

EXECUTIVE SUMMARY

Project Description

Long's Trailer Park is a small mobile home park located in Castlewood, VA with solid fundamentals and upside potential. The park consists of six lots, five of which are currently occupied by tenant owned homes. Castlewood is part of Russell County which has a population of over 26,000. It was originally named Castle's Woods, as the land in the immediate area had once belonged to Jacob Castle, a frontiersman in the likes of Daniel Boone.

Marketed as part of the seven-county e-Region in Southwest Virginia, Russell County focuses on the following strategic components of modern business – electronic information technology, energy, education, and emerging technologies. Three Fortune 500 companies have operations here: AT&T Wireless, Northrop Grumman, and American Electric Power.

The median home price in Castlewood is \$114,200 and the rental rate for a 2 to 3-bedroom apartment is approximately \$678 - \$838/month. This yields a large disparity with the current lot rent of \$100/month and helps to support the position of the need for affordable housing in the local market.

This park has the following solid fundamentals:

- All tenant-owned homes with current lot rents
- City water, septic tanks with utilities directly billed to tenants
- Lot rent below market - \$100 current vs. \$150 which is the local rate
- We have another park within driving distance of this asset, creating economies of scale
- Close to other economic hubs such as Kingsport and Johnson City, TN



Deal Structure & Raise Goal

Purchase Price (Cash)	\$64,000
Due Diligence	\$4,000
Acquisition Fee	\$6,000
Closing Costs	\$2,000
Reserves	\$16,000
Value-Add	\$3,000
Total Raise Goal	\$95,000

Targeted Investment Parameters

Targeted IRR:	15%
Targeted Equity Multiple:	1.5x
Targeted Hold Time:	5 Years

Schedule of the Investor's Return of Capital

- First: 100% to Investors until an **8% preferred return is achieved**
- Second: After an 8% preferred return is achieved, then 70% to Investors and 30% to Sponsor
- Third: After a 12% return is achieved, then 60% to Investors and 40% to Sponsor
- Fourth: After a 16% return is achieved, then 50% to Investors and 50% to Sponsor

Timeline

The property is expected to close escrow on or before **March 1st, 2022**. All funds are to be remitted by **February 24th, 2022**.