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GO ZONE

90% Financing – Stated/Verified

No MIN. CREDIT - No PMI

For More Info Contact www.cozzarealtygroup.com


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PRESENTATION OVERVIEW

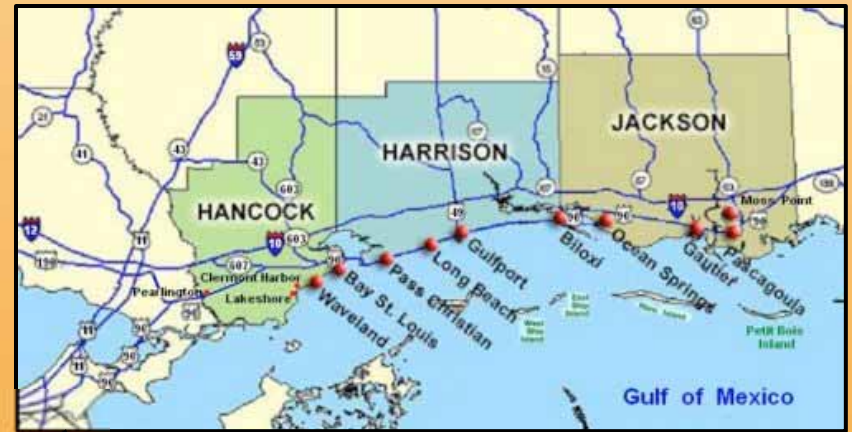
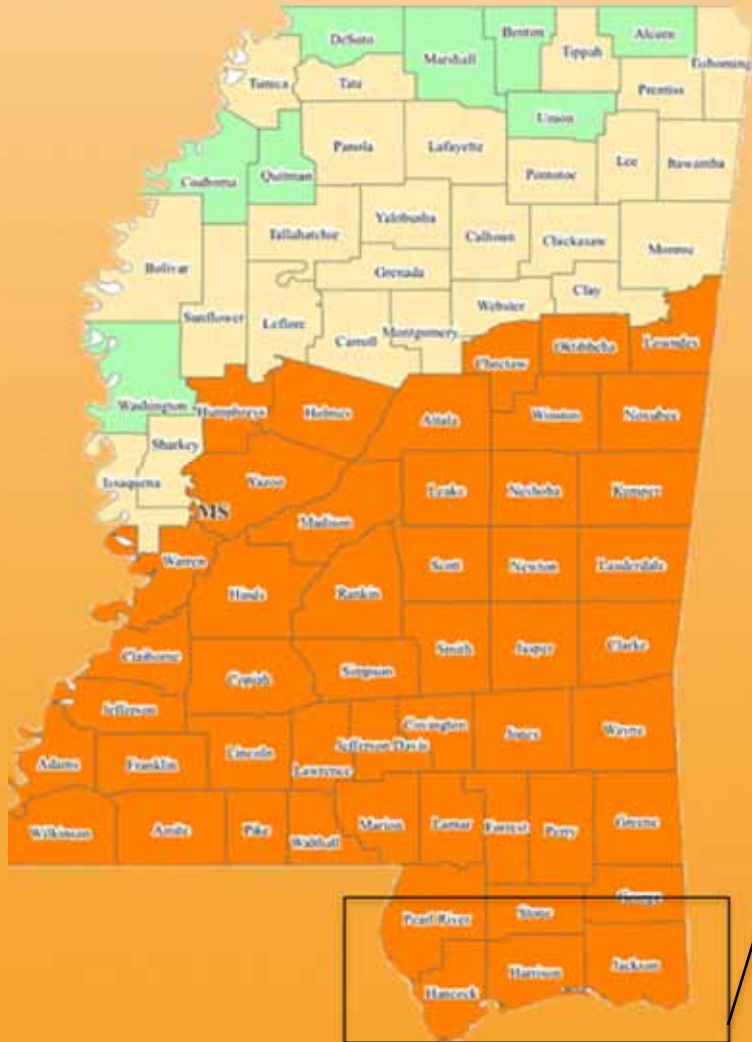
- 
- Background Info on the Area
 - Local Economy
 - Demographic Information
 - Government Incentives
 - “Our Philosophy on GO ZONE”
 - Models Available
 - Developer Info
 - Financing
 - Conclusion

WHAT IS THE GO ZONE?

- August 29, 2005 – Hurricane Katrina Hits Gulf States
- Over 100,000 homes damaged/destroyed in MS alone
- 14,500 renters displaced
- Dec 21, 2005 – Pres. Bush signs The Gulf Opportunity Zone Act
- “GO Zone Act” creates tax incentives and provisions to rebuild local and regional economies



MS GO ZONE AREA



WHY MISSISSIPPI? WHY NOW? WHY US?

- Rarely before seen tax/rent incentives
- Developer Error – Other Developers & “Investment Specialists” have failed to build to incentive code
- Proven Market Data
- Major local investment in the Casino Industry
- Lower cost of living with higher appreciation rates
- First-Class Developer – Proven track record
- **Stated/Verified Financing with NO CREDIT CHECK**



LOCAL ECONOMY

- Future Job Growth of 14.09%
- 14.00% lower cost of living than US
- Sales Tax 7.00%
- Income Tax 5.00%
- Over 20,000 Casino Jobs
- Investor Friendly Area



*Source: US Census Bureau

DEMOGRAPHICS

- Population: 15,449
- Density: 860 / sq. mile
- Homes in Place: 5,255
- Median age – 34.2 yrs
- Avg Income: \$46,989
- Household size: 2.8
- Married: 66.06%
- Single: 33.94%



*Source: US Census Bureau

CASINO INDUSTRY



1. Bacaran Bay
2. Beau Rivage
3. Boomtown Biloxi
4. Casino Magic Biloxi
5. Broadwater
6. Golden Nugget
7. Grand Casino Biloxi
8. Hard Rock
9. Isle of Capri
10. IP Casino
11. Palace Casino
12. Treasure Bay
13. Island View
14. West D'Iberville LLC
15. Hollywood Casino
16. Silver Slipper
17. Diamondhead Casino



MAJOR AREA EMPLOYERS

- Regions Bank
- BancorpSouth
- AT&T
- ANI Pharmaceuticals, Inc.
- Boeing-Rocketdyne Propulsion & Power
- NASA's Stennis Space Center
- Naval Construction Battalion Center
- Fed-Ex Ground Distribution Center
- Roy Anderson Corp.
- W.G. Yates & Sons Construction
- Beau Rivage Resort and Casino
- Grand Casino Biloxi





WHAT'S THE DEAL WITH TAX BENEFITS?



TAX BENEFITS

50% 1st Year Accelerated Depreciation

Example:

Purchase Duplex: \$275,000.00

Less Land Cost: (\$20,000.00)

Total Accelerated: \$255,000.00

50% : \$127,500.00

Actual Cash Savings in 30% tax Bracket

\$38,250.00 *FIRST YEAR*

Can be taken back 5 years or forward 15



TAX BENEFITS

PROPERTY VALUE: \$150,000	<i>WITHOUT</i> GO ZONE PURCHASE	WITH GO ZONE PURCHASE (1 YEAR)	WITH GO ZONE PURCHASE (2 YEARS)
Structure Value	\$100,000	\$100,000	\$100,000
Annual Depreciation Deduction (100K / 27.5 yrs)	\$3,636	\$3,636	\$3,636
Tax Deduction (maybe up to 5 yrs)*	\$0	\$75,000	\$100,000
Net Tax Savings	\$3,636	\$78,636	\$103,636

*Consult your tax consultant as to you ability to capitalize on 50% first year depreciation, 100% second year depreciation, and your ability to use this deduction over 5 years.

This project is located in the Go Zone area so please consult your CPA on how to qualify. Numbers are for estimation purposes only.*

TAX BENEFITS

PART OF THE FINANCE PACKAGE:

- ***Free One-Hour Session with a GO Zone Tax Specialist****
- **Exclusive to this Program**
- Gives You a Tax Outlay Tailored Specifically to Your Needs



*Contact First Home Lending for details

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***MS SMALL RENTAL
ASSISTANCE PROGRAM***

\$73,000

Duplex

\$36,500

Single Family



MS SMALL RENTAL ASSISTANCE PROGRAM

- “Forgivable Loan” from the US Government
- Designed to entice investors to rebuild the MS Coast

REQUIREMENTS:

- 5-Year hold
- subsidized rent structure
- individual & property approval
- processed post-closing



Please consult your CPA and the Mississippi Development Authority for further details regarding this program.



OUR THOUGHTS

- Tax/Rental Incentives are handled post-closing
- All units meet/exceed FEMA/Insurance Guidelines
- All units positive cash flow, stand alone, by design
- Government Incentives are just a bonus
- Why? Because 40+ other investment firms are relying on Government Incentives to make their deal work.
- Government Loan can take over a year to receive



***WHERE ARE WE
BUILDING?***

***WHERE ARE WE
NOT BUILDING?***





WHY VANCELEAVE?

- Vancleave is ***UNDER SATURATED***
- All Lots Are Connected to City Sewer
- Demographic Supports property Resale
- Genuine Need for Affordable Housing
- Area more affluent than other GO Zone areas
- We are the ***ONLY FIRM*** selling properties in this Area





WHY VANCLEAVE?

- Many “slab-built” homes in are not built to new insurance elevations.
- “High-Risk” insurance policies reduce cash flow.
- Inventory of inferior new construction homes are causing local market fluctuations.
- We are more innovative and can provide much more for your investment dollar.

** Average Base Flood
Elevation In Vancleave is

50 FEET!**



WHY VANCLEAVE?

HOUSEHOLD INCOME

- Bayside Park is less affluent with a LARGE demographic earning less than \$15,000/year
- Vancleave offers a much higher price ceiling in the years to come.

GO Zone Average



Vancleave, MS



*Source: US Census Bureau

WHAT THIS MEANS TO YOU

- Your ROI potential is “capped” in Other Areas
- Moving away from the building congestion is innovative
- Avoids what happened in Southwest Florida in 2007



Vancleave, MS



VANCLEAVE, MS



Bayside Park ← ≈ 45 Minutes → Vancleave



THE DANIEL

- 1973 Sq. Ft.
- 3 BR / 2 Bath
- EXCEEDS all Hurricane & FEMA Building Codes








THE DANIEL





SINGLE FAM. INVESTMENT



Land / Construction / Costs	\$ 162,000
Down Payment (10%)	\$ 16,200
Amount Financed	\$ 145,800
Annual Cash Flow (\$1200/mo)	\$ 14,400
Interest / Taxes / Ins. / Fees	\$ 14,000
Builder Incentive	\$ 5,000
1st Year Positive Cash Flow**	\$ 5,400
Monthly Positive Cash Flow**	\$ 450

**All Figures are based off market data available. No returns can be guaranteed



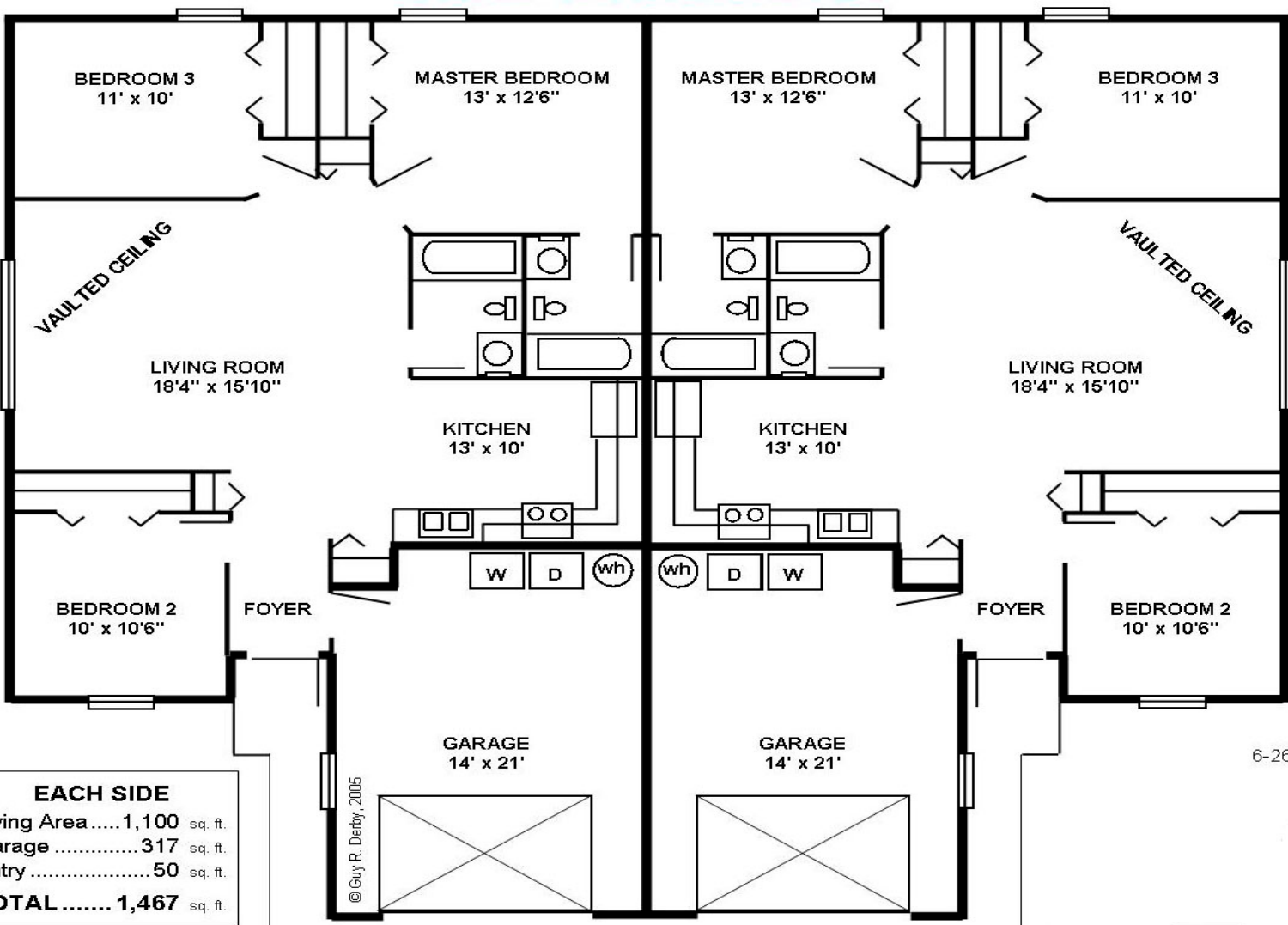
THE BARCLAY



- 2934 Sq. Ft.
- 3 BR / 2 Bath
- EXCEEDS all Hurricane & FEMA Building Codes



THE BARCLAY




EACH SIDE	
Living Area	1,100 sq. ft.
Garage	317 sq. ft.
Entry	50 sq. ft.
TOTAL	1,467 sq. ft.

6-26-08

© Guy R. Derby, 2005



DUPLEX INVESTMENT



Land / Construction / Costs	\$ 275,000
Down Payment (10%)	\$ 27,500
Amount Financed	\$ 247,500
Annual Cash Flow (\$1100/sd)	\$ 26,400
Interest / Taxes / Ins. / Fees	\$ 24,100
Builder Incentive	\$ 10,000
1st Year Positive Cash Flow**	\$ 12,300
Monthly Positive Cash Flow**	\$ 1,025

**All Figures are based off market data available. No returns can be guaranteed

DEVELOPER INCENTIVE

- \$10000 for Duplex*
- \$5000 for Single Family*
- Maximizes Cash-on-Cash Return
- This Incentive for a Duplex is Rare in MS
- Monies Paid Upon Successful Completion
- Covers Over 6 Months of Vacant Mortgage Payments



* Incentive provided by the developer directly to the client. CRG has no responsibility in this incentive whatsoever.

** All data based on present market value. NO expenses or gains are guaranteed

DEVELOPER INCENTIVE

Important Point to Consider:

With the Developer Incentive, Your Total Money Out-of-Pocket is only 6.5%





DEVELOPER INFO

STANDARD FEATURES - Vancleave, MS

- Slab, Pier and Grade Beam Foundation
- Builders Limited One Year Warranty
- Manufacturers Consumer Warranty
- Stove, Hood, Disposal, Dishwasher, and Refrigerator
- Embossed Trim and Interior Doors
- 2X4 studs, 16" OC Exterior Walls, R-13 Wall Insulation, R-30 Ceiling Insulation
- Maintenance Free Exterior (30 Year Manufacturer's Warranty)
- Washer and Dryer Connections
- 40-gallon Electric Water Heater with Double Element
- 200 Amp Electric Service
- Rain Diverter on Front and Rear Door
- Concrete Drive (10' Wide for Single Car Garage)
- Home Set back 25'
- Stainless Steel Kitchen Sink
- 26 oz. Carpet with 3/8" rebond pad
- Vinyl Floorings in Kitchen and Bath
- Cabinets; Oak or Off White
- GFI Circuits, 2 Exterior & 2 Water Facets Exterior
- 6 panel insulated Steel Exterior Doors 9 Lite Carriage Back Door
- Concrete Porches
- 25 year Shingles
- Standard Light Fixture Package wired for 2 ceiling fans
- Baths with Vanity Top and Fiberglass Tub
- A/C 13 Seer and 15 KW Central Heater
- Smoke Detectors
- Fireplace
- Windows White Thermo pane
- Walk in Closet per plan (Master)
- High Gloss easy care Acrylic Enamel in Wet Areas
- Ventilated Wire Closet Shelving
- Spacious Work Areas
- Conveniently located Utility Areas
- Mar-Resistant Laminate Counter Tops
- Well w/pump installed
- Public Sewer Connected
- All Copper Electrical Wiring
- Pre-Engineered Roof Trusses
- Pest Treatment
- Planned Communities
- Storm Shutters
- Ice Maker Hookup
- Pre-wired Telephone (2) and Cable TV (2)
- Fully landscaped Yard Hydro-Mulch 2250 sq. ft.



DEVELOPER INFO

- Commercial/Residential
- 20 years of experience
- Over 2000 Units all over the Southeast
- ***ALL Construction MEETS/ EXCEEDS Local Hurricane Codes***



- Delray Beach, FL
- Lake Buena Vista
- Pembroke Pines, FL
- Daytona Beach
- Orlando, FL
- Mobile, AL
- Gulfport, MS
- Coral Springs, FL
- Austin, TX
- San Antonio, TX





90% STATED/VERIFIED



Stated Income

Stated Assets



No Min Credit Score

90% *FINANCING*

- 7.5% Interest-only 3/1 ARM, with option to extend for 3 more years
- Asset-based, **No Credit Check Conducted**
- Need to show an additional 10% liquidity (All Assets Verified)
- **NO Mortgage Insurance**
- No Pre-Pay penalty
- Stated Income OR Full Documentation OK
- Construction to Permanent Loan – One Time Close
- Interest Reserve, No payments during Construction
- Closing Costs are financed in the loan amount



FINAL THOUGHTS

- ***ONLY FIRM OFFERING STATED/VERIFIED***
- Both Finance Packages are **VERY RARE**
- Financing Volume **HAS LIMITS**
- Reserve Quickly to Take Advantage
- All the Pieces Are in Place!
- Program **EXCLUSIVES**:
 - Developer Cash Back
 - GO Zone Tax Specialist






FINAL THOUGHTS

We are constantly updating our existing market information, and opening up new market areas within the GO Zone as they become developed. This allows you to take advantage of these same great cash flow numbers in multiple niche markets while maintaining your GO ZONE tax benefits.





WELL PUT...






"The Mississippi Gulf Coast is going to be the most unique and opportunistic real estate market our generations have ever seen. Never in history has a catastrophic natural disaster created such a lucrative opportunity for real estate investors."

-Governor Haley Barbour

Mississippi Go Zone



DISCLAIMER



AS WITH ANY REAL ESTATE OWNERSHIP, PRECONSTRUCTION PURCHASES INVOLVE A SIGNIFICANT DEGREE OF RISK OF LOSS. REAL ESTATE BY ITS NATURE IS ILLIQUID. RESULTS OF ANY REAL ESTATE INVESTMENT MAY BE AFFECTED BY CHANGES IN MARKET AND ECONOMIC CONDITIONS. REAL ESTATE VALUES, NEW HOME CONSTRUCTION COSTS, AND MORTGAGE RATES AND COSTS, ARE SUBJECT TO INCREASE AND DECREASE OVER TIME, AND THE PRICES, TERMS, CONDITIONS, AVAILABILITY AND RESULTS RELATING TO THIS OPPORTUNITY CANNOT BE ASSURED, AND ARE SUBJECT TO CHANGE AT ANY TIME WITHOUT NOTICE. COZZA INVESTMENT GROUP, INC OFFERS INFORMATION ABOUT THIRD PARTY SERVICES WHICH WE BELIEVE CAN BE HELPFUL TO BUYERS IN RELATION TO THE OPPORTUNITY DESCRIBED IN THIS PACKAGE AS A COURTESY. ANY RELATIONSHIP FORMED FOR SUCH SERVICES WILL BE SOLELY BETWEEN THE BUYER AND THE THIRD PARTY PROVIDER, AND COZZA INVESTMENT GROUP, INC WILL NOT BE LIABLE FOR ANY LOSSES, CLAIMS OR DAMAGES ARISING OUT OF OR RELATED TO ANY SUCH RELATIONSHIP. A BUYER IS ENTITLED TO OBTAIN A LOT OR LOTS, NEW HOME CONSTRUCTION, MORTGAGE FINANCING, AND ANY OTHER SERVICE OR ESOURCE, FOR USE IN THIS OPPORTUNITY THROUGH ANY SOURCE WHICH THE BUYER MAY CHOOSE. CERTAIN SERVICES MAY BE OFFERED THROUGH AFFILIATES OF COZZA INVESTMENT GROUP, INC., AND/OR SOME OF ITS AGENTS, AND COZZA INVESTMENT GROUP, INC., AND/OR ANY SUCH AGENTS, MAY RECEIVE PAYMENT OR CONSIDERATION THEREFORE WITHOUT SPECIFIC DISCLOSURE TO A BUYER. NO REPRESENTATION OR WARRANTY IS GIVEN BY COZZA INVESTMENT GROUP, INC. FOR ANY SERVICE OR PROPERTY WHICH MAY BE PROVIDED BY ANY OTHER PERSON OR ENTITY, WHETHER OR NOT AFFILIATED IN ANY MANNER WITH COZZA INVESTMENT GROUP, INC, EACH SUCH PERSON OR ENTITY BEING SOLELY RESPONSIBLE FOR THEIR OR ITS OWN ACTS AND OMISSIONS. COZZA INVESTMENT GROUP, INC, AND ITS AGENTS ARE LICENSED REAL ESTATE BROKERS IN THE STATE OF TENNESSEE, AND MAY BE PAID COMMISSION RELATED TO SOME OR ALL OF THE TRANSACTIONS RELATED TO THIS OPPORTUNITY IN THEIR CAPACITY AS TRANSACTION BROKERS.

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