

AMERICAN EQUITIES COMPANY HISTORY

American Equities principals entered the real estate market in 1982 in the southwest Sunbelt and expanded from Dallas across Texas to Houston, Midland, Austin and Sherman. Acquisition opportunities soon expanded to Oklahoma City, Springfield, Missouri and Salt Lake City. The initial focus was in providing multifamily housing projects which were moderately priced, but could be enhanced with value-added renovations, hence building equity through accelerated appreciation.

The acquisition of numerous housing projects soon required the addition of asset management and supervision sub companies. Associates and affiliate companies provided management and supervision for the day to day maintenance, leasing and operations of the acquired assets typical of the projects illustrated below:

Rivendell	96 Units	Salt Lake City, Utah
Fredericksburg	67 Units	Dallas, Texas
Regency	100 Units	Dallas, Texas
Timber Rock	120 Units	Dallas, Texas
Trinity Meadows	112 Units	Dallas, Texas
Arlington Place	50 Units	Salt Lake City, Utah
The Chase	124 Units	Arlington, Texas
West Chase	160 Units	Fort Worth, Texas
Applewood	40 Condos	Norman, Oklahoma
Suntree Park	140 Duplexes	Moore, Oklahoma
Park de Ville	120 Condos	Houston, Texas
Quail Bluff	176 Units	Oklahoma City, Oklahoma
Hemingway	182 Units	Midland, Texas
Sunpark Homes	168 Units	Conroe, Texas
Century Gardens	136 Units	Dallas, Texas
Broadmoor	100 Condos	Irving, Texas
Bonnieview	62 Units	Dallas, Texas
Cobble Creek	287 Lots	Nixa, Missouri
Patriot Place	104 Lots	Rogersville, Missouri
Austin Landing	78 Lots	Sherman, Texas
Hidden Valley	143 Golf Course Lots	Clever, Missouri

In the 90's, American Equities expanded into land acquisitions, with land planners, the finest architects and sub-contractors to plat and divide raw land into commercial parcels, strip centers, multifamily tracts and single family subdivisions. These projects ranged in size from 76-acre parcels to 202-acre tracts. These projects required the platting and approvals of local city and county governments. American Equities was becoming vertically integrated and not only built on its own fully developed sites but sold completed commercial, multifamily and residential lots to other end users.

In the early 2000's, American Equities built it's largest vertically integrated housing project in a Dallas community of over 400 units built in two phases. Land was purchased, developed and designed for multi-story apartment homes with garages and a million dollar clubhouse with two pools on site. Our history of success in acquisitions, development, management and sale of diverse product types including garden apartments, condominiums and condo-conversions, commercial buildings and residential subdivisions continues to drive the company principals today.

American Equities Management Group Key Personnel

A. Background

1. Target Market Identified. Based in McKinney, Texas, American Equities Management Group (AE) provides commercial and residential development opportunities in Texas markets and the great American Southwest. According to Moody's economy.com, it forecasts that between 2013 - 2017, the Dallas / Ft. Worth area will rank first in the nation in employment and population growth, creating 515,400 jobs and adding 705,000 new residents. AE has positioned itself as a prime developer in key areas throughout the DFW metroplex.



2. Company Formation and Development. American Equities Management Group has been formed in the State of Texas, and will be an affiliate of American Equities Group of Companies.

3. Development of Target Markets. AE has now repositioned itself in the major metropolitan area of Dallas, Texas and has set up offices in McKinney. With an inventory of 657,045 units, Dallas / Fort Worth continued to hold the distinction as the largest apartment market in the State of Texas as of the second quarter 2015. Occupancy continues to climb overall and now sits at a very robust 94.1%. In addition, DFW apartment communities now

command an average rent of \$0.98 per square foot for an average rental price of



\$849 per unit. Attractive demographics and strong economy drivers continue to drive apartment demand upward. With increased pricing per unit in the DFW area, AEMG has strategically entered into solid secondary and tertiary Texas and Oklahoma markets where we can acquire comparable properties in DFW at 30% to 40% savings. Through our due diligence in secondary markets, we have found that they are achieving the same square foot prices as those in the DFW market. These savings increase our cap rates while producing better returns for financial partners and ourselves.

With these positive growth trends that are occurring in these markets, AEMG is now targeting these secondary and tertiary markets through acquisitions of existing value added stabilized multi-family complexes. AEMG's team can quickly add and increase value to their products through swift implementation of better accounting and management procedures of the target properties, the necessary and needed light rehab improvements, and by minimizing costs and maximizing efficiency in all areas. In so doing, we will also be improving the quality of life for residents of the communities that we own and manage. We believe in providing the best environment possible for the residents of these communities at the most affordable cost, and will do so by using the following cast of experts in their fields.

B. Corporate Structure

1. Founder and Company Officer Profiles.

Stephen C. Cope, CEO / Chairman

Stephen attended Utah Valley State College and MSU in Missouri where he studied finance. Stephen has been affiliated with the American Equities Group of Companies for the past 20 years, and is the Founder of AE where he has been for the past sixteen years. He has also operated American Equities of Missouri, Inc., American Homes, LLC, Jamestown LLC, and American Equities, LLC. He has worked in all aspects of operations of the business including acquisitions, joint ventures, raising capital, market research, construction, and property management. He founded AE, in 2000, to pursue development opportunities in southwest Missouri, & Texas. Stephen, his wife, and four children reside in Allen, Texas.

Richard C. Cope, Founder (Emeritus)

After earning a PhD in Chemical Engineering, Richard worked as the national sales manager for DuPont for 10 years. He founded American Equities Financial Corporation in Dallas, Texas in 1981.



As president and CEO, he has syndicated over \$150 million of multi-family housing and an additional \$70 million in development projects in the last ten years. Richard has extensive knowledge in real estate law, acquisitions, syndications,

construction, and marketing. He is the father of thirteen and resides in the state of Utah. Richard is currently doing business in Texas and Utah. Richard will serve as a Chief Consultant and on the Advisory Board of the growth fund.

2. Employee & Advisor Profiles.

Geoffrey Power, Logistics, Advertising & Business Development Consultant

Geoffrey Power brings 20+ years of experience ranging from Lease Negotiations to International Business Development. Power has executed master leases with fortune 100 companies in over 17 states. As an industry innovator, Power was recognized by the Consumer Electronics and Hearing Instrument Industries. Power also began automating business protocols during his college years and ultimately designed tracking and logistic software in the mid-eighties. Currently as a Business Development Expert, Power provides high-level introductions, Media Consultation and Brand Campaign Direction for a variety of companies. Power has relocated to Texas to join American Equities in several capacities: Power will be responsible for back-office logistical support and act as Field Point for both project due diligence and loss prevention. Power is married with 6 children, 8 grandchildren and no pets.

Scott R. Thompson Head Financial Consultant

Scott received a BS degree in Construction Management from Brigham Young University and a Masters in Business Administration from Marylhurst University. Work experience includes 9 years with a national commercial bank (NYSE:MTB) as a commercial lender specializing in construction and developments loans. In addition, Scott has run a successful consulting business to homebuilding and developing companies. Clients include companies with annual revenues ranging

from \$1MM to over \$50MM. Scott has consulted for AE's companies since 2005. Scott has agreed to continue consulting for AE in performing cost benefit analysis for the properties that our Growth Fund will pursue. Scott will also be beneficial in helping prepare forecasts and pro-formas for the properties.

Edika S. Cope, IT Director

Edika received a Bachelor of Science degree in Management Information Systems from the Marriott School of Management, Brigham Young University. Before joining AE, she was a programmer analyst for a Fortune 500 company and a software engineer for a thin client and embedded systems company. Edika plans and coordinates the development, implementation and operation of AE's information systems as well as its technology solutions. She has also been instrumental in the web development and design for AE.

Mark Beck, Broker

Mark Beck has worked with American Equities since 1982 and has been their primary broker for their major acquisitions in the greater Dallas Market. Mark is well versed in multi-family acquisitions and has a very good eye for properties and seeing their potential. His analysis for an asset's potential has been very valuable for us over the years. Mark is an excellent bird dog and has been able to provide us with great deals over the past 30 years in locating awesome opportunities in apartment acquisitions, office buildings, and residential land deals. Mark currently resides in the Dallas area and has 7 children.

Jeremy P. Gartz, Project Management

Jeremy graduated from California State University at Long Beach with a BS in Business Management with an emphasis in Marketing. Jeremy founded and operated an adventure tour company in the Vava'u

Islands in the Kingdom of Tonga and has traveled extensively throughout the South Pacific. He has a wealth of marketing experience and will join the AE team in January 2015 to help manage and market the



several properties that AE acquires. Jeremy will work directly with the apartment managers to help maintain and produce maximum efficiency.

David A. Cope, General Contractor

Dave has extensive experience and expertise in the homebuilding industry. He has worked as a foreman at the Robert Redford Sundance Resort and has worked on several Hollywood sets for commercial and movie productions. Dave grew up in the industry with his father in construction and has been actively building homes in the Springfield area for the past five years with price ranges of \$150,000 to \$750,000. Dave will be taking an active role in helping us find, locate, and manage contractors to provide any rehab services needed on our properties.



AE has also developed a strong alliance with key affiliates and associates in contracting, accounting services, engineers, title & escrow companies, realtors, attorneys, bankers, & local officials.

**Roy Haley, Consultant
CEO of KeyBOS Corporation**

Roy is a seasoned financial manager, analyst and controller with over 20 years of experience across multiple industries and countries. Roy specializes in organizational and long-term financial strategic structures and has successfully grown and managed budgets in excess of \$14 billion. His decorated career has earned him deep industry respect due his work in managing the \$684 million budget of the Afghan National Army during Operation Enduring Freedom and providing budget, accounting, finance, and banking support to NATO in Izmir, Turkey where his office was voted “Best Customer Service Office” in the United States Air Force. His extensive experience includes managing employees, human resource programs and payrolls exceeding \$18 million. His expertise was instrumental in successfully designing and managing a \$100 million F-15 Jet Flying Hour program in Okinawa, Japan where he managed and monitored the financial control for all units. He is a national expert in identifying wasteful financial and accounting practices and in designing financial and human resource programs that enable organizations to optimize their cash flows and human and financial resources. Roy holds a Master of Economics degree, a Bachelor of Science degree in Finance, and a Bachelor of Science degree in Human Resource Management.

Garry J. Woomer, Controller

Jim received his Bachelors and Masters in Accountancy with an emphasis in Tax Accounting from Brigham Young University. Jim will provide his expertise in all levels of financial management in

managing the day to day financial operations of the company. He is a proven leader in corporate finances, P&L management formulates and leads change strategies that produce revenue gains, optimize profitability, development/construction, and facilitate territory expansion. Jim is a creative problem solver and finds financing solutions and overcomes operational obstacles to deliver multi-million dollar projects on-time. He has previously worked for several large firms and has been involved in all departments of financial accounting including banking, cash management, policies & procedures and monthly financial reporting.

**Tim Kreft, Consultant
Kreft Finance & Marketing Group**

Tim has conducted financial analyses of various businesses - consulting on accounting / finance, operations, and marketing issues. He has assisted with the development of strategic planning for operations, budgets and financing avenues for projects. Tim has originated, processed, brokered and closed commercial and residential construction and permanent loans as a banker and independent contractor. He has also worked with FHA, VA, Fannie Mae, Freddie Mac programs, banks, private equity / hard money lenders and investors.

Tim has also worked on assisted living facilities, residential and commercial developments, single family homes, multi-family homes, commercial buildings, medical office buildings, acute care centers to secure construction and long-term financing.

Tim is currently working with American Equities by helping them with their marketing of their multi-family projects through a national multi-media campaign. Tim is responsible for the creation of their marketing brochures and marketing strategies for the Texas Growth Fund IIIC.

AE's office is located at:



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Website: www.txgrowthfund.com

American Equities Group of Companies

Managing Members Development Experience

REAL ESTATE PROJECTS PURCHASED, CONSTRUCTED, OR RENOVATED

<u>NAME</u>	<u>SIZE</u>	<u>LOCATION</u>
The Reserve Apts	261 Units	Irving, Texas
Cobble Creek Lots	289 SF Lots	Nixa, MO
The Colonies Apts.	194 Units	Rogersville, MO
Jamestown – Mixed Use	203 Acres	Rogersville, MO
The Reserve Apts, Ph. 2	180 Units	Irving, Texas
Austin Landing – Mixed Use	200 Acres	Sherman, Texas
Lexington Heights	183 SF Lots	Kansas City, KS
Blue River Hills	147 SF + 99 TH Lots	Independence, MO
Ennis Multifamily	200 Units	Ennis, Texas
Hidden Valley Golf Course	146 SF Lots	Clever, MO
Liberty Square	92 Patio Homes	Rogersville, MO
Capitol Hill Estates	178 SF Lots	Rogersville, MO
Monticello Estates	80 SF Lots	Mount Vernon, MO
Brooklyn Crossing	100 Commercial Acres	Forney, Texas
Parley Lane Farms	205 SF Lots	Nauvoo, IL

American Equities Continued Development Experience

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Regency	100 Units	Dallas, Texas
Timber Rock	120 Units	Dallas, Texas
Trinity Meadows	112 Units	Dallas, Texas
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