

# SHOPOFF | REALTY INVESTMENTS

*Transforming Opportunity into Value*



## Shopoff DLV QOZ Fund



*Architectural rendering of the proposed Dream Las Vegas hotel. Final design subject to change.*

# Important Information

**NO OFFER OR SOLICITATION:** The material herein does not constitute an offer to sell nor is it a solicitation of an offer to purchase any security. Offers will only be made through a private placement memorandum to accredited investors, and where permitted by law. Investments in any security are not suitable for all investors. Investments in securities involve a high degree of risk and should only be considered by investors who can withstand the loss of their investment. Prospective investors should carefully review the “Risk Factors” section of any private placement memorandum. Investors should perform their own investigations before considering any investment and consult with their own legal and tax advisors. This material does not constitute tax advice to any person.

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Prior performance is not indicative of future results. There is no assurance that future projects will achieve comparable results. Alternative investment performance can be volatile and value-added real estate investments may involve additional risks. An investor could lose all or a substantial amount of their investment. There is no assurance that the Partnership objectives will be achieved.

Securities offered through Shopoff Securities, Inc., member FINRA, SIPC, 2 Park Plaza, Suite 770, Irvine, CA 92614, 844-4-Shopoff

# Important Risk Factors

An investment in Shopoff DLV QOZ Fund, LLC (“DLV QOZ”) must be considered speculative. There are no guarantees of distributions or returns, and an Investor may lose all or part of their investment. There are various risks related to an investment in DLV QOZ which is described in the Private Placement Memorandum. These risks include, but are not limited to:

- The Interests may not be suitable for certain Investors. Only qualified investors may benefit from QOZ rules.
- The Interests will be highly illiquid, no trading market exists or will ever develop, and withdrawals of capital contributions are prohibited.
- DLV QOZ is a "Best Effort" offering, and if DLV QOZ is unable to raise substantial capital, it may be limited in the number and types of investments it is able to make, which could have a negative effect on diversification and investment results.
- Investors may have tax-related risks, including Unrelated Business Taxable Income (UBTI) to Investors in Qualified Plans.
- DLV QOZ is a recently formed entity with no operating history and no assurance of success.
- Success is dependent on the performance of the Fund’s Managers, as well as individuals that are affiliates of the Fund’s Managing Members.
- DLV QOZ depends on key personnel of the Manager and its affiliates, the loss of any of whom could be detrimental to DLV QOZ’s business.
- DLV QOZ will pay substantial fees and expenses to the Managing Member, its affiliates and broker-dealers. These fees will increase Investors’ risk of loss.
- DLV QOZ will be subject to conflicts of interest arising out of relationships among the Sponsor, the Managing Members, the Managers and their affiliates.
- There are considerable risks associated with development projects including need for approvals and permits, cost overruns and delays.
- There are unique risks of the hospitality industry including high levels of competition, a cyclical market and dependence on hotel management for performance and unique risks associated with the Casino industry.
- Real estate-related investments, including joint ventures, co-investments and real estate-related securities, involve substantial risks. There are substantial risks associated with owning, financing, operating and leasing real estate, and value-added real estate investments may involve additional risks.
- Economic, market and regulatory changes that impact the real estate market generally may decrease the value of a Fund’s investments and weaken operating results.
- Properties that have significant vacancies could be difficult to sell, which could diminish the return on these properties.
- DLV QOZ will likely obtain debt financing, which increases costs and risk of loss due to foreclosure, and may limit its ability to pay distributions to Investors.

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# Who is Shopoff Realty Investments?

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*The story of Shopoff Realty Investments is one of success born of **determination, vision and integrity.***

*We partner with select investors and institutions, with the goal of identifying **unique assets** with **unrealized value**, improving the properties, and potentially **generating appreciation.**\**

# Who is Shopoff Realty Investments?

Founded in 1992 by Bill Shopoff.<sup>1</sup>

The firm's strategy<sup>2</sup> is to create and increase wealth, as well as realize untapped value through the transformation of underutilized, undervalued or mismanaged real estate.

## **Primary Focus:**

Value-add and opportunistic real estate, including land and commercial properties, development, and other real estate related investments.<sup>2</sup>

# 29 YEARS\*

of Transforming Opportunity into Value

**1025**

**Full-Cycle Assets**

*96% of 1,065 Total Current and Full-Cycle Assets*

*This includes 272 land assets, with 222 hard assets  
& 50 loan assets, and 754 commercial assets  
with 89 hard assets & 665 loan assets.*

**2.7 Year**

**Average Hold Full-Cycle Assets**

*All Full-Cycle Assets*

*This includes 3.8 years for land assets, with 4 years  
for hard assets and 2.8 years for loan assets, and  
1.9 years for commercial assets, with 2.9 years for  
hard assets and 1.7 for loan assets.*

# Institutional Co-Investment Feature

*A key component of the Fund's investment strategy\* is the potential use of co-investments in capitalizing its investments.*

## Potential Benefits

- Increasing diversification in the Funds portfolio
- Providing broader flexibility in the size and types of assets acquired
- Institutional review and oversight of the Manager and assets
- Necessitating less reliance on the Fund to be the sole source of capital

## Strategy

- Assets will be capitalized wholly by the Fund or through co-investment
- It is anticipated that up to 40% of the assets will have a co-investment
- Some or all of the assets may have no co-investment
- GP co-invest promote shall be paid from co-investors proceeds only
- Co-investments are anticipated to be:
  - determined by the Fund's capital allocation and any leverage, coupled with opportunity volume
  - a combination of capital from the Fund, Manager affiliates, and institutional investors, including family offices
  - asset by asset, not in the Fund directly
  - on a pari passu (pro rata) basis
  - up to 95% of an assets capital
  - assets that generally require relatively larger equity

## Considerations

Co-investors/Co-investments may:

- have terms that could impair operating flexibility and results
- have different interests or goals from the Fund, including timing of a sale or the termination/liquidation of the venture
- become bankrupt, which could have an adverse impact on the operation of the Fund or joint venture
- cause the Fund may incur liabilities as the result of actions taken by joint venture partners in which the Fund has no direct involvement
- be in a position to take action contrary to the Fund's instructions, requests, policies and objectives
- have structures which could limit the Fund's participation in the cash flow or appreciation of an investment
- have terms that may provide for the distribution of income other than in direct proportion to the Fund's ownership
- be unable to pay its share of costs, which could be detrimental unless alternative capital could be obtained
- if they become bankrupt, involve creditors in the project affair
- result in decreased returns
- may restrict the removal of the General Partner or Management
- if made with affiliates, may face conflicts of interest or disagreement



# How Does Shopoff Capitalize Its Investments?



*Investors and Shopoff Co-Invest Pari Passu<sup>2</sup> in Shopoff Funds*

Based on the assumption that the Partnership participates in the acquisition of assets with a gross fair market value of \$200 to \$300 million or more:

- If the Partnership raises \$100 million, and no leverage is used, it is anticipated co-investors will provide approximately \$100 to \$200 million in equity.
- If the Partnership raises \$50 million, and no leverage is used, it is anticipated that co-investors will provide approximately \$150 to \$250 million in equity.
- The Partnership provides that up to 95% of the co-investment in assets may be provided by institutional co-investors.

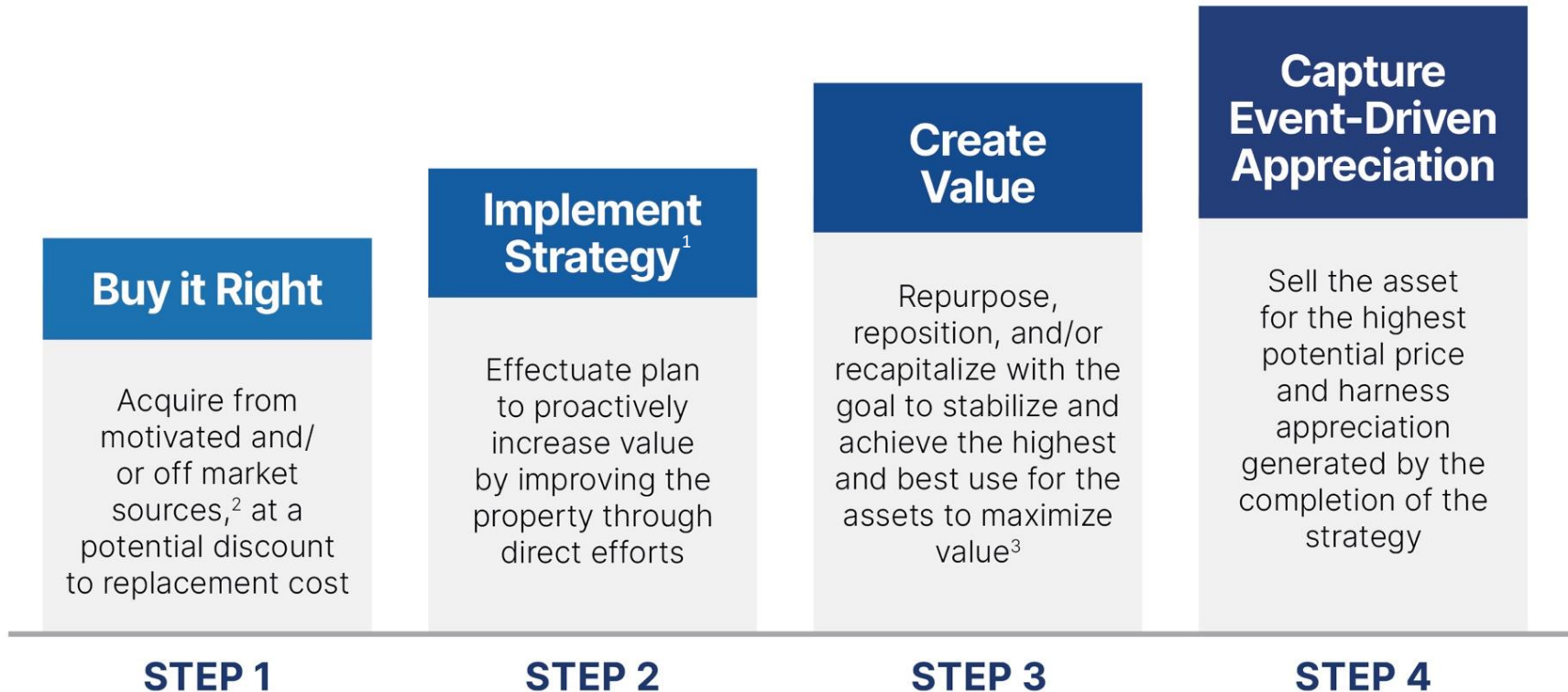
<sup>1</sup>Institutional co-investment varies by fund and asset, and may include family offices. Some assets will have no institutional co-investment. In the event of a co-investment, the General Partner (GP) will typically make such investment on behalf of the Partnership on a pari passu basis. <sup>2</sup>Pari-passu describes situations where two or more assets, securities, or obligations are equally managed without any display of preference (i.e. equity invested by each group will be returned pro-rata based on the relative amounts invested by each group). Any promote earned by the GP as a result of a co-investment shall be paid through from the co-investors proceeds only. Risks associated with co-investment include but are not limited to an imbalance of expertise, decision making ability and management execution. There is no assurance that this co-investment strategy will succeed to meet its investment objectives.

# Opportunistic Value Add Real Estate Platform

Shopoff's strategy focuses on **value-add and opportunistic real estate**, including improved and unimproved properties, as well as development projects.

This strategy provides the **flexibility** to pursue a wider variety of potentially **advantageous opportunities**.\*

# VALUE CREATION PROCESS<sup>1</sup>



<sup>1</sup>There is no assurance that this value creation strategy will succeed to meet its investment objectives. <sup>2</sup> Sources may include corporations, institutions, organizations, distressed, owners, and others. <sup>3</sup>Repurposing assets include, but is no limited to re-entitling or redeveloping raw land or modifying the use of a commercial asset. Repositioning assets involves the changing of the position of the property in the market place (e.g. rehabilitate the asset and/or improve operations.) Recapitalizing assets include the refinance of an asset to potentially provide a more favorable capital structure.

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# Shopoff DLV QOZ Fund

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# Shopoff DLV QOZ Fund

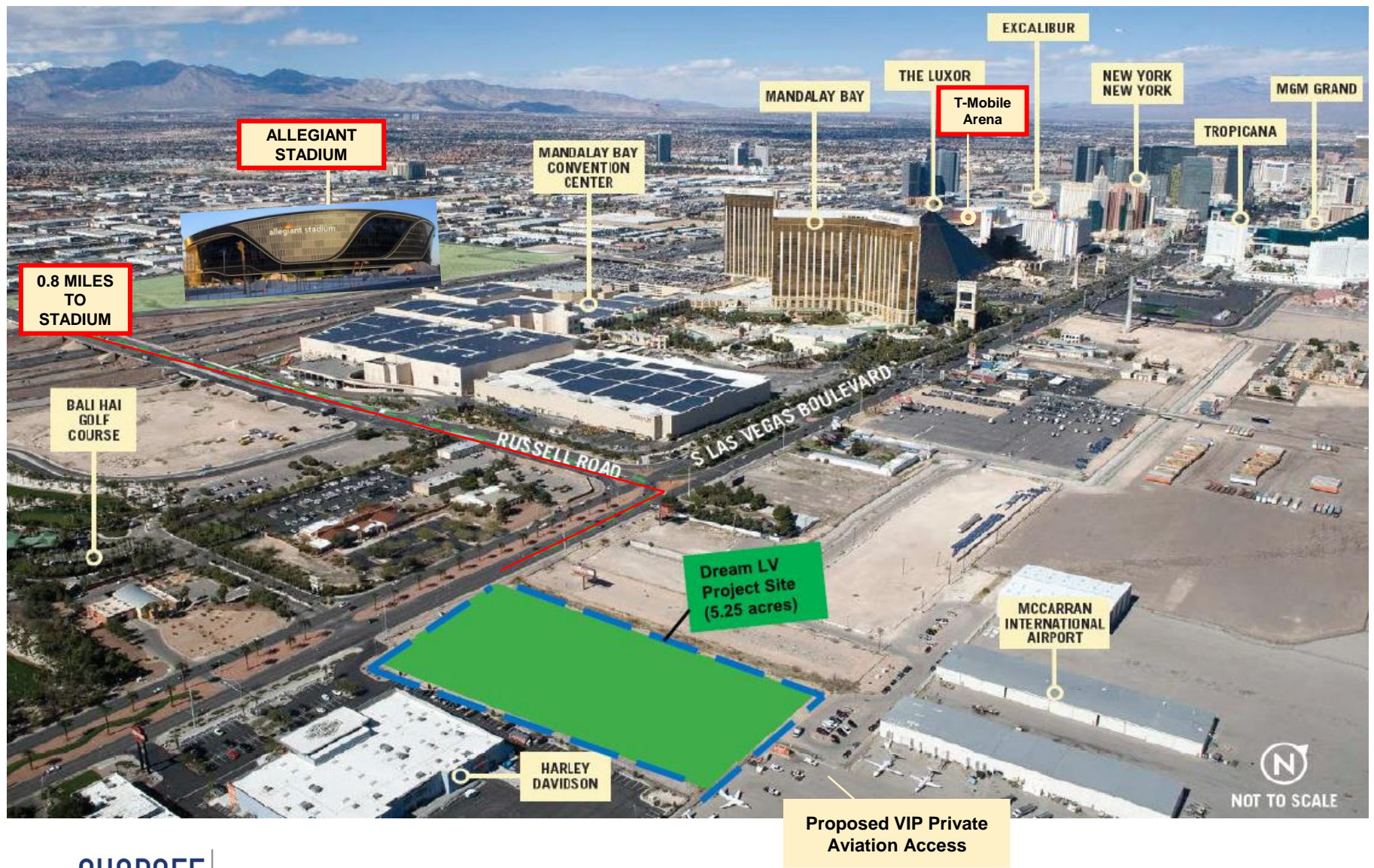
Shopoff DLV QOZ Fund seeks up to \$186 million in investor capital for the development and ownership of the Dream Las Vegas, hotel and casino, located on a 5.25 acre site on the Las Vegas Strip.

- Located in a Qualified Opportunity Zone (“QOZ”), the project will provide potentially advantageous tax benefits to investors.
- The Fund offers prospective investors an opportunity to defer and reduce capital gains for federal income tax purposes pursuant to an investment in a QOZ.<sup>1</sup>
- The partnership is expected to hold the project for 10 years to realize the full benefits of the QOZ, however, an early liquidation could result in a loss of QOZ benefits and/or additional tax consequences.
- The potential tax benefits related to this Fund are the federal income tax aspects, and state, local or other tax implications may vary.



*Architectural rendering of the proposed Dream Las Vegas hotel.  
Final design subject to change.*

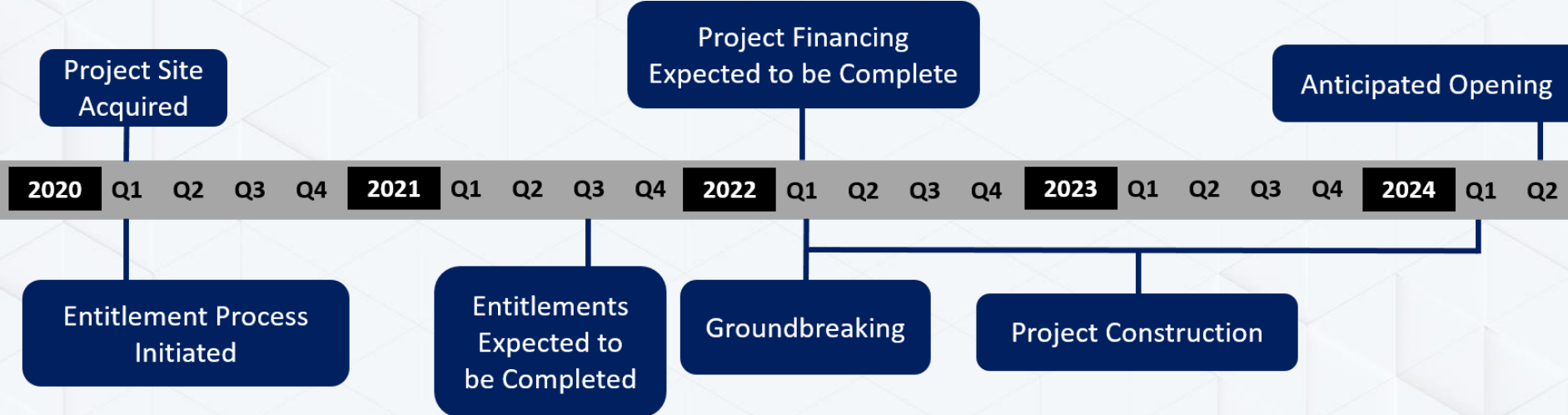
# Dream Las Vegas - Project Location



<b>FEATURES</b>	<b>SHOPOFF DLV QOZ FUND</b>
<b>Strategy<sup>1</sup></b>	<b>Qualified Opportunity Zone Investment in a to-be developed Dream branded hotel</b>
<b>Location</b>	<b>5051 S. Las Vegas Blvd. Las Vegas, Nevada</b>
<b>Asset Types</b>	<b>Hotel Development</b>
<b>Structure</b>	<b>506(c) Private Placement</b>
<b>QOF/Institutional Co-Investment</b>	<b>Up to 90%</b>
<b>Maximum Raise<sup>2</sup></b>	<b>\$186,000,000</b>
<b>Minimum Investment<sup>3</sup></b>	<b>\$250,000</b>
<b>Investment Types</b>	<b>QOZ eligible capital (short and long term capital gains), cash or qualified plan investments.<sup>8</sup></b>
<b>Distributions</b>	<b>Commencement of operations anticipated to occur in the first half of 2024. Upon stabilization distributions to commence quarterly in late 2024/early 2025.<sup>1</sup></b>
<b>Status</b>	<b>Open through 12/31/21<sup>4</sup></b>
<b>Refinance<sup>7</sup></b>	1) Initial construction loan refinance anticipated after property opening, with no excess proceeds. 2) Subsequent refinance anticipated to take place in 2026, with excess capital expected to be returned to investors in advance of the QOZ tax deadline in 2027. <sup>5</sup>
<b>Preferred Return</b>	<b>7% annual preferred return, accruable, non-compounding and not guaranteed.<sup>6</sup></b>
<b>Anticipated Exit</b>	<b>12/31/2031<sup>1</sup></b>
<b>Distribution Priority</b>	75% above the 7% Preferred Return up to a 15% annual IRR, then 60% <ul style="list-style-type: none"> <li>• First, 100% to the members, pro rata in proportion to the relative amounts of 7% Preferred Return owed to the members, until each member has received the 7% Preferred Return.</li> <li>• Second, 100% to the members, pro rata in accordance with their respective unreturned Capital Contributions until each Member has received the return of its aggregated Capital Contributions.</li> <li>• Third, 75% to the members, pro rata in proportion to the relative amounts until a 15% Internal Rate of Return is achieved by the members. Thereafter, 60% to the members, pro rata in proportion to their Stated Interests.</li> </ul>

<sup>1</sup>There is no assurance that this strategy will succeed to meet its investment objectives. <sup>2</sup>Unless otherwise extended by the Manager in its sole discretion. <sup>3</sup>The minimum cash subscription amount is \$250,000; however, the Managing Member reserves the right to accept subscriptions for lesser amounts in its sole and absolute discretion. <sup>4</sup>The Manager may extend the Offering for two (2) additional six (6) month periods. <sup>5</sup>Capital gains invested in QOZ funds are deferred as taxable income until 12/31/2026. <sup>6</sup>The Managing Member will endeavor to distribute to the Members a 7% annual, accruable non-compounded preferred return on their Capital Contribution to be paid as a distribution from available net cash flow (if any) resulting from operations of the project, subject to reasonable reserves as determined by the Manager. <sup>7</sup>No guarantee that refinances will take place in anticipated time frames or that investors will receive anticipated subsequent returns. <sup>8</sup>Cash or qualified plan investments would not qualify for QOZ tax benefits and would be subject to UBTI.

# Project Timeline (as of April 2021\*)



\*Project is currently in pre-design and development and timelines are subject to change.



# Why Invest in Shopoff DLV QOZ?

## **Unprecedented QOZ Fund in the Las Vegas Market:**

- To date, we believe there are no other QOZ offerings that are for hotels on the Las Vegas strip at the caliber of the Dream brand of hotels, and we believe that there is a very limited chance that another development of this kind will be constructed in the near future.<sup>1</sup>

## **Dream Hotel Contracted as Operator and Manager:**

- Premier lifestyle management company, Dream Hotel Group, is contracted as operator and manager upon completion.

## **A Dream Team of Real Estate Experts:**

- Development experts, Contour Real Estate, will act as co-developer on the project
- World renowned contractor, McCarthy Building Companies (Allegiant Stadium project)
- Industry veteran with global hotel experience, Bill Smith, joined Shopoff as SVP of Design & Construction in 2020
- DLR Group, Globally recognized architect and integrated design, and early adopter of the 2030 challenge

## **Location, Location, Location<sup>2</sup>:**

- 0.8 miles to the new Allegiant Stadium, home of the Raiders + an estimated 200 events per year
- 1.7 miles from T-Mobile Arena home of the Las Vegas Golden Knights Hockey Team
- 1.9 miles from CityCenter
- 2.5 miles from Caesars Palace
- 0.7 miles away from Mandalay Bay Resort and Casino, which also features a tram that runs to the Excalibur
- Potential for private aviation access from McCarran International Airport

**Important Note:** The state, local and other tax implications of a qualified opportunity zone investment are uncertain because there is a lack of precedent and limited guidance related to QOZs. The fund strongly recommends that investors discuss compliance for certain Tax Code requirements with their tax advisers.

<sup>1</sup>To date, there are no other QOZ offerings that are for hotels on the Las Vegas strip and for a hotel at the caliber of the Dream Brand of Hotels.

<sup>2</sup>Approximate distances, taken from google maps.

# Special Economic Incentives For Early<sup>1</sup> Investors

Economic incentives consist of additional bonus units for investors who invest the initial \$25 million into the Fund.<sup>2</sup>

Bonus Units Awarded (% of amount awarded)	For Investors that make up:
10%	The first \$10 million raised or 10,000 Units sold (i.e. applicable to units 0 to 10,000)
8%	The subsequent \$15 million raised or 15,000 Units sold (i.e. applicable to units 10,001 to 25,000)

*For example, an early investor purchasing 250 units within the initial \$10 million raise will receive 25 bonus units (i.e. 10% of 250). Similarly, an early investor purchasing 250 units within the subsequent \$15 million raise will get 20 bonus units (i.e. 8% of 250).*

- Investors who close on investments for the first 10,000 of Units (generally equal to the first \$10 million of equity invested in the Fund) will be awarded additional Bonus Units equal to 10% of the Units they purchased.
- Investors who close on investments for the next 15,000 of Units (generally equal to the subsequent \$15 million of equity invested in the Fund) will be awarded Bonus Units equal to 8% of the Units they purchased.

# DLV Founders Club

As an additional benefit for investing in this unique project there will be numerous exclusive privileges that will be provided to investors based on their contribution amount and date of investment. As Project design has not yet been finalized, the items listed below are subject to change. Owner/Operator approval will be required prior to Project opening.

There will be 5 distinct tiers: **Diamond, Sapphire, Platinum, Gold and Silver.**

	INVESTMENT RANGE				
	\$15M+	\$5M-\$15M	\$1M-\$5M	\$500k-\$1M	\$250k-\$500k
DLV Founders Club Exclusive Privileges	Diamond	Sapphire	Platinum	Gold	Silver
<b>DREAM LAS VEGAS ONLY</b>					
<b><i>Dream Las Vegas Guest Room Upgrades &amp; Discounts</i></b>					
Discounted Dream Las Vegas room rates <sup>1</sup>	up to 20%	up to 18%	up to 15%	up to 15%	up to 15%
Complimentary room upgrade <sup>2</sup>	✓	✓	✓	✓	✓
Complimentary Gold Suite nights	3 nights/one-time	3 nights/one-time	3 nights/one-time	-	-
Complimentary GuestHouse room night <sup>9</sup>	One-time	-	-	-	-
<b><i>Dream Las Vegas During Your Stay Privileges</i></b>					
VIP amenity upon arrival	✓	✓	✓	✓	✓
VIP arrival & check-in	✓	✓	✓	✓	✓
Early check-in and late check-out	✓	✓	✓	✓	✓
Complimentary high-speed WIFI	✓	✓	✓	✓	✓
Complimentary courtesy car with chauffeur	24/7	24/7	24/7	airport/stadium	airport/stadium
Priority access to restaurants, pool & nightlife venues	✓	✓	✓	✓	✓
F&B credit each stay - excludes gratuities	\$1,000	\$500	\$250	\$100	\$50
Discounted pool cabana rates	20%	18%	15%	15%	15%
Personal concierge during stay	✓	✓	✓	✓	-
Hotel's Owners Club membership - rooftop private club	✓	✓	✓	✓	-
VIP food & beverage reservations at the Hotel	✓	✓	✓	✓	-
Automatic reward status with casino operator <sup>3</sup>	✓	✓	✓	✓	-
Personalize table/chairs at F&B venue	✓	✓	✓	-	-
Personalized, preferred reserved parking spot	✓	✓	✓	-	-
Discount on retail purchases in DLV gift shop	10% discount	10% discount	10% discount	10% discount	10% discount
Tickets to illusionist show	4 tickets per quarter	4 tickets per quarter	2 tickets per quarter	-	-

# DLV Founders Club, *continued*

	INVESTMENT RANGE				
	\$15M+	\$5M-\$15M	\$1M-\$5M	\$500k-\$1M	\$250k-\$500k
DLV Founders Club Exclusive Privileges	Diamond	Sapphire	Platinum	Gold	Silver

## ***Dream Las Vegas Enhanced Privileges***

	1 case/yr + 25% Off	1/2 case/yr + 25% Off	3 Bottles/yr + 25% Off	2 Bottles/yr + 25% Off	1 Bottle/yr + 25% Off
DLV Private Label Spirits	1 case/yr + 25% Off	1/2 case/yr + 25% Off	3 Bottles/yr + 25% Off	2 Bottles/yr + 25% Off	1 Bottle/yr + 25% Off
New Year's Eve Party access at a Hotel venue; 1 time use	For 10 - VIP seating	For 6 - VIP seating	For 6 - general seating	For 4 - general seating	For 2 - general seating
Dream Las Vegas opening gift set	✓	✓	✓	✓	✓
Invitation to special events at Dream Las Vegas	✓	✓	✓	✓	-
Invitation to Dream Las Vegas Grand Opening Party	✓	✓	✓	-	-
Personalized champagne bottle. One time offering	✓	✓	✓	-	-
Name your own pool cabana	✓	✓	-	-	-
Suite Access at Allegiant Stadium/T-Mobile Arena <sup>6</sup>	1/year, max 4 guests	1/year, max 4 guests	-	-	-
Design of a specialty suite with David Rockwell <sup>4</sup>	First 3 investors	-	-	-	-
Name a platinum level suite <sup>4</sup>	✓	-	-	-	-
Corporate co-branding opportunity <sup>7</sup>	✓	-	-	-	-
DJ booth VIP seating for 10 at New Year's Eve party <sup>5</sup>	First 6 investors	-	-	-	-
Gentlemen's (or Ladies') Grooming Package	✓	-	-	-	-
Complimentary dinner in the GuestHouse. Prepared by Dream's Executive Chef.	up to 10 guests, one-time only	-	-	-	-

## **DREAM HOTEL GROUP WORLDWIDE<sup>8</sup>**

Discounted guest room rates <sup>1&amp;2</sup>	18% discount	15% discount	12% discount	12% discount	12% discount
VIP preferred reservations at F&B venues	Access for 10	Access for 8	Access for 6	Access for 4	Access for 2
VIP pool reservation & discounted cabana rates	Access for 2	Access for 2	Access for 2	Access for 2	Access for 2
Discounted penthouse/specialty suite room rates	10%	10%	-	-	-

\*Designated representative of investor must be defined at subscription date, and can only be re-designated up until Dream Las Vegas opening date. May not be sold in any form, to any party, at any time. (1) Discount rates vary based on what standard rate is based on (2) Upgrades are only valid up to a Platinum level suite (3) Subject to approval by Casino Operator (4) Final design subject to approval of designer, brand, manager, and ownership. (5) Investor invited to conduct the countdown with the DJ. (One time only, during holding period. Subject to availability. Limited to 6 Diamond investors, countdown year based on investment date.) (6) Suites have not been secured. It is anticipated the suite will be owned by the Partnership's Manager or one of its affiliates. Access will be to Allegiant Stadium and/or T-Mobile Arena Suite, subject to availability. Limited to one time per year and anticipated limited to no more four guests per visit. (7) Opportunity for signage, custom amenity for corporate groups (branded with company logo X DHG), complimentary breakfast for groups up, sponsorship placement at Grand Opening (8) May not be available at all locations. Subject to DHG discretion. (9) The "GuestHouse" is a penthouse suite that will be located in the Dream Las Vegas.

# Key Assumptions - Qualified Opportunity Zone Fund Investing

<b>Development Fee</b>	3% of the total development costs of the Project
<b>Asset Management Fees</b>	Annual asset management fee equal to 1.25% of committed capital
<b>Hotel Management Fees</b>	3% of the effective gross income of the Operating Company and a brand marketing fee of 1.5% of Total Operating Revenues.
<b>Stabilized Occupancy and ADR:</b>	The 90% stabilized Occupancy and an ADR of \$306.00 are based on a CBRE Market Study dated November 2020. They are calculated by taking a weighted average of both "Market Rate" rooms (rooms in the normal hotel pool) and the "Gaming Room Allocation." The Gaming Room Allocation is priced at a stabilized average discounted rate of \$159.14/room night to the gaming operator in order for the Casino to provide complimentary rooms to its high-rollers. Based on these parameters, we have a blended stabilized occupancy of 90% and an ADR of \$306.00.
<b>Potential Cash-flow:</b>	Anticipated to occur year 1 of operations of the hotel (i.e. fourth quarter 2024 or first quarter 2025). Distributions are not guaranteed and based on Available Cash Flow (as defined herein) at the time.
<b>Construction Loan:</b>	<p>Construction Loan: currently working with several debt brokers to secure senior construction financing. Loan to Cost assumed to be 65%. We anticipate financing debt as follows:</p> <ul style="list-style-type: none"> <li>- Senior Construction Loan of approximately \$250 million with a rate of 8% interest only during the course of construction. We expect to secure this financing in Q3 of 2021 prior to the start of construction.</li> <li>- PACE Financing of approximately \$95 million. We expect the financing to have an interest rate of 5.75%.</li> </ul>
<b>Initial Refinance:</b>	Within the first 3-12 months of the property opening we intend to complete an initial refinance of the Senior Construction Loan. We expect a dollar for dollar refinance and do not anticipate any return of capital through this initial financing. The loan is expected to have an interest rate of 5.00% and a term of 36 months all at interest-only.
<b>Second Refinance:</b>	Upon Stabilization (in Year 4 of Operations) we expect to complete a second refinance of the project. This refinance is assumed to be calculated based upon the project valuation, taking a 7.50% Capitalization Rate on the Hotel NOI and a 8.50% Cap Rate on the Casino Income. We assume we will be able to secure a 70% Loan to Value (LTV) which will allow us to return capital to investors. The loan is expected to have a 5% interest rate and have a term running through disposition of the project. We assume the loan will have 4 years of interest only payments and the remaining term with a 30 year amortization.

# Estimated Use of Proceeds

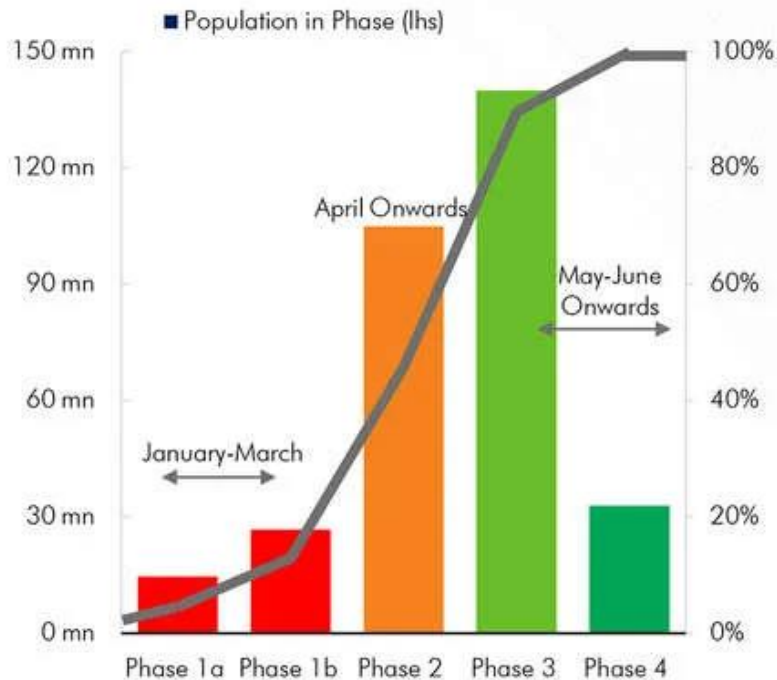
We are in discussions with a number of potential lenders who have indicated interest in the project.

Sources & Uses		
Sources		
<u>Debt</u>	<u>Amount</u>	<u>%</u>
Construction Debt	\$250,403,000	47%
PACE Financing*	\$95,000,000	18%
<b>Total Debt</b>	<b>\$345,403,000</b>	<b>65%</b>
<u>Equity</u>	<u>Amount</u>	<u>%</u>
GP	\$4,000,000	1%
LP	\$181,986,000	34%
<b>Total Equity</b>	<b>\$185,986,000</b>	<b>35%</b>
<b>Total</b>	<b>\$531,389,000</b>	<b>100%</b>
Uses		
<u>Development Costs</u>	<u>Amount</u>	<u>%</u>
Soft Costs	\$74,619,000	14%
Hard Costs	\$393,665,000	74%
Financing Expense	\$18,441,000	3%
Total Selling Costs	\$20,018,000	4%
Project Contingency	\$24,646,000	5%
<b>Total</b>	<b>\$531,389,000</b>	<b>100%</b>

# U.S. Hotel Forecast: COVID-19 Recovery Scenario

## MASS IMMUNIZATION BY H1 2020 IN THE UNITED STATES

U.S. National Association of Medicine COVID Vaccination Tiering System



Phase 1 (45mn)	Phase 2 (105mn)
<b>Phase 1a</b> - High Risk Health Workers (12.6mn) - First Responders (2.1mn)	- One Comorbid Condition (80mn) - Obesity (30mn) - Diabetes (10mn) - Remaining Over Age 65 (13.2mn) - K-12 Teachers (9.1mn) - Food Production/Cashiers - Construction/Utilities - Transportation/Delivery
<b>Phase 1b</b> - 2+ Comorbid Conditions (20mn) - Over Age 65 in Crowded Settings (6.8mn)	- Incarcerated + Staff (2.7mn) - Homeless + Shelter Staff (1mn)
Phase 3 (140mn)	Phase 4 (33mn)
- Children (80mn) - Young Adults Ages 18-30 (46.5mn) - Workers in Important Industries (13mn) - University Staff - Factory Workers - Restaurant/Hotel Staff - Bank Tellers and Librarians - Barbers and Exercise Instructors	Remaining population of the US (33mn)

Source: National Association of Medicine, Goldman Sachs, 2020.

# U.S. Hotel Forecast: COVID-19 Recovery Scenario

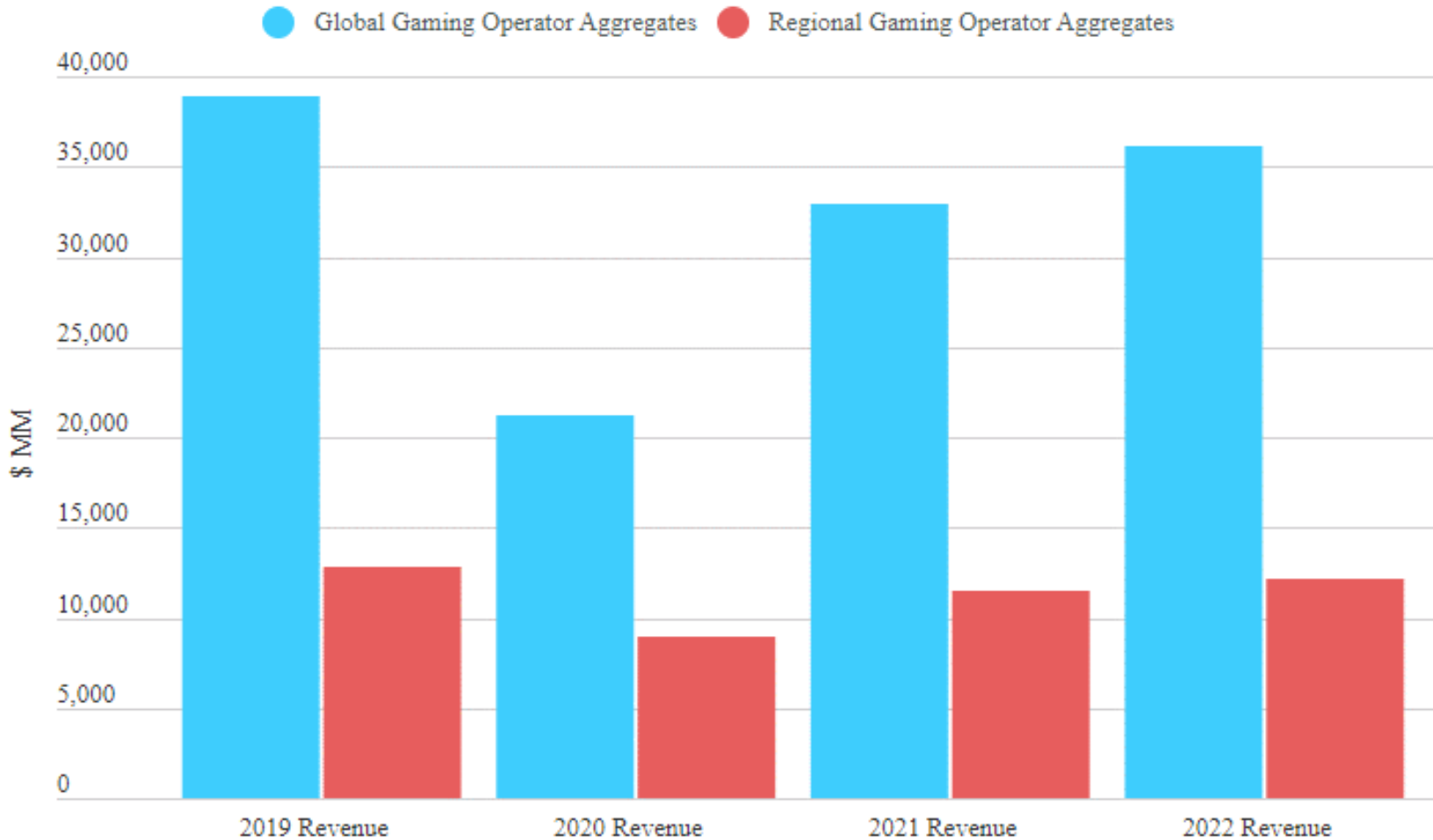
## CBRE HOTELS – Q32020 U.S. LODGING FORECAST

Year	Occ	ΔOcc	ADR	ΔADR	RevPAR	ΔRevPAR	RevPAR % of 2019
2018	66.5%	-0.4%	\$ 130.53	2.2%	\$ 86.84	1.8%	
2019	<b>66.8%</b>	0.4%	\$ <b>131.17</b>	0.5%	\$ <b>87.65</b>	0.9%	100%
2020F	41.8%	-37.4%	\$ 102.94	-21.5%	\$ 43.06	-50.9%	49%
2021F	50.1%	19.7%	\$ 101.65	-1.3%	\$ 50.89	18.2%	58%
2022F	57.3%	14.4%	\$ 111.06	9.3%	\$ 63.60	25.0%	73%
2023F	63.8%	11.4%	\$ 121.35	9.3%	\$ 77.40	21.7%	88%
2024F	<b>67.1%</b>	5.3%	\$ <b>134.07</b>	10.5%	\$ <b>90.01</b>	16.3%	103%

Source: CBRE Hotels Research, Kalibri Labs, 11/19/2020 – <https://pip.cbrehotels.com>.



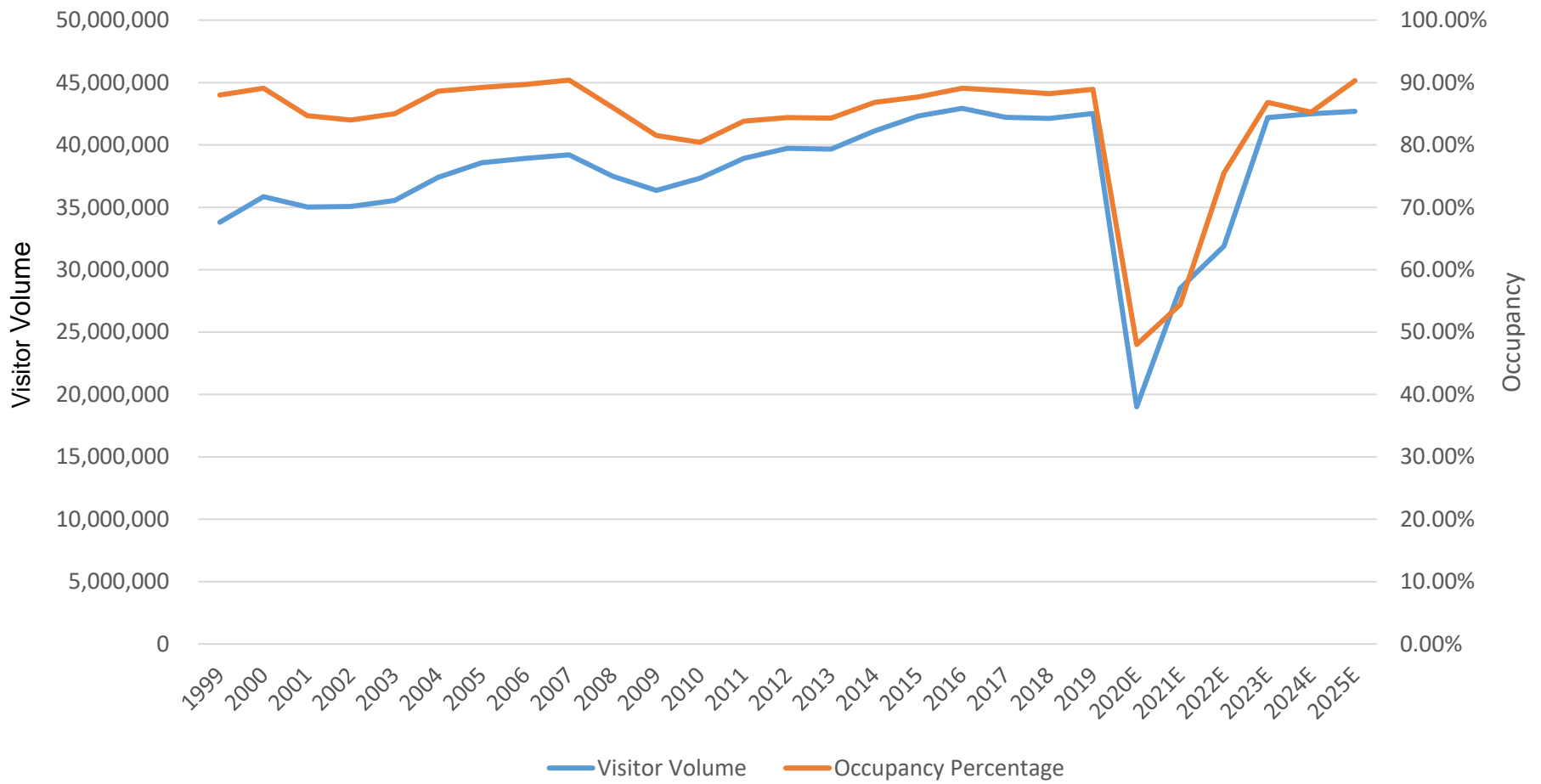
# U.S. Gaming Aggregate Revenue Forecast



Source: Fitch Ratings, June 2020 <https://www.fitchratings.com/research/corporate-finance/us-gaming-will-experience-a-u-shaped-recovery-post-reopening-11-06-2020>

Note: Global gaming operators include Las Vegas Sands (BBB-/Stable), Wynn Resorts (b+\*/negative), MGM Resorts (BB-/Negative) and Melco Resorts (bb\*/negative). Regional gaming operators include Red Rock Resorts (b\*/negative), Boyd Gaming (b\*/negative), Churchill Downs (bb\*/negative), Golden Entertainment (b-\*/negative), Penn National Gaming (b\*/negative).

# Las Vegas Visitor Volume & Occupancy Recovery



# Las Vegas Real Estate On The Move

## THE WALL STREET JOURNAL.

### Sands to Sell Las Vegas Properties for \$6.25 Billion to Apollo Global, REIT

Executives have said the casino operator seeks to invest in Singapore, Macau casinos, which generate most of the revenue

March 3, 2021

[Las Vegas Sands](#) Corp. [LVS +1.88%](#)▲ agreed to sell its Las Vegas properties to Apollo Global Management Inc. and a real-estate investment trust for about \$6.25 billion as the casino operator exits the gambling hub to focus on its core Asia operations.

Sands' sale of the Venetian Resort and its convention center comes as [the Covid-19 pandemic](#) has roiled the casino industry with temporary shutdowns, reduced travel and limited occupancies. Hopes for a recovery this year depend on how many tourists and business travelers will return following the distribution of vaccines.

The casino operator [had said in October that it was considering a sale](#) of the Vegas assets. After [the death](#) of founder Sheldon Adelson in January, Sands executives said the company would continue to invest in its Singapore and Macau casinos, which generate most of the company's revenue.

*Article continues...*



The Venetian Las Vegas displayed a tribute to Las Vegas Sands Chairman and CEO Sheldon Adelson after he died. PHOTO: ETHAN MILLER/GETTY IMAGES

### Article Quotes:

Apollo said it sees the Las Vegas properties as having exposure to categories positioned for recovery and long-term growth, such as hospitality, meeting events, gaming and entertainment.

“This investment also underscores our conviction in a strong recovery for Las Vegas as vaccines usher in a reopening of leisure and travel in the United States and across the world,” Apollo partner Alex van Hoek said.

*This article is an example of the general optimism in the Las Vegas market and does not predict specific performance of this project. Results may vary.*

# Las Vegas' Convention Business Making a Comeback

## LAS VEGAS REVIEW-JOURNAL

### CES set to return to Las Vegas in January



Set up for CES is underway at the Las Vegas Convention Center on Friday, Dec. 27, 2019, in Las Vegas. (Ellen Schmidt/Las Vegas Review-Journal) @ellenschmidt



By Glenn Puit Las Vegas Review-Journal

April 28, 2021 - 7:00 am



Southern Nevada's largest annual trade show — CES — remains on track to return to Las Vegas in January and convention industry planners are happy for its return.

The Washington-based Consumer Technology Association on Wednesday affirmed that it would bring CES back to the city as well as operate an online version of the show as it did earlier this year. The CTA indicated in January that it planned to conduct the show live in 2022 and run it simultaneously with the online show.

# Dream Las Vegas – Development and Design Team

The project will be designed, built and managed by a team of seasoned professionals with extensive knowledge and decades of experience that will aid in this project's success.



Bill Shopoff  
President and CEO  
Shopoff Realty Investments



Brian Rupp  
EVP Real Estate  
Shopoff Realty Investments



Bill Smith  
SVP Design and Construction  
Shopoff Realty Investments



David Daneshforooz  
CEO  
Contour Real Estate



Jay Stein,  
Chief Executive Officer  
Dream Hotel Group



David Kuperberg  
Development Officer  
Dream Hotel Group



Michael Lindenbaum  
Chief Operating Officer  
Dream Hotel Group

# Project Lead – Bill Smith

SVP of Design and Construction for Shopoff, Bill Smith has more than **30 years of experience** in designing and constructing high profile, luxury projects throughout the world, having been involved with, or led, the construction of more than **\$18 billion** in assets over his career.

A successful development executive with a proven track record of managing full project delivery, Smith has led several complex mixed-use development projects within urban settings.

## Notable projects include:

### **CityCenter – Las Vegas, NV**

A \$9 billion, 18-million-square-foot mixed-use project which includes the 4,000-room ARIA Resort & Casino, a luxury 400-room hotel, retail space, a convention center and residential units. CityCenter is the largest privately financed project in U.S. history. Developed in 60 months, it is the largest LEED Gold-Certified project in the U.S.

### **The Spa Tower – Las Vegas, NV**

A \$475 million, 928-room hotel tower, spa and convention area expansion to the existing Bellagio Hotel & Resort.

### **Liberty Place – Philadelphia, PA**

A \$1.4 billion (in today's dollars), urban mixed-use downtown development project that includes two 60-story office buildings totaling 2.4 million square feet of Class A office space, a 300-room Ritz Carlton Hotel, and a two-level retail facility.

### **Beau Rivage – Biloxi, MS**

A \$1.2 billion (in today's dollars), 1,774-room resort project with 7 restaurants and a 1,400-seat showroom.



CityCenter – Las Vegas, NV

*Not a photo of investment property,  
rather an example of a project that Bill Smith helped develop.*

# About Dream Las Vegas

- The Project is located on a 5.25 acre site on the world famous Las Vegas Strip at 5051 Las Vegas Blvd., Las Vegas, Nevada.
- The Project is anticipated to comprise of an 20-story single facility including 490,000 sqft of hotel space, 26,000 sqft of gaming and 280,000 sqft of parking, with 825 spaces.
- The Site is located within a qualified opportunity zone.
- We anticipate receiving approvals for entitlements in Q3 2021.
- The Hotel includes 525 luxury lifestyle rooms & suites and features food and beverage venues, a pool and day club, retail venues and a full-service fitness center.
- The casino is anticipated to house 250 slot machines, 20 table games and a sports book.



Concept Design Start Date: Q4 2020

Construction Completion: Q1 2024

Hotel Public Opening: Q2 2024

Construction Start Date: Q1 2022

Construction Period: 25 months

Assumed Exit Date: Q4 2031

# Dream Las Vegas – Contractor and Architect



## **CONTRACTOR: McCarthy**

McCarthy is a national construction company known for operational excellence and maximizing client outcomes with lasting results and superior value. With over 150 years of experience, McCarthy has a long history of building facilities that drive greater value. Some notable projects include Hakkasan Restaurant/Night Club in MGM Grand Hotel & Casino, Allegiant Stadium and Circa Resort. ([www.mccarthy.com](http://www.mccarthy.com))



## **ARCHITECT: DLR Group**

DLR group is an integrated design firm providing architecture, engineering, planning and interior designs for projects around the globe. The firm is an advocate for sustainable design and an early adopter of the Architecture 2030 challenge. ([www.dlrgroup.com](http://www.dlrgroup.com))



# Dream Las Vegas Architectural Rendering



*Architectural rendering above of a project that is being managed by Shopoff Realty Investments and is a holding of the Fund.*

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# Dream Las Vegas Architectural Rendering



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<b>FEATURES</b>	<b>SHOPOFF DLV QOZ FUND</b>
<b>Strategy<sup>1</sup></b>	<b>Qualified Opportunity Zone Investment in a to-be developed Dream branded hotel</b>
<b>Location</b>	<b>5051 S. Las Vegas Blvd. Las Vegas, Nevada</b>
<b>Asset Types</b>	<b>Hotel Development</b>
<b>Structure</b>	<b>506(c) Private Placement</b>
<b>QOF/Institutional Co-Investment</b>	<b>Up to 90%</b>
<b>Maximum Raise<sup>2</sup></b>	<b>\$186,000,000</b>
<b>Minimum Investment<sup>3</sup></b>	<b>\$250,000</b>
<b>Investment Types</b>	<b>QOZ eligible capital (short and long term capital gains), cash or qualified plan investments.<sup>8</sup></b>
<b>Distributions</b>	<b>Commencement of operations anticipated to occur in the first half of 2024. Upon stabilization distributions to commence quarterly in late 2024/early 2025.<sup>1</sup></b>
<b>Status</b>	<b>Open through 12/31/21<sup>4</sup></b>
<b>Refinance<sup>7</sup></b>	1) Initial construction loan refinance anticipated after property opening, with no excess proceeds. 2) Subsequent refinance anticipated to take place in 2026, with excess capital expected to be returned to investors in advance of the QOZ tax deadline in 2027. <sup>5</sup>
<b>Preferred Return</b>	<b>7% annual preferred return, accruable, non-compounding and not guaranteed.<sup>6</sup></b>
<b>Anticipated Exit</b>	<b>12/31/2031<sup>1</sup></b>
<b>Distribution Priority</b>	75% above the 7% Preferred Return up to a 15% annual IRR, then 60% <ul style="list-style-type: none"> <li>• First, 100% to the members, pro rata in proportion to the relative amounts of 7% Preferred Return owed to the members, until each member has received the 7% Preferred Return.</li> <li>• Second, 100% to the members, pro rata in accordance with their respective unreturned Capital Contributions until each Member has received the return of its aggregated Capital Contributions.</li> <li>• Third, 75% to the members, pro rata in proportion to the relative amounts until a 15% Internal Rate of Return is achieved by the members. Thereafter, 60% to the members, pro rata in proportion to their Stated Interests.</li> </ul>

<sup>1</sup>There is no assurance that this strategy will succeed to meet its investment objectives. <sup>2</sup>Unless otherwise extended by the Manager in its sole discretion. <sup>3</sup>The minimum cash subscription amount is \$250,000; however, the Managing Member reserves the right to accept subscriptions for lesser amounts in its sole and absolute discretion. <sup>4</sup>The Manager may extend the Offering for two (2) additional six (6) month periods. <sup>5</sup>Capital gains invested in QOZ funds are deferred as taxable income until 12/31/2026. <sup>6</sup>The Managing Member will endeavor to distribute to the Members a 7% annual, accruable non-compounded preferred return on their Capital Contribution to be paid as a distribution from available net cash flow (if any) resulting from operations of the project, subject to reasonable reserves as determined by the Manager. <sup>7</sup>No guarantee that refinances will take place in anticipated time frames or that investors will receive anticipated subsequent returns. <sup>8</sup>Cash or qualified plan investments would not qualify for QOZ tax benefits and would be subject to UBTI.

# Dream Las Vegas Architectural Rendering



*Architectural rendering above of a project that is being managed by Shopoff Realty Investments and is a holding of the Fund.*

# Dream Las Vegas Architectural Rendering



*Architectural rendering above of a project that is being managed by Shopoff Realty Investments and is a holding of the Fund.*

# Thank You!

**William A. Shopoff**

**President & CEO, Shopoff Realty Investments**

**[bshopoff@shopoff.com](mailto:bshopoff@shopoff.com)**

**[www.Shopoff.com](http://www.Shopoff.com)**