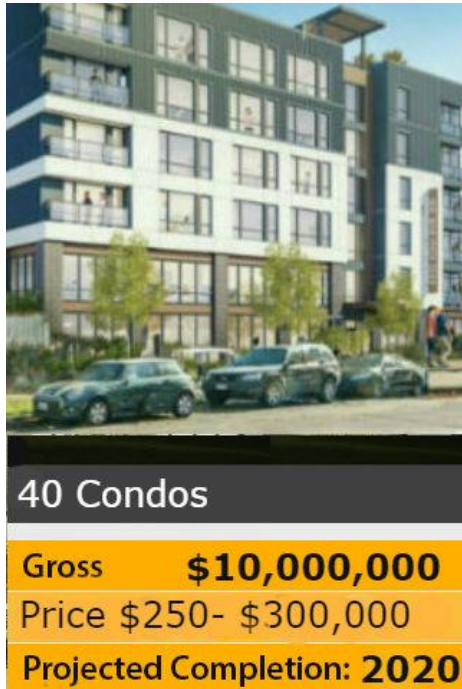


Real Estate Project Funding



Real Estate Investment Trust - REIT

We will establish a REIT (real estate investment trusts) That allow individual investors to buy shares in this commercial real estate portfolio enabling our investors to receive income from the project.

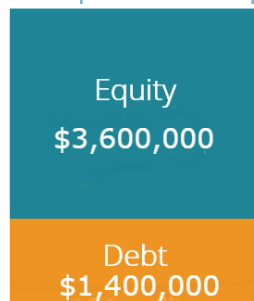
The money that you will receive as an equity Investor partner along with the bank will be earning from the Condos and generated income from the retail section of this mix use building

The rate of return on your investment is greater because it's Real Estate, that keep your funds invested.

Capital structure

Leverage Metrics

The capital structure percentages of total funding:



Total Long-term Bank debt = \$1,400,000
Stockholder equities = \$3,600,000

Total Long-term debt to Equities ratio =
Total Long-term liabilities / Stockholders equities
= \$1,400,000 / \$3,600,000
= \$5,000,000

Capital structure, and makeup of the project identifies the *underlying value* and focuses on the balance between funding from investor equities and Bank financing for long-term debt.

The project uses funds from multiple sources to acquire the income-producing assets of 10 million Dollars through Condo sales.



The capital stock form **The Real Estate Investment Trust (REIT)** represents fractional ownership in this project. All of the shares into which ownership of this project is provided, is held by the **REIT** and will be divided among shareholders. This entitles the stockholder to that fraction of the; **The Real Estate Investment Trust** earnings and assets on this project. **This Return on Investment**, for shareholders will be divided up in proportion to the amount of money each stockholder has invested. This leverage provides owners with higher profitability and a **Higher Return on Investment** (or return on equity shares).

The **gearing ratio** debt to equity, **measurement and proportion of the projects Bank funds to its equity shareholders** is structured to boost profits. Capital from the company's owners and shareholders /investors comprise the greater **Capital structure**, of equities. The steady revenue stream, for investors are created from Condo sales and the retail section of this Mix use project. The **earnings before interest and taxes (EBIT)** has a high profit that includes (operating and non-operating) expenses. The fundamental earnings potential of this project shows high earnings before interest, taxes, depreciation and amortization (EBITDA) and EBIT), which shows the projects optimal use of Bank debt & equity financing .



Capital Structure

Using funds from different sources The capital structure enables overall operations and growth the working capital requirements is also part of the capital structure. The projects Bank Debt comes in the form of a long-term note payable, while shareholders equity will be classified as common stock, or preferred stock. The project's retained earnings. Short-term debt such as working capital requirements is part of the capital structure.



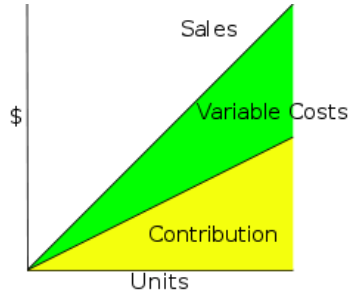
Debt-to-Equity Ratio as a Measure of Capital Structure

The Capital Structure is a mixture of common equity and preferred equity along with the Bank Debt in the form of a long-term note. **This debt-to-equity (D/E) ratio**, which provides tax advantages, Interest payments are tax deductible. The equity for shareholders represents a claim on the future earnings of the company as part ownership. Both debt and equity of the project can be found on the balance sheet. The project's assets on the balance sheet are purchased with this debt and equity. The optimal mix of debt and equity, is the optimal capital structure. of the project.

Basics of Shareholder Dividend

Dividends distribution will be awarded from a **portion of company's earnings** and will be paid to a class of its shareholders. Dividends are decided and managed by the company. Dividends can be issued as cash payments, from shares of stock. Dividend reward paid to the shareholders for their investment in the company's equity, will originate from the company's net profits. While a portion of the profits is kept within the company as **retained earnings**, , the remainder can be allocated to the shareholders as a dividend.

10 million Dollars through Condo sales.



The contribution margin is computed as the selling price per unit, minus the variable cost per unit. **Which is the dollar contribution per unit**, this measure indicates how the Condo Sales contributes to the overall profit of the project. It provides a way to show the profit potential of the project offered by AMEAG International and shows the portions of sales that come from Condominium sales.

Condos \$250,000- 300,000

