

ST. AUGUSTINE APARTMENTS



ACG

Anaconda Capital Group LLC

PRELIMINARY OFFERING SUMMARY

A 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 St. Augustine Apartments, a semi distressed, value-add Multi-Family real estate opportunity in a premier neighborhood in Arcadia District of East Phoenix. This offering presents a very rare 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 22 apartment units known currently as the St. Augustine Vista apartments. The property, which is being acquired for \$125.71 per square foot, or \$100,000 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 \$3,630,000, or \$207.42 per square foot and \$165,000 per unit.

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

INVESTMENT HIGHLIGHTS

PROPERTY HIGHLIGHTS

Property Type & Size	Mid Cap Multi Family, 22 Units
Location	3605 N. 36th Street, Phoenix, Arizona
Year Built / Age	Built 1987, 30 years of age
Unit Mix	(22) 2 Bedroom 1 Bath, 810 square feet
Current Occupancy	100%
Construction	Two level, frame and stucco construction
Roofs	Combination built up, and pitched ceramic tile
HVAC	Individual AC, 2 tone split system
Utilities	All separate except for water, which is typical
Type	Garden Style, with private courtyard, gated entry, covered parking, on-site laundry, separate storage, sparkling pool
Electrical Wiring	Copper
Plumbing	Copper

INVESTOR HIGHLIGHTS

Current Market Value / Purchase Price	\$2,200,000
Remodel and Carrying Costs	\$600,000
Estimated "As Repaired" Value	\$3,630,000 or \$165 per unit
Proposed Financing	70% Acquisition, \$1,540,000, 8.99%, 2 points, 18 months
Total Equity Raise	\$1,260,000
Remodel Plan	Full exterior and interior remodel - Full re branding
Estimated Time to Completion	14 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 / Disposition Fee	0.00% acquisition fee / 2% sales and disposition fee
Investor Return	34.38% total return, 30.51% annual return

SOURCE AND USE OF CAPITAL

Both the acquisition and remodeling of the Mission Palms 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 \$2,000,000, Anaconda Capital will offer 10 Partnership Units at \$200,000 each.

DESCRIPTION	SOURCE	USE
10 Ownership Units at \$126,000 Note: Fractional shares are available to qualified partners	\$1,260,000	
Acquisition Financing	\$1,540,000	
Acquisition Costs		\$2,200,000
Financing Costs		\$53,000
Interior Remodeling Costs		\$375,000
Exterior / Landscape / Re-Branding Costs		\$142,000
AC / Mechanical / Electric Utility Costs		\$0
Carrying Costs		\$25,000
Legal Fees		\$5,000
HOA Costs		\$0
Totals	\$2,800,000	\$2,800,000



IMPROVEMENT BUDGET

CATEGORY	QUANTITY	PRICE	TOTAL PER UNIT
Exterior Repair Budget			
Re Brand - Monument Signage at Front	1	\$4,000	\$4,000
Landscaping Upgrades	1	\$20,000	\$25,000
Covered BBQ and Picnic Areas	1	\$12,500	\$12,500
New Irrigation Runs	1	\$4,000	\$4,000
Repair / Seal Existing Roofs	1	\$13,000	\$13,000
New Curbing Repairs and Painting	1	\$2,500	\$2,500
Patch, Seal and Stripe Entire Asphalt	1	\$20,000	\$20,000
Full Two Tone Paint to Buildings, Walls and Parking	1	\$18,000	\$18,000
Cap All Water Spigots	1	\$500	\$500
Repair / Replace all Shutoff Values - Add Protective Blocks	1	\$500	\$500
Remove all Cable Wiring and Dishes	1	\$500	\$500
Re-Organize all Electrical Wires	1	\$750	\$750
Repair Pool Pump Enclosure	1	\$1,000	\$1,000
New Dual Drains and Complete Re-Plaster	1	\$9,500	\$9,500
New Handrails, Depth Markers, Tile Water Lines	1	\$1,500	\$1,500
Kool Dec Replacement	1	\$2,000	\$2,000
New Pool Fencing - Customized, With Gate	1	\$4,000	\$4,000
New Safety Equipment	1	\$500	\$500
New Pool Furniture	1	\$4,000	\$4,000
Security Doors and Shade Screens	22	\$250	\$5,500
Repair Any Damage to Covered Parking	1	\$1,000	\$1,000
Improve Lighting at Covered Parking	1	\$1,000	\$1,000
New Exterior Lighting Scheme; Front, Courtyard, Common Areas	1	\$4,000	\$4,000
New Front and Rear Lights, New Unit Markers, New Hardware	22	\$30	\$660
Repairs to Entry Gates	1	\$2,000	\$2,000
Upgrade Rental Office, Covert Pool Room to Storage	1	\$4,000	\$4,000
TOTAL EXTERIOR UPGRADES			\$141,910
Interior Improvements			
Permits and Plans	1	\$7,500	\$7,500
Demo and Haul	22	\$300	\$6,600
Rough Electric	22	\$995	\$21,890
Electrical Fixtures	22	\$820	\$18,040
Rough Plumbing	22	\$1,584	\$34,848
Kichen Finishes	22	\$6,126	\$134,772
Bath Finishes	22	\$731	\$16,082
Carpentry	22	\$4,447	\$97,834
Miscellaneous	22	\$1,000	\$22,000
Cleaning	22	\$80	\$1,760
Supervision	22	\$500	\$11,000
TOTAL INTERIOR IMPROVEMENTS			\$372,326
TOTAL REMODEL COSTS			\$514,236

TRANSACTION STRUCTURE

Ownership Structure	Arizona LLLP (Limited Liability Limited Partnership)
Expected Entity Name	ACG - SA, 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	14 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



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 12 months from acquisition date.

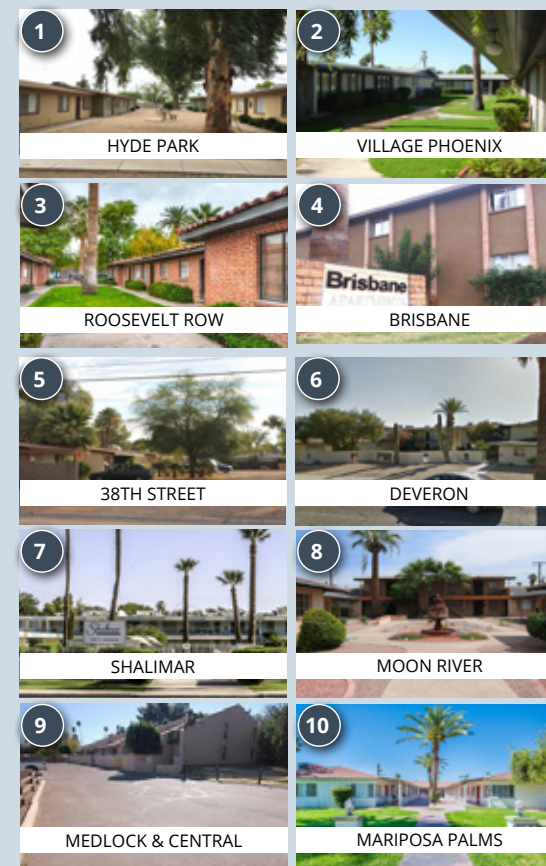
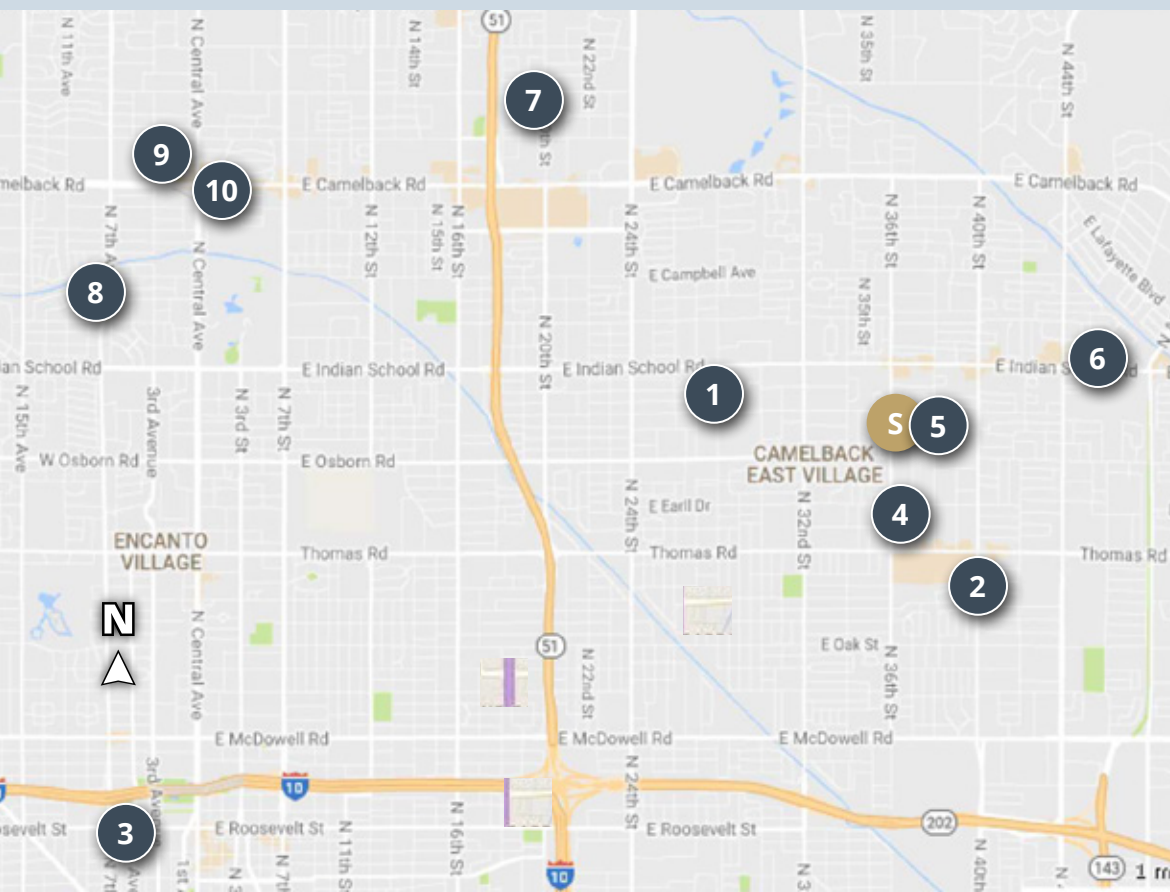
Expected Sales value after remodel and stabilization is expected to be \$3,630,000. Sales costs including escrow fees, brokerage commissions, disposition fees are expected to be 7% of final sales value.

With the sale of the project, expected to be complete by month 14, the total projected return to the investors is expected to be 34.38%, and annualized returns are expected to be 30.51%.

DESCRIPTION	ITEM
Total Investor Equity	\$1,260,000
Expected Total <i>Net</i> Profits from Sale	\$3,375,000
Less Acquisition, Redec, and Carrying Costs	(\$2,800,000)
Net Profits After Sale	\$575,000
Investor Share of Profits (60%)	\$345,000
Plus Preferred Interest Rate (7%)	\$88,200
Total Cash Return to Investor	\$433,200
Total Return on Investment	34.38%
Annualized Return on Investment (18 months)	30.51%

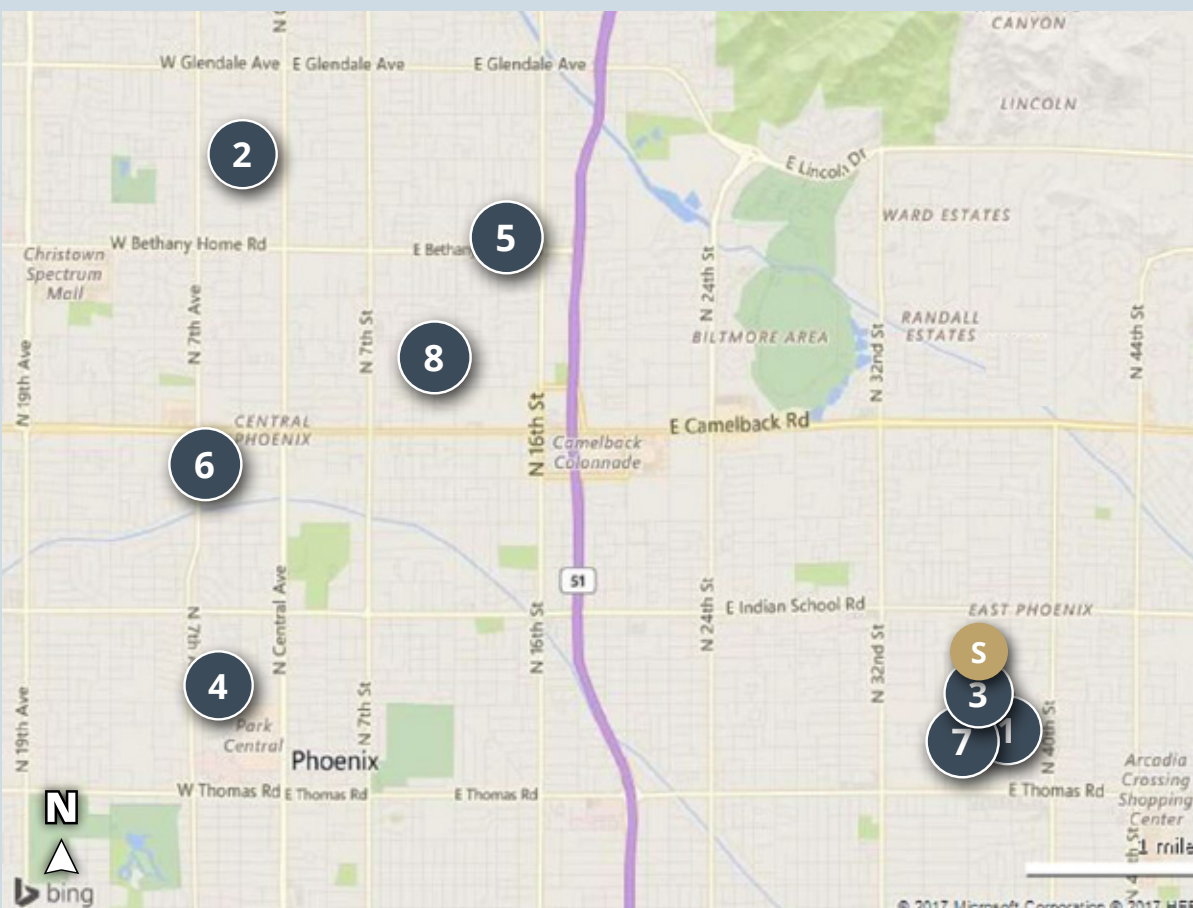
UNRENOVATED COMPARABLE SALES

	APARTMENT NAME	CITY	UNITS	PRICE	\$/UNIT	\$/SQ. FT.	YOC	SALE DATE
S	St. Augustine	Phoenix	22	\$2,200,000	\$100,000	\$125.00	1987	TBD
1	Hyde Park	Phoenix	28	\$2,800,000	\$100,000	\$121.37	1971	3/21/2017
2	Village Phoenix	Phoenix	43	\$4,500,000	\$104,651	\$120.97	1969	3/17/2017
3	Roosevelt Row	Phoenix	10	\$970,000	\$97,000	\$218.27	1952	3/13/2017
4	Brisbane	Phoenix	30	\$2,850,000	\$95,000	\$147.55	1961	2/16/2017
5	38th Street	Phoenix	8	\$900,000	\$112,500	\$180.00	1957	12/12/2016
6	Deveron	Phoenix	10	\$1,000,000	\$100,000	\$127.49	1960	9/21/2016
7	Shalimar	Phoenix	20	\$3,000,000	\$150,000	\$138.33	1958	8/26/2016
8	Moon River	Phoenix	24	\$2,217,500	\$92,396	\$154.19	1956	6/30/2016
9	Medlock & Central Townhomes	Phoenix	8	\$995,000	\$124,375	\$109.49	1981	5/3/2016
10	Mariposa Palms	Phoenix	10	\$1,000,000	\$100,000 <td \$136.91	1951	4/25/2016	
	Averages		19	\$1,933,250	\$101,217	\$129.46	1970	

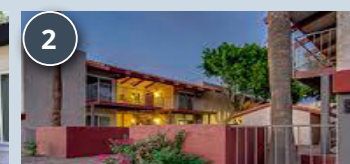


RENOVATED COMPARABLE SALES

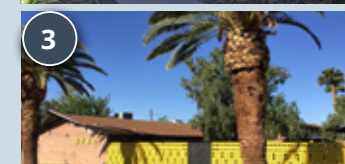
	APARTMENT NAME	CITY	UNITS	PRICE	\$/UNIT	\$/SQ. FT.	YOC	SALE DATE
S	St. Augustine	Phoenix	22	\$2,200,000	\$100,000	\$125.00	1987	TBD
1	Mode @ 38th Street	Phoenix	15	\$2,500,000	\$166,667	\$197.55	1978	2/28/2017
2	The Haven	Phoenix	16	\$2,463,158	\$153,947	\$186.60	1977	12/19/2016
3	Trinity Arcadia	Phoenix	16	\$2,600,000	\$162,500	\$176.09	1962	10/19/2016
4	Melrose on 5th	Phoenix	12	\$2,050,000	\$170,833	\$142.36	1961	6/17/2016
5	Rezide at Uptown	Phoenix	35	\$6,299,000	\$179,971	\$199.97	1978	5/25/2016
6	Mode @ Pierson	Phoenix	13	\$1,850,000	\$142,308	\$177.83	1958	4/13/2016
7	Orinoco	Phoenix	15	\$1,900,000	\$126,667	\$152.00	1973	4/12/2016
8	Mode @ Biltmore	Phoenix	8	\$1,310,000	\$163,750	\$178.23	1963	1/8/2016
	Averages		16	\$2,621,520	\$161,324	\$179.60	1969	



MODE @ 38TH STREET



THE HAVEN



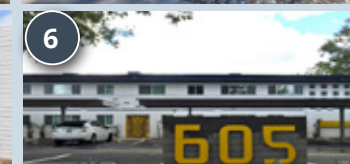
TRINITY ARCADIA



MELROSE ON 5TH



REZIDE AT UPTOWN



MODE @ PIERSON



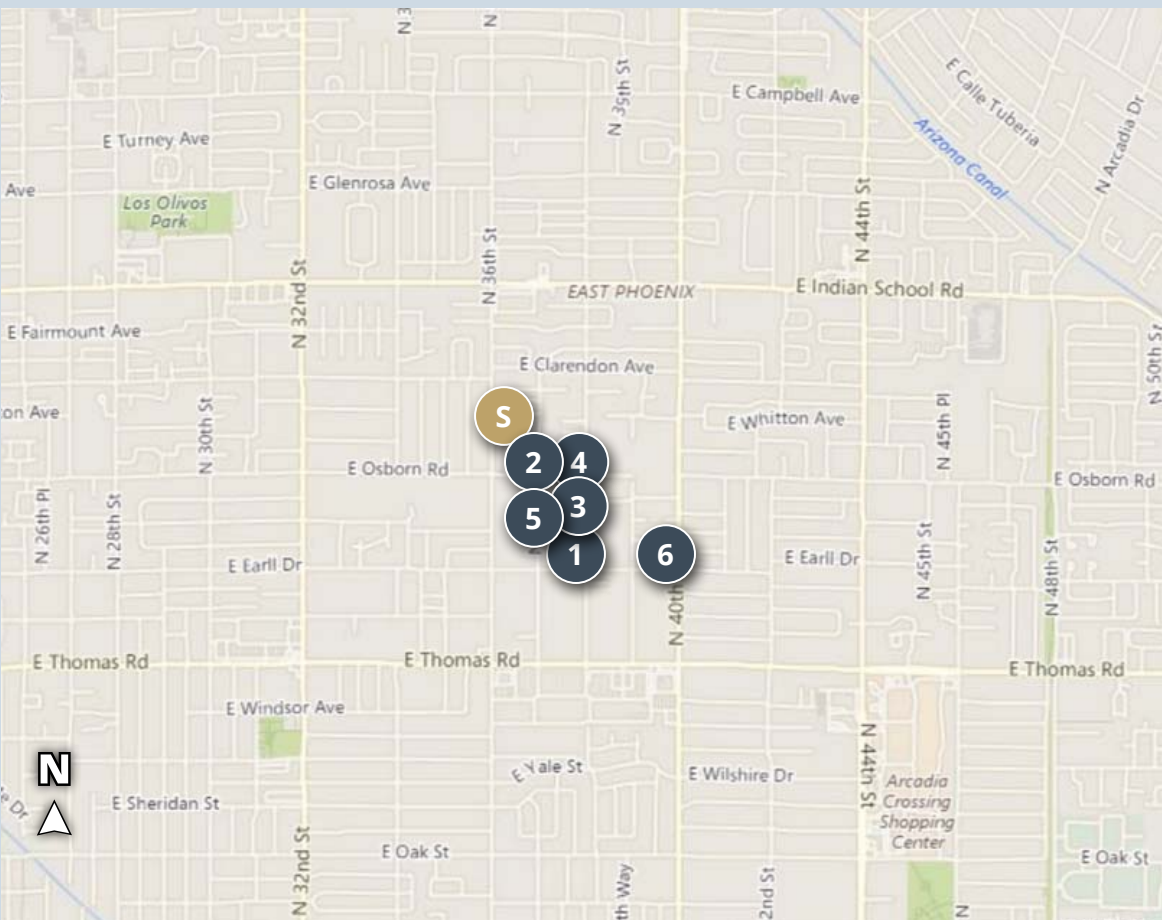
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MODE @ BILTMORE

RENOVATED COMPARABLE RENTS

	APARTMENT NAME	CITY	UNITS	TOTAL NRA	AVG. SQ. FT.	MARKET RENT/ MO.	MARKET RENT/ SF	OCCUPANCY
S	St. Augustine	Phoenix	22	17,600	810	\$1,170	\$1.44	100%
1	Mode @ 38th	Phoenix	15	10,875	725	\$1,375	\$1.61	100%
2	37th Street	Phoenix	12	9,600	800	\$1,450	\$1.81	100%
3	Trinity Arcadia	Phoenix	13	13,000	1,000	\$1,395	\$1.39	100%
4	Orinoco	Phoenix	10	9,000	900	\$1,350	\$1.50	100%
5	Trinity Arcadia	Phoenix	12	9,600	800	\$1,250	\$1.56	100%
6	Mode @ 40th	Phoenix	8	7,200	900	\$1,350	\$1.50	100%
	Averages		12	9,879	854	\$1,362	\$1.56	100%



MODE @ 38TH



ECLIPSE



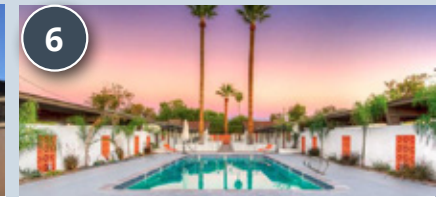
TRINITY ARCADIA



ORINOCO



TRINITY ARCADIA



MODE @ 40TH

SUMMARY

The offering allows potential investors to participate in well located, structurally sound multi-family / condo property, 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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