

LAS VEGAS SFR FUND I

A DISTRESSED REAL ESTATE INVESTMENT OPPORTUNITY FUND



FANTASTIK REALTY

Rob Brown
Fantastik Realty
P (858) 397-3108
F (800) 508-2012
Rob@FantastikRealty.com
www.FantastikRealty.com

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SUMMARY

Fantastik Realty is a Las Vegas-based real estate asset management company focusing on investment opportunities in single-family and multifamily residential real estate located throughout the Las Vegas Metro Area.

The principals of Fantastik Realty:

- Are equipped to source, purchase, reposition, lease and manage undervalued real estate opportunities.
- Have experience in many aspects of commercial real estate, including multifamily, single-family, retail, office, leasing, brokerage, management, development, redevelopment, and lending.
- Bring cultivated relationships with the most well-respected individuals and organizations in the communities in which we work.
- Possess Master's Degrees in Real Estate from a top university and a combined experience of over 25 years in the real estate business.
- Deliver superior service and offer valuable information to our clients so that they are able to make informed decisions.

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ROBERT BROWN

Rob Brown brings over ten years of relevant real estate experience to the business having managed, acquired and/or sold over one hundred million dollars in total asset value. In addition to his experience with commercial real estate, Rob has also owned and personally operated rental properties since 1998. He has represented investors in both the San Diego and Las Vegas communities in the purchase, rehab, and investment of both commercial and residential properties. Rob has owned and operated commercial shopping centers, office buildings, residential rentals, and participated in multiple commercial real estate development ventures. Rob graduated from the prestigious Meadows School in Las Vegas and went on to study business at the University of Southern California. Mr. Brown holds a Bachelor of Arts degree in Philosophy from the University of Southern California and a Master of Science degree in Real Estate from the University of San Diego. Mr. Brown is a licensed real estate broker in both California (#01796328) and Nevada (#1000818). Rob is an active member of the University of Southern California Trojan Alumni Network, the University of San Diego Torero Alumni Network, The Meadows School Alumni Network, NAIOP and the Urban Land Institute (ULI). Mr. Brown currently resides in Las Vegas, NV.!

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FAST FACTS

- Fantastik Realty is currently purchasing rental homes at **30 year low prices**.
- **Vacancy** in our target market, including rehab downtime, has been under 10% across all investments.
- **Relationships and reputation** are as important as ever in securing investment opportunities.
- Financing remains unavailable to individuals looking to purchase a home, creating a **larger pool of renters**.
- Over 56% of renters in our target market are paying between **\$1,000 and \$1,249**.
- We have **“boots on the ground”** and can react quickly and with total confidence when necessary.

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WHAT WE DO

Fantastik Realty operates in a niche within a unique submarket. Homes in this market can be purchased for historically low prices and rented for above average rents, providing investors with attractive returns.

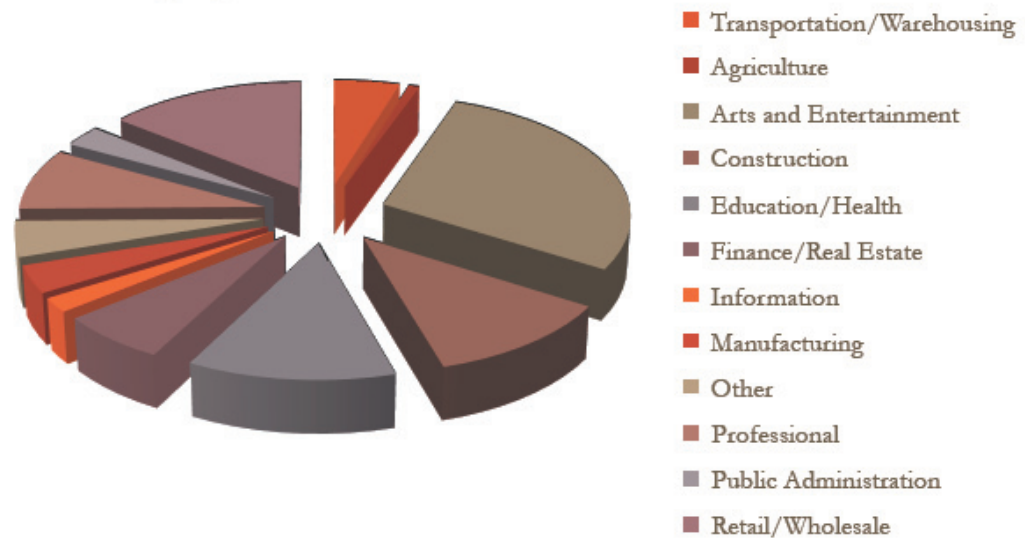
- **Sourcing** – Our relationships, marketing and proprietary database allow us to uncover attractive investment opportunities for our investors.
- **Financing** – In order to be competitive we typically close transactions all cash and seek financing after we close.
- **Renovation** – Arrange for the necessary rehab work to be done in order to get the property to a rentable condition.
- **Leasing** – We rely on our professional marketing staff and management group to market and lease the property to qualified tenants.
- **Managing** – Our third-party managers have honed in on this product type and created a successful model to lease and manage our properties.
- **Selling** – When the market returns, we anticipate upward pressure on home prices and an opportunity to sell at a profit, achieving mid teen CAP rate returns.

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EMPLOYMENT

- As the job market recovers, the **number of renters will increase** in locations near “The Strip.”
- Our target homes are all very similar and, due to the finite number of issues that can come up, the entire **process** has been **simplified**.
- Nearly 30% of residents work in the Arts and Entertainment industry, an industry that is **recovering rapidly**.

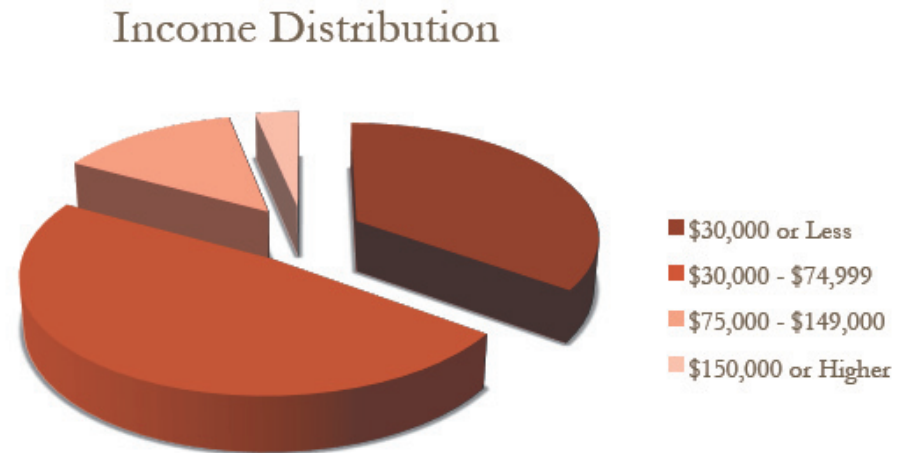
Employment Breakdown



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INCOME DISTRIBUTION

- Las Vegas has been labeled one of the most **undervalued** real estate markets in the U.S.
- Historically low prices and high rents create opportunities for **above market returns**.
- We provide a **Knowledgeable** contact point between our investors and sellers, brokers, managers and vendors.



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OPPORTUNITY

The recent real estate bubble has given rise to a level of distress that hasn't been seen in decades. Due to the recent economic hardships suffered by residents of the Las Vegas area, an opportunity exists to purchase steeply discounted real estate from overwhelmed lending institutions.

- According to the Greater Las Vegas Association of Realtors, nearly 47% of 2011 home sales in Las Vegas were foreclosure sales.
- Due to economies of scale we are able to provide our investors with discounted pricing from vendors, third-party managers and general contractors.
- Our team brings expert knowledge of the short sale and REO negotiation processes.
- The lending market has prevented both investors and potential home buyers from purchasing homes, driving values down and rents up.
- Increased consumer confidence and job growth, over the ownership of these homes, will put upward pressure on home values as the market recovers, further increasing investment returns.

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CASE STUDY

Property Address:	6441 Bannock Way Las Vegas, NV 89107	Purchase Price:	\$43,000
Sale Price:	\$43,000	Rehab Cost:	\$6,000
Livable Square Footage:	1,274	Total Investment:	\$49,000
Price/Sqft:	\$33.75	Rent:	\$980
Year Built:	1962	Potential Gross (Annual):	\$11,760
No. Bedrooms:	4	Expenses (25%):	\$2,940
No. Bathrooms:	2	Net Operating Income:	\$8,820
Lot Square Footage:	6,100	Annual Return:	18.00%

The Problem: The subject property, a short sale investment opportunity, was vacant and in disrepair. It was listed at \$59,900 and already had price reductions. We were tracking the property because it fit our buying criteria. We got involved when one of our contacts indicated that the property was falling out of contract with a buyer and the lender had approved a short sale price of \$45,000. We immediately submitted an offer at \$43,000. The bank was firm on the sale price but after a lengthy negotiation we had an agreement and closed the transaction at \$43,000.

The Solution: As we approached the close of escrow we began our negotiations with our vendors and contractors. The property needed to be painted, the carpet needed to be replaced, some appliances needed to be replaced, the overhang in the backyard needed to be repaired and painted, a portion of the rear siding needed to be replaced and painted, the window coverings needed to be replaced, some drywall needed to be repaired, a stack washer/dryer needed to be plumbed in off of the kitchen, some doors needed to be replaced, the landscaping needed to be improved, and the fences surrounding the backyard needed to be repaired.

The Opportunity: The work that needed to be done on the property was average for this product type and we expected it to take two weeks to get everything completed. Our total cost was approximately \$6,000 and we expected to rent the property for \$950 - \$1,000 per month. Our all-in cost of the project was \$49,000 and we are currently getting \$980 per month in rent. Expenses average approximately \$250 per month, including management fees, and our annual return is approximately 18.00%.

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CASE STUDY

Before



Front of House



Back of House



Living Room



Bedroom

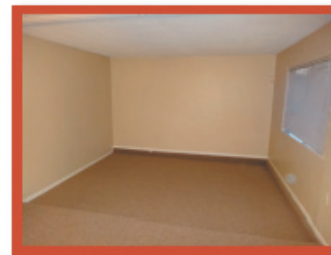
After



Front of House



Back of House



Living Room



Bedroom

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COMPETITIVE ADVANTAGE

No other group is more experienced, prepared and positioned to capitalize on these investment opportunities than **Fantastik Realty**.

- Well connected and respected in the industry.
- Able to underwrite and value assets quicker than any local, regional or national opportunity investor or fund.
- “Boots on the ground” experience and familiarity with our markets.
- Preferential treatment and pricing from general contractors and project managers.
- Proprietary database of homes that fit our specific criteria for investment.
- Technical skills needed to draft and submit offers through the complicated, tedious and ever-changing REO and short sale offer submission processes.

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COMPETITION

WORD IS OUT! – investors and opportunity funds have identified Las Vegas as a hotbed for real estate investing.

- Owner-occupants who will pay more for a personal residence than an investor looking for a return.
- Aggressive investors with lower return expectations willing to pay a premium for welllocated properties.
- Institutional investors buying bulk tapes of mortgages and REO homes at steep discounts directly from lending institutions.
- Other savvy investors making strong ALL CASH offers with cheaper debt options.
- First time buyer HUD program buyers who get a “first look” at properties.

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Timing + Experience + Preparedness = Opportunity

- **Timing** – Once in a lifetime liquidity contraction, banking failures, combined with massive repricing of all levered assets (both good and bad) on a global, national, regional and local level is just the beginning.
- **Experience** – Principals have a combined 25 years of real estate, construction, entitlement and finance experience to serve investors in very tough markets. Uniquely qualified, connected and vested.
- **Preparedness** – Fantastik Realty has the foundation, workflow, core staff competencies, and marketplace relationships to out-manuever all alternative asset managers in this marketplace.
- **Opportunity** – The opportunity for experienced players to significantly capitalize over a 2-3 year timeframe on a paralyzed financing mechanism. The massive re-pricing of assets will allow us to acquire these hard assets, reposition them, and exit them when the market returns, allowing for us to achieve significant returns.

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Funds Sought

- A capital commitment of \$5,000,000 is sought for Fund I.

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CONTACT INFORMATION

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