

[1]

Proposed Operational Financial Plan

(5 MM Investment Model)

Contractor/Project Managing Partner, to identify, acquire, renovate/rehab, and stabilize an under performing residential/commercial Real Estate asset as per the predefined criteria and/or target parameters established. All funds to be held in an interest bearing escrow account with access limited to the Managing Partner and Investor(s) according to terms and conditions as defined by final accord.

Investor(s) assumes an 80% interest in the subject property acquired by Syndicate, secured by a first lien position until either final disposition or buyout option occurs.

Contractor/Managing Partner assumes all management responsibilities including planning and design, purchasing, construction management, property management and stabilization efforts.

Upon stabilization, Investor(s) receive 80% of net operating income until final disposition of subject property or buyout option occurs.

Upon sale and final disposition of asset, Investor(s) recover initial invested capital and receive 80% of net profits derived from sale... Exit @ approximately 36 months with a projected 27% annualized return.

[2] Example

Syndicate acquires a 50,000 sq. ft. distressed property for 3mm. with an approximate 40% occupancy level. Contractor renovates and improves property for 2mm or 40.00 per sq. ft. Management stabilizes occupancy to 85% @ \$18 per sq. ft. average resulting in a \$765,000.00 NOI @ 9% cap rate = \$8,500,000.00 adjusted value.

Upon stabilization, sell asset for 8,000,000.00 net, satisfy 1st lien position and distribute profits accordingly.

Time line:

- 1) Months 0-3---Identify perform due diligence, take title of property.
- 2) Months 4-12----Renovate and improve subject property.
- 3) Months 13-24---Stabilize rent roll to 85+% occupancy
- 4) months 25-36-Finalize tenant improvements , collect rent, sell property satisfy 1st lien position and distribute profits accordingly.

note: The above example is for a commercial bldg. residential bldgs Are Rehabbed and much more quickly stabilized and producing operating income.

[3]

Conclusion:

1) Investor(s) recover initial 5mm investment upon sale & final disposition. \$5,000,000.00

2) Investor(s) receive 80% of \$765,000. 00 of NOI generated in year three. \$ 612,000.00

3) Investor(s) receive 80% of 3mm net profit derived from sale of asset.	\$2,400,000.00

total	\$8,012,000.00

Total return = 3,012,00.00

Anthony Pappas tonypappas@att.net

(415) 563-2944

Confidentiality notice: the information contained in this document contains privileged confidential material. Do not copy or distribute this document without prior written consent.

Securities notice: At no time shall this document be considered an offer to sell or the solicitation of an offer to purchase securities.