



**Banyan**  
Tree Capital

**2014**

## The Banyan Tree Capital Fund, LLC



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## Real Estate Investment Fund

[Executive Overview and Information Package]

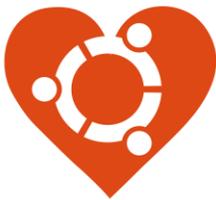
## INTRODUCTION



In Asian culture, Banyan trees, found throughout the tropics, symbolize unity and power. They are unique in that as they up, they grow out as well. Over time, the Banyan tree drops air roots. These roots are opportunistic and grow by seeking fertile ground to take root. When they find the right spot, the roots strengthen and become an additional trunk for the tree. Over time, the tree grows larger and stronger with many pillars of support.

The Banyan tree symbolizes our fund: The trees are extremely hardy and live to be hundreds of years old and they never stop spreading or growing. We will constantly seek out new properties that are a good fit for our portfolio. We will continue to grow and strengthen and we plan to be here for the long haul.

## PURPOSE OF THE FUND



From our observations, we have found that the average person will find it extremely difficult to effectively build a portfolio of real estate that generates passive income consistently over the long-term. For real estate to be passive the right property has to be purchased in the right place, at the right price with the perfect tenant and ideally, with the help of a great property manager. Numerous professionals within the real estate industry (and in a variety of other professions) hope to build a property portfolio so that they can have a passive income stream. If nothing changes, fine. However, most of the time, something, somewhere will go wrong. When the going gets tough – or when the money doesn't come rolling in as quickly as they'd hoped, they change their mind, liquidate their assets and then begin their search for a passive income stream all over again. Investing in multi-family properties is no different, yet is out of reach for most investors. Large down payments, seasoned reserves and a lack of experience mean that this investment opportunity is reserved mostly for full time investors.



## MISSION OF THE FUND

The Banyan Tree Capital Fund provides an opportunity for investors to achieve a passive income stream that allows them to take advantage of all of the positive aspects of a real estate investment. Investing in the Fund allows our investors to take advantage of the cash flow and benefit from the capital appreciation and leverage that real estate affords. Some of the investors will even be able to take advantage of the tax breaks derived from owning real estate, despite the passive nature of the investment.



The average American family of four earns just \$39,722 annually and after taxes brings home around \$25,000. Twenty percent of American households have an annual income of \$20,000 or less and neither of these groups can afford the rental price of a single family home. Even with rental costs being forced down due to the mass purchase of single-family homes by hedge funds and investors, renting a single family home might never be an option for these families.

This rush to purchase single-family homes as rentals by large institutional investors, and the smaller investors that followed them has created a gap in the multi-family market. As a result, income-producing multi-family residential properties, including apartments and mobile home parks under 100 units geared towards lower income families can be acquired by cash buyers at relatively low prices.

The investor's opportunity is to have an indirect equity position in the real estate that is owned by the Fund. We will screen properties to match parameters established through years of experience to enhance the likelihood of profitability. We will purchase, renovate, rebrand, and then operate the chosen properties. Our investors will be passive investors in a “done for you” product with experienced real estate professionals managing the day-to-day business. Investors need only invest in the Fund, then sit back with the expectation to watch their money grow.

Under our “profit formula”, we will purchase under-performing properties or properties that could see an increase in rental value based upon a conservative valuation of their current net cash flow. We will take advantage of opportunities that will allow us to increase the income of these properties, which we will then maintain and hold in the portfolio for passive income. We will only purchase properties that are under-performing with a clear plan for improvement. We are not buying future hopes; we are purchasing previous owners' past mistakes that we believe we can fix.

We are specifically looking for properties classified as C or B that can be repositioned into B or A properties. We will target properties that will appeal to long-term tenants, most likely a lifetime renter, who wants a quality place to live.

Many investors, particularly those using other peoples' money, will rush to invest funds virtually anywhere so that they can generate a return for their investors as quickly as possible. The result of a rushed property purchase could be a house that loses money or that will not turn a profit for a number of years. We will never purchase a property just to show activity – and we can still generate returns whilst searching for the appropriate properties. We have a network of investors and equity lenders that we have worked with for a number of years. Working with these lenders and using short-term loans we will be able to generate income while we are identify, evaluate, and purchase appropriate properties.

The goal is to maintain a portfolio of properties in the long term, paying dividends to our investors for many years to come. Individual properties and on occasion, groups of properties may be sold if market conditions show that it is a favorable time to do so, but if we do, some of the proceeds may be reinvested into other income-producing properties in order for us to take advantage of tax deferral opportunities. We will position our portfolio of properties to appeal to a large institutional investor should the Fund ever need to be dissolved.

## THE REAL ESTATE STRATEGY

We will target properties in the Southeastern United States, specifically properties located below the freeze line. We will focus on properties where we can add value through improvements to the property, improvements to the management or both. Many of these properties are for sale because their current owners have lost interest in them, allowing rental rates and occupancy levels to drop below market averages. We will allow those owners to move on to other ventures and reposition these properties.



Our primary target will be mobile home parks. This often-overlooked niche is ripe with opportunity for perceptive investors. In addition to providing returns equal to those found in other multi-family investments, mobile home parks potentially provide additional streams of revenue, including lot rent and ancillary income, which can be obtained through participating in the sale or lease of the mobile homes. In a park where tenants own their homes, you will see a pride of ownership not displayed in traditional rental communities. Another great benefit is that mobile home park tenants' stick. It is neither easy nor inexpensive to move a mobile home to a new park and the result is that tenants stay at the park for years through steady unobtrusive rent increases that build cash flow for the investors.

➡ We have experience with mobile home park ownership and management and have identified a number of park metrics that are important to success. Eight percent of the US population currently lives in mobile phone parks and the fact that mobile home parks are not remotely “sexy” helps to reduce the competition for properties. Mobile home parks tend to offer tenants more security, privacy and a stronger sense of home-ownership and community than apartments generally do and most tenants in mobile home parks become long term residents once they find themselves in the right park. Tenants can have a small yard, outdoor living space, private parking, room for a pet and the neighborhood and community feel of a subdivision for the same price as a low-rent apartment.

Park ownership also offers us additional income opportunities. In addition to lot rent collected, we will have opportunities to participate in the sale and lease of mobile homes and collect income from ancillary services such as water, sewer and park owned laundry or storage facilities.

We are also planning to target apartments and apartment buildings. Apartment blocks are a great choice for most investors who do not want to have to deal with building maintenance and security issues. Tenants usually pay a set annual fee for building and grounds maintenance, which goes towards fixing damp and maintaining lawns, grounds and gardens, meaning that we can use investors' capital solely for purchasing property, rather than for maintaining property. Security for one multi-family building is also inexpensive when compared to security for multiple dwellings. If we acquire an apartment complex or some other property, we will brand that property separately from the branding of the mobile home parks.

Our ultimate goal and primary focus will be cash flow, as cash buyer opportunities to purchase other property types will also present themselves and if the property fits the Fund's overall strategy then we may move towards acquisition.

## THE CAPITAL STRATEGY



Market conditions, media reports, and demand from consumers and investors mean that more people than ever before are now viewing real estate as an investment vehicle. Buyers are queuing up to purchase single-family properties, while multi-family properties are largely ignored, resulting in great potential returns for buyers.

Analyzing these properties requires a specific skill set and unfortunately, many investors let their hearts rule their heads, letting their emotions take control. We have experience in analyzing these property types for both personal investments and for clients and recognize when it's time to bring in a third party on a transaction to assist in due diligence. Prior to acquiring a property, we will create a solid plan for increasing revenue on that property and we will only purchase property at a price that will yield significant cash flow to our investors.

We also have a network of commercial real estate brokers and wholesalers in place that will be able to send us properties for analysis frequently.

Our primary goal is to focus on properties in areas that are experiencing job growth and that are forecasted to continue to do so. With our focus on acquiring properties and the ability to purchase with ready cash contributed to the Fund by our investors, we will be able to move quickly, taking advantage of opportunities as they become available.

## ABOUT THE FOUNDER

Chris Guldi, a veteran in real estate - entering the field in the mid 90's as a new home sales rep, founded the Fund. After a brief stopover working in advertising, he became licensed and began working as a real estate agent, quickly becoming the top agent in his local market. He stepped out of sales in 2004 to open a Keller Williams franchise that grew to become the largest single office brokerage in Southern Maryland measured by the number of agents licensed with the firm in just three short years. At this point he went back into sales and quickly built a sales team that repeatedly ranked as one of the top five in Keller Williams realty, and one of the top 25 in the nation according to the Wall Street Journal. In 2011, The Keller Williams franchise sold to a neighboring franchise owner looking to expand and Chris hired a manager for the Guldi Group turning over day-to-day operations in 2012, allowing him to move his focus towards investing. Chris owns, individually or with partners, properties in Maryland, South Carolina, and Florida.

Chris is experienced in distressed real estate having been utilized as a subject matter expert in court, and been interviewed by the Wall Street Journal, USA Today, and the Washington Post regarding this niche of the real estate market. He travels extensively to speak to both investors and agents on methods to profit from distressed assets.

## ABOUT THE BANYAN TREE CAPITAL



*The investment management will be handled with complete openness, thoroughness, and concern for the investors' well-being from start to finish. Banyan Tree Capital, a Florida LLC will operate as the Fund manager. Banyan Tree Capital has experience in real estate brokerage, finance, and property management. The Manager has access to a pool of talented individuals with advanced experience in these areas as well as securities, high finance, and accounting. Third parties will be used on a regular basis to provide services ensuring that all aspects of the business are always in compliance with standard practices.*

CAN YOU PROVIDE ACTUAL FINANCIAL RESULTS FROM PAST INVESTMENTS AND SYNDICATIONS BY BANYAN TREE CAPITAL? HOW MANY HAVE YOU COMPLETED? WHAT ARE THE RESULTS? DISCLOSURE OF PAST RESULTS PROTECTS YOU AND IF THE RESULTS ARE GOOD, THE DISCLOSURE IS A GOOD SELLING POINT.

### MANAGEMENT OF THE ASSETS

The management of properties acquired by Banyan Tree Capital Fund, LLC will be handled either directly by the Fund manager or contracted to a local affiliate. If we contract for day-to-day management with a local property manager, we will be intimately involved in the details of the management. This will include frequent contact via phone and email, one on one review of written monthly reports on properties in the portfolio and both scheduled and unscheduled property visits.

Properties of the same type will fall under a unique branding. We will standardize operation, management, amenities, and design. The economy of scale created by this will allow increased efficiencies that will translate to increased cash flow from the property. On site personnel and subcontractors will be provided clear, written management instructions.

## HIGHLIGHTS OF FINANCIAL PROJECTIONS [ MAKE SURE YOU HAVE SOLID BACK UP FOR THIS CHART WHEN YOU INSERT THE NUMBERS ]

The following represents the Manager's projection of the Fund's financial potential.

Cash Flow	Acquisition	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
	COE	2014	2015	2016	2017	2018
Investment by LLC Members		\$800,000	\$ 3,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Net Income from LLC Activities		\$ 0	\$ 349,582	\$ 609,470	\$ 587,048	\$5,771,303
Total Preferred Return Actually Paid to LP		\$ -	\$ 210,000	\$ 350,000	\$ 350,000	\$ 350,000
Profit Sharing to LP		0	(251)	15,682	2,229	\$3,112,782
Total Distribution to LP Investors from all Sources		\$ -	\$ 3,496	\$ 3,657	\$ 3,522	\$ 34,628
Annual Cash-on-Cash to LP Investors' Capital			7.0%	7.3%	7.0%	69.3%

## FINANCIAL CONSIDERATIONS OF THE INVESTORS

**Properties purchased by the Fund will be acquired with an eye on long-term returns to the investors. Our goal is to consistently receive average returns of 12% per year. Returns will be distributed quarterly with at least 45% of all net profits annually.**

- ✓ Net profits and losses will be allocated to the Shareholders as follows:
- ✓ 100% to the Investors until they receive a return of 7% on their invested capital;
- ✓ 100% to Shareholders who receive shares for services until they receive an amount per share equal to the cash or in-kind investors;
- ✓ 100% to Banyan Tree Capital until Banyan Tree Capital has received 40% the amounts allocated to the Investors and service Shareholders;
- ✓ then, 60% to the Investors and service Shareholders and 40% to the Banyan Tree Capital.
- ✓ The Shareholders "invested capital" is the principal amount of the capital contributions actually made by the Investors, reduced by any distributions made to them other than tax distributions
- ✓ The full description of revenue sharing and distribution policies can be found in our accompanying disclosures.

## REPRESENTATIVE QUESTIONS FROM SOME OF OUR INVESTORS

- I. Banyan Tree Capital has been involved in the deployment of many opportunities that involve investor capital, and we are therefore sensitive to the concerns and questions that prospective investors have before they become involved with us. To help address these issues, we are publishing the answers to the most frequently asked questions we receive so that prospective investors will have all of the information they need to be able to make an informed decision about moving forward with Banyan Tree Capital and our fund. If you have other questions that are not satisfactorily addressed here, please contact our office.
- II. Is the Manager putting any “skin into the game”? Yes, as promoter and sponsor of the investment, the Manager will be making a cash investment and each Member of the Manager’s organization who functions as a co-Manager is also required to make a capital contribution to the project. [INDICATE THE AMOUNT OF THE INVESTMENT.] The investors, themselves, will not incur any additional liability for the project.
- III. What will the Manager do to protect the investment? We will closely evaluate each acquisition for the potential to improve the value and increase stability of the cash flow. We will closely manage the property and the maintenance of the property to forestall problems with the real property itself and to maintain value. In addition, our understanding of the particular markets will allow us to maximize the opportunity to increase value intelligently and if need be liquidate the property in line with market events.
- IV. Why should investors rely on our strategy for income protection and investment returns? We thoroughly analyze our investments to accurately predict the cash flow stream during the period of the investment and the likely challenges that will result from our difficult economic times. By carefully selecting target acquisitions & evaluating the value of the underlying properties and purchasing them at favorable prices, we have a higher probability of achieving our investment goals.
- V. How does the economy impact this strategy? The turbulence in the economy affects some consumers more harshly than others. Accordingly, some real property owners/borrowers may be placed in a position of constrained income. These factors create irregularities and anomalies in the real estate market. However, these irregularities and anomalies create favorable opportunities for us. We analyze the level of distress that the property or owner is suffering so that we may make investment decisions on real property that we think has favorable potential upside.
- VI. How much money can we make? Investors will receive a 7% preferred return on their invested capital per annum before we receive any return from our ownership of management shares in the Company. If the Company has available cash, this preferred return will be paid quarterly. That means that before we share in the profits, we pay the investors first for the use of the capital. In addition, if at some point market conditions indicate it is time to liquidate, we will close the Fund and pay the investors their share of capital gains, appreciation or other items that have resulted in increased value to the Fund. Though we cannot predict the total return with certainty, we hope that investors will average over 12% in total annual return on investment for the duration of the investment. Please bear in mind that this is our hope, not our guarantee or prediction.
- VII. How much cash will we get along the way? At least 45% of all annual profits made by the Fund, which are allocated to the investors, will be paid in cash each year. This amount includes any preferred payments and additional payouts. The remaining profits can either be distributed to the investors or reinvested at the discretion of the Manager.

- VIII. How will we get our money back when the investment is over? The Fund is being created as a long-term investment to produce passive cash flow to the investors. . Should the Fund ever liquidate, investors will receive back their funds, plus any accumulated profits that have not been distributed. [WILL THE FUND BE WILLING TO REDEEM SOME OR ALL OF THE SHARES AFTER A CERTAIN LENGTH OF TIME? FOR EXAMPLE, AFTER FIVE YEARS, WOULD THE FUND BE WILLING TO REDEEM (AND RESELL) UP TO 10% OF THE OUTSTANDING SHARES? SOME INVESTORS MIGHT NOT WANT AN INVESTMENT HORIZON BEYOND 5 TO 7 YEARS.]
- IX. What is the most likely reason that this deal will not work out? If the deal does not work out, the most likely reason is that our income projections were off target. This might happen because of unforeseen circumstances such as a major local employer shutting down, downturns in the state and national economy beyond our control, change of character of a neighborhood, terrorist attacks, acts of god or other catastrophes.
- X. What is the hardest part of executing this strategy? Our most difficult task will be identifying and securing assets before other investors recognize the same opportunity and compete with us on price. Many of our investors are in the industry and will assist in identifying these assets prior to other investors finding them as it benefits their investment. Investing with us, in contrast to competing with us for properties diversifies their portfolio, spreads their risk, and provides a passive income stream.
- XI. What is the minimum investment? Each share is valued at \$25,000 (US). The minimum investment is two shares or \$50,000 (US) and the maximum investment is 40 shares or \$1,000,000 (US). The total amount of capital being raised in the first round for the Fund is 200 shares, or \$5,000,000 (US).
- XII. How will you safeguard my investment? All funds received in this offering will remain in the custody of an escrow agent until the minimum amount of funds required by the offering has been raised. Once the minimum has been raised, only the amount needed to operate the Fund will be released to the Managing Director. All capital acquisition funds will remain in the escrow account until they are invested into assets deemed by the Fund to be suitable according to the criteria of the Fund. More information is available in the section of this document called “Safety for the Investors.”
- XIII. What happens to the investment if something happens to the founder? If the founder becomes incapacitated or incapable of fulfilling his duties to the Fund prior to a co-manager being identified the business consulting firm Windsor, Wyeth, and Ward of Washington DC is prepared to step in, evaluate the Fund and determine the best course of action in going forward, be that liquidating the Fund, or continuing ongoing management with an eye on the investors' best interests. Alternatively any one of the co-managers can take over the duties of the manager and continue to grow and manage the Fund.
- XIV. What if the necessary capital to launch the Fund is not raised? The minimum amount of capital to launch the fund is \$300,000. All funds received in this offering will remain in the custody of an escrow agent until the minimum amount of funds required by the offering has been raised. If the necessary amount to launch the Fund is not raised, then the escrow holder will return all funds to the investors, and any interest collected on the money while it was in the escrow account.
- XV. How can I verify that the company is real and not a hoax?The company is chartered as a LLC and domiciled in the State of Florida. In order to verify the legitimacy of the company, please review the following information. (Provide a hyperlink to the Secretary of State in Florida for verification). The full name of the company is: “Banyan Tree Capital Fund, LLC”.

- XVI. Does the Fund have relationships with any affiliates of the Manager? The Fund will have business relationships with affiliates who may have conflicts of interest with regard to the Fund. These affiliates will receive fees and other compensation from the Fund for services rendered. The relationships with such affiliates and the fees payable to them are fully documented in the Offering Materials. Investors will be provided with these materials in which full disclosure is made.
- XVII. Can we have our capital investment back before the investment is completed? This should be considered a long-term investment and investors should not go into this investment knowing they have a future need to exit. However, we understand that unforeseen situations can occur making such requests necessary. To protect the United States securities exemption and the United States tax status for all of our investors, we must retain the unilateral right to deny or grant requests for early withdrawal from the investment. If we do allow an early withdrawal, the investor will receive a final payout. However, the payout amount will not include participation in the upside capital appreciation of the Fund's investments since the Fund will not make distributions of capital appreciation until such appreciation has actually been realized through the sale of the real property. A full description of the early withdrawal provision is described in the Operating Agreement.
- XVIII. What could go wrong? Risk exists in all real estate investments and the strategy of the Fund is intended to mitigate risk. The risks are thoroughly discussed in the full private placement memorandum. However, some of those risks include: (1) Other competitors might follow the same strategy and bid up the price on desirable properties; (2) We might underestimate rehabilitation expenses. (3) We might encounter delays related to building permits and regulatory issues; (4) We might over-estimate deal flow; (5) We might be unable to find competent contractors to perform the rehabilitation; (6) We might encounter time delays in acquisition, rehabilitation and leasing of properties; (7) We might experience further deterioration of the economy that might negate the value added through rehabilitation; (8) We will engage in related party transactions which generate conflicts of interest; (9) The investors do not have independent representation; (10) We determined the terms of the deals that are the basis for the projections and we did not engage in arms-length negotiation with any other person – so the actual terms might not be as favorable as the terms that independent parties might negotiate.

## FINALLY

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**IF YOU WOULD LIKE TO LEARN MORE ABOUT THE  
FUND, PLEASE CONTACT OUR OFFICE SO THAT  
WE CAN PROVIDE YOU WITH ALL OF THE  
MATERIALS NEEDED TO PARTICIPATE WITH US.**