CHELSEA FUND TERM SHEET

Opportunity Fund for Private Equity Investments in ‘Smart Growth’ Real Estate

$100 Million Private Equity Capital in a 5-year Term with 15% IRR

Smart Growth investments in real estate and industry take place in urban and metro centers of the United States and span multifamily, retail, medical, office, hospitality, and utility sectors. The guiding principle of Smart Growth investments is cash flow to investors and long term benefit to communities and businesses.

Smart Growth assets and projects sustain services, industry, infrastructure, and employment by the: (a) upgrade of under-performing and impaired assets; (b) adaptive renewal of physical sites and properties; (c) expansion projects of operating businesses.

Smart Growth investments thrive on private sector finance and management with environmentally and socially-responsive practices, to build-up cash flows during the investment term and capital gains at exit: (1) equity + debt finance with low leverage; (2) sustainable development practices and hands-on management.

INVESTMENT:
The Chelsea Fund is structured as a limited partnership that: (a) invests equity in a ‘buy, build and own’ cycle with a 5-year term; (b) yields current income as a function of operating cash flows, plus capital gains at exit.

COMMITMENT:
$ 100M

TERM:
5 Years

IRR:
Current Pay (on cash flows) 7.5%
Capital Appreciation (on exit) 7.5% +
Total Return (5Yr IRR) 15%

PLACEMENT:
Institutional investors with allocations of $10M-$25M.

MANAGER:
Parkmont Capital, LLC -- www.parkmontcapital.com; registered investment adviser focused in real estate and private equity. Principals worked at global banks and on Wall Street and have longstanding experience in real estate, project finance and the capital markets. The firm is co-owner, with equity and debt partners, of Smart Growth assets in New York Metro that include a shopping center, retail and multifamily properties. Parkmont acts as managing partner for the realization of expected returns and capital gains.

DRAWDOWN:
$100M in 12-18 months of $10M-$20M investments in wholly-owned assets and in co-development projects, each structured as individual partnerships to deliver transparency and diversification to investors. Parkmont holds an active pipeline with acquisition and cash flow profiles on hand ready for investment.

PORTFOLIO:
Build-up of portfolio value to $300M/$400M with 2X/3X mortgage debt. New York Metro and Northeast Corridor with assets diversified across multifamily, retail, and office sectors for upgrade, expansion, and redevelopment of housing, shopping, health care, and mixed use facilities.

EXIT:
Multiple channels from recapitalizations to institutional investors (e.g., Reits). Invested funds are repaid in a 5-year term with 15% IRR.
LIQUIDITY: sale after 3 years for optimized properties; 5-year term for redevelopment; retention option for investor to 7-years to realize 20% IRR and higher.

MANAGEMENT FEE 1% p.a. of commitments

TRANSACTION FEES
-- 1% development fee at closing of purchase (factored into closing costs)
-- 1% exit fee at closing of sale (factored into closing of each sale)
-- Miscellaneous fees (e.g., legal, funding) as applicable.

CARRIED INTEREST Incremental % after base hurdle rate

REPORTS Quarterly unaudited, Annual audited

ADMINISTRATOR Leading bank or institution (e.g. Bank of New York)

CUSTODIAN Leading bank or institution (e.g. State Street)

LEGAL National or specialist firm with practice in real estate private equity

AUDITOR ‘Big 4’ or specialist firm with expertise in real estate private equity.