

Blackstone Fix & Flip Fund
Tuesday, September 14, 2021

Proposed modifications to documents living on:

<https://www.blackstonerenovations.ca/fix-and-flip-program-members-access>

Password: flipper

Item	Description	Reason
1	Change Preferred Class C shareholders payments plan to 9%/yr (paid monthly), with a balloon payment upon sale of renovated house which caps out at 9% annualized. So 18% annualized max is total max payout.	Reduces cash outflows. Creates excitement for C investors because they don't know if they'll get 0%-9% when houses sell - and this lump sum should be a bigger one-time dollar amount than their regular monthly payments.
2	Reset Preferred Class A 1st year and 2nd year early redemptions penalties to this formula: 1st year: Preferred Class A: 3% sales commission + 3% MER + 6% investors yields = 12% penalty. 2nd year: Preferred Class A: 0% sales commission + 3% MER + 6% investors yields = 9% penalty.	Investor pays for the 100% costs of redemption - not Blackstone.
3	Reset Preferred Class B 1st year and 2nd year early redemptions penalties to this formula: 1st year: Preferred Class A: 4% sales commission + 3% MER + 12% investors yields = 19% penalty. 2nd year: Preferred Class A: 0% sales commission + 3% MER + 12% investors yields = 15% penalty.	Investor pays for the 100% costs of redemption - not Blackstone.
4	Reset Preferred Class C 1st year and 2nd year early redemptions penalties to this formula: 1st year: Preferred Class A: 5% sales commission + 3% MER + 18% investors yields = 26% penalty. 2nd year: Preferred Class A: 0% sales commission + 3% MER + 18% investors yields = 21% penalty.	Investor pays for the 100% costs of redemption - not Blackstone.
5	Set investment sales commissions as 'front end load' - payable upon investors' investment cheques successfully deposited into Pinnacle Trust Account.	Incentivizes sales efforts
6	[CHECK ASC & ASK CHRIS] Set capital raising closings dates to 'ongoing as required - determined by mgmt' vs. only upon distinct milestones of either dollar amounts raised or transaction points achievable: example \$250,000 increments raised or deposit on house or closing purchase of house or funding of 1/3 or 1/2 of reno budget.	Allows mgmt flexibility to plan and operate smoother
7	[CHECK ASC & ASK CHRIS] Set transfers from Pinnacle Trust Account to Blackstone Operations Account to 'ongoing as required - determined by mgmt' vs. only upon distinct milestones of either dollar amounts raised or transaction points achievable: example \$250,000 increments raised or deposit on house or closing purchase of house or funding of 1/3 or 1/2 of reno budget.	Allows mgmt flexibility to plan and operate smoother
8	[CHECK ASC & ASK CHRIS] Is the strategy to use 1 Blackstone company to hold all investors via the common dozen available prospetus exemptions? Or is the strategy to create multiple Blackstone companies which predominantly rely on the 'Private Issuer Exemption'?	Which buckets (and/or companies) do all these investors get plucked into?