

# Investment Summary

**Legacy Developers Self Storage - 323 N Main St., Pearland, TX**

Self-Storage Development consisting of 950+ units across 95,575 sq ft

## Property Financials

Project Estimates Breakdown Sources & Uses:

	<u>Sources</u>		<u>Uses</u>
<b>Const. Debt</b>	\$12,130,000	<b>Land Purchase</b>	\$1,350,000
<b>Borrowed Equity</b>	\$2,050,000	<b>Assignment Fee</b>	\$700,000
(Land & Assignment)		<b>*Construction Cost</b>	\$9,951,000
<b>Borrowed Equity</b>	<u>\$980,000</u>	<b>*Other</b>	<u>\$3,159,000</u>
(Required at Closing)			
<b>Total Sources</b>	\$15,160,000	<b>Total Uses</b>	\$15,160,000

## Stabilized Projected Targets

<b>Net Operating Income</b>	\$1,353,813
<b>Cap Rate Projection</b>	5.50%
<b>Stabilized Value</b>	\$24,610,000
<b>Estimated LTV</b>	65%
<b>Long Term Debt</b>	\$16,000,000
<b>Equity Created</b>	\$8,610,000
<b>Refi Proceeds</b>	\$840,000
<b>Estimated Annual NOI</b>	\$312,990
(after debt service ave 4-5yr)	

## Stabilized Sources & Uses

### Sources

<b>Stabilized Loan Amount</b>	<u>\$16,000,000</u>	(adjusted for equity)
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### Uses

<b>Paydown Bank Debt</b>	\$12,130,000
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<b>Return Investor Equity</b>	\$3,000,000
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<b>Total</b>	<u>\$15,130,000</u>
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<b>Refi Proceeds</b>	\$840,000
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<b>Total</b>	<u>\$16,000,000</u>
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## Investment Structure

<b>Accredited</b>	Yes
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<b>Unit Cost</b>	\$100,000
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<b>Avail. Units</b>	30
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<b>Term</b>	36 months
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<b>Exit Strategy</b>	Refinance at 36 months to pay investors & share refi proceeds
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	Sale of Property
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## Projected Return on Investment

Four Types of Compensation. Each unit of \$100,000 is projected to yield the following (Note: If an investor brings \$350,000, they will receive 3.5 units, and can multiply the amounts below by 3.5x):

### **Fixed Preferred Annual Return: 10%**

This is paid while investor's money is invested. For each unit owned, the investor will earn \$10,000 per year.

Perpetuity: 1%

### **Targeted Refinance Proceeds: \$17,600**

LPs will receive the 1st \$450k available, and a 20/80 (LP/GP) split thereafter.

[All investment principal is projected to be returned PLUS this amount.](#) Potential non-taxable proceeds.

### **Targeted Equity Value After Refinance: \$86,100**

The investor's equity percentage in the property will be 1% of the current equity available. Initially estimated to be 1% of \$8,610,000 (\*New Valuation less Long-Term Debt)

Taxed at long-term capital gains when the property sells. If an investor would like to cash out their equity prior to the time of sale, they are welcome to sell their equity at any time with Managers approval. Other members of the partnership may purchase the equity but are not required to do so.

### **Targeted Cash Flow**

Approximately \$3,129 per year (Average Years 4-5)

These distributions are projected to be made to the investor annually as a percentage of retained earnings for the year. The investors will receive 1% of net operating income. This creates an infinite return, as the investor no longer has money invested in the project.

<b>36mo Pref Payments</b>	\$30,000
<b>Projected Refi Proceeds</b>	<u>\$17,600</u>
	\$47,600

### **Projected Average Annualized Return**

36 Month AAR  
15.86%

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This summary contains forward-looking information relating to our business strategy and measures to implement strategy and other matters. These statements relate to future events or future performance. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate,” “budget,” “plan,” “estimate,” “expect,” “forecast,” “may,” “will,” “project,” “potential,” “target,” “intend,” “could,” “might,” “should,” “believe” and similar expressions. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in the United States and globally; governmental regulation of our industry; unanticipated operating events; the availability of capital on acceptable terms; exchange rates, interest rates the need to obtain required approvals from regulatory authorities; liabilities inherent in our operations; and changes in tax laws.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, level of activity, performance or achievements and there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. The forward-looking statements contained in this summary are expressly qualified by this cautionary statement. We undertake no obligation to update or revise publicly any forward-looking statements except as required by applicable legislation. The forward-looking statements made herein relate only to events or information as of the date on which the statements are made. The reader is cautioned not to place undue reliance on forward-looking statements.

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This summary contains certain financial projections. These financial projections relate to future performance and reflect our views as at the date of this summary and are subject to known and unknown risks, uncertainties and assumptions that may cause future results, performance or achievements to differ materially from those expected. We believe the expectations reflected in these financial projections are

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The financial projections were prepared by management to assist with planning and operational decision making. The financial projections have been included in this summary as a tool to make an informed decision regarding the subject matter of this summary and readers are cautioned that the financial projections may not be appropriate for other purposes. We have approved of these financial projections as of the date of this summary.

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