

I am pleased to send you this investment summary for 12 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 & Entertainment District at Hollywood Park , expected to be completed by 2020 and the new home of the Los Angeles Rams and Chargers. These new developments will bring substantial increase in property values and rent.

Currently the rents are 10% below market. The first-year return will be about 4% per year including the principle mortgage payment. Once the building is sold we expect the return to be in double digits.

Executive summary

12-Unit Apartment Building

15 shares of \$100,000 each; minimum investment of one unit or \$100,000
Total Subscription: \$1,500,000

An investment of less than \$100,000 may be allowed at the discretion of the Managers.

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.



533 Evergreen Street,

Inglewood, CA 90302

LOCATION DESCRIPTION

Inglewood is poised to become the next 'it' market in Los Angeles. Ever since the Hollywood Park development, which will house the Los Angeles Rams and the Chargers, investors have been looking to break into the market.

Harridge Development Group has purchased an 18-acre land site with plans to build a master planned community of for-sale, detached condominiums. The project will include a 300-key hotel, 3,000 residential units, stores and restaurants, with 25 acres set aside for parks. This is the beginning of what will likely morph into a Play Vista-type market.

“I really see this market as being almost like the next Playa Vista and having that kind of impact on the area. The city of Inglewood is a changing city and it's going through a huge revitalization. I believe that we are getting in on the ground floor of something that is only going to be going up” said David Schwartzman, CEO of Harridge.

In addition, 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, as well as high tech and small businesses startup which the city is trying to support and encourage. not to mention the large educational employers, such as Pepperdine, Loyola Marymount, and Antioch University.

PROPERTY HIGHLIGHTS

533 Evergreen St. is a 12-unit apartment complex plus one non – conforming studio built in 1969, The building is constructed of wood frame and stucco with a pitched composition roof system. The unit mix is comprised of (7) large 2-bedrooms, 2-bathrooms, (5) large 1-bedroom and 1 bathroom.

All units are separately metered for electricity, and feature refrigerators, dishwashers, stoves, upgraded carpet, and plenty of storage space.

PURCHASE PRICE & JUSTIFICATION

The property is expected to be purchased for \$3,275,000, which we believe is an excellent value in today's market. The current rent is about 10% below market. In the last few years, 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 37% expenses. With the purchase price of 4.2% CAP and 37% down payment, we believe the investment has the potential to produce distributable cashflow starting second year.

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 \$100,000 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 \$1,500,000 which corresponds to 15 shares of LLC membership interests. The minimum investment is one unit of \$100,000. **An investment of less than \$100,000 may be allowed at the discretion of the Managers.** The \$1,500,000 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 5% 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 twelve months, we project quarterly cash distributions to the investors by next year of 4-5% 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

Property Information		
Address	533 evergreen st. Inglewood CA 90302	
Area Type: A,B,C or D	B	
Type of Property: Apartment, Industrial, Shopping Center...	Apartment	
# of Units	12	
Price per Unit	\$272,916.67	
Parking	Garage	
Unit Mix	7 (2bds,2bths) - 5 (1bd,1bth)	
Year Built	1969	
Lot Size	0.28 ac	
Rentable Sq. ft.	12,994	
Price per rentable Sq. ft.	\$252.04	
Asking Price	\$ 3,570,000.00	
Purchase Price	\$ 3,275,000.00	
Down Payment	\$ 1,310,000.00	40%
Mortgage	\$ 1,965,000.00	
Interest Rate	4.25%	
Loan to Value	60.0%	
Gross rent/Income	\$230,340	
Vacancy	\$11,517	5%
Effective Gross Income	\$218,823	
Total Expenses	\$80,964.51	37%
Net Operating Income	\$137,858	
Annual Debt service	\$115,999	12
Cash Flow	\$21,859	
Capital improvements, closing cost and reserve.	\$190,000	
Money Raised	\$ 1,500,000.00	
Principle payment fist year	\$34,784.00	
Cap Rate	4.21%	