

Rem0del.com REOPP

(Real Estate Owned Partnership Program)

Real Estate Business.

Step 1.

Rem0del.com Qualified REO Specialist.

In the “boom” of the foreclosure market, REOs have become a profitable investment tool. Known as “real estate owned”, these properties have been returned to the bank after attempts were made to sell the property through foreclosure auctions. Since banks are in the business of lending money, not owning property, properties are offered in bulk at steep discounts. The “over-stock” of REOs today, is directly connected to the failure of many banks and lenders. Too much inventory and not enough operating capital means banks are offering their REO packages at historically low rates.

Typically, in a strong market a good REO Specialist can acquire viable property for about 80 cents on the dollar. In Today's market, good, rent/move-in ready property can be acquired for as little as 50 cents on the dollar. As REO liquidators we can buy these properties in bulk, mark them up to about 70, or 80 cents on the dollar and re-sell them individually. We negotiate directly with the bank and essentially determine LOCATION, TYPE, COST and at what margin against today's fair market value we want to acquire property. We pick an area, get a list of properties from the bank that meet the requirements and even have TWO WEEKS to perform any due diligence, prior to purchase.

Bank resources are only interested in making “big”, “bulk” deals. We cannot, nor would we approach a bank resource with less than \$2,000,000 per transaction. This is why REOs have been a great opportunity for institutional investors. Our REOPP (real estate owned partnership program) offers multiple persons (group purchase) to invest collectively in order to meet the minimum of \$2M and get the REO properties.

Using our own rem0del.com construction services to restore and remodel the property will allow for significant additional gains to the partnership since the cost of the restoration / remodel of the property will be the same for the partnership as our business. The efficiency of incorporating our construction business into our real estate business will eliminate the markups incurred when having to hire a construction company to perform these same services. All partners enrolled into our REOPP ( real estate owned partnership program ) will have the security of property ownership (deed) until all partnership contracted commitments have been met. This unique approach to the

real estate business will allow for both parties to maximize from current market opportunities without the exposure of risk or financial limitations of current economic conditions.

Once the REOPP is closed out at 2 million dollars, Rem0del.com will incorporate the REOP entity (Integrity REOPP Holdings, partnership), fund the (Integrity REOPP holdings, partnership) account, deliver (Integrity REOPP holdings, partnership) certificates and prepare the LOI (letter of intent) for the inner bank liquidator.

### Step 2.

The following Time line is a best \*estimate\* of the timing of the Rem0del.com REO Acquisition process from the submission of the completed REOPP paperwork to Rem0del.com, to the closing of the purchase transaction.

Note 1: These are \*approximate\* times and are subject to change. Rem0del.com will incorporate into this time line any variance observed in future REO transactions.

Note 2: These time estimates are intended to correspond to a typical transaction. Also noted are areas of potential delay which would in turn delay the closing of the purchase transaction.

1) Rem0del.com submits the LOI to the Inner-Bank Liquidator for processing.

(2 days - thus 2 days total; potential delay if funds aren't ready for proofing)

Funds must remain in account for Lender to also perform Proof of Funds.

2) Liquidator sends NDNC & LOI to one or more Lender(s) and orders the tape/list from the one Lender that can provide sufficient properties to exceed the LOI capital amount, and that can provide the best price. (1-2 days - thus 3-4 days total, or longer if LOI criteria is too narrow)

Once the Liquidator receives the NDNC & LOI, the clock starts for the 14-day due diligence period.

Once Lender receives the NDNC & LOI, the Lender performs another soft Proof of Funds within 24 hours. (2nd proof of funds)

Liquidator looks at multiple lenders to find those that can provide sufficient properties to exceed the LOI purchase amount, and chooses the Lender that provides the best price.

Getting the tape normally takes about 24 to 48 hours. The time to get the tape could be longer (even a week or more) if the LOI criteria is very "narrow", making it difficult to find candidate properties from the Lenders.

3) Rem0del.com receives the tape and verifies the values on the tape within 24 hours to make sure that they are reasonable and good (e.g. not loan amounts which are overvalued). (1 day - thus 4-5 days total)

This is a PRELIMINARY Validation to determine whether or not we move forward.

Once determined there are sufficient properties on the tape that meet Rem0del.com specified LOI criteria as per the Lender's statement of property value on the tape. However the \*final\* determination will be made once the property value and state of repair are substantiated in the due diligence process.

4) Rem0del.com identifies the candidate properties. (1 day - thus 5-6 days total)

Based on the Lender's statement of the Property Value and State of Repair for each property on the tape, Rem0del.com identifies candidate properties on which to perform due diligence.

5) Rem0del.com initiates due diligence on Property Values and State of Repair on property selection, either directly or via a BPO or other process that is reliable and true.

(8-9 days - thus a total of 14 days, or longer if due diligence requires more time)

Additional time for due diligence may be requested if needed (e.g. a large number of properties, etc.).

Permission for Rem0del.com to enter the property is provided by the Lender, which can be based on current occupancy, or other factors. The Lender will either permit entry to a given property or not, and will not make any special arrangements for entry. If the full Purchase Amount is not yet fulfilled/used, Rem0del.com may obtain additional lists to complete the property selection for purchase.

6) Rem0del.com prepares and submits to the Liquidator the final OFFER TO PURCHASE based on their final list of properties to purchase, and the Lender initiates the "closing process" for the locale (e.g. escrow, closing attorneys) complete the purchase.

(14 days - thus a total of 28 days, or longer if delays occurred at various steps above)

The Lender wants to close within 14 days (so that the total time from submission of the LOI is between 30-45 days).

The Offer to Purchase contains exact titling for all listed properties.

Lender opens the escrow or initiates the "closing process" with closing attorney, whatever is typical for the locale. The transaction proceeds like a standard closing like any other.

The only steps during the closing period are essentially the receipt of the wired funds from the Rem0del.com account and the transfer of the warranty titles by the Lender into the titling defined by the Offer to Purchase. There is no mortgage involved and the warranty titles have already been done.

In 14 days, the purchase is complete.

### Step 3.

Rem0del.com takes control of all rehabs/repairs on all properties. HOME WARRANTIES Are Provided On All Properties.

### Tenant Procurement.

Rem0del.com associates are licensed Property Managers and Brokers. We handle ALL Property Management needs. This includes, but is not limited to; procuring tenants, lease execution/terms, collections, reporting and ongoing Maintenance. Quarterly Statements and partnership dividends are disbursed, a full itemization of rents collected, bills paid, repairs made. Only applies to final sale qualified partners.

### Exit Strategy.

Rem0del.com will prepare clean property titles and all properties post rehab independent appraisal documents for Integrity REOPP holdings, partnership.

List all Integrity REOP holdings, partnership inventory properties for sale at market pricing.

### APR Partners.

Partners at subscription that subscribed to 12 month guaranteed APR exit option, will be liquidated via lender finance and partnership certificates redeemed by (Integrity REOO holdings, partnership) treasury.

### Final Sale Partners.

Partners at subscription that subscribed to final sale option, will receive quarterly statements and dividends for all Integrity REOPP holdings, partnership activities.

### Partnership Dissolution.

The partnership will be dissolved upon all inventory final sale liquidation and dividends disbursements.