

FREELAND CAPITAL MANAGEMENT



JOSH CANTWELL
GLENN LYTLE
TYLER BRUMMETT

*Chief Executive Officer
Chief Strategy Officer
Chief Operating Officer*



Ashby Terrace
32 UNITS | CLEVELAND, OHIO



Arlen Terrace
36 UNITS | CLEVELAND, OHIO



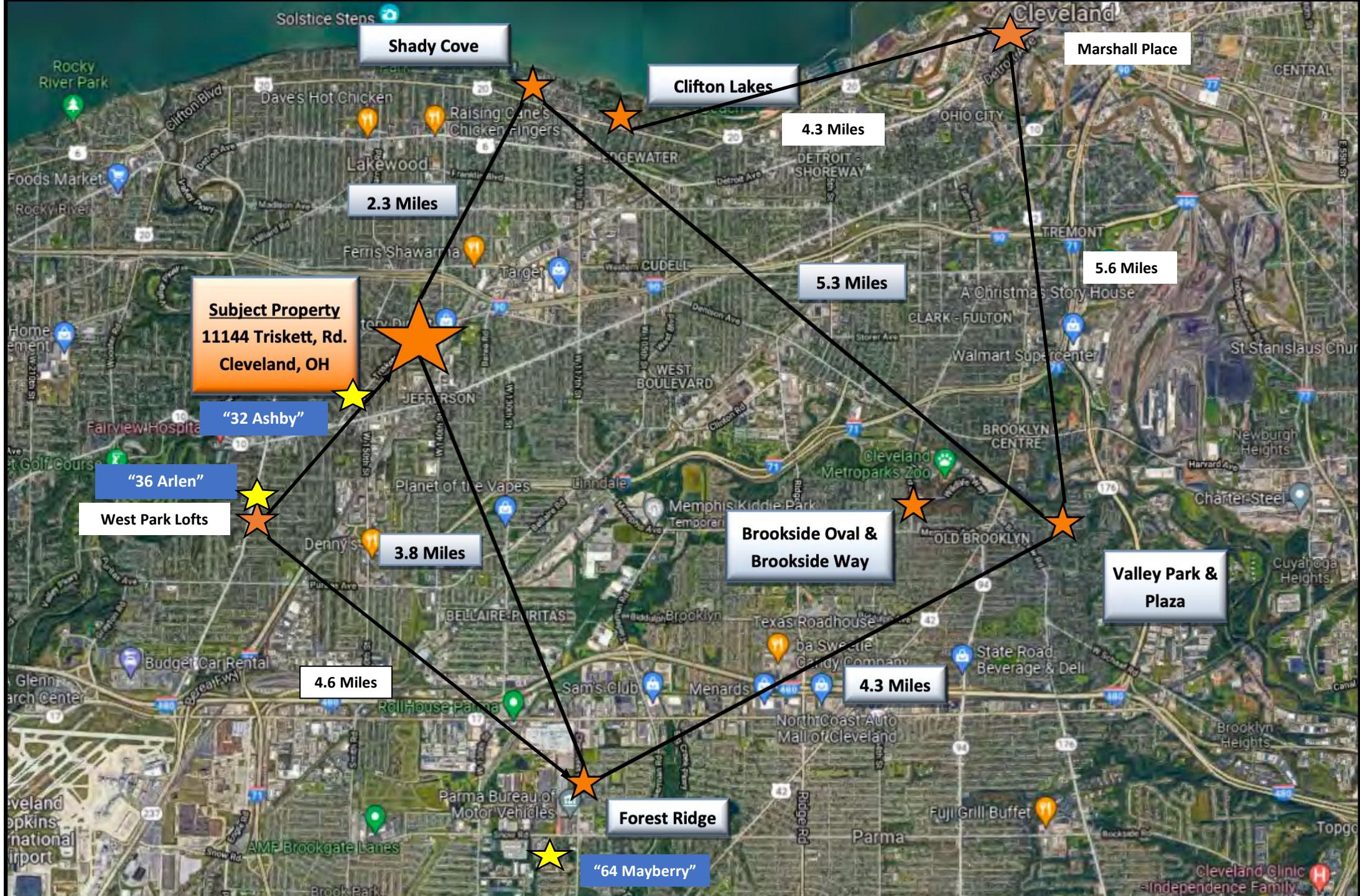
**“CLE West LLC”
132 Unit Value Add
Apartment Opportunity**

Interested In Investing? Text Josh Now to Secure Your Spot

To secure units:

Josh Cantwell
Phone: 216-233-5448

Investor Portal
www.freelandventures.com/passive







“CLE WEST LLC”

132 - Unit Apartment Complexes

Current Financials (96% Occupied)

Combined Financials for Mayberry, Arlen and Ashby

▪ Gross Income	\$946,000
▪ Expense	(\$650,000)
▪ Net Op Income	\$295,000

▪ 68% Expense Ratio – Should be 49-52%

Stabilized (After Repair) Financials

▪ Rental & Other Income	\$1,428,960
▪ Vacancy (6%)	(\$85,000)
▪ Other Income	\$36,400
▪ Gross Income	\$1,379,622
▪ Expenses	(\$685,000)
▪ Taxes	(\$182,000)
▪ Insurance	(\$92,500)
▪ Utilities	(\$110,000)
▪ Maintenance (incl reserve)	(\$99,000)
▪ Payroll	(\$118,00)
▪ Management	(\$48,287)
▪ Net Operating Income	\$693,000
▪ Expenses back in line at 50% At 36-42 months (projected)	

“CLE WEST LLC”

132 - Unit Apartment Complexes

Acquisition

▪ All In	\$8,550,000 (Uses)
▪ Purchase Price	\$5,769,600
▪ Renovation Budget	\$1,155,000
▪ Acq Fee 3%	\$191,000
▪ Interest Reserve	\$200,000
▪ <u>Operating Capital for Draws (Returned)</u>	<u>\$425,000</u>
▪ Soft Costs, Closing & Legal Costs -	\$624,400
▪ Credits at Closing (Taxes, Rents, Sec Deposits) (\$200,000)	

▪ Financing	\$8,550,000 (Sources)
▪ Bank Loan – Initial Funding	\$4,614,000
▪ + Rehab Draw Loan for Cap Ex	\$1,155,000
▪ Private Investors (LP's)	\$2,781,000
▪ (** \$425,000 for operating capital / buffer / returned at Refi)	

Stabilized Projections

▪ Stabilized (After Repair) Value
▪ NOI - \$693,000
▪ ARV - \$11,100,000 @ 6.25 Cap
▪ = \$84,100 Per Door
▪ Agency Loan - \$8,145,000 in 36 mos. @ 6.25 Cap
▪ Refi @ 72% LTV, 30 Year Amm, Non-Recourse
▪ All In for \$8,125,000
▪ Pay off Acquisition Loan & Private Investors
▪ Return \$425,000 Operating Capital for Draws (Unused)
▪ = Net Free Cash Flow of \$139,000 / yr w/ 30 year amm
▪ = OR 3 Year I/O of \$210,000 / yr for 3 years I/O
▪ = Remaining Equity of \$2,955,000

“CLE WEST LLC”

132 - Unit Apartment Complexes

Expected Investor Returns for each \$100k Investment

- Fixed Preferred Return of 8%
 - **Earns \$8,000 in interest per year**
 - 8k (Year 1)
 - 8k (Year 2)
 - ** Finished with our improvements in 24 months
 - 8k (Year 3)
 - Offset by Depreciation
 - Perpetual Equity of 1.375%
 - Mayberry 2.75%
 - Arlen Ashby 2.75%

1. **Holds \$40,631 in equity at Refi**
 - Increases annually with principal paydown
 - Taxed at sale at long-term capital gains rate
2. **Earns \$1,925 per year in cash flow in perpetuity after refi @ 30 Year Ammortization**
 - **Earns \$2,887.50 after Refi ~If~ Interest Only for 3 years**
 - Taxes offset by depreciation

Total Projected Investor Return @ 100k

“CLE West LLC”

Assuming Full 36 Month Stabilization & Refi

- \$24,000 Preferred Return (8% Annualized Interest)
- = \$24,000 Total Return On Investment In 36 Months
- + \$577 Add'l Cash Flow (Mayberry @ 24 – 36 months)
- = \$24,577 Cash On Cash
 - **8.2% Cash On Cash ROI**
 - **(Tax Advantaged w/ Depreciation)**
- + \$40,600 Equity Retained
- Total = **\$65,177 Total Return In 36 Months**
 - / \$100,000 Investment
 - **= 22% Annualized ROI In 36 Months**
 - + Cash Flows Over And Above The Pref
 - + Cash Flow After Refi
 - + Principal Paydown + Depreciation + Appreciation
 - + Principal Returned In 36 Months (Projected) + Highly Tax Advantaged
 - + Accelerated Depreciation Schedule - Negative K-1

“132 CLE West LLC” = \$6.15M PP = \$11.1M Future Value

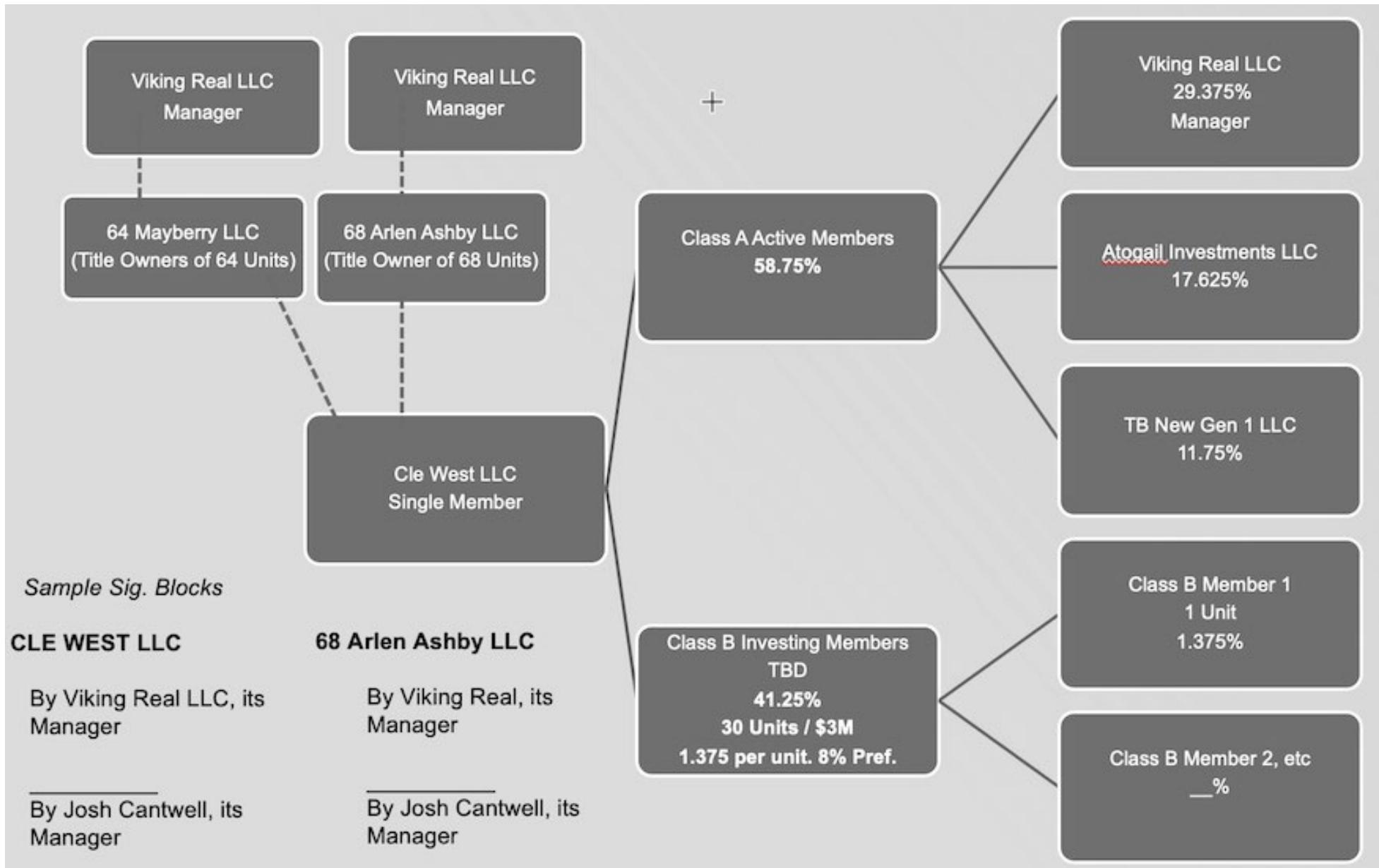
“64 Mayberry LLC”

- 64 Units/ Parma
- PP = \$3.6M
- X’s 40% = \$1.5 LP’s
- 60% GP
- 40% LP
- First Nat’l Bank for 1st mortgage
- Has its own P&L and B/S
- Jan 15th 2024 Closing

“68 Arlen Ashby LLC”

- 68 Units / Kamm’s Corner CLE
- PP = \$2.75M
- X’s 40% = \$1.3M LP’s
- 60% GP
- 40% LP
- Civista Bank for 1st mortgage
- Has its own P&L and B/S
- Dec 21st 2023 Closing Cash
- Refi Jan 7th 2024

“CLE West LLC”
132 Units Combined
\$2.8M from LP’s
60% GP’s of each deal
40% LP’s of each deal
8% Pref and 1.375% of Both Deals – 132 Units



What Happens Next?

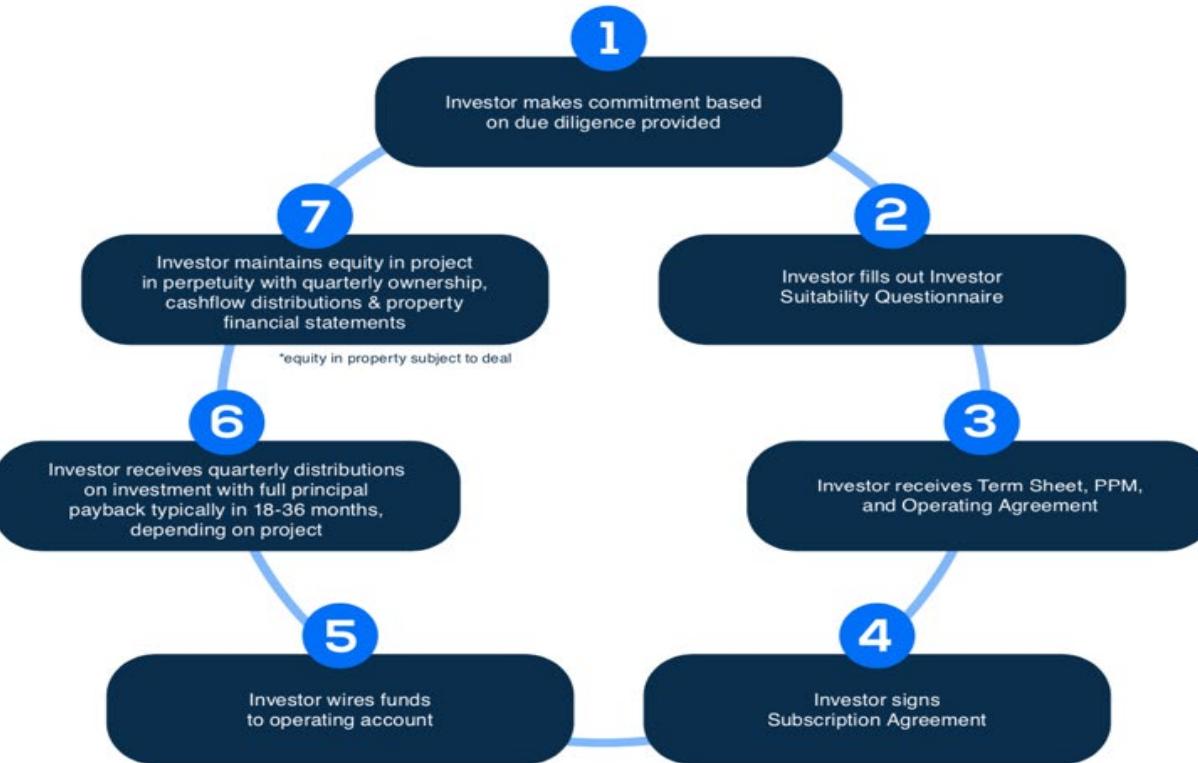
- Nov 27th thru Dec 8th – Approve PPM and Sign Subscription Agreement
- Dec 1st thru Dec 8th – Wires Sent
- Dec 8th – All \$3M Funds in House and ready for closing
- Dec 15th - Closing Date 68 Arlen Ashby – All Cash \$2.75M
- Jan 7th – Refi Date 68 Arlen Ashby – Add the bank Loan and Pull back \$1.5M
- Jan 15th – Close Date 64 Mayberry - \$1.5M

Want Units?
Text Josh Now to Secure Your Spot

To secure units:

Josh Cantwell, CEO
Text to Phone: 216-233-5448

Passive Investor Process



Our Investors Are Protected

- Protected by insurance on property
- Secured through the Operating Agreement, Private Placement Memorandum and Subscription Agreement
- Secured as limited partners with no liability

Thank You

NEXT STEPS

To request additional information (PPM, Operating Agreement, Subscription Agreement, etc) for “CLE West LLC”

please log into **www.freelandventures.com/passive**

Or Contact

Jen Pennington, Dir of Investor Relations

jenpennington@freelandventures.com / 440-783-2047



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