



THE EDGE AT CONROE, TX



ABOUT NHK

NHK Capital Partners, LLC (“NHK”), a Hogan Company, is a private equity firm focused on creating diversified investment opportunities for individuals who want access to investment products that are typically reserved for institutional investors. NHK has expertise and experience in providing customized mezzanine debt and equity investments, as well as structuring securities at all levels of the capital structure.

With over 20 years of experience, NHK’s principals, through its affiliate company CMB Regional Centers, have raised over \$3.2 billion from over 6,100 investors under the federal EB-5 program. CMB’s projects are located in over 24 states, and range from logistics, residential & multi-family housing, office & mixed use, solar energy, and bio refinery developments. NHK Capital Partners, founded in 2019, builds upon the success of CMB and provides quality investment opportunities that provide risk-adjusted returns with exposure in the U.S. commercial real estate market, which is typically reserved for institutional investors.

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THE PROJECT

The Edge at Conroe (Project), is a 109 unit build to rent community. The Project site is located off Loop 336, and Interstate 45 in Conroe, TX. Conroe is a northern Houston suburb that was recognized as the third most prosperous city in the United States (US) due to recent population and GDP (Gross Domestic Product) growth rate. The Project site is located on a residential street, in a mature single family home neighborhood. This product will be an attractive complement to the area, providing residents the option to rent a home in a family-friendly and desirable area that they otherwise couldn't afford to own, where the average homes nearby cost \$500,000 - \$700,000. The land is fully entitled and permitted, and the developer expects to break ground by the early fourth quarter of 2023.

WHY SINGLE FAMILY RENTAL (SFR)?

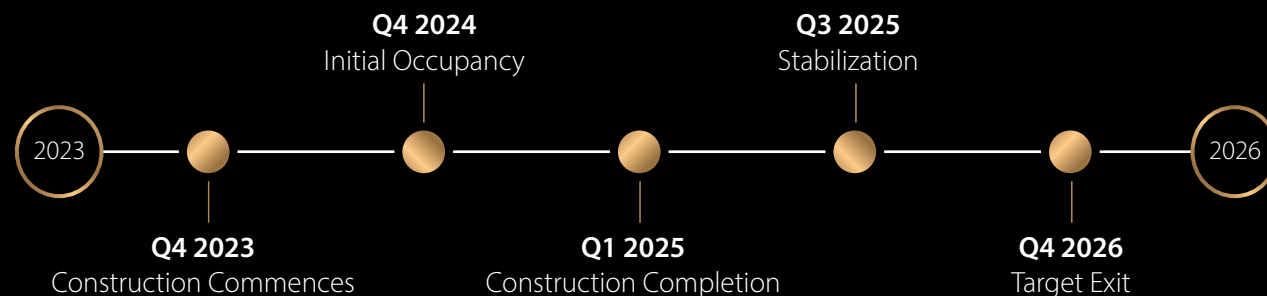
As NHK continues to provide investment offerings, we strive to research and grow our product offerings in order to discover more suitable developments that provide our investors with the best risk-adjusted returns. Single Family Rental (SFR) assets continue to be in high demand as a result of a shift in lifestyles due to COVID, with institutional capital continuing to demonstrate significant interest in this asset class.

INSTITUTIONAL INFLUENCE

Currently, institutional funds control less than 2% of the total single-family housing stock in the US, and it is expected that these institutional funds will continue to increase their stake in this asset class in the coming years.

- \$5 billion in purchasing 20,000 SFR's over the next 3 years¹
- \$4 billion in purchasing SFR's in high growth markets²
- \$2.5 billion in purchasing 9,000 SFR's in the Sunbelt States³
- Purchased \$6 billion (Home Partners of America) SFR portfolio, approximately 17,000 SFR's⁴

PROJECT TIMELINE



INVESTMENT SUMMARY

This investment is structured as equity participation through a joint venture between the Developer Excelsior Partners, and NHK. NHK will be the majority owner of the Project and the Co-Sponsor with Excelsior Partners, the minority owner. This will be our fourth SFR series investment opportunity.

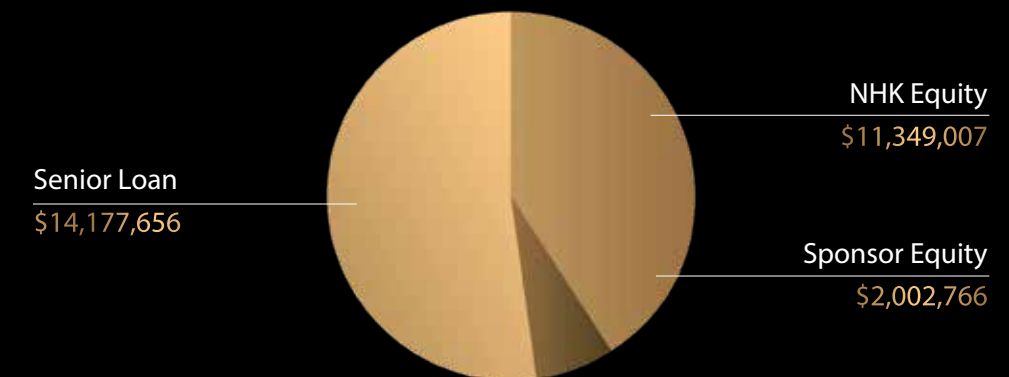
TEXAS SFR SERIES*



Target Investment Term:	3 years
Minimum Investment:	\$100,000
Target IRR**:	17-23%
Target Equity Multiple**:	1.60X-1.77X

TOTAL PROJECT COST***

\$27,529,429



1. Invesco Real Estate, <https://www.bloomberg.com/news/articles/2021-06-01/invesco-backs-mynd-to-spend-5-billion-on-single-family-rentals>. 2. Lennar & Centerbridge Partners, <https://www.globest.com/2021/03/18/lennar-launches-4b-sfr-platform/>. 3. Rockpoint Group, <https://www.perenews.com/why-rockpoint-is-building-a-2-5bn-single-family-rental-platform/>. 4. Blackstone, <https://www.wsj.com/articles/blackstone-bets-6-billion-on-buying-and-renting-homes-11624359600>

*Storybook, Mansfield, and The Link are unrelated to Edge at Conroe **Target Internal Rate of Return (IRR) and Target Equity Multiple are targeted fund level returns. Actual investor level returns are subject to further adjustments, including general partner fees and fund waterfall structure. ***Figure subject to change.

BROAD MIX OF AMENITIES

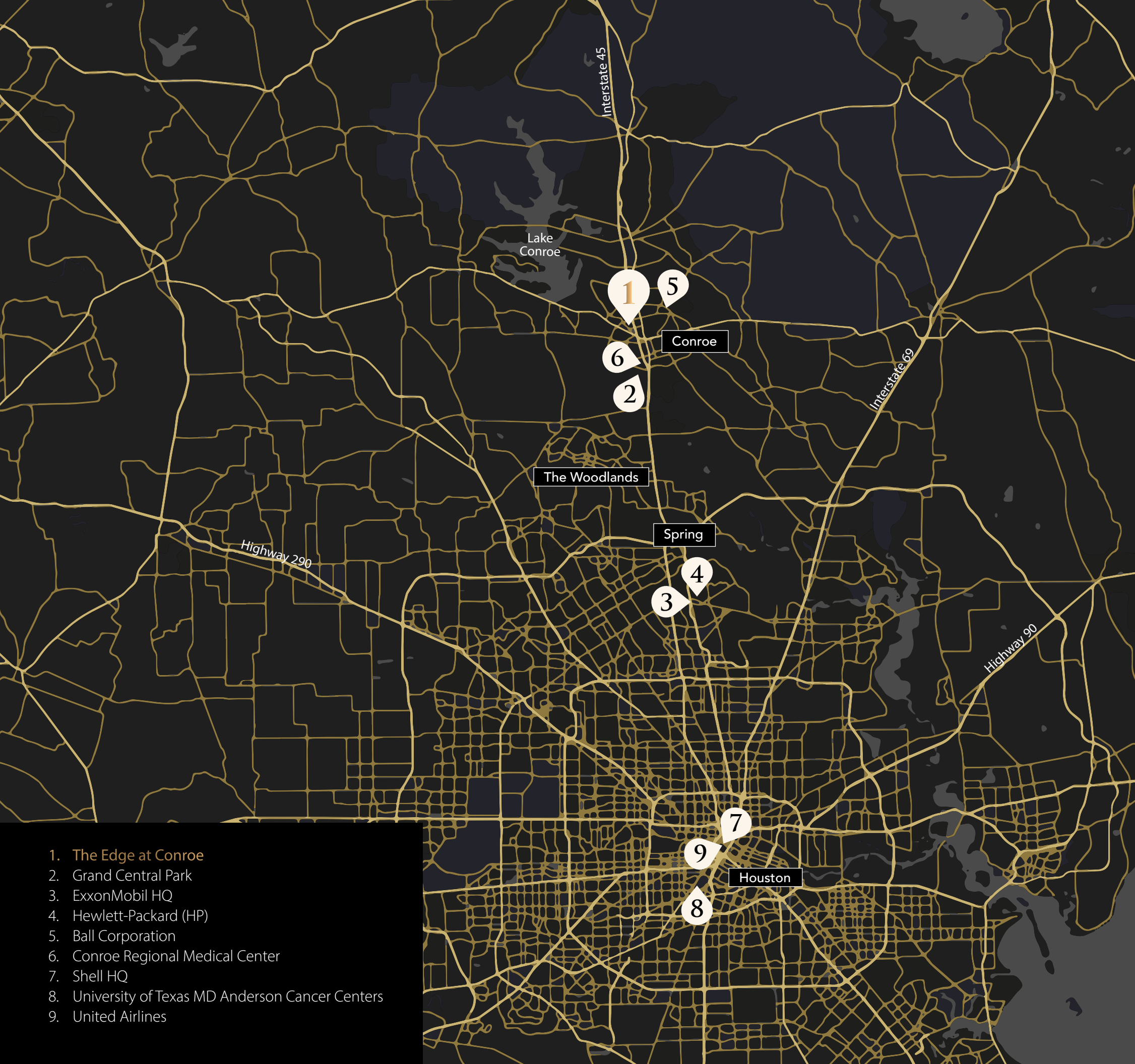
UNIT AMENITIES

- 9 FT Ceilings
- Private Patio and Backyard
- Stainless Steel Appliances
- Tile Backsplash & Tub/Shower Surrounds
- Granite/Quartz Countertops
- Digital Thermostat
- Vinyl Plank Flooring
- Undermount Stainless Steel Sinks
- European Style Cabinets
- Large Walk-in Closets
- Full Size Washer/Dryer in Unit
- Ceiling Fans
- Regular and USB Power Outlets



COMMUNITY AMENITIES

- Resort Style Swimming Pool
- Clubhouse
- Fitness Center
- Controlled Gated Access
- Dog Park and Pet Wash
- Grilling Areas
- Tech Package
- Landscaping with Old Growth Tree Preservation
- Proximity to School
- Covered and Reserved Parking
- Valet Trash Collection



1. The Edge at Conroe
2. Grand Central Park
3. ExxonMobil HQ
4. Hewlett-Packard (HP)
5. Ball Corporation
6. Conroe Regional Medical Center
7. Shell HQ
8. University of Texas MD Anderson Cancer Centers
9. United Airlines

PROJECT LOCATION

HOUSTON METRO

- 5th Largest Metroplex in the U.S. (approximately 8,400,000+ Residents)
- 8th Largest Business District in the United States
- Population Growth of 20% since 2010
- 26 Fortune 500 Companies HQ in Houston
- Business and Tax Friendly (No State Income Tax)
- The Energy Capital of the World

THE SUBURB – CONROE, TX

- Ideal Suburb Proximity: Within 40 miles from downtown Houston
- Population of 95,000+ (57% Growth Last Decade) Ranked 6th among the top 100 cities in the United States for economic and population growth in 2022 by SmartAsset. *
- Conroe had a median household income of \$86,415 in 2021 (40% higher than TX of \$61,875)*
- High Quality of Education: Texas Education Agency rates the Conroe ISD “A” with an overall score of 89 out of 100.
- Multi award winning city, Conroe has been recognized from financial reporting triple crown awards, to economic excellence, to best downtown partners, and quite a bit in between.
- Lake Conroe: 2022 Texas Travel Best Lake Award
- Conroe is anchored by large employers and parks; The ExxonMobil and HP nearby in Spring, The Woodlands, Grand Central Park, Conroe Regional Medical Center, and in Houston, Shell Headquarters, University of Texas MD Anderson Cancer Centers, and United Airlines.

THE DEVELOPER

EXCELSIOR PARTNERS

The Edge at Conroe will be developed and constructed by the sponsor, Excelsior Partners. The developers are a collection of long time Houston multifamily developers that have joined forces to form Excelsior Partners, to capitalize on the growing demand for rental homes in the Houston area. The principals of Excelsior are Steve Helm, Harold Sowell, and Chetan Dave who have a combined 100 years of commercial real estate development and investment experience between them. Steve and Harold own HS Development, a Houston based multifamily development firm which specializes in Class A multifamily, student housing, and senior living projects across the state of Texas. Chetan has a background in fund management as well as development and brings his financial expertise to Excelsior.



The Edge on Washington
Stephenville, TX



The Lofts • The Icon
Houston, TX

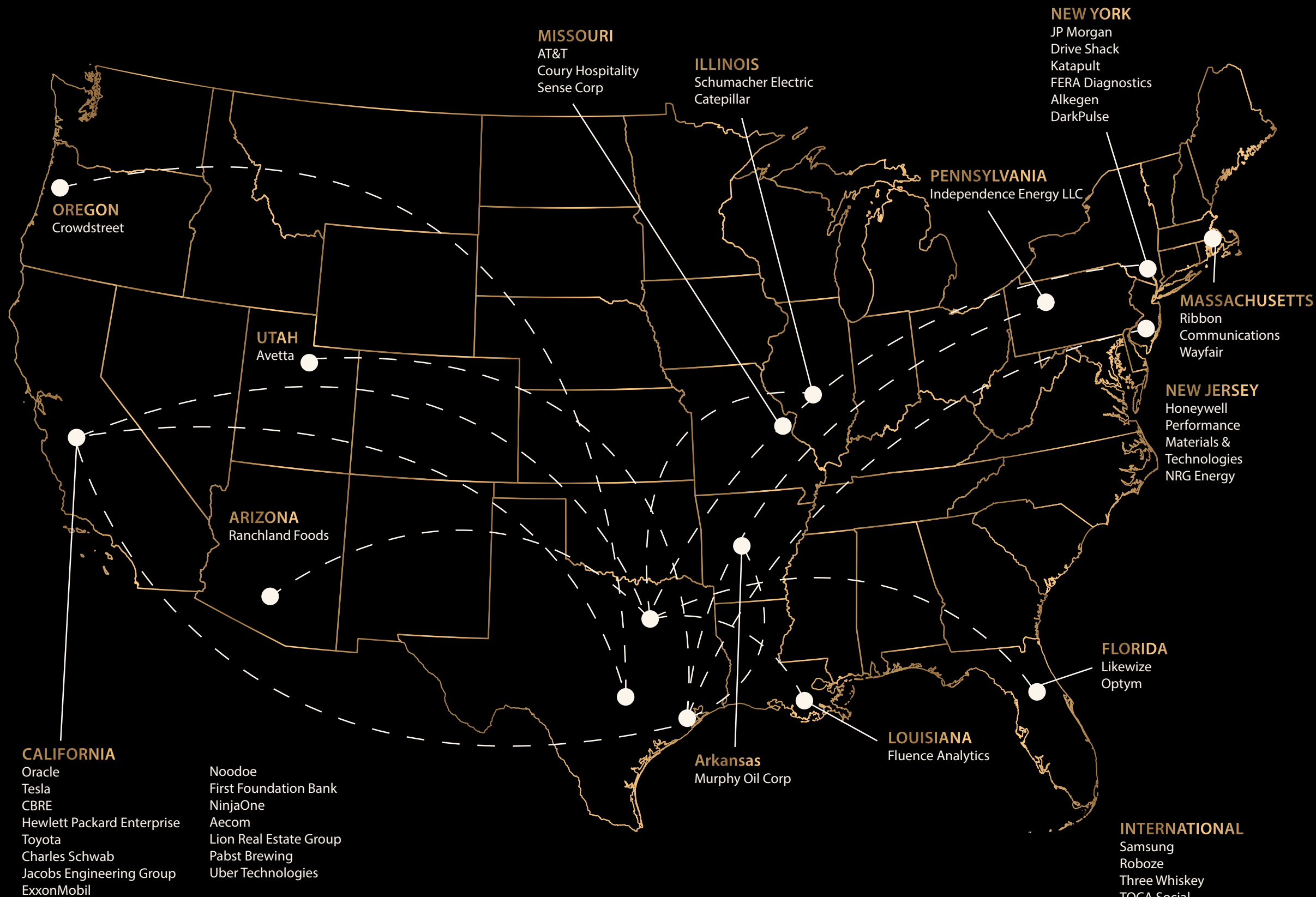


The Icon I
Houston, TX



The Edge at Langham Creek
Houston, TX

FIRM RELOCATIONS & EXPANSIONS



SFR MARKET DRIVERS

MIGRATION AND RELOCATION TRENDS

The State of Texas is experiencing a surge in record net-positive migration from the following states California, New York, and Illinois. Texas was the second-most popular state to move to in 2022. Texas gained 230,961 more residents than it lost last year. Houston Metropolitan Statistical Area (MSA) had the largest move-in rate of all metro areas in Texas. More than 687,000 Californians have moved to Texas since 2010, which accounts for 13% of new Texas residents have come from California.¹

Large companies such as Toyota, Oracle, CBRE, Samsung, Charles Schwab, JP Morgan Chase, Tesla, Boeing, Caterpillar, Chevron and many more have recently relocated headquarters and regional offices to the state of Texas. California lost 53 headquarters between the first half of 2021 alone, in which 23 of those companies relocated to Texas.²

DEMOGRAPHIC TRENDS

Millennials are generally driving the demand for SFR properties, as they are shown to rent longer than previous generations, due to less accumulation of capital for down payments, or shifts in priorities and lifestyles. Yet they seek to have private entrances and backyards relative to traditional rental apartment properties. These preferences and amenities are commanding as much as 20-40% premiums over traditional apartment rentals.

In addition, young professionals may not want to be rooted in one location, therefore putting off purchasing a home until later in life.

1. <https://www.dallasnews.com/business/economy/2020/12/09/elon-musks-relocation-follows-687000-other-californians-who-moved-to-texas-in-last-decade/>, 2. <https://www.wfaa.com/article/money/business/texas-california-corporate-relocations/287-7f02cf-ba-b6b8-478f-81ca-018c227252d1>

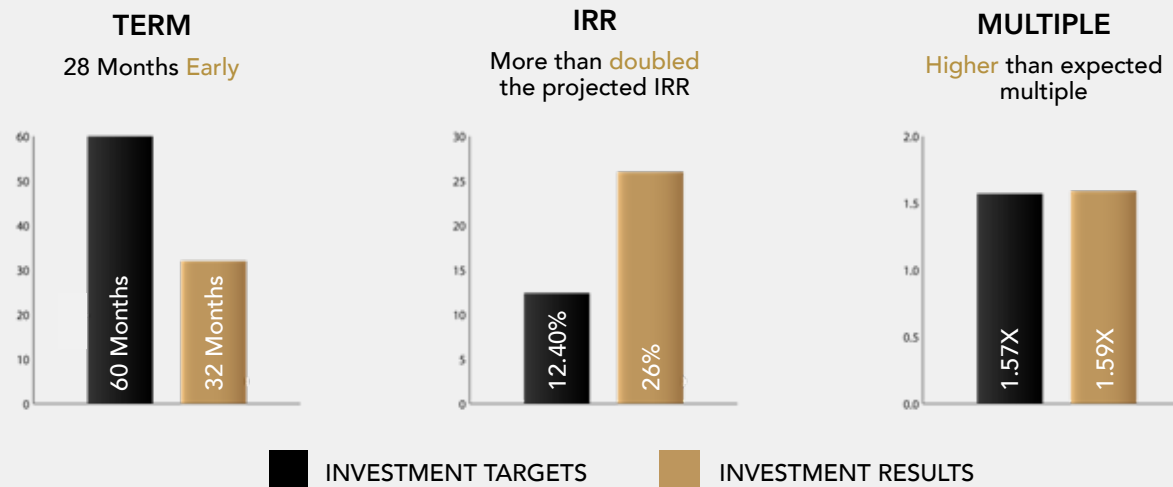
AUGUSTA FLATS 2019

San Antonio, TX

NHK Augusta was NHK Capital Partners' inaugural investment offering, which funded the development of a 5-level apartment complex known as the Augusta Lofts in downtown San Antonio, Texas, which was also developed by Stillwater Capital (SWC). This asset was recently sold and exceeded our originally targeted valuations, allowing NHK Augusta to return profits to its investors over two years earlier than the projected hold period. NHK has continued partnering with SWC after the Augusta project in 4 more offerings, for a total of 13 collaborations between SWC, NHK and its affiliates.



INVESTMENT REPORT



JW MARRIOT DALLAS 2021

Dallas, TX

The development of a 276 key JW Marriott branded hotel located in the heart of Dallas CBD (Central Business District). The hotel consist of 112 King rooms, 121 Double rooms, and 43 suites. The JW Marriott included amenities such as; an upscale restaurant, 2 grand ballrooms, meeting and event space, a rooftop pool, spa, and fitness, as well as a lounge/bar area. The hotel commenced construction in Q2 2021 and has completed construction in Q3 2023. NHK raised \$10.5 million in preferred equity financing.

STORYBOOK SFR 2021

McKinney, TX

The development of a Class-A, 241-unit SFR community located in McKinney, TX. At completion, the community will feature amenities such as; a fitness facility, clubhouse with resort style pool and shared office space, outdoor kitchen areas, and multiple greenspace areas. The community broke ground in late Q4 2021 and is targeted for completion in early Q1 2024. NHK raised \$10.9 million in equity financing.



THE RESERVE SFR 2022

Mansfield, TX

The Reserve, located in Mansfield, Texas, is a fully entitled Class A, 254-unit single family rental development. The development will feature private amenities such as a clubhouse with a resort style pool, on-site leasing and maintenance office, and office space dedicated to work-from-home needs. The city of Mansfield is an attractive, growing community located in the southern corridor of the Dallas-Fort Worth Metroplex. The property will prioritize comfort, privacy, and a hassle-free living experience. Positioned on approximately 18 open acres, the development will include a central park and an abundant amount of green space to attract families and support active living and lifestyles. Upon completion, the development will consist of a unit mix of 60 one-bedrooms, 176 two-bedrooms, and 18 three-bedroom. Construction activities are expected to commence in early Q2 2022 with a target completion date in early Q1 2024. NHK raised \$16 million in equity financing.



THE LINK SFR 2022

Frisco, TX

The Link SFR is the development of a Class-A, 214-unit single family rental (SFR) development. The development will feature private amenities such as: a club house with resort style pool, shared office space, parks, and an expansive green space network. The unit mix will be developed out over 29 acres and will consist of 65 one-bedroom units, 137 two-bedroom units and 12 three-bedroom units. The community broke ground in early Q1 2023 and is targeted for completion in Q4 2024. NHK raised \$15 million in equity financing.



THE LUMINARY 2022

Dallas CBD, TX

The Luminary is a boutique 7 story, 169,005 square foot Class AA creative office space, as well as the newest and highest quality building in the west end. The building is anchored by three well-known tenants, with remaining Weighted Average Lease Term (WALT) of more than 10 years, occupying 100% of the building's leasable space. NHK raised \$19.8 million in equity financing for this offering.





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