



USG REALTY
CAPITAL

The Opportunity Zone Experts™



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.





Market Square Apartments – Tacoma, WA

Multifamily Investment Opportunity!

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





TO LEARN MORE, PLEASE VISIT OUR WEBSITE.



Special Announcement

WEBINAR

**Thursday
March 9th
11:00am PT (2:00pm ET)**



www.usgre.com

(877)938-0888



Market Square Apartments – Tacoma, WA

**10% Preferred Return Market Square OZ
Investment Opportunity
and
Tax Advantaged OZ Investing.**



Ashley Tison “*The OZ Sherpa*” and the OZPros team will help you navigate the Opportunity Zone fund and business creation process through education, products, and advisory work.



Agenda Digest

- The USG Difference
- Is it the Right Time to Invest in
 - Multifamily?
 - Development?
 - OZ Funds

A Look at Statistics and Trends

- Market Square Apartments
OZ Investment Opportunity
Tacoma, Washington



Greg Genovese

**Founder & CEO
USG Realty Capital**



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.**"



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 since 2019
 - 10th Asset



Washington



Marina Square
Bremerton, WA



Market Flats
Olympia, WA



Market Square
Tacoma, WA



Peyton Lofts
Spokane, WA





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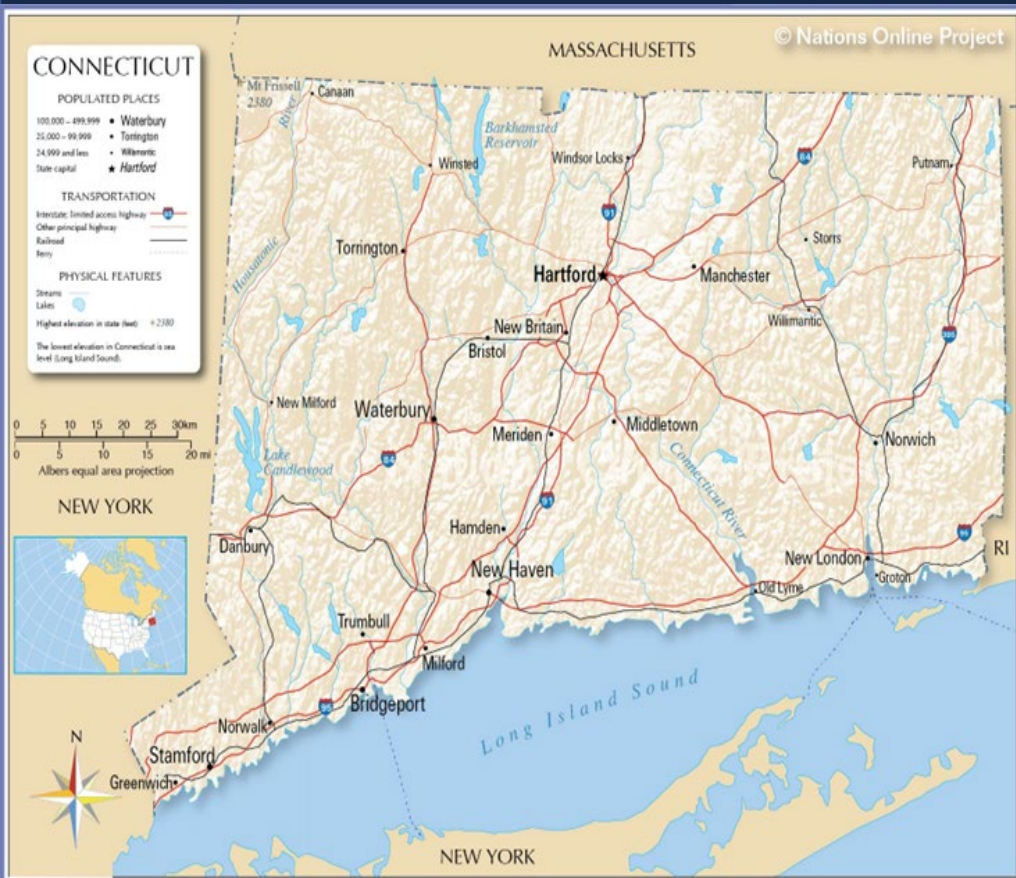
Oregon



9th & Washington
Hillsboro, OR



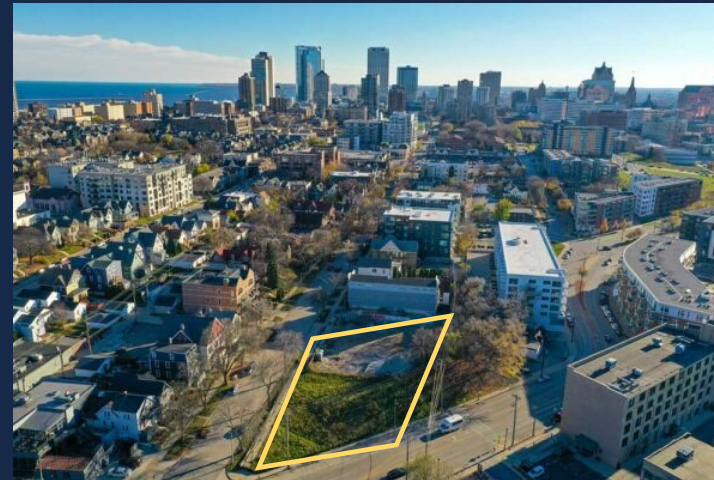
Connecticut



KindCare Assisted Care
Bristol, CT



Wisconsin



Elevation 1659
Milwaukee, WI





Year	Name	Location	Type (Assets)	Total	Stage
2019	Marina Square ¹	Bremerton, WA	MF/Retail/Park. (3)	\$140,000,000	Open & Leasing
2020	9 th & Washington ^{2,3}	Hillsboro, OR	Multi-Family (1)	\$8,000,000	Pre-Leasing
2020	Market Flats ^{2, 3,}	Olympia, WA	MF/Retail (2)	\$12,000,000	Final Stage Construction
2021	KindCare	Bristol, CT	Senior Living (1)	\$25,900,000	Final Stage Construction
2022	Elevation 1659	Milwaukee, WI	Multi-Family (1)	\$25,150,000	Under Construction
2022	Market Square	Tacoma, WA	MF/Retail (2)	\$47,500,000	Project Start June 2023
Totals ⁴			10 Assets	\$258,550,000	

(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, is a 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.





Opportunity Zone Investing In Today's Economy



TAX INCENTIVE TIMELINE



2023

10 Years of 100% Tax Deferral and 100% Tax Elimination!

2032



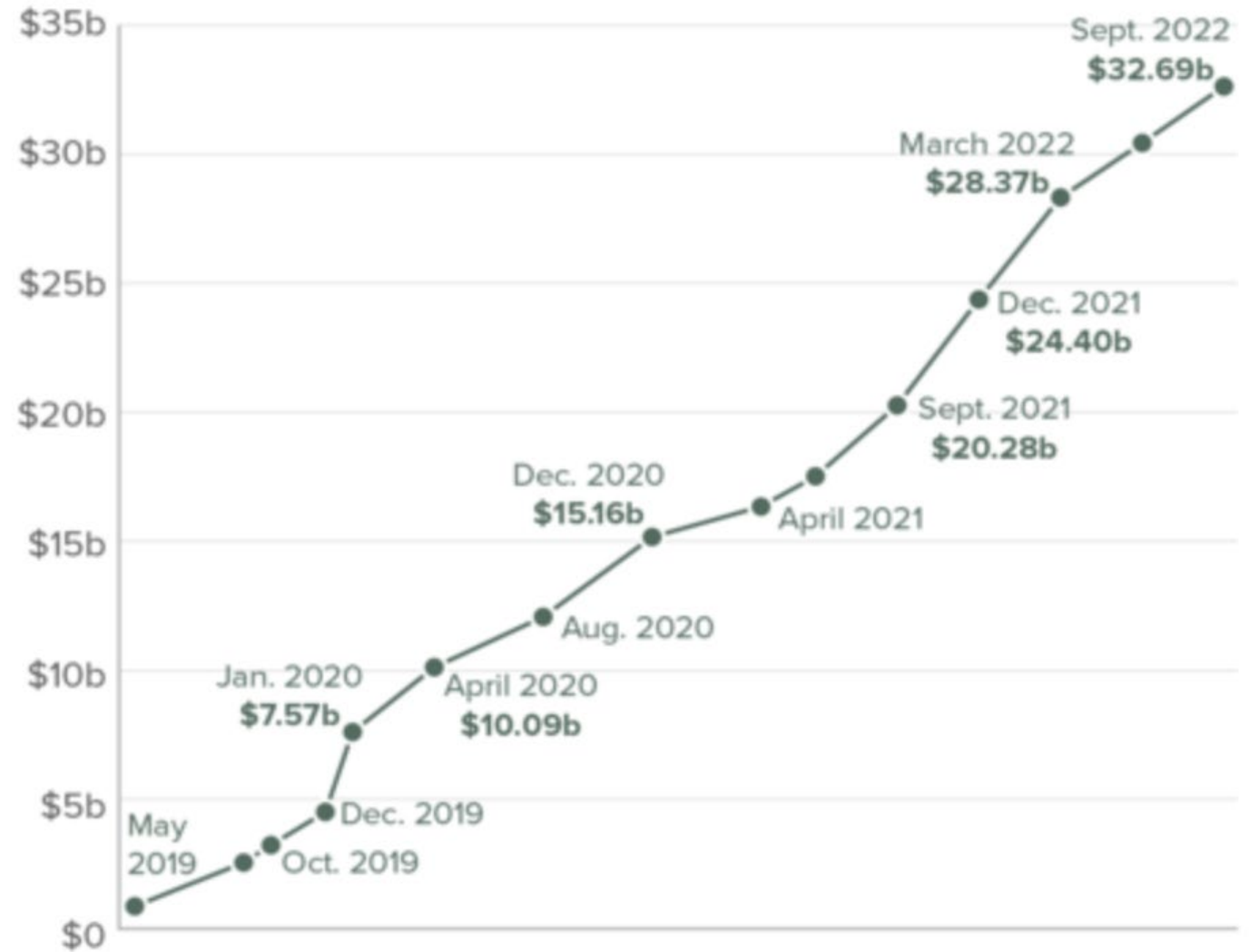
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Opportunity Zones Today

- Reported investment velocity remains high (2022 on pace for record year!)
- Improvements on the horizon...
- **The Super-Power of OZ Investing is the 10 years of Tax-Free Growth with Deferral of your Original Capital Gains Tax!**

Total Equity Raised Continues Growth



Source: Novogradac



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**



Market Square

Tacoma, WA

- Multifamily
- 176 Units
- **Preferred Annualized Return 10%¹**



Peyton Lofts

Spokane, WA

- 93 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.



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”.



Bremerton, WA



Milwaukee, WI





OZ Investment Opportunity

Market Square Apartments

Tacoma, Washington



Market Square Apartments Tacoma, WA

- 176 Market Rate Units – Multi-Family
- Developer: PLUS Capital Partners ¹
- In the heart downtown Tacoma!
 - Fastest growing income tract in Pierce Co. ²
- **\$22.5M in Project Equity**
 - \$25.0M Loan Proceeds
 - \$47.5M in Project Costs
- 10% Preferred Annualized Returns ³



Footnotes:

1. Referenced developer co-partners with Investors Choice OZ Fund, LLC to build the project.
2. Market Square Apartments – Tacoma Market Study – Summerfield Property Management (May 2022)
3. 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.

Architectural renderings of proposed project



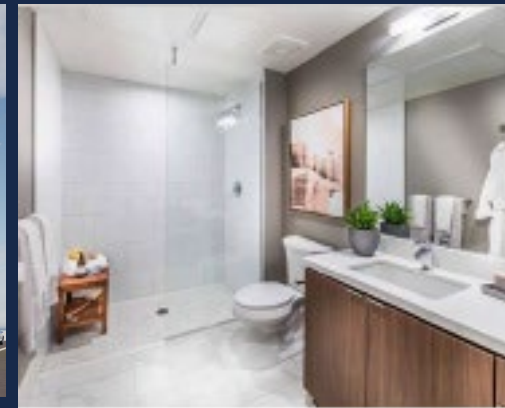
Common Area Amenity

- First and second floor internal courtyards
- 2 Kitchen & Lounge Rooms
- Top floor Club House
- Open roof deck w/ view of Mt. Rainier
- Fitness Center
- Rooftop secured pet relief area
- Bike Storage, Bike Repair & Wash Station



Unit Finishes

- Contemporary flat panel kitchen & bathroom cabinets with architectural hardware
- Quartz countertops in kitchens and baths
- Washers / dryers in premium units
- High speed internet access



KEY OFFERING DETAILS

<div>OFFERING SIZE</div> <div>\$22,500,000</div>	<div>PREFERRED ANNUALIZED RETURNS¹</div> <div>(per project)</div> <div>10%</div>											
<div>MINIMUM INVESTMENT</div> <div>\$50,000</div>	<div>RETURN DISTRIBUTION CHART²</div> <table><tr><td><u>Investor</u></td><td><u>Sponsor</u></td><td><u>Criteria</u></td></tr><tr><td>100%</td><td>0%</td><td>Until Preferred Returns are Met</td></tr><tr><td>80%</td><td>20%</td><td>From Preferred Returns and Greater</td></tr></table>			<u>Investor</u>	<u>Sponsor</u>	<u>Criteria</u>	100%	0%	Until Preferred Returns are Met	80%	20%	From Preferred Returns and Greater
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Tacoma, WA



Top National Opportunity Zone Location

- Across the street from Univ. of Washington
- Fastest growing income tract in Pierce Co. ²
- Walk score of 86/100
- Adjacent to Pierce County bus stop
- Two blocks from Sound Transit streetcar
- Linking to Sounder commuter train & Amtrak





1 hour
Ferry

1548 Market Street

Tacoma

Seattle





Employment







Transportation



TRANSPORTATION

Commute Time From Market Square	Foot	Bike	Street Car
UW Tacoma	< 5 min	< 5 min	n/a
Downtown Tacoma	10 min	5 min	6 min
Tacoma Dome Station	22 min	7 min	12 min
St Joseph Medical Center	16 min	10 min	8 min
Nearest Grocery Store	24 min	11 min	21 min



Walkability 86/100



Popular for Cyclists



**Bus and Streetcar
Connections**





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ACCESS TO SEATTLE

The Sounder commuter rail line runs between downtown Tacoma to downtown Seattle on weekday mornings and evenings, giving downtown Tacoma residents access to major employers in Seattle.





Market Rental Analysis





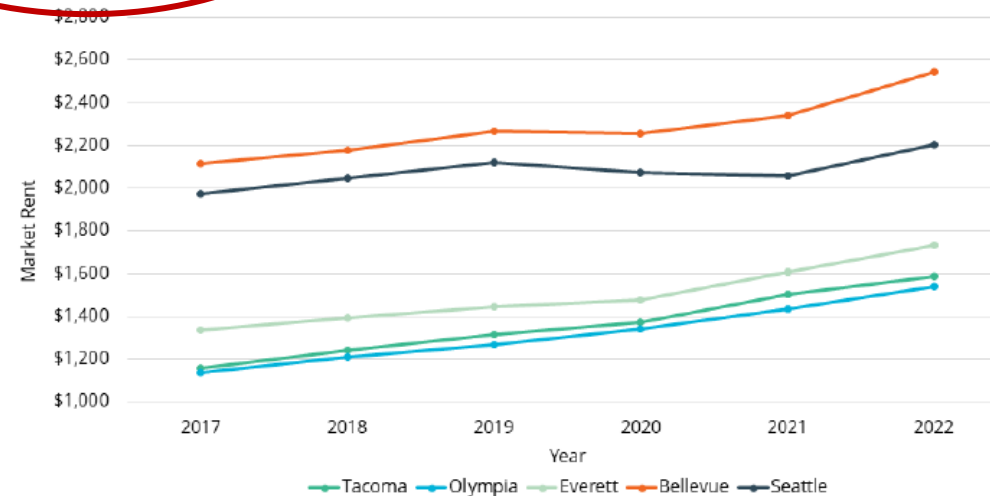
RENT GROWTH: CITY COMPARISON

Seattle's recent rent growth has received national recognition, however, overbuilding and remote working due to the pandemic has cooled the local market. The South Puget Sound region is now the dominate market:

The entire Tacoma market (133 apartments) has experienced an impressive 36.9% rent increase over the past five years.

City	2017 Rents	2022 Rents	5-Year Growth
Tacoma	\$1,158	\$1,585	36.9%
Olympia	\$1,139	\$1,538	35.0%
Everett	\$1,334	\$1,734	30.0%
Bellevue	\$2,114	\$2,544	20.3%
Seattle	\$1,974	\$2,205	11.7%

5-YEAR RENT GROWTH: CITY COMPARISON



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
- UW plan to grow from 4,000 Students to 10,000 Students
- Local Government and EDA's are supportive of the project
- Rental Growth continues to be well above the National Average



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