



# FISHER BAY

Flatiron, Chattanooga, TN  
Prospective Investor Package





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# FLATIRON

## Overview

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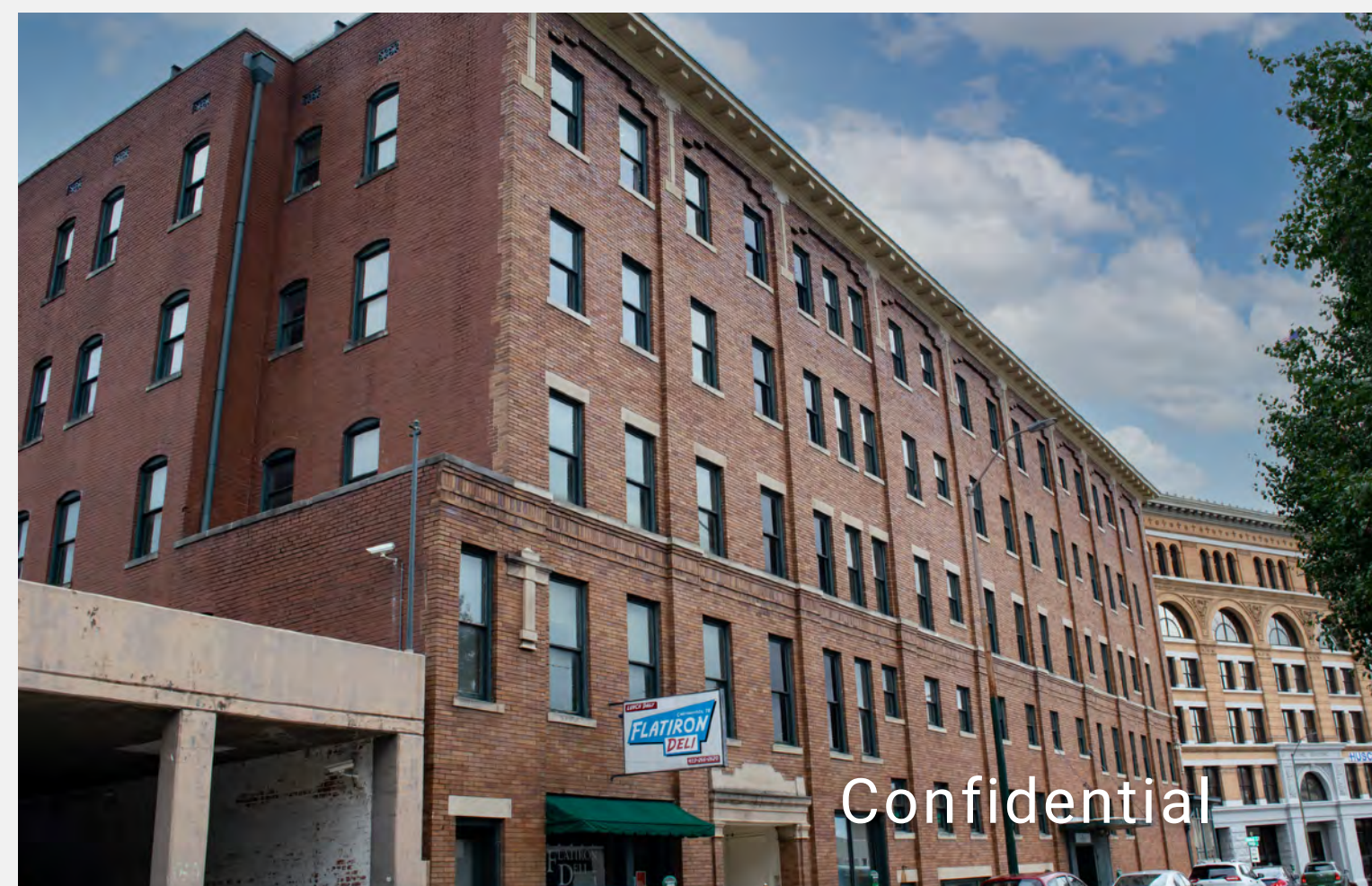
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# FLATIRON

Historic Architecture





# FLATIRON

## History & Thesis

The Flatiron building was constructed in 1911 on the former multi-building site owned by S. R. Read at the intersection of Georgia Avenue and Walnut Street. Flatiron was named and designed after the famous New York City structure. Flatiron was originally designed by local Chattanooga architect, C. E. Bearden. Original plans included a mixed-use design whereby the first floor and basement were office use and the upper three floors housed 27 apartments. In 1986, the Flatiron building went through a major renovation upgrade and was turned it into a single-use office complex. In 1992, TE Holdings purchased the building and has owned it for the last 29 years. The Flatiron building was placed on the National Register of Historic Places by the National Park Service of the United States Department of Interior on July 23, 2020.

Fisher Bay and its financial partners currently have executed a Purchase and Sales Agreement with TE Holdings to purchase the Flatiron building. Fisher Bay plans to renovate and restore the building back to its historic roots of mixed-use by continuing to offer commercial use on the first and basement floors and creating 15 premier finish luxury condominiums on the upper three floors.

circa 1940s

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# Business Plan

## Currently

- Property in good condition, with dated look
- Single-use commercial office space
- Significantly below market rate leases
- Currently only month-to-month leases

## Plan

- Change to a mixed-use property
- Renovated the basement & 1st floor to higher end lease level office space
- Renovate floors 2, 3 & 4 into 15 high-end condominiums
- Renovate parking deck to accommodate both office and condo tenants





# Investment Highlights

## Targeted Returns

- 10% Preferred Minimum Return
- Returns accrued until liquidation or investor buyout exit
- Assumes investment duration of 24 - 36 months

20%

Average Annual Return (AAR)

10%

Preferred Minimum AAR

24 - 36

Short Term (months)





# Projected Return Example

\$100,000 investment

| Targeted Returns <sup>1</sup>      | Year 1   | Year 2   | Year 3    | Total     |
|------------------------------------|----------|----------|-----------|-----------|
| Cash on Cash 10% Pref <sup>2</sup> | \$10,000 | \$10,000 |           | \$20,000  |
| Liquidity / Buyout <sup>3</sup>    |          |          | \$20,000  | \$20,000  |
| Return of Capital <sup>3</sup>     |          |          | \$100,000 | \$100,000 |
| Return <sup>4</sup>                | \$10,000 | \$10,000 | \$120,000 | \$140,000 |

<sup>1</sup> We anticipate a short-term hold of approximately 24 to 36 months and are showing the returns above on the 25th month for example purposes only. The hold period depends on the market, and the timing of renovation completion and the condo sales process.

<sup>2</sup> Cash on Cash payments will be accrued until a liquidation or buyout event.

<sup>3</sup> Year 3 numbers are based on a payment on the 25th month.

<sup>3</sup> Returns based on invested capital of \$100,000.





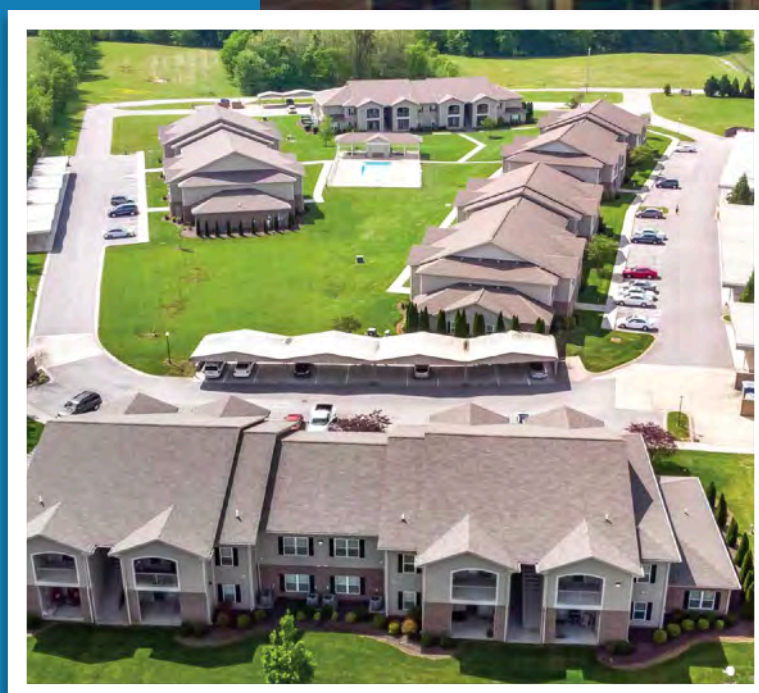
# About Us

## Partnering with investors to provide great living experiences

Fisher Bay believes that providing great residence living experiences will lead to strong communities, happy tenants, and ultimately, great returns for our investors.

Fisher Bay recently closed a \$7.6M multi-family acquisition in Kentucky using a 506c syndication. Debt was structured through a Fannie-Mae loan.

**Griffin Gate Apartments**



# FISHER BAY

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# Flatiron Managing Partners



**Robert Fisher**

Fisher Bay  
Sponsor

20+ years as a  
commercial and  
multifamily realtor



**Dan LeVan**

Fisher Bay  
Sponsor

15+ years as CFO &  
C-level executive for  
Fortune 100 companies



**Bo Ferger**

Fisher Bay  
Sponsor

30+ years as early  
stage founder and  
operational executive



**Clint Dean**

Modus Build  
Sponsor

20+ years as a  
builder and past EVP  
of EMJ Construction





# Project Team

Fisher Bay has selected an excellent team that have strong knowledge and history working on historic renovations.

"Great things in business are never done by one person; they're done by a team of people."  
-Steve Jobs



Modus Build has over a 100 years of construction management experience with some of the largest commercial builders in the country. Modus Build leverages that expertise + large scale experience to offer planning, design and manage unique commercial projects for customers across the Southeast. Recent projects include: Keller Williams Downtown & East Brainerd Offices, CCS Learning Center & Food Service Facilities, the McMahan Law Firm and the Austin Hatcher Foundation.



Franklin Architects was established in Chattanooga, Tennessee in 1933 and is presided over by Robert A. Franklin. Franklin Architects works in both private and public sectors and has projects that are highly visible throughout the greater Chattanooga community and across the country. Franklin Architects handles a broad range of project types - with exceptional architectural, interior, and construction administration services.



Within Interior Design is a close-knit team of passionate designers and problem solvers dedicated to providing exceptional design services to clients across the globe. Headquartered in Norfolk, Virginia, with local design talent in Chattanooga, TN, Within Interior Design maintains a portfolio with experience in a variety of commercial design fields as well as state and federal government design.



BACE provides structural engineering design services for a wide variety of commercial, industrial, and multi-family residential projects. BACE specialize in "outside-the-box" solutions. Past portfolio includes an extensive list of adaptive reuse projects, innovative building materials, and complex specialty structures.





# Location Downtown

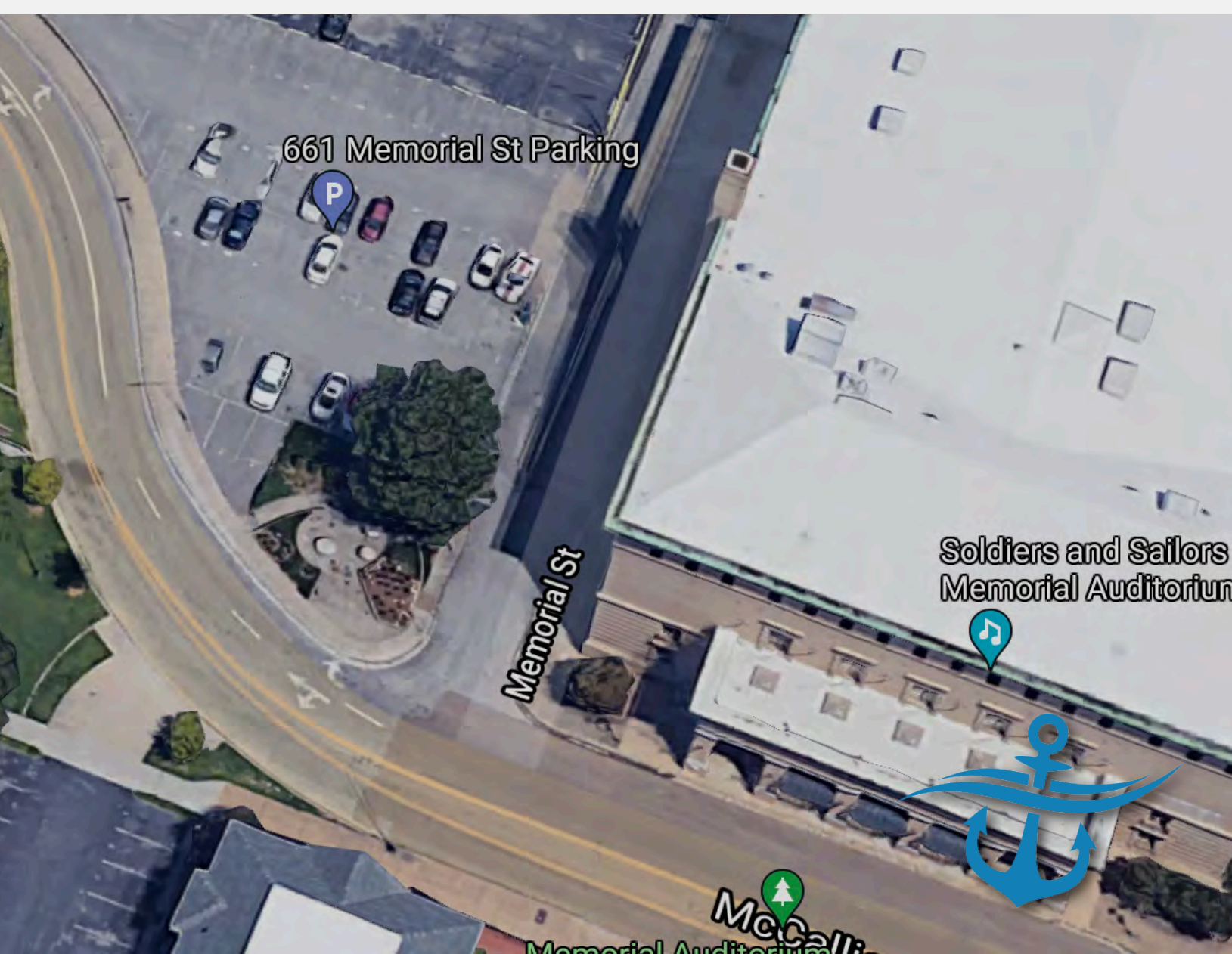
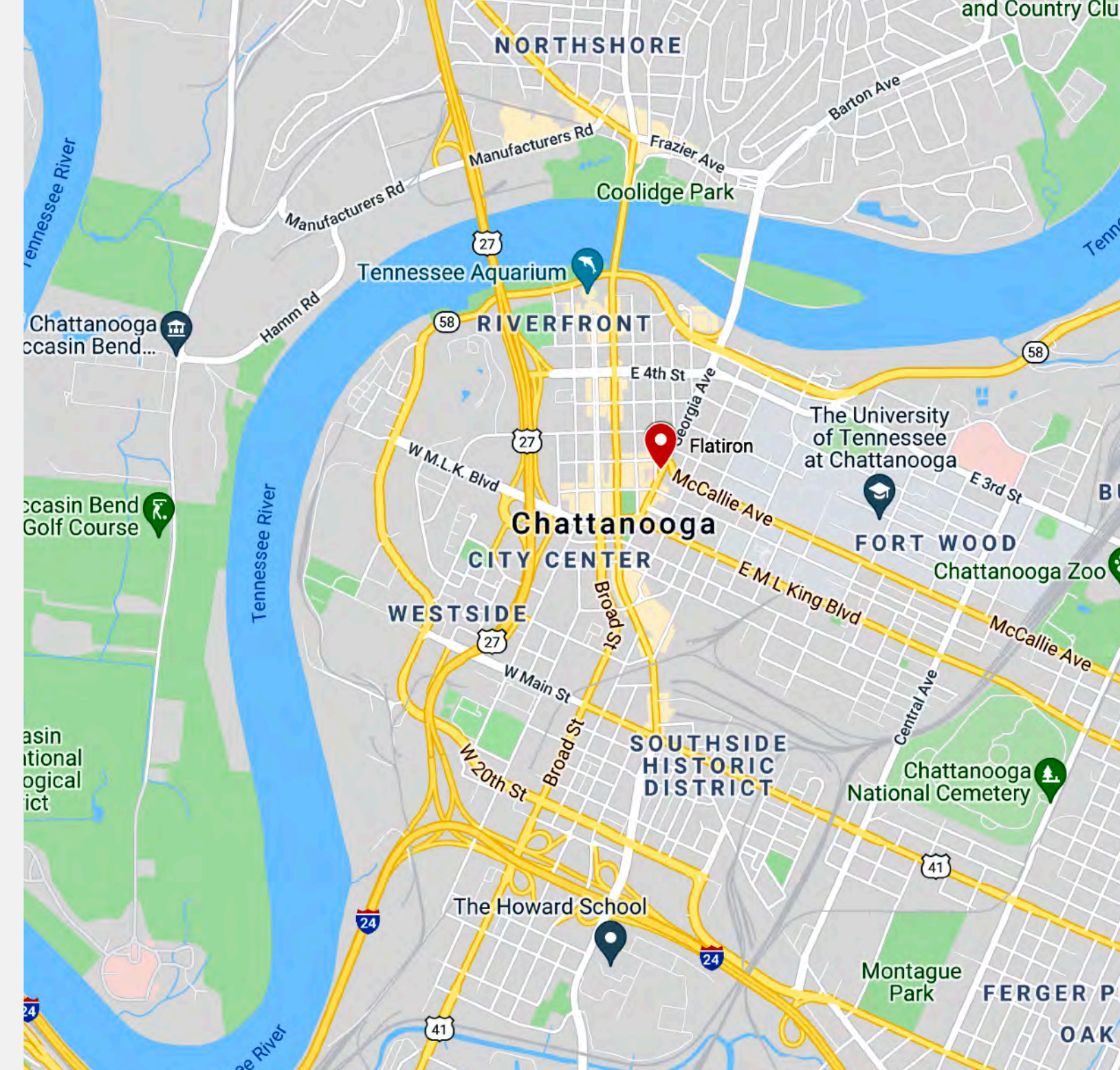
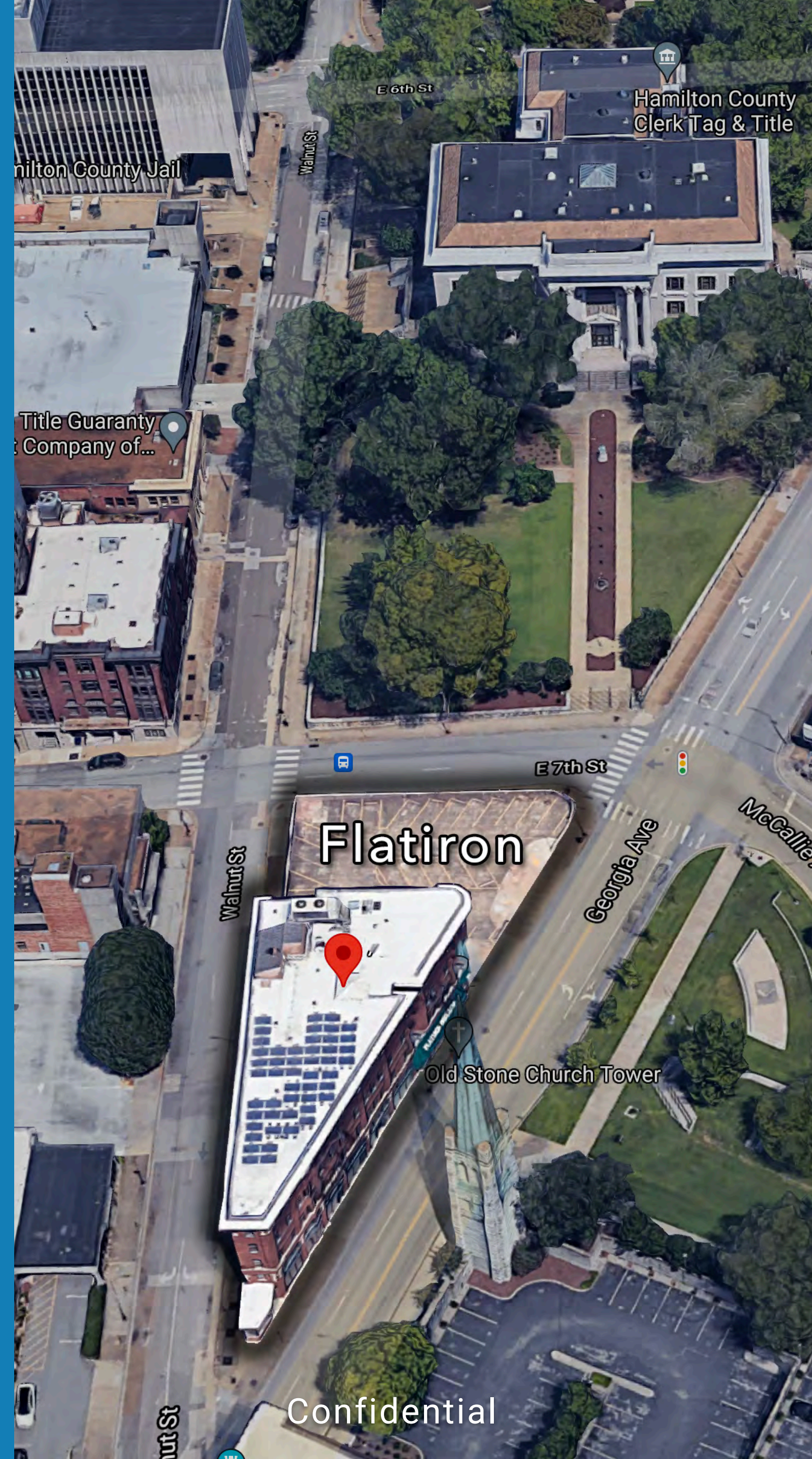
707 Georgia Ave.  
Chattanooga, TN 37402



Hamilton County Court House



Memorial Auditorium





A photograph of the Flatiron Building, a historic brick structure with a curved corner and ornate architectural details. The building features multiple stories with windows and fire escapes. A green awning over the entrance reads "FLATIRON BUILDING".

# Capital Summary

## Highlights

### Sources

|                      |                    |
|----------------------|--------------------|
| Debt                 | \$6,080,000        |
| GP Equity            | \$200,000          |
| LP Equity            | <u>\$1,300,000</u> |
| <i>Total Sources</i> | <i>\$7,580,000</i> |

### Uses

|                   |                    |
|-------------------|--------------------|
| Purchase          | \$2,400,000        |
| Closing Costs     | \$265,840          |
| Renovations       | \$4,605,079        |
| Contingencies     | <u>\$309,081</u>   |
| <i>Total Uses</i> | <i>\$7,580,000</i> |

\* Sources are current estimates based on Debt assumptions







# Capital Summary

## Purchase & Debt Detail

|                          |   |
|--------------------------|---|
| Property Name:           | Flatiron  |
| Project Type (Current):  | Single-use / Commercial Office  |
| Project Type (Proposed): | Mix-use / Commercial Office / Condominium   |
| Address:                 | 707 Georgia Ave.  |
| City, State, Zip:        | Chattanooga, TN 37402   |
| Project SF:              | 32,000 +/-  |
| Type Breakdown:          | 15 Condominiums / (3) 1 Bedroom, (12) 2 Bedroom<br>14,512 sqft Office Space on 1st Floor & Basement |

### Capitalization Assumptions

|                          |                |
|--------------------------|----------------|
| Total Cost:              | \$7,580,000    |
| Purchase Price:          | \$2,400,000    |
| Closing Cost:            | \$265,840      |
| Renovation Cost          | \$4,605,079    |
| Condo Sales Price:       | \$324/sqft     |
| Condo Development Cost:  | \$183/sqft     |
| Office Lease Price:      | \$25/sqft/year |
| Office Development Cost: | \$30/sqft      |

### Debt Assumptions

|                       |                                     |
|-----------------------|-------------------------------------|
| Equity:               | \$1,500,000                         |
| Debt:                 | \$6,080,000                         |
| LTC Ratio:            | 80%                                 |
| Loan Guarantors:      | Sponsors                            |
| Interest Only Period: | 36 Months                           |
| Interest Rate:        | 3.25%                               |
| Origination Fee:      | 1%                                  |
| Amortization:         | 20 Year                             |
| Term:                 | Purchase/Construction + 5 Year Perm |
| Prepay Penalty:       | None                                |







# Capital Summary

## Condo Renovations

|                                 |            |              |
|---------------------------------|------------|--------------|
| General Requirements            | \$ 262,693 | \$ 14.66 /SF |
| Sitework & Demolitions          | \$ 62,727  | \$ 3.50 /SF  |
| Concrete                        | \$ 12,500  | \$ 0.70 /SF  |
| Masonry                         | \$ 115,000 | \$ 6.42 /SF  |
| Metals                          | \$ 167,000 | \$ 9.32 /SF  |
| Woods, Plastics & Composites    | \$ 441,000 | \$ 24.61 /SF |
| Thermal and Moisture Protection | \$ 108,240 | \$ 6.04 /SF  |
| Doors & Windows                 | \$ 252,203 | \$ 14.07 /SF |
| Finishes                        | \$ 433,923 | \$ 24.21 /SF |
| Specialties                     | \$ 21,951  | \$ 1.22 /SF  |
| Equipment                       | \$ 72,625  | \$ 4.05 /SF  |
| Elevator Renovations            | \$ 150,000 | \$ 8.37 /SF  |
| Mechanical                      | \$ 376,362 | \$ 21 /SF    |
| Electrical                      | \$ 250,908 | \$ 14.00 /SF |

**Subtotal \$ 2,727,132 \$ 152.17 /SF**

|  |            |              |
|--|------------|--------------|
| Architect, MEP, Structural Engineering | \$ 287,500 | \$ 16.04 /SF |
| Construction/Design Contingency        | \$ 179,220 | \$ 10.00 /SF |
| Asbestos Abatement Allowance           | \$ 25,000  | \$ 1.39 /SF  |
| Lead Abatement Allowance               | \$ 25,000  | \$ 1.39 /SF  |
| Permits & Fees                         | \$ 12,802  | \$ 0.71 /SF  |
| Ins-GL, Auto, Umb, WC, Poll, Prof Liab | \$ 17,922  | \$ 1.00 /SF  |
| Gross Receipt Tax                      | \$ 3,035   | \$ 0.17 /SF  |

**Total Project \$ 3,277,611 \$ 182.88 /SF**

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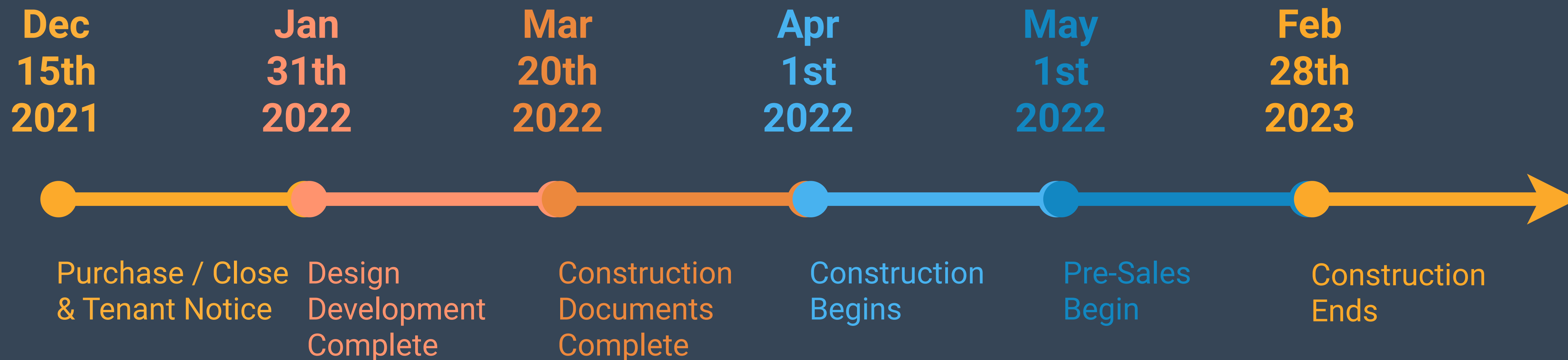




# FLATIRON

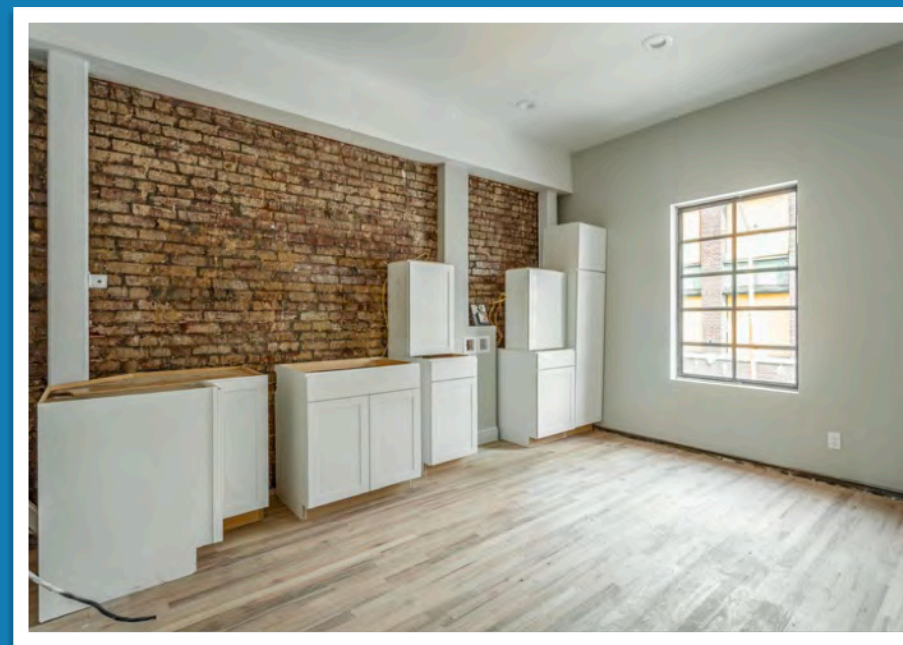
## Renovation Timeline

15 Months Completion

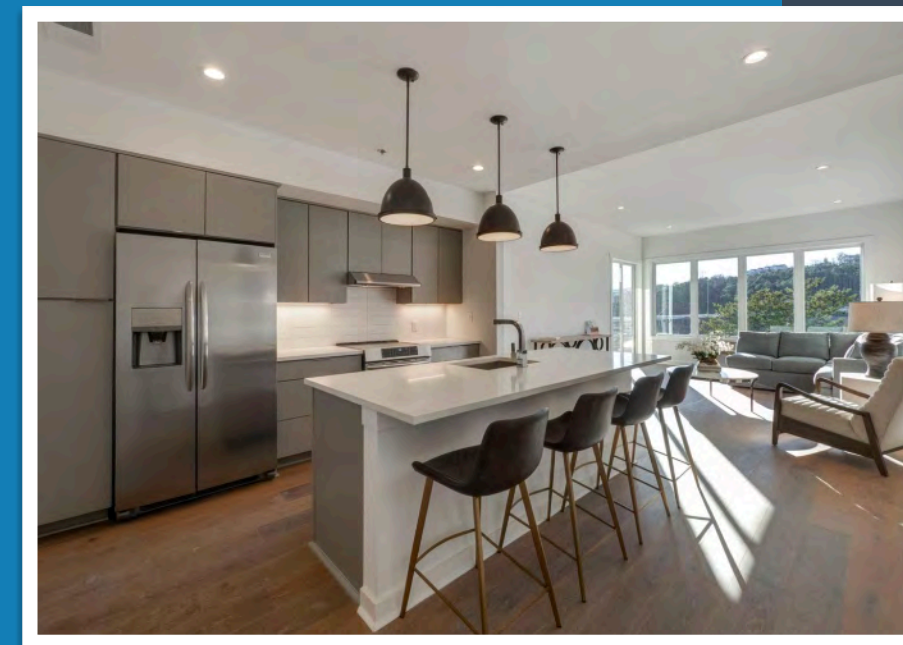




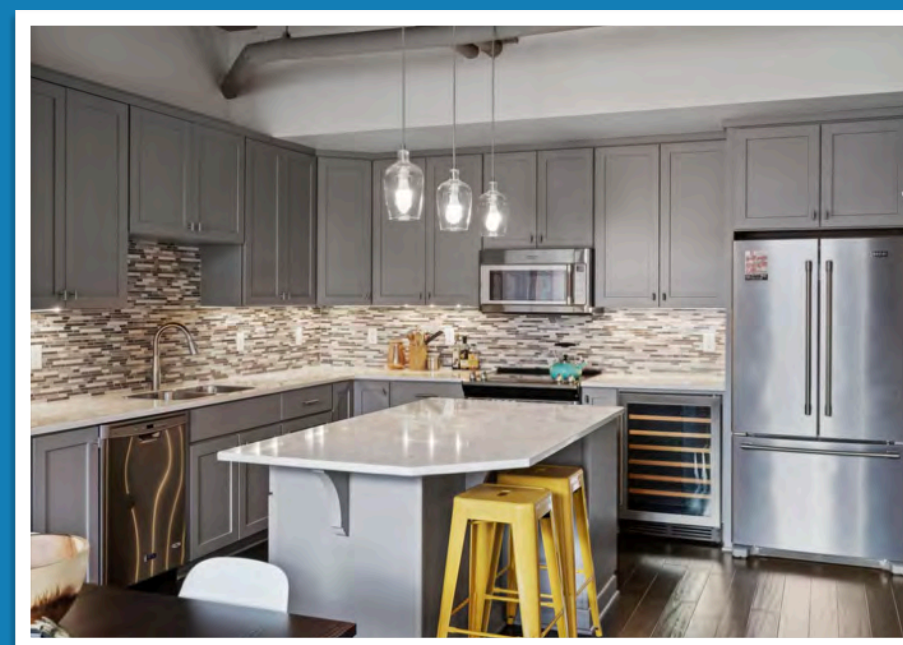
# Condo Comparables



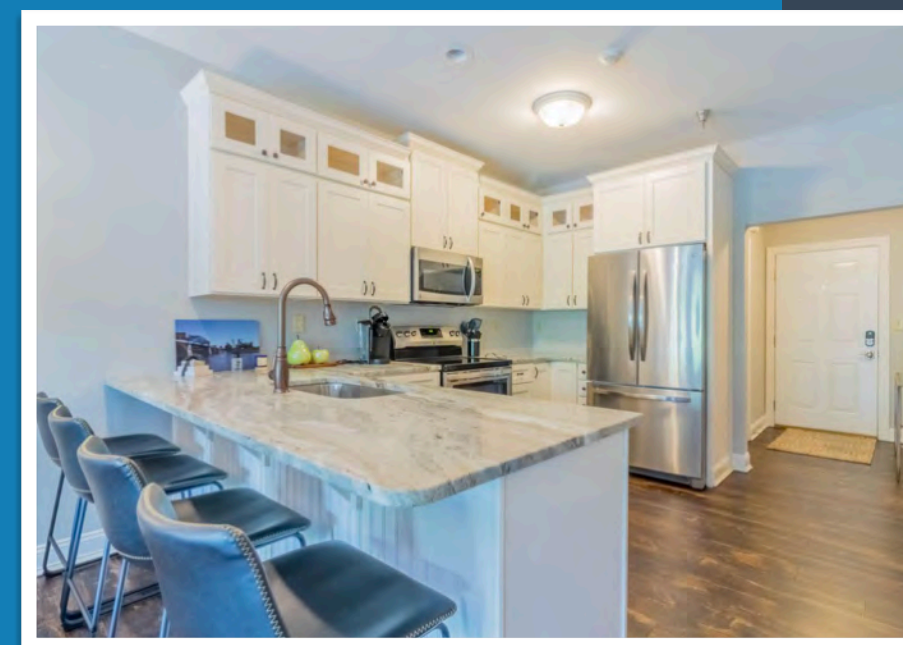
110 E 7th - \$422 / sqft



The Fairpoint - \$341 / sqft



1301 Market St - \$303 / sqft



100 Market St - \$300 / sqft

| Property Name               | Bed / Bath           | SQ           | List \$ PSF   |
|-----------------------------|----------------------|--------------|---------------|
| Exchange at Cameron Hill    | 1 bed, 1 bath        | 677          | \$272         |
| Exchange at Cameron Hill    | 2 bed, 2 bath        | 1,155        | \$273         |
| 895 Cherokee                | 3 bed, 3.5 bath      | 2,298        | \$283         |
| Clarke Center               | 1 bed, 1.5 bath      | 1,606        | \$285         |
| Fagan Flats                 | 1 bed, 1 bath        | 750          | \$287         |
| 100 Market St               | 2 bed, 2 bath        | 932          | \$300         |
| 1301 Market St              | 2 bed, 2 bath        | 1,023        | \$303         |
| 207 Delmont St              | 1 bed, 1 bath        | 1,058        | \$307         |
| 1301 Market St              | 1 bed, 1 bath        | 903          | \$309         |
| <b>Flatiron</b>             | <b>2 bed, 2 bath</b> | <b>1,150</b> | <b>\$325*</b> |
| 800 Market St               | 2 bed, 2 bath        | 2,360        | \$333         |
| 800 Market St               | 2 bed, 2 bath        | 2,642        | \$341         |
| The Fairpoint               | 2 bed, 2 bath        | 1,157        | \$341         |
| 110 E 7th                   | 1 bed, 1 bath        | 439          | \$422         |
| Museum Bluff River Side     | 2 bed, 2 bath        | 1,938        | \$439         |
| <b>Average Price / SQFT</b> |                      |              | <b>\$320</b>  |

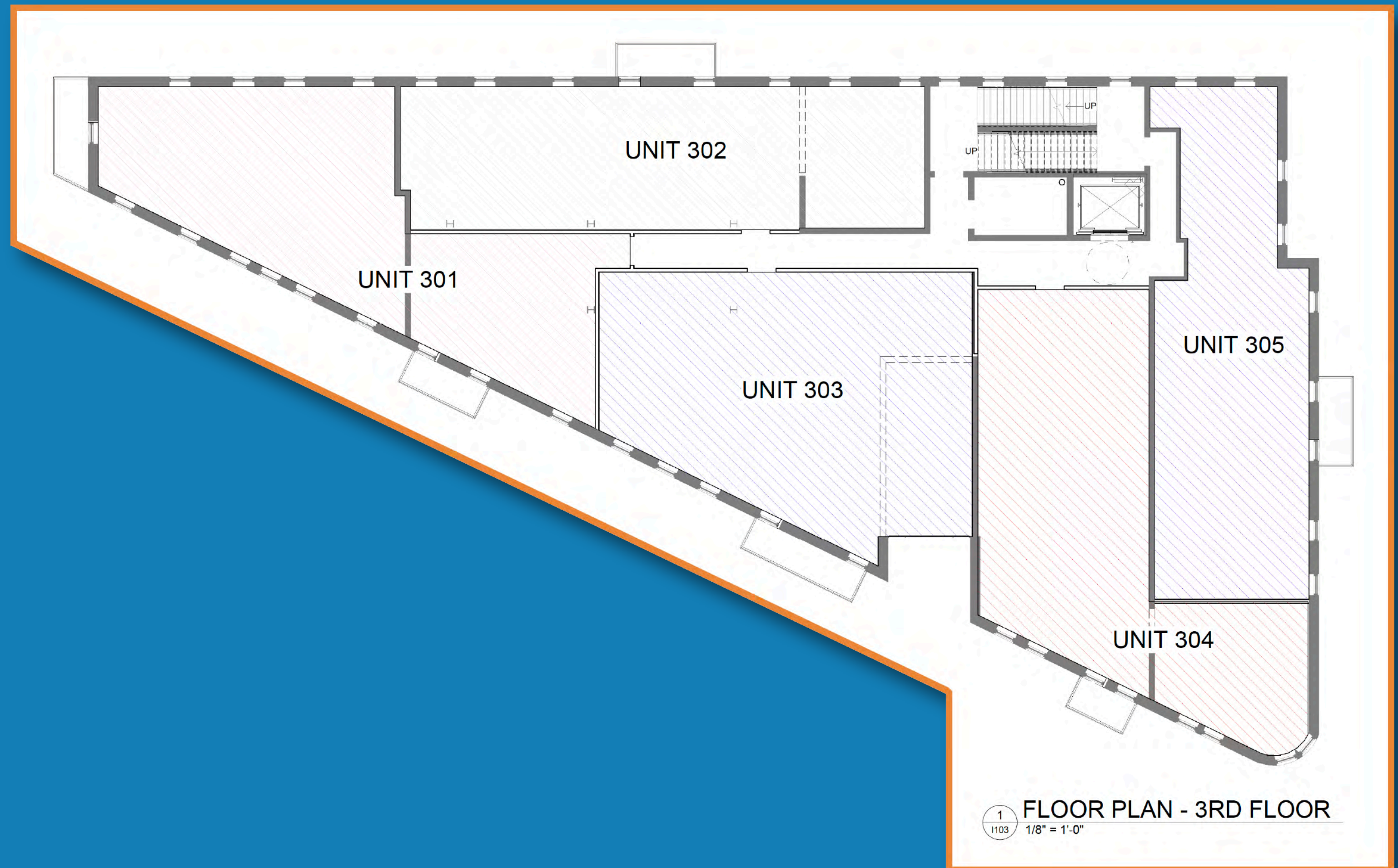
\* Underwriting uses \$324/sqft for Flatiron condo sales, but comparables show higher values are probable.



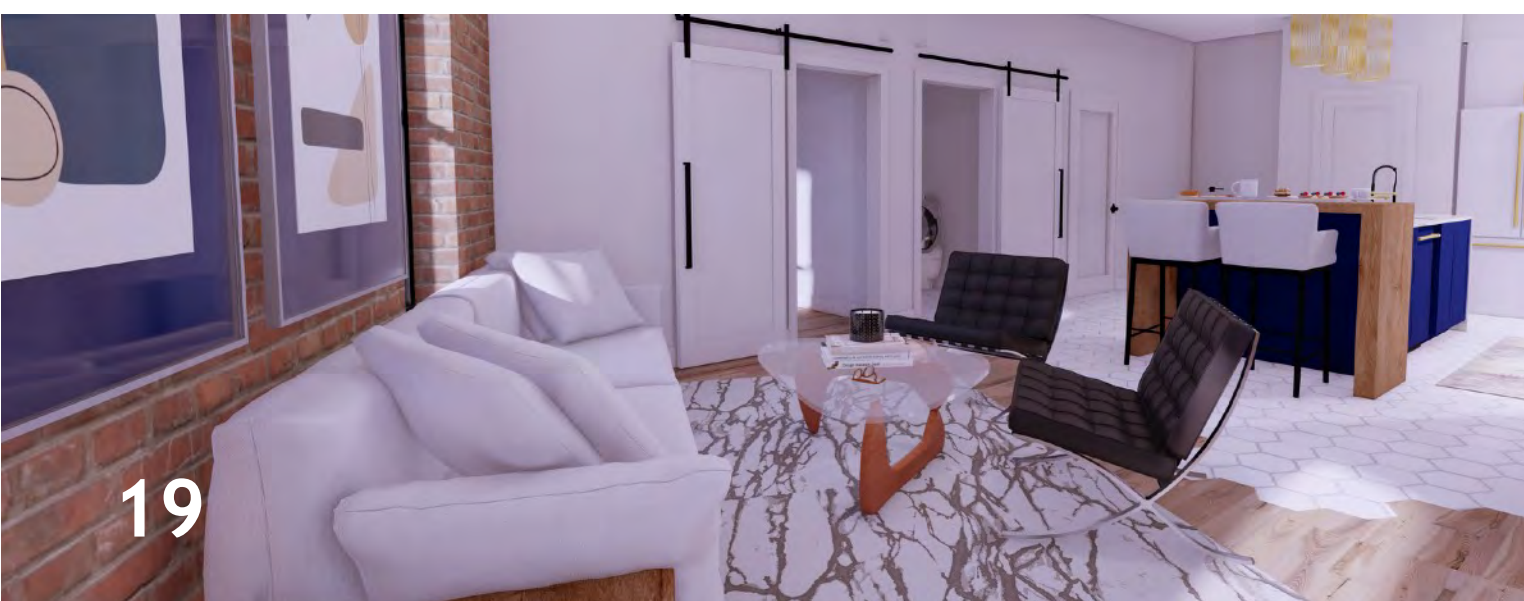
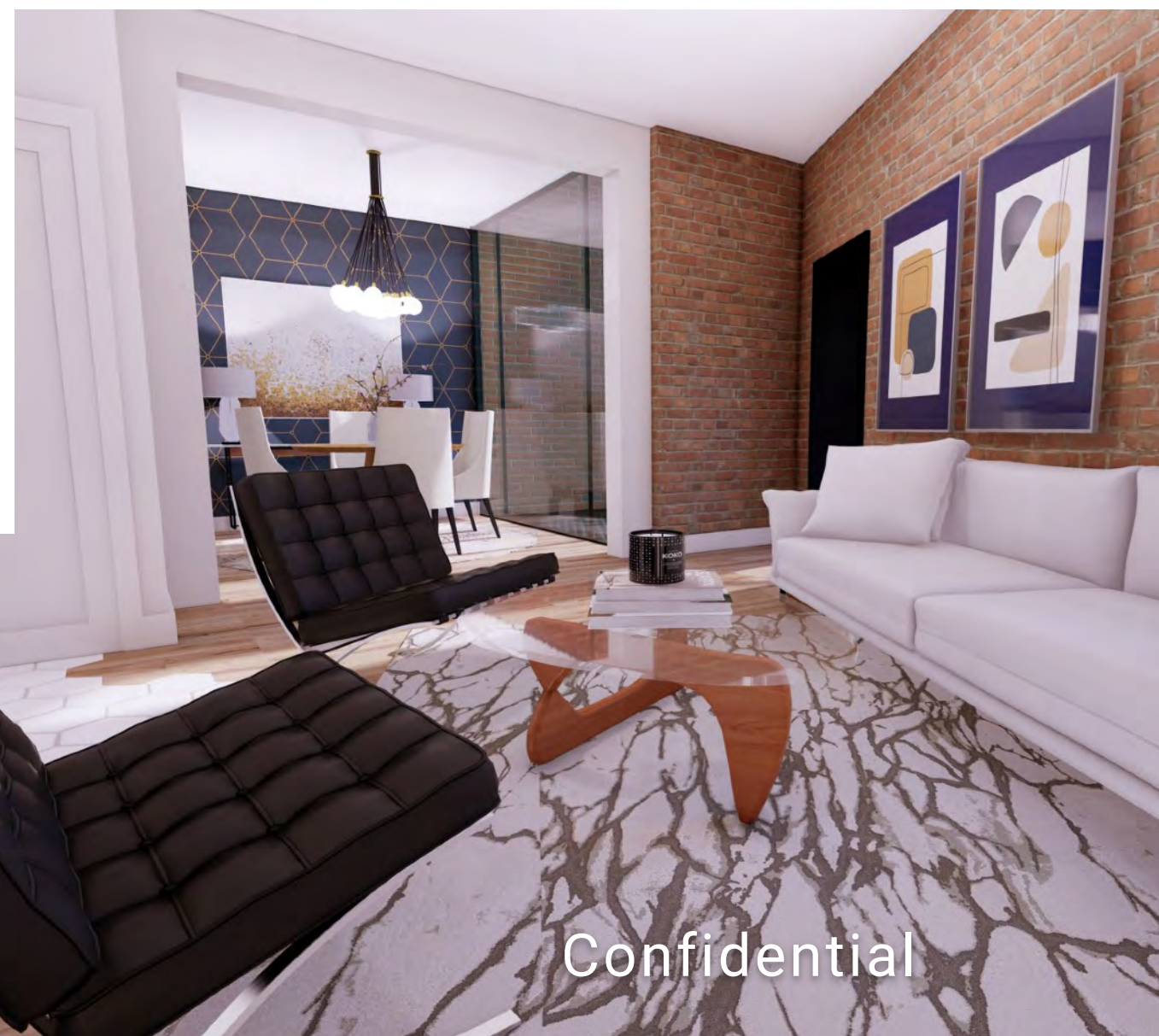


# Condo Architectural Layout

## Example 3rd Floor



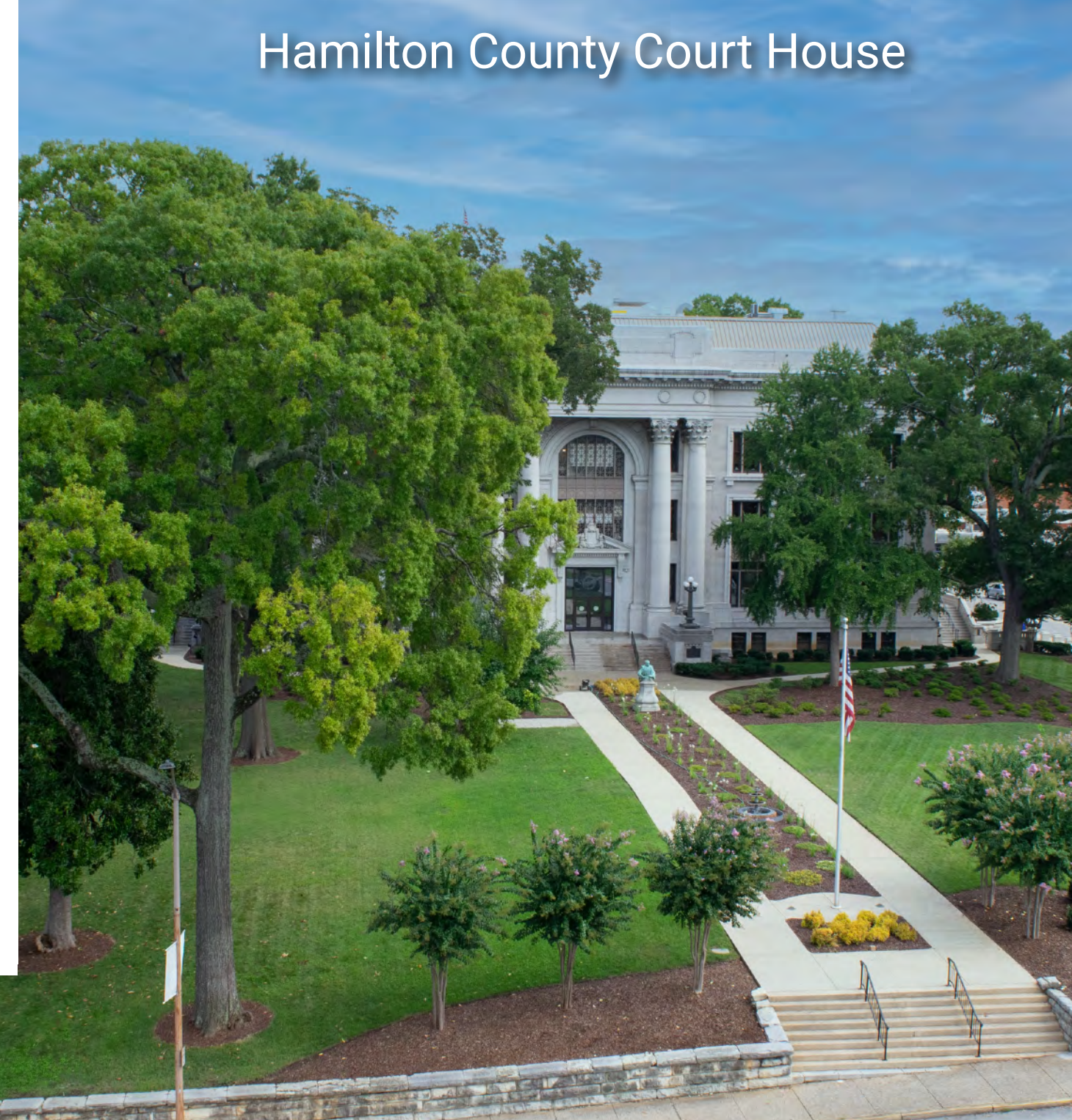








# Flatiron Condo Views



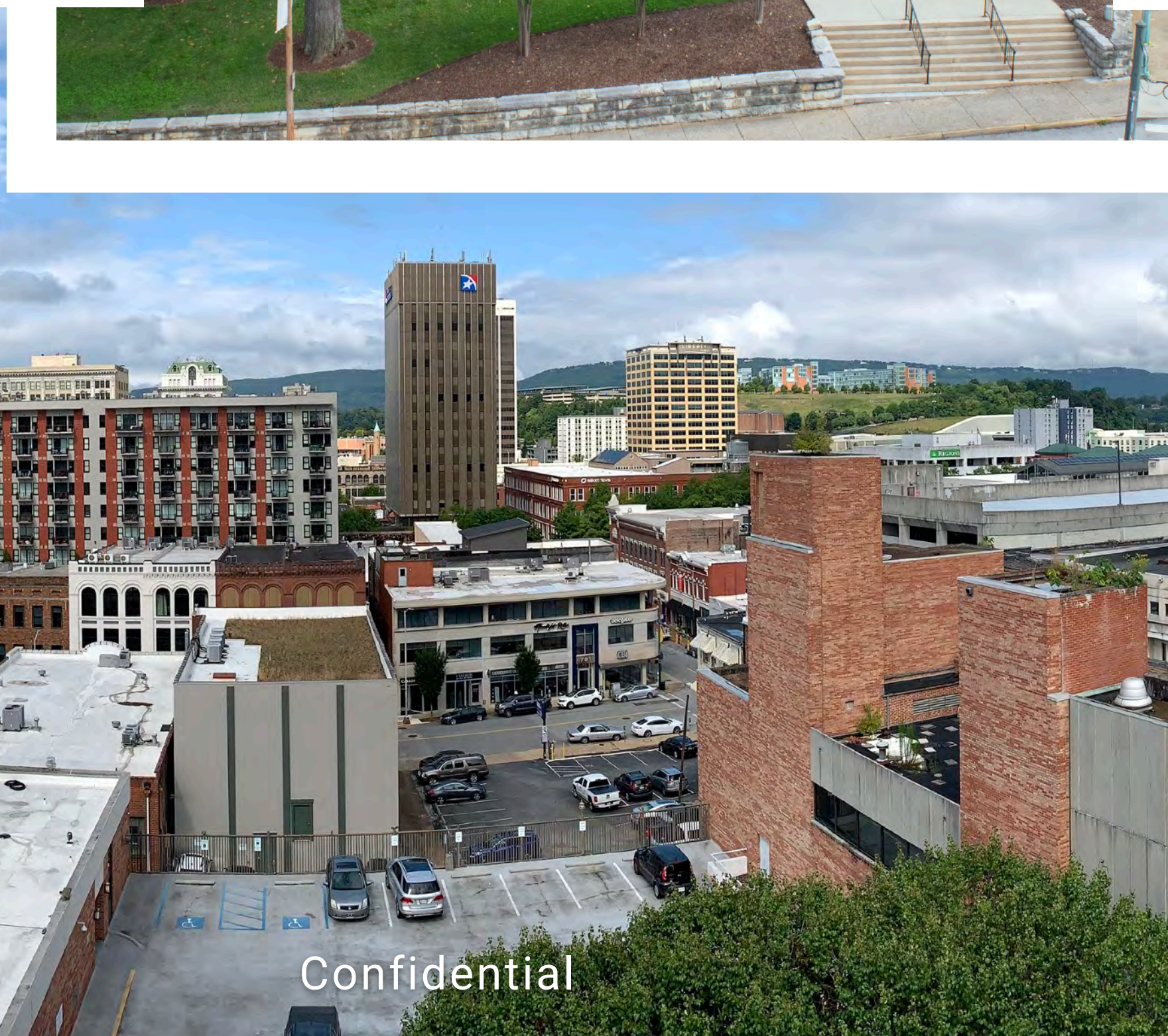
Hamilton County Court House



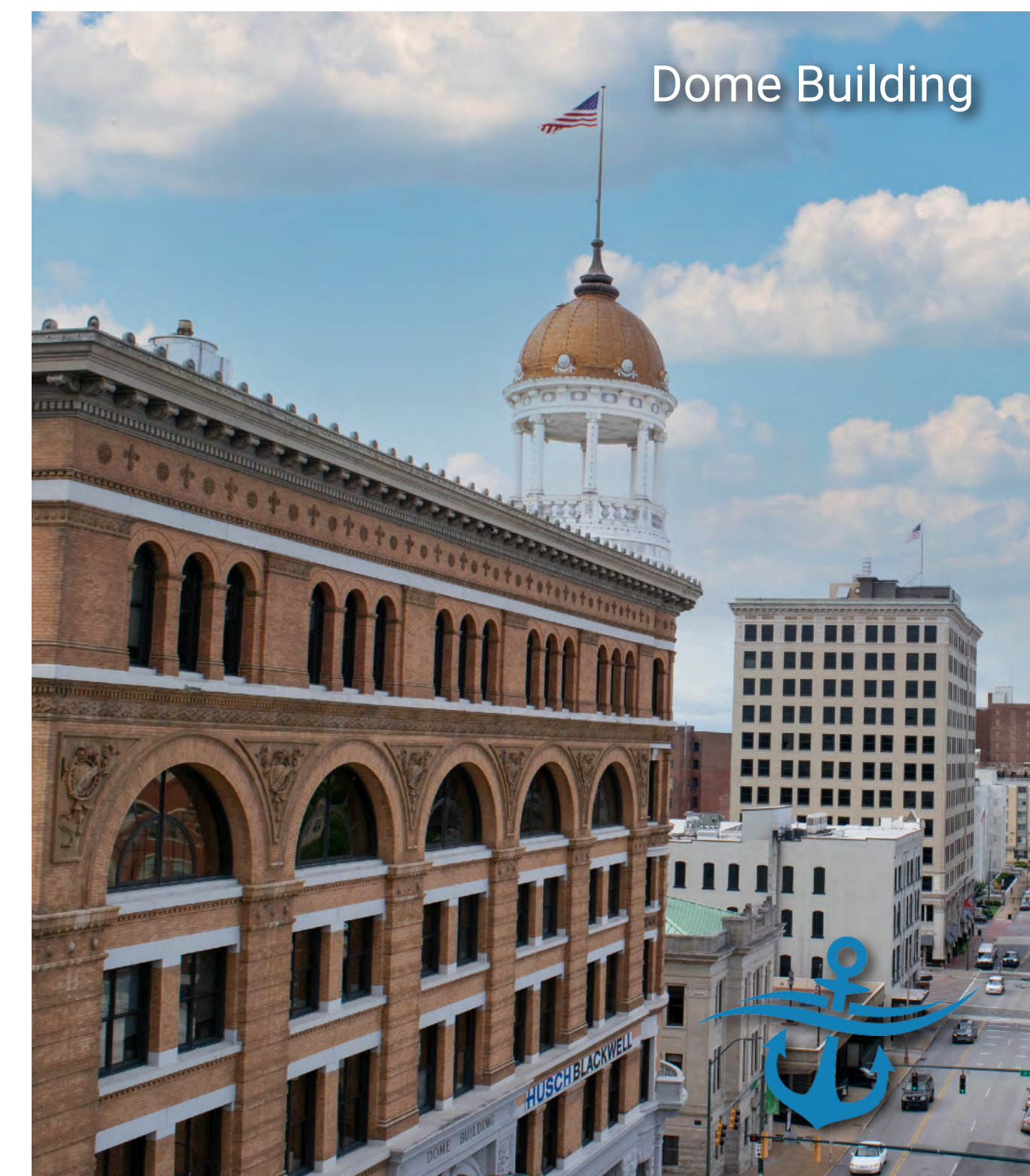
Memorial Auditorium



City Views



Confidential



Dome Building



# Financials

## 3-YEAR PROJECTED CASHFLOW

Cashflows showing Limited  
Partner investors receiving  
return of capital and buyout  
distribution at end of 2nd year.

|                                   | 13-Oct-21<br>Year 0 | 2022<br>Year 1 | 2023<br>Year 2 | 2024<br>Year 3   |
|-----------------------------------|---------------------|----------------|----------------|------------------|
| <b>CAPITAL FLOWS</b>              |                     |                |                |                  |
| LP Equity Capital                 | 1,300,000           |                |                | (1,300,000)      |
| GP Equity Capital                 | 200,000             |                |                | (200,000)        |
| LP Equity Return                  |                     |                |                | (520,000)        |
| GP Equity Return                  |                     |                |                | (80,000)         |
| Purchase Building                 | (2,400,000)         |                |                |                  |
| Closing Costs & Reserves          | (399,657)           |                |                |                  |
| GP Loan                           |                     |                |                | 280,000          |
| <b>RENTAL OPERATIONS</b>          |                     |                |                |                  |
| Effective Gross Income (EGI)      |                     | 225,053        | 376,447        | 391,780          |
| Operating Expenses                |                     | (178,204)      | (129,829)      | (132,425)        |
| <b>NET OPERATING INCOME (NOI)</b> |                     | <b>46,849</b>  | <b>246,619</b> | <b>259,355</b>   |
| Annual CapitalX Budget            |                     |                | (21,000)       | (21,420)         |
| <b>BANK DEBT FLOWS</b>            |                     |                |                |                  |
| Annual Debt Service               | 2,000,000           | 3,000,000      | 1,080,000      | (3,480,000)      |
|                                   |                     | (139,588)      | (120,079)      | (81,250)         |
| <b>RENOVATIONS &amp; SALES</b>    |                     |                |                |                  |
| Construction                      |                     | (3,475,358)    | (1,303,630)    |                  |
| Condo Sales                       |                     |                | 527,886        | 4,750,970        |
| <b>NET CASH FLOW</b>              |                     |                |                |                  |
| Checking Account                  | 700,343             | (568,097)      | 409,795        | (392,346)        |
|                                   | \$700,343           | \$132,246      | \$542,041      | \$149,696        |
| <b>SALES PROCEEDS</b>             |                     |                |                |                  |
| Exit Cap Rate                     |                     |                |                | 8.50%            |
| Exit Value                        |                     |                |                | \$3,051,231      |
| Loan Balance                      |                     |                |                | (2,500,000)      |
| Closing Costs                     |                     |                |                | (93,963)         |
| <b>NET SALES PROCEEDS</b>         |                     |                |                | <b>\$457,269</b> |





# Offering

## Deal Details

- \$100,000 Minimum Investment
- 10% Preferred Cumulative Annual Return
- 60/40% Investor/Sponsor Split
- Accrued Annual Preferred Distributions
- 20% Annual Average Return - LP Investor buyout option
- Investment Commitment by: November 15th, 2021
- Escrow Funded by: November 30th, 2021
- Closing Target - December 15th, 2021
- Accredited Investors Only





# Next Steps

## Process

1. Additional questions answered by Fisher Bay
2. Receive additional materials from questions
3. Receive investment materials (Offering document, etc.)
4. Sign investment documents
5. Transfer funds into escrow account
6. Closing





# Contact Info

## Questions?

### Contact

Robert Fisher

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