

CONFIDENTIAL BUSINESS PLAN

Tenacity Holdings, LLC



Financial Success Grows Here

Building Lives Worth Living & Legacies Worth Leaving

<https://www.tenacityproperties.org/>

Updated

May 18, 2020

Summary of Offering

Tenacity Holdings, LLC (“Tenacity”) is a Minnesota Limited Liability Company that seeks capital for the purpose of investing in “land arbitrage” type transactions in which Tenacity will take control of various parcels of real estate and convert them to a more valuable use. An example of this would be taking control of an agricultural parcel of real estate and converting it to commercial use. These parcels of real estate will then be sold to builders or developers for profit.

Tenacity has strategic relationships with commercial real estate development companies throughout the United States. The offer has a minimum raise of \$550,000 and maximum raise of \$4,000,000, with a minimum investment of \$50,000 (unless waived by the General Partner). At all times, the General Partner will retain a fifty percent (50%) General Partnership interest in the Partnership. Interests may be purchased by an individual investor during any open enrollment period set by the General Partner. The General Partner may reject any subscription in whole or in part for any reasons. Interests are transferable only with the consent of the General Partner and only in compliance with State and Federal Securities laws. The raise will be used to cover costs of the crowdfunding platform and as a loan to the selected commercial real estate development company and be specific to a single project scope. Typical land arbitrage project scopes include, but are not limited to:

- Flood plain land reclamation
- Dredging of watershed sections of land
- Engineering land and soil structure
- Rezoning land for commercial real estate use

The offering has been filed with the Minnesota Department of Commerce under the MNvest (MN 80A.461) exemption that permits Tenacity to make direct solicitation of both accredited (Reg-D) and non-accredited (Reg-CF) investors and will be effective for up to twelve months from date of effectiveness unless terminated sooner if the offering reaches its minimum raise goals to wholly fund a project.

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For more information, see complete offering details at:
www.tenacityproperties.org

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1. Executive Summary

1.1 Overview

The Problem

Investment in real estate is complex with a wide range of investment options and demands on personal involvement. Business structures supporting more advanced, larger scale commercial real estate projects (arbitrage, pre-development, land reclamation) can be overly complicated; often needing specialized expertise to structure the project to ensure compliance to vast governing laws. In such situations, investment in commercial real estate projects is often limited to accredited investors having pre-existing relationships with the commercial real estate development company and / or its General Partner(s) and minimum investment thresholds are set to limits which exclude a large pool of investors seeking the right opportunity.

The Solution

Crowdfunding is a public-facing method for soliciting funds made popular by internet websites such as kickstarter.com, indiegogo.com and gofundme.com. These sites to date have been strictly focused on pre-launch, product-based offerings and general goodwill donation-based campaigns. Recently indiegogo.com has entered the “equity” solicitation space.

The core idea in crowdfunding is that instead of relying on a small group of wealthy investors, a “crowd” of many investors pool their money together to help fulfill the raise. In the past, this practice has effectively been banned by the Securities and Exchange Commission (“SEC”) and would have been prohibitively expensive in terms of solicitation, funds management, and ongoing communication and documentation management. With recent SEC changes and the nearly ubiquitous internet access, every business now has the means to solve the advertisement and communications component.

Minnesota has adopted a law known as “MNvest”, which relies upon an “exemption” from securities to be registered at the federal and state level. In the MNvest model, issuers must file their offerings with the state Department of Commerce and designate an approved “portal” operator to host its crowdfunding campaign.

The Offering

Limited Partnership Interests (the “interests”) are being offered and sold by the Partnership pursuant to an exemption from the registration provisions of the Securities Act of 1993, amended (the “Act”), provided for in the Regulation D and Rule 506c. The minimum interest that may be purchased is Fifty Thousand and No/100 dollars (\$50,000), unless waived by the General Partner. The minimum investment of Fifty Thousand Dollars and No/100 (\$50,000) will entitle the investor to one (1) unit of Interest in the Partnership. Interests may be purchased by Limited Partners (defined hereafter)

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during the Open Enrollment period (defined hereafter). The date from which the Partnership first offers the Interests until the date in which the Maximum Amount (defined hereafter) is reached shall be known as the Open Enrollment Period (“Open Enrollment Period”). The date upon which the Open Enrollment Period closes shall be known as the Offering Closing Date (“Offering Closing Date”). The minimum amount of Interests that may be accepted by the Partnership during the initial Open Enrollment period is Five Hundred Thousand and No/100 (\$550,000). The maximum amount of Interests that may be accepted by the Partnership during the initial Open Enrollment Period is Four Million and No/100 (\$4,000,000) (“Maximum Amount”). At all times the General Partner will retain fifty percent (50%) General Partner interest in the Partnership. The exact number of General Partnership interests owned by the General Partner will always be equal to the number of Interests sold to Limited Partners. By the way of example, if the Partnership issues Two Thousand (2,000) Interests to Limited Partners, the General Partner will retain Two Thousand (2,000) General Partnership Interests. Interests may not be redeemed by any Limited Partner except as allowed by the General Partner and only when adequate funds are available and certain specific conditions, more fully outlined herein, are met.

Preferred Limited Partnership Interests

Limited Partners who invest in the first Full Ten Units (10) that may be raised under this Offering will be considered “Preferred” Limited Partners.

The Preferred Limited Partners will participate in the profits of the Partnership pro-rata based on their percentage of ownership in the Partnership as an Annualized Accrued Return equal to ten percent (10%) of the amount they have invested in the Partnership (the “Preferred Payment”). Annualized Accrued Return will be active until such a time as initial equity investment has been returned.

Common Limited Partnership Interests

Limited Partners whose investment is not part of the first Full Ten Units (10) that may be raised under this Offering shall receive “Common” Limited Partnership Interests in the Partnership. Holders of Common Limited Partnership Interests shall participate in the profits of the Partnership pro-rata based on their percentage of ownership in the Partnership but will not be entitled to any other payments or compensation from the Partnership.

Term

Unless earlier dissolved, it is intended that the Partnership operate perpetually, as provided for by the laws of the State of Minnesota.

Additional Capital Contributions

Limited Partners may, with the consent of the General Partner, purchase additional Interests during any Open Enrollment Period.

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General Partner Compensation

Once all Limited Partners (including holders of both Preferred and Common Limited Partnership Interests) have received complete repayment of the amounts invested the General Partner will retain 40% General Partnership interest in the Partnership; which means that after the Partnership pays all its expenses, and pays the holders of the Preferred Limited Partnership Interests the Preferred Payment set forth above, any remaining net profit will be allocated forty percent (40%) to the General Partner and sixty percent (60%) to the Limited Partners, based on their percentage ownership in the Partnership.

However, the General Partner shall not participate in the profits of the Partnership until such a time as all Limited Partners (including holders of both Preferred and Common Limited Partnership Interests) have received complete repayment of the amounts invested. This means that until such time as all Limited Partners have received complete repayment of the amounts invested, all net profits (after the Partnership pays all expenses, and pays the Holders of Preferred Limited Partnership Interests the Preferred Payment set forth above), any remaining net profit will be allocated one hundred percent (100%) to the Limited Partners, based on their percentage of ownership in the Partnership.

Allocation of Profits & Losses:

Each Limited Partner in the Partnership and the General Partner will have a “book” Capital Account (defined hereafter) and a “Tax” Capital Account (defined hereinafter), the initial balance of each of which will be the amount contributed to the Partnership by such Limited Partner. Any increase or decrease in the Net Asset Value (as defined in the LPA) of the Partnership will be allocated among the General Partner and Limited Partners on a monthly basis and will be added to or subtracted from the Book Capital Accounts of the Limited Partners in the ratio that each Limited Partner’s Book Capital Account bears to all Limited Partner’s Book Capital Accounts. Distributions of net realized gain, which are intended to be done on a quarterly basis, shall not be considered a return of capital and shall not have any effect on a Limited Partner’s Capital Account. All profits and/or losses will be allocated forty (40%) to the General Partner, and sixty (60%) amongst the Limited Partners.

However, the General Partner shall not participate in the profits of the Partnership until such a time as all Limited Partners (including holders of both Preferred and Common Limited Partnership Interests) have received complete repayment of the amounts invested. This means that until such a time as all Limited Partners have received complete repayment of the amounts invested, all net profits (after the Partnership pays all its expenses, pays the General Partnership management fee described above, and pays the holders of the Preferred Limited Partnership Interests the Preferred Payment set forth above), any remaining net profit will be allocated one hundred percent (100%) to the Limited Partners, based on their percentage of ownership in the Partnership.

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Redemptions

Redemptions are restricted as capital used by the Partnership will be placed in long-term and short-term investments of limited liquidity. Redemptions will only be permitted when cash is available to the Partnership, and only when expressly authorized by the General Partner. The General Partner does not anticipate authorizing any redemptions.

Distributions

Any and all distributions of net profit shall be made in the discretion of the General Partner. Nevertheless, it is the intention of the Partnership, in general, to make distributions of all or a portion of a Limited Partner's net realized gain that is available in cash, and to do so on a quarterly basis, within 45 days of the close of each quarter. Distributions will be made as a result of profits during the previous quarter. Any such distributions will have no effect on any Limited Partner's Capital Account. Distributions of profit shall not be deemed as a return of capital and no capital will be returned through such distributions. It is intended that Distributions of net realized gains that are available in cash will not be deemed a return of a Limited Partner's invested capital.

Reporting and Pricing

Following the end of each fiscal year, an annual report of the Partnership, prepared by an independent agency, shall be prepared and electronically mailed to each Limited Partner.

For more information see the complete offering documentation at www.tenacityproperties.org.

The Twist

Traditionally Land Development projects had three challenges that posed immediate barriers to entry for many potential investors:

1. Time span from invested dollars (\$) to repayment/profit: For most land development projects there is a three to five-year (3-5) commitment of funds for the project from start to completion. Tenacity has partnered with a dedicated Project Management Firm who has fully completed a breadth of commercial real estate projects inclusive of land arbitrage projects in scope of our offering and thus reduces the typical time from funded project loan to project completion down to eighteen months (18) to twenty four (24) months. That simple change creates a velocity of money often not seen in the land development space.
2. Deal Creation/ Public Listings: Many times, offerings will include time for research to find and secure deals to provide as the actual offering. This could take extensive time depending on the criteria that the General Partner has which means your money is not used until a project works for the General Partner. Tenacity's exclusive partnership with an established Land Development firm we

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have already secured the land parcels; thus, once we reach our minimum for funding a deal your money is quickly put to work.

3. **Legal Mandate of being an “Accredited” investor:** Generally, to be an “Accredited Investor,” an investor who is a natural person must either: (a) have a current net worth, individually or jointly with one’s spouse, in excess of One Million Dollars (\$1,000,000), excluding the value of the primary residence of such natural person, calculated by subtracting from the estimated fair market value of the property; or (b) have had an individual income in excess of Two Hundred Thousand Dollars (\$200,000), or a joint income with one’s spouse in excess of Three Hundred Thousand Dollars (\$300,000), in each of the two most recent taxable years and reasonably expect to earn the same level income in the current taxable year. Tenacity, in partnership with Silicone Prairie Holdings (SPPX), offers a **regulated** MNvest Crowdfunding Portal that allows additional Non-Accredited investors to participate in the offering.

Based on a strong foundation outlined above, Tenacity is uniquely positioned to welcome a variety of investors and put their money to work quickly; allowing the velocity of their funds to do the hard work. The power of this model is founded in sustainability and the ability to replicate and continue to grow our wealth engine.

1.2 Services

Tenacity Holdings, LLC offers, with their partners, the ability to acquire control of land currently zoned for agriculture or other uses, re-entitle it for an alternate use and ultimately sell to developer(s) or builders. Preliminary due diligence is complete, and the process is ready to begin for a Master Planned Community concept. We are seeking equity investor(s) to provide funding for pre-development costs (in full or in part) of a specified number of sites.

Our go to market rate is:

- Fifty Thousand (\$50,000) minimum investment to hold one (1) interest as a Limited Partner
- Preferred Limited Partner(s) are those that purchase the first ten (10) units raised will have a higher rate of return on those units

Accredited Investors

Tenacity provides offerings into land development to previous, current, or future investors who are documented “Accredited” (as outlined above and/or through the SEC) through our Silicone Prairie secure portal.

Non-Accredited Investors

Tenacity welcomes investors who would traditionally be labeled as “Non-accredited” investors to review the offering(s) through our Silicone Prairie secure portal. The documentation housed in this portal allows for a meaningful review of the offering in its entirety and how the investment funds will be allocated and used.

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1031 Exchange (or other Real Estate exchanges) Options

Tenacity has the capability to *take* a 1031 exchange into their offering. This will allow those that have a current for future 1031 exchange to place their gains from the sale passively into land development a like for like.

Current or Past Multi-Family Owners

Tenacity is offering a passive investing model that provides a cure for “Tenants, Termites, and Toilets”; allowing for continued growth of their current investment funds without “ownership” hassles.

Existing Angel Investor Groups

Tenacity provides a vehicle for established Angel Investor Groups to diversify their investment mix into land development. Often Angel Investor groups look at a multitude of factors before investing and leveraging our secure Silicone Prairie Portal allows them access to the terms at a glance.

1.3 What Drives Us

Tenacity is passionate about passive real estate investing with like-minded people. We are guided by our quest to create generational wealth for our investors and ourselves via land development. By welcoming all types of investors, we believe that begets a greater community of people focused on shared goals. Our goal is to remove as much friction as possible for our investors by providing a method of passive investing offering(s) that allow for continual reinvestment while wealth grows through serial projects. We thrive in an environment where faith, family, and friends are at the forefront; ensuring that we are creating mutually beneficial exchanges of abundance.

1.4 The Plan for 2020

The outline for our 2020 includes:

- Launch revised Tenacity Website in Q2 2020
- Launch hosted portal by Silicone Prairie Q2 2020
- Achieve the minimum raise outlined in this plan by October 31, 2020.
- Fund a project through our Project Management Firm by December 31, 2020.
- Release a second raise opportunity by December 31, 2020.

1.5 Possible Exit Strategies

While it is premature to discuss an exit from a business we are launching, the reality of starting a business is stacked against every entrepreneur. Approximately 90% of all businesses started will fail in the first year and those that do survive around 80% fail in year two. This means that for every 100 businesses created around 2 will survive long enough to celebrate their third year in business.

The following scenarios are meant to be illustrative only and represent *potential outcomes*, and are by no means exhaustive:

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1.5.a Cease Operations

In this scenario the company would cease operations due to market or regulatory forces it no longer becomes viable to maintain operations. Operational costs would be minimized to the bare minimum necessary to keep things active until the sunset of any remaining assets. If Tenacity does not reach its minimum raise to fund a project all funds invested into the portal would be refunded back to each investor in a timely manner.

1.5.b Merger or Divestiture

While our operating costs are closely managed, our partners already contracted, and our margins strong enough to fully provide our services today; due to market pressures or the costs associated with our project, it might be advantageous to combine land development operations with another local or national provider. The other scenario similar in vein would be a divestiture of the land development operations to focus on other profitable ventures.

1.5.c Acquisition

In this scenario we become acquired by a 3rd party company. Possible candidates are established real estate investor or firms looking for a new source of revenue who see value in our established land development deals and team.

1.5.d Reverse Merger

In this scenario we find a publicly held shell corporation that is thinly traded on an exchange such as Nasdaq; we would reverse-merge with the company and take over and rebrand.

1.5.e Traditional Public Offering

In this scenario we partner with traditional Wall Street investment banks to do a classic Initial Public Offering (IPO).

2. Company Description

2.1 Objectives

Our path is to become a nationally recognized Real Estate Investing brand where our investor network is our top priority to:

- Become the preferred investing brand by generating highly attractive rates of return on invested funds
- Leverage our knowledge, partnerships, and experience to continually reinvest in land development offerings throughout the US
- Allow investors to hedge against inflation and protect their funds
- Produce and allow for generational wealth and creating a meaningful legacy

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2.2 Mission Statement

To be a nationally recognized Brand for Real Estate investments; where our investors become true partners based on a strong foundation of faith, fanatical integrity, and exclusive investment offerings. To build lives worth living and legacies worth leaving. “The major fortunes in America have been made in Land” – John D. Rockefeller

2.3 Legal Structure

A Minnesota Corporation formed in December of 2017, creating a Limited Liability Corporation of Tenacity Holdings, LLC. A legal operating agreement has been created outlining all the aspects of running Tenacity Holdings, LLC.

2.4 Location

Tenacity Holdings, LLC main office is located at 11950 75th Street NE Otsego, Minnesota 55301. This location is located 35 miles outside of the Minneapolis / St. Paul area.

2.5 Principal Members

Tessa A. Kennedy, Founder & CEO

Tessa has a long track record of success through a varied background focused on business acumen, developing relationships, and finding mutually beneficial programs for both herself and her clients. Delivering top notch value, timely implementation, and unsurpassed returns Tessa is a strong advocate for finding the right solution for the right situation.

Tessa graduated Cum Laude from Viterbo University (La Crosse, Wisconsin) and began working for a fortune 100 company where she moved up the ranks and was managing director working directly with merchants on getting the best value out of their programs while producing 10%+ YOY returns to them. She won President's Club award; where the company celebrates the top 3% of the employees within the company in regard to results and positive client scores. In 2011 she was selected out of 280 candidates to oversee and drive a new product and program release in Asia; relocating to Sydney, Australia for one year. The program successfully launched on month 9 with results of 8% higher than projected and with 30 more employees hired then planned. She drove this success while finishing her last year of her master's degree in Business Administration (MBA) from the University of Mary where she graduates Magna Cum Laude in December of 2011.

She leveraged her keen knowledge, extensive experience in budget management, and fifteen years of progressive and varied business leadership successes to transition into small commercial real estate acquisition. Once she entered that space, she found her true calling and quickly focused on how to scale up her knowledge and access to large asset classes. Tessa actively participated within several Real Estate Investing groups to partner with a hugely successful group of like-minded people dedicated to helping people make their money work for them in ways they never imagined while at the same time making communities better, stronger, and set up for success. Tessa has based her

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life work on finding the best solutions for her clients; and that will continue to develop as Tenacity Holdings continues to grow.

Board of Advisors*

Mark E. Ketchum, Partner

**please refer to our website for full biographies on all our partners*

3. Market Research

3.1 Industry

The Real Estate Investing market is large and diverse in which ways an investor can participate. With varied strategies to enter into Real Estate Investing it often requires in-depth research, a risk profile, and ultimately understanding out the desired outcome is within the Real Estate sector.

The Multi-housing and commercial sector once again reigns as the most liquid asset type in the U.S. with approximately \$167B in transaction volume in 2019. This represents a widening proportion of commercial real estate liquidity, up 1.3 percentage points to 35%, as investors continue to deploy elevated capital into the sector. Momentum remains strong and there is an abundance of debt and equity capital in the market. Institutional investors are expected to demonstrate more selected behavior, which is likely to result in heightened opportunities for private capital, including high-net worth individuals. The plethora of closed-end funds targeting multi-housing assets in the U.S. totaling approximately \$67.5B in fund closings since 2016 – will provide an ongoing source of liquidity.

Investors are disciplined on where capital is placed. Value-add assets are marked the strongest interest from investors of late, creating competitive bidding pool and driving prices to fresh highs. Recent passages and enactment of expanding rent control regulations in California, Oregon, and New York City have renewed concerns about affordable housing; this legislation introduces a greater uncertainty into the long-term performance of this asset class.

3.2 Market

Our market for investors will be Global; we are not limited to location for our investor base. We will work with both accredited and non-accredited investors; we will leverage our partnerships to classify each investor into each category. We will market our offerings to a diverse group of individuals and groups of investors.

3.3 Competition

We operate in a highly competitive and rapidly changing marketplace and complete with a variety of both large and small organizations that offer similar offerings. We believe that the principal competitive factors in the industries in which we compete include: Skills and capabilities of People, industry experience, ability to add business value and improve performance, reputation and established critical business partnerships, ability to

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close on real estate deals in a reliable and timely basis, and a strong project pipeline of opportunities.

There will be competition Nationally; highlighted below are some of the large Real Estate Development and advisor groups:

- Marcus & Millichap
- Cushman & Wakefield
- CBRE

And many other local and regional companies who participate in some sort of land development or land selling arm of their companies. We believe that most of our competition would be in the form of other real estate investing options versus land development companies like the ones listed above. Ensuring that the investor understand passive versus active investing and the benefits of land development over multifamily or commercial ownership.

3.4 Competitive Advantage

We believe that we have built a strong foundation for success that will allow us to create a unique and successful niche within the wide range of Real Estate Investing.

Our Portal company has created trademarked technology that allows users to solicit a wide range of investors both accredited and non-accredited. They have fully integrated ASCH account management capabilities that follow the industry best enrollment practices. This creates a seamless and friction-free investment experience for our investors. Once their accounts have been confirmed, investors are free to leverage them to make investments and, in the future, receive dividends. The portal is highly integrated with social media sites such as Twitter, Facebook, LinkedIn, and Instagram.

Together with our established partner network we have a strong and robust five to seven (5-7) year integrated pipeline of development deals to close on. We have the land opportunities secured, the project management team in place, the selected contractors for the work, and a sophisticated list of buyers which put us in a strong position to put our investors' money to work quickly and often; leveraging the velocity of money for our offerings.

Tenacity and their partner network have a combined 100+ years of business, real estate, budget, and project management experiences over a vast array of ventures. With their varied backgrounds the company is set up for multi-layered success in project completion, money management, closing and execution of completed land deals, and ensuring regulatory and legal requirements during the entire process.

3.5 Regulation

The Company is subject to and affected by laws and regulations of the U.S. federal and state governmental authorities. These laws and regulations are subject to change.

Additionally, the Securities & Exchange Commission (the "SEC") regulates the exemption, registration, and sale of securities. Any SEC regulatory changes could affect our business. (do we need this or is this just for Silicone)

4. Product / Service Line

4.1 Services

Our Company offers passive investing opportunities to both accredited and non-accredited investors. The Company CEO, advisor, and business partners secure the land, the project management team, the construction contractors, and close on the land real estate deal. The Company uses the invested capital from all its investors to provide a “working loan” to the project team to complete the work. Once the work has been completed in eighteen to twenty-four (18-24) months the land is then sold and the “working loan” and any profits are moved into a regulated bank account for distribution according to the legal agreement.

4.2 Pricing Structure

- \$50,000 (one unit) investor purchase to be included in any of the offerings
- There is no maximum on Units purchased, however, it can only equal the total of the raise and nothing beyond.

4.3 Service Lifecycle

- Marketing Phase to educate potential investors
- Introduce website and portal for review for interested investors | Answer Questions and strengthen our relationship
- Request a soft commit from potential investors | sign up via portal
- Monitor investor portal for funding milestones; re-engage potential investors/kick off another marketing phase if needed
- Close the fund raise when investment floor is met; engage investors registered about moving money to escrow account to close on offering
- Wire funds to Project Management Team to kick off the work on the project
- Re-engineering of the land occurs
- Land is ready for sale; marketing to potential buyers
- Close on land; wire funds back into escrow account
- Determine dividend and repayment schedule for investors
- Discuss tax-deferred re-investment options
- Engage on next raise and project offering; repeat process

4.4 Research & Development

The Company conducts ongoing research and development in the area of real estate investing; with specific focus on land development and land arbitrage.

TIMING

Tenacity monitors the market growth rate of the land development space; we want to keep our finger on the pulse for how the market is performing within the land development space as well as other real estate investments. This allows us to have timely and relevant discussions with our current and future investor network regarding our offerings and how they compare to the market.

RISK

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Inherently, real estate investing is a higher level of risk because there is no guarantee of profit. Tenacity works diligently to mitigate the overall risk of their offerings. They have a strong pipeline of land to develop, work with tenured and experienced partners, leverage the strong project management team that does this work year after year, and provide transparency to our investors through the entire investing process.

COST

For a successful offering where investors want to continue partnering with us Tenacity assiduously manages the project budget. Ensuring that the pre-development due diligence is as accurate as possible allows us to set the correct expectations of development costs and projected returns. Tenacity's overall goal is to maximize the long-term return on investment for our partners.

5. Marketing & Sales

5.1 Growth Strategy

Tenacity will launch its first capital raise in Q2 of 2020. The minimum purchase per unit is \$50,000 and we will need to raise a minimum of \$550,000 before we can move the funds into escrow and initiate a project. The funds will be used for engineering and development costs of the land into a more useable form.

Initially we have socializing our investing opportunities with our friends and family network, meetup sessions, and other local real estate investor sessions. We have the goal of doing two (2) quality raises (offerings) in 2020.

Tenacity will continue engage, enhance, and drive equity for their partners. We will have quality and relevant personal interactions with current and potential investors. We will continue to mine for new connections via different venues to continue to engage the right investor base for our offerings. We will work to enhance our presence, name recognition, and significance in the Real Estate investing space. This will allow us to have a greater reach to more potential investors by being more visible locally, nationally, and online. Tenacity will continue to drive a seamless and frictionless experience for their investors to grow their equity. We will facilitate enablement process in its entirety and allow for passive income to grow and mature as quickly as possible.

5.2 Communication

Electronic mail, phone calls, in person meetings, social media, email marketing, and in-portal communication channels will be leveraged to begin with. We are extremely comfortable using each of all these communication delivery methods. Once we have a rhythm of understanding best ways to communicate with CURRENT investors we will modify; and we will continue with all the varying methods to attract new investors.

The Portal company we are partnering with as the ability to socialize via Twitter, Facebook, and LinkedIn currently. Thus, reinforcing the same message on our website and email templates through both our own social media as well as the Portal companies.

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5.3 Prospects

Through our early conversations and consultations with friends, family, and business connections we have identified several ready clients for investing in our first offering.

We have become active members and organizers in over 30 meetup group and Facebook groups that center around real estate investing to further penetrate our offering to group members looking for passive investing. Our plan is to socialize the seamless process of the portal where privacy and protection are the foundation and allow potential investors timely and relevant access to our offering documents.

The long-term value proposition for Tenacity is building investor relationships; focusing on trust, transparency, and results. Cycling their investment continually through new projects were the goal would be to exponentially grow their money to create generational wealth.

6. Financial Projection

6.1 Profit & Loss

There are no sales to date as the venture has not launched. The costs associated with the business include the Silicone Portal Agreement of \$2,500, Legal Operating Agreement fee of \$2,500, and Website Design Services by Flying Orange for \$1,000.

6.2 Estimated Offering Budget

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TYPICAL LAND COST

Land 100 Acres @ \$1,000,000 = \$10,000 per acre

Engineering Tasks	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Civil Engineering	\$ 5,000	\$ 5,000	\$ -	\$150,000	\$150,000	\$150,000	Permit		
Architectural Renderings	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
File Zoning Case	\$ 5,000	\$ 4,000	\$ 4,000	-----			Zoning Complete		
Marketing	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
CAD Video	\$ -	\$ 5,000							
Totals	\$ 30,000	\$ 34,000	\$ 24,000	\$170,000	\$170,000	\$170,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>Monthly Totals</i>	<i>\$ 30,000</i>	<i>\$ 64,000</i>	<i>\$ 88,000</i>	<i>\$258,000</i>	<i>\$428,000</i>	<i>\$598,000</i>	<i>\$618,000</i>	<i>\$638,000</i>	<i>\$ 658,000</i>

Land Purchase

Soft Earnest Money	\$ (25,000)		\$ (10,000) <--extension
Hard Earnest Money			\$ 35,000
Closing Cost			\$965,000

LAND & ENGINEERING.....	\$ 1,658,000
RECLAMATION COST.....	\$ 450,000
TOTAL BUDGET.....	\$ 2,108,000

NEW LAND VALUE..... \$ 24,000,000

- 20 Acres Reclaimed and Zoned for 60 Units per acre = 1,200 Units @ \$20,000/unit
- First lien position in tact for remaining 80 acres of owned land.