



I am pleased to send you this investment summary for 7 units in Inglewood. The price is excellent and there is great potential in the building and the surrounding area.

For your information, per the 2010 U.S. Census, Inglewood had a population of 109,673. The City was incorporated on February 14, 1908. In the last few years Inglewood has shown significant improvements to its infrastructure, enacting new laws to encourage business, along with a modern Library and new Chief of Police. Most noticeable, is the new construction project of the Los Angeles Stadium and Entertainment District, expected to be completed by 2020, the new home of the Los Angeles Rams. These new developments will result in a substantial increase in property values and rent.

Currently the rents are 20-25% below market. The first-year return will be 4% per year including the principle mortgage payment, and by the 3rd year we expect a return of 7-8% per year. Once the building is sold we expect the return to be in double digits.

For your information, there was a one bedroom one bath vacant unit that was rented at \$1050. After fixing it up, they have rented it to qualified tenants for \$1350 who moved in on November 28. That is huge upside of potential rents and all the units are like this. Again, rents are 20-25% below market.

Executive Summary

7-Unit Apartment Building

17 shares of \$50,000 each; minimum investment of one unit or \$50,000

Total Subscription: \$850,000

This Executive Summary does not constitute an offer to sell or a solicitation of an offer to buy any securities of any company. Any offers and sales of securities will only be made through a Subscription Agreement and the materials referred to in that agreement, subject to acceptance by the issuer of those securities.



**500 S Inglewood Ave.,
Inglewood, CA 90301**

LOCATION DESCRIPTION

The areas amenities include Kindred Hospital, UC-Santa Monica, Daniel Freeman Hospital, Hollywood Park Race Track, the Forum; as well as the highly anticipated new Ram's Football Stadium. Additionally, Inglewood's skyline has changed to reflect modern high-rise buildings including City Hall, Civic Center complex, and retail destinations like the Promenade at Howard Hughes, home to a satellite campus of Pepperdine University.

With ease of access to the 405, 105, and 110 freeways and the Los Angeles International Airport, Inglewood is an attractive area for businesses and residents alike.

Inglewood residents hold white and blue-collar jobs. There is a rapidly expanding air freight business along with the Port of Los Angeles which averages 165.1 million metric tons of revenue yearly; securing several thousand full-time and contract employees, not to mention the large educational employers, such as Pepperdine, Loyola Marymount, and Antioch University.

PROPERTY HIGHLIGHTS

500 S Inglewood Ave is a 7-unit apartment complex built in 1964, The building is constructed of a wood frame and stucco with a pitched composition roof system. The unit mix is comprised of (1) 3-bedrooms and 2.5 bathrooms, (3) 2-bedroom, 2-bathroom, and (3) 1-bedrooms, 1-bathrooms units.

Units are separately metered for electricity, and feature refrigerators, dishwashers, stoves, upgraded carpet, and plenty of storage space. Several units have been renovated with dark wood-plank linoleum flooring, granite countertops in the kitchens and bathrooms, and double window panes.

PURCHASE PRICE & JUSTIFICATION

The property is expected to be purchased for \$1,734,000, which we believe is a good value in today's market. The current rent is about 20% below market. In the last 12 months, the rental market has been improving and is expected to continue to improve in the next few years. Our projection is based on 95 % effective occupancy and 36% expenses. With 40% down payment, we believe the investment has the potential to have return on the investment of about 4% per year including principle mortgage payment. Starting twelve months after close of escrow, we expect the return to be 6% (including principle mortgage payment) or more and will continue to grow. Additional value will be created through effective management and increased rent and appreciation.

MANAGEMENT PLAN

We plan to immediately hire an effective management company, spend about \$21,000 on any necessary improvements, improve tenant retention by promptly responding to reasonable tenant demands, aggressively market the vacancies to qualified tenants, and raise the rent to market rate while controlling the costs. **Our primary objective is to preserve the investors' capital and maximize the return on investment.**

As always, the Managers are looking for unique purchase opportunities and will take advantage of the "create value" approach to achieve a substantial profit. The asset plan calls for a holding period of approximately three to seven years. We expect to be able to double or triple our investment by that time.

NOTE: Some of our investors use their IRA and pension accounts to invest in our real estate projects. If you would like more information about using your IRA or pension to invest in this project, please consult with your IRA or pension consultants. We do not provide tax or legal advice.

THE INVESTMENT

The total subscription we seek to raise is \$850,000 which corresponds to 16 shares of LLC membership interests. The minimum investment is one unit of \$50,000. An investment of less than \$50,000 may be allowed at the discretion of the Managers. The \$850,000 raised will be used to fund the down payment, improve the property and create a reserve cash account.

Under the terms of the LLC's operating agreement, the investors will receive 6% preferred return per year from the distributable cash flow, which will be not cumulative. Any additional cash flow above 6% will be split, 75% to the investors and 25% to the Managers.

The investors will receive 100% of their capital from refinance or sale of the property. Thereafter, any additional distribution profits that remain will be divided as follows:

- 75 % to the investor Members
- 25 % to the Managers Members

The Managers are expected to invest at least \$100,000 along with the other investors.

Dynamics Capital Group will receive one percent of the Gross Collected Income to oversee the property management company's work and make suggestions on how to get the most effective results.

In addition, the independent property management company which is not related or affiliated with Karim Jaude will receive maximum 6% of the gross collected income.

ANTICIPATED BENEFITS TO THE INVESTOR

- Capital Preservation: We believe that the competitive purchase price for the property, the potential to create value, and the potential of the rental market in Inglewood all make this a highly attractive investment.
- Positive Cash Flow: After we stabilize the tenancy within six months, we project quarterly cash distributions to the investors by next year of at least 5% and to increase throughout the following years of the investment.
- Passive Involvement: The Members will not have to worry about management hassles and will have no liability beyond their investment.
- Experienced Management: The Managers will be personally overseeing both the property and the property management company.

INVESTMENT ANALYSIS

#Units	Unit Type	Rent/Unit	Monthly Rent
3	1 bed 1 bath	\$1165	\$3495
3	2 bed 2 bath	\$1361	\$4085
1	3 bed 2.5 bath	\$2395	\$2395
Other income			
Total/Average 7			\$9975

Property Information		
Address	500 Inglewood Ave. Inglewood CA 90301	
Area Type: A,B,C or D	C+	
Type of Property: Apartment, Industrial, Shopping Center...	Apartment	
# of Units	7	
Price per Unit	\$247,714.29	
Parking	7 tuck parking	
Unit Mix	1(3/2.5) 3(2/2) 3(1/1)	
Year Built	1964	
Lot Size	10,012	
Rentable Sq. ft.	7,726	
Price per rentable Sq. ft.	\$224.44	
Purchase Price	\$ 1,734,000.00	
Down Payment	\$ 693,600.00	40%
Mortgage/loan	\$ 1,040,400.00	
Interest Rate	4.10%	
Loan to Value	60.0%	
Annual Rent/Income	\$119,700	
Possible other Incomes (laundry, etc...)	\$0	
Gross Potential Income	\$119,700	
Vacancy	\$5,985	5%
Effective Gross Income	\$113,715	
Fix Operating Expenses	\$40,937.40	36%
Variable Expenses	\$0	
Total Expenses including reserve	\$40,937	
Net Operating Income	\$72,778	
Monthly loan payment	\$5,027	12
Debt Service	\$60,326	
Cash Flow	\$12,451	
Capital improvements and reserve and closing cost	\$156,400.00	
Money Raised	\$ 850,000.00	
Principle payment fist year	\$19,462.00	
Percentage Cash on Cash including principle reduction.	3.75%	
Cap Rate	4.20%	
Percentage Cash on Cash/ Down Payment	1.80%	
Percentage Cash on Cash/ Money Raised	1.46%	