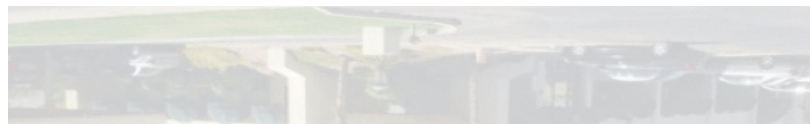


# STRATEGIC REAL ESTATE INVESTMENTS

**ACG**  
**Anaconda Capital Group** LLC



[ACG-INVEST.COM](http://ACG-INVEST.COM)

## INVESTMENT PHILOSOPHY

PATIENT, LONG-TERM INVESTMENT VISION

# ANACONDA INVESTING

Anacondas are one of the world's deadliest, most efficient predators. Anacondas don't waste time or energy chasing prey. They don't get into long drawn out battles. In fact, they don't hunt in a traditional sense at all.

Instead, Anacondas lie in wait for long periods of time. They wait for unsuspecting prey to pass by, and only then do they strike. Anacondas are not interested a fair fight; Anacondas are interested in sure things. They are nature's "no risk" operators.

Anaconda Investing is all about patience... developing the patience to hold cash and savings and sit tight until the ideal opportunity presents itself... an opportunity where the odds are overwhelmingly stacked in our favor.

Patient, long-term investment vision. The team at Anaconda Capital does not seek high-risk high-reward investments; we acquire high quality, long-term assets at values that represent a discount in today's market.

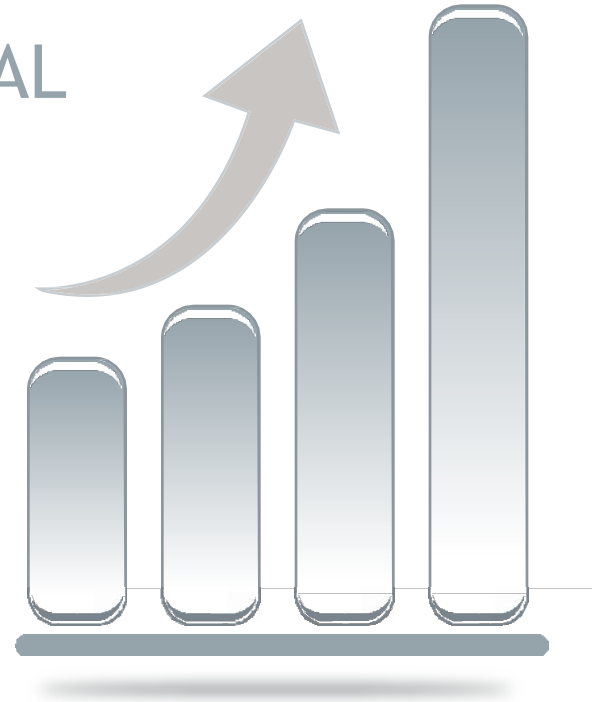


## OPPORTUNITY AND STRATEGY

# CURRENT COMMERCIAL MARKET SUMMARY

With a market bottom formed in mid-2010, the multi-family market saw two years of extensive foreclosure and divestment from banks, developers, and “underwater” property owners. The initial entrants into the markets were all-cash buyers who obtained severely distressed properties at rock bottom prices. Over the past year, signs of an uptrend in both rental rates coupled with the re-introduction of attractive financing alternatives have given the market some upward momentum.

With a typical “bottom time” of 3 - 5 years, and a “trough to peak” cycle of 14-18 years, the Phoenix commercial real estate markets are only now emerging and appear primed for an extended period of explosive growth.



## EFFICIENCIES IN MID-MARKET



- Higher operating margins versus larger institutional properties
- Decreased competition; too small for institutional buyers, too large for mom and pop buyers
- Increased operating expense control
- Better flexibility in rental rates
- Better potential for capital appreciation

## EXECUTIVE SUMMARY

### TARGETED INVESTMENTS

#### A. Initial Target Asset Class

- Mid-Market Multi Family, Office, Industrial, Retail and Hospitality
- Class B+ to C+
- Moderate deferred maintenance
- Aged 1980's or newer - older subject to review
- High visibility location
- Bank owned, short sale, foreclosed, or under-performing properties in quality areas
- Purchase for cash, or approved financing up to 70% LTV

#### B. Primary Target Market

- Arizona Growth Markets; Phoenix, Tucson, Flagstaff
- Puerto Penasco, "Rocky Point" Mexico

## EXECUTIVE SUMMARY

### PARTNERSHIP PLAN AND STRUCTURE

#### A. Investment Opportunity

- Acquire semi-distressed properties, in the high growth markets within Arizona, and Northern Mexico
- Goal is to reposition, and operate for a period of two to four years
- Achieve income through operations sufficient to operate the property and make quarterly distributions
- When advantageous, and in no event longer than the four year hold period, management will maximize the return by exiting the position via sale, refinance, or exchange

## EXECUTIVE SUMMARY

### II. PARTNERSHIP PLAN AND STRUCTURE *(continued)*

#### B. Investment Vehicle

- Each property will be titled to a separate Arizona LLLP
- General Partner, Anaconda Capital Group, LLC
- Legal Council: Gene Kadish  
1701 South Mill Ave., #102  
Tempe, AZ 85281  
480-967-2688
- Accounting Council: Vincent Murietta, CPA  
20819 North Cave Creek Rd., #101  
Phoenix, AZ 85024  
602-241-3306

## EXECUTIVE SUMMARY

### II. PARTNERSHIP PLAN AND STRUCTURE *(continued)*

#### C. Capitalization of Acquisitions

- \$500,000 - \$5,000,000 typical acquisition range
- 30% - 40% Equity
- 60% - 70% Financing - 3<sup>rd</sup> Party
- \$10,000 minimum investment
- Accredited and non accredited investors



## EXECUTIVE SUMMARY

### II. PARTNERSHIP PLAN AND STRUCTURE *(continued)*

#### D. Holding Period, Distributions, and Profit Sharing

- Two to five year holding period
- Quarterly distributions to investors, beginning 6 months from initial acquisition
- Preferred return to investors is 6% year one, 7% years two and three, and 8% years four
- Profits from sale shall be split 60% to the investors and 40% to management, based on pro-rata share of total investment
- At disposition, Investors shall realize a minimum annualized return of 12% prior to any profit split to manager

## THE MANAGEMENT TEAM



Jeffery Hanrath  
President, DB,  
& Managing Member

Originally from Kenosha Wisconsin, Mr. Hanrath has been a resident of Phoenix Arizona since 1987. After a 4 year duty in the United States Marine Corps, Mr. Hanrath attended Arizona State University, where he earned a Bachelor of Science degree in Finance and Real Estate. Over the last 20+ years Mr. Hanrath put his real estate background to good use with several Investment (later Valley Income Properties, Inc.) in 1993. In a real estate career that began in 1988, Mr. Hanrath has extensive hands on experience in the brokerage, management, acquisition, disposition, syndication, and development of commercial real estate.



David Gedemer  
Vice President, CFO

Dave comes to Valley Income Properties with over 15 years experience in project management and process improvement in logistics, information technology and finance. Dave's expertise centers on cost reduction and containment as well as the improvement of work processes. Dave has a Bachelors degree in finance and economics from The University of Wisconsin Madison; an International Business Certificate from Ealing College of Higher Education in London; as well as his MBA from Northern Arizona University where he graduated with honors. Dave is a longstanding member of The Honor Society of Phi Kappa Phi; the nation's oldest, largest, and most selective all-discipline honor society.



Michael Calkins  
Vice President, COO

A native born Arizonan, Mike is a graduate of Arizona State University where he earned a Bachelor of Science degree in Business Marketing. Mike has been an active member of the metro Phoenix in real estate industry for over 17 years, with extensive hands on experience in the Multi Family segment including acquisitions, dispositions, syndication, rehabilitation, and management. As a multi family investor and developer himself, Mike brings an owners perspective to his management style, paying special attention to the stabilization, marketing, and continuing cost control of all portfolio properties.

## WHY ANACONDA CAPITAL

The Management Team of Anaconda Capital utilizes its depth, experience and industry expertise to offer investors a competitive advantage in the Metro Phoenix market.

### 1. Comprehensive Real Estate Background

- Brokerage & Acquisition
- Rehab & Redevelopment
- Entitlement & Planning
- Commercial & Residential Experience
- Key decisions through Internal analysis
- Accurate, thorough due diligence minimizing risk

### 2. Preferred Deal Flow / Early Access

- Generational relationships
- Brokerage associations
- Developer knowledge
- Lender access
- Long term market presence
- Inside track

### 3. Evolving Future Deal Flow

- Management team focused on changing marketplace
- Future funds to concentrate on opportunistic market plays
- Commercial projects; Apartments / Office / Industrial / Retail

### 4. Patient, Long Term Investment Vision

- The team at Anaconda Investments does not seek high-risk high-reward investments; we acquire high quality, long term assets at values that represent a discount in today's market

## THE MANAGEMENT TEAM

# KEY DIFFERENTIATORS



### EXPERIENCE

The Investment Fund will be run by a management team with a combined 45+ years experience and expertise in the brokerage, acquisition management, and repositioning of income properties. The Team currently manages over \$50+ million in real estate assets in the metro Phoenix market, in various stages of development, and is actively seeking new opportunities.



### EXPOSURE

The Management Team is well recognized within the industry and is currently engaged with all major brokerage firms in analyzing Pre-REO and REO bank assets and portfolios prior to them being made publicly available. These long-standing relationships, along with other established contacts in the brokerage, banking, and development industries ensure preferential deal flow.



### HANDS-ON MANAGEMENT

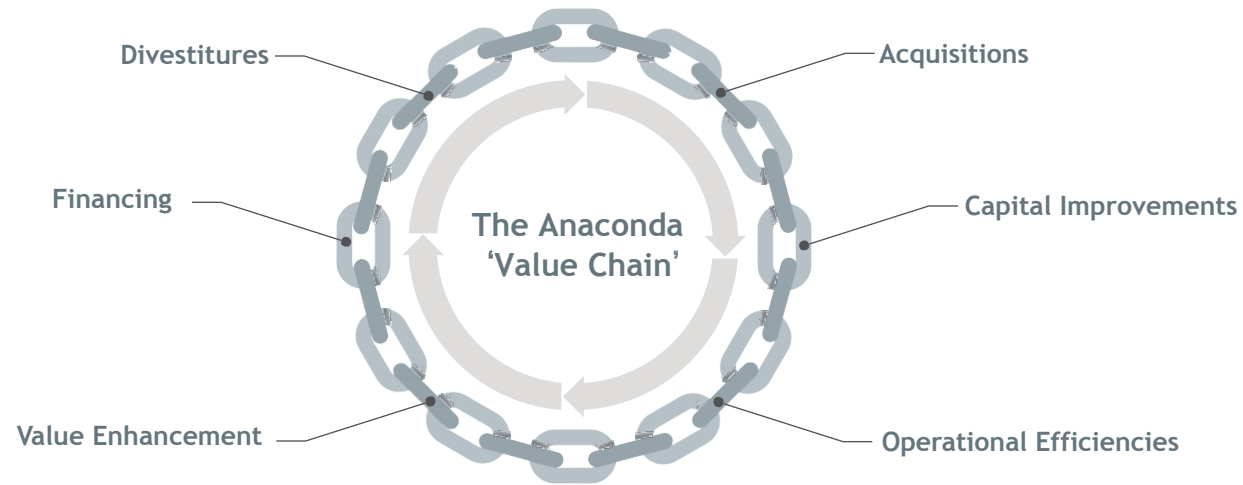
Management of the properties will not be delegated to a third party property management company; all property management duties will be handled in house through our sister company Valley Income Properties, Inc. With a vested ownership interest in the Fund, in house management ensures top priority is given to all property needs; and at a discounted cost to the properties, increasing the bottom line.



### EXPERT UNDERWRITING

With 45+ years experience, the management team's ability to accurately identify and underwrite potential properties allows less dependence on third party input and ensures a higher degree of success. The management team will target significantly discounted real estate assets being divested by financial institutions, investors and developers, which offer superior stabilized yields, and excellent long term capital appreciation.

## THE ENGINE BEHIND OUR VALUE CREATION



### Acquisitions

Identify under-performing properties at prices well below replacement costs.

### Capital Improvements

Increase the asset value by renovating lagging maintenance issues.

### Operational Efficiencies

Minimize operating costs through professional in-house management, efficient budgeting, and consistent analysis of maintenance expense.

### Value Enhancement

Reposition renovated properties in the market, and maintain loyalty through high levels of service.

### Financing

Maintain a sound capital structure, and refinance when and if strategically feasible.

### Divestitures

Sell mature real estate properties to redirect capital into newer, higher potential properties.

## OPERATING EFFICIENCIES

### Expense Reduction

- A. Anaconda's aggressive renovation program addresses both exterior quality and appeal (landscape, monument signage, asphalt, pool and rec areas, laundry and mail facilities) but also targets the large "capital" items that often place a drag on yield, such as:
- Roofs, air conditioners, hot water tanks, entry doors, leaky plumbing fixtures, deficient appliances, deficient window glass and frames, flooring (tile wherever possible)
- B. Ability to Achieve Economies of scale by grouping site management, maintenance services, and landscape and pool services with sister properties within the management structure.
- C. In-house Property Management. Unlike most fund operators, the management team at Anaconda has decades of experience in the operation of income properties, and will directly manage all properties internally through its management arm, Valley Income Properties. Management has a vested interest in the success of our properties.
- D. Financial Reporting is internalized and "real time" for up to the minute evaluation of all properties.

## COMPETITIVE ADVANTAGE

- every increase in revenue or reduction in expense, through competitive advantage, goes straight to the bottom line

**SAMPLE OF OUR PREVIOUS SUCCESSES**  
**OUR PROJECTS**

Our Track Record  
Partial List

Name	Type	Investment	Total Return	Annual Return
Villa Angela	Apts	\$1,150,000	151%	35.7%
Holiday Park	Apts	\$ 800,000	83.3%	41.6%
Goldcrest	Apts	\$1,100,000	36%	36.0%
Roosevelt	Apts	\$ 560,000	75%	25%
Martel	Apts	\$1,100,000	160%	52.8%
The Gardens	Apts	\$ 560,000	158%	31.6%
Yucca	Apts	\$ 550,000	200%	46.5%
Kiem	Apts	\$ 750,000	228%	35.6%
Devonshire	Apts	\$ 585,000	125%	25.0%
Glendale Gardens	Apts	\$1,080,000	100%	25.0%
50th & Chandler	Land	\$1,200,000	100%	100.0%
Alliston	Land	\$2,500,000	400%	200.0%
Mesa Grande	Office	\$ 450,000	75%	25.0%

# ANACONDA INVESTING

PATIENT, LONG-TERM INVESTMENT VISION  
COMPETITIVE ADVANTAGES  
PROVEN RESULTS



A SMART PLAY  
FOR YOUR  
PORTFOLIO

For More Information Please Contact:

**Jeffery E. Hanrath**

President, DB. & Managing Member

**(480) 861-5350**

[jeff@valleyincome.com](mailto:jeff@valleyincome.com)