

Arrington Apartments — North Little Rock, AR

Invest in an income-generating multifamily asset, with planned annual rent increases



An opportunity to invest in a multifamily asset, with strong upside potential. 80% of units are eligible to transition from currently regulated rents and will be increased to market rate during the holding period. The sponsor specializes in the bureaucratic process required to make this transition. The asset is situated in North Little Rock, near a military base, which is a major employer in the area.

Property Details

Property Type	Multifamily
Asset Class	B-
Number of Units	11 Buildings 156 Units (avg. 1,128 SQF/unit)
Year Built	1986 (Phase 1) 2008 (Phase 2)
Property Address	6301 Camp Robinson Rd. North Little Rock, Arkansas 72118

Target Closing Date: August 2022

Asset Type

Multifamily

Estimated Holding Period

60 Months

Financing Type

Equity

Minimum Investment

\$25,000

Estimated NOI Generated to Equity Investors

6.48%* (Avg. per year, Net of all fees, Starting Year 2)

Investment Type

Income-generating

Investment Highlights

1. Value-add from transitioning regulated rents to market rate

The sponsor will transition 120 units from government-regulated rents over a one-year period, at which point rent on units with existing tenants can be increased up to 7% per annum for 3 years in accordance with government regulations, then raised to full market rate. Any vacated units and new leases can be rented at market rates after the one-year transition process. The average rent per unit is projected to increase by ~\$250 over the 5-year period.

2. Sponsor specializes in value-add transitioning of multifamily assets

The sponsor has a strong track record in turning over units with regulated rents to market-rate and is experienced in the application process required for this transition. 28 deals are Low Income Housing Tax Credit (LIHTC) assets, including 5 exits and 23 active deals. The sponsor has owned and managed 2,500 multifamily units to date.

More broadly, the sponsor identifies urban and suburban growth markets throughout the midwestern and central United States. Their focus is in secondary and tertiary markets that have demonstrated liquidity, a favorable and growing employment base, steady population growth, and a high quality of life. Often these assets are mismanaged and exhibit significant opportunistic or value-add return potential.

3. Increasing housing prices driving many to rental alternatives

Little Rock has seen a steep increase in house prices since 2021, with a 17.9% YoY increase as of June 2022.¹ The trend of rising prices has left home-ownership out of reach for many residents and has driven demand for rental units.

* The indicative performance notifications herein above were determined based on the following stipulations: **an investment's Estimated Net Operating Income (NOI) amount that is generated to Equity Investors is determined by deducting fees and expenses from the current rent roll and other cashflows.** We confirm these numbers by comparison with comps received from appraisers. The performance notifications are hypothetical based on the methodology herein above indicated and the actual performance of an investment as stated will vary over time and might not be attained. **The project's detailed operational figures are provided in the expanded financials, which are available in the document center.**

All financial estimates are calculated based on the total capital iintoo equity investors contribute and are net of all fees.

(1) Source: Zillow: Little Rock Arkansas
All data provided by sponsor

4. Our 3rd investment in this growing market

This is our 3rd investment in the Little Rock metro area with a growing, demographically diversifying population.¹ The population has grown by ~7% since the last census and stands at ~750K.² The region has many government jobs and strong healthcare and military employment opportunities, including Camp Robinson, home of the Arkansas National Guard, which employs 1,500 people and is located close to the asset.

Mature LIHTC Asset Class

Mature LIHTC assets, like Arrington Apartments, are eligible to transition out of LIHTC, which is a government program whereby developers receive a tax credit to construct or renovate housing for low-income individuals and families.

The sponsor purchases assets that have a Weighted Average Remaining Life in the program of 4 years or less. Once this remaining time has passed, the assets are then eligible to transition out of the LIHTC rent structure.

This bureaucratic process takes approximately one year, at which point rent on units with existing tenants can be increased up to 7% per annum for 3 years, in accordance with government regulations, then raised to full market rate. Any vacated units and new leases can be rented at market rates during this 3-year period.

The experienced sponsor is acquiring this asset as 120 units are eligible to begin this transition process.

Market Overview

Central Arkansas, AR

North Little Rock is part of the Little Rock–North Little Rock–Conway metro area in Central Arkansas, the most populated area of Arkansas. The city is located just north of the Arkansas River, 2 miles from the state capital Little Rock. North Little Rock has a population of 65,903 and the wider metro area has a population of ~750K.³

As the state capital, Little Rock is home to many government jobs (Federal, State and Local Govt), accounting for 71,900 jobs in the city⁴, as well as several other big industries that provide stable employment such as healthcare and the military. Key employers include Little Rock Air Force Base, University of Arkansas for Medical Sciences, Arkansas Children’s Hospital, and Central Arkansas Veterans Healthcare System. The unemployment rate has been decreasing in the region, standing at 3.2% as of Q1 2022.⁵

Housing prices in metro area have been on a steep increase since 2021 leaving many looking for more affordable alternatives (i.e. multifamily rentals). There has been a 17.9% YoY increase in home prices⁶ and these numbers indicate that more people, e.g. young professionals and young families, are likely to rent vs buying a home. The area is experiencing net domestic in-migration, in part due to its rental affordability.⁷

(1) Source: Census dot Gov: Little Rock Arkansas

(2) Source: Talk Business: Population rises in metro areas; U.S. representatives allocated to Arkansas unchanged

(3) Source: World Population Review: North Little Rock / Talk Business: Population rises in metro areas; U.S. representatives allocated to Arkansas unchanged

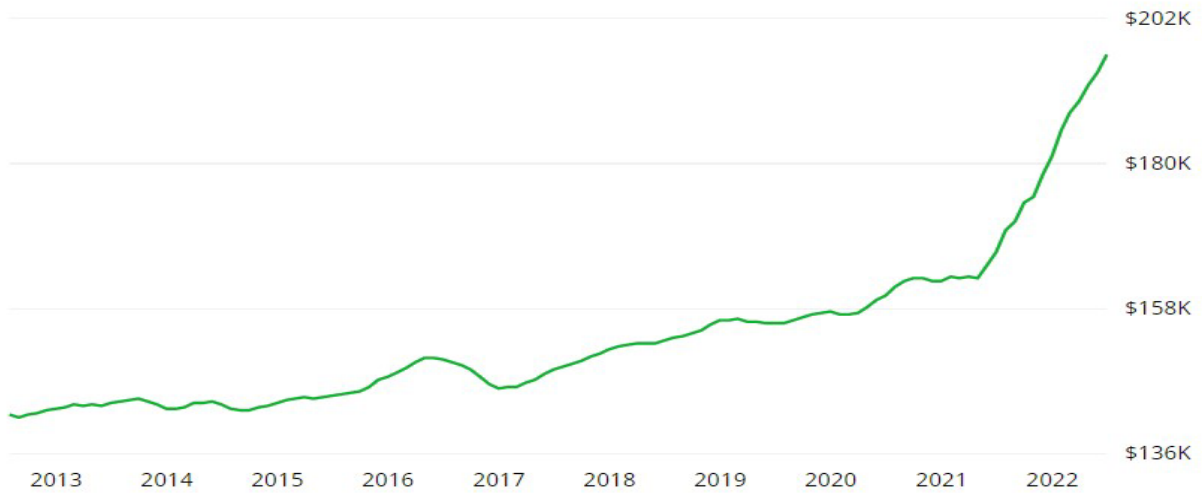
(4) Source: Little Rock Chamber

(5, 7) Source: NAR Commercial Real Estate Metro Market Report 2022 Q1: Little Rock-North Little Rock-Conway

(6) Source: Zillow: Little Rock, Arkansas

Little Rock Housing Prices

Jun 2022 — Little Rock \$196K



Source: Zillow

Property Details

Asset Location

Arrington Apartments is a rental community located in North Little Rock, a city on the Arkansas River, just north of the state capital Little Rock. The property is minutes from both the I40 and I30 Interstates and ~10 miles from the Bill and Hilary Clinton National Airport. Downtown Little Rock is a ~6-mile commute from the property.

The 32,000-acre Camp Robinson Park, training base of the Arkansas National Guard, is a large employer situated near the property. Areas of the park are open to the public, including numerous mountain biking trails.

Nearby Burns Park contains many outdoor amenities including a golf course, archery range, baseball complex, soccer complex, playground, and hiking trails.

Property Amenities

The property consists of spacious 1BR, 2BR, and 3BR units, with an average size of 1,128 SF., which is larger than comparable properties in the area.

Interior amenities include well-equipped kitchen (refrigerator, range / oven, dishwasher, appliances), full-size washer / dryer connections, walk-in closets, nine-foot ceilings with ceiling fans, patio or balcony, and an alarm system in every unit.

The property is pet-friendly and features many sought-after exterior amenities. Common areas include a swimming pool, clubhouse, business center, playground, and laundry facilities.

Sponsor Details

Moline Investment Management



MOLINE MANAGEMENT

Expertise

The sponsor specializes in mature LIHTC to market-rate investments and is also experienced in the value-add multifamily and the workforce housing sectors. Founded in 2018, the sponsor has owned and managed 2,500 units, with a focus on the Midwest and Central U.S. states, primarily in Missouri, Oklahoma and Kansas, with a presence in NW Arkansas, Colorado, North Carolina, Tennessee and Texas. Their selection criteria means the sponsor only selects assets that are classed B+ to C-, have at least 150 units, and a holding period of 3-7 years.

- **9 exits to date, see track record below**
- **24 active deals, 23 of which are LIHTC assets**

Sponsor Track Record - Exits

Property Name	City	State	Asset Type	Rate Type	Units	Purchase date	Exit Date
Six-Property Missouri Portfolio ¹	Multiple	MO	Multifamily	LIHTC	214	Nov-21	Jul-22
Springfield Commons ¹	Springfield	MO	Multifamily	LIHTC	52	Dec-20	Jul-22
Aspen Park Apartments	Joplin	MO	Multifamily	Market-Rate	127	Dec-20	May-22
Century Towers	Joplin	MO	Multifamily	Market-Rate	36	Sep-20	May-22
Parkwood Townhomes	Tulsa	OK	Multifamily	Market-Rate	33	Aug-20	May-22
Hickory Ridge	St. Robert	MO	Multifamily	Market-Rate	12	Feb-19	Jun-22
Pointe Lookout Villas ²	St. Robert	MO	Multifamily	LIHTC	64	Feb-19	Mar-21
Countryview Estates	Buffalo	MO	Multifamily	LIHTC	40	Feb-19	Apr-20
Valleyview Estates	Reeds Spring	MO	Multifamily	LIHTC	32	Feb-19	May-20

(1) Transaction in progress

(2) Acquired GP interest

Property Images

Exteriors & Amenities



Interiors

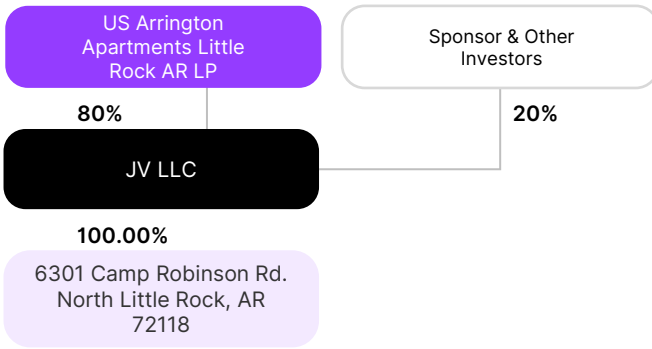


Estimated Cash Distributions

Ongoing cash distributions and distributions from sale or refinance.

To iintoo investors and Sponsor, pari passu until each have received an amount equal to their respective closing capital contributions, pro rata; Second, to iintoo investors and Sponsor, pari passu towards payment of 8% preferred returns. Third, remaining Cash Flow, pari passu: 30% to the Sponsor as Promote, and 70% to iintoo investors and Sponsor, pro rata.

Legal Structure



Ownership

The iintoo investor entity is expected to hold a 80% stake in the special purpose entity that own the asset. Ownership of the asset is via a two-tiered designated SPV held by investors.

The principal of the Sponsor provides a personal undertaking of the obligations of the Sponsor under the JV agreement. iintoo will oversee and monitor the project until its completion and provide investors with quarterly progress reports. See Private Placement Memorandum for further details.

Deal Structure

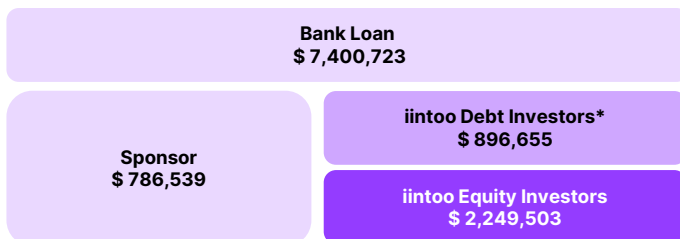
iintoo Debt* \$ 896,655	Deal Initiation Costs \$ 65,345	Total Targeted Capital Raise \$ 962,000
iintoo Equity \$ 2,249,503	Deal Initiation Costs* \$ 335,497	Total Targeted Capital Raise \$ 2,585,000
Sponsor \$ 786,539		Total Capital \$ 3,547,000

*includes \$30,000 partnership expenses held in reserve

Buyout

Starting at 18 months until 30 months from the project start date, the Sponsor is entitled to a buyout right that should amount to a cash sum that represents a return equal to the IRR of 20.98% plus 7% of iintoo’s capital contribution

Capital Stack



*Raised by overseas investors

Financial Snapshot

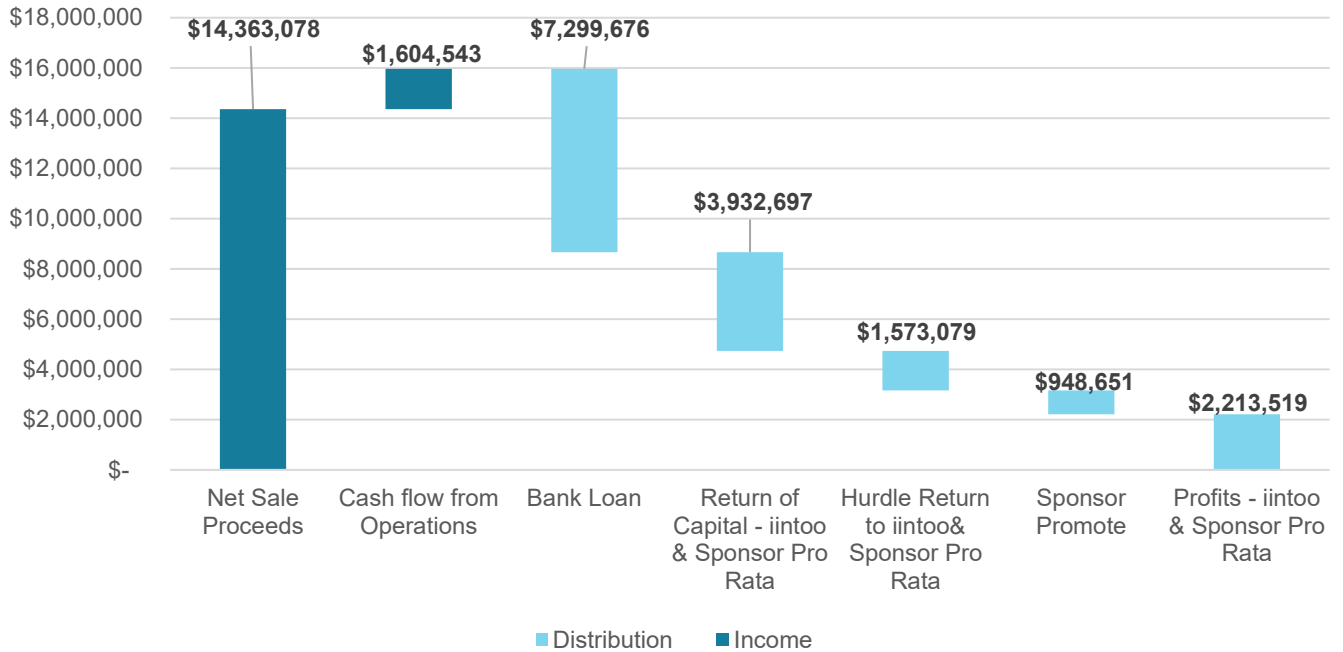
(\$ Sources	
Sponsor and Other Investors Equity	786,539
iintoo Equity Investors	2,249,503
iintoo Debt Investors	896,655
Bank Loan	7,400,723
Total Sources	11,333,420

(\$ Uses	
Acquisition Price	10,600,000
Purchase Costs	733,420
Total Uses	11,333,420

Estimated Cashflow (\$)	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Income	1,260,096	1,299,594	1,428,086	1,563,815	1,695,866
Other Income	42,590	50,011	84,482	123,544	157,408
Total Income	1,302,686	1,349,604	1,512,567	1,687,359	1,853,275
Payroll	(203,880)	(206,070)	(206,832)	(207,043)	(208,292)
Property Taxes	(72,600)	(74,651)	(81,180)	(88,359)	(94,937)
Insurance	(48,600)	(49,785)	(53,228)	(56,981)	(60,476)
Repairs, Maintenance & Turnover	(122,178)	(127,028)	(144,895)	(164,788)	(182,603)
Utilities & Contract Services	(220,320)	(219,093)	(202,232)	(182,382)	(166,395)
Marketing & Administration	(54,360)	(55,255)	(56,991)	(58,787)	(60,622)
Management Fee	(12,025)	(15,226)	(31,563)	(52,501)	(72,850)
Total Expenses	(733,963)	(747,109)	(776,922)	(810,841)	(846,174)
Net Operating Income (NOI)	568,723	602,496	735,646	876,518	1,007,101
Debt Service	(351,534)	(351,534)	(351,534)	(463,268)	(463,268)
Replacement Reserves	(39,000)	(39,631)	(40,820)	(42,044)	(43,306)
Net Cash Flow Before Tax	178,189	211,330	343,291	371,205	500,527
Estimated Cash Flow to iintoo Investors	142,551	169,064	274,633	296,964	400,421
iintoo's Asset Management Fee (2%)	-	-	-	(62,923)	(62,923)
Capital Reserve	(53,041)	53,041	(45,000)	25,000	(25,000)
Estimated Cash Flow to iintoo - Debt Investors (8% Interest)	(76,960)	(76,960)	(76,960)	(76,960)	(76,960)
Partnership Costs	(12,550)	(9,300)	(9,300)	(9,300)	(10,550)
Estimated Cash Flow to iintoo Equity Partnership	-	135,845	143,373	172,781	224,988
Estimated Cash Flow to iintoo GP (1% Ownership Rate)	-	(1,358)	(1,434)	(1,728)	(2,250)
Estimated Cash Flow to iintoo Equity Investors (99% Ownership Rate)	-	134,487	141,939	171,053	222,738

Financial Snapshot

Estimated Waterfall Distribution at Sale



For a more detailed financial breakdown of this offering, please refer to the expanded financials which are available in the Document Center. Note full disclaimer below.

Disclaimer

The indicative performance notifications herein above were determined based on the following stipulations: An investment's Estimated Operational Net Operating Income (NOI) amount that is generated to Equity Investors amount is determined by deducting fees and expenses from the current rent roll and other cashflows. We confirm these numbers by comparison with comps received from appraisers. The performance notifications are hypothetical based on the methodology herein above indicated and the actual performance of an investment as stated will vary over time and might not be attained.

The above may contain forward-looking statements. Actual results and trends in the future may differ materially from those suggested or implied by any forward-looking statements in the above depending on a variety of factors. All written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. Except for any obligations to disclose information as required by applicable laws, we undertake no obligation to update any information contained above or to publicly release the results of any revisions to any statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of the publishing of the above.

Private placements of securities accessible through the iintoo™ social network real-estate investment platform (the "Platform") are intended for accredited investors. Such private placements of securities have not been registered under applicable securities laws, are restricted and not publicly traded, may be subject to holding period requirements, and are intended for investors who do not need a liquid investment. These investments are not bank deposits (and thus are not insured by the FDIC or by any other federal governmental agency), are not guaranteed by and iintoo Investments Ltd. ("iintoo") or any third party working on our behalf, and may lose value. Neither the Securities and Exchange Commission nor any federal or state securities commission or regulatory authority has recommended or approved any investment or the accuracy or completeness of any of the information or materials provided by or through the Platform. Investors may lose heir entire investment.

Equity securities are offered through Dalmore Group LLC. ("Dalmore"), a registered broker-dealer and member of FINRA (www.finra.org), member of SIPC (www.sipc.org). Any real estate investment accessible though the Platform involves substantial risks. Any projections as herein stated, are hypothetical in nature, are based on methodology deployed regarding the likelihood of various investment outcomes, do not reflect actual investment results and are not guarantees of future results, and iintoo makes no representations or warranties as to the accuracy of such information as herein stated and accepts no liability whatsoever.

Investors should always conduct their own due diligence, not rely on the financial assumptions or estimates displayed herein, and should always consult with a reputable financial advisor, attorney, accountant, and any other professional that can help them to understand and assess the risks associated with any investment opportunity. Any investment involves substantial risks. Major risks, including the potential loss of some or all principal, are disclosed in the private placement memorandum for each applicable investment. Neither iintoo nor its affiliates nor Dalmore Group LLC makes investment recommendations nor do they provide investment advisory services, and no communication, including herein or through the Platform or in any other medium should be construed as such. iintoo, its employees and affiliates are not insurers or insurance brokers, and do not offer insurance services, advice or information to new or existing investors.

The Terms of Use regulating your use of the Platform can be found at:
<https://www.iintoo.com/terms-of-use/>

The Platform's Privacy Policy can be found at:
<https://www.iintoo.com/privacy-policy/>

By accessing this site and any pages thereof, you agree to be bound by our Terms of Use and Privacy Policy.