

1202 S MERIDIAN



INVESTOR PACKET

BWI DEVELOPMENT



INVESTOR OVERVIEW

Project Name: 1202 Meridian

Location: 1202 S Meridian St.
Indianapolis, IN

Project Status: Pre-construction
/ Financing

Construction Start Date: May
2019

Financing Method: Investor
Equity, Bank Debt, City TIF

Total Project Cost: \$17.4 Million

Capital Stack:

Loan	\$12,450,000
Investor Equity	\$3,400,000
City TIF	\$1,000,000
Sponsor Equity	\$570,000

Yield to Cost: 6.5%

Investor Year 5 IRR : 23.07%





Investment Info

- \$3,400,000 initial investment
- Hold for 5 years and sell
- Stabilized at year 2
- 10% Annual Preferred Return

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Outstanding Principal Equity	\$ (3,400,000)	\$ (3,372,283)	\$ (3,259,968)	\$ (3,229,876)	\$ (3,196,602)	\$ (3,160,078)	\$ (3,135,373)
Investment	\$ (3,400,000)	\$ (3,400,000)	\$ (3,400,000)	\$ (3,400,000)	\$ (3,400,000)	\$ (3,400,000)	\$ (3,400,000)
Construction							
Year 1		\$ 234,381	\$ 234,381	\$ 234,381	\$ 234,381	\$ 234,381	\$ 234,381
Year 2			\$ 449,542	\$ 449,542	\$ 449,542	\$ 449,542	\$ 449,542
Year 3				\$ 254,463	\$ 254,463	\$ 254,463	\$ 254,463
Year 4					\$ 281,369	\$ 281,369	\$ 281,369
Year 5					\$ 7,493,092	\$ 308,853	\$ 308,853
Year 6						\$ 8,092,730	\$ 340,713
Year 7							\$ 8,714,372
Year 8							
Year 9							
Year 10							
Total IRR					23.07%	21.50%	20.37%
C/C Return	0.00%	6.89%	13.22%	7.48%	8.28%	9.08%	10.02%

**QUICK
FINANCIALS**



Indy Quick Facts:

- One of the lowest unemployment rates in U.S.
- #5 city for tech jobs (2017)
- #9 Small Business City (2017)
- #5 lowest cost of living
- Top city for renters
- Most improved bike friendly city in US (2017)

Indianapolis offers a stable, growing metropolitan area that will support the long-term health of its apartment market. Indy has had a steadily increasing population and economy for years now and it does not look like this trend will stop anytime soon.

Population is on pace to double by the year 2020. Downtown Indianapolis is a bustling, clean and beautiful place and the city has no plans on slowing the growth. There are numerous projects and on-going construction that will continue changing the downtown scene as we know it for the better. There is a massive project that will soon be underway that will drastically improve the transportation in Indy.

A \$50 million dollar grant has been given to Indianapolis to help build the Rapid Bus Transit Line. Transportation changes like this have been known to increase property values and make cities more desirable to live in. Downtown living is making a huge comeback in the United States and Realtor.com has recognized Indy for being one of the top 10 cities where downtown is making a comeback.



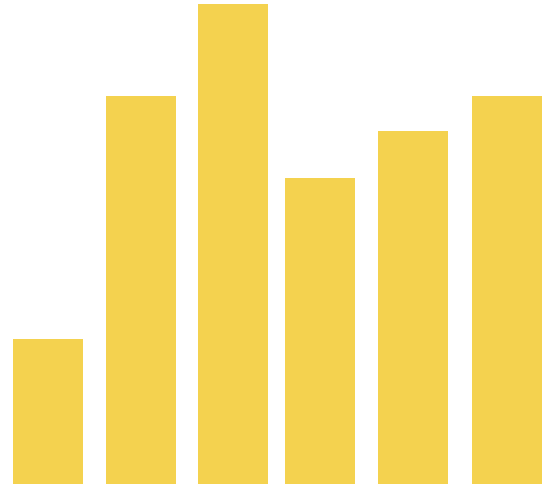
WHY INVEST IN DOWNTOWN INDIANAPOLIS?

WHY INVEST IN 1202?

1202 is located on South Meridian St. and will be a multifamily project featuring 97 residential apartment units and 2,000 sqft of commercial space aiming to house Indianapolis' rising workforce. The location puts the property within a 5-minute bike ride to the Wholesale District in downtown Indianapolis.

1202 is also located just 0.1 miles from I-70 and I-65, allowing easy transportation across the metro area and access to the I-465 beltway. 1202 features high quality construction and spacious and efficient floor plans, averaging 800 square feet finished with granite counter-tops, full-size balconies, washer and dryer hook-ups, wood style flooring, and black or stainless appliances.

Other on-site amenities offered to residents include: controlled access entry, rooftop-terrace community courtyard, private garage parking, and a commercial grade fitness center. The property has an additional 2,000 SF of commercial space, providing additional revenue of \$50,000 annually to the property.



An investment into 1202 S Meridian is an investment into the present and the future.

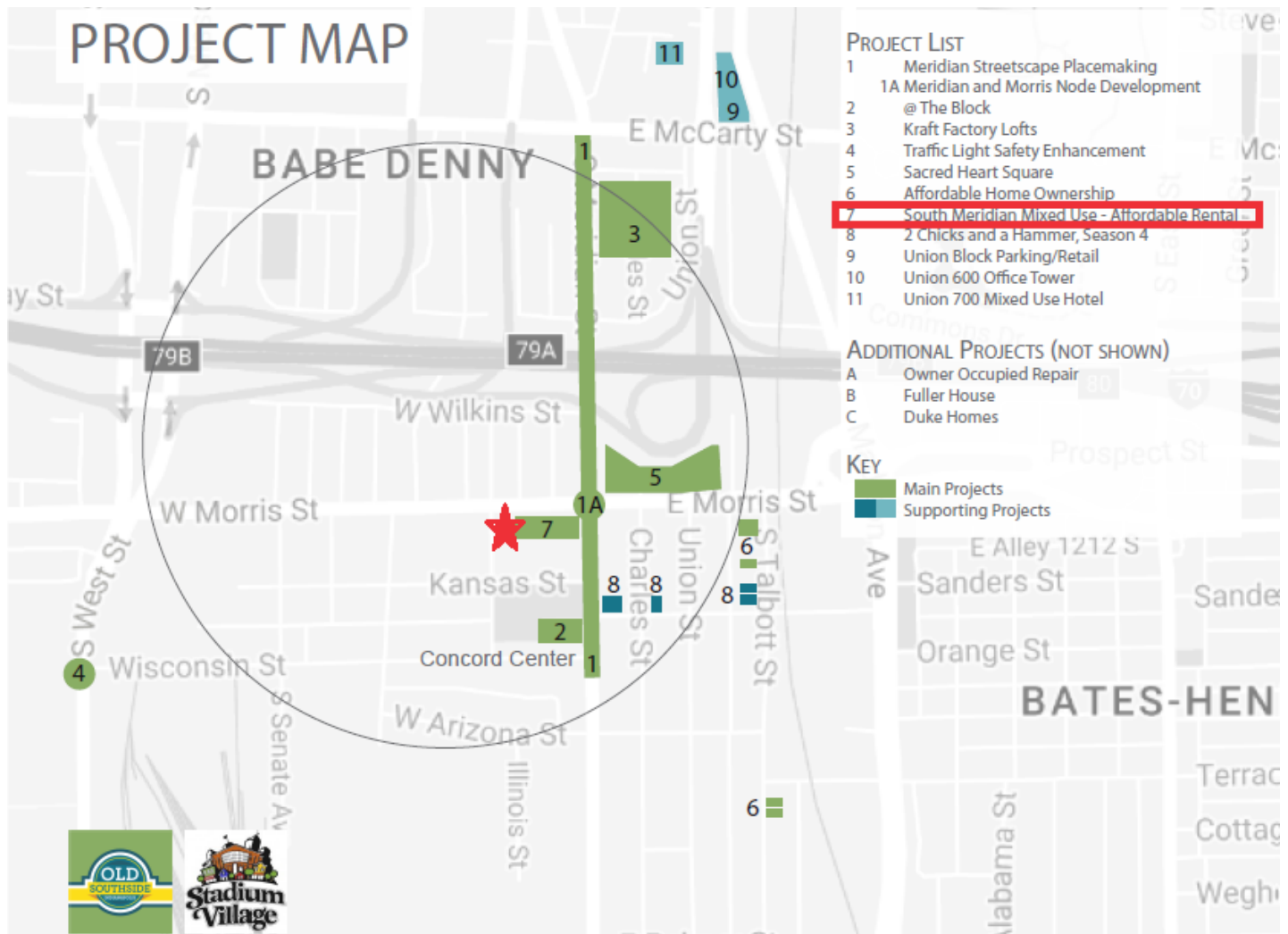


10%
**Preferred
Annual Return**

WHY INVEST IN 1202?

LIFT INDY AWARDED

The Old Southside neighborhood is the new target of Indianapolis Mayor Joe Hogsett's community development investment program. The funds will help the neighborhood and its partners invest in upgrades to the area's local park and improve the infrastructure of South Meridian Street, as well as build several hundred new units of affordable and market-rate housing.



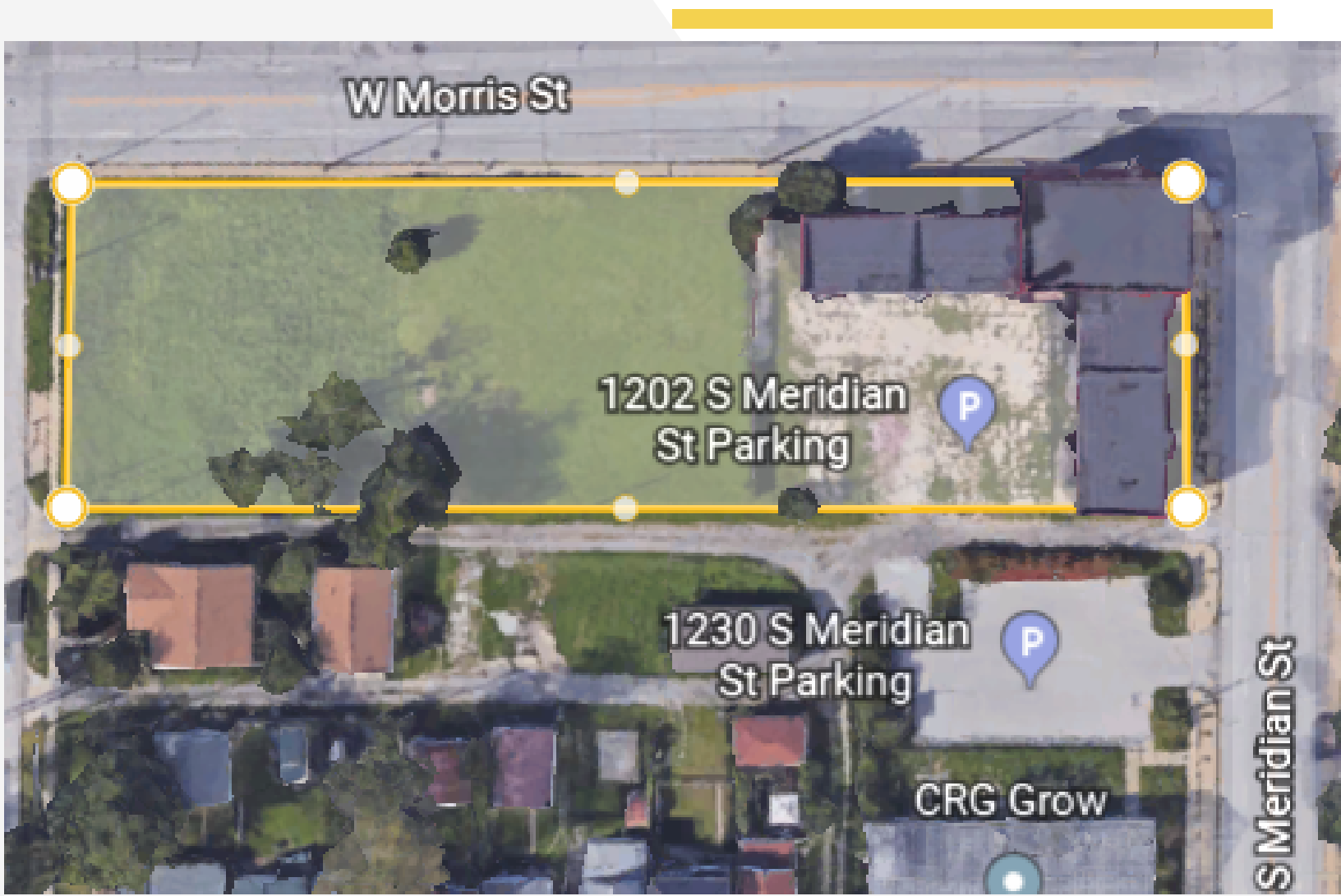
BUSINESS PLAN

Development Facts:

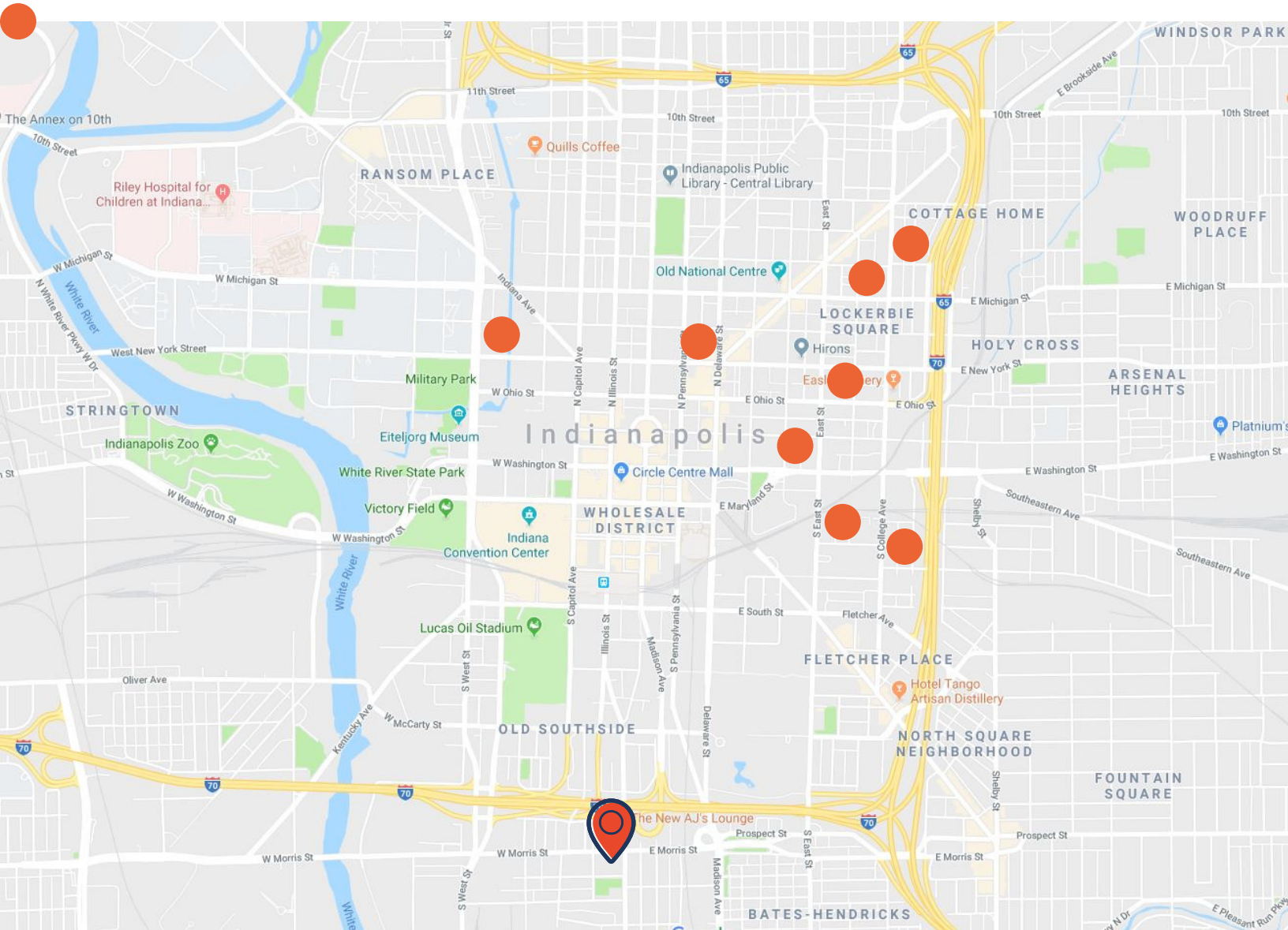
- 97 Units
- Studio, 1 bedroom, and 2 bedroom mix
- City-view and economy options
- Luxury finishes
- On-site parking (garage available)
- High quality interior and exterior construction
- Rooftop community space

1202 is a new construction project with a project cost of \$17.5 M. The project will be financed with 70% debt and 30% equity. Construction has an estimated duration of 12 months and estimated Placed in Service (PIS) date of March 2020. Stabilization is expected to take place in year 2.

BWI will seek buyers of the development at this time and plan to divest the asset by year 5 assuming a 5.90% cap-rate. 1202 is offering a 10% annual preferred return to private equity investors with a 23.07% 5-year IRR and a 18.14% 10-year IRR.



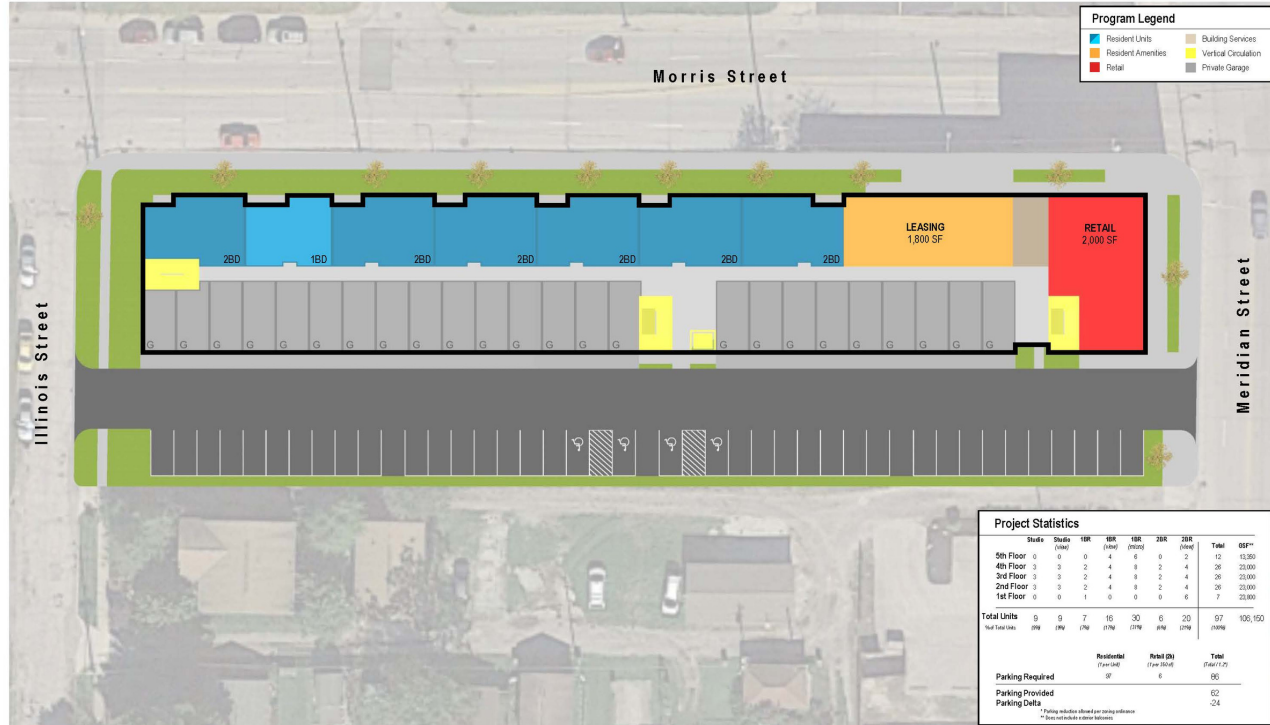
MARKET COMPARABLES



- Canal Square
- The Waverley
- Stadium Lofts
- Circa
- Lockerbie Lofts

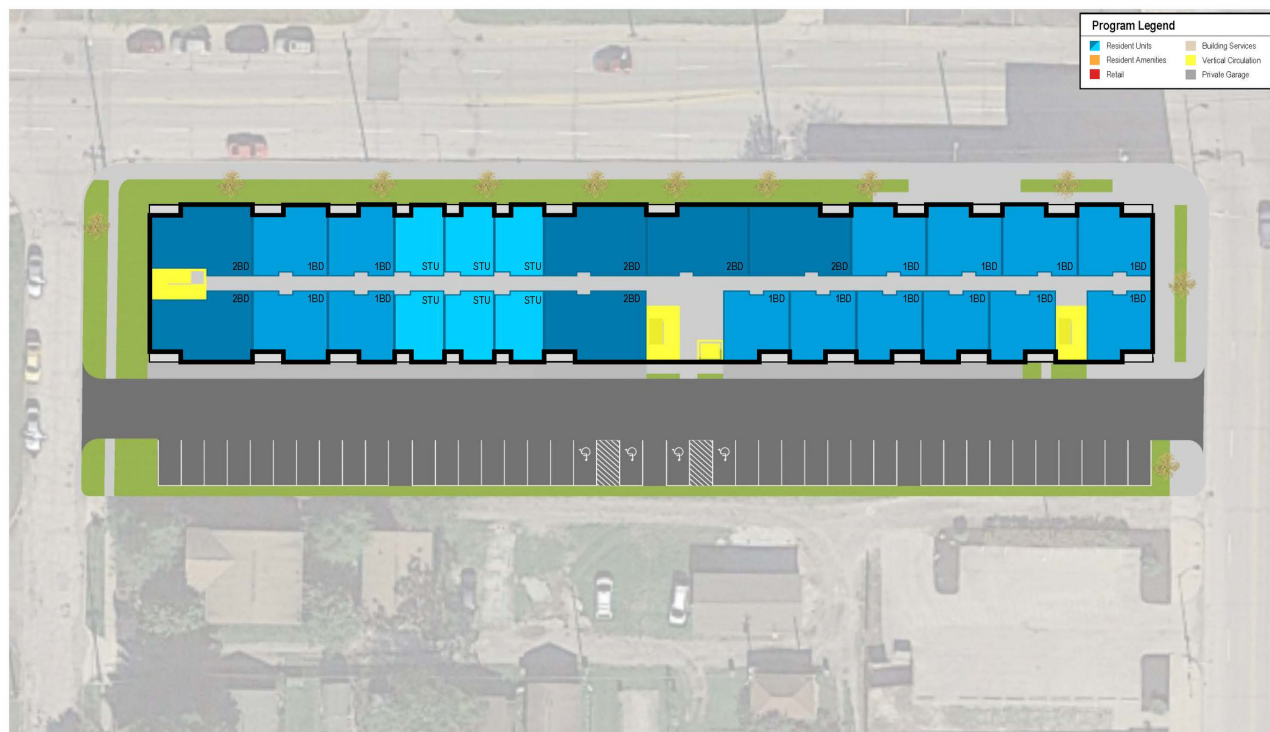
- Pulliam Square
- The Maxwell
- Artistry
- Vue

SITE PLAN AND RENDERINGS



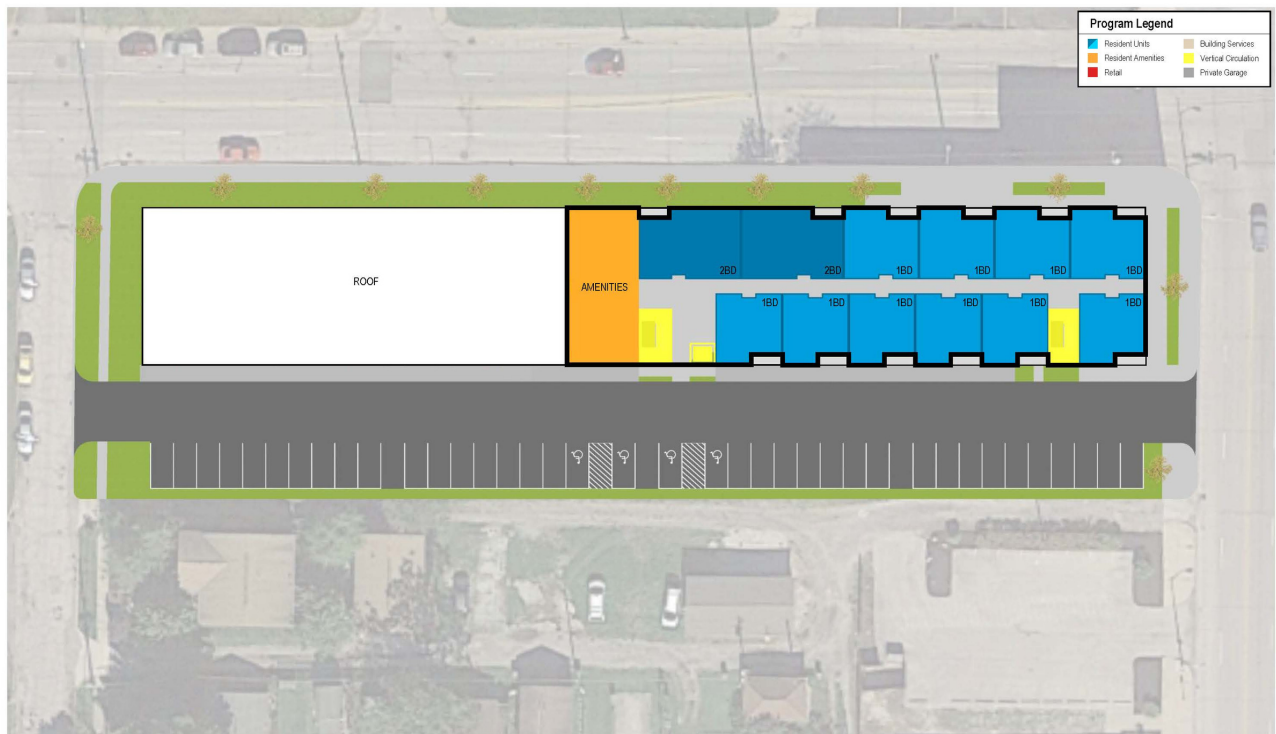
Floor Plan: 1

1202 South Meridian Mixed Use Project
 Indianapolis, Indiana
 March 12, 2018



Floor Plans: 2-4

1202 South Meridian Mixed Use Project
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Program Aerial
1202 South Meridian Mixed Use Project
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Perspective

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Perspective

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BWI TEAM

Company History & Philosophy

BWI (Black and White Investments) is a Minority owned property and construction services business that provides a reliable, single source of contact to bring professional resources to multi-family development and construction services. At BWI, our number one goal is customer satisfaction. This includes not only satisfaction with our quality multi-family products but also with our engagement process that results in timeliness and cost effective solutions. To ensure that we deliver outstanding performance to our customers, we implement transparency, integrity, and quality are our core corporate values.

Company Principals

Gary Hobbs, President, has more than 20 years of experience in Project Management, Engineering, and Construction. Experienced in Section 42 Property Development, Construction Management, and overseeing projects in excess of \$50M in the commercial and public market place. Gary specifically is specifically involved in developing apartment complexes and retail centers in the greater Indianapolis area. He oversees all financial matters as it pertains to acquiring capital through a variety of methods (mezzanine capital, tax credit financing, venture capital, and debt financing). His leadership and business experience coupled with his financial background has been invaluable in helping BWI establish a firm foundation for the future.

David Dabney, Chief of Staff, is utilizing his expertise at BWI to implement technology solutions that will reduce the cost of energy for BWI properties and providing various amenity options to tenants. In addition, Mr. Dabney is pursuing new business opportunities for BWI outside the Indianapolis area in Residential/Commercial Property Development, Construction Management, and Property Management.



Proforma Operations	Occupancy	Stabilized							
		100%	50%	100.00%	100%	100%	100%	100%	100%
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
			1	2	3	4	5	6	7
	Income	rental	0.93	1.85	1.89	1.92	1.96	2.00	2.04
Total Gross Potential Rent:		\$1,669,332	834,666	1,669,332	1,702,718	1,736,773	1,771,508	1,806,938	1,843,077
Vacancy Loss	5.00%	(89,102)	(44,551)	(89,102)	(90,884)	(92,701)	(94,555)	(96,447)	(98,375)
Concessions:		-	-	-	-	-	-	-	-
Uncollected Rent:		-	-	-	-	-	-	-	-
Net Rental Revenue:		1,580,230	790,115	1,580,230	1,611,835	1,644,071	1,676,953	1,710,492	1,744,702
Other Income:									
Administrative, Later, Application Fees		2,425	1,213	2,425	2,474	2,523	2,573	2,625	2,677
Carports and Garages		64,800	32,400	64,800	66,096	67,418	68,766	70,142	71,544
Pet Fees and unrefundable Pet Deposits		31,525	15,763	31,525	32,156	32,799	33,455	34,124	34,806
Clubhouse Rental		5,820	2,910	5,820	5,936	6,055	6,176	6,300	6,426
Short Term Lease Premiums, Early Terminations		5,335	2,668	5,335	5,442	5,551	5,662	5,775	5,890
Other Sources of Revenues (CAM Fees)		2,797	1,399	2,797	2,853	2,911	2,969	3,028	3,089
Net Other Income:		112,702	56,351	112,702	114,957	117,256	119,601	121,993	124,433
Effective Gross Rent:		1,692,932	846,466	1,692,932	1,726,791	1,761,327	1,796,553	1,832,485	1,869,134
Operating Expenses:									
Operating - Payroll:		125,840	62,920	125,840	127,098	128,369	129,653	130,950	132,259
Management Fees:	3.00%	50,787.97	25,394	50,788	51,804	52,840	53,897	54,975	56,074
Administrative and Leasing:		44,250	22,125	44,250	44,693	45,139	45,591	46,047	46,507
Maintenance - General repairs:		78,429	36,715	78,429	79,213	80,005	80,805	81,614	82,430
Operating - Utilities (community center only):		23,550	11,775	23,550	23,786	24,023	24,264	24,506	24,751
Operating - Property Taxes:		196,139	98,070	196,139	198,100	200,081	202,082	204,103	206,144
Operating - Insurance:		22,000	11,000	22,000	22,220	22,442	22,667	22,893	23,122
Operating - Replacement Reserves		19,400	9,700	19,400	19,982	20,581	21,199	21,835	22,490
Other		-	-	-	-	-	-	-	-
Total Operating Expenses:		560,396	277,698	560,396	566,896	573,482	580,157	586,922	593,777
Net Operating Income:		1,132,536	568,768	1,132,536	1,159,895	1,187,844	1,216,396	1,245,563	1,275,357
Debt Service:									
Loan A (3-year Mini-Perm - interest only for 24 months)		872,730	317,700	635,399	872,730	872,730	872,730	872,730	872,730
Total Mortgage		872,731	317,700	635,400	872,731	872,731	872,731	872,731	872,731
Cash Flow After Must Pay Debt Service		259,806	251,068	497,137	287,165	315,114	343,665	372,832	402,626
DCR		1.30	1.79	1.78	1.33	1.36	1.39	1.43	1.46

PROFORMA / CASH FLOW