



HOMENETMEN SANTA CLARA ANI Chapter

Real Estate Investment

PROGRESS REPORT- August 19, 2005

One of the major goals of the Strategic Plan of Homenetmen Ani Chapter is to secure a gym or a facility for scouts and athletes, in order to provide consistent and high quality activities in a safe environment. To achieve this goal, we have short / long term targets:

Short term target:

To have, at the very least, the financial ability to rent an existing gym that fulfills all the needs of Homenetmen Ani Chapter in a consistent manner and without budgetary constraints or to own a facility in the South Bay area that has the functionality of a gym.

This actual goal in itself has different phases:

The first phase is to facilitate the appreciation of our current financial capital/savings to build equity. Concurrently, this phase seeks to create an ongoing source of income to the organization. That, we have decided can be achieved by purchasing a rental property in an affordable market.

The second phase seeks to further increase and consolidate our existing equity, to better position ourselves for a Silicon Valley transaction.

The third phase is the decision and execution with 2010 as our deadline, of owning a Facility in Silicon Valley vs. renting an existing Gym that serves all of our needs, based on market realities.

Long term target:

If possible, to have an Armenian Center for all of the Silicon Valley Armenian population where,

Homenetmen Ani functions as a youth organization (athletics, scouts) and working with other Armenian organizations (possibly also with the church). This is the long term plan that we believe in and support.

We realize however, that it is a difficult and complicated task; it needs a lot of cooperation from all parties and needs creative financing.

Achievement:

Our present focus has been to buy a rental property to build equity and create an ongoing income i.e. the execution of phase one of the short term target. It is with great pleasure that **we announce to you the completion of the purchase of our investment/rental property, in Fresno CA.** The closure of Escrow occurred on 7/29/05.

The property is located in the NW area of Fresno which has been appreciating significantly over the past 3 years. The address is: 5683 W Sample Ave. Fresno CA 93722. This is a one story single family house 3 beds/2 bathrooms, 1474 SF of living space with a 4300 lot, built in 1993, in excellent condition and with many upgrades. The price of the property is \$298,089 closing costs included.

The property is already rented at \$1,200/month. Management fee is graciously waved by Y. Viken Yepremian. Insurance and utility fees are at \$110/month which leaves us net \$1090/month. The tax is at 1.25% i.e. \$3,700 for the year (it will be reduced after non-profit status adjustment). This means that our yearly net income after taxes and expenses will be \$9,380 at the minimum.

The purchase of this rental property was achieved through the following contributions:

1. Homenetmen Ani Chapter Savings: \$112,500.
2. Non-Interest bearing loans from 33 supporters: \$150,000.
3. Temporary loan from Homenetmen Western Regional by securing a line of credit: \$40,000.

We would like to express our heartfelt thanks to all of our contributors.

Our second phase is to pay down and eliminate the above line of credit by collecting either donations or more of the non interest bearing loans, from new contributors.

This will further help consolidate our equity. We have given ourselves until 11/2005 to complete this second phase. **We would be highly appreciative if you could assist us find new contributors.**

We believe we will be able to complete phase three (the purchase of a facility in the South Bay area or gym rental serving all of our needs) by the time we sell the Fresno property after market appreciation, by 2010 or sooner.

As promised, we will sequentially return to each original lender \$1,000 each month, in a lottery determined order. We will be inviting all of you early 2006 for a lottery draw, in order to decide the order of paying back the \$1,000 (to lenders who committed the \$5000). The balance of your loan will be returned to you in full by the end of 2010.

Once again, our sincere thanks for your support. We are one step closer to helping secure a GYM / Facility to our younger generation.

Homenetmen Ani Executive Committee

Homenetmen Ani Investment Council

