



LOTUSTM

Opportunity Zone Investment
Strategy Overview

Lotus OZ Strategy Fund Investment Thesis:

1. Defer Capital gains through investment into a qualified Opportunity Zone Fund, Lotus OZ Strategy Fund 2, LLC;
 2. Construct & Improve Opportunity Zone Property through Special Purpose Entity held by Lotus OZ Strategy Fund 2, LLC;
 3. Refinance Stabilized Asset. Refinance proceeds distributed to partners for individual tax obligation prior to year 7;
- Alternative Strategy: Reinvest refinance proceeds in additional development projects & refinance

Investor Benefits

Investments made by qualified entities known as Opportunity Funds into certified Opportunity Zones will receive three key federal tax incentives to encourage investment in low-income communities including:

The Opportunity Zones program offers three tax incentive for investing in low-income communities through a qualified Opportunity Fund.



Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date in which the opportunity zone investment is disposed of or December 31, 2026



Step-Up In Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

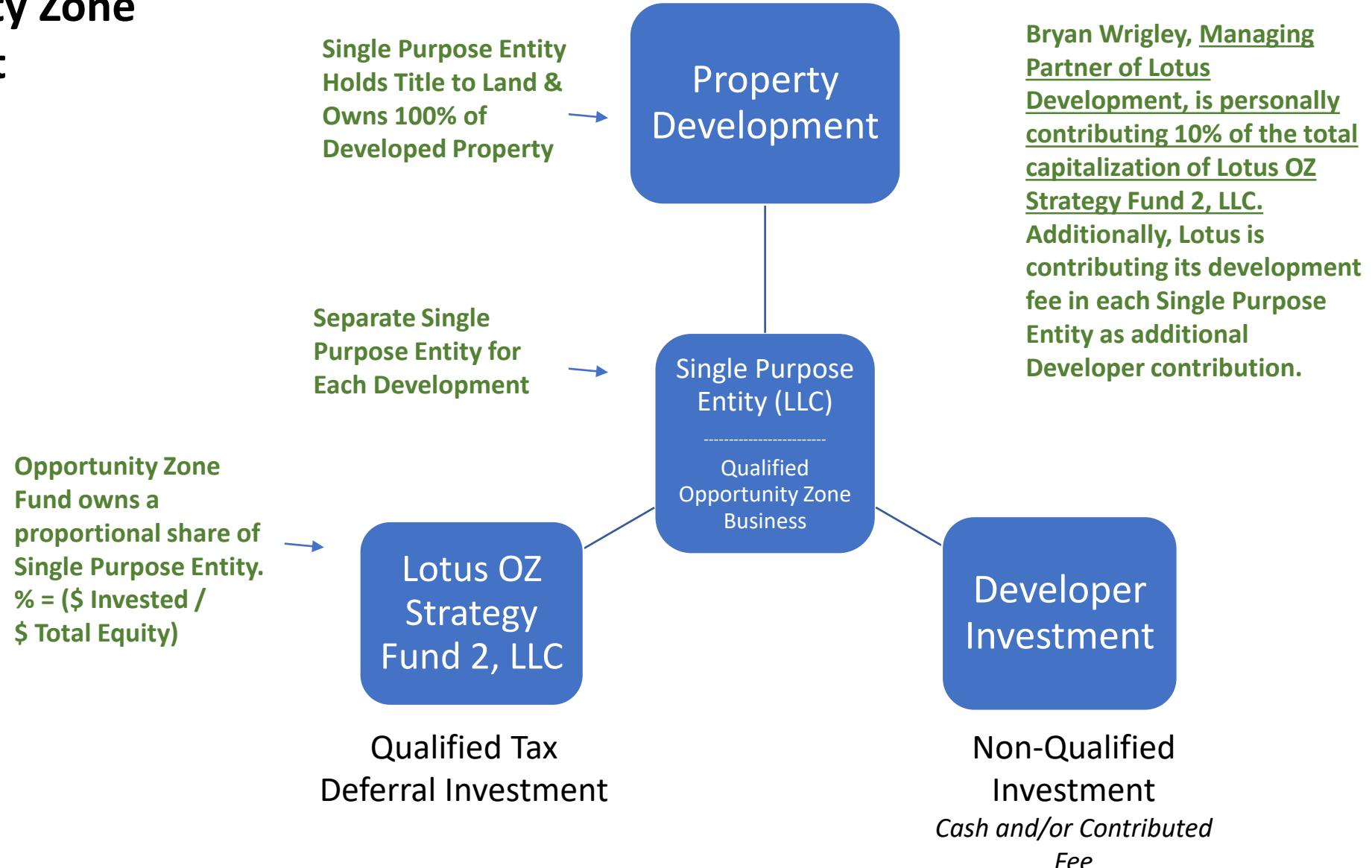


Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion applies to gains accrued after an investment in an Opportunity Fund.



Opportunity Zone Investment Structure



Arrowhead Land Acquisition – Riverwalk South

Investment Terms & Approximate Timeline

1. 45 - 60 Days - Invest approximately \$1,300,000 for acquisition of Arrowhead Capital Land
 - **10% Return on Investment**
 - 1% Exit Fee
 - Guaranteed by Lotus
2. 360 Days - Lotus returns investment at par + exit fee
3. Reinvest Proceeds
 - **Exclusive Investment in Riverwalk For-sale**
 - ∞ For its investment in the acquisition of Arrowhead Capital's land Tom Miner and/or associates will receive exclusive investment with Lotus in a newly formed For-Sale Riverwalk Townhome Project LLC.

*Previous adjacent development of the Riverwalk Masterplan is anticipated to drive additional investment upside for the future for-sale project.

For-Sale Project Area



REPUBLIC GREENLINE PHASE 1 & 700 Corner

Top: Red Lion Hotel Redevelopment
Middle: 300,000 SQ. Foot Development
Bottom: Seven O2 Main

700 Corner Site

Republic Greenline Development Site

800 SOUTH & STATE
SLC DESIGN REVIEW SUBMISSION | 2020.08.26

Top: Sapa Food Alley
Middle: Sears Block Redevelopment – Phase 1

Additional Downtown Projects:

- Hyatt Regency** – Portman Holdings (Atlanta)
- Kensington Towers** – 31 story Residential – Hines (Houston)



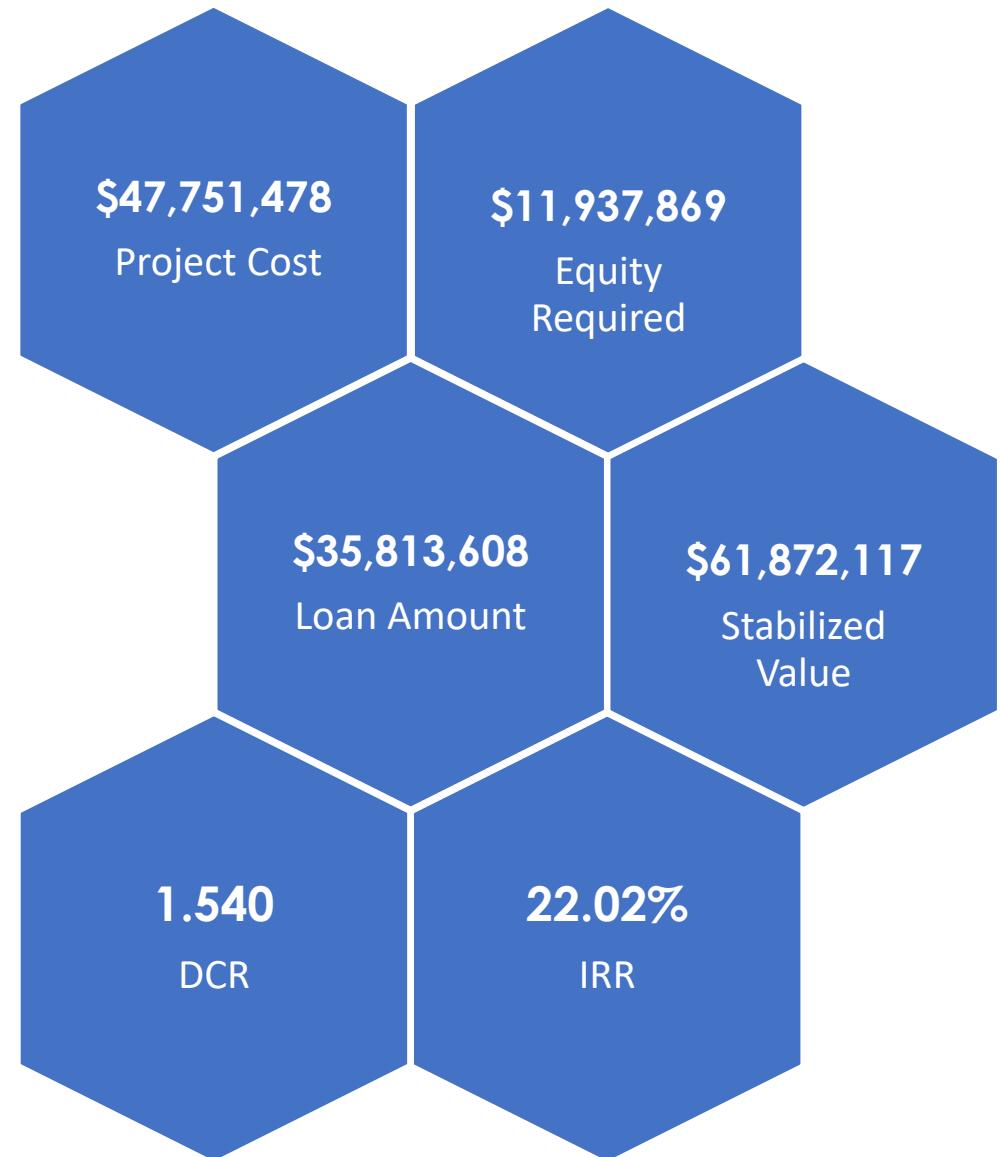
Mindfully Creating

Executive Summary

The Project | Republic Greenline Phase 1

Republic Greenline is a 157 Unit rental apartment development, located in downtown Salt Lake City. The Project is located on 700 south between West Temple and Main Street. The location sits in the heart of a burgeoning downtown district, with easy access to public transport. The Development will feature rich common area amenities catered towards an urban resident.

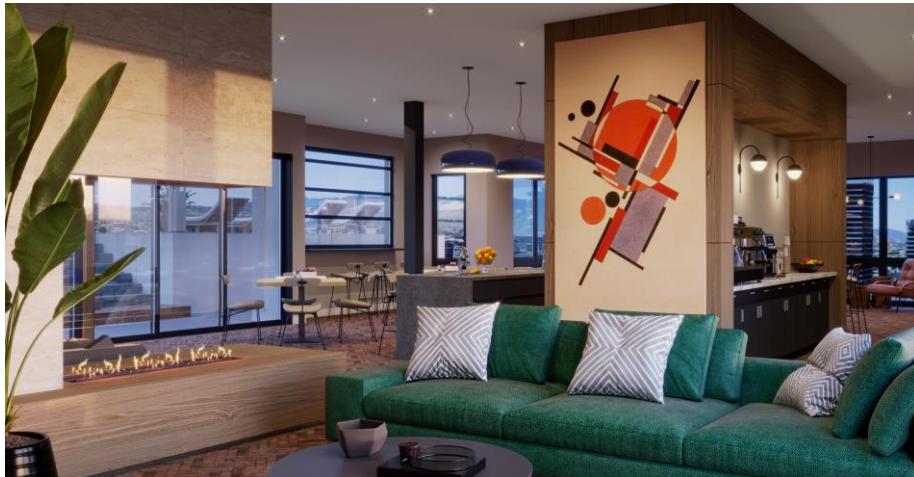
The Project is anticipated to begin construction in May 2022, with an estimated completion of April 2024. Lotus Greenline will be built using a wood-frame wrapped construction method, recognized for its construction efficiency.



Development Highlights

- Premier Downtown Salt Lake City Location**
- Directly Adjacent to planned public transit station**
- Modern Upscale Interiors**
- Views of Downtown Salt Lake City**
- Large Rooftop Amenity Deck**
- High-Growth Neighborhood**

Unit Mix	Units	SF/unit	SF total	Rents	Rent/SF
Storage Units	120	25	3,000	\$ 35	\$ 1.40
Micro Type 1	10	450	4,500	\$ 1,280	\$ 2.84
1B1B	69	710	48,990	\$ 1,550	\$ 2.18
2B2B	68	940	63,920	\$ 2,050	\$ 2.18
3B2B	10	1125	11,250	\$ 2,300	\$ 2.04
Retail	1	5100		\$ 4,250	\$ 0.83
Totals	100%	158		131,660	\$ 2.21





Community Amenities

Large Social Hall

- Dynamic Use | Lounge, Work, Entertain
- Co-working nooks
- Large full-service kitchen
- Coffee Bar

Pool & Spa with Pool Deck

- Infinity edge spa overlooking Skyline
- Outdoor fireplace
- Built-in BBQ station

Fitness Center

Bike Storage & Maintenance Facility

Dog Wash & Dog Run

On Site Available Storage Units

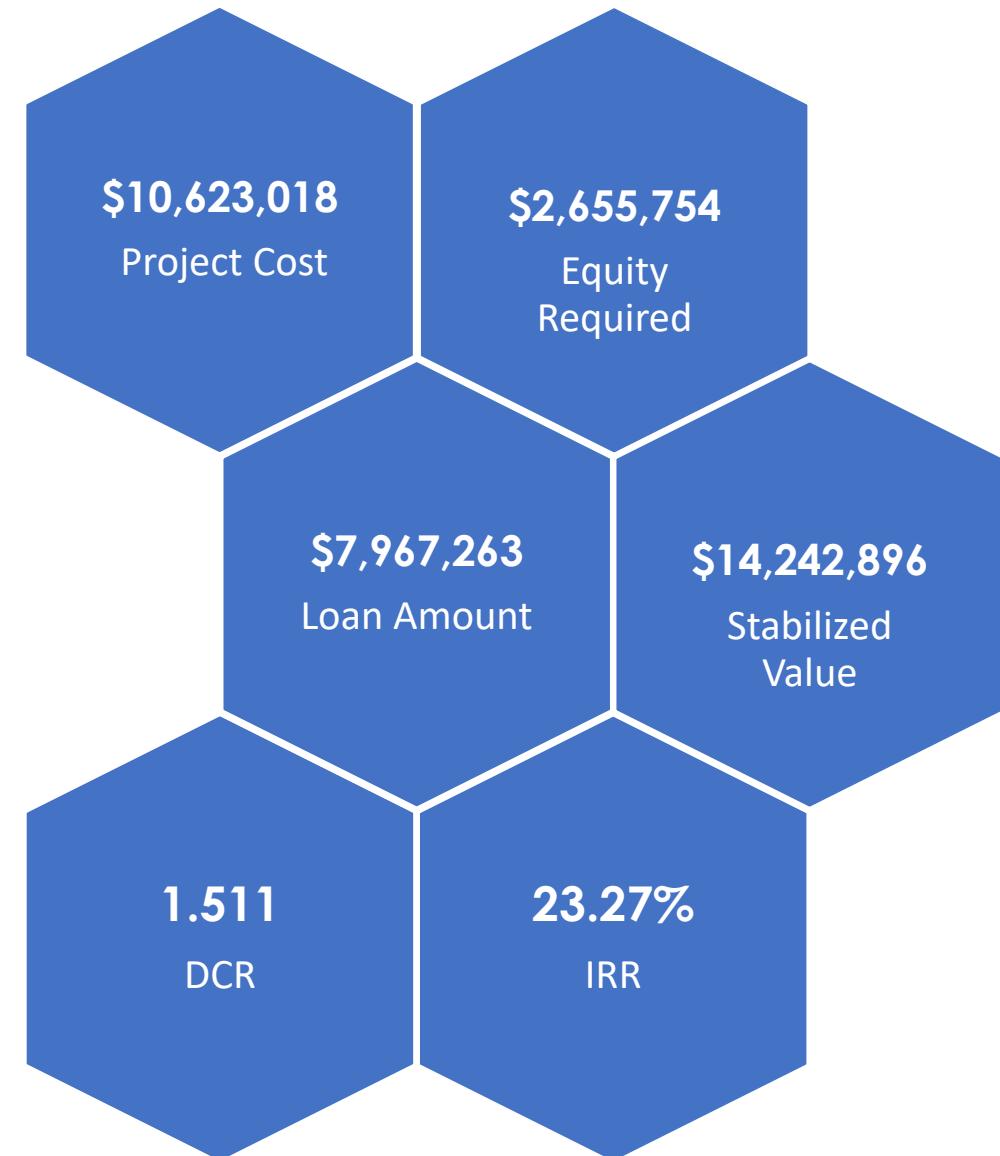


Executive Summary

The Project | Lotus Current Phase 2

Current Phase 2 is a 40-unit rental townhome development, located along the Ogden River in Ogden, Utah. Current Phase II is an expansion of the existing Ogden River Master Development by Lotus. The area features residential and retail establishments to complement the new phase.

The Project is anticipated to begin construction in September 2021, with an estimated completion of November 2022. Lotus Current Phase II will be built using a wood-frame wrapped construction method, recognized for its construction efficiency.



Site Design

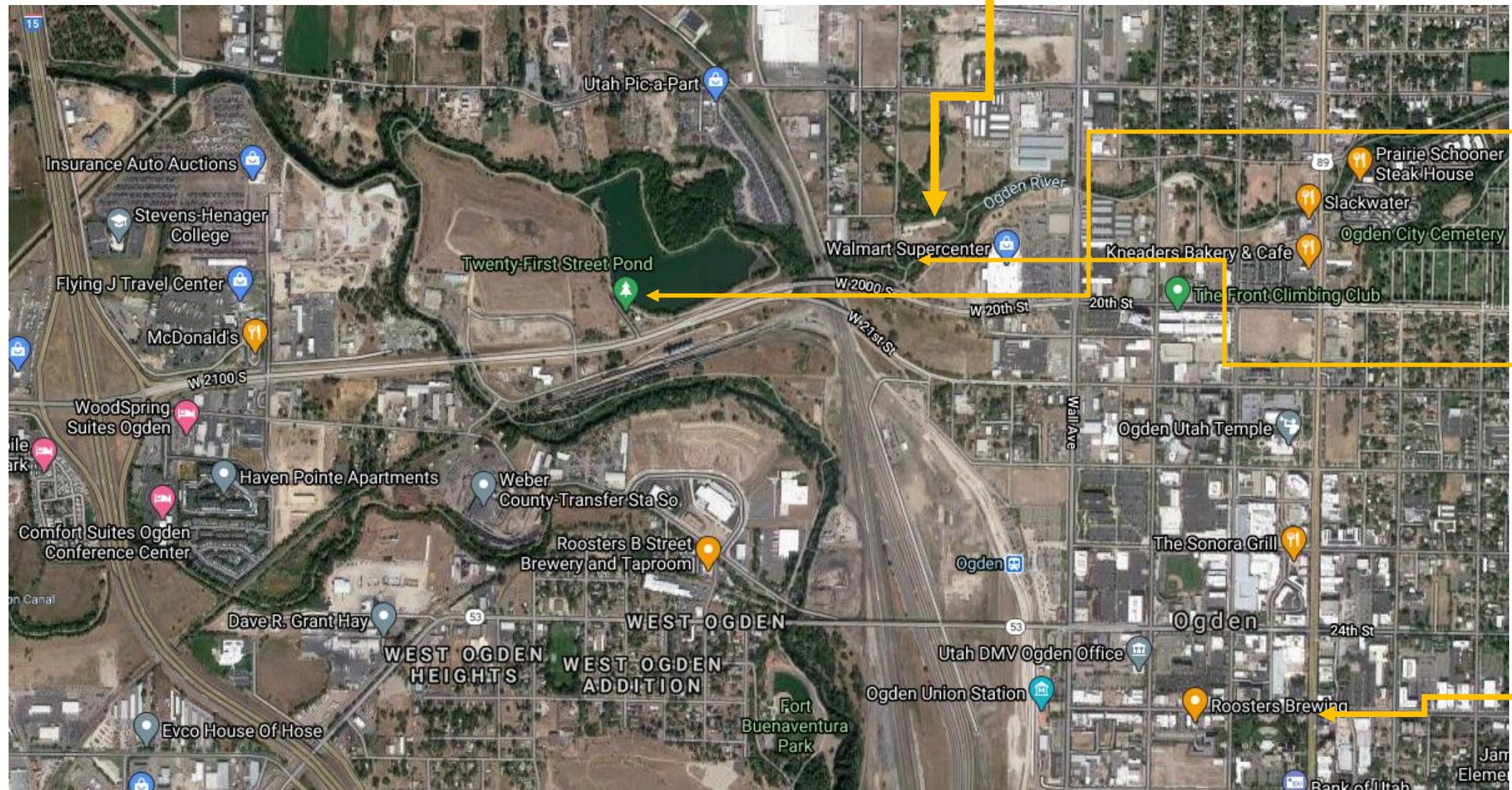


Site: 1825 Washington Blvd Ogden, Utah



Site Detail

Site



Twenty First Street Pond



Kayak Park



Historic 25th Street



Site Detail

700 SOUTH CORNER

UNDER DESIGN DEVELOPMENT





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