

CPI CAPITAL WEALTH CREATION VALUE ADD SYSTEM

Proven, Value Add Opportunity

Comparable properties in the market are achieving rent premiums of an average of \$175 across all units, or an average of \$300 premium on the 2-bedrooms greater than at Atlas at Bay Point, providing upside for our ownership.

OUR PLANNED INTERIOR UPGRADES INCLUDE:

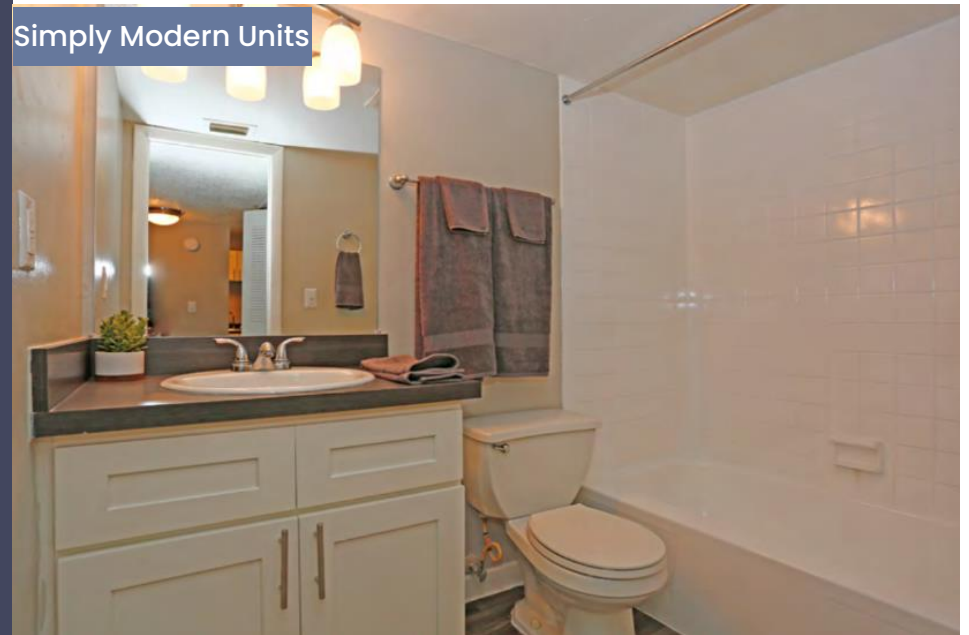
- Installing Ceiling Fans in all bedrooms
- Install Kitchen Backsplash
- Upgrade lighting to LED flat panels in Kitchen, Hallways and Living Rooms
- All new doors and hardware
- All 2-bedroom units will add Washer/Dryer connections and equipment
- Electrical and Plumbing fixtures will be updated

We intend to allocate a modest upgrade budget of \$3,862 per unit for the 136 units, considering their already favorable condition. Anticipating that these enhanced units will command a \$175 rent premium, we expect to contribute a significant added value of \$4,760,000 to the property.

Simply Modern Units



Simply Modern Units



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Current Exterior



Exterior Rendition replacing knee wall and added lighting and paint



Amenity Upgrades

In addition to upgrading the interior of the units at Atlas at Bay Point, we plan to spend **\$1.1 million** on capital project to improve and modernize the amenities and exterior. These include:

- Exterior Paint
- Landscaping improvements
- Monument Signs and rebranding
- Additional Exterior Lighting
- Roof Replacement
- Knee Wall/ Mansard Roof Replacement
- Pool Furniture and additional BBQ Area
- Optimize Laundry Rooms

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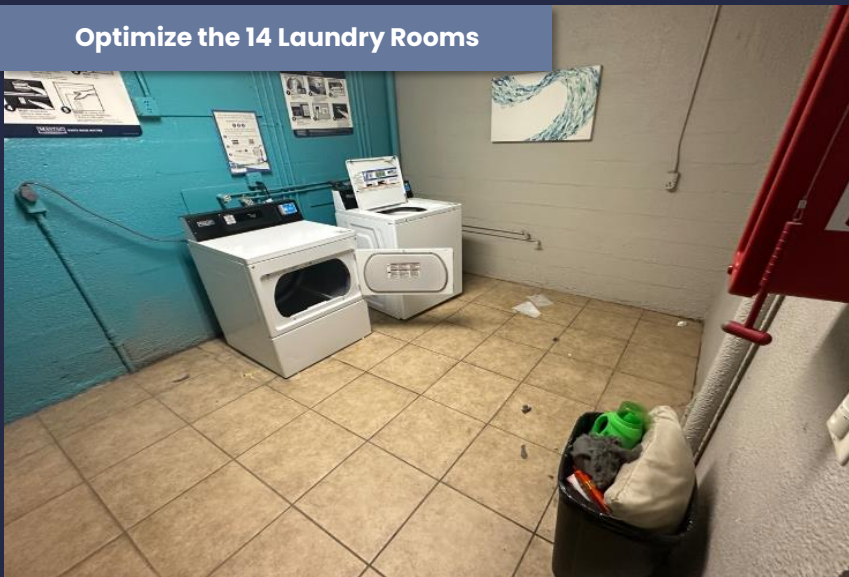
Amenity Upgrades

Presently, the property features 7 buildings, each equipped with laundry facilities every floor, totaling 14 laundry rooms. Adjacent to each second-floor laundry room lies an idle maintenance shop, approximately 20' x 12', ripe for conversion into storage space.

With plans to integrate washer dryer connections into all 2-bedroom units, we aim to reconfigure the existing laundry rooms to either expand storage capacity or enhance current facilities.

This additional income stream, not factored into our initial projections, promises to augment cash-on-cash returns and overall property value.

Optimize the 14 Laundry Rooms



Optimize the 7 empty maintenance shops into Storage Units



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Interior Unit Upgrades

+\$175/unit/month rent premium, Average spend: \$3,862/unit, Budget for 136 units

Value Add Calculation

$(\$175 * 136 \text{ units} * 12 \text{ mo}) / 6.0\% \text{ cap rate} = \text{\$4,760,000 Added Value!}^*$

Amenity Enhancements

Capex budget of \$1.1 million for deferred maintenance and amenity enhancements, will complement interior upgrades, further supporting rent increases and enhancing tenant satisfaction. No specific revenue allocation however it supports the overall rent increases specified in interior unit upgrades above.

Total Value Created from Renovations

\$4,760,000

Other Income Improved over 12 months

- Changing Water & Sewer RUBS to a Utility Fee: \$60 for 1BD, \$80 for 2BD/ unit/ month premium
- Self Storage Units added to the 7 vacant maintenance shop rooms (income not projected in original underwriting)

Expenses and Operational Improvement over 12 months

- Reducing expenses \$198k/ year

Value Add Calculation

\$200,000+ additional revenue added

$\$200,000 / 6.0\% \text{ cap rate} = \text{\$3,300,000 Added Value!}^*$

Total Value Created

\$8,060,000

*Estimated based on assumed exit cap