

INVESTMENT OPPORTUNITY

*Davis Aledo Boat / RV Storage
Sponsored by: Providence Investments
Contact: George McCanse / 512-828-8156 / george@providence.us*

INVESTMENT OPPORTUNITY **EXAMPLE - INVESTMENT IS FULLY SUBSCRIBED**

Participate in ownership of an existing, fully occupied, Class A Boat and RV Storage project with frontage on Interstate 20 on the west side of Fort Worth, TX, the only one of its kind in its market area.

[Video of Property – Click Here](#)

WHY WE LIKE THIS INVESTMENT

- Growing path-of-progress market area creates long-term demand.
- Stable existing cash flow that can be enhanced.
- Rents are below market for similar Class A properties.
- Proven business plan: buy a fully occupied quality existing property with a great location, increase below-market rent rates and modify the unit mix for greater cash flow based upon unit demand.
- Refinancing of the initial loan can generate tax-free proceeds producing payments to partners, resulting in greater dividend yields.

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September 14, 2020

PROJECT CHARACTERISTICS

- Location on I-20 near Aledo, TX
- 183 units (open, covered, and enclosed parking spaces)
- Built in 2016
- Site size – 4.128 acres
- Construction – concrete driveways, metal and steel buildings
- Amenities – on-site office, electric power to covered and enclosed units, water, air, and trip preparation dump station.

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INVESTMENT PROCESS

- **INVESTMENT IS FULLY SUBSCRIBED**
- Minimum Investment: \$50,000; Maximum Investment: \$300,000
- Investor Commitment Date – by September 23rd
- Distribution of Private Placement Memorandum, Limited Partnership Agreement and Subscription Documents – September 25th
- Cash Funds and Subscription Documents Received by Sponsor – by October 2nd
- Complete Acquisition – target October 14th

SPONSOR FEES

- Management fee – 5% of collected revenue.
- Acquisition fee – 2% of purchase price.
- Construction fee included in \$350,000 budget for planned improvements – 15% of cost.
- Disposition fee – 1% of sale price.

All fees are incorporated into assumptions for forecasted estimates presented herein.



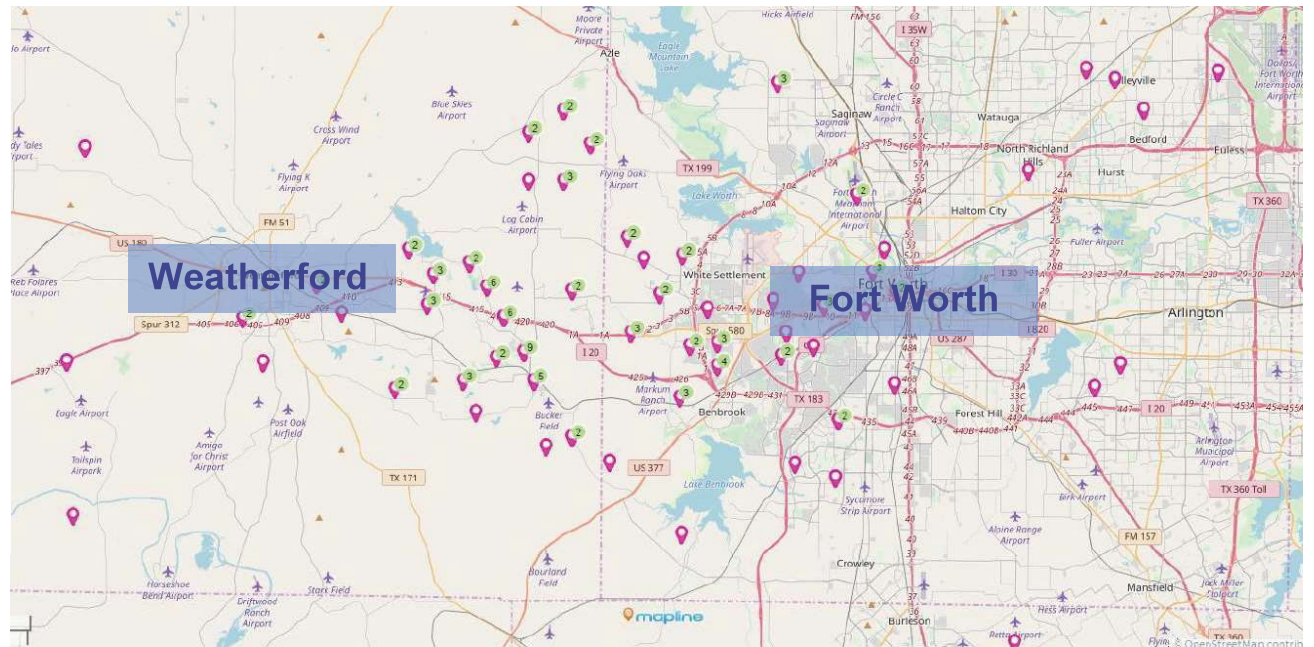
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MAPS

Tenant Location

Davis Boat/RV Storage customers are mostly located between Weatherford and Fort Worth. However, as is not unusual for RV and commercial storage, it also has customers located 20 to 25 miles away in the East Fort Worth, Arlington and Colleyville areas.

There are currently about 700 boat/RV storage units (covered and enclosed) across nine projects in the Weatherford area, and 240 units in the West Fort Worth area (since Davis Boat/RV Storage is located on the boundary between the two areas its units were allocated equally to each area) between two projects.

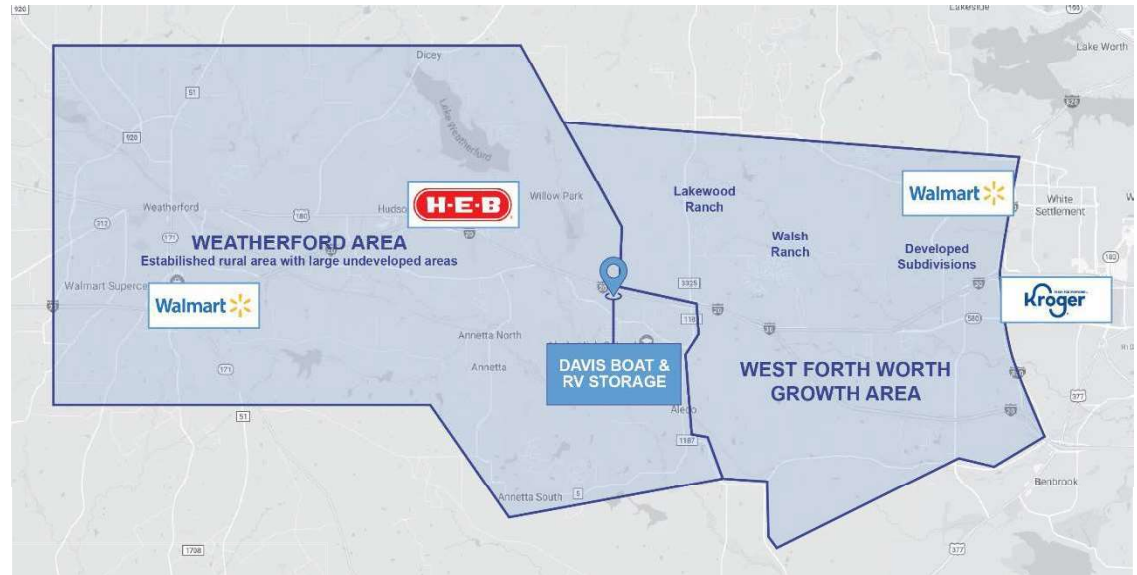


All projects except for Davis Boat/RV are lesser quality Class B and C at best. Most are operating at full occupancy except for a new 150 unit project that opened in June 2020 which mostly serves Weatherford but is located in West Fort Worth.

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Area Growth Map

The rapidly growing West Fort Worth and Weatherford areas have abundant land to accommodate hundreds of thousands of additional households over future decades. The West Fort Worth area alone, which is where most of Davis Boat/RV Storage customers are located, is forecasted to have over 100,000 new households with 35,000 lots currently in planning or active development stage.



GROWTH POTENTIAL AND HOUSEHOLD INCOME

	Weatherford	West Fort Worth	
	Overall	Overall	Developed
Households	22,000	10,400	5,600
Average Household Income	\$106,000	\$102,400	\$96,600
Income > \$75,000	51%	54%	53%
Income > \$150,000	18%	13%	10%
Tenants in Area	46	26	10
Acres	72,000	40,200	1,500
Estimated BRV Storage Units	700	240	0
Units per Household	31	43	N/A
Units per 1,000 Acres	10	6	N/A
Class A Units (Davis Boat/RV)	90	90	0

Weatherford has about the same Average Household Income as West Fort Worth but has more households with top end Income (greater than \$150,000 annually). Given that new RV and boat buyers typically have annual household income of over \$75,000, are often located in master planned communities with restrictions against storing boats and RVs, and there is high occupancy in existing projects, both areas are ripe for more boat and RV storage consumption.

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Neighborhood Map



Davis Boat/RV Storage is located on a six-mile retail and commercial strip between FMs 1187 and 3325. Local services include two grocery stores including a new HEB, auto dealerships, fast food restaurants including sought-after Chick-fil-A, medical professional offices, and many restaurants. Though Davis Boat/RV Storage draws from up to 25 miles away, as the local area matures it will likely consolidate into a 10 to 15-mile radius trade area.

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Transportation Map

Davis Boat/RV Storage is the only storage project between Fort Worth and Weatherford located on Interstate 20 or 30. Over 86,000 vehicles pass its location daily. With its prominent lighted signs, it is well known in the local and regional areas.



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SOURCES AND USES OF FUNDS

Acquisition Price:
Cash Investment:

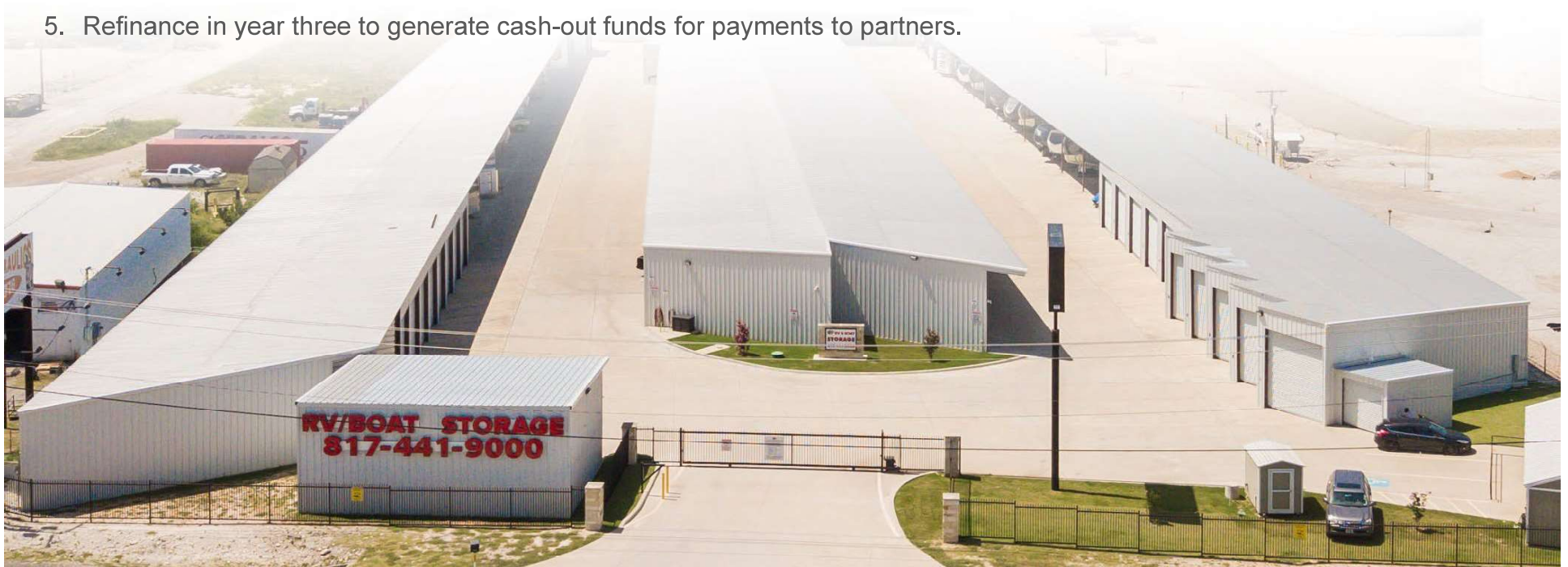
CONTACT GEORGE McCANSE
REGARDING REDACTED
INFORMATION.

Sources			
	Investment from Partners		
	Loan Amount		
	Total Sources		
Uses			
	Acquisition Price		
	Deason Financial Group Fee		
	Existing Project Improvements		
	Conversion Units Cost		
	Acquisition & Closing Cost		
	Acquisition and Improvement Cost		
	Sponsor Acquisition Fee		
	Working Capital		
	Total Uses		
This information is accurate as of the date of distribution. Subject to change.			

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BUSINESS PLAN

1. Upon closing, begin increasing existing tenant rent rates to market rates.
2. Test market rates upward with prospective tenants to determine true project market rates.
3. Modify units when profitable based upon information obtained from potential customer inquiries. Modifications will likely include conversion of some canopy spaces to more valuable enclosed spaces.
4. Increase rent rates annually.
5. Refinance in year three to generate cash-out funds for payments to partners.



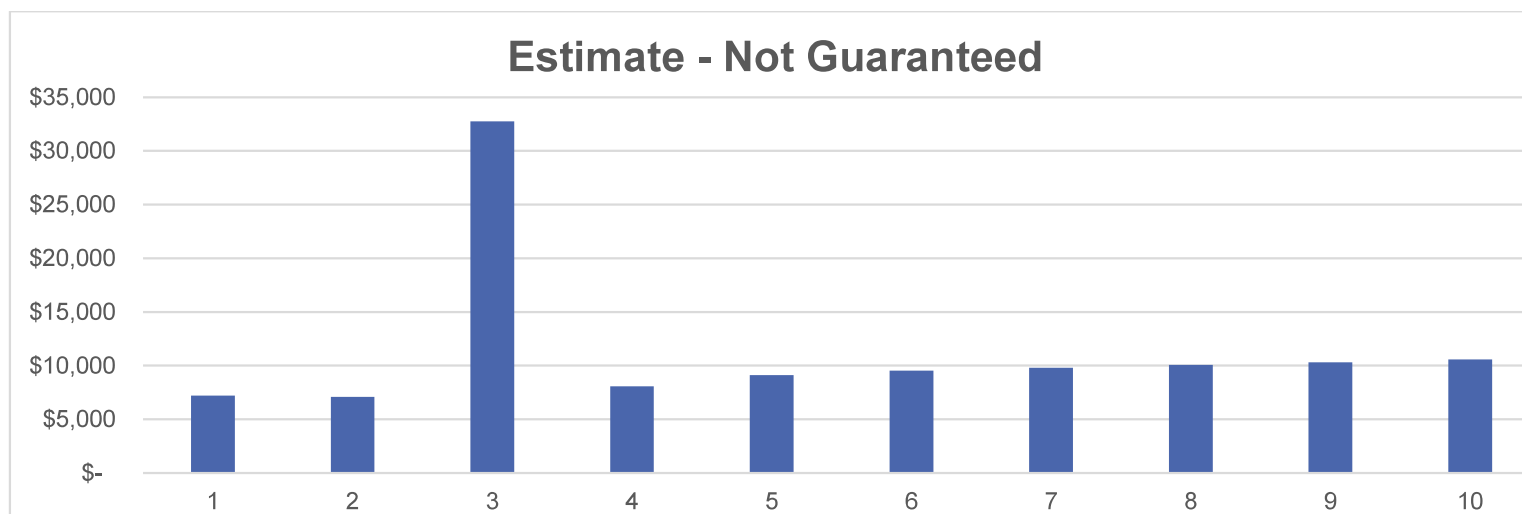
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FORECASTED DIVIDENDS

The forecasted cash flow dividends reflect the objective of achieving a tax-free cash-out distribution to partners (expected to occur in the third year of ownership) created by refinancing the property. The cash flow dividend shown in year 3 below reflects the refinancing proceeds allocated to the investor in addition to the investor’s annual cash flow payment. After receipt of the one time cash-out dividend, the investor’s capital investment is reduced as shown below.

Forecasted Dividend for a \$100,000 Investment

This information is believed to be reasonable but is preliminary and subject to change.

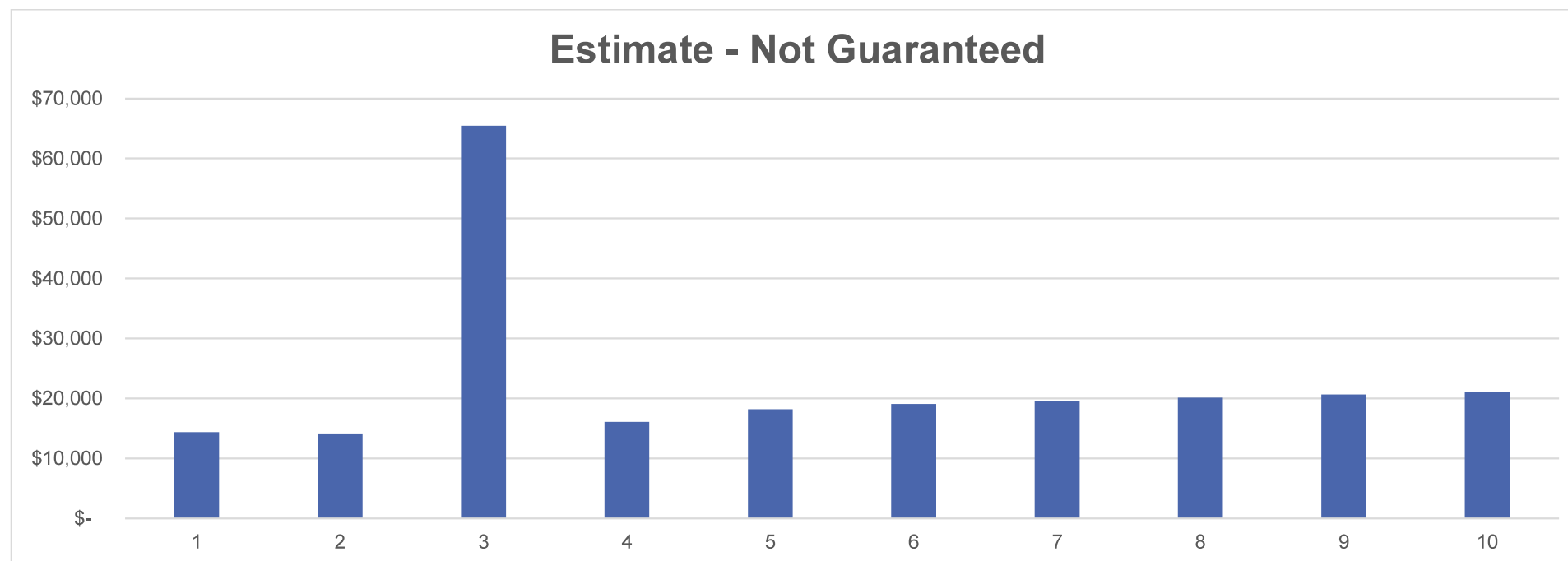


Dividend	\$7,203	\$7,079	\$32,735	\$8,060	\$9,112	\$9,541	\$9,802	\$10,062	\$10,323	\$10,584
Capital Invested	\$100,000	\$100,000	\$100,000	\$75,582	\$75,582	\$75,582	\$75,582	\$75,582	\$75,582	\$75,582
Cash-on-cash Yield	7.2%	7.1%	32.7%	10.7%	12.1%	12.6%	13.0%	13.3%	13.7%	14.0%

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Forecasted Dividend for a \$200,000 Investment

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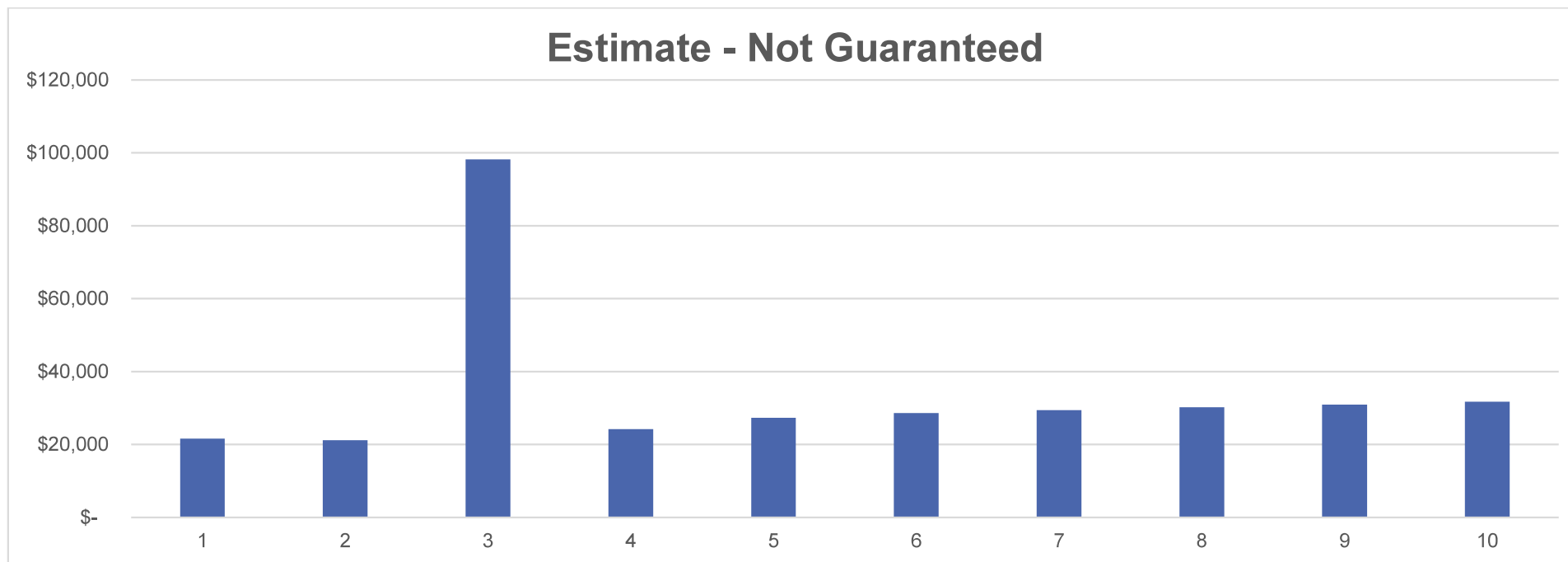


Dividend	\$14,406	\$14,158	\$65,471	\$16,120	\$18,224	\$19,082	\$19,603	\$20,125	\$20,646	\$21,167
Capital Invested	\$200,000	\$200,000	\$200,000	\$151,164	\$151,164	\$151,164	\$151,164	\$151,164	\$151,164	\$151,164
Cash-on-cash Yield	7.2%	7.1%	32.7%	10.7%	12.1%	12.6%	13.0%	13.3%	13.7%	14.0%

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Forecasted Dividend for a \$300,000 Investment

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Dividend	\$21,610	\$21,237	\$98,206	\$24,181	\$27,336	\$28,622	\$29,405	\$30,187	\$30,969	\$31,751
Capital Invested	\$300,000	\$300,000	\$300,000	\$226,746	\$226,746	\$226,746	\$226,746	\$226,746	\$226,746	\$226,746
Cash-on-cash Yield	7.2%	7.1%	32.7%	10.7%	12.1%	12.6%	13.0%	13.3%	13.7%	14.0%

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ORGANIZATION AND FINANCIAL MATTERS

The investment purpose is to hold for long-term cash flow. The minimum term controlled by the General Partner (subsidiary of Providence Investments) is ten years. The Class A partners, by a 60% vote, may extend the holding period beyond 10 years.

- Class A partners will contribute their equity to a Texas Limited Partnership.
- Class B partners (Sponsor Interest) will also contribute equity as Class A partners.
- The property will be owned by a limited liability company that will be wholly owned by the partnership.
- Class A Preferred Return: Class A will receive 6% of the partner's invested equity, cumulative but not compounded.
- Class A participation in operating cash flow (amount remaining after payment of preferred return) and debt refinance proceeds will be 60%.
- Upon final sale and payment of costs of sale including sponsor's sale fee, Class A will first receive the return of its investment balance and then 60% of remaining proceeds. The balance will be paid to the Class B partners.

Investment Structure Aledo Boat & RV Storage

Limited Partnership

(Texas LP to be formed)
Holds all equity invested
Including investment by George
McCanse or related entities.

General Partner

(Texas LLC to be formed)
George McCanse, Manager

Single Purpose Entity

(property owner and borrower)
6200 Aledo Storage, LLC
(Texas LLC to be formed)

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GEORGE MCCANSE – REAL ESTATE & INVESTMENT SPONSORSHIP EXPERIENCE

Career in commercial real estate commenced in 1975. Property types include:

- Self-Storage
- Multi Family
- Office Buildings (rental and condominiums)
- Commercial Land Subdivisions
- Entitlement of commercial sites for sale to others
- Residential Single-Family Homes and Townhouses (condominiums)

Also, worked in institutional real estate, former member of the Pension Real Estate Association and the National Council of Real Estate Fiduciaries, appraisal (former MAI), real estate counselor and real estate technology.

Sponsor or co-sponsor of approximately 20 real estate investments. No complaints, investigations, or disciplinary action during career. The most recent sponsored investments are:

Sponsor: 10801 Waggin' Tail Investments, L.P. commenced in October 2018.

LockTite Storage Properties (comprised of six entities owning 11 properties); acquired from February 2011 to December 2016; all operating assets sold from May 2016 to June 2019 (one unimproved land parcel remains). Expectation was for long-term ownership but overbuilding motivated sale of most assets.



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PROVIDENCE LEADERSHIP TEAM MEMBERS

George McCanse – CEO

Renee Lucas, formerly of LockTite (9 years) – Comptroller and Operations Director

Cheryl Metcalf, formerly of LockTite Storage (7 years) – Office & corporate administration, IT support, emergency self-storage manager

Clay Miller – Construction, Development and Entitlements. Former construction estimator and project supervisor for general construction companies; technical sales training. Undergraduate degree in mechanical engineering and a graduate degree in engineering management, both from Southern Methodist University (SMU).

Margaret McCanse Miller, CPA – Auditor, Real Estate Analyst and Investor Support. Former real estate auditor with PricewaterhouseCoopers and property accountant with Merit Energy. Undergraduate (accounting and real estate) and graduate degrees (accounting) from the University of Alabama.

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