



AEGIS
RE Partners

Transactional Funding Overview



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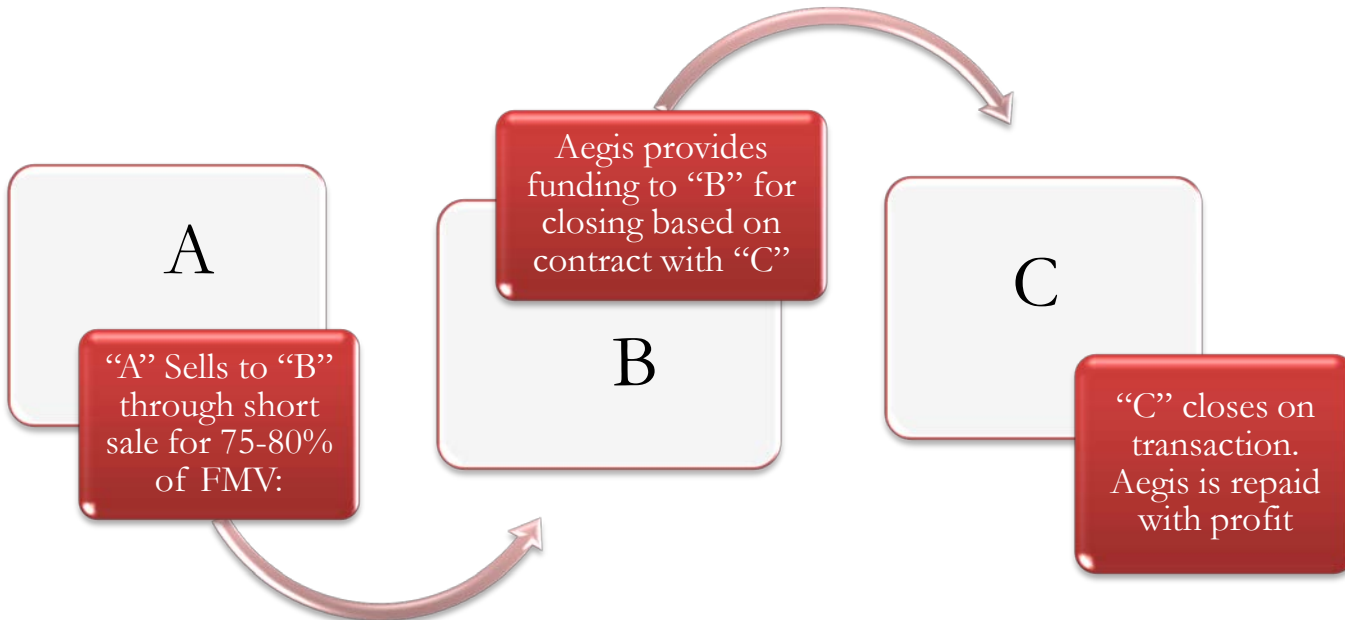
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Disclosure Statement: Aegis RE Partners, LLC is a provider of equity capital, and is not a licensed mortgage lender. Aegis RE Partners, LLC will not provide transactional funding for short sale transactions where full disclosure has not been made to the seller's lender regarding the nature of the transaction (i.e., property flip), nor will it fund any transactions where it suspects fraud, misrepresentation or BPO/appraisal manipulation.

Company Overview

Aegis RE Partners, LLC is a Tampa-based private equity group, focused on providing short-term capital to investors for the acquisition of distressed commercial and residential real estate. Aegis also invests in value-add transactions, such as REO rehabs and commercial properties in need of repositioning.

Aegis is a leading provider of transactional funding for distressed real estate “flips,” in which a property is acquired at a significant discount to current market value, and immediately resold at a profit. The Company’s investments are structured as preferred return contractual equity investments, as opposed to loans or direct ownership. The Aegis transactional funding program is only for properties in which a subsequent buyer of the investment property (Party C) is under contract at the time the property is purchased from the distressed seller (Party A).



Company Highlights

- Tampa, FL based private equity fund
- Managed by experienced RE professionals
- Provider of short-term capital for real estate
- Nationwide Transactional Funding source



Anatomy of Transactional Funding



What Sets Us Apart?

- Funding for up to 60 days!
- Non-Recourse (no personal guarantee)!
- Funding up to \$2 Million!
- Nationwide Funding!
- Funding Rehabs!
- Will Fund Commercial Deals!



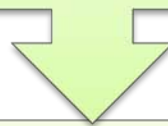
WHAT MAKES US DIFFERENT?

Processing Overview

Step 1: New Application

Action: Investor completes Aegis Investor Application Package and submits, along with supporting documents, to Aegis via website or email. Information is entered into Aegis database. Client is ready to submit new transactions.

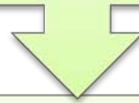
Timing: 1-2 Days



Step 2: New Transaction

Action: New transaction is submitted through website or email. Package is reviewed by BDO for completeness. File is given a Transaction Number and submitted to underwriter for processing.

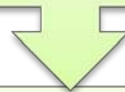
Timing: 1-3 Days



Step 3: Underwriting/Processing

Action: File is transferred to Underwriter. Once underwriting is complete, file is transferred to Management for approval.

Timing: 3-5 Days



Step 4: Approval

Action: Management reviews file and makes final decision. Once approved, file is transferred to Closer for document preparation.

Timing: 1-2 Days



Step 5: Closing and Funding

Action: Closer prepares closing documents and sends title/escrow company. Manager signs Wire Authorization Form once all signed documents have been received from title/escrow company.

Timing: 1 Day

Common Deal Killers & Solutions

- ***Issue: Not enough time for Aegis to underwrite transaction***
 - Solution: Submit files 7-10 business days from expiration of approval letter

- ***Issue: C-Buyer not fully approved***
 - Solution: Try to use one of Aegis's preferred lenders (Prime Lending or American Bank)
 - Solution: If C-buyer is using different lender, request full credit approval from Loan Officer (i.e., all income, assets, DTI ratios verified; subject only to appraisal and title).

- ***Issue: C-Buyer appraisal comes in low***
 - Use sites such as Eppraisal.com and Zillow.com to establish basis for B-C price
 - Be prepared with rebuttals and additional comps to support value

- ***Issue: Not in compliance with short sale approval letter***
 - Review the short sale approval letters carefully and address issues, such as “no flip” covenants prior to sending deal to Aegis

- ***Issue: Proper disclosure not made to short sale lender and/or C-buyer***
 - DISCLOSE, DISCLOSE, DISCLOSE! Make sure you are using the correct contracts, which include the required disclosure. We will not close deals where disclosures have not been made.

FAQs

Q: What sets Aegis apart from other transactional funders?

A: There are two key differences between the Aegis program and what is most commonly offered by transactional funders:

1. Aegis makes a preferred equity investment in the property as opposed to a loan. As such, Aegis does not require a personal guarantee (other than for fraud and misrepresentation), nor do we require a promissory note to be executed.
2. Most transactional funders provide loans only for back to back transactions, whereas our general investment parameters allow for planned holding periods up to 60 days, with our “sweet spot” being hold periods of 10-35 days.

Q: What percentage of the profit is allocated to Aegis?

A: As a provider of preferred equity, Aegis is entitled to a preferred return on the capital invested in each transaction. To achieve our targeted IRR for this investment strategy, we have established the following profit allocation schedule:

Holding Period (Days)	Company's Priority Profit Allocation As % of Investment Amount
0 to 1	1.25%
2 to 5	2.00%
6 to 15	4.50%
16 to 25	5.75%
26 to 35	7.00%
36 to 45	8.50%
46 to 60	10.50%
61 to 95	14.00%
96 to 120	All proceeds of sale

To the extent the total profit allocated to Aegis on any individual transaction is less than \$2,000 based upon the schedule above, Aegis will be entitled to a minimum preferred profit allocation of \$2,000. More details regarding our profit allocation can be found in the **Aegis Agreement for Acquisition and Resale of Property**

FAQs

Q: In addition to the profit allocation, are there any other costs associated with each transaction?

A: Since we fund transactions based upon the merits of each deal, it is imperative that we perform the necessary due diligence on each transaction (e.g., valuation, market analysis, title history, etc.). To cover the costs associated with this due diligence, the Client pays Aegis \$400 for the first transaction, and \$250 for each subsequent transaction. This amount is paid to Aegis concurrent with the submission of each new transaction package.

Q: Does Aegis perform a credit check?

A: Yes. As part of our standard due diligence, we will run a full background check - including credit and criminal - on each principal of the company. However, as discussed above, Aegis is not a lender and, therefore, does not qualify the transaction based upon the Client's ability to repay the invested capital.

Q: What information does Aegis require in order to begin underwriting a new transaction?

A: In order for us to begin the underwriting process, we must have all of the following information:

1. Aegis Application Form
2. Aegis Short Sale Transaction Worksheet
3. Copy of Drivers License
4. Articles of Incorporation/Organization
5. Bylaws/Operating Agreement
6. Evidence that Corporation is in Good Standing (as of transaction date)
7. Resumes of all Principals and/or Authorized Signers
8. Brief Narrative Describing Business Plan
9. Fully Executed A-B Contract (with all Addendums if applicable)
10. Signed Approval Letter from A-Seller's Lender
11. If Short Sale, Affidavit of Understanding: Signed by A Seller and Notarized
12. All Investor Disclosures (e.g., Intent to Sell at Profit, etc.)
13. Fully Executed B-C Contract (with all Addendums and Disclosures)
14. Evidence that C-Buyer's Deposit is being held in Escrow (Min. Deposit of 3%)
15. Approval Letter from C-Buyer's Lender (**must be from lender, not broker**)
16. All Disclosures (e.g., Intent to Sell at Profit, etc.) must be present in contract
17. A-B and B-C Preliminary HUD-1 Closing Statements
18. Aegis Valuation and Analysis Fee

FAQs

Q: How long does Aegis take to underwrite, approve and fund a transaction?

A: Typically, our underwriting process can be completed within 7-10 business days from the time we receive all of the information listed above. Given the nature of this business, we are frequently asked to underwrite and fund transactions in 2-3 days. In order for us to properly underwrite the risk inherent in each transaction, we must have at least 7-10 business days. Please keep this timing in mind when structuring your transactions, as we will very rarely make exceptions to this policy.

Q: What issues would preclude Aegis from funding a transaction?

A: Although we are in the business of investing capital, our primary objective is to generate superior risk-adjusted returns, while preserving our investors' capital. In order for us to achieve this objective, we must fully vet each transaction before making an investment. As such, we will not fund transactions where the following characteristics are present:

- **Full disclosure has not been made to the seller, seller's lender, buyer, and buyer's lender with respect to the nature of the transaction (i.e., property flip)**
- Buyer's loan is not fully credit approved, with the only remaining conditions being appraisal and clear title
- Title history shows multiple foreclosures, flips and/or deed transfers over the past 5 years
- Subject market is still in a state of decline with respect to property values, or has an *oversupply* of foreclosed homes and/or short sales
- The spread between the A-B and B-C price is not sufficient to cover the costs of the transaction and provide an adequate equity "cushion" in the event the B-C transaction fails to close
- The markup between the A-B and B-C is excessive or unrealistic, or where the B-C price is greater than the mortgage(s) being paid off (i.e., equity stripping)
- A-B contract is in an individual's name (i.e., we will only provide capital to companies, not consumers)

In addition to the aforementioned issues, we will not fund transactions where we feel any facts have been misrepresented to any of the parties involved (seller, seller's lender, buyer, buyer's lender, title/escrow company, and us).

Q: Can I choose the title and escrow company for the transaction?

A: Given the unique nature of these short sale transactions and how we structure our capital contribution, Aegis has approved a number of title/escrow companies and attorneys around the country with whom we will work. A list of these service providers can be found on the Aegis Partners page of this site.

FAQs

Q: How does Aegis protect its investment?

A: As noted above, we are providing equity, not debt. Accordingly, all of our invested capital is at risk without recourse back to our Clients (except for instances where fraud and/or misrepresentation has occurred). However, lack of personal guarantee and promissory note notwithstanding, we are able to mitigate risk and protect our investment through: (i) extensive transaction-level due diligence; (ii) execution of a Deed between Aegis, as Grantee, and our Client, as Grantor, which is held in escrow; (iii) filing of a Memorandum of Understanding, Mortgage, and/or Performance Deed of Trust; (iv) title insurance policy and closing protection letter provided by title insurance company; and (v) working only with trusted third party providers (e.g., title/escrow companies, mortgage lenders, appraisers, etc.).

Q: Will Aegis provide a Proof of Funds Letter?

A: We will provide a Proof of Funds letter upon our completing a cursory review of the contemplated transaction, which includes a quick analysis of the subject property, as well as the A-B and B-C contract prices. We will not issue POF letters for those transactions that fail to meet our standard underwriting criteria.

Q: What if my C-buyer is getting an FHA loan and, therefore, cannot get an approval letter prior to the A-B Closing?

A: We require that, at a minimum, the C-buyer provide a pre-approval letter from their lender (letters from brokers are not acceptable) stating that the loan has been credit approved, and that all supporting documentation has been collected, verified and approved. Although lenders cannot officially approve a file prior to A-B closing, the loan officer can do most, if not all of the underwriting beforehand. Additionally, we may request that the C-buyer sign letter authorizing Aegis to speak directly with, and obtain information from their lender.

Q: How do I get started with Aegis?

A: To be added to our “prospect” database, which we encourage you to do prior to having a deal to submit, please complete the Investor Information Package and return, via email, to application@aegisrepartners.com. This will help in expediting the process once you have a transaction in need of funding. Please note, we don’t “pre-approve” Clients, as our decision to invest is based primarily on the transaction. However, if you have any liens, judgments, or pending lawsuits against you or the company in which you be taking title to the property, we will most likely decline your request.



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