



ApartmentVestors Bravo Fund Overview, Portfolio Examples, & Principal Background

ApartmentVestors Bravo Fund, LLC Overview

Investment Overview

The ApartmentVestors Bravo Fund, LLC Investment (“The Investment”) is a unique fund oriented towards the low basis acquisition and management of mid-sized multifamily investment properties with asset optimization opportunities located in targeted areas of the Midwest-Kansas City Metropolitan area. These assets provide cash flow at acquisition and opportunities for appreciation and value enhancement. The Fund targets a tax advantaged annualized return for its investors of 10-15%+ over a 5-7 year period.

Investment Strategy

The ApartmentVestors Bravo Fund, LLC investment targets midsized multifamily properties with a strong current yield and asset optimization opportunities that fall below the radar of institutional players in this market.

The Investment will invest in multifamily properties in the Midwest - Kansas City Metropolitan Area. The Investment will target assets that typically trade at a premium capitalization rate as compared to their larger peers in other regions of the United States. Multifamily properties have traditionally delivered the highest risk adjusted returns over the last twenty five - thirty year period ⁽¹⁾.

Management believes that the current geopolitical, market and demographic dynamics have created an unprecedented opportunity for investors to benefit by investing in key assets that are direct beneficiaries of these favorable fundamentals and demographics:

- » More rigid home lending guidelines
- » “Echo Boomers” entering prime rental age
- » Increased immigration requiring affordable housing & changing “American dream”
- » Prime renters who have been living at home moving into own place as economy improves
- » Lagging supply of new multifamily properties and functional obsolescence

The targeted properties are located in stable and appreciating markets and possess a strategic size (70-250 units) that falls below the radar of large institutional buyers, but provide strong yields at acquisition and multiple opportunities to enhance the value of the asset during the life of the investment. Management will purchase these properties, deploy proven asset optimization strategies, support each investment with multiple exit strategies and either sell or refinance the asset for a long-term hold once value is optimized.

Firm Overview

Cullor Asset Management Principals have invested successfully in a variety of market environments and asset types. Throughout, the Principals have maintained a focus on capital preservation and equity growth through structuring, as well as utilizing their experience, contacts, and ability to play a hands-on role in ensuring the ultimate success of their investments. The Principals have a proven history of asset optimization and enhancement. The Principals have never lost investor money, sign on all liability documents, and invest along-side their investors on every investment. The Principals align their interest so that the investors get paid first and the investments are maximized.

ApartmentVestors Bravo Fund, LLC Overview

Principals Previous Multifamily Acquisitions

▶ Midland Court Apartments (Then/Now)

- » \$1.2M Purchase - \$2.8M+ Now
- » 83% Occupancy - \$97% Occupancy
- » 80% LTV - 52% LTV (After Refinance)
- » Refinanced in Year 2, returned investment, investors retained ownership

▶ Broadway Ridge Apartments (Then/Now)

- » \$2.4 Purchase - \$4.3M+ Now
- » 85% Occupancy - 96%+ Occupancy
- » 75% LTV - 49% LTV
- » Increased collections by \$23k+/month, Refinanced in Year 3, returned investment, investors retained ownership

Our Process in Practice

Management's approach to investing is highly focused on principal protection (security), yield generation (cash flow), and principal appreciation, which, as outlined below, it strives to reach in multiple ways.

▶ Investment Basis

- » Utilize proprietary models and conservative assumptions
- » Stress-test assumptions to ensure recoverability of principal
- » Support investment with multiple exit strategies

▶ Capital Structure

- » Use preferred equity structures and institutional debt at acquisition
- » 70-75% Mortgage
- » 25-30% Equity
- » 5-10 Year Locks, 20-30 Year Amortization

Investment Goals

- » Capture immediate cash-flow potential in key assets while limiting downside risk through careful and meaningful valuations at the asset level prior to acquisition.
- » Consideration is given to assure stability of assets, tenants, and geographic locations in an effort to further minimize risk.
- » Deploy strategic capital improvements to preserve and optimize the value of the asset after acquisition.
- » Provide a tax advantaged annualized returns of 10-15%+ to investors from cash flow, principal pay-down, and appreciation (15-23% Pre-Tax Equivalent⁽²⁾).

Fund Terms

- » **Structure:** Limited Liability Company (LLC)
- » **Targeted Equity:** \$2 Million
- » **Maximum Equity:** \$5 Million
- » **Minimum Initial Close:** \$500,000
- » **Distributions to Members:** Quarterly
- » **Investment Structure:** \$1,000 per unit, 50 unit minimum
- » **Investor Preferred Returns:** 6%, 7%, 8%, plus 50% profit sharing
- » **Commitment Period:** 5-7 years from initial close of the Investment

Fees and Incentives

- » **Asset Management:** 1.5% of revenue collected monthly
- » **Acquisition:** 2%-3% of asset value to Management at acquisition
- » **Waterfall:** 3% after preferred returns paid to investors, then 50%/50% split with investors

ApartmentVestors Bravo Fund, LLC Overview

The Principals

▶ Gary Cullor

Gary Cullor has over 40 years experience in business and real estate acquisition, management, development, construction, and property disposition. In the last few years he has teamed with his son, Spencer, to take advantage of the current opportunities in commercial real estate by acquiring multifamily apartments with like minded investors.

▶ Spencer Cullor

Spencer Cullor is a real estate investor, business owner, author, speaker, and current Director of Commercial Acquisitions. He has an extensive background in commercial, multifamily, and residential real estate. His expertise includes multifamily acquisitions, asset management, and property management.

Contact Information

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Action Items

▶ Please review and sign the following:

- » Private Placement Memorandum
- » Operating Agreement
- » Subscription Agreement Commitment Form
- » Investment into Account

Notes

- (1) Source: National Council of Real Estate Investment Fiduciaries (NCREIF); Torto Wheaton Research (TRW)
- (2) It is anticipated that depreciation expense (which is a non-cash deduction) may offset current taxable income such that the current distributions received will be the equivalent to an after-tax yield. If one were to invest in an alternative investment that did not have depreciation expense shielding current taxable income, to achieve a similar after-tax yield of approximately 10%, assuming a 35% tax rate, the re-tax yield would need to be approximately 15%.
- (3) THIS IS NOT AN OFFER TO SELL SECURITIES. This document does not provide the detailed information in the Private Placement Memorandum, which investors must read prior to investing. To receive a Private Placement Memorandum all parties must complete the Offeree Questionnaire, be qualified to invest, and have a substantive pre-existing relationship. All the information in this document is believed to be accurate but is not guaranteed, nor indicative of future results.

The Principals

Cullor Asset Management is the Managing Member of the ApartmentVestors Bravo Fund

The Principals

Cullor Asset Management, LLC, is led by Gary Cullor, who has over 40 years experience in business and real estate including acquisition, management, development, construction, and property disposition. In the last few years he has teamed with his son, Spencer, to take advantage of the current opportunities in commercial real estate by acquiring multifamily apartments with like-minded investors.

Gary Cullor

Business operator and owner, Gary Cullor has become successful in many business sectors. A graduate of the University of Kansas, Gary received degrees in civil engineering and business administration. With over 40 years as an independent business operator and owner, he holds a proven track record of success in the business world.

Gary's successful businesses have included limestone quarries in Kansas and Missouri, ready-mix concrete, asphalt, and fertilizer businesses, as well as a manufacturing and residential construction company. Gary has also owned and managed real estate operations and holdings, farming and cattle operations, warehousing, rental homes, apartment communities, commercial shopping centers, and a hotel.

Aside from business management and real estate investing, Gary has served on boards, committees, and councils, dedicating his time to various associations. He has served on the Southeast Kansas Economic Council and has also served as a Trade Mission Representative for the state of Kansas for the countries of Kenya, Sudan, South Africa, Australia, and New Zealand. Furthermore, he has served as President of the Kansas Ready Mix Association and of the Kansas Limestone Association.

Locally, Gary has provided support as President of Rotary, he's a former President of the Fort Scott Chamber of Commerce and has dedicated 16 years as a member of the Fort Scott, Kansas, school board. He also served in the Kansas National Guard and obtained the rank of Captain and was the Commanding Officer of an engineering company.

Spencer Cullor

Real estate investor, business owner, author, speaker, and current Director of Commercial Acquisitions, Spencer Cullor has developed an extensive background in commercial, multifamily, and residential real estate.



A graduate of the University of Kansas, Spencer received his Bachelor of Science degree in business administration with an emphasis in marketing and finance.

With over twelve years' experience in real estate, including asset management for multifamily, retail, and office properties, he has developed skills in acquisitions, financial analysis and underwriting, due diligence, asset management, marketing, property management, raising private money, construction, and investor relations.

Spencer has been a highlighted speaker on the topic of multifamily investing for several business organizations including the Mid-America Real Estate Investment Group. He has also been a featured author in publications such as Business Insiders, BiggerPockets, and Multifamily Insiders to name a few.

Spencer holds expertise in commercial, multifamily, and residential real estate. He also spent several years as a home builder. Spencer possesses skills in project management, private fund development, financial analysis and management, and construction. He has overseen numerous rehabilitations and flips of residential homes and multifamily properties. In 2012, he started his own property management company specializing in multifamily and commercial properties.

In his first multifamily investment he put together a private investment group to purchase, rehab, and improve operations. This resulted in an increase in asset value of over 100% and created cash flow of over \$8,000 per month in under 18 months. He has created over \$3.5 million in equity through multifamily investments in his first four years in business.

Aside from real estate, Spencer has work experience in businesses of all sizes, from startups to Fortune 100s. While working in the technology industry for software and telecommunication companies, Spencer used his marketing, sales, and business development skills to grow a healthcare business from \$2M to \$20M in sales in just three years.

People are talking about ApartmentVestors

“

I was very hesitant to invest with ApartmentVestors after working with other real estate investment companies who were only out for themselves. ApartmentVestors has done exactly what they said they would do and they really care about me, the investor. It's the best investment I have ever made. I only wish I would have invested more.” - Mahavir R., Investor

“

Thank you for letting me be a part of this investment. It's been awesome. I am so appreciative for all you have done for us.” - Leonard G., Investor

“

I can't believe how much you've changed our property. It looks awesome! I am so proud to be an owner and investor. The checks each quarter are nice too!” – Melissa W., Investor

“

We are so glad you purchased this property. We were skeptical that you might be another absentee owner, but you have done everything you said you would and more. It's amazing the transformation you have made. We now use you as an example of how to turn a property around. We hope you buy more of our properties.” – Officer Kirk, City of Gladstone

“

Investing with you and my IRA has been effortless. You have worked so hard for all of us. The investment and our experience have completely exceeded my expectations.” – Elise B., Investor



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Midland Court Apartments

6314 Caenen Lake Road, Shawnee, KS 66216

www.MidlandCourt.com

Midland Court Apartments

Midland Court Apartments were discovered through Cullor Asset Management's off-line marketing efforts and did not involve a real estate broker. The property's purchase price was negotiated directly with the owner of over 25 years and closed on within 45 days of signing the contract.

- » Purchase Price: \$1,200,000 (Including \$25,000 repair credit)
- » Purchase Date: October 2010
- » Investment Plan: Repositioning
- » Units: 40
- » Investor Equity \$250,000
- » Loan to Value at Acquisition: 80%
- » Monthly Income at Acquisition: \$18,000
- » Fannie Mae Refinance in August of 2012 for \$1,300,000.
- » Investor Cash Back: \$350,000
- » Projected Investor Return Pre-Purchase: 15%
- » Investor Cash on Cash Return Pre-Refinance – 16%+
- » Investor Cash on Cash Return After Refinance – Infinite
- » Investor Return Pre-refinance: 188% or 94% Annualized
- » Current Net Operating Income: \$201,000
- » Current Value: \$2,800,000+
- » Current Loan to Value: 45%
- » Average Monthly Cash Flow: \$7,000+
- » Current Monthly Collections: \$23,000+

▶ Value Added Opportunities:

- » Raised Market Rent \$125.00/Unit
- » Improved Occupancy (83%-97%) & Collections
- » \$70,000 Physical Rehab – Roofs, decks, landscaping, signage, interior

The first 6 months with Midland Court were turbulent as 2 property management companies were hired and fired after taking occupancy down to 65%. Within 90 days of hiring Cullor Property Management to take over the management of Midland Court occupancy was 100% with a waiting list. During this time, rent had also been raised over \$20 per month. Within 18 months, rent had been increased by \$75 and currently apartments are being rented for \$625 per month after being \$475 at acquisition.

At the end of Year 2, Midland Court was refinanced into a non-recourse Fannie-Mae loan allowing CAM to return the investors entire initial capital investment of \$250,000, plus an extra \$100,000, and the investors kept their ownership percentage. While the investor's entire principal investment has been returned, the property continues to perform well and produce over \$7,000 per month in cash flow plus the tenants pay down an additional \$20,000 in loan principal each year. The property continues to appreciate in value.

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BR
BROADWAY RIDGE
APARTMENT HOMES
WWW.BROADWAYRIDGE.COM



Broadway Ridge Apartments

6829 North Broadway Ave., Gladstone, MO 64118

www.BroadwayRidge.com

Broadway Ridge Apartments

Broadway Ridge Apartments were discovered through Cullor Asset Management's off-line marketing efforts and did not involve a real estate broker. The purchase price was negotiated directly with the owner of over 7 years who had moved out of town and was trying to manage it remotely. At acquisition, Broadway Ridge was in disrepair and had a very poor reputation in the area due to very poor ownership and lack of management. At acquisition, the property was appraised at \$3,000,000 with the deferred maintenance cured which provided a \$600,000 initial increase in value.

- » Purchase Price: \$2,400,000 (Including a \$200,000 repair credit)
- » Purchase Date: March 2013
- » Investment Plan: Repositioning
- » Units: 72
- » Investor Equity: \$730,000
- » Loan to Value at Acquisition: 75%
- » Monthly Income at Acquisition: \$27,000
- » Projected Investor Return Pre-Purchase: 8-10%
- » Investor Cash on Cash Return: 9%+
- » Investor Cash on Cash with Principal Pay-down: 10.9%
- » Projected Net Operating Income on Trailing 3: \$330,000
- » Current Value: \$4,000,000+
- » Current Loan to Value: 41%
- » Current Monthly Cash Flow: \$7,000+ (will be over \$22,000 when capital improvements are completed).
- » Current Monthly Collections: \$50,000+
- » Loan Principal Pay-down Per Year: \$59,000+

► Value Added Opportunities:

- » Raised Monthly Market Rent \$250.00/Unit
- » Improved Occupancy (85%-97%)
- » Improved Collections
- » Added Extra Income
- » \$250,000+ Physical Rehab; Exterior: Wood rot replacement, stucco repairs, full repaint, new landscaping, playground; Interior: Two-tone paint, new color schemes, updated appliances, added washer and dryers to each apartment

Upon acquisition, CAM instituted a major capital improvement program that completely transformed the property physically giving it a major facelift. This facelift and strategic capital upgrades such as adding washer and driers to the individual apartments has allowed CAM to take collections from \$27,000 to over \$50,000 per month in a little over 2 years. The Net Operating Income is also projected to skyrocket to \$330,000+ increasing the value dramatically. The property has paid investors an 8%+ cash on cash return, while reinvesting over \$10,000 per month into additional upgrades. Once those are completed (2016), income is projected to go to over \$54,000 per month and cash flow should jump to over \$22,000 per month. In 2016, CAM completed a Freddie Mac refinance due to this major increase in value (\$4,000,000+) which will allowed investors to get 100%+ of their capital back while keeping their ownership in Broadway Ridge. Broadway Ridge has significantly over performed our expectations.

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StoneSide Apartments & Town Homes

103 NW 72nd Street, Gladstone, MO 64118

www.StoneSideApartments.com

StoneSide Apartments & Town Homes

StoneSide Apartments & Town Homes was acquired through a real estate broker from an out of town owner. The property had suffered from accumulated “deferred maintenance” and poor management that had left the property in disrepair. The property was purchased for \$1.5M which included a \$200,000 repair credit. Once acquired, CAM immediately repaired siding, gutters, repaired parking, lot, added new energy-efficient windows and doors, and repainted the entire property.

- » Purchase Price: \$1,500,000 (Including \$200,000 repair credit)
- » Purchase Date: September 2015
- » Investment Plan: Repositioning
- » Units: 44
- » Investor Equity: \$450,000
- » Loan to Value at Acquisition: 75%
- » Monthly Income at Acquisition: \$22,000
(Increased by 9% in first 6 months)
- » Occupancy at Acquisition: 88%
- » Current Occupancy: 97%
- » Projected Cash on Cash Investor Return: 7-11%
- » Investor Cash on Cash Return: TBD
- » Current Monthly Cash Flow: \$5,000
- » Projected Value in 2017: \$1,900,000
- » Loan Principal Pay-down Annually: \$34,000+

► Value Added Opportunities:

- » Raised Monthly Market Rent 15%+ in first 6 months
- » Improved Occupancy (88%-97%)
- » Improved Collections
- » Added Utility Bill-back System
- » \$200,000+ Physical Rehab;
Exterior: Wood rot replacement, full repaint, shutters, new landscaping, new windows and doors, picnic area; Interior: Two-tone paint, new color schemes, updated appliances, reconfigured floor plans for town homes

Upon acquisition, CAM instituted a major capital improvement program that completely transformed the property physically giving it a major facelift. This strategic capital improvement has allowed CAM to immediately increase collections, raising rental rates on new leases over 15% from previous rental rates. They have also helped CAM increase occupancy to over 97%. The property is on pace to reach collections of over \$28,000 per month in year 2, an increase of 27% since acquisition. The Net Operating Income is increasing every month.