



Back to the Garden

COMMUNITIES





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PROJECT CONCEPT

This project targets an audience passionate about eating healthy and seeking a sustainable lifestyle - think the Whole Foods phenomenon. With the aging of the Baby Boom generation and increased longevity, the 50-and-over population is projected to increase 20 percent by 2030, to 132 million. Currently there are 78 million Baby Boomers born between 1946 and 1964. In just 15 years, one in five people will be at least 65. Thus there is and will be a continued opportunity to provide "quality of life" communities.

Millennials, the group of Americans born between 1980 and the mid-2000s, are the largest generation in the U.S., representing one-third of the total U.S. population in 2013. With the first segment of Millennials only in their early thirties, most members of this generation are at the beginning of their careers and so will be an important engine of the housing economy in the decades to come.



Both generations are looking for moderately priced homes in a safe and happy environment. They both are passionate about health and fitness, which makes this a perfect fit for them. Baby Boomers and Millennials are trail blazers, not wanting to fit into a mold. They want to make a statement and take control of their destiny. They are foodies & health gurus, upcoming and retiring professionals, leaders & philanthropists, with no indication of wanting to slow down. They do not want to buy into the tired mold of the same old housing developments. They do not want to be defined by their age and want to live life on their own terms.

GREEN BUILDING & SUSTAINABILITY

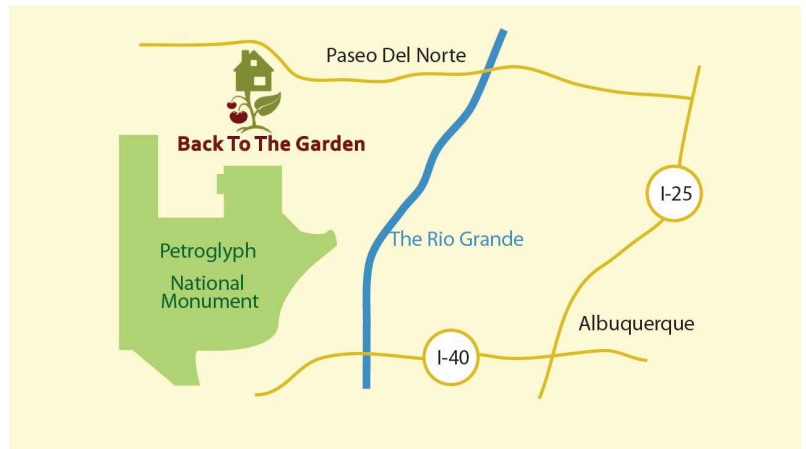
Green living is no longer unattainable - it is becoming a high-demand feature in new homes to achieve a healthier standard of living. Sustainability and Green building means energy efficiency, improved indoor air quality, enhanced comfort, lower maintenance & durability, water conservation, use of recycled and renewable resources, and making a global impact. Every home built in this community will be certified to offer all of these benefits while maintaining a comfortable and unique living style.

A recent UC Berkeley/UCLA study of 1.6 million home transactions found that green labeling improved the selling and pricing of new homes. With factors such as location, school district, crime rate, time period of sale, views, and amenities, researchers found that the 4,321 certified energy-efficient homes sold at an average price premium of 9 percent. It has been found that about 80 percent of prospective home buyers feel that energy efficiency would impact their home selection, with all else being equal. Their primary goals are living in a well designed home that is more comfortable and healthier, but with lower utility bills.

The homes will feature an improved indoor environment for cleaner air, warmer winters and cooler summers. The use of alternative energy technology, storm water mitigation, reduced street widths and highly efficient street lights, all will contribute to a healthier way of living and enhanced property values.

LOCATION

Nestled into the natural curves of the mesa crown, high above the Native American Petroglyphs the Community is designed to be in harmony with the environment. It is located on the Northwest Heights of Albuquerque in the 87120 zip code with views of the majestic Sandias, the verdant Bosque, and the ancient basalt flows defining the dramatic landscape that sweeps down to the Rio Grande. Open space areas are preserved, for nature hikes, and bicycling.



PRELIMINARY PLAT

The plat was designed to capture optimal views while reducing up front development costs by designing in architectural ribbons (micromanaging) to allow installation of the basic utilities and road infrastructure at the most cost effective approach.



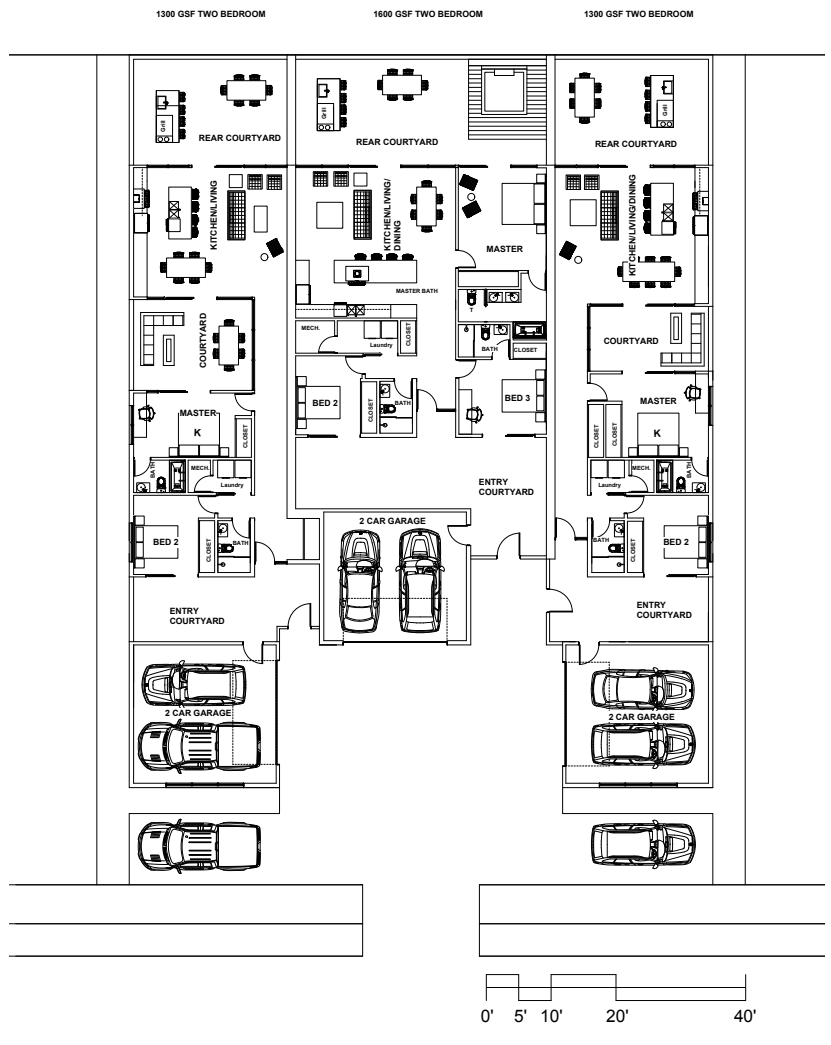
OUR TRIPLEXES

Our first phase of triplexes will comprise 24 stand alone homes which will contain three rental units each all built with state of the art sustainable systems. The individual units in the triplexes will be offered to the rental market for an average yearly rental of \$24,000. per unit (\$72,000.) per triplex. These complete triplexes will be offered for sale to the investment market at a price of 695,000+ therefore projecting a net return to the investor of 6% per annum as well as passing the depreciation deductions to the investor.



TRIPLEX LAYOUT

The initial homes will be built as one-level designs with interior garden courtyards and private outdoor spaces that make the homes feel more spacious. Four to six floor designs from 1,300 to 1,600 square feet with two-car garages and built-in special spaces for bicycles and personal hobbies will be available. Each design can be customized to suit individual tastes, and will offer many style options and amenities. All homes (rental units) will be outfitted with "Smart" monitoring systems and will have an appealing contemporary architecture.



COURTYARD VILLA TRIPLEX

COMMUNITY AMENITIES, GREENHOUSE/CLUBHOUSE

Amenities will include cooking and gardening classes, coffee bar and wine cellar; a local gathering place for food and drink. Yoga classes, swimming and exercise facilities, will compliment and complete a comprehensive on site fitness program. Visiting chefs from local restaurants will complement the food experience incorporating savory nutrient rich recipes.



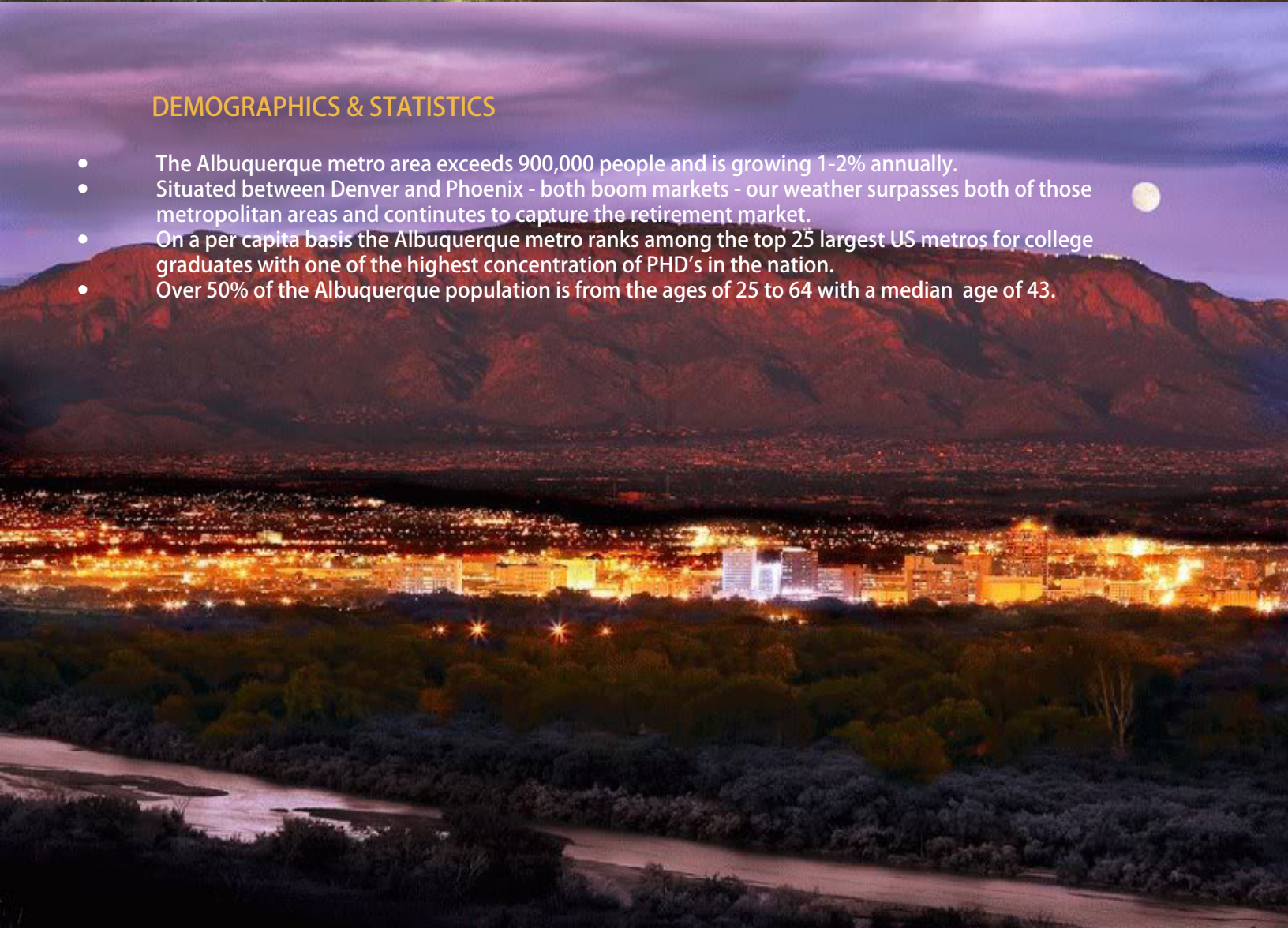
FROM THE PAST TO THE PRESENT

On the Westside of Albuquerque, New Mexico Back to the Garden's La Cuentista is celebrated as Albuquerque's first all green housing community. Back to the Garden wanted to embark on a new type of urban community that would take into consideration not only resource conservation and sustainability but also a utilization of natural building materials and a sensitivity for the land and culture of the surrounding community. This model development is considered highly creative in design and concept, embracing all elements of a truly progressive community.



DEMOGRAPHICS & STATISTICS

- The Albuquerque metro area exceeds 900,000 people and is growing 1-2% annually.
- Situated between Denver and Phoenix - both boom markets - our weather surpasses both of those metropolitan areas and continues to capture the retirement market.
- On a per capita basis the Albuquerque metro ranks among the top 25 largest US metros for college graduates with one of the highest concentration of PHD's in the nation.
- Over 50% of the Albuquerque population is from the ages of 25 to 64 with a median age of 43.



MEET THE PARTICIPANTS



Frances Pavich is a true visionary and proven leader in sustainable housing development and organic farming. Always ahead of the curve, her diverse background and vast knowledge of green technologies and organic agriculture place her at the forefront of these businesses. Known for her political diligence and mediation skills, she was instrumental in changing the building and planning codes in support of green development, construction and conservation, by negotiating precedence setting entitlements from National Parks, federal, state, and local government agencies. In addition, Frances produces gourmet organic grapes and raisins sold worldwide. Her family farm was for over 30 years the largest organic grape and raisin operation in the world.

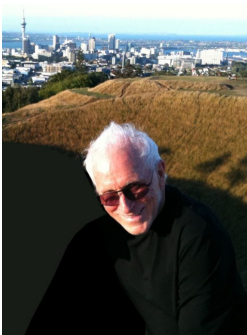


Stan Diamond, over the last two decades, has been acquiring property considered marginal ranch land and suburban sprawl and transforming them into financially lucrative, resource conserving housing developments. With his deeply held environmental philosophy, Stan has effectively proven that green technologies for housing construction and communities are financially viable. He is widely respected for his expertise in navigating the economic and legal complexities of such transformations.



Mike Knight has been a local land developer and custom home builder for almost 30 years, starting in the title business insuring land. His focus is on developing Green communities in and around the Albuquerque area, finding the most cost-effective ways to develop home sites to take the fullest advantage of views and home orientations, while presenting a very appealing and welcoming community.

Alexa Knight has focused on marketing custom Green communities for over 15 years, developing a strong relationship with local Realtors and the community. She has been a member of the Elite 25 and New Mexico Select group of Realtors, and is also a Green Certified Builder.



Antoine Predock Critical to the spirit of Internationally acclaimed New Mexico architect Antoine Predock's work is the enigmatic quality of the desert. Antoine Predock is the recipient of the 2006 American Institute of Architects Gold Medal, Smithsonian Cooper-Hewitt National Design Museum's Lifetime Achievement Award, and the 1985 Rome Prize from the American Academy in Rome. He was named a 2015 Royal Institute of British Architects International Fellow, an Honorary Fellow from the Royal Architectural Institute of Canada and National Academician in 2014, and a Senior Fellow of the Design Futures Council in 2010.



Paul Fehlau is Executive Senior Associate in charge of daily operations at Antoine Predock's Albuquerque studio. He has 20 years experience with a diversity of public and private sector projects. Paul was the project manager and senior associate in charge of the Tacoma Art Museum and the National Palace Museum, Southern Branch in Chiayi, Taiwan. Paul has work with complex clients such as the City of Austin on the new Austin City Hall and coordinated the work of large consultant teams on projects such as the new campus for the Indian Community School of Milwaukee.

PRO FORMA FOR BACK TO THE GARDEN COMMUNITY IN ALBUQUERQUE, NEW MEXICO

This Pro Forma reflects the before tax gross profit from the build-out of 400 Class A rental home units in the Back to the Garden Community in Albuquerque, New Mexico dated 8/1/16.

INVESTMENT COSTS (LOTS, DEVELOPMENT & CONSTRUCTION)

FIRST PHASE	24 Tri Plexes (72 rental home units)			
Construction costs:	\$450,000	X	24	\$10,800,000
TOTAL FIRST PHASE:				\$10,800,000
SECOND PHASE	27 Tri Plexes (81 rental home units)			
Construction costs:	\$461,250	X	27	\$12,453,750
TOTAL SECOND PHASE:				\$12,453,750
THIRD PHASE	28 Tri Plexes (84 rental home units)			
Construction costs:	\$461,250	X	28	\$12,915,000
TOTAL THIRD PHASE:				\$12,915,000
FOURTH PHASE	27 Tri Plexes (81 rental home units)			
Construction costs:	\$461,250	X	27	\$12,453,750
TOTAL FOURTH PHASE:				\$12,453,750
FIFTH PHASE	27 Tri Plexes (81 rental home units)			
Construction costs:	\$461,250	X	27	\$12,453,750
TOTAL FIFTH PHASE:				\$12,453,750
TOTAL CONSTRUCTION COSTS - ALL FIVE PHASES:				\$61,076,250

OPERATING INCOME

FIRST PHASE	24 Tri Plexes (72 rental home units)			
Annual Rent:	\$6,000/mo	X	12 mos	
	\$72,000/annual	X	24 units	\$1,728,000
Less Vacancy @ 5%:				-\$86,400
Less Operating & Management fees @ 25%:				-\$410,400
OPERATING INCOME - FIRST PHASE:				\$1,231,200

ABSORPTION RATE: 7 MONTHS

SECOND PHASE	27 Tri Plexes (81 rental home units)			
Annual Rent:	\$6,150/mo	X	12 mos	
	\$73,800/annual	X	27 units	\$1,992,600
Less Vacancy @ 5%:				-\$99,630
Less Operating & Management fees @ 25%:				-\$473,243
OPERATING INCOME - SECOND PHASE:				\$1,419,728

ABSORPTION RATE: 10 MONTHS

THIRD PHASE	28 Tri Plexes (84 rental home units)			
Annual Rent:	\$6,150/mo	X	12 mos	
	\$73,800/annual	X	28 units	\$2,066,400
Less Vacancy @ 5%:				-\$103,320
Less Operating & Management fees @ 25%:				-\$490,770
OPERATING INCOME - THIRD PHASE:				\$1,472,310

ABSORPTION RATE: 10 MONTHS

FOURTH PHASE	27 Tri Plexes (81 rental home units)				
Annual Rent:	\$6,304/mo	X	12 mos		
	\$75,648/annual	X	27 units	\$2,042,496	
Less Vacancy @ 5%:				-\$102,125	
Less Operating & Management fees @ 25%:				-\$485,093	
OPERATING INCOME - FOURTH PHASE:					\$1,455,278
ABSORPTION RATE:	10 MONTHS				
FIFTH PHASE	27 Tri Plexes (81 rental home units)				
Annual Rent:	\$6,304/mo	X	12 mos		
	\$75,648/annual	X	27 units	\$2,042,496	
Less Vacancy @ 5%:				-\$102,125	
Less Operating & Management fees @ 25%:				-\$485,093	
OPERATING INCOME - FIFTH PHASE:					\$1,455,278
ABSORPTION RATE:	10 MONTHS				
TOTAL NET ANNUAL OPERATING INCOME (NOI) BEFORE TAXES AND RESERVES:					\$7,033,794
TOTAL NET ANNUAL - BEFORE TAX - RETURN ON INVESTMENT (ROI):					11.52%
TOTAL ABSORPTION TIME FRAME:					47 months

INCOME SCHEDULE

	First Year	Second Year	Third Year	Fourth Year	Total
1st Phase	\$1,231,200				
2nd Phase	\$1,419,728				
3rd Phase		\$1,472,310			
4th Phase			\$1,455,278		
5th Phase				\$1,455,278	
TOTAL NET INCOME OVER 47 MONTHS - BEFORE TAXES:					\$7,033,794

Net income is estimated after 47 months and each year thereafter.

This does not consider rent increases as well as possible increases in expenses.

This Pro Forma is an estimate only based on information available at the time of its preparation.

The investor must rely on their own due diligence to determine if their participation meets their investment criterion, as well as their risk assessment analysis.

WE'LL PLANT YOUR ROOTS,
THEN YOU CAN LIVE ON THEM



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