



BOARDWALK WEALTH

San Jose Apartments

Jacksonville, FL

INVESTMENT SUMMARY

BOARDWALK WEALTH

BoardwalkWealth.com | Dallas, Texas



DISCLAIMER

The following information is an investment summary provided to prospective investors and others. This information is not an offering to sell either a security or a solicitation to sell a security. At the request of a recipient, the Company will provide a private placement memorandum, subscription agreement and the limited liability company operating agreement. The Managing Member in no way guarantees the projections contained herein. Real estate values, income, expenses and development costs are all affected by a multitude of forces outside the managing member's control. This investment is illiquid and only those persons that are able and willing to risk their entire investment should participate. Please consult your attorney, CPA and/or professional financial advisor regarding the suitability of an investment by you.

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EXECUTIVE SUMMARY

2.0x

Investor Equity
Multiple

16.8%

Investor Internal
Rate of Return

8.4%

Average
Cash-on-Cash %

19.5%

Average
Annual Returns

OFFERING SUMMARY

Cap Rate (T12)	5.3%	Units	138
Reversion Cap Rate	6.5%	Year Built	1974
Preferred Return	7.0%	Purchase Price	\$12,100,000
LP / GP Split	70% / 30%	Renovation Budget	\$1,000,000
Hold Time	5 Years	All Other Costs	\$763,625
DSCR (Year 1)	1.2x	Total Capitalization	\$13,863,625

PROJECTED RETURNS ON A \$100K INVESTMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
Investor Annual %	6.7%	8.6%	10.5%	8.3%	163.3%
Annual ROI	\$6,712	\$8,579	\$10,507	\$8,255	\$163,252
Cumulative ROI	\$6,712	\$15,292	\$25,798	\$34,053	\$197,305

San Jose Apartments – Value Add Investment

Boardwalk Wealth has created the opportunity to acquire San Jose Apartments in Jacksonville, FL. The city is ranked #2 “Most Up-and-Coming City in America” by Time. This asset was built in 1974 and consists of 138 units divided among 19 buildings comprised of concrete foundation and stucco siding exteriors with stick frames.

The property is located just 10 minutes from St. John’s Town Center and Downtown Jacksonville. The property is near the largest employment centers and top-ranked parks, schools and upscale retail and dining establishments.

The structure is well-maintained by the current management.

INVESTMENT HIGHLIGHTS

- > Proven Value-Add Program:**
 The current owner has spent \$1M+ on renovations by partially upgrading units with black or white appliance, cabinet fronts, resurfaced countertops & vinyl flooring. The overall structure of the property is excellent.
- > Reposition, Rebrand, Revitalize:**
 Boardwalk Wealth will seek to bring the asset up from a C+ to a B class property in line with the desirable submarket location. We will rebrand immediately with a \$1M renovation budget to expand upon a proven value-add program by implementing curb appeal enhancements and strategic interior renovations.
- > 32-Unit Expansion Potential:**
 There is an opportunity for a 32-unit new construction in the undeveloped space in the east section. Boardwalk feels that this offers significant upside optionality to grow rental revenue in one of the fastest growing submarkets in Jacksonville. **This is not included in the underwriting.**

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THE PROPERTY

PROPERTY OVERVIEW

San Jose Apartments is a 138-unit community conveniently located off I-95 and just minutes from St. John's Town Center. The submarket has had only 3 communities delivered in the past 20 years within a three-mile radius. The submarket had a 5.1% rent growth and the limited pipeline indicates continued rent growth.

The property is surrounded by affluent neighborhoods with close proximity to San Jose Country Club, Epping Forest Yacht Club and The Bolles School. It also has easy access to premier shopping and entertainment locations: Tinseltown, Markets and Town Center, St. John's Town Center, Tapestry Park and Topgolf.

The subject property was built in 1974 and consists of 19 buildings comprised of concrete foundation with stucco stick frame exterior walls and pitched roofs. The current owner has spent \$1M+ in renovations. The spacious floorplans allow for a comfortable and affordable place to live for residents.

SITE	
Units	138
Vintage	1974
Stories	2 Stories
Net Rentable Area	117,860
Buildings	19
Address	3534 Smithfield Street
County	Duval
Size / Density	8.90 acres

COMMON AREA AMENITIES



Amazon Locker



Leasing Office



Dog Park (Future)



Business Center



Swimming Pool



Picnic Tables / Grills



Clubhouse



Playground



Laundry Facility

UNIT MIX SUMMARY			
TYPES	UNITS	UNITS %	SQ. FT.
Studio - Cozumel	24	17.4%	400
1 Bed/1 Bath - Cancun	48	34.8%	630
2 Bed / 1 Bath - Cabo	8	5.8%	1,000
2 Bed / 1 Bath - Carmen	16	11.6%	1,060
2 Bed / 2 Bath - Tulum	16	11.6%	1,160
3 Bed / 2 Bath - Acapulco	25	18.1%	1,300
4 Bed / 2 Bath - ADMIN	1	0.7%	2,000
	138	100.0%	854



INTERIOR RENOVATION PLAN



RENOVATED UNIT DESCRIPTION

We will create a modern and consistent look featuring:

- Vinyl wood plank flooring
- New faux stainless steel appliances
- Painted cabinets with new hardware
- Faux-granite countertops
- New light fixtures & plumbing fixtures
- Modern two-tone interior paint
- Molding fixtures
- New vanity in bathrooms
- Upgraded lighting and ceiling fan package
- Tile back splash

STANDARD UNIT DESCRIPTION

Current units are inconsistent in their overall look and condition and include:

- Carpet in living area and bedrooms
- Tile flooring in kitchen and bathroom
- White appliances
- Original light fixtures
- Brass hardware and light fixtures
- Wood cabinetry
- Laminate counters



FLOOR PLANS

COZUMEL | Studio / 1BA | 400 SF



CANCUN | 1BR / 1BA | 600 SF



CABO | 2 BR / 1BA | 1,000 SF



CARMEN | 2 BR / 1BA | 1,060 SF



TULUM | 2BR / 2 BA | 1,160 SF



ACAPULCO | 3 BR / 2 BA | 1,300 SF



PROPERTY IMAGES



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THE PLAN

BUSINESS PLAN

CONTINUE INTERIOR RENOVATIONS

- Significant upside opportunity to grow rental revenue as there is a proven value-add program in place.
- Invest over \$700K on interior renovations over the next 20 months.
- Vinyl wood plank flooring, upgraded kitchen & bathroom fixtures, lighting & ceiling packages, framed mirrors and new kitchen cabinets.
- Underwritten renovated rent premiums at \$65 (market is at \$75-\$125) on all upgraded units.

REBRAND & IMPROVE OPERATIONS

- Immediate implementation of the rebranding program to reflect all prior and future physical improvements.
- Current ownership only allowed for limited renovations which withheld the property's full potential.
- ResProp, the regional expert, will be hired to implement the revenue growth and marketing strategy outlined in the conservative business plan.

COMMON AREA IMPROVEMENTS

- The current owner has completed most of the heavy lifting with respect to physical repairs and maintenance passing the baton to Boardwalk Wealth.
- Significant landscaping, tree trimming, dog park and new monument signage.
- Enhanced tenant lifestyle by modernizing the pool area, children's playground, exercise trail and Amazon locker.

EXIT STRATEGIES

- Disposition in ~5 years.
- Refinance/sale possibility in years 2-3, not included in the underwriting.





THE MARKET

MARKET OVERVIEW

#1

PROJECTED WAGE GROWTH 2018

#2

JOB GROWTH WITH ONE MILLION PEOPLE (3.5%)

#3

YOY RENT GROWTH (5.6%)

46%

JOB IN BUSINESS, FINANCIAL, SALES & SUPPORT

\$72.5K

Avg. HH Income (1 mile)

17:1

Job to Apartment Delivery Ratio

19.5%

Rent as % of Total Income

65.0%

Employed in White Collar Professions (5 miles)

3.7%

Unemployment Rate (August 2018)

20 mins

From Mayo Clinic (#1 Hospital in FL)

16M SF

Office Space (12 minutes)

\$307K

Avg. Home Value (1 mile)

21,300

Jobs created in JAX in the last 12 months

9.2%

Job Growth in Professional and Business Services



LOCATION OVERVIEW

The property is surrounded by affluent neighborhoods with close proximity to San Jose Country Club, Eppings Forest Yacht Club and The Bolles School. Only three apartment communities have been delivered in the past 20 years within a three-mile radius of the property. Only one new garden project is currently planned within three miles of the property.

5.1%

**Effective Rent Change
(YoY)**

\$1,165

Effective Rent

Southside / Baymeadows (submarket)

The submarket has an average occupancy of 95.2% with 0% concessions across the submarket and average rents of \$1,165.

	5 Minutes	10 Minutes	15 Minutes
2018 Avg. HH Income	\$72,554	\$70,753	\$72,239
2023 Avg. HH Income	\$85,106	\$82,744	\$85,838
Total Population (2018 Estimate)	12,597	69,568	175,302
Total Population (2023 Projection)	13,060	72,789	186,521
Households (2018 Estimate)	5,670	29,118	76,161
Households (2023 Projection)	5,854	30,347	81,150
Avg. Persons Per Household	2.2	2.3	2.2
Median Age	39.6	40.9	41.4



LOCATION OVERVIEW





THE NUMBERS

PROJECTED INVESTOR RETURNS

2.0x

Investor Equity
Multiple

16.8%

Investor Internal
Rate of Return

8.4%

Average
Cash-on-Cash %

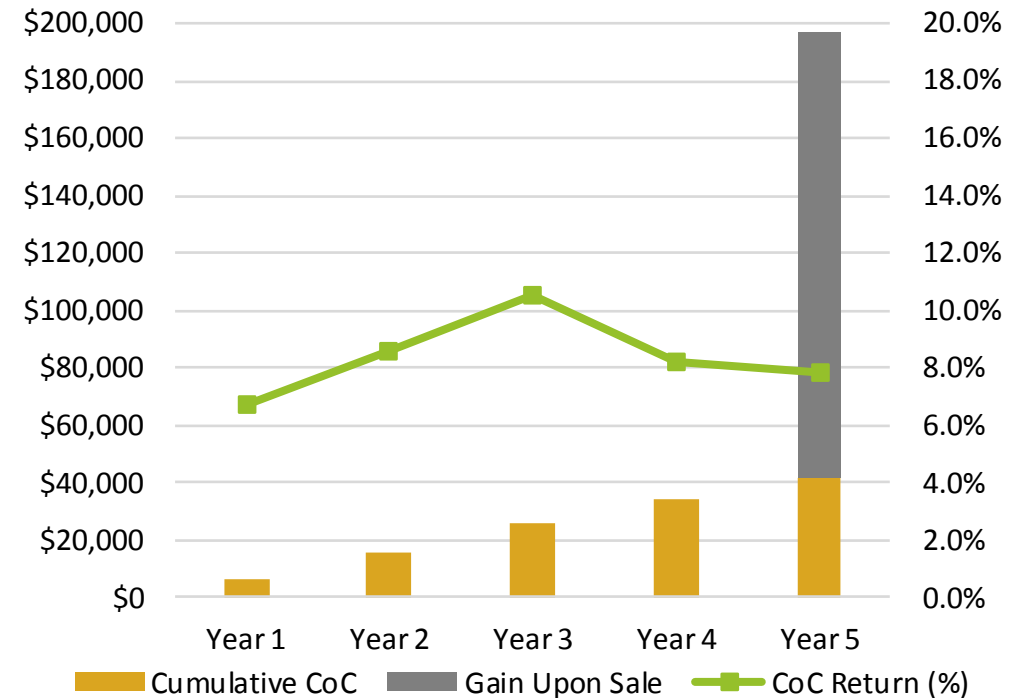
19.5%

Average
Annual Returns

\$100,000 Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Cash on Cash Return (\$)	\$6,712	\$8,579	\$10,507	\$8,255	\$7,859
Cash on Cash Return (%)	6.7%	8.6%	10.5%	8.3%	7.9%
Equity upon Exit (\$)	-	-	-	-	\$155,393
Equity upon Exit (%)	-	-	-	-	155.4%
Total Cumulative Return (\$)	\$6,712	\$15,292	\$25,798	\$34,053	\$197,305
Total Cumulative Return (%)	6.7%	15.3%	25.8%	34.1%	197.3%

*Year 5 includes return of initial capital

INVESTOR RETURNS



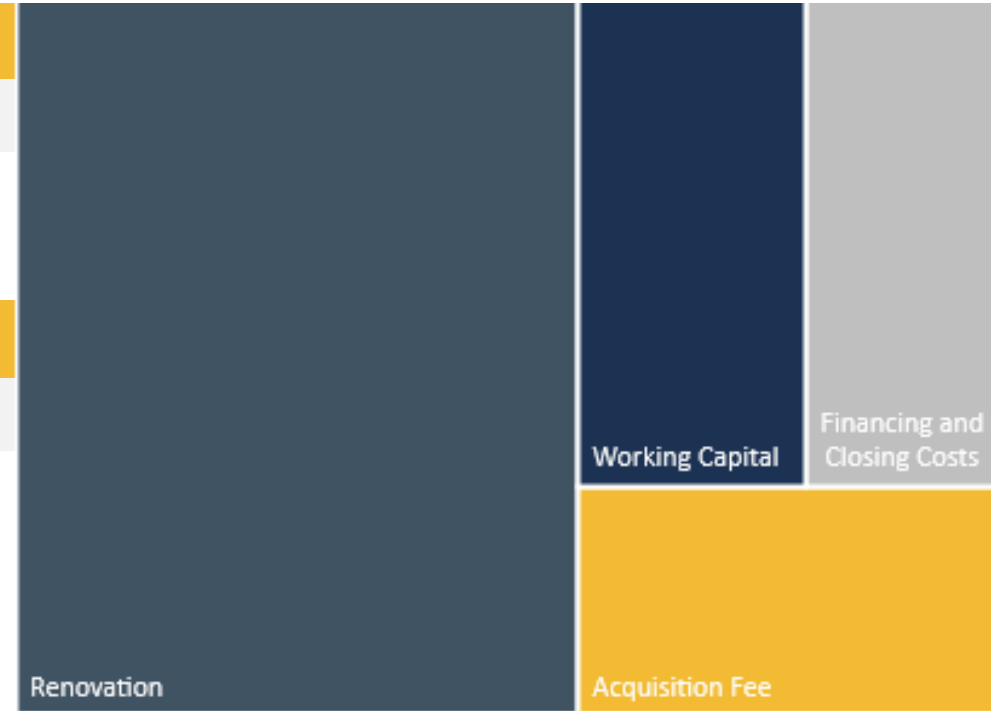
SOURCES AND USES

TOTAL SOURCES

FUNDS REQUIRED FOR THIS OFFERING	\$13,863,625	100.0%
DEBT	\$9,825,000	70.9%
EQUITY	\$4,038,625	29.1%

TOTAL USES

PROCEEDS AVAILABLE FOR INVESTMENT	\$13,863,625	100.0%
Purchase Price	\$12,100,000	87.3%
Renovation	\$1,000,000	7.2%
Acquisition Fee	\$242,000	1.7%
Financing and Closing Costs	\$245,625	1.8%
Working Capital	\$276,000	2.0%



San Jose Apartments 5 Year Proforma

Annual Proforma	T12	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Revenue						
Gross Potential Rent	\$1,452,347	\$1,479,932	\$1,749,749	\$1,860,829	\$1,914,327	\$1,969,364
Economic Vacancy	(\$286,152)	(\$207,118)	(\$183,638)	(\$158,079)	(\$153,052)	(\$157,453)
Total Rental Revenue	\$1,166,195	\$1,272,814	\$1,566,111	\$1,702,749	\$1,761,275	\$1,811,912
Other Income						
RUBS	68,835	69,168	77,475	79,742	81,736	83,779
Laundry / Vending Income	10,591	10,360	12,248	13,026	13,400	13,786
Fee Income	40,812	41,438	48,993	52,103	53,601	55,142
Miscellaneous Income	67,741	69,557	82,238	87,459	89,973	92,560
Additional Income	-	4,494	8,446	8,659	8,878	9,103
Total Other Income	\$187,979	\$195,016	\$229,400	\$240,990	\$247,589	\$254,370
Total Income	\$1,354,173	\$1,467,830	\$1,795,511	\$1,943,739	\$2,008,864	\$2,066,282
Operating Expenses						
Controllable						
Property Management Fees	(40,807)	(44,035)	(53,865)	(58,312)	(60,266)	(61,988)
Administration	(20,703)	(24,150)	(24,754)	(25,373)	(26,007)	(26,657)
Advertising	(13,453)	(13,453)	(13,789)	(14,134)	(14,487)	(14,850)
Contract Services	(34,756)	(47,610)	(48,800)	(50,020)	(51,271)	(52,553)
Repairs and Maintenance	(70,049)	(59,340)	(60,824)	(62,344)	(63,903)	(65,500)
Turnover	(44,293)	(44,850)	(45,971)	(47,121)	(48,299)	(49,506)
Payroll	(200,880)	(172,500)	(176,813)	(181,233)	(185,764)	(190,408)
Total Controllable Expenses	(\$425,559)	(\$405,938)	(\$424,816)	(\$438,536)	(\$449,996)	(\$461,462)
Non-Controllable						
Insurance	(48,087)	(50,491)	(51,754)	(53,048)	(54,374)	(55,733)
Utilities	(147,103)	(138,000)	(141,450)	(144,986)	(148,611)	(152,326)
Real Estate Taxes	(88,370)	(167,834)	(171,958)	(175,397)	(178,905)	(182,484)
Lender Reserves	-	(34,500)	(34,500)	(34,500)	(34,500)	(34,500)
Total Non-Controllable Expenses	(\$283,559)	(\$390,825)	(\$399,662)	(\$407,931)	(\$416,390)	(\$425,043)
Total Expenses	(\$709,119)	(\$796,763)	(\$824,478)	(\$846,468)	(\$866,386)	(\$886,504)
Net Operating Income (NOI)	\$645,055	\$671,067	\$971,033	\$1,097,271	\$1,142,478	\$1,179,777

SENSITIVITY ANALYSIS

Exit Cap Rate									
	6.1%	6.2%	6.3%	6.4%	6.5%	6.8%	7.1%	7.4%	7.7%
LP IRR	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
LP Equity Multiple	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x
Exit Price	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900	\$18,685,900

Purchase Price									
	\$10,100,000	\$10,600,000	\$11,100,000	\$11,600,000	\$12,100,000	\$12,600,000	\$13,100,000	\$13,600,000	\$14,100,000
LP IRR	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
LP Equity Multiple	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x
LP Avg. CoC	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%

Hold Period									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
LP IRR	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
LP Equity Multiple	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x
LP Avg. CoC	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%



FINANCING

LOAN PROGRAM - BRIDGE LOAN, NON-RECOURSE

LENDER - WALKER & DUNLOP

AMORTIZATION - **30** YEARS

INTEREST RATE - **5.8%** FLOATING (INTEREST RATE CAP PURCHASED)

INTEREST ONLY PERIOD - **3** YEARS

REPAYMENT TERMS - **5** YEARS (3+1+1)

LOAN AMOUNT - **\$9,825,000**

**Subject to change prior to closing*



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THE COMPS

SALES COMPARABLES

#	PROPERTY NAME	YEAR	UNITS	SALE DATE	SALES PRICE	\$ / UNIT	OCC.
+	SAN JOSE APTS.	1974	138	Jan-19	\$12,100,000	\$87,681	92.0%
1.	VILLAGES OF BAYMEADOWS	1969-1971	1,048	Oct-17	\$111,000,000	\$105,916	96.0%
2.	PICKWICK	1984	152	Apr-17	\$14,800,000	\$97,368	99.0%
3.	SAN PABLO	1974	200	Apr-18	\$17,400,000	\$87,000	n/a
4.	PIER 350	1972	400	Aug-18	\$31,300,000	\$78,250	95.0%
5.	BRADFORD PLACE	1983	154	Apr-18	\$14,470,000	\$93,961	n/a
6.	AQUA DEERWOOD	1984	616	Jul-17	\$74,600,000	\$121,104	96.0%
	AVERAGE	1979	428		\$43,928,333	\$97,267	96.5%



RENT COMPARABLES

#	PROPERTY NAME	YEAR	UNITS	SQ. FT.	\$	\$ / PSF	OCC.
+	SAN JOSE APARTMENTS	1974	138	854	\$799	\$0.93	92.0%
1.	ARBOR PLACE	1970	206	850	\$767	\$0.90	98.0%
2.	HERON WALK	1979	388	729	\$807	\$1.11	99.0%
3.	COURTYARDS AT SAN JOSE	1961	90	859	\$1,701	\$1.98	n/a
4.	THE FOUNTAINS AT DEERWOOD	1976	240	1,122	\$1,108	\$0.99	96.0%
5.	LAKWOOD VILLAGE	1967	108	782	\$1,096	\$1.40	100.0%
	AVERAGE	1971	206	868	\$1,096	\$1.28	98.3%

*Courtyards at San Jose includes furnished units



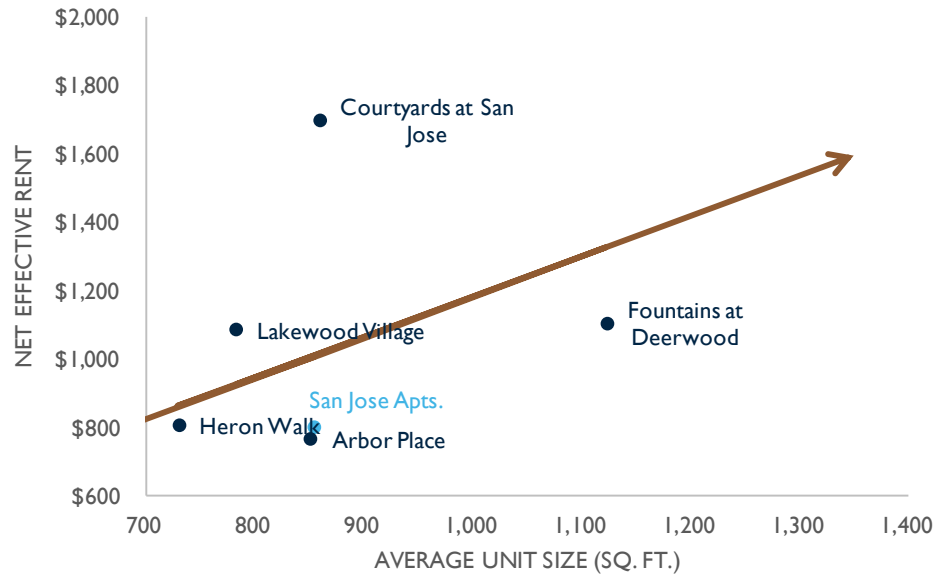
REGRESSION ANALYSIS

ALL UNIT SORT SUMMARY

	Units	Sq. Ft.	Eff. \$	\$ / SF
San Jose Apts.	138	854	\$799	\$0.93
Arbor Place	206	850	\$767	\$0.90
Heron Walk	388	729	\$807	\$1.11
Courtyards at San Jose	90	859	\$1,701	\$1.98
Fountains at Deerwood	240	1,122	\$1,108	\$0.99
Lakewood Village	108	782	\$1,086	\$1.39

ONE-BEDROOM

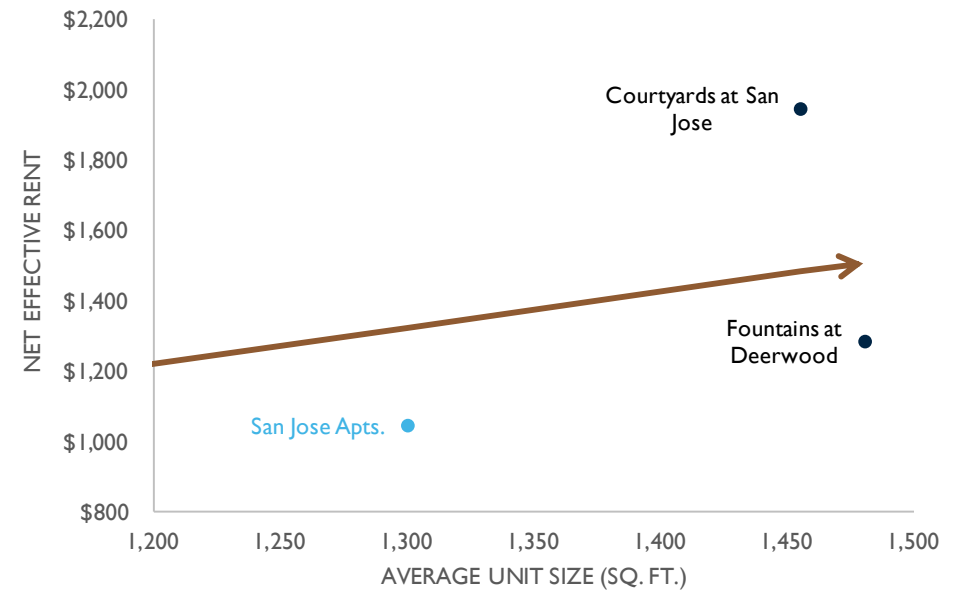
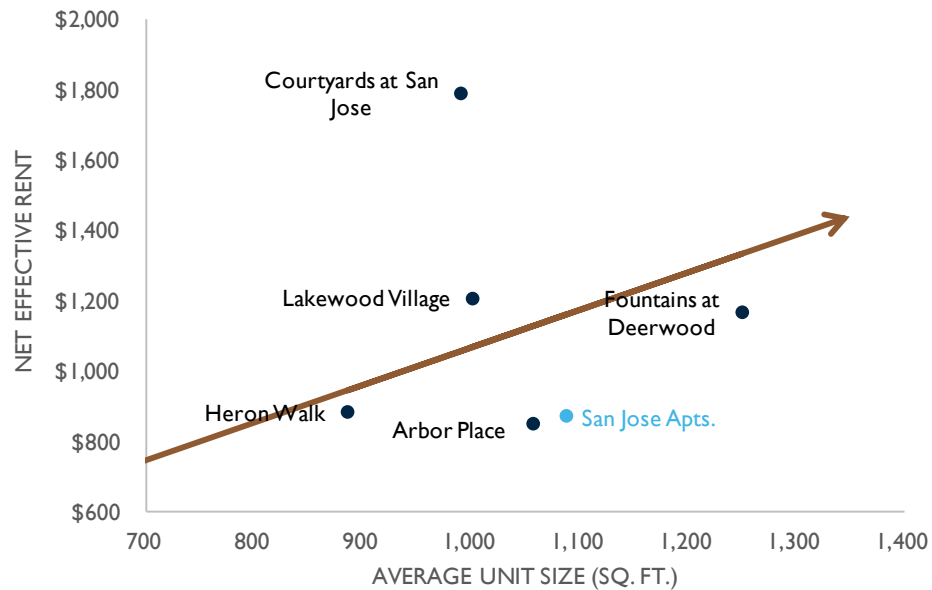
	Units	Sq. Ft.	Eff. \$	\$ / SF
San Jose Apts.	48	630	\$717	\$1.14
Arbor Place	124	713	\$709	\$0.99
Heron Walk	212	600	\$743	\$1.24
Courtyards at San Jose	54	712	\$1,620	\$2.28
Fountains at Deerwood	80	750	\$928	\$1.24
Lakewood Village	57	733	\$1,058	\$1.44



REGRESSION ANALYSIS

TWO BEDROOM				
	Units	Sq. Ft.	Eff. \$	\$ / SF
San Jose Apts.	40	1,088	\$871	\$0.80
Arbor Place	82	1,057	\$854	\$0.81
Heron Walk	176	885	\$885	\$1.00
Courtyards at San Jose	29	990	\$1,791	\$1.81
Fountains at Deerwood	120	1,250	\$1,168	\$0.93
Lakewood Village	35	1,000	\$1,210	\$1.21

THREE BEDROOM				
	Units	Sq. Ft.	Eff. \$	\$ / SF
San Jose Apts.	25	1,300	\$1,047	\$0.81
Courtyards at San Jose	7	1,455	\$1,950	\$1.34
Fountains at Deerwood	40	1,480	\$1,288	\$0.87



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THE PORTFOLIO

PORTFOLIO



NORTHERN CROSS Fort Worth, TX

- Purchase Price: \$48.6M
- Vintage: 2001
- Units: 398
- IRR (projected): 16.1%
- Equity Multiple (projected): 2.5x
- Cash-on-Cash (projected): 8.6%



WOODBRIIDGE APTS San Antonio, TX

- Purchase Price: \$20.7M
- Vintage: 1980
- Units: 253
- IRR (projected): 16.56%
- Equity Multiple (projected): 1.99x
- Cash-on-Cash (projected): 8.63%



RESIDENCE AT MIDTOWN Dallas, TX

- Purchase Price: \$19.0M
- Vintage: 1974
- Units: 296
- IRR (projected): 20.00%
- Equity Multiple (projected): 2.30x
- Cash-on-Cash (projected): 9.54%



PORTFOLIO



MIRA VISTA RANCH Lewisville, TX

- Purchase Price: \$40.8M
- Vintage: 2004
- Units: 304
- IRR (projected): 18.00%
- Equity Multiple (projected): 2.1x
- Cash-on-Cash (projected): 8.70%



JOSEPH at HUEBNER San Antonio, TX

- Purchase Price: \$16.2M
- Vintage: 1983
- Units: 192
- IRR (projected): 16.76%
- Equity Multiple (projected): 1.99x
- Cash-on-Cash (projected): 8.94%



LAS BRISAS Dallas, TX

- Purchase Price: \$17.3M
- Vintage: 1979
- Units: 244
- IRR (projected): 18.10%
- Equity Multiple (projected): 2.1x
- Cash-on-Cash (projected): 9.00%

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THE TEAM

Management Team



OMAR KHAN, CFA
Managing Partner

Omar Khan is the founder of Boardwalk Wealth and has an extensive track record with over \$3.7 billion in capital financing and M&A transactions. His experience includes deal sourcing, asset management and strategic planning.

Khan has been involved in over \$100M+ of multifamily transactions. He is a CFA charterholder and graduated from the Rotman School of Management at the University of Toronto.



ResProp serves national and international investors and owners of US-based residential real estate. They are best in-class in acquisitions, asset management, property management and construction management.

With over 400 professionals across the United States, ResProp provides localized networks, market and submarket intel, deal flow and talent sourcing. The deep local strength and geographic reach is bolstered by having operational bases in Texas, Colorado, Arizona and Florida.

ResProp's sister company InvestRes has purchased 14,000 units, manages \$1bn in assets and has consistently seen 10% revenue growth YoY. They have also consistently beaten Preqin Top Quartile in returns.





THE TIMELINE

Acquisition Timeline

December 5th - 2018

CONTRACT EFFECTIVE DATE

December 5th - 2018

PPM SCHEDULED FOR RELEASE

January 31st - 2019

PROJECT CLOSE DATE

December 6th - 2018

LOAN APPLICATION SUBMITTED

January 15th - 2019

FUNDING COMPLETE





BOARDWALK WEALTH

OMAR KHAN, CFA

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