
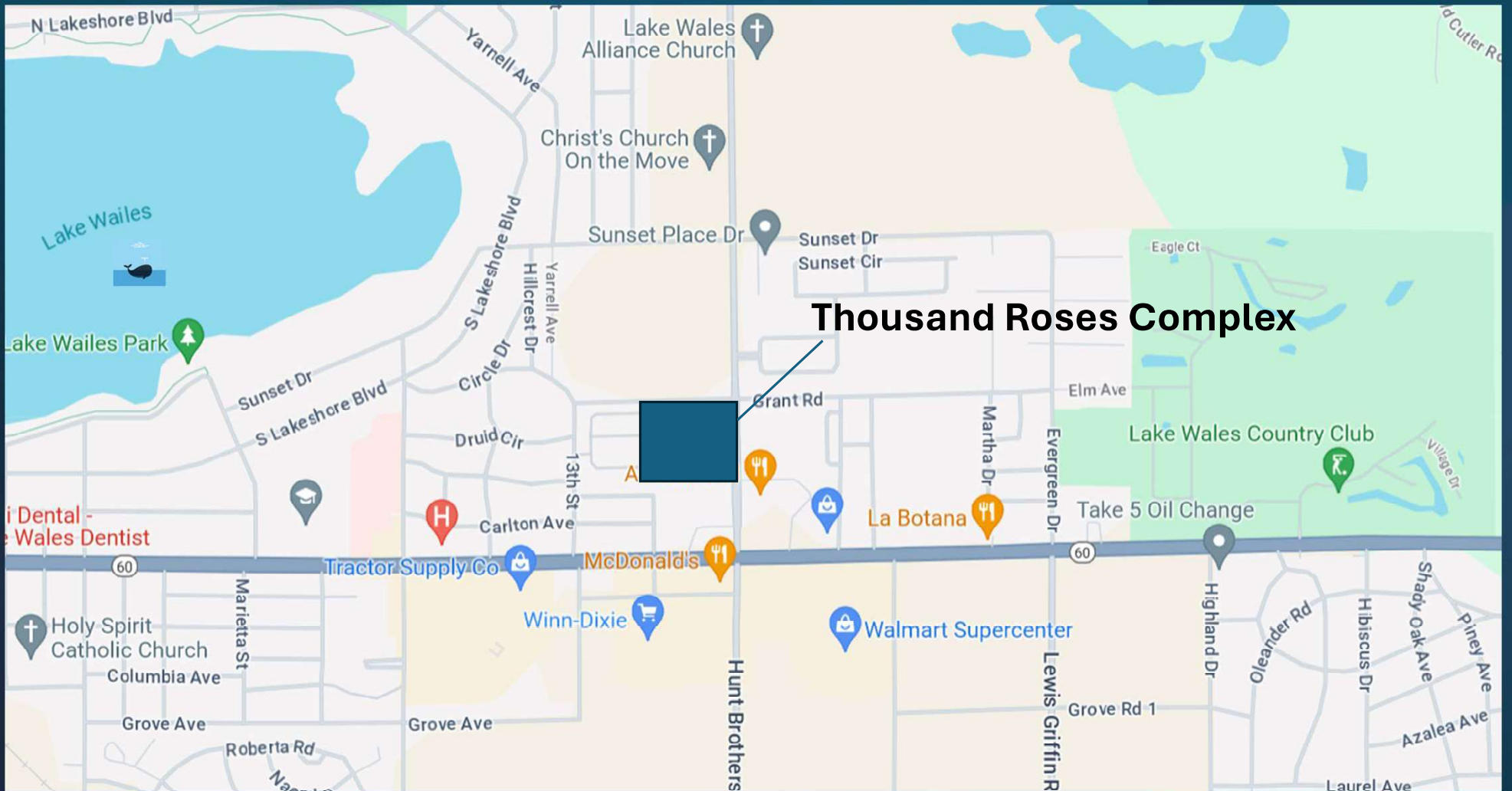


Opportunity & Action Plan

Thousand
ROSES
A PARTMENT HOMES

A realistic, light pink rose is positioned to the left of the word 'ROSES', partially overlapping the letter 'R'. The rose is in full bloom, showing detailed petal structure.





Property Description // *Thousand Roses*

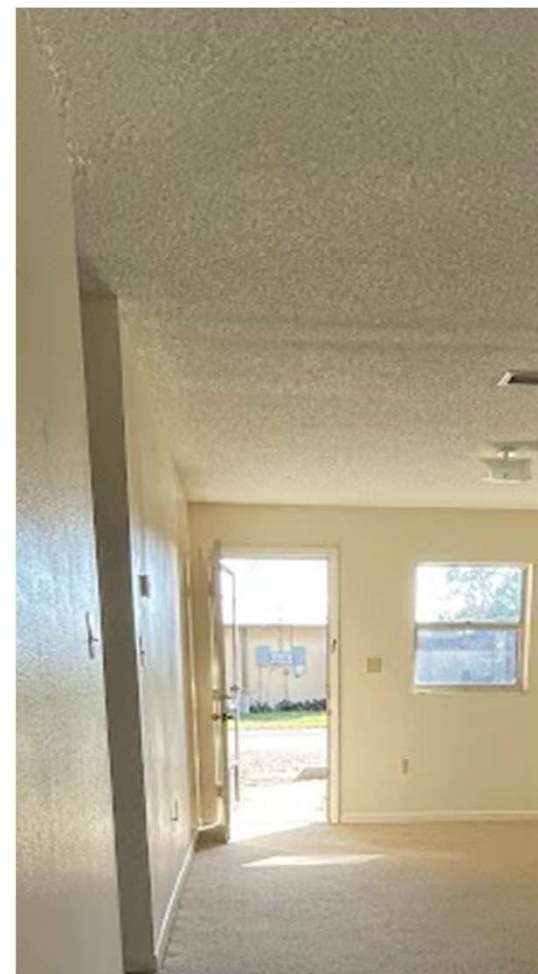
Number of units	118
Street Address	455 Buck Moore Rd
Property City	Lake Wales
Zip Code	33853
Property County	Polk
Year Built	1988
Acreage	10.87 Acres
Exterior Construction	Concrete Block
Roof Type	Galvanized Metal
HVAC Type	Central
Total Rentable Square Footage	Approx 73,000 sq ft
Zoning	C-3 Commercial



1000 ROSES
RETIREMENT COMMUNITY

1000 ROSES
RETIREMENT COMMUNITY





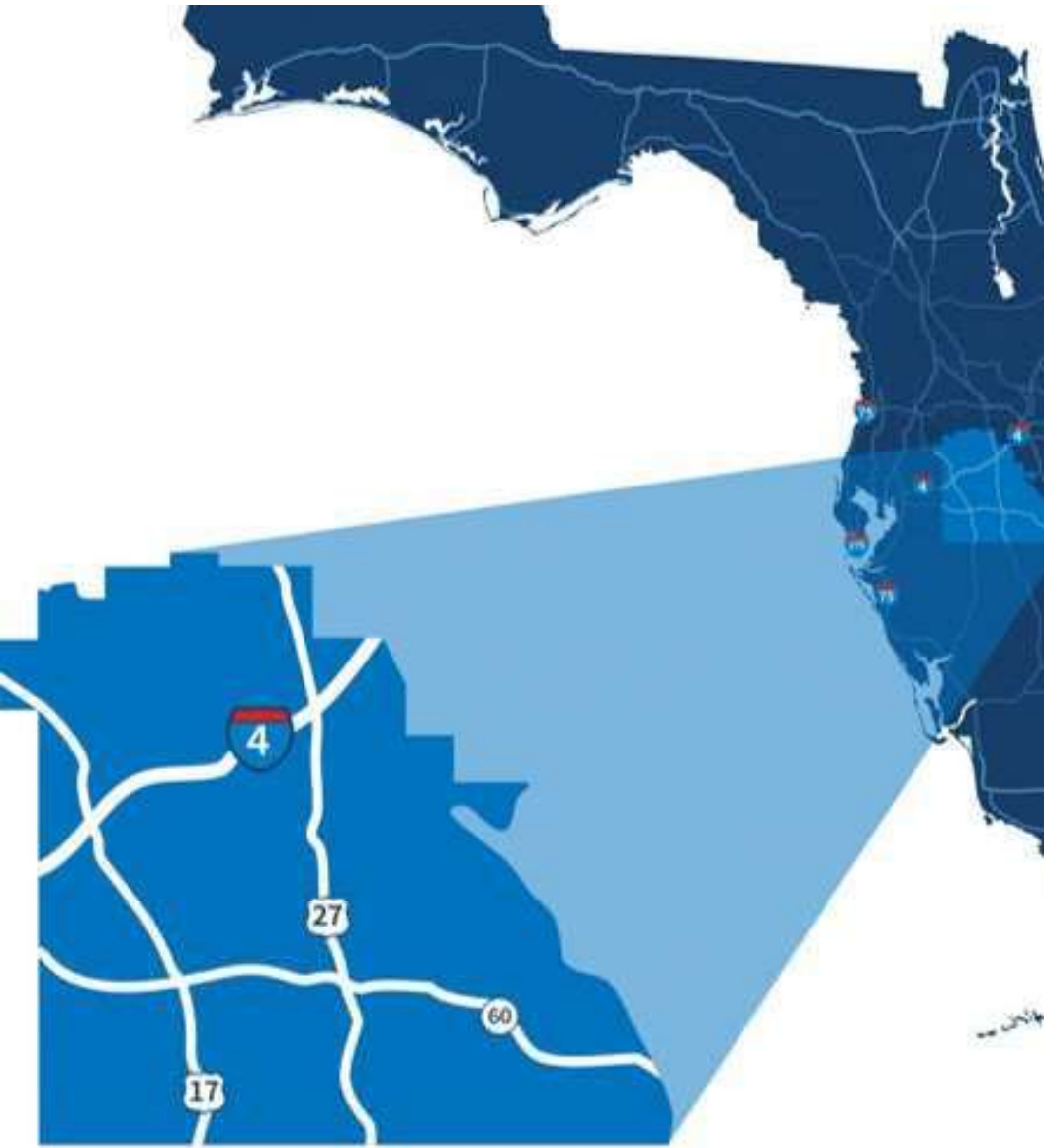




A Brief History of the Thousand Roses Community

- Developed in 1988 by the Grondin family – mainly the father and his son, Gary.
- They built the entire Thousand Roses community, but later sold half of it so there are now two distinct communities with two entrances.
- Gary has worked at Thousand Roses everyday, and has not taken a vacation since 1988.
- Rents today are similar to what they were getting 10+ years ago (see rent prices below from 2012-2014).

Rent Price↓	Address	Leased Date	City	Zip Code	Bed	FB	HB	Legal Subdivision Name
\$600	1243 DRUID CIR	03/27/2013	LAKE WALES	33853	3	1	1	DRUID HILLS
\$625	1454 THOUSAND ROSES DR N	09/28/2012	LAKE WALES	33853	2	2		THOUSAND ROSES
\$625	1436 THOUSAND ROSES DR N	10/15/2013	LAKE WALES	33853	2	2		THOUSAND ROSES
\$625	1467 THOUSAND ROSES DR S	06/17/2013	LAKE WALES	33853	2	2		THOUSAND ROSES
\$625	1454 THOUSAND ROSES DR	02/20/2014	LAKE WALES	33853	2	2		THOUSAND ROSES
\$625	1431 THOUSAND ROSES DR	06/23/2014	LAKE WALES	33853	2	2		THOUSAND ROSES
\$650	1469 THOUSAND ROSES AVE W	10/01/2014	LAKE WALES	33853	2	2		THOUSAND ROSES



The Thousand Roses Community is located in Polk County, FL – aka the fastest-growing county in the USA

Median gross rent (2018-2022): \$1,192/month (US Census Data)

Median household income (in 2022 dollars, 2018-2022): \$60,901 (US Census Data)

Home to Publix Supermarkets, which is considered to be the largest employee-owned company in the world.

Publix is the largest employer in Polk County, followed by the Polk County School Board, and then Lakeland Regional Health, Walmart, Amazon, and GEICO.



Opportunity

Sales Comps

74

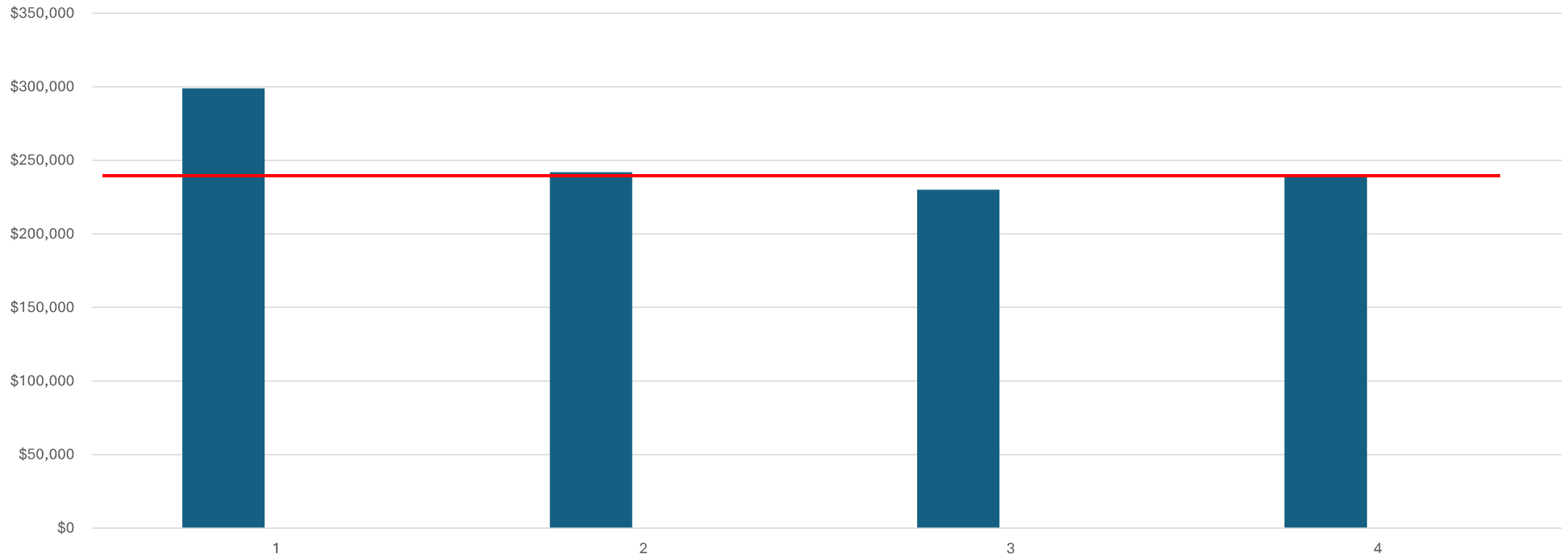
Distance from Subject	MLS #	Sale Price	Address	Year Built	Size (Sq Ft Heated)	Sold Date
1.7	O6120546	\$299,000	425 E Sessoms	1937	1652	09/11/23
1.7	A4565553	\$242,000	916 S Scenic Hwy	1986	1165	09/08/23
1.8	P4928329	\$230,000	729 Greenleaf Ln	1985	1830	01/31/24
2.0	K4902138	\$240,000	525 N 3 rd St	1938	2192	09/15/23

Sales Comps

Median Sale Price = \$240,000

Reminder – We are buying our duplexes at less than \$136,000 each

Thousand Roses Duplex Sales Comps (last 180 days)



Rent Comps

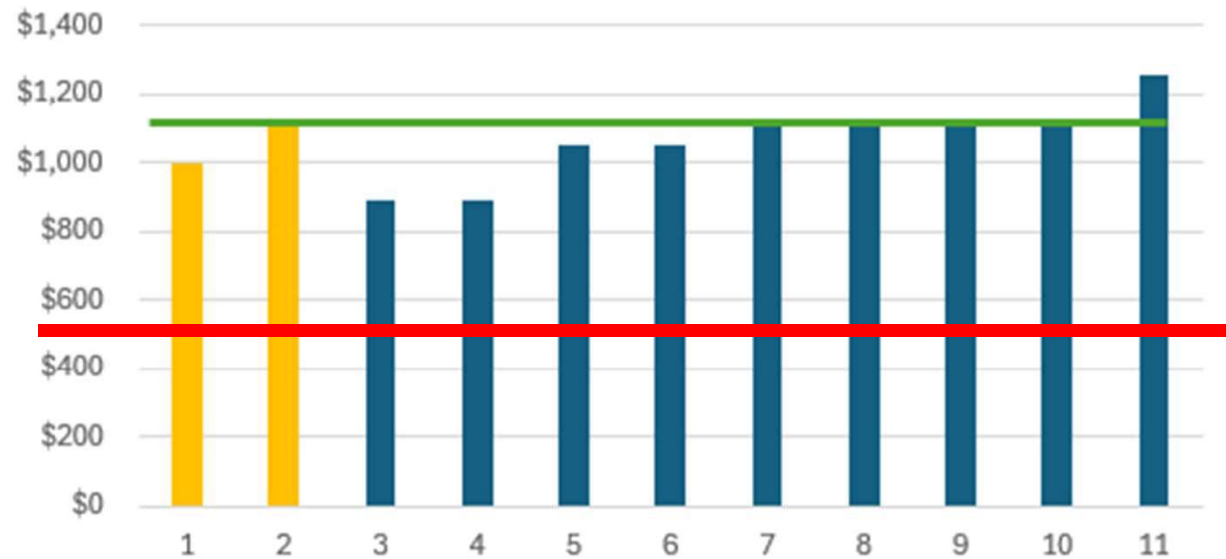
Distance	MLS #	Status	Current Price	Address	City	Beds	Full Baths	Heated Area	Year Built
1.9 mi	K4902084	LSE	\$1,000	241 E SEMINOLE AVE	LAKE WALES	1	1	731	1930
1.4 mi	K4902231	LSE	\$1,125	610 EMERALD AVE Unit#2	LAKE WALES	1	1	704	1979
1.2 mi	S5094856	LSE	\$995	508 S 8TH ST	LAKE WALES	2	1	1,460	1925
1.2 mi	S5085459	LSE	\$995	508 S 8TH ST	LAKE WALES	2	1	1,460	1925
1.2 mi	S5090705	LSE	\$1,150	512 S 8TH ST	LAKE WALES	2	1	1,460	1925
1.2 mi	S5083453	LSE	\$1,150	512 S 8TH ST	LAKE WALES	2	1	1,460	1925
0.6 mi	P4929219	LSE	\$1,200	2563 ELM AVE	LAKE WALES	2	1	944	1983
0.6 mi	P4928028	LSE	\$1,200	2571 ELM AVE	LAKE WALES	2	1	944	1983
0.6 mi	P4926751	LSE	\$1,200	2575 ELM AVE	LAKE WALES	2	1	944	1983
0.6 mi	P4925802	LSE	\$1,200	2567 ELM AVE	LAKE WALES	2	1	944	1983
1.4 mi	K4902232	LSE	\$1,350	610 EMERALD AVE Unit#3	LAKE WALES	2	1	864	1979

Rent Comps Today

Green line = median market rent (\$1100/month)

Red line = Thousand Roses average rent (\$503/month)

Rents within 2 miles of Thousand Roses
(adjusted for 1-bedroom units)



Market Interest Rates vs Seller Financing Rate

According to Lendingtree.com, interest rates on traditional bank loans are running between **6.25% - 8.7%**.

Thousand Roses Seller Financing Rate: 5%
Saving us \$100k-\$300k/year on interest

Opportunity



- Low price per unit: \$67,797/door!
- Excellent Upside Rent Potential: Thousand Roses units are renting for about 50% of market value
- Favorable Financing: Seller is willing to hold a \$5.5MM note at just 5% interest-only for 60 months
- Contract: Negotiations are over, and we have this property under contract at \$8MM USD.

Opportunity



Gross Potential Annual Income	\$	1,408,920
- Economic & Physical Vacancy		5%
= Net Annual Income	\$	1,338,474
- Annual Expense Rate		50%
= Net Operating Income	\$	669,237
Market Cap Rate		7.0%
Market Value	\$	9,560,529
Purchase Price	\$	8,000,000



Action Plan & Financial Projections

Action Plan – Leasing / Renewals

Month	Action	Notes
May 2024	<p>Close on Thousand Roses</p> <p>Begin marketing 5 vacant units</p>	Target rent price = \$995-1095/month
June 2024 – May 2025	<p>Begin process of raising rents for June & July lease renewals.</p> <p>Continue process until we worked through entire community.</p>	<p>Raising rents from \$500 to \$825 Vacancies will be re-rented @ \$995</p> <p>Assumptions:</p> <ul style="list-style-type: none"> • 70% will renew • 20% will leave • 10% will have to be evicted
Summer 2024	Institute RUBS (Ratio Utility Billing system) for water and trash collection	This will shift those costs from Thousand Roses Fund, LLC to the residents
May 2025 – Jan 2027	Achieve market rent for 100% of portfolio	This will help us meet our NOI goals to support maximum sale price

Deal Structure & Projected Returns

Member Equity	70% Members / 30% General Partners
Member Return	7% Preferred Rate 70% of cash flows up to 15% IRR 50% of cash flows above 15% IRR
Time Horizon	5 years
Asset Management Fee	1.5%
Capital Transaction Fee	2.0%
Projected Member Returns	Average Annual Return: 18.42% IRR: 15.00% Average Cash on Cash Return: 7.09% Total Return on Investment: 92.10%

Projected P&L Statement

INCOME		1	2	3	4	5
Average Monthly Rent		\$670	\$875	\$995	\$1,095	\$1,150
Gross Potential Rent		\$948,720	\$1,239,000	\$1,408,920	\$1,550,520	\$1,628,400
- Vacancy		(\$47,436) 5.00%	(\$61,950) 5.00%	(\$70,446) 5.00%	(\$77,526) 5.00%	(\$81,420) 5.00%
- Concessions, Loss to Lease, Bad Debt		(\$28,462) 3.00%	(\$37,170) 3.00%	(\$42,268) 3.00%	(\$46,516) 3.00%	(\$48,852) 3.00%
Gross Potential Income		\$872,822	\$1,139,880	\$1,296,206	\$1,426,478	\$1,498,128
Other Income		\$2,000	\$2,040	\$2,081	\$2,122	\$2,165
Effective Gross Income		\$874,822	\$1,141,920	\$1,298,287	\$1,428,601	\$1,500,293
EXPENSES						
Advertising		\$1,200 0.14%	\$1,260 0.11%	\$1,323 0.10%	\$1,389 0.10%	\$1,459
Contract Services		\$48,000 5.49%	\$50,400 4.41%	\$52,920 4.08%	\$55,566 3.89%	\$58,344
Gas & Electric		\$9,500 1.09%	\$9,975 0.87%	\$10,474 0.81%	\$10,997 0.77%	\$11,547
General/Admin		\$10,000 1.14%	\$10,500 0.92%	\$11,025 0.85%	\$11,576 0.81%	\$12,155
Insurance		\$95,000 10.86%	\$99,750 8.74%	\$104,738 8.07%	\$109,974 7.70%	\$115,473
Legal		\$35,400 4.05%	\$20,000 1.75%	\$21,000 1.62%	\$22,050 1.54%	\$23,153
Real Estate Taxes		\$96,000 10.97%	\$100,800 8.83%	\$105,840 8.15%	\$111,132 7.78%	\$116,689
Trash Removal		\$18,000 2.06%	\$9,000 0.79%	\$2,000 0.15%	\$2,100 0.15%	\$2,205
Management Fee		\$52,489 6.00%	\$68,515 6.00%	\$77,897 6.00%	\$85,716 6.00%	\$90,018
Payroll		\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0
Repairs and Maintenance		\$125,000 14.29%	\$131,250 11.49%	\$137,813 10.61%	\$144,703 10.13%	\$151,938
Turnover		\$65,000 7.43%	\$35,000 3.07%	\$36,750 2.83%	\$38,588 2.70%	\$40,517
Water and Sewer		\$60,000 6.86%	\$30,000 2.63%	\$6,300 0.49%	\$6,615 0.46%	\$6,946
Deposit to Replacement Reserve		\$47,200 5.40%	\$47,200 4.13%	\$47,200 3.64%	\$47,200 3.30%	\$47,200
Total Expenses		\$662,789 75.76%	\$613,650 53.74%	\$615,279 47.39%	\$647,607 45.33%	\$677,643
Net Operating Income (NOI)		\$212,033	\$528,270	\$683,008	\$780,994	\$822,650
Debt Service						
Principal		\$0	\$0	\$0	\$0	\$0
Interest		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Total Debt Service		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Cash Flow available for Distribution		-\$62,967	\$253,270	\$408,008	\$505,994	\$547,650
Distributions from Cash Flow						
Asset Mgt Fee	1.5%	\$0	\$17,129	\$19,474	\$21,429	\$22,504
Members Preferred Return Paid	7%	\$0	\$236,141	\$388,534	\$350,231	\$243,726
Excess Cash Flow to Members	70%	\$0	\$0	\$0	\$94,034	\$196,993
Excess Cash Flow to Mgr	30%	\$0	\$0	\$0	\$40,300	\$84,426
Total Distributions to Members		\$0	\$236,141	\$388,534	\$444,265	\$440,720

Exit Strategy




Thousand Roses Fund, LLC

Brought To You Exclusively By
TAGER Capital Management, LLC

Sale	Year 5
Net Operating Income	\$869,850
Cap Rate	7.50%
Insurance/Tax/Lender Escrows	\$0
Operating Reserves remaining	\$350,000
Sales Price	\$11,597,999
Sales Cost	5.0% (\$579,900)
Outstanding Loan Balance	(\$5,500,000)
Total Equity	\$5,868,099
- Return of Member Capital	\$3,481,807
- Members Preferred Return Deficiency	\$0
Net Proceeds/Profit from Sale	\$2,386,292
Principal Reduction	\$0
Appreciation	\$2,386,292
Capital Transaction Fee to Mgr	0% \$0
Net Proceeds/Profit Paid to Members	70% \$1,670,404
Net Proceeds/Profit Paid to Manager	30% \$715,888
Total Cash to Members at Sale(Init. Cptl. + Apprec.)	\$5,152,211

After Final Disposition	
Total Profits from Appreciation Paid to Members	\$1,670,404
Total Cash to Members	\$5,152,211
Internal Rate of Return (IRR)	15.25%
Average Cash on Cash Return	7.09%

Funding Needs

Closing is Tuesday

May 28, 2024

