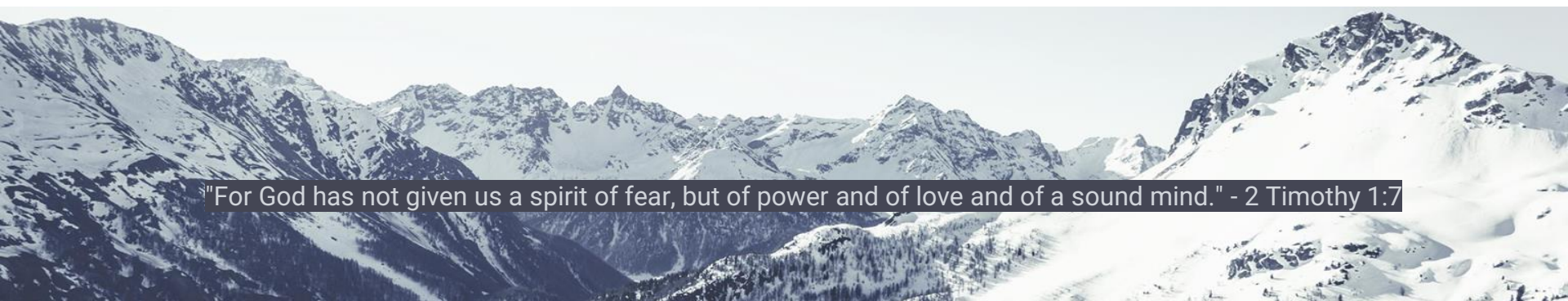


LAZERUS PROPERTIES AND CAPITAL

July 2023

Confidential Investment Memorandum



"For God has not given us a spirit of fear, but of power and of love and of a sound mind." - 2 Timothy 1:7

Palm Springs - Triplex



Triplex **4 beds / 4 baths** **1,700 SF** **\$5,100**
Palm Springs, CA Built in 1957 Monthly Rent

Unit Type	Total Units	Avg. Unit SF	Monthly Rent
1BR-1BA	2 Units	425 SF	\$1,500
2BR-1.5BA	1 Units	850 SF	\$2,100
Totals	3 Units	1,700 SF	\$5,100

INVESTOR RETURNS

Total Investment	\$871,000
Investment Timeline	5-7 Years
Dividend Start	After 12 Months
Annual Dividend Paid from Cash Flow	3.17%
Annual Property Appreciation	<u>5.00% - 9.00%</u>
Annual Return	8.17% - 12.17%

*The annual return equals the dividends paid from rental income plus the average annual appreciation that is realized upon sale. Property renovations could accelerate appreciation.

** Southern California residential property values and multifamily property values have increased an average of 5%-9% over the past 10-20 years. Past performance does not indicate future performance.

DESCRIPTION

Located walking distance from Downtown Palm Springs and close to parks and restaurants, this triplex offers mountain views, and a lush private courtyard with a patio and a pool. All 3 units are in very good condition, with modern upscale finishes. 30-day short-term rentals could boost income.

Palm Springs - Triplex

SOURCES & USES

Sources

Cash Equity	\$ 871,000
Mortgage Loans	\$ -
Total	\$ 871,000

Uses

Property Purchase Price	\$ 850,000
Closing Costs	\$ 4,250
Property Improvements & Reserves	\$ 16,750
Total	\$ 871,000

CASH FLOW

% of Total Investment

Annual Cash Flow

Annual Rent Less Vacancy	\$ 57,559	6.61% Gross Yield
Operating Expenses	\$ -29,989	
Net Cash Flow / Dividends	\$ 27,569	3.17% Dividend

* Rental income is anticipated to rise over the investment term, which could result in higher net cash flows or dividends.

**Estimated operating expenses include property taxes, property insurance, management services, tax/audit expenses, LLC expenses, repairs and maintenance costs. Additionally, HOA fees, landscaping, utilities and mortgage payments are included when applicable.

THE MARKET - Palm Springs, California



Palm Springs is regarded as a desert resort community. Workforce housing exists in the cities of Palm Springs, Palm Desert, Indio, and Coachella.

Apartment Vacancy has increased from an all-time low in mid-2021 to a seven-year high, but still remains relatively low at 4.4%. Rent growth in Palm Springs has outpaced all other apartment submarkets in the Inland Empire, even since before the pandemic, and they continue to rise at the fastest pace across the market.

The Palm Springs Submarket has the highest concentration of older residents in the metro, with a median age north of 40, as the area remains a haven for retirees and second-homers fleeing cold weather.

Competition in Palm Springs for multifamily communities exists on several fronts, providing renters with alternative options. The rental market comprises a fair amount of single-family homes, affordable housing, and mobile homes. The housing market ranges from affordable areas primarily located in Indio and Coachella to luxurious homes in Palm Springs and Palm Desert.

Avg. Rent (1-Bed)

\$1,560

2023 Q2

Vacancy

4.40%

2023 Q2

Annual Price Growth

8.55%

2013-2023

Avg. Rent (2-Bed)

\$1,756

2023 Q2

Avg. Vacancy

4.90%

2013-2019

Annual Price Growth

6.54%

2013-2019



Zero Investment Fees

Many investment funds and platforms charge exorbitant fees regardless of the outcome of the investment. The manager often profits, while the investors lose money. We would like to change that and so have reduced our fees to zero.

We invest our own capital into every project and receive the exact same returns as investors. We do not charge any fund raising fees or capital management fees. We generally do receive standard market-rate fees for property services we perform, including property management, construction management and brokerage commissions.

Zero Investment Fees

- Acquisition Fee - \$0
- Fundraising Fee - \$0
- Capital Management Fee - \$0
- Outsized Share of Profits - \$0

Standard Fees for Property Services

- Property Management – 8% of rent plus lease-up fee
- Construction Management – Maximum 10% of cost of work
- Brokerage Fees – Paid by seller