAIL

7,935 SF

32 DESIGNATED PARKING SPACES

THE CHARLESTON

PROJECT OVERVIEW

STATUS

ENTITLED

LOCATION

HUNTRIDGE ARTS DISTRICT, LAS VEGAS NEVADA

ASSET OVERVIEW

GROUND UP MID-RISE MULTI-FAMILY DEVELOPMENT WITH APPROXIMATELY 343 LUXURY APARTMENT UNITS, GROUND FLOOR RETAIL SPACE

OPPORTUNITY ZONE

TAX ADVANTAGES FOR INVESTORS WITH QUALIFIED CAPITAL GAINS

THE CHARLESTON

ASSET INVESTMENT METRICS

EQUITY REQUIREMENT	$25M
FINANCING REQUIREMENT	$75M
PROJECTED IRR	25%
PROJECTED MULTIPLE	2.53X

OPPORTUNITY ZONE INVESTMENT

TAX ADVANTAGES FOR INVESTORS WITH QUALIFIED CAPITAL GAINS

HOLD PERIOD	5-10 YEARS
MINIMUM INVESTMENT	$250,000

U.S. Opportunities Fund

U.S. OPPORTUNITIES FUND

PRIMARY INVESTMENT OBJECTIVES

To acquire, develop, redevelop or convert real estate opportunities in a manner consistent with the Opportunity Zone Provisions:

These may include but are not limited to commercial, residential or hospitality real estate assets that may be operated by affiliates of the General Partner of the fund or unrelated third parties.

The Fund may also acquire equity interests in entities that have developed and/or acquired commercial residential, or hospitality properties and may be operated by affiliates of the General Partner of the fund or unrelated third parties.

This is a multi asset fund. The following pages include targeted projects that the fund has currently identified that are projected to meet or exceed the targeted returns of the fund. Future targeted projects will be added as they are identified.

PHOENIX OPPORTUNITY ZONE FUND

THE BLUE

A PHOENIX LANDMARK

THE BLUE

The Fund is a single asset Opportunity Zone Fund formed to raise capital to invest, develop, and construct “The Blue” a 25 story Mixed Use project located in downtown Phoenix AZ.

THE BLUE

DEVELOPMENT

SIZE

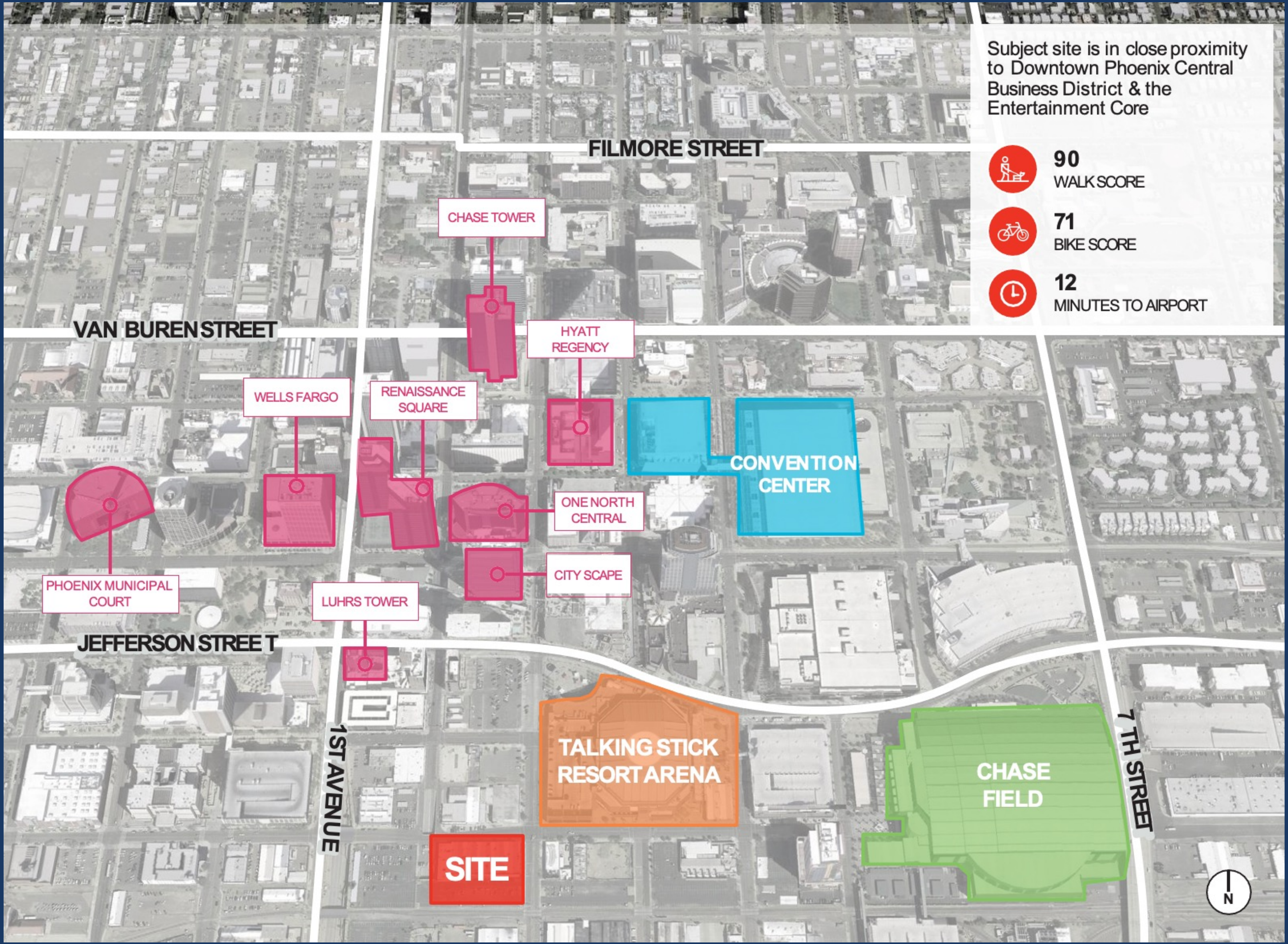
705,500 SF

25 STORIES

PROGRAM

233 KEY FIVE STAR/CATEGORY 7 LUXURY HOTEL

Approximately 160 Branded Residential Condo Units



Subject site is in close proximity to Downtown Phoenix Central Business District & the Entertainment Core
90
WALK SCORE
71
BIKE SCORE
12
MINUTES TO AIRPORT
FILMORE STREET
VAN BUREN STREET
JEFFERSON STREE T
1ST AVENUE
7 TH STREET
CHASE TOWER
HYATT REGENCY
WELLS FARGO
RENAISSANCE SQUARE
ONE NORTH CENTRAL
CITY SCAPE
PHOENIX MUNICIPAL COURT
LUHRS TOWER
CONVENTION CENTER
TALKING STICK RESORT ARENA
CHASE FIELD
SITE
N

PHOENIX OPPORTUNITY ZONE FUND

THE BLUE

PROJECT OVERVIEW

STATUS

ENTITLEMENT BY THUNDERBIRD LEGACY DEVELOPMENT, LLC

LOCATION

39 E. JACKSON ST. PHOENIX ARIZONA

ASSET OVERVIEW

GROUND UP DEVELOPMENT OF A 25-STORY MIXED-USE TOWER WITH APPROXIMATELY 140 LUXURY BRANDED CONDO UNITS, APPROXIMATELY 235 KEY LUXURY HOTEL, GROUND FLOOR RETAIL SPACE AND LUXURY AMENITIES DECK

OPPORTUNITY ZONE

FUND IS A QUALIFIED OPPORTUNITY FUND. FUND IS AVAILABLE TO ACCREDITED INVESTORS WITH QUALIFIED CAPITAL GAINS, NON-QUALIFIED CAPITAL GAINS AND INVESTMENT CAPITAL

THE BLUE

ASSET INVESTMENT METRICS

EQUITY REQUIREMENT	$115M
FINANCING REQUIREMENT	$180M
PROJECTED IRR	26%
PROJECTED MULTIPLE	2.5X

OPPORTUNITY ZONE INVESTMENT

TAX ADVANTAGES FOR INVESTORS WITH QUALIFIED CAPITAL GAINS

EXIT CAP RATE	7.5%

PHOENIX OPPORTUNITY ZONE FUND

5.1M

POPULATION OF PHOENIX MSA IN 2018

14%

TEN-YEAR POPULATION GROWTH RATE

Fastest growing top MSA of the top ten metros

2.68%

Forecasted average annual median income growth rate, 2018-2023, above national rate

39.4%

Growth of Business, Professional Services, Education, & Healthcare employment in Phoenix MSAsince 2011

PHOENIX OPPORTUNITY ZONE FUND

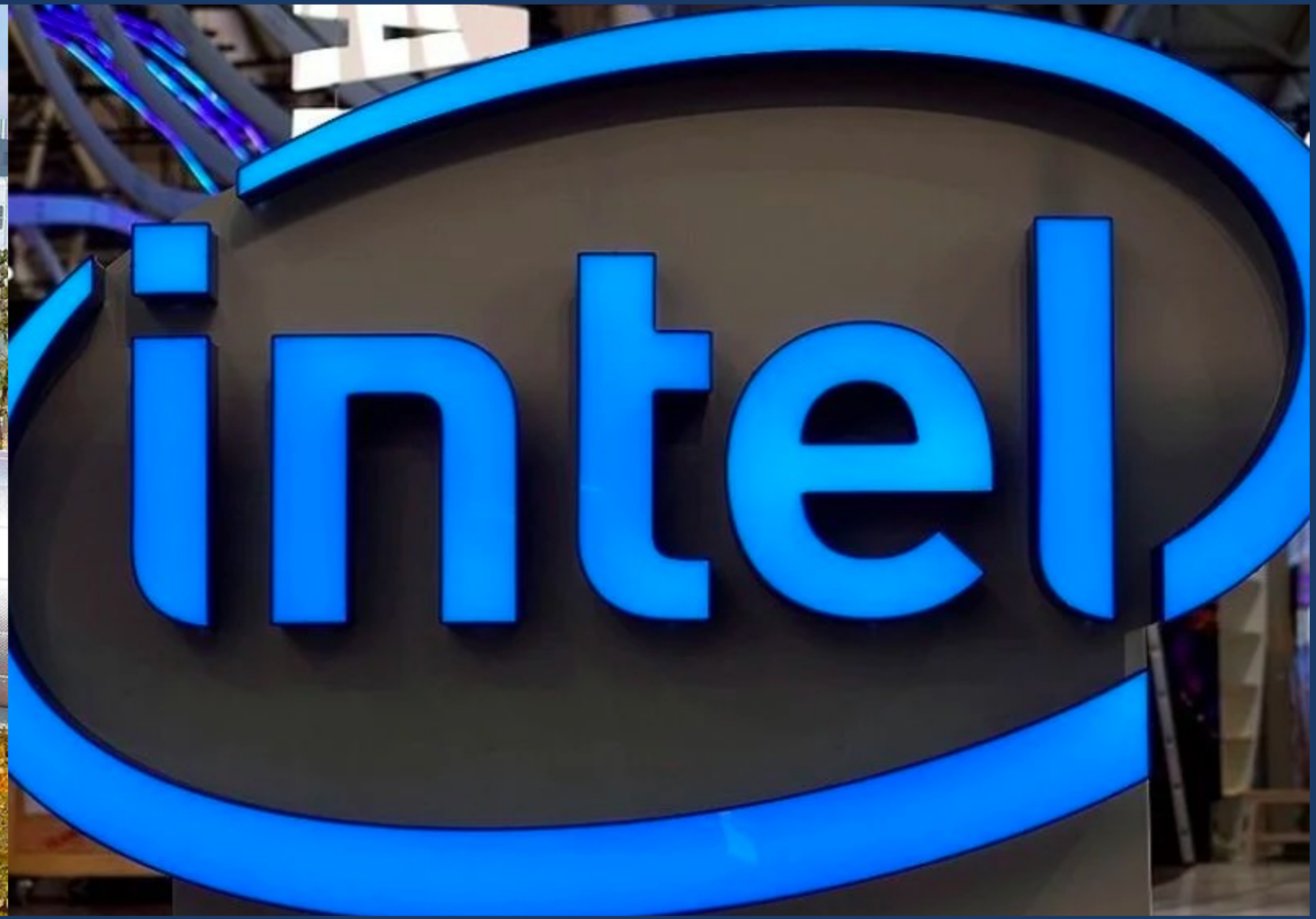
RAPID **EMPLOYMENT GROWTH IS DRIVING PEOPLE TO THE AREA AND INCREASING THE AVERAGE MEDIAN INCOME.**

PHOENIX IS THE FASTEST GROWING CITY IN THE U.S. FOR THE FIFTH YEAR IN A ROW

A FEW MAJOR EMPLOYERS:

- American Express
- Dignity Health
- Bank of America
- Arizona State University
- Honeywell | Aerospace
- Freeport-McMoRan
- Banner Health

PHOENIX OPPORTUNITY ZONE FUND



APPROXIMATELY $32 BILLION IN MICROCHIP MANUFACTURING FACILITY DEVELOPMENT AND EXPANSION

DATES AND DEADLINES

Starting in 2021, eligible gains can be invested on a rolling annual basis.

JUNE 28, 2022	ELIGIBLE CAPITAL GAINS RECOGNIZED IN 2021 MUST BE INVESTED BY THIS DATE
JUNE 28, 2023	ELIGIBLE CAPITAL GAINS RECOGNIZED IN 2022 MUST BE INVESTED BY THIS DATE.
JUNE 27, 2024	ELIGIBLE CAPITAL GAINS RECOGNIZED IN 2023 MUST BE INVESTED BY THIS DATE.
JUNE 28, 2025	ELIGIBLE CAPITAL GAINS RECOGNIZED IN 2024 MUST BE INVESTED BY THIS DATE.
JUNE 28, 2026	ELIGIBLE CAPITAL GAINS RECOGNIZED IN 2025 MUST BE INVESTED BY THIS DATE.
DECEMBER 31, 2026	DEFERMENT ON ORIGINAL GAIN ENDS, AND GAIN IS RECOGNIZED.
APRIL 15, 2027	INCOME TAXES FOR 2026 ARE DUE. THIS INCLUDES TAX PAYMENTS DUE ON YOUR ORIGINAL DEFERRED GAIN.

DATES AND DEADLINES

June 28, 2027 — The last date to invest 2026 capital gains. This is also the final deadline to invest in a QOZF for the 10-year gain exclusion.

2028 — The first year in which some of the earliest Opportunity Zone investments may be sold and qualify for the 10-year gain exclusion.

December 31, 2028 — Expiration of the designation of Qualified Opportunity Zones. QOZFs may still be active after this date to receive the 10-year exclusion. Expiration should not have any effect on receiving this incentive.

June 28, 2037 — The earliest date on which the last Opportunity Zone investments may be sold and qualify for the 10-year gain exclusion. Applies to 2026 through June 28, 2027, deferred gains that were invested into a QOF.

10-year gain exclusion also starts ending on this date for deferred gains invested into QOZF from 2026 through June 28, 2027. If held for 10 years, those investments can now be sold.

December 31, 2047 — The ability to eliminate gains on a taxpayer’s QOF investment could cease upon the expiration of QOZ designations.

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