

Maiposa AT RIVERBLUE





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EXECUTIVE SUMMARY

DEAL OVERVIEW

Catalyst Capital Partners is excited to offer an opportunity to invest in Mariposa at RiverBlue, a fully-entitled, 153-unit active adult multifamily development located in the attractive, high-barrier-to-entry market of Asheville, North Carolina.

Mariposa at RiverBlue, one of three communities that make up the RiverBlue master development, offers the perfect active adult setting of community engagement, nature, urban energy, and temperate four-season climate.

Asheville is known for the Blue Ridge Mountains with outdoor activities that encourage a healthy lifestyle, four seasons that do not get too hot in the summer or too cold in the winter, incredible music venues and festivals, a strong art and cultural scene that includes over 30 art galleries, restaurants that feature top-rated chefs, Mission Health named as one of the top 15 health systems, and a robust learning environment with colleges, UNC's Osher Lifelong Learning Institute (OLLI), and the Penland School of Crafts.

Mariposa is a microcosm of Asheville itself. RiverBlue has, on-site, 24 acres of park-like acreage that includes a 1-mile greenway along Hominy Creek and, throughout the community, unimpeded views of the Blue Ridge Mountains. Mariposa will offer onsite programs with OLLI, onsite learning and art classes, the option of wider RiverBlue engagement with the adjacent coffee shop and restaurant, and adjacency to the River Arts District, downtown Asheville, West Asheville, and Haywood Road.

Mariposa is different than anything else in the current market. To date, all 55+ communities in the Asheville metro area are senior care facilities or for-sale active adult developments. Mariposa will be a curated, 55+ community featuring large units, rich finishes, and signature services targeting the active adult.

Mariposa at RiverBlue sits at the intersection of I-240, I-26, and I-40, providing direct access to all of Asheville's primary employment centers and entertainment districts. Further benefiting the site is its location just outside the city limits. This distinction provides countless benefits to the development, most specifically less burdensome development regulations and significantly lower County tax rates.

TARGET RETURNS

22% IRR, 1.80x multiple (37 months)

SPONSORSHIP

Catalyst Capital Partners has over \$4.5B in real estate experience and a combined 120 years of experience. Catalyst's experience spans office, retail, build-for-rent, single-family for-sale, and apartments.

PROJECT HIGHLIGHTS

- » 24 Acres of Park-Like Green Space
- » 1-Mile On-Site Greenway Trail Along Hominy Creek
- » Part of Master Community
- » Adjacent to On-Site Café and Coffee Shop
- » Low-Basis Four-Story Surface-Parked Apartments
- » 1st-Mover Advantage for Asheville Rental Active Adult
- » Unparalleled Access to Nature
- » Life Long Learning Community
- » Top Health System

PROJECT SUMMARY

20 South Bear Creek Rd
STREET ADDRESS

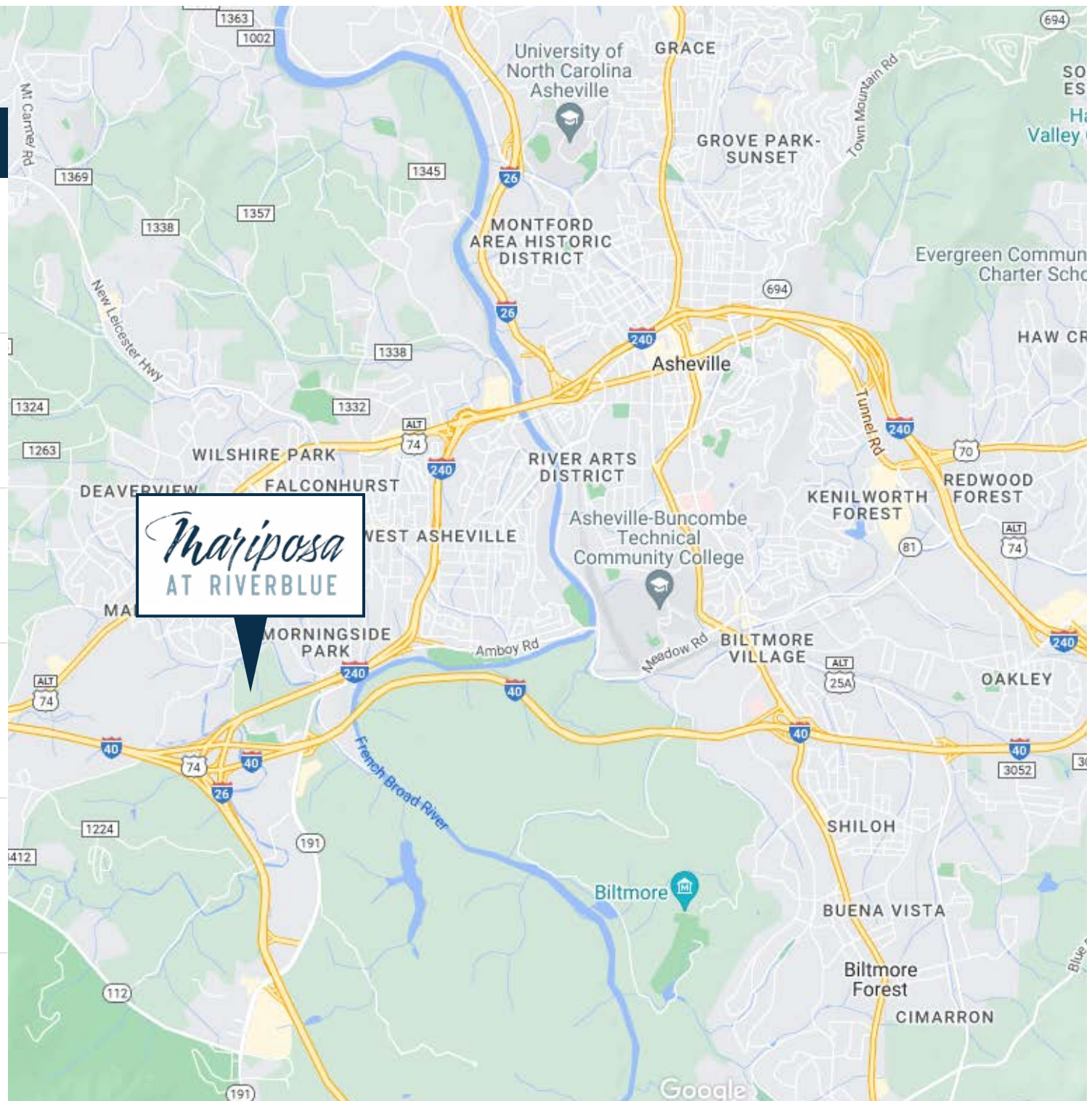
Asheville, NC 28806
CITY/STATE/ZIP

Multifamily, 4-Story,
Surface Parked
CONSTRUCTION TYPE

Q3 2023
ESTIMATED START DATE

Q3 2025
ESTIMATED
COMPLETION DATE

153
OF UNITS



INVESTMENT OFFERING

Total Common Equity Raise	\$13,606,993
Minimum Investment	\$75,000
Anticipated Investment Duration	37 months
Structure - Preferred Return + Waterfall (noted below)	

Capital Stack: Catalyst is still evaluating the optimal leverage level. The three most likely scenarios are noted below.

Leverage Level

Life Co Debt - Construction Loan (Aegon)	42%
Preferred Equity (Origin)	73%
Common Equity	100%

TARGET RETURNS

22% IRR, 1.80x multiple (37 months)

DEADLINE TO SUBMIT FUNDS

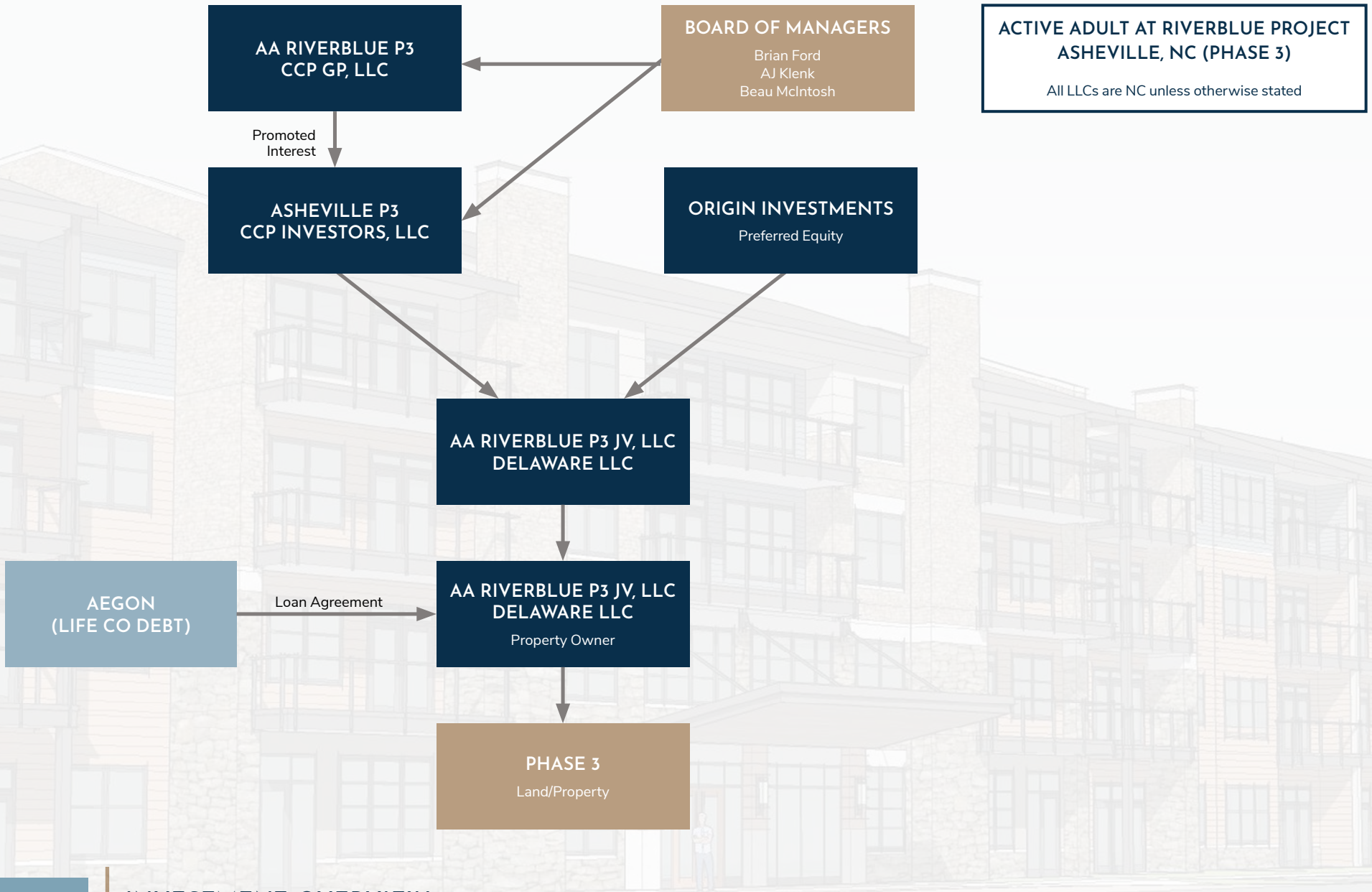
Friday, October 27, 2023



WATERFALL

	Asheville P3 CCP Investors, LLC (Investors)	AA RiverBlue P3 CCP GP, LLC (Catalyst)	IRR Hurdle
Tier I - Pref + ROC	100%	0%	
Tier II	65%	35%	> 8%
Tier III	55%	45%	> 12%
Tier IV	50%	50%	> 15%

ORGANIZATION CHART



PROJECT LEVEL ECONOMICS

SOURCES				
	TOTAL	% OF TOTAL	PER UNIT	PER SF
Pref Equity	\$15,833,565	31%	\$103,487	\$106.16
Common Equity	\$13,606,993	27%	\$88,935	\$91.23
Construction Loan	\$21,480,000	42%	\$140,392	\$144.01
Total Sources	\$50,920,558	100%	\$332,814	\$341

STABILIZED RETURN ON COST (TRENDED)				
	PER YEAR	PER UNIT	PER SF	
Effective Gross Income	\$4,943,070	\$32,308	\$33.14	
Operating Expenses	\$1,331,312	\$8,701	\$8.83	
NOI	\$3,444,341	\$22,512	\$23.09	
RETURN ON COSTS	6.76%			

*Project Pro Forma Rents and Operation Budget per Greystar's Active Adult Division

STABILIZED RETURN ON COST (UNTRENDED)				
	PER YEAR	PER UNIT	PER SF	
Effective Gross Income	\$4,524,555	\$29,572	\$30.34	
Operating Expenses	\$1,218,339	\$7,963	\$8.17	
NOI	\$3,151,354	\$20,597	\$21.13	
RETURN ON COSTS	6.19%			

*Project Pro Forma Rents and Operation Budget per Greystar's Active Adult Division

DEVELOPMENT SCHEDULE	
Land/Loan/JV Closing & Construction Commencement Date	10/20/2023
Open Prelease Trailer	7/31/2024
First Units Delivered	3/31/2025
Final CO	9/30/2025
Project Stabilization	3/31/2026

USES				
	TOTAL	% OF TOTAL	PER UNIT	PER SF
Land Costs	\$4,200,000	8%	\$27,451	\$28
Hard Costs	\$37,755,223	74%	\$246,766	\$253
Soft Costs	\$8,965,335	18%	\$58,597	\$60
Total Uses	\$50,920,558	100%	\$332,814	\$341

RESIDENTIAL SUMMARY				
#UNITS	RENTABLE SF	AVG UNIT SIZE	AVG RENT	AVG RENT/SF
153	149,175 SF	975 SF	\$2,457	\$2.52

UNIT MIX			
UNIT TYPE	#UNITS	% OF TOTAL	UNIT NET SF
A1 - Affordable: 1 Bed, 1 Bath	3	2.0%	692 SF
A1: 1 Bed, 1 Bath	29	19.0%	692 SF
A2: 1 Bed, 1 Bath	40	26.1%	817 SF
A2.1: 1 Bed, 1 Bath	2	1.3%	861 SF
A3: 1 Bed, 1 Bath	8	5.2%	964 SF
A3.1: 1 Bed, 1 Bath	3	2.0%	1,066 SF
A4: 1 Bed, 1 Bath	2	1.3%	994 SF
A4.1: 1 Bed, 1 Bath	3	2.0%	1,077 SF
A4.2: 1 Bed, 1 Bath	3	2.0%	1,114 SF
B1: 2 Bed, 2 Bath	25	16.3%	1,165 SF
B1.1: 2 Bed, 2 Bath	16	10.5%	1,201 SF
B1.2 Corner: 2 Bed, 2 Bath	8	5.2%	1,233 SF
B2: 2 Bed, 2 Bath	6	3.9%	1,283 SF
B3: 2 Bed, 2 Bath	2	1.3%	1,328 SF
B4: 2 Bed, 2 Bath	1	0.7%	1,494 SF
B5: 2 Bed, 2 Bath	2	1.3%	1,541 SF
Totals or Weighted Averages	153	100%	975 SF

PROJECT BUDGET

DEVELOPMENT COSTS

USES OF FUNDS

	TOTAL	% OF TOTAL	PER UNIT	PER SF
Total Construction	\$37,755,223	74.15%	246,766	\$253.13
Land	\$4,200,000	8.25%	27,451	\$28.16
Architect / Engineering	\$2,199,134	4.32%	14,373	\$14.74
Furniture Fixture & Equipment	\$700,000	1.37%	4,575	\$4.69
Net Interest During Construction	\$1,130,237	2.22%	7,387	\$7.58
Points on Construction Loan	\$107,400	0.21%	702	\$0.72
Construction Loan Closing Costs	\$754,928	1.48%	4,934	\$5.06
Capitalized Marketing Costs	\$250,000	0.49%	1,634	\$1.68
Legal and Organizational	\$805,000	1.58%	5,261	\$5.40
Capitalized Taxes During Construction	\$100,000	0.20%	654	\$0.67
Other Costs	\$688,714	1.35%	4,501	\$4.62
Developer's Fee	\$1,579,922	3.10%	10,326	\$10.59
Project Contingency	\$650,000	1.28%	4,248	\$4.36
TOTAL DEVELOPMENT COST	\$50,920,558	100.00%	332,814	\$341.40

Source of projected construction costs: C Herman Construction (Project General Contractor)

Sponsor Fees / Imputed Equity

1. Developer Fee - \$1.58M
2. Land Acquisition Fee - \$350,000
3. Finance Fee - \$232,493


TRENDED PROFORMA

			\$ / Month	\$ / Year	\$ / Unit / Yr	/Res NSF
Average Gross Base Rental Income			\$412,239	\$4,946,871	\$32,332	\$2.76
Unit Premium	No.	Stab. Rent	\$ / Month	\$ / Year	\$ / Unit / Yr	/Res NSF
Pet rent	40	\$33	\$1,331	\$15,969	\$104.37	\$0.009
Valet Trash	153	\$22	\$3,393	\$40,722	\$266.16	\$0.023
Total / Averages Unit Premium	193	\$24	\$4,724	\$56,691	\$370.53	\$0.032
Property Premium	No.	Stab. Rent	\$ / Month	\$ / Year	\$ / Unit / Yr	/Res NSF
Detached Garages	8	\$250	\$1,996	\$23,954	\$156.56	\$0.013
Carports	38	\$139	\$5,268	\$63,212	\$413.15	\$0.035
Storage Units	25	\$55	\$1,386	\$16,635	\$108.72	\$0.009
Total / Averages Property Premium	71	\$122	\$8,650	\$103,801	\$678.44	\$0.058
Other Income			\$ / Mo. Stab	\$ / Year	\$ / Unit / Yr	/Res NSF
Application fee			\$335	\$4,019	\$26.27	\$0.002
Club room rental			\$277	\$3,327	\$21.74	\$0.002
Community Fee			\$1,697	\$20,361	\$133.08	\$0.011
Short-Term Premium			\$554	\$6,654	\$43.49	\$0.004
Late fee			\$85	\$1,025	\$6.70	\$0.001
Pet Fee			\$388	\$4,658	\$30.44	\$0.003
Admin Fee			\$1,768	\$21,213	\$138.64	\$0.012
Internet Income			\$10,478	\$125,732	\$821.78	\$0.070
Guest Suite Rental			\$1,331	\$15,969	\$104.37	\$0.009
Lock/Keys			\$111	\$1,331	\$8.70	\$0.001
Additional Other Income			\$2,189	\$26,270	\$171.70	\$0.015
Total / Averages Other Income			\$19,213	\$230,557	\$1,506.91	\$0.129
Total / Averages Other Income			\$19,213	\$230,557	\$1,506.91	\$0.129

	\$ / Month	\$ / Year	\$ / Unit / Yr	/NSF/Mo.
Potential Apartment Income (Actual)	\$412,239	\$4,946,871	\$32,332.49	\$2.764
Apartment Premium Incomes / Other Income	\$32,587	\$391,049	\$2,555.87	\$0.218
Total Rent Potential Whole Project (Actual)	\$444,827	\$5,337,920	\$34,888.37	\$2.982
	\$ / Month	\$ / Year	\$ / Unit / Yr	/NSF/Mo.
Loss to Lease	\$412,239	\$4,946,871	\$32,332.49	\$2.764
Vacancy	\$412,239	\$4,946,871	\$32,332.49	\$2.764
Concession / Renewal Discount	\$32,587	\$391,049	\$2,555.87	\$0.218
Effective Gross Income	\$411,923	\$4,943,070	\$32,307.65	\$2.762
Estimated Expenses and Net Operating Income:				
	\$ / Month	\$ / Year	\$ / Unit / Yr	/NSF/Mo.
Management Fee	\$12,358	\$148,292	\$969	\$0.083
Repairs and Maintenance	\$2,786	\$33,437	\$219	\$0.019
Turnover / Make Ready	\$1,742	\$20,898	\$137	\$0.012
Salaries and Payroll	\$38,314	\$459,765	\$3,005	\$0.257
General & Admin	\$7,314	\$87,773	\$574	\$0.049
Marketing	\$7,663	\$91,953	\$601	\$0.051
Contractor Services	\$10,672	\$128,065	\$837	\$0.072
Utilities	\$12,288	\$147,459	\$964	\$0.082
Property Taxes	\$17,764	\$213,164	\$1,393	\$0.119
Property Insurance	\$10,143	\$121,712	\$796	\$0.068
REA Fees	\$1,742	\$20,898	\$137	\$0.012
Resident Activities	\$6,186	\$74,231	\$485	\$0.041
Rebill	(\$5,670)	(\$68,045)	(\$445)	(\$0.038)
Replacement Reserve	\$1,594	\$19,125	\$125	\$0.011
Total Expenses	\$124,894	\$1,498,729	\$9,795.61	\$0.837
Net Operating Income	\$287,028	\$3,444,341	\$22,512.03	\$1.924

DEVELOPMENT PARTNERS

Senior Housing Consulting	Property Manager	General Contractor
<p>MITCH BROWN <i>Principal Consultant</i></p> <p>With more than 25 years of experience in all facets of senior housing, including a long career representing both Carlyle and Greystar in the development and rollout of their various senior housing brands, Mitch provides strategic guidance to investors, developers, and operators of active adult and full-service senior living communities.</p>		

Architect	Civil Engineering	Landscape Architect	Land Use Attorney
			

PROJECT DESCRIPTION

Mariposa at RiverBlue is one of three differentiated communities within the 55-acre RiverBlue master development. Central to the theme of RiverBlue is community, nature, and an active lifestyle.

Residents do not have to leave the property to enjoy an incredible community and lifestyle. To foster the active-adult community, Mariposa will have 10,824 SF of indoor common area for thoughtfully curated resident services. For fitness, residents can swim laps in the pool, workout in a fitness center specifically designed for active adults, participate in indoor or outdoor yoga in spaces designed for 40+ residents at a time, or take advantage of the physical therapy/message room. For entertainment, lifestyle, and learning, there is the outdoor entertainment deck with views of the Blue Ridge Mountains, a workshop for crafts and artwork, an adult game room for playing pool and cards, the rooftop clubroom and deck for wine tasting and enjoying spectacular views. Mariposa residents can take advantage of onsite classes presented by the Osher Lifelong Learning Institute at UNC Asheville (formerly the North Carolina Center for Creative Retirement), which is an award-winning, internationally-acclaimed learning community dedicated to promoting lifelong learning, leadership, community service, and research.

RiverBlue also offers urban energy with its immediate proximity the River Arts District, downtown Asheville, West Asheville, and Haywood Road. Additionally, because the project sits at the intersection of I-240, I-26, and I-40, residents can be at any surrounding employment or entertainment center within minutes.

Mariposa at RiverBlue is designed to be different than anything else in the Asheville market. To date, in metro Asheville, there have been no deliveries of for-rent active adult communities. Because of Mariposa's access to both outdoor and urban amenities, situated within an intergenerational community, carefully designed active-adult product, and early-mover positioning, Mariposa stands to be unique in its offering.

Onsite Café & Coffee Shop



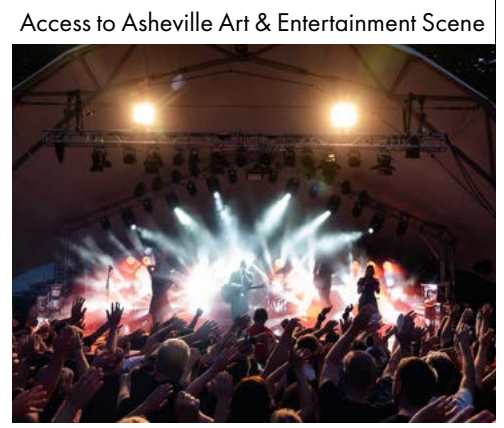
Kayak Access to Hominy Creek



Community Event Lawn



Access to Asheville Art & Entertainment Scene



PROJECT DESCRIPTION

Hiking Trails & Campgrounds



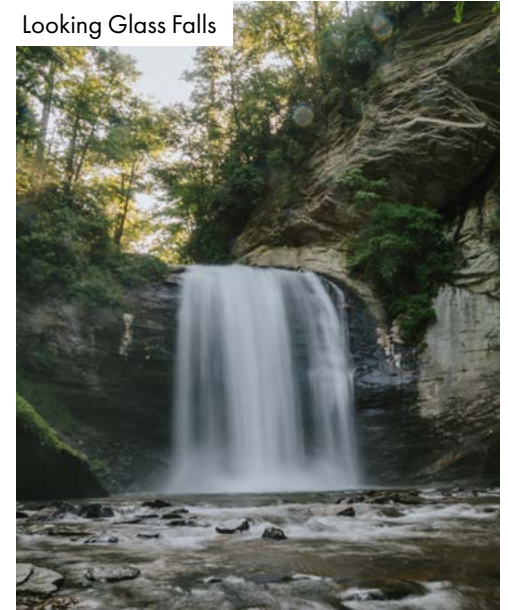
West Asheville



River Arts District



Looking Glass Falls



Burial Brewery



Tubing on French Broad River



Downtown Asheville



PROJECT DESCRIPTION

This highly amenitized property will feature unit finishes, amenities, and resident services specifically designed for an active-adult community.

Units:	153
Average SF:	986
Total Rental SF:	150,858
Construction:	Type V; 4-Story
Parking:	278 (211 Surface, 12 Detached Garages, 35 Car Ports) 1 Space/Bed; 1.41 Spaces/Unit
Zoned:	PS (Public Service)
Buildings:	1
Stories:	4
Elevators:	3

COMMUNITY AMENITIES

A 10,824 SF clubhouse, active resident clubroom/lounge, grab-and-go, catering kitchen, pub room, dining room, media room, arts and craft room, coworking space, fitness center specific to active adult, yoga class, physical therapy and message room, outdoor entertain area, indoor pet spa with washing and drying stations, saltwater pool, outdoor kitchen, storage and bike closets, climate controlled corridors, controlled access entry, fire pit, 1-mile walking trail, let-in for kayaks, pickle ball court(s), community electric bikes, detached garages, Green Certified, electric car charging stations, package lockers including refrigerated storage for grocery delivery, BBQ area, planting garden, adult game room for pool and cards, and rooftop clubroom and deck.

UNIT AMENITIES

Large unit sizes, quartz countertops, LVT flooring throughout, stainless steel appliances, washer and dryer in every home, tile surround tubs/showers with frameless glass doors, upgraded LED light fixtures, walk-in closets, Smart home technology (keyless locks and Bluetooth thermostats), 24 cf side-by-side refrigerators with water dispensers, pullout kitchen faucets, slide-in range, built-in microwave, 42" upper cabinets, soft close cabinet hardware, undercounter lighting, designer tile, and farmhouse sinks.

AFFORDABLE HOUSING COMPONENT

As part of the zoning stipulations, Mariposa is providing approximately 2% affordable units, defined as 80% or less of AMI.



Rooftop Deck Rendering

SITE PLAN



EXTERIOR ELEVATIONS

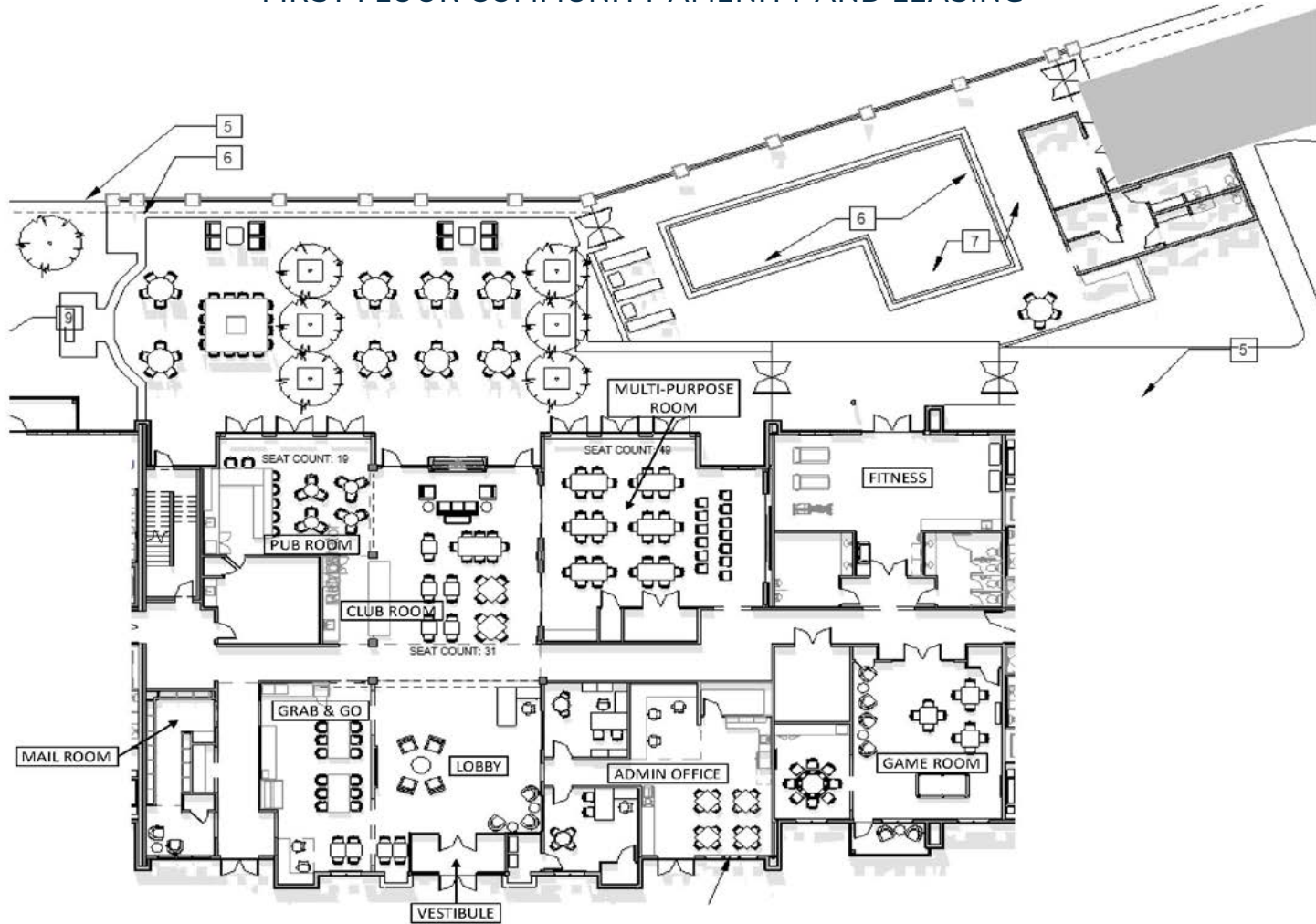


POOL TERRACE RENDERING



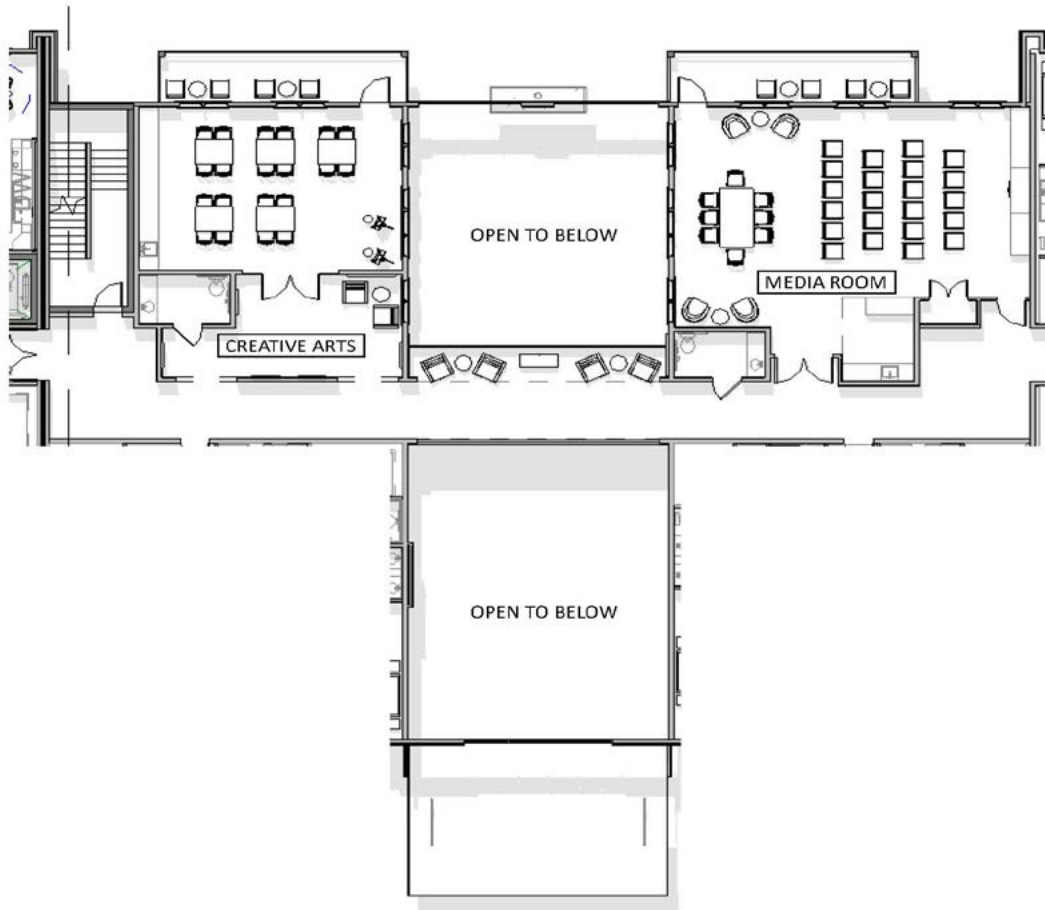
AMENITIES PLANS

FIRST FLOOR COMMUNITY AMENITY AND LEASING

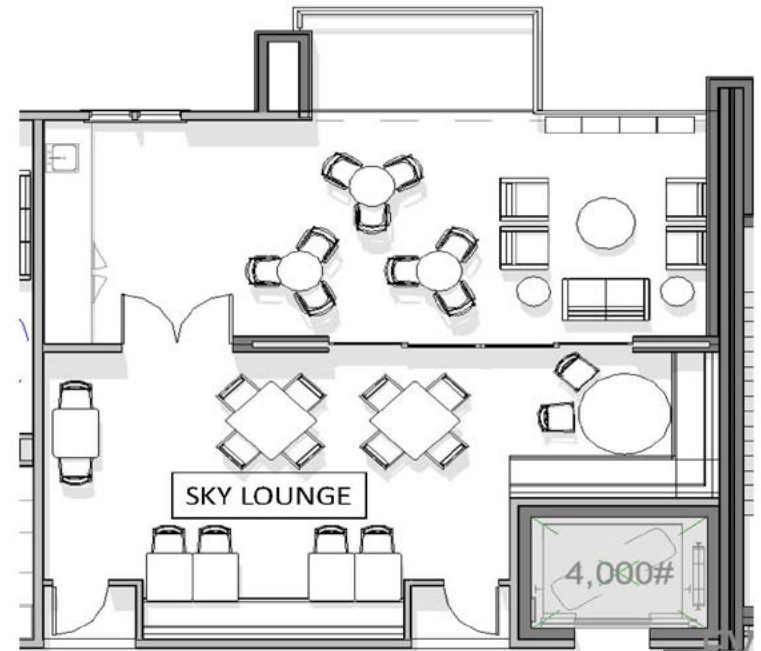


AMENITIES PLANS

SECOND FLOOR COMMUNITY AMENITY



ROOFTOP AMENITY (FOURTH FLOOR)



RIVERBLUE MASTER SITE PLAN

RiverBlue has four primary components:

- » 24 acres of open space with trail, mountain/stargazing overlook, gardens, and dog parks.
- » Hominy at RiverBlue: a 262-unit, 4-story, surface-parked rental community that focuses on entry-level renters
- » Archer at RiverBlue: a 245-unit, 4-story, surface-parked rental community that caters to a high-end renter who wants a curated environment.
- » Mariposa at RiverBlue: a 153-unit, 4-story, surface-parked active adult rental community that is Asheville's best located active adult community.



RIVERBLUE MASTER SITE PLAN



INVESTMENT RATIONALE

Mariposa at RiverBlue is unique in its geographic and product positioning.

This starts with RiverBlue abutting and being surrounded by the city limits. The project benefits from being a “hole in the donut” because, in being minutes from Asheville’s best urban amenities, Mariposa can charge urban rents yet, because it is outside the city limits, Mariposa is not subject to Asheville’s burdensome requirements.

Mariposa is no more than 8 minutes from downtown Asheville, the River District, West Asheville, and Haywood Road. Interstate and major thoroughfare access is the best in Asheville. It is less than 5 minutes to I-40, I-26, and I-240. This provides fast access to anywhere in the metro. Lastly, because RiverBlue offers 24 acres of green space, a greenway, and access to the creeks and rivers, Mariposa offers the ability to be immersed in nature which no urban product can do.

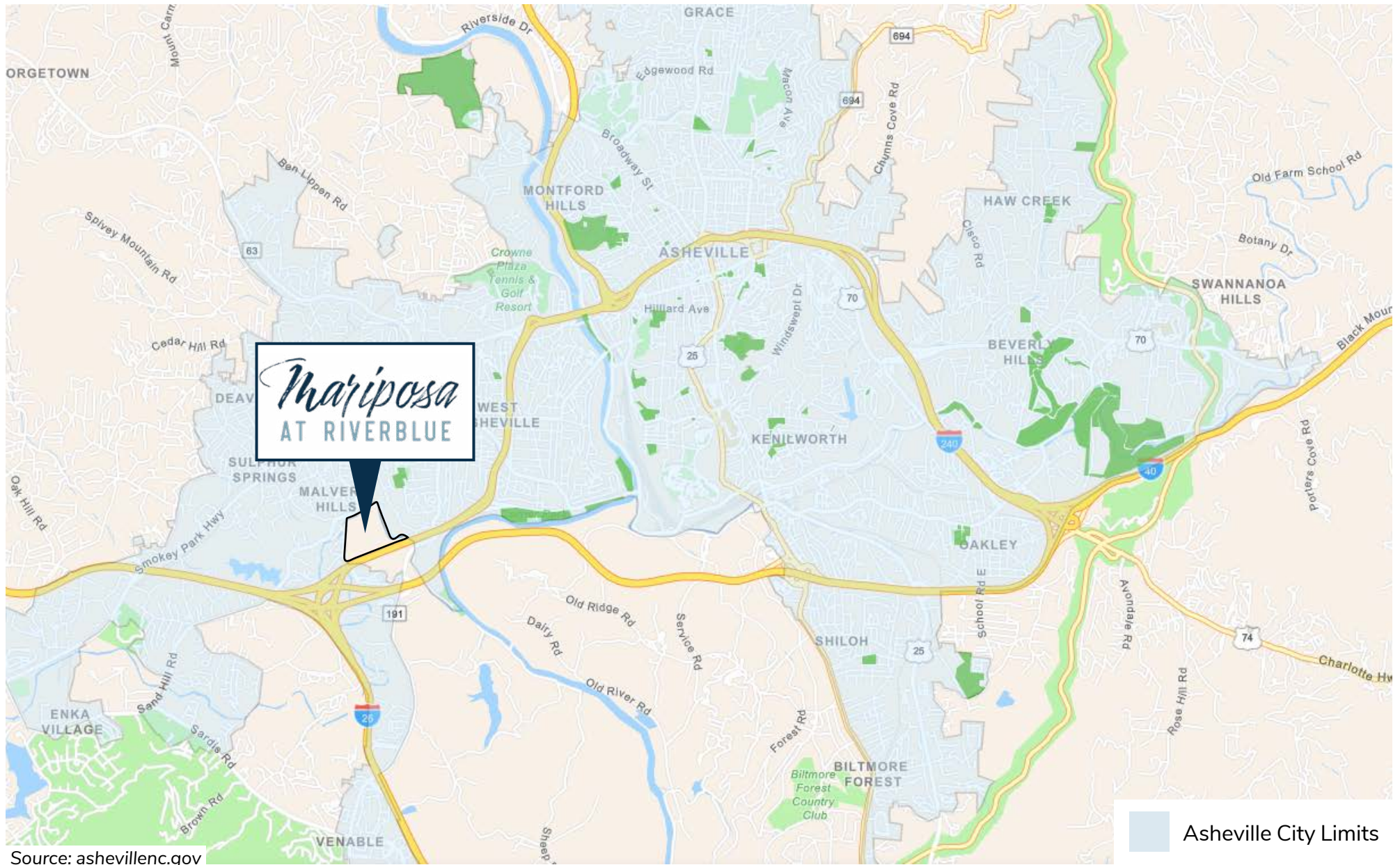
The benefits of being outside the city limits are substantial. Mariposa is setting aside 2% of its units as affordable whereas Asheville, in essence, requires rezones to have a 20% affordable component. Mariposa has a millage rate of 5.9% whereas Asheville’s millage rate, which depends on the taxing district, ranges from 12% to 18%. The development requirements and fees within the City are substantially more than outside the city limits.

Asheville represents one of the most challenging markets to find multifamily development sites in the Carolinas. Sites with manageable topography, minimal wetlands and streams, and a large enough developable area are becoming more and more scarce—especially in urban locations. When the strong political and public resistance to apartment rezoning is added to the unavailability of buildable land, Asheville becomes an unusually high barriers-to-entry market.

Historically, Asheville has lacked institutional quality product and property management. With Asheville’s growing population, affluence, influx of remote workers, and growing retirement community, there is an opportunity to provide a product that has not been seen in the market. The boutique nature of Mariposa, the fact that it is a rental active-adult community, it being minutes from any major area amenity yet have 24 acres of on-site greenspace is absolutely unique to the market.

The dynamics of Asheville, the increasing demands on the City’s infrastructure, ever-growing NIMBYism, and increasing unavailability of land, ensures that the barriers-to-entry are becoming greater. Mariposa’s location just outside the city limits provides a significant and sustained competitive advantage to its competitive set. As a result, this location is quintessential Asheville and the closest garden site to downtown Asheville in recent years.

INVESTMENT RATIONALE



Source: ashevillenc.gov

INVESTMENT RATIONALE

1.5 MILES TO THE BURGEONING WEST ASHEVILLE HAYWOOD ROAD DISTRICT

Haywood Road has been the “Main Street” of the fast-growing and eclectic West Asheville neighborhood for more than a century. The street is lined with originality and creativity as old buildings have been redeveloped and are home to modern businesses, new restaurants, breweries, pubs, and live music venues. The Mariposa at RiverBlue Development is located within a 1.5-minute drive, or short walk, from the ±40 restaurants, bars, and entertainment venues located along Haywood Road in West Asheville.

CONNECTIVITY TO THE FRENCH BROAD RIVER AND THE RIVER ARTS DISTRICT

Future residents of the development will also be able to conveniently access the French Broad River, the New Belgium Brewing Company, and River Arts District via the Asheville Greenway System. The New Belgium Brewing brewery opened in 2016 and is a popular destination for Asheville residents and tourists. Located along the French Broad River, it contains a tap room, brewery, and tasting room while offering pristine views of the French Broad River and mountain ranges. The adjacent French Broad River provides residents with opportunities to hike, kayak, and enjoy nature.

The River Arts District (RAD) contains 200 artists who show visitors the process of their creations and sell their pieces to the public. Popular Asheville restaurants are also located at RAD, truly making the area an exciting all-day activity for area residents and visitors alike.

The development projects have visibility and convenient access to I-240, I-40, and I-26, efficiently connecting the site to all parts of the Asheville MSA.

WEST ASHEVILLE ENTERTAINMENT DISTRICT

Asheville Sandwich Company	The Hop West
Westville Pub	Reciprocity
West End Bakery	Sunny Point Cafe
Nine Mile West	Asheville Goods
The Trashy Vegan	Urban Orchard Cider Company
Biscuit Head	Taco Billy

RIVER ARTS DISTRICT

The Bull and Beggar	Sunnyside Trading Company
All Souls Pizza	NorthLight Studios
Hi-Wire Brewing	The Magnetic Theatre
Wedge Brewing Company	PennyCup Coffee Co
Mountain Glass Art	Fresh Wood Fired Pizza
The Village Potters	Pink Dog Creative

DOWNTOWN ASHEVILLE

Grove Arcade	Asheville Brewing Company
Pack Square	The Orange Peel
French Broad Chocolate Lounge	Vance Memorial
Tupelo Honey	Farm Burger Asheville
Wicked Weed Brew Pub	Chai Pani

ALDI **EARTH FARE** *Krispy Kreme*
Tuesday Morning **STARBUCKS COFFEE** *neoe BURRITO*
ANYTIME FITNESS **CVS** **ingles**



INTERSTATE 26
64,000± VPD

INTERSTATE 240
74,000± VPD

DOWNTOWN
ASHEVILLE

SOUTH SLOPE
BREWING DISTRICT

NEW BELGIUM
BREWING CO.

INTERSTATE 26
62,000± VPD

INTERSTATE 240

RIVER ARTS
DISTRICT

MISSION
HOSPITAL

WEST ASHEVILLE
ENTERTAINMENT DISTRICT

FRENCH BROAD
RIVERFRONT PARK

ABTech
Community College

BILTMORE
VILLAGE

CARRIER PARK

Current Asheville
Greenway Trails

Mariposa
AT RIVERBLUE

1 Mile Long
On-Site Greenway

INTERSTATE 40
54,000± VPD

BILTMORE
ESTATES WINERY

WNC FARMER'S MARKET

INVESTMENT RATIONALE

INTEGRATED CAFÉ/LEASING: “THE POST @ RIVERBLUE”

Thesis:

An integrated café/leasing experience is not new to multifamily. Firms such as Land of a Thousand Hills and Craftworks have executed the concept successfully in multifamily communities with rave reviews from developers/managers Camden, Crescent Resources, and Greystar, among others. Archer at RiverBlue (Phase II) will include an integrated café/leasing concept for the benefit of the greater RiverBlue community.

Value Enhancements:

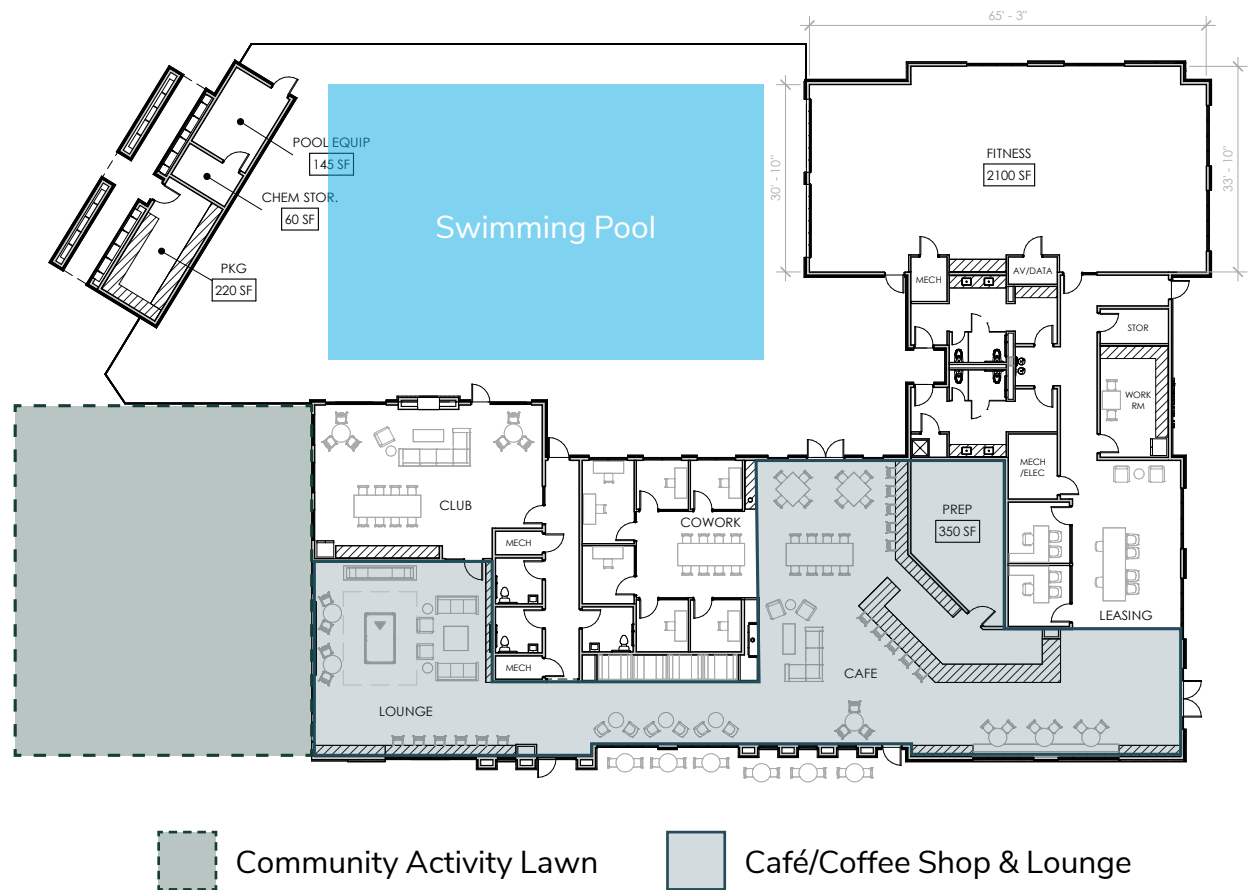
» Qualitative:

- Enhanced community engagement and activation in leasing and club areas
- Unique differentiator in the market for tenants and property management
- Additional ‘special event’ community programming coordinated by the Hospitality Partner

» Quantitative:

- Superior lease-up and leasing velocity
- Improved tenant retention
- Superior rents (~\$0.05–\$0.10 psf) proven in various locations nationwide (asset value increase)

MAIN BLDG: 10,630 SF
LEASING/SUPPORT: 1,000 SF
CAFE: 2,600 SF
COWORK: 760 SF
LOUNGE: 950 SF
CLUB: 900 SF



INVESTMENT RATIONALE



INTEGRATED CAFÉ/LEASING: “THE POST @ RIVERBLUE”

Economics:

- » Asset Value Increase (Increased Rent):
 - Mariposa at RiverBlue = 150,824 net rentable SF
 - \$0.05 psf increase = \$7,541/mo x 12 = \$90,494 Annual Rent Increase / 5.00% Cap Rate = **\$1,809,888 new asset value**
- » Start-Up Costs
 - Archer at RiverBlue to cover start-up
- » Operations:
 - Fully managed and operated by Built on Hospitality, LLC (1–2 FT staff at all times)
- » Food and Beverage Offering:
 - Espresso drinks, drip coffee, cold brews, and teas
 - Wine, beer, and mixed drinks (at management’s discretion)
 - Pastries, grab-and-go options, healthy salads, sandwiches and bowls, small retail offering (wine and similar daily necessities)

INVESTMENT RATIONALE

GROWING DEMAND FOR ACTIVE ADULT

The population of the United States is aging. In 2020, there were 54 million adults age 55 and older, and that number is expected to reach 88 million by 2050. This demographic shift is creating a growing demand for active adult housing. The baby boomer generation is known for its active lifestyle and its desire to stay engaged in their communities, and active adult housing can provide a way to downsize while still having access to the amenities and social interaction that they desire.

The investment potential for active adult housing is significant. According to a report by the National Investment Center for Seniors Housing & Care (NIC), the active adult housing market is expected to grow by 15% between 2022 and 2027. This growth is being driven by the increasing demand for active adult housing and the limited supply of available units. Investing in active adult provides stable rental income, low vacancy rates and less turnover, and significant appreciation potential.

10,000+

Americans turn 65 years old every day

6-9 years

Average length of stay at active adult communities

15%

Anticipated growth of active adult market from 2022-2027

88M

Anticipated number of adults age 55+ in 2050

ACTIVE ADULT COMPARED TO CONVENTIONAL MULTIFAMILY:



The average turnover rate of active adult communities is 20%, whereas the average turnover rate for conventional multifamily communities is 50%.



Depending on the market, active adult rents are typically 10%-30% higher than the rents at like-kind conventional multifamily communities.



MARKET OVERVIEW

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AREA OVERVIEW

TOURISM IN BEER CITY USA

Buncombe county's tourism is booming, as the city attracted 11.9 million visitors in 2019, and it is estimated that over \$2 billion was spent at local Buncombe businesses, resulting in a total economic impact of \$3.1 billion. The tourism industry provides jobs for over 18,000 people and supports a total of 27,000 jobs in Buncombe County.

Asheville has received the nickname "Beer City USA" as it boasts the most breweries per capita than any other U.S. city. Anchored by the east coast operations of Sierra Nevada and New Belgium Brewing, the brewery scene helps attract jobs, citizens, tourists, and economic growth to the expanding Asheville MSA.

- **Sierra Nevada:** \$100 million plant that employs over 400 people and serves as the company's East Coast operations.
- **New Belgium Brewing:** \$175 million brewery with over 140 employees.



AREA OVERVIEW

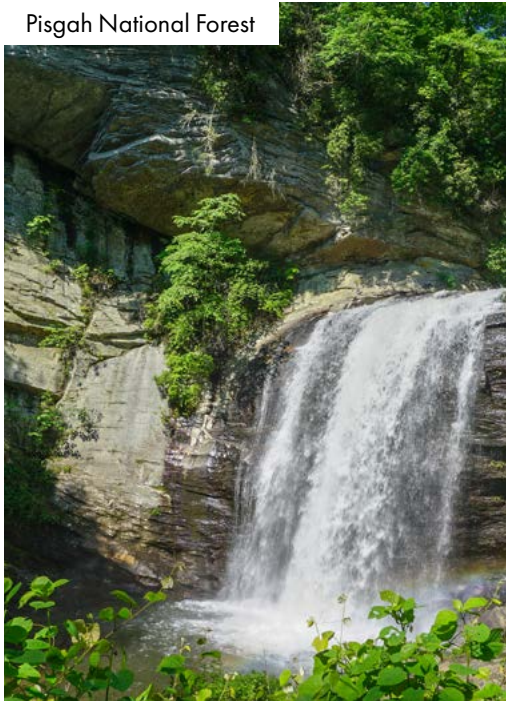
WESTERN NORTH CAROLINA'S RECREATIONAL EPICENTER

There's something special about Asheville, as proven by its impressive tourism and in-migration growth. This thriving mountain city features a funky and eclectic downtown, a flourishing culinary destination, a thriving live music scene, and, of course, the awe-inspiring scenery of the Appalachian Mountains.

Traversed by I-40 and I-26, Asheville was originally established as a retreat in the Blue Ridge Mountains. Today, it remains a primary North Carolina tourist destination and is #1 in the state in visitor-related spending and job creation.

Within the compact downtown district, locals and tourists alike can admire unique architecture, catch a play, dine al fresco, shop at independent boutiques, sip on a beer from one of the many microbreweries, choose from all kinds of cuisines, watch an artist at-work, and more. On the outskirts of town, the surrounding Blue Ridge Mountains and French Broad River offer an outdoor respite from the city's core.

Pisgah National Forest



Biltmore Estates



Blue Ridge Parkway



River Arts District



Sierra Nevada Brewery

#1

BEST U.S. DESTINATION
-LONELY PLANET-

#3

BEST CITY FOR MILLENNIALS
-MATADOR NETWORK-

TOP 15

BEST MID-SIZE CITY
FOR JOBS
-FORBES-

#2

BEST BUSINESS CLIMATE
-SITE SELECTION-

TOP 25

BEST PLACE TO RETIRE
-FORBES-



**TOP 15
DESTINATION**
-FORBES-



**#1 FOODIE
CITY**
-GLOBAL TRAVELER-



**BEST CITY FOR
BEER DRINKERS**
-SMARTASSET-



**TOP 10
MUSIC CITY**
-NATIONAL GEO
TRAVELER-

AREA OVERVIEW

EDUCATION OPPORTUNITIES PROVIDES HIGHLY CAPABLE WORKFORCE

In addition to the high-quality Buncombe County Schools, Asheville boasts a variety of higher education opportunities that equip the region’s working population to be extremely capable to serve the needs of surrounding businesses.

WARREN WILSON COLLEGE

This liberal arts college is highly focused on social responsibility and environmentally-friendly practices. It is the only liberal arts college in the U.S. with an integrated work and service program. During their education, each student is required to work an on-campus job and perform community service in addition to their course of study.

With less than 1,000 students, Warren Wilson is known for its tight-knit community and beautiful campus. The campus is home to a 275-acre farm and gardens where a majority of the campus’s food is grown. This unique combination creates a thriving student body that has received more awards and grants, for original research from the NC Academy of Science than any other college or university.

ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE

With nearly 7,000 students, Asheville-Buncombe Technical Community College (AB-Tech) boasts 6 regional campuses and is one of the largest community colleges with the NC System.

The school strives to provide customized training to meet the needs of local businesses and industries, including: computer training, health occupations, human resources development, and occupational/skilled trades.

UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

With over 3,500 students, UNC Asheville is one of the top 20 employers in the region and contributes over \$4502M to the local economy (FY 2017).

As the only dedicated liberal arts institution in the University of North Carolina system, UNC Asheville offers students a rigorous education with small class sizes, award-winning faculty, and consistently recognized academic excellence.

In 2017, U.S. News & World Report ranked UNC Asheville as the 7th Public Liberal Arts college in the nation. Earlier this year, UNC Asheville was also recognized by the Princeton Review as #6 on their new “Green Matters” list, which is based on is based on student ratings of administration and student support for environmental awareness and conservation efforts.

\$450M+

**Local Economic Impact
of UNC Asheville**

-UNCA.EDU-

#9

**Best Small College Town
in the United States**

-PREPLY.COM-

GROWTH & EMPLOYMENT

MAJOR EMPLOYER GROWTH AND NEW ANNOUNCEMENTS

The Asheville economy is fueled by rapid growth in advanced manufacturing, science and technology, healthcare, and education. Mission Hospital (10,500+ employees), the largest employer in Western North Carolina, is located within ten minutes of the Mariposa at RiverBlue development site. Additionally, downtown Asheville, which contains more than 25,000 jobs, is just an eight minute drive from the site.



GROWTH & EMPLOYMENT

TREMENDOUS POPULATION AND DEMOGRAPHIC GROWTH

Asheville has experienced 19% non-farm employment growth since 2012, and wage growth has also increased by roughly 20% in the same time period.

From 2010–2017, the strong job and wage growth have fueled Buncombe county’s population growth in the cohort of people 25 years and over who have completed an associate degree or higher, by approximately 19%, and 5% of that growth occurred in 2017. Additionally, the average household income in Buncombe county is up to \$71,590.



POPULATION				
	2015	2020	5-Year Growth	2022
Asheville (City)	89,374	94,589	5.84%	97,949
Asheville (MSA)	444,593	466,634	4.96%	475,228

Source: U.S. Census Bureau

ECONOMIC DEVELOPMENT	
800	Pratt & Whitney: a new \$650 million manufacturing facility was announced in 2020, bringing over 800 new jobs to Buncombe county beginning in 2021.
551	Avadim Technologies HQ: this medical manufacturer invested \$24.5M in a new headquarters to bring over 500 jobs to the area.
400	Linamar: a \$190M investment expanded the existing space of this vehicle component manufacturer and added 400 jobs.
138	Raumedic HQ: this German-based medical manufacturer opened its U.S. headquarters in the Asheville MSA bringing \$26.3M investments and 138 new jobs.
131	GE Aviation: the aircraft engine supplier plans to invest \$105M into existing operations to support new technology and machinery and add 131 jobs.

ECONOMY

DIVERSE ECONOMY

The four-county Asheville metro is a diverse \$17 billion economy and a great place to do business. In addition to the many extraordinary major employers in the area, 90%+ of businesses in the MSA have fewer than 50 employees. Small businesses and entrepreneurship fuel the region’s business landscape and shape the economy.

With a diverse base of industries—including healthcare, science and technology, arts and culture, tourism, and more—the economy is stable and strong. It has been touted by Forbes as one of the nation’s best places for business and careers, and ranked by Milken Institute among the “Top 25 Biggest Tech Job Gainers.”

HEALTHCARE

The health services industry has increased by over 62% since 2000, making it Asheville’s fastest growing employment sector. It is also the largest portion of the regional economy making up 20%. With a variety of award-winning providers and cutting-edge technology, Asheville was called a “Healthcare Hub” by Moody’s.

Leading Asheville’s healthcare reputation is Mission Health, the area’s largest employer. It is consistently ranked as one of the best hospital systems in the country and is vital to the area’s economic well being. The non-for-profit, independent system leads the way in world-class care, innovative procedures, cutting-edge research, and partnerships to provide multiple avenues to its patients.



BUNCOMBE COUNTY EMPLOYERS WITH 1,000+ EMPLOYEES

Company	Industry
Mission Hospital	Healthcare
Buncombe County Board of Education	Education
Ingles Markets	Grocery
Biltmore Workforce Management	Leisure & Hospitality
Veterans Administration	Public Administration
County of Buncombe	Government
City of Asheville	Government
Wal-Mart Associates	Retail
Mission Medical Associates	Health Services
Community Carepartners	Health Services
A-B Tech Community College	Education

MULTIFAMILY MARKET FUNDAMENTALS

Asheville Class A multifamily metrics are highly comparable to Charlotte and Raleigh fundamentals as the Asheville economy continues to grow at a phenomenal rate. Additionally, it is expected that the Asheville MSA will experience more than \$1 billion in commercial development over the next five years.

Asheville's impressive multifamily market fundamentals and ability to achieve similar rents on Class A deals have attracted institutional investors to the area.

RETIREMENT DESTINATION FUELING MULTIFAMILY DEMAND

Realtor.com recently ranked Asheville #7 in its article "Boomer Boomtowns: America's 10 Fastest-Growing Retirement Hot Spots." Asheville appeals to the retirement demographic due to excellent restaurants and craft breweries, abundance of history and art, the music scene, and outdoor amenities.

MINIMAL NEARBY MULTIFAMILY COMPETITION

The development project is well positioned in the market, as there is only one existing market rate community within two miles of the site that features 100+ units and is built later than 2000. The only nearby competitor for the project is the 236-unit Hawthorne at Haywood. The lack of nearby current and future competition for the site will provide the asset with a competitive advantage in marketing itself towards potential residents and will prove beneficial for strong rental growth and low vacancies.

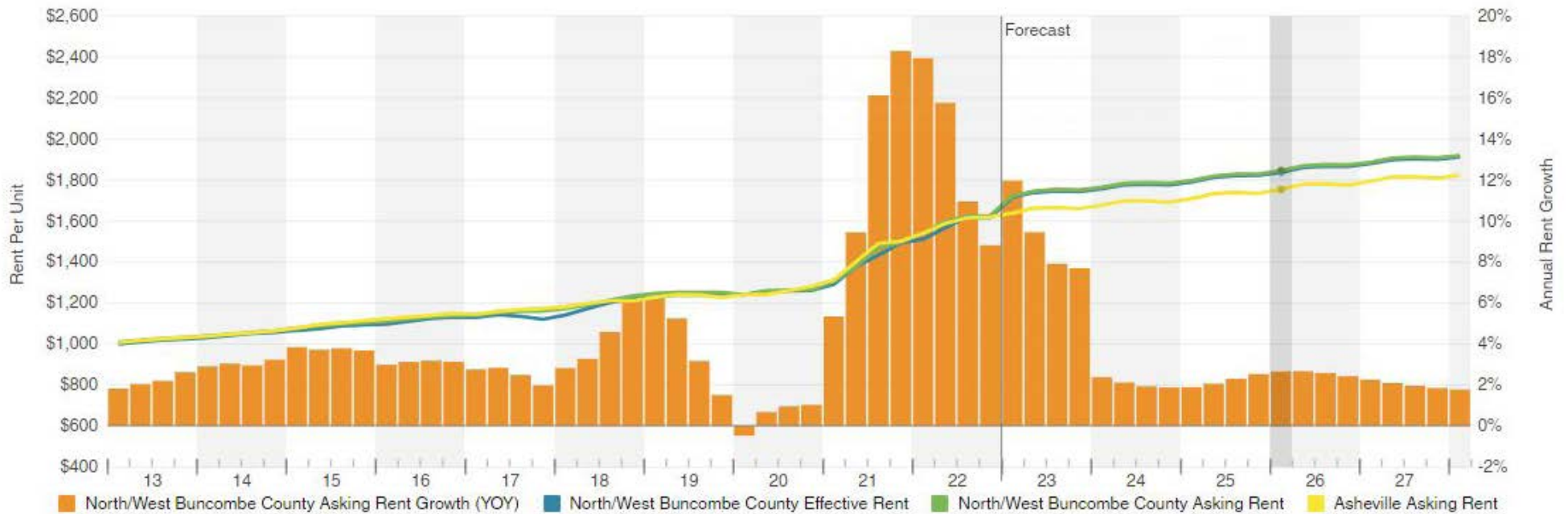


MORE RENTERS LOOKING TO MOVE TO ASHEVILLE DURING COVID

According to the Q3 Migration Report published by Apartment List, people looking for a place to live in Asheville from outside the metro is up to 42.2%, compared to 39.0% from last year. This substantial increase in net migration will continue to push demand for housing in the Asheville area.

MULTIFAMILY MARKET FUNDAMENTALS

North & West Buncombe County Market Rent Per Unit & Rent Growth



Source: CoStar



APARTMENT MARKET

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55+ COMPARABLE SALES

	NAME	LOCATION	UNITS	PURCHASE PRICE	PRICE/UNIT	SALE DATE
	Mariposa at RiverBlue	Asheville, NC	153	\$74,099,594	\$484,311	
1	Everleigh Cool Springs	Franklin, TN	142	\$62,310,000	\$438,803	11/8/2021
2	Opus Select*	Virginia Beach, VA	170	\$68,500,000	\$402,941	12/15/2021
3	Everleigh Halcyon Village	Alpharetta, GA	160	\$69,000,000	\$431,250	2/7/2022
	Averages		157	\$66,603,333	\$424,331	

*Semi distressed asset; sold to local CCRC as conversion

55+ COMPARABLE SALES

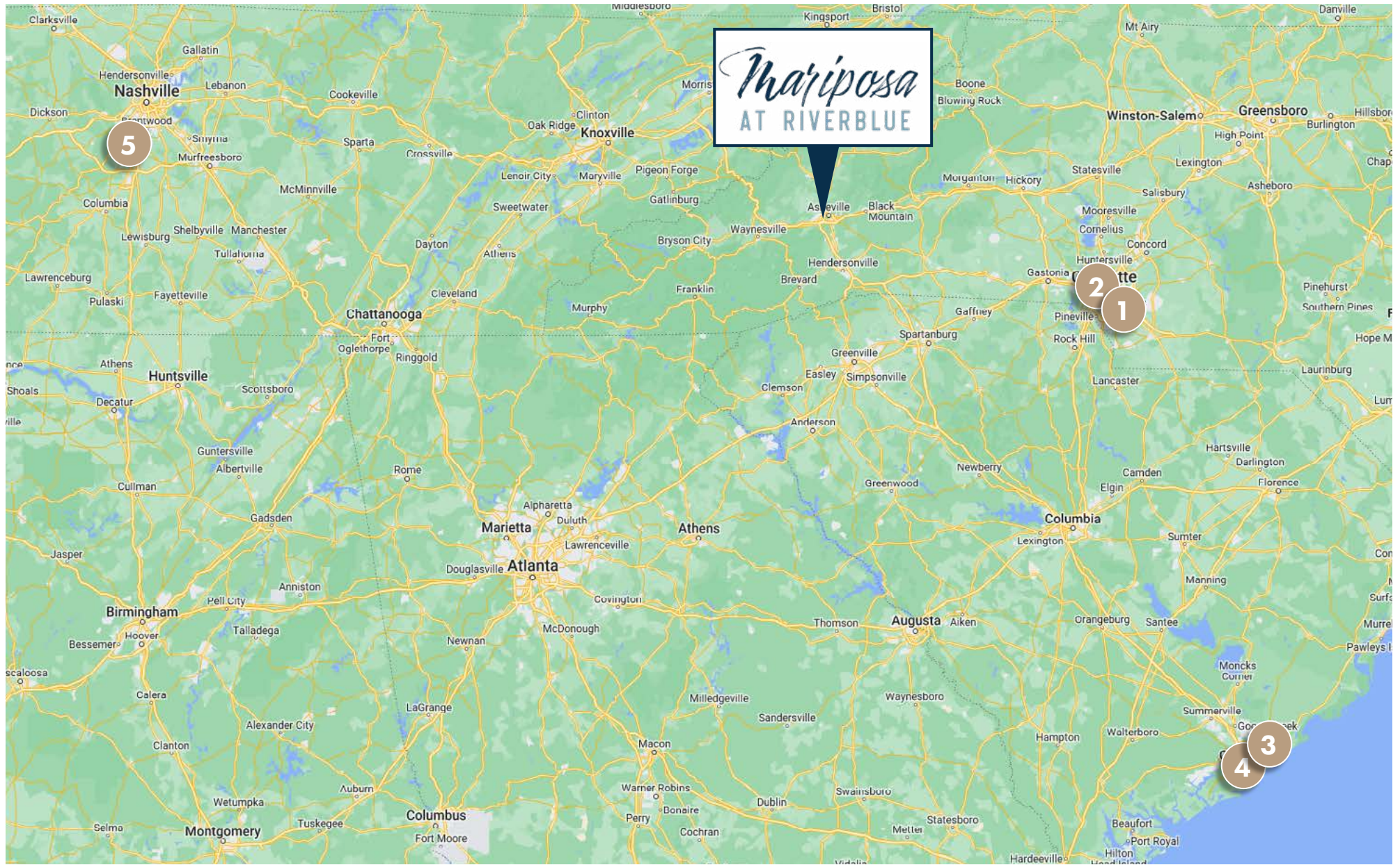


55+ RENT COMPARABLES

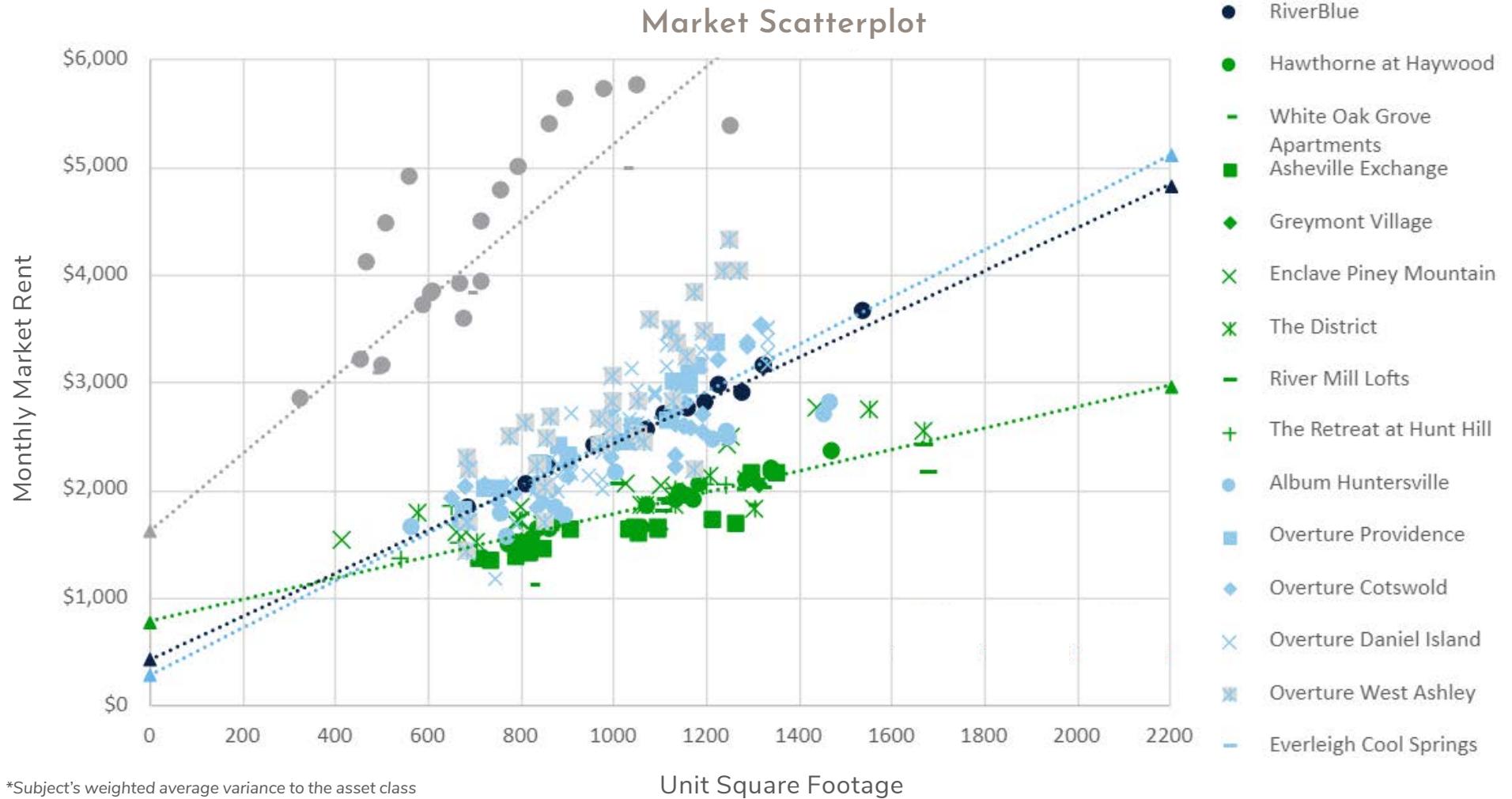
	NAME	LOCATION	YOC	UNITS	OCCUPANCY	AVG RENT
	Mariposa at RiverBlue	Asheville, NC	2025	153		\$2,457*
1	Overture Providence	Charlotte, NC	2017	175	95%	\$2,478
2	Overture Cotswold	Charlotte, NC	2018	158	97%	\$2,456
3	Overture Daniel Island	Charleston, SC	2019	197	94%	\$2,490
4	Overture West Ashley	Charleston, SC	2018	197	92%	\$2,568
5	Everleigh Cool Springs	Franklin, TN	2019	142	92%	\$2,307
	Averages		2019	167	94%	\$2,415

*Project Pro Forma Rents and Operating Budget per Greystar Active Adult Division

55+ RENT COMPARABLES



55+ RENT COMPARABLES





ABOUT CATALYST

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SPONSORSHIP GROUP



Catalyst Capital Partners is the sponsor for the project. Since 2008, Catalyst has completed over \$4.5B of real estate development, investment, and transactions across a variety of asset classes, including retail and office; attached/detached for-sale single-family and townhomes; and garden, mid-rise, high-rise, and affordable multifamily rental assets.

A dark blue background image showing a modern building with large windows and a balcony. Overlaid on the right side is a large, stylized geometric graphic consisting of three overlapping planes in shades of blue, white, and gold.

TRUSTED PARTNER PROVIDING ABOVE-AVERAGE, RISK ADJUSTED RETURNS FOR INVESTORS ON A DIVERSE SPECTRUM OF REAL ESTATE OPPORTUNITIES

\$4.5B+

**CRE, Multifamily, and
Mixed-Use Experience**

120+ Years

**Combined Project Team Experience in
Commercial Real Estate Investments**

\$301M+

**in Projects Under
Construction**

SPONSORSHIP GROUP: SELECT RECENT PROJECTS

The Wayford at Concord

Location	Concord, NC
Units	150
Completion Date	2020
Average Rent	\$2,176



The Exchange at Rock Hill

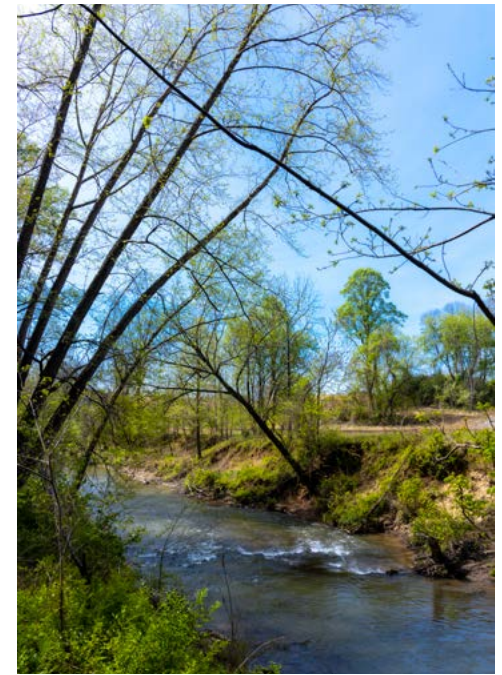
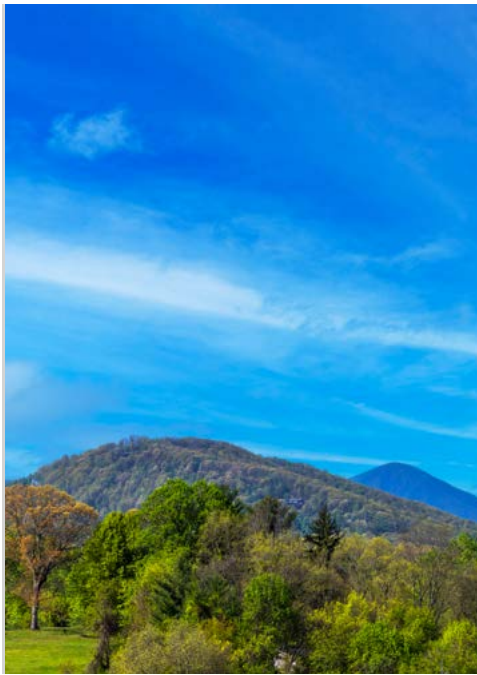
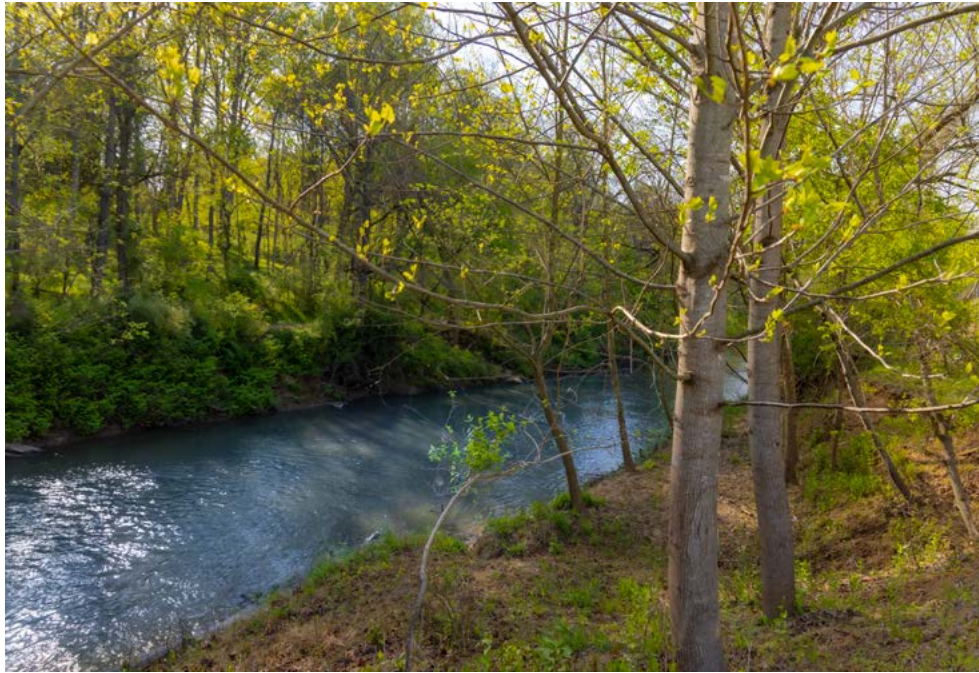
Location	Rock Hill, SC
Units/Retail	229 26,000 SF
Completion Date	2022
Average Rent	\$1,925



The Wayford at Innovation Park

Location	Charlotte, NC
Units	210 (Phase I)
Completion Date	Under Construction/ in Lease-Up
Average Rent	\$2,675





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CATALYST CARES



Catalyst is committed to doing good and is donating \$50,000 of its Development Fee for each project it builds to buildOn, which will directly fund the construction of an elementary school, in a rural community of a developing country, per project. To make a tax deductible donation, please visit our fundraising page at: <https://act.buildon.org/CatalystRiverBlue>

2023: One School Funded
in Nicaragua
(75 Students)

2024: Two Schools Planned
in Nicaragua
(150 Students)



“Building Schools Globally by Building Housing Locally”

Partner with buildOn and Catalyst Capital and provide access to quality education
For more than 30 years, buildOn has worked to break the cycle of poverty, illiteracy, and low expectations through service and education. buildOn's Global Programs partner with rural communities in developing nations to build equal access to education.

Catalyst, in partnership with its investors, partners and friends will fund the construction of a school for each multi-family development undertaken.

The Partnership: Catalyst is committed to doing good and is donating \$50,000 of its Development Fee for each project it builds to buildOn, which will directly fund the construction of an elementary school per project.

Who: Catalyst Capital Partners (developer) & buildOn (501c3)

The Project:
buildOn is constructing 240 primary schools in rural communities in eight developing countries around the world in 2023.

How You Can Help?

- Catalyst will lead a team of volunteers to construct this school in Q4 2023 or Q1 2024.
- Donations are kindly requested to fund the school, trek team's travel, in-country costs and additional Adult Literacy Programs for the community.
- Tax deductible donations can be made by visiting our Team page: <https://act.buildon.org/CatalystRiverBlue> or by scanning the QR code below.

Paying It Forward:
Catalyst will highlight its various philanthropic efforts in each community's leasing office, encouraging residents to contribute to buildOn and similar causes.



Maiposa AT RIVERBLUE



SOURCES

Area information provided by CoStar, U.S. Census Bureau, Fred Economic Data, ashevillenc.gov, and AshevilleChamber.org. Property renderings and plans provided by Moseley Architects. Other imagery provided by Tim Burtleson of Frontier Group (pp. 2, 4[T], 8, 15 [TL], 50), wes hicks (p. 15 [TR]), PeopleImages (pp. 5, 31, 38, 41, 47), CoStar (pp. 14 [L], 29[B], 33 [BR], 49), Bondariev (p. 14 [ML]), monkeybusinessimages (p. 14 [MR]), wolfgang (p. 14 [R]), tristan maness (p. 15 [ML]), kyle glenn (p. 15 [MR]), anoldent (p. 15 [BL and BM]), ABEEZEKOWITZ (pp. 15 [BR], 36 [TL]), BB+M Architecture (p. 22 [L & M]), Zinkevych (p. 29), LuminaStock (p. 32 [L]), VisitTampaBay (p. 32 [R]), Owen Allen (p. 33 [waterfall]), Perry Quan (p. 33 [Biltmore]), PublicDomainPictures (p. 33 [Parkway]), nschouterden (p. 33 [river arts]), Michael Tracey (pp. 30, 37), Mission Health (p. 36 [TR]), ronkowitz (p. 36 [BR]), pawelgaul (p. 37), and LightFieldStudios (p. 39) via CreativeCommons.org, iStockphoto.com, and Public Domain licensing.