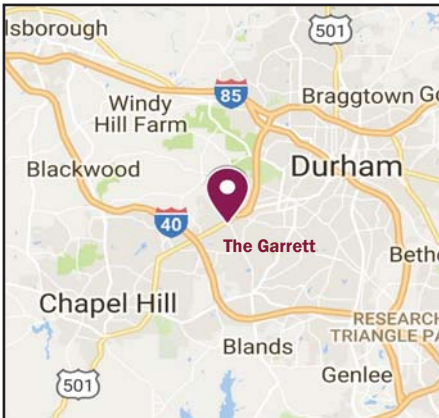


**THE GARRETT**

**DURHAM, NORTH CAROLINA**



Legacy Capital Partners (Legacy) has created LAC Oak Creek LLC (Company) to provide accredited investors the opportunity to invest in The Garrett (formerly known as Oak Creek Apartments), a 500-unit middle market apartment community in Durham, NC. The Garrett represents an opportunity to invest in a well-located community that will provide stable in-place cash flow and value appreciation through increased rental rates tied to new clubhouse construction, significant renovations to building exteriors and common areas, and interior renovations for 150 units.

Legacy entered into a joint venture with Audubon Communities (ACM), to acquire The Garrett on March 15, 2018. This represents the third joint venture between Legacy and ACM. The purchase price was \$38,200,000 and the total cost, including \$7,300,000 for renovations, contingencies and closing costs, was \$45,500,000. This represents a purchase price of \$76,400/unit and a total cost of \$91,000/unit which compares favorably to recent comparable sales in the market. The acquisition and renovation was capitalized with a loan in the amount of \$35,000,000 and equity in the amount of \$10,500,000. Legacy invested \$8,400,000, and ACM invested \$2,100,000.

The investment strategy is to build a new, modern clubhouse with class-A amenity offerings, renovate all building exteriors, common areas and landscaping during the initial 12 months of ownership. The underwriting assumes rental rates at the property increase \$75 per unit/month for one and two bedroom units and \$100 per unit/month for three bedroom units over the initial 24 months. Concurrently, over the first 24 months of ownership, 150 units will receive interior renovations in a two-tiered approach with approximately 50 units receiving full gut-rebuilds including new kitchens and bathrooms, new flooring, doors, trim and lighting packages. Approximately 100 units will receive partial renovations including new floorings, fixtures, trim and paint, and refaced cabinets and resurfaced countertops. The full renovations are expected to rent for an additional premium of \$125 per unit/month and the partial renovations are expected to rent for an additional premium of \$75 per unit/month. Combined with new property management, these improvements will allow the Project to achieve rental rates in-line with nearby competitive properties. Given the strength of the surrounding market, the planned renovations and operating improvements should allow The Garrett to compete with comparable properties and generate the projected financial performance.

The Company is offering 69.36 Membership Units for an aggregate purchase price of \$3,468,000, or \$50,000 per Membership Unit. The minimum investment will be two (2) Membership Units for an aggregate purchase price of \$100,000 and the maximum investment will be seven (7) Membership Units for an aggregate purchase price of \$350,000. However, the Manager may, in its sole discretion, accept investments for less than two (2) or more than seven (7) Membership Units. Investors will receive an 8% preferred return on their invested capital paid from net cash flow, reserves, refinance proceeds or sale proceeds. After the preferred return is paid current, investors will receive 80% of excess net cash flow. Once the preferred return is paid current and 100% of the investors' capital has been returned, the investors will receive 80% of excess refinance and/or sale proceeds.

To request a Private Placement Memorandum please contact us at [legacy@LCP1.com](mailto:legacy@LCP1.com) or 216-381-2303.

**RETURNS**

The returns below assume a 5 year investment period and a sale at \$101,500 per unit.

- The average annual cash yield is projected to be in excess of 8.0%
- An initial investment of \$100,000 is projected to generate a total return of \$165,900
- 60% + of the return on investment is projected to be derived from cash flow



**HIGHLIGHTS**

- ACM was awarded the Project after the initial buyer failed to close during contract negotiations.
- Monthly rental rates significantly below comparative properties.
- Well located project with significant frontage along the major thoroughfare connecting Durham and Chapel Hill.
- Strong market with growing employment base and diversified demand drivers including higher education, medical, life sciences, wealth management and technology.
- ACM is skilled in significant property renovations and turn-around opportunities.