Capital Partner Letter of Intent

Capital Partners: Avalon primarily uses Capital Partners for "transactional & gap funding" primarily through strategically vested Living Trusts. The pivotal feature of this model is that each transaction is structured for our Capital Partners to maintain unilateral (Self - Directed) control over their money as it moves into and out of transactions (title or escrows) that we coordinate. No other person can move capital allocated by our Cap partner unless authorized in writing.

First Dollar Out - Once the acquisition has closed initial title or escrow, all principle and interest due to the Capital Partner will be paid "first dollar out" of closing proceeds. How Much – How Long – What's In It For You: Every transaction will be different; however, our Partners should expect to infuse a minimal of $5,000 per project. Hard-money transactions usually take the longest to underwrite (10-20 days). However, we have lenders who quote as little as 5 days. Minimum ROI is 100% (cash on cash) for up to the first twenty thousand dollars, and 20% on every dollar thereafter. Upon completion of three successful ventures, Partners who wish to scale upward with Avalon will be invited into our Principal Fund. To this regard, Partners will agree to place on deposit 20% (or more if desired) of the net gains attributable to projects initiated by Avalon PEG.

Operational Trust - Capital Partners must establish a Trust account under the namesake Avalon PEG, with a designated control number, i.e. (Avalon PEG – 4466001). Whereas all vestings begin the same, each control number is unique to a partnership created through Avalon. However, partners maintain unilateral control of the funds until such time as an acquisition project has been placed under contract on behalf of Avalon or an Acquisition Partner.

Right of Refusal - Any prospective project sent to a Capital Partner will be afforded his or her exclusive consideration for a period of 72 hours. Should a Cap Partner decide to "opt out" of a prospective acquisition, the opportunity for any other partner to move into the space will be made on a first come first serve basis. For example: Joe Black wants to pledge $20,000. Joe will receive his initial investment of $20k, plus an additional $20k. But if Joe wants to pledge $25,000 he'll receive his initial $25k, plus $20k, plus $1k (20% of $5k) thereafter.

Indemnification - Each Capital partner will be indemnified and held harmless by the Venture from any and all harm or damage of any nature relating to the Member's participation in Venture affairs except where such harm or damages results from gross negligence or willful misconduct on the part of the Member. Full Joint Venture Agreement made available upon formal engagement with Avalon PEG.

This Letter of Intent initiates engagement between Avalon PEG, LLC and Prospective Capital Partner: _____of _____.
Avalon agrees to provide the party named herein with pertinent information and performance as it pertains to the acquisition or disposition of the property or project located at: _____.
City of _____ County of _____ State of ____.

Date of Engagement:_____

AVALON PEG, LLC

_____ _____

Curtis Wright, Managing Partner **Capital Partner (Prospective)**

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