

A vertical photograph of a city street at dusk. The street is lined with tall buildings, some with lights on. In the foreground, there are cars and a bus. The sky is a mix of blue and orange. The overall mood is urban and dynamic.

Breakthrough to Billions

Growth Your Wealth
With Real Estate



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6258 BIG CREEK PKWY STE 8
PARMA HEIGHTS, OH 44130



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ABOUT

Breakthrough to Billions, LLC

No, we're not talking billions of dollars. Money is important, but we're talking about something beyond that. We're talking about the billions of meaningful life moments we can capture as we access financial freedom, liberate our time, clarify our purpose, and make an impact on the world around us as we grow our wealth. **We believe these are the true "billions" we should all be chasing.**

We accomplish this mission through financial freedom education and targeted acquisitions of multi-family real estate investments. Our investment model is to invest in Class B and C assets, work to reposition them by improving their performance, and seek to sell them at a profit. To do this, we purchase under-performing and value-add multifamily properties in growing markets throughout the United States.

We arrange for the purchase of undivided real estate interests with a limited number of qualified investors. If you would like to discuss partnering with us on our next acquisition, please contact:

John-Thomas Roseberry (founding partner) | Christopher Leo (founding partner)
johnthomas@breakthroughtobillions.com | chrisleo@breakthroughtobillions.com

The Following Information is authorized for use only by a limited number of persons with an existing relationship with Breakthrough to Billions, LLC and who have been qualified and accepted as investors by Breakthrough to Billions, LLC. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the real estate interests in this property package, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

This material does not constitute an offer or a solicitation to purchase securities. An offer can only be made by the private placement memorandum. This document is an informational summary and is authorized for use only by investors with an existing relationship with Breakthrough to Billions, LLC and have been accepted as qualified investors by virtue of their experience and financial circumstance.

OUR TEAM

Indiana & Ohio

John-Thomas Roseberry is the co-founder of Breakthrough to Billions and the owner of marketing and web design firm Roseberry Creative (<https://roseberrycreative.com>). Already experienced in single-family real estate investments, Roseberry is passionate about building legacy wealth through multi-family real estate investments.



John-Thomas Roseberry

Founder & Managing Partner



Christopher Leo

Founder & Managing Partner

Christopher Leo is the other co-founder of Breakthrough to Billions and the owner of Flash Three Consultants (<http://flashtree.com>). A former English teacher at his alma mater (Parma Senior High, located just outside Cleveland, Ohio), Leo is zealous about financial education, and he leverages his unique business experience to help others grow in the multi-family real estate investment space.

Jeffery McManamon is a licensed real estate broker associated with Keller Williams of Greater Cleveland. He ranks in the top 1% of sales in Northeast Ohio and excels at negotiating deals that benefit all parties involved. He serves on the KW leadership council and is a mentor to agents both young and old.



Jeffery McManamon

Real Estate Broker



Joseph Eplite

IRA Specialist,
NuView Trust

Joseph Eplite is an IRA specialist at NuView Trust where he assists investors with unlocking their current IRA or 401k funds from the stock market by transferring into a Self-Directed IRA to purchase alternative assets like real estate.

Contact Eplite directly to get started:

Phone: 407-519-9175.

Email: jeplite@nuviewira.com

Cleveland: Employers Transition From Suburbs to Downtown As Urban Renewal Progresses.¹

Downtown Cleveland the epicenter of metro's improving apartment sector.

A rejuvenated urban core continues to power Cleveland's rental market. The construction of new units and the repurposing of underperforming commercial real estate assets into apartments is helping fulfill tenant demand in the city center. Subsequently, some employers like Nationwide Insurance are choosing to transition their suburban locations to downtown spaces, often selecting floor plates in the submarket's new mixed-use developments.

With growing intrigue surrounding the urban core, builders will remain focused on the area throughout 2019, likely pushing the locale's vacancy up slightly as supply outweighs demand. Metro-wide vacancy, meanwhile, is expected to decrease despite back-to-back years of 1,500-plus completions for the first time since 2000. Declining market vacancy should be driven by bolstered demand for Class A units moving forward as vacancy for this product type is in the low-4 percent range; however, rent gains are likely propelled by Class B/C supply.

Value-add opportunities prolific, attracting multiple investor classes.

Value-add investments will likely remain a large segment of deal flow throughout this year. Buyers targeting assets above the \$10 million threshold continue to favor value-add opportunities over stable properties. Older apartments with considerable upside generally offer higher cap rates, often sitting in the lower-7 percent band, up to 150 basis points below the metro average.

At the same time, the market may witness more multigenerational owners, particularly those in transitioning inner-ring submarkets, disposing of their buildings as competitive bidding environments encourage them to sell. Some of these longtime operators could move their capital to other value-add opportunities still available in transitioning neighborhoods, while others may shift to newer apartment assets.

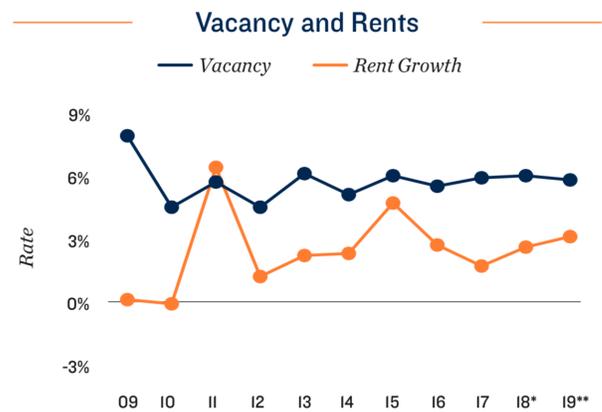
¹ The following information was pulled directly, word-for-word, from the Marcus & Millchap 2019 Multifamily North American Investment Forecast.

2019 Market Forecast²

- Employment**
 up 2.7%
 
 Job creation towers over the previous 10-year average of 0.5 percent as Cleveland employers hire 29,000 workers this year.
- Construction**
 1,600 units
 
 Completions taper off slightly after 2018's delivery of 2,000 units; however, development remains relatively strong, particularly in the urban core.
- Vacancy**
 down 20 bps
 
 Demand is able to catch up to the elevated level of construction after last year's 10-basis-point rise, moving market vacancy down to 5.8 percent.
- Rent**
 up 3.1%
 
 Amid increasing demand, Cleveland's average effective rent grows solidly, rising to \$940 per month.
- Investment**

 Employment growth downtown will spur the upgrade of some nearby lower-class apartments, potentially enticing more Cleveland residents to shift from suburbia to the urban core.

Employment Trend, Vacancy and Rents³



²² The following information was pulled directly, word-for-word, from the Marcus & Millchap 2019 Multifamily North American Investment Forecast.

³ibid.

Property Package

**10750 Redwood Way
Cleveland, OH 44104**

EXECUTIVE SUMMARY

Units: 44

Price: \$2.6M

Breakthrough to Billions, LLC is arranging for the acquisition of undivided real estate interests in the above properties by a limited number of accredited and qualified investors. The property consists of 44 units. The purchase price is \$2.60M

We are seeking a total investment of \$1.2M with a minimum of \$50,000 per investor. Investors receive 70% equity with projected average annual returns of 10%-13%. Cash flow distributions are made either quarterly or at the end of each calendar year, or as otherwise determined by Breakthrough to Billions.

Investors should be prepared to leave their money in for a minimum of 5 years, even though there is a possibility to re-finance and repay the investor's principal before then. Investors have the option of getting cashed out of their investment between year 4 and 5 at 90% of fair market value of their shares. If we re-finance or sell the property, investors first receive their principal back, then receive 70% of any profits.

Please see below for more information about the property, its current performance, our strategy to increase income, and our financial projections.

ABOUT THE PROPERTY

The subject property is a 44-unit multifamily walk-up apartment building located at 10750 Redwood Way, Cleveland, OH 44104. The building is comprised of 7 Two Bedroom/One Bath apartments, 10 Efficiencies units, and 27 One Bedroom/One Bath units. The lot and building are zoned R5A, with the lot totaling 15,421 gross square feet. This is an excellent value-added opportunity to increase rental rates to market to continue to improve income.

The building was originally built in 1944, but has undergone significant improvements including newer replacement vinyl windows and a new boiler system. 25 of the 44 units have been fully renovated with new carpet, new paint, new kitchen floors, new cabinets, newer appliances, newly updated common areas with carpet and paint, new hot water tanks, new concrete steps and stoops, new gutters, and recently revamped landscaping and fencing. Heat for the campus is driven by the updated boiler system. The property features gabled roofs, landlord paid heat (gas), and water / sewer, trash. Tenant pays electric. There are 40 Surface Parking spaces.

ACQUISITION SUMMARY

Closing costs includes origination fees, appraisal, property inspection, legal fees, recording fees, and transfer taxes. The acquisition fee is payable to Breakthrough to Billions, LLC at closing. Repair escrows are kept in the operating account until needed.

PURCHASE		
# Units	44	
Asking Price	\$2,900,000	
Purchase Price	\$2,600,000	
Price Per Unit	\$59,091	
Down Payment	\$780,000	30%
1st Mortgage	\$1,820,000	
Interest Rate	6.00%	
Term / Amortization	25	
2nd Mortgage	\$0	
Interest Rate	5.25%	
Term / Amortization	10	
Closing Costs	\$111,632	4.3%
Acquisition Fee	\$52,000	2.0%
Repairs	\$220,000	
Total Initial Investment	\$1,163,632	
Cap Rate at Re-Sale	7.50%	

SELLER-DISCLOSED FINANCIALS

Rent Roll:

Unit Number	Unit Type		Unit SF	Current Rent	Rent/ SF	Year 1 Rents	Rent/ SF	Parking	Storage
001	Efficiency	1 Bath	500	\$633	\$1.27	\$647	\$1.29		
002	2 Bdr	1 Bath	800	\$1,100	\$1.38	\$1,124	\$1.41		
003	Efficiency	1 Bath	500	\$871	\$1.74	\$890	\$1.78		
004	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
005	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
101	Efficiency	1 Bath	500	\$850	\$1.70	\$869	\$1.74		
102	2 Bdr	1 Bath	800	\$1,108	\$1.39	\$1,132	\$1.42		
103	Efficiency	1 Bath	500	\$700	\$1.40	\$715	\$1.43		
104	1 Bdr	1 Bath	650	\$960	\$1.48	\$981	\$1.51		
105	Efficiency	1 Bath	500	\$800	\$1.60	\$818	\$1.64		
106	1 Bdr	1 Bath	650	\$914	\$1.41	\$934	\$1.44		
107	1 Bdr	1 Bath	650	\$965	\$1.48	\$986	\$1.52		
108	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
109	2 Bdr	1 Bath	800	\$1,054	\$1.32	\$1,077	\$1.35		
110	Efficiency	1 Bath	500	\$765	\$1.53	\$782	\$1.56		
111	1 Bdr	1 Bath	650	\$965	\$1.48	\$986	\$1.52		
112	1 Bdr	1 Bath	650	\$871	\$1.34	\$890	\$1.37		
114	1 Bdr	1 Bath	650	\$854	\$1.31	\$873	\$1.34		
201	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
202	2 Bdr	1 Bath	Vacant	\$1,114	\$1.39	\$1,139	\$1.42		
203	Efficiency	1 Bath	Vacant	\$871	\$1.74	\$890	\$1.78		
204	1 Bdr	1 Bath	650	\$1,461	\$2.25	\$1,493	\$2.30		
205	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
206	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
207	1 Bdr	1 Bath	650	\$900	\$1.38	\$920	\$1.42		
208	1 Bdr	1 Bath	650	\$964	\$1.48	\$985	\$1.52		
209	2 Bdr	1 Bath	800	\$1,108	\$1.39	\$1,132	\$1.42		
210	Efficiency	1 Bath	Vacant	\$871	\$1.74	\$890	\$1.78		
211	1 Bdr	1 Bath	650	\$575	\$0.88	\$588	\$0.90		
212	1 Bdr	1 Bath	650	\$900	\$1.38	\$920	\$1.42		
214	1 Bdr	1 Bath	650	\$900	\$1.38	\$920	\$1.42		
301	1 Bdr	1 Bath	650	\$888	\$1.37	\$908	\$1.40		
302	2 Bdr	1 Bath	800	\$1,114	\$1.39	\$1,139	\$1.42		
303	Efficiency	1 Bath	Vacant	\$871	\$1.74	\$890	\$1.78		

Unit Number	Unit Type		Unit SF	Current Rent	Rent/ SF	Year 1 Rents	Rent/ SF	Parking	Storage
304	1 Bdr	1 Bath	650	\$965	\$1.48	\$986	\$1.52		
305	1 Bdr	1 Bath	650	\$996	\$1.53	\$1,018	\$1.57		
306	1 Bdr	1 Bath	650	\$965	\$1.48	\$986	\$1.52		
307	1 Bdr	1 Bath	650	\$897	\$1.38	\$917	\$1.41		
308	1 Bdr	1 Bath	Vacant	\$965	\$1.48	\$986	\$1.52		
309	2 Bdr	1 Bath	800	\$1,100	\$1.38	\$1,124	\$1.41		
310	Efficiency	1 Bath	Vacant	\$871	\$1.74	\$890	\$1.78		
311	1 Bdr	1 Bath	650	\$900	\$1.38	\$920	\$1.42		
312	1 Bdr	1 Bath	650	\$500	\$0.77	\$511	\$0.79		
314	1 Bdr	1 Bath	650	\$958	\$1.47	\$979	\$1.51		

Income and Expenses - Actual and Projected First Year:

Income	Current	Per Unit	Year 1	Per Unit
GROSS POTENTIAL RENT	\$490,248	\$11,142	\$501,024	\$11,387
Other Income				
Laundry Income	\$2,400	\$55	\$2,400	\$55
Total Other Income	\$2,400	\$55	\$2,400	\$55
GROSS POTENTIAL INCOME	\$492,648	\$11,197	\$503,424	\$11,441
Vacancy/Collection Allowance (GPR)	27.0% / \$132,367	\$3,008	7.5% / \$37,577	\$854
EFFECTIVE GROSS INCOME	\$360,281	\$8,188	\$465,847	\$10,587
Expenses				
Real Estate Taxes	\$24,033	\$646	\$28,050	\$638
Insurance	\$17,600	\$400	\$17,600	\$400
Utilities	\$66,000	\$1,500	\$66,000	\$1,500
Contract Services	\$11,000	\$250	\$11,000	\$250
Repairs & Maintenance	\$44,000	\$1,000	\$44,000	\$1,000
Management Fee	6.0% / \$21,617	\$491	6.0% / \$27,951	\$635
General & Administrative	\$4,400	\$100	\$4,400	\$100
Reserves & Replacements	\$11,000	\$250	\$11,000	\$250
TOTAL EXPENSES	\$199,650	\$4,537	\$210,001	\$4,773
Expenses per GF	\$7.09		\$7.46	
% of EGI	55.4%		45.1%	
NET OPERATING INCOME	\$160,631	\$3,651	\$255,846	\$5,815

FINANCIAL PROJECTIONS

Five Year P&L Projections:

NOTE: The rates of return displayed on the following page are only projections, and are not guarantees of any sort. Actual returns may vary widely, due to many economic and marketplace factors beyond our control.

INCOME	1	2	3	4	5
Gross Potential Income	\$490,000	\$501,000	\$516,030	\$531,511	\$547,456
- Loss to Lease	\$0	\$0	\$0	\$0	\$0
- Vacancy	(\$73,500) 15.00% ▽	(\$37,575) 7.50% ▽	(\$38,702) 7.50% ▽	(\$39,863) 7.50% ▽	(\$41,059) 7.50%
- Concessions	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$416,500	\$463,425	\$477,328	\$491,648	\$506,397
Other Income	\$2,400	\$2,400	\$2,472	\$2,546	\$2,623
Total Gross Income	\$418,900	\$465,825	\$479,800	\$494,194	\$509,020
EXPENSES					
Total Expenses	\$200,000 47.74% ▽	\$210,000 45.08% ▽	\$216,300 45.08% ▽	\$222,789 45.08% ▽	\$229,473 45.08%
Net Operating Income (NOI)	\$218,900	\$255,825	\$263,500	\$271,405	\$279,547
Debt Service					
Principal	\$32,397	\$34,395	\$36,516	\$38,769	\$41,160
Interest	\$108,319	\$106,321	\$104,199	\$101,947	\$99,556
Total Debt Service	\$140,715	\$140,715	\$140,715	\$140,715	\$140,715
Cash Flow available for Distribution	\$78,185	\$115,110	\$122,784	\$130,689	\$138,831
Distributions from Cash Flow					
Asset Mgt Fee to Manager 1%	\$11,636	\$11,636	\$11,636	\$11,636	\$11,636
Members Preferred Return 5%	\$58,182	\$58,182	\$58,182	\$58,182	\$58,182
Excess Cash Flow to Members 55%	\$4,602	\$24,910	\$29,132	\$33,479	\$37,957
Excess Cash Flow to Mgr 45%	\$3,765	\$20,381	\$23,835	\$27,392	\$31,056
Total Distributions to Members	\$62,783	\$83,092	\$87,313	\$91,661	\$96,139
Member Contribution	\$1,163,632	\$1,163,632	\$1,163,632	\$1,163,632	\$1,163,632
Member Cash on Cash Return	5.40%	7.14%	7.50%	7.88%	8.26%

EQUITY RETURN AT RESALE

We assume we will be able to sell the building at the now going cap rate of 7.5% for a well-performing asset in this area of Cleveland OH. All investor capital is returned first before the remaining proceeds are split according to the investors' equity share.

	End of Year 5	End of Year 10
Net Operating Income	\$279,547	\$324,071
Cap Rate	7.50%	7.50%
Sales Price	\$3,727,292	\$4,320,953
Sales Cost	6.5% (\$242,274)	(\$280,862)
Outstanding Loan Balance	(\$1,636,764)	(\$1,389,606)
Total Equity	\$1,848,254	\$2,650,485
Return of Member Capital	\$1,163,632	\$1,163,632
Net Proceeds from Sale	\$684,622	\$1,486,853
Principal Reduction	\$183,236	\$430,394
Appreciation	\$501,386	\$1,056,459
Capital Transaction Fee to Mgr 1%	\$37,273	\$43,210
Appreciation Paid to Members 55%	\$356,042	\$794,004
Appreciation Paid to Manager 45%	\$291,307	\$649,639
Total Cash to Members at Resale (Appreciation + Initial Capital)	\$1,519,674	\$1,957,636

Summary of Projected Member Cash Flows and Returns

		Year 1	Year 2	Year 3	Year 4	Year 5	Return \$	Return %
Initial Member Capital	\$1,163,632							
Member Cashflow		\$62,783	\$83,092	\$87,313	\$91,661	\$96,139	\$420,988	
Cash on Cash Return		5.40%	7.14%	7.50%	7.88%	8.26%		36.18%
Net Proceeds from Sale						\$356,042		30.60%
Total Return in Investment							\$777,030	66.78%
Average Annual Return								13.36%

CONTACT

Questions should be directed to Breakthrough to Billions, LLC
c/o John-Thomas Roseberry and/or Christopher Leo

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