



Poppies Pipeline

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We're on the Web!
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"Poppies Pipeline"
provides up to date
status on our current
and proposed new
development projects
and opportunities.

NOTE: Investors in Poppies Corp projects understand that ROI projections are estimates only and no set percentage is being offered other than a minimum guaranteed return on selected projects. These are not registered securities.

California Fears Fuel Phoenix Frenzy

The news has been disconcerting at best for California investors. Prices dropping on higher end homes and 'days-on-market' increasing dramatically signal a slowdown at best in the wild California real estate market. Anticipating this naturally occurring movement in the cycle, California investors have been seeking opportunities elsewhere and many have focused on the Las Vegas and Phoenix markets. As a result, the increased supply of buyers has pushed the prices of Phoenix real estate skyward into areas where economic feasibility makes no sense.

Savvy Phoenix area land brokers assemble lists of qualified buyers and when a property becomes available at a "reasonable" price, a notification goes out and the feeding frenzy is on. For instance, last week, 80 acres of buildable land went on the market at under the local market price. Before we had a chance to write an offer, the property had been placed under contract.

To avoid the rush, the Poppies Corp team in Phoenix has been contacting land owners directly. This has met with some success, but the realities of the market require immediate decisions. Please remember to get answers to questions beforehand so that you'll recognize the opportunity when it comes and are prepared to reserve a place in our offer within hours rather than days.

CURRENT PROJECTS (acquisition funding closed)

Desert Paintbrush - 15 Estate Homes on 1 acre+ sites

Architectural design work has been completed and the final numbers are in. Our "smallest" model features a traditional living room design with 3,161 square feet of livable space. A covered patio and entry plus garage and storage space brings the total footprint to 4,450 square feet. Slightly larger but with a more open, great room design, the second plan has 3,210 square feet of base livable space with a footprint of 4,886 square feet. The largest model includes a number of options including everything from a livable casita to a four car garage and everything in-between. The base livable is 3,491 square feet (3,924 with the casita option) and base model footprint is 5,387 square feet. Homebuyers will select from lots ranging in size from 1.1 acres to 1.5 acres. We hope to submit to the County Building Department shortly and official sales of homes will begin immediately thereafter.

Filaree @ Palm Parke – Infill project of 5 entry level homes

As reported in a previous Poppies Pipeline, we've been looking south towards Casa Grande where a shortage of affordable housing exists. On September 9th, we closed escrow on a 5 lot property where we plan on building entry level homes ranging from about 1300 square feet up to 1800. As soon as we have preliminary designs in order to determine costs, we'll begin pre-construction sales for those investors seeking home investments.

Cliffrose Meadows – 40 acres of undeveloped land

On September 13th, escrow closed on the two side-by-side 20 acre parcels on Lone Mountain. A number of late obstacles impeded attempts to close escrow but the well below market price for the land made the fight to close worthwhile. Because the market for smaller land parcels (1 to 5 acres) remains extremely hot, we are looking at splitting one of the 20

acre parcels into 5 acre pieces and placing them back on the market. With the significant difference between our acquisition cost and the projected sales income from the smaller parcels, we project that we will be able to pay off the entire debt on all 40 acres, map and construct the infrastructure on the remaining 20 acres and still have dollars in the bank.

Closed Projects

Wood: Escrow closed on the 16th of September on the Wood project. This 1376 square foot entry level home sold for \$170,000 – well above our projection of \$142,000. Total investment was under \$30,000.

Hadley: October 3rd was the close date on this 3 bedroom, 2 bath house just south of downtown Phoenix. The closing price of \$166,240 was more than 15% higher than projected and was the highest price per square foot for any home in the vicinity.

Mariposa Manor – Multi-home cul-de-sac project

Our latest acquisition was purchased on the 14th of October. Less than a mile from the Palm Parke project in Casa Grande, this 2.5 acre project is in a community of both new and older homes. The project should mirror a new development directly across Manor Drive with 6 or 7 homes averaging close to 2,000 square feet each surrounding a short, central cul-de-sac. An engineering contract to survey and map the property should be ready to go by the end of the month.

NEW PROJECTS

Other Opportunities

We are pursuing several other properties including commercial, multi-family residential, custom-home land and tract home acreage – each designed to meet the specific investment objectives of individual investors who have completed their due diligence and qualification process. In addition, each project offers investment opportunities for pre-construction spec home investments on a first-come, first-serve basis.

It is extremely important that if you are interested in being involved in profit opportunities in the Phoenix area, please contact Poppies Corp immediately. With the high interest in this area, we do not anticipate having many projects with extended marketing periods.