

Preserving Capital. Building Wealth.



BRC CAPITAL REO I, LP

700 S. Flower Street, Suite 1400
Los Angeles, CA 90017

Marceann Killian

killian@brcadvisors.com

(562) 787-0808

Disclaimer

- THIS INVESTOR SUMMARY CONTAINS FORWARD-LOOKING STATEMENTS CONCERNING THE COMPANY'S OR THE COMPANY'S MANAGEMENT'S PLANS, INTENTIONS, STRATEGIES, EXPECTATIONS, PREDICTIONS, FINANCIAL PROJECTIONS AND BELIEFS CONCERNING THE COMPANY'S FUTURE ACTIVITIES AND RESULTS OF OPERATIONS AND OTHER FUTURE EVENTS OR CONDITIONS. ACTUAL RESULTS, EVENTS OR CONDITIONS WILL DIFFER, AND MAY DIFFER MATERIALLY, FROM THOSE PROJECTED BY THE COMPANY. THIS WILL LIKELY BE DUE TO A VARIETY OF FACTORS, SOME OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY.
- WE MAKE STATEMENTS IN THIS PRESENTATION THAT RELATE TO MATTERS THAT ARE NOT HISTORICAL FACTS THAT WE REFER TO AS "FORWARD-LOOKING STATEMENTS" REGARDING, AMONG OTHER THINGS, OUR BUSINESS STRATEGY, OUR PROSPECTS AND OUR FINANCIAL POSITION. THESE STATEMENTS MAY BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "BELIEVES," "ESTIMATES," "EXPECTS," "INTENDS," "MAY," "WILL," "SHOULD" OR "ANTICIPATES" OR THE NEGATIVE OR OTHER VARIATION OF THESE OR SIMILAR WORDS, OR BY DISCUSSIONS OF STRATEGY OR RISKS AND UNCERTAINTIES. FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT INCLUDE, AMONG OTHER THINGS, STATEMENTS CONCERNING:
 - PROJECTIONS OF FUTURE RESULTS OF OPERATIONS OR FINANCIAL CONDITION;
 - EXPECTATIONS FOR OUR CASINO PROPERTIES; AND
 - EXPECTATIONS OF THE CONTINUED AVAILABILITY OF CAPITAL RESOURCES.
- FORWARD-LOOKING STATEMENTS SHOULD NOT BE REGARDED AS A REPRESENTATION BY US OR ANY OTHER PERSON THAT THE FORWARD-LOOKING STATEMENTS WILL BE ACHIEVED. UNDUE RELIANCE SHOULD NOT BE PLACED ON ANY FORWARD-LOOKING STATEMENTS. SOME OF THE CONTINGENCIES AND UNCERTAINTIES TO WHICH ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN IS SUBJECT INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:
 - ABILITY TO ACQUIRE ASSETS THAT FIT OUR ACQUISITION MODEL.
 - WE MAY EXPERIENCE REDUCED OPERATING MARGINS AND LOSS OF MARKET SHARE DUE TO INTENSE COMPETITION FROM COMPANIES WITH LONGER OPERATING HISTORIES AND GREATER RESOURCES.
 - RETAIL HOME SALES TRENDS THAT ARE ADVERSE TO OUR BUSINESS MODEL.
 - UNFORESEEN LEGISLATIVE EFFORTS THAT ADVERSELY AFFECT ACQUISITION OF DISTRESSED ASSETS AND MITIGATION THEREOF.
 - WE ARE UNABLE TO PREDICT THE FUTURE IMPACT THAT TERRORISM AND THE UNCERTAINTY OF WAR MAY HAVE ON OUR BUSINESS AND OPERATIONS.
 - WE DEPEND UPON OUR KEY EMPLOYEES AND CERTAIN MEMBERS OF OUR MANAGEMENT.
 - OUR BUSINESS RELIES HEAVILY ON CERTAIN MARKETS AND AN UNFORESEEN ECONOMIC CHANGE IN THESE MARKETS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS.
- ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO US OR PERSONS ACTING ON OUR BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS INCLUDED IN THIS DOCUMENT. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE. IN LIGHT OF THESE RISKS, UNCERTAINTIES AND ASSUMPTIONS, THE FORWARD-LOOKING EVENTS DISCUSSED IN THIS DOCUMENT MIGHT NOT OCCUR.

RESIDENTIAL REO FUND EXECUTION

- BRC Capital provides investors seeking to invest \$5 million to \$100+ million with the expertise and infrastructure to execute short term (2 to 6 month) investment strategies in the Southern California market.
 - 15 year track record buying off market properties
 - Property management company with 500 units in Los Angeles
 - Residential brokerage firm with 200 agents
 - Commercial brokerage with database of small investors seeking 2 to 4 unit properties
- **WE ARE NOT BUYING TAPES.** We've found that many investors waste considerable time and energy chasing bank tapes which either cannot be delivered consistently or contain a large number of unwanted assets included in a bulk sale.

Advantages of Buying Off Market vs Bulk Sale

- **Certainty of Close**
 - Daily inventory of deals
 - Consistent ability to assemble pools of \$5 million to \$10 million per month based on Buyer's criteria
- **Superior Control over Assets in Pool**
 - Pinpoint geography, asset types and quality
 - No “kick-outs” or undeliverable “ghost inventory”
 - Adjust bid parameters while filling pool
- **Buy for \$0.65 to \$0.75 of Re-sale price** (based on our due diligence and track record)
- **Immediate deployment of incremental capital**

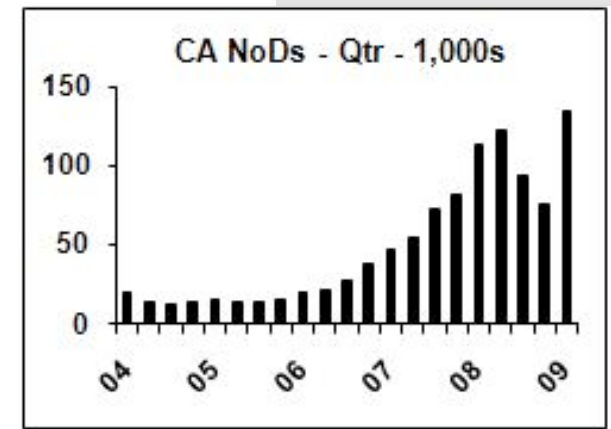
Residential REO Investor Landscape

Investor Type	Bank Tapes	Trustee Sale	REO Broker	Public Auction
Hedge Fund \$100 million+	✓			
Private Funds & HNW Individuals \$20 to \$50 million	✓	✓	✓	
Local Investors \$5 million+	✓		✓	
Mom & Pop			✓	✓

Excellent Time To Invest in Residential Real Estate

SOUTHERN CALIFORNIA MARKET

- Home prices are down 50% from peak in 2007
- Sales volume is up over 50% over 2008
- Decline in values slowing in 2009
- FHA financing volume triples since 2008
- Beginning to see multiple offers again in some markets



Dataquick

*“Be fearful when others are greedy,
and be greedy when other are fearful” – Warren Buffet*

Our Turnkey Solution is Geared for High Volume



Proven Expertise & Infrastructure at Each Stage

ACQUISITION

- 20 year buyer in Southern California
- Extensive banking contacts
- Purchased over 600 properties
- Experienced due diligence team to sort, evaluate, inspect and buy effectively

REHABILITATION

- Property Management Division manages 500 units throughout the Los Angeles
- In-house repair & renovation crews
- Specialize in B- to C quality, urban, turn-around projects

DISPOSITION

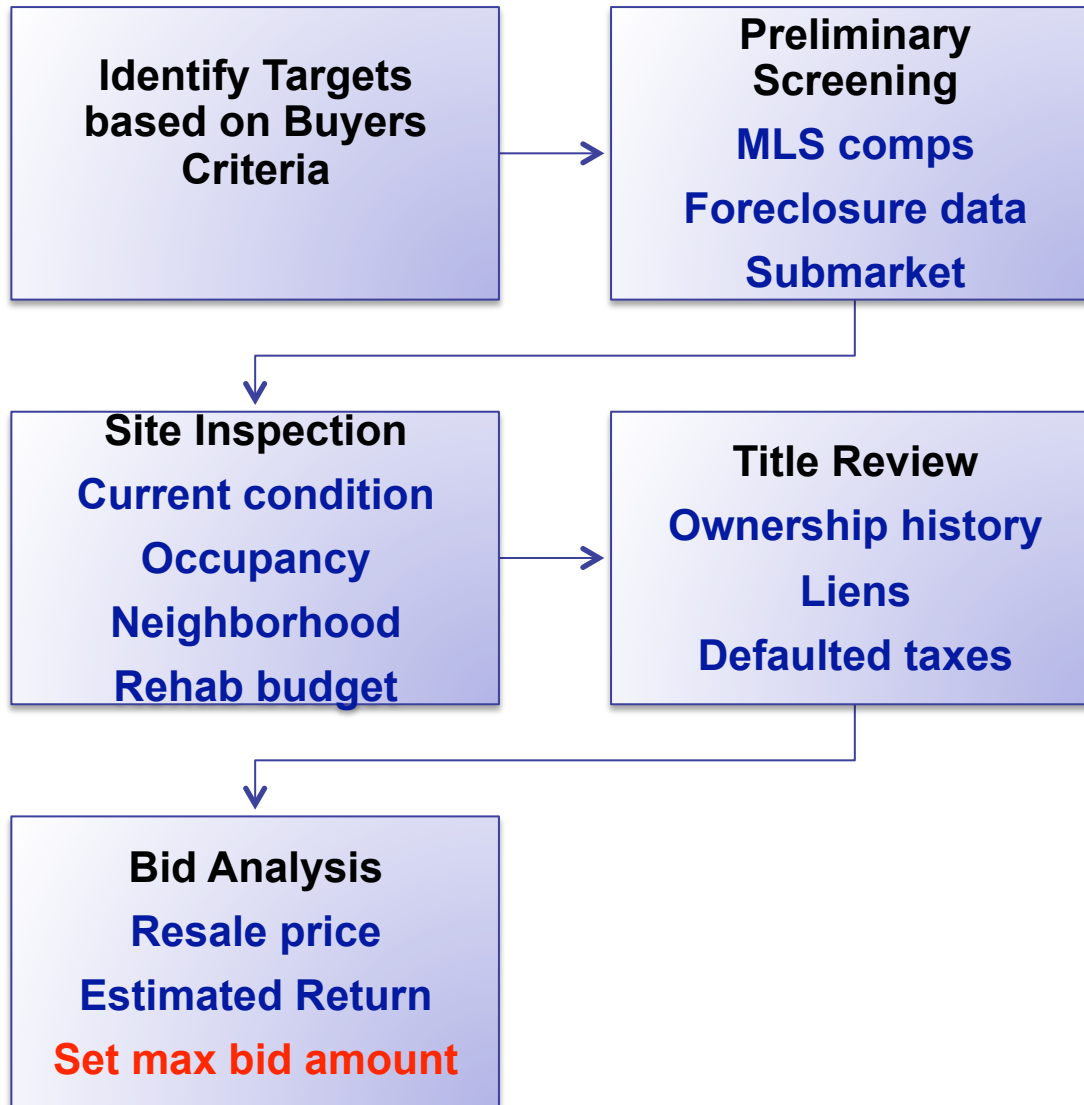
- 200 Residential agents & 100 Commercial agents
 - Proprietary database of investor clients seeking 2 to 4 unit projects
 - Strong presence in Southern California
-

Transparency

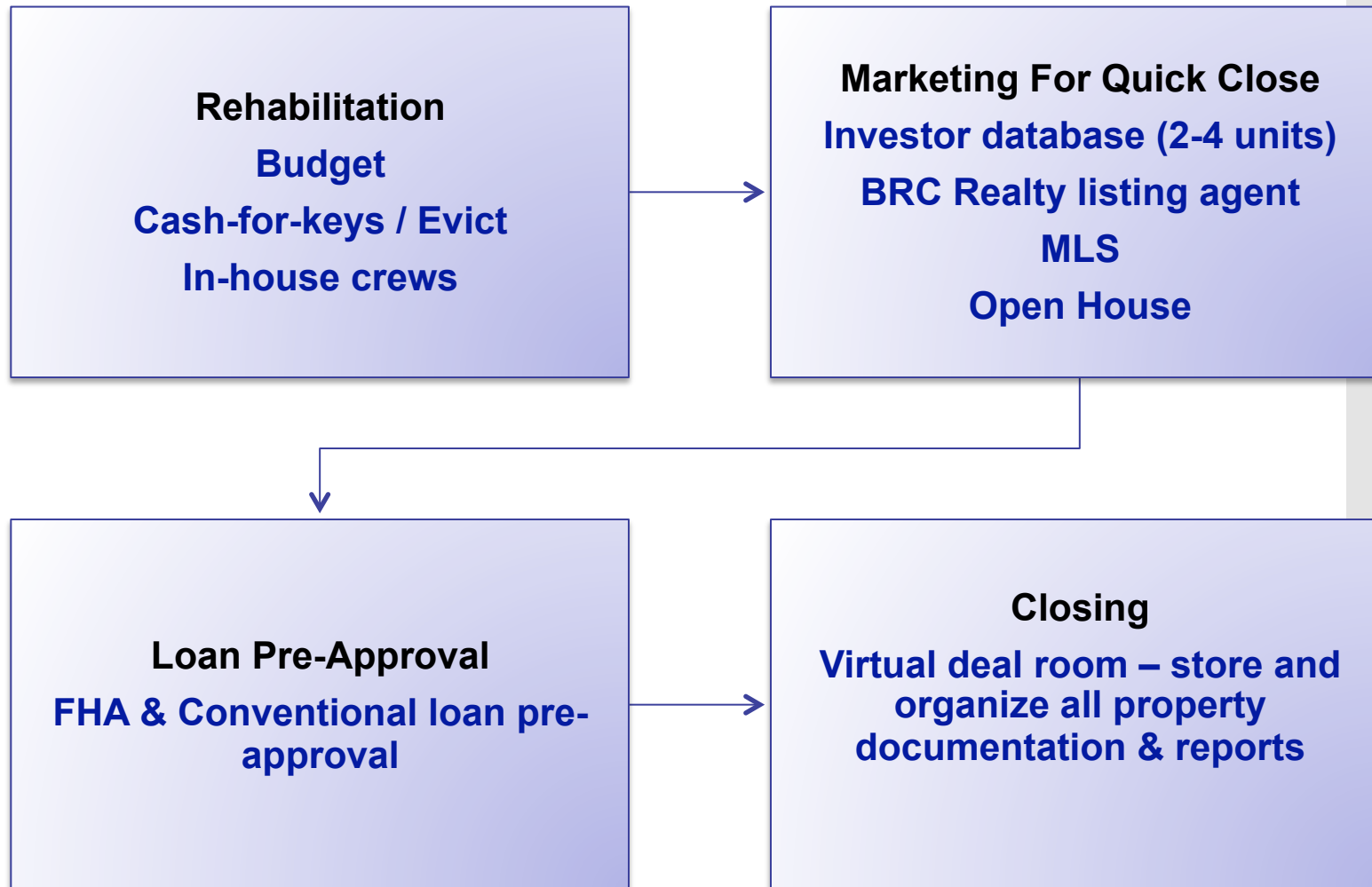
PORTFOLIO MANAGEMENT & FINANCING

- Virtual deal room with all property level due diligence items from acquisition to close
- Updates portfolio aggregation status & deal tracker
- Prepare & manage rehab budgets & disbursements
- 20 years of valuation, finance and investment experience
- Closed over \$3 billion in financing transactions

Due Diligence Process Overview



Rehab to Resale



Recent Transactions



La Puente
4 bd / 2 ba
Purchase \$146,900
In Escrow \$250,000



Los Angeles
Duplex
Purchase \$163,300
Sold \$250,000



Carson
4 bd / 2 ba
Purchase \$170,000
In Escrow \$350,000



Lancaster
3 bd / 2 ba
Purchase \$95,750
In Escrow \$150,000

\$1 Million Proforma Investment

Investment Amount	\$1,000,000	Capital Contribution	Investor	Total
Number of Homes Purchased	5	Preferred Return	95.0%	100.0%
Investment Period	5 months	Profit Share	8.0%	8.0%
			52.0%	100.0%
Average Purchase Price	\$200,000	Leveraged Return	\$95,267	\$170,916
Average Resale Price	\$280,000	Avg Cash on Cash Return	15.9%	28.5%
Average Loan Amount	\$116,000	Leveraged IRR	52.0%	87.4%

	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	TOTAL
Home Sales	0	0	2	2	1	0	0	5
% of Homes Sold	0%	0%	40%	80%	100%	100%	100%	
PURCHASE								
Beginning balance	1,000,000	(41,500)	470,100	663,160	911,216	1,000,000	1,000,000	
Purchase price	(1,000,000)							
Acquisition, Rehab expenses	(41,500)	(68,400)	(14,700)	(2,984)	-	-	-	
Loan proceeds		580,000	-	-	-	-	-	
Return of capital		-	207,760	251,040	88,784	-	-	
Ending Balance	(41,500)	470,100	663,160	911,216	1,000,000	1,000,000	1,000,000	
LOAN								
Beginning Balance		(580,000)	(580,000)	(268,360)	-	-	-	
Repayments		-	311,640	268,360	-	-	-	
Ending Balance		(580,000)	(268,360)	-	-	-	-	
RESALE								
Sale Price	-	-	560,000	560,000	280,000	-	-	1,400,000
Less Closing Costs:	-	-	(40,600)	(40,600)	(20,300)	-	-	(101,500)
Available Proceeds	-	-	519,400	519,400	259,700	-	-	1,298,500
Less Loan Repayment	-	-	(311,640)	(268,360)	-	-	-	(580,000)
Available Proceeds After Loan	-	-	207,760	251,040	259,700	-	-	718,500
Less Return of Capital		█	(207,760) █	(251,040) █	(88,784) █	- █	-	(547,584)
NET PROFIT			-	-	170,916	-	-	170,916

\$1 Million Proforma Investment

INVESTOR RETURN

Project	(1,041,500)	511,600	193,060	248,056	259,700	-	-	170,916
Project IRR	87.4%							
Investor								
Return of Capital	(1,041,500)	511,600	193,060	248,056	88,784	-	-	(0)
Preferred Return Paid		-	-	-	13,313	-	-	13,313
Profit Share to Investor		-	-	-	81,954	-	-	81,954
Investor	(1,041,500)	511,600	193,060	248,056	184,051	-	-	\$ 95,267
Investor IRR	52.0%							

ACQUISITION

BRC Acquisition Fee 4.0%

FINANCING

Loan to Purchase Price 58.0%
 Interest Rate 12.0%
 Loan Fees 2.0%
 Loan Repayment % of Net 60.0%

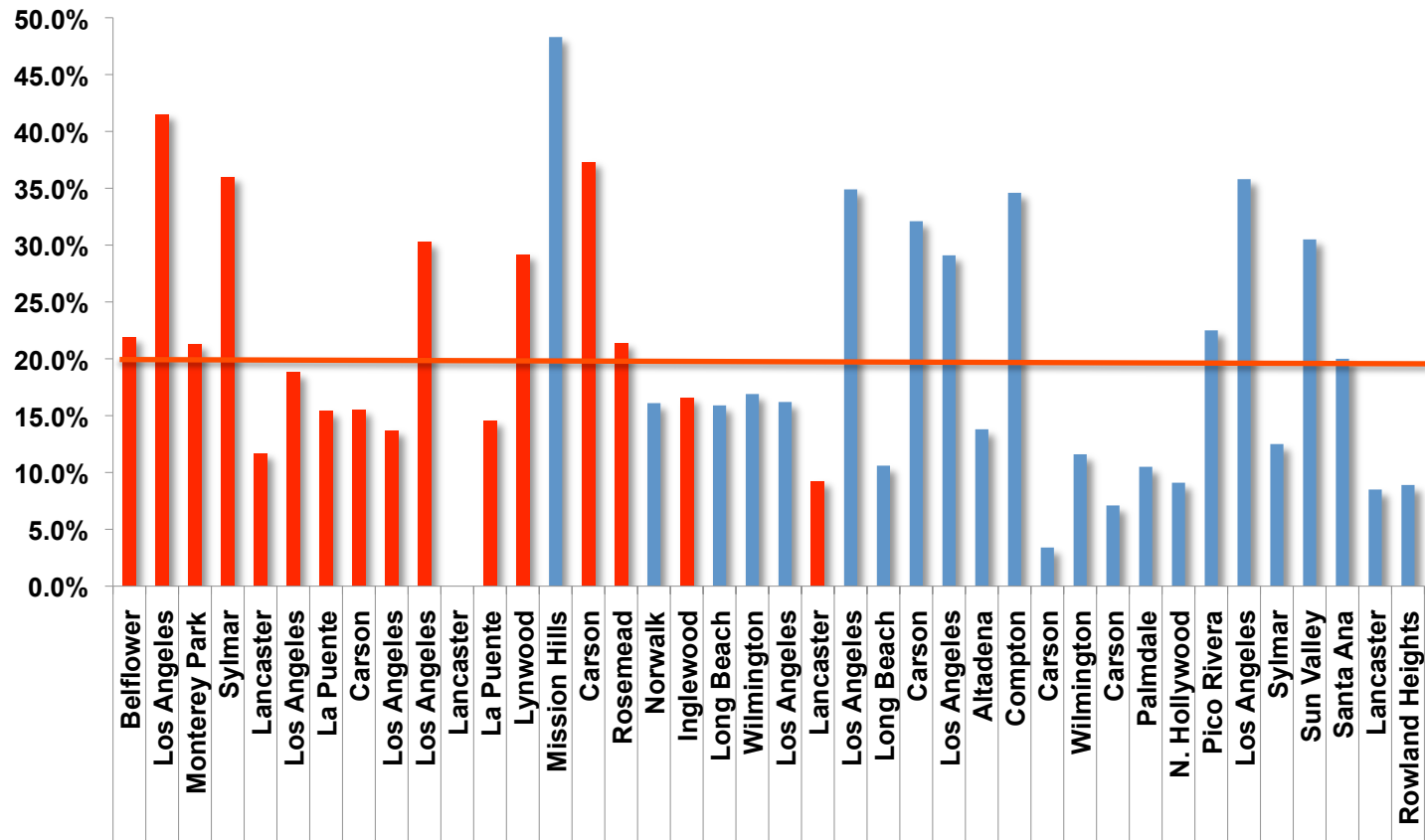
DISPOSITION

RE Commissions 5.00%
 Escrow/Closing 1.00%
 RE Taxes 0.25%
 BRC Asset Management 1.00%
 Capital Raising Fee 0.00%
 Closing Costs 7.25%

EXPENSES

	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	TOTAL
ACQUISITION								
Acquisition Fee	40,000	-	-	-	-	-	-	40,000
Escrow	2,500	-	-	-	-	-	-	2,500
Subtotal Acquisition	40,000	-	-	-	-	-	-	40,000
FINANCING								
Loan Fees	-	11,600	-	-	-	-	-	11,600
Interest Expense	-	5,800	5,800	2,684	-	-	-	14,284
Valuation, Docs, Closing	-	2,500	-	-	-	-	-	2,500
Subtotal Financing	-	19,900	5,800	2,684	-	-	-	28,384
SERVICING								
Misc Repairs / Credits	-	32,000	8,000	-	-	-	-	40,000
Utilities	500	500	300	100	-	-	-	1,400
General Maintenance	500	500	300	100	-	-	-	1,400
Cash For Keys	-	15,000	-	-	-	-	-	15,000
Fire Insurance	500	500	300	100	-	-	-	1,400
RE Taxes (delinquent)	-	-	-	-	-	-	-	-
Subtotal Servicing	1,500	48,500	8,900	300	-	-	-	44,200
TOTAL EXPENSES	41,500	68,400	14,700	2,984	-	-	-	112,584

21% Average Cash on Cash Return *



Average purchase price \$159,000

Average rehab budget \$15,000

Average resale price \$248,000

■ Sold or In Escrow

■ Active Listing

Investment Opportunity

Amount	Co-Investment Under \$5 million	Single Investment \$5 million +
Ownership	Limited Partner within BRC Capital REO I, LP	TBD by Buyer
Total Offering	\$5 million	TBD by Buyer
Investment Unit	\$25,000 each	NA
BRC Co-Investment	\$200,000 or 5% whichever is greater	0%
Preferred Return	8%	TBD by Buyer
Profit Share to Investor / BRC	52% / 48%	60% / 40%
Profit Distribution	Upon sale	Upon sale or lease
BRC Capital, LLC	General Partner	BRC authorized through a Management & Profit Sharing Agreement

Acquisition Criteria

Investment Type:	1 to 4 unit Residential Homes
Target Investor Return:	15%+ Cash-on-cash 30%+ IRR
Purchase Range:	\$150,000 to \$300,000
Resale Range:	\$210,000 to \$420,000
Purchase Discount to Market Value:	40% to 50% (50 to 60 cents on the dollar)
Investment Period:	2 to 6 month exit
Locations:	Southern California, major metro markets near employment centers
Typical Property Profile:	2 and 3 bedroom homes and multi-unit properties Middle and working class neighborhoods High sales volume in submarket for well priced homes Generally in need of paint, carpet and cosmetic repairs only Positive cash flow if converted to rental
Typical Buyer:	First time home buyer using conventional and FHA financing Move-up buyer or small investor Individual investors seeking 10%+ net cash flow

Management Team

DAVID TAKAKAWA, Managing Partner

- 15 years of commercial real estate finance experience with Union Bank and Bank of America. Closed over \$1.4 billion in financing across Western US
- Co-founded BRC Advisors Inc., BRC Management Services
- Syndicated 17 multi-family and industrial projects totaling 230 units. To date, 12 have been sold with a realized 1.4x total return on invested capital and a 28% average IRR.
- BA from UCLA

JAMES HUANG, Managing Partner

- Founder of BRC Advisors Inc, currently 23 largest commercial brokerage in California. The company has 6 offices and over 100 commercial agents
- Co-founded BRC Management Services, National Mortgage Solutions Inc, and BRC Realty Inc.
- Former top producer at Marcus & Millichap
- BA from UCLA

MICHAEL LESTER, JD, CPA

- Founded and currently runs a 28 year old Business Management Practice in Los Angeles
- Formerly CFO and General Counsel to Internet net media company & co-founder of The Willows Community School in Culver City
- Board of Directors of Friends of the Griffith Observatory
- BA and JD from Wayne State University

Next Steps

1. Sign Confidentiality Agreement
2. Review Offering Memorandum & Entity Documentation
3. Sign Subscription Agreement
4. Fund