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www.DeltaREP.com/AlphaFund.html

By Delta REP

2010 Investment Prospectus

Created By:

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Alpha Fund, LLC 2010 Investment Prospectus

Investment Objective

Create long term wealth through the acquisition and management of residential single family housing in midtown and downtown Omaha, specific to the needs of college students and young professionals.

Executive Summary

Alpha Fund, LLC will act as a simple privately held closed-end mutual fund whose primary assets held will be real estate. 50 shares valued at \$5,000 will be sold to raise \$250,000 of cash and will be combined with a target leverage position of 75% to bring the initial total asset target value of the fund to \$1 million.

Shares may be purchased one of four ways

1. Simple cash basis
2. Tax deductible and tax deferred contribution to a self-directed Traditional IRA
3. Post income tax contribution with tax free gains to a self-directed Roth IRA
4. Transfers from an existing IRA, Roth IRA, or other retirement account rollover (with no IRS penalties if transferred properly)

The fund will be managed by Delta Real Estate Portfolio, LLC (Delta REP) and the operational strategies of renting individual bedrooms to college students and young professionals will be employed. This prospectus only includes information specific to this fund and specific to the Omaha market. Other supporting macroeconomic and management information regarding Delta REP may be included in another document.

College students and young professionals are two large and growing markets in Omaha. Universities such as UNO, Creighton, UNMC, and Clarkson College bring nearly 20,000 undergraduate students to a concentrated midtown and downtown area. Multiple employers in the area support tremendous job opportunities for young professionals and has led to an unemployment rate of only 3.7% for 2008.

Mid-town and downtown Omaha offer ideal real estate investment opportunities:

- Little to no land is available for competition from new construction
- Neighborhoods are stable, predictable, established, yet affordable
- Continued capital improvements to nearby areas (Midtown Crossing, Aksarben Crossing, TD Ameritrade Park to replace Rosenblatt) will add to property values
- Although popular opinions are pessimistic about the real estate market in general, Omaha has actually seen slow, but steady increases of prices since 2000.

Risk and Assumptions (Not including any unforeseeable risks)

Other than the management risks described in Delta REP specific documents (vacancy risk, collection risk, and repair risk) a few other risks and how they are hedged are listed below:

1. Interest Rate Risk – We will utilize long term, fixed rate, seller financing at every opportunity possible. When seller financing is not available we will seek to move mortgages to the secondary market where we can lock in long term interest rates. There may be some instances where loans are secured through local banks that only secure a fixed rate for 5 years or less after which time the interest rates will be reset to market rates. These types of loans will be our last resort for raising the capital needed.
2. Legal Risk – Alpha Fund, LLC will be the deed holder of the properties acquired and Delta Real Estate Portfolio, LLC (Delta REP) will be the contracted manager. All personal legal liability related to management of tenants will be shielded by these two separate legal entities.
3. Neighborhood Risk – Neighbors of our properties may take actions that are out of our control that would lead to lower property values. We hedge this risk by getting to know our neighbors and offering interior cleaning, exterior maintenance, and construction and repair services through Delta REP when needed.
4. Property Devaluation Risk – From our point of view, the value of our investments derive from the operating profit we are able to generate with consideration of financing climate. No matter how market prices fluctuate we must first protect the marketability of our inventory from a management (rather than brokerage) perspective.

This risk is addressed by weekly property visits, bi-weekly cleaning, Delta REP managed exterior maintenance, continual marketing and advertising, and quarterly condition analysis where improvement ideas are prioritized. These actions consist of everything possible that we could think of to protect rent prices, and doing so naturally upholds the market value of the assets as best as possible.

Market Condition and Analysis

The Omaha real estate market is ripe for acquiring profitable single family properties to support generous cash-flow while providing a long term opportunity for appreciation.

Macroeconomic Analysis

It is now widely accepted that we are nearing the end of one of the worst real estate markets (best if you're on the acquiring end) in history. Much of this thinking is dramatized by real estate conditions on the east and west coast.

Trends worth mentioning that impact our investments:

- Interest rates remain at all time lows, may soon go higher to combat inflation
- Speaking of inflation, we feel the dollar will continue to weaken and inflation will advance as war spending from Bush and economic recovery spending from Obama eventually trickle down to consumers.
- Tougher lending standards have made it more difficult for sellers, which is good news for investors dealing with fair amounts of cash (at least 20% down).
- National unemployment has not yet seen improvement which also gives more power to well positioned buyers, especially in our case when our end users are not affected to the same extent during periods of lagging employment as they hold the type of entry level jobs that are needed in good times and in bad.

Affordability and Strength of Omaha's Economy

- Median home price is 34% below the national average
- Electrical rates are more than 40% below the national average
- Natural gas rates are up to 16% below the national average
- Unemployment rates in Omaha were 3.4, 3.3, and 3.7% for 2006, 2007, and 2008.

The Youth of Omaha and the Importance of Higher Learning

- Median age is 35.2, national average is 36.7
- 10,000 students graduate from Omaha colleges and universities every year
- 35% of the Greater Omaha area's workforce is 24 years old or younger
- 33.3% of residents have a bachelor's degree or higher, national average is 27.8%
- Greater Omaha and the surrounding area offer sixteen colleges and universities with a combined enrollment of more than 59,000 students
- Omaha is home to two internationally recognized medical schools - the University of Nebraska Medical Center and Creighton University Medical Center

Source: http://www.selectgreateromaha.com/Site_Selection_Data.aspx

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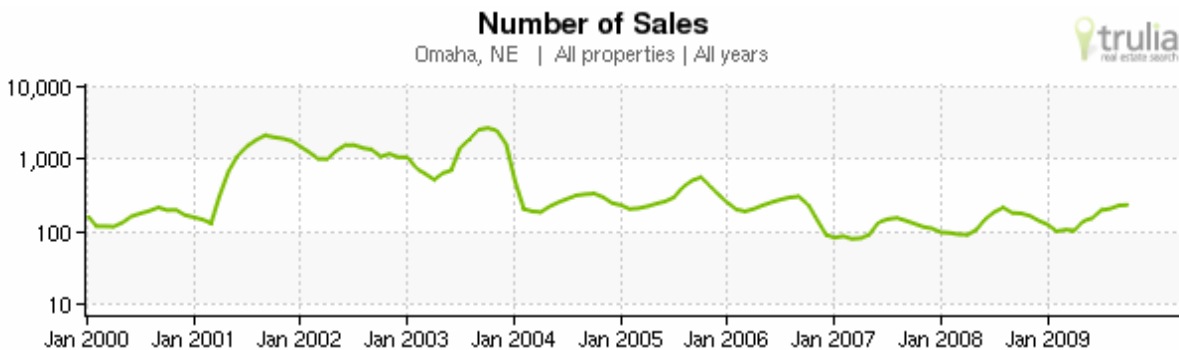
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Microeconomic Analysis (Omaha Market)

Omaha's market has held up much better than the media leads one to believe. Prices were relatively flat since the end of 2006 when other markets started vicious downturns.

Omaha has experienced a rate of appreciation of 8.2% over the last 5 years.



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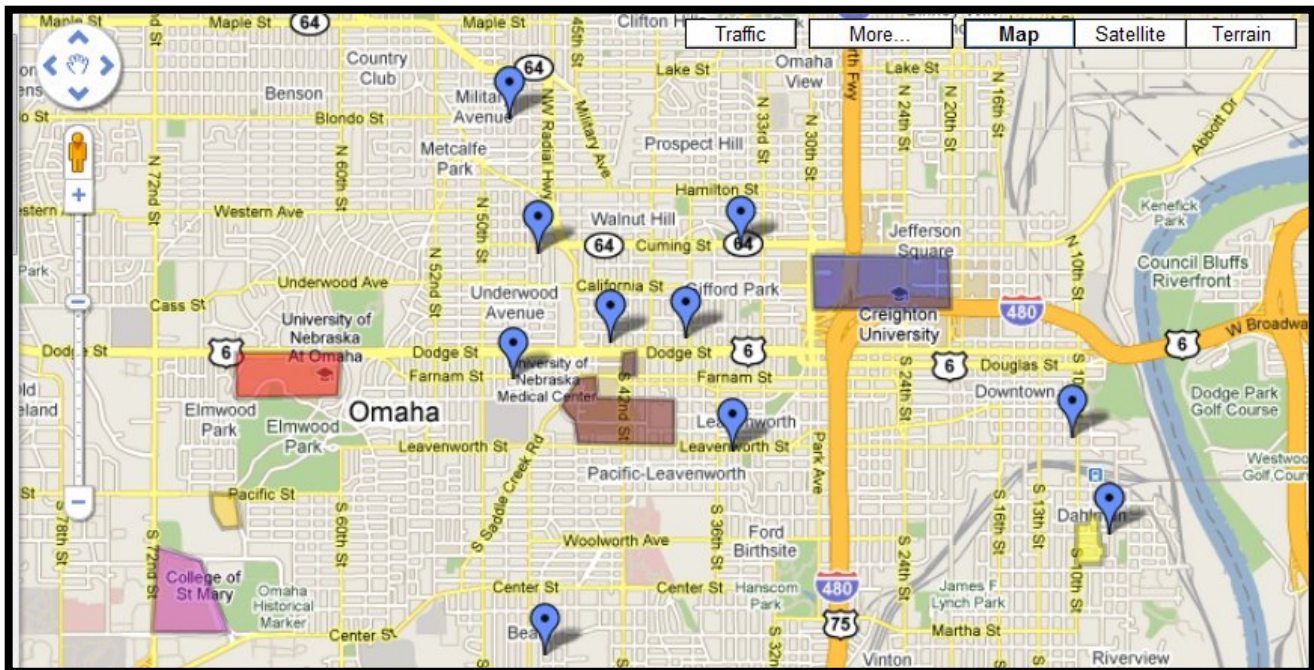
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Location, Location, Location

Our initial target market for Alpha Fund resides in the area in-between UNO, UNMC (including Clarkson College), and Creighton University. Each year there are nearly 12,000 undergraduate students at these schools that are forced to live somewhere other than a dormitory or university affiliated apartment complex. Not only is this shortage alarming, the enrollment figures at each institution are growing.

This target market is at the heart of the education hubs, but is also conveniently located close to some of the major employers in Omaha including Mutual of Omaha, First National Bank of Omaha, Con Agra, and many others. The figures below also exclude graduate and doctorate students, both of which groups have been roommates of Delta REP in the last three years.

College	Campus Location	Undergraduate Enrollment	Beds Available	Shortage
University of Nebraska at Omaha	60th and Dodge	10,354	1,580	8,774
Creighton University	24th and California	4,075	2,328	1,747
University of Nebraska Medical Center	42nd and Dewey	811	100	711
Clarkson College	42nd and Dodge	789	150	639
Total	39th and Dodge	16,029	4,158	11,871



Shaded areas represent campus locations, blue markers represent properties currently managed by Delta REP. To view an interactive version of this map click below:

<http://maps.google.com/maps/ms?hl=en&ie=UTF8&msa=0&msid=108652883039472105290.000457ada223d85af24ca&z=11>

University of Nebraska Omaha

With over 14,000 total students UNO has the highest enrollment, and also has the largest shortfall of dorms available for enrolled students. Even though they made room on campus and recently constructed a new large dormitory, an additional 400 beds won't even put a dent in the nearly 9,000 students that are forced to live off campus.

Substantial investment is taking place around UNO: \$166 million is being pumped into Aksarben Village, \$31 million is being invested in a new college of business building, and other various improvements are under construction including a new health and fitness center on the main campus.

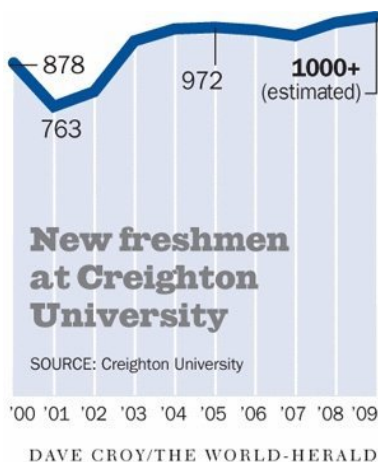
For 2008, only 1,580 dorms were available. Students are required to apply very early and waiting lists are long.

- 14,619 enrollment, 2.9% increase over 2008, strong, stable, and growing
- Fall 2009: New HYPR building, library expansion, new engineering building
- Fall 2010: \$31 million College of Business Administration Building at 67th and Pine
- Highest full-time student enrollment in UNO history; average student age is 23
- Applications have doubled from Council Bluffs due to an in-state tuition agreement

Source: Louis Pol, Dean College of Business 402-554-2596 lpol@mail.unomaha.edu

Creighton University

Even facing price conscious students and parents, the private (and expensive) option of attending Creighton, won the enrollment of over 1,000 estimated freshman for Fall of 2009 (1,060 were accepted and paid a tuition deposit), the highest enrollment to date by an entering freshman class and a healthy increase from the previous years.



Creighton has also made a dedicated effort to invest in improving their campus. Over \$200 million has been earmarked in structural improvements and new additions.

All freshman are required to live on campus their first year, and all sophomores not originally from Omaha are also required to stay on campus. These policies leave nearly 3,000 students (mostly upperclassmen and graduate students) with no choice but to live off campus.

55% of Creighton's students come from out of state and do not have the luxury of living at home with their parents and often do not have friends beforehand to share housing which makes Delta REP a great solution for their housing needs.

Source: James Tower, Inc and Creighton University

University of Nebraska Medical Center



UNMC is another midtown university not afraid to undertake large capital improvements to their campus and another campus with record high enrollment. UNMC experienced a 1.3% increase in enrollment for a total of 3,237 students in 2009.

After just completing the \$77 million Durham Research Center, another plan for a \$20 million eye research center has been planned to begin construction in 2012.

Like Creighton, many of UNMC students attend from out of state, and many are also looking for a short term or flexible living option that is often only available through Delta REP.

Source: Esther Collins at (402) 559-5201 or ecollins@unmc.edu

Also: http://app1.unmc.edu/PublicAffairs/TodaySite/SiteFiles/today_full.cfm?match=6071

Other Colleges

Many other colleges scattered all around Omaha have provided roommates to Delta REP at one time or another. These schools do not have the extent of shortages and as close of locations as the three previously mentioned, but they do add to the overall applicant pool.

- Iowa Western Community College (10 minutes from downtown Omaha)
- Metropolitan Community College (4 locations all throughout Omaha)
- Bellevue University (10 minutes from our downtown and midtown properties)
- College of St. Mary (72nd and Center, little demand)
- Methodist College (off of 88th and Cass, little demand)
- Clarkson College (Located on same site as UNMC, in the heart of midtown)
- Grace Univerisity (8th and William St, just south of the Old Market, little demand)
- ITT Technical Insitute (98th and M St, mostly a commuter college)
- Vatterott College (118th and I St, mostly commuter as well)

Source: <http://www.selectgreateromaha.com/Site-Selection-Data-Education.aspx>

Not Just For College Students

Roughly half of all Delta REP roommates are not college students. This diversity adds to a level of protection for would-be slow summer months when many students elect to move home. The trend of increased marrying ages over the last few decades and a healthy local economy with a young employee base is a big part of the success of Delta REP Omaha.

We've discovered that the lifestyles of individuals, whether in college or not, are nearly identical from the age of 21 until living expenses are shared with one significant other. This finding along with the increased marrying age trend leads to prolonged needs for alternative and individualized living arrangements.

The following employers all add to the roommate rental market in Omaha.

Greater Omaha's Top 25 Largest Employers	
1. Offutt Air Force Base	10,000+
2. Alegent Health	7,500+
3. Omaha Public Schools	7,500+
4. Methodist Health System	5,000+
5. First Data	5,000+
6. First National Bank of Nebraska	2,500+
7. Union Pacific Corp.	2,500+
8. University of Nebraska Medical Center	2,500+
9. The Nebraska Medical Center	2,500+
10. ConAgra Foods	2,500+
11. Mutual of Omaha	2,500+
12. Oriental Trading Co.	2,500+
13. PayPal	2,500+
14. University of Nebraska Omaha	2,500+
15. Creighton University	2,500+
16. Millard Public Schools	2,500+
17. Harrah's Casino	2,500+
18. West Corporation	1,000-2,499
19. City of Omaha	1,000-2,499
20. Omaha Public Power District (OPPD)	1,000-2,499
21. Douglas County	1,000-2,499
22. U.S. Postal Service - Omaha	1,000-2,499
23. Tyson Foods	1,000-2,499
24. Omaha World-Herald	1,000-2,499
25. Omaha Steaks	1,000-2,000
Source: Greater Omaha Chamber Top 25 Largest Employer List, 2008	

Source: <http://www.selectgreateromaha.com/Site-Selection-Data-Major-Employers.aspx>

Acquiring Property

Over the last 3 years Delta REP has purchased and managed homes ranging in value from \$90,000 to over \$150,000 most within a 5 mile radius of 39th and Dodge St. We've discovered the best times to expand are right before the start of spring semester (end of December) and anytime over the summer.

Part of our acquisition process includes pre-leasing our properties before we actually buy them. This allows us to test market the properties to learn market demand as well as property specific preferences all while eliminating initial vacancy risk.

Simplified Billing

To simplify the lives of our roommates (and our accounts payables and receivables) we include the utilities in the roommates' total monthly rental amount. Utilities are set up on an estimated level payment plan to smooth out cash-flows. If the expenses related to utilities, cleaning, lawn care and snow removal, or supplies ends up more than we expected these additional expenses are passed through to the roommates.

Set up Costs

As each new property is acquired, each transaction incurs one-time expenses to set the property up for Delta REP's management style. All common area items are taken care of at the expense of the seller or the property owners. Doing so minimizes turnover damages and roommate complications and allows us to capitalize on the benefits of an individualized roommate approach.

Door locks are also replaced immediately with new locking technology, and every property typically has some level of specific repairs or upgrades that are required to bring the quality of the property up to Delta REP standards. Closing costs of the loans also need to be considered. In today's market it is typical to have the seller pay for all of the closing costs for the buyer. All of these set up costs may skew the first year returns, and will be negotiated as much as possible to be paid for by the seller of the property.

Fund Specific Costs

Initial LLC filing fees will be incurred along with legal and accounting fees. The initial LLC filing can be done for less than \$500 and is only incurred over the first year for the entire fund. Accounting and legal fees can also be minimized by forming our own operating agreement, and maintaining our own books and simply having our accountant and lawyer review these documents when needed. If investors wish to have life insurance policies purchased for managers these expenses will be paid for by the fund.

Sample Financials of a Typical 5 Bedroom \$125,000 Property

Purchase Price	\$125,000.00
Down Payment (25%)	\$ 31,250.00
Financed Balance (20 years at 7%)	\$ 93,750.00
Income	
Gross Potential Rent (\$425 Per Bedroom)	\$ 25,500.00
Vacancy and Collection Loss (5% Reserve)	\$ 1,275.00
Effective Rent Income	\$ 24,225.00
Expenses	
Debt Service	\$ 8,722.00
Property Taxes (2.2% levy)	\$ 2,750.00
Insurance	\$ 625.00
Management Fee (5% of Effective Rent)	\$ 1,211.25
Repair Expense (5% of Gross Rent)	\$ 1,275.00
Electric	\$ 1,644.00
Gas, Water, and Sewer	\$ 2,036.00
Cable and Internet	\$ 1,218.00
Lawn Care and Snow Removal	\$ 1,000.00
Cleaning Payroll	\$ 600.00
Supplies	\$ 300.00
Total Expenses	\$ 21,381.25
Cash Flow Before Tax	\$ 2,843.75
Principal Paid (Addback for Taxes)	\$ 2,230.00
Depreciation Deduction	\$ 5,909.00
Total Taxable Income (Carryforward Loss)	\$ (835.25)
Cash on Cash Return	9.10%
ROI without Appreciation	16.24%

Please see first bulleted item in Property Management Agreement (page 14) regarding an incentive based management agreement. All Vacancy and Collection Losses avoided under a total of 5% shall be rewarded as a bonus to Property Manager. Year to date through September 2009, Delta REP managed properties incurred a 0% vacancy loss, a collection loss of 1.52%, and repair expenses have amounted to 4.76% of gross rent. If you wish to see actual numbers from actual properties Delta REP will gladly share those upon request.

Depreciation Expense and Tax Treatment

In order to keep accurate filings for the IRS, each member shall complete a W9 which contains all the necessary information from the member for the end of year K1 which will be sent to each individual member.

The LLC will maintain its default classification for tax purposes which is that of a partnership. Therefore all income or losses will pass through to the members based upon their percentage of ownership.

Depreciation will be calculated on a segregated basis where the cost basis for the land, personal property, and building value are all separated and depreciated on different schedules. Land cannot be depreciated at all, personal property can be depreciated over 5-15 years, and residential buildings are depreciable over 27.5 years. We will define the cost basis of each category within the purchase agreements of each property so long as the seller does not pose objections.

It is expected that during the early years, while we are deducting the depreciation of personal property we will actually be able to post a net loss to the IRS even though we are receiving positive cash-flow. With these on paper losses we plan to pass the benefits through to the individual members of the LLC who may deduct such losses against other passive income gains they might have.

The profits and sales from Alpha Fund, LLC, should it only engage in rental property, will not be subject to any self-employment or sales tax.

For any future taxation or depreciation questions we will consult the assistance from Keith Hemmer of Hemmer and Langholz. Keith is a CPA who also happens to own rental property in Omaha.

Additional Ownership Benefit of Appreciation

Besides the positive cash-flow we receive and the principal received through amortization, we may also benefit from market price increases of our properties. Regardless of recent market conditions, our philosophy is to always consider appreciation as icing on the cake.

Even if property values remain flat we are still in a position to provide adequate returns. Although experts are expecting inflation and predicting a real estate recovery, we will treat any future long term appreciation as a pleasant surprise, at which point we may capitalize by selling overpriced assets or recapture our leverage position through conservative refinancing.

Operations and Management

Upon formation of our LLC, we'll complete an Operating Agreement for a Manager-Managed LLC detailing our specific agreements regarding profit/loss distributions, transfer of interests, buy-out valuation methods, buy-sell provisions, etc.

Summary of this agreement:

- Members will contribute \$5,000 to purchase one share out of 50, or 2% ownership of the LLC. Existing equity in currently controlled properties or sweat equity options may be considered to tie management to ownership.
- Delta Real Estate Portfolio, LLC will serve as property manager at the market rate; responsibilities will be detailed in the Property Management Agreement. A majority member vote may fire management firm at any point.
- Each member receives voting power in relationship to the amount of shares owned.
- Each member shall maintain the right to receive yearly accounting, and up to date financial information shall be accessible to all members at any time.
- Members retain the right of first refusal on any good faith offer from an outside party. All internal offers shall be disclosed to other members and subject to a majority vote.
- Regarding shares transfers, prorated income or losses based off of year end figures shall be calculated if not purchased at year end. A Section 754 treatment for newly acquiring members may be granted with the majority approval of other members.
- An annual meeting to review plans for long term growth will be conducted. If attendance is not possible in person, a web based attendance option will be utilized.
- All properties or seller financing agreements will use Alpha Fund, LLC as the deed or contract holder.

LLC Records and Management

To make sure our LLC stays in-tact under litigation, we must:

- File an annual Corporate Return of Income with the Secretary of State
- Hold formal member meetings with recorded minutes and resolutions
- Apply for an Employer Identification Number (EIN)
- Have an individual bank account for the LLC
- Sign all documents with the company name; including LLC at the end

Property Management Agreement

We will complete a Property Management Agreement detailing specific responsibilities, compensation, and termination of the property manager's services.

Summary of this agreement:

- Delta Real Estate Portfolio, LLC (Delta REP) shall be paid 10% of all rent income collected, and the first 5% of vacancy of collection losses experienced in one year at each property will be deducted from Property Management's 10% compensation.
- Delta REP is responsible for all management, retaining the right to make normal and necessary decisions in day-to-day performance of its responsibilities without consulting the members. These decisions include:
 - Marketing, Advertising, and Promotion
 - Leasing and Sales
 - Tenant Screening and Background Checks
 - Rent Collection
 - Maintenance and 24 Hour Availability
 - Weekly Property Visits
 - Bi-Weekly Cleaning of Common Areas
 - Exterior Maintenance (including lawn care and snow removal)
 - Annual Financial Reporting to LLC Members
- Any expenditure beyond the normal management of the property, or over \$1,000 will be disclosed via email with all members before acted upon. If it is not an emergency, members will have 48 hours to object to the expenditure if they have any questions or concerns about the expense to be incurred.
- If for any reason Delta REP is voted to no longer be the active property manager, Klesitz Realty Group is a likely alternative as they manage multiple residential properties for college students in the midtown area. Their typical rate is also 10%.

Frank Klesitz, Owner
Klesitz Realty Group
2909 N 146th St
Omaha, NE 68116
(402) 515-5438

Frank has given us advice from day one when we bought our very first property and has been very familiar with our operations since.

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Long Term Strategic Plan

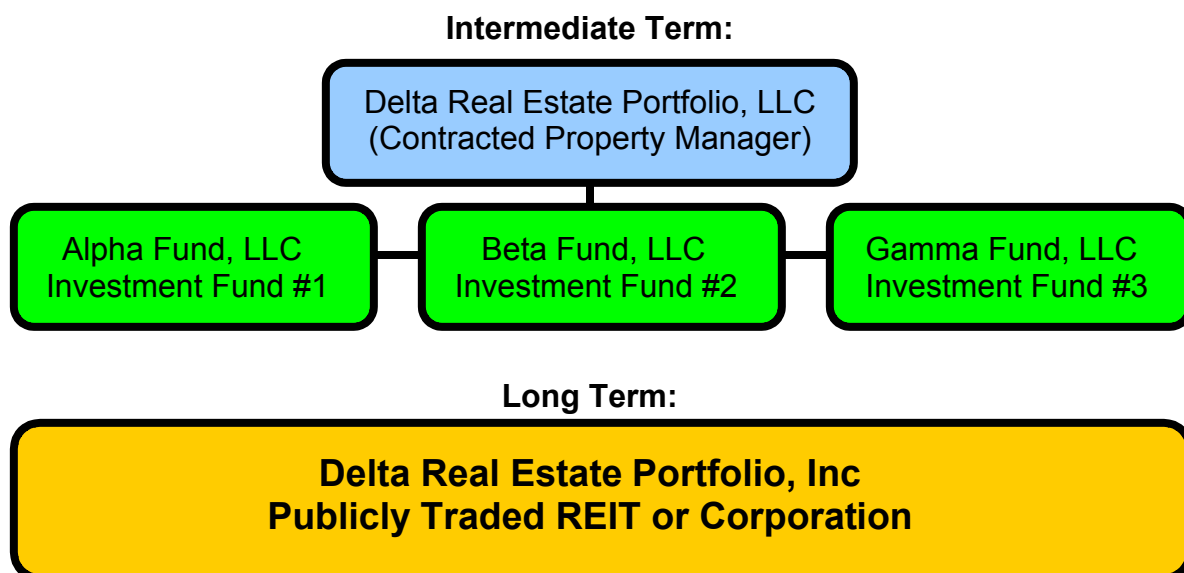
The specific objective of this fund is to build long-term wealth through real estate. While the specific needs of members will change over time, the guiding management principle is to protect the sustainability of continued cash-flows and growing equity in order to:

- Finance additional real estate acquisitions
- Reduce leverage position if deflation is expected
- Improve existing property in a manner that increases cash-flow and market value
- Apply retained earnings to construct new property

The long term vision is to form similar funds such as Alpha Fund on an annual basis (eventually expanding to other cities) and one day merging them to form a nationally recognized, publicly traded (and more liquid) Real Estate Investment Trust (REIT) or public corporation. Doing so will capitalize on the economies of scale and would also add value to the shares through increased liquidity of the investment.

Like appreciation of the properties, we will be pleasantly surprised if this happens and also consider any economies of scale or liquid conversion as icing on the cake as they are just two more potential ownership benefits.

Each fund that is created will operate as a separate LLC and will be part of the Delta REP management family. Each LLC will have separate investors, and each member will be personally protected from legal liability with two corporate umbrellas. The future merger of multiple funds may pose valuation challenges, but is a meaningful and achievable goal.



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Fund Timeline

2009 Now – 2010 March: Accepting Share Reservations (\$100 Deposit per Share)

2009 Late December: Meeting of the Minds, Final Operating Agreement Written

2010 April: Funding / Checks Written

2010 May through 2010 December: Round 1 Acquisitions

2015: Round 2 Acquisitions

2020: Refinancing for Round 3 Acquisitions

2030: Liquid Conversion Target Date

(Will revisit long term strategy at this point and may liquidate properties if necessary)

Professional Consultants

Accounting

Keith Hemmer, CPA
Hemmer & Langholz
107 N. 29th St.
Norfolk, NE 68701

keithcpa@cableone.net

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Legal

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www.koleyjessen.com

Phone: (402) 390-9500
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Only verbal consultations with Tom Ackley of Koley Jessen and Keith Hemmer have taken place as of the moment, and they are not liable for any information pertained in this document. Written agreements may be created once a majority of the shares have been reserved.

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Shares Reserved so Far

Delta Real Estate Portfolio, LLC, Property Management Company (2)
Chris Miller, Delta REP Founder, Investment Manager (2)
Cole Stunkard, Delta REP Partner, Operations Manager, One of Original Roommates (2)
Joe Vasko, College friend of Chris Miller, UNO Entrepreneurship Colleague (2)
Karl Fick, High School and Family Friend of Chris Miller, Previous Roommate (2)
Ted Vasko, Capital Management Mentor (1)
Van Deeb, Marketing and Sales Mentor (1)
Brian Petranick, Scalability of Operations Mentor (1)
Frank Demonbrun, Corporate Strategy Mentor (2)
Matthew Garland, Owns a Property Managed by Delta REP (1)
Five Star Rentals, LLC, Owns a Property Managed by Delta REP (3)
John Hemmer, Associate with Five Star Rentals, LLC (1)
Don Liimatainen, Entrepreneurship Colleague Fellow Old School Value Investing Fan (1)

Share Reservations Remaining: 29 out of 50

Now What?

Let us know which of the three categories you fall into:

Green Light: I would like to reserve ___ shares at \$5,000 per share (\$100 reservation)

Yellow Light: I am interested, but have more questions, or I may not have funds available by April of 2010.

Red Light: I am not interested because: _____

Contact Information

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