

1420 Bella Drive

Beverley Hills, CA

90210

HOLLYWOOD



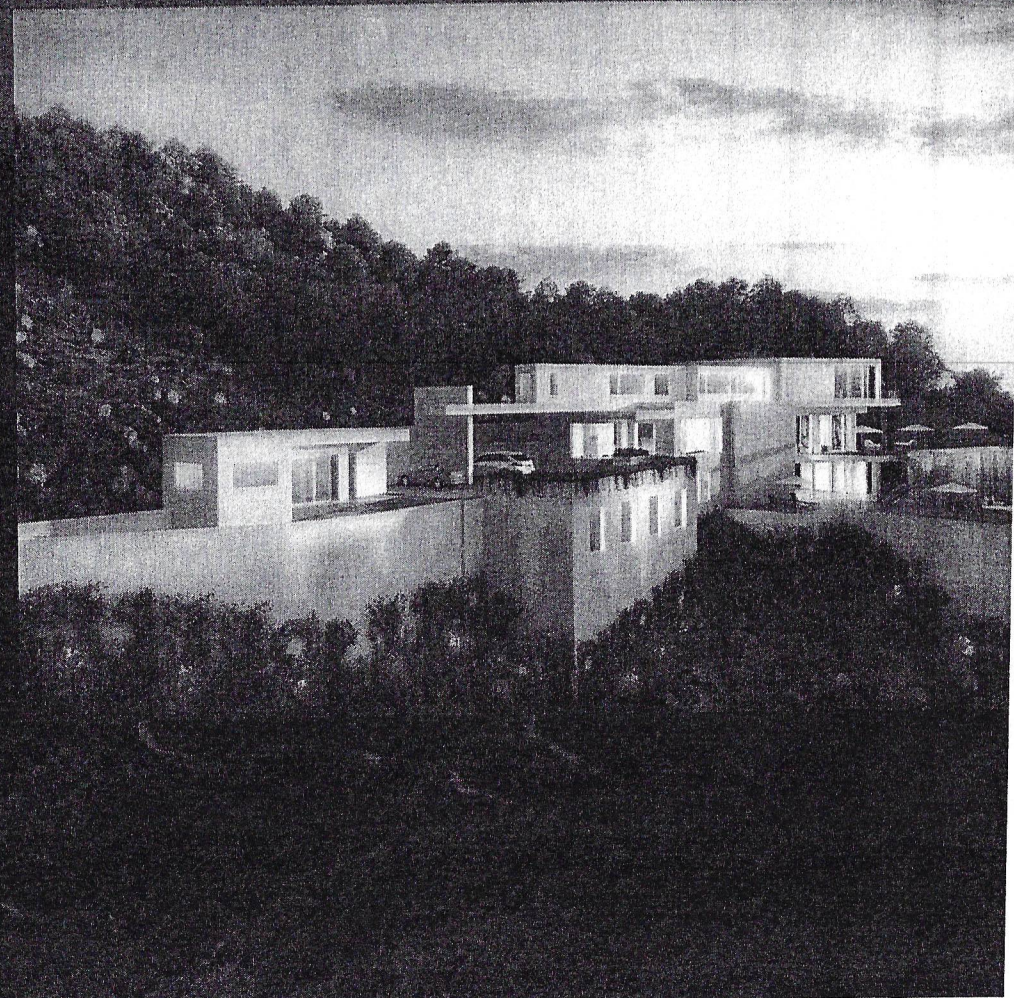


## What we are seeking:

- 1.125M in investor equity capital

In return for:

- Return of invested capital by sale
- 70% of remaining profit giving an equity multiple of +6X amount invested





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## The Market

While some believe a recession is on the horizon, these speculations have been prevalent for the better part of the decade. Market research and many in the industry believe now is the time for luxury homes.

“With Recession Fears Diminished, January Is a Smart Time to Buy

Mansion Global

“With Recession Fears Abated, Luxury Housing Markets Enter 2020

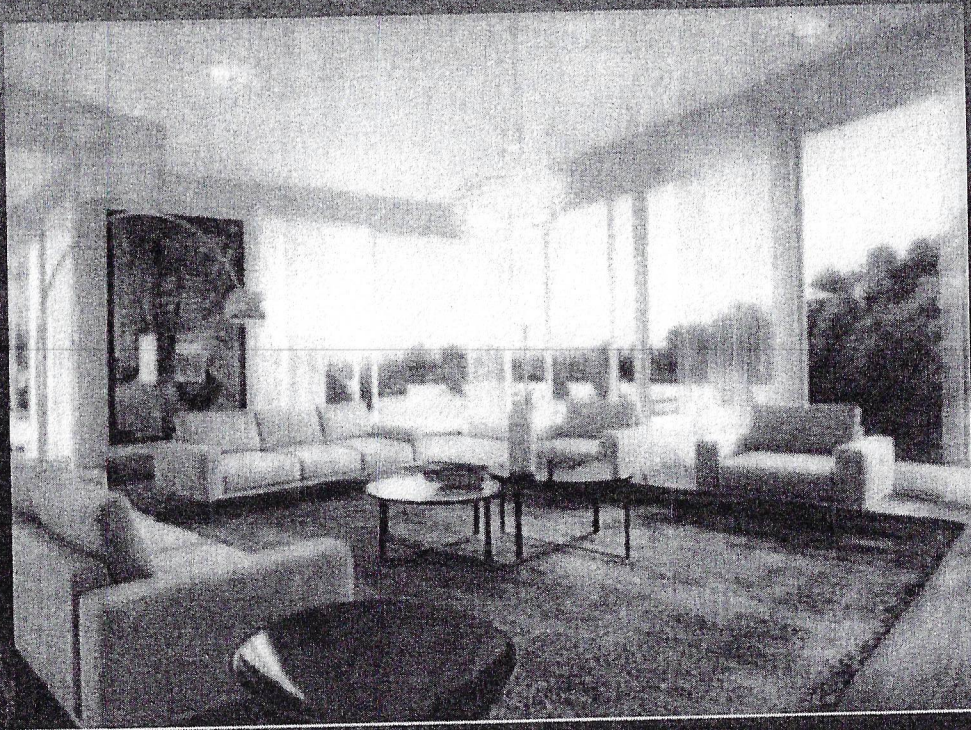
Barrons

“We expect luxury home values in primary markets like San Francisco and Beverly Hills to hold steady,”

Gregory Malin, CEO and founder of Troon Pacific on Forbes



## The Property



The development opportunity is a 12,400 square foot high end luxury residential home based in the prestigious Benedict Canyon on a 1.93 acre lot.

The approved plans include 5 Bedrooms, 5.5 Bathrooms, a garage, and a floating pool.

Appraised Value: \$21M



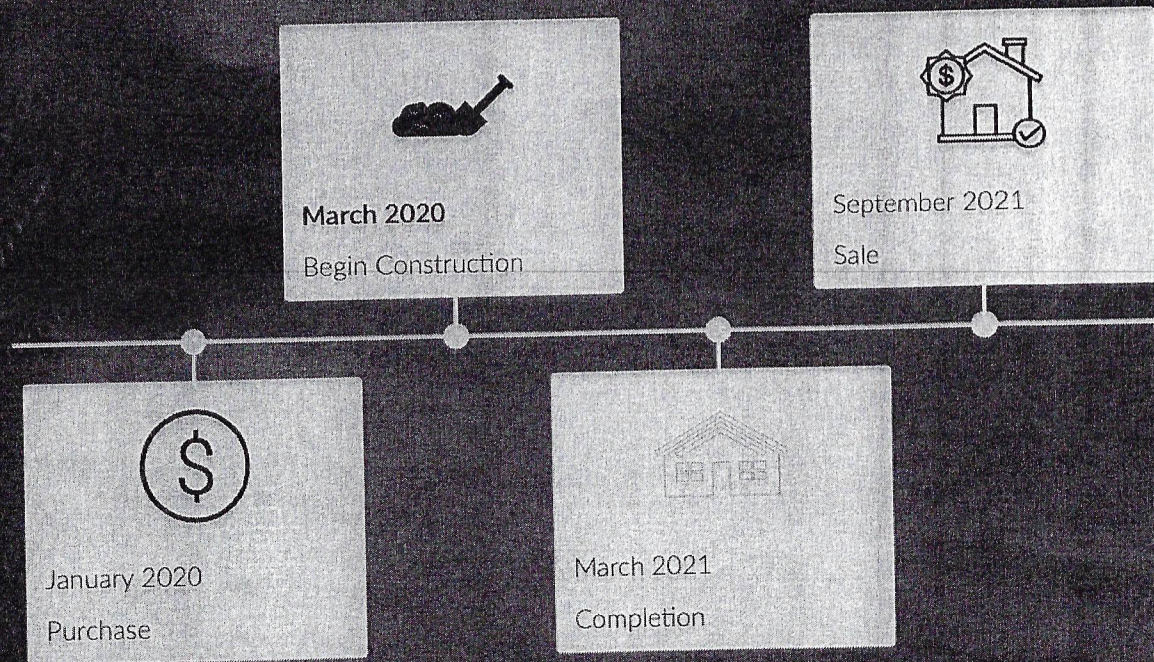
# The Investment

Due to the previous owner's inability to pay his creditors, this development presents a unique opportunity:

We are able to purchase land with the construction note attached at no additional cost with stamped architectural plans, appraisals, and various studies done.

Based on discussions with contractors, we conservatively estimate a completion time of 14 months.

We placed a 6 month window for keeping the luxury residential property on the market

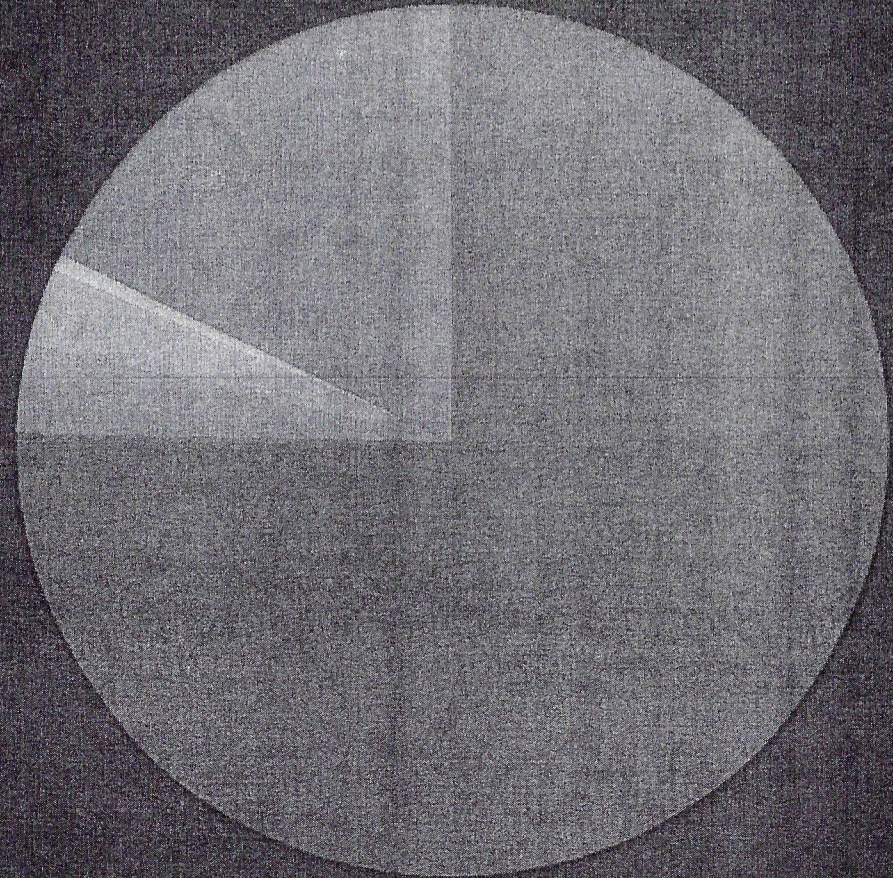




# The Cost Broken Down

Development Budget	In Dollars (\$)
Hard Cost	4,816,000
Architectural & Engineering	210,000
Soft Costs	182,000
Equipment, Facilities, Etc	42,000
Acquisition	2,250,000
Total	7,750,000

Development Budget



■ Hard Costs ■ Architectural & Engineering ■ Soft Costs ■ Equipment, Facilities, Etc ■ Purchase



# The Numbers

Our appraised value, using multiple comparable properties and the location provides a \$21,000,000 sale price with a 3 month window of placing it on the market.

We underwrote the property at \$16,000,000 with a 6 month window.

After 6% cost of sale, repayment to creditors, and return of investor equity we will have a ~\$7,000,000 net profit.

Sale	\$16,000,000
Cost of Sale (6%)	\$960,000
Payoff of Construction Loan + Interest	\$5,249,714.9
Payoff of Completion Loan	\$1,658,488.63
Return of Investor Equity	\$1,125,000
Net Profit	\$7,006,796.76





## Construction Debt

Using our negotiation skills and connections with the note holder, Macoy Capital, we will be able to take advantage of the current construction note of \$3.65M upon purchase of the land with no additional cost. Additionally, the \$1,375,000 balance will be placed towards the acquisition cost.

This interest only debt will have a lifespan of 10 months with a 10.5% interest rate and 1,375,000 attached to be paid upon completion.

For the remaining 4 months of work we will have same creditor provide a completion loan at a rate ~4.5%.



# Our Investors Returns

Sale Price	\$16,000,000	\$18,000,000	\$20,000,000
Return of Equity	\$1,125,000	\$1,125,000	\$1,125,000
Investor Profit	\$4,904,757	\$6,665,097	\$8,613,437
Investor Split	70%	75%	80%

As is always the practice with our firm, we believe long lasting relationships is the key to a successful business.

That is why we are offering sweeteners on this deal such as guaranteed return of capital and increasing the percent split if we receive larger than expected sale prices.



## The Contractor: CAL Structure

Cal Structure, Inc. is a Southern California-based general contractor. The company builds commercial, retail, medical and healthcare buildings and multifamily residential. Additionally, Cal Structure is experienced in design-build, seismic strengthening, preservation, modernization and LEED® rated/sustainable projects.

“We believe constructing a building is more than a house or a store. It's about creating a home or a business, it's about creating the structures throughout a community people proudly call home that will beautifully stand the test of time whether you are a family or a business”

-Adrien Severo, President

### Recent Partners:

1. Soho House
2. Atlas Capital Group
3. F45 Gymnasium
4. Lincoln Properties
5. CIM Group
6. GreyStar Properties
7. F45 Gymnasium
8. Adidas America, Inc



# The Advantage:

## Behind The Law Office of Raoul Severo's Sweat Equity



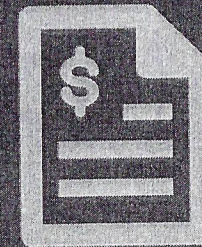
Negotiated the purchase price of land from \$3,500,000 to \$2,500,000. **Saving \$1M in cost**



Negotiated 1st Trust Deed to Hold Note of \$1.375M



Spent 145 billable hours at \$1250/hour and will continue at no cost.



Negotiated letter of commitment to fund the \$3.65M construction loan using personal relationships with Macoy Capital



The Law Office of Raoul Severo will continue to handle all negotiations, litigation, compliance and management of the project at no cost to partners.





## Contact

David Precilla

TEL: 855.216.3990

EMAIL: [david@severolegal.com](mailto:david@severolegal.com)

WEBSITE: [www.severolegal.com](http://www.severolegal.com) |