

\$ 685,000 Preferred Equity Participation

47,925 SF Self Storage Facility



22 Passaic Street, Garfield NJ

166,170,172 River Drive



Table of Contents

Executive Summary..... 1

Pro Forma 2

Location & Demographics 3

Comparables – Income Approach..... 4

Rental Comparable Map..... 5

Market Rent Analysis 6

Comparable – Sales Approach 7

Sponsor Profile 8

\$685,000 PREFERRED EQUITY LOAN PARTICIPATION(S)

22 Passaic Street (AKA 168, 170 & 172 River Drive) Garfield NJ



FOUR ARROW
FUNDING INC.

EXECUTIVE SUMMARY

Overview. Four Arrow Funding, Inc. (the “**Issuer**”) is making a \$685,000 preferred equity investment (“**PE**”) to a newly formed limited liability LLC (the “**Borrower**”) formed by Alan Mruvka (the “**Guarantor**”). The PE is secured by 22 Passaic Street, Garfield NJ (the “**Property**”). The Property is a 47,925 SF self storage facility with 643 units. The approximate value (the “**Value**”) is \$7.5 million. The Property is near completion. An unexpected \$500,000 is required to complete the construction. The PE (plus costs) will fill the gap for the Borrower. The Issuer is an affiliate of Chesterfield Faring Ltd (“**CFL**”).

Capital Structure. The Property is currently secured by a first mortgage loan (the “**Loan**”) of \$4,805,000. The Borrower has \$2.0 million of common equity (“**CE**”) invested in the Property. The PE has \$2.0 million of CE subordinated to the PE. The Loan is 64.15% Loan to Value. The PE including the Loan is a 73.30% Loan/PE to Value. The Value of the Property must decrease by over 26.70% before you as investors (the “**Investors**”) would have any risk of principal loss.

Capital Structure	Gross	%	Cumulative
First Mortgage Loan	\$ 4,805,000	64.15%	64.15%
Preferred Equity	\$ 685,000	9.15%	73.30%
Common Equity	\$ 2,000,000	26.70%	100.00%
Totals	\$ 7,490,000	100.00%	

PE Participations. The Issuer provides PE loan participations to its Investors. The Issuer is offering ten (10) \$68,500 units (the “**Units**”) totaling \$685,000 for \$57,500 each for a profit of \$11,000 per Unit. The term of the PE is nine (9) months so the **annualized return of 25.51%**. The Investors will receive Units from the Issuer secured by the PE that the Issuer makes to the Borrower. See the PE Loan Participation agreement for more details and risk factors.

PE Participations	Per Unit	Gross
Investment	\$ 57,500	\$ 575,000
Prepaid Interest	\$ 11,000	\$ 110,000
Payoff	\$ 68,500	\$ 685,000
Annualized Return	25.51%	
Units	10.0	
Term	9	Months

Collateral Held. The Collateral includes an unrecorded secondary assignment of the LLC membership interests. If and upon a default, if any, the Issuer has right to sweep all monthly net cash flow to repay the balance in full. The Borrower and the Guanator shall personally and severally guarantee repayment of the PE.

Property Description. The Property is a four-story industrial building with approximately 47,952 SF situated on 3.444 acres located near the Passaic River. It features 643 self-storage rentals with an average size of 166 SF, 24/7 surveillance, a climate controlled environment, free curbside pickup for smaller units, business storage, moving equipment rental, online bill pay, U-Haul truck rental, and a moving supply shop. The Property was completed in 2018 except for some minor completion items which will be paid using the proceeds from the PE.



Self Storage Industry. The self storage industry especially near major metropolitan SMSAs have much greater demand than supply especially in the northeast corridor of the US. Surging demand among consumers for same-day delivery, coupled with proximity to the ports, has encouraged healthy demand, particularly as rental rates remain less than half the price of similar spaces in New York City. Despite this strength, new supply growth has been marginal, averaging just over 1 million square feet annually over the past four years. Meanwhile, net absorption has more than tripled supply growth during this time, prompting a vacancy rate nearly 200 basis points below the previous cycle low. As a result, prospective tenants have rapidly pushed the average asking rent dramatically higher, with the typical rate up more than 40 percent over the past five years.

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STORAGEBLUE PRO FORMA

The Property will be stabilized in 2020 generating well over \$666,608 in Net Operating Income (“NOI”). This allows both debt service and principal payments at a rapid rate even if the Borrower cannot repay the PE through a refinancing or sale exit strategy.

Proforma Operating Statement	2019	2020	2021
Operating Results			
Rental Income	\$ 769,644	\$ 1,107,604	\$ 1,152,515
Miscellaneous Incomes	23,089	33,228	34,575
Protection Plan Coverage	52,854	72,097	71,110
Total Income	\$ 845,587	\$ 1,212,930	\$ 1,258,200
Operating Expenses			
COGS	8,774	12,627	13,139
Personnel/Management	154,500	159,135	163,909
Advertising	41,200	42,436	43,709
Management	52,257	77,208	82,492
Insurance	36,050	37,132	38,245
Travel, Meals & Entertainment	5,150	5,305	5,464
Repairs & Maintenance	12,360	12,731	13,113
Utilities	74,160	76,385	78,676
Taxes	57,971	59,711	61,502
Other General Expenses	61,800	63,654	65,564
Total Operating Expenses	\$ 504,223	\$ 546,322	\$ 565,813
Net Operating Income	\$ 341,364	\$ 666,608	\$ 692,388
Debt Service	\$ 300,000	\$ 300,000	\$ 300,000
Net Cash Flow	\$ 41,364	\$ 366,608	\$ 392,388

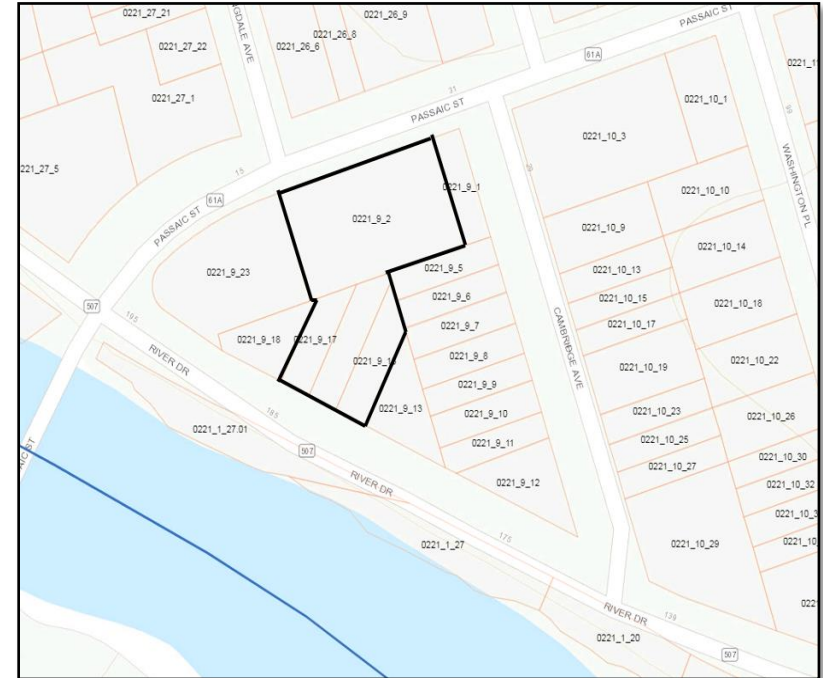
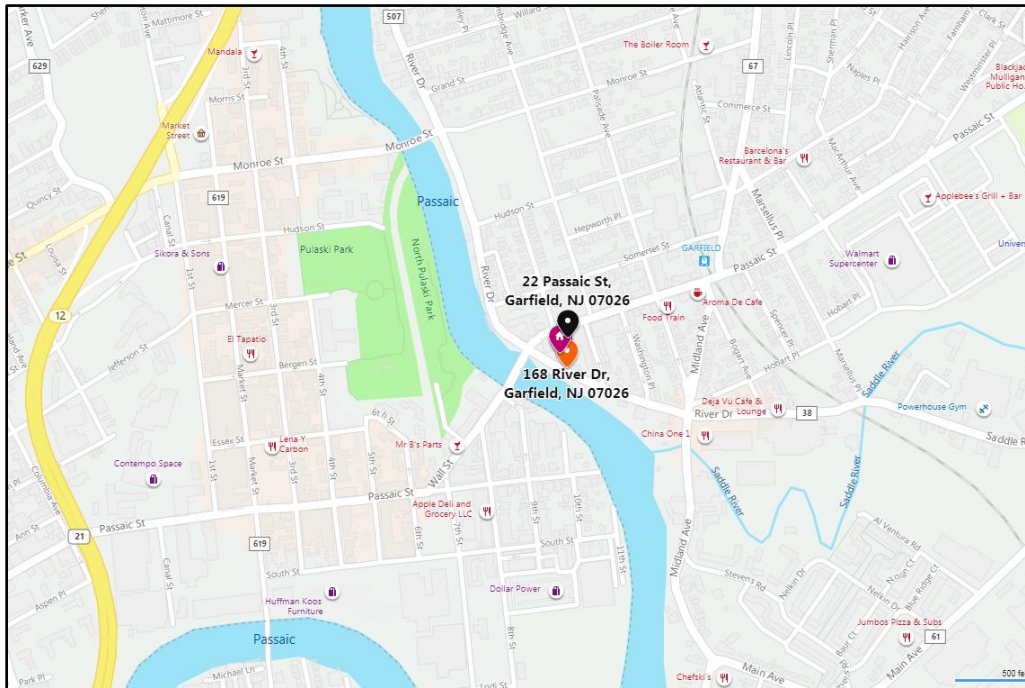
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22 Passaic Street (AKA 168, 170 & 172 River Drive) Garfield NJ



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LOCATION

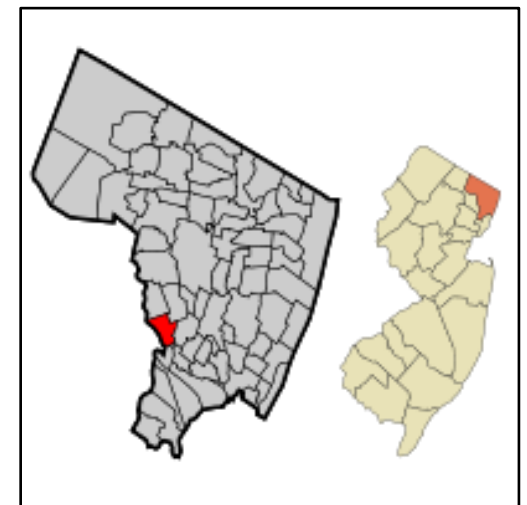


DEMOGRAPHICS

Garfield, New Jersey. A city in Bergen County bordering the Passaic River. It is 38 minutes from New York City by train. The population density was 14,525 per square mile.

Population. According to the U.S. 2010 Census, the population of Garfield is approximately 30,487 and increased 2.4% since 2000.

Economy. The economy of Garfield, NJ employs 14,900 people. The largest industries in Garfield, NJ are Retail Trade (2,072 people), Health Care & Social Assistance (1,850 people), and Manufacturing (1,625 people), and the highest paying industries are Finance & Insurance (\$60,893), Public Administration (\$60,265), and Finance & Insurance, & Real Estate & Rental & Leasing (\$53,807). The median income is \$56,701. Compared to other places, Garfield, NJ has an unusually high number of residents working as Transportation Occupations (1.93 times higher than expected), Production Occupations (1.45 times), and Installation, Maintenance, & Repair Occupations (1.41 times). From 2016 to 2017, employment in Garfield, NJ grew at a rate of 4.44%, from 14.3k employees to 14.9k employees.



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COMPARABLES – INCOME APPROACH

	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	StorageBlue Self Storage	Life Storage 445	Shield Self Storage	Access Storage	Extra Space - 22	Safe & Secure Storage
Address	22 Passaic St	445 Wagaraw Rd	14 E 24th Street	217 Belmont Ave	22 Hollywood Avenue	141 Lanza Ave
City	Garfield	Fair Lawn	Patterson	Haledon	HoHoKus	Garfield
State	NJ	NJ	NJ	NJ	NJ	NJ
Zip	07026	07410	07514	07508	07423	07026
NRA	47,952	76,560	24,336	65,177	134,877	98,000
Year Built	1950	1999	1940	1991	1997	1980
Year Renovated	2018	2003	2009	-	-	-
Location	Good	Good	Average/Good	Average/Good	Good	Good
Quality	Average	Good	Average	Good	Average/Good	Average
Condition	Average	Good	Average	Good	Average/Good	Average
Access	Good	Good	Average/Good	Good	Average/Good	Average/Good
Exposure	Average	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good
Occupancy		91.0%	85.3%	95.4%	86.0%	90.8%
Number Units		865	269	733	1,340	1,300
Average SF/Unit		89	90	89	101	75
Security	Keypad Entry, Video Camera, On-Site Managers, Video Cameras, Perimeter Fence, and Exterior Lighting	Electronic Gate, Exterior Lighting, On-Site Manager, Video Cameras,	Electronic Gate, Exterior Lighting, On-Site Manager, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Video Cameras
Concessions	Varies	2nd month free	1st month free	1st month \$1	up to 20% off	military & teacher discounts

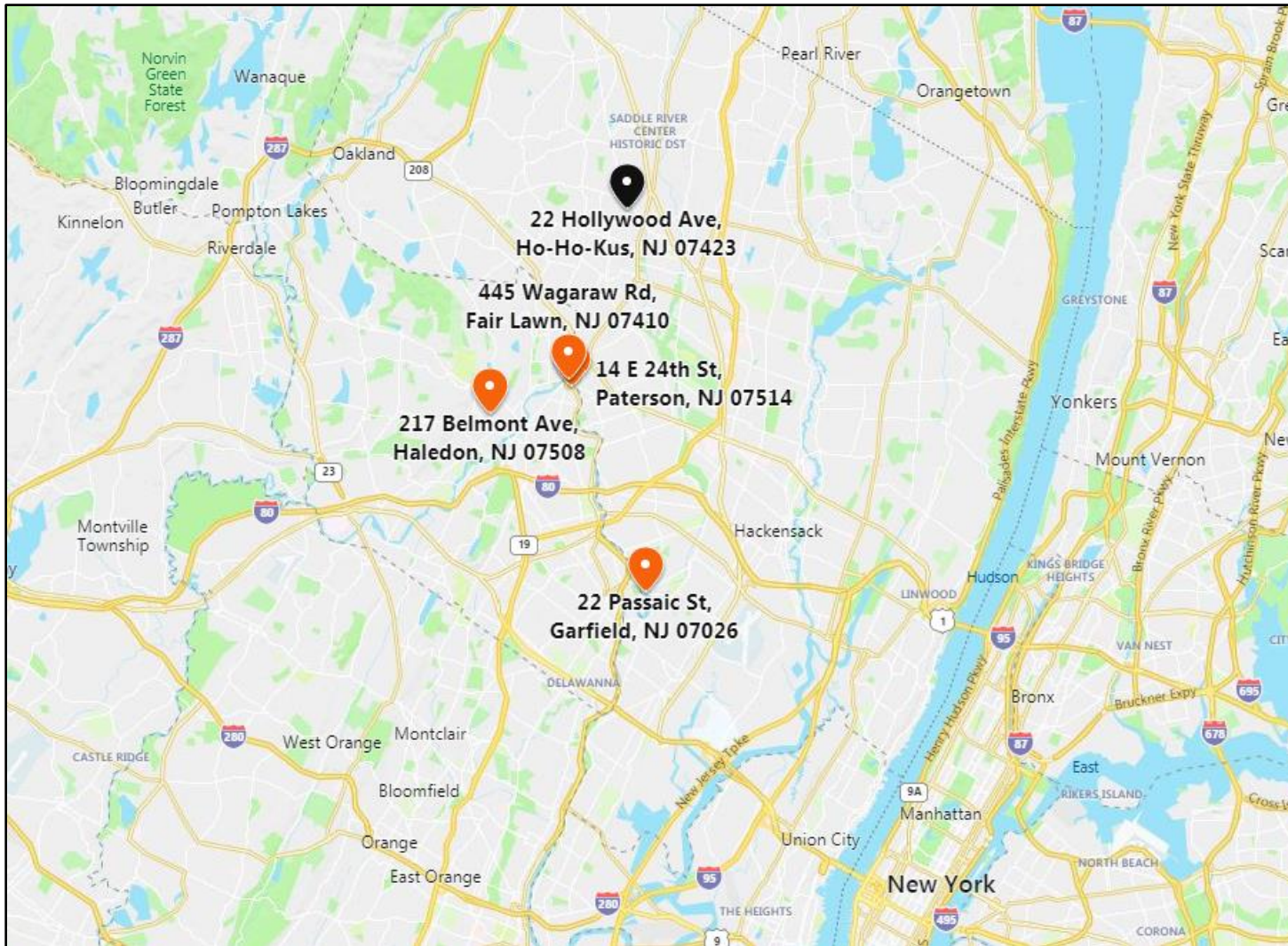
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RENT COMPARABLE MAP



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COMP	DISTANCE	NAME	ADDRESS
SUBJECT	-	StorageBlue	22 Passaic Drive, Garfield, NJ
No. 1	1.0 Miles	Life Storage - 445	445 Wagaraw Rd, Fair Lawn, NJ
No. 2	1.0 Miles	Shield Self Storage - 14	14 E 24th Street, Patterson, NJ
No. 3	3.1 Miles	Access Storage -217	217 Belmont Ave, Haledon, NJ
No. 4	3.9 Miles	Extra Space - 22	22 Hollywood Avenue, HoHoKus, NJ

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22 Passaic Street (AKA 168, 170 & 172 River Drive) Garfield NJ



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MARKET RENT ANALYSIS

The table presented below displays the asking rent levels of each comparable and the overall comparable ranges for each standard unit type.

UNIT TYPE	SF/UNIT		COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW		HIGH
5 x 5	25	/Unit	\$75	\$49	\$63	\$46	\$70	\$46	to	\$75
		/SF	\$3.00	\$1.96	\$2.52	\$1.84	\$2.80	\$1.84		\$3.00
5 x 10	50	/Unit	-	\$79	\$102	-	\$92	\$79	to	\$102
		/SF	-	\$1.58	\$2.04	-	\$1.84	\$1.58		\$2.04
5 x 15	75	/Unit	\$160	-	-	\$97	\$118	\$97	to	\$160
		/SF	\$2.13	-	-	\$1.29	\$1.57	\$1.29		\$2.13
10 x 10	100	/Unit	\$169	\$129	\$145	\$143	\$140	\$129	to	\$169
		/SF	\$1.69	\$1.29	\$1.45	\$1.43	\$1.40	\$1.29		\$1.69
10 x 15	150	/Unit	\$205	\$189	\$259	\$189	-	\$189	to	\$259
		/SF	\$1.37	\$1.26	\$1.73	\$1.26	-	\$1.26		\$1.73
10 x 20	200	/Unit	\$259	\$279	\$279	-	\$261	\$259	to	\$279
		/SF	\$1.30	\$1.40	\$1.40	-	\$1.31	\$1.30		\$1.40
10 x 25	250	/Unit	-	-	\$335	\$338	\$279	\$279	to	\$338
		/SF	-	-	\$1.34	\$1.35	\$1.12	\$1.12		\$1.35
10 x 30	300	/Unit	-	-	-	\$401	-	\$401	to	\$401
		/SF	-	-	-	\$1.34	-	\$1.34		\$1.34

UNIT TYPE	SF/UNIT		COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW		HIGH
5 x 5 CC	25	/Unit	\$75	-	\$73	\$75	-	\$73	to	\$75
		/SF	\$3.00	-	\$2.92	\$3.00	-	\$2.92		\$3.00
5 x 10 CC	50	/Unit	\$105	-	\$115	-	-	\$105	to	\$115
		/SF	\$2.10	-	\$2.30	-	-	\$2.10		\$2.30
5 x 15 CC	75	/Unit	\$159	-	-	-	-	\$159	to	\$159
		/SF	\$2.12	-	-	-	-	\$2.12		\$2.12
10 x 10 CC	100	/Unit	\$175	-	\$172	\$120	-	\$120	to	\$175
		/SF	\$1.75	-	\$1.72	\$1.20	-	\$1.20		\$1.75
10 x 15 CC	150	/Unit	\$229	-	-	-	-	\$229	to	\$229
		/SF	\$1.53	-	-	-	-	\$1.53		\$1.53
10 x 20 CC	200	/Unit	\$259	-	-	\$245	-	\$245	to	\$259
		/SF	\$1.30	-	-	\$1.23	-	\$1.23		\$1.30

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COMPARABLES - SALES APPROACH

	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	StorageBlue Self Storage	Crosskeys Self Storage	Shield Self Storage	Access Storage	Extra Space - 22
Address	22 Passaic St	3200 Glassboro Keys Road	14 E 24th Street	217 Belmont Ave	
City	Garfield	Glassboro	Patterson	Haledon	
State	NJ	NJ	NJ	NJ	NJ
Zip	07026	08028	07514	07508	
County	Bergen	Gloucester	Camden	Bergen	Gloucester
NRA (sf)	47,952	34,055	24,336	65,177	
Units		286	405	519	572
Land Area (AC)		5.2	4.6	3.7	9.9
Land Area (sf)		228,254	202,118	162,914	431,244
Year Built	1950	2003	1979	1927	2004
Year Renovated	2018				
Location	Good	Average/Good	Average/Good	Average/Good	Good
Quality	Average	Average/Good	Average	Good	
Condition	Average	Average/Good	Average	Good	
Access	Good	Average/Good	Average/Good	Good	
Exposure	Average	Average/Good	Average/Good	Average/Good	
Date		2/16/2017	9/29/2017	5/9/2017	11/29/2018
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$3,150,000	\$4,978,208	\$5,900,000	\$7,175,000
Transaction \$/Unit		\$11,014	\$12,292	\$11,368	\$12,544
Transaction \$/SF NRA		\$92.50	\$94.30	\$109.56	\$101.41
Analysis Price		\$3,150,000	\$4,978,208	\$5,900,000	\$7,175,000
Expenses % PGI		26%	43%	58%	41%
Expenses % EGI		26%	43%	58%	41%
NOI/SF NRA	\$4.91	\$7.98	\$5.72	\$4.88	\$6.38
Occupancy	82.4%	85.7%	76.4%	69.2%	75.3%
Capitalization Rate		8.63%	6.07%	4.45%	6.29%

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SPONSOR PROFILE

Alan Mrvka has over 35 years of experience in the real estate, self-storage, and entertainment industries. Most distinguished is his monumental success in revolutionizing a genre of entertainment and celebrity-based television with the founding of pop culture icon, E! Entertainment Television. Now in its 30th year, E! Entertainment Television is a NBC/Comcast company valued at over twelve billion dollars. Mrvka is also the Founder and CEO of StorageBlue (storageblue.com), a New Jersey based self-storage company and bluenow (bluenow.com), an on-demand pick-up and delivery online self-storage concierge service.

The Alan Mrvka Company is an entertainment creation and media company having created, founded and ran E! Entertainment Television together with then partner Larry Namer, a film and television production company under its Ministry of Film and Filmology Labs brands, a self-storage development and management company with its StorageBlue and bluenow brands, and a real estate development company focusing on creating destination projects and creative urban redevelopment in New York, New Jersey, California and Nevada. For the past eighteen years, Mrvka has been very active in the creative revitalization of historic downtowns, redeveloping buildings and neighborhoods in downtown Riverside California, Las Vegas Nevada, Jersey City New Jersey, and now Garfield New Jersey.

The Alan Mrvka Company's prestigious reputation and resume of historic renovations include the Riverside Ironworks building, a hundred-year-old fruit packing plant that now houses Wells Fargo, Bechtel Engineering, and Jacobs Civil Engineering; The Santa Fe Depot, a hundred-year-old train station into first class office space; the hundred-year-old Riverside Packing Plant also into first class office space; the 50,000 square foot Marketplace movie theater into Kaplan College for nursing, the Jersey City Morgan St. Firehouse into first class office space and fifteen prewar historic buildings into self-storage facilities totaling over 2.5 million square feet.

