

# *GPS SoCal Industrial Fund*



*GPSFunds@naicapital.com*

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**NAI**Capital  
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

*Accredited Investors Only*



## Offering Highlights

|                        |                                                      |
|------------------------|------------------------------------------------------|
| Target Raise:          | \$250M                                               |
| Target IRR:            | 18%                                                  |
| GP Investment:         | \$10M                                                |
| Hurdle Rate:           | 8%                                                   |
| AUM Fee:               | 2%                                                   |
| Waterfall:             | European 80-20%                                      |
| Projected Hold Period: | 5-7 years                                            |
| Target Assets:         | Industrial value-add<br>in Southern California       |
| Fund Structure:        | CA LLC, with potential<br>conversion to private REIT |

## Executive Summary

The GPS SoCal Industrial Fund, LLC, a California limited liability company (the "Fund") is the investment arm of NAI Capital Commercial ("NAI Capital"). This is an opportunity to invest directly with the NAI Capital team, benefit from their superior knowledge of the market and take advantage of their strategic relationships.

Established in 1979, NAI Capital completes in excess of \$1B in annual real estate transactions for our clients. The largest privately held commercial real estate firm in CA, we have over 240 commercial real estate brokers active in 13 SoCal offices. Historically, the brokers have successfully invested together and with their clients.

The Fund will specifically target industrial properties in the areas of southern California where NAI brokers are active. The Fund will seek a blend of cash flowing and non cash-flowing value add opportunities. Properties will include raw land as well as buildings, with an eye on increasing cash flow through entitlements and adaptive reuse.

The GPS Team has an extensive track record of success with this exact product type. Unlike most funds, which raise the money first and look for acquisitions later, The Fund is in active negotiations to acquire over \$75M of off-market opportunities that meet or exceed our investment objectives.

## *Type of Offering*

The GPS SoCal Industrial Fund ("The Fund") will be offered under the Safe Harbor provisions of SEC Regulation D Rule 506c. As such, the Fund will be available to accredited investors only.

## *Unique Manager Commitment*

Principals of the Manager will co-invest in the Fund with the initial \$10M commitment.

## *Fund Sponsor*

The Fund is the investment arm of NAI Capital, a leading commercial real estate brokerage in Southern California. With 13 offices and approximately 240 real estate brokers, NAI Capital has been providing professional real estate services for over 45 years on a global scale.

Under the "GPS" brand, the Manager team has an extensive track record in opportunistic commercial real estate investments, having arranged over a dozen of these in the past 3 years alone.

## *Strong Deal Flow*

While most funds raise the money and then look for opportunities, the Team is negotiating contracts on over \$75M of acquisition opportunities that fit the return criteria.

## *Fund Mandate*

The Fund seeks to acquire value-add commercial real estate and related opportunities with a primary goal of capital appreciation and a secondary goal of cash flow within 12 to 18 months. The Managers will have the ability to react quickly to opportunities.

- **Geography:** The Fund will focus on areas in Southern California where NAI Capital has an existing office as well as deep transactional experience.
- **Property Focus:** The commercial real estate to be acquired shall be limited to industrial zoned properties. These will range from raw land to cash flowing buildings. The Fund will maintain a conservative debt profile, not to exceed 50% LTV.

## *Target Returns to Investors*

18-20% IRR with a 2-2.5x on equity in 5-7 years. Targeting an exit in 5 years, with flexibility to wait 7 years if market conditions justify the additional time. Cash Flow to begin within 12-18 months, targeting minimum 4% cash on cash.

# About NAI Capital

NAI Capital Commercial is the largest privately held commercial real estate firm in California. Founded in 1979, NAI Capital has over 240 brokers in 13 offices. Headquartered in Los Angeles, the company is the Southern California representative of NAI Global. NAI Global is a leading commercial real estate services network with over 5,800 professionals in 325 offices around the world. This allows NAI Capital to provide a comprehensive range of brokerage, finance, and property management services to our clients on a global scale.

**NAI CAPITAL COMMERCIAL BROKERAGE** specializes in traditional commercial real estate brokerage in Southern California. Averaging over \$1B in annual transaction volume, the company is known for an entrepreneurial approach to serving clients in a diverse range of industries. The company assists clients in planning and executing business strategies through complex transactions on a local, regional, national, or global scale.

**NAI CAPITAL FINANCE** is staffed by a team of dedicated professionals committed to delivering exceptional service. We focus on ensuring a smooth and efficient transaction process from start to finish, providing seamless financial solutions for our clients. Whether you're acquiring, refinancing, or developing commercial properties, our expert team crafts financing solutions that match your unique needs and ambitions.

**CAPITAL COMMERCIAL MANAGEMENT** offers unique and innovative solutions for office, retail, and industrial properties, tailored to meet the specific needs of both each asset and client. As an investor, aligning the performance of every property with your investment goals is crucial. Having the right commercial real estate partner is key. We provide expert resources and experience at every step of the real estate cycle to ensure your goals are met.

# The Team

The Fund will be managed by a highly experienced and seasoned team. The Managers are all dedicated full time to the success of the Project. Additionally, the Managers will have a minimum of \$10M invested into the Fund. Every Manager has at least 10 years of relevant experience, with most having over 25 years of experience.



## GIAN STARITA

*Founder and Manager,  
"GPS" branded investments  
Chief Investment Officer, NAI Capital  
Board Member, NAI Finance*

Gian is the founder of the GPS brand of investments and the Chief Investment Officer of NAI Capital. He has completed over \$1B in lease and sale transactions during his 25+ year tenure in the industry. Known for his analytic approach, Gian was a National Merit Scholar and graduated from Boston University with Honors. He has used this strong finance background to accumulate awards and accolades during his career. Gian conducts educational seminars on various real estate finance and investment topics, including tax-advantaged investment strategies. Gian is a devoted father to his two children. He can often be found yelling their names from the sidelines at their Lacrosse games. Gian resides in Las Vegas.



## CHRIS JACKSON

*CEO, NAI Capital  
Board Member, NAI Finance*

Chris Jackson is the head of the Fund, the investment arm of NAI Capital Commercial. Chris is a major shareholder, Board Member & CEO of NAI Capital Commercial, the largest privately held commercial real estate firm in CA. He ascended to this role by spearheading the company's acquisition by the brokers in 2020. Before the CEO role, Chris managed the Headquarters of NAI Capital in Encino since 2014. In his 27+ years of experience as a commercial real estate broker, he has completed well over \$1B in transactions of primarily industrial projects in CA. Chris prides himself on balancing a challenging work life with his family. Chris and his wife Denise live in the San Fernando Valley with their two daughters.



## MICHELE STEIN

*COO, NAI Capital  
Board Member, NAI Finance  
Manager, GPS SoCal Industrial*

As COO at NAI Capital for over two decades, Michele helped transform a small family-owned business into a leading commercial real estate brokerage. Under her leadership, NAI Capital grew to 13 offices, 300+ brokers and staff, and over \$1B in annual volume. She oversees expansion, HR, marketing, contracts, IT, business development, and compliance. Michele excels at executing strategy, driving growth, and resolving disputes with a human approach. She serves on boards for YMCA of the East Valley and The Guardians of LA Jewish Health and is a member of "Chief." Passionate about leadership and community, she enjoys time with her husband, their dog, and cherishes moments with her college-aged children.

# The Team *(continued)*



## TRACEY BROWNFIELD

*President, Land Veritas,  
Chief Strategy Officer, Board Member -  
The Carson Companies, Advisory Board  
Member McIntire School of Commerce*

Tracey has 40+ years of experience in real estate development and finance. After working for Copley Real Estate Advisors, where she negotiated real estate joint ventures with developers in California, she entitled industrial projects totaling over 2.5M sf. She subsequently co-founded Land Veritas Corp., where she developed wetland mitigation banks to conserve almost 5,000 acres in California. She recently completed the reclamation of the Curtis Sand & Gravel Mine in LA County, creating a 40-acre industrial outdoor storage property and a 140-acre mitigation bank. Tracey has a Harvard MBA and a BS from the McIntire School of Commerce at UVA. She is on the boards of Carson Companies, a private industrial REIT in Newport Beach, and the McIntire School.



## JEFF CHAIN

*CEO and President, Millenium Commercial  
Properties, Manager, GPS Davenport, VP  
of Properties Las Vegas Area Boy Scouts,  
Honorary Commander of 57 MXG, Nellis AFB.*

Jeff has over 45 years of experience in commercial real estate. He has worked as a broker, developer, also has an in-house property & asset management division. As a developer, he has owned and operated over 1M SF of office and retail properties. Jeff spearheaded the entire development process from raw land through the entire entitlement and construction process to deliver completed office and retail buildings. Additionally, Jeff has assembled, master planned, and developed over 7,500 acres of land. His signature project involved assembling and entitling 84 separate parcels into a 2,400 acre master planned community. He came in 1st in a national real estate firm of over 7,000 agents. Jeff is a past member of the CCIM Board of Directors, and an avid golfer.



## MAT HESTER

*Chief Financial Officer  
Certified Public Accountant*

Mat Hester began his career in public accounting with Ernst & Young. Mat has since led financial operations for multiple ultra-high-net-worth family offices, overseeing multi-entity and multi-national structures that include real estate, hospitality, and diversified investment portfolios. He also served as a Risk Management Officer for a private hedge fund, where he developed and enforced risk management frameworks, overseeing portfolio compliance, monitoring investment performance, and mitigating exposure across diverse asset classes. As CFO, Mat applies his experience to drive sustainable growth and maximize returns. His hands-on expertise in managing multi-entity financial operations, structuring efficient tax strategies, and establishing robust financial controls ensures the fund operates with precision and agility.

# The Team *(continued)*



## KEN WARD

*Executive Vice President, NAI Capital Commercial, Manager, GPS Opportunity Fund, Manager, GPS Davenport LLC*

With a construction background, Ken has over 10 years of experience as a Commercial Real Estate Agent in California. His experience includes traditional commercial real estate and specialized government work. Ken has represented the FDIC, NCUE, and US Marshals Service in the disposition of REO and seized assets across the US and internationally. He has worked with real estate consultants to maximize victim compensation from seized asset sales. Recently, Ken has been instrumental in forming and operating various real estate syndications under the "GPS" umbrella.

Ken has a unique ability to resolve complex negotiations. Ken is a borderline obsessive cyclist and skier and the father of two daughters. Ken won two NCAA Championships in men's lacrosse.



## JONATHAN C. BLACK

*Chief Legal Counsel  
Shareholder JB Clayton Legal PLLC*

Jonathan is the shareholder of JB Clayton Legal PLLC and is an attorney who specializes in complex real estate and corporate and structured finance transactions, including dispositions, acquisitions, entity structuring, joint venture structuring, debt structuring and investment vehicles for asset holdings with a particular emphasis on commercial real estate. Mr. Black has been a partner in some of the most prestigious international law firms and is known for developing innovative solutions on behalf of his clients. His clients have included pension fund advisors, developers, high net worth investors and fund managers. Mr. Black graduated with a B.A. from University of Pennsylvania Magna Cum Laude, Phi Beta Kappa and Juris Doctorate from the University of Virginia.

# *Investment Approach (Key Targets)*

The Goal of the Fund is capital appreciation. Cash Flow is a secondary focus, with a target of 4% cash distributed to investors after 12 months.

The Fund will invest exclusively in property types where the management team members have personal experience and an objectively impressive track record.

These property types include industrial buildings, industrial land for outdoor storage (IOS), and industrial entitlement projects. Ground up construction may be included as part of the value add process, either as build to suit or spec development.

Geographically, Fund boundaries will be the Antelope Valley in the North, Ventura County to the West, San Bernardino to the East, and Orange County to the South.

These product type and geographical parameters were chosen because of the knowledge, relationships, and successful investment history of the Managers.

We may also work closely with developers with whom we have a long track record. A portion (up to 20%) of the Fund can be allocated as JV or co-GP investments into other projects with which we are familiar and comfortable.

Additionally, the Fund will source distressed opportunities by working closely with NAI Capital's financing arm, NAI Capital Finance.

The Fund will grant the core team wide discretion to acquire opportunities within the above-described parameters. We are currently in negotiations for \$75M in acquisitions.

- ±171 acre unentitled industrial zoned land site
- ±22 acre Industrial Outdoor Storage land in Los Angeles County



# Discussion of Fund Investment Strategy

## *±22 acre Industrial Outdoor Storage land example*

The Fund has the opportunity to acquire ±22 acres of flat, useable outdoor storage land near Santa Clarita. The acquisition would be from a related entity. The acquisition at ±\$43M can be structured in phases, beginning with \$10M down, and \$900,000 in annual interest payments, equivalent to 2.65% of the unpaid balance. The remainder would be due in May of 2027.

The value creation is through leasing the sites. With projected annual market rents of \$3.7M NNN, the projected value of the site on sale is \$65M. The acquisition has been structured to minimize carrying costs during the leasing process, while also waiting for interest rates to drop in the next few years. It may be possible to complete leasing of the site during the synthetic financing phase of the project, which would result in a 3x on equity.

# Discussion of Fund Investment Strategy

## Continued

The site is comprised of 3 main sections:

- 9 acres flat, useable land. Projected rent \$1.5M NNN annually, currently vacant.
  - This portion would be purchased immediately for \$21M, with \$11M financed
- 5.3 acres flat, useable land. Projected Rent \$850k NNN annually, currently used by Seller
  - Directly abuts 9 acre parcel
  - Close of Escrow May 2027 (1 of 2 for \$22M)
  - Buyer can lease site for \$40k/ month gross with 4 months notice
  - Projected positive cash flow on Lease \$35k/ month
- 7.3 acres flat, useable land
  - Directly abuts 5.3 acre parcel
  - Close of Escrow May 2027 (2 of 2 for \$22M)
  - Delivered vacant at Close of Escrow, but not before
  - Target leasing can be separate, or phased in growth for user of initial 2 sites

### The strategy for this acquisition is:

- Execute new leases
- Use cash flow for expenses related to other sites and distributions to investors
- Sell project based on the lease, target sale price \$65M

# Discussion of Fund Investment Strategy

## *±171 Acre Unentitled Industrial Land Site example*

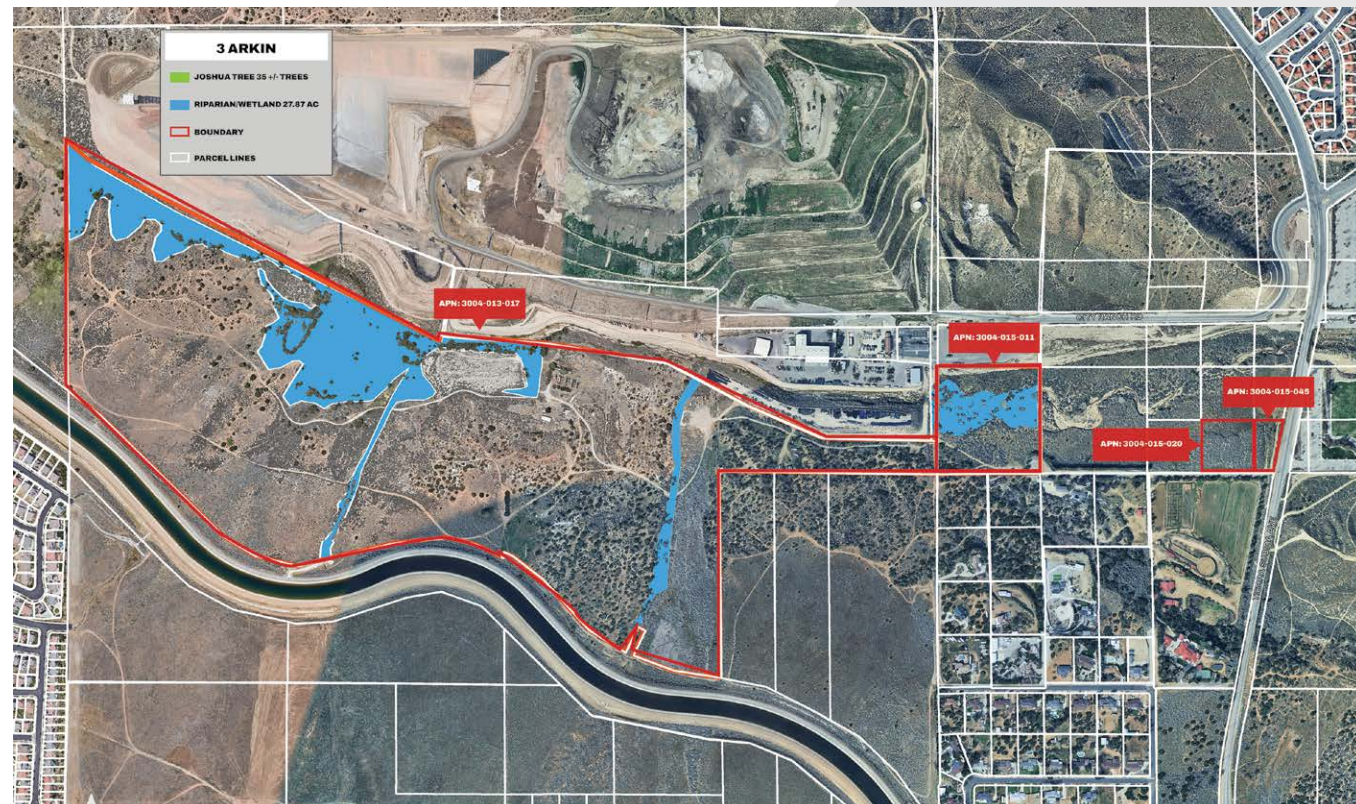
The Fund has an opportunity to acquire a ±171 acre industrial zoned land parcel. The ±\$30M acquisition can be structured to limit up front investment, to limit financial exposure during the entitlement process. The entitlement process is estimated at 2-4 years. The Fund has engaged Luna & Glushon, a land entitlement law firm, to prepare a feasibility report with associated timelines. The Fund has also obtained an appraisal showing an estimated value of \$300M if entitlements are obtained.

The strategy is to mitigate risk and maximize returns through up front legal research and minimal financial exposure to control the site. The appraisal justifies our targeted end value. In the event that entitlements cannot be obtained, the financial exposure is limited to actual costs of the entitlement process and \$400k in option payments.

Additionally, we are in discussions with a credit tenant who is interested in leasing the entire site. This team has successfully completed similar outdoor storage entitlements in the specific submarket.

### **The strategy for this acquisition is:**

- Control the Site through progress payments
- Mitigate risk through up front legal research
- Obtain entitlements
- Close Escrow (2-3 years from now)
- Execute long term lease on the project
- Sell project based on the lease, target sale price \$400M



# Track Record



## ***GORE Property 1***

- 22,500 SF Industrial Property in Las Vegas, NV
- Purchased August 2021 for \$2.7M
- Realized 45% Annualized return
- Off market transaction sourced by NAI broker, who invested in the project



## ***GPS Curtis***

- +/- 45 acre industrial land project in LA County
- Purchased December 2020
- Required entitlements and development
- Cash Flowing over 25% on cost
- Valued at 3-4x acquisition cost



## ***GPS Sierra***

- +/- 3.7 acre outdoor storage Property in LA County
- Purchased with below market rent to long term tenant
- Sold to Tenant for 366% annualized return on equity
- 1031 exchange completed, annual cash flow to investors 30% on equity

# Important Disclosures

The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the confidential Private Placement Memorandum (the "PPM") which is available upon request, (iii) do not and cannot replace the PPM and is qualified in its entirety by the PPM, and (iv) must be read in conjunction with the PPM and no person may invest without acknowledging receipt and complete review of the PPM. With respect to any "targeted" goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some or all of the principal invested. These "targeted" factors are based upon reasonable assumptions more fully outlined in the Offering Documents and PPM for the respective offering. Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. All offerings are intended only for accredited investors. Past performance is no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Investment offerings and investment decisions may only be made on the basis of a confidential private placement memorandum issued by Issuer, or one of its partners or issuers. Issuer does not warrant the accuracy or completeness of the information contained herein. Thank you for your cooperation.

# Real Estate Risk Disclosure

- There is no guarantee that any strategy will be successful or achieve investment objectives including, among other things, profits, distributions, tax benefits, exit strategy, etc.;
- Potential for property value loss – All real estate investments have the potential to lose value during the life of the investments; and/or tax status. An unfavorable tax ruling may cancel deferral of capital gains and result in immediate tax liabilities;
- Potential for foreclosure – All financed real estate investments have potential for foreclosure;
- Illiquidity – These assets are commonly offered through private placement offerings and are illiquid securities. There is no secondary market for these investments;
- Reduction or Elimination of Monthly Cash Flow Distributions – Like any investment in real estate, if a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions;
- Impact of fees/expenses – Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits;
- Stated tax benefits – Any stated tax benefits are not guaranteed and are subject to changes in the tax code. Speak to your tax professional prior to investing.
- Related Party Transactions – The Fund may engage the services of affiliates of the Fund and its Members and Managers. The compensation for such services shall be established by the Managers in their sole discretion.
- The Fund may also buy from or sell to related entities or entities with common ownership by Managers

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*Prospective investors should carefully read the Offering Documents to determine whether an investment in the Fund is suitable. The Fund's investment program is speculative, and investors must be able to bear the loss of their entire investment in the Fund.*

***The offering contemplated by the Offering Documents shall be a 506c offering. As such, only accredited investors may invest in the Fund. All potential investors must be verified as accredited investors either by a qualified third-party or by such other method as may be selected by the Fund's management team.***

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