



CAPITAL



REAL ESTATE INVESTMENT OPPORTUNITY

Waterway Trails

- SFH rental neighborhood -



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A NOTE FROM BRAD STRICKLAND:

I'm launching these new deals to give investors the opportunity to partner with me and my team. And to participate in the allure of the BoMoSo design philosophy. Specifically its effect on luxury gated residential rental neighborhoods.

For over 40 years I have participated in the designing and building of homes and neighborhoods. Starting at 13 years old I pulled my first building permit. And have continued my career with Lennar Homes, Perry Homes, Emerald Homes and many others.

BoMoSo started with a single barndominium and now has multiple partners and millions of dollars in development. Including gated rental neighborhoods multiple barndominiums and the most innovative floating residences.

A few testimonials to this luxury approach and its uniqueness have come along that I can share. First off, the "Victory!" on the season finale of Billion Dollar Buyer on CNBC with Tillman Fertitta.

And just to mention another, We have been amazed by the market response from that very first barndominium. Magnified by the flattering Houston Chronicle article they wrote about it.

My goal now is to use this luxury positioning advantage in all aspects of real estate. And to share the growth with investors like you.



Brad Strickland
Founder, BoMoSo Capital

BoMoSo Design Philosophy

"Emotionally provoking , Always incomparable."

The 2 phrases that are at the core. Deliberately borrowed from the luxury market in the attempt to be different and stand out.

The origins began with a simple collection of ideas written on a pad of paper. These ideas were a true list of what could be done to improve life through architecture. However the production builders and developers simply REFUSED to do them.

NONE of the original 17 ideas on that pad of paper were "budget busters" On the contrary. One of the first 17 items was "Brain over Budget!" So it was out of sheer anger and frustration with the "we've never done it that way before" industry that forced us to start BoMoSo.

There has been no comparison of this approach in the real estate market for the masses until now.

And that is the real seduction of BoMoSo.

Following in the steps of the ultra branded developments like Armani and Bulgari Hotels, or the Porsche, Aston Martin, and Versace Residences, The path and opportunity became clear. But a name alone offers very little when compared to an experience, a story or amazing value.

Developed over 43 years and scribed in detail in a secret file. The BoMoSo Philosophy exponentially became effective at the discovery of the 21 human senses. Where other design approaches only account for the main 5 human senses.

There is a distinct and pronounced uniqueness of the homes and buildings that come from this discovery. For those who have visited or own a BoMoSo designed piece of real estate, there is an honest challenge in describing what it is like to others.

The challenge lies in the "VISION" and trying to articulate it.

The last show I did with Tillman Ferttita, he made this statement,

"I NEED your VISION!"

Not my time... Not my money.... He has those. Tillman asked for what **HE** needed.

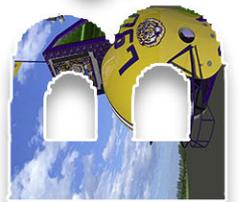
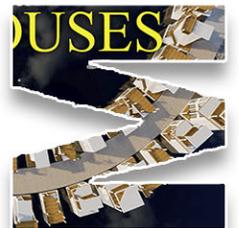
"VISION" for **HIS** property.

This enormous value of vision has been known throughout all of time. The ancient scriptures says,

"A people without a VISION will perish."

And so will a property. You can learn more about the power of the BoMoSo Philosophy on our website. But to leap ahead you should plan a visit in person.

You are invited.



PROPERTY OVERVIEW

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“Waterway Trails” is a pair of Class A gated luxury rental neighborhoods, 12,000 sq ft. “Lifestyle Retail” center along with a Food Truck court.

There are 209 homes in total. The collection consists of 1+ , 2+ and 3+ bedroom detached homes.

Each floor plan features a spacious loft. Along with a complete infusion of the BoMoSo Design Philosophy. (See sample floor plans and highlight videos at www.BoMoSo.com.)

The 2 neighborhoods will be gated and offer a community park along the naturally wandering waterways.

The primary draw of a property like this is the independence offered by the stand alone homes. Knowing that our tenants are coming from a traditional apartment with adjoining neighbors often above, below and on both sides of them. This single family home option will be an absolute luxury.

Currently gated new 1 and 2 bedroom single family home rentals are simply not available in Dickinson.

The desire for clients to purchase a BoMoSo home is very strong. BoMoSo consistently has more buyers than homes. This connection with the BoMoSo client base will be a unique supply of tenants at a premium price tier.

Presales will begin upon the announcement of the development. The presales will be crucial in determining maximum rents.

To fully appreciate the uniqueness of this project please watch the film “Waterway Trails”

Available unlisted on Youtube
<https://youtu.be/hRa6WnEvdkY>

and available at
<https://www.bomoso.com/waterway-trails>
Password: **BUILD2023**

Equity Investment Terms

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1. Project cost of \$33,019,972.
2. Construction loan of \$22,019,972. at 6.8% interest.

Equity needed of \$11,000,000

3. Investor Return - Investors will be paid an 8% annual non-compounding preferred return on unreturned capital, then 75% of the proceeds to a 25% IRR, and 60% of the proceeds there after. Profits (after debt service) will be distributed in this order:
 - a. Investor return of capital
 - b. Investor 8% preferential interest return. Accrues to capital account if not paid cash in a given year. (accrual begins after 12 months)
 - c. Any annual cash flow above 8% is split 75% to LP and 25% to the GP's up to a 25% IRR.
 - d. 60% LP/ 40% GP thereafter
 - e. Upon sale of the property, equity investors receive 100% of their original invested capital plus and accrued but unpaid preferential returns back first.
 - f. Once original capital plus accrued preferential returns are paid to LP's, profits are split 75% to LP's and 25% to GP's. Up to a 25% IRR. 60% LP/ 40% GP thereafter.
4. Estimated return: 33.9% IRR
5. Hold time: 4 years

INVESTMENT STRUCTURE

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Investment Entity	BoMoSo Capital LLC
Purchase Price	\$1,567,000
Full development price	\$33,019,972
Investor Member Requested Entity	\$11,000,000
Bank Financing	\$22,019,972
Total Capitalization	\$33,019,972
Preferred Return	8% per annum: cumulative, non-compounding
Waterfall Structure	(1) Return of Investor Capital (2) Investor 8% Preferred Return (3) 75% to Investor Members: 25% to Managing Member to a 25% Investor Member IRR (4) 60% to Investor Members: 40% to Managing Member
Distributions	Paid Monthly once rented or upon sale
Gross Projected IRR	33.9%
Acquisition Fee	\$64,719 (1.96% of total capitalization)
Property Management Fee	3.5% of Gross Revenue
Asset Management Fee	1% of Gross Revenue
Funding Deadline	February 28, 2023
Expected Closing Date	May 14, 2023

Estimated projections for a 6 CAP rate

Property value	56000000 \$
Annual gross income	5,364,360 \$
Operating expenses	30 %
Operating expenses	1,609,308 \$
Vacancy rate	10 %
Annual net income	3,379,546.80 \$
Cap rate	6.035 %

Cash on cash position
163% total

Construction Project timeline
24 months.

Estimated IRR for a 4 year hold

Internal rate of return (IRR)	33.9 %
Initial investment	11,000,000 \$
Annual cash flows	
Year 1	0 \$
Year 2	1,682,322 \$
Year 3	2,967,799 \$
Year 4	28,344,388 \$
Year 5	0 \$

4-YEAR PROJECTED PRO FORMA	Construction & Pre-leasing Year 1	Construction & Lease-Up Year 2	Stabilized & Lease-up Year 3	Stabilized Year 4
Revenue				
Gross Potential	\$0	\$1,662,951	\$3,004,041	\$5,364,360
Losses				
5% Vacancy Loss	\$0	\$0	(\$150,202)	(\$268,218)
1% Delinquency	\$0	(\$16,629)	(\$30,040)	(\$53,643)
Total Losses	\$0	(\$16,629)	(\$180,242)	(\$321,861)
Net Rental Income	\$0	\$1,646,322	\$2,823,799	\$5,042,499
Other Income				
Commercial	\$0	\$36,000	\$144,000	\$144,000
Total Other Income	\$0	\$36,000	\$144,000	\$144,000
Effective Income	\$0	\$1,682,322	\$2,967,799	\$5,186,499
Expenses				
Variable Expenses (Administration, Maintenance, Marketing, Payroll) Programmatic & Other Management Fee Utilities Property Taxes Property Insurance Replacement Reserve Contingency				
Total Operating Expenses @ 30%				\$1,555,949
NOI				\$3,630,550

RESIDENTIAL UNIT MIX

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UNIT TYPE	YEARLY RENT	NUMBER OF UNITS	MIX (%)	RENT	SIZE (SQ FT)
U1 1 BED / + LOFT	\$803,760	34	16%	\$1970	600
U2 1 BED / + LOFT	\$99,360	4	2%	\$2070	1120
U3 2 BED / + LOFT	\$1,746,760	69	33%	\$2170	1200
U4 2 BED / + LOFT	\$2,473,800	95	45%	\$2170	960
U5 3 BED / + LOFT	\$190,680	7	4%	\$2270	800
TOTAL / AVG	\$5,364,360	209	100%	\$2130	936

ESTIMATED COMMERCIAL INCOME

Est. Monthly rent build up through development (commercial): (@ \$1 PER FOOT PER MONTH)

Rented	Q2 2023	Q3 2023	Q4 2023	Q1 2024
4000 sq ft		\$12,000	\$12,000	\$12,000
4000 sq ft			\$12,000	\$12,000
4000 sq ft				\$12,000
 12,000 sq ft TOTAL				
		\$12,000	\$24,000	\$36,000

Yearly **Lifestyle Retail** rent totals \$144,000

DEVELOPMENT BUDGET

	Total Development Budget	% of Total Development Budget
LAND	\$1,467,000	4.4%
Hard Cost		
Site Development Work	\$1,353,818	4.1%
Building Construction Costs	\$21,462,981	65.0%
Retail Construction	\$1,650,998	5.0%
Surface Parking	\$330,199	1.0%
Total Hard Cost	\$24,797,996	75.1%
Soft Costs		
Marketing, Signage, Fixture	\$231,140	0.7%
Water, Sewer & Impact Fees	\$792,479	2.4%
Architecture, Engineering, Surveys, & Inspections	\$891,539	2.7%
Appraisal, & Feasibility Studies	\$165,100	0.5%
Legal & Closing Costs	\$132,080	0.4%
Development Design Contingency	\$297,180	0.9%
Financing Costs	\$2,476,498	7.5%
Builders Insurance Risk	\$858,519	2.6%
Capitlaized Interest Reserve	\$264,160	0.8%
Cash Flow During Construction	\$858,519	2.6%
Development Overhead Payment	(\$1,500,018)	-4.5%
	\$1,287,780	3.9%
Total Soft Cost	\$6,754,976	20.5%

Total Development Budget

\$33,019,972

100%

DEVELOPEMENT PLAN

Project Timeline

PROPERTY ACQUISITION	Q1 2023
DESIGN DEVELOPMENT AND PLANNING	Q1-Q2 2023
CONSTRUCTION DOCUMENTS	Q2 2023
DEMOLITION AND EARLY WORKS	Q2 2023
PERMITTING	Q2 2023
CONSTRUCTION	Q3 2023
MOVE-IN READY BEGINS	Q4 2023
DISPOSITION/SALE	Q2 2025

CONCEPTUAL THEMATIC IMAGES



CONCEPTUAL THEMATIC IMAGES



CONCEPTUAL THEMATIC IMAGES



WATERWAY TRAILS 209 LUXURY WATERVIEW HOMES

- (9) U1 FOOTPRINT = 20'X30'
- (2) U2 FOOTPRINT = 20'X56'
- (44) U3 FOOTPRINT = 20'X60'
- (53) U4 FOOTPRINT = 30'X32'
- (3) U5 FOOTPRINT = 20'X40'

AREA 2

111 HOMES



AREA 3

- (2) U1 FOOTPRINT = 20'X30'
 - (1) U2 FOOTPRINT = 20'X56'
 - (10) U3 FOOTPRINT = 20'X60'
 - (42) U4 FOOTPRINT = 30'X32'
- 55 HOMES

AREA 1

- (23) U1 FOOTPRINT = 20'X30'
 - (1) U2 FOOTPRINT = 20'X56'
 - (15) U3 FOOTPRINT = 20'X60'
 - (0) U4 FOOTPRINT = 30'X32'
 - (4) U5 FOOTPRINT = 20'X40'
- 43 HOMES

SC SHOPPING CENTER = 180'X70' 12,600 sf,
FTC 5 SLOT FOOD TRUCK COURT

FINAL
TOTAL HOMES 209 28.2 ACRES

- (34) U1 FOOTPRINT = 20'X30'
 - (4) U2 FOOTPRINT = 20'X56'
 - (69) U3 FOOTPRINT = 20'X60'
 - (95) U4 FOOTPRINT = 30'X32'
 - (7) U5 FOOTPRINT = 20'X40'
- 209 HOMES



BOM
BUILDINGS AND DESIGN

BomCo.com 632-488-7148

WATERWAY TRAILS

A LUXURY RENTAL COMMUNITY

ISSUE DATE
9/12/22

PLAN NAME
WATERWAY
PLAN NUMBER
WT001

SITE
PLAN