

# BLUE MOON CAPITAL INVESTMENT FEASIBILITY STUDY

Blue Moon Capital, LLC quarterbackes the entire investing process for individual real estate investors who recognize the value of their time and the associated cost benefits. Blue Moon Capital's goal is to mitigate the risks of purchasing, rehabilitating and renting investment properties across the United States by creating a commoditized real estate investment solution for qualified investors.

We have developed a systematic due diligence process that encompasses all aspects of real estate investing from the research and acquisition of a property to rehabilitation and structured financing. As you can see from Figure 1, the measures we take to ensure potential value is quite cumbersome yet rewarding for our clients who do not have the time or resources to achieve the same result.

What is the benefit to you of buying an investment property from Blue Moon Capital? First and foremost, what is your time worth? The typical Blue Moon Capital investor has the aspiration of reaching \$1M net worth, an average annual income of \$100,000, a strong financial profile and views their time as extremely valuable. Blue Moon Capital is able to shorten the time involved in the real estate investment process through this risk mitigated solution.

Below you will find a risk analysis of a Blue Moon Capital transaction in relation to a simulated scenario of the same property purchased and

rehabilitated individually to reach the targeted After Repair Value (ARV) of \$150,000. This analysis will review the procedures, risks, and capital that individuals may absorb when investing on their own in comparison to investing with Blue Moon Capital.

You will see that an individual investor purchasing (using cash), rehabilitating, and managing construction for this property risks \$107,200 more up-front cash and approximately 5,040 hours of management and facilitation alone. The purpose of this feasibility study is to demonstrate the many resources and rigorous efforts needed to invest in real estate. The overall benefit using Blue Moon Capital is the value of the opportunity costs of time and additional cash outlay. When

studying these figures, it is important to consider that Blue Moon Capital's sole function is to remove the legwork of real estate investing for clients while optimizing most potential profitability.

CASH INVESTMENT COMPARISON

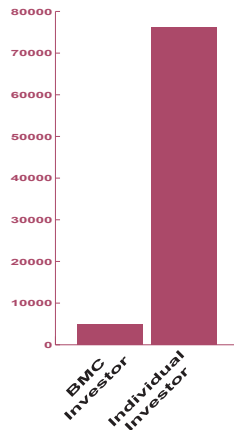



Figure 1. ACQUISITION PROCEDURES

Due Diligence	Total 16 Weeks
1. Identify and interview realtors that are experienced in the local market	(Week 1-8)
2. Sort through over 300 potential deals, make 50 offers, have one accepted	(Week 8-10)
3. Interview at least two contractors that are licensed, bonded, insured and reputable	(Week 10-12)
4. Find local 3 <sup>rd</sup> party appraisers and inspectors who are familiar with the submarket and are approved by national lenders	(Week 10-12)
5. Identify local property management companies, tour properties and sign necessary agreements	(Week 12-14)
6. Establish a local title company for transaction closings	(Week 14-15)
7. Maintenance- conduct final punch out and order final inspection	(Week 15-16)



INVESTMENT COMPARISON

Projected ARV: \$150,000

**Property Purchase**  
Purchase/Financing Amount  
Total Cash to Purchase  
**Due Diligence**  
Inspections (2)  
Appraisals (2)  
**Rehabilitation**  
Construction Costs  
Overage Costs  
**Management/Oversight**  
Air  
Hotel  
Car  
Misc

**Total Cash Investor Expense**  
**Profit Potential**  
Equity  
Potential Return based on Equity

	BMC INVESTOR	Individual Investor
Purchase/Financing Amount	\$120,000.00	\$65,000
Total Cash to Purchase	\$5,000.00	\$65,000
Inspections (2)	Blue Moon	\$1,000
Appraisals (2)	Blue Moon	\$1,000
Construction Costs	Blue Moon	\$35,000
Overage Costs	Blue Moon	\$8,000
Air	Blue Moon	\$1,200
Hotel	Blue Moon	\$400
Car	Blue Moon	\$200
Misc	Blue Moon	\$400
<b>Total Cash Investor Expense</b>	<b>\$5,000.00</b>	<b>\$112,200</b>
<b>Profit Potential</b>		
Equity	\$30,000.00	\$37,800
Potential Return based on Equity	600.00%	33.69%