



CBUS OZ FUNDS



A Qualified Opportunity Zone Fund specializing in urban redevelopment in Columbus Ohio. The fund has a long-term focus on delivering value to our investors while improving communities by providing desirable and attainable housing solutions throughout the urban core of Columbus.

FORWARD-LOOKING STATEMENTS

This document and presentation is not an offer to sell or a solicitation of an offer to buy securities, nor shall any securities be offered or sold to any person in any jurisdiction in which such offer, solicitation, purchase, or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction. Any sale will be made only to “accredited investors” by means of a private placement memorandum together with our subscription agreement (the “Offering Documents”) pursuant to Rule 506(c) of Regulation D of the Securities Act of 1933 (the “Securities Act”) and state securities laws. As such, the information provided on the Platform excludes material information that would be detailed in the Offering Documents, including, but not limited to, risk factors material to making an informed investment decision.

This document contains forward-looking statements that are not historical in nature and are based on current expectations and subject to risks and uncertainties. Although management of CBUS Opportunity Zone Fund III LLC (the “**Fund**”) and its qualified opportunity zone subsidiary, CBUS III QOZB LLC (the “**Company**”) believe that the forward-looking statements are reasonable, neither the Fund nor the Company can provide any assurance that such forward-looking statements will prove to have been correct. These statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, level of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. Actual financial condition, operating results, business performance, and tax treatment may differ materially from that projected. The differences may be caused by a variety of factors, including but not limited to changes in general economic conditions, competition, business interruptions, government regulatory changes, changes in key personnel, lack of sources of additional financing, and other factors.

Words such as “anticipate,” “believe,” “expect,” “intend,” “may,” “might,” “plan,” “estimate,” “project,” “should,” “will,” “result,” and other similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

The pages contained herein are made for informational purposes only and all local laws apply. Any use or misuse of this information is solely the responsibility of the reader. CBUS III GP, LLC, its principals, and affiliated entities (the “**Manager**”), disclaims all such representations and warranties. In addition, the Manager does not represent or warrant that the information in this report is accurate, complete, or current. This information was gathered from sources believed to be reliable but cannot be guaranteed insofar as they apply to any individual.

Neither the Manager, nor any of its directors, officers, employees, other representatives or advertisers will be liable for damages arising out of or in connection with the use of this document. This is a comprehensive limitation of liability that applies to all damages of any kind, including (without limitation) compensatory, direct, indirect, or consequential damages, loss of data, income or profit, loss of or damage to property, and claims of third parties.

Presentation Overview

- ◆ Unique Advantage: Ohio OZ Tax Credit = 10% Bonus in Year 1
- ◆ Target Returns
- ◆ Management Team: Seasoned Experts
- ◆ Columbus Market: Growth, Housing Demand & Resiliency
- ◆ Investment Strategy: Quick, Profitable, Effective
- ◆ Fund III Overview
- ◆ Questions From Audience



Unique Incentive: Ohio OZ Tax Credit

- ◆ Start your investment with a quick 10% kicker!
- ◆ Ohio offers a unique additional incentive for OZ investors:
 - ◆ All investors in CBUS OZ FUNDS are eligible to receive an Ohio income tax credit certificate equal to 10% of their investment amount.
 - ◆ The tax credit certificates can be sold to other taxpayers to generate instant cash or otherwise used to offset Ohio income tax liability.
 - ◆ Example: Invest \$100,000 into the CBUS Opportunity Zone Fund III LLC in December and receive a \$10,000 Ohio income tax credit in the Spring.

Investment by the Ohio Qualified Opportunity Fund(s) into qualified Opportunity Zone property in 2019:	\$728,000.00
Certified Tax Credit Amount:	\$72,800.00

- ◆ 10% state tax credit in Year 1
- ◆ Can be sold for cash
- ◆ Applies to any OZ investment, not just capital gains



Ohio Development Services Agency

Ohio Opportunity Zone Tax Credit Certificate

Certificate Number: ODSA-TI-2019 - 41027

Taxpayer Information

Name: [REDACTED]
 FEIN: [REDACTED]
 Address: 975 West Broad Street Columbus, Ohio 43222
 Authorized Representative: Christopher Knoppe
 Taxpayer Type: Pass-Through Entity Qualifying Taxable Year: 2019

Investment Information

Investment into an Ohio Qualified Opportunity Fund(s) in the qualifying taxable year: \$777,777.00
 Investment by the Ohio Qualified Opportunity Fund(s) into qualified Opportunity Zone property in 2019: \$728,000.00
Certified Tax Credit Amount: \$72,800.00

Pass-Through Entity Information

Entity/Investor	FEIN/SSN	Ownership	Tax Credit Allocation
[REDACTED]	xxx-xx-xxxx	50%	50,000.00%
[REDACTED]	xxx-xx-xxxx	50%	50,000.00%

Pursuant to Ohio Revised Code (ORC) Section 122.84, the Director of the Ohio Development Services Agency determines that the taxpayer named above qualifies for a non-refundable tax credit in the amount stated, in accordance with ORC Section 122.84(G)(3).

A taxpayer may claim the tax credit for its qualifying taxable year or the next ensuing taxable year. The taxpayer shall claim the credit in the order prescribed by ORC Section 122.84. Any unused amount may be carried forward for the following three taxable years. If the certificate is issued to a pass-through entity for an investment by the entity, any taxpayer that is a direct or indirect investor in the pass-through entity on the last day of the entity's qualifying taxable year may claim the taxpayer's proportionate or distributive share of the credit against the taxpayer's aggregate amount of tax owed under that section.

Ohio Development Services Agency, Lydie L. Mihalik, Director
 By: *Lydie Mihalik* Date: March 5, 2020



CBUS OZ FUNDS

Target Returns and Opportunity Zone Incentives

◇ Example Investment of \$100,000

◇ State of Ohio OZ Tax Credit equal to 10% of investment

◇ $\$100,000 \times 10\% = \$10,000$ (Year 1)

◇ Target Return of 3.1X over 10 years

◇ If investing capital gains, you receive Federal and State Opportunity Zone Incentives:

◇ Defer current capital gains tax until 12/31/2026 (payable in 2027)

◇ 20% capital gain tax on \$100,000 = \$20,000 that can be invested for 4 years before being paid to IRS.

◇ \$20,000 invested at a 12% annually compounded return grows to \$31,470.39 after 4 years.

◇ Deferred tax yields a 57% return prior to payment, essentially cutting your tax in half.

◇ Investment in OZ Fund is eligible for a tax-free capital gain if held for 10 years

◇ \$100,000 at 12% IRR (compounded annually) over 10 years grows to \$310,584.82 resulting in a tax-free gain of \$210,584.82.

◇ No recapture on 10+ years of depreciation

Year 1 Bonus:
\$10,000 State of
Ohio Tax Credit
Certificate in Year 1!

Investment	100,000
Projected 12% IRR	
Year 1	112,000
Year 2	125,440
Year 3	140,493
Year 4	157,352
Year 5	176,234
Year 6	197,382
Year 7	221,068
Year 8	247,596
Year 9	277,308
Year 10	310,585

Additional Tax
Advantage:
Depreciation pass
through from rental
property portfolio.



Management Team: Dedicated & Seasoned Local Experts

- ◆ CBUS OZ FUNDS is managed by brothers Brian, Chris, and Sean Knoppe
- ◆ Business partners since 2005 and co-founders of New City Homes 
- ◆ Participated in over 1,000 real estate transactions
- ◆ Extensive experience in acquisition, new construction, renovation, financing, and property management
- ◆ Specialize in residential and mixed-use redevelopment within the urban neighborhoods surrounding downtown Columbus
- ◆ Partners will continue in management role for next 10 years and beyond



Management Team: Dedicated & Seasoned Local Experts

Nationally Recognized OZ Fund



CHRIS KNOPPE CBUS OZ FUNDS

Chris Knoppe is president of Cbus OZ Funds in Columbus, Ohio, where he invests to improve local urban neighborhoods in a dramatic and meaningful way through concentrated renovation of distressed housing and mixed-use properties. Investing professionally since 2007, Knoppe has successfully navigated market cycles while executing strategies including distressed property acquisition and repositioning, hard money lending, home building, and fund management. He became enamored by the power of Opportunity Zones shortly after the program's formation, inspiring him to create a fund structure to amass a portfolio of houses, multifamily, and mixed-use properties while harnessing the power of the OZ incentives.

WHAT KIND OF TRENDS AND NEW INVESTMENT AREAS DO YOU THINK QOFS WILL FOCUS ON IN 2022?

Real estate will continue to be a key investment segment including housing and industrial, however, I think we'll see real estate investment expand into broader geographies and project types. As awareness of the OZ incentives grow, my hope is that more focus is given to hyper-local investment. Similarly, I think crowd-funding strategies will grow to allow broader investor participation.



Management Team: Dedicated & Seasoned Local Experts

Housing Investment Experts



Management Team: Dedicated & Seasoned Local Experts

Community Involvement



Management Team: Dedicated & Seasoned Local Experts

◆ CBUS OZ Funds Performance

◆ Fund I

- ◆ Summer 2019- began acquiring single family and small multi-family properties for renovation and rental in select urban OZ neighborhoods of Columbus, OH.
- ◆ \$900,000 in equity contributed
- ◆ 12 Projects Completed to as of October 2022
- ◆ NAV Growth of 43% in 3 years (14.33% annualized)

◆ Fund II

- ◆ February 2020: Fund II begins acquiring blighted urban single family & small multi-family properties at scale throughout urban Columbus OZ neighborhoods for renovation and rental.
- ◆ \$4.3M in equity contributed
- ◆ 40 Projects Completed to as of October 2022
- ◆ NAV Growth of 32% in 2.5 years (12.8% annualized)

◆ Fund III

- ◆ Fall 2021-Present: Fund III opens to raise up to \$50 Million over several years to build and renovate housing & mixed-used projects of slightly larger scale than funds I & II.
- ◆ Over \$8M raised to date being actively deployed.



Columbus Market: Growth, Demand for Housing & Resiliency

♦ Why Columbus? **Growth.**

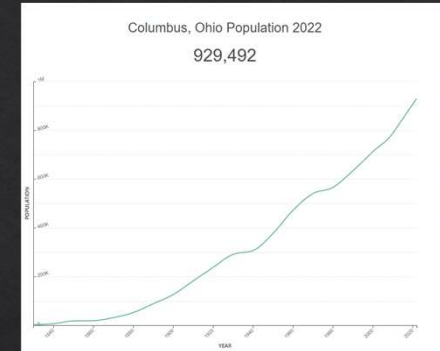
- ♦ Fastest growing city in the Mid-West
- ♦ City of Columbus is one of 14 U.S. cities to add 100,000 residents since 2010.
- ♦ Population in the Columbus metro grew by 12.46% from 2010 to 2020 with 2,138,926 residents.
- ♦ Region is expected to add 1 million residents by 2050.
- ♦ Low cost of living (10% more affordable than national average)
- ♦ Benefitting from migration patterns away from larger, more expensive & crowded cities.
- ♦ Job Growth
 - ♦ The Silicon Heartland (Intel \$100B mega-site for chip fabrication, Google, Facebook, Amazon)
 - ♦ Rising Startup & Venture Capital Hub
- ♦ Top 10 Millennial Concentration (48% of population under the age of 35, Median Age 35.9)
- ♦ Ranked #1 Opportunity City by Forbes



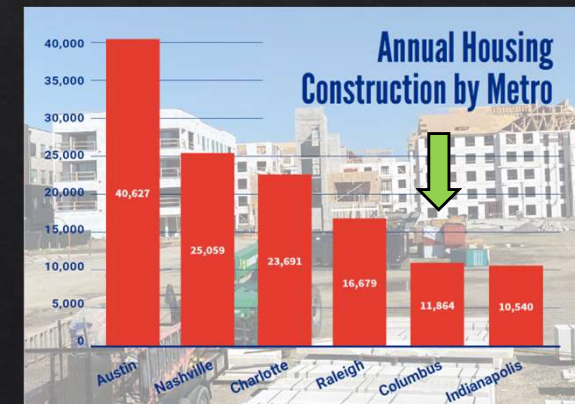
Columbus Market: Growth, Demand for Housing & Resiliency

◆ Why Columbus? **Strong Demand for Housing.**

- ◆ Local employment levels now exceed pre-pandemic levels
- ◆ Despite growth, housing units have been underbuilt.
 - ◆ Between 2009-2019, population in Columbus region has outgrown housing production:
 - ◆ 140,000 jobs created
 - ◆ 300,000 new people living in region
 - ◆ Only 50,000 housing units created
- ◆ 2020 saw the most new housing units created in 15 years, but still fell well short of peer cities and what is needed to keep up with population growth
 - ◆ 11,864 units built vs. 14,000-21,000 needed for population growth
- ◆ More Demand than Supply → Housing prices continue to rise
- ◆ Demand for additional supply from construction of new housing units
- ◆ Demand for additional supply from renovation of existing obsolete housing stock



<https://worldpopulationreview.com/us-cities/columbus-oh-population>



Columbus Market: Growth, Demand for Housing & Resiliency

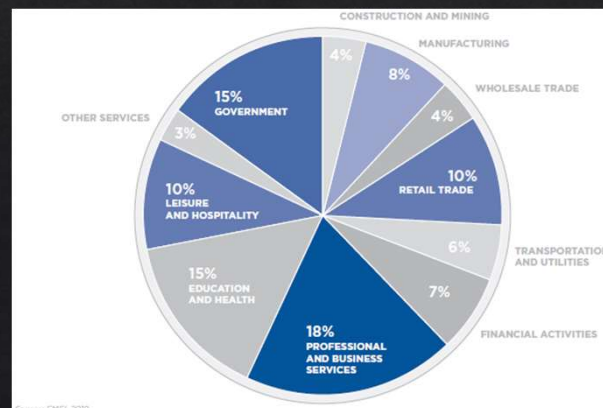
◆ Why Columbus? **Resiliency.**

◆ Historically Stable & Diversified Economy

- ◆ Logistics: 60% of the US population lives within 600 miles of Columbus (www.politifact.com)
- ◆ State Capital: Government Jobs Are Stable
- ◆ The Ohio State University - #3 largest U.S. college (and 51 other college campuses in the region- ColumbusRegion.com)
- ◆ 16 Fortune 1000 Headquarters (ColumbusRegion.com)
- ◆ No Industry Represents More Than 18% of Employment

NOTABLE EMPLOYERS

EMPLOYER	EMPLOYEES
Ohio State University.....	33,335
OhioHealth.....	23,836
State of Ohio.....	21,342
JP Morgan Chase & Co.....	18,400
Nationwide Insurance.....	12,500
Nationwide Children's Hospital	10,875
Kroger Co.....	10,563
City of Columbus.....	8,963
Mount Carmel Health System	8,776
L Brand Inc.	8,616
Columbus City Schools	8,260
Honda North America Inc.....	7,700
Franklin County.....	6,150
Cardinal Health Inc.....	5,075
Huntington Bancshares Inc.....	4,921
Amazon.....	4,828
Alliance Data Systems	4,396
American Electric Power Co. Inc.....	4,294
Giant Eagle Inc.....	3,386
Abercrombie & Fitch Co.	2,700
South-Western City Schools	2,688



Investment Strategy: Quick, Profitable, Effective

◆ Urban Redevelopment- Why & How?

- ◆ Population in City of Columbus grew by 15.1% from 2010 to 2020 with 905,748 residents (higher growth rate than cities of Nashville, D.C., Phoenix, Portland, Las Vegas, Houston, Dallas, San Antonio, etc.)
- ◆ Residential population in downtown Columbus has more than doubled between 2010 and 2020.
- ◆ National & local patterns of population migration into walkable, transit friendly, affordable neighborhoods.
- ◆ Neighborhoods surrounding downtown are experiencing tremendous growth.
- ◆ Current housing stock in urban neighborhoods is inadequate in quantity and quality.
- ◆ Strong demand exists for vast revitalization of existing housing stock as well as construction of new housing, particularly in the workforce housing price category that appeals to the masses and is currently under supplied.
- ◆ Many urban neighborhoods are Opportunity Zones due to historical local trends that are now reversing.
- ◆ Many urban neighborhoods have local property tax abatement programs to incentivize development.



Investment Strategy: Quick, Profitable, Effective

◆ Urban Redevelopment- Why & How?

◆ Renovation of Existing Obsolete Housing Units

- ◆ Many homes in urban neighborhoods are 60-100 years old, requiring full renovation to modernize mechanical systems, floor plans, and amenities.
- ◆ Fully renovated properties satisfy the OZ significant improvement requirement and have lower maintenance.
- ◆ Renovation of existing housing units is faster and less risky than larger development projects.
- ◆ Experienced real estate investors with construction knowledge can create value through renovation.
- ◆ Typical cost of purchase and renovation is 75% of completed value, thereby creating 25% equity gain.

◆ Construction of New Housing Units

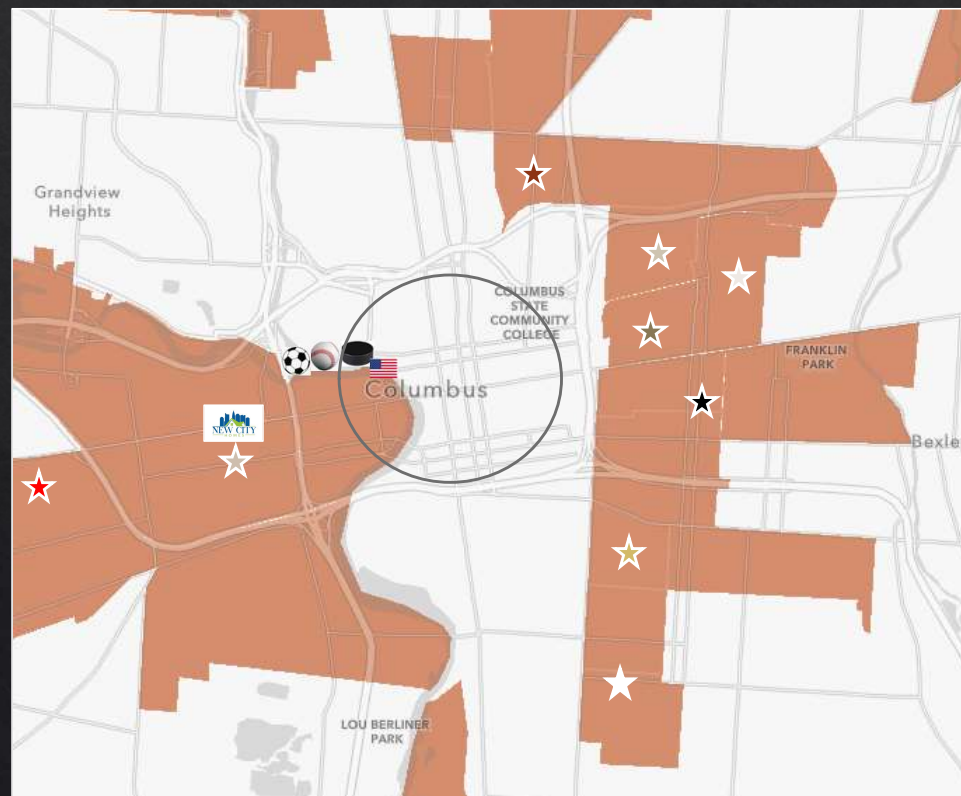
- ◆ Vacant in-fill building lots exist throughout urban neighborhoods from the demolition of vacant and dilapidated houses.
- ◆ Experienced and nimble home builders can profitably re-supply the lost housing stock by building new homes on one-off in-fill lots.
- ◆ Typical cost for new construction is 80% of completed value, creating 20% equity gain.
- ◆ Newly constructed houses and duplexes satisfy the OZ significant improvement requirement, have lowest possible maintenance, and are attractive to prospective renters.



Investment Strategy: Quick, Profitable, Effective

Urban Opportunity Zone Neighborhoods

-  ■ New City Office
- ★ ■ Franklinton
- ★ ■ Hilltop
- ★ ■ Milo-Grogan
- ★ ■ Mt Vernon
- ★ ■ Woodland Park
- ★ ■ King-Lincoln
- ★ ■ Olde Towne East
- ★ ■ Southern Orchards
- ★ ■ Vassor Village



Management Team: Dedicated & Seasoned Local Experts

Robust Track Record of Urban Revitalization Projects

Before



During



After



- 5 house streetscape near downtown Columbus
- Urban infill single family new builds
- Demolished 3 dilapidated homes and purchased two adjacent lots
- Homes all sold for between \$350,000 and \$400,000

Management Team: Dedicated & Seasoned Local Experts

Robust Track Record of Urban Revitalization Projects

- 4-unit townhome building
- Acquired with existing code orders from the city
- All units were vacant except 1 squatter (drug activity)
- Renovated all units and stabilized as cash flowing rentals



Before



After



Management Team: Dedicated & Seasoned Local Experts

Robust Track Record of Urban Revitalization Projects

- 4-unit building
- Drug activity
- Unpaying tenants, squatters, & unsafe living conditions
- All 4 units renovated and stabilized as cash flowing rental units

Before



After



Management Team: Dedicated & Seasoned Local Experts

Robust Track Record of Urban Revitalization Projects

- Purchased a vacant medical clinic
- Converted to 14 private offices
- 13 units currently rented to local small businesses
- Total cost \$285,000 after purchase and rehab
- Current rental revenue of \$5,058 a month

Before



After



Management Team: Dedicated & Seasoned Local Experts

Robust Track Record of Urban Revitalization Projects

- 5,060 Square foot warehouse
- Previously vacant, full of debris, and had holes in the roof
- Replaced the roof and improved the interior
- Now rented to Central Ohio School of Metalwork

Before



After



Management Team: Dedicated & Seasoned Local Experts

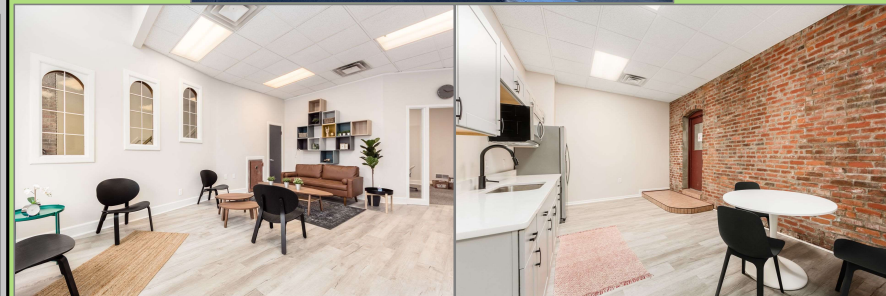
Robust Track Record of Urban Revitalization Projects

- Previously vacant commercial building
- Upstairs converted from an apartment to New City Homes office
- Lower level converted into private office spaces
- Lower level currently rented out by Unleashed Hair Salon and other local businesses

Before



After



Fund III Overview

Project Pipeline

- New construction of single-family home clusters
- Apartment Renovations
- Mixed-use Renovations
- New construction of mid-sized apartment buildings
- Walkable neighborhoods near downtown



Fund III Overview

- ◆ Accredited Investors Only
- ◆ Location: Columbus, Ohio
- ◆ Asset Class: Residential and Mixed-Use
- ◆ Multi-Asset Fund: Comprised of many small and mid-sized projects located throughout the urban neighborhoods surrounding downtown Columbus
- ◆ Investment Strategy: Provide much needed market rate workforce housing in the growing and underbuilt urban core through the renovation of existing obsolete housing & mixed-use assets as well the construction of new houses and small multi-family in urban neighborhoods
- ◆ Minimum Investment of \$100,000
- ◆ Target return to investors of 3.1X over 10 years (12% IRR compounded annually, tax-free exit after 10 years)
- ◆ Investors are eligible to receive the State of Ohio OZ Tax Credit equal to 10% of investment amount
- ◆ 100% of proceeds to investors until preferred return (8% accrued & compounded annually) plus return of capital is achieved.
- ◆ After the ten-year investment period required to achieve tax-free capital gains, the Fund will refinance and/or sell properties to provide investors with a target total return of 3.1X their initial investment (12% IRR, compounded annually and tax free upon 10-year exit).



Fund III Overview

◆ Important Dates

◆ December 14th, 2022: CBUS OZ FUNDS Webinar @ 10:30am EST

◆ December 31st, 2022

- ◆ Last day to invest for 2022 round of Ohio OZ tax credits.
- ◆ Could be significant deadline if OZ expansion legislation is passed as it would qualify for 15% step-up in basis

◆ Throughout 2023

- ◆ Gains from 2022 & 2023 asset sales are eligible for investment immediately, within 180 days of sale.

◆ June 2023

- ◆ 180-day deadline from any year-end 2022 asset sales

◆ September 9th, 2023

- ◆ Deadline to invest pass-through gains from entities that had 2021 capital gains (180 days from regular entity tax filing date of 3/15/22)
- ◆ Example:
 - ◆ ABC Partnership sells property XYZ in January 2021
 - ◆ Capital Gain of \$100,000 reported on partnership's 2021 tax return filed on 3/15/21
 - ◆ 180 deadline for individual partners to invest their gain into an OZ fund is 9/9/22

◆ December 31st, 2023

- ◆ Last day to invest for 2023 round of Ohio OZ tax credits.



CBUS Opportunity Zone Fund III

CBUS Opportunity Zone Fund III

NOW OPEN FOR INVESTMENT

Contact Information:

Chris Knoppe, President & Co-Founder

Phone: 614-333-0780

Email: Invest@CbusOZFunds.com



Website for New City Homes: www.NewCityOhio.com

Website for CBUS OZ FUNDS: www.CBUSOZFUNDS.com



CBUS OZ FUNDS

Follow us on your favorite social media!

