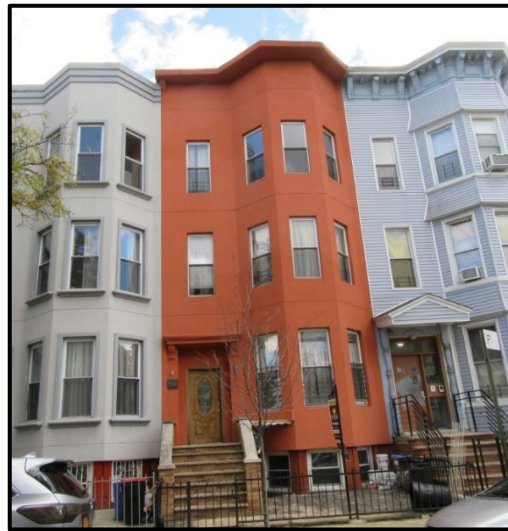




FOUR ARROW
FUNDING INC.

\$350,000 Preferred Equity Participation

18.0% Annualized Return



80 Cornelia Street, Bushwick
Brooklyn, NY 11221

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\$350,000 PREFERRED EQUITY PARTICIPATION

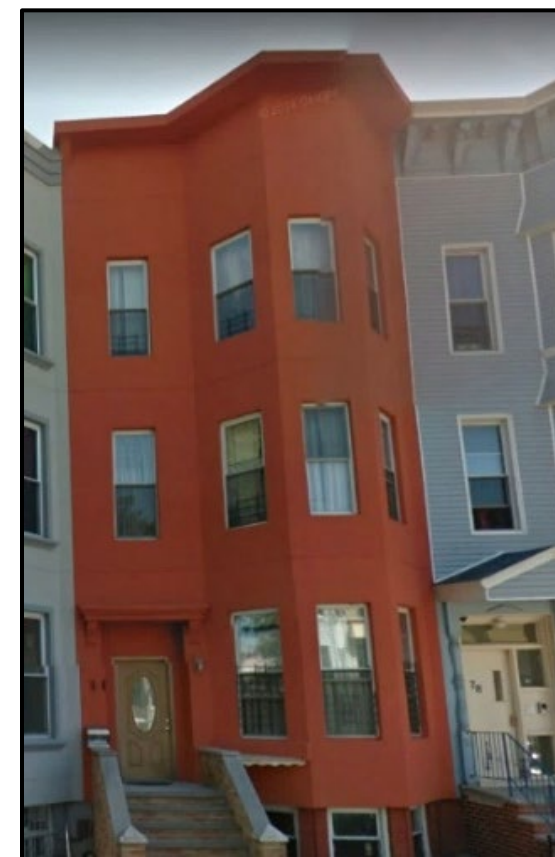
EXECUTIVE SUMMARY

Overview. Four Arrow Funding, Inc. (“FAF”) is issuing five (5) \$70,000 participation units (the “Units”) raising \$350,000 of Preferred Equity (the “PE”) for the recapitalization and redevelopment of 80 Cornelia Street, Brooklyn, NY 11221 (the “Property”). Chesterfield Faring, Ltd. (“CFL”) arranged a new \$1.5 million first mortgage loan (the “Loan”). CFL owns 50% of FAF. The Property is a three (3) family house located in the Bushwick area of Brooklyn, one of the fastest growing markets with great potential appreciation in NYC.

Capital Structure. The Property is a “fix and flip” opportunity. The Purchase Price was \$1,250,000. The "fix" portion is \$450,000 plus \$150,000 of carrying costs for a total cost of \$1,850,000. CFL arranged the Loan at 68.0% loan to value ("LTV") at a below market rate of 8.75%. The PE added to the Loan equals the \$1.85 million requirement. Upon completion, the Property is valued at \$2.3 million. The common equity is \$450,000 subordinated to the PE and the Loan. The LTV of the Loan and PE combined is 80.4%.

Loan Participation. FAF is offering five (5) Units. Each Unit pays 20.0% per annum including: i) 18.0% per annum (the “Interest”) plus ii) an initial one percent (1.0%) origination fee (the “Fee”) for the six (6) month term (the “Term”). All of the Interest and the Fee are prepaid at closing. The net effective price is \$63,000 per Unit. The \$7,000 profit on an initial investment of \$63,000 represents an effective annual rate of **22.22%**. The Borrower may have the right to extend for two (2) three (3) month extensions for a two (2.0%) extension fee per extension split equally between FAF and the investors. The profit participation will increase to 20.0% from the 18.0% return. FAF will be retaining one of the five (5) Units leaving four (4) available. The anticipated closing date is on or before November 20th, 2020.

Risk Mitigated. FAF will have \$450,000 of common equity subordinated to its PE position allowing up to a 20% correction in a post COVID market. FAF is very experienced in collecting on all its investments especially in NYC. The exposure is very limited as the construction will be completed by March 2021 just in time to sell or refinance the Property paying off FAF.



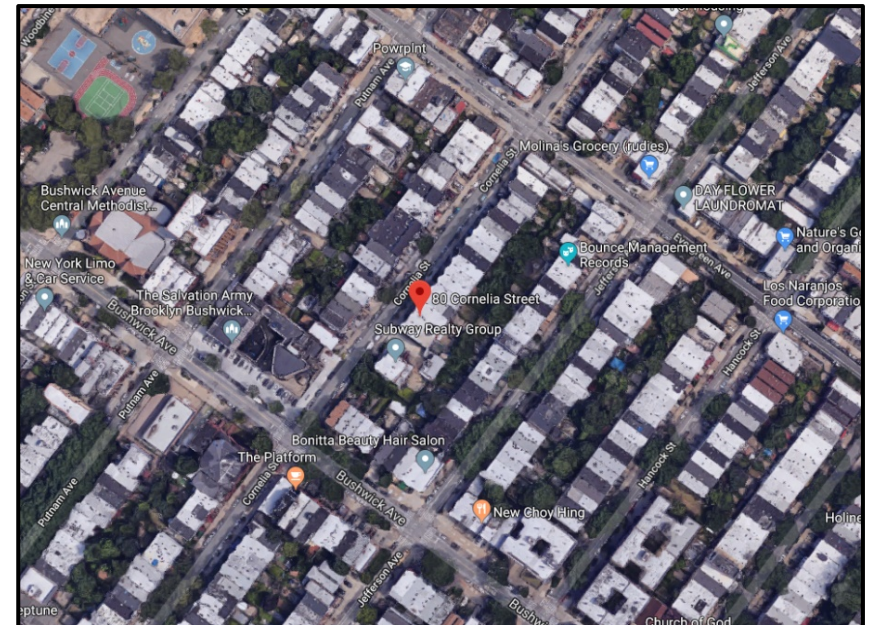
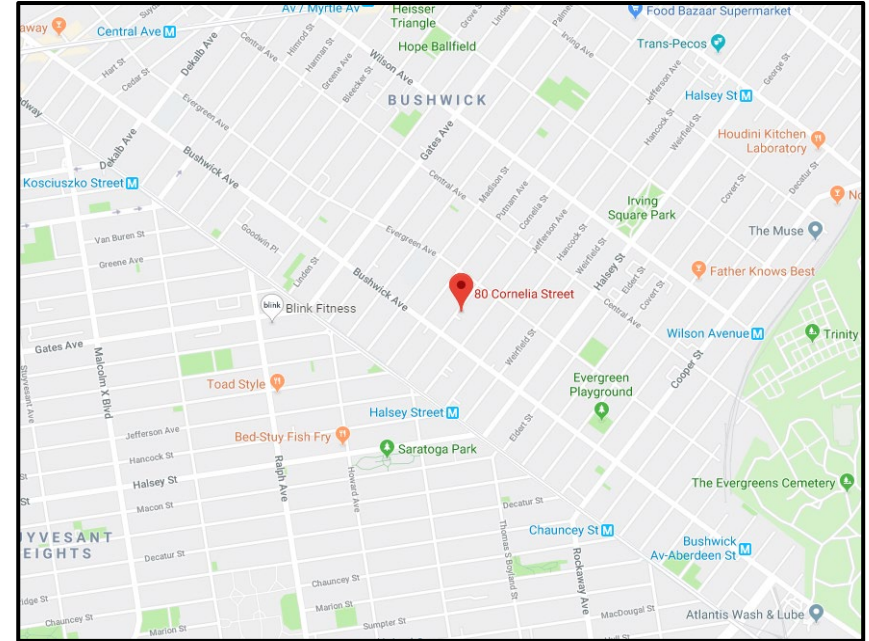
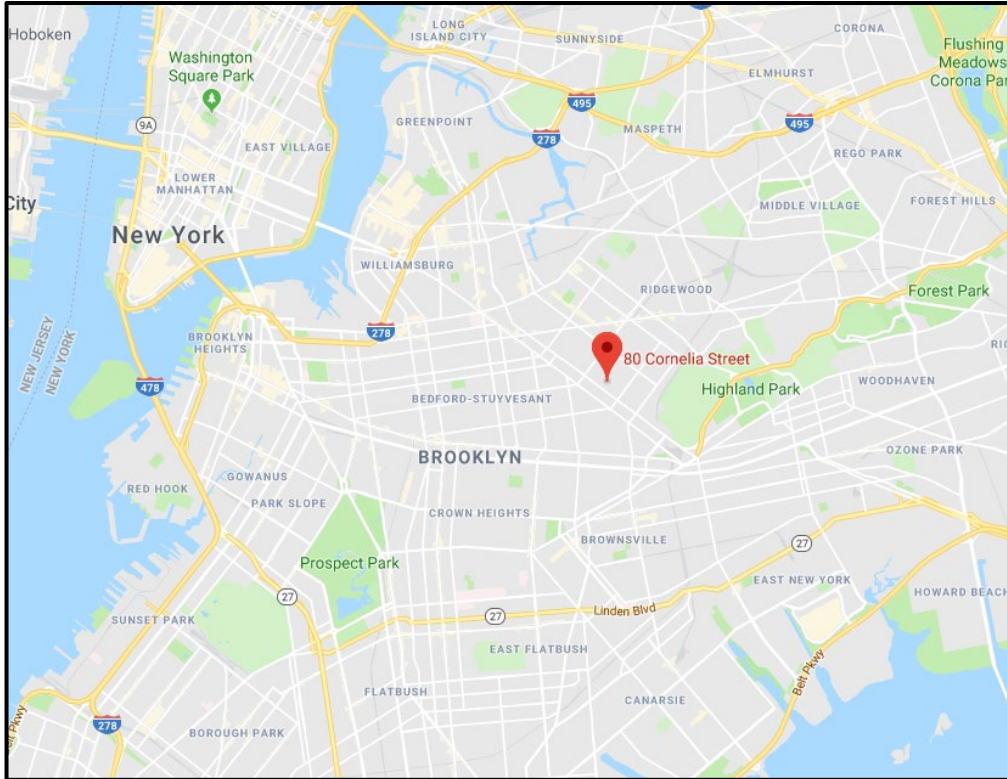
Position	Amount	Cumulative	LTV
First Mortgage	\$ 1,500,000	\$ 1,500,000	65.22%
PE	\$ 350,000	\$ 1,850,000	80.43%
Common Equity	\$ 450,000	\$ 2,300,000	19.57%
Value	\$2,300,000	100.00%	



\$350,000 PREFERRED EQUITY PARTICIPATION



LOCATION





\$350,000 PREFERRED EQUITY PARTICIPATION

SALES COMPARABLES

Most of the properties listed below are not newly renovated like the subject property will be when completed. Thus, the value is

Property	Address	ARV/Price	Building/sqft	Price/sqft	Year Built	Units
Subject	80 Cornelia	\$ 2,300,000	3,000	\$ 767	1920	3
1	17 Cornelia	\$ 2,250,000	3,000	\$ 750	1910	3
2	1104 Putnam	\$ 2,350,000	3,300	\$ 712	1905	3
3	1110 Putnam	\$ 2,000,000	3,000	\$ 667	1992	2
4	1010 Halsey	\$ 1,600,000	2,400	\$ 667	1905	3
5	1111 Jefferson	\$ 1,740,000	2,700	\$ 644		4
Comp Average			2,900	\$ 701		



\$350,000 PREFERRED EQUITY PARTICIPATION



RENTAL COMPARABLES

Rents are stable now but were climbing pre COVID.

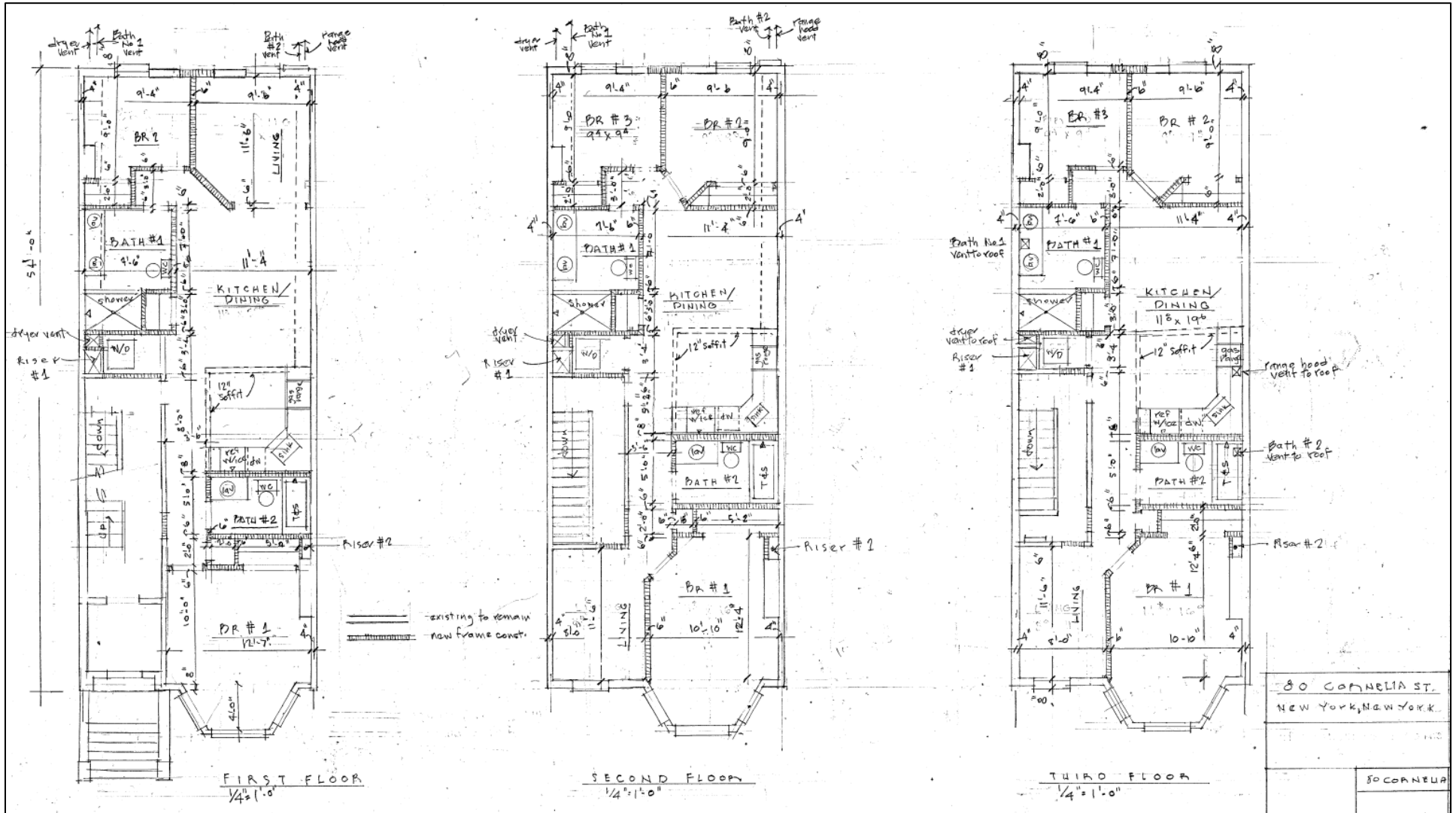
Property	Address	Unit Type	Rent/Unit	Total/sqft	Rent/sqft	Year Built
Subject	80 Cornelia	3-4 Bedrooms/3 Baths	\$ 4,100	900	\$ 4.56	1920
1	17 Cornelia	3-4 Bedrooms/3 Baths	\$ 4,000	950	\$ 4.21	1910
2	1104 Putnam	3-4 Bedrooms/2 Baths	\$ 3,700	950	\$ 3.89	1905
3	1110 Putnam	2 Bedroom/2 Baths	\$ 3,350	900	\$ 3.72	1992
4	1010 Halsey	2 Bedroom/3 Baths	\$ 3,850	1,000	\$ 3.85	1905
5	1111 Jefferson	4 Bedrooms/1 Bath	\$ 3,800	950	\$ 4.00	644
Comp Average				942	\$ 4.04	



\$350,000 PREFERRED EQUITY PARTICIPATION



FLOOR PLANS





\$350,000 PREFERRED EQUITY PARTICIPATION

PREVIOUS REDEVELOPMENTS --PHOTOS





\$350,000 PREFERRED EQUITY PARTICIPATION

SPONSOR PROFILE

David Elton graduated from Brown University and Boston College Law School and was admitted to the Massachusetts bar. His 30+ year career includes real estate acquisition, development, and management as well as holding senior positions with major financial institutions in real estate finance and acquisition. Combining his legal, financial, and hands-on experience, Mr. Elton has enjoyed a unique career path of private property ownership and high profile corporate real estate. He began acquiring and improving older buildings in the Back Bay, Beacon Hill, and the South End of Boston. Before returning to New York where he has spent the majority of his working years, Mr. Elton spent several years in Florida first as the President of United Resources, where he successfully restructured the company's business model and later as a principal in the Tampa area in co-developments with ALSA International, a Tampa based architectural and development company. Mr. Elton led the planning and development of several attached condo projects and the development of mid and high-rise buildings including the Pinnacle condominium on Tampa's famed Bayshore Boulevard.

In the late 1980s, Mr. Elton returned to his hometown of New York to continue acquiring, improving, and selling mid-market residential apartment buildings. On three separate occasions, Mr. Elton has put this part of his business on temporary hold for new acquisitions to serve as a senior officer with major institutions. The first was Banque Indosuez, a Paris based financial institution that was an active buyer of US real estate and a project lender on its own and in participation with major US banks. During his time there, Mr. Elton was responsible for expanding both operations and grew the investment portfolio to over \$3.5 billion by acquiring properties throughout the US.

Secondly, Mr. Elton was an early officer of Commercial Capital Initiatives, a wholly-owned subsidiary of GMAC. Mr. Elton was responsible for originating in excess of \$3 billion of loans including such prominent properties as the massive Biotech Center at Kendall Square in Cambridge, Massachusetts and office and retail properties throughout the US.

Mr. Elton's final corporate real estate position was with Hypo Real Estate Capital Corporation, "Hypo." In 2005 Mr. Elton was hired as an originator for loans throughout the US. Mr. Elton was responsible for originating over \$4 billion of transactions specializing in large, ground-up construction financing as well as financing condo conversions of existing rental properties. Mr. Elton's projects included the structuring of a \$600 million loan for the New York based Denihan family covering a portfolio of New York city hotel properties under the Affinia brand including the Benjamin, the Shelburne, and the Dumont.

Mr. Elton expanded his personal construction operation under the names New Value Homes NY and The Red Sun Property Company and acquired, rehabbed, and sold 25 single family homes. In 2017 he relocated back to Manhattan where it has focused 100% of its time to expand the multi-family business. The most recent projects completed by Mr. Elton include 24 Cornelia Street, 17 Cornelia Street, and 1104 Putnam Avenue.

