



## MULTIFAMILY INVESTMENT OPPORTUNITY

2020 Built, Core Class A Asset, 248 Units

8200 Clark Springs Drive Dallas, Texas 75236



**Clark Ridge Canyon  
Dallas TX**

# **Legal Disclaimer**

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All references to acreage, square footage and other measurements are approximations and must be independently verified. Prospective investors are encouraged to conduct their own independent due diligence investigation, review financial projections, and consult with their legal, tax, and other professional advisors before making an investment decision.



## *Scope of Discussion*

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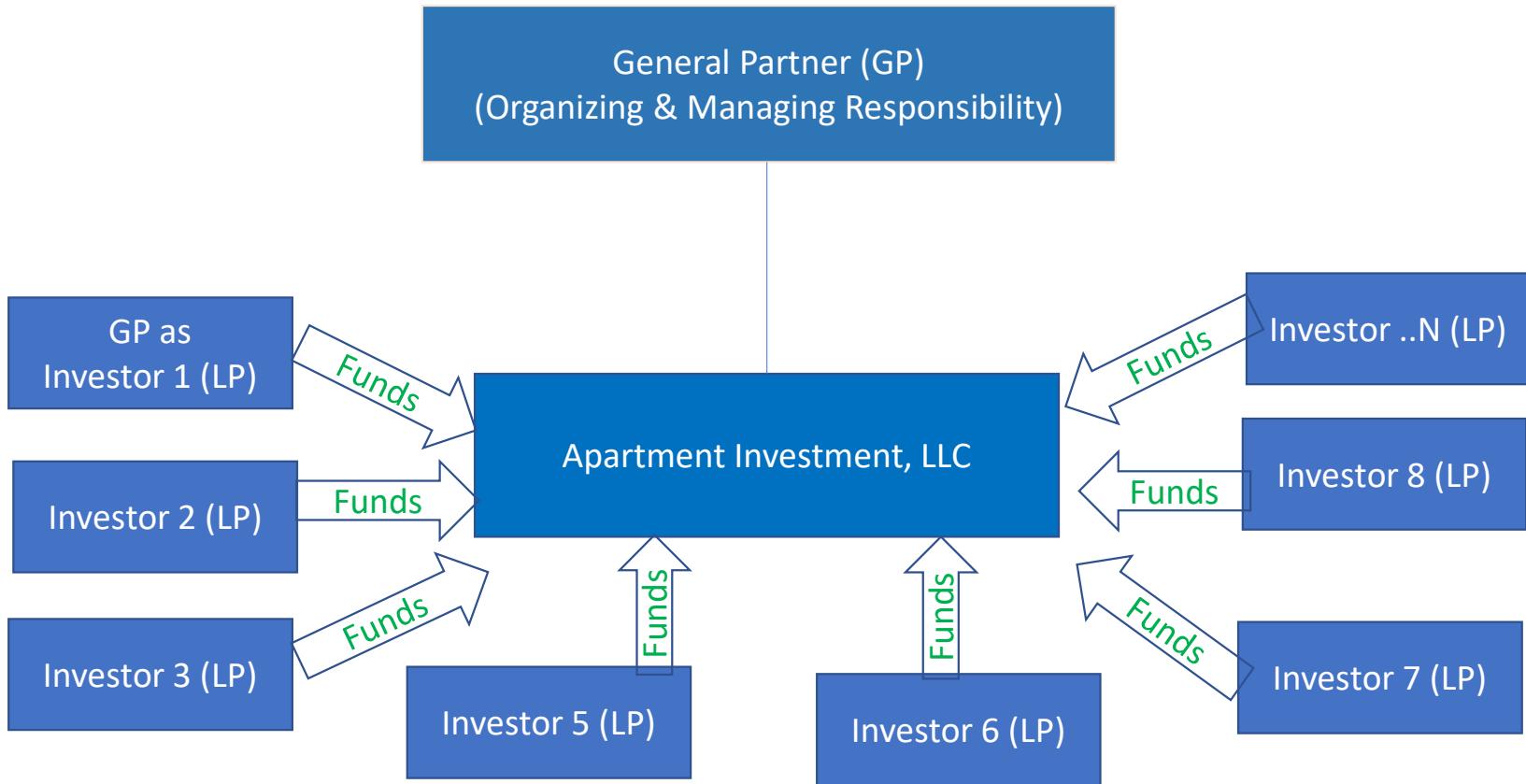
- Purpose of the Meeting
- What is Private Equity?
- What is the Proposed Structure?
- The Investment Opportunity

# *Private Equity*

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- What is it? > Investors come together to tap into the opportunity to realize better than average return
- Regulations > SEC Regulations D 506 (b)
- Liquidity > Not a Liquid asset like cash or stock/bond
- Accredited Investors
  - Through Assets
  - Through Income
- Real Estate PE – Typically a Long-term investment
  - 90% of millionaires are made through real estate
  - Recession resilient asset class
  - Conservation of Principal
  - Most favored hedge against inflation

# **Proposed Structure**



# Sponsors

Jomon Kannala



- Resident of Texas for the last 24 years
- Commercial Real Estate Investor for more than 15 years
- Oil and Gas Professional for 24 years
- Professional Engineer in Texas
- MBA in Finance and Real Estate
- Limited Partner in multiple projects

Beny Peedikayil



- Resident in the US (NY/CA/TX) for the last 26 years
- Bachelors in Engineering & MBA
- Sr. Manager at a Multinational Company
- Commercial Real Estate and other business Investor
- Limited Partner in multiple projects

# **Lead Sponsors**

Jack Aduwo



[Link to Bio](#)



Raj Sarangam



[Link to Bio](#)



# ***Our Philosophy, Principals & Value Proposals***

## **Our Philosophy:**

- Acquire assets located in landlord friendly markets
- Acquire assets located in primary & secondary markets
- Focus on markets with growth above national level:
  - Job growth
  - Population growth
  - Income growth
- Invest only in the top sub-markets of the targeted MSA
- Low crime rate

## **Our Guiding Principles:**

- Analyze investments with prudence, diligence, and care
- Act as fiduciary to investors; supreme focus on protection, preservation, and effective utilization of their capital
- Treat investors, customers, residents, vendors, and employees with respect
- Aggressively execute our business plans with the goal of doubling investors money in the shortest amount of time

## **Our Value Proposals:**

- Investors with 10+ yrs. experience
- Over 2,000 units AUM
- Strong expertise in the Texas market with over 1,000 units AUM
- Institutional quality asset management
- Experience in owning and managing all classes of multifamily from C- to A+
- Value add as a function of experience and quality of life

# Why Multifamily?

An Asset Like No Other



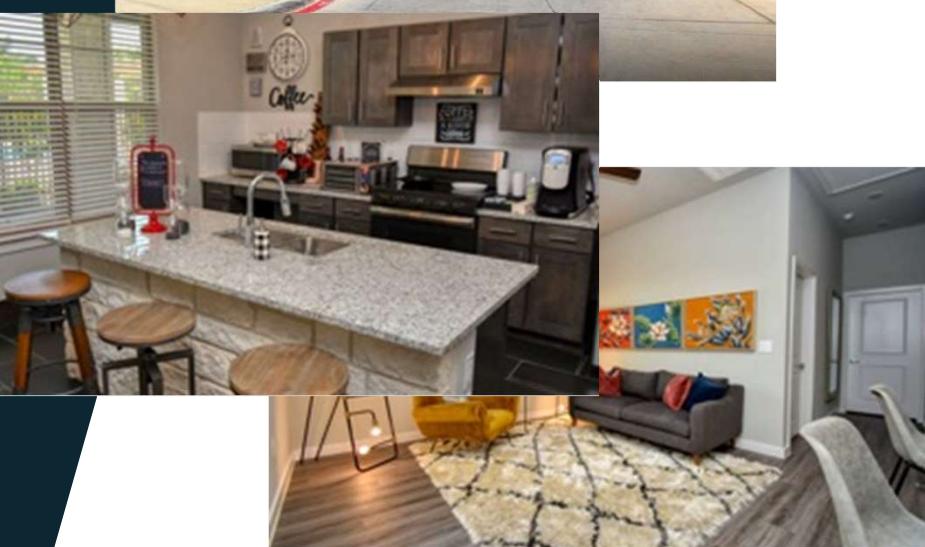


## Executive Summary

- Kendu-Bay Properties / ORP Investments and its partners have identified Clark Ridge Canyon, a 248 units, 2020 built, Class-A asset located in Dallas Texas for acquisition. The sponsors have strong experience in the Dallas market and opportunities that this property provides. Sponsors have acquired and currently operate similar properties in the Texas market. **Sponsors just sold a property 3 miles away with investors achieving close to 3X equity multiple and 35% IRR in a span of 32 months** which goes to show sponsors' experience
- **Dallas has maintained strong market growth over the last two decades**. The markets offers excellent access to major employment hubs. Due to the region's low cost of doing business and highly skilled labor force, companies across various sectors have relocated or expanded operations to these two markets.
- With **about 10,000 people moving to Dallas per month** (2010-2021 period), this the 4th largest MSA in the U.S. and projected to be the 3rd largest within next 10 years.
- Being centrally located combined with exceptional climate and business friendly environment have resulted into **over 1-million people relocating to Dallas over the last decade**.
- Dallas has been experiencing some of the major corporate relocation. **In 2020 about 15 corporate relocated to Dallas** and about 30 implemented major corporate expansion to Dallas
- With an **average housing price that is about 50% lower** compared to other major US metros, Dallas certainly boast as of major city with low cost of living



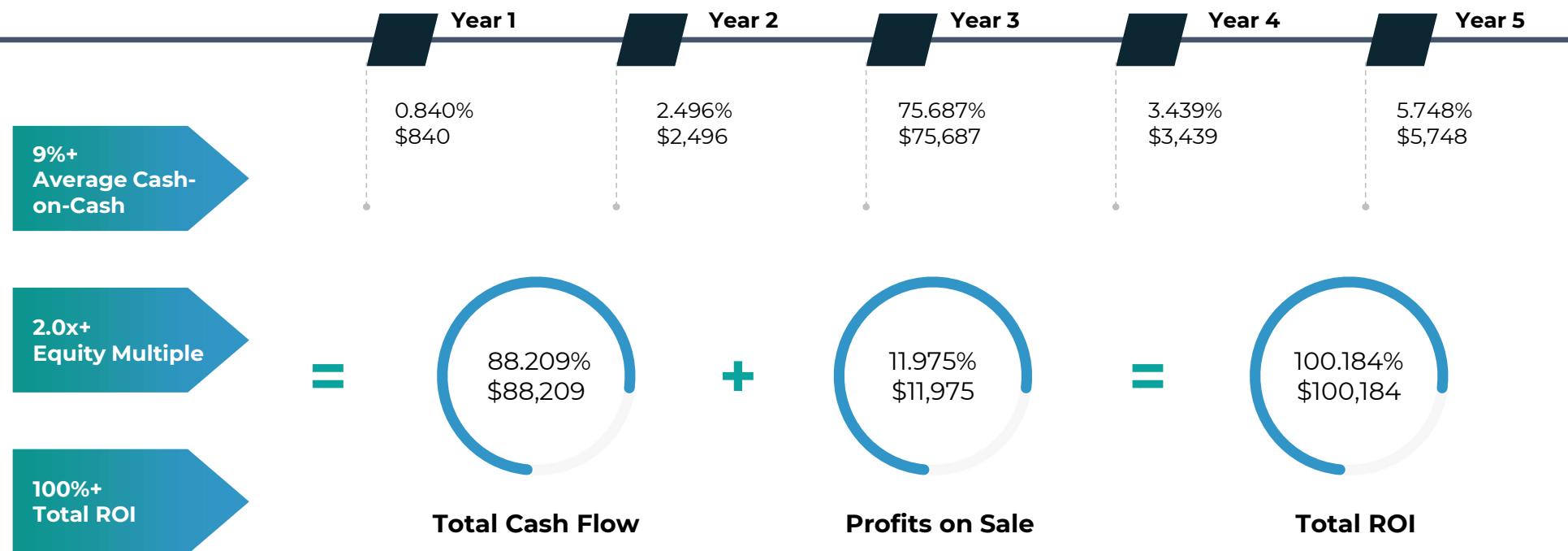
# Clark Ridge Canyon



- Clark Ridge Canyon is an exceptional 248 units **townhome style apartments that are built in a single-story fourplex** format which makes it look and feel more like single family residential than apartments.
- Built by a very experienced developer that has over 50 years of experience in real estate development in Dallas.
- The property is located in an area with very few new development, making its asset class unique and attractive to local tenants.
- This is a gated residential community which offers unmatched amenities to its residents. These include resort style swimming pool, fitness center, spin room, grill stations, dog park, etc.. among other amenities.
- The developer built this property with very high-quality materials and thus enables us to instead **focus our business plan to enhancements that results in improving tenants experience and quality of life.**
- With an average square feet of 802, the property offers a two-unit mix; 1-bed and 2-bed units.
- The South Dallas County is **home to one of the fastest growing industrial distribution hubs in the country and is adding warehouse jobs at an impressive pace.** Steady industrial job growth and healthy population growth have provided a boon to apartment demand.
- As vacancy rates are trending near record lows, **rent growth has surged over the past year.** Low rents, coupled with rising construction costs, have contributed to scarcity of rental units.

# Projected Returns Class – B

5-year projection of cash flow and profits on sale over 5 years after take over Stabilization - Based on \$100,000 investment:



# Investment Highlights

Well designed and thought-out site floor plans giving home feeling

Dallas market that has experienced significant population in the last 2 decades

Rents are significantly below market comps  
Recent lease trends are proven concept to achieve market rent

Significant upside in Other-Income

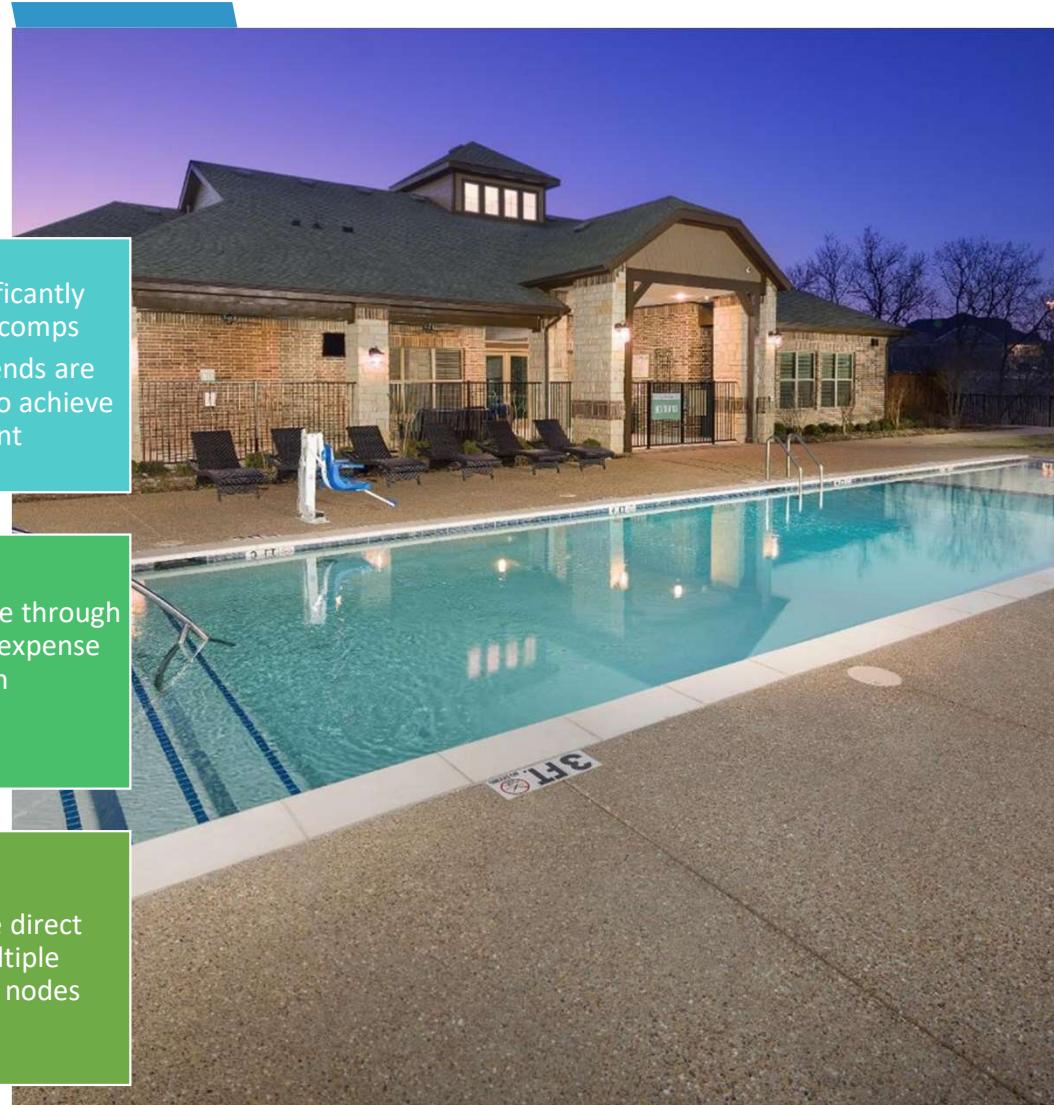
Excellent location near major employment hubs

Operational upside through efficiencies and expense reduction

Modern interiors featuring upscale granite countertops, stainless-steel appliances, wood-vinyl flooring in living areas and open concept layouts

Easy Access to DFW Metro  
Only 15 mins from downtown Dallas  
Right off I-20 Highway exit  
30K daily drive by traffic

Residents have direct access to multiple transportation nodes



# Investment Summary

	Clark Ridge Canyon
<b>Address</b>	8200 Clark Springs Drive
<b>Units</b>	248
<b>Built</b>	2020
<b>Purchase Price</b>	\$54,000,000
<b>Equity Amount</b>	\$17,951,720
<b>Entry Cap Rat</b>	3.9%
<b>Exit Cap Rate:</b>	4.75%
<b>Occupancy</b>	97%
<b>DSCR (Year 1)</b>	1.25
<b>Holding Period</b>	3-5 yrs.
<b>Cash-Out Refinance</b>	2-3 yrs.

# Return Summary

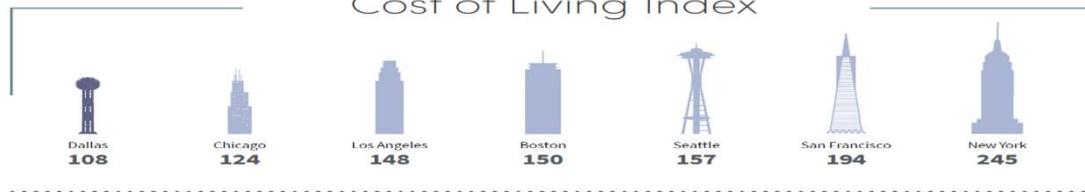
<b>Holding Period</b>	3-5 years
<b>Refinance</b>	18 months to 36 months
<b>Class B</b>	80/20 cashflow split with GP
	Avg. annualized return: 20%
	Equity multiple : 2.0x+
	IRR : 18.00%+
	50/50 profit split after 2.15x
<b>100% Year-1 Tax write off due Cost Seg and bonus depreciation</b>	

# Equity Source And Uses

Clark Ridge Canyon	
<b>Senior Debt</b>	70% LTV
<b>Pref Equity</b>	19%
<b>Common Equity</b>	11%
<b>Loan</b>	\$38,544,000
<b>Cap-Ex (Financed)</b>	\$744,000
<b>Down Payment</b>	\$16,200,000
<b>Closing Cost</b>	\$1,031,000
<b>Working Capital</b>	\$383,903
<b>Escrow: Tax &amp; Insurance</b>	\$283,060
<b>Loan Type</b>	Bridge Loan (non-recourse)
<b>Interest Rate</b>	4.5%
<b>Term</b>	3/1/1
<b>Interest Only</b>	3-yrs

# Dallas Market

## Cost of Living Index



## TOP 25 2020 DALLAS-FORT WORTH RELOCATIONS & EXPANSIONS

COMPANY	LOCATION	EST. JOBS INCREASE	EXPANSION / RELOCATION
1 JPMorgan Chase	Plano	4,000	Expansion
2 Uber Technologies	Dallas	3,000	Relocation
3 Allstate Insurance	Irving	1,300	Expansion
4 Keurig Dr Pepper	Frisco	1,100	Relocation
5 Roche Pharmaceutical	Plano	800	Relocation
6 Albridge Hospitality	Plano	600	Expansion
7 Ryan, Inc.	Plano	550	Relocation
8 Stanley Black & Decker	Fort Worth	500	Expansion
9 DXC Technology	Richardson	500	Relocation
10 Masergy	Plano	500	Expansion
11 Cognizant	Plano	500	Relocation
12 Tech Mahindra Americas	Plano	500	Expansion
13 Coris Life Sciences	Irving	500	Relocation
14 Texas Instruments	Richardson	488	Expansion
15 Splunk	Plano	450	Expansion
16 Infosys	Richardson	400	Expansion
17 Ericsson	Lewisville	400	Relocation
18 Paragon Healthcare	Plano	330	Relocation
19 Stanley Black & Decker	Fort Worth	300	Relocation
20 AT&T	Richardson	300	Relocation
21 Qualtrics	Plano	300	Expansion
22 Dentsply Sirona	Richardson	300	Expansion
23 Kraft Heinz Food	Garland	250	Expansion
24 Mitel	Plano	250	Expansion
25 Qualtrics	Plano	200	Relocation



### RELOCATIONS BY STATE (2010-2018)

California	47	Illinois	6	New Jersey	4	Oklahoma	3	Minnesota	2
International	29	Florida	5	Texas - Houston	4	Colorado	2	Massachusetts	2
New York	7	Connecticut	4	Arizona	3	Nebraska	2	Texas - Austin	2

The following states had one relocation from 2010-2018: Alabama, Arkansas, Delaware, Georgia, Louisiana, Michigan, Missouri, Nevada, New Hampshire, Ohio, Pennsylvania, Tennessee, and Washington.



## #1 METRO FOR POPULATION GROWTH

San Francisco

New York

Charlotte

Los Angeles

Miami

Washington

Atlanta

Phoenix

Houston

Dallas/Fort Worth

2010 - 2021 Population Change (Thousands of People)

7.7 million

DFW Population (2021)

4th Largest

DFW metro area in US

20.4%

Dallas growth since 2010

16.3%

Texas growth since 2010

6.0%

US growth since 2010



### LEADING PRO-BUSINESS ENVIRONMENT

#1 for doing business 17 years in a row

Source: CEO Magazine



### FAVORABLE TAX CLIMATE

0% State & Local Income Tax



### HIGH-QUALITY OF LIFE

Favorable year-round climate and traffic commute time



### LOW COST OF DOING BUSINESS

Score of 98.1 for Dallas  
(U.S. avg = 100.00)

Source: Moody's



### CRITICAL MASS OF HEADQUARTERS & REGIONAL OFFICES

144 corporate headquarter relocations since 2010



### MAGNET FOR TOP TALENT IN THE U.S.

Strong wages and low cost of living create an attractive employment base

749,726 new residents projected over the next 5 years

Source: EMSI

# Dallas Market

## SAMPLE OF HEADQUARTER RELOCATIONS TO DALLAS-FORT WORTH, 2010-2021

The Dallas-Fort Worth region is regularly identified as one of the nation's top markets for new and expanded corporate facilities.

Dallas-Fort Worth attracts a broad spectrum of companies. Past relocations to the region include headquarters moves for Fortune 500 and Forbes Top Private companies such as Golden Living, Fluor, Comerica, and AT&T.

These companies are more recently joined by well-known industry leaders like Toyota, McKesson, NTT Data, Jacobs, and CBRE. During the same period, companies including Amazon; Bed, Bath & Beyond; BMW; Galderma; and General Motors have expanded into distribution, logistics, and manufacturing centers.

Meanwhile, corporations including 7-Eleven, American Airlines, Liberty Mutual, State Farm, FedEx, and Mr. Cooper (formerly Nationstar Mortgage) have expanded into new corporate office space.

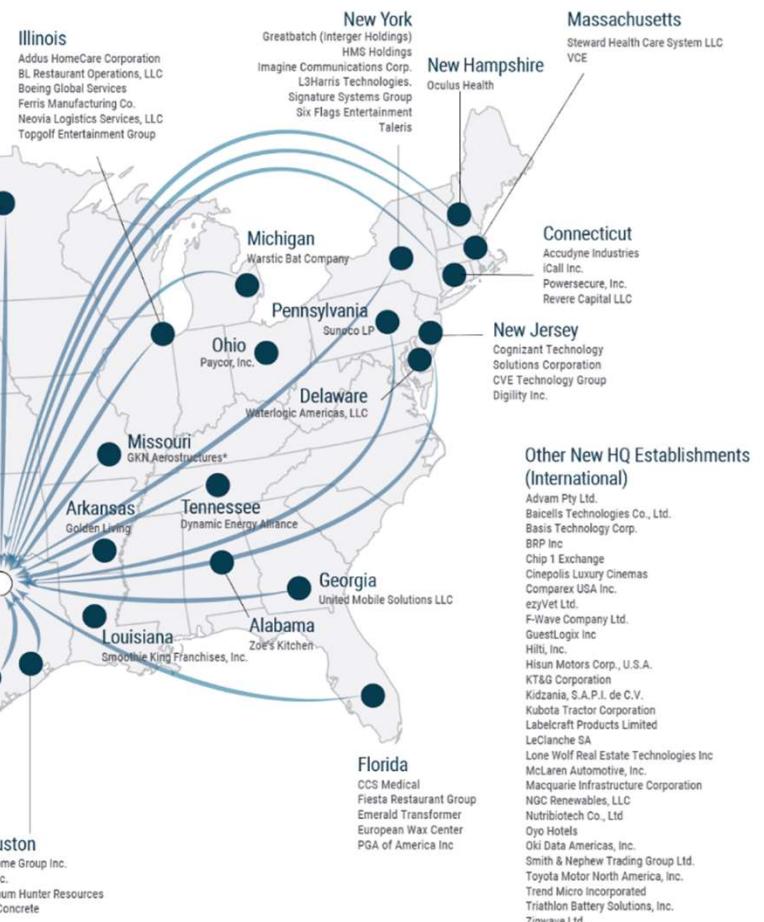
SOURCE: DRC RESEARCH



Acacia Research Group LLC  
Active Network, LLC  
Ameriflight, LLC  
Ariat  
Astura Medical  
C & S Propeller LLC  
Caliber Bodyworks Psa of Texas, Inc.  
CBRE Group  
Channell Commercial Corp  
Charles Schwab Corp  
Ciao Telecom, Inc.  
Consolidated Electrical Distributors, Inc.  
Copart, Inc.  
Core-Mark International, Inc.  
Daegls Inc.  
Dealersocket, Inc.  
DJO Global, Inc.  
Farmer Bros. Co.  
Fincal, Inc.  
Fonality, Inc.  
Glenmount Global Solutions, Inc.  
Ironclad Performance Wear Corporation  
Jacobs Engineering Group Inc.  
Jetsuite, Inc.  
KVP International

Kubota Tractor Corp.  
Loandepot.com, LLC  
McKesson Corporation  
Monkeysports, Inc.  
Motorsport Aftermarket Group, Inc.  
MV Transportation, Inc.  
Omnitracs, LLC  
Pacific Dental Services, Inc.  
Pacific Union Financial, LLC  
Panoramic Doors, LLC  
Primoris Services Corporation  
Quality Custom Distribution  
Raytheon Technologies Corp  
Rixi Recovery Service Inc.  
SignEasy  
Solera Holdings, Inc.  
Solid Gear, Inc.  
SWH Mimi's Cafe, LLC  
Tearlab Corporation  
Toyota Industries Commercial Finance, Inc.  
United Scientific Group LLC  
Vendor Resource Management, Inc.

## MAJOR EMPLOYER RELOCATIONS



# Dallas Market

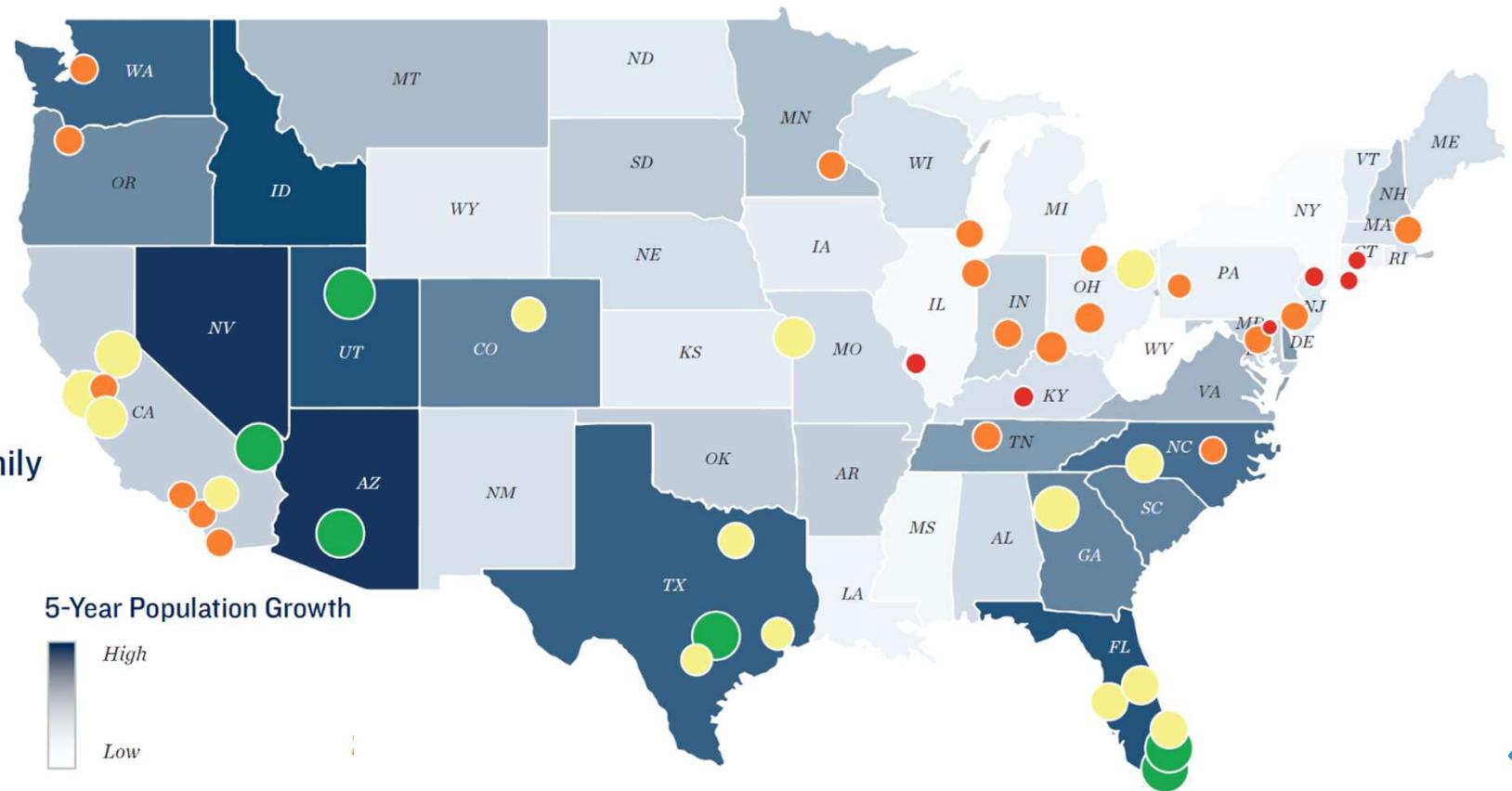
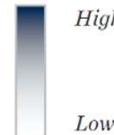
## Migration Patterns Reflected in Rent Growth

2022 Average Effective Rent Growth vs. 2017-2022 Population Growth

### 2022 Multifamily Rent Growth

- < 3%
- 3% - 4.6%
- 4.7% - 6.9%
- > 7%

### 5-Year Population Growth



# Dallas Market

## DALLAS-FORT WORTH ECONOMY

### JOB GROWTH

In 2021 ranked #1 in the U.S. for job growth by adding 134,400 jobs, beating the second highest job growth metro (Phoenix) by over 20%.  
- BLS Current Employment Statistics Survey

### CORPORATE EXPANSIONS

Since January 2021, over 80 companies have announced plans to expand operations or open new facilities in the Dallas metro area  
- Dallas Chamber of Commerce

### FORTUNE 500

Home to 22 Fortune 500 headquarters, Greater Dallas ranked 3rd among U.S. metro areas, behind only New York and Chicago  
- Fortune Magazine

### ROBUST APARTMENT DEMAND

Dallas-Fort Worth registered the highest net absorption in the nation in 2021 - RealPage

### DFW BUSINESS ECONOMY: COMPETITIVE STATEWIDE PROGRAMS

#### PRO-BUSINESS STATE INITIATIVES

- Personal Income Tax
- Write-Off Texas Sales Tax
- Energy Start Product Tax Break
- Texas is Retirement Friendly
- Back to School Tax Break
- Tax Abatement Act
- Appraised Value Limitation
- Economic Development Corporation Act

#### TAX-RELATED PROGRAMS

- Texas Enterprise Fund
- Texas Emerging Technology Fund
- Texas Product/Business Fund
- Texas Skills Development Fund
- Tax Increment Financing
- Freeport & Goods-In-Transit Exemptions
- Municipal Property & Sales Tax Rebates
- Foreign Trade Zone
- Economic Development Corporation Act

### GLOBAL 500 | FORTUNE 500: #2 FASTEST GROWING ECONOMY - FORBES

Dallas-Fort Worth continues to draw Fortune and Global 500 headquarters through growth and expansion of local companies as well as by relocations of headquarter operations. DFW is the only region in the U.S. to host three Fortune 15 companies (Exxon Mobil, McKesson and AT&T). These three DFW companies are also among the Global 25, second only to Beijing in number.

+196,900

LARGEST OVER-THE-YEAR PERCENTAGE GAINS  
IN METROPOLITAN EMPLOYMENT (FEB 2022) - BLS

### DFW INTERNATIONAL AIRPORT: \$37 BILLION ECONOMIC OUTPUT

- Access to every major city in the continental U.S. within four hours
- 4th busiest airport in the world for operations
- 15th busiest passenger airport in the world
- Host to 20 passenger airlines and 22 cargo carriers
- Service to 178 domestic and 49 international destinations out of 5 terminals and 164 gates
- Economic output to the Dallas-Fort Worth region totalling \$37B, supporting 228K full-time jobs and \$12.5B in payroll

Source: Dallas Regional Economic Development Guide

**DFW INTERNATIONAL AIRPORT | 2020:**  
Total Passengers: 39,364,990 | International Passengers: 3,424,775  
**DALLAS LOVE FIELD | 2020:**  
Total Passengers: 7,684,653 | Total Operations: 170,162  
Total Cargo (metric tons): 871,593 | Travel time from Downtown Dallas: 11 minutes

### 2021 FORTUNE 500 RANKINGS

COMPANY	RANK	REVENUE (\$M)
<b>DALLAS</b>		
AT&T	11	\$177.7
Energy Transfer	81	\$38.9
CBRE Group	122	\$23.8
Tenet Healthcare	167	\$17.6
Texas Instruments	210	\$14.5
Jacobs Engineering	225	\$13.6
Holly Frontier	279	\$11.1
Southwest Airlines	336	\$9.0
Builders First Source	350	\$8.6
<b>FORT WORTH</b>		
American Airlines Group	174	\$17.3
<b>PLANO</b>		
Yum China Holdings	363	\$8.3
<b>IRVING</b>		
McKesson	7	\$231.1
Exxon Mobil	10	\$181.5
Kimberly Clark	158	\$19.4
Fluor	196	\$15.9
Vistra	274	\$11.4
Pioneer Natural Resources	428	\$6.7
Celanese	477	\$5.7
Commercial Metals	492	\$5.5
<b>ARLINGTON</b>		
D.R. Horton	148	\$20.3
CACI International	473	\$5.7
<b>WESTLAKE</b>		
Core Mark Holding	224	\$13.6
Charles Schwab	251	\$12.1

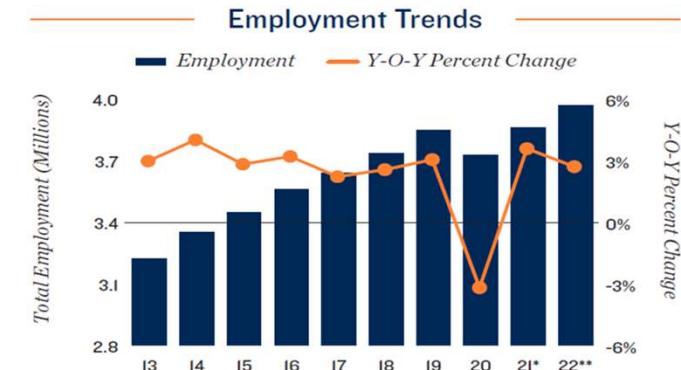
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# Dallas Market

Location	Cost of Doing Business
Phoenix	10.28
Charlotte	87.2
San Antonio	88.6
Fort Worth	91.7
Atlanta	92.1
Dallas	96.0
Kansas City	96.2
Houston	98.7
Philadelphia	99.1
Chicago	99.4
Denver	101.3
Minneapolis	101.8
Austin	102.2
Seattle	107.3
Washington DC	112.7
Miami	113.5
Los Angeles	116.4
Boston	127.3
San Diego	134.00
New York	155.9
San Francisco	174.0
DALLAS-FORT WORTH	93.9
NATIONAL AVG	100.00

## Top 10 Markets by Population Growth

Highest Population Growth	2017-2022* Population Change	2022* Rent Growth
Austin	11.4%	7.3%
Las Vegas	9.4%	7.2%
Phoenix	8.7%	7.2%
Raleigh	8.3%	3.5%
Orlando	7.5%	5.7%
Dallas-Fort Worth	7.4%	5.3%
Salt Lake City	7.3%	7.7%
Charlotte	6.9%	5.4%
Nashville	6.9%	4.1%
Houston	6.6%	4.7%
U.S.	2.3%	5.2%

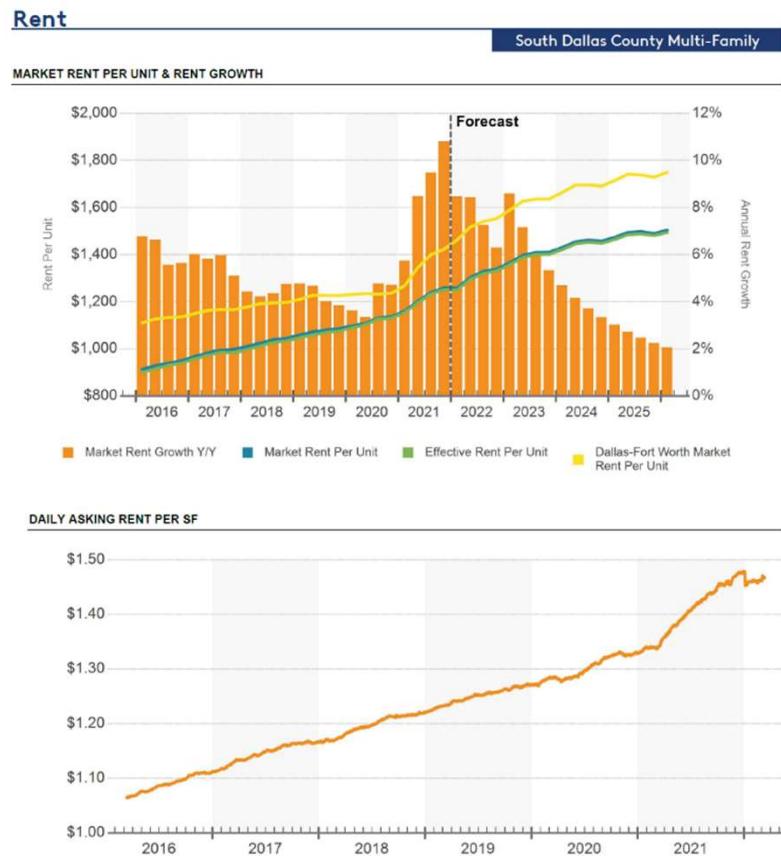


	US Largest Metros	2018 Population	2010-18 Population Increase
1	New York	19,979,477	2.00%
2	Los Angeles	13,291,486	3.50%
3	Chicago	9,498,716	0.30%
4	Dallas-Fort Worth	7,539,711	16.90%
5	Houston	6,997,384	17.70%
6	Washington	6,249,950	10.30%
7	Miami	6,198,782	11.00%
8	Philadelphia	6,096,372	2.10%
9	Atlanta	5,949,951	12.20%
10	Boston	4,875,390	6.80%



# Submarket Overview

- The industrial sector in South Dallas is booming, and more companies frequently shop the area to move their manufacturing and distributing facilities to this area. South Dallas County contains one of the biggest distribution hubs in the country, and facilities operated by PepsiCo, Procter & Gamble, Amazon, and L'Oréal are among the major employers. Many employees fall into the renter pool, leading to steady apartment demand. Over the past two years, the booming industrial segment has kept vacancy rates drum-tight and boosted rent growth.
- In terms of Infrastructure, The \$666 Million Southern Gateway express lane project being built by Texas Department of Transportation (TxDOT) is schedule to be complete this summer, 2022. This highway will ease commutes from South Dallas County to Downtown Dallas
- Rent growth in South Dallas County surged in 2021, registering the best growth on record. Sustained growth is trending in tandem with a thriving industrial sector. Overall, rents in South Dallas County have appreciated about 45% over the last decade.



# Property Overview

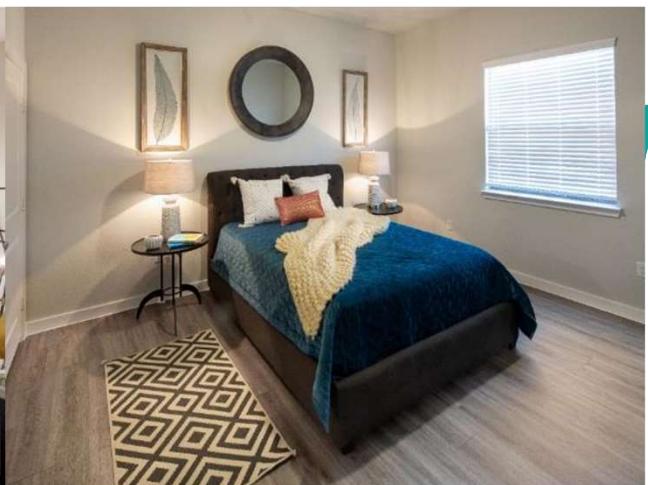
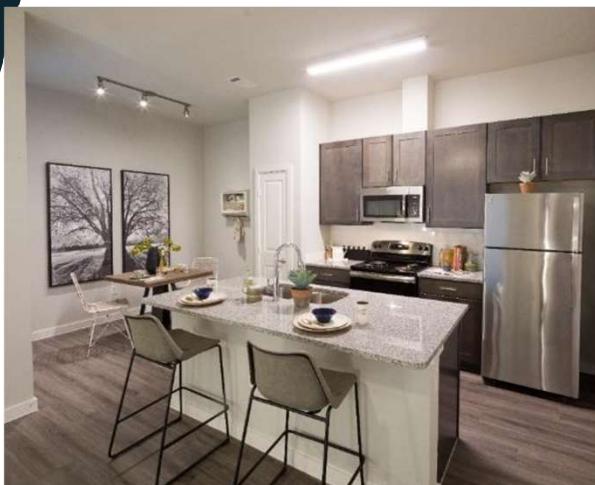
<b>Address</b>	<b>8200 Clark Springs Dr. Dallas</b>		
Year Built	2020	Property Class	A
Total Units	248	Rentable SqFt	197,772
Average SqFt	802	Unit Mix	58% 1-bedroom & 42% 2/2-Bedroom
Common Amenities	Controlled Access Fitness Center Business Center Community Room Swimming Pool	Unit Amenities	Washer/Dryer In All Units Above Standard Ceiling Height Microwave Ovens In All Units Digital Lock in All Units High Speed Internet Access Individual Air Conditioning Heat Individual - Electric Individual Domestic Hot Water - Electric
Parking	491 Parking Spaces Covered Parking Detached Garages	Utilities	Water & Electricity - Individually metered Resident Pays Electricity Resident Pays Sewer Resident Pays Trash Removal Resident Pays Water
Fictional Characteristics	Garden style - one story Pitched Roof (Composition Shingle) Construction Type - Frame Private Balcony/Patio Private Entry Fire Sprinklers	Site Characteristics	62 Rental Properties 1 Leasing Office/Gym/Community House Major Street Exposure - Camp Wisdom Road Traffic Count - 13,693 cars per day Land Size - 18.19 acres Net Development Density - 13.63 units per acre

# *Unit Mix and Floor Plans*



Unit Type	Bed/Bath	# of Units	SqFt
A1	1/1	126	714
A1-AV	1/1	1	714
A1-HC	1/1	7	714
A2	1/1	10	714
B1	2/2	67	931
B1-AV	2/2	1	931
B1-HC	2/2	6	931
B2	2/2	20	931

# Property Pictures



# **Property Pictures**



# Luxurious Amenities

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## Interior

- SMART Apartment Features, such as: Intrusion Alarms, Door Locks, Light Switches, Thermostats, Sky Bells, etc.
- Dramatic living spaces with high ceilings, expansive windows, energy-efficient interiors and custom color accent walls
- Open-concept gourmet kitchens with stainless steel appliances, granite slab counters, custom cabinetry and breakfast bars
- Wood-style flooring in living and dining areas, plush carpeting in bedrooms
- Nice spacious balcony in every unit
- Spacious Floor Plans with some coming with audio/visual features.
- Generous closet space, including walk-in space and linen shelving
- Energy Efficient Appliances
- Ceramic Tile Back Splash
- Door to Door Trash pickup

## Exterior

- Fully-equipped, 24/7 fitness center with high-tech cardio equipment, free weights and training stations
- Sparkling resort-style swimming pool surrounded by gaming areas
- Impressive lobby with Wi-Fi, HDTV and lounge seating
- Full-service gourmet entertainment kitchen
- Pet Spa
- 2 very large Pet Parks
- Covered Parking throughout entire community
- Carports
- Extra Storage Available for Lease
- Garages Available for Lease
- Pet Friendly - Restrictions Apply\*\*
- Panoramic Views

# Upgraded Amenities



# Business Plan

We have identified several areas to improve operations and increase revenue based our deep experience in this submarket. There is strong indication that rents and other-income at this property is significantly below what the comps are achieving in this submarket. So, our priority is to bring rents to market rate and start taping into the other income that are currently not being captured. In order to achieve these, we will need to do the following :

## Revenue Generation

- Increase rent to market rate
- Burn off loss to lease
- End concessions that were given due to pandemic
- Start charging new other-income such as amenity fee, etc..
- Increase fee already existing other income such as RUBS, Pet fee, etc..
- Implement valet trash
- Generate revenue via expense reduction
- Finish rolling out Smart Package to all units
- Increase Carport and Garage fees
- Increase Storage Fees

## Exterior & Interior Improvements

- Elevate resident quality of life and living experience by adding on or improving on the following:
  - Major Improvements to the pool area including epoxy pool area, new premium furniture, artificial turf, etc..
  - New large pergola and at least 2 gazebos
  - Add two grilling stations
  - Implement high tech camera system
  - Add amenities to dog park
  - Add gaming areas which includes chess board, oversize Jenga, corn hole,
  - Implement Fetch
  - Add reserved parking spots
  - Install energy efficient exterior lights
  - Improved curb appeal and landscaping

## Operational Improvement and Expense Reductions

Implement the following:

- Engage Asset Living, the 5<sup>th</sup> largest PM in the entire country, they will implement industry standard and best in class approach the property operations
- Reduce controllable operational expenses by at least 10%
- Reduce contract expenses renegotiating contract with key vendors
- Implement by-weekly tenant engagement activities
- Implement Entrata as the property management software
- Integrate Juniper with Entrata for optimized reporting to investors
- Budget to protest tax every year
- An elaborate but very targeted marketing strategy

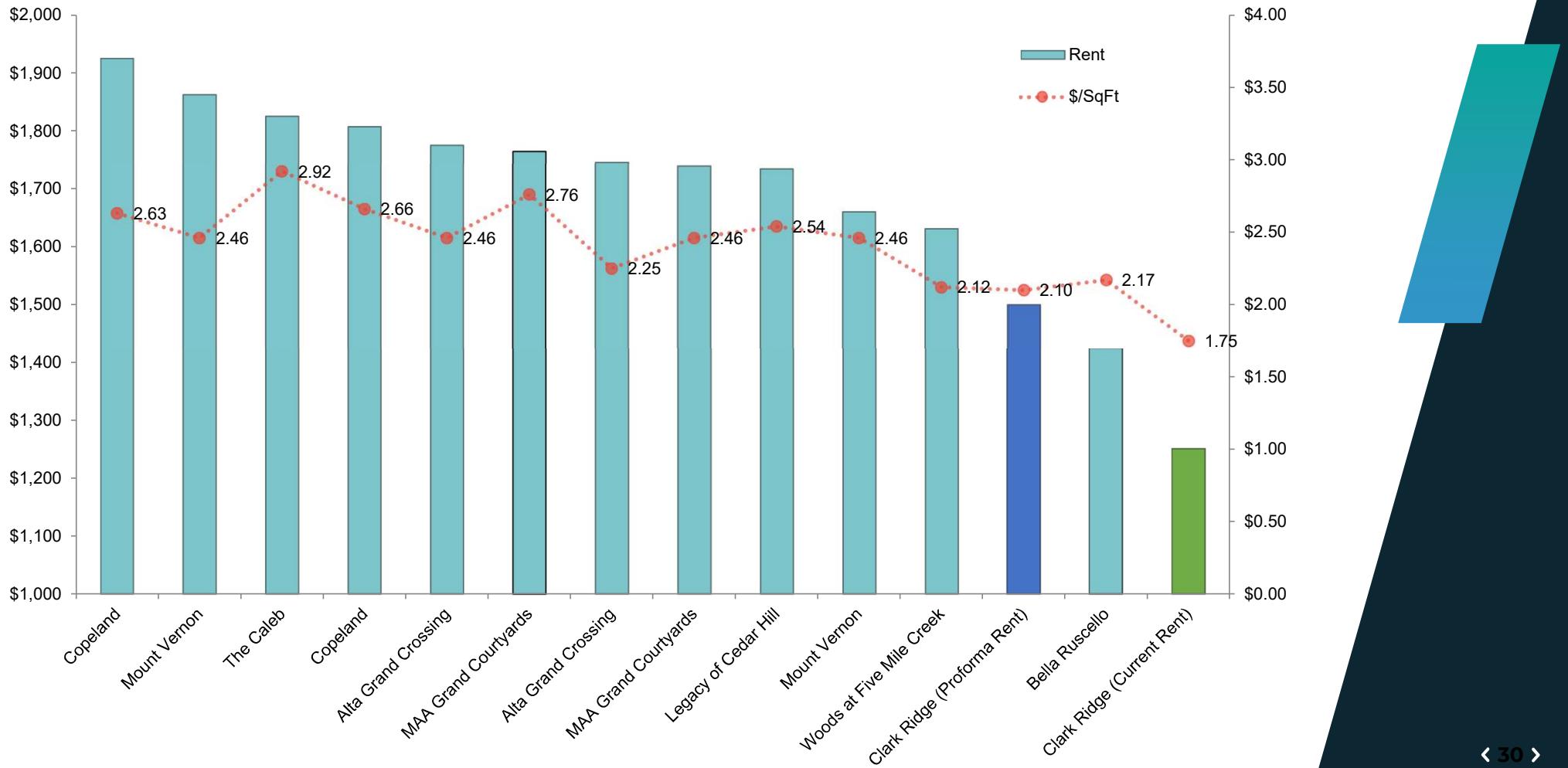
## Exit Strategy

- First, we will obtain a senior debt with no more than 18 months of lockout period and minimal exit fee
- Option-1 : Cash-out refinance on year-2 then hold for one more year and then exit
- Option-2: Sell the property between year 3 and 5
- Option-3: Hold longer if the markets slows significantly down then sell as soon as we can hit the 2X equity multiple.

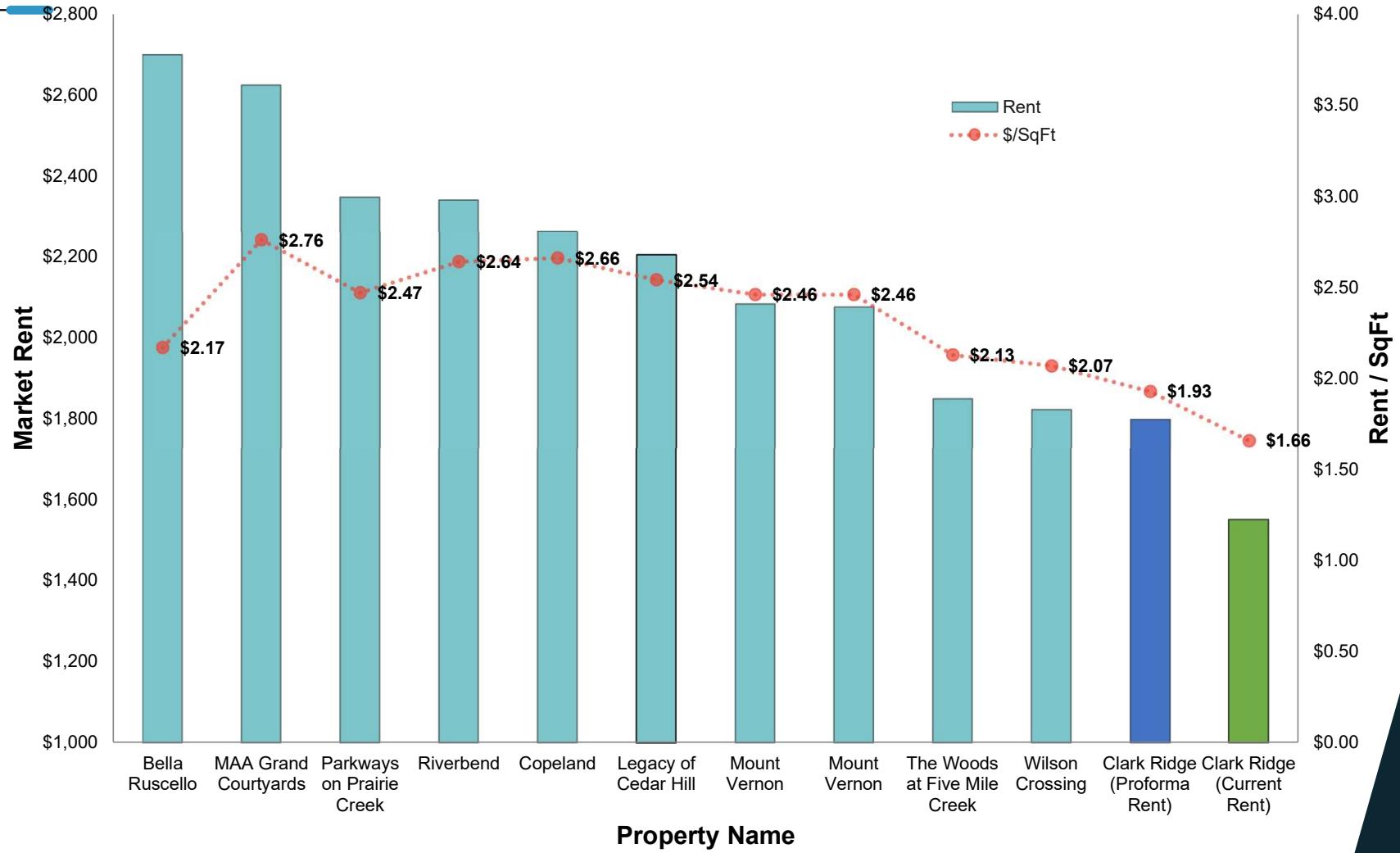
# *Capex Budget*

Project	Cost
Unit Improvements	\$292,500
Leasing Office Touch up	\$11,500
Fitness Center	\$35,000
Pool Redesign & Furniture	\$70,000
BBQ Grill & Pergola	\$30,000
Outdoor Games	\$30,000
Package Locker	\$35,000
Clubhouse & Community	\$50,000
Landscaping & Curb Appeal	\$60,000
Dog Park	\$10,000
Others (20% cushion)	\$120,000
Total	\$744,000

# Rent Comps 1/1



## Rent Comps 2/2



# Rent Comps

1-Bedroom Units					
Property	Type	Year	SqFt	Rent	\$/SqFt
Copeland	1/1	2021	732	\$1,925	2.63
Mount Vernon	1/1	1985	758	\$1,862	2.46
The Caleb	1/1	1986	625	\$1,825	2.92
Copeland	1/1	2021	679	\$1,807	2.66
Alta Grand Crossing	1/1	2022	722	\$1,775	2.46
MAA Grand Courtyards	1/1	1999	639	\$1,764	2.76
Alta Grand Crossing	1/1	2022	776	\$1,745	2.25
MAA Grand Courtyards	1/1	1999	707	\$1,739	2.46
Legacy of Cedar Hill	1/1	2001	684	\$1,734	2.54
Mount Vernon	1/1	1985	674	\$1,660	2.46
Woods at Five Mile Creek	1/1	2003	769	\$1,631	2.12
Prairie Gate Community	1/1	2019	945	\$1,533	1.62
Clark Ridge (Proforma Rent)	1/1	2020	714	\$1,500	2.10
Bella Ruscello	1/1	2007	655	\$1,424	2.17
Clark Ridge (Current Rent)	1/1	2020	714	\$1,250	1.75
Average	1/1	2007	720	\$1678	2.38

Two-Bedroom Units					
Property	Year	Bed/Bath	SqFt	Rent	\$/SqFt
Bella Ruscello	2007	2/2	911	\$2,700	2.17
MAA Grand Courtyards	1999	2/1	874	\$2,625	2.76
Parkways on Prairie Creek	2002	2/2	951	\$2,348	2.47
Riverbend	1970	2/1.5	888	\$2,341	2.64
Copeland	2021	2/2	993	\$2,263	2.66
Legacy of Cedar Hill	2001	2/2	684	\$2,205	2.54
Mount Vernon	1985	2/2	870	\$2,084	2.46
Mount Vernon	1985	2/2	997	\$2,076	2.46
The Woods at Five Mile Creek	2003	2/1	871	\$1,851	2.13
The Beacon on Westmoreland	2021	2/2	949	\$1,845	1.94
Wilson Crossing	1986	2/2	880	\$1,824	2.07
Clark Ridge (Proforma Rent)	2020	2/2	931	\$1,800	1.93
Clark Ridge (Current Rent)	2020	2/2	931	\$1,550	1.66
Average		2/2	902	\$2,116	2.35

# Sales Comps

PROPERTY	ADDRESS	PRICE	UNITS	NRA	AVG SF	RENT PSF	PPU	PSF	BUILT	SALE DATE
Jane at Preston Trails	320 W Pleasant Run Rd	\$80,000,000	300	279,000	930	\$1.94	\$266,667	\$286.74	2020	22-Jan
Pike West Commerce	444 W Commerce St	\$56,700,000	252	234,600	931	\$1.17	\$225,000	\$241.69	2015	22-Mar
Arioso	3030 Claremont Dr	\$63,360,000	288	281,144	976	\$1.67	\$220,000	\$225.36	2007	22-Feb
Magnolia off Sylvan	707 Seale St	\$13,000,000	60	47,943	799	\$1.94	\$216,667	\$271.16	2019	21-Jun
Beacon at Westmoreland	120 S Westmoreland Rd	\$42,000,000	194	170,720	880	\$1.83	\$216,495	\$246.02	2019	21-Jul
Clark Ridge Canyon	8200 Clark Springs Drive	\$54,000,000	248	198,972	802	\$1.71	\$216,000	\$271.39	2020	TBD
Sylvan Thirty	1818 Sylvan Ave	\$43,215,000	201	172,054	856	\$1.87	\$215,000	\$251.17	2014	22-Jan
Axis Kessler Park	2400 Fort Worth Ave	\$57,000,000	299	279,266	934	\$1.69	\$190,635	\$204.11	2017	21-Jan
Average					888	\$1.73	\$221,495	\$246.41	2016	

# 5 Year Cashflow Projection

Five Year Cash Flow Model	ACTUALS Trailing 12	ACTUALS Trailing 3	PROJECTED Year 1	PROJECTED Year 2	PROJECTED Year 3	PROJECTED Year 4	PROJECTED YEAR 5	PROJECTED Year 6
Annual Rent Increase Years 2-6								
Annual Other Income Increase Years 2-6								
Annual Expenses Increase Years 2-6								
<b>Gross Potential Rent</b>	\$4,080,000	\$4,080,000	\$4,824,000	\$5,016,960	\$5,217,638	\$5,374,168	\$5,535,393	\$5,701,454
Less Economic Vacancy	15.3%	\$625,476	15.3% 20.0%	\$964,800	\$652,205	\$573,940	\$537,417	8.0%
NET RENTAL INCOME	\$3,454,524	\$3,454,524	\$3,859,200	\$4,364,755	\$4,643,698	\$4,836,751	\$5,092,561	\$5,245,338
Other Income	\$448,916	\$448,916	\$620,000	\$682,000	\$716,100	\$737,583	\$759,710	\$782,502
<b>Total Income / % Growth</b>	\$3,903,440	\$3,903,440	14.8%	\$4,479,200	12.7%	\$5,046,755	6.2%	\$5,574,334
<b>Total \$ Expenses</b>	<b>\$1,733,973</b>	<b>\$1,733,973</b>	<b>\$2,263,273</b>	<b>\$2,308,538</b>	<b>\$2,354,709</b>	<b>\$2,401,803</b>	<b>\$2,449,839</b>	<b>\$2,498,836</b>
Expenses/Unit/Year	\$6,992	\$6,992	\$9,126	\$9,309	\$9,495	\$9,685	\$9,878	\$10,076
Expenses/Ft2/Year	\$8.72	\$8.72	\$11.39	\$11.61	\$11.85	\$12.08	\$12.32	\$12.57
Replacement Reserves	200	\$49,600	200	\$49,600	\$49,600	\$49,600	\$49,600	\$49,600
<b>NET OPERATING INCOME</b>	<b>\$2,119,867</b>	<b>\$2,119,867</b>	<b>\$2,166,328</b>	<b>\$2,688,617</b>	<b>\$2,955,489</b>	<b>\$3,122,931</b>	<b>\$3,352,833</b>	<b>\$3,479,404</b>
Less Annual Debt Service	\$0	\$0	\$1,734,480	\$1,734,480	\$2,333,281	\$2,333,281	\$2,333,281	\$2,333,281
Less Annual Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Annual Non-Op. Income	\$0	\$0	\$350,000	\$0	\$6,254,998	\$0	\$0	\$0
Less Annual Non-Op. Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DSCR	0.00	0.00	1.25	1.55	1.27	1.34	1.44	
<b>Before Tax Projected Cash Flows</b>	<b>\$2,119,867</b>	<b>\$2,119,867</b>	<b>\$781,848</b>	<b>\$954,137</b>	<b>\$6,877,207</b>	<b>\$789,650</b>	<b>\$1,019,552</b>	
CAP Rate at Purchase Price	3.9%	3.9%	4.0%	5.0%	5.5%	5.8%	6.2%	
Reversion Value / CAP Rate	4.75%		\$56,602,468	\$62,220,831	\$65,745,914	\$70,585,952	\$73,250,612	
Less Loan Balance			\$38,544,000	\$46,665,623	\$46,665,623	\$46,665,623	\$46,665,623	
Less Cost of Sale	1.5%		\$849,037	\$933,312	\$986,189	\$1,058,789	\$1,098,759	
<b>Projected Net Sales Proceeds</b>			\$17,209,431	\$14,621,895	\$18,094,102	\$22,861,540	\$25,486,230	
Total Cash Returned (includes Cash Flow, Net Sales Proceeds, Initial Capital)							<b>\$35,908,623</b>	
Less Total Initial Capital Invested							<b>\$17,951,720</b>	
Total Amount Returned After Initial Investment							<b>\$17,956,902</b>	

## ASSUMING WORST CASE SCENARIO

- Assumed 20% Vacancy Yr. 1

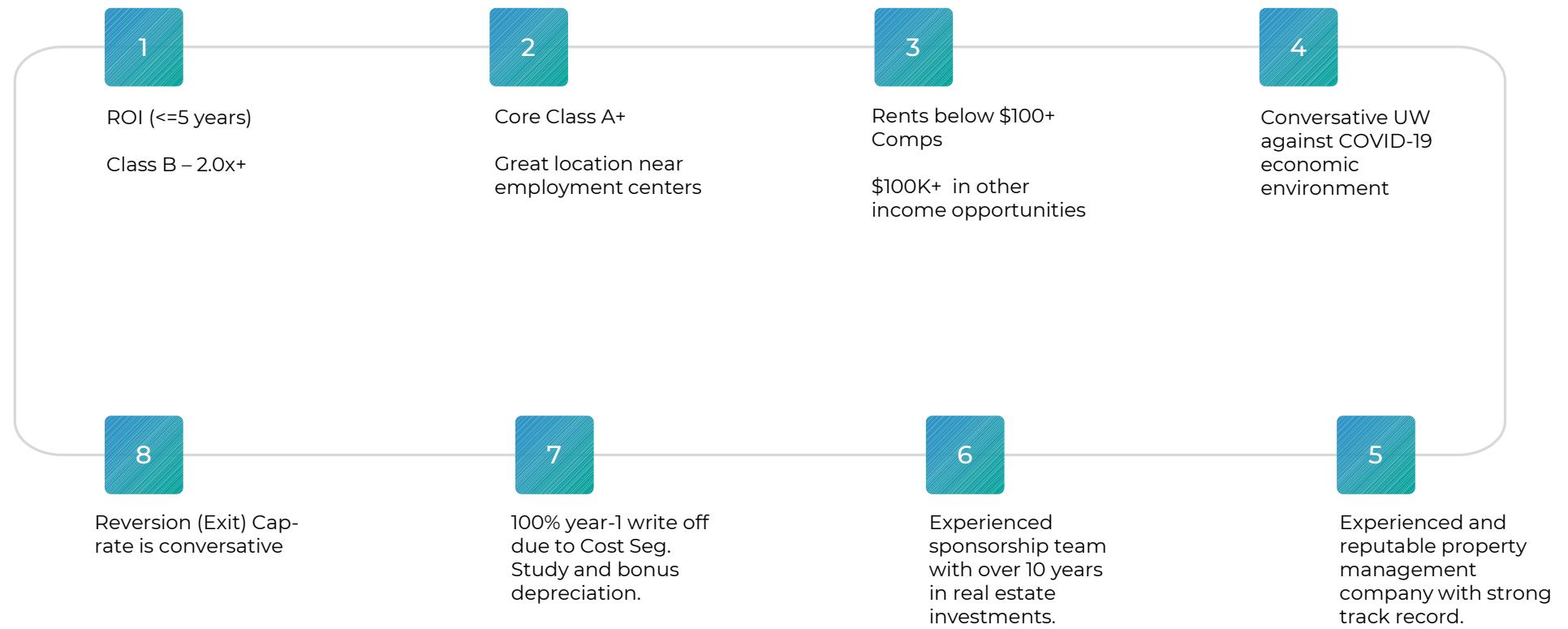
## CONVERSATIVE UW

- Exit CAP Rate 75 BPS more than the Market Rate

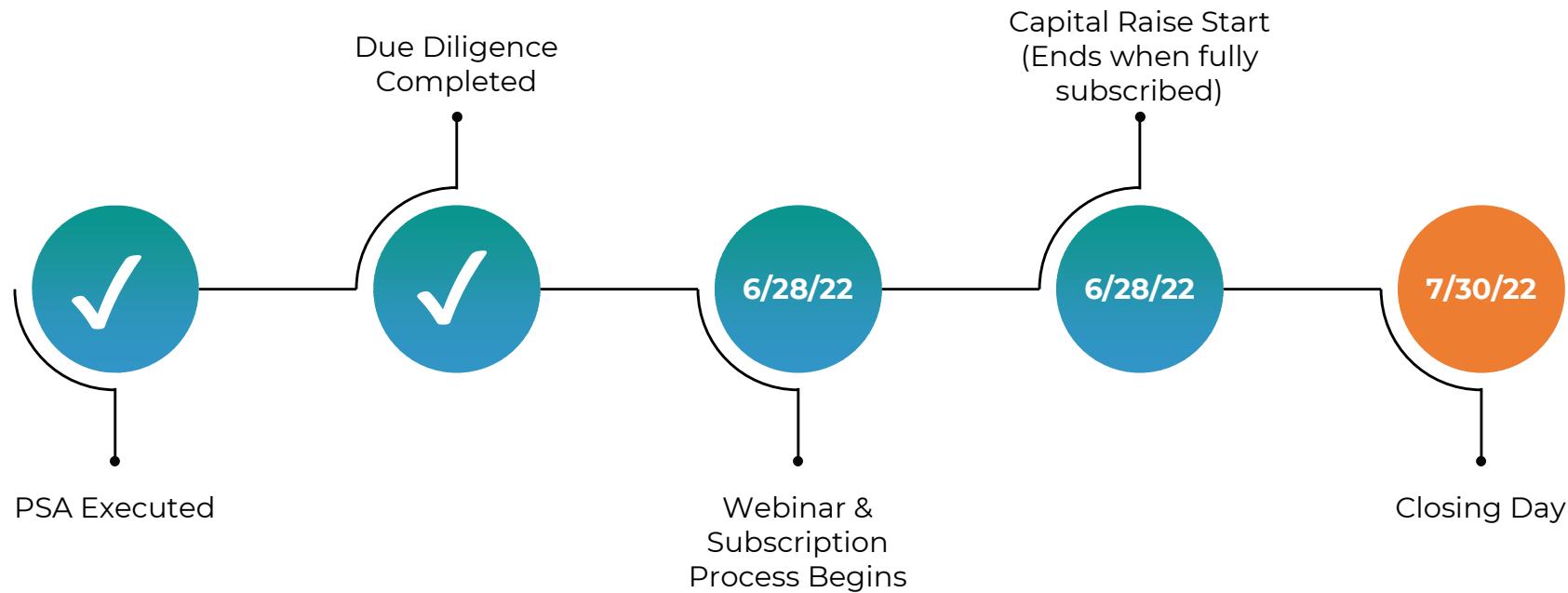
## STRESS TEST

- Breakeven occupancy is a comfortable ~ 65%

# Why Invest In This Deal



# Investment Timeline



## *Additional Benefit*

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**40+%**

Cash-out Refinance  
In Year 2-3



**100%**

Cost-Segregation  
Bonus Depreciation





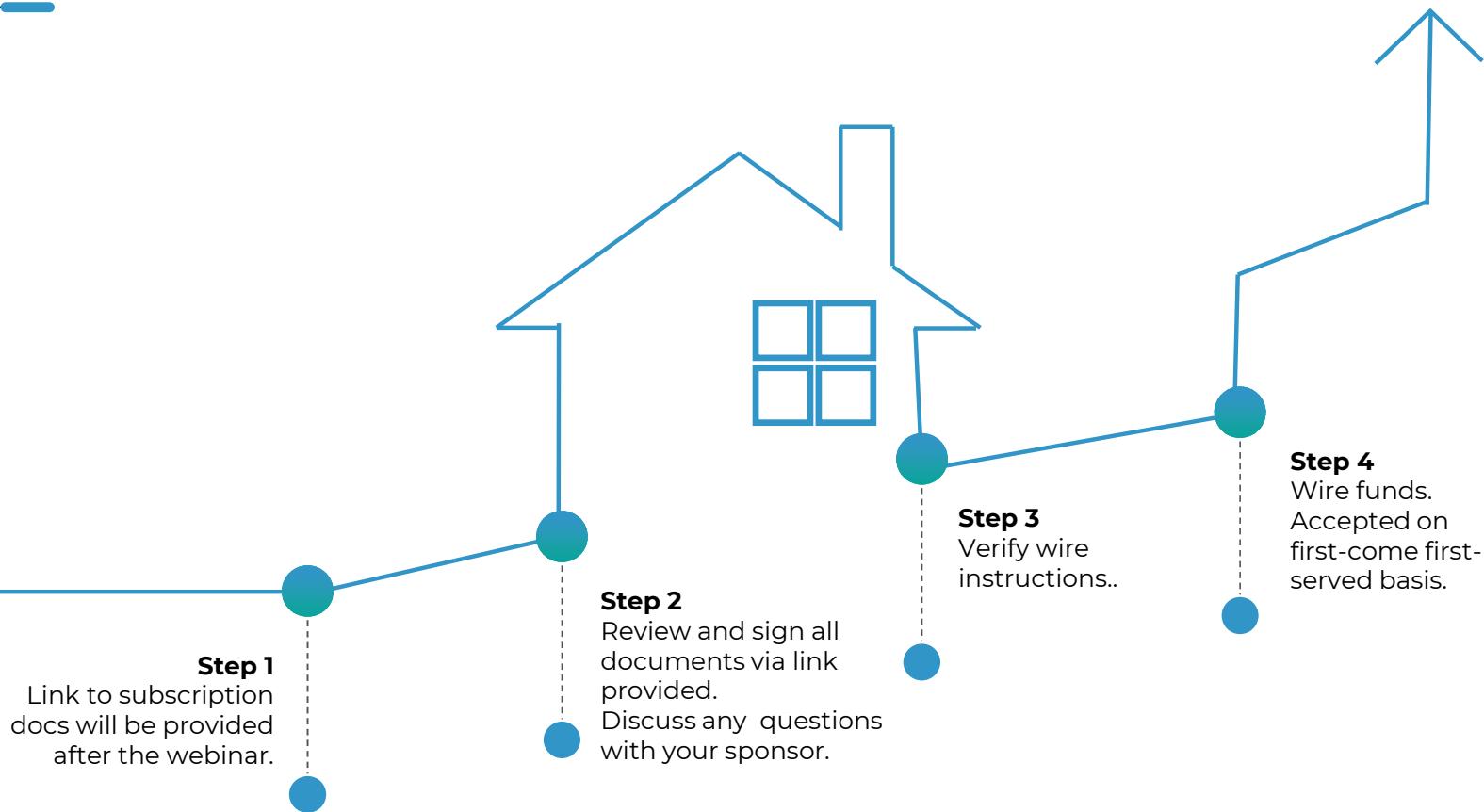
**2%** Property Management

**2%** Asset Management Fee

**1.5%** Acquisition Fee

**0.5%** Capital Events

# Investment Process





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# QUESTIONS AND ANSWERS

