

PARK TERRACE



TOWER ARMS NORTH



TOWER ARMS SOUTH



Presented By:

INVESTMENT SALES

Listing Agent

Greg Brownd

Realtor | CCIM

Mobile: (806) 777-4459

Email: gregbrownd@kwcommercial.com

Jaxton Hoelting

Realtor

Mobile: (806) 316-9233

Email: jaxtonhoelting@kw.com

Ryan Franckhauser

Realtor

Mobile: (214) 735-3750

Email: ryan.franckhauser@kwcommercial.com

Offering procedures

- Letter of intent
- Resume and/or business letter indicating assets owned
- Transaction references
- Banking references
- Source of equity for acquisition

Property tours

Prospective investors are encouraged to visit the subject property prior to submitting an offer. Please do not contact the on-site management or staff without prior approval. All property showings are by appointment only. Please contact us for more details.

Sales conditions

Interested prospective investors should be aware that the owner of the property is selling the property in as-is, where-is condition with all faults, if any, and without representations or warranties of any kind of nature, expressed or implied, written or oral.

Communications

All communications, inquiries and requests, including property tours, should be addressed to the listing agent.





TABLE OF CONTENTS

PORTFOLIO OVERVIEW	4
LOCATION OVERVIEW	5
RETAIL HIGHLIGHTS	8
AREA METRICS	9
MAJOR EMPLOYERS	10
TOWER ARMS SOUTH	11
TOWER ARMS NORTH	11
UNIT MIX	12
PROPERTY INFORMATION	13
HISTORIC & PROFORMA FINANCIALS	16
FINANCIALS OVERVIEW	17
PARK TERRACE	21
UNIT MIX	22
PROPERTY INFORMATION	23
HISTORIC & PROFORMA FINANCIALS	24
FINANCIALS OVERVIEW	25



PROPERTY	TOWER ARMS NORTH	TOWER ARMS SOUTH	PARK TERRACE	PORTFOLIO TOTALS/AVG.
Year Built	1978	1984	1968 - 1973	1968-1984
Units	28	40	46	114
Average Unit Size	665	1,076	896	902
Average Rent	\$685	\$925	\$874	\$845
Rent / SF	\$1.03	\$0.86	\$0.98	\$0.94

MARKET OVERVIEW

Levelland serves as the economic center of Hockley County, positioned 30 miles west of Lubbock with direct access to I-20 and I-40 corridor connections. The city's economy draws strength from its historical foundation in cotton production—the region produces approximately 25 percent of the world's



12,270

Population



35.5

Median Age



5.8%

2025
Unemployment
Rate

cotton—complemented by established petroleum operations and expanding alternative energy sectors including wind, solar, and biofuels.

The market benefits from strong employment diversity

anchored by Covenant Hospital Levelland, South Plains College, and the region's dominant agricultural processing operations including Farmer's Cooperative Compress, the world's largest cotton warehouse. With a regional labor pool exceeding 190,000 workers across nine contiguous counties, Levelland functions as the primary employment hub for Hockley County and surrounding communities.



\$143,081

Median Home Value



\$50,462

Median Household
Income



2.59

Household Size



32.1%

% Rentals



14.0%

Vacant Housing Units



1,488

Rental Unit Demand

The workforce composition favors stability, with 65 percent employment concentrated in healthcare, education, and professional services. The city maintains a younger demographic profile with a median age of 34.2 years and median household income of \$50,462, supporting consistent rental demand from professionals and educators.



Infrastructure investments signal continued economic momentum. The 243-acre Levelland Industrial Rail Park offers shovel-ready sites with dual rail service, positioning the city for logistics and manufacturing expansion. Recent enrollment growth at South Plains College—up 4.3 percent in Fall 2025 to 9,490 students—reinforces the educational sector's stability and contribution to local housing demand.

REGIONAL EMPLOYMENT DRIVERS



Covenant Hospital Levelland: The 49-bed acute care facility serves as Hockley County’s primary healthcare provider, anchoring the region’s largest employment sector with 1,503 healthcare and social services positions across 42 establishments. Founded in 1971 and affiliated with Covenant Health Systems in Lubbock, the hospital maintains 12 full-time physicians and operates five full-service clinics throughout the county, providing comprehensive medical services to Levelland and surrounding communities.



South Plains College: The public community college enrolled 9,490 students in Fall 2025, representing a 4.3 percent increase from the previous year. As part of the education sector employing 1,012 workers across 11 establishments,

the college serves as a significant economic anchor and workforce development engine. The institution’s 177-acre Levelland campus includes residential facilities for 774 students, contributing to stable rental demand beyond traditional family housing.



Agricultural & Energy Operations: Levelland’s historical economic foundation remains robust through integrated agricultural processing and petroleum operations. Farmer’s Cooperative Compress operates the world’s largest cotton warehouse, processing cotton from the region’s dominant crop that represents 25 percent of global production. The city’s centralized location positions it within 500 miles of major exploration wells and refining facilities, supporting the oil and gas services sector while diversifying into alternative energy development including wind, solar, and biofuel operations.



TOWER ARMS NORTH

TOWER ARMS SOUTH

PARK TERRACE

COLLEGE AVENUE

MAGNOLIA ST

SOUTH PLAINS COLLEGE

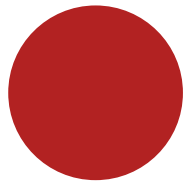
Retail Located Along College Avenue



Park Terrace & Tower Arms



1 mile



6,298

Population



34.7

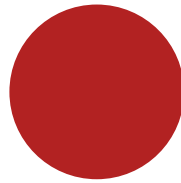
Median Age



6.2%

2025
Unemployment
Rate

3 mile



13,381

Population



36.1

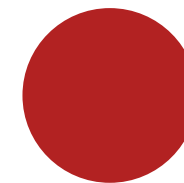
Median Age



5.6%

2025
Unemployment
Rate

5 mile



14,135

Population



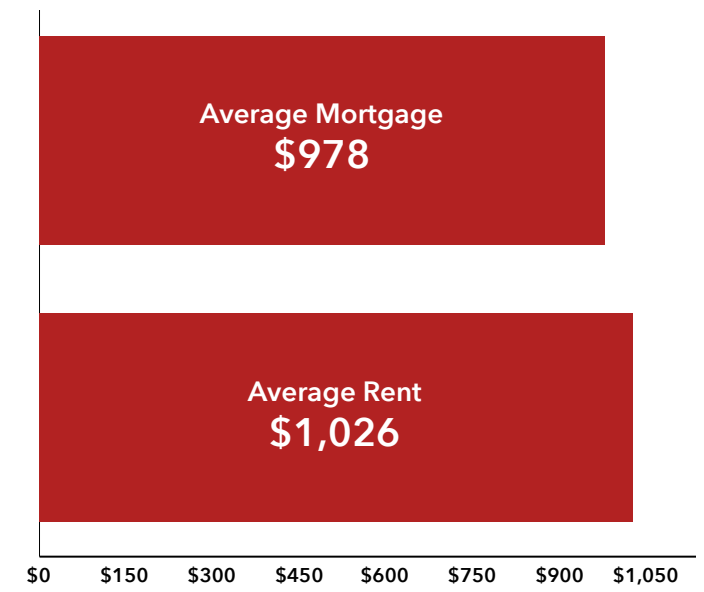
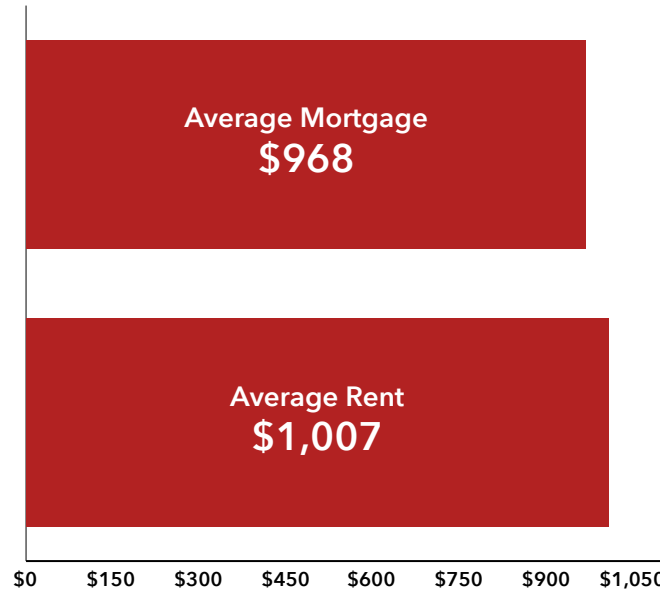
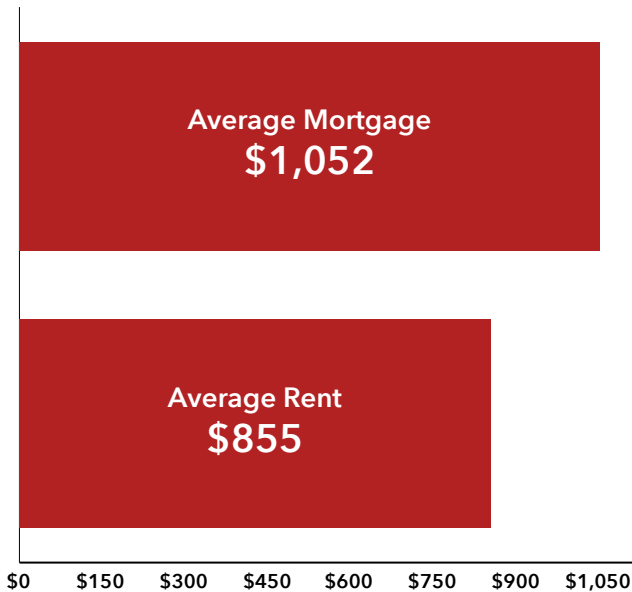
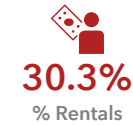
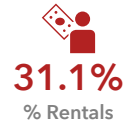
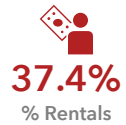
36.5

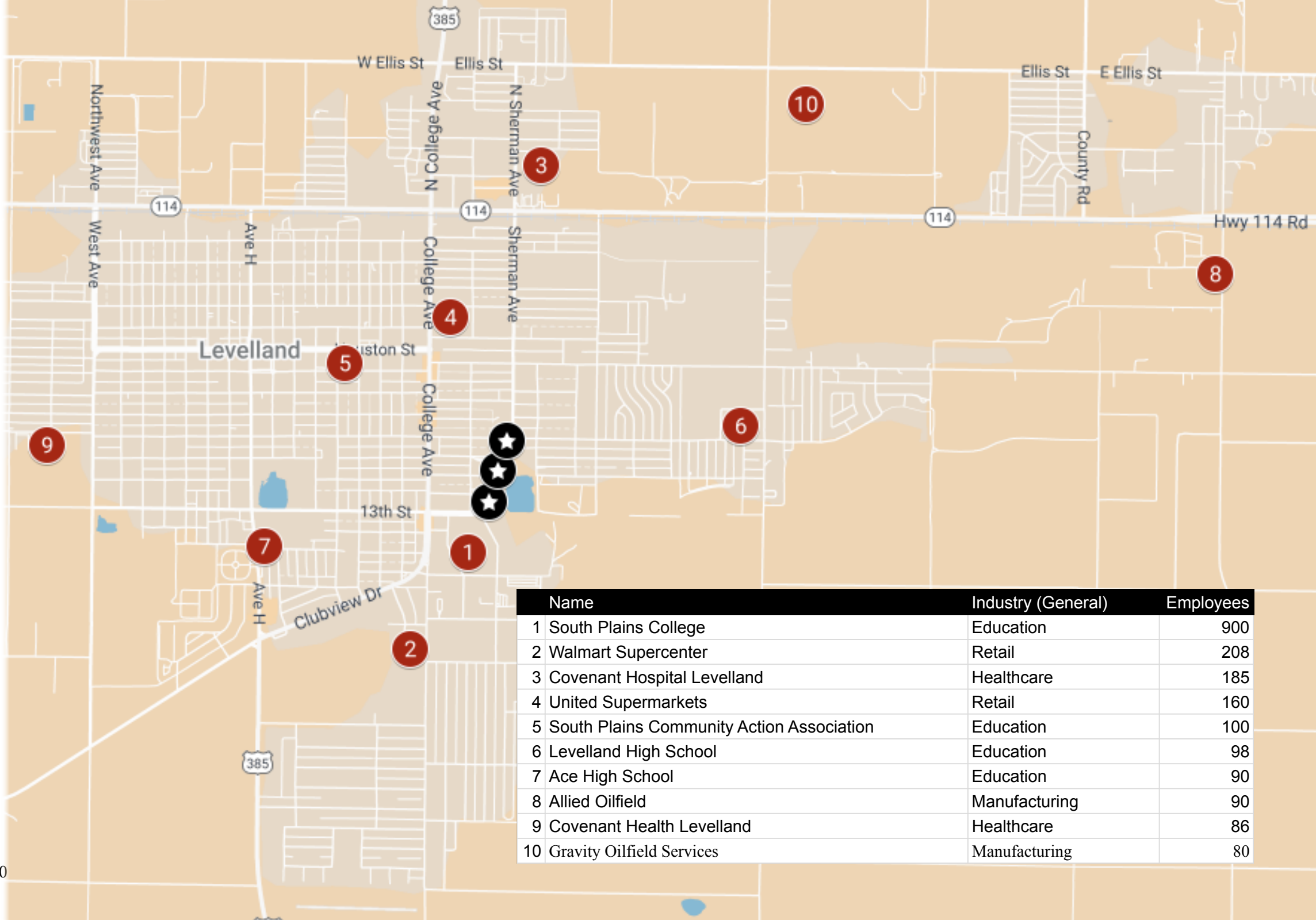
Median Age



5.4%

2025
Unemployment
Rate





Name	Industry (General)	Employees
1 South Plains College	Education	900
2 Walmart Supercenter	Retail	208
3 Covenant Hospital Levelland	Healthcare	185
4 United Supermarkets	Retail	160
5 South Plains Community Action Association	Education	100
6 Levelland High School	Education	98
7 Ace High School	Education	90
8 Allied Oilfield	Manufacturing	90
9 Covenant Health Levelland	Healthcare	86
10 Gravity Oilfield Services	Manufacturing	80

TOWER ARMS SOUTH



TOWER ARMS NORTH



Tower Arms

1102 Sherman Avenue

Property Overview	
Units	68
Occupancy	97%
Year Built	N-1978 / S-1984
Utilities	Tenant Pays All

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
North - 1 Bed / 1 Bath	28	665	\$685	\$1.03	\$709	\$1.07
South - 1 Bed / 1 Bath	8	740	\$775	\$1.05	\$802	\$1.08
South - 2 Bed / 2 Bath	16	1,010	\$850	\$0.84	\$880	\$0.87
South - 3 Bed / 2.5 Bath	16	1,311	\$1,195	\$0.91	\$1,237	\$0.94
Totals / Avg.	68	907	\$854	\$0.94	\$884	\$0.97

GPR	\$697,200	\$721,602
GPR / Month	\$58,100	\$60,134



PROPERTY

Address	1102 Sherman Avenue
Market	Levelland
# of Units	6
Year Built	N-1978 / S-198
Average Unit Size	907
Net Rentable Area	61,676
# of Stories	TAN - one, TAS - two
# of Buildings	1

TAX INFORMATION

Parcel ID	R10342, R510
Current Assessed Value (2025)	1,503,62
Improvement Allocation	97%
Tax Rate	2.31%

MECHANICAL

HVAC	North- through wall units, South- individual
Electricity(Xcel Energy)	Individually Metered
Hot Water	North & South - individual electric

CONSTRUCTION

Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick, Stucco, Wood Facia and Soffit
Roof	North - Flat w/ slight pitch, South - Pitched Metal
Parking	Asphalt

UTILITIES/PAID BY

Electricity	Tenants
Water and Sewer	Tower Arms North - Master metered, allocated with RUBS to resider Tower Arms South - individually metered and paid by resider
Trash	Tower Arms North - Allocated to resider Tower Arms South - Paid directly to city by resider
Gas	The 2 and 3 bedroom units at Park Terrace have gas - tenant pay

PERSONNEL

Management Company	Owner Managed
Leasing Office	On-Site
Maintenance	On-Site

SCHOOLS

Elementary	Levelland Intermediate School
Junior High	Levelland Middle School
High School	Levelland High School
Colleges and Universities	South Plains College

TOWER ARMS NORTH





TOWER ARMS SOUTH

	Oct T12	Oct T6	Oct T3	Stabilized
Rental Income				
Gross Potential Rent	\$ 674,160	\$ 674,160	\$ 674,160	\$ 721,602
Economic Vacancy	\$ (98,122)	\$ (103,435)	\$ (84,503)	\$ (86,592)
Net Rental Income	\$ 576,038	\$ 570,725	\$ 589,657	\$ 635,010
Utility Reimbursement	\$ 22,798	\$ 21,251	\$ 21,339	\$ 31,256
Late Fees	\$ 5,781	\$ 6,310	\$ 8,535	\$ 5,781
Misc. Other Income	\$ 7,687	\$ 10,695	\$ 6,490	\$ 7,687
Total Other Income	\$ 36,266	\$ 38,256	\$ 36,364	\$ 44,724
Gross Operating Income	\$ 612,304	\$ 608,981	\$ 626,020	\$ 679,734
Operating Expenses				
Admin	\$ 40,992	\$ 47,183	\$ 57,252	\$ 17,000
Advertising	\$ 625	\$ 750	\$ 1,000	\$ 3,400
Payroll	\$ -	\$ -	\$ -	\$ 76,500
Repairs & Maintenance	\$ 54,870	\$ 77,105	\$ 93,370	\$ 54,870
Management Fee	\$ 125,000	\$ 130,000	\$ 128,000	\$ 27,189
Property Taxes	\$ 35,478	\$ 35,478	\$ 35,478	\$ 60,060
Insurance	\$ 36,200	\$ 36,200	\$ 36,200	\$ 54,400
Cable & Internet	\$ 166	\$ 333	\$ 666	\$ 171
Utilities	\$ 40,461	\$ 39,079	\$ 42,319	\$ 41,675
Utility Billing Service	\$ 646	\$ 577	\$ 916	\$ 665
Replacement Reserves	\$ -	\$ -	\$ -	\$ 20,400
Total Operating Expenses	\$ 334,438	\$ 366,705	\$ 395,202	\$ 356,330
Net Operating Income (NOI)	\$ 277,866	\$ 242,276	\$ 230,819	\$ 323,403
Capital Expenses	\$ (68,453)	\$ (88,242)	\$ (126,899)	

Projected
12.0%

75.0%
T12
T12

\$250
\$50
\$1,125
T12
4%
65%
\$800
T12 + 3%
T12 + 3%
T12 + 3%
\$300

Month: October	T12	T6	T3	Proforma
Economic Occupancy	85%	85%	87%	88%
water, sewer, and trash bill	current %:		56%	
Other Income	5%	6%	5%	6%
Gross Income	91%	90%	93%	94%
per unit				
per unit				
per unit				
sales price * tax rate				
per unit				
per unit				
Expenses	50%	54%	59%	49%
NOI	41%	36%	34%	45%
Cap Ex	10%	13%	19%	0%

Oct T3 Rent / T12						
Income	Other	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Gross Potential Rent	\$674,160	100.0%	\$9,914	\$721,602	100.0%	\$10,612
Economic Vacancy	-\$84,503	-12.5%	-\$1,243	-\$86,592	-12.0%	-\$1,273
Net Rental Income	\$589,657	87.5%	\$8,671	\$635,010	88.0%	\$9,338
Utility Reimbursement	\$22,798	3.4%	\$335	\$31,256	4.3%	\$460
Late Fees	\$5,781	0.9%	\$85	\$5,781	0.8%	\$85
Misc. Other Income	\$7,687	1.1%	\$113	\$7,687	1.1%	\$113
Total Other Income	\$36,266	5.4%	\$533	\$44,724	6.2%	\$658
Total Operating Income	\$625,923	92.8%	\$9,205	\$679,734	94.2%	\$9,996
Expenses	T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$40,992	6.1%	\$603	\$17,000	2.4%	\$250
Advertising	\$625	0.1%	\$9	\$3,400	0.5%	\$50
Payroll	\$0	0.0%	\$0	\$76,500	10.6%	\$1,125
Repairs & Maintenance	\$54,870	8.1%	\$807	\$54,870	7.6%	\$807
Management Fee	\$125,000	18.5%	\$1,838	\$27,189	3.8%	\$400
Property Taxes	\$35,478	5.3%	\$522	\$60,060	8.3%	\$883
Insurance	\$36,200	5.4%	\$532	\$54,400	7.5%	\$800
Replacement Reserves	\$0	0.0%	\$0	\$20,400	2.8%	\$300
Total Expenses	\$334,438	49.6%	\$4,918	\$356,330	49.4%	\$5,240
Net Operating Income	\$291,485	43.2%	\$4,287	\$323,403	44.8%	\$4,756

Income	Oct T3 Rent / T12 Other	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$ 674,160	\$ 721,602	\$ 746,858	\$ 772,998	\$ 800,053	\$ 828,055
Economic Vacancy	\$ (84,503)	\$ (86,592)	\$ (89,623)	\$ (92,760)	\$ (96,006)	\$ (99,367)
Net Rental Income	\$ 589,657	\$ 635,010	\$ 657,235	\$ 680,238	\$ 704,047	\$ 728,688
Utility Reimbursement	\$ 22,798	\$ 31,256	\$ 32,194	\$ 33,159	\$ 34,154	\$ 35,179
Late Fees	\$ 5,781	\$ 5,781	\$ 5,984	\$ 6,193	\$ 6,410	\$ 6,634
Misc. Other Income	\$ 7,687	\$ 7,687	\$ 7,956	\$ 8,234	\$ 8,522	\$ 8,821
Total Other Income	\$ 36,266	\$ 44,724	\$ 46,133	\$ 47,587	\$ 49,086	\$ 50,634

Total Operating Income	\$ 625,923	\$ 679,734	\$ 703,368	\$ 727,825	\$ 753,133	\$ 779,322
-------------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Expenses	T12					
Admin	\$ 40,992	\$ 17,000	\$ 17,510	\$ 18,035	\$ 18,576	\$ 19,134
Advertising	\$ 625	\$ 3,400	\$ 3,502	\$ 3,607	\$ 3,715	\$ 3,827
Payroll	\$ -	\$ 76,500	\$ 78,795	\$ 81,159	\$ 83,594	\$ 86,101
Repairs & Maintenance	\$ 54,870	\$ 54,870	\$ 56,516	\$ 58,211	\$ 59,958	\$ 61,756
Management Fee	\$ 125,000	\$ 27,189	\$ 28,135	\$ 29,113	\$ 30,125	\$ 31,173
Property Taxes	\$ 35,478	\$ 60,060	\$ 69,370	\$ 70,508	\$ 73,517	\$ 76,246
Insurance	\$ 36,200	\$ 54,400	\$ 56,032	\$ 57,713	\$ 59,444	\$ 61,228
Cable & Internet	\$ 166	\$ 171	\$ 177	\$ 182	\$ 187	\$ 193
Utilities	\$ 40,461	\$ 41,675	\$ 42,925	\$ 44,213	\$ 45,539	\$ 46,905
Utility Billing Service	\$ 646	\$ 665	\$ 685	\$ 706	\$ 727	\$ 749
Replacement Reserves	\$ -	\$ 20,400	\$ 21,012	\$ 21,642	\$ 22,292	\$ 22,960
Total Expenses	\$ 334,438	\$ 356,330	\$ 374,658	\$ 385,089	\$ 397,674	\$ 410,272

Net Operating Income	\$ 291,485	\$ 323,403	\$ 328,710	\$ 342,736	\$ 355,459	\$ 369,050
-----------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 291,485	\$ 323,403	\$ 328,710	\$ 342,736	\$ 355,459	\$ 369,050

Cash Flows

Annual Debt Service	\$ 185,700	\$ 185,700	\$ 220,255	\$ 220,255	\$ 220,255
Cash Flow	\$ 137,703	\$ 143,010	\$ 122,480	\$ 135,204	\$ 148,795

Debt Paydown

Loan Paydown	\$ -	\$ -	\$ 35,553	\$ 37,817	\$ 40,225
--------------	------	------	-----------	-----------	-----------

Sales Analysis

Projected Sales Price	\$ 4,620,047	\$ 4,695,855	\$ 4,896,223	\$ 5,077,983	\$ 5,272,144
Cost of Sale	\$ 231,002	\$ 234,793	\$ 244,811	\$ 253,899	\$ 263,607
Loan Balance	\$ 3,000,000	\$ 3,000,000	\$ 2,964,447	\$ 2,926,630	\$ 2,886,405
Refunded Reserves and Prepaids	\$ 204,460	\$ 204,460	\$ 204,460	\$ 204,460	\$ 204,460
Sales Proceeds	\$ 1,593,504	\$ 1,665,522	\$ 1,891,425	\$ 2,101,913	\$ 2,326,591

Return Metrics

DSCR	1.57	1.74	1.77	1.56	1.61	1.68
Cap Rate / Yield on Cost	7.3%	8.1%	8.2%	8.6%	8.9%	9.2%
Equity Multiple		1.4	1.6	1.8	2.1	2.4
Cash on Cash Return		11.0%	11.4%	9.8%	10.8%	11.9%
Average Cash on Cash Return		11.0%	11.2%	10.7%	10.7%	11.0%
Unlevered IRR		16.4%	12.6%	12.3%	11.9%	11.8%
Levered IRR		38.0%	25.7%	24.2%	22.9%	22.0%

Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	75.0%	75.0%	75.0%	75.0%	75.0%
Economic Vacancy	12.0%	12.0%	12.0%	12.0%	12.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	65.0%	65.0%	65.0%	65.0%	65.0%
Exit Cap Rate	7.0%	7.0%	7.0%	7.0%	7.0%
Cost of Sale	5.0%	5.0%	5.0%	5.0%	5.0%

Contract Purchase Price	\$	4,000,000
Initial Improvements	\$	-
Reserves and Prepaid Expenses	\$	204,460
Closing Costs	\$	50,000

Price/Unit	\$58,824
Price/SF	\$65
GRM	5.7
Current Cap Rate	7.3%
Proforma Cap Rate	8.1%
5 Yr IRR	22.0%
5 Yr Avg Cash on Cash	11.0%

Improvements, Reserves, and Prepaids		
Operating Reserves	\$	90,000
Tax and Insurance Prepaids	\$	114,460

Closing Costs		
Loan Origination Fee	\$	30,000
Title	\$	10,000
Legal	\$	10,000

Total Cost	\$	4,254,460
Initial Investment	\$	1,254,460
Down Payment as % of Cost		29%

Investment Hold Period	5	years
------------------------	---	-------

Proposed Financing

Agency		
Loan to Value:		75%
Loan Amount:		\$3,000,000
Interest Rate:		6.19%
Amortization:		360
Term:		10
Years of Interest Only:		2
Loan Starting Year:		1
Amortized Monthly Payment:		\$18,355
Annual Debt Service:		\$220,255



PARK TERRACE

Park Terrace
1102 Sherman Avenue

Property Overview	
Units	46
Occupancy	100%
Year Built	1968-1973
Utilities	Tenant Pays All

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
Efficiency	11	409	\$625	\$1.53	\$647	\$1.58
1 Bed / 1 Bath	10	561	\$655	\$1.17	\$678	\$1.21
2 Bed / 1 Bath	6	885	\$806	\$0.91	\$834	\$0.94
2 Bed / 1 Bath	8	1,097	\$880	\$0.80	\$911	\$0.83
3 Bed / 2 Bath	8	1,362	\$1,325	\$0.97	\$1,371	\$1.01
3 Bed / 2 Bath	2	1,858	\$1,395	\$0.75	\$1,444	\$0.78
3 Bed / 2 Bath House	1	2,392	\$1,500	\$0.63	\$1,553	\$0.65
Totals / Avg.	46	896	\$874	\$0.98	\$904	\$1.01

GPR	\$482,292	\$499,172
GPR / Month	\$40,191	\$41,598



PROPERTY		Park Terrace
Address		1102 Sherman Avenue
Market		Levelland
# of Units		46
Year Built		1968-1975
Average Unit Size		896
Net Rentable Area		41,199
# of Stories		·

TAX INFORMATION		Hockley CAA
Parcel ID		R5108
Current Assessed Value (2025)		\$1,004,361
Improvement Allocation		99%
Tax Rate		2.37%

MECHANICAL	
HVAC	Ill in 1 BRs, individual HVAC in 2 and 3 BR units
Electricity	Submetered
Hot Water	Efficiencies and 1 BRs have single gas boiler, 2 and 3 BRs have individual electric units

CONSTRUCTION	
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick, Stucco, Wood Facia and Soffit
Roof	Pitched Composition Shingles
Parking	Ashphalt

UTILITIES/PAID BY	
Electricity	Allocated with submeters to residents
Water and Sewer	Allocated with RUBS to residents
Trash	Allocated to residents
Gas	The 2 and 3 bedroom units have gas - Resident pays
Telephone	Resident
Cable	Resident
Internet	Resident

PERSONNEL	
Management Company	Owner Manager
Leasing Office	On-Site
Maintenance	On-Site

SCHOOLS	
Elementary	Levelland Intermediate School
Junior High	Levelland Middle School
High School	Levelland High School
Colleges and Universities	South Plains College



PARK TERRACE



	Oct T12	Oct T6	Oct T3	Stabilized
Rental Income				
Gross Potential Rent	\$ 482,292	\$ 482,292	\$ 482,292	\$ 499,172
Economic Vacancy	\$ (65,593)	\$ (64,253)	\$ (63,856)	\$ (59,901)
Net Rental Income	\$ 416,699	\$ 418,039	\$ 418,436	\$ 439,272
Utility Reimbursement	\$ 73,813	\$ 72,230	\$ 86,438	\$ 65,104
Laundry	\$ 205	\$ -	\$ -	\$ 205
Late Fees	\$ 4,988	\$ 6,180	\$ 7,602	\$ 4,988
Pet Fees	\$ 200	\$ 200	\$ -	\$ 200
Misc. Other Income	\$ 6,141	\$ 6,095	\$ 10,157	\$ 6,141
Total Other Income	\$ 88,861	\$ 89,098	\$ 109,060	\$ 80,152

Gross Operating Income	\$ 505,560	\$ 507,137	\$ 527,496	\$ 519,424
-------------------------------	-------------------	-------------------	-------------------	-------------------

Operating Expenses				
Admin	\$ 7,847	\$ 7,804	\$ 7,213	\$ 11,500
Advertising	\$ -	\$ -	\$ -	\$ 2,300
Payroll	\$ -	\$ -	\$ -	\$ 51,750
Repairs & Maintenance	\$ 49,296	\$ 53,076	\$ 62,775	\$ 49,296
Management Fee	\$ 76,500	\$ 78,000	\$ 72,000	\$ 20,777
Property Taxes	\$ 25,100	\$ 25,100	\$ 25,100	\$ 46,131
Insurance	\$ 26,058	\$ 26,058	\$ 26,058	\$ 36,800
Cable & Internet	\$ 227	\$ 203	\$ 407	\$ 233
Utilities	\$ 63,208	\$ 54,025	\$ 51,056	\$ 65,104
Utility Billing Service	\$ 921	\$ 626	\$ 408	\$ 949
Replacement Reserves	\$ -	\$ -	\$ -	\$ 13,800
Total Operating Expenses	\$ 249,156	\$ 244,892	\$ 245,017	\$ 298,640

Net Operating Income (NOI)	\$ 256,404	\$ 262,246	\$ 282,479	\$ 220,784
-----------------------------------	-------------------	-------------------	-------------------	-------------------

Capital Expenses	\$ (15,546)	\$ -	\$ -	
------------------	-------------	------	------	--

Projected
12.0%

100.0%

T12

T12

T12

T12

T12

\$250

\$50

\$1,125

T12

4%

65%

\$800

T12 + 3%

T12 + 3%

T12 + 3%

\$300

Month: October	T12	T6	T3	Proforma
-------------------	-----	----	----	----------

Economic Occupancy	86%	87%	87%	88%
---------------------------	-----	-----	-----	-----

water, sewer, gas, and trash bill plus electric

Other Income	18%	18%	23%	16%
---------------------	-----	-----	-----	-----

Gross Income	105%	105%	109%	104%
---------------------	------	------	------	------

per unit

per unit

sales price * tax rate

per unit

per unit

Expenses	52%	51%	51%	60%
-----------------	-----	-----	-----	-----

NOI	53%	54%	59%	44%
------------	-----	-----	-----	-----

Cap Ex	3%	0%	0%	0%
---------------	----	----	----	----

Oct T3 Rent / T12			
Income	Other	% of GPR	Per Unit
Gross Potential Rent	\$482,292	100.0%	\$10,485
Economic Vacancy	-\$63,856	-13.2%	-\$1,388
Net Rental Income	\$418,436	86.8%	\$9,096
Utility Reimbursement	\$73,813	15.3%	\$1,605
Laundry	\$205	0.0%	\$4
Late Fees	\$4,988	1.0%	\$108
Pet Fees	\$200	0.0%	\$4
Misc. Other Income	\$6,141	1.3%	\$134
Total Other Income	\$88,861	18.4%	\$1,932
Total Operating Income	\$507,297	105.2%	\$11,028

Stabilized	% of GPR	Per Unit
\$499,172	100.0%	\$10,852
-\$59,901	-12.0%	-\$1,302
\$439,272	88.0%	\$9,549
\$65,104	13.0%	\$1,415
\$205	0.0%	\$4
\$4,988	1.0%	\$108
\$200	0.0%	\$4
\$6,141	1.2%	\$134
\$80,152	16.1%	\$1,742
\$519,424	104.1%	\$11,292

Expenses	T12	% of GPR	Per Unit
Admin	\$7,847	1.6%	\$171
Advertising	\$0	0.0%	\$0
Payroll	\$0	0.0%	\$0
Repairs & Maintenance	\$49,296	10.2%	\$1,072
Management Fee	\$76,500	15.9%	\$1,663
Property Taxes	\$25,100	5.2%	\$546
Insurance	\$26,058	5.4%	\$566
Cable & Internet	\$227	0.0%	\$5
Utilities	\$63,208	13.1%	\$1,374
Utility Billing Service	\$921	0.2%	\$20
Replacement Reserves	\$0	0.0%	\$0
Total Expenses	\$249,156	51.7%	\$5,416

Stabilized	% of GPR	Per Unit
\$11,500	2.3%	\$250
\$2,300	0.5%	\$50
\$51,750	10.4%	\$1,125
\$49,296	9.9%	\$1,072
\$20,777	4.2%	\$452
\$46,131	9.2%	\$1,003
\$36,800	7.4%	\$800
\$233	0.0%	\$5
\$65,104	13.0%	\$1,415
\$949	0.2%	\$21
\$13,800	2.8%	\$300
\$298,640	59.8%	\$6,492

Net Operating Income	\$258,141	53.5%	\$5,612
-----------------------------	------------------	--------------	----------------

\$220,784	44.2%	\$4,800
------------------	--------------	----------------

Income	Oct T3 Rent / T12 Other	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Potential Rent	\$ 482,292	\$ 499,172	\$ 516,643	\$ 534,726	\$ 553,441	\$ 572,812
Economic Vacancy	\$ (63,856)	\$ (59,901)	\$ (61,997)	\$ (64,167)	\$ (66,413)	\$ (68,737)
Net Rental Income	\$ 418,436	\$ 439,272	\$ 454,646	\$ 470,559	\$ 487,028	\$ 504,074
Utility Reimbursement	\$ 73,813	\$ 65,104	\$ 67,057	\$ 69,069	\$ 71,141	\$ 73,275
Laundry	\$ 205	\$ 205	\$ 212	\$ 219	\$ 227	\$ 235
Late Fees	\$ 4,988	\$ 4,988	\$ 5,162	\$ 5,343	\$ 5,530	\$ 5,724
Pet Fees	\$ 200	\$ 200	\$ 207	\$ 214	\$ 222	\$ 230
Misc. Other Income	\$ 6,141	\$ 6,141	\$ 6,356	\$ 6,579	\$ 6,809	\$ 7,047
Total Other Income	\$ 88,861	\$ 80,152	\$ 82,632	\$ 85,189	\$ 87,825	\$ 90,543

Total Operating Income	\$ 507,297	\$ 519,424	\$ 537,278	\$ 555,748	\$ 574,853	\$ 594,618
-------------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Expenses	T12					
Admin	\$ 7,847	\$ 11,500	\$ 11,845	\$ 12,200	\$ 12,566	\$ 12,943
Advertising	\$ -	\$ 2,300	\$ 2,369	\$ 2,440	\$ 2,513	\$ 2,589
Payroll	\$ -	\$ 51,750	\$ 53,303	\$ 54,902	\$ 56,549	\$ 58,245
Repairs & Maintenance	\$ 49,296	\$ 49,296	\$ 50,775	\$ 52,298	\$ 53,867	\$ 55,483
Management Fee	\$ 76,500	\$ 20,777	\$ 21,491	\$ 22,230	\$ 22,994	\$ 23,785
Property Taxes	\$ 25,100	\$ 46,131	\$ 48,500	\$ 50,218	\$ 52,162	\$ 54,144
Insurance	\$ 26,058	\$ 36,800	\$ 37,904	\$ 39,041	\$ 40,212	\$ 41,419
Cable & Internet	\$ 227	\$ 233	\$ 240	\$ 248	\$ 255	\$ 263
Utilities	\$ 63,208	\$ 65,104	\$ 67,057	\$ 69,069	\$ 71,141	\$ 73,275
Utility Billing Service	\$ 921	\$ 949	\$ 977	\$ 1,006	\$ 1,037	\$ 1,068
Replacement Reserves	\$ -	\$ 13,800	\$ 14,214	\$ 14,640	\$ 15,080	\$ 15,532
Total Expenses	\$ 249,156	\$ 298,640	\$ 308,675	\$ 318,292	\$ 328,376	\$ 338,745

Net Operating Income	\$ 258,141	\$ 220,784	\$ 228,603	\$ 237,456	\$ 246,477	\$ 255,872
-----------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 258,141	\$ 220,784	\$ 228,603	\$ 237,456	\$ 246,477	\$ 255,872

Cash Flows

Annual Debt Service	\$ 139,275	\$ 139,275	\$ 165,191	\$ 165,191	\$ 165,191
Cash Flow	\$ 81,509	\$ 89,328	\$ 72,264	\$ 81,286	\$ 90,681

Debt Paydown

Loan Paydown	\$ -	\$ -	\$ 26,665	\$ 28,363	\$ 30,169
--------------	------	------	-----------	-----------	-----------

Sales Analysis

Projected Sales Price	\$ 3,154,054	\$ 3,265,758	\$ 3,392,222	\$ 3,521,102	\$ 3,655,319
Cost of Sale	\$ 157,703	\$ 163,288	\$ 169,611	\$ 176,055	\$ 182,766
Loan Balance	\$ 2,250,000	\$ 2,250,000	\$ 2,223,335	\$ 2,194,973	\$ 2,164,804
Refunded Reserves and Prepaids	\$ 157,931	\$ 157,931	\$ 157,931	\$ 157,931	\$ 157,931
Sales Proceeds	\$ 904,282	\$ 1,010,401	\$ 1,157,206	\$ 1,308,005	\$ 1,465,681

Return Metrics

DSCR	1.85	1.59	1.64	1.44	1.49	1.55
Cap Rate / Yield on Cost	8.6%	7.4%	7.6%	7.9%	8.2%	8.5%
Equity Multiple		1.0	1.2	1.5	1.7	2.0
Cash on Cash Return		8.6%	9.4%	7.6%	8.6%	9.6%
Average Cash on Cash Return		8.6%	9.0%	8.6%	8.6%	8.8%
Unlevered IRR		6.4%	8.4%	9.2%	9.6%	9.8%
Levered IRR		4.3%	12.2%	15.1%	16.2%	16.7%

Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	100.0%	100.0%	100.0%	100.0%	100.0%
Economic Vacancy	12.0%	12.0%	12.0%	12.0%	12.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	65.0%	65.0%	65.0%	65.0%	65.0%
Exit Cap Rate	7.0%	7.0%	7.0%	7.0%	7.0%
Cost of Sale	5.0%	5.0%	5.0%	5.0%	5.0%

Contract Purchase Price	\$	3,000,000
Initial Improvements	\$	-
Reserves and Prepaid Expenses	\$	157,931
Closing Costs	\$	37,500

Improvements, Reserves, and Prepays

Operating Reserves	\$	75,000
Tax and Insurance Prepays	\$	82,931

Closing Costs

Loan Origination Fee	\$	22,500
Title	\$	7,500
Legal	\$	7,500

Total Cost	\$	3,195,431
Initial Investment	\$	945,431
Down Payment as % of Cost		30%

Investment Hold Period	5	years
------------------------	---	-------

Proposed Financing

Agency

Loan to Value:	75%
Loan Amount:	\$2,250,000
Interest Rate:	6.19%
Amortization:	360
Term:	10
Years of Interest Only:	2
Loan Starting Year:	1
Amortized Monthly Payment:	\$13,766
Annual Debt Service:	\$165,191

Price/Unit	\$65,217
Price/SF	\$73
GRM	6.2
Current Cap Rate	8.6%
Proforma Cap Rate	7.4%
5 Yr IRR	16.7%
5 Yr Avg Cash on Cash	8.8%



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

2-10-2025



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent. **An owner's agent fees are not set by law and are fully negotiable.**

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent. **A buyer/tenant's agent fees are not set by law and are fully negotiable.**

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>Keller Williams Realty</u>	<u>494693</u>	<u>pamtitzell@kw.com</u>	<u>(806)773-0088</u>
Licensed Broker /Broker Firm Name or	License No.	Email	Phone
Primary Assumed Business Name			
<u>Keller Williams Realty</u>	<u>0465722</u>	<u>PamTitzell@kw.com</u>	<u>(806)773-0088</u>
Designated Broker of Firm	License No.	Email	Phone
<u>Pam Titzell</u>	<u>0465722</u>	<u>pamtitzell@kw.com</u>	<u>(806)773-0088</u>
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
<u>Sales Agent/Associate's Name</u>	<u>License No.</u>	<u>Email</u>	<u>Phone</u>

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-1

TXR 2501

Residential Buyer

Greg Broward

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Phone: 806.771.7710

Fax: 806.771.7700

www.lwolf.com

All materials and information received or derived from KW Commercial its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness , veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither KW Commercial its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. KW Commercial will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. KW Commercial makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. KW Commercial does not serve as a financial advisor to any party regarding any proposed transaction.

All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by Keller Williams Lubbock in compliance with all applicable fair housing and equal opportunity laws.

PARK TERRACE



TOWER ARMS NORTH



TOWER ARMS SOUTH

