



H SPIRIT CAPITAL MANAGEMENT, LLC

*Serving those
who served.*



This is a concept photo which does not represent potential home designs.

*Building homes with
the future in mind.*



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Executive Summary

“True Success is Serving Others”

Resident housing plays a very important part in everyone’s life whether it is home ownership or renting. H Spirit Capital Management, LLC (HSCM) in partnership with H Spirit Capital Foundation, LLC (HSCF) are committed to developing housing that is affordable, profitable, and environmentally friendly. This partnership brings together key entities to actualize the vision.

HSCM/HSCF partnership has a combined portfolio of planned projects that include college dormitories, housing for disabled veterans, and environmentally friendly residential housing.

HSCM

HSCM was established in 2016 to develop college dormitories for Historically Black Colleges & Universities (HBCUs) in partnership with Public Private Partnerships. HSCM began with a commitment to developing superior, state-of-the-art, secured dormitories that excited students, calmed parents, and impressed investors. HSCM is raising the bar of excellence for campus living.



HSCM has an innovative approach to revitalizing the face/physical facilities of Urban Cities Colleges, and Universities through infrastructure improvement and debt structuring. This HSCM concept focuses on infrastructure development and improvements that are financed utilizing a Public Private Partnership (P3) and tax-exempt bonds. The HSCM model is a win-win strategy since it allows institutions, cities, and organizations to improve their infrastructure without financial liability

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HSCF

HSCF is a non-profit organization exclusively launched for charitable purposes. HSCF is the result of the founder's, John L. Washington interaction with a local community which he was able to sit and talk to many individuals who shared their stories and conditions. He learned that many of these individuals were residing at homeless shelters and many of them were veterans. He thought it was preposterous that veterans could be homeless. These individuals served their country, some risking their lives in combat and yet they were forgotten by their country. The founder was inspired to address this problem which led to HSCF's primary focus, **Disabled Veterans Project** with the mission to provide homes for disabled veterans and their families.

Overview of Projects

Disabled Veterans Projects (Veteran's Lives Matter) Project encompasses building a mixture of studios, 1, 2, and 3- bedroom apartments. Eight properties have been identified that upon reconstruction would provide the capacity to build between 1,200 to 1,500 apartments for veterans. The goal is to build 20,000 apartments in the New Jersey for disabled veterans and their families.

Each building will have a combination of apartment sizes; a community service room; and fitness facility. This would provide veterans a location to host events, to gather, and to interact with their families. The apartment complex will include a communal garden where veterans will learn how to grow and harvest vegetables. This will provide holistic health and wellness as well as providing produce at no cost to veterans.

According to the Disabled Veterans National Foundation (www.dvnf.org) approximately 53% of homeless veterans have disabilities. Many of these veterans suffer from mental disability or mental illness: substance abuse. It is definitive that disabled veterans are at a greater risk of becoming homeless.

This project will be financed through the sale of tax-exempt or taxable bonds. The partnership will provide interim funding necessary to cover short-term financial requirements. The interim funding will be repaid when the Bond sale is finalized.

Prior to construction/development involved partners will negotiate tax abatements with local municipalities based on the Payment in Lieu of Taxes (PILOT) / Long Term Tax Abatement Program. New Jersey created the PILOT program to help NJ municipalities efficiently and responsibly improve their ratable base and redevelop underutilize and dilapidated properties.

High-level financial projections for the project are listed in the table below.

DISABLED VETERANS PROJECT						
Year	Gross Revenue	Operational Expense	Gross Profit	Loan/Tax Payments	Net Profit	Cummulative Net Profit
1	\$ 3,308,400	\$ 705,200	\$ 2,603,200	\$ -	\$ 2,603,200	\$ 2,603,200
2	\$ 3,473,820	\$ 716,720	\$ 2,757,100	\$ -	\$ 2,757,100	\$ 5,360,300
3	\$ 3,647,511	\$ 728,240	\$ 2,919,271	\$ -	\$ 2,919,271	\$ 8,279,571
4	\$ 3,829,887	\$ 739,760	\$ 3,090,127	\$ -	\$ 3,090,127	\$ 11,369,698
5	\$ 4,021,381	\$ 751,280	\$ 3,270,101	\$ -	\$ 3,270,101	\$ 14,639,798
6	\$ 4,222,450	\$ 762,800	\$ 3,459,650	\$ -	\$ 3,459,650	\$ 18,099,448
7	\$ 4,433,572	\$ 774,320	\$ 3,659,252	\$ -	\$ 3,659,252	\$ 21,758,701
8	\$ 4,655,251	\$ 785,840	\$ 3,869,411	\$ -	\$ 3,869,411	\$ 25,628,112
9	\$ 4,888,014	\$ 797,360	\$ 4,090,654	\$ -	\$ 4,090,654	\$ 29,718,765
10	\$ 5,132,414	\$ 808,880	\$ 4,323,534	\$ -	\$ 4,323,534	\$ 34,042,300
11	\$ 5,389,035	\$ 820,400	\$ 4,568,635	\$ -	\$ 4,568,635	\$ 38,610,935
12	\$ 5,658,487	\$ 831,920	\$ 4,826,567	\$ -	\$ 4,826,567	\$ 43,437,501
13	\$ 5,941,411	\$ 843,440	\$ 5,097,971	\$ -	\$ 5,097,971	\$ 48,535,472
14	\$ 6,238,482	\$ 854,960	\$ 5,383,522	\$ -	\$ 5,383,522	\$ 53,918,994
15	\$ 6,550,406	\$ 866,480	\$ 5,683,926	\$ -	\$ 5,683,926	\$ 59,602,920
16	\$ 6,877,926	\$ 878,000	\$ 5,999,926	\$ -	\$ 5,999,926	\$ 65,602,846
17	\$ 7,221,822	\$ 889,520	\$ 6,332,302	\$ -	\$ 6,332,302	\$ 71,935,148
18	\$ 7,582,913	\$ 901,040	\$ 6,681,873	\$ -	\$ 6,681,873	\$ 78,617,021
19	\$ 7,962,059	\$ 912,560	\$ 7,049,499	\$ -	\$ 7,049,499	\$ 85,666,521
20	\$ 8,360,162	\$ 924,080	\$ 7,436,082	\$ -	\$ 7,436,082	\$ 93,102,603
21	\$ 8,778,170	\$ 935,600	\$ 7,842,570	\$ -	\$ 7,842,570	\$ 100,945,173
22	\$ 9,217,079	\$ 947,120	\$ 8,269,959	\$ -	\$ 8,269,959	\$ 109,215,131
23	\$ 9,677,933	\$ 958,640	\$ 8,719,293	\$ -	\$ 8,719,293	\$ 117,934,424
24	\$ 10,161,829	\$ 970,160	\$ 9,191,669	\$ -	\$ 9,191,669	\$ 127,126,093
25	\$ 10,669,921	\$ 981,680	\$ 9,688,241	\$ -	\$ 9,688,241	\$ 136,814,334
26	\$ 11,203,417	\$ 993,200	\$ 10,210,217	\$ -	\$ 10,210,217	\$ 147,024,550
27	\$ 11,763,588	\$ 1,004,720	\$ 10,758,868	\$ -	\$ 10,758,868	\$ 157,783,418
28	\$ 12,351,767	\$ 1,016,240	\$ 11,335,527	\$ -	\$ 11,335,527	\$ 169,118,945
29	\$ 12,969,355	\$ 1,027,760	\$ 11,941,595	\$ -	\$ 11,941,595	\$ 181,060,540
30	\$ 13,617,823	\$ 1,039,280	\$ 12,578,543	\$ -	\$ 12,578,543	\$ 193,639,083
31	\$ 14,298,714	\$ 1,050,800	\$ 13,247,914	\$ -	\$ 13,247,914	\$ 206,886,997
32	\$ 15,013,650	\$ 1,062,320	\$ 13,951,330	\$ -	\$ 13,951,330	\$ 220,838,327
33	\$ 15,764,332	\$ 1,073,840	\$ 14,690,492	\$ -	\$ 14,690,492	\$ 235,528,819
34	\$ 16,552,549	\$ 1,085,360	\$ 15,467,189	\$ -	\$ 15,467,189	\$ 250,996,008
35	\$ 17,380,176	\$ 1,096,880	\$ 16,283,296	\$ -	\$ 16,283,296	\$ 267,279,305
36	\$ 18,249,185	\$ 1,108,400	\$ 17,140,785	\$ -	\$ 17,140,785	\$ 284,420,090
37	\$ 19,161,645	\$ 1,119,920	\$ 18,041,725	\$ -	\$ 18,041,725	\$ 302,461,815
38	\$ 20,119,727	\$ 1,131,440	\$ 18,988,287	\$ -	\$ 18,988,287	\$ 321,450,101
39	\$ 21,125,713	\$ 1,142,960	\$ 19,982,753	\$ -	\$ 19,982,753	\$ 341,432,854
40	\$ 22,181,999	\$ 1,154,480	\$ 21,027,519	\$ -	\$ 21,027,519	\$ 362,460,373
Totals over 40 Years	\$ 399,653,973	\$ 37,193,600	\$ 362,460,373	\$ -	\$ 362,460,373	\$ 5,044,946,235

Table 1

Residential Homes Project consist of developing multiple environmentally friendly residential homes in a New Jersey municipality that has a median home price of \$1.5 million.

The estimated cost for building these eco-friendly homes will be between \$400,000 and \$500,000 per home. Based on these features and location these homes can be sold for \$1.3 to \$1.5 million each. Achieving this will provide investors a return of \$2.4 million to \$3.3 million.

This is an ideal return that is economically feasible, environmentally conscious, and will appeal to today's home buyers. Several major features we be included such as solar panels, electric vehicle charging stations, and heated driveways, etc.

Photovoltaic (PV) Solar Technology

The cost for photovoltaic (PV) solar technology has been declining over the years making it a financially viable technology. Though the cost can still be extensive, the long-term financial benefits to the homeowner make it worth. There are 3 major benefits of PV: 1) reduction in monthly energy bill; 2) the ability to sell solar-generated electricity to the utility company; and 3) increase in home value.

Electric Vehicle Charging Stations (EVCS)

Including EVCS will be aligned with the increase in electric vehicles (EVs) sales. Homes with EVCS will appeal to homebuyers and incentivize homebuyers to purchase an EV. EVs can be charge. A concern for purchasing an EV is the availability of public charging stations. Including an EVCS in a new home is an attractive feature. According to the Natural Resources Defense Council (NRDC), over 80 % of EV charging occurs at home.

Heated Driveway

A heated driveway eliminates the cost or physical labor for snow removal. The other benefit of eliminating snow removal is there is no need for salt which has environmental benefits.

Our Approach

HSCM assigns a project team that includes representation from its strategic partners. Our project team meets with the municipality's leadership to understand the municipality's current situation and strategy. If a formal situational analysis and strategy do not exist, HSCF and its partners M will assist the municipality with formulating both.

Our team may perform a thorough marketing study to assess any threats that may impact the project such as the rental market, occupancy goals and financial viability of the project. The outcome of this study is to assist the municipality and project team with better understanding veteran needs within the geographic area.

Should the study produce positive results, our team assesses all potential options then presents those options to the municipality's leadership team.

John L. Washington, HSCM CEO & Founder

Mr. Washington has over 40 years of creating and managing successful mid-sized retail, commercial and construction enterprises in several industries. Driven by an entrepreneurial spirit, he created his first business at the age of 20. Upon graduation from Delaware State University with a Bachelor of Science in Business Education, he launched his first retail business at the age of 22.

Mr. Washington was introduced to the field of construction and development at the age of 12 working with his father, Robert Washington. The senior Washington was a graduate of Voorhees Technical School, now Voorhees College in South Carolina and achieved the certification and designation of Master Mason. Mr. Washington built upon his father's legacy and went on to launch Tiffany Construction Inc., a heavy construction company. His company performed infrastructure (roads, bridges, sewers, water lines, etc.) projects for New Jersey municipalities and New York City. Tiffany was later renamed to J.L. Washington Builder and Developer, Inc.

Mr. Washington opened his first pharmacy in 1991 and grew that business to an additional location in Elizabeth, NJ. Continuing to serve the medical needs of the community, he opened additional pharmacies and medical clinics in Newark and Elizabeth. He expanded his enterprise by opening a beverage company, and a construction company both based in NJ followed by a retail business in Sag Harbor, Long Island.

In 2009, Mr. Washington launched Jersey Job Bank and focused his attention on the under-representation of minority and females in NJ's construction jobs supported with government funding. Jersey Job Bank was the only Non-Governmental Organization that monitors compliance with State and Federal Affirmative Action Rules and Regulations in NJ.

In 2014, Mr. Washington founded, H. Spirit Capital Management, LLC (H. Spirit), which provides colleges and universities with funding and management support to build new on-campus dormitories, classroom, and auxiliary space. Collaborating with the Congressional Black Caucus

and other members of Congress, H. Spirit is pursuing tax abatements for investors in these on-campus initiatives. A further objective is to ensure that 50 percent of the construction workers on these projects are minorities and females.

Key Partners & Stakeholders

H Spirit Capital Foundation – Bond Issuer

H Spirit Capital Foundation is a national nonprofit corporation exempt from Federal income tax under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3) of the Code. H Spirit Capital Foundation charitable purposes include programs, activities and services that serve to advance education, including the development, construction, financing, acquisition, ownership, management, and operation of student housing and other capital facilities that serve the faculty, student body and/or staff of colleges and universities across the country.

Jersey Job Bank – Compliance

Chief Operating Officer (COO) – Iris Black

Jersey Job Bank, LLC (JJB) is a private company in New Jersey. JJB has experience in monitoring construction job sites that receive any form of governmental funds to support the project. JJB works with HSCM to ensure that all HSCM government funded construction projects are following Affirmative Action Guidelines. HSCM is committed to hiring minority workers, and the awarding sub-contracts to minority or female construction companies.

Property Manager - Linda Charles

A former educator, bookkeeper and property manager, Linda possess the ability to organize and develop within a position to enable organizations to expand, have reliability for office functions, become the liaison between the company and their outside associates, develop correspondence where required, make decisions during the absence of the principal, and have clear communications for incoming and outgoing contacts representing my employer(s) and the company.

Additional Key Partners & Stakeholders

Financial Advisor Helga M. Trocha, CPA, MS Taxation



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