



Property Management of LV, LLC
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The following document is a summary document to outline the advantages of the residential (condominium and home) pricing anomalies in the Las Vegas market

EXECUTIVE OVERVIEW

Property Management of LV, LLC (“PMLV”) has developed a LLP Fund Opportunity for the purpose of buying undervalued bank owned residential properties at auction or in bulk from mortgage lenders and Fanny-Mae direct for properties in the Clark county Las Vegas market. By investing initially \$10 million, which will be leveraged for an addition \$5 million in purchasing power in 6-9 months, this allows for the acquisition and management of a diverse range of properties i.e. houses, condo and 2 to 6 plexes.

PMLV is in a position to acquire bank tapes prepared by clearing compilers for bank, get inventory tapes direct from Fanny Mae and have inside acquisition personnel at the court actions. We can start closing within 10 days from the date capital is commitment. In this way, PMLV can offer and close on transactions in days whereas most competition would take weeks or months to perform and forgo capitalizing on distressed or bank owned opportunities. This is a vehicle that provides for the safety and securing of real estate investing but without the day-to-day headaches. All real estate will be held in the LLP Fund name. PMLV will act as the A Managing Partner and exclusive Agent for the Fund, and will purchase, lease, maintain and sell the underlying properties. The purchase price will be around 20 to 30% below current market value obtained by either bulk purchase or court auction.

Given the unusual relationship between rentals and purchase prices at work in the Las Vegas market, the pool should return a IRR well north of 23% to the Investor without taking any significant equity risk. **The buy hold investments will cash flow at 15% to 25% positive.** Should the market return to the 2004-6 levels of appreciation, after the current period of correction, the returns on the sale of the asset will be much higher.

The buy and flip investment properties are now averaging 60 to 75 day on the market and are showing a 25% to 75% return on investment.

There continues to be growth in the Las Vegas population, mainly at the blue collar and mid level. The rental market continues to be strong although at a reduced rental rate. we consider the ratio of rentals to purchase prices will continue to be favorable for at least the next 18-24 months. Properties today are being acquired at 30-50% of original cost and 10 to 40 % below replacement cost.

FUND STRATEGY

Once a commitment is in place for the LLP Fund, it will commence purchase activity, which will start within 10 to 20 days. Criterion are set based upon desired cash flow return metrics and combined hold parameters based on 60 years of combined operational, logistical, geographic, product and financial knowledge of our team. We seek properties in all areas based on our teams

experience of leasing and selling over the last 9 years in the Las Vegas area. All assets are marked and tracked based upon return and appreciation criteria and will be compared to weekly, monthly and other statistical measures to ensure optimal return value. We will buy and hold for cash flow or buy and flip when properties meet our short term optimal return matrix. In terms of exit strategy on the buy and hold properties the following is our strategy:

1. Sale to another institutional investor
2. Sale of individual properties (part of PMLV's every day business) to the general public
3. Sale on a pool basis or sell to a TIC, as appropriate.

PMLV CONTRIBUTION

Property Management of LV and its two subsidiaries are dedicated to superior service, quality products and projects. Our efforts range from apartment rental activity, property management and standard buy/sell real estate transactions in addition to paragraph two above. However, our critical operation is that of being the largest apartment/home rental and relocating service in Southern Nevada. This component is key to the value of our proposition for the buy and hold investments. PMLV has better intelligence on the condominium/housing market in Las Vegas than most due to our position as an end user service provider. In operating the largest apartment/condominium/home rental and relocation service in Southern Nevada we have the insight and ability to rent properties in the fastest possible situation. Our clientele includes: Clark County School District, Station Casinos, Nellis Air Force Base, Ford Motor Credit, Four Seasons Hotel, Wynn Hotel, UNLV, Hilton Grand Vacations, Perini Building Co, a number of medical facilities, staffing agencies and many other companies. We will rent approximately 400 apartment/homes this year and have a growth rate of 15% per year.

SALES OF THE BUY AND HOLD AS WELL AS THE BUY AND FLIP

PMLV through its partners and relationship with the above organizations, as well as being able to post listings on the Realtors multiple listing services, our relationship with other brokerages, list and send direct to agents and buyers via email, are able to turn sales in 60 to 75 days.

SELECTION CRITERIA

We expect to acquire only those properties that meet our risk reward economic profiles for a solid return. Our risk appetite is for properties that have:

1. A high potential for upside short term return (buy & flip) or high cash on cash rental return with high appreciation possibilities (buy & hold).
2. Are **considered 15 - 25% + below present market value**.
3. Avoid those units that need excessive "turnaround" work to make viable.
4. Demographics – monitor locations, and microeconomic trends of the greater Las Vegas market

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5. Schools – over expose the Fund to areas that have schools with good histories and track records
 6. Growth patterns – concentrate in areas that have a potential for an upward trend
 7. Crime and social issues – closely monitor events and trends and avoid those locations that will limit rentals and sales potential
 8. City and location diversification – never have more than 15% exposure into any one situation.

LIQUIDATION/EXIT

At 3 ½ to 5 years the Investor will be:

1. Returned 100% of the investor’s initial investment at the termination of the LLP Fund.
2. During the term of the LLP Fund the investor will receive a preferred return of 15% of his vested percentage in the net rentals paid monthly and net flip sales paid quarterly.
3. Returns above this net of expenses would be divided between the Investors group and PMLV on a 50/50 basis.
4. The total expected gross return to investor after split with PMLV will be approximately 65%.(15% plus 50%). Given the strong demand for such property from new workers coming in, and the lack of new supply, we feel that these rates are very conservative.
4. If there are no returns above the preferred return, PMLV receives no upside compensation. **Our goal is to make you as much money as possible there-by improving our own position.**

TSC SERVICES

There will be no additional management fee charged to manage the LLP Fund as PMLV is being compensated for its out-of-pocket expenses and commissions along the way given the acquisitions and management aspects. Our goal is to be an upside participant on the back end of the Fund.

PMLV will be under an exclusive agency agreement to buy, rent, manage, maintain and sell the assets of the LLC Fund.

All property will be tracked individually by electronic database stipulating location, rental history, present renter, due date of leases and other active criterion. This is an active monitoring process for the **buy and hold rental properties** but will be cross referenced to data received by the investment/divestiture team (PMLV) on the optimal time to liquidate these asset within the portfolio. The majority of the day to day responsibility will be held by PMLV individuals to ensure that we have “speed” to react to buying and selling opportunities.

INVESTOR ACCOUNTING

Each investor will receive a monthly statement along with a money transfer to that investors account for the buy and hold properties and an accounting and money transfer on the buy and flip each quarter.

Any investor is welcome to come to our office or to go to the action with our representative with a days notice. Our office is open M-F 8:30 to 5:00 and the auctions runs from 8:00 till noon depending on volume. The only **rule** is when at the action you are not allowed to interfere with our bidding representative. It's a fast pase situation and any interference can cause us to miss a property or over bid.

We look forward to your participation.

Stephen Antuna

CEO

These are pro forma projections that estimate a possible financial result based on certain assumptions. Some of these assumptions inevitably will not materialize and unanticipated events and circumstances may occur that invalidate previous assumptions. Therefore, you should understand that our actual results could vary significantly from those reflected in this document. Real estate is a speculative investment subject to market forces, political movements, interest rate changes, loan qualifications, employment factors and consumer confidence, among other things. Any documents, pro formas, and/or projections provided or discussed are for illustration purposes only and are not a solicitation of offer to purchase or sell.