



# SANDY NECK

Built for Rent: A 53-Home Single-Family Rental Development

~ Fayetteville, North Carolina ~



*Housing America's finest military service members, and the supporting civilian population in and around Fayetteville, NC*

# The Sponsor Team



THE CAPE  
COMPANIES



Matthew Alfonso has a keen interest in housing policy, urban planning, and real estate development. His background consists of residential leasing, sales, residential fix and flips, as well as multifamily acquisitions and asset management. Prior to The Cape Companies, Matthew worked for Tidegate Capital, a real estate private equity firm focused on value-add multifamily investments while simultaneously running his residential fix and flip business in Fayetteville, North Carolina. At Tidegate, he reported directly to the firm's principals and was responsible for underwriting new prospective investments, and providing asset management to the firm's existing portfolio. At The Cape Companies, he identifies and sources new acquisitions and developments, leads project management, and implements general business operations.

Matthew earned a BA in Political Science from Boston University.



Jacob Palmer is a long-time believer in the ability of real estate to create generational wealth. His background is in financial modeling, asset management, and legal due diligence. Prior to The Cape Companies, he was as an Asset Manager & Portfolio Analyst at Brixton Capital, a Solana Beach-based family office, focused on value-add commercial real estate. His experience includes working directly with the COO advancing property-specific business plans, creating tenant specific legal defense strategies, and underwriting multiple mall redevelopment projects. At The Cape Companies, he is responsible for the financial modeling and structuring of new acquisitions & developments, as well as leading project-specific due diligence and the firm's overall legal strategies.

Jacob earned a BS in Management with concentrations in Economics and Entrepreneurship from Boston College.



Working exclusively in the investment industry since 1987, Mr. Holbrook focuses on portfolio construction, research, and management. His proprietary analytical model that was developed for Tidegate Capital examines the direction of demographic trends, the strength of economic activity and relative pricing. Mr. Holbrook has a comprehensive background managing fixed income portfolios for institutional investors, family offices, and high net worth individuals. Mr. Holbrook has worked at Scudder, Stevens and Clark, Massachusetts Financial Services (MFS), and most recently at Columbia Management. While at Columbia Management, Mr. Holbrook oversaw 10 portfolio managers and analysts with over \$30 billion in AUM and was the primary driver in establishing, managing, and growing a fixed income bond fund to just over \$1 billion in assets in under 10 years.

He received his BA from Colby College with a degree in Economics. Mr. Holbrook holds the Chartered Financial Analyst designation and is a member of the Boston Security Analysts Society.



Mr. O'Keeffe has over 25 of years real estate experience, primarily in the multifamily housing sector. His background includes asset management, acquisitions, development, property management, financing and disposition of multifamily assets. While working for Boston Financial and Bank of America as the Asset Manager of a portfolio of more than 80 multifamily properties, Mr. O'Keeffe oversaw over 8,000 units, where he developed extensive expertise in the multifamily sector including maximizing rental revenue through resident retention programs, effective marketing plans, instituting efficient expense controls, and working collaboratively with local site management. Prior to Tidegate Capital, Mr. O'Keeffe founded and was a Principal of Arch Street Development LLC. Arch Street developed over \$50 million in multifamily real estate through the syndication of LIHTC and historic tax credits.

Mr. O'Keeffe earned a BA in Economics from the University of Richmond and an MBA from Northeastern University



## The Cape Codder:

- ❑ Starting at \$1225/mo
- ❑ 1,200 square feet of living space
- ❑ 1-story ranch style design
- ❑ 3 Bedroom, 2 Bathroom
- ❑ One-car garage
- ❑ Open living concept
- ❑ Modern finishes:
  - ❑ stainless steel appliances,
  - ❑ luxury vinyl plank flooring,
  - ❑ granite countertops, white
  - ❑ vinyl fenced-in backyard





## The Duxbury:

- ❑ Starting at \$1325/mo
- ❑ 1,400 square feet of living space
- ❑ 2-story design
- ❑ 3 Bedroom, 2.5 Bathroom
- ❑ One-car garage
- ❑ Open living concept
- ❑ Modern finishes:
  - ❑ stainless steel appliances, luxury vinyl plank flooring, granite countertops, white vinyl fenced-in backyard



**OVERVIEW:** The Cape Companies & Tidegate Capital ("Sponsor") are currently under contract to purchase a 12.79 acre site in Fayetteville, North Carolina, to develop Sandy Neck ("Property", "Project"), a Built-for-Rent (BFR) detached Single-Family Rental (SFR) community comprised of 53 homes for an all-in cost of \$8.58M (\$121.55 PSF/\$162K per Door). The Sponsors have successfully rezoned the site (from SF-6 to MR-5), and the current proposed plan is permissible as of right.

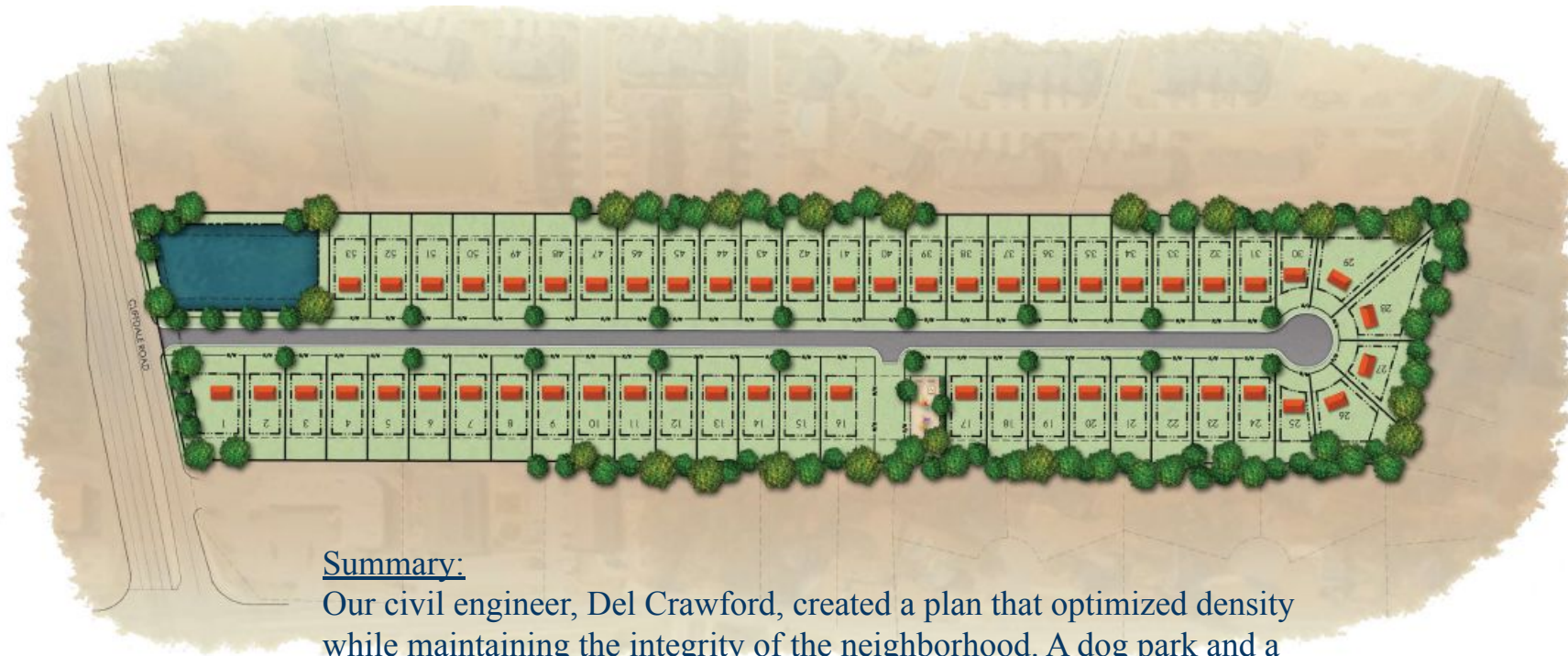
**BUSINESS PLAN:** The Sponsors plan to finish all construction, inclusive of land development and home building, in November 2022. The stabilized, amortizing cash on cash is forecasted to be 10.03%, with I/O yields almost reaching 13%. In year 5, the Property is underwritten to be sold at a 5.50% cap rate, for a total of \$11.39M (\$215K/door), which would result in project-level returns of a 22.23% IRR with a 2.43x Equity Multiple.

## INVESTMENT CONSIDERATIONS:

- ❑ **Location** - Located 1 mile from the recently completed "CB" section of the Fayetteville Beltway Project (Highway I-295 Extension), Sandy Neck will offer a short 10-minute drive to both Fort Bragg and the main retail corridor on Skibo Road.
- ❑ **Product Type** - Sandy Neck will be the first purpose built, SFR community in the market and will absorb strong, existing renter demand for SFRs, which has grown even stronger during the COVID-19 pandemic.
- ❑ **Development** - The project is estimated to be completed within 24-months of acquisition, yielding a 7.14% unlevered return on cost (ROC) on a stabilized Year 3 (May 2023-April 2024) NOI of \$586,837.
- ❑ **Insulated Market** - With Fort Bragg's \$4.5B economic impact on the Fayetteville MSA, this market is uniquely insulated from national economic trends. The presence of the base has dramatically reduced the economic impacts of COVID-19 versus other non-military markets.
- ❑ **Demographics** - 43,000+ population and \$58,000+ AHHI within a three-mile radius of Sandy Neck.

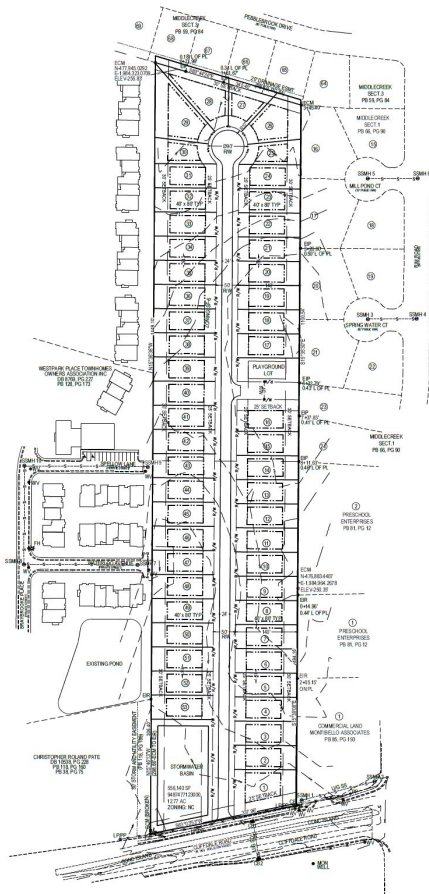






Summary:

Our civil engineer, Del Crawford, created a plan that optimized density while maintaining the integrity of the neighborhood. A dog park and a playground will be positioned directly above the stub street halfway up the road and carefully selected plant and flower species will decorate the community.



## Site Facts:

- ❑ 12.79 acres
- ❑ 557,132 square feet
- ❑ APN: 9487-47-7123
- ❑ Zoning: MR-5, Mixed Residential 5 District

## Plan:

- ❑ 54 total lots (53 homes, 1 playground/dog park)
- ❑ Stormwater basin, cul-de-sac, turning lane, stub street (required per City of Fayetteville - no more than 25 homes on a cul de sac)



# The Amenity Package

## AMENITIES/COMMUNITY FEATURES:

- Playground
- Dog Park
- White Vinyl Fencing (for all backyards)
- Brick Signage (at community entrance)
- Fire Pits (in every backyard)
- Basketball Hoop (at end of stub street)
- Community Garden
- Free Community Library - Take a book, share a book
- Car Vacuum/Air Station







**#1** LARGEST MILITARY  
INSTALLATION IN THE  
WORLD BY POPULATION

**251** SQUARE MILE  
LAND AREA

**\$699** IN PLANNED  
CONSTRUCTION OVER  
THE NEXT 6 YEARS  
MILLION

**+50,000** ACTIVE  
DUTY  
SOLDIERS

**\$4.5** PUMPED INTO  
REGIONAL ECONOMY  
OUTSIDE FORT BRAGG  
BILLION

**82<sup>ND</sup>** RESPONDS TO CRISIS  
CONTINGENCIES  
ANYWHERE IN THE  
WORLD WITHIN 18 HOURS  
AIRBORNE

**FORT BRAGG:** Fort Bragg is the largest military installation in the world by population with over 50,000 active duty personnel. It is the home of the 82<sup>nd</sup> Airborne Corps and the headquarters of the United States Army Special Operations Command. The 82<sup>nd</sup> Airborne exists to meet a United States Department of Defense requirement which is to, “respond to crisis contingencies anywhere in the world within 18 hours.” During the past 33 years, Fort Bragg has grown from 20.3 million SF to 53.6 million SF. It has seen \$6B worth of construction projects with a \$699M plan outlined for the next 6 years with \$343M already underway. Fort Bragg is the home of America’s most elite and combat ready forces. It is the backbone of our nation’s military prowess and strength. Fort Bragg will continue to train and house America’s finest for years to come.

**MARKET OVERVIEW:** The Fayetteville MSA is the largest in southeastern North Carolina and the fifth largest in the state with a population of ~530,000. Fayetteville, NC is located 58.5 miles South of Raleigh and 130 miles East of Charlotte. The city has received the All-America City Award from the National Civic League three times and boasts one of the most diverse populations in the nation.

The metro is best known as the home of Fort Bragg, which is the backbone of the local economy, contributing + \$4.5 billion a year to the region. The area has a large and growing defense industry, ranking in the Top 5 Defense Industry Development areas in the US with 8 of the 10 top American defense contractors, including Lockheed Martin, Boeing, Northrop Grumman, General Dynamics, and L-3 Communications. Presently, a \$1 billion infrastructure project is under construction in Cumberland and Robeson County - NC Highway I-295, (“Fayetteville Loop”). The most recently completed exit on Cliffdale Rd. is 1 mile from Sandy Neck.

| Employer                                 | Industry                           | Employment |
|--|------------------------------------|------------|
| Total Military                           | Public Administration              | 52,340     |
| Department of Defense                    | Public Administration              | 14,157     |
| Cape Fear Valley Health System           | Education & Health Services        | 7,100      |
| Cumberland County Schools                | Education & Health Services        | 6,800      |
| Wal-Mart Associates Inc.                 | Trade, Transportation, & Utilities | 3,400      |
| Goodyear Tire and Rubber Inc.            | Manufacturing                      | 2,500      |
| Cumberland County Schools                | Public Administration              | 2,450      |
| City of Fayetteville                     | Public Administration              | 1,760      |
| Veterans Administration                  | Public Administration              | 1,500      |
| Fayetteville Technical Community College | Education & Health Services        | 1,350      |



## Value Proposition:

Sandy Neck represents an extremely unique and compelling opportunity to invest in the rapidly growing Single-Family Build for Rent subsector of the residential rental housing market in a growing, insulated, and stable market - Fayetteville, North Carolina

## Time Horizon:

Land Placed Under Agreement: July 15, 2020

Closing Date: May 11, 2021

**Budgeted Total Project Cost:** \$8,590,000

*Land Basis: \$500,000*

- ❑ Site Work (Grading, Utilities, etc.): will commence shortly after closing on the land and is projected to take 4-6 months to complete (underwritten to 6 months).
- ❑ Vertical Construction (Home Building): will commence immediately after site work completion and is projected to take 6-8 months to complete (underwritten to 10 months).
- ❑ Lease-Up: Pre-leasing will commence when the first batch of homes are nearing Certificate of Occupancy. Given demand for Single-Family Rentals (“SFR”) we anticipate significant pre-leasing volume, but have underwritten a conservative absorption schedule.

## Return Summary:

5 Year Hold: 22.23% IRR, 2.43x Equity Multiple, 10.03% cash on cash with I/O yields approaching 13%

## Exit Strategy:

The primary objective is for a sale in Year 5. Institutional investors have come to view SFR’s and more recently Build-for-Rent communities as extremely attractive alternative assets. The Sponsors intend to develop and deliver a larger portfolio (300+ homes) to an institutional buyer, inclusive of Sandy Neck, in an effort to provide immediate market share and scale.

## Risk Management:

The Sponsor’s underwritten projections layer in both monetary and time horizon contingencies/conservative measures that hedge construction, financing, lease-up, and management risk.

## Optionality in a Downside Scenario:

- ❑ The Sponsor’s land basis is ~50% below market value (land was sourced off-market - direct to owner)
- ❑ After completion of site work, finished lots can be sold for a ~\$5k-\$10k gross margin (@53 lots). There is already expressed interest from a number of homebuilders and PE firms.
- ❑ The homes can be sold individually at retail value for a gross margin of ~\$20k per home.



- ❑ **RISK #1: Construction will take longer than planned and be over budget (COVID-19 related inflationary material pricing will impact costs)**
  - ❑ **Mitigant:** Project is at least 9 months away from making any lumber purchases. The widespread inoculation against Covid-19 should help get both US & Canadian lumber production back to pre-pandemic levels. Similarly, there is national pressure on the Biden Administration to reduce or pause tariffs on Canadian lumber.
  - ❑ **Mitigant:** The Sponsors are finalizing conversations with a national home builder, who has significant economies of scale, an incredibly systematic approach to material sourcing & supply chain management, and the leading value engineered design plans.
  - ❑ **Mitigant:** The Sponsors have underwritten very conservative timelines for site work and construction; beating these timeframes should provide a healthy savings in interest reserves & accelerate when revenue generation begins.
  - ❑ **Mitigant:** The Sponsors have included both a material escalation factor and general budget contingency to account for cost overruns. Current budgeted pricing is reflective of present day material costs.
- ❑ **RISK #2: Property will not achieve underwritten rents and be fully leased**
  - ❑ **Mitigant:** The target renter profile presently pays an equivalent amount, or a \$50-\$125 premium (Multi-family), relative to Sandy Neck's underwritten rent assumptions. Demand for existing SFR product outpaces supply significantly.
  - ❑ **Mitigant:** The Sponsors will run a targeted pre-leasing campaign and multi-phased home delivery program to capture optimal absorption.
  - ❑ **Mitigant:** Fayetteville, NC ranked #2 best place to invest during the COVID-19 pandemic, just behind Austin, TX by Fortune Magazine. Similarly, it ranked #1 in annual effective rent growth in 4Q2020 out of 150 ranked markets.
- ❑ **RISK #3: The City will hold up development plans**
  - ❑ **Mitigant:** The Sponsors have successfully rezoned the site from SF-6/NC to MR-5, and this project is now permissible as of right.
  - ❑ **Mitigant:** The Sponsors have met and discussed high level plans with Chris Cauley, Assistant Director of Economic and Community Development and District 8 councilwoman Courtney Banks-McLaughlin – both support the project.
  - ❑ **Mitigant:** City of Fayetteville Planning and Zoning, via the Technical Review Committee, have given preliminary approval of our current plans.





| RETURNS                 |             |   |
|-------------------------|-------------|---|
| 5-Year Hold Period      | Unlevered   | Levered                                   |
| IRR                     | 10.72%      | 22.23%                                    |
| Profit                  | \$5,127,771 | \$3,679,715                               |
| Multiple                | 1.62x       | 2.43x                                     |
| Stabilized Cash on Cash | 7.31%       | 12.84% Interest Only<br>10.03% Amortizing |

| CAPITALIZATION                     |                  |                           |                    |
|------------------------------------|------------------|---------------------------|--------------------|
|                                    | \$/Unit          | PSF Bldg. / Land          |                    |
| Site Acquisition                   | \$9,434          | \$7.08 / \$0.90           | \$500,000          |
| Site Development                   | \$27,358         | \$20.54 / \$2.60          | \$1,450,000        |
| Building Development               | \$84,421         | \$63.38 / \$8.03          | \$4,474,320        |
| Soft Costs                         | \$11,036         | \$8.28 / \$1.05           | \$584,918          |
| Amenities                          | \$6,442          | \$4.84 / \$0.61           | \$341,418          |
| Development Contingency            | \$6,133          | \$4.60 / \$0.58           | \$325,059          |
| Development Fee                    | \$6,208          | \$4.66 / \$0.59           | \$329,000          |
| Working Capital Reserve            | \$943            | \$0.71 / \$0.09           | \$50,000           |
| Legal, DD and Closing Fees         | \$3,208          | \$2.41 / \$0.31           | \$170,000          |
| Construction Loan Interest Reserve | \$3,899          | \$2.93 / \$0.37           | \$206,660          |
| Construction Loan Closing Costs    | \$2,834          | \$2.13 / \$0.27           | \$150,177          |
| <b>Total All-in Cost</b>           | <b>\$161,916</b> | <b>\$121.55 / \$15.40</b> | <b>\$8,581,552</b> |
| Loan Amount (70% LTC)              |                  |                           | 6,007,086          |
| <b>Equity</b>                      |                  |                           | <b>\$2,574,466</b> |



# Five-Year Pro Forma

|  | Year 0      | Year 1         | Year 2            | Year 3            | Year 4            | Year 5            |
|--|-------------|----------------|-------------------|-------------------|-------------------|-------------------|
|  | May-21      | May-21         | May-22            | May-23            | May-24            | May-25            |
|  | Acquisition | Apr-22         | Apr-23            | Apr-24            | Apr-25            | Apr-26            |
|  |             | Month 1        | Month 13          | Month 25          | Month 37          | Month 49          |
|  |             | Month 12       | Month 24          | Month 36          | Month 48          | Month 60          |
| <b>REVENUE</b>                         |             |                |                   |                   |                   |                   |
| Gross Base Rent                        |             | \$2,582        | \$558,503         | \$871,105         | \$897,238         | \$924,155         |
| Less: Vacancy                          |             | -\$129         | -\$27,925         | -\$43,555         | -\$44,862         | -\$46,208         |
| <b>Scheduled Base Rent</b>             |             | <b>\$2,453</b> | <b>\$530,578</b>  | <b>\$827,550</b>  | <b>\$852,376</b>  | <b>\$877,948</b>  |
| NSF/Bounced Check Fees                 |             | \$6            | \$1,262           | \$1,968           | \$2,027           | \$2,088           |
| Cleaning Fees                          |             | -              | \$2,790           | \$4,244           | \$4,371           | \$4,502           |
| Move Out Fees                          |             | -              | \$558             | \$849             | \$874             | \$900             |
| Application Fees                       |             | \$400          | \$10,987          | \$3,395           | \$3,497           | \$3,602           |
| Pet Fees                               |             | \$240          | \$8,116           | \$6,747           | \$6,950           | \$7,158           |
| Cable/Wifi Revenue                     |             | \$20           | \$4,326           | \$6,747           | \$6,950           | \$7,158           |
| Other Income                           |             | \$666          | \$28,038          | \$23,950          | \$24,668          | \$25,408          |
| <b>TOTAL REVENUE</b>                   |             | <b>\$3,119</b> | <b>\$558,616</b>  | <b>\$851,500</b>  | <b>\$877,045</b>  | <b>\$903,356</b>  |
| <b>EXPENSES</b>                        |             |                |                   |                   |                   |                   |
| Property Management Fee                |             | -\$184         | -\$39,793         | -\$62,066         | -\$63,928         | -\$65,846         |
| Real Estate Taxes                      |             | -\$302         | -\$64,753         | -\$100,016        | -\$102,016        | -\$104,057        |
| Insurance                              |             | -\$117         | -\$24,990         | -\$38,599         | -\$39,371         | -\$40,158         |
| Repairs & Maintenance                  |             | -\$50          | -\$10,710         | -\$16,542         | -\$16,873         | -\$17,211         |
| Turnover Costs                         |             | -\$25          | -\$3,315          | -\$4,994          | -\$5,094          | -\$5,196          |
| Utilities While Vacant                 |             | -\$20          | -\$4,200          | -\$6,360          | -\$6,360          | -\$6,360          |
| Bad Debt                               |             | -\$31          | -\$5,586          | -\$8,515          | -\$8,770          | -\$9,034          |
| Reserves                               |             | -\$83          | -\$17,850         | -\$27,571         | -\$28,122         | -\$28,684         |
| <b>TOTAL OPERATING EXPENSES</b>        |             | <b>-\$812</b>  | <b>-\$171,198</b> | <b>-\$264,663</b> | <b>-\$270,535</b> | <b>-\$276,545</b> |
| Opex Ratio                             |             |                |                   | 31.08%            | 30.85%            | 30.61%            |
| <b>NET OPERATING INCOME</b>            |             | <b>\$2,306</b> | <b>\$387,418</b>  | <b>\$586,837</b>  | <b>\$606,510</b>  | <b>\$626,811</b>  |
| <i>Debt Yield on Construction Loan</i> |             |                |                   | 9.77%             | 10.10%            | 10.43%            |

|   |                     |                   |                  |                   |                     |                    |
|---|---------------------|-------------------|------------------|-------------------|---------------------|--------------------|
| <b>NET OPERATING INCOME</b>                         | <b>\$2,306</b>      | <b>\$387,418</b>  | <b>\$586,837</b> | <b>\$606,510</b>  | <b>\$626,811</b>    |                    |
| <i>Debt Yield on Construction Loan</i>              |                     |                   | 9.77%            | 10.10%            | 10.43%              |                    |
| <b>NON-OPERATING EXPENSES</b>                       |                     |                   |                  |                   |                     |                    |
| Tax/Compliance                                      | -\$5,000            | -\$5,100          | -\$5,202         | -\$5,306          | -\$5,412            |                    |
| <b>TOTAL NON OPERATING EXPENSES</b>                 | <b>-\$5,000</b>     | <b>-\$5,100</b>   | <b>-\$5,202</b>  | <b>-\$5,306</b>   | <b>-\$5,412</b>     |                    |
| <b>DEBT SERVICE</b>                                 |                     |                   |                  |                   |                     |                    |
| Construction Loan (Paid in Cash)                    | -                   | -\$150,177        | -\$150,177       | -                 | -                   |                    |
| Construction Loan Payoff                            | -                   | -                 | -\$6,007,086     | -                 | -                   |                    |
| Permanent Loan Gross Principal                      | -                   | -                 | \$6,489,137      | -                 | -                   |                    |
| Less Transaction Costs                              | -                   | -                 | -\$162,228       | -                 | -                   |                    |
| Permanent Loan Principal Payments                   | -                   | -                 | -                | -                 | -                   |                    |
| Permanent Loan Interest Payments                    | -                   | -                 | -\$141,950       | -\$243,343        | -\$243,343          |                    |
| <b>CASHFLOW FROM FINANCING</b>                      | <b>\$0</b>          | <b>-\$150,177</b> | <b>\$27,696</b>  | <b>-\$243,343</b> | <b>-\$243,343</b>   |                    |
| <b>CASHFLOW FROM OPERATIONS</b>                     | <b>-\$2,694</b>     | <b>\$232,141</b>  | <b>\$609,330</b> | <b>\$357,861</b>  | <b>\$378,056</b>    |                    |
| GROSS SALES PRICE                                   | -                   | -                 | -                | -                 | \$11,396,555        |                    |
| LESS SALES COSTS                                    | -                   | -                 | -                | -                 | -\$227,931          |                    |
| <b>DEBT PAYOFF</b>                                  | <b>-</b>            | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>-\$6,489,137</b> |                    |
| <b>NET SALES PROCEEDS</b>                           | <b>-</b>            | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>4,679,487</b>    |                    |
| <b>NET CASHFLOW</b>                                 | <b>-\$2,574,466</b> | <b>-\$2,694</b>   | <b>\$232,141</b> | <b>\$609,330</b>  | <b>\$357,861</b>    | <b>\$5,057,542</b> |
| <i>Return of Capital</i>                            | \$0                 | \$0               | \$319,823        | \$0               | \$0                 |                    |
| <i>Adjusted Equity Basis</i>                        | \$2,574,466         | \$2,574,466       | \$2,574,466      | \$2,254,643       | \$2,254,643         | \$2,254,643        |
| <i>Leveraged Cash on Cash</i>                       | <b>-100.00%</b>     | <b>-0.10%</b>     | <b>9.02%</b>     | <b>12.84%</b>     | <b>15.87%</b>       | <b>224.32%</b>     |
| <b>5-Year Internal Rate of Return</b>               |                     |                   |                  |                   | <b>22.23%</b>       |                    |
| <b>Deal-Level Profit</b>                            |                     |                   |                  |                   | <b>\$3,679,715</b>  |                    |
| <b>Levered Equity Multiple</b>                      |                     |                   |                  |                   | <b>2.43x</b>        |                    |
| <b>Stabilized Cash on Cash (Interest Only Debt)</b> |                     |                   |                  |                   | <b>12.84%</b>       |                    |
| <b>Stabilized Cash on Cash (Amortizing Debt)</b>    |                     |                   |                  |                   | <b>10.03%</b>       |                    |



The Sponsors plan to expand aggressively in an effort to capture BFR market share (currently non-existent) until critical mass is achieved - at which point a portfolio sale will be pursued. Sponsors have identified well-performing and desirable nodes within the city and have targeted sites that are optimally located within minutes to the recently completed sections of the I-295 Outer Loop - providing ease of access to Fort Bragg and the entirety of the Fayetteville MSA.

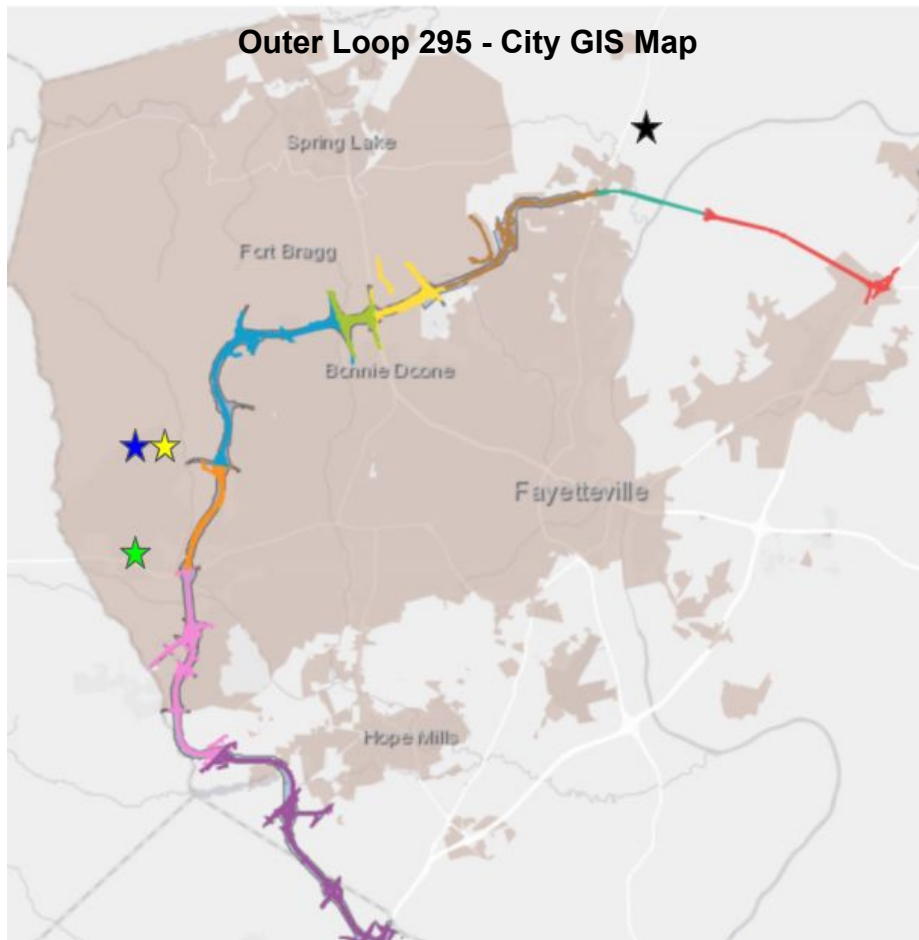
## CapeTide's Fayetteville, NC Build For Rent ("BFR") Pipeline

*Current Project*









|                     | <b>Sandy Neck</b> | <b>Nauset</b> | <b>Mayflower</b> | <b>Beachcomber</b> | <b>Pipeline Total</b> |
|---------------------|-------------------|---------------|------------------|--------------------|-----------------------|
| Parcel Size         | 12.79 Acres       | 11.99 Acres   | 18.18 Acres      | 30.00 Acres        | 72.96 Acres           |
| Unit Count          | 53 BFR Units      | 50 BFR Units  | 75 BFR Units     | 125 BFR Units      | 303 BFR Units         |
| Estimated Total Cc  | \$8.58M           | \$8.25M       | \$12.15M         | \$20.65M           | \$49.63M              |
| Project-Level Equit | \$2.57M           | \$2.48M       | \$3.65M          | \$6.20M            | \$14.89M              |

*Net IRR to Investors is projected to be 18-20% per project over a 5-year hold  
Stabilized Cash-on-Cash yields in excess of 10%*





The color-coded highway is the Interstate 295, also known as the Fayetteville Outer Loop. Today, it is complete through to Raeford Rd, which is the orange section with an exit closest to the Sponsor's future "Beachcomber" project. This \$1B infrastructure project set out to improve connectivity between Fort Bragg and the I-95 as well as provide new commuter routes between the base and the City of Fayetteville.

-  Sandy Neck: 53-unit BFR
  -  12.79 acres
-  Nauset: 50-unit BFR
  -  11.99 acres
-  Mayflower: 75-unit BFR
  -  18.18 acres
-  Beachcomber: 125-unit BFR
  -  30 acres



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The investment return projections and related assumptions herein are not a prediction or a guarantee of future performance. There can be no assurance that the projections will be achieved.

Any investment in the LLC will be illiquid and an investor may not be able to liquidate in a timely manner. There is no secondary market for investors' interests in the LLC and none is expected to develop. There are restrictions on transferring interests in the LLC.

No assurance can be given that the LLC will meet its investment objectives or avoid losses, including total loss of investment.