

BUENA VISTA PALMS APARTMENTS



ACG
Anaconda Capital Group LLC

PRELIMINARY OFFERING SUMMARY

A DISTRESSED / VALUE-ADD MULTI-FAMILY INVESTMENT

OFFER SUMMARY

Dear Investor,

Anaconda Capital Group, working in conjunction with Valley Income Properties, Inc., is very pleased to present The PRELIMINARY INVESTMENT SUMMARY for the Buena Vista Apartments, a distressed, value-add Multi-Family real estate opportunity in a premier neighborhood in East Central Phoenix, just blocks from Arcadia, Biltmore, and downtown Phoenix. This offering presents a very unique opportunity to acquire a very well located, mid-cap multi-family property, with substantial value-add upside. The property will be acquired through a combination of private financing and partnership equity sufficient for both acquisition and remodeling budgets.

The purchase consists of 23 apartment units known currently as the Buena Vista apartments. The property, which is being acquired for only \$88.06 per square foot, or \$56,956 per unit, and will see a full and extensive remodel of both interior and exterior, all mechanicals, and a rebranding of the community. Sales potential at completion should approach \$2,250,000.

Please note that this is a PRELIMINARY snapshot of the investment, is intended to allow potential partners to get out front of the deal, and is subject to modifications prior to the final offering.

We appreciate the opportunity to put forth our vision for this property, and welcome any questions or comments you may have. Please call or email at your leisure.

Sincerely,

Jeffery E. Hanrath

Member, Anaconda Capital Group, LLC

1-480-861-5350

jeff@acg-invest.com

INVESTMENT SUMMARY

INVESTMENT SUMMARY

Equity At Acquisition		Per Door
Purchase Price	\$1,310,000	\$56,957
Remodel Costs	\$402,500	\$17,500
Total Acquisition Plus Remodel	\$1,712,500	\$74,457
Loan Amount	70%	\$1,198,750
Equity Balance at Acquisition		\$513,750
Legal Fees		\$5,000
Loan Fee	2%	\$23,975
Closing Costs	0.75%	\$9,825
TOTAL ACQUISITION EQUITY AT CLOSE OF ESCROW		\$552,550

OTHER COSTS		
Est Rental Income over hold		-\$138,000
Less Interest Reserve		\$129,783
Additional Operational Contingency		\$47,500
Misc Costs		\$5,000
Total other Costs		\$44,283
TOTAL EQUITY REQUIRED		\$596,833

PROFIT DETAILS		
PROFIT UPON SALE		
SALE PRICE	\$2,250,000	\$97,826
LOAN REPAYMENT	-\$1,198,750	
RETURN OF INVESTOR CAPITAL	-\$596,833	
FEEES AT DISPOSITION	2%	-\$45,000
CLOSING COSTS	0.75%	-\$16,875
BROKER FEES	4%	\$90,000
GROSS PROJECT PROFIT		\$302,542



PROJECTED RETURNS



Investors are to receive a preferred rate of 7.0% annual, paid quarterly from operating income and/or reserves, with initial payment commencing 6 months from acquisition date.

Expected sales value at completion is expected to be \$2,250,000.

DESCRIPTION	ITEM
Total Investor Equity	\$596,833
Expected Total <i>Net</i> Profits from Sale	\$2,143,125
Less Acquisition, Redec, and Carrying Costs	(\$1,795,583)
Total Profits After Sale	\$347,500
Less Disposition Fee 2%	\$45,000
Net Profits Prior to Profit Splits	\$302,500
Investor Share of Profits (60%)	\$181,500
Plus Preferred Interest Rate (7%)	\$42,875
Total Return on Investment	37.41%
Annualized Return on Investment (13 months)	34.53%

INVESTMENT HIGHLIGHTS

PROPERTY HIGHLIGHTS

Property Type & Size	Mid Cap Multi Family, 23 Units
Location	3221 N. 32 nd Street, Phoenix, Arizona
Year Built / Age	1970, Apx. 46 Years
Unit Mix	(4) 2 Bed 1 Bath and (19) 1 Bed 1 Bath
Current Occupancy	± 73.9%
Construction	One and Two Level, Block Construction
Roofs	Pitched Asphalt Shingle
HVAC	Separate Rooftop Package HVAC Units
Utilities	All Separate Except Water and Sewer
Type	Garden Style, with Private Courtyard, Covered Parking, On-Site Laundry and Private Storage
Electrical Wiring	Copper
Plumbing	Copper

INVESTOR HIGHLIGHTS

Current Market Value / Purchase Price	Listed Price \$1,460,000, Purchase Price \$1,310,000
Remodel and Carrying Costs	\$402,500 or \$17,500 per Unit
Estimated "As Repaired" Value	\$2,250,000
Proposed Financing	± 70% Acquisition 70% Remodeling, Private Financing
Total Equity Raise	\$596,833
Remodel Plan	Full Exterior and Interior Remodel - Full Re-branding
Estimated Time to Completion	13 Months
Investor Split	60% of Net Profits
Preferred Rate to Investors	7.0%, 1 st Payment 6 Months from COE, Quarterly Thereafter
General Partner Acquisition Fee / Management Fee	\$0.00 / \$0.00
General Partner Disposition Fee	2.0% of Sales Price
Investor Return	34.53% Annual Return over 13 Month Term

TRANSACTION STRUCTURE

Ownership Structure	Arizona LLLP (Limited Liability Limited Partnership)
Expected Entity Name	ACG - Buena Vista, LLLP Subject to Attorney Review and Input
General Partner	Anaconda Capital Group, LLC
Limited Partners	Individual Investors
Legal Council	Gene Kadish, Tempe, AZ
Accounting Council	Vincent Murietta, Phoenix, AZ
Expected Term of Hold	13 Months
Preferred Return to Investors	7% Annual, Paid Quarterly
Hurdle Rate to Investors	Investors to Receive a Minimum Return of 7% Prior to Distribution of Profits
Profit Split	40% to Management, 60% to Investors, AFTER 7% HURDLE RATE TO INVESTORS



STABILIZED BUDGET

ITEM	MONTHLY	ANNUAL	COMMENTS
INCOME			
Rents			
Rental Income	\$17,875.00	\$214,500.00	
RUBS	\$480.00	\$5,760.00	
Rental Tax	\$369.00	\$4,428.00	
Misc Income	\$383.00	\$4,596.00	
Pet Rental Income	\$100.00	\$1,200.00	
Total Rents	\$19,207.00	\$230,484.00	
Concessions	\$400.00	\$4,800.00	Site Manager - Duties per separate agreement
Loss/Gain to Market	\$-	\$-	
Vacancy - Physical	\$1,072.50	\$12,870.00	6.00%
Vacancy - Financial	\$384.14	\$4,609.68	2.00%
	\$1,856.64	\$22,279.68	
Net Income	\$17,350.36	\$208,204.32	
EXPENSES			
Administrative Expenses	\$100.00	\$1,200.00	
Advertising & Promotion	\$75.00	\$900.00	
Contracting Expenses	\$325.00	\$3,900.00	
Maintenance Expenses	\$350.00	\$4,200.00	
Management - Offsite	\$725.00	\$8,700.00	
Redecorating Expenses	\$200.00	\$2,400.00	
Real Estate Tax & Insurance	\$1,100.00	\$13,200.00	
Salary Expenses	\$1,400.00	\$16,800.00	
Utility Expenses	\$1,775.00	\$21,300.00	
Total Operating Expenses	\$6,050.00	\$72,600.00	
Net Operating Income	\$11,300.36	\$135,604.32	

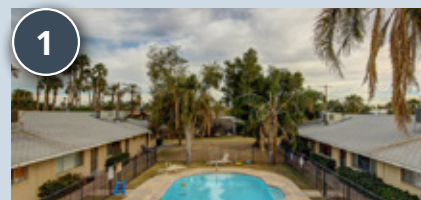
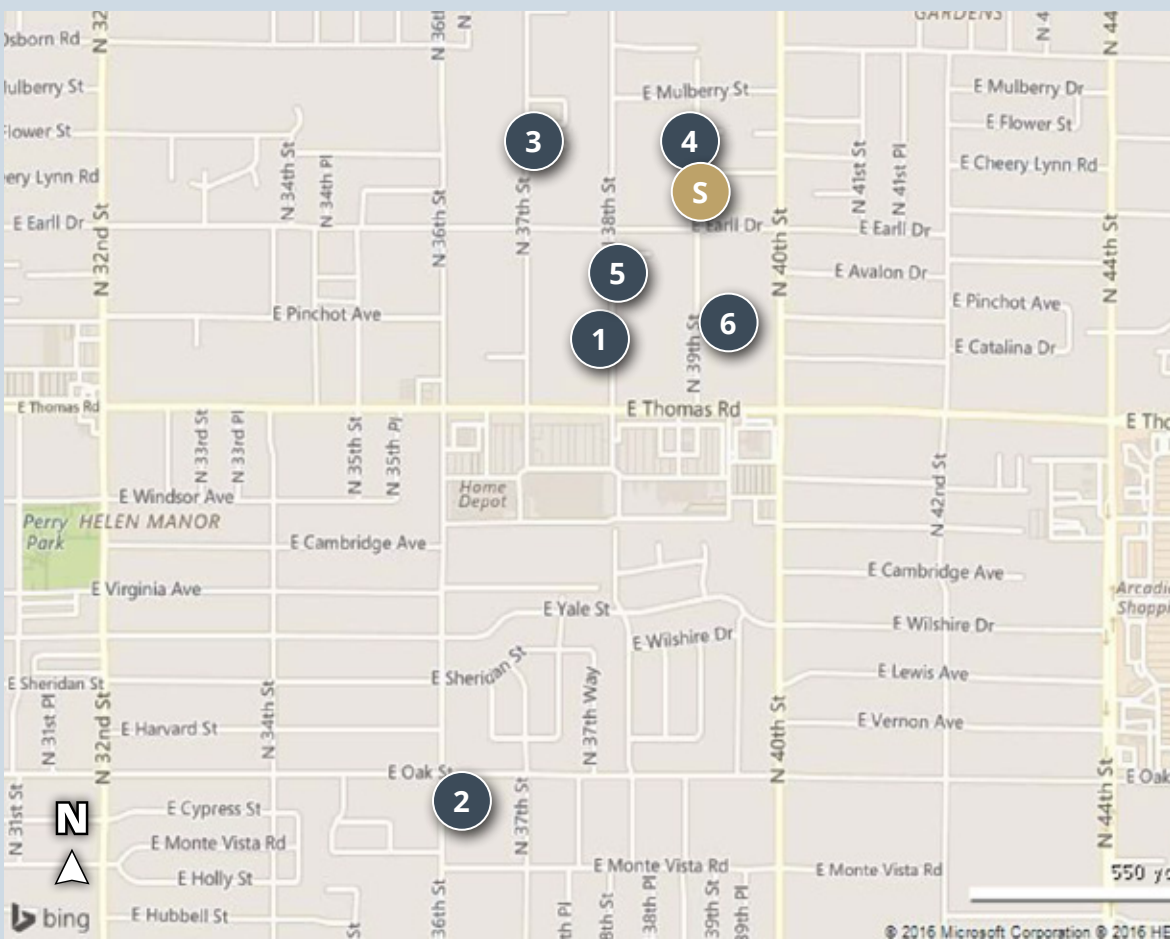
OPERATING EXPENSES PER UNIT	\$3,156.52
OPERATING EXPENSES PER SF	\$4.88
OPERATING EXP % OR GROSS RENTS	31.50%

UNIT MIX AND RENTAL RATES	#	SQ FT	RENT	RENT/SF	RUBS	TOTAL
1 Bed 1 Bath - Upper - Small	5	585	\$695.00	\$1.19	\$20.00	\$3,575.00
1 Bed 1 Bath - Lower - Small - Patio	5	585	\$745.00	\$1.27	\$20.00	\$3,825.00
1 Bed 1 Bath - Large - Patio	9	625	\$775.00	\$1.24	\$20.00	\$7,155.00
2 Bed 1 Bath - Patio	4	850	\$925.00	\$1.09	\$25.00	\$3,740.00
TOTALS	23	14,875	\$17,875.00	\$1.20	\$480.00	\$18,295.00



UNRENOVATED COMPARABLE SALES

	APARTMENT NAME	CITY	UNITS	PRICE	\$/UNIT	\$/SQ. FT.	YOC	SALE DATE
S	Buena Vista Palms	Phoenix	23	\$1,310,000	\$56,956	\$88.07	1961	TBD
1	Alexsi	Phoenix	13	\$890,000	\$68,462	\$73.72	1935	7/20/2016
2	Casitas Robles	Phoenix	22	\$1,405,000	\$63,864	\$97.00	1981	4/1/2016
3	Sir John's	Phoenix	14	\$1,100,000	\$78,571	\$97.00	1967	3/31/2016
4	Cypress Gardens	Phoenix	14	\$930,000	\$66,429	\$80.73	1968	3/1/2016
5	Montego/Wyndham	Phoenix	29	\$1,925,000	\$66,379	\$99.46	1971	2/18/2016
6	Desert Jewel	Phoenix	11	\$795,000	\$72,273	\$90.34	1960	1/15/2016
	Averages		17	\$1,174,167	\$68,398	\$90.82	1964	



ALEXSI



CASITAS ROBLES



SIR JOHN'S



CYPRESS GARDENS



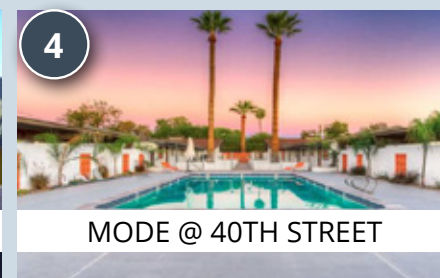
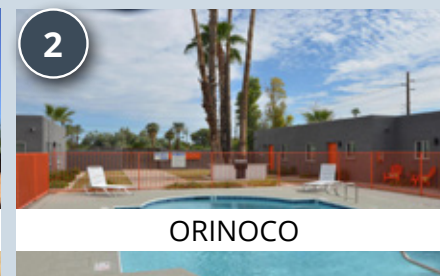
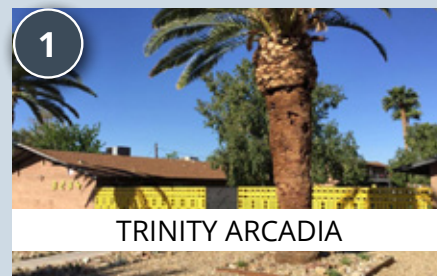
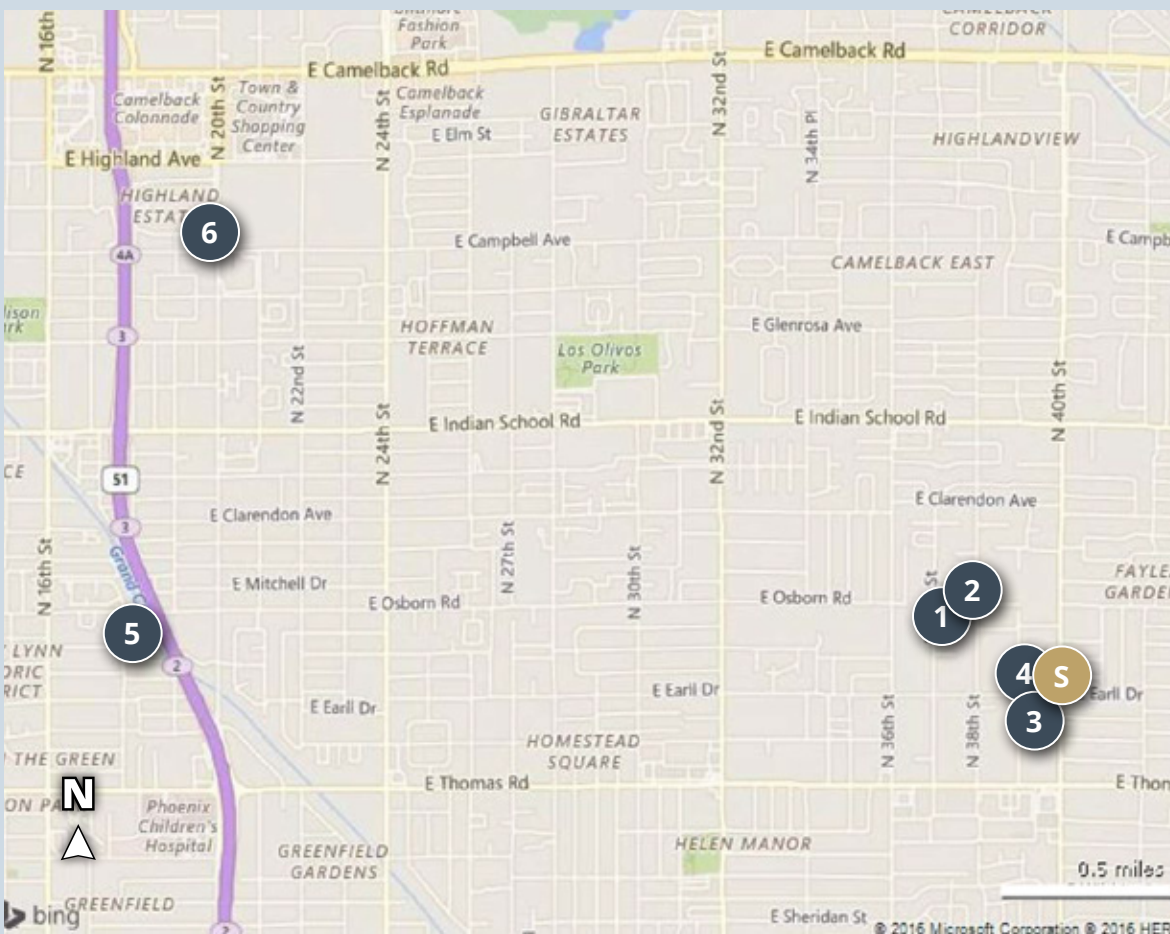
MONTEGO/WYNDHAM



DESERT JEWEL

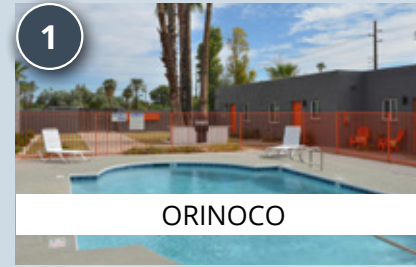
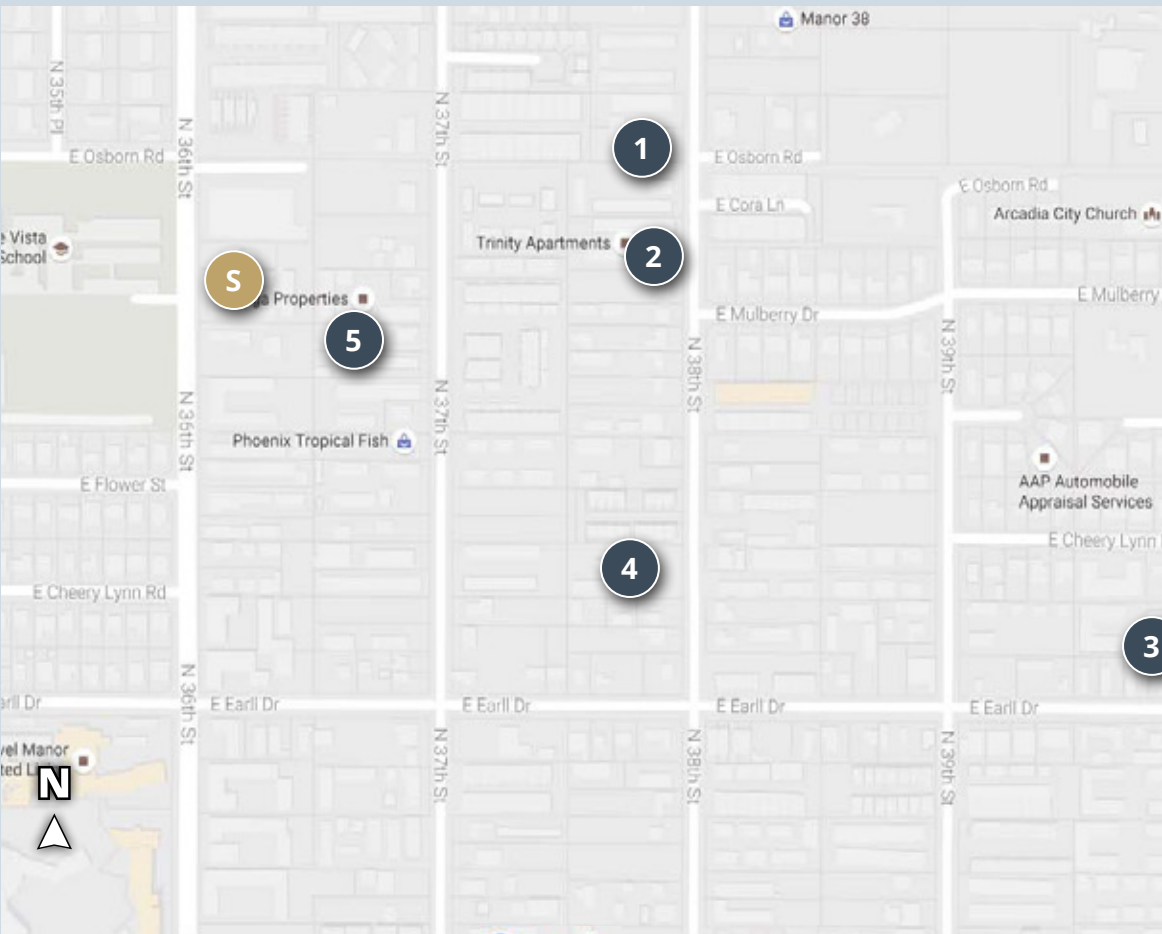
RENOVATED COMPARABLE SALES

	APARTMENT NAME	CITY	UNITS	PRICE	\$/UNIT	\$/SQ. FT.	YOC	SALE DATE
S	Buena Vista Palms	Phoenix	23	\$1,310,000	\$56,956	\$88.07	1961	TBD
1	Trinity Arcadia	Phoenix	16	\$2,600,000	\$162,500	\$176.09	1962	11/5/2016
2	Orinoco	Phoenix	15	\$1,900,000	\$126,667	\$152.00	1973	4/12/2016
3	Mode Arcadia Townhomes	Phoenix	13	\$1,998,819	\$153,755	\$89.39	1964	10/26/2015
4	Mode @ 40th Street	Phoenix	13	\$1,900,000	\$146,154	\$151.09	1965	9/30/2015
5	18 on Eighteen	Phoenix	18	\$1,995,000	\$110,833	\$117.48	1979	7/21/2015
6	Oasis Twenty	Phoenix	19	\$2,100,000	\$110,526	\$143.99	1960	6/4/2015
	Averages		16	\$2,082,303	\$132,913	\$133.24	1967	



RENOVATED COMPARABLE RENTS

	APARTMENT NAME	CITY	UNITS	TOTAL NRA	AVG. SQ. FT.	MARKET RENT/ MO.	MARKET RENT/ SF	OCCUPANCY
S	Buena Vista Palms	Phoenix	23	14,875	647	\$777	\$1.20	
1	Orinoco	Phoenix	15	12,505	834	\$1,068	\$1.28	100%
2	Trinity	Phoenix	14	11,400	814	\$1,314	\$1.61	93%
3	Mode @ 40th Street	Phoenix	13	13,000	1,000	\$1,192	\$1.19	93%
4	Arcadia @ 38th Street	Phoenix	15	12,750	850	\$1,250	\$1.47	100%
5	Lee Villas	Phoenix	12	9,750	813	\$1,165	\$1.43	100%
	Averages		14	11,881	861	\$1,198	\$1.39	97%



SOURCE AND USE OF CAPITAL

Both the acquisition and remodeling of the Buena Vista will be achieved through a combination of investor equity and private 3rd party acquisition / remodel financing. It is expected that third party financing will account for roughly 70% of both acquisition costs and remodel costs, while investor equity will account for the remaining 30%. With equity requirements equaling \$596,833, Anaconda Capital will put up the first \$96,833,000, and will offer 5 Partnership Units at \$100,000 each.

Note: Anaconda Capital will also commit up to \$100,000 in cost overage, and reduced contracting fees equal to 30%, or roughly \$120,000.

DESCRIPTION	SOURCE	USE
5 Ownership Units at \$100,000 Each	\$500,000	
1 Ownership Share - Anaconda Capital	\$96,833	
3rd Party Acquisition and Remodel Financing	\$1,198,250	
Closing Costs		\$1,310,000
Remodel & Carring Cost: Please See Budget		\$402,500
Totals	\$1,712,500	\$1,712,500



INTERIOR IMPROVEMENT BUDGET

CATEGORY	TOTAL PER UNIT
Demolition & haul	\$550
ELECTRICAL - Rough: Add circuits for W/D (220V), microwave, 2.2 ceiling fans & bath GFCI.	\$500
Fixtures: ceiling fans (2.2), dining, kitchen, bath, toggle switches (5), outlets & covers (permit not included)	
Floor demo & prep (\$1.50/s.f.)	\$500
Wall repair, prep and retexture	\$300
Flooring: vinyl plank (\$2.25/s.f.)	\$1,090
Flooring: Bedroom carpet (\$12/yard)	\$200
Baseboard repair, est. 50 l.f. (\$.75/l.f.)	\$98
Blinds (3.2) \$40/ea.	\$188
Smoke detectors (2)	\$50
Two-tone paint plus accent wall	\$595
KITCHEN & BATH	
Cabinets	\$500
Cabinet pulls	\$240
Laminated countertops 22-l.f. @ \$15	\$455
Sinks & faucets (bath \$45/\$30 : kitch \$100/\$100)	\$335
Plumbing supply lines & angle stops (5)	\$105
Garbage disposal (do we need to run electric?)	\$140
Backsplash (wallpaper)	\$70
BATH	
Mirror (1.2)	\$68
Medicine cabinet (0)	\$-
Towel bar, tp holder, toilet seat, showerhead	\$130
Toilets (Estimated replacement 1/4) \$150/2.5hrs.	\$103
Appliances (White: stove, fridge, d/w, microwave, stackable w/d)	\$1,250
Tub and surround enclosure	\$500
Re-tile showers	\$-
Shower valve kit	\$160
MISCELLANEOUS	
Supervision	\$500
Clean	\$70
Permits & plans (Aprox. \$7,500)	\$-
Contingency	\$340
Interior doors	\$70
Front doors (Estimate 7 total @ \$150 ea.)	\$70
Door hardware	\$135
TOTAL	\$9,312 /UNIT
OVERALL TOTAL	\$214,176

EXTERIOR IMPROVEMENT BUDGET

CATEGORY	TOTAL
GENERAL EXTERIOR COSTS	
Legal, Archetuctural, Design, and Permits	\$5,000.00
HVAC & ELECTRICAL IMPROVEMENTS	
Repair Exicting Package / Split System AC	\$4,000.00
Replace Packag and Split System AC	\$15,000.00
Maintenance to Usable AC	\$2,000.00
TRASH ENCLOSURE	
Build trash can enclosure at front	\$3,000.00
SIGNAGE	
Monument Signage at front	\$3,000.00
LANDSCAPE, IRRIGATION	
Demo existing landscape, including palms and bushes	\$2,000.00
Privacy enclosures for lower units	\$13,500.00
Custon front landscape	\$7,500.00
Custom courtyard landscape	\$10,362.00
Covered BBQ and Picnic area	\$10,000.00
New irrigation runs	\$4,000.00
ROOFS, FASCIA, UNDERWAYS	
Patch and new asphalt shingle overlay - to all	\$17,500.00
Demo 1st and 2nd floor overhang underways	\$4,500.00
New fascia T/O	\$5,000.00
PERIMETER FENCES	
Repair and paint block fencing	\$2,500.00
Repair or demo existing chain link fence	\$2,000.00
STAIRS, WELLS, WALKWAYS, RAILS	
Repair stair headers	\$2,500.00
Repair / replace 2nd floor walks	\$2,500.00
Screen 2nd floor saftey rails	\$3,000.00
Repair / shore up concrete landings	\$1,000.00
EXTERIOR PAINT	
Full two tone paint to buildings, walls, and parking	\$12,000.00

EXTERIOR IMPROVEMENT BUDGET

CONTINUED...

CATEGORY	TOTAL
ELECTRICAL / PLUMBING (SHUT OFFS)	
Cap all water spigots	\$200.00
Repair / replace all shutoff valves - add protective blocks	\$2,000.00
Remove all cable wiring and dishes	\$975.00
Re-org all electrical wires	\$1,000.00
Replave all Zimco(?) main panels	\$8,500.00
POOL, POOL FENCE, PUMP, DECK, FURNITURE	
Repair / replace pool filter, pump, motor, etc.	\$1,000.00
Repair pool pump enclosure	\$1,000.00
New dual drains and complete re-plaster	\$9,000.00
New hand rails, depth markers, tile water lines	\$1,500.00
Kool dec replacement	\$2,500.00
New Pool Fencing - customized, with gate	\$5,000.00
New Safety equipment	\$750.00
New pool furniture	\$2,000.00
SECURITY DOORS, STORAGE DOORS, EXT WINDOWS	
Repair / replace front security doors	\$1,200.00
Repair replace rear storage doors	\$1,000.00
Exterior Window Treatments - Screens	\$3,750.00
COVERED PARKING	
Repair any damage to covered parking	\$1,000.00
Improve lighting at covered parking	\$2,000.00
NOTE: Add private storage to parking areas	
EXTERIOR LIGHTING	
New exterior lighting scheme: front, courtyard, common areas	\$4,000.00
MAIL BOXES	
New mail box enclosure	\$1,000.00
LIGHTS, UNIT MARKERS, HARDWARE	
New front and rear lights, new unit markers, new hardware	\$2,587.50
FIRE EXTINGUISHERS	
New fire extinguishers (4)	\$500.00
ENTRY GATES (3)	
New entry gates (3) at front and each side	\$4,000.00
TOTAL EXTERIOR UPGRADES	\$188,324

SUMMARY

The offering allows potential investors to participate in well located, structurally sound multi-family, at a price that is a drastic discount to its current market value. The property offers tremendous upside value in a relatively short time horizon, and with a capital commitment that represents only 30% of the purchase and remodel costs.

Investors will benefit from the experience of the management team, which brings 50+ years' experience, and has dozens of profitable projects on its resume. With projected annualized returns approaching 35%, this project offers superior profitability with limited exposure and risk

STRUCTURALLY SOUND MULTI-FAMILY PROPERTY
OFFERING A TREMENDOUS UPSIDE VALUE

EXECUTIVE TEAM



JEFF 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 and development firms before finally founding Equity Development & Management Inc. (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.

DISCLAIMERS

The financial forecasts and all projected information contained herein were internally prepared by management. No independent accountants or other outside parties have compiled, examined, or performed any procedures with respect to the company's projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability. All projections are inherently based upon the assumed outcomes of future events which necessarily are subject to substantial variance from those matters presented. Therefore these projections can not be assured. Projections should be read in conjunction with all materials related to the offering. This document does not constitute an offer to sell, nor a solicitation of an offer to buy, the securities described herein. Such an offer can be made only by means of a prospectus, offering memorandum, subscription document, or other offering documents pursuant to R14-4-139. No money or other consideration is being solicited or will be accepted in connection with this document. Sales of securities will only be made to select qualified purchasers. The securities are not registered with or approved by any state securities agency or the SEC and are offered and sold pursuant to an exemption from registration.



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