



INVESTOR UPDATE

Investment updates from MPI Family Office on
5 properties in the Consortium of Wealth network.

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OCTOBER
2023

01**STRATEGIC PARTNER | VIVO LIVING**

COW BALTIMORE, LLC

PROPERTY TYPE: VALUE APARTMENT CONVERSION

Our Baltimore Hotel Conversion with Vivo Living is proudly the largest hotel conversion in the country. We have renovated two towers in the downtown Baltimore Harbor area, providing 560 units of much needed value apartment housing.

Occupancy Update | Leasing Steadily Increasing

The south tower is comprised of studio apartments. 50 of the 115 units are leased, that puts us at 33% occupancy and growing. These are numbers we did not anticipate reaching until mid-2024. Overall, in both towers, units are 20% leased.

Construction Update | Far Ahead of Schedule

In the 1.5 years we have owned the COW Baltimore conversion we have seen construction progress significantly ahead of schedule. Construction and inspection is 100% complete in the first tower and Vivo Living is laser focused on getting Certificates of Occupancy for the second tower as soon as possible. We are simply waiting on the fire marshall to sign off on the second tower and then we will begin leasing the available two-bedroom apartments.

ABOUT US

The south tower is made up of studio apartments which are 100% completed and leasing is underway.

The north tower includes one and two-bedroom apartments and we are far ahead of schedule with construction 90% complete and lease up well underway.

Total Units: 560

NOW LEASING



NORTH & SOUTH TOWERS, VIVO BALTIMORE

STRATEGIC PARTNER | VIVO LIVING

COW BALTIMORE, LLC

Challenges & Mitigations

1. Occupancy

We have relocated one of our top property managers to spearhead a dynamic lease-up initiative, and the results are already promising. The South tower, boasting a total of 383 units, now has 82 of them occupied, reflecting a 21.4% occupancy rate.

Our proactive approach is exhibited by a construction team working diligently on-site, ensuring each unit is ready to welcome its new residents well ahead of schedule. Meanwhile, the North tower is on the cusp of receiving its Certificate of Occupancy, followed by our dwelling license, to commence leasing.

2. Capital Infusion

A capital infusion was necessary to stabilize through interest rate increases, and as such we went to Baltimore to get a first-hand look at the project and we were impressed: the construction has surpassed expectations and the lease-up is far ahead of schedule, putting us in a very good position to refinance our loan to a fixed rate with Fannie & Freddie.



LEASING SIGNS VISIBLE ON THE CORNER OF LIBERTY ST
AND FAYETTE ST, VIVO BALTIMORE



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STRATEGIC PARTNER | LLOYD JONES, LLC
COW GRANBURY, LLC*PROPERTY TYPE: PRIVATE PAY SENIOR HOUSING***Occupancy Update | On the Turn-Around**

As of August, occupancy was below budget by 12.3% on the year-to-date, with an average rate of 75.5%, with 6 residents fewer than budgeted in the census. While we are below proforma, we are now seeing improvements.

We restructured our corporate management team, replacing the executive director and sales director, and we are seeing immediate short term improvement with our highest number of move-ins per month in September.



AVIVA Granbury, Elder Care Community Clubhouse



Revenue Update | Adding Care Levels with À La Carte Pricing

We are still on track with the conversion of Independent Living (IL) units to Assisted Living (AL) units, which will give us an opportunity for revenue increases. We are “unbundling” care levels and based on current assessments, “unbundled” care levels represent a \$30K+/month revenue opportunity.

As new residents move in, rents will now be based on levels of care Assisted Living, Memory Care. 87% of the residents assess to a care level, and just 27% are billed to the care level.

For example, the census is down slightly in Independent Living and Memory Care, however, care revenue overall is up \$9k due to the implementation of a la carte levels of care and this will continue to improve through resident turnover.

Capital Expenditures

We are under budget on construction costs. Our partner, Lloyd Jones LLC, is now directly overseeing CapEx: the construction and remodel is well underway. Furniture, Fixtures and Equipment is now complete, interior flooring is in, parking lot pavement is complete. This is expected to increase occupancy.



EXCEPTIONAL LIVING, AT AVIVA GRANBURY, TX

Financial Report | AVIVA Granbury

	Aug				YTD			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Avg Unit Occupancy %	73.3%	90.8%	-17.5%		75.5%	87.8%	-12.3%	
Avg Resident Census	58.5	69.0	(10.5)	-15%	61.1	66.8	(5.6)	-8%
Total REVPOR	\$ 4,120	\$ 4,263	\$ (142)	-3%	\$ 4,242	\$ 4,288	\$ (46)	-1%
Total Revenue	\$ 226,425	\$ 294,120	\$ (67,694)	-23%	\$ 1,922,433	\$ 2,289,858	\$ (367,425)	-16%
Total Operating Expenses	\$ 254,780	\$ 249,616	\$ (5,164)	-2%	\$ 2,047,928	\$ 1,985,454	\$ (62,474)	-3%
NOI	\$ (28,354)	\$ 44,504	\$ (72,858)	-164%	\$ (125,494)	\$ 304,404	\$ (429,899)	-141%
NOI Margin %	-12.5%	15.1%			-6.5%	13.3%		



Downtown Granbury, TX

Challenges & Mitigations

1. Debt

In this very volatile market of consistent rate increases, we are fortunate to have fixed-rate debt. That said, occupancy must be above 80% to cover the debt, so we are working with the lender on a recovery plan due to missed DSCR, Debt Service Coverage Ratio. With the planned occupancy and revenue increases we forecast covering debt service by Q1 2024.

2. Revenue

We missed revenue estimates in August by \$65K because occupancy was down 17.5%, or 11 residents. We have brought in operational specialists and a marketing team to correct the issues and saw improvements in September.

3. Storm Damages

Severe storms in May & June left the building with some roof damage which will cost 1MM+. We are working with the bank to reallocate \$250K of the CapEx generator budget to support an insurance claim of \$600K.

4. Expenses

Expenses are slightly over budget driven primarily by non-controllable utilities, and underestimated marketing expenses. We are now allocating less to digital marketing and more to the local market because of the success of grass roots in the market.

03**STRATEGIC PARTNER | LLOYD JONES, LLC**

COW COUNTRY CLUB, LLC

PROPERTY TYPE: PRIVATE PAY SENIOR HOUSING

Despite challenges with census and occupancy, with controls on expenses, performance is currently in line with underwriting with a -5% variance. Current plans in place to switch all residents to a la carte care pricing for Assisted Living, and Memory Care are on target to increase revenue.

Occupancy Update | Below Industry Standards

Occupancy is slightly down from proforma and was trending downward. Leads are consistent, but we are falling well below industry standards on converting to move-ins, therefore we are actively recruiting a new sales director and have brought in a corporate manager to oversee occupancy recovery. The executive director continues to demonstrate strong expense control despite revenue misses because of occupancy shortfalls.

Construction Update | Leading to Value-Add

Construction lagged over the summer with rain delays. But we have now completed the exterior painting, have begun work on the porte cochère. We are converting the second floor to Memory Care units, installing windows, and completing flooring. We anticipate finishing renovations in 6-8 months.

Luxury Dining Room at AVIVA County Club Heights in Woburn, MA



STRATEGIC PARTNER | LLOYD JONES, LLC
COW COUNTRY CLUB, LLC



CONSORTIUM OF WEALTH

Challenges & Mitigations

1. Debt

While we are tracking to our underwriting NOI, the consistent rise in interest rates caused us to miss the 1.1 DSCR (Debt Service Coverage Ratio) in Q2 and the forecast assumes we would miss DSCR compliance in Q3 & Q4. We are holding back on various CapEx (sign install) to cover the overage to avoid a capital call, and there is a possibility the bank may require a 6-month debt reserve in Q1 2023.

2. Revenue

The drop in occupancy is responsible for a drop in revenue, however we have had an increase in care revenue brought in by a la carte care levels. Assisted Living care and Memory Care revenue grew in August by 23%. We have an opportunity to increase revenue with a la carte care: 24% of residents are on a care plan vs. 52% for whom it is recommended. This represents nearly a \$33K/month opportunity as residents' turnover and move to a new residency agreement. On January 1, 2024, we plan to push new residency agreements to our new levels of care for all residents. We are anticipating slight attrition but expect the numbers to stabilize in 2024.

Financial Report | AVIVA Country Club Heights

	Aug				YTD			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Avg Unit Occupancy %	78.6%	86.2%	-7.6%		80.4%	84.6%	-4.2%	
Avg Resident Census	90.2	92.8	(2.5)	-3%	91.7	91.1	0.6	1%
Total REVPOR	\$ 7,680	\$ 8,111	\$ (432)	-5%	\$ 7,598	\$ 8,063	\$ (464)	-6%
Total Revenue	\$ 627,748	\$ 726,911	\$ (99,164)	-14%	\$ 5,082,505	\$ 5,674,235	\$ (591,730)	-10%
Total Operating Expenses	\$ 536,975	\$ 602,786	\$ 65,811	11%	\$ 4,167,550	\$ 4,714,484	\$ 546,933	12%
NOI	\$ 90,772	\$ 124,125	\$ (33,353)	-27%	\$ 914,955	\$ 959,751	\$ (44,796)	-5%
NOI Margin %	14.5%	17.1%			18.0%	16.9%		



Downtown Lubbock, TX

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STRATEGIC PARTNER | LLOYD JONES, LLC
COW LUBBOCK, LLC

PROPERTY TYPE: HOTEL REFURBISHMENT

Embassy Suites Hotel by Hilton in Lubbock Texas- bought at 70% discount to convert to senior housing but got and are now upgrading -- plan to put it on market in Q1 2024. We purchased Lubbock at just under \$7 million and expect it to hit the market for almost triple the price at \$20 mm in Q1 2024.

Management Update | Strong Management is KEY

Under the leadership of long-time on-site General Manager, Embassy Suites Lubbock has not only forged valuable community connections but also soared as an industry leader by achieving a remarkable 12.5% in Hilton Honor enrollments, significantly surpassing our 5.5% target.

Revenue Update | Increasing Year-Over-Year

Alongside our strategic partners, Lloyd Jones LLC, we closed on the Embassy Suites Hotel by Hilton in Lubbock, Texas in February 2023 and quickly took over operations. In March, the NCAA Women's Basketball Tournament came to town, to Lubbock Christian University and we capitalized, the hotel was able to capture an 8.6% year-over-year revenue increase of \$132,380. As of September, year-over-year YTD revenue has increased \$298,774.

STRATEGIC PARTNER | LLOYD JONES, LLC
COW LUBBOCK, LLC



PIP | PROPERTY IMPROVEMENT PROJECT

We had originally invested in Lubbock in order to convert an Embassy Suites hotel to a senior housing facility but we have been able to operate the property very successfully and have gotten a 3 year franchise extension with a PIP (Property Improvement Project) in place to bring it up to current Hilton hotel standards.

Looking ahead, we anticipate a positive trend in the Hotel's performance. We expect demand to remain strong with the ongoing growth in the manufacturing industry and the increasing number of sporting events and conferences in the area. To capitalize on these opportunities, hotel management will continue to refine marketing strategies, enhance guest experiences, and invest in staff training and technology.

Financial Report | COW LUBBOCK, LLC

DESCRIPTION	ACTUAL	PRO FORMA	VARIANCE
Total Operating Revenue	\$1,698,133.53	\$1,684,165.34	\$13,968.19
Total Department Expenses	\$623,983.65	\$631,160.50	-\$7,176.85
Total Department Profit	\$1,074,149.88	\$1,053,004.84	\$21,145.04
Total Undistributed Expenses	\$630,140.56	\$676,477.23	-\$46,336.67
Gross Operating Profit	\$444,009.32	\$376,527.61	\$67,481.71
Income before Non-Operating Income and Expenses	\$393,065.32	\$326,002.64	\$67,062.68
Total Non-Operating Income and Expenses	\$87,538.10	\$93,046.59	-\$5,508.49
EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)	\$305,527.22	\$232,956.05	\$72,571.17
Interest, Taxes, Depreciation and Amortization	\$0.00	\$0.00	\$0.00
Net Income	\$305,527.22	\$232,956.05	\$72,571.17

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STRATEGIC PARTNER | FULTON STREET CAPITAL, LLC COW OCEANSIDE PORTFOLIO, LLC

PROPERTY TYPE: MULTI-FAMILY DEVELOPMENT

At COW Oceanside Portfolio LLC, we are making strong progress. We are outpacing our projected growth with increased revenue and occupancy and we are capitalizing on opportunities to increase revenue.

Occupancy Update | 95% Occupied & Counting

NOI exceeded proforma by 6.6% (\$51,687) over Q1 because we are 95% occupied and 96% leased. We saved on expenses by decreasing maintenance and utility costs.

We had 13 new move-ins and 8 renewals in Q2 increasing prior rents by 16.5% or \$178/unit/month. Rents are now averaging \$1200/month - a 30% increase since acquisition.

Revenue Update | Ancillary Revenue

Through the strategic addition of new media amenities and the implementation of garbage and pest control services, we've enhanced resident satisfaction and secured an additional \$6,000 in ancillary income, reflecting our commitment to both optimal living conditions and financial prudence.



OV Coast in Norfolk, VA



STRATEGIC PARTNER | FULTON STREET CAPITAL, LLC

COW OCEANSIDE PORTFOLIO, LLC

Challenges & Mitigations

In consideration of the current debt markets we have elected to forgo distributions for Q2 to continue to bolster our cash position. Our current interest rate is capped at 5.7%, and debt service is well in excess of market projections at closing.



Financial Report | COW Oceanside Portfolio LLC



DESCRIPTION	ACTUAL	PRO FORMA	VARIANCE
Net Rental Income	\$606,427.00	\$638,346.00	-\$31,919.00
Other Income	\$109,181.00	\$80,143.00	\$29,038.00
Total Revenue	\$715,608.00	\$718,489.00	-\$2,881.00
Controllable Expenses	\$111,884.00	\$97,407.00	-\$14,477.00
Non-Controllable Expenses	\$194,251.00	\$203,395.00	\$9,144.00
Total Expenses	\$306,135.00	\$300,802.00	-\$5,333.00
Net Operating Income	\$409,472.00	\$417,687.00	-\$8,215.00
Debt Service	\$338,893.00	\$226,725.00	-\$112,168.00
NET INCOME	\$70,579.00	\$190,962.00	-\$120,383.00



**COW
INVESTOR
UPDATE**



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