



The BNIC Network LLC Real Estate Closed Sales System

We manage real estate deals on behalf of our clients and companies using leverage while managing and shifting risk in order to generate annual double-digit returns.

BACKGROUND

- Michael Evans has over 25 years of operational and financial management experience, working for four government entities, Union Pacific Railroad, and a nonprofit. That includes being Santa Barbara County's Mental Health Department's **CFO** for four years managing all financial and administrative aspects of a **\$106+ million** annual operating budget.
- Michael was also an active real estate investor from 1997-2005, getting **paid \$15,000 to buy his first home** and turning a \$7,000 investment into \$182,000 in equity in 18 months.
- I develop and manage **complex operational and financial systems** that drive the bottom line.

Developing a Real Estate Deal Management Investment System

- Michael worked for 2 years (2016-2017) developing a Real Estate Deal Management System (REDMS) that uses leverage, while shifting and managing risk, to generate annual double-digit returns.

“We don’t hit home runs. We hit singles and doubles...and we never, ever strike out!”

How it works

- **The BNIC Network LLC's** subsidiary Flip companies will buy distressed properties at a discount in Detroit and rehab them to Section 8 occupancy standards.
- We sell the rehabbed properties within a 3-month period either as an owner-occupied property or as a turnkey rental to an out-of-state investor to generate **at least a 25% cash on cash return for equity investors.**
- If we are unable to sell a property within the 3-month period, a subsidiary Buy and Hold company will buy the property at a predetermined price and generate **at least a 10% annual cash on cash ROI after taxes** for the buy and hold equity investors, not even taking into account appreciation.

4 Investment Opportunities per deal

- 1. **Promissory Note secured by Deed of Trust in 1st Lien position**
 - The client funds a 1-year promissory note that is secured by a 30-year deed of trust in the 1st lien position.
 - The deed of trust has a Loan to Value (LTV) of no more than 70% of the purchase price (PP).
 - The client receives **6%-8% interest** at the end of the 1-year period.
 - At the end of the 1-year period, the client has the option to receive the principal balance of the promissory note or to reinvest the principle into another 1-year promissory note.

4 Investment Opportunities (cont.)

○ 2. Promissory Note secured by Deed of Trust in 2nd Lien position

- The client funds a 1-year promissory note that is secured by a 30-year deed of trust in the 2nd lien position.
- The deed of trust is equal to the down payment + closing costs + rehab costs and is usually less than 85% of the Combined Loan to Value of the After-Repair Value (CLVT to ARV).
- The client receives **8%-10% interest** at the end of the 1-year period.
- At the end of the 1-year period, the client has the option to receive the principal balance of the promissory note or to reinvest the principle into another 1-year promissory note.

4 Investment Opportunities (cont.)

○ 3. Flip Equity Investor

- The **Flip Equity Investor** pays for the inspection costs, determination of the After Repair Value (ARV), the upfront points for the 2nd mortgage, as well as having 3-6 months of holding costs/reserves.
- The **Flip company** sells the rehabbed properties to someone who wants to own and occupy the property, or it puts a tenant into the property and sells it as a turnkey rental property to an out-of-state investor. The goal is to maximize the profit within a 3-month period of completing the rehab.
- The **Flip Equity Investor** receives **100% of the sale profits up to 25% of the cash investment amount** (Preferred 25% Appreciation ROI).
- All profit above that amount are split 50/50 between the **Flip Equity Investor** and **The BNIC Network LLC's** real estate investment management company.
- If the **Flip company** is unable to sell the property within 3 months, it will sell the property to an affiliated **Buy and Hold company** at a predetermined price by assigning the 1st and 2nd mortgages and receiving its cash investment, plus its **25% cash on cash profit**.

4 Investment Opportunities (cont.)

○ 4. Buy and Hold Equity Investor

- A **Buy and Hold company** assumes the 1st and 2nd lien position loans against the property and pays the **Flip company** their cash investment plus 25% ROI.
- The **Buy and Hold Equity Investor** receives **100% of all annual after-tax cash flow profit up to 10% on the cash investment amount** (Preferred 10% Cash Flow ROI).
- All annual after-tax cash flow profits above that amount are split 50/50 between the **Buy and Hold Equity Investor** and **The BNIC Network LLC's** real estate investment management company.
- The **Buy and Hold Equity Investor** also receives **100% of the sale profits up to 25% of the cash investment amount** (Preferred 25% Appreciation ROI).
- All profits above that amount are split 50/50 between the **Buy and Hold Equity Investor** and **The BNIC Network LLC's** real estate investment management company.
- The timeline for this long-term investment is 10 years.

Contact Us

- 661-524-6674
- Michael.Evans@TheBNIC.com
- LinkedIn: Michael C. Evans or The BNIC Network (<https://www.linkedin.com/in/michael-c-evans/>)
- Facebook: Myrewardsclub or The BNIC Network (<https://www.facebook.com/groups/thebnic>)
- Instagram: Michael C. Evans or The BNIC Network (https://www.instagram.com/thebnic_network/)