

Lakeside Villas

Dallas Fort Worth Opportunity



TRI-CITY EQUITY
GROUP



152 Units

2991 Lakeside Dr.

Midlothian, TX 76065



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Investment Summary



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Dallas Fort Worth Opportunity

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Disclaimer

Any or all of the Company's forward-looking statements in this Presentation or in documents otherwise provided to prospective investors or investments otherwise made by the Company, including, but not limited to, any pro forma financial projections provided herewith or that may otherwise be provided to prospective investors, may turn out to be wrong. They can be affected by inaccurate assumptions the Company might make or by known or unknown risks and uncertainties. There is no assurance that actual results will be the same as, or similar to, any financial projections, or prior results. Many factors mentioned in the Company's discussion herein, and in any Subscription Instructions with which you may be provided, including the risks outlined under "Risk Factors," will be important in determining future results. Actual future results may vary materially. When potential investors consider these forward-looking statements, they should keep in mind these risk factors and the other cautionary statements in this document and in any such Subscription Instructions.

Investment Thesis



Since most larger investors focus on 200+ unit assets, the midsize Multifamily space is underserved, creating an opportunity in the 50-150 unit space.

With this focus, we offer an opportunity for investors to participate in quality returns, within a high growth market, with experienced operators.



This offering fits our criteria because of the potential forced appreciation and location in a high growth MSA.

We seek to protect investor capital with exceptional risk-adjusted returns.

DFW Overview



MAJOR GROWTH SECTORS

4,221,200

Total Non=Farm Employment

(+9.1%)

Other Services

+7.4%

Employment Growth (Y-O-Y)

(+5.6%)

Education & health Services

3.3%

Unemployment Rate

(+5.2%)

Mining & Construction

- 6.8 million-acre economic and cultural hub of North Texas with 13 counties and 7.9 million residents
- Fourth-largest and one of the fastest-growing metros in the U.S., projected to add 750,000 people by 2025
- Low cost of living, strong economies, continual job growth, pro-business mindset, no corporate and personal income taxes, high quality of life
- Young, highly-educated workforce attracting business expansions and corporate relocations from 24 Fortune 500 companies and others
- Vast, well-connected infrastructure of highways and light rail systems, central U.S. location, access to two major airports

WHY DALLAS-FORT WORTH IS THE PLAGE TO DO BUSINESS

- ★ No. 1 in the country for "Total Job Growth" (Bureau of Labor Statistics)
- ★ No. 1 "Metro for Property Investment and Construction" (Emerging Trends)
- ★ No. 1 "Best State for Business" for the 17th year in a row (Chief Executive)
- ★ No. 1 "Best State for Women Entrepreneurs" (WalletHub)
- ★ No. 2 in the country for "Percent Job Growth" (Bureau of Labor Statistics)
- ★ No. 2 for "Corporate Expansions" (Site Selection Magazine)



SOURCE:GREYSTEEL

Midlothian Overview



DEMOGRAPHICS



Total Residential Population

Miles	2022	2027
1	6,040	6,055
2	46,716	53,036
3	125,910	136,425



Total Employees

Miles	2022
1	3,048
2	24,651
3	66,816



Median Household Income

Miles	2022	2027
1	\$75,637	\$84,784
2	\$99,577	\$106,099
3	\$102,724	\$110,808



Average Household Income

Miles	2022	2027
1	\$92,875	\$103,951
2	\$130,864	\$147,890
3	\$129,970	\$148,299

- Growing suburb on the south side of the DFW Metroplex with small-town charm and modern living amenities
- Population of approximately 76,000 people, diverse and inclusive community, attracting families, professionals, and retirees
- Rich history dating back to the early 1800s, preserved buildings and historical museum in downtown area
- Attracted major companies like Google, Sunrider Manufacturing and Vision Engineering.
- Commercial and residential developments in progress, new shopping centers, housing communities, and restaurants
- Easy access to downtown Dallas and Fort Worth, enjoying city life with quiet suburban lifestyle

Area Map



ENTERTAINMENT

- 1 Cinemark Mansfield and XD
- 2 Urban Air Trampoline and Adventure Park
- 3 Anchora Event Center
- 4 Mansfield National Golf Club
- 5 Hawaiian Falls Mansfield

MEDICAL

- 6 Methodist Mansfield Medical Center

SHOPPING

- 7 Kohl's
- 8 Hobby Lobby
- 9 Walgreens
- 10 Walmart Supercenter
- 11 Tom Thumb
- 12 Kroger Marketplace
- 13 Walmart Neighborhood Market
- 14 ALDI

- 15 Kroger
- 16 Sprouts Farmers Market
- 17 Target
- 18 Sam's Club

EDUCATION

- 19 Alice Ponder Elementary School
- 20 Legacy High School

PARKS & RECREATION

- 21 Fieldhouse USA Mansfield
- 22 Katherine Rose Memorial Park
- 23 Mansfield Activities Center

SOURCE: GREYSTEEL



Methodist Midlothian Medical Center
3.2 miles

Known for its prestigious hospitals and medical centers, operates five facilities in North Texas with a combined capacity of over 1,600 beds. Employing more than 7,700 medical professionals and support staff, they notably have over 1,660 professionals at Charlton Medical Center (MCMC), a 314-bed teaching hospital in suburban southwest Dallas.



Target Distribution Center
4.1 miles

Target Corporation, headquartered in Minneapolis, Minnesota, is the seventh-largest retailer in the United States, operating 1,948 stores and known for offering upscale, trend-forward merchandise at lower costs. Founded in 1902 by George Dayton, the company became Target Corporation in 2000 and is a major player in American retail, competing with Walmart and Amazon.



Walmart Supercenter
2.0 Miles

Walmart Inc. is the world's largest retailer and private employer, with over 10,500 stores in 24 countries. Controlled by the Walton family, it ranks as the largest company by revenue according to the Fortune Global 500 list. Walmart is the leading U.S. grocery retailer and has 2.1 million employees worldwide.



Midlothian ISD Multi-Purpose Stadium
3.2 Miles

The Midlothian ISD Multi-Purpose Stadium in Midlothian, Texas, is a sports facility with a seating capacity of around 8,000, featuring synthetic turf, a video scoreboard, and modern amenities. It hosts high school football and soccer games, track and field events, and community gatherings, serving as a central hub for school and local activities. The stadium enhances community engagement and school spirit by providing a venue for sports and educational programs within the district.



Gerdau Midlothian Steel Mill
3.0 Miles

Gerdau is a global steel producer that transforms over 11 million tons of recycled scrap metal into new steel products annually. In North America, Gerdau operates metals recycling locations, steel mills, and downstream facilities, manufacturing a wide range of steel products, including merchant bar, structural steel, piling, special bar quality, and rebar. The company works closely with local communities, supporting families and building careers.



Google Data Center
3.4 Miles

Google LLC is a leading multinational technology company known for its dominance in online advertising, search engine technology, cloud computing, and AI. Founded in 1998 by Larry Page and Sergey Brin, it has since expanded to offer a wide range of products and services, including Gmail, YouTube, and Android, many of which hold dominant market positions.

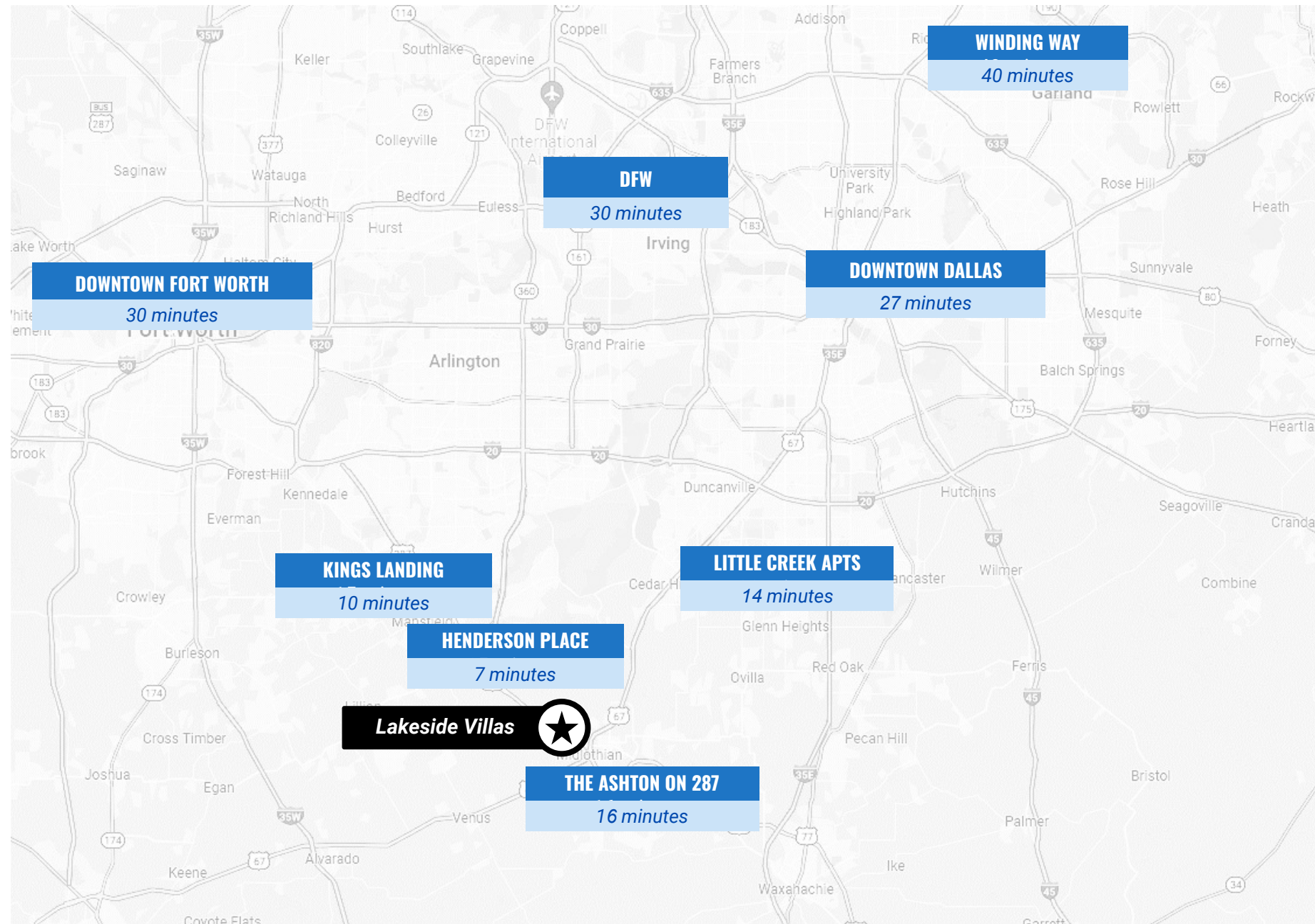
Major Employers Map

Midlothian, TX MSA



	COMPANY	NO. EMPLOYEES	INDUSTRY	ADDRESS
1	Mansfield Independent School District	4,714	Education	605 E. Broad Street, Mansfield, TX 76063
2	Mouser Electronics	2,405	Manufacturing	1000 N. Main Street, Mansfield, TX 76063
3	Methodist Mansfield Medical Center	1,390	Healthcare	2700 E. Broad Street, Mansfield, TX 76063
4	Midlothian Independent School District	933	Education	100 Walter Stephenson Rd., Midlothian, TX 76065
5	Gerdau Ameristeel	1012	Manufacturing	300 Ward Rd, Midlothian, TX 76065
6	Klein Tools	738	Manufacturing	500 Klein Tools Boulevard, Mansfield, TX 76063
7	Target	600	Retail	4333 Power Way, Midlothian, TX 76065
8	Hoffman Cabinets	560	Manufacturing	204 Sentry Drive, Mansfield, TX 76063
9	City of Mansfield	512	Government	1200 E. Broad Street, Mansfield, TX 76063
10	Walmart	400	Retail	400 Hwy 67, Midlothian, TX 76065

Distance Analysis



Investment Overview



> Investor Waterfall

A1: 8% Preferred Return
A2: 70% of remaining profits
A3: 5% Preferred Return
70% of remaining profits

> Deal Terms

\$27.588M Purchase Price
\$1.04M Closing Costs
\$1.14 Cap Ex + Reserves

> Sponsor Fees

Acquisition: 3% of Purchase Price
Asset Management: 1% of Equity
Refinance/Disposition: 0% of Value

> Property

152 units
64 1 x1's, 56 2x2's, 32 3x2's
Built in 2021

> Investment Terms

\$11.1M Total Equity
A1/A2: \$50,000 Minimum investment
A3: \$500,000 Minimum investment

> Debt Terms

71% LTV HUD assumption
4.02% APR fixed rate

> Value Add Potential

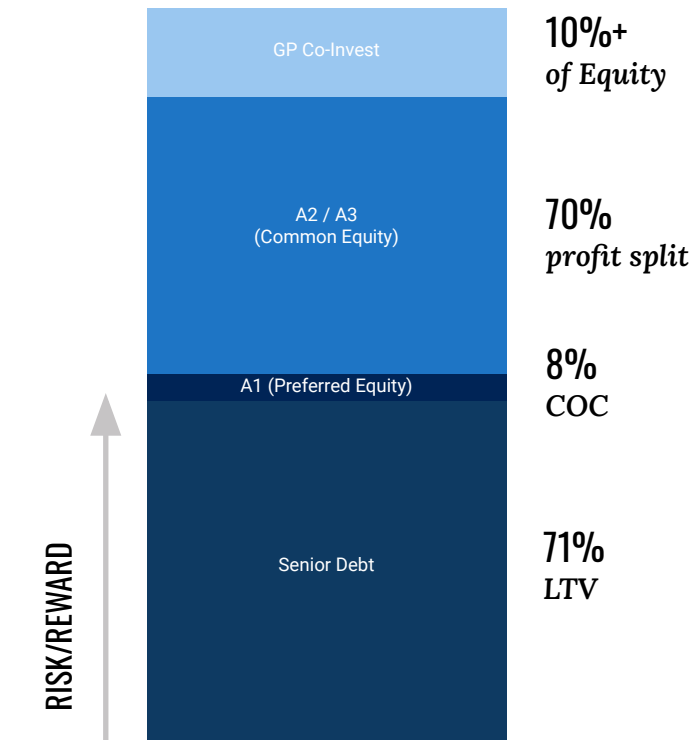
Raise rents 10-16%+ to market rates

> Cost Seg Study

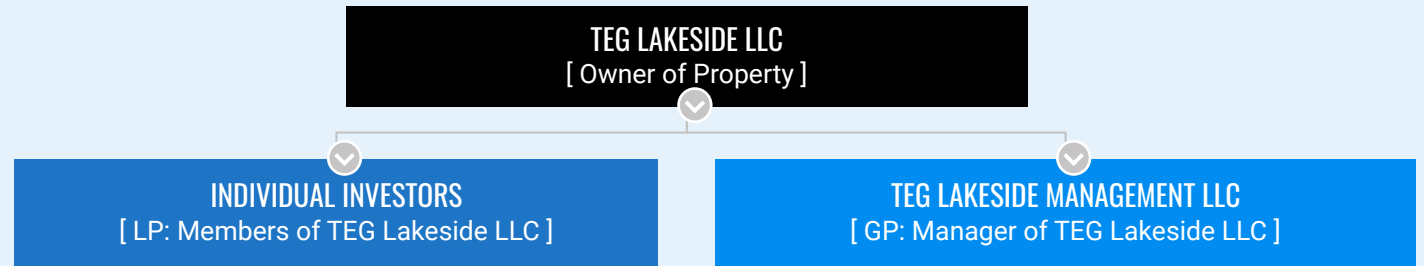
Substantial passive loss in Year 1
(60% bonus depreciation for 2024)

Investment Overview

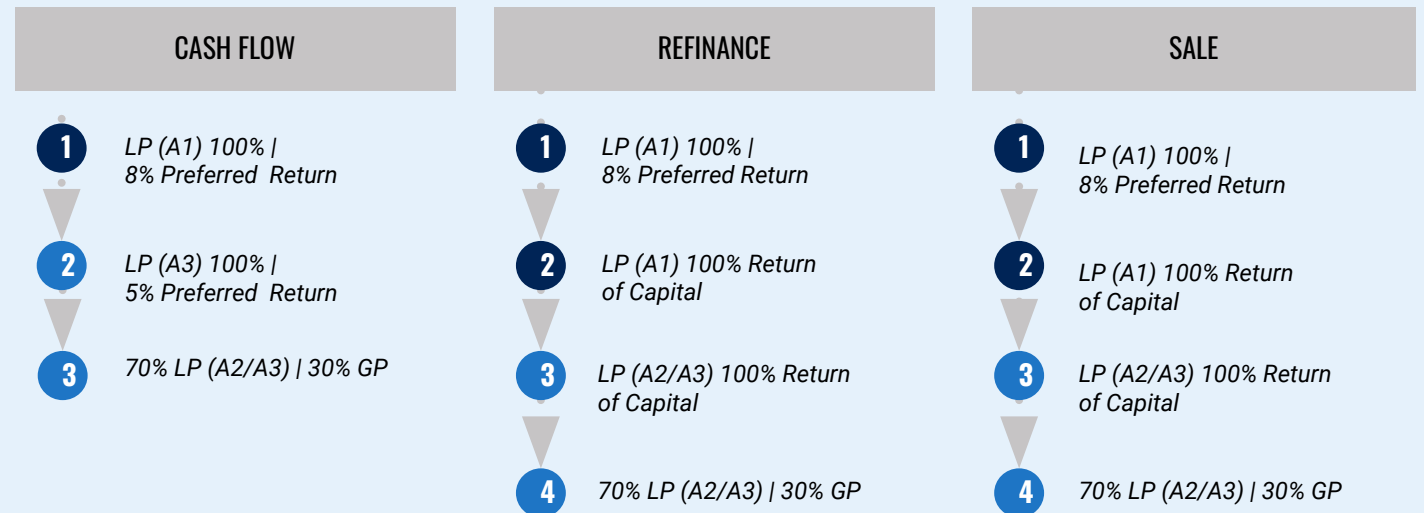
Capital Stack



Deal Structure



Investor Distributions



Business Plan



> Lakeside Villas Apartments

- A 152-unit A-class complex in Midlothian, Texas, part of the Dallas-Fort Worth metroplex.
- Off-Market Acquisition: Secured through broker relationships, with significant upside potential.
- Strong Positioning: Benefits from an excellent cost basis, favorable financing, and operational efficiencies via Blacksand Property Management.
- DFW Portfolio Fit: Aligns with Tri-City Equity's vision, featuring modern units with granite countertops, in-unit laundry, and top-tier amenities.
- Low Capital Expenditures: New property with major systems under warranty, reducing future expenses.

> In the acquisition phase

- HUD Compliance: Acquisition via a HUD loan requires property management experience.
- Third-Party Management: Capstone Real Estate Services will manage the property at takeover due to Blacksand's lack of required experience.
- Blacksand Transition: Blacksand personnel will work closely with Capstone, guiding the business plan and learning HUD compliance. They aim to take over management after 12 months.
- Resident Assessment: Initial phase includes evaluating the resident base and removing problematic tenants.
- Expense Reduction: Focus on reducing operational costs by negotiating vendor contracts and overheads.

> Renovation (CapEx) Phase I

- Minimal Upgrades Needed: The property is new with carports, garages, dog parks, playground, fitness, and community center.
- Exterior Improvements: Focus on enhancing curb appeal to rebrand the property and attract the target demographic.
- Key Upgrades: Include stormwater mitigation, gutter repairs, water-saving devices, parking lot restriping, signage, exterior lighting, and cameras.
- Lease Renewals: Begin building rapport with residents and execute the first generation of lease renewals.

> In Renovation Phase II

- Community Enhancements: Renovate the pool area with a pergola, new furniture, and improve dog parks.
- Parking Garage Repairs: Fix and make downed parking garages operational.
- Interior Upgrades: Minimal interior work needed; units only require basic make-ready touch-ups.

> In Phase III

- Year Two Focus: Manage the community efficiently, keeping expenses low.
- Lease Renewals: Implement second-generation renewals, raising remaining residents to market-rate rents.
- HUD Application: Apply to make Blacksand Property Management the lead management company.
- Market Monitoring: Track the market and coordinate with brokers for optimal exit timing to maximize investor returns.

Timeline & Strategy



AI & Automation

- Increased resident engagement
- Higher KPI's with Lower payroll

Vertically Integrated

- In-House Property and Project Management

Multi-domain Marketing Strategy

- FB Marketplace
- FB Groups
- Apartments.com
- Zillow.com
- AI & VA after-hour support

Rently & Tenant Turner

- Contactless Self-showings increase close rates
- Improved visibility online

Virtual Staging Tours

- Cost effective
- Competitive advantage with more attractive advertisements

Rhino & Liberty Rent

- Surety bonds reduce barrier to entry while increasing other income
- Up to six months of rent protection

Capital Expenditures

Interior	Quantity	Cost Per	Budget
Classic unit Make-Ready	50	\$2,000	\$100,000
Partial unit upgrade	20	\$5,000	\$100,000
TOTAL INTERIOR COSTS			\$200,000
Exterior	Quantity	Cost Per	Budget
Cosmetic repairs and community signage	1	\$5,000	\$5,000
Parking Lot Restriping	1	\$15,000	\$15,000
Parking lot lighting & Cameras	1	\$20,000	\$20,000
Landscaping & hardscaping	1	\$160,000	\$160,000
Drainage in front of leasing office	1	\$5,000	\$5,000
Amenities package	1	\$30,000	\$30,000
Car Garage Repairs	16	\$64,000	\$64,000
Gutters	1	\$10,680	\$10,680
Pool Repairs	1	\$72,000	\$72,000
Sumps for Concrete Vaults	5	\$5,000	\$25,000
Roof Repairs	1	\$23,000	\$23,000
HVAC reserve	15.2	\$3,200	\$48,640
TOTAL EXTERIOR COSTS			\$478,320
TOTAL PROJECT COSTS			\$678,320

Exit Strategies



To mitigate interest rate risk, **we are assuming current long term fixed rate debt.**

Once stabilized, we will continually assess market conditions and consider opportunities to maximize investor returns through a capital event.



We underwrite for a **5 year hold period**, but this can vary, depending on market conditions.

> Refinance

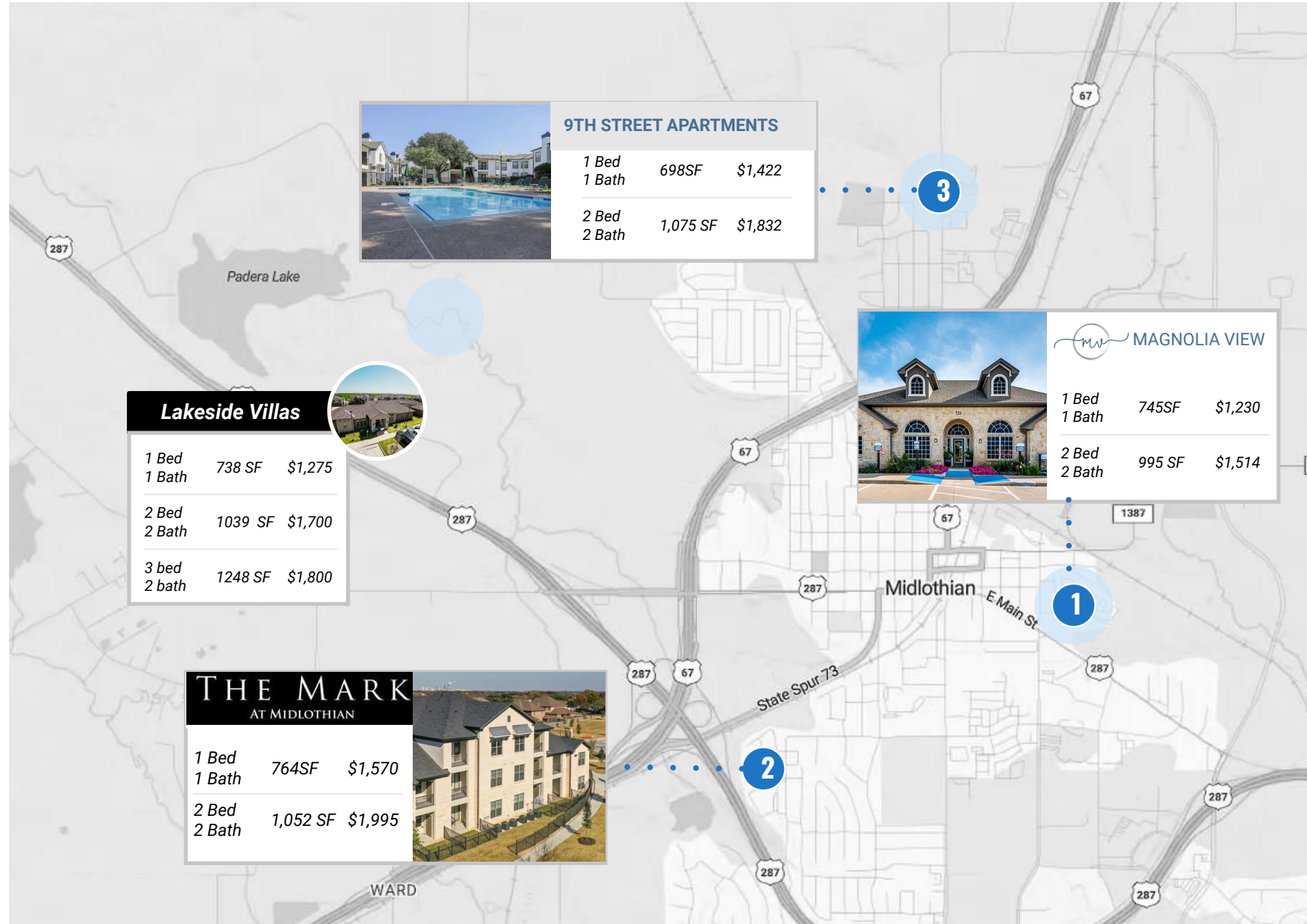
If rates come down and we have executed on our value add strategy, we could consider refinancing to return some investor capital.

> Disposition

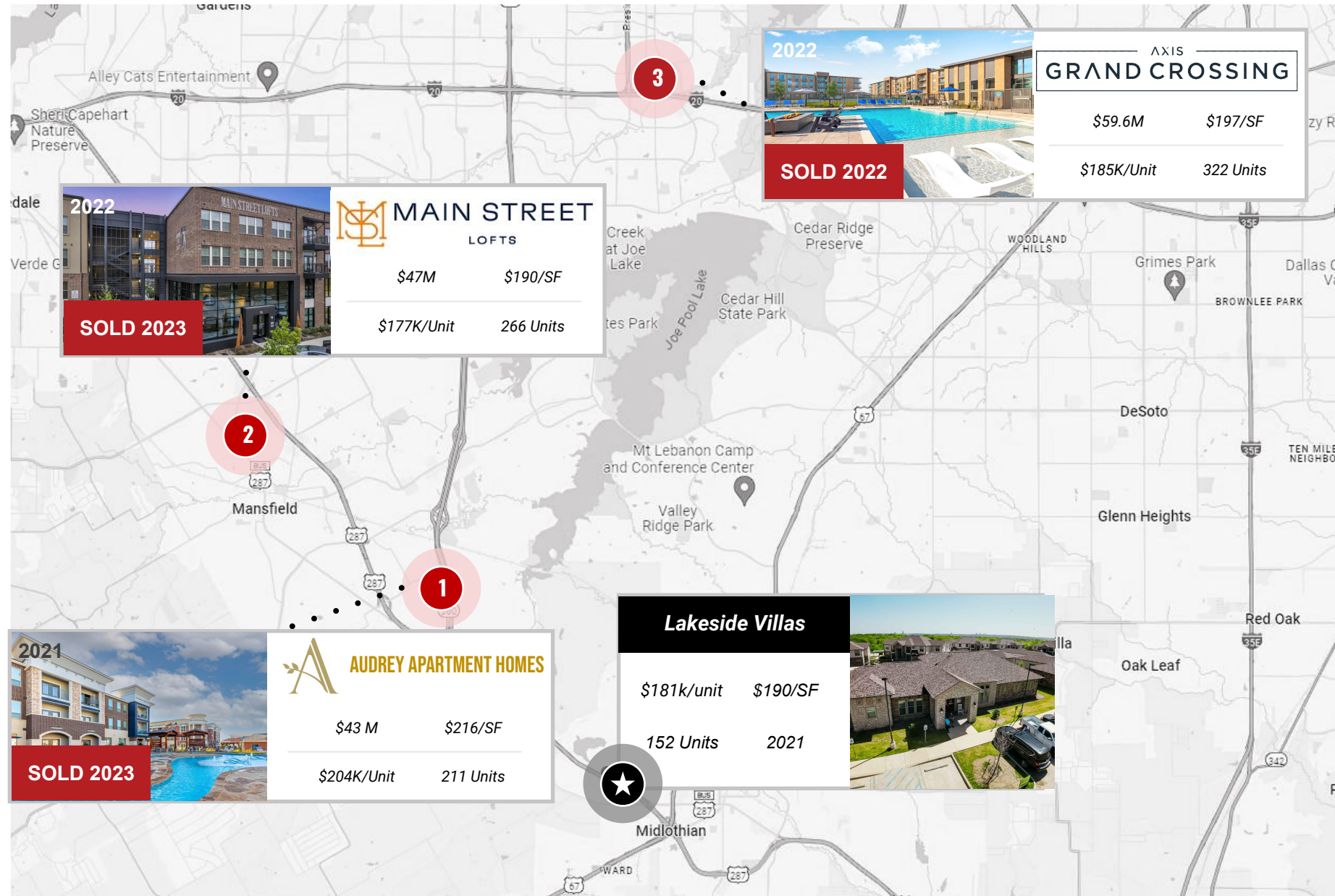
In about 5 years (or less), we would seek to dispose of the asset, in order to return investor capital and profit based on pro rata investments.



Rent Comps



Sales Comps



Projected Financials

	T-12	Per Unit	Year 1	Per Unit	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$2,718,425	\$17,884	\$3,011,121	\$19,810	\$3,407,104	\$3,510,734	\$3,617,516	\$3,727,547
RUBS	\$192,841	\$1,269	\$195,515	\$1,286	\$201,462	\$207,589	\$213,903	\$220,409
Other Income	\$206,274	\$1,357	\$209,134	\$1,376	\$215,495	\$222,049	\$228,803	\$235,762
Loss to Lease	\$66,119	\$435	\$462,802	\$3,045	-\$102,213	-\$105,322	-\$108,525	-\$111,826
Vacancy Loss	-\$638,175	-\$4,199	-\$229,454	-\$1,510	-\$170,355	-\$175,537	-\$180,876	-\$186,377
Concessions/Non-Rev	-\$16,741	-\$110	-\$135,235	-\$890	-\$17,036	-\$17,554	-\$18,088	-\$18,638
Bad Debt	-\$13,246	-\$87	-\$122,830	-\$808	-\$51,107	-\$52,661	-\$54,263	-\$55,913
EFFECTIVE GROSS INCOME	\$2,515,495	\$16,549	\$3,391,053	\$22,310	\$3,483,350	\$3,589,299	\$3,698,471	\$3,810,963
OPERATING EXPENSES								
Payroll	\$212,404	\$1,397	\$240,000	\$1,579	\$243,936	\$251,356	\$259,001	\$266,878
Contract Services	\$72,298	\$476	\$72,298	\$476	\$73,484	\$75,719	\$78,022	\$80,395
Repairs & Maintenance	\$32,237	\$212	\$32,237	\$212	\$32,766	\$33,762	\$34,789	\$35,847
Utilities	\$275,328	\$1,811	\$275,328	\$1,811	\$279,146	\$287,636	\$296,385	\$305,400
Administrative	\$68,990	\$454	\$68,990	\$454	\$70,122	\$72,255	\$74,452	\$76,717
Marketing	\$23,969	\$158	\$30,400	\$200	\$30,899	\$31,838	\$32,807	\$33,805
Insurance	\$173,714	\$1,143	\$154,357	\$1,016	\$156,888	\$161,660	\$166,577	\$171,644
Management Fee (3.0%)	\$55,746	\$367	\$101,732	\$669	\$104,500	\$107,679	\$110,954	\$114,329
Property Taxes	\$415,567	\$2,734	\$492,031	\$3,237	\$500,100	\$515,311	\$530,985	\$547,135
Replacement Reserves	\$45,600	\$300	\$45,600	\$300	\$45,600	\$45,600	\$45,600	\$45,600
TOTAL OPERATING EXPENSES	\$1,453,265	\$9,561	\$1,596,446	\$10,503	\$1,622,283	\$1,670,239	\$1,719,654	\$1,770,572
NET OPERATING INCOME	\$1,062,230	\$6,988	\$1,794,606	\$11,807	\$1,861,067	\$1,919,060	\$1,978,817	\$2,040,392

Projected Returns



A1 SAMPLE INVESTMENT

\$100,000

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Cash on Cash %	8.00%	8.00%	8.00%	8.00%	8.00%
Cash on Cash Return	\$8,000	\$80,000	\$8,000	\$8,000	\$8,000
Return of Initial Capital					\$100,000
Proceeds from Sale					
Total Returns	\$8,000	\$8,000	\$8,000	\$8,000	\$108,000
Total Capital Returned + Cash Flow + Sale Proceeds = \$150,000			Projected Return on Investment = 50%		



A2 SAMPLE INVESTMENT

\$100,000

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Projected Cash on Cash %	5.79%	6.45%	7.02%	7.61%	8.22%
Cash on Cash Return	\$5,790	\$6,448	\$7,022	\$7,614	\$8,224
Return of Initial Capital					\$100,000
Proceeds from Sale					\$62,845
Total Returns	\$5,790	\$6,448	\$7,022	\$7,614	\$171,069
Total Capital Returned + Cash Flow + Sale Proceeds = \$197,944			Projected Return on Investment = 98%		

Risk Analysis

Occupancy Stress

	Min DSCR	Breakeven
MONTH 1	78.5%	71.7%
YEAR 1	78.0%	71.2%
YEAR 2	78.0%	71.2%

Sensitivity Analysis

IRR Sensitivity: Terminal Cap Rate Vs Hold Period

Exit Cap Rate	Hold Period (Years)							
	3	4	5	6	7	8	9	10
5.75%	10.2%	10.7%	11.0%	11.1%	11.3%	11.3%	11.4%	11.5%
5.50%	13.1%	12.8%	12.5%	12.4%	12.3%	12.2%	12.1%	12.0%
5.25%	16.1%	14.9%	14.1%	13.6%	13.3%	13.0%	12.8%	12.7%
5.00%	19.2%	17.1%	15.8%	14.9%	14.3%	13.9%	13.6%	13.3%
4.75%	22.5%	19.3%	17.5%	16.3%	15.5%	14.8%	14.4%	14.0%
4.50%	25.9%	21.7%	19.3%	17.7%	16.6%	15.8%	15.2%	14.7%
4.25%	29.5%	24.2%	21.2%	19.2%	17.8%	16.8%	16.0%	15.4%

Both breakeven and DSCR occupancy is low due to lower leverage, providing risk mitigation.

5 year IRR ranges from 11% if exit cap approaches 5.75% up to 21.2% if exit cap compresses to 4.25%.

Track Record



La Puerta Del Sol

Years Held	EM	AAR	IRR
1.82	1.74	40.60%	31.90%



Carolina Village

Years Held	EM	AAR	IRR
1.46	2.15	34.30%	23.10%



Green Desert

Years Held	EM	EM	IRR
2.15	2.03	48.10%	43.30%

7

> Full Cycle Exits

2.2

> Average Years Held

1.74

> EM

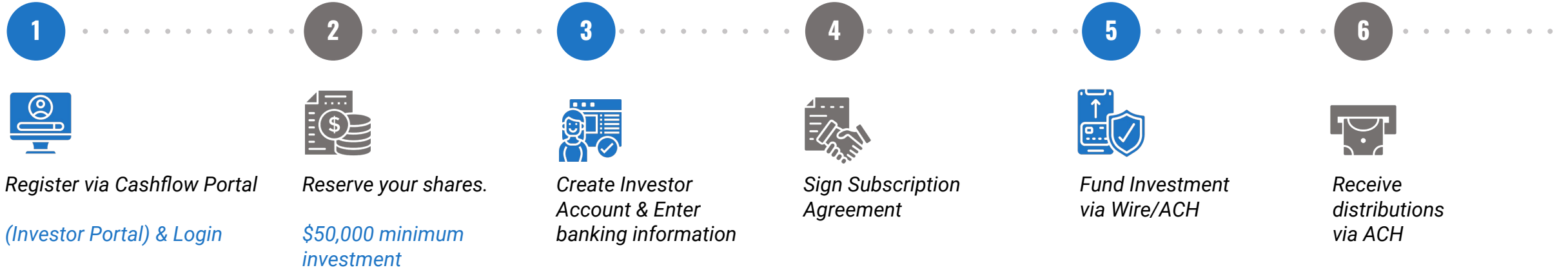
35%

> AAR

28.3%

> IRR

Investor Experience



Reporting

- Monthly Webinar Updates for first 12 months
- Detailed financial reports every quarter
- Tax form K1's by 3/31 for prior year

Tri-city Equity TEAM

COMPANY
OVERVIEW VIDEO



456 Units
valued at
\$61M+

Assets Under
Management



800+ Units
valued at
\$1B+

Assets Under
Management



Duc Ong
CFO | Investor Relations

Duc serves as the Director of Investor Relations and CFO. He is the Principal Broker of Blueprint Real Estate Advisors on Oahu with over \$48M in career sales.



Vincent Gethings
Asset Manager

Vince leads the development & execution of strategies & business plans. He sets goals for projects, establishes standards & tracks key performance indicators. He oversees operations of property managers, contractors & vendors, all phases of acquisition: negotiations, underwriting, due diligence, and securing debt.



John Harris
President of Blacksand

John has extensive operations experience where he has managed \$109M in assets controlling over 800 units overseeing day to day operations, budgets, maintenance and contracted renovations. Additionally, he has led organizations consisting of 70+ personnel.



Steve Fierros
Insurance

Steve is an experienced Real Estate Professional working as a licensed Realtor in Houston, TX and Honolulu, HI. He has completed over 1000 property inspections as an InterNACHI certified home inspector and is an active investment partner in over 450 units across 7 states.



Dearonne Bethea
Key Principal | Acquisitions

Dearonne is the founder of Band of Brothers Investment Group and a retired Chief Warrant Officer 4 in the US Army with 20 years of honorable service. He has purchased over 1,200 units across 8 states, with over \$100M+ in assets under management. He serves as the Key Principal and Director of Acquisitions for TEG.



Bob Folsom
Acquisitions

Bob is the acquisitions manager for Tri City Equity Group. He is a licensed realtor and has completed more than 350 real estate transactions across 14 different states in the past 9 years. These include multi family, commercial, industrial and land acquisitions. He is a partner in 116 units across 2 states.



Jim Bizily
Key Principal

Jim founded Park City Rental Properties in 1999 where he was awarded best Vacation Rental Manager in Park City, Utah. Jim manages 800+ vacation rentals across 9 locations nationwide with \$80M gross sales annually.

Become an **Investor** Now!

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Have questions?
SCHEDULE A CALL WITH...



Duc



Vince



Dearonne

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 Email connect@tricityequity.com

