Executive Summary

BMG DISTRESSED REAL ESTATE FUND I - $50,000,000 TARGET

Summary

BMG's principal investment fund has many years of successful experience in investing in different classes of real estate, businesses, hospitality, land development and investing in startups. With over 100 years of collective experience of BMG's executive team, we have formed Distressed Real Estate Fund, to invest in distressed opportunities available in North America by acquiring current or defaulted mortgage notes, foreclosure sales, bankruptcy sales, short sales or "fire" sales.

The Fund plans to add value to and reposition each Asset to its highest and best use, when and as appropriate.

The Fund will invest directly or indirectly through its trusted partners that have decades of experience in hospitality, single family portfolios and multifamily portfolios, industrial and commercial property operators etc. All acquisitions will be sourced through bankruptcy sales, defaulted note sales, foreclosed bank properties or similar distressed situations.

We expect the market to recover and stabilize by 2023. many financial industry analysts suggest that due to the current economic crisis there will be hotel defaults and bankruptcies this year and in the coming two years, which will result in some key assets trading at far below even the current values and opportunity to hand pick them as they become available in the marketplace. Because of our long term relationships with banks, finance companies, hotel brands, lawyers and brokers we have access to inventory before it hits the general market, and due to our extensive experience in turning around troubled hotels, we can handle and take on projects that are complicated and will deliver higher than average results.

We have put together a selected group of experienced attorneys specializing in bankruptcies, bankruptcy experts, Receivers and Trustees for foreclosures and real estate transactions along with experienced hotel management companies, accountants and tax advisors.

Introduction

The traditional intuitive definition of "distress" often refers simply to a company with too much debt and insufficient cash flow to service the debt. However, more broadly speaking, financial distress may result from one or more of the following causes:

• Excessive leverage due to a variety of causes.

• Declining profitability.

• Loss of competitive position.

• Changing business climate, whether in an industry, region or specific market.

• Regional or global economic disruptions, such as during the recent financial crisis.

• Lack of access to funding markets.

• Litigation or regulatory difficulties, including accounting improprieties, toxic torts or pollution control liabilities.

Some common risks investors face when investing in commercial real estate things such as loss of tenants, decreasing rent values, decreasing property values, and property repairs. Despite its name, investing in distressed real estate actually can, when done properly, reduce these risks and increase profits.

Rather, Distressed Real Estate Investing consists of buying assets in unique real estate situations. A property may be in pre-foreclosure or foreclosure, the owner may have a note that has a large lump sum coming due, the property may have lost one of its key tenants, the property owner may have a collateral problem with a different property that was pledged as collateral for the property being analyzed – there are all kinds of such situations which would make a property "distressed."

Between the discount, the economic drivers, the massive room for property improvement, and the cash flow from the property, investors significantly reduce risk. Even if lease rates cannot be improved and there is a slight market downturn, the asset can still have a positive return - a situation that really does not exist in traditional commercial real estate. If there is one definition of distressed real estate investing it would be "buying secured real estate at significant discounts to market value to drive outsized returns."

There is a wide latitude to trade across the capital structure. Such securities may include bonds, debentures, notes, mortgage or other asset-backed instruments, equipment lease and trust certificates and commercial paper. They may also acquire positions in equity and equity-related securities, including preferred stock, convertible preferred stock, common stock and warrants.

Financial strategy

The Fund will invest directly or indirectly through its trusted partners that have decades of experience in hospitality, single family portfolios and multifamily portfolios, industrial and commercial property operators etc. Acquisitions will be sourced through bankruptcy sales, defaulted note sales, foreclosed bank properties or similar distressed situation

- Projected annualized returns from fund to investors are projected to be 12% plus.
- Returns are based on rental income and potential increase in value over course of time.
- Fund will share 40% profits to investors and 60% to GP / Developers from rental / operating income and gains from sale of assets.
- Majority will be cash purchases with no debt, if debt is taken on it will not exceed 60% of project value.
- Cash or income producing assets will be given a preference with strong potential upside in 5 years.
- Management compensation fee is 2.5%

Prior to any investment in properties or projects, a vetting process is to be done including thorough investigation and analysis, site inspection, appraisals, engineering, property conditions report, environmental reports, market reports such as Smith Travel for hotel industry if asset is a hotel, etc.

The life of the fund is ten years. Five-year commitment required, however if the investor wanted to exit prior to five years, a liquidation can be initiated with a 90 day notice from the investor after 3 years. Ask the fund manager for details.

INVESTMENT CRITERIA

Once fully invested, the Fund's portfolio is expected to be approximately allocated as follows:

● Number of Investments: At any given time, 70-80% of the Fund's capital will be invested in (TBD) core projects.

● Percentage of Portfolio Allocated to Long (5 years or more) Investments: 55-85%

● Percentage of Portfolio Allocated to Short (3 years or less) Investments: 15-45%

● Individual Investment Exposure Limit: 20%

● Asset Class and Geographic Location Exposure Limit: 40%

Fund Strategy

Target investments that meet the Fund' s investment objectives are often found in the following categories of opportunities:

1. High quality RE assets trading at material discounts to their intrinsic (or net asset) value as determined by the Fund's research process.
2. Companies in or exiting bankruptcy
3. Distressed Notes for operating businesses with significant hidden value in their real estate.
4. Relative value opportunities
5. Catalyst-driven short opportunities such as credit issues with major tenant(s), foreclosed assets, mismanaged assets etc..

Investments that meet the Fund's objectives may occur in distressed debt, liquidations, companies in or exiting bankruptcy, foreclosed or creditor owned or controlled companies and assets and other special situations.

Target Distributable Yield	All dividends from investments made by the Fund will be reinvested into the Fund.
Liquidity	Investors can liquidate their investment any time after 36 months. Withdrawals will be processed on a quarterly basis, subject to a three month notice period.
Sponsor Capital	A minimum of 10% of the total equity contributions.
Tax Document	K-1

Structure

Investors will invest in Black Mountain Distressed RE Fund, LP (BMDRF). BMDRF will be managed by Black Mountain Group DF Manager, LLC. The Fund will have separate investment vehicles tailored to the tax and/or regulatory needs of different asset classes. The Fund will invest in corporations, partnerships, limited liability companies, or other entities ("Operating Entities") in which BMDRF will have a direct interest. Cash derived from the operation, financing, sale or other disposition of investments will be distributed by the Operating Entities to the applicable Fund investment vehicles comprising the Fund, which will in turn distribute such cash (less the applicable incentive compensation) pro-rata to investors.

Key Principals

CARLOS J. BONILLA

Carlos J. Bonilla practices real estate law and has been heavily involved in a broad range of legal issues affecting large scale projects. Mr. Bonilla managed an international real estate company doing business throughout Latin America and Asia. Mr. Bonilla represents large real estate investment groups doing business in Canada, Brazil, Costa Rica and the United States, drafting contracts, legal due diligence for large investment transactions and real estate closings.

Mr. Bonilla has worked on acquisition and rezoning of large tracts of land in Florida; acquisition, entitlements and design of large hotel projects, condominium documentation, and management issues. Mr. Bonilla is a graduate of the University of Miami School of Law, and obtained an advanced degree (LL.M.) in Real Property Development in 2005. He is a member of The Florida Bar and is a Fellow of the Florida Bar Foundation. He is also a member of Phi Delta Phi International Legal Fraternity. He actively supports philanthropic associations. Mr. Bonilla is a Florida Real Estate Licensee, and is a member of the Knights of Columbus, St. Jude Council, in Orlando, Florida. Mr. Bonilla is fluent in English and Spanish.

SYED RAZA

Hospitality industry executive with over 30 years multi-unit hotel experience in operations, distressed hotel turnarounds, investing, design & construction from ground up. Also extensive & diversified experience in commercial real estate, national food distribution, industrial warehouses, food outlets, nutraceuticals, E-Commerce, finance, electronic payment processing, wellness & fitness, technology, recycling and farming.

Mr. Raza has been appointed as a CRO - Chief Restructuring Officer for several hotel bankruptcy cases in the Middle District of Florida. Served as Receiver for State Court appointed hotel case. Moderated and participated on several hospitality panels. Presented revenue management techniques and best E-commerce practices at brand conferences for various hotel chains.

Managed multiple investments in real estate, health & fitness, technology, finance, payment processing, farming, land development and land banking, nutraceuticals, skin care, logistics and distribution companies.

Mr. Raza has Bachelors degree in Business Administration and Masters in Arts from Sind University. Also is a member of American Bankruptcy Institute, Asian American Hotel Owners Association, Turnaround Management Association. Mr. Raza has been involved in several local community development projects in the Tampa area, social and philanthropic projects in various capacities. Fluent in English, Urdu, Hindi with basic working knowledge of Arabic and Punjabi. Currently resides in Montenegro with his wife and two children.

Advisory Board

Chester Robert Gala - Real Estate Analyst - Bachelor Business Administration- Harvard University & Masters in Science Real Estate Development- Columbia University

Dan Harper - 46 Years as RE Investor and Developer