

Iveywood Park I & II

112 Martin Lane Gaffney, SC 29341



A blue-tinted photograph of an office interior. In the foreground, there is a wooden table with several chairs. In the background, there are whiteboards, a desk with a computer monitor, and a printer. A yellow banner is overlaid across the middle of the image, containing the text "Business Disclaimer".

Business Disclaimer

1

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2

The SEC has not passed upon the merits of or given its approval to the securities, the terms of the offering, or the accuracy or completeness of any offering materials. However, prior to making any decision to contribute capital, all investors must review and execute the Private Placement Memorandum and related offering documents. The securities are subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell their securities.

3

Potential investors and other readers are also cautioned that these forward-looking statements are predictions only based on current information, assumptions and expectations that are inherently subject to risks and uncertainties that could cause future events or results to differ materially from those set forth or implied by such forward looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, such as “may,” “will,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. These forward-looking statements are only made as of the date of this executive summary and Sponsors undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

An aerial photograph of a modern residential development, featuring rows of houses with gabled roofs and attached garages. The image is overlaid with a semi-transparent blue filter. A horizontal yellow bar is positioned across the middle of the image, containing the text 'Executive Summary' in white, bold, sans-serif font.

Executive Summary



Executive Summary

Iveywood Park I & II

96 unit asset built in 1997 located along Interstate-85 in Gaffney, South Carolina – an ideal commute to both Charlotte, NC, and Greenville, SC. Gaffney has become an ideal place to live for those who work in the larger markets. Gaffney offers small-town Southern charm with convenient access to extensive city amenities.

Investment Highlights

- **Close access to both the Charlotte MSA and Greenville MSA**
- **100% occupied well maintained property with 80 people on the waiting list to move in as units become available**
- **LIHTC affordable housing agreement ended in Jan 2022 allowing for market rents for the entire property**
- **Market rents for non-renovated units are \$300+ above the current rents and renovated units are \$450+ above current rents allowing for significant upside**
- **Ideal unit mix with 48 two bedroom units and 48 three bedroom units**

Iveywood Park I & II

Property Highlights

The property has 96 units with an even split between 2 bed / 1.5 bath units and 3 bed / 2 bath units.

Only four (4) units have been renovated (renovation pictures available on page 12), creating a value-add opportunity. Currently, in-place average rents are \$300-\$450 below market rates.



96

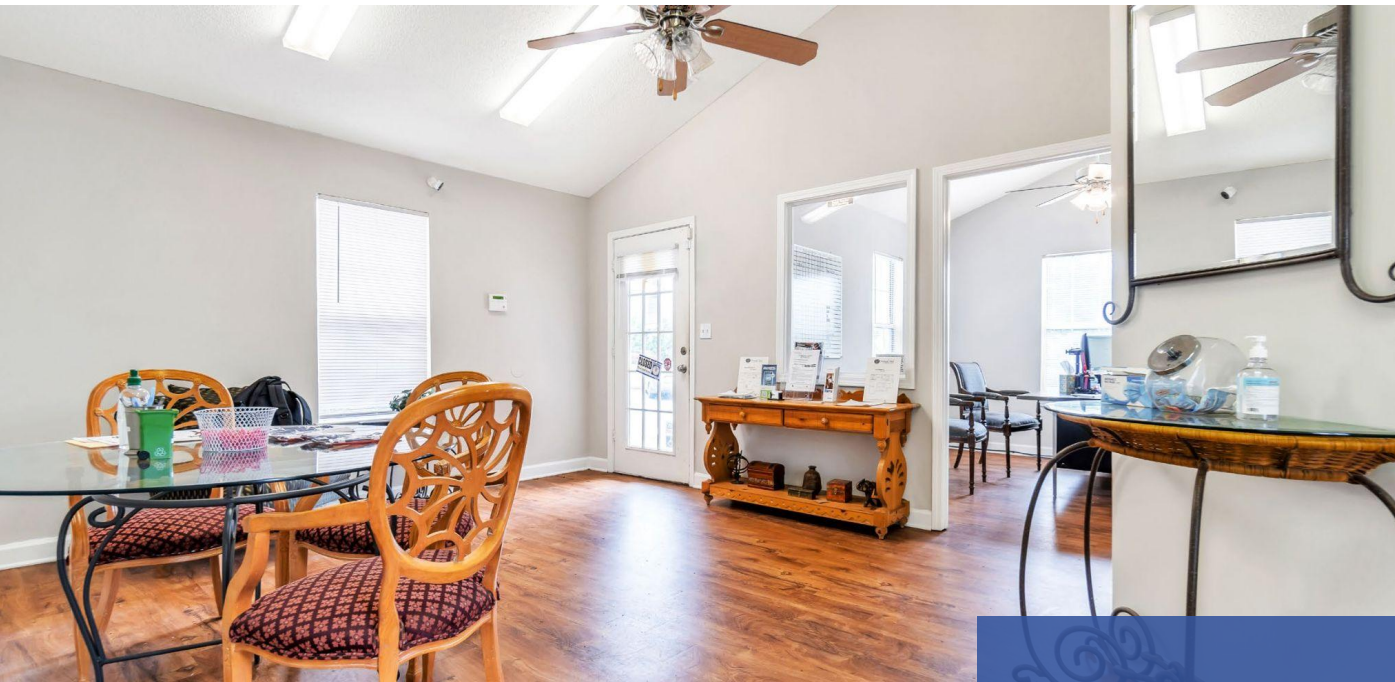
Units

1997

Year Built

1,036 SF

Avg. Unit Size



921 SF UNITS
WITH 2 BEDS, 1.5 BATHS

1,115 SF UNITS
WITH 3 BEDS, 2 BATHS



Offering Summary

Purchase Price	\$10,850,000
Estimated Equity Raise	\$4,500,000
Price Per Unit	\$113,021
Current Rent Per Unit	\$777
Pro Forma Rent Per Unit	\$1200

Projected Investor Returns

5-7%

Average Cash on Cash

21-23%

Average Annual Return

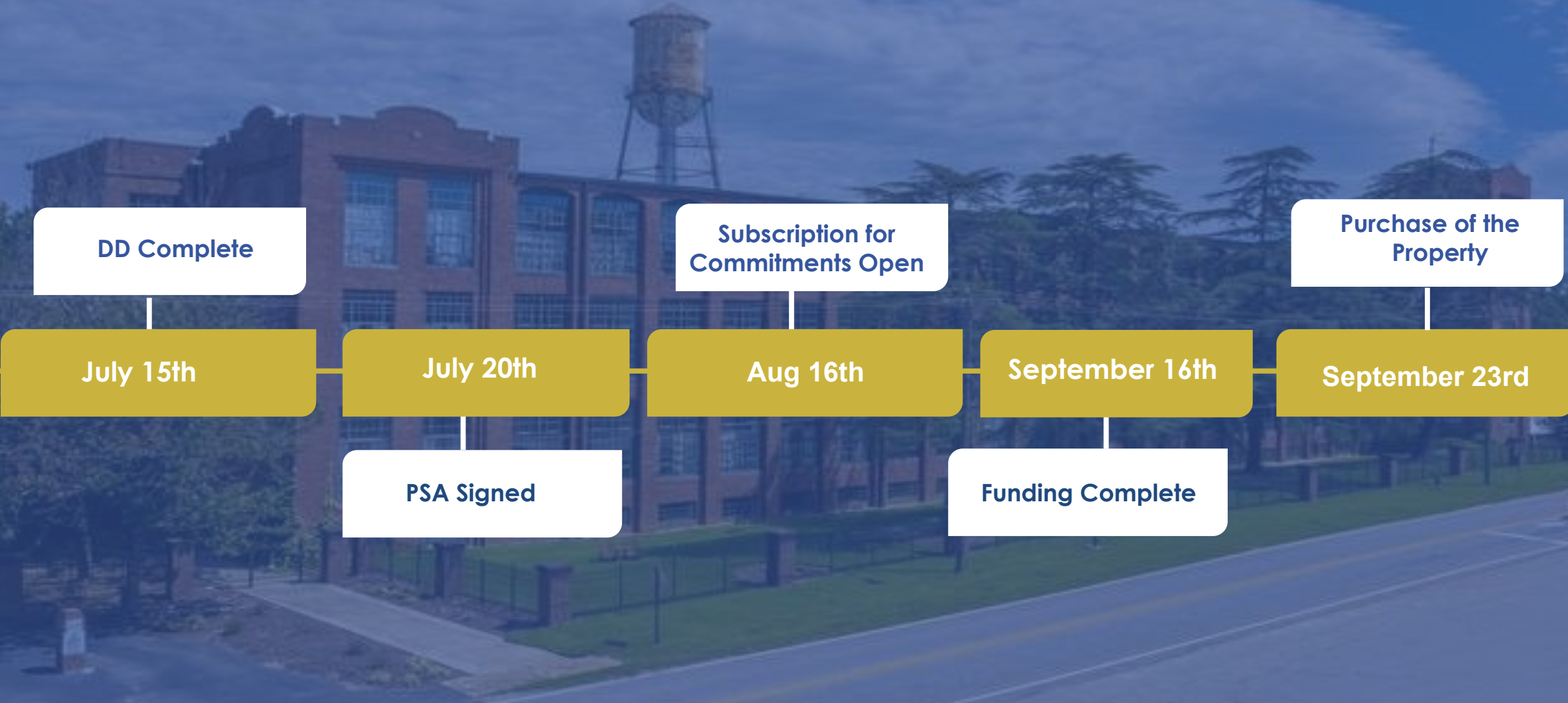
2.1-2.3x

Total Return

17-19%

IRR

Project Timeline





Why Gaffney South Carolina?



Gaffney, South Carolina

Gaffney is a small city in the Upstate Region of South Carolina, near the border of North Carolina. Gaffney is in, and the seat of, Cherokee County, South Carolina. Spanning eight square miles, it is home to more than 12,700 people (US Census, 2020). Located halfway between Greenville, SC and Charlotte, NC— Gaffney offers small town Southern charm with convenient access to big city amenities.

Only six miles west of the Subject Property is Gaffney Outlet Marketplace, an outdoor outlet shopping center. With 48 stores and restaurants, it serves as a major retail destination for Upstate South Carolina. Adjacent to the outlet mall is the Big E entertainment complex, which houses an eight-screen movie theater, arcade, bowling center, laser tag, bumper cars, climbing course, mini golf, grill, and sports bar.

GAFFNEY AS A COMMUTER HUB

Desirable Location:

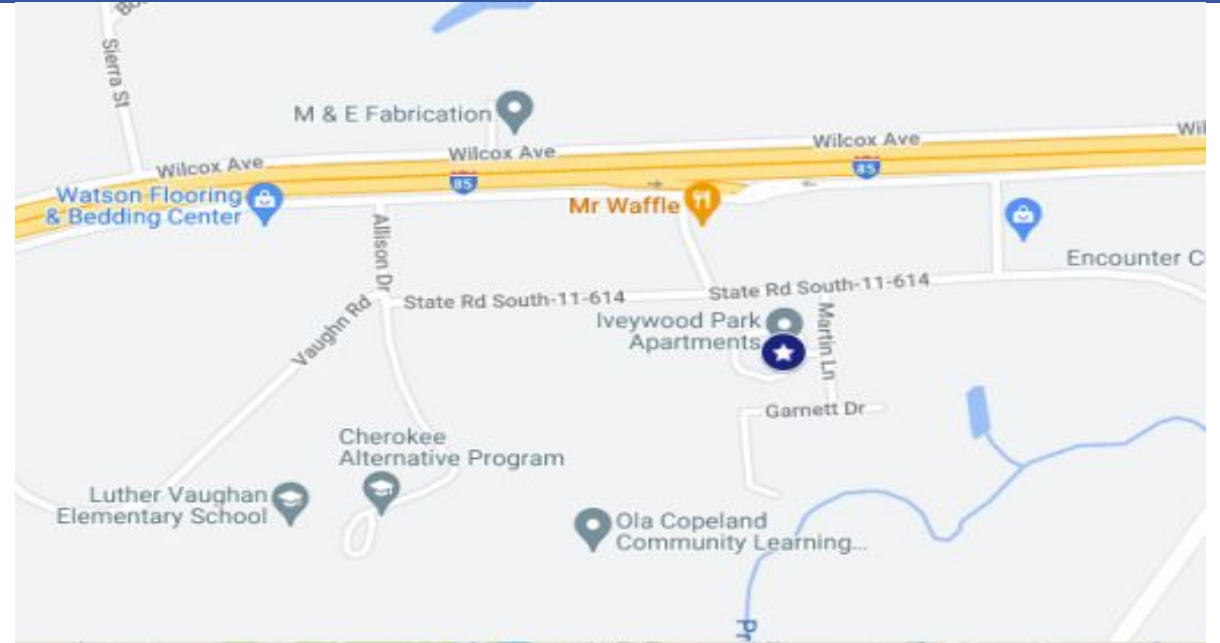
Gaffney is set in a desirable location, offering small-town southern charm while still allowing for residents to travel to major metropolitan areas for either work or leisure. The Subject Property is less than five minutes from an on-ramp for Interstate 85, which connects to nearby metropolitan areas Charlotte and Spartanburg in just under 40 minutes.

Charlotte, NC:

Charlotte is one of the 15 largest cities in the U.S. and the largest city in North Carolina. More than 900,000 people live and work in Charlotte, with 2.5+ million people in the Charlotte MSA. Consistently ranking as one of the top growing cities, the city is home to more than 15 Fortune 1000 companies, including household names such as Bank of America, Lowe's and Duke Energy. Charlotte is a major commerce center and the second largest banking center in the country with corporate headquarters for Bank of America and the East Coast operations for Wells Fargo. The city is also home to the Carolina Panthers of the NFL, Charlotte Hornets, of the NBA, NASCAR Hall of fame, U.S. Whitewater Center and the Charlotte Douglas International Airport, the 23rd busiest airport in the world

Spartanburg, SC:

Spartanburg is a city in and the seat of Spartanburg County, South Carolina. The Spartanburg metro area has a municipal population of 313,791 and is the second largest city in the greater Greenville-Spartanburg Anderson combined statistical area which has a population of 1,385,045. Spartanburg is driven by financial institutions, the auto industry, healthcare, and pharmaceuticals. Key companies with regional headquarters in Spartanburg are Bank of America, BMW, Bausch & Lomb, Adidas, Denny's, Ernst & Young, and Verizon. Companies such as Michelin, Fujifilm, and General Electric have R&D facilities located in the Spartanburg area. Additionally, IBM, BMW, Microsoft, Michelin, and Clemson University have formed the International Center for Automotive Research (ICAR) inside Spartanburg.



Property Overview



Property Summary

Why we love this property

Address	112 Martin Ln Gaffney, SC 29341
County	Cherokee County
Size/Density	99,456 SF
Number of Units	96 Units
Average Unit Size	1,036 SF
Average Rent/SF	0.76
Year Built	1997
Stories	2 stories
Occupancy	97%
Asset Class	Class B
Exterior	Brick & Siding
Roof	Asphalt Shingles



Utilities	Source	Paid By
HVAC/Hot Water/Cooking	Broad River Electric	Resident
Water/Sewer	Gaffney Board of Public Works	Resident
Trash Removal	Republic Services	Resident
Cable/Internet & Phone	Time Warner	Resident

Desirable Location

- Less than five minutes from an on-ramp for Interstate-85, which connects to Charlotte and Spartanburg in under 40 minutes
- Just 1.3 miles from Cherokee Medical Center, a 125-bed acute care facility offering a range of services, including emergency care, endocrinology, surgery, and imaging
- Surrounded by two neighborhood schools making it a desirable family oriented asset.
- 10 acres of space with plenty of green space and privacy providing great potential for a gated community and additional amenities



Transaction

Purchase Price	\$10,850,000
Cap Ex Budget	\$738,300
Price Per Unit	\$113,021
“All-in” Price Per Unit	\$137,629
Current Rent Per Unit	\$750
T-12 NOI	\$339,257



Property Transaction

Business Plan

1

Improve Rents to Market

- The current rents are on avg \$300-\$450 below market with 80 people waiting list. Increase rents to market rents with each renewal or lease.

2

Systematize unit turns

- Plan proactively the unit turns and renewals by reviewing annual leases to ensure faster unit rentals and renewals

3

Increase Capex Efficiency

- Leverage strategic partnerships with vendors and contractors in the region to complete exterior and interior capex at a more optimized rate

4

Maintain Stabilization

- Keep the occupancy above 90% while increasing rents



Capital Expenditures

Proposed Capital Improvements

Category	\$ Annual
Unit Improvements	\$477,000
Dog Park	\$25,000
Building Improvements	\$140,000
Contingency	\$96,300
Total \$738,300	

Proposed Interior Capital Improvements

Category	\$ Annual
Kitchen Appliances	\$57,600
Kitchen Façade (Cabinets, Counter Tops, Sinks)	\$109,800
Bathroom Fixtures (Tubs, Toilets, Vanities)	\$36,000
Flooring Replacement	\$108,000
Other, Deferred Maintenance & Contingency	\$165,600
Total \$477,000	

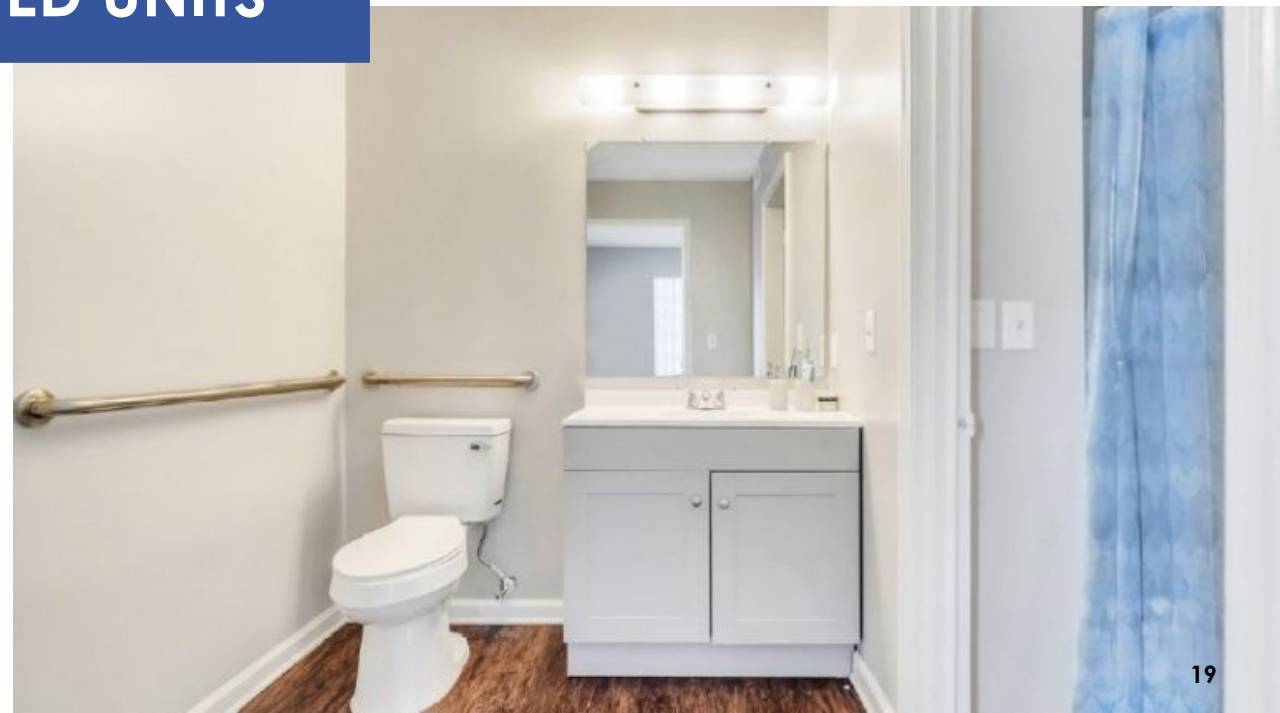
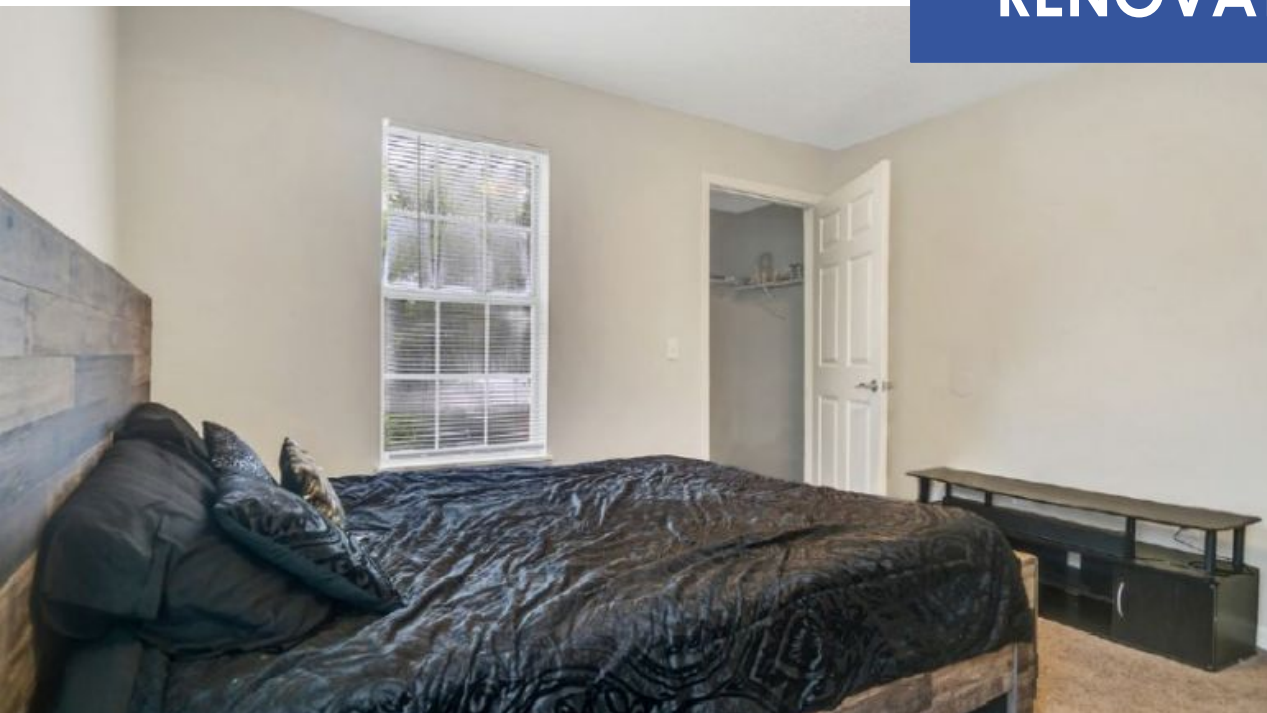


EXTERIOR PHOTOS



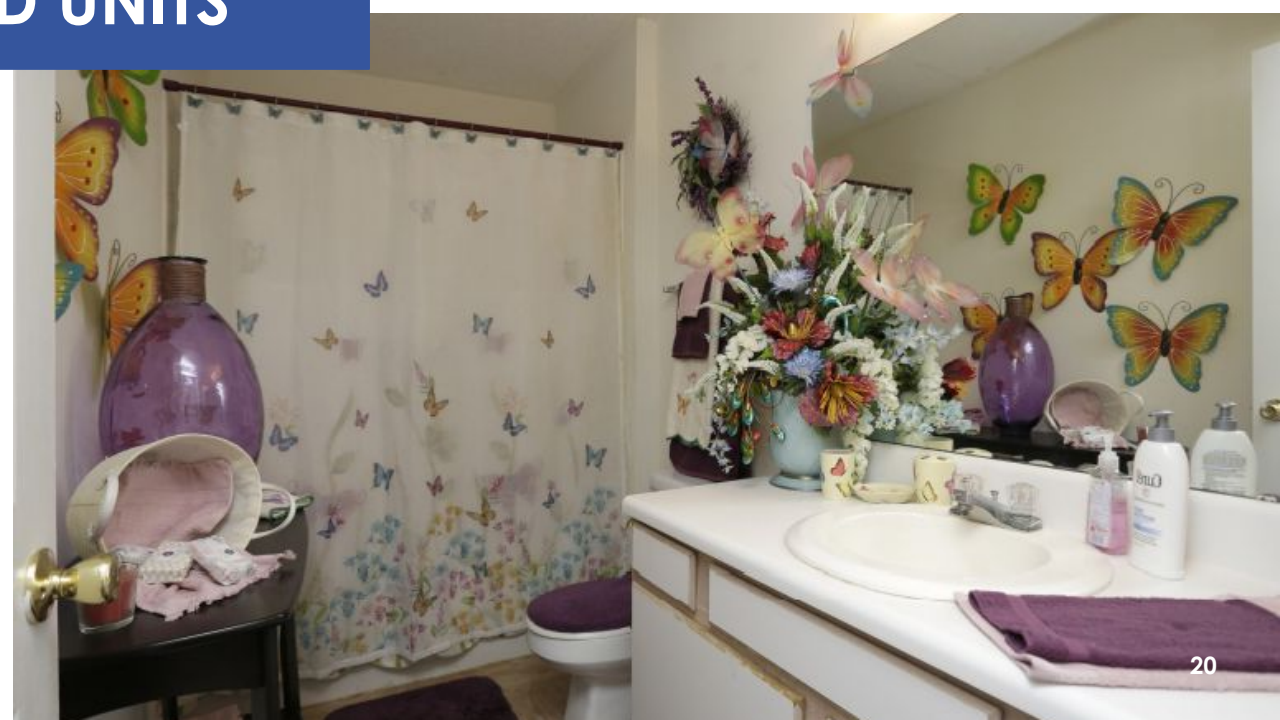
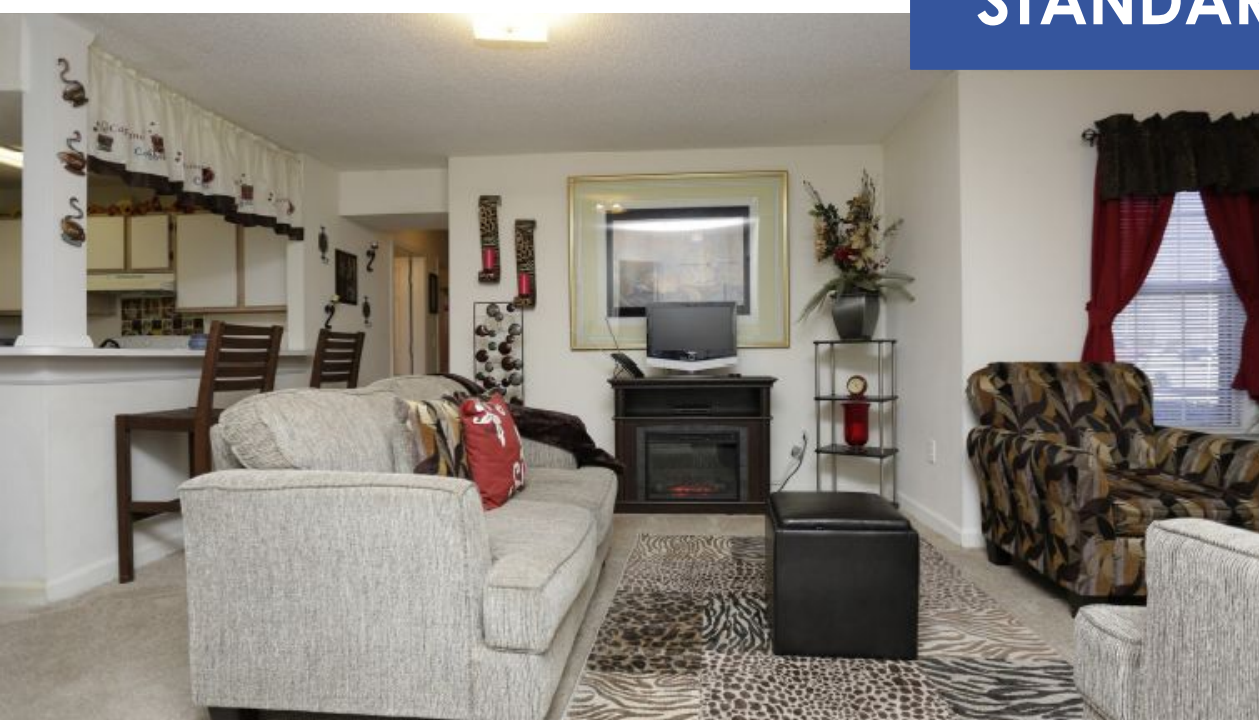


RENOVATED UNITS



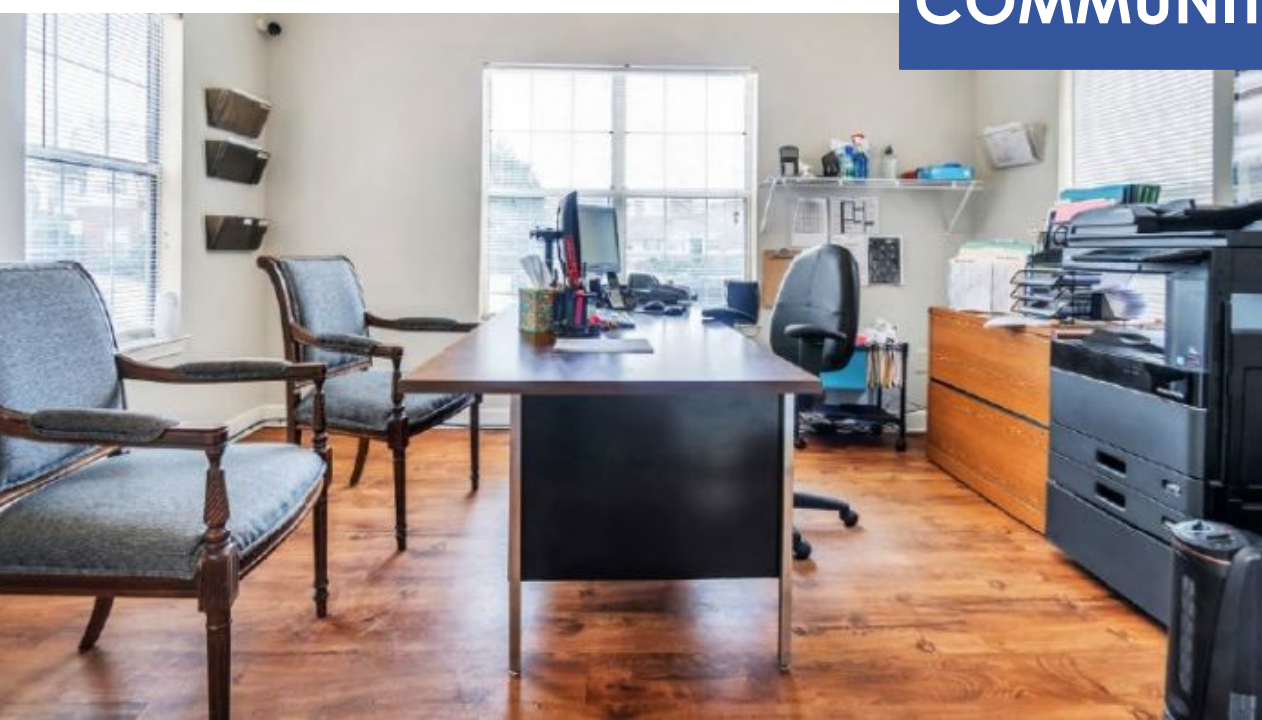


STANDARD UNITS





COMMUNITY AMENITIES



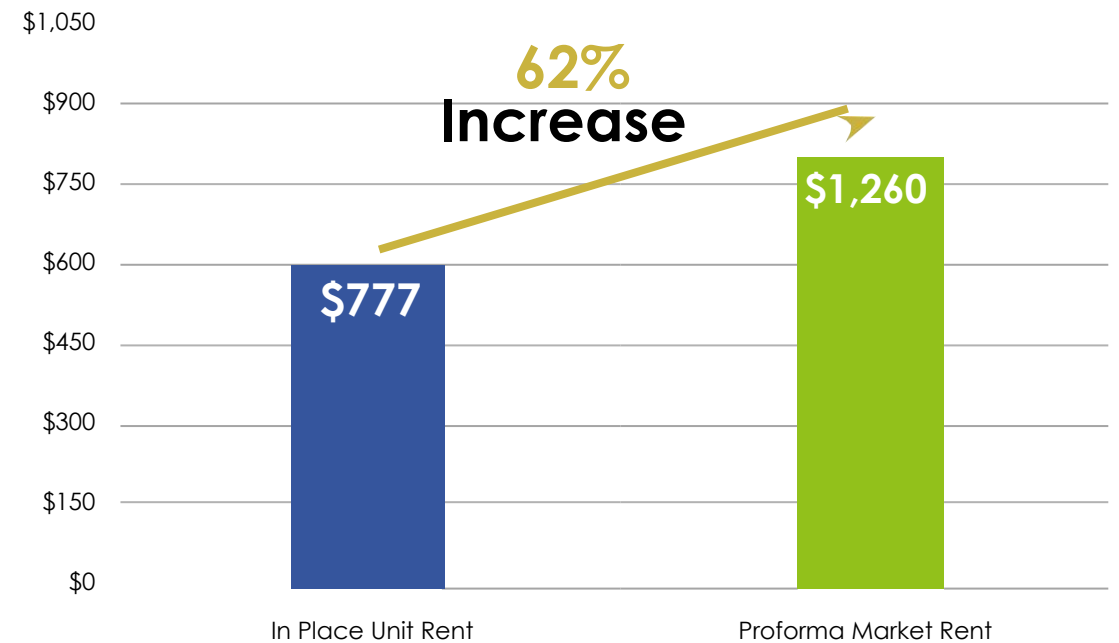
A photograph of a row of townhouses, overlaid with a semi-transparent blue filter. A horizontal yellow banner is positioned across the middle of the image, containing the text 'Returns & Financial Analysis' in white. The townhouses below have brick and siding exteriors, with visible door numbers 304 and 306.

Returns & Financial Analysis

Rental Income



Unit Type	Units	SF/Unit	Total SF	In-Place Rent	Proforma Rent/Mo
2 Bed / 1.5 Bath	48	921 SF	44,208 SF	\$775	\$1,180
3 Bed / 2 Bath	48	1,151 Sf	55,248 SF	\$779	\$1,330
Total	96	1,036 SF	99456 SF	\$777	\$1,260



2 BED RENT COMPS

	Property Name	Year Built	Units	Avg Unit SF	Asking Monthly Rent	Rent/SF
★	Iveywood Park Apartments	1997	48	921	\$1,188	\$1.29
1	1022 West	1989	60	768	\$1,145	\$1.49
2	Oliver Court Apartments	1987	32	1050	\$1,200	\$1.14
3	Magnolia Ridge	1971/2001	32	860	\$999	\$1.16
4	Connecticut Village Apartments	1971	26	805	\$773	\$0.96

[1] All Comparables are within 3 miles of the Subject Property



3 BED RENT COMPS

	Property Name	Year Built	Units	Avg Unit SF	Asking Monthly Rent	Rent/SF
★	Iveywood Park Apartments	1997	48	1,151	\$1,350	\$1.17
1	1022 West	1989	16	960	\$1,520	\$1.58
2	Magnolia Ridge Apartments	1971/2001	20	1,000	\$1,099	\$1.10
3	Connecticut Village Apartments	1971	26	880	\$886	\$1.01
4	Creekside Apartments	1973/1989	8	1,131	\$885	\$0.78

[1] All Comparables are within 3 miles of the Subject Property



Conservative Underwriting

Project Sale Assumptions

Analysis Period/Hold Period	60 Months
Broker Fee	2.5%
Selling Costs	1.0%
Exit Cap Rate	6.0%
Exit Value Basis	Exit Yr NOI
Estimated Exit Value (Gross)	\$17,434,891
Estimated Exit Value Per Unit	\$181,613

Project Metrics

IRR Components

Equity Component	85%
Cash Flow	15%
Average Breakeven Occupancy	69%
Average Operating Expense Ratio	36%

Debt Summary

Acquisition Loan

Loan Amount	\$9,100,000
Interest Rate	7.8%
Term	5 Years
I/O Period	3 Year(s)
Funding Month	Month 1
Debt Yield	5.2%
LTV/LTC %	69%

Debt Notes

- September Fed rate hike of 75 bps currently factored in to the debt
- Choice of cap rate insurance or extra reserves negotiated with the lender

Stress Test the Opportunity

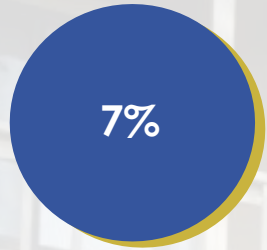
Impact of Terminal Cap Rate and Hold Period on Class B Member Levered Return Metrics (IRR/EMx)

	17.91% 2.14x	5.50%	5.75%	6.00%	6.25%	6.50%	6.75%
Year 3	28.80% 2.07x	25.27% 1.91x	21.85% 1.76x	18.52% 1.62x	15.25% 1.50x	12.06% 1.38x	
Year 4	24.19% 2.27x	21.76% 2.10x	19.40% 1.95x	17.10% 1.81x	14.83% 1.68x	12.61% 1.55x	
Year 5	21.46% 2.48x	19.66% 2.30x	17.91% 2.14x	16.19% 2.00x	14.51% 1.86x	12.86% 1.74x	
Year 6	19.64% 2.70x	18.25% 2.52x	16.88% 2.36x	15.55% 2.20x	14.25% 2.07x	12.97% 1.94x	
Year 7	18.37% 2.93x	17.24% 2.75x	16.15% 2.58x	15.08% 2.42x	14.04% 2.28x	13.02% 2.15x	
Year 8	17.41% 3.18x	16.49% 2.99x	15.59% 2.82x	14.72% 2.66x	13.86% 2.51x	13.03% 2.37x	



Investors Returns

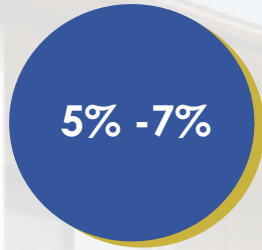
Minimum Investment
\$100,000



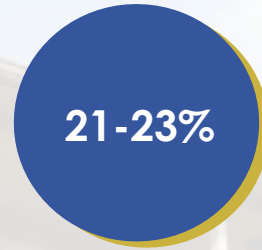
Preferred
Return



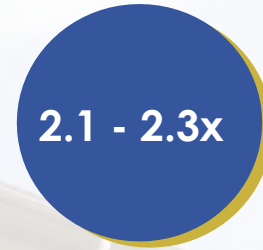
LP/GP Split
After 7% Hurdle



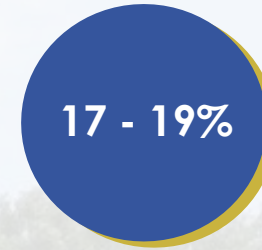
Average
Cash on Cash



Average
Annual Return



Total
Return



IRR



Hold
Period

Projected Return Summary Class A Investors

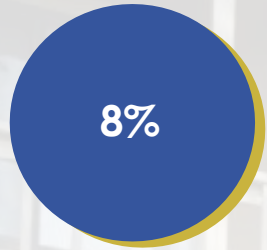
Sample Investment Amount	Cash Flow	Equity Return	Total ROI	Cumulative Return + Initial Capital
\$100,000	\$29,805	\$84,810	\$114,615	\$214,615
\$200,000	\$59,610	\$169,620	\$229,230	\$429,930

**First Come,
First Serve**

* 50/50 split after 14% IRR

Investors Returns

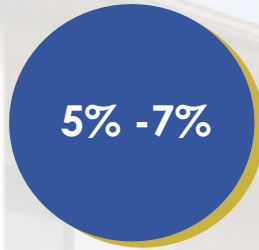
Minimum Investment
\$500,000



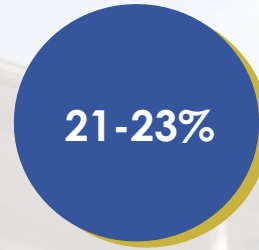
Preferred
Return



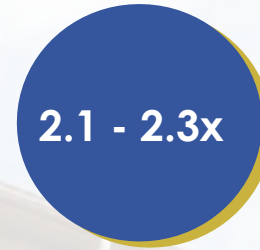
LP/GP Split
After 7% Hurdle



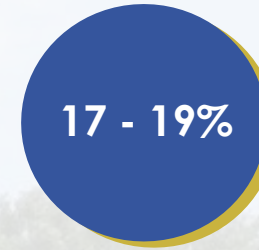
Average
Cash on Cash



Average
Annual Return



Total
Return



IRR



Hold
Period

Projected Return Summary Class B Investors

Sample Investment Amount	Cash Flow	Equity Return	Total ROI	Cumulative Return + Initial Capital
\$500,000	\$149,022	\$431,638	\$580,660	\$1,080,660
\$1,000,000	\$298,044	\$863,276	\$1,161,320	\$2,161,320

**First Come,
First Serve**

* 50/50 split after 14% IRR



Our Team

Lead Operators



Hemal Badiani

Hemal is the founder and managing partner of Exponential Equity. Hemal started his real estate investing career in 2012 and founded Exponential Equity to focus on his passion of helping busy families achieve financial freedom through fantastic opportunities in commercial real estate investments.

Prior to establishing Exponential Equity, Hemal provided management consulting services to several fortune 100 companies across three continents while creating a portfolio of businesses that he scaled and exited including an outsourcing company and a private lending firm.

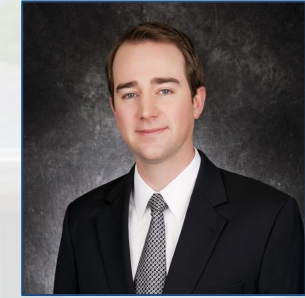
Hemal lives with his wife and twin children in Charlotte, North Carolina and loves golfing, music, and reading.



Yomesh Deliwala

Yomesh is the co-founder and managing partner of Exponential Equity. Yomesh is a seasoned entrepreneur with a passion for commercial real estate. Yomesh acquired his first real estate property in 2007 with the sole purpose of creating passive income. Over last 13 years, Yomesh has successfully owned and managed a robust portfolio of properties across Charlotte area. Through Exponential Equity, Yomesh's goal is to help individuals like him to build wealth faster through passively investing in commercial real estate.

Yomesh lives with his wife and two daughters in Charlotte, North Carolina and loves traveling, music and extra spicy Indian food.



Jamie Grubb

Jamie Grubb is responsible for the underwriting, financing, and asset management for Exponential Equity. He also oversees the company's internal administration efforts and process improvement.

Prior to joining Exponential Equity, Jamie worked as an originator at Lument Capital, providing capital solutions for multi-family investors and specializing in Agency, Bridge, and Development loans. Prior to Lument, Jamie was a First Vice President at DNB Bank, Norway's largest financial institution. While at DNB, he originated and serviced debt for investment grade and high-yield companies. He also worked closely with other product groups within the bank to provide debt capital markets services, commodity and interest rate hedging, as well as other financial services. During his time at DNB, Jamie was involved in transaction volume exceeding \$25B.

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