

General Fund

\$5,000 to \$400,000

3yr to 5yr Investment

Suggested Return 5% to 6%

Security: Receive a private mortgage once your money is invested and a property is purchased

*option to renew your amount at year 3

- Receive quarterly payments (payments every three months), once your money is invested and your private mortgage is filed with the county public records department.
- How do you get your money back? You receive a private mortgage on the property that is purchased. The purchased property cannot be sold or refinanced unless your mortgage is first paid off. You also become listed on the property insurance policy as a loss-payee. This means that in the event of a hurricane, fire, flood, etc. you get paid first.
- How do you make money? If a cashflow property is purchased (we buy a property and then rent it) then quarterly payments are made to you at the interest rate specified in your mortgage (5% to 6%).
- What determines if you get 5% or 6% on the amount of money that you choose to invest? Investments below \$20,000 receive a mortgage of 5%, interest only, and investment amounts above \$20,000 receive annual interest of 6%, interest only.
- When do you get paid? Mortgage interest payments are made quarterly (every three months) once your money has been invested and you have received your recorded mortgage.
- How does Butler Capital make money? BC makes money from the monthly cashflow from the property, and at the resale of the property.
- When do you decide to rent or sell a property? We strictly look at the cashflow (the money left over after all expenses have been paid to include your mortgage). If the monthly amount is \$300 or more then we rent the property, if not then we sell it.
- How much do you buy properties for, and where do you find them? We normally purchase properties at 70% to 80% of their current market value. Most of our opportunities are found through the tax-deed and mortgage foreclosure process.

Capital Fund

\$50,000 to \$1M

7yr to 10yr Investment

Suggested Return 6% + Partial ownership in the property acquired. % of ownership is based on the amount invested. *Must be accredited for this fund.*

*option to renew your amount at year 7

- Example: If the fund being raised is a \$10M fund and your investment is \$1M, which is 1% of the total amount desired of \$10M. Then, your portion of ownership when the property is sold will be 1%. Your monthly payments of approximately 6%, annually, are received monthly until we decide to sell the property, usually in year 7 to 10.
- What does my % of ownership mean? You will receive the same % of the net profit once we sell the property and receive our profit proceeds.
- How long do you hold each commercial property? We hold each property usually 7 to 10 years although we could sell prior.
- What happens if year 7 or 10 arrives and you don't want to sell the commercial property? Then, we simply refinance the property and pay out your original invested amount. Your % net profit is paid out once the property is sold; or we also may replace your investment with the same amount from another investor. Should you choose to opt-out at year 7, you still would have received your monthly payments up until your opt-out date.

Investment Risk Disclosure

- As with any investment, risk is always a part. Although we have never lost money in a real estate transaction since our start in 2007, we still must make this disclosure.
- What are my risk of investing in either the General Fund or Capital Fund?

Property market values could decrease and/or market rents could go lower than when the property was acquired. Also, the potential upside of the property could be miscalculated. Either has never happened since our operating, but we still have to disclose this potential risk.
- What are your tax implications? Investors in the General Fund receive a 1099 at year end. Investors in the Capital Fund receive a K-1.