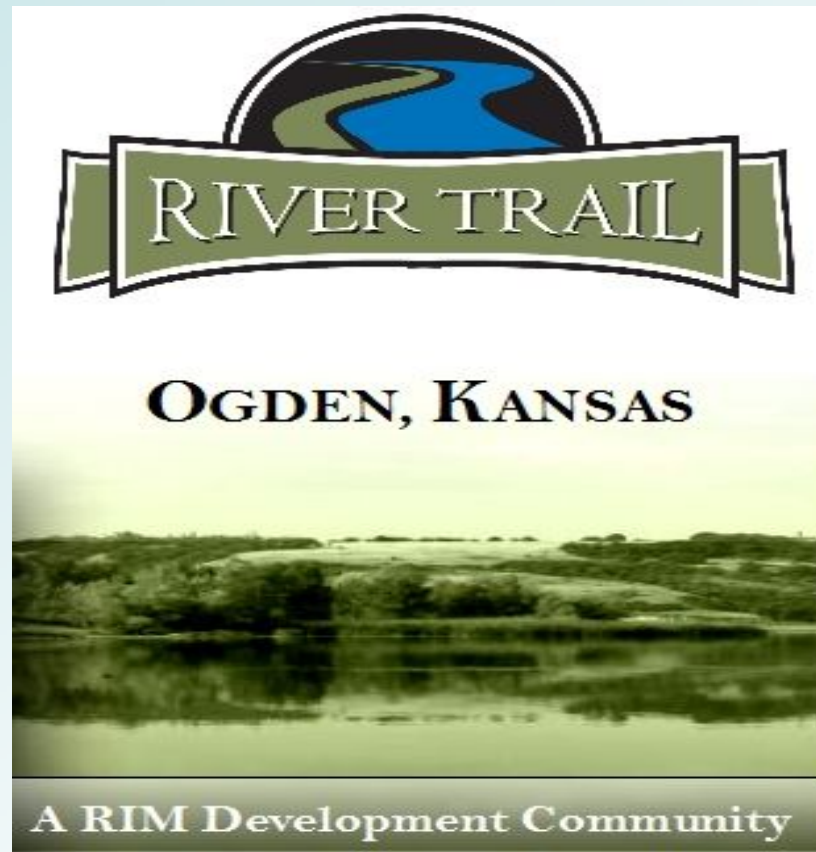


The Opportunity

River Trail - Town Homes

KANSAS REAL ESTATE

Hosted by:



Obligatory Disclaimers

The strategies mentioned in the presentation may not be appropriate for everyone; other options not mentioned may be more suitable for your specific circumstances. Consult your personal accountants, tax advisor and/or attorneys to discuss your specific situation.

Past performance is no guarantee of future results. Real Estate purchases are subject to investment risks, including the possible loss of amounts invested.

While every effort is made to maintain accurate and current information, the possibility of errors and/or updates always exists. No guarantee is made that all information is current and accurate.

All contacts for construction and/or purchase of properties will be exclusively between investors and builders. RIM Development's transactional involvement is limited to sales of lots to builders. RIM Development neither solicits nor accepts contracts for sale of properties to investors or end users.

Discussion Topics



- ❖ Why Kansas?
- ❖ How To Participate?
- ❖ Questions & Answers



Why Kansas?



US Army transferring in thousands of soldiers to Fort Riley during 2005 to 2008

USA Today May 2007:

“the Pentagon is moving about 70,000 troops from bases in Europe to Fort Bliss in Texas and Fort Riley in Kansas.....Geary County Unified School District 475, which serves many of the soldiers and contractors at Fort Riley.....expects to add 2,500 more students – a 40% increase over the next three years.”

The Manhattan Mercury, May 2007:

“The return of the 1st Infantry Division and the addition of other troops.....means more...housing on and off post. The civilian work force has grown from about 5,800 to more than 8,300.”

Why Kansas?

Fort Riley

Strong Market – Shortage of Rental Housing

The Manhattan Mercury, May 2007:

“Finding an apartment: It’s tight here”..... Codes inspector Brad Claussen agreed: Housing is going to be at a premium.”

Population Increasing

The Manhattan Mercury, May 2007:

“Over the next five years the number of troops at the fort will double to around 20,000. Because of the higher demand there will be fewer housing choices.....”

Why Kansas?

Fort Riley

Population Increasing

The Manhattan Mercury, May 2007:

“We expect a population increase of around 30,000 plus, and we estimate that this increase will demand around 10,000 housing units.....The demand for housing will be greatest over the next two years.”

Fort Riley Community Update, August 2007:

“Earlier in the week it was announced that four brigades (at least 21,500 troops) will return by July 2008. These facts support the prediction of a significant increase in the demand for housing in the Fort Riley area next summer.”



Why Kansas?

Fort Riley

Job Growth

Strategic Action Plan and Growth Impact Assessment, October 2006:

“Communities surrounding Fort Riley will experience a significant rate of population growth and economic expansion during the next 6 to 10 years due to a variety of Department of Defense initiatives. A key element in this change involves the relocation of approximately 9,700 troops and the hiring of approximately 2,000 civilian workers at the installation.”

Student Housing



The Manhattan Mercury, May 2007:

“Students may have some trouble when searching for off-campus housing in the next few years. The return of the First Division Headquarters and other troops to the nearby Fort Riley Army base is producing competition between the military and students in the housing market.”

KANSAS STATE UNIVERSITY
FOUNDATION



Booming Economy

The expansion of Fort Riley's troop count will have a ripple effect on all businesses in the surrounding areas. This expansion will dramatically reduce the risk to the mid and long term investor.

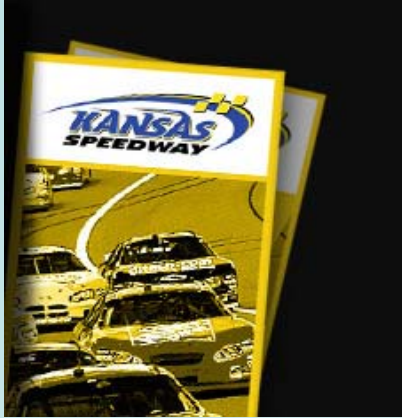
The Manhattan Mercury, May 2007:

Regarding Fort Riley's economic impact...."most telling is the one-year increase of \$400 million in economic impact – construction, goods, services, payroll, etc – attributable to expansion at Fort Riley. From October 2004 through September 2005, the post's economic impact was about \$939 million. Last year it rose to \$1.37 billion."

Quote from Riley County Commission Chairman Mike Kearns:

"A lot of money is pouring into the area from construction, wages, disposable income and the purchasing of materials."

Area Attractions

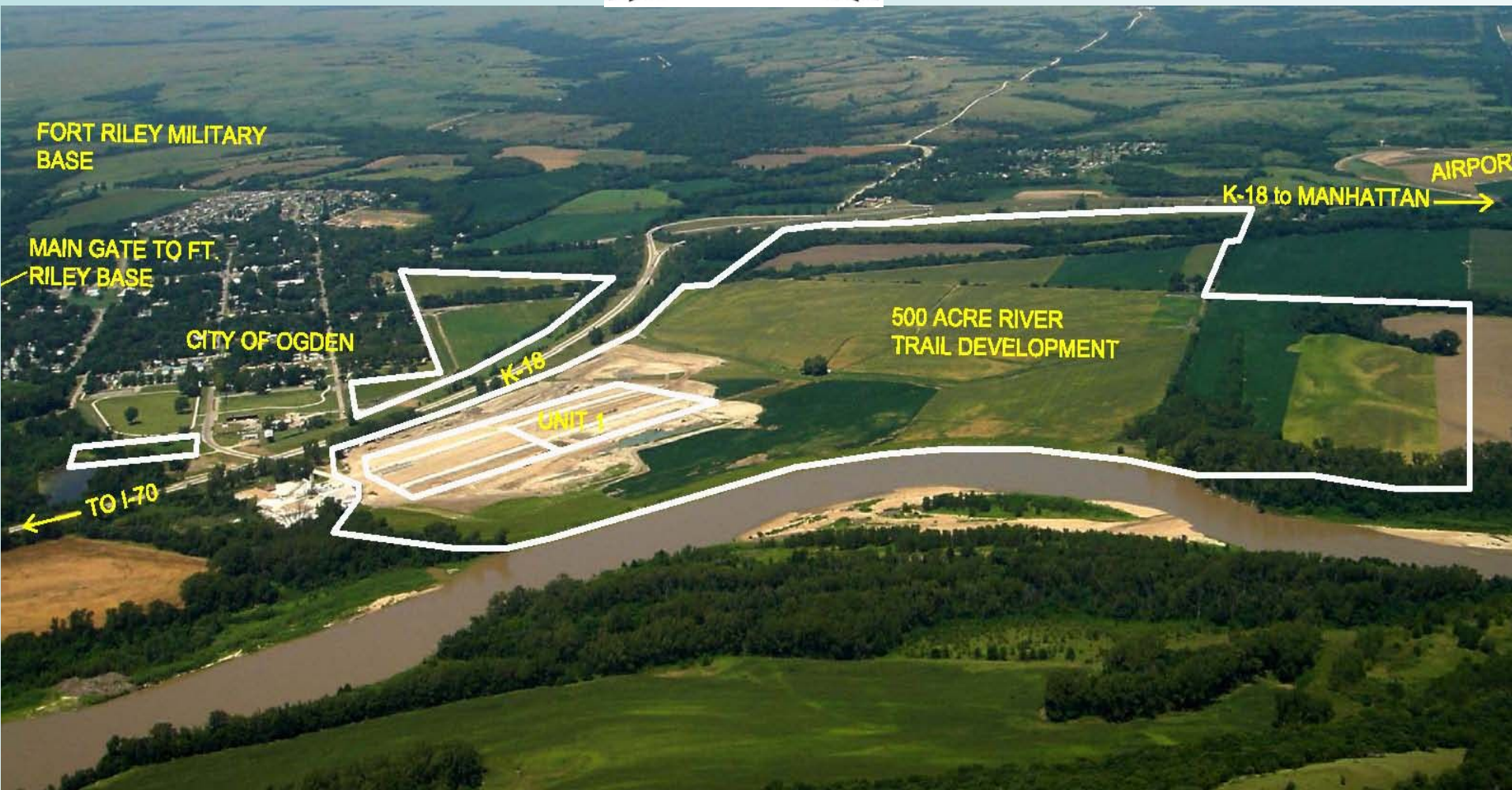


Kansas Speedway hosts several NASCAR events including the Kansas Indy 300, the NASCAR Sprint Cup Series and the NASCAR Craftsman Truck Series

The Manhattan Kansas Country Stampede is an action packed 4 day annual music festival



A Master Planned Community





Developer Profile

Rim Development

Current **RIM Development** projects include a 500 acre master planned community in the Vicinity of Fort Riley, Kansas. This project addresses the acute housing and commercial demand created by the on-going expansion of Fort Riley.



Jack Irons, Project Development and Finance, is a founding partner of RIM Development.

Mr. Irons has over 30 years of experience in business and real estate development.

Rick Meisinger, Design and Engineering, is also a founding partner with over 35 years of experience in Civil Engineering and real estate development.

Art Robertson, Construction and Project Management, is the third founding partner of RIM Development. Mr. Robertson has over 15 years of experience in construction and real estate development.

Distance to Amenities and Attractions

5 minutes to Fort Riley, 10 minutes to Manhattan shopping malls and services



10 minutes to Kansas State University

5 minutes to the Colbert Hills Golf Course
The #1 golf course in Kansas



Colbert Hills Golf Course

20 minutes to Tuttle Creek and Milford Lake both of which have major boating, camping and fishing areas which host the ESPN and other professional fishing tournaments

5 minutes to the airport



Manhattan Airport

Planned Onsite Amenities

- Wonderful views of a network of lakes, the Kansas River and its unspoiled bluffs. Many homes are lake front and river front.
- State of Kansas Wildlife and Parks river access and boat ramp with picnic shelters, paved parking areas and hiking trails.
- Multiple swimming pools, clubhouses and playgrounds.
- River Trail will have approx. 200 acres of retail and other commercial space that will provide shopping, restaurants and other services.
- Unparalleled access to major transportation systems.



Prospective Tenants

Why Are Military Tenants Low Risk?

- **Non-payment is not tolerated by the US Army. As a property owner you may report these issues directly to the tenant's commanding officer. The Military will force payment.**
- **Military members transfer every 3 to 4 years so they are much more likely to rent than buy.**
- **As soldiers are deployed, family members normally remain in the area as the "soldier spouse" will return to the same base once the unit comes back from deployment.**

Student Tenants - Are They Stable?

- **Great long term renters as their degree programs are normally 2 to 4 years.**
- **Most rents are guaranteed by the parents.**

Program Highlights

2, 3 and 4 Bedroom Units Starting at \$148,168

6 Month Guaranteed Lease Back!!!

Bonus!! You keep all rent from renter during guaranteed leaseback period!!

Rent Ready - stackable washer/dry and blinds

No HOA or Management Fees for 2 years!!!!

2% of Closing Costs Paid by Builder

Total closing costs estimated at 2.5% plus escrows

6.5% Interest Only, rates subject to change

Annual appreciation up to 10% - conservatively computed as land values are expected to increase exponentially when the new Interchange is completed

Market Restructure

- There is no real “Affordable Workforce Housing” available in the Fort Riley area.
- Current appraisals on all units reflect values up to or over 20% higher than the sales price. Appraisals are available for investor review.
- Rather than selling these units at the higher appraised values to our investors, we have elected to restructure the market by selling these units for less than the current appraisal to fill the void or lack of “Affordable Workforce Housing”.
- As the highway is completed and the amenities are built the entire demographics of area will evolve to support a more upper middle class buyer. This will result in a rippling effect of growth on the civilian industry. Basically the entire area will be effected by the rapid growth being driven by influx of Army troops.

The Windsor Town Homes

9 Plex

2 Bedroom, 2 Bath – 1083 Sq Ft

3 Bedroom, 2 Bath – 1305 Sq Ft



Payment and Rental Income Calculations

9 Plex

2 Bedroom – 1083 Sq Ft

Appraisal \$160,000

Sales Price	10% Down	Amount Financed	Payment	Rental Income	Net Income	Bonus*	1st Year Income
\$148,168	\$14,817	\$133,351	\$1,010	\$975	(35)	\$2,925	\$2,505

3 Bedroom – 1305 Sq Ft

Appraisal \$175,000

Sales Price	10% Down	Amount Financed	Payment	Rental Income	Net Income	Bonus*	1st Year Income
\$157,625	\$15,763	\$141,863	\$1,078	\$1,050	(28)	\$3,150	\$2,814

*investor keeps any rent collected during the 6 month guarantee leaseback period. Calculations above include 3 months of rent during this period. This is an estimate. Actual rent collected could be more or less than 3 months. To remain conservative NREI elected to use 50%.

Exit Strategy

The Windsor Town Homes 9 Plex

2 Year Hold

10% Annual Appreciation

	<u>2 Bedroom</u>	<u>3 Bedroom</u>
Total Purchase Cost of Unit	\$148,168	\$157,625
Walk-in Equity	\$ 11,832	\$ 17,375
Appreciation Year 1	\$ 16,003	\$ 17,500
Appreciation Year 2	<u>\$ 17,600</u>	<u>\$ 19,250</u>
Sale Price after 2 Year Hold	\$193,603	\$211,750
Less:		
Original Loan Amount	\$133,351	\$141,863
Cost of Selling at 6%	\$ 11,757	\$ 12,507
10% Down Payment	\$ 14,817	\$ 15,763
Net Rental Income	\$ 2,075	\$ 2,472
Net Income from Investment	\$ 35,753	\$ 44,089
Estimated Cash on Cash Return	240%	270%

*All prices, building costs, interest rates, rental rates and appreciation rates are subject to change without notice. NREI. is not responsible for losses, damages, or changes in the market conditions. All information is deemed reliable but not guaranteed.

The Cicero Town Homes

6 Plex

3 Bedroom, 2.5 Bath – 1440 Sq Ft

4 Bedroom, 2.5 Bath – 1705 Sq Ft



Payment and Rental Income Calculations

6-Plex

3 Bedroom – 1440 Sq Ft

Appraisal \$190,900

Sales Price	10% Down	Amount Financed	Payment	Rental Income	Net Income	Bonus* Income	1st Year Income
\$170,336	\$17,034	\$153,302	\$1,168	\$1,150	(18)	\$3,540	\$3,234

4 Bedroom – 1705 Sq Ft

Appraisal \$220,000

Sales Price	10% Down	Amount Financed	Payment	Rental Income	Net Income	Bonus* Income	1st Year Income
\$180,173	\$18,017	\$162,156	\$1,238	\$1,250	12	\$3,750	\$3,894

*investor keeps any rent collected during the 6 month guarantee leaseback period. Calculations above include 3 months of rent during this period. This is an estimate. Actual rent collected could be more or less than 3 months. To remain conservative NREI elected to use 50%.

Exit Strategy

The Cicero Town Homes 6 Plex

2 Year Hold

10% Annual Appreciation

	<u>3 Bedroom</u>	<u>4 Bedroom</u>
Total Purchase Cost of Unit	\$170,336	\$180,173
Walk-in Equity	\$ 19,090	\$ 18,017
Appreciation Year 1	\$ 18,942	\$ 19,819
Appreciation Year 2	<u>\$ 20,836</u>	<u>\$ 21,800</u>
Sale Price after 2 Year Hold	\$229,204	\$239,809
Less:		
Original Loan Amount	\$153,302	\$162,156
Cost of Selling at 6%	\$ 13,516	\$ 14,296
10% Down Payment	\$ 17,034	\$ 18,018
Net Rental Income	\$ 3,018	\$ 4,052
Net Income from Investment	\$ 48,370	\$ 49,391
Estimated Cash on Cash Return	275%	270%

*All prices, building costs, interest rates, rental rates and appreciation rates are subject to change without notice. NREI. is not responsible for losses, damages, or changes in the market conditions. All information is deemed reliable but not guaranteed.

Explanation of Income and Expenses

Potential Gross Income: The comparable data brackets the owner's asking rental rates. Asking rate of \$975 and \$1,250 is used in analysis.

HOA: \$45 per month (paid by builder for first 2 years).

Management Fees: Paid by builder for the first 2 years. 5% of rent beginning in year 3.

Real Estate Taxes: Estimated annual amounts –

6-Plex 3 Bedroom:	\$2,261
6-Plex 4 Bedroom:	\$2,392
9-Plex 2 Bedroom:	\$1,938
9-Plex 3 Bedroom:	\$2,069

Insurance: an allowance of \$.20 per square foot is included for real property insurance.

Exterior Repairs and Maintenance: Included in HOA dues.

Market Rent Analysis

Competitor Name	Location	SqFt	#Beds	#Baths	Rent
Patriot Point	Junction City	1339	3	2	\$1150
The Bluffs	Junction City	1237	3	2	\$1035
Hunters Ridge	Junction City	1284	3	2	\$950
Pebblebrook	NW Manhattan	1850	4	3	\$1355
Forest Creek	NW Manhattan	1450	3	3	\$1150

****Surveys of competing complexes indicate 0% vacancy**

Management Company

Recommended Management Company:

Professional Services of Kansas, LLC
3745 Saddle Horn Trail
Ogden, KS 66517-0534

On-Site Property Manager:

Chris Halferty
Cell - 785-537-7253

Preferred Lender:

First National Mortgage Sources, LLC
9090 S. Ridgeline Blvd, Suite 100
Highlands Ranch, Co 80129



Title Company:

Capital Title
Contact: Jolene Keck
4805 Vue Du Lac
Manhattan, KS 66503
Phone 785-537-9199

How do I get started?

Get your clients started!

**E-mail or Fax your Affiliate Reservation Form to:
National Realty, Inc.**

E-mail: info@nationalrealtyinc.com

Fax: (925) 846-2584

***Reservation does not guarantee final unit selection – unit selection subject to availability of inventory at time of pre-approval**

Key Contacts



Contact:

39 California Ave. #208

Pleasanton, CA 94566

Phone: (925) 846-2589

Fax: (925) 846-2584

Email: info@nationalrealtyinc.com

Website: www.nationalrealtyinc.com

Or

Kelley Schnorenberg

Home (303) 649-2467

Cell (303) 828-7831