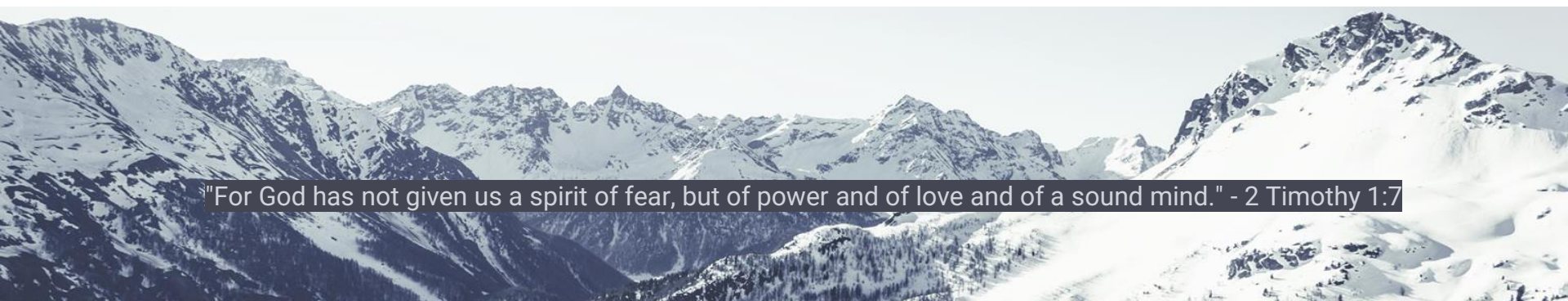


# LAZERUS PROPERTIES AND CAPITAL

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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

# Rancho Cucamonga, CA – Single Family House



**House**                      **3 beds / 2.5 baths**  
Rancho Cucamonga, CA

**1,607 SF**                      **\$3,100**  
Built in 1986                      Monthly Rent

## INVESTOR RETURNS

Total Investment	\$585,000
Investment Timeline	5-7 Years
Dividend Start	After 12 Months
Annual Dividend Paid from Cash Flow	3.25%
Annual Property Appreciation	<u>5.00% - 9.00%</u>
<b>Annual Return</b>	<b>8.25% - 12.25%</b>

\*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

Two story single family home with attached two-car garage. Located on quiet residential street, close to high-rated schools, parks, and less than one mile to prime retail strip, close to regional mall, I-15. House generally in good condition, light remodel will realize higher rental income.

# Rancho Cucamonga, CA – Single Family House

## SOURCES & USES

### Sources

Cash Equity	\$ 585,000
Mortgage Loans	\$ -
<b>Total</b>	<b>\$ 585,000</b>

### Uses

Property Purchase Price	\$ 545,000
Closing Costs	\$ 2,725
Property Improvements & Reserves	\$ 37,275
<b>Total</b>	<b>\$ 585,000</b>

## CASH FLOW

## % of Total Investment

### Annual Cash Flow

Annual Rent Less Vacancy	\$ 34,987	5.98% Gross Yield
Operating Expenses	\$ -15,965	
<b>Net Cash Flow / Dividends</b>	<b>\$ 19,021</b>	<b>3.25% Dividend</b>

\* 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 - Rancho Cucamonga, California



Close proximity to Los Angeles and a prevalence of office jobs, shopping centers, and entertainment venues drive demand for rental properties in the Greater Ontario/Rancho Cucamonga Submarket.

Greater Ontario/Rancho Cucamonga has historically been one of the most desirable places to live in the Inland Empire due to the vibrant downtown areas in major population centers and top-rated schools. Given its geographic proximity to Los Angeles, commutes to the coastal markets are more feasible. Both the Riverside and San Bernardino Metrolink lines run through the submarket and provide access to jobs.

For those who do not commute out of the submarket, a number of major employment nodes exist within the submarket. Ontario International Airport, several distribution hubs, office parks around the airport, and the Ontario Mills and Victoria Gardens shopping malls provide thousands of jobs.

Housing in the submarket is primarily composed of single-family homes, and the housing shortage throughout southern California helps drive local demand. The estimated median house or condo value in Rancho Cucamonga rose an average of 6.3% per year during the years from 2000 to 2021.

Rancho Cucamonga boasts crime rates well below state and national averages, median household income on par with the California average (\$83,850 in 2021), and a low cost of living index, just 84% of the national average.

**Median Sale Price (House)**

**\$777k**

2023 Q2

**Avg. Rent (3-Bed House)**

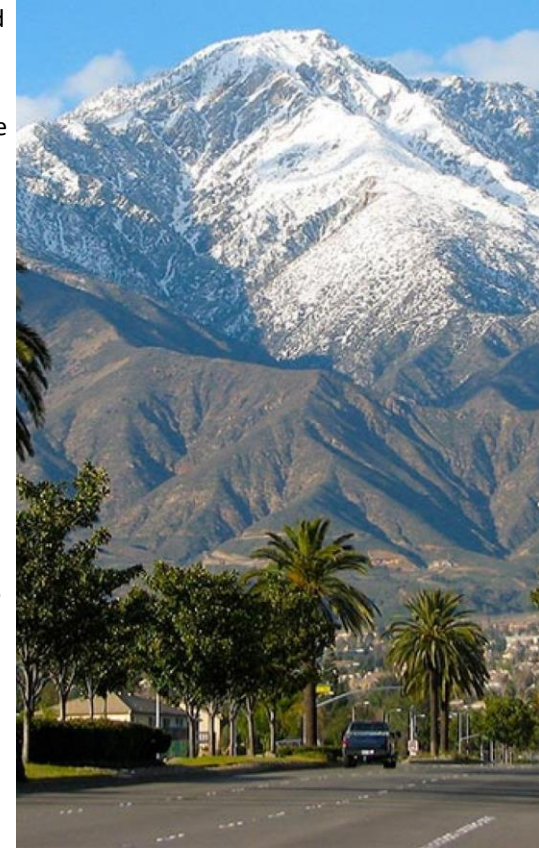
**\$3,111**

2023 Q2

**Annual Price Growth**

**6.30%**

2000-2021



# Zero Investment Fees

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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