

UNIQUE HOMES OF TEXAS

Secured New Home Equity Program

OVERVIEW

New home construction: EagleMark Ventures, LLC, has joined with Unique Homes of Texas, Inc., (“UHT”) of Austin, Texas, to create a safe, innovative program for qualified financial partners to profit from the value-creation opportunities provided by new home construction in strong Texas markets.

We have identified smaller but highly experienced home builders in Austin and San Antonio (perhaps other markets later), exhibiting superior quality performance track records. We have also arranged for select lending institutions to provide construction financing to build speculative homes in the approximate sales range of \$500,000 to \$1,200,000.

Under the prevailing mortgage market conditions, lenders require 5% to 10% of the construction or interim loan amount to be invested in cash at the loan closing. And to take maximum advantage of their construction capacity, smaller quality builders need additional financial strength to secure the most favorable terms for construction loans.

Secured equity opportunities: Opportunities therefore exist for financial partners to participate in either *one* or *both* of two approaches, to profit from the upside of new home construction in these strong markets:

1. **Pre-construction purchase and loan guarantee:** By using their credit worthiness and FICO score of about 700 or higher, partners can guarantee to the institutional lender the construction loan to the builder and convert their loan guarantee to equity purchase upon completion and delivery of the home. With only out-of-pocket closing cost cash committed (about \$12,000 to \$18,000), the equity partner has one year from the construction loan closing to either resell the home for a net margin on sales price of approximate 12% to 18%, or to convert the construction loan to permanent financing for occupancy, rental, or other use. This profit represents a cash-on-cash return of 3:1 up to 6:1. UHT can handle the sale of the property, or the investor can do so at his or her option. The security is the equity ownership interest in the property.
2. **Short-term CD collateral:** Financial partners can also serve as the source of the 5% to 10% equity cash infusion required by posting a short-term Certificate of Deposit with the construction lender upon the loan closing. Depending upon the size of the construction loan, these CDs can range from \$25,000 to \$100,000 per home. The investor’s CD is released within 120 days after loan closing through cash repayment by UHT. UHT pays a fee of 10% of the CD amount used for four months, a return of 30% per annum. Investors can roll over the CD for even higher ROI.

Financial Examples: Please see the attached financial summaries of actual closed transactions.

Timing and Economics for the Investor: The cash Certificate of Deposit is not required until the Construction Loan closing. The equity partner will be repaid the amount of the CD, plus a fee of 10%, 120 days after the closing of the Construction Loan. UHT will repay the investor and substitute its own CD at that time, which represents UHT’s profit as builder-developer to be realized upon the sale of the property. Should the joint venture partner allow UHT to reuse the funds for a continued period of 12 months, the equity partner will receive a 15% profits interest in all projects closed using these funds.

Anticipated Future Volume: As of November 2007, UHT has orders for ten \$500,000 to \$1.2 million homes per month for 2008, with a projected profit of approximately \$6,600,000.

INVESTORS and UHT

The principals of Unique Homes of Texas, Inc., with primary offices in Austin, Texas, have over 30 years experience in developing, building and selling real estate in the Texas and Mexico markets. UHT has developed a substantial team of alliance partners in multiple real estate and financial disciplines, including EagleMark Ventures, LLC.

Guided by this strong team of experts, Investors are assured that the inherent risks in any real estate enterprise will be minimized. UHT guides each Investor through the entire New Home Equity process, step by step, enabling options to be exercised by the financial partner at every opportunity.

We want our Investors to participate and be involved as much or as little as they desire. We conduct period presentations, tours and workshops to give Investors a first hand look at what we do and how our system works. Through our websites, Investors are able to identify future projects, monitor progress on an individual current project, and review updates on markets throughout the country.

Other investment opportunities: UHT sponsors a variety of projects and opportunities for investors with more substantial capital, such as:

- Land development projects (develop and flip)
- Individual lot purchases
- High rise projects
- Commercial projects

Investors seeking higher returns over a 12 to 24 month holding period will find multiple opportunities with UHT offered on a monthly basis.

WHY INVEST IN TEXAS?

Growth: By the year 2030, Texas will make up half of the growth of the entire United States. Texas hosts more Fortune 100 corporate headquarters than any other state. The cost of living—to operate a company, and most important raise a family—is among the lowest in the nation. Quality of life in Texas cities such as Austin has long been recognized nation-wide; Forbes Magazine called it “the coolest city to live in the US.”

Real estate markets: The Texas real estate markets neither had the great booms of California, Arizona and Florida, and neither are they experiencing the great “bubble burst” of these areas. While most areas of the country are showing a market slow down, Texas markets in general continue to grow. More Texas cities are rated in the top 100 real estate markets than any other state. San Antonio and Austin are exhibiting double digit appreciation rates with seven-year lows in inventory. Markets such as the Dallas/Fort Worth Area continue to attract new corporations annually. Although the appreciation rates are not in the double digits, they generally stay on a continuous steady pace annually; they are holding steady at the present time. Cities such as El Paso and McAllen have now shown up as top real estate areas due to the increase presence of National Guard and other military forces utilized to protect our borders, with a shortage housing of available to them.

PRE-CONSTRUCTION APPROVAL PROCESS

The following contains the procedure used to provide project approval and funding for individual Investors participating in the New Home Equity Program:

- Builders submit projects for review and suitability for inclusion in the UHT investor program. Initial underwriting for security and viability is performed to assure important criteria are met.

- Once approved, the project is then presented to a selection of our investors for a suitability match. We have multiple sources of Investors, including participants in certain real estate investment classes who meet our financial criteria.
- Once a client has selected a project of interest, the client completes a financial Approval Package and submits it to our finance department for underwriting review.
- Once we approve the client for the project, the client receives a lot contract, construction contract and other information for review and signature.
- Once the client has executed the contracts the final Approval Package is sent to the finance department with the required earnest money.
- Purchase contracts are provided to the builder or entity selling the land, and the construction loan package (including the approved Investor package) is put together and submitted to the construction lender for approval.
- Overall it takes between 30 and 45 days to fund the construction loan, depending upon appraisals, title work and receipt of client documentation.
- During the construction phase clients are kept abreast of progress through pictures and information emailed by our customer relations department.
- 60 days prior to maturity of the interim construction loan, clients are provided options for permanent financing and or other exit strategies.
- All loans are required to be off of the construction lender's books a maximum of 90 days after project completion.

FINANCING OPTIONS and REQUIREMENTS

In conjunction with private interim lending groups, UHT has developed the capability to do in house project review and underwriting to finance investment projects. The following reflect our internal lending parameters:

- Maximum loan: 80% of completed appraised value (appraised value is used and not hard costs, which allows us include in the down payment and certain fees)
- Programs: (1) New Home Equity Program (investor-guaranteed construction loan); (2) second home loan programs; (3) pre-construction loans; and (4) lot purchase loans
- Period: 12 months
- Interest payment escrow is included in the loan amount for the period of the construction loan—no interest payments are paid out-of-pocket for a period of 12 months. If the builder finishes in 5 months the Investor still has 7 months to sell the home with no interest payments due.
- Project types: Single family, condo and town homes
- Loan limits based on exception

CLIENT ACCEPTANCE CRITERIA and DOCUMENTATION

Underwriting standards:

- 700 or higher credit score (exceptions made as low as 680 on a case by case basis)
- Six months worth of PITI on the projected home mortgage; clients need to have a minimum of \$50,000 or better in liquid assets (this can be in stocks, bonds, cash, IRA's etc.)
- Assets must be verified with documentation

- Can not have any mortgage late payments in the past 12 months or any foreclosures in the last four years
- If self-employed must have two full years of evidence of income (tax returns, W-2s, etc.). Stated income must be in line with profession. CPA letter and copies of business licenses required.

Documentation:

We provide clients with the complete package containing the following information. Once we have received all documents we can complete processing and close in about 21 days, with construction beginning about 30 days after closing.

- Earnest money check for \$2,000, which is credited to the loan cash requirements and covers earnest money for lot, appraisal and processing of the loan.
- **All client funds are refundable should they not qualify for credit reasons.** If clients qualify and back out, then their money is non-refundable.
- Complete and signed loan application
- Two forms of identification (Drivers License, Social Security, or another form)
- Two full months of asset statements (all pages of most recent bank or account statements)
- Signed construction and lot contracts
- If submitting full documentation, most recent two years tax returns
- Signed borrowers authorization form (we must pull the client's credit, but we are the only ones and it is done one time only)
- All basic loan disclosures

EXIT STRATEGIES: MARKETING and SALES

Ultimate profits for everyone wait until the property is sold to the end user, or the Investor profits by making the completed home his or her own residence or second home, or leases it for continuing income generation and appreciation.

UHT uses a combination of effective marketing and sales strategies to assure that every home is sold with an optimum balance of time on market and maximum sales prices. We have an in-house marketing and sales team, supported by expert alliance partners, second to none in our markets.

Underwriting: To assure future acceptable sales value, our pre-development underwriting includes:

- We commit only to projects in subdivisions or areas with demonstrated strong sales and appreciation, to ensure that we are capturing the true growth and not perception alone
- We limit our investment to no more than 10 units per development or project to decrease the risk factors for a particular area and invest in custom homes only

Marketing and sales strategies: These marketing and sales strategies, and a continuing hold strategy as necessary, include the following elements:

- We build, furnish and fully staff a model home in each subdivision or development
- We research and know our markets to find who is buying and then target that end buyer
- We market specific projects to specific buyers, with focus on our database of contacts, referrals, and targeted advertising to attract pre-qualified buyers
- We work with corporations to capture the relocation of their employee pool

- As necessary we will lower the suggested sales price to the end user; we have a cushion of 10% to 20% in each home
- Interim construction loan can be refinanced to a permanent loan using our in-house mortgage firm, which offers a wide range of unique cash flow programs
- Property can be leased through one of our property management groups
- Use our relationship with one of several wholesale purchasers who can offer a minimum of a cash-out guarantee for any investor wanting to liquidate their project within 12 months

LEGAL DISCLAIMER

UHT, Inc. and its partners want all investor to know that real estate investing is a high risk investment and there is no guarantee of continued appreciation or return promised by UHT, Inc. and its partners. Furthermore, the Investors recognizes certain risks related to any real estate purchase. It is highly recommended that the Investor do all of his own due diligence prior to participating in any real estate purchase or endeavor. The Investor holds UHT, Inc. and its affiliates harmless regarding the outcome of any investment.

FINANCIAL SUMMARY OF ACTUAL CLOSED TRANSACTIONS

La Ventana, Driftwood (Austin), TX



CD required at Interim Loan closing = \$64,000. If the same Investor puts up the CD the **total return** is **\$94,000**.

Appraised value	\$ 800,000
Construction costs	430,000
Lot cost	175,000
Interest	20,000
Closing costs	15,000
Total costs (Interim Loan)	\$ 640,000
Sales Price	\$ 790,000
Less: Interim loan payoff	\$ 615,000
Sales commission (6%)	48,000
Fee to CD Investor	6,400
Sales closing costs	8,000
Return to Equity Investor	\$ 87,600
Cash invested	\$ 15,000

Preserve at Dipping Springs, Austin, TX



CD required at Interim Loan closing = \$55,000. If the same Investor puts up the CD the **total return** is **\$108,100**.

Appraised value	\$ 690,000
Construction costs	427,500
Lot cost	85,000
Interest	20,000
Closing costs	15,000
Total costs (Interim Loan)	\$ 547,500
Sales Price	\$ 690,000
Less: Interim loan payoff	\$ 532,500
Sales commission (6%)	41,400
Fee to CD Investor	5,500
Sales closing costs	8,000
Return to Equity Investor	\$102,600
Cash invested	\$ 15,000

Crystal Falls, Austin, TX



CD required at Interim Loan closing = \$59,200. If the same Investor puts up the CD the **total return** is **\$111,660**.

Appraised value	\$ 740,000
Construction costs	434,000
Lot cost	125,000
Interest	20,000
Closing costs	17,000
Total costs (Interim Loan)	\$ 592,000
Sales Price	\$ 739,000
Less: Interim loan payoff	\$ 575,000
Sales commission (6%)	44,340
Fee to CD Investor	5,920
Sales closing costs	8,000
Return to Equity Investor	\$105,740
Cash invested	\$ 17,000