

KINGDOM FORGE HOLDINGS

Knoxville 2-Pack – Investor Executive Summary

Presented by: KINGDOM FORGE HOLDINGS (KFH)
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EXECUTIVE SUMMARY



Overview

- Portfolio of 5 senior living facilities across Alabama
- Aggregating underperforming assets with significant upside
- Renovating, professionalizing operations, and repositioning rents
- Leveraging Solinity's proven operating platform



Project Summary

- Total Rooms: ~90
- Total All-In Cost: ~\$15.3M
- Average Cost Per Room Post-Reno: ~\$170K (vs. \$260-300K replacement)
- Target Stabilized Occupancy: ~85-90%



Investor Return Highlights

- Preferred Return: ~8-11% annually
- Target Equity Multiple: ~1.7-2.0x over 3 years
- Target IRR: ~15-20%



Exit Strategy

- Refinance or sale in ~3 years at ~7.5-8% cap rate
- Return of capital + profit participation



Use of Funds

- Acquisition: ~\$13.5M
- Renovation: ~\$1.8M
- Fees, reserves, soft costs



Next Steps

- Detailed 1-3 Year Pro Forma Available to Qualified Investors.

INVESTMENT THESIS

Why These Assets?

- Purchased well below replacement cost (~\$150K/room pre-reno)
- Strong regional demand for modern senior living product
- Aging local population with limited high-quality options
- Proven Solinity operational model

Value Creation Strategy

- ~\$20K/room renovation scope
- +15% target rent growth post-upgrade
- -30% expense reduction via professional management
- Occupancy ramp to ~85-90% within 18 months
- Phased renovation minimizes disruption

Solinity Partnership Advantage

- Top-tier operating systems
- Staff recruitment/retention strategies
- Lease-up and occupancy management
- Professional reporting to investors

Investing in critical infrastructure for America's aging population.



SOURCES & USES / RENOVATION PLAN

Sources & Uses – Combined 2-Pack

- Total Project Cost: ~\$15.3M
- Developer Fees: 5% of total cost
- Builder/GC Fees: 5% of renovation budget
- Reserves and Soft Costs: included
- Equity Required: ~30–35%
- Debt Financing: ~65–70% LTC



Acquisition

Purchase at ~\$13.5M

Renovation Scope

- ~\$20K/room average renovation
- Modern finishes, FF&E upgrades
- Compliance, accessibility updates
- Life safety systems as needed
- Phased ~12–18 month schedule



Renovation

\$1.8M strategic upgrades



Stabilization

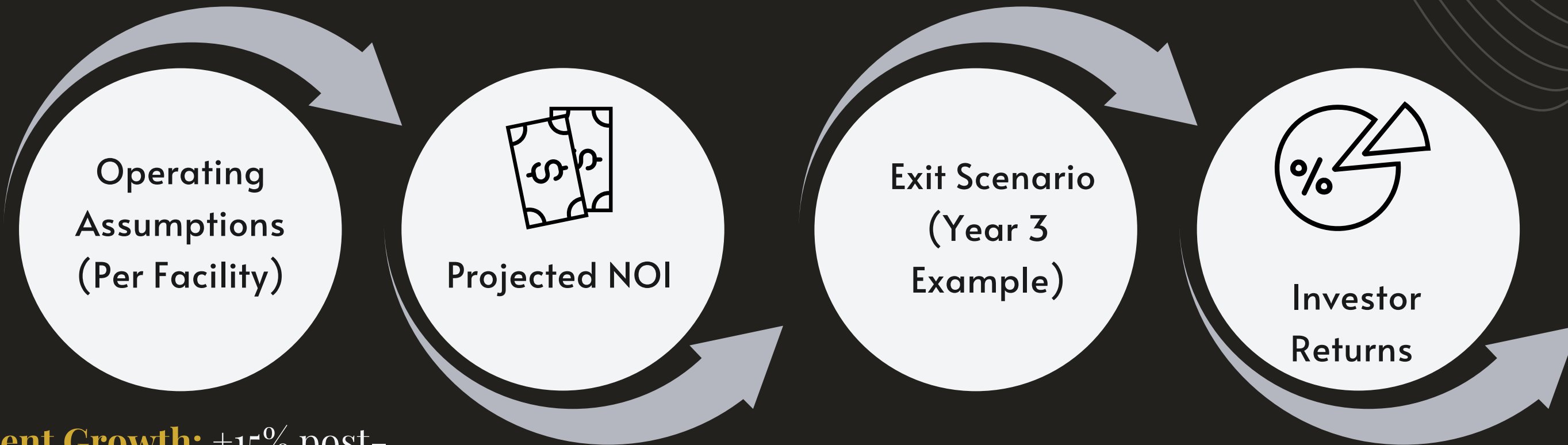
Starting ~65–70%

Stabilized ~85–90% within 18 months



Minimizing downtime while modernizing critical infrastructure.

PRO FORMA SUMMARY (YEARS 1–3)



- **Rent Growth:** +15% post-renovation
- **Expense Reduction:** -30% post-renovation
- **Interest Rate:** ~7%
- **Loan-to-Cost:** ~65–70%
- **Amortization:** 25 years
- **Interest-Only:** ~12–18 months

- **Year 1:** Ramp-up period (~65–75% occupancy)
- **Year 2:** Stabilizing (~80–85% occupancy)
- **Year 3:** Stabilized (~85–90% occupancy)
- **Combined Stabilized NOI:** ~\$2.79M

- **Exit Cap Rate:** ~7.5–8%
- **Estimated Exit Value:** ~\$35–38M combined
- **Debt Payoff:** (remaining principal)
- **Net Proceeds:** Equity return + ~50% gain

- **Preferred Return:** ~8–11% annually, paid first
- **Target IRR:** ~15–20%
- **Equity Multiple:** ~1.7–2.0X

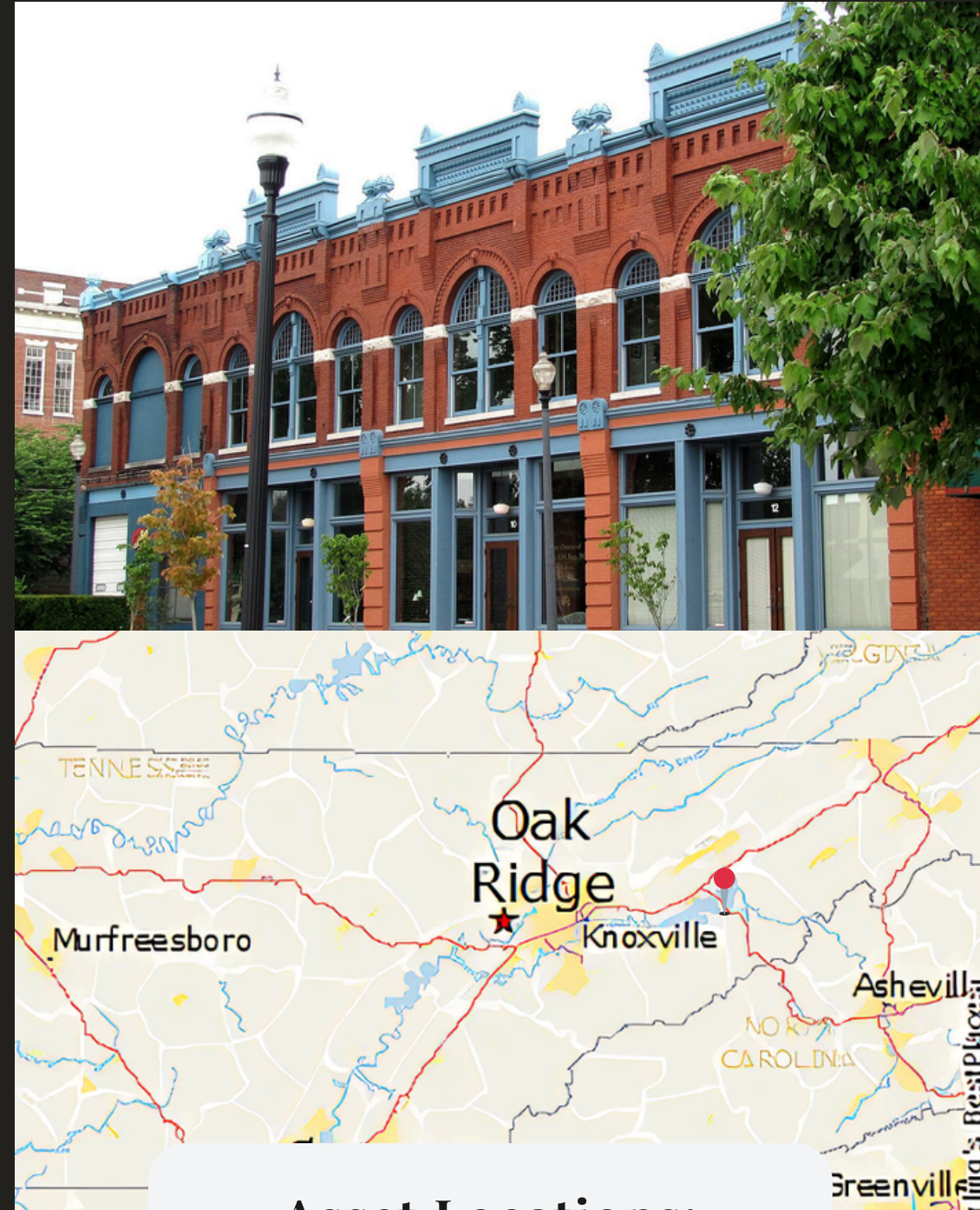
- **Full 1–3 Year Excel Model Available Upon Request.**

MAP / IMAGES / TEAM & PARTNER CREDENTIALS

Regional Highlights:

- Growing retiree population
- Strategic location in East Tennessee corridor
- Proven Solinity presence in the region

Professional execution from acquisition to stabilization.



Asset Locations:

- Knoxville Main
- Oakridge

Partnership Team:

- Kingdom Forge Holdings: Capital & Development
- Solinity: Premier Senior Living Operator
- Matt & Brandon: General Contractor/Builder
- John Moore: Capital Strategy & Structuring
- David Barefoot: Institutional & Family Office Partnerships



INVESTOR Q&A – KEY CONSIDERATIONS

Exit Strategy

- Planned refinance or sale in ~3 years
- Target exit cap rate: 7.5–8%
- Return of investor capital plus profit participation

Downside Risk Mitigation

- Purchased below replacement cost (~\$150K/room pre-reno)
- Strategic \$1.8M renovation plan boosts occupancy and rent potential
- Professional management by Solinity to reduce operating costs by ~30%

Distribution Timing

- Preferred return of 8–11% annually
- Distributions expected quarterly, subject to cash flow

Fees

- Developer Fee: 5% of total cost
- GC Fee: 5% of renovation budget
- Market-aligned, performance-driven structure

Who is Solinity?

- Premier senior living operator with a track record of turnaround success
- Deep operational expertise, staffing, and lease-up management
- Trusted partner in KFH's Southeast platform



Thank You!

Contact Us



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Gerente General

**Detailed Financial Model and Facility-Level Assumptions
Available Upon Request. For Illustrative Purposes Only.**