

FOUNTAIN SQUARE OF FERNDALE

415-445 HILTON RD, FERNDALE,
MI 48220

INVESTOR MEMO



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Nothing in this document has been reviewed and/or approved by the Securities Exchange Commission.

JAMIE LECLAIRE, MBA



In just a brief 5-year career, Jamie LeClaire, a notable real estate investor, has accumulated properties across multiple states, boasting 11 properties and 46 doors. Her real estate portfolio, valued at over \$4 million, reflects her strategic management and operational prowess in the industry. As the owner, manager, and operator of these assets, Jamie continues to make impactful strides in the dynamic world of real estate.

In addition to her impressive real estate holdings, Jamie is the CEO of LeClaire Enterprises, specializing in marketing and acquisition. She has expanded her entrepreneurial ventures to include Lipstick Properties, a property management company, and Over The Moon Development, her own construction team. Further diversifying her portfolio, Jamie has ventured into the investment fund arena with Stella Jane Investments, LLC. Her multifaceted approach showcases her commitment to excellence and innovation in the real estate sector.

PROPERTY DESCRIPTION

A PARCEL OF LAND LOCATED IN THE STATE OF MI, COUNTY OF OAKLAND, WITH A SITUS ADDRESS OF 415 HILTON RD, FERNDALE, MI 48220-2590 C026 CURRENTLY OWNED BY FOUNTAIN SQUARE OF FERNDALE2LLC HAVING A TAX ASSESSOR NUMBER OF 24-25-34-476-054 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS N-TRACT: BLOCK: LOT: 55-56 AND DESCRIBED IN DOCUMENT NUMBER 2023.76979 DATED 11/18/2019 AND RECORDED 07/17/2023.

Lot Size: 12,720 SqFt
Living Area: 800 SqFt
Stories: 1 with basement
Year Built: 2000
Zoning: RI
Land Use: Multi-Family Residential



PROPERTY DETAILS



**415-445 Hilton Rd,
Ferndale, MI 48220**

| | |
|----------------------|--------------|
| Units | 7 |
| Type | Multi-Family |
| Year Built | 2000 |
| Size in Sq Ft | 800 |
| Occupancy Rate | 95% |
| Gross Effective Rent | \$ 252,000 |

EXECUTIVE SUMMARY

| | |
|-------------------|--------------|
| Purchase Price | \$ 1,250,000 |
| Price Per Unit | \$ 178,571 |
| IRR | 25.57% |
| AAR | 28.12% |
| Equity Multiplier | 2.41 x |
| Preferred Rate | 8% |
| LP/GP Split | 70/30 |
| Cap Rate | 8% |
| Hold Term | 5 Years |
| Capital Raise | \$766,500 |



PROPERTY PICTURES - INTERIOR



PROPERTY PICTURES - INTERIOR



PORTFOLIO FINANCIALS & PROJECTIONS

| Cash Flow Projection: | Seller's Actual's T-12 | Takeover / Year 0 Current RR |
|-----------------------------------|---------------------------|---------------------------------|
| Average Rent | \$3,000 | \$3,000 |
| Average Annual Rent Increase | | - |
| Gross Potential Rent | \$252,000 | \$252,000 |
| (Loss) / Gain to Old Lease | | \$0 |
| Gross Possible Rent | \$252,000 | \$252,000 |
| Bad Debt | | -\$1,260 |
| Vacancy Loss | -\$12,600 | -\$12,600 |
| Total Deductions | -\$12,600 | -\$13,860 |
| Net Rental Income | \$239,400 | \$238,140 |
| Total Other Income | \$0 | \$0 |
| Total Income | \$239,400 | \$238,140 |
| Expenses: | | |
| Contract Services | \$19,966 | \$19,966 |
| Insurance, Payroll, R&M | \$40,086 | \$31,482 |
| Taxes | \$17,712 | \$16,302 |
| Utilities | \$17,131 | \$17,131 |
| Total Expenses | \$94,895 | \$84,881 |
| Expense Ratio | 40% | 36% |
| Net Income | \$144,505 | \$153,259 |
| Less: Replacement Reserves | \$0 | -\$1,750 |
| Net Operating Income (NOI) | \$144,505 | \$151,509 |

BUSINESS PLANS

I. FINANCING STRATEGY:

- Allot \$254,000 for rehab and upgrades to increase the rent to premium rate.
- Secure a loan with 75% Loan-to-Value (LTV).
- Negotiate an initial interest rate of 8%.

II. REFINANCING STRATEGY:

- Apply for Refinancing in Year 4 with a projected Refinance Value of \$2,760,945

III. PROFIT DISTRIBUTION:

- Implement an 8% Preferred Return (PREF) annually. Any excess above the PREF will be distributed to investors based on the 70/30 LP/GP split.
- Distribute the Limited Partner's (LP) profits quarterly.

PRO-FORMA

| Cash Flow Projection: | Seller's Actual's | Takeover / Year 0 | | | | | | | | | | |
|-----------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | T-12 | Current RR | Year 1 | Year 2 | Year 3 | Year 4 | REFI Year 5 | Year 6 | SALE Year 7 | Year 8 | Year 9 | Year 10 |
| Average Rent | \$3,000 | \$3,000 | \$3,690 | \$3,801 | \$3,915 | \$4,032 | \$4,153 | \$4,278 | \$4,406 | \$4,538 | \$4,674 | \$4,815 |
| Average Annual Rent Increase | | - | 23.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Gross Potential Rent | \$252,000 | \$252,000 | \$252,000 | \$259,560 | \$267,347 | \$275,367 | \$283,628 | \$292,137 | \$300,901 | \$309,928 | \$319,226 | \$328,803 |
| (Loss) / Gain to Old Lease | | \$0 | \$57,960 | \$59,699 | \$61,490 | \$63,334 | \$65,234 | \$67,192 | \$69,207 | \$71,283 | \$73,422 | \$75,625 |
| Gross Possible Rent | \$252,000 | \$252,000 | \$309,960 | \$319,259 | \$328,837 | \$338,702 | \$348,863 | \$359,329 | \$370,108 | \$381,212 | \$392,648 | \$404,427 |
| Bad Debt | | -\$1,260 | -\$1,550 | -\$1,596 | -\$1,644 | -\$1,694 | -\$1,744 | -\$1,797 | -\$1,851 | -\$1,906 | -\$1,963 | -\$2,022 |
| Vacancy Loss | -\$12,600 | -\$12,600 | -\$15,498 | -\$15,963 | -\$16,442 | -\$16,935 | -\$17,443 | -\$17,966 | -\$18,505 | -\$19,061 | -\$19,632 | -\$20,614 |
| Total Deductions | -\$12,600 | -\$13,860 | -\$17,048 | -\$17,559 | -\$18,086 | -\$18,629 | -\$19,187 | -\$19,763 | -\$20,356 | -\$20,967 | -\$21,596 | -\$22,636 |
| Net Rental Income | \$239,400 | \$238,140 | \$292,912 | \$301,700 | \$310,751 | \$320,073 | \$329,675 | \$339,566 | \$349,752 | \$360,245 | \$371,052 | \$381,791 |
| Total Other Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Income | \$239,400 | \$238,140 | \$292,912 | \$301,700 | \$310,751 | \$320,073 | \$329,675 | \$339,566 | \$349,752 | \$360,245 | \$371,052 | \$381,791 |
| Expenses: | | | | | | | | | | | | |
| Contract Services | \$19,966 | \$19,966 | \$20,864 | \$21,177 | \$21,495 | \$21,817 | \$22,144 | \$22,476 | \$22,814 | \$23,156 | \$23,503 | \$23,856 |
| Insurance, Payroll, R&M | \$40,086 | \$31,482 | \$37,074 | \$38,070 | \$39,093 | \$40,146 | \$41,228 | \$42,341 | \$43,486 | \$44,662 | \$45,873 | \$47,078 |
| Taxes | \$17,712 | \$16,302 | \$16,547 | \$16,795 | \$17,047 | \$17,302 | \$17,562 | \$17,825 | \$18,093 | \$18,364 | \$18,640 | \$18,919 |
| Utilities | \$17,131 | \$17,131 | \$17,388 | \$17,649 | \$17,914 | \$18,182 | \$18,455 | \$18,732 | \$19,013 | \$19,298 | \$19,587 | \$19,881 |
| Total Expenses | \$94,895 | \$84,881 | \$91,873 | \$93,690 | \$95,548 | \$97,447 | \$99,389 | \$101,375 | \$103,405 | \$105,480 | \$107,603 | \$109,734 |
| Expense Ratio | 40% | 36% | 31% | 31% | 31% | 30% | 30% | 30% | 30% | 29% | 29% | 29% |
| Net Income | \$144,505 | \$153,259 | \$201,039 | \$208,009 | \$215,202 | \$222,626 | \$230,286 | \$238,191 | \$246,348 | \$254,765 | \$263,450 | \$272,057 |
| Less: Replacement Reserves | \$0 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 | -\$1,750 |
| Net Operating Income (NOI) | \$144,505 | \$151,509 | \$199,289 | \$206,259 | \$213,452 | \$220,876 | \$228,536 | \$236,441 | \$244,598 | \$253,015 | \$261,700 | \$270,307 |

INVESTMENT STRUCTURE

Cash flow from operations will be paid Quarterly at 8% rate. Profits exceeding the Preferred Rate will be distributed based on the 70/30 LP/GP split.

PROJECTED INVESTMENT RETURNS

| Class A Member Investment Returns | | | | | | |
|-----------------------------------|----------|----------|----------|-----------------------|-----------------------|-------------|
| Investment Amount | Year 1 | Year 2 | Year 3 | <i>REFI</i> Year 4 | <i>SALE</i> Year 5 | Total |
| \$50,000.00 | \$5,325 | \$5,644 | \$5,972 | \$73,928 | \$29,430 | \$120,299 |
| \$100,000.00 | \$10,651 | \$11,287 | \$11,944 | \$147,857 | \$58,860 | \$240,599 |
| \$150,000.00 | \$15,976 | \$16,931 | \$17,916 | \$221,785 | \$88,290 | \$360,898 |
| \$300,000.00 | \$31,952 | \$33,861 | \$35,832 | \$443,571 | \$176,579 | \$721,796 |
| \$500,000.00 | \$53,253 | \$56,436 | \$59,720 | \$739,285 | \$294,299 | \$1,202,993 |
| \$766,500.00 | \$81,637 | \$86,516 | \$91,551 | \$1,133,323 | \$451,160 | \$1,844,188 |
| \$766,500.00 | \$81,637 | \$86,516 | \$91,551 | \$1,133,323 | \$451,160 | \$1,844,188 |

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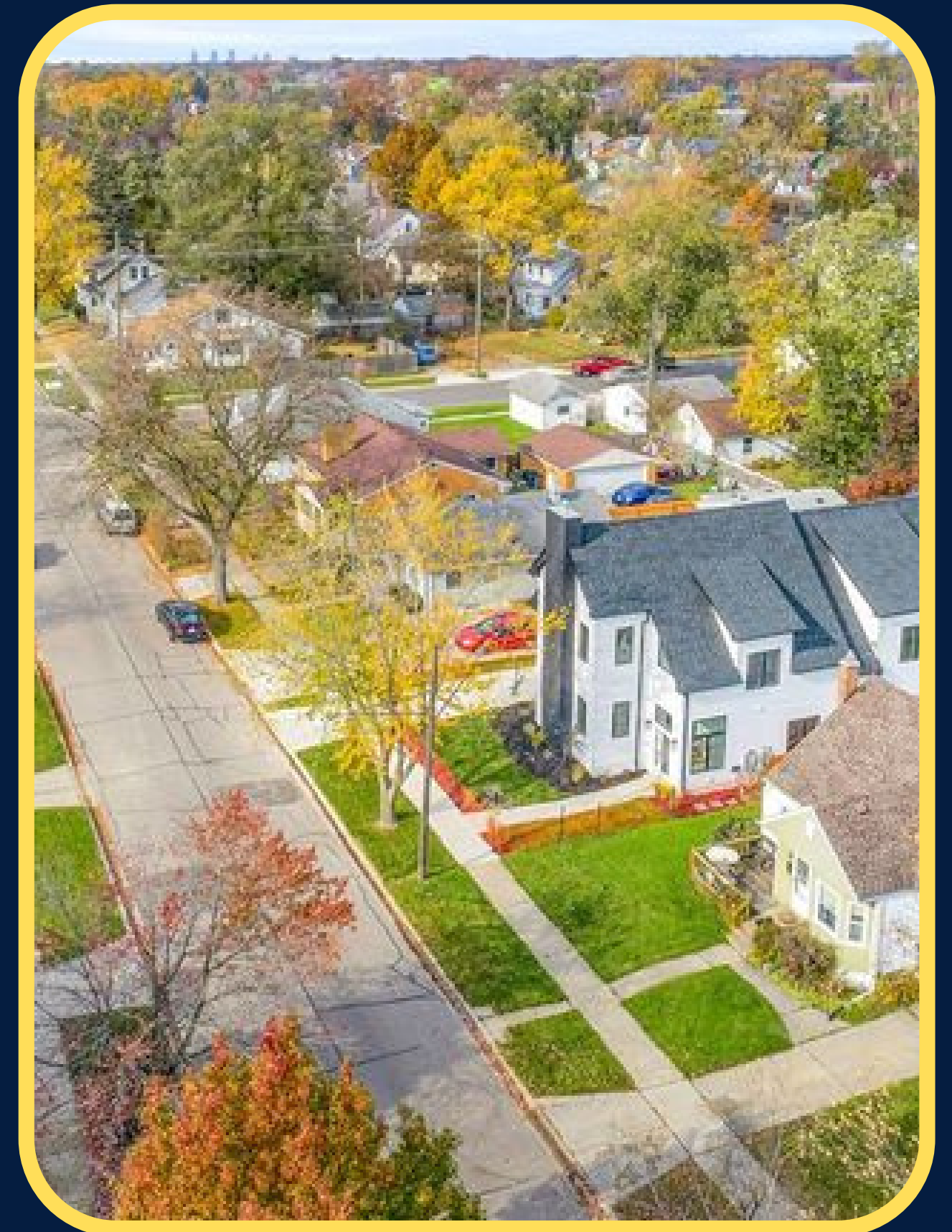
WHY FERNDALE?

LIVABILITY – Ferndale is a great place to live. Ferndale ranks well in a combination of factors and diversity. Ferndale truly has something for everyone, and that’s why it’s a great place to call home. Ferndale’s overall livability score is above average. This rating is the sum of the city’s data points and factors, and then a weighting of these variables is used to determine a good standard quality of life compared to other cities. The livability score considers education, crime, cost of living, and residents’ overall happiness calculated as a predictive index through our advanced statistical models.

COST OF LIVING– The cost of living in Ferndale is lower than the national average and most cities in the state. While some areas can be higher than others on a state and federal level, the overall average of housing costs, utilities, grocery items, transportation, health care, and miscellaneous goods and services are less expensive.

LOW POVERTY RATE - There is a lower poverty rate in Ferndale than in other cities in the United States. The average poverty rate across cities in America is about 10-13%.

DEMOGRAPHICS - The city is filled with many young adults and people looking to start a family. The median age in the city is about 35 years old. The typical family has on average 2.8 people including children and parents. In terms of diversity, on a national level, Ferndale ranks number 8116 which is above the national average for diversity and on a state level ranks 270 which is above the state average.



THE ADVANTAGES OF REAL ESTATE INVESTMENT

Steady Cash Flow: Real estate has the potential to generate a steady stream of passive income through rental payments. Owning income-generating properties allows investors to benefit from regular cash flow, providing financial stability and the opportunity to reinvest.

Appreciation in Value: Real estate properties have historically shown the potential for appreciation in value over time. While market conditions can vary, many real estate investments have demonstrated the ability to increase in value, allowing investors to build wealth through capital appreciation.

Diversification of Portfolio: Real estate offers a valuable way to diversify an investment portfolio. Including real estate assets alongside stocks, bonds, and other investments can help reduce overall risk and enhance the potential for long-term returns, especially during economic fluctuations.

Tax Advantages: Real estate investors can benefit from various tax advantages. Deductions on mortgage interest, property taxes, and other related expenses can result in significant tax savings. Additionally, capital gains from the sale of a primary residence may be eligible for tax exclusions.

Hedge Against Inflation: Real estate is often considered a hedge against inflation. As the cost of living rises, so do property values and rental income. Real assets, such as real estate, tend to maintain value over time, providing a level of protection against the eroding effects of inflation.



TOP REASONS TO INVEST WITH LECLAIRE FUND



Proven Track Record:

Jamie LeClaire brings a wealth of experience and a proven track record in successfully managing and optimizing real estate investments. Past performance and successful projects demonstrate the expertise and reliability of the LCE Fund.



Strategic Investment Approach:

LCE Fund employs a strategic and well-researched investment approach. The team carefully selects properties based on thorough market analysis, ensuring investments align with both short-term gains and long-term appreciation.



Transparent Communication:

Investors with LCE Fund benefit from transparent communication. Regular updates, detailed reports, and open channels of communication ensure that investors are well-informed about the progress and performance of their investments.



Commitment to Value Enhancement:

LCE Fund is dedicated to enhancing the value of its investments. Through strategic renovations, property improvements, and meticulous management, the fund actively works towards maximizing returns and creating value for its investors.



Personalized Investment Strategies:

LCE Fund recognizes that each investor has unique goals and risk tolerance. Jamie LeClaire and the team work closely with investors to tailor investment strategies, ensuring alignment with individual financial objectives and preferences.



LECLAIRE FUND LLC

UNLOCKING OPPORTUNITIES, PAVING THE WAY TO FINANCIAL GROWTH!



READY TO INVEST?

LECLAIRE FUND is proud to partner with **Avestor Inc** as our funding portal of choice.

INVESTOR REGISTRATION

The Avestor logo is displayed in a white rectangular box. The word "avestor" is written in a lowercase, green, sans-serif font. A small green icon of a plant with two leaves is positioned above the letter 'o'.

1. CREATE AN ACCOUNT

- A. Go to <http://investor.avestorinc.com/leclairefund>
- B. Click “Sign up”

2. CREATE YOUR INVESTOR PROFILE

- A. Click "Investor Profile"
- B. Complete the fields for name, email address, phone number, and mailing address.
- C. Verify your identity by following the steps below the contact information sections

3. REVIEW DEALS

- A. Click “Opportunities”, where you can view active deals available.
- B. Click View Details to read more about the opportunity.
- C. Place a Soft Commit to reserve your spot. The Fund Manager will reach out to you for next steps.

READY TO START INVESTING?

LECLAIRE FUND is proud to partner with **Avestor Inc** as our funding portal of choice.

4. SET UP YOUR ACCOUNT

- A. Set up your Investor Profile
- B. Set up your Investing Accounts
- C. Set up your Fund Enrollment
- D. Accreditation Letter

5. BANK ACCOUNT SET UP

- A. Your Fund Manager will review and approve your account for funding.
- B. Set up your Bank Account.

6. FUND YOUR ACCOUNT

- A. Transfer money
- B. Choose your preferred method of funding your account.

INTERESTED IN INVESTING? BOOK A CALL TODAY!

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