

**WHO WE ARE.
WHAT WE DO.**

profit with purpose.

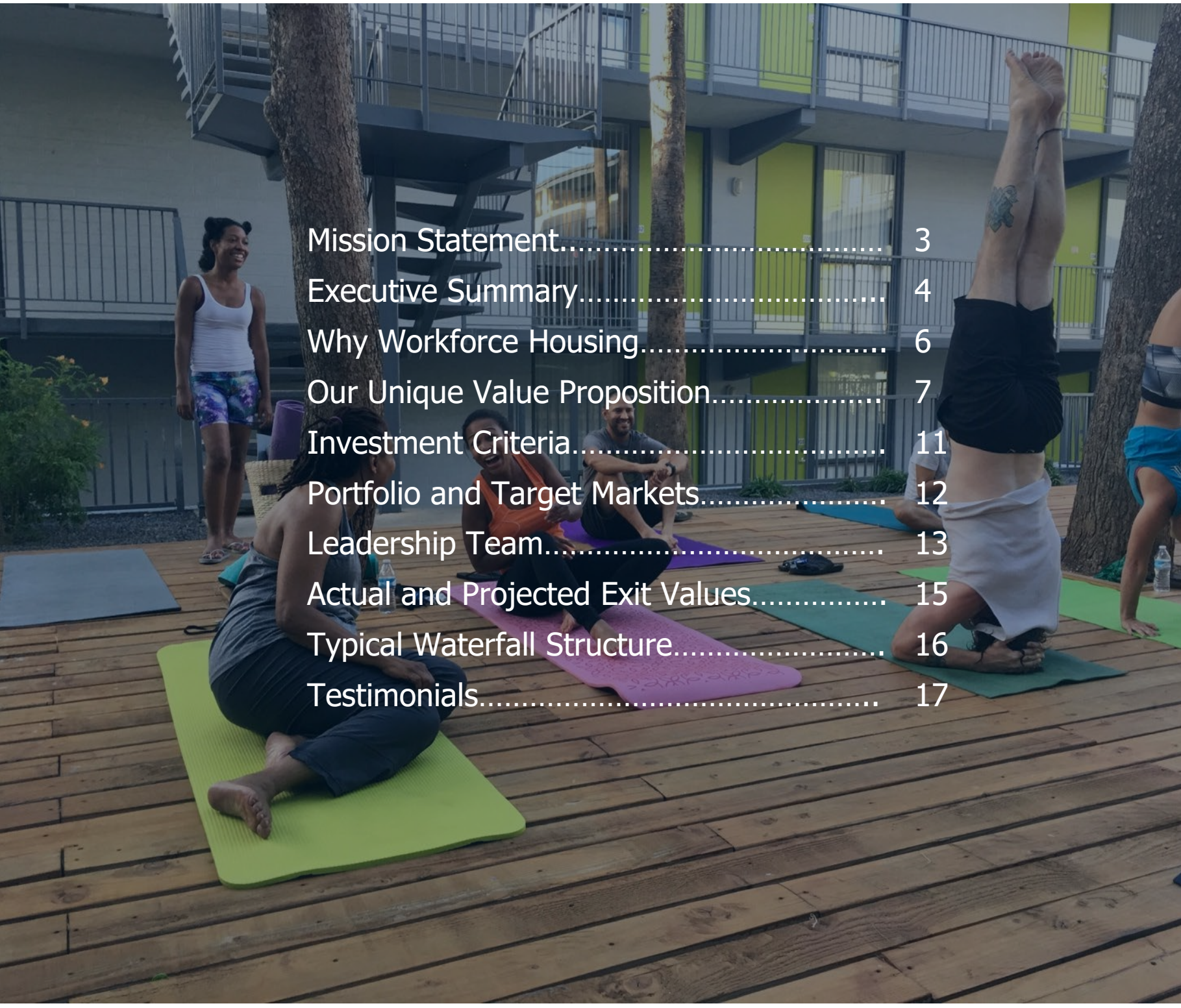


**URBAN
COMMUNITIES**
CREATING SUSTAINABLE VALUE



DISCLAIMER

The statements in this presentation, including targets and assumptions, state the Company's and management's hopes, intentions, beliefs, expectations or projections of the future and are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from current expectations include the key assumptions contained within this presentation, general economic conditions, local real estate conditions, increases in interest rates, foreign currency exchange rates, increases in operating costs and real estate taxes, and other factors that may not be listed. The information contained herein does not constitute an offer to sell securities or a solicitation of an offer to buy securities. Further, none of the information contained herein is a recommendation to invest in any securities. Past performance is no guarantee of future results. Any historical returns, expected returns or probability projections may not reflect actual future performance. All investments involve risk and may result in loss.



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OUR MISSION

Our mission is to improve people's lives through the development and redevelopment of sustainable communities, creating value for residents, stakeholders and society.



WHO WE ARE

Urban Communities is a vertically integrated multifamily real estate firm focused on providing safe and sustainable communities for the gray-collar workforce.

We currently own more than 2,025 units and **in 2022 we plan to add 5,000 units to our portfolio.**

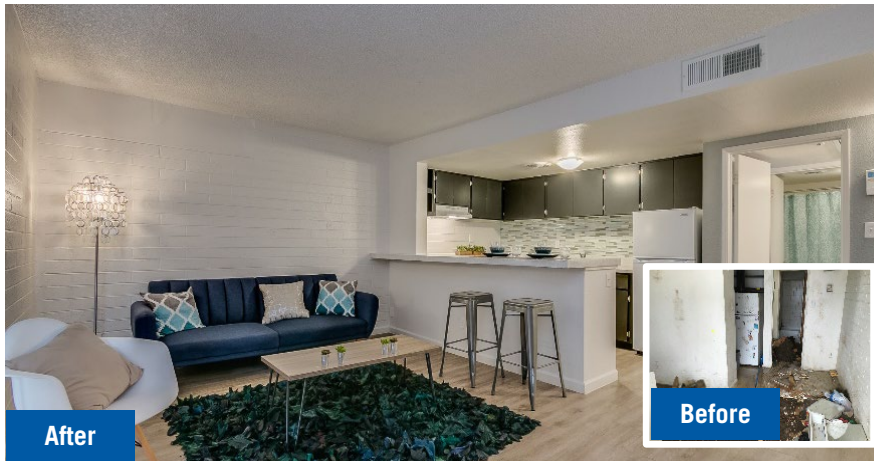
The grid consists of 12 panels:

- Row 1, Column 1: Exterior view of a modern apartment building with a parking lot.
- Row 1, Column 2: Green background with white icons of buildings and the text "\$270+MM AUM".
- Row 1, Column 3: Exterior view of a multi-story apartment building with a green lawn in front.
- Row 1, Column 4: Blue background with a white line graph icon and the text "5,000+ doors a year".
- Row 1, Column 5: Interior view of a modern apartment living area with a sofa and coffee table.
- Row 2, Column 1: Blue background with a white handshake icon and the text "100+ Current investors".
- Row 2, Column 2: Exterior view of an outdoor patio area with a table, chairs, and a green umbrella.
- Row 2, Column 3: Blue background with a white door icon and the text "2,000+ total doors under management".
- Row 2, Column 4: Exterior view of a modern apartment building.
- Row 2, Column 5: Green background with a white outline of the state of Arizona and a star, with the text "based in the state of Arizona".



WHAT WE DO

We buy underperforming Class B and C multifamily properties to renovate, rebrand and reposition them for the gray-collar workforce.



Through a **strategic renovation process** and **resident-focused community programming**, we transform these properties into thriving communities where our residents experience an improved quality of life and are constantly engaged.

AMERICANS ARE FACING A UNIVERSAL CRISIS IN HOUSING AFFORDABILITY, WITH RENTAL COSTS OUT OF REACH FOR MILLIONS.



Nearly 1 in 2 renter households spend more than they can on rent, with 1 in 4 spending more than 50% of their income on rent.



As demand continues to grow, workforce housing supply is limited and shrinking due to the prohibitively high cost of construction and the renovation of existing, previously affordable, stock.



As a result, workforce households are forced into longer commutes or spending too much income on housing, leaving insufficient funds for other necessities and saving.

Who Makes Up the Gray-Collar Workforce Demographic?

- Low-to-moderate income earners including community-serving professionals such as teachers, nurses, social workers, first responders, tradespeople and government workers;
- Typically, people who make between \$35,000 - \$75,000 per year;
- Typically, people who earn too much to qualify for housing subsidies but cannot afford surging rents
- Roughly one-third of all U.S. based renters



A GLIMPSE OF THE CLASS C MARKET		
Data from 2021 CoStar Report		
Vacancy Rate	Effective Rent	12 Month Rate Growth
3.25%	\$1,168	6.4%



OUR UNIQUE
VALUE PROPOSITION

Conventional real estate investors often acquire workforce housing communities, complete expensive luxury upgrades, and raise rent levels beyond the reach of many current residents.

By contrast, the Urban Communities' model takes a resident-centric approach that targets lower expenses through strategic renovation and achieves accessible rental rates for the workforce population.



OUR RESIDENT-CENTRIC APPROACH



In-house property management team that improves day-to-day operations and implements a wide array of services designed to enrich the lives of our residents.



Our resident services demonstrably **reduce costly vacancy and turnover**, increase resident satisfaction and generate positive targeted social outcomes.



In-house construction management and design teams allow us to retain full control over renovation costs and processes. Our typical renovation timeline is 1-2 years, and properties are typically stabilized in 2-3 years.



Renovations are market-specific and tailored to meet the needs of our residents. Our amenity packages vary based on what our **residents value and are willing to pay a premium for**.



OUR UNIQUE
VALUE PROPOSITION



OUR RESIDENT-CENTRIC APPROACH



15+ Monthly Community Events

Complimentary Yoga and Fitness Sessions

Holiday Parties

Potlucks & Mixers

Arts & Crafts

Cooking Classes

After-School Programs for Children



"Best-in-Class" Amenity Package

One-Bill-Pays-All

Gated Community, Access Control and Security Patrol

Outdoor Decks/Patios

Dog Park

Storage Units

Community Garden

...AND MUCH MORE!

OUR UNIQUE
VALUE PROPOSITION



INCREASED NET OPERATING INCOME



We increase income through rent growth and by **capturing income from services that residents usually pay third parties for** such as in-unit amenities, utilities, storage units, apartment furnishings, and more.



We lower expenses by retrofitting buildings with **energy-efficient mechanical systems, effectively managing properties, reducing turnover, and performing preventative maintenance** to lower repair costs.



OUR UNIQUE
VALUE PROPOSITION





INVESTMENT CRITERIA



1

**Class B & C
Multifamily**



6

Target **\$15,000/unit
CAPEX**



2

Minimum **150
Doors**



7

**18-24 Month
Upgrade Period**



3

Garden Style
Buildings
Preferred



8

**MSA >100,000
People**



4

>90% occupied



9

~10% Rent
Growth Year-
Over-Year



5

In-Place Rental
Rates **<30%**
AMI

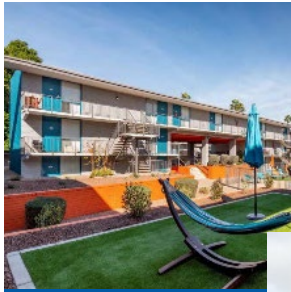


10

Target **6-8%**
Cash-on-Cash
Return



OUR PORTFOLIO ▼



Seventh Phoenix ▲
Phoenix | 286 Units



Urban 128 ▲
Phoenix | 128 Units

Urban 357 ▼
Phoenix | 357 Units



Urban 148 ▼
Phoenix | 148 Units



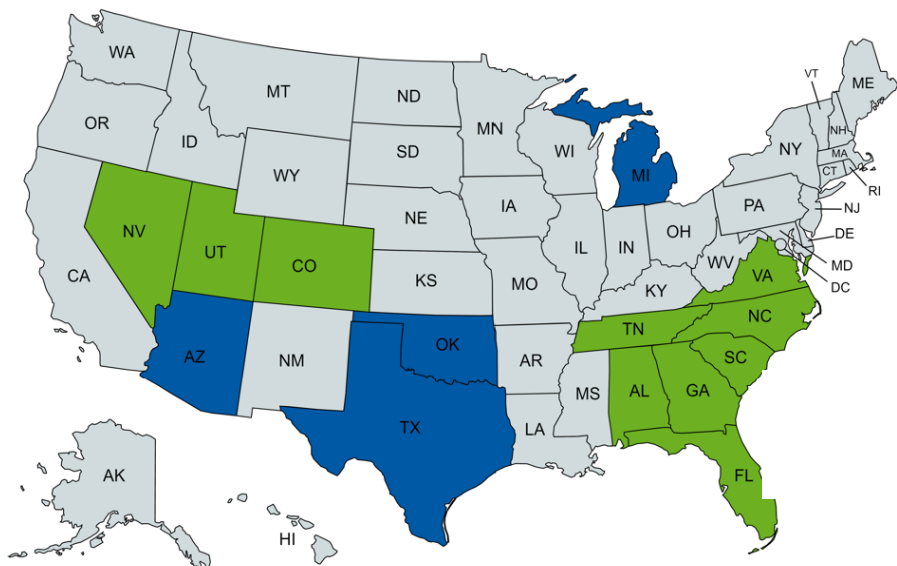
Aspen Place OKC ▲
OKC | 358 Units



Palmer Park Portfolio
Detroit | 746 Units



▼ OUR TARGET MARKETS



COLOR KEY	
Color	Symbolism
Blue	Current Market
Green	Future Market



OUR INVESTMENT CRITERIA





Max Palacio

Founder and CEO

Max brings 20+ years of experience in financial management, green energy, and acquisitions to his role as the CEO of Urban Communities. His goals are to improve people's lives and bring sustainability, comfort, and value to all residents, regardless of their income bracket. Prior to founding Urban Communities, Max was the West U.S. Director for FCA where he developed an expertise in discovering hidden value in potential acquisitions. In 2015, Max acquired and redeveloped the first Urban Communities property, and has since focused on the multifamily workforce housing space and growing his company.



Kirk Howell

Principal and COO

Kirk Howell started out as a management consultant before becoming a business attorney. His diverse background and business acumen led him to becoming a COO and General Counsel of an e-commerce company before joining Thomas Pride International and now Urban Communities. Kirk oversees all operations and is now dedicated to building an efficient, scalable, world-class operation to drive the growth of Urban Communities.



Reed Williams

Principal and CFO

Reed Williams joined the Urban Communities executive team after working with the CIM Group, leading their finance team and managing the P&L of a \$7B non-traded REIT portfolio. Earlier in his career, Reed worked in various sectors including public accounting, technology and solar energy. Reed holds a bachelor's in finance from Valparaiso University, an MBA from ASU's Thunderbird School of Management and a master's in accounting from Fordham University.



Raj Rajan

Principal and Board Member

Raj Rajan has 15 years of experience in real estate investments and has built an extensive knowledge base on multifamily financing and construction. Raj began his career in the semiconductor industry in 1987 and excelled in a variety of technical and management positions due to his analytical prowess and team development expertise. Raj attained a B.S. in Electrical Electronics Engineering and a M.S. in Computer Science



Lance Manywounds

Principal and Board Member

Lance is an entrepreneur who has started 3 successful companies after retiring from professional golf in 2012. He has grown a small fix and flip business into a multi-million-dollar company that builds and repositions large scale multifamily buildings across North America. He brings a plethora of experience and passion for helping others to Urban Communities.



Pete Alford

VP, Investor Relations & Capital Markets

Pete Alford has over 33 years of experience as a Managing Director and Senior Executive. His work at institutions such as JPMorgan, Morgan Stanley, and City National Bank makes him uniquely qualified to manage assets and provide the financial oversight the company needs to maximize their resources.

Meet our whole team by scanning your mobile device here



Our Track Record and Future Projections

Project Name	Location	Unit Count	Acquisition Date	Acquisition Price	Capex	Actual and Projected Exit Values	Actual and Projected Unlevered IRR	Actual Projected Unlevered EM	Actual and Projected Levered IRR	Actual and Projected Levered EM
Urban 188*	Phoenix	188	Nov 2015	\$4,888,000	\$2,670,533	\$17,000,000 (Actual)	34.0% (Actual)	2.26x (Actual)	72.0% (Actual)	4.36x (Actual)
Urban 188	Phoenix	188	Oct 2018	\$17,000,000	\$467,132	\$34,753,521 (Actual)	25.6% (Actual)	2.11x (Actual)	61.6% (Actual)	4.80x (Actual)
Urban 93	Phoenix	96	July 2018	\$5,500,000	\$1,395,000	\$17,746,479 (Actual)	34.8% (Actual)	2.81x (Actual)	86.2% (Actual)	6.23x (Actual)
Urban 128	Phoenix	128	Mar 2019	\$8,500,000	\$10,367,922	\$24,000,000 (Contract)	29.9%	2.29x	57.0%	3.27x
Urban 148	Phoenix	148	Jun 2019	\$14,725,000	\$4,280,939	\$42,500,000 (Contract)	31.8%	2.25x	71.2%	4.94x
Urban 357	Phoenix	357	Oct 2019	\$30,050,000	\$9,074,500	\$69,615,000	33.1%	2.08x	75.9%	4.27x
Palmer Park	Detroit	746	Aug 2020	\$24,432,000	\$42,453,598	\$90,462,719	29.4%	1.90x	54.7%	3.06x
Aspen Place	OKC	358	Jan 2021	\$19,690,000	\$15,000,000	\$45,239,503	25.6%	1.67x	50.0%	2.37x
Seventh	Phoenix	286	Feb 2021	\$38,250,000	\$5,405,400	\$55,255,908	15.8%	1.32x	39.1%	1.90x

Note: Projected Unlevered and Levered returns are representative on a project basis and do not represent the net return to the investor. Unlevered IRR is subject to the operating risks of the company. Levered IRR includes the operating risk as well as financial risk (due to the use of debt financing).

*Urban Communities originally purchased Urban 188 and completed the business plan by October 2018. We then recapitalized the property and continued to operate it as a portfolio with Urban 93. Both Urban 188 and Urban 93 were sold in January 2022 for a total value of \$52,000,000.



ACTUAL AND PROJECTED
EXIT VALUES



OUR TYPICAL WATERFALL STRUCTURE

Return Tier	Target Hurdle	Promote	Description
Tier 1	7.00%	0.00%	7% preferred return to all equity – no “catch up” to the sponsor
Tier 2	15.00%	20.00%	80/20 up to 15% net IRR to LP investor
Tier 3	18.00%	30.00%	70/30 up to 18% net IRR to LP investor
Tier 4		35.00%	65/35 thereafter

Highlights

- Minimum 5% GP Investment
- 7.00% Preferred Return Per Annum to Investors (Accrued if Not Paid)
- Return of Contributed Capital to Investors
- 2-3 Year Hold Period
- 18% Projected Net IRR to Investors
- 506c Offerings Are For Accredited Investors **ONLY**. Verification Will Be Required.

Fees

Acquisition	1.0% of Purchase Price	Construction Management	Up to 7.5% of Total Construction Costs
Asset Management	1.5% of Effective Gross Income	Debt Placement	1.0% of Total Loan Amount
Property Management	3.0% of Effective Gross Income	Disposition	1.0% of Sale Price (if sold to market)



OUR TYPICAL
WATERFALL STRUCTURE





Finally settled in and I love it...These apartments are the bomb!
- Charles Darkins Sr., Resident

I am a current resident living at Urban 188 Apartments. I can say with full confidence that this is the place to live in central Phoenix. The staff is amazing, the atmosphere is like living in a mini paradise, and the best feature is their beautifully-remodeled apartment units. If you are looking for a refreshing new place to call home, this should be at the top of your list.

- Elle Cinna, Resident

As a teacher, I love that all amenities are included. The best part of living here is having WiFi included in my monthly rent (I have to track so much at work that this just makes my life a little easier). I love the events the management team hosts here, like yoga and gardening, among others. The staff here is friendly and there is a security patrol service so we feel safe. Lastly, Urban Communities is always looking to improve. As a first-time renter, I am very happy and lucky.

- Elizabeth Snyder, Resident

What a wonderful feeling to have an investment that also does public good. Meeting Max Palacio (CEO) and Peter Thomas (former Chairman) has been a defining moment in my investing decisions as they have instilled both confidence and pride in my involvement in their apartments. Projected returns are only possible with high occupancy coupled with stringent cost controls. I have been privileged to witness firsthand the procedures instituted to build a community of renters and also the bottom-up approach for apartment management. This team is involved in every aspect of construction, operating cost analysis and investor relations. What more can an investor ask for.

- Barry Zemel, Investor

The property at 1601 W. Camelback (Urban 188) today is nothing like it was in 2015. In my 23 years of experience, it is rare in the multifamily renovation business to find someone like Max Palacio who achieved exactly what he said he was going to do. Urban 188 is a model for what apartment communities should be, a COMMUNITY.

- Lisa Huggins-Hubbard, City of Phoenix Neighborhood Services Department

The property is fully-renovated and has become a place for a sustainable living community. Calls for service to the police are literally not existent since Urban Communities has made the community safer. It is truly a pleasure to drive by and see the vibrant colors and clean property.

- Gabriella Westfall, City of Phoenix Police Department


The Urban concept is built around an impressive business model and the team is well positioned to deliver for their many stakeholders: investors, residents, employees, creditors, suppliers and the many communities in which Urban invests. These are the characteristics I look for in a successful business and why I am pleased to be an Urban investor.

- Christopher H. Volk, Investor





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