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MAJIX PLACE, LLC
Majix Market Center Project
EXECUTIVE PROJECT SUMMARY



Environmentally-Sustainable Community Development in the Heart of Houston, Texas

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Established by owner, Rodrick Benard, Majix Place is a Texas based Limited Liability Corporation (LLC) with the goal of developing innovative commercial projects throughout the City of Houston and beyond. Having grown up in Northeast Houston, Rodrick has identified a unique and commercially viable opportunity, in his old neighborhood, to redevelop a largely abandoned plaza into a thriving modern shopping center. This project will bring much needed revitalization to a depressed community that will serve as role model and set the benchmark for environmentally-sustainable commercial and residential development within the City of Houston. This project will serve as a much needed economic and emotional boost to its growing community with a population of over 325,000.

With the vision of being a catalyst for the rebuilding of a thriving, healthy and active community, the redevelopment of the plaza into an attractive and bustling shopping center complete with name brand retail anchors mixed with smaller market-style retailers and food merchants in an open-concept atrium style facility that will embrace the vision of environmentally-sustainable living within the City of Houston.

The shopping mall, to be named Majix Market Center(MMC), sits on an 11.7 acre property located in Houston, Texas 77016. The current plaza will be completely redesigned and renovated into a modern shopping center that welcomes and inspires members of its community to reach higher and strive for a better life. The MMC will incorporate facilities for community outreach, community protection, business services, office space, youth programs, fitness, recreation, health and recycling. It will encourage and attract long-term, local patrons of all ages and ethnicity.

The benefits of shopping and doing business at the MMC shall include access to affordable local and brand name products and services. It will serve as a hub of community based activities and business. The MMC will also promote prosperous, honest, healthy, active living as a way of life within the community.

Additional amenities shall include an enclosed children play area and activity center, open seating areas as well as community information and display areas. The project also calls for the addition of a mezzanine level that will house a mix of office and retail space effectively tripling the population of this commercial property.

The MMC will be developed as a self-sustaining, off-the grid project within the heart of the city. It will promote the use and availability of commercial-off-the-shelf, environmentally-sustainable building processes, technologies and materials.

The redevelopment of this property and the implementation of this project, shall be an important contribution to the rebuilding of the local community. It will encourage and attract other businesses to the area and shall provide significant employment and small business creation opportunities. It will substantially help to stimulate, revitalize and beautify this growing community within the City of Houston.

Mission

- Operate with and promote integrity in business.
- Serve as a role model for environmentally sustainable commercial and residential development.
- Inspire and encourage members of its community to live progressive, healthy, active lifestyles.
- Develop and promote an inclusive, welcoming vision of community.
- Create employment and encourage the growth of local small businesses.
- Serve as a center of local economic stimulus.
- Achieve and maintain long-term financial growth and stability.
- Provide desirable and affordable premises for a wide spectrum of local and brand name tenants.
- Be good neighbors always.



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EXECUTIVE PROJECT SUMMARY

We are requesting financing of \$6.8 million for acquisition and construction / re-development. Use of funds will include \$2.3 million for land acquisition and \$4.5 million for construction of the Majix Market Center.

Majix Market Center will be the collateral being offered and there is no additional collateral.

Management Team

Majix Market Center will be managed by Majix Place, LLC and BPI Realty Co.

Construction of the shopping center will be developed and completed by SLI Group, Inc.

Market & Keys to Success

- Demographics show this community has a population of 325,537.
- Traffic count in this community proves that there are more than 10,000 cars passing one-way per 24 hours, this being very high, with unlimited access direct to this location during their routine daily activities and travel to and from work.
- Gain those that are without transportation, which are in bus route and walking distance
- In addition, the average annual expenditure for dining out is \$2,600 per household, their being well over 28,000 households within this given area, proves the spending habits to be \$72.8 million annually.

With these numbers portrayed, this indicates that restaurants and various other entities are much needed and will flourish within this community. By adding moderately priced entities from well-known providers, this will allow the consumers to provide a better choice of living for themselves and their family.

Company Summary

Majix Market Center is located in Houston, Texas, a premium shopping center, going up and beyond to provide convenience, accessibility, and top level customer satisfaction with a variety of quality businesses. These entities will include household name restaurants, clothes, shoes, accessories, cell phones and electronics entities to be purchased within this one stop shopping center.

Services

Majix Market Center will offer an professional experience for all occasions. We will provide specialized incentives as personal gifts and ideas for people in the community to inspire a much greater shopping experience. This service will provide insight, research, and purchases for that average shopper. The focus of the company is the needs of the client as well the community. It is the job of Majix Market Center to translate those needs into low-cost solutions.

Market Analysis Summary

Majix Market Center will target this community as a whole. This community contains various entities for every one of all age and ethnicity. After researching the competition in the targeted area and according to the Houston Data Base, there are less than 168 businesses within the area. Most of these companies are mom & pop shops, for which these services do not fully meet the needs of this growing community.



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EXECUTIVE PROJECT SUMMARY

Market Segmentation

The target market for Majix Market Center is broken into three segments:

1. Working families desire to have shopping entities close to home, which will reduce long distance travelling in order to suffice their needs in a timely fashion.
2. Providing convenience is a luxury, for the avid shopper.
3. By adding moderately priced entities from well-known providers, which will allow the consumers to provide a better choice for themselves and their family.

Target Market Segment Strategy

The best way to develop the company is to make our service necessary and accessible to the public. By facilitating their needs easily, we offer a great service at little inconvenience to them in a time where convenience matters the most.

In its broadest definition, the American shopping market consists of every American who needs to buy goods and services for themselves and their families. Although it is the aim of Majix Market Center to eventually reach out to a wide range of shoppers, including middle income families, busy professionals, and people looking for "hard to find" items, the company will focus first on the people.

Market Needs

Majix Market Center's primary market, is the community and the City. It will provide certain needs that are outlined below. This shopping center will allow more exposure within the city of Houston and the opportunity to come into a neighborhood that is extremely underdeveloped for its population.

Our plan is to help rebuild, revitalize, employ and increase the number of well-known entities within this community. Majix Market Center will provide many opportunities for the people, due to the low cost to purchase or lease property, in which, the spending habits of this community are already evolved.

Strategy and Implementation Summary

Majix Market Center will concentrate on expanding in metropolitan areas that have significant growth. Starting in Houston, from there we will target other cities and states.

The target customer is the working family, unable to find sufficient shopping entities close to home. We will provide this tailored service to work in these undeveloped communities, while maintaining a low cost.

Competitive Edge

Majix Market Center was created by a person who knows the needs, the desire, struggle and progress of community development. In an undeveloped community, our competitive edge relies on a non-existent market. We will transform this need from a demand into a convenience that will allow the community a luxury and a stress-free environment.



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Majix Market Center
EXECUTIVE PROJECT SUMMARY

Sales Strategy

Our sales will be generated from leased tenants. This shopping center will be established as a conduit for highly marketed entities, that will offer introductory costs for working families in a unsure economy.

Majix Market Center has received contacts from various companies, who have expressed interest in obtaining a leasing opportunity in this shopping center. Advertising and incentives will be needed for the first year of operation. Subsequent advertising will depend on word-of-mouth, commercials, website, local newspaper ads and articles, and brochures.

Management Summary

Majix Market Center will be managed by Majix Place, LLC and BPI Realty Services, Inc.. As Majix Market Center grows, we will continue to add experience managers, so that we may continue to offer professional service in a timely fashion. Originally, it will start with the owner and the executive management team.

Marketing and public relations will be handled mainly by BPI Realty Services, Inc.

Exit Strategy

We view three possible exit scenarios:

1. DPO (Direct Public Offering)
2. Buy Out
3. Refinancing

DPO – Direct Public Offering - If a Direct Public Offering is agreed upon, Majix Market Center will have capital to add new properties and cash out investors. Each investor would have the choice of retaining some or all of their ownership. The exact amounts involved would have to be agreed upon at that time.

Buy Out - The buy-out strategy for Majix Market Center would be to sell its operations, where in each scenario, both the main principal of Majix Market Center and the investors will be able to cash out and profit immeasurably.

Refinancing – based on future value and operations at the end of Year.

Environmentally-Sustainable Community Development in the Heart of Houston, Texas



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EXECUTIVE PROJECT SUMMARY

Majix Place, LLC
5 Year Financial Projection
for Majix Market Center @ 9929 Homestead, Houston, Texas

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Revenue						
Leasing Revenue	70% (Leased)	85% (Leased)	100% (Leased)	100% (Leased)	100% (Leased)	
First Level	1,143,333	2,058,000	2,160,900	2,268,945	2,382,392	10,013,570
Second Level	840,000	1,512,000	1,587,600	1,666,980	1,750,329	7,366,909
Kiosks	233,333	420,000	441,000	463,050	486,203	2,043,586
Total Revenue/Sales	\$1,551,666	\$3,391,500	\$4,189,500	\$4,398,975	\$4,618,924	18,150,565
Management / Leasing Fees	\$248,267	\$542,640	\$670,320	\$703,836	\$739,028	2,904,080
Gross Profit	\$1,303,400	\$2,848,860	\$3,519,180	\$3,695,139	\$3,879,896	\$15,246,475
Gross Profit % of Revenue	84.00%	84.00%	84.00%	84.00%	84.00%	84.00%
Expenses						
Marketing & Expenses	\$178,752	\$159,202.00	\$139,662	\$120,102	\$100,552	\$698,260
Travel & Promotion	\$7,038	\$15,384	\$19,004	\$19,954	\$20,951	\$82,331
Liability Insurance	\$1,108	\$2,422	\$2,991	\$3,141	\$3,298	\$12,960
Office	\$3,715	\$8,119	\$10,030	\$10,531	\$11,058	\$43,452
Communications	\$5,539	\$12,108	\$14,957	\$15,704	\$16,490	\$64,798
Legal, Bank & Audit Fees	\$5,800	\$12,677	\$15,660	\$16,443	\$17,266	\$67,847
Salaries	\$104,272	\$227,909	\$281,534	\$295,611	\$310,392	\$1,219,718
Vehicle Expenses	\$2,085	\$4,558	\$5,631	\$5,912	\$6,208	\$24,394
Loan Payments	\$256,667	\$440,000	\$922,951	\$922,951	\$922,951	\$3,465,520
Total Expenses	\$564,977	\$882,379	\$1,412,409	\$1,410,350	\$1,409,165	\$5,679,280
Total Expenses % of Revenue	36.41%	26.02%	33.71%	32.08%	30.51%	31.29%
EBITDA/Profit Before Taxes	\$738,423	\$1,966,481	\$2,106,771	\$2,284,789	\$2,470,731	\$9,567,195
Provision for Taxes	\$191,980	\$511,285	\$547,760	\$594,045	\$642,390	\$2,487,471
Net Income	\$546,433	\$1,455,196	\$1,559,010	\$1,690,744	\$1,828,341	\$7,079,724
Net Income % of Revenue	35.22%	42.91%	37.21%	38.43%	39.58%	39.01%

Leasing Information

First Level Area— sqft	140,000	140,000	140,000	140,000	140,000
First Level Rate- \$/sqft	\$14.00	\$14.70	\$15.44	\$16.21	\$17.02
Second Level Area— sqft	120,000	120,000	120,000	120,000	120,000
Second Level Lease Rate- \$/sqft	\$12.00	\$12.60	\$13.23	\$13.89	\$14.59
Kiosk Area— sqft	40,000	40,000	40,000	40,000	40,000
Kiosk Lease Rate- \$/sqft	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16



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Majix Market Center
EXECUTIVE PROJECT SUMMARY

Majix Place, LLC
5 Year Sources & Uses of Cash
for Majix Market Center @ 9929 Homestead, Houston, Texas

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Totals</u>
Sources						
Investment or Loan	\$8,800,000					\$8,800,000
Revenues/Sales	\$1,551,666	\$3,391,500	\$4,189,500	\$4,398,975	\$4,618,924	\$18,150,565
Total Sources of Cash	\$10,351,666	\$3,391,500	\$4,189,500	\$4,398,975	\$4,618,924	\$26,950,565
Uses						
Management / Leasing Fees	\$248,267	\$542,640	\$670,320	\$703,836	\$739,028	\$2,904,090
Mill Development Costs	\$6,600,000					
Total Expenses	\$664,977	\$882,379	\$1,412,409	\$1,410,350	\$1,409,165	\$5,679,280
Total Uses of Cash	\$7,413,244	\$1,425,019	\$2,082,729	\$2,114,186	\$2,148,192	\$15,183,370
Excess(Shortfall) Cash	\$2,938,423	\$1,966,481	\$2,106,771	\$2,284,789	\$2,470,731	\$11,767,195

Majix Place, LLC
5 Year Free Cash Flows
for Majix Market Center @ 9929 Homestead, Houston, Texas

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Totals</u>
EBITDA/Profit Before Taxes	\$738,422.69	\$1,966,481.32	\$2,106,770.51	\$2,284,789.18	\$2,470,731.29	\$9,567,194.99
Less:						
Taxes	\$191,989.90	\$511,285.14	\$547,760.33	\$594,045.19	\$642,390.14	\$2,487,470.70
After-Tax Free Cash Flows	1669413	\$1,455,196.17	\$1,559,010.18	\$1,690,744.00	\$1,828,341.16	8537752

Majix Place, LLC
5 Year Summary of Operating Results
for Majix Market Center @ 9929 Homestead, Houston, Texas

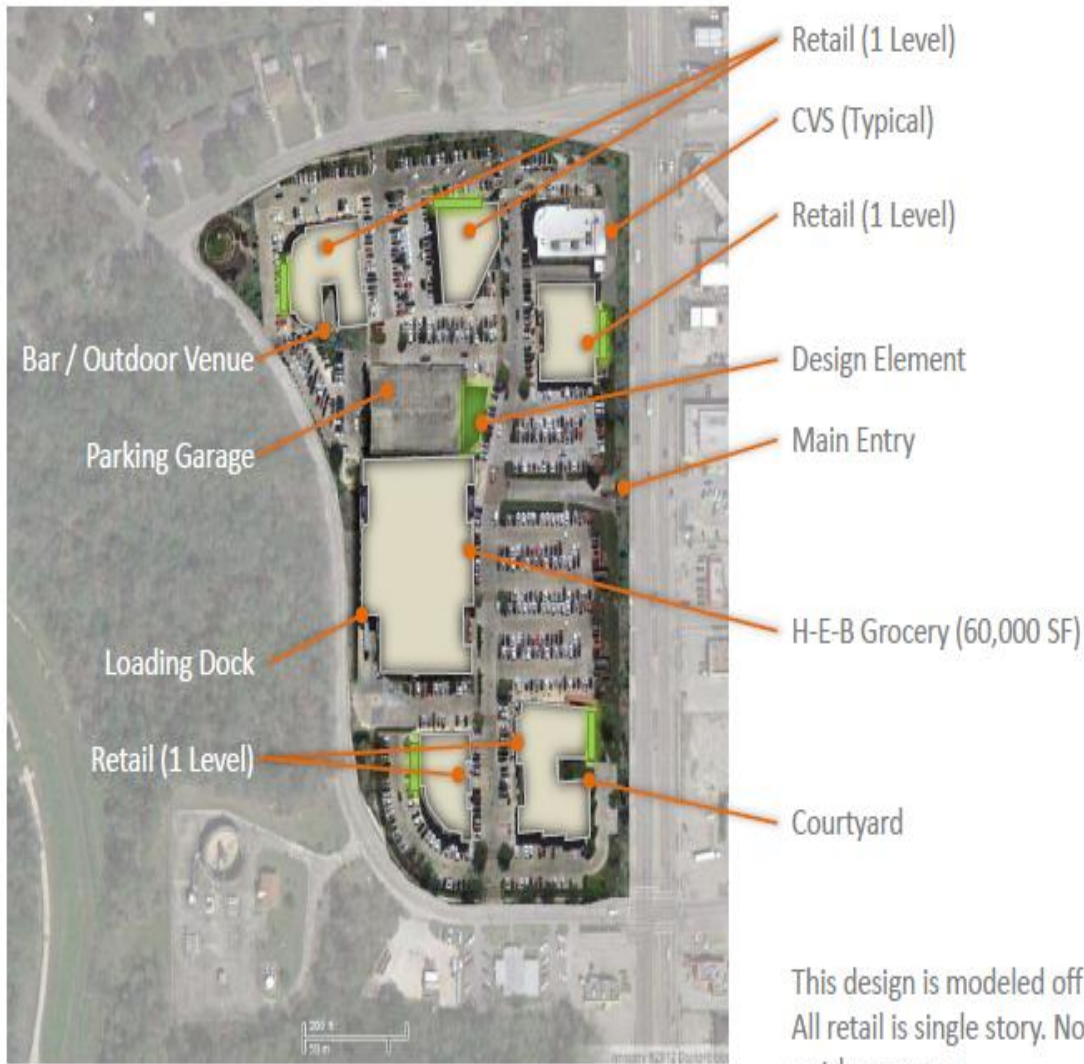
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Totals</u>
Revenues/Sales	\$1,551,666.20	\$3,391,500.00	\$4,189,500.00	\$4,398,975.00	\$4,618,923.75	\$18,150,564.95
Management / Leasing Fees	\$248,266.59	\$542,640.00	\$670,320.00	\$703,836.00	\$739,027.80	\$2,904,090.39
Gross Profit	\$1,303,399.61	\$2,848,860.00	\$3,519,180.00	\$3,695,139.00	\$3,879,895.95	\$15,246,474.56
Gross Profit % of Revenue	84.00%	84.00%	84.00%	84.00%	84.00%	84.00%
Total Expenses	\$664,976.92	\$882,378.68	\$1,412,409.49	\$1,410,349.82	\$1,409,164.66	\$5,679,279.57
EBITDA	\$738,422.69	\$1,966,481.32	\$2,106,770.51	\$2,284,789.18	\$2,470,731.29	\$9,567,194.99
EBITDA % of Revenue	47.59%	57.98%	50.29%	51.94%	53.48%	52.71%



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Scheme C – Uptown Park



Majix Market Center

This design is modeled off Uptown Park.
 All retail is single story. No communal
 outdoor spaces.