



HAYWORTH TANGLEWOOD, DST

DUE DILIGENCE MEMORANDUM



DEAL SUMMARY

Offering:	Hayworth Tanglewood, DST
Sponsor:	Versity Invest, LLC
Sponsor POC:	Tyler Carter (407) 716-3636; Tylerc@versityinvest.com Carolyn Sumner (229) 300-0248; carolyns@versityinvest.com
3rd Party Report:	Mick Law
Data Room Location:	https://versityinvest.com/due-diligence-login-request/ For an invitation to our virtual deal room please reach out to Tyler or Carolyn

OFFERING OVERVIEW AND STRUCTURE

Asset Class:	Multi Family (Class A+)
Offering Size:	\$77,886,957
Offering Structure:	Delaware Statutory Trust (DST)
Property Location:	1414 Wood Hollow Drive Houston, TX
Description:	The Property is a Class A, mid-rise, multi-family community located in the prestigious Tanglewood area of Houston at 1414 Wood Hollow Drive, Houston, Texas 77057 known as "The Hayworth." The Property consists of a single parcel of land approximately 3.08 acres in size, upon which is situated one six-story apartment building built on top of a two-level parking garage, along with two three-story townhome buildings. The three buildings contain approximately 351,000 square feet of net rentable residential area across 246 Units.
Original Construction:	2017
Acquisition Price (<i>before cost</i>):	\$105,500,000
Appraised Value:	\$105,700,000
Loan-To-Value:	38.13%
Minimum Investment:	\$50,000
Registration Type:	Private Placement - Reg D - 506(c)
Lease Structure:	Master Lease
Property Manager:	Book & Ladder

INVESTOR REQUIREMENTS/PROGRAM OBJECTIVES

Investor Requirements:	Accredited Investors / Qualified Purchaser
Investment Goals:	Monthly Income and Capital Appreciation
Estimated Program Life:	5 to 7 Years

REGULATORY FILINGS

Form D:	Filed located in Virtual Data Room
FINRA 5123:	Available upon request

PROFESSIONALS

Appraiser:	CBRE
Legal:	Securities - Mosley, LLP Tax Opinion - Irvine Venture Law Firm



USE OF PROCEEDS

CAPITALIZATION AND USE OF PROCEEDS

Source of Funds:

Offering Proceeds	\$77,886,957	61.87%
Debt	\$48,000,000	38.13%
Total Sources	\$125,886,957	100.00%

Summary Of Uses - Itemized Detail Below

Offering Expenses and Fees (<i>see Item I below</i>)	\$7,240,001	9.30%
Lender, Loan and closing Costs	\$2,020,716	2.59%
Sponsor Fees	\$4,747,500	6.10%
Accountable Reserves & Improvements (<i>see item II below</i>)	\$6,026,148	7.74%
Offering Proceeds Applied to Purchase Price	\$57,852,592	74.28%
Total Application of Offering Proceeds	\$77,886,957	100.00%

Item I- Offering Expenses and Fees:

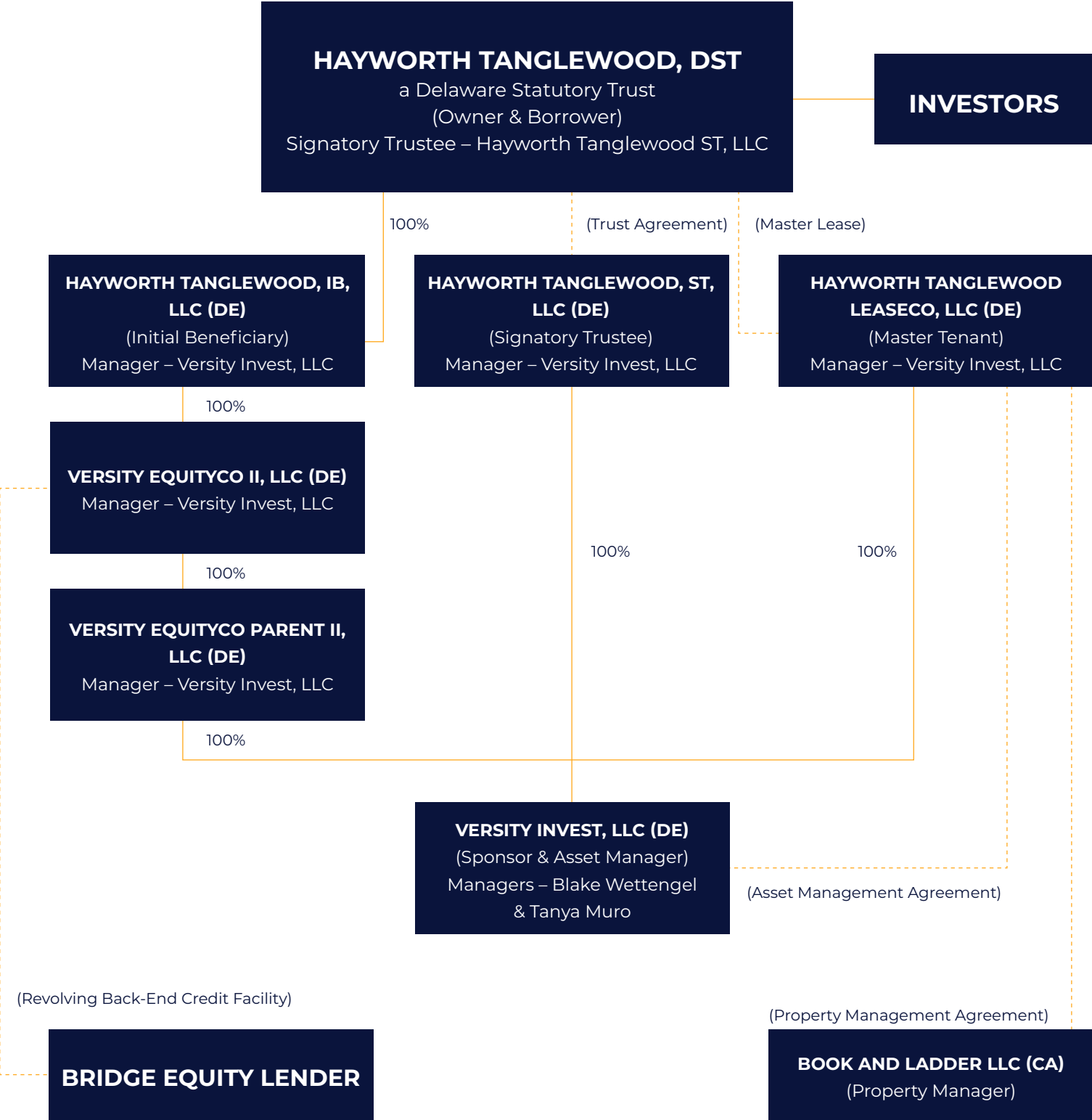
Selling Commissions	\$4,868,056	6.25%
Broker-Dealer, Marketing and Due Diligence	\$1,363,056	1.75%
Placement Fee	\$778,889	1.00%
O and O Expenses	\$230,000	0.30%
Total Offering Expenses and Fees	\$7,240,001	9.30%

Item II - Accountable Reserves

Improvements & Working Capital	\$3,150,000	4.04%
Reserves	\$2,876,148	3.69%
Total Accountable Reserves	\$6,026,148	7.74%



ORGANIZATIONAL CHART



SPONSOR OVERVIEW

	Yes	No	Comments
OFFERING / SPONSOR KEY METRICS			
A. Number of years as a sponsor	X		Firm and subsidiaries began operations in 2007
B. Direct Experience- Financing	X		Have obtained financing from JP Morgan, UBS, KeyBank, Fannie, Freddie etc...
C. Experience with a large number of investors	X		Over 3,000
D. Experience in investor reporting	X		Maintains investor portal. Quarterly program reporting. Also has a dedicated investor relations team.
E. Background Checks	X		Completed on management by third party.
F. Product audited Financials	X		Annual cash-based audited financials
CAPITALIZATION			
A. Loans from Parent/Affiliate	X		Sponsor operates a series of diversified funds that allow (in part) its DSTs to borrow for uses including earnest money deposits.
B. Audited financial statements	X		
C. Track Record	X		
D. Sponsor/Manager Refinancing	X		Sponsor has substantial experience managing debt expiration in deals where the same is an issues (LLC's, TIC, etc.)
E. Self-Dealing; Purchase from Affiliates	X		Historically the sponsor has invested across the value chain. In a number of circumstances TIC and LLC structures were used for the initial purchase allowing the investor group to benefit from the risk/return profile afforded at that stage of the lifecycle. In certain circumstances when the first stage of the lifecycle was complete, new appraisals were obtained and a stabilized (DST) group of investors purchased properties from the TIC or LLC investors. In every instance, both sides of the transaction were made clear of the transaction mechanics. A few of those transactions have gone on to exit the DST leg of the transaction.



PROPERTY REPORT CARD

PROPERTY OVERVIEW

Property Website	https://hayworthtanglewood.com
Property Class	A+
Property Video Tour	Available in the VDR
Construction Date	2017
Property Condition	Excellent
Number of Units	246
Occupancy (2021/22)	95%
Management Company	Book & Ladder
Latest Renovation	None
Amenities	Amenities include a private balcony or patio area for all units, luxury swimming pool and social deck with fire pit, outdoor grilling kitchen and terrace seating, indoor/outdoor social lounge with city views, resident business center and boardroom, private dining room, bike and storage room, pet washing and grooming station, craft and gift- wrapping room, access to the private park with sand volleyball courts, tennis courts, and picnic areas, and resident butler services including housekeeping and dog walking services. The gated, two-level parking garage contains 418 parking spaces, 11 of which are handicap-accessible spaces. The townhome buildings contain an additional 20 attached garage spaces.
Property Strengths	Location within the coveted Tanglewood suburb of Houston, TX the property is near major economic and leisure centers.



DISPOSITION ANALYSIS

Investor Proceeds: \$77,886,957

Projected Hold (yrs): 7

Exit Cap Rate		4.50%	5.00%	5.25%	5.50%	6.00%	6.25%
Terminal Operating Income		\$ 7,958,864	\$ 7,958,864	\$ 7,958,864	\$ 7,958,864	\$ 7,958,864	\$ 7,958,864
Sales Price		\$ 176,863,644	\$ 159,177,280	\$ 151,597,410	\$ 144,706,618	\$ 132,647,733	\$ 127,341,824
Selling Cost	1.25%	\$ 2,210,796	\$ 1,989,716	\$ 1,894,968	\$ 1,808,833	\$ 1,658,097	\$ 1,591,773
Net Sales Proceeds		\$ 174,652,849	\$ 157,187,564	\$ 149,702,442	\$ 142,897,785	\$ 130,989,637	\$ 125,750,051
Less Loan Payoff		\$ 45,858,363	\$ 45,858,363	\$ 45,858,363	\$ 45,858,363	\$ 45,858,363	\$ 45,858,363
Net Proceeds		\$ 128,794,486	\$ 111,329,201	\$ 103,844,079	\$ 97,039,422	\$ 85,131,274	\$ 79,891,688
Return of Equity		\$ 77,886,957	\$ 77,886,957	\$ 77,886,957	\$ 77,886,957	\$ 77,886,957	\$ 77,886,957
Gain/Loss on Sale		\$ 50,907,529	\$ 33,442,244	\$ 25,957,122	\$ 19,152,465	\$ 7,244,317	\$ 2,004,731



DISCLOSURES

Delaware Statutory Trust (DST) investments are subject to the various requirements and restrictions of Section 1031 of the United States Internal Revenue Code. IRC Section 1031, IRC Section 1033, and IRC Section 721 are complex tax codes; therefore, you should consult your tax and legal professional for details regarding your situation. Additionally, DSTs and other alternative investments are subject to substantial risks, including illiquidity, vacancies, general economic conditions, competition, potential adverse tax consequences, and the loss of.

Risks: Please note that the listing above is not an offer to sell nor a solicitation on an offer to sell, and is being supplied to you for information purposes only.

All investments have inherent risks including those risks common in real estate investment. Potential risks relating to each investment property are disclosed in a private placement memorandum that must be read by the investor prior to making an investment decision. These risks include but are not limited to:

Private Placements are speculative Illiquidity (there is currently no secondary market) Tax status risk which may result in immediate tax liabilities, including penalties. The fact that substantial fees associated with the purchase of the investment may, in certain cases, outweigh the tax benefits. some or all invested capital. Past performance is not a guarantee of future results. Diversification does not guarantee profits or protect against losses. Investments are only available to “accredited investors” as defined by the Securities and Exchange Commission. Securities offered through WealthForge Securities, LLC (Member FINRA (<http://www.finra.org>)/SIPC (<http://www.sipc.org>)). WealthForge Securities, LLC and are not affiliated.

The risks of using leverage in real estate. The significant tax risks for acquiring interests as replacement property. The risks associated with fractionalized ownership in real estate and investment contracts as securities Property appreciation is not guaranteed. The potential for loss of principal invested. Other certain risks are disclosed in detail within the Private Placement Memorandum and should be reviewed before investing.