



WEBINAR WILL START 3 MINUTES AFTER THE ANNOUNCED TIME.
AUDIO IS MUTED UNTIL THEN.

Rails on Main

322 Unit Graduate Student Housing Development Project in Buffalo



Jean-Marc Landau



Dave Freeman



Neal Bawa



Justin Earl



OUR GOAL FOR TODAY

The agenda

Who are we? – An introduction to the Management team

Why Buffalo? – Let's explore the Metro

Why this part of Buffalo? – Let's explore the Neighborhood

Why this property? – Let's understand the opportunity

What are the Numbers? – Assumptions, Loans, Splits, Returns and more

How long and How much? - Investment amount and Timeframe

What did we forget? Q&A session

BEFORE WE START, SOME HOUSEKEEPING

Let's get this out of the way

Feel free to type questions in at any point. We will answer them at the end in the order they were asked.

This presentation is being recorded. You will get a copy.

All numbers shown are preliminary (and are likely to change due to ongoing due diligence).

This material does not constitute an offer or a solicitation to purchase securities. An offer can only be made by the Private Placement Memorandum (PPM). This document is an informational summary of the prospective investment opportunity only. The PPM and its exhibits contain complete information about the Property and the investment opportunity. This presentation has been prepared to summarize such information for prospective investors in the Company. The information contained herein is not a substitute for an investor's complete review of all of the information attached to the PPM as part of their own due diligence regarding this investment opportunity and its suitability for their investment portfolio.

MEET OUR TEAM

Financial Attunement and Blackfish Investments



**JEAN-MARC
LANDAU**



**NEAL
BAWA**



**David
Freeman**



**Justin
Earl**



MEET OUR TEAM

CEO and Founder, Financial Attunement



Jean Marc Landau

Strategic Leadership



About Jean Marc

owned, managed, financed, developed, and constructed real estate since 1982. Has extensive knowledge of the industry and taps his experience to find elegant and powerful solutions to both simple and complex real estate transactions. Jean-Marc launched Financial Attunement, Inc. after seeing thousands of financial statements in his loan practice. How could so much capital be underutilized? Borrowers were struggling to qualify for a loan, but they were sitting on significant assets earning nothing for them; sometimes even losing value to inflation. Bringing those assets into reliable investments that provide a true return is their key to a financially secure future. And that is Financial Attunement's goal.

Key Focus

Strategy



Underwriting



Submarket and property selection



Investor Management



Contracts and Financials



MEET OUR TEAM

President and Chief Operations Officer, Financial Attunement



Neal Bawa

Operational Leadership

About Neal

Neal Bawa brings strong operational and fiscal management experience to Financial Attunement. Neal has over 17 years of revenue (P&L) experience as the senior-most executive in a California education company with over 350 employees and \$40MM in revenue. Neal retired after 17+ years of service to pursue a Real Estate career full time. Neal owns and manages an extensive real estate single family and multifamily portfolio in 5 U.S. States. He teaches Multifamily education seminars to over a thousand students a year. He now leads the company's Operations group and is driving the syndication and acquisition of MultiFamily properties.

Key Focus

Investor Management



Sales and Marketing



Submarket and property selection



Leasing operations and metrics



Technology and Infrastructure



MEET OUR TEAM

Principal and Co-Founder, Blackfish Investments



Dave Freeman
Strategic Leadership



About Dave

Dave is a Founding Partner and Principal for Blackfish Investments, a real estate development firm specializing in student housing opportunities.

Over the course of his student housing career, Dave has participated in the acquisition of over \$1Billion of student housing properties personally or for companies he has worked for.

Dave’s experience comes from personally owning between 3,000 – 5,000 beds of student housing for over 30-years. Also, his student housing experience was greatly broadened while he was the head of acquisitions (EVP of Acquisitions) for a public student housing REIT (Campus Crest NYSE: CCG).

Key Focus

- Investor Management
- Sales and Marketing
- Submarket and property selection
- Leasing operations and metrics
- Technology and Infrastructure

MEET OUR TEAM

Principal and Co-Founder, Blackfish Investments



Justin Earl

Strategic Leadership



About Justin

Justin is a Founding Partner and Principal at Blackfish Investments, a real estate development firm specializing in student housing projects. He brings 10 years of development experience from having worked with some of the largest real estate players in Utah and regionally. His work has and currently covers acquisitions, development, design, and financing of new projects.

Justin has 2 Master’s Degrees: (1) Master’s Degree in Real Estate Development and (2) Master’s Degree in Finance, both from the University of Utah. For the past 4 years, he has been teaching MBA, MSF, MAcc, and MRED students advanced real estate financial modeling and theory also at the University of Utah.

Key Focus

Strategy



Underwriting



Submarket and property selection



Investor Management



Contracts and Financials



MEET OUR TEAM

The rest of our hard working family



Ivannia Navarrete

Operations
Director



Lana Arorong

Investor Relations &
Operations Wiz



Bonnie Lai

Acquisitions Analysis and
Due Diligence Expert



Julianne Feliza

Audits &
Operations Wiz



Andy Atre

Technology &
Marketing Guru



Jennifer Pineda

Marketing &
New Media Expert

OUR PROPERTY MANAGER



Property management expertise

SGFusion Living has focused on student housing for 30 years. They have managed as many as 3,700 beds at a time across Utah, Arizona, Nevada, California, Colorado and Florida.



Strong expertise in budgeting

SGF partners closely with us in the due diligence, proforma and budgeting process. They regularly shop the competition, and their rent comps are very reliable.



High caliber staff

SGF's staff of 35 employees is experienced with a strong attention to detail.



Awarded Performance

SGF has won "Best of Provo Apartments" the past 4 years for its service above and beyond the call of duty.



Shelly Freeman, President/Owner
SGFusion Living

CORE COMPETENCIES

What we are really good at



IDENTIFY & VERIFY

Through very thorough and proprietary research focused on the right metros, sub-market and target properties, we identify high quality assets with upside and a favorable risk-reward ratio.



ACQUIRE & STABILIZE

Our Asset Managers and principals work side by side with our property team to acquire the asset. If the property is a turnaround property, the team works day and night until the property is stabilized.



MANAGE & ENHANCE

Higher rents and higher occupancy drive the bottom line, enhancing profitability and increasing the property's value.



DIVEST PROFITABLY

Our goal is to sell the property profitably with in a 3-5 year time frame. We provide on-going guidance on our progress towards our stated exit price for the property.

OUR PORTFOLIO & TRACK RECORD

FAI's properties and their current returns



Chancellor
224 units Houston TX, Increased equity 2.2x in 2yrs. Sold 3/2016. Investor returns were approx 35% /annum



La Siera
152 units New Braunfels, TX. Purch 2012 for 13.2Mil. Sold early 2016 multiplying equity to 2.5x in 4 yrs. Investor returns were approx 29%/ annum.



Woods of Ridgmar
235 units Fort Worth, TX. Just purchased. Starting our capital improvements. B- asset in solid B+ area



Tree House
172 units Longview, TX, acquired May 2013 for 5.4MM. Operating, paying 8-9% returns. Almost sale at 7.5MM would have doubled the equity.



Villa Del Lagos
248 units Dallas, TX. Sold 1/2017 for 11.2MM up from 5.8MM in 21 months. First year NOI was 230,000 higher than pro forma. 65+% annual returns to investors.



South LakeSide
237 units Chicago, IL. Six bldgs going through full reposition. Now approaching stabilisation.

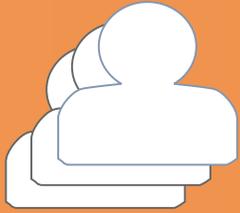


The Point at Flamingo
192 unit contiguous to UNLV campus. Student housing transformation of apartments, taking 2br units from 775/dr to 675/bed (1350/dr) student housing.

Several properties are in partnership with other groups. These are cash on cash returns not IRR.

HOW WE SELECT MARKETS

Location, Location, Location



JOBS

Is the metro and the submarket adding enough well paying jobs?



RENT GROWTH

We use several powerful proprietary methods to calculate 5-year rent growth



SUPPLY & DEMAND

We monitor incoming supply carefully to ensure it will not spike the vacancy rates



SALES TRENDS

We monitor sales trends continuously to ensure that our exit cap rates are on target

HOW WE SELECT PROPERTIES

Location, Location, Location



VALUE ADD

We underwrite dozens of properties and reject most. The property must have strong value add potential to be selected.



LOCAL DRIVERS

We strongly prefer properties that have local job growth drivers like corporate relocations or landmark construction.



RENT GROWTH TRACK RECORD

We ensure that the property's submarket has a strong 12 month rent growth track record.



TRAPPED POTENTIAL

We look for other problems that we can fix, such as poor marketing, low quality staff, curb appeal improvements

The student housing advantage



Outperforms other sectors

Even through the Great Recession, student housing outperformed Office, Retail, Industrial, and even Multi Family Real Estate.



One lease per person, not per unit

Annual lease with 12 equal payments and a parental guarantee. A lease per bed drives a premium.



One bath per bedroom

Gives added privacy and desirability compared with shared bathrooms.



Common area to socialize

Rooms share kitchens and living rooms. Graduate student housing is mostly studios and 1 bedroom units so common areas are distributed throughout the property for easy socializing and studying.

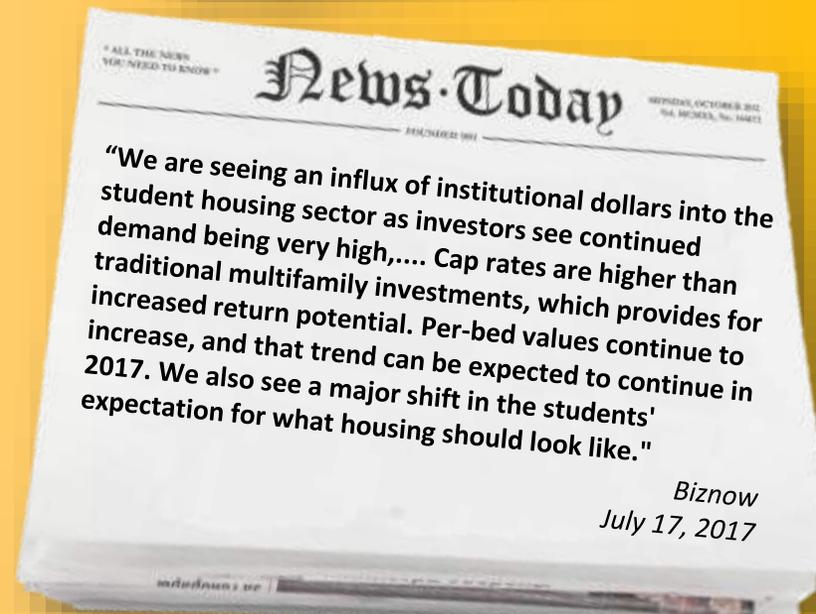


Daily News

"From a total portfolio perspective, student housing provides both defensive and diversification benefits from other traditional property sectors as it is less volatile and less dependent on the economic cycle,..."

Bloomberg

April 19, 2017



News Today

"We are seeing an influx of institutional dollars into the student housing sector as investors see continued demand being very high,.... Cap rates are higher than traditional multifamily investments, which provides for increased return potential. Per-bed values continue to increase, and that trend can be expected to continue in 2017. We also see a major shift in the students' expectation for what housing should look like."

Biznow
July 17, 2017



LET'S TAKE A LOOK AT THE METRO - Why we really like Buffalo

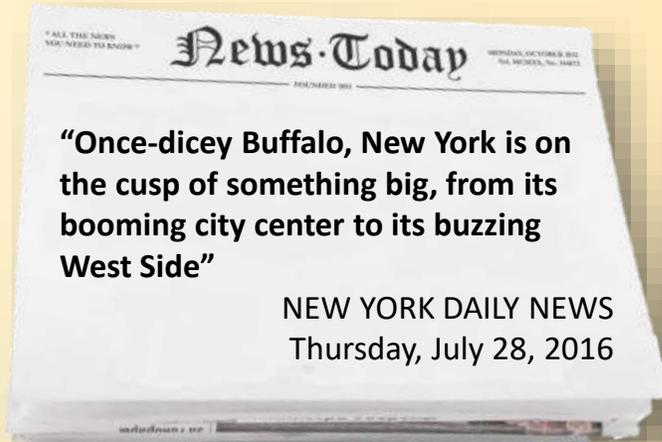
WHY WE LIKE BUFFALO

The Great Buffalo Renaissance

Google Search “Buffalo Renaissance”

\$19.2B

Investment in Buffalo
Development projects



BUFFALO'S ROBUST STUDENT POPULATION

- Large student population, over 70,000 students, 15,000 graduate students.
- Largest group of grad students from University at Buffalo. Thus, UB is our focus with the other schools playing supporting roles.

10,000

University at Buffalo graduate enrollment stands out

School	Students	Undergrads	Graduates	Endowment (in MM)	Endowment (per student)
Buffalo State College	10,256	9,116	1,140	\$ 36.0	\$ 3,510
Erie Community College	15,084	15,084	-		
University at Buffalo	29,806	19,951	9,855	\$ 624.8	\$ 20,962
Bryant & Stratton College	693	693	-		
Canisius College	5,148	3,381	1,767	\$ 104.6	\$ 20,319
D'Youville College	3,067	1,963	1,104	\$ 38.6	\$ 12,586
Daemen College	2,800	2,045	755	\$ 10.0	\$ 3,571
Medaille College	2,479	1,914	565	\$ 8.0	\$ 3,227
Trocaire College	1,467	1,467		\$ 1.2	\$ 818
Totals	70,800	55,614	15,186		

71,000

Enormous student population in Buffalo

15,000

Large cohort of graduate students

Why We Like Buffalo and UB

Supply and demand paint a compelling picture

71K

Over 70,000 students call Buffalo home

\$19.2B

The Buffalo Renaissance is alive and well thanks to nearly \$20B of investment over the past 10-years

#2

Entrepreneur Magazine ranks Buffalo as #2 for cities where Entrepreneurship is Booming

2

Buffalo boasts home to the Buffalo Bills (NFL) and the Buffalo Sabres (NHL)

5,750

Students enrolled on South Campus – nearly all are graduate students

7,500

Students living around South Campus commuting to North Campus

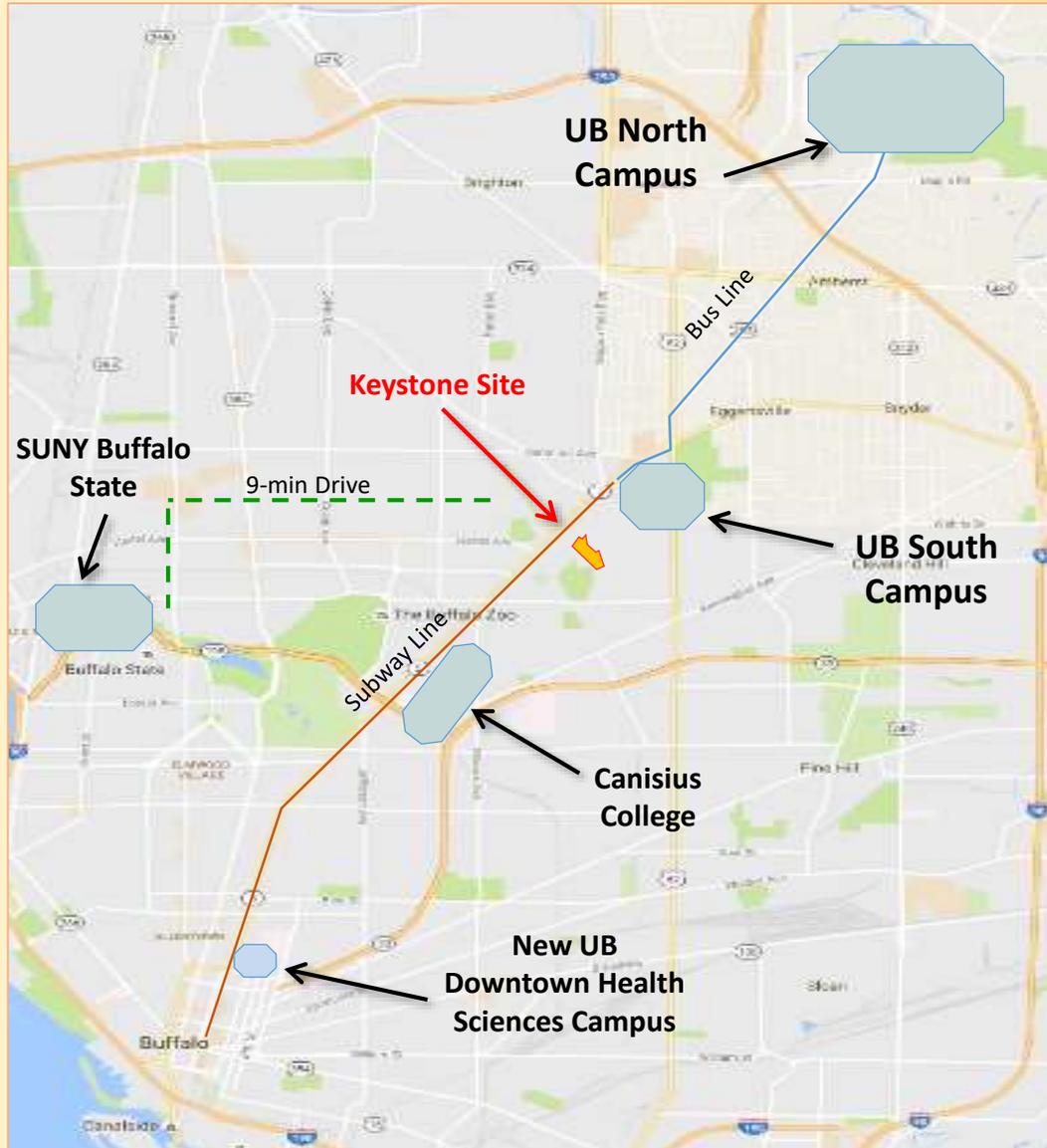
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The Downtown Medical Campus is only 12-minutes on the subway from the site

0

There is ZERO purpose-built Graduate Housing in Buffalo

SCHOOL CAMPUSES OF SPECIAL INTEREST



The University at Buffalo has three campuses.

The North Campus - 22,545 Students enrolled

Considered the main campus. Has majority of undergrad classes and housing, plus athletic facilities.

The South Campus - 5,758 Students enrolled

primarily graduate programs. Called University District. Night life and social venues Housing is substandard single family homes.

7,500 Students on North Campus shuttle from South Campus on the Stampede line. They do this because of the University District atmosphere and easy access to the social scene.

The Downtown Campus - 1,500+/- Students enrolled

Downtown Campus (Health Sciences) currently under construction, part of regional Medical District. Health Sciences programs will migrate from South Campus to new Downtown Campus over the next few years.

Housing options downtown very limited with high barriers to entry. Subway from Keystone property 12-minute ride to new Health Sciences buildings.

Other Noteworthy Campuses

Canisius College - 5,148 Students enrolled

private Catholic university. We expect that we will be a popular alternative to their on-campus housing, as we are a 5 minute subway ride with a stop at our Property and a stop on their Campus.

Buffalo State University – 10,256 Students enrolled

Buffalo State is 2.9-miles west of the Property. Again, we are not targeting these students, but there is almost no housing proximate to Buffalo State, and Keystone is an easily accessible option.



WHY THE UB SOUTH CAMPUS?

UB South Campus is primarily a graduate campus and is surrounded by the “University District”

WHY THE SOUTH CAMPUS?



The South Campus is known as a graduate program campus.

The Project is targeting graduate students and there are 5,700+ graduate students at the South Campus today. Over the next decade as the Health Sciences Programs move to the Downtown Campus, other graduate programs will be migrating to the South Campus resulting in a net growth of our targeted renter pool.



Our site provides excellent access to the Downtown Campus and South Campus due to subway transit access.

The subway transit station 200 yards from our site directly serves the South Campus Transit Hub. Further, the Medical District's subway station is literally in the lower level of the Medical School Building on the new Downtown Campus. A student will walk less steps if living at our project and attending classes at the Downtown Campus than if they were to live a couple blocks away or park in the Medical District parking structures.



It is estimated that almost half of the students attending classes at the North Campus live in the University District south of the South Campus.

The area south of the South Campus is known as the "University District." This area is desirable for students due to the night life, entertainment, and concentration of other students. The Hertel Avenue corridor has gained popularity for its nightlife and energy. Our site is located at the terminus of Hertel where it intersects with Main Street. The University bus line known as UB Stampede averages over 15,000 riders a day between the South and North Campuses.



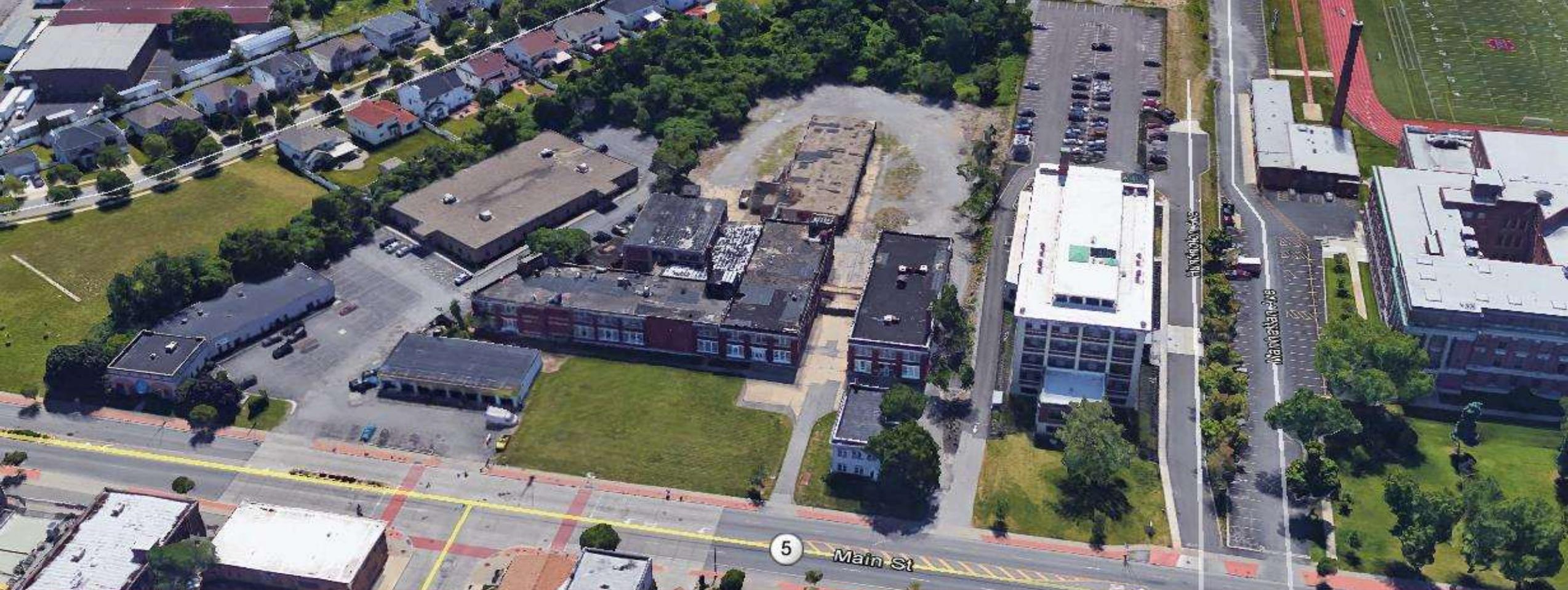
Buffalo State University is 3 miles west and Canisius College is 2 subway stops south of our site.

Though our project may not be the first choice for the students at Buffalo State or Canisius College, it is an attractive alternative to other housing closer to those schools. Our project is geared and marketed toward a more serious student. The Project's uniqueness will be attractive to these additional students.



There is a lack of large developable sites proximate to the South or Downtown campuses.

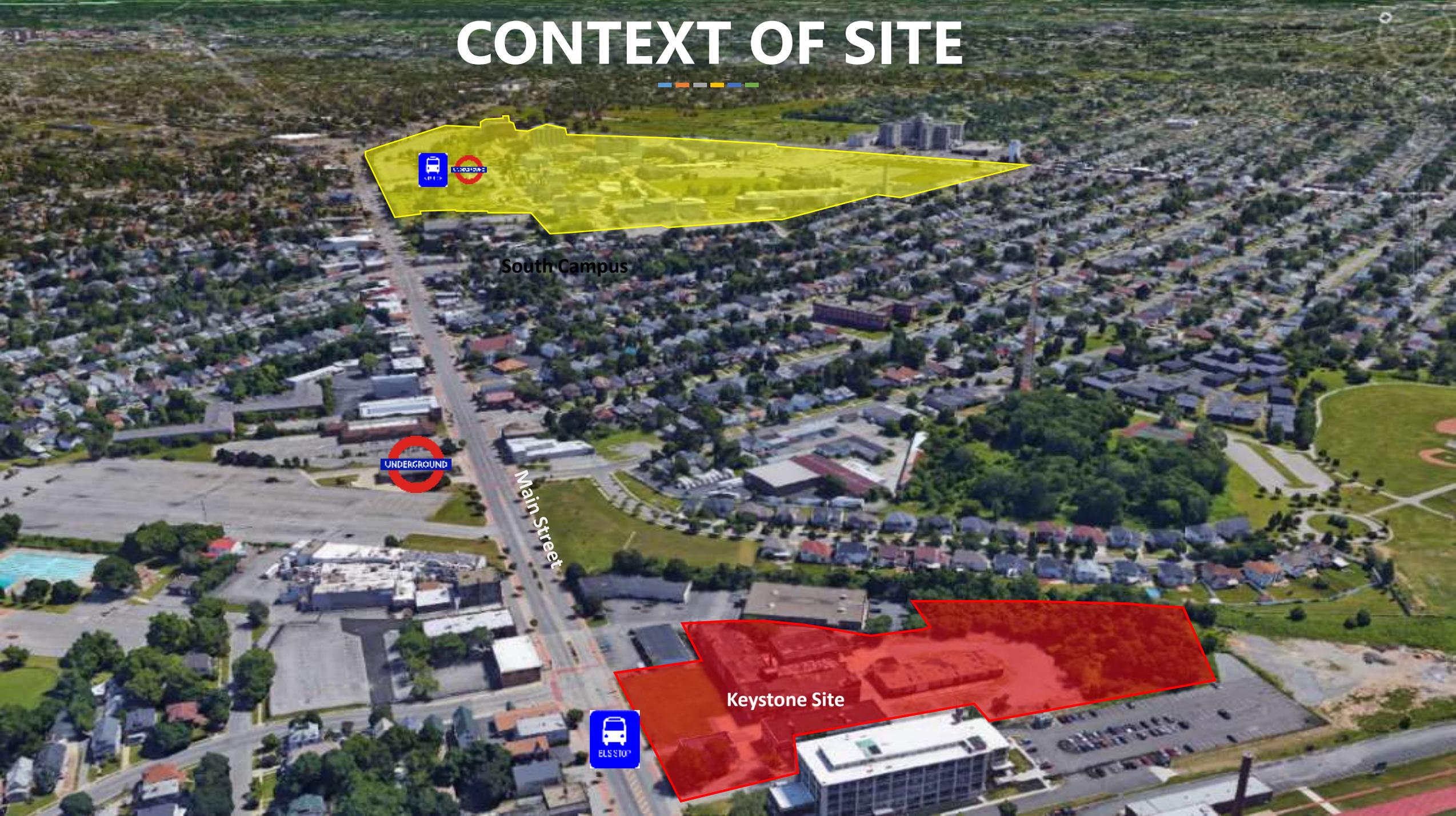
The areas surrounding the South and Downtown Campuses are highly developed except for public lands. Larger parcels are occupied by users and tenants that are not readily moved. Significant land assemblage would be required around either campus and zoning restrictions make most of the land around the South Campus unattractive.



WHY THE KEYSTONE SITE FOR THE PROJECT?

Because it has everything a successful student housing project needs

CONTEXT OF SITE



South Campus

UNDERGROUND

Main Street



Keystone Site

NEIGHBORING USES

Axis 360 – student housing

City Sports Fields

Single Family Homes

Bennett High School

Office Building

Bethune Lofts - market rate apartments

Keystone Site – Subject Property

Not-For-Profit Offices

Muffler Shop

Main Street

5 Main St

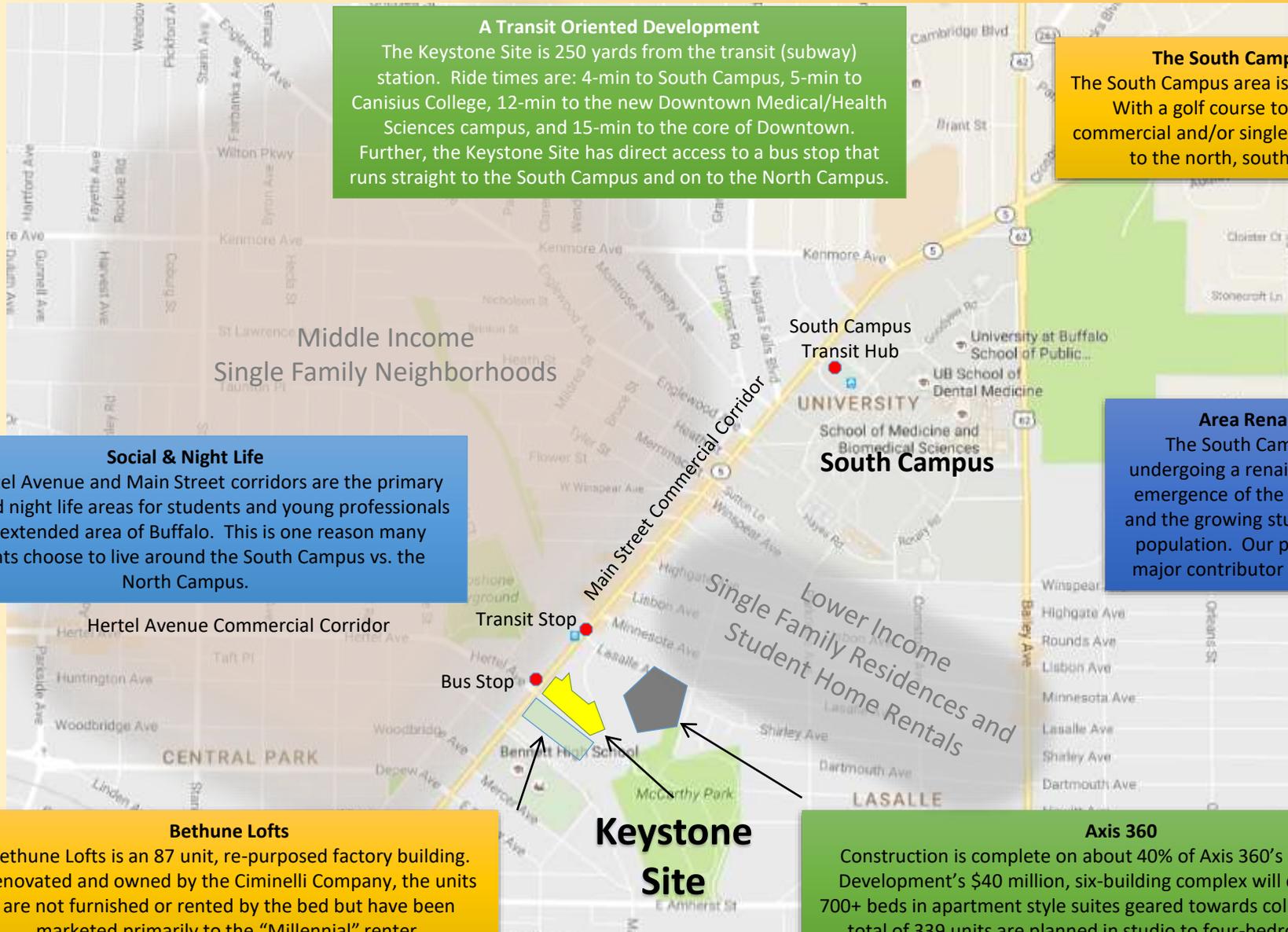
Manufacturing

Hertel Avenue

Main Street Commercial



CONTEXT OF SITE



A Transit Oriented Development
The Keystone Site is 250 yards from the transit (subway) station. Ride times are: 4-min to South Campus, 5-min to Canisius College, 12-min to the new Downtown Medical/Health Sciences campus, and 15-min to the core of Downtown. Further, the Keystone Site has direct access to a bus stop that runs straight to the South Campus and on to the North Campus.

The South Campus Area
The South Campus area is densely built out. With a golf course to the east and commercial and/or single family residences to the north, south, and west.

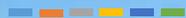
Social & Night Life
The Hertel Avenue and Main Street corridors are the primary social and night life areas for students and young professionals in this extended area of Buffalo. This is one reason many students choose to live around the South Campus vs. the North Campus.

Area Renaissance
The South Campus area is undergoing a renaissance with the emergence of the Hertel corridor and the growing student/millennial population. Our project will be a major contributor to this re-birth.

Bethune Lofts
Bethune Lofts is an 87 unit, re-purposed factory building. Renovated and owned by the Ciminelli Company, the units are not furnished or rented by the bed but have been marketed primarily to the "Millennial" renter.

Axis 360
Construction is complete on about 40% of Axis 360's units. Legacy Development's \$40 million, six-building complex will contain about 700+ beds in apartment style suites geared towards college students. A total of 339 units are planned in studio to four-bedroom layouts.

CONCEPT VIEW – DURING THE DAY



CONCEPT VIEW – AT NIGHT



NEW CONCEPT WORKS FOR UB STUDENTS

Why is that?

This is the only High Quality “Turn-key” housing targeted to Graduate Students, young medical and business professionals, and more serious upperclassmen undergraduates in the market.

5 STORY,
322 UNITS

COLLABORATIVE
STUDY,
EXERCISE,
RELAXATION
AMENITIES

SECURE
BUILDING &
UNIT
ENTRANCES

354 PRIVATE
BEDROOMS + 1
RETAIL SPACE

284 PARKING
SPACES



UNIT CONCEPT DESIGNS

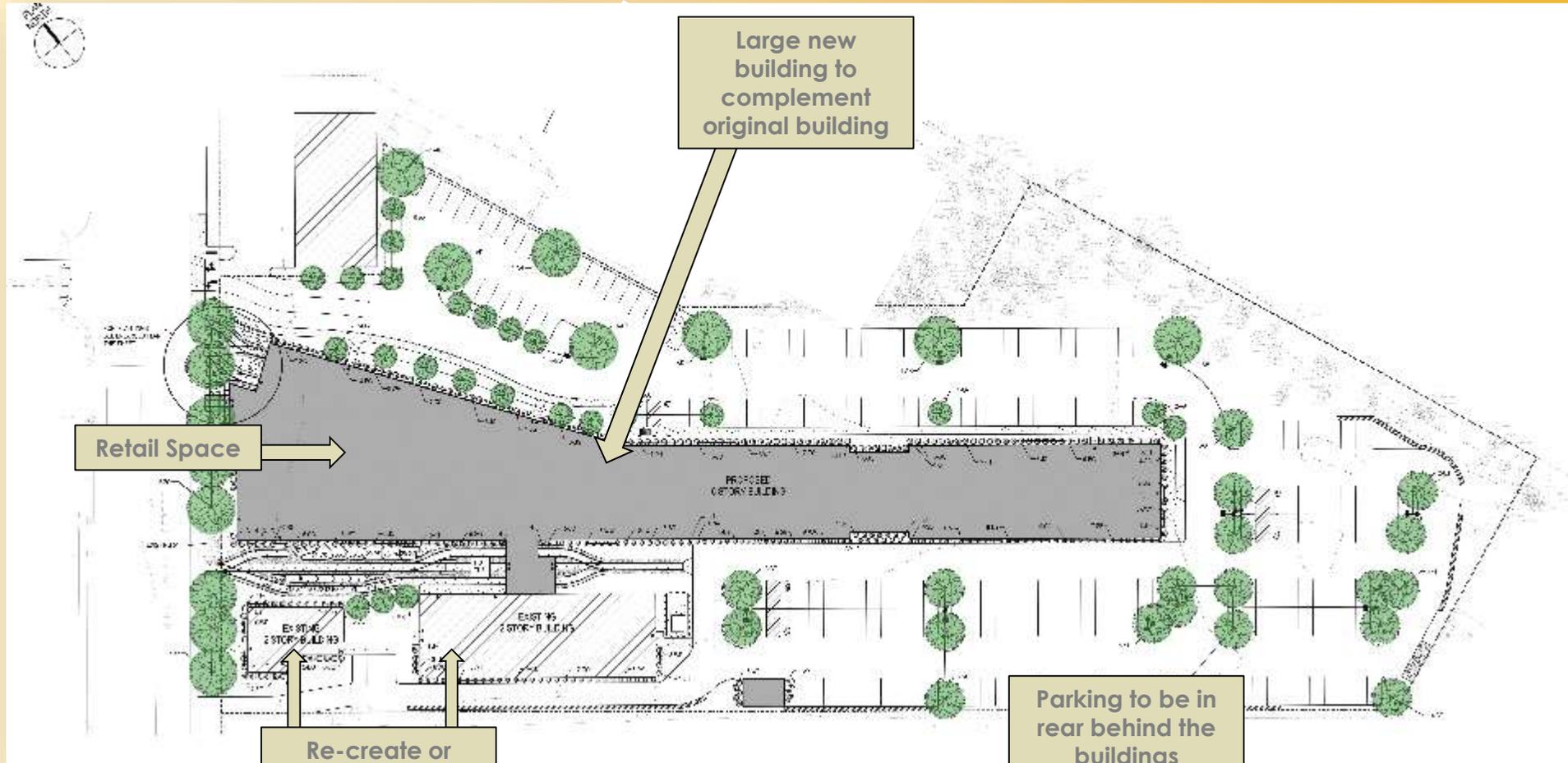


The Units are:

- Beds individually leased
- Fully furnished
 - Queen size bed
 - Large HDTV
 - Large study desk
- High-speed Internet
- Utilities included (capped)
- One wall is a White Board
- Washer & Dryer included



PROJECT SITE PLAN



Retail Space

Large new building to complement original building

Re-create or Retain, Renovate, Repurpose original Two Buildings

Parking to be in rear behind the buildings

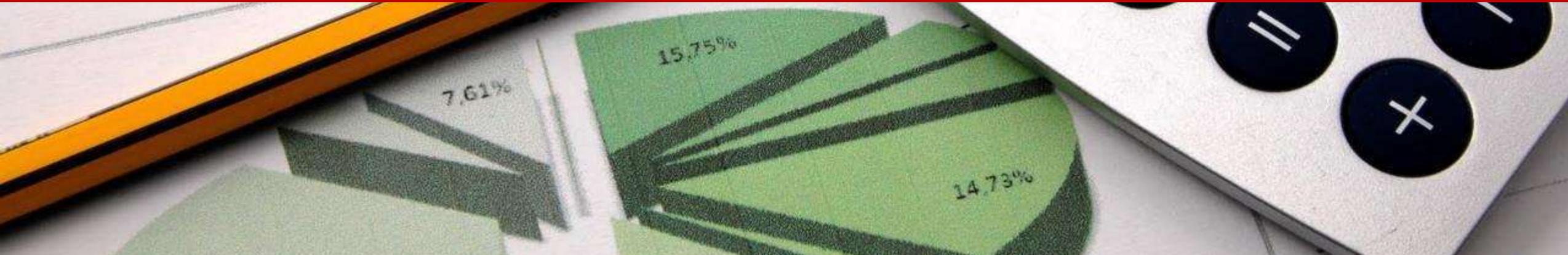
FIRST FLOOR LAYOUT





LET'S TAKE A LOOK AT FINANCIALS & TIMELINES

What are the numbers telling us?



A huge amount of work is done

Progress already made towards Project

Due Diligence

- Environmental Phase I and Phase II
- Soil sampling.
- Geotechnical Studies for soil, bedrock & ground water
- storm water storage
- Historic status of buildings identified
- Traffic studies
- Parking studies

Project Costing

- Multiple general contractors have reviewed the design
- Provided preliminary project costing estimates.
- Procurement companies researching better pricing for budgeted finishes and furniture

Multiple Public meetings

- Neighboring property owners attended
- City Councilors attended
- Very positive feedback

City Approvals

- Preservation Board – approved demo of 100-year old buildings
- Planning Board – approved environmental impacts
- Zoning Board of Appeals –approved our application for several variances from the zoning code
- Planning Board site plan approval

Design work

- progressed over 10 months to the final design
- Design is efficient, attractive, and conducive to great resident life and minimal impacts to neighbors.

Govt incentives

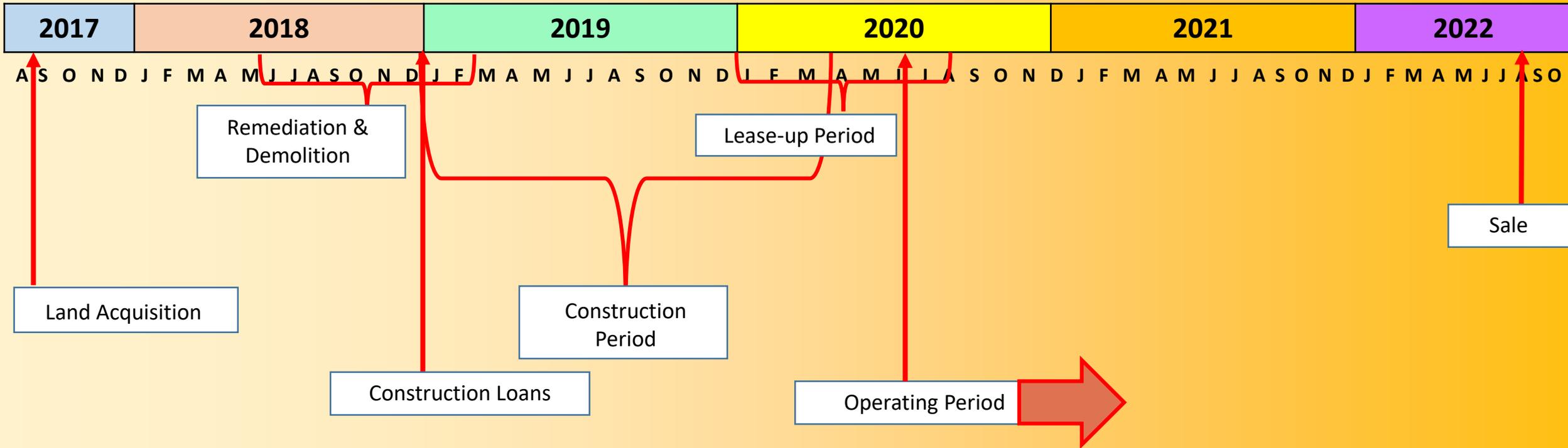
- Project accepted into NY Brownfields Cleanup Program
- 485-a Property Tax Abatement – City Tax Assessor has confirmed our design and plans qualify for the 13-year property tax abatement program

Early Investor Period - 5 years

Investors that invest to facilitate land acquisition, remediation and demolition

Late Investor Period – 4 years

Investors that invest to facilitate construction loan after land acquisition



FINANCIAL HIGHLIGHTS

The investment's vital statistics



PROJECTED AVERAGE ANNUAL RETURNS

30.41% Early Investor
23.3% Late Investor



INVESTOR PREF

8%



LOAN RATE
4.25%, 2 yr.
construction,
70% LTC



PROJECT SIZE

\$44MM, Build-to
cap rate 7.6%



LOAN & DCR

\$30MM loan, Yr 1
DCR = 1.7x



TOTAL EQUITY TO BE RAISED

\$14.1 MM
(2 phases)

*Returns boosted nearly 7% if
Brownfield cleanup is financed*

5 YR RETURNS PROJECTIONS

Our cash flow and return projections over 5 years



	Year 1	Year 2	Year 3	Year 4	Year 5
%age return	0% return	9.9% return	0% return	27.25% return	114.9% return
Cash flow on \$100K invested	\$0	\$9,900	\$0	\$27,250	\$114,900 <small>(does not include your principal)</small>

These projected numbers are the investor's **net** returns after management team's fees and share.

4 YR RETURNS PROJECTIONS

Our cash flow and return projections over 4 years



	Year 1	Year 2	Year 3	Year 4	Year 5
%age return	0% return (not invested)	2.64% return	0% return	14.18% return	66.65% return
Cash flow on \$100K invested	\$0 (not invested)	\$2,640	\$0	\$14,180	\$66,657 (does not include your principal)

These projected numbers are the investor's **net** returns after management team's fees and share.

EXIT ASSUMPTIONS

Our projections about sale of the property



OUR FEES



The components of our fee structure



Developer, acquisition and loan fees

Promoters are charging a 5% (of project costs) developer fee for this project, which is a typical developer fee, a 0.75% (of project costs) acquisition fee, and loan brokerage fees of 0.5% of debt amount if a 3rd party broker is involved and 1% if no 3rd party broker is involved for construction loan and 1% of debt amount for permanent financing.



Share of rent profits

Promoters receive 30% of the rent profits only AFTER early investors receive 10% Pref (preferred return) on their early investment and AFTER all investors receive 8% Pref..



Asset management fees

Asset management fees of 1% of Effective Gross Income are taken out of Property Management Fees, not out of investor cash flows.



Upside on sale

At the sale of the asset, investors are repaid their initial investment 1st, then net profits (after accounting for investor capital, debt and selling costs) are split 70% to early investors/30% to Promoters. If returns for the property are higher than 25% annually for late investors, then returns ABOVE that 25% threshold are shared in a 60/40 split between late investors and Promoters.

MINIMUMS, QUALIFICATIONS & TIMELINES

How much, when, and who qualifies



Minimum Investment

Early investor minimum investment is \$100K, with first priority given to \$150K or greater investments
Stage 2 investor minimum investment is \$200K



Who can invest?

Only accredited investors can invest in this project.



Investment timeline

Verbal indication of interest by July 29, Investment docs go out August 1
Money should be wired by August 15



Next steps

Email us your questions at info@finatt.com or ask for the subscription documents and PPM. If you want to talk further, call us at (510) 972-3641

Questions? You can type them
in if you are watching Online.



Rails on Main

Oriented towards Main Street

Future Development Potential

Future Building (Podium Parking with 5 Stories Residential Above)

Studio = 70 (14/floor)

1 Bedroom = 50 (10/floor)

2 bedroom = 25 (5/floor)

Total = 145 new units

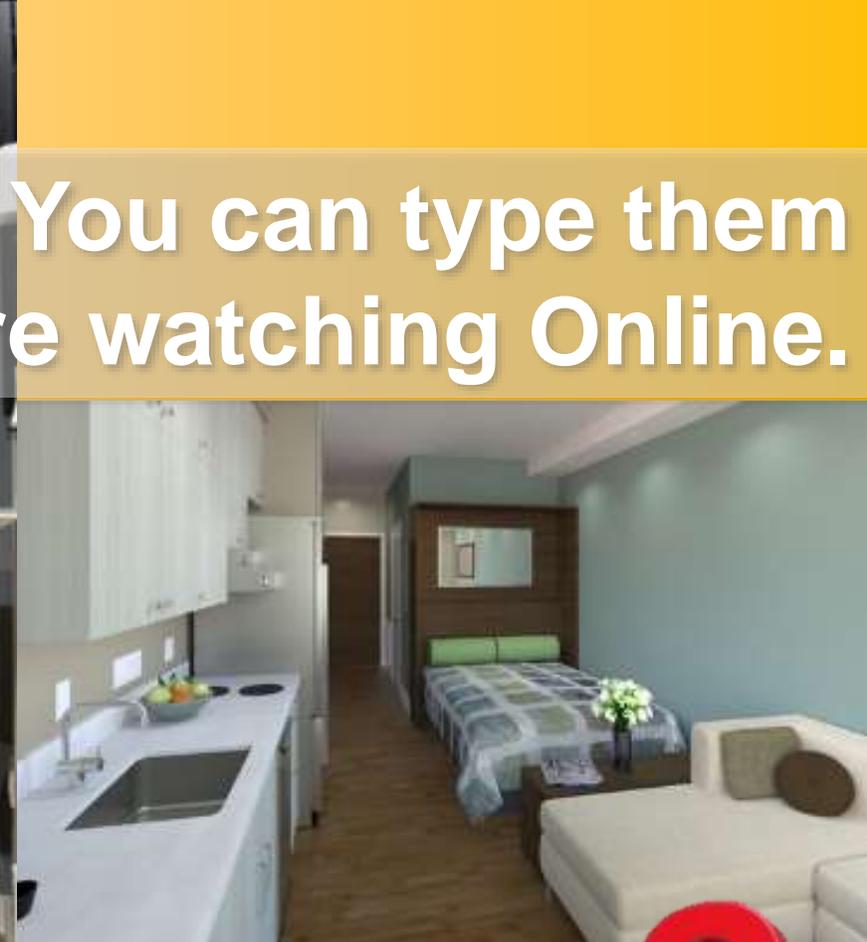
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Rails on Main

With large surface parking areas and the zoning in place, there is potential for future phases.

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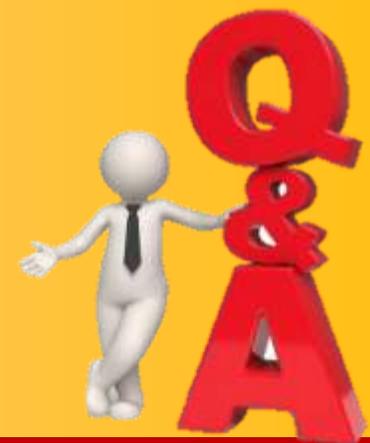
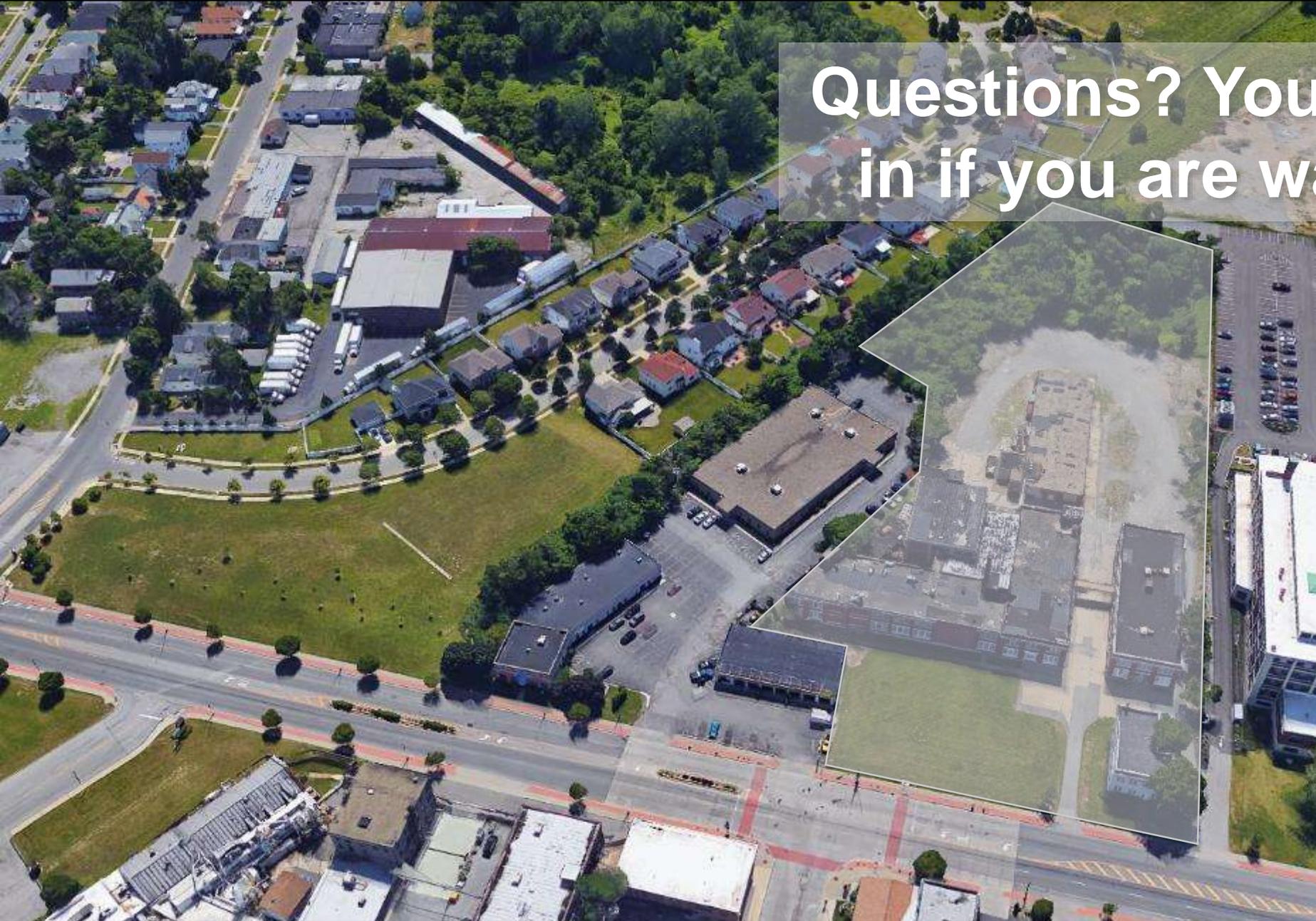


Rails on Main

Private studio and one bedroom units



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Rails on Main

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