

TRANSITION YOUR
REAL ESTATE
PORTFOLIO



PASSIVE INCOME

FULL CONTROL





Our Managed-Direct Ownership® program is a structured real estate investment vehicle for investors who want a complete bundle of services for acquiring, financing, and managing a single property or a customized portfolio of commercial properties. After an initial consultation, you will be presented with properties best matching your stated criteria, including pricing and cash flow projections. Our cost analysis includes all costs of the transaction and are guaranteed not to be exceeded. Additionally, Kingsbarn will sign for the loan guaranties, making the mortgage truly “non-recourse.”

We sometimes refer to our Managed-Direct Ownership® program also as a “Structured 1031 Exchange.” We coordinate directly with your exchange accommodator so that the identification and exchange process is seamless. This “turn-key” strategy also includes all legal work, escrow and closing, and includes a tax opinion for investors who are in a 1031 exchange. This program is especially attractive for investors who want a truly management-free investment but want to maintain control of major investment decisions.

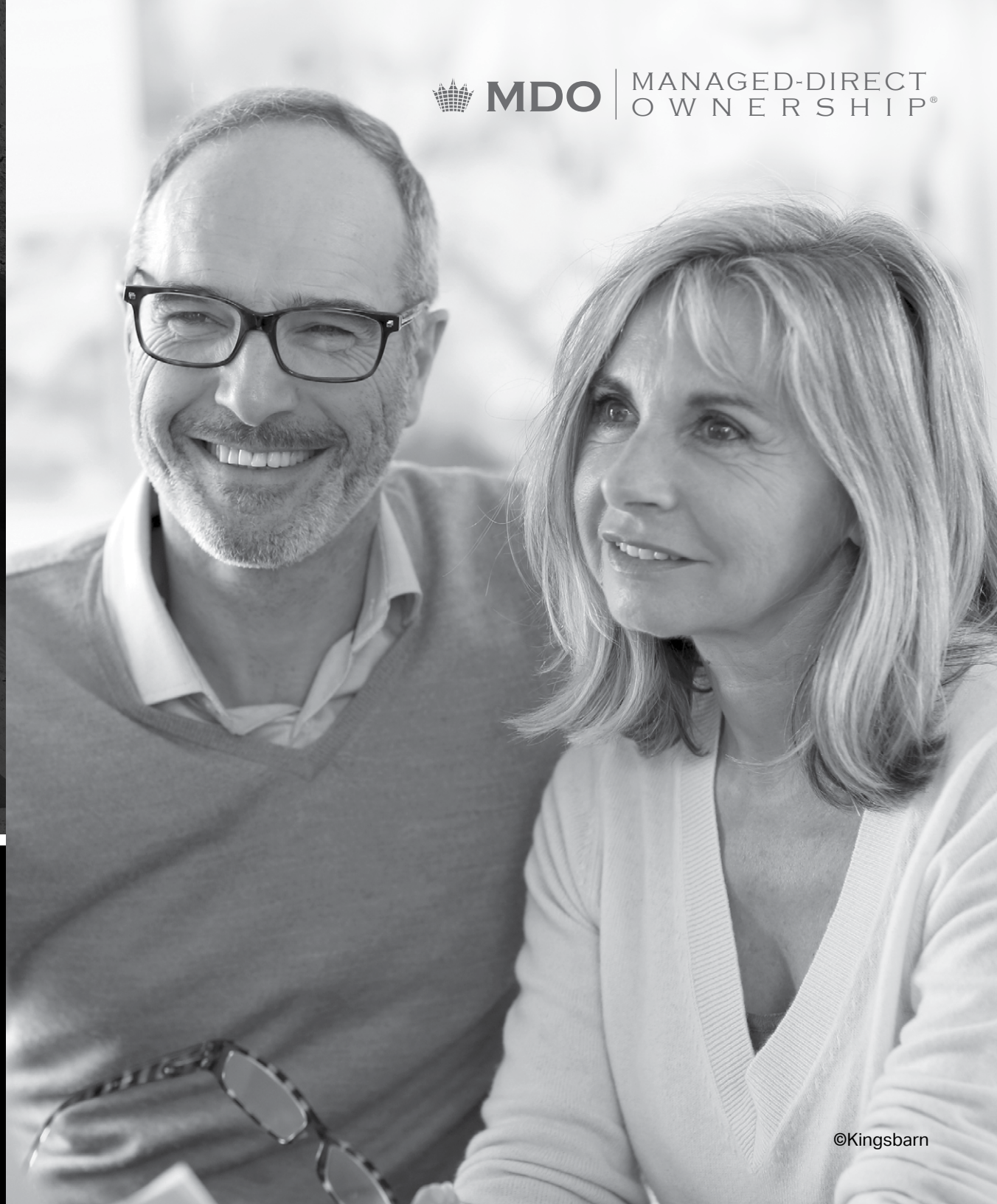
ZERO-LIABILITY LOAN PROGRAM

- › We obtain a first-position property mortgage and sign the loan documents, **including the guaranties.**
- › No qualifying for a loan.
- › Our program is the only entirely “Zero-Liability Loan” Program available commercially in the U.S.
- › Investors are completely insulated from any and all lender liability.



MDO

MANAGED-DIRECT
OWNERSHIP®



One Source to Manage and Execute the Entire Transaction

PROPERTY ACQUISITION



- › We identify high-quality property targets nationally—matching our client's acquisition criteria.
- › We fully negotiate the terms of the sale under a Letter of Intent which is followed by a formal Purchase and Sale Agreement.
- › We manage the entire escrow process including the following:
 - Initial deposit of earnest money from our own funds
 - Identification, collection, and distribution of all due diligence materials
 - Coordination of the escrow calendar
 - Management and review of the loan and property settlement statements.

LEGAL



- › We engage legal representation to facilitate and review the property acquisition contracts and the financing documents.
- › We direct legal review of the following:
 - Title report(s) — including obtaining the owner's title policy
 - Third-party reports
 - Other ancillary transaction documents.

PROPERTY & ASSET MANAGEMENT



- › We identify a third-party property management firm that is acceptable to the lender to professionally manage the property.
- › We negotiate and execute the third-party property and asset management agreement.
- › The property manager's responsibilities include the following:
 - Collection of monthly rents through a cash management account held by the lender
 - Payment of monthly mortgage, tax and insurance impounds, as applicable
 - Payment of monthly automatic distributions as directed by our clients
 - Collection of reimbursable CAM expenses (if any) from the tenant(s)
 - Provision of a monthly operating statement to our clients
 - Provision of a year-end tax package to our clients

TAX OPINION



We engage counsel to provide a Tax Opinion which states that the property interests should be considered an interest in real estate and not a partnership for federal income tax purposes

FINANCING



- › We identify an appropriate lender to provide the mortgage and negotiate and execute a term sheet for the loan
- › We make required deposits to the lender for third-party reports and lender legal fees
- › We provide detailed financial analysis to the lender
- › We furnish all property due diligence to the lender, attorneys, and accountants via our online document vault portal
- › We obtain and review all third-party property reports, including, but not limited, to the following:
 - Appraisal
 - Environmental Site Assessment
 - Property Survey (ALTA) and Zoning Requirements
 - Property Condition Report and property settlement statements
- › We negotiate and execute loan documents
- › We manage the entire financing process toward the timely closing of the loan
- › We provide a "warm-body guarantor" for the recourse carve-outs of the loan agreement, thus making the financing completely non-recourse to our clients

The Kingsbarn Process



The Kingsbarn MDO Structure

Transition Your Real Estate Portfolio

Do you spend time and effort every month managing your investment properties? Are you ready to let your real estate investments work for you instead of the other way around? Our Managed-Direct Ownership (MDO) Program® may be the perfect answer to the question: How do I get out from under the burden of day-to-day property management without losing a significant part of my investment proceeds to capital gains taxes?

Kingsbarn Realty Capital, a leading provider of 1031 exchange properties, has the ideal solution for investors looking for reliable monthly cash flow secured by institutional-quality properties. Through our MDO program, we facilitate the entire transaction—everything from the disposition of your current real estate, the acquisition of properties matching your specific criteria, securing financing for your new property acquisition, and the hiring of a third-party asset and property management firm to collect rents, pay vendors and the mortgage, make monthly ownership distributions, and provide operating statements to ownership.

This unique bundle of services we provide creates a management-free, real estate investment in which all the transaction costs, including legal, closing, financing and commissions, are all guaranteed by Kingsbarn. We even provide loan guaranties to the lender for the recourse liabilities of the first mortgage.

It's time for you to relax and leverage your resources. Kingsbarn's one-of-a-kind, Managed-Direct Ownership Program® turns day-to-day management into passive income while allowing you to stay in complete control of your real estate portfolio. Find out more today—our consultations are free.

©Kingsbarn

Disposition of Down-Leg Property

Kingsbarn shall conduct the disposition of Buyer's down-leg property as directed by Buyer (if such assistance is needed) and Kingsbarn shall help facilitate the acquisition of Buyer's new management-free property.

01



Formation of New LLC

Kingsbarn shall form a new manager-managed limited liability company (LLC) in which Kingsbarn shall serve as manager (with limited authority) and Buyer shall own 100% of the member interests. Ownership of the member interests shall be acquired from the exchange proceeds of Buyer's down-leg disposition.

02



Kingsbarn Shall Secure Financing for The Property Acquisition

Kingsbarn shall secure financing, in the name of the newly-formed LLC, for Buyer's exchange acquisition and shall sign the loan guaranties as required by the lender. The taxpayer ID number for the new LLC shall be carried over from Buyer's Tax ID for the sold property as the new LLC shall be a disregarded entity for tax purposes.

03



Passive Income, Full Control

Upon completion of the transactions and exchange, Buyer shall receive monthly ownership distributions and operating reports directly from the property and asset manager thereby creating a passive income stream for Buyer. Buyer will maintain control of all major ownership decisions for the property.

04





MDO

MANAGED-DIRECT
OWNERSHIP®



KINGSBARN™
REALTY CAPITAL

Kingsbarn Realty Capital, a national and diversified commercial real estate firm, provides real estate investors with 1031 exchange-eligible property ownership through its various investment programs. Kingsbarn's management team has decades of combined experience and has acquired over \$2 billion of commercial real estate throughout the United States.

Kingsbarn provides real estate ownership free from day-to-day management responsibilities as we engage and oversee third-party property managers to professionally conduct all management activities, prepare operating reports, and make monthly distributions to ownership.

For investors seeking a simplified 1031 exchange solution, Kingsbarn makes owning high-quality commercial real estate attainable, flexible, and convenient for our accredited real estate clients.

SAN FRANCISCO, CA
415.879.9000

SAN JOSE, CA
408.412.9000

LOS ANGELES, CA
424.343.9000

ORANGE COUNTY, CA
562.452.9000

SAN DIEGO, CA
858.240.9000

INLAND EMPIRE, CA
909.340.9000

LAS VEGAS, NV
702.454.9000

www.KINGSBARN.com