



ZINC

INCOME FUND

INVESTMENT SUMMARY

EXECUTIVE SUMMARY

Investment Overview

ZINC Income Fund II, LLC has been organized to make, purchase, originate, fund, acquire and/or otherwise sell loans secured by interests in real estate located across the United States to deliver attractive, risk adjusted monthly cash-on-cash returns to investors.

Investment Objectives

- Protect and preserve investor principal
- Provide monthly cash distributions
- Mitigate and manage investment risk
- Provide favorable tax benefits

Note: Please see the Fund's confidential private placement memorandum for all the terms and conditions of the offering.

OPPORTUNITY FOR INVESTORS

THE OPPORTUNITY FOR PRIVATE LENDING in the real estate market has continued to grow over the past decade, driven by factors such as tightened regulations on traditional banks, increasing demand for flexible and timely financing solutions, and the attractive risk-return profile of loans for fix and flip housing investments at or below the median price. This has created a unique market niche where private lenders can effectively serve the needs of borrowers while delivering an compelling risk adjusted yield to fund investors.

THE PRIVATE LENDING MARKET has historically provided stable, attractive returns compared to other asset classes, with average annual returns in the range of 7-9%. The lack of market volatility and being an asset backed investment make private lending an appealing complement to a well-diversified investment portfolio.

FUND INVESTMENT STRATEGY

TARGET SHORT TERM LOANS FOR REAL ESTATE INVESTMENT PROPERTIES

- Provide short term loans in a niche real estate market, with a current average loan duration of 7- to 9-months and a current average rate of 11.5%.

SEEK PRIME BORROWERS

- Target prime borrowers with a FICO score above 660, and maintain an average score of over 700 in the fund.

TARGET SHORT TERM LOANS FOR REAL ESTATE INVESTMENT PROPERTIES

- By adhering to ZINC's strict underwriting guidelines, loans in the fund meet the targeted risk profile.

LEND ON HISTORICALLY STABLE REAL ESTATE

- Focus on borrowers in non-judicial states in the West, South and Midwest where real estate has historically been more stable.

SERVICE ALL LOANS IN-HOUSE

- Service all loans inhouse to ensure timely payments. Our average default rate is less than 3% and we foreclose on less than 0.125% historically.

MAINTAIN MINIMUM FEES AND EXPENSES TO THE FUND IN ORDER TO DELIVER AN ATTRACTIVE MONTHLY YIELD TO INVESTORS.

INVESTMENT BENEFITS

PROTECTION OF PRINCIPAL

- 1st position lien on underlying collateral
- The Fund Manager will absorb up to the first \$500,000 in any loss applied to capital accounts for the life of the Fund pro-rata to all members' capital accounts.
- Liquidity available after 12-month lock up period

ATTRACTIVE CURRENT YIELD

- Average 8% cash distributions to investors since inception, paid monthly
- Rates to borrowers range from 10.5% to 13%

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INVESTMENT BENEFITS

MITIGATION OF RISK

- ZINC Principal is invested alongside fund investors
- Loan maturity average of 7- to 9-months
- Prime credit borrowers with average FICO of over 700
- Average loan to purchase price of 80%
- Average loan to after repaired value of 60%
- Fund's investment is spread across multiple loans

TAX BENEFITS

- Investors receive a 20% federal tax deduction on all distributions
- Investors are taxed in their state of residence, not in the state the fund operates
- No UBIT for tax exempt vehicle investments

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ZINC FINANCIAL OVERVIEW



Founded in 2006, ZINC Financial is a California-based specialty licensed lender that originates private money loans to individuals in the real estate rehab & resale business. ZINC also manages an investment platform that provides exposure to these underlying private money loans.

MARKET NICHE IN REHAB AND CONSTRUCTION FINANCING

Market niche in rehab and construction financing fulfills a much-needed capital source for investors in the real estate space

TWO DECADES OF EXPERIENCE Leadership owns two decades of experience in real estate investment and lending, presiding over \$1 billion of private money rehab loans

UNDERWRITING GUIDELINES Strict valuations, underwriting guidelines, and rigorous fraud protection underpin every transaction

Note: The facts and figures contained herein are representative of ZINC Financial, Inc. Past performance is not a guarantee of future results.

WHY DOES A BORROWER NOT UTILIZE TRADITIONAL BANK FINANCING?

Generally, borrowers seek private money lending through ZINC Financial for the following reasons:

ZINC VS. TRADITIONAL BANK FINANCING

SPEED AND RELIABILITY

Borrowers are looking for speed and reliability through a specialty finance provider

FEDERAL REGULATIONS

Banks are generally prohibited by federal regulations to loan on distressed assets

LONGER LOAN

Banks seek much longer loan durations than ZINC's average 9-month duration

LACK OF EXPERTISE

These institutions lack the experience and understanding of the rehab loan product and asset class to achieve quick turnaround time that these loans demand

Unlike banks, ZINC is able to lend in this space and has become a premier choice for real estate entrepreneurs due to speed, reliability and consulting experience.

ZINC'S TYPICAL LOAN CHARACTERISTICS

LOAN TYPE

- Business purpose loans for real estate investors including bridge and construction

PROPERTY TYPE

- Usually single-family residences or smaller income type properties i.e.1-8 unit apartments

GEOGRAPHY

- Primarily in non-judicial West Coast states with a mild presence in other favorable states

BORROWER

- Typically have some element of exposure in real estate investment, rehab, or construction
- Understand the basic elements of short term financing, valuations, construction, and local real estate markets

LOAN-TO-VALUE

- Generally loans up to 80-90% of the acquisition cost not to exceed 70% of the After Repaired Value ("ARV")

DOWN PAYMENT

- Average 20% cash down payment by the investor

RATES & FEES

- Interest rates range from 10.5% to 13%
- Fees and origination points range from 1-3% of the loan amount

TERM

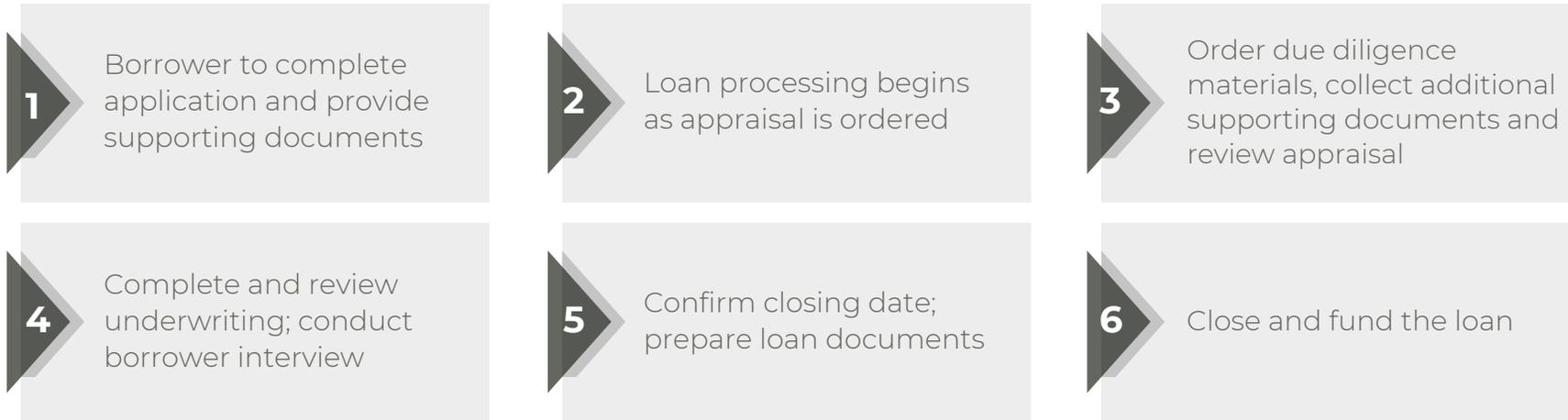
- Short-term loans; typically less than a year
- Monthly payments are required

REHAB FINANCING

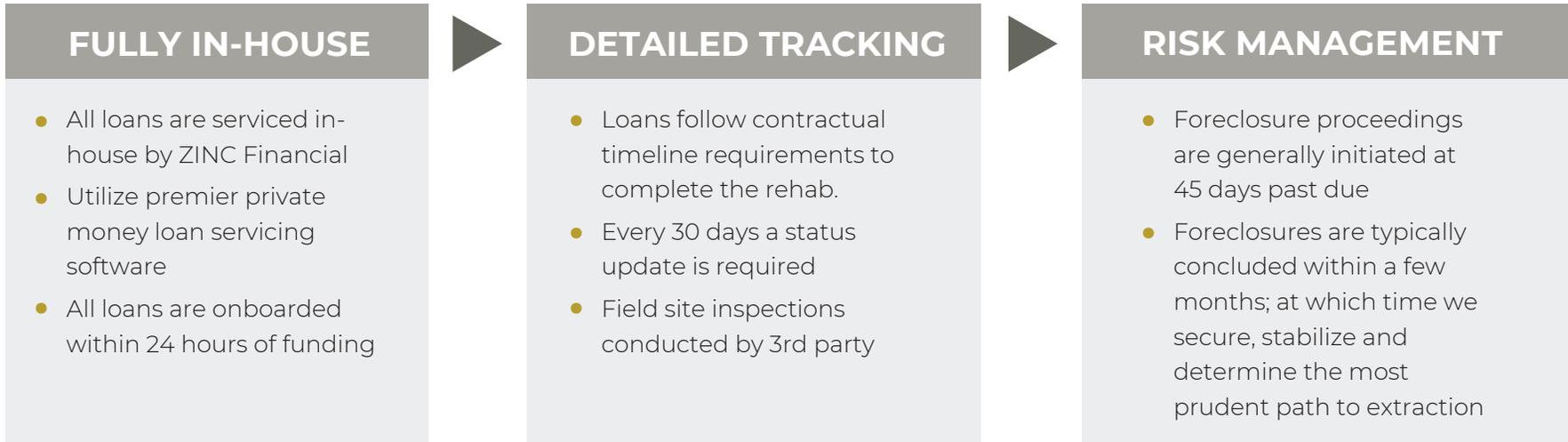
- Option for financing of construction costs within the loan
- If any portion of rehab is financed; the entire rehab budget is escrowed in a "control fund"
- Tight restrictions on when funds are disbursed subject to certain milestone achievements

UNDERWRITING AND SERVICING

GENERAL UNDERWRITING PROCESS FOR EACH LOAN



SERVICING & PORTFOLIO MANAGEMENT



SUMMARY OF KEY TERMS

TERMS OF OFFERING

TARGET FUND SIZE

\$50,000,000

MINIMUM SUBSCRIPTION

\$50,000

FUND TERM

Evergreen

ASSET MANAGEMENT FEE

1.5% combined management and servicing fee

RETURN TARGET

Target 8-9% annualized payable monthly

LOCK-UP PERIOD

12 months subject to 60-day notice

PROFESSIONAL REFERENCES

LEGAL COUNSEL

Geraci LLP
949-379-2600



FUND ADMINISTRATOR

Verivest
971-222-0288



AUDIT FIRM

Spiegel Accountancy Corp.
925-977-4000



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ZINC LEADERSHIP



TODD PIGOTT
Principal & Fund Manager

Todd is passionate about his involvement in the private money equity space. Previously, over an 18-year period, Todd held the position of President of one of the largest

interior and exterior maintenance companies in the Central California Valley employing over 400 individuals.

Sold in 2006 to a private equity firm from New York, Todd now devotes his full-time into ZINC Financial and its Affiliates.



JOHNEVANGELISTA
Chief Financial Officer

John joined ZINC in August 2012. John has over ten years of experience in accounting, financial and data analysis, and oversight of private money real estate loans. He acquired his license as a Certified Public

Accountant in the State of California in February of 2012.

Prior to joining ZINC, he practiced in public accounting for six years at CBIZ & Mayer Hoffman McCann, P.C., a national independent CPA firm, with his primary focus being on litigation and valuation services.

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CONTACT US

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