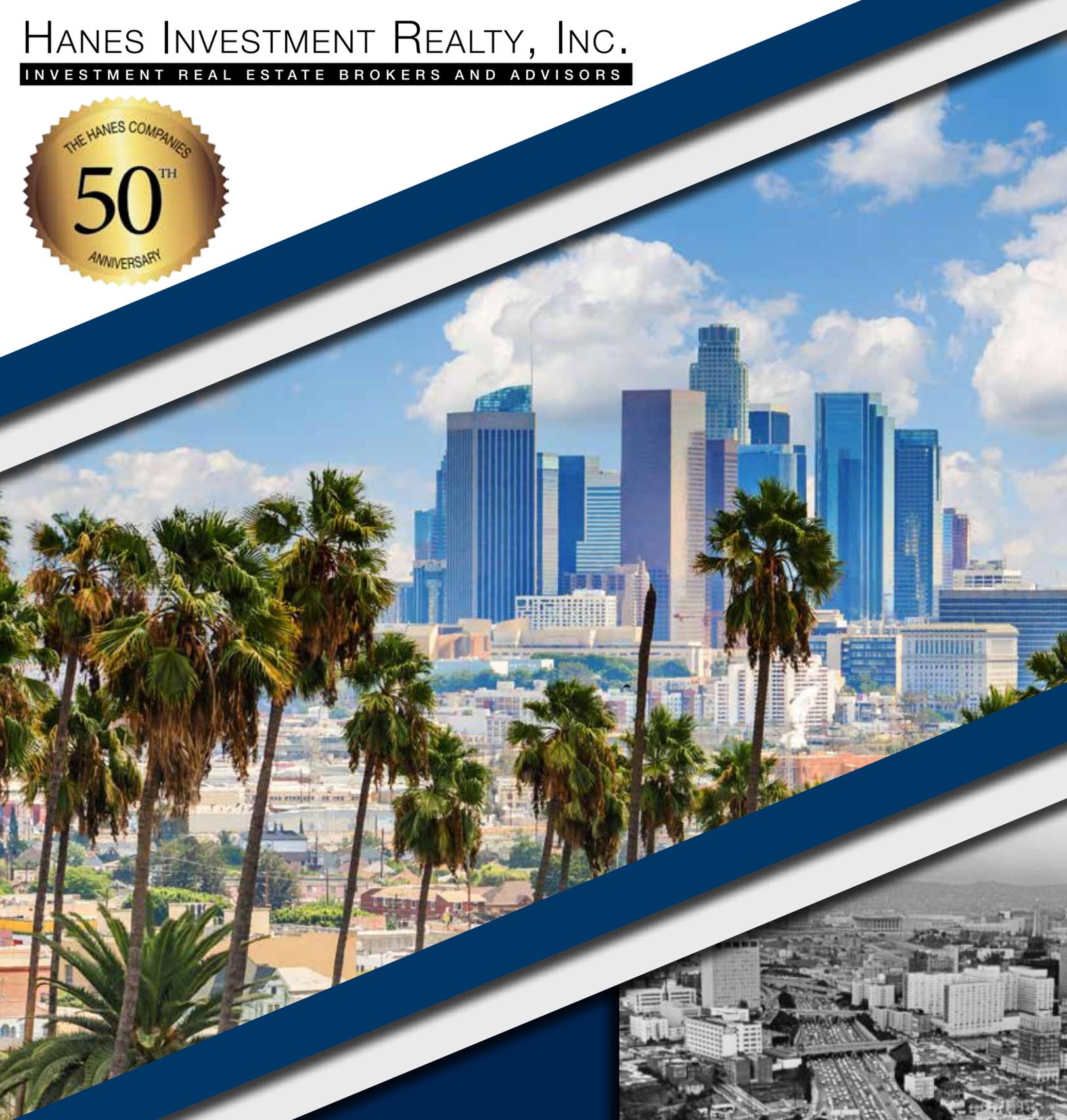
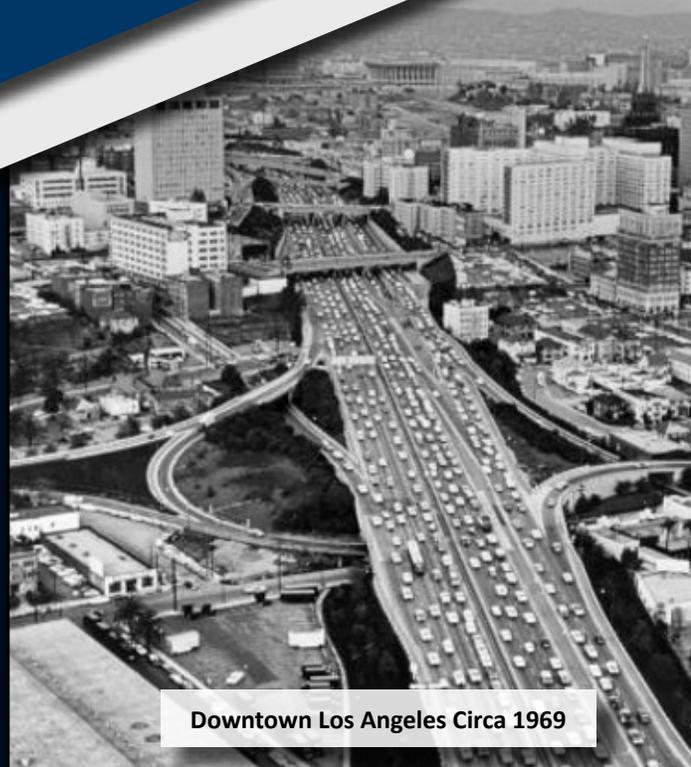


HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS



**The Hanes Companies
Serving Southern California
Investors for Half a Century**



Downtown Los Angeles Circa 1969



The Hanes Companies have been involved in Southern California multifamily brokerage for over 50 years and Hanes Investment Realty, Inc.'s unparalleled track record of service demonstrates our skill, knowledge and commitment to our clients.

Each investor and investment is unique and we pride ourselves on our no-nonsense, individualized approach to client wealth building. It is our mission to understand and analyze each equity and cash flow position in light of investor goals and market trends. In doing so, we are able to maximize the value we bring to each transaction.

This informational brochure will guide you through our services and transactional philosophy. Whatever your disposition needs, Hanes has a program to help you prosper and the experience to ensure success.

These pages highlight the Hanes Difference and track record of distinction. It details what we do to help you succeed and what we do differently to maximize your equity, cash flow, tax shelter and appreciation.

Questioning whether it is time to buy, sell, hold or exchange is the trait of a savvy investor. This is true if you own one property or a portfolio of properties. For five decades Hanes has helped individual and institutional investors plot a profitable course of action. Hanes has represented thousands of property owners in the analysis and sale of billions of dollars in multifamily and commercial transactions throughout Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties.

"Off Market" does not serve your best interest. A massive advertising campaign does! Whether you are looking to defer capital gains taxes through an exchange or installment sale, or are simply looking to cash out, we will analyze and professionally package your property and expose it to the widest possible market. Our Marketing Commitment described herein is worth your consideration.

Since every investor may have different goals in the multifamily arena, Hanes provides the necessary tools and services that are needed to meet those goals from acquisition to disposition and everywhere in between. We are here to share our knowledge, research and expertise, giving you the necessary tools to thrive in the multifamily market.

Braemon M. Hanes, CCIM

President

DRE: 01230427

Todd S. Schwartz, CRB

Chief Executive Officer

DRE: 01136688

CLIENT TESTIMONIALS

"You mass marketed the property for maximum exposure to the most possible qualified buyers and delivered more than you promised. Your creative coordination of the many prospective buyers made it easy for us to follow, and make the best decision possible. The offer we ultimately accepted proved to be from a very qualified buyer, at 40% above list price, and non-contingent. We highly recommend you to anyone looking for a broker with skill, integrity and one who puts the seller's needs first."

G. & C. Gembacz

"We want to thank you for your excellent performance in selling our property; we could not be more pleased with your dedication. We had no doubt that we would list with you. Both Braemon & Todd were there for us throughout the entire process and even after escrow closed to answer any questions we had. This is the third property that we have listed and sold through your company, and we had no second thoughts about our decision - not even for a moment."

D. & C. Nelson

"We were able to significantly increase the value of the properties we exchanged through your help and timely advice. The service we have received from Hanes has been excellent. Our exchange was well orchestrated and well done...Thank you for the excellent service...We look forward to working with Hanes in the future."

T. & S. Kingston

"Thank you for selling my three properties. Before working with you I had never worked with anyone in the real estate field who did everything that was promised and even more. I especially appreciated the fact that you never wasted my time with offers from unqualified buyers or offers below the list price. If you ever need to have a potential client talk to a satisfied customer, please feel free to have them call me."

A. Snyder

"I am emphatically happy with the sale of the Milwood property in Canoga Park and the purchase of the Adams property in Glendale. You flawlessly accomplished and synchronized these transactions. In the 30 years I have been involved in real estate acquisitions, I have never seen anyone more attractively package property for sale than you. My father, a self-made businessman, Rabbi and World War II refugee from Lithuania, regarded you as the most trustworthy, effective and honorable professional he had ever dealt with. I can only second his assessment of you."

E. Tabash





NOT JUST BROKERS; ADVISORS

Hanes provides an array of client services beyond simple brokerage. In addition to our rigorous Marketing Commitment and 19-Point 1031-Tax Exchange Program, Hanes offers its clients these professional services:

- Portfolio analysis and wealth building potential
- Consultation on profitability models
- **Entrepreneurial Property Management**[®]: Management Guidance to help you manage more effectively and minimize your time as a property manager for greater return.
- **Hanes Multifamily Investor** magazine, shows market value indicators and rent trends in Los Angeles and Ventura Counties.
- **Rent Watch**: survey of minimum, maximum and average rent levels by city per region.
- Portfolio analysis for Owners of 7,500 units or more in Southern California on a 10-day turnaround basis.
- Consultation with the client's financial and legal advisors.

Taking advantage of our services keeps you informed as an investor and helps you decide whether it is time to Buy, Sell, Hold or Exchange. Hanes also provides expert counsel on how to **maximize cash flow, equity, tax sheltered income, appreciation, and ultimately your cash out, or annuity.** This kind of information and counsel enables you to truly take control of your investment and make informed decisions.

Our stability and longevity in Southern California gives you the confidence that we will be here when you need us.

THE HANES DIFFERENCE

Marketing Package: We build a comprehensive Marketing Package on your property, not just a few summary pages. The site assessment is completed by Braemon M. Hanes & Todd S. Schwartz personally. This results in increased protection for the seller regarding required disclosures and professionally packaging the property. Personal attention by senior agents is one reason Hanes Investment Realty, Inc. has never been in, nor have any of our transactions resulted in, a lawsuit.



CCIM Network: Of the 6 million real estate agents worldwide, only 1/4 of one percent have obtained the CCIM designation. **Members of the CCIM global network are part of a select community of agents who close over \$200 billion in commercial real estate transactions annually.** Designees represent proven expertise in financial, market, and investment analysis, as well as negotiations and ethics.

Southern California Multiple Listing Service: Your property is published in the Southern California MLS, the nation's second largest, which covers 12 major regions from Ventura to San Diego and out to the Inland Empire. The Southern California MLS represents over 100,000 agents throughout the Southland.



Hanes Multifamily Investor: Twice per year we publish the **Hanes Multifamily Investor** magazine, analyzing values, rent levels, and market trends for 65 cities across 5 Southern California regions, and our exclusive inventory to 20,988 owners of 43,212 multifamily buildings.

Marketing Reports: Every 30 days we will either meet with you personally or you will receive a package by mail documenting the marketing progress to-date, including hard copy verifications of all marketing efforts.

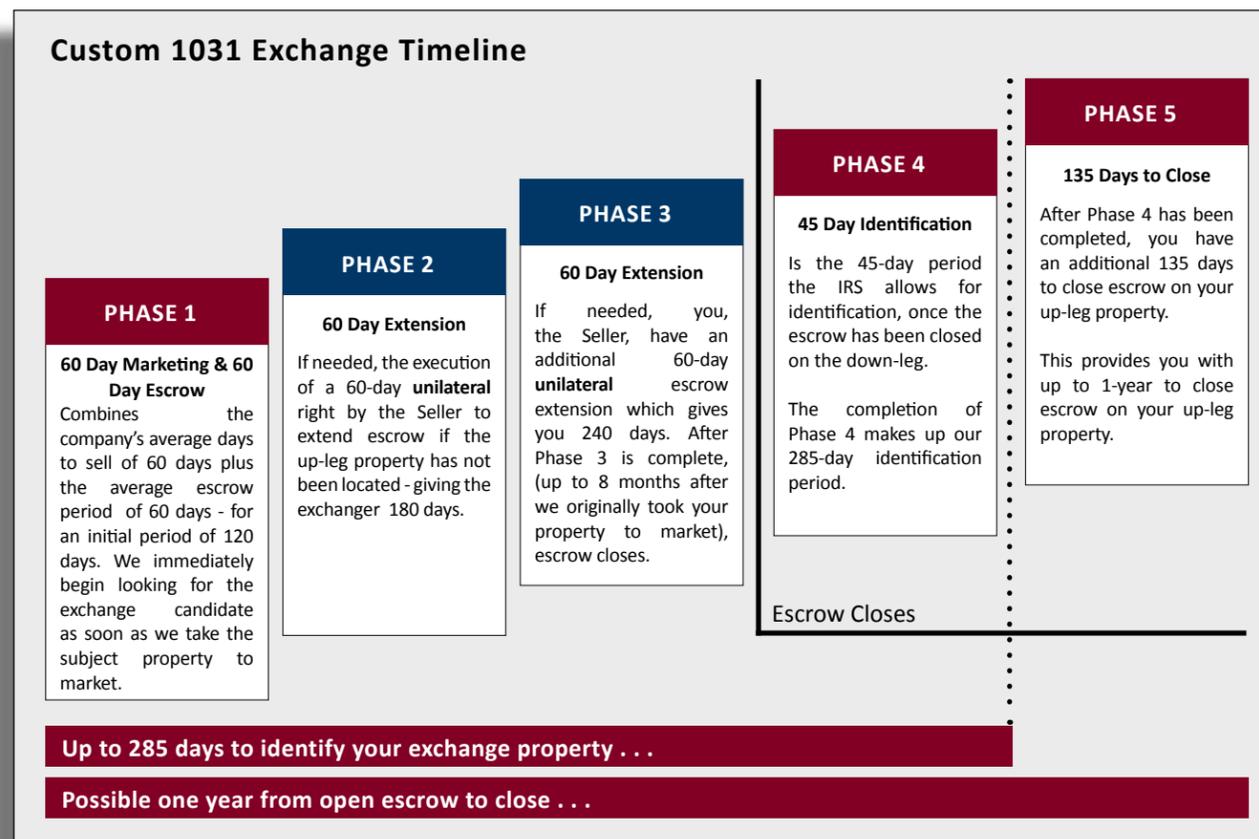
WHAT WE DO NOT DO

We will not hold listings off the market: We cooperate with other brokers, and will not keep your listing in our pocket. Our goal is to expose your property to as many buyers as possible to ensure the highest offers from the most qualified buyers.

We will not bring you a buyer off the street: Our focus is seller representation. We will not waste your time with unsolicited offers from unqualified buyers. We always work out price and terms with the seller first.

You will not work with inexperienced agents: We will not take your listing and hand you off to junior agents. All of your contact will be with senior, experienced commercial agents: Braemon M. Hanes and Todd S. Schwartz.

OUR 1031 EXCHANGE PROGRAMS: TAKING THE TIME PRESSURE OFF



The key to a successful 1031 exchange is locating a suitable upleg property. It is also the most challenging aspect of the process due to the time pressures. The solution can be as simple as adding unilateral escrow extensions and extending the escrow as illustrated by the timeline above. Every situation is unique and the process can be custom designed depending on the property, market and client's expectations.

Hanes Investment Realty, Inc. has maintained a 100% success rate in completing 1031 exchanges for our clients.

OUR MARKETING COMMITMENT

Property Analysis and Presentation:

- 1. Marketing Package:** A complete marketing document representing your property in its best light, with full disclosures, is created. It includes interior and exterior photos, physical description, financial information, amenities, on-site survey, rent schedule, rent survey, recent comparable sales, city information, site location maps and demographics and, if beneficial, drone photos and video.
- 2. Executive Summary:** Features property highlights, financial information and rent schedule. It is a condensed version of the marketing package with a focus on investment benefits and parameters. This information is e-mailed or faxed immediately to qualified brokers and investors.

Direct Investor Contact:

- 3. Investor Phone Communication:** Immediately upon completion of the Executive Summary our team will begin phoning owners in the immediate area to let them know of the new investment opportunity. We maintain a database of 81,000 Southern California apartment buildings and our team of professionals will be mining that database for buyers for your property.
- 4. Just Listed Mass Mailing:** A brochure describing your property is mailed to investors of similar property in the same general location, providing coverage to investors who want to expand their local portfolio.
- 5. Hanes Multifamily Investor:** We publish a full-color magazine listing our exclusive inventory and extensive market research including commentary for the Los Angeles, San Fernando Valley, San Gabriel Valley, Ventura County and Antelope Valley regions. Circulation: 20,988 Owners of 43,212 multifamily buildings.
- 6. Target Mailers:** A variety of mailers are sent to multifamily investors of a particular target group. We advertise your property on each of those mailers on an ongoing basis throughout Southern California.
- 7. Mass Emailing to Active Buyers:** We maintain a large database of active investor emails and the Executive Summary is emailed to those potential buyers.
- 8. Client Match Evaluation:** An evaluation is conducted of previous property inquiries and all previous clients to find a possible buyer match for your property. Note: Your property will be exposed to the most serious, qualified and motivated investors first.

OUR ONLINE MARKETING PRESENCE

Online Mass Marketing:

- 9. HanesInvestmentRealty.com:** The Executive Summary is placed on our company website and is accessible 24 hours, 7 days a week to ensure continuous exposure to brokers and investors.
- 10. Costar Exchange:** We place your property information in Costar, a subscription based multiple listing service for commercial investment properties.
- 11. Loopnet:** We expose your property on Loopnet, a subscription based multiple listing service, which is a very active real estate oriented website generating a high volume of interest from brokers and potential investors.
- 12. Southern California Multiple Listing Service:** Your property is published in the Southern California MLS, the nation's second largest, which covers 12 MLS's from Ventura to San Diego and out to the Inland Empire. The Southern California MLS represents over 100,000 agents throughout the Southland.

Additional MLS Sites Include:



13. ApartmentBuildings



14. CREXi



15. RealNex



16. Zillow



17. Trulia

- 18. Additional Sites:** More and more property web sites, like Realtor, are picking up from the above on-line sites and re-exposing property listings. This helps to achieve market saturation of your property.



GUARANTEED MARKETING SERVICES

Seller Communication and Ongoing Communication:

- 19. Marketing Reports:** Every 30 days we will either meet with you personally or you will receive a package by mail documenting the marketing progress made to-date and what marketing is planned for the next 30 days.
- 20. Property Showing Reports:** Next day written accounts informing you of each showing of your property and the potential buyer's response.
- 21. Market Tracking:** Our company subscribes to major comparable sales reporting services for up-to-the-minute market information that is made available to you.
- 22. Refresh the Listing:** During the listing period we will update and refresh all marketing points with new information. Your property is pulled down from all sites and then republished and reintroduced to buyers and brokers multiple times across all websites and multiple listing services to appear as new.

Social Media:

- 23. Twitter:** Your property is exposed to all of our Twitter followers on an ongoing basis.
- 24. LinkedIn:** Your property is exposed to all our contacts on LinkedIn on an ongoing basis.
- 25. Instagram:** Your property is shared with all of our Instagram followers.
- 26. Facebook:** Your property is shared with all of our contacts on Facebook, as well as with a broad network of additional Facebook users, through the use of paid targeted advertising.

Additional Broker Cooperation:

- 27. CCIM DEAL-Share:** Your property is exposed through the network of CCIM designees via DEAL-Share, a global property marketing platform exclusive to the CCIM network.
- 28. Mass E-Mailing to Active Brokers:** The Executive Summary will be e-mailed to our entire database of investment real estate Brokers.
- 29. Property Blast:** We maximize exposure of your property by utilizing the resources offered by Property Blast, sending attractive and informative marketing pieces to over 90,000 professional commercial brokers nationwide.

22 IMPORTANT FACTS ABOUT HANES

1. **List Price to Sale Price Ratio:** 74% of our most recent 300+ transactions, sold at the full listed price or above.
2. **List Price to Sale Price Variance:** 0.63% (less than 1%) for our most recent \$420+ million in transactions.
3. **Average Days to Sell:** 65
4. **List to Sale Performance:** For a period as long as 12 years and 2 months, 100% of the properties listed by Hanes sold.
5. **Guaranteed Marketing:** Hanes guarantees to perform our Marketing Commitment until your property is sold.
6. **Litigation:** Hanes has never been a defendant in any real estate related lawsuit and our clients have never been involved in a lawsuit as a result of a Hanes transaction.
7. **Escrow Performance:** Hanes has never had an escrow cancelled where the property went unsold.
8. **Loan Performance:** Hanes has been 100% successful in procuring financing for multifamily properties.
9. **Portfolio Analysis:** Hanes has the capacity to analyze and begin marketing portfolios of 7,500 units in Southern California with a 10-day turnaround.
10. **Media Exposure:** Hanes has consistently been quoted in The Los Angeles Business Journal, The San Fernando Valley Business Journal, Apartment Age Magazine and The Los Angeles Times regarding the Los Angeles area multifamily market.
11. **Research:** Hanes has up-to-the-minute research for multifamily transactions throughout Southern California.
12. **Mass Marketing:** Hanes philosophy is mass market exposure, not off market deals representing buyers off the street. Our clients can rest assured they are getting maximum market value.

OUR TRACK RECORD OF SUCCESS AND SELLER REPRESENTATION

13. **Broker Cooperation:** Hanes cooperates with brokers. We make every effort to have their buyers purchase our available properties at full price.
14. **Results Oriented Marketing:** Hanes implements a Marketing Plan that generates an average of 1.2 inquiries per property per day.
15. **1031 Exchanges:** Hanes has a 100% success rate in the facilitation of our clients property exchanges. Through our proprietary exchange timeline we can provide the seller up to 285 days to locate and up to 1 year to close a suitable exchange candidate.
16. **Installment Sales:** Hanes maximizes monthly income for clients who have provided the financing and we have never had a default or foreclosure.
17. **The Secret of Our Success:** Hanes has a laser market focus by limiting our marketing to a manageable number of listings at any given time. Thus, we are able to maximize our focus and provide the highest possible service.
18. **Combined Experience of Senior Agents:** Braemon M. Hanes and Todd S. Schwartz have nearly 50 years of combined multifamily experience.
19. **Transaction Profile:** Hanes transacts business on a wide range of properties varying in size and location in Southern California with a focus on multifamily.
20. **Training:** Hanes conducts continuous extensive training of all associates.
21. **Reputation:** Hanes has built a “no nonsense” reputation in the marketplace.
22. **Complimentary Analysis & Advisory Services:** Hanes consults on ownership or management issues with multifamily investors on a pro-bono basis.



THE HANES INSTALLMENT SALE

Installment Sale

Seller carried first loan is an excellent exit alternative to cashing out and paying capital gains taxes. Get your equity working for you, not the other way around. An installment sale in which the buyer makes a down payment and then makes a series of scheduled payments, over a period of time can offer certain tax advantages as you, the seller, are only taxed on the monies received as you receive them. The installment sale creates an annuity that can last for many years.

An installment sale can be very beneficial tax wise should you, a multifamily owner, decide to retire from the investment business and still have a monthly income at a high rate of return. Always check with your tax advisor.

Terms and Benefits

The Hanes Installment Sale is structured to your individual and financial needs. We are available to meet with your tax advisor to ensure that all aspects of your financial and tax situations are addressed. There are several benefits that are made available through this process. Below is a list of standard terms and benefits:

- **Large Down Payment:** The seller would provide the first loan after receiving a large down payment to pay off all existing loans (if any), prepayment penalties (if any) and selling expenses.
- **Monthly Loan Payments:** The monthly loan payments to you could possibly meet or exceed your current monthly cash flow. We help clients maximize their income through installment sale.
- **Interest Rates:** Variable or fixed interest rates – stair stepped or fixed – typically starting at attractive rates.
- **Life of the Loan:** A majority of our clients carry the loan for 7 years. However, the due date may be adjusted for a shorter or longer time period depending on your individual needs.
- **Offset Capital Gain:** The interest on the loan significantly helps offset your capital gains taxes by keeping your equity working and delaying the tax.
- **Equity:** An installment sale at a competitive rate of return keeps a large portion of your equity working for you.
- **Management Responsibilities:** You are released from the daily property responsibilities and liability.

RETIRE FROM PROPERTY OWNERSHIP & MANAGEMENT, DEFER TAXES & MAINTAIN INCOME

- **Tax:** You are taxed on the monies only as you receive them. Check with your tax professional.
- **Collateral:** Your property is the collateral and is excellent security for the loan.
- **Loan Assumption:** Should the property be sold prior to the due date of the loan, the note may be assumed provided the new buyer meets the same “Buyer Requirements” as listed below.
- **Personal Touch:** Installment sale terms are structured for your financial and individual situation.

The Security of an Installment Sale – Buyer Requirements

We are able to accomplish these benefits primarily through our strict buyer qualification process which includes the following:

- **Down Payment:** We verify the buyer’s source of liquid funds for the down payment, plus 6 months of principal and interest payments as a reserve.
- **Net Worth:** The buyer’s net worth must be equal to, or greater than, the purchase price. Exclusive of primary residence and automobiles.
- **Pre-Payment:** The loan cannot be pre-paid without the sellers prior written consent, or the buyer shall owe all of the remaining interest due on the loan. By law, the exception is 2 to 4 unit properties.
- **Property Tax Service:** The buyer will provide the seller with a type “B” property tax service for the term of the loan.
- **Credit:** The buyer must have an average credit score of no less than 650.
- **Property Management:** The buyer must have previous property management experience.

Consult Your Tax Advisor

Should you choose to take advantage of an installment sale, Hanes always recommends that you seek counsel from a tax professional regarding any tax balance that may result. Hanes will meet with your tax advisor to ensure that the installment sale is structured to your individual needs.

THE PRINCIPALS OF PROFESSIONAL SERVICE



Braemon M. Hanes, CCIM
President

DRE: 01230427

Braemon began his career in investment real estate in 1997 and has completed hundreds of multifamily transactions throughout Southern California.

While he maintains his discipline in multifamily, he has firsthand experience in: commercial & residential sales, bulk sale condominium, retail leasing, property management, and the sale of businesses. Braemon is also an investment property owner and operator. These attributes add to his real world, hands-on expertise when consulting with and advising his clients.

Braemon earned the CCIM Designation (Certified Commercial Investment Member) in 2002. The CCIM Institute was founded in 1968 and CCIMs are among an elite corps of professionals located across the globe that are recognized experts in the disciplines of commercial real estate. Designees represent proven expertise in financial, market, and investment analysis, in addition to negotiations and ethics. The CCIM designation provides Braemon access to an international business network that encompasses more than 1,000 markets and is a powerful force for meeting clients' needs across town or around the world. Through this network - the largest in the industry - CCIM members successfully complete more than \$200 billion in commercial real estate transactions annually.



Todd S. Schwartz, CRB
Chief Executive Officer

DRE: 01136688

Since joining the firm in 1989, Todd has been personally involved in over \$400 million in investment real estate transactions, increasing returns for hundreds of clients through creative and strategic investment planning.

He applies his three decades of multifamily brokerage and ownership experience to each and every transaction. As a multifamily specialist, Todd's integrity-based investment planning and client wealth building methods have a long proven history of success. The goals of the individual client are analyzed, action plans are formed, and expectations are exceeded.

Todd, along with Braemon M. Hanes, took over daily operations of the firm in 2017 and they continue the vision the founder, H. Bruce Hanes, in providing unparalleled client service.

In-depth knowledge of the multifamily industry and an intense dedication to excellence are the driving forces behind Todd's research-backed investment strategies.

His columns and various apartment research articles have continued to inform and inspire investors and agents alike. His articles have appeared in The Los Angeles Times, The San Fernando Valley Business Journal, Apartment Owners Magazine, The Los Angeles Business Journal, Daily Commerce, and many others.

COMPLIMENTARY MARKET ANALYSIS OPINION OF VALUE

In the event you are considering taking your property to market to **cash out**, complete a **1031 Exchange** or execute an **Installment Sale**, all we would need to complete a Preliminary Investment Analysis are:

- 1. **Rent schedule**, including the unit mix
- 2. **Operating expenses** for the current or previous calendar year
- 3. **Loan statement** copy (in the event there is a loan)

The above can be faxed to (805) 374-2354 or e-mailed to info@hanesre.com. Should you have questions please contact us at (805) 335-8395 or (818) 865-8305.





HANES INVESTMENT REALTY, INC.
INVESTMENT REAL ESTATE BROKERS AND ADVISORS

CORPORATE HEADQUARTERS

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(949) 313-8396

ORANGE COUNTY

(661) 261-8396

ANTELOPE VALLEY

(805) 335-8395

**VENTURA & SANTA
BARBARA COUNTIES**

(626) 408-8396

SAN GABRIEL VALLEY

