

CONFIDENTIAL

ABC Capital Development

Executive Summary

Prepared June 2014

1. EXECUTIVE SUMMARY

INTRODUCTION

ABC Capital Development, Inc. (referred to as “ACD” or the “Company” from time to time) is a visionary real estate developer and consultant located in the Charlotte metropolitan area. Our mission is to obtain warehouse and apartment spaces within the Charlotte metropolitan area and convert them to highly functional space for living and working. In most cases, our investments are limited to the area we know best, the Charlotte metropolitan area.

ABC recognizes that the three most important requirements for successful real estate development are exceptional experience, management and financial backing. ABC clearly has the experience and management necessary for success and the company is currently leveraged through private investment and we are now seeking additional financial backing that will ensure success.

The managers of ABC bring a wide range of experience in real estate, construction, project management, property management and real estate law. Not only do we manage ACD, we are also personally invested. ACD maintains a high standard in protecting and growing our investors’ financial contributions as we do our own. The investment opportunity outlined along with the experience of the ABC team allows us the ability to offer an excellent return on investment while significantly minimizing risk.

Based on current market research and extensive experience in the industry, an investment in ABC Capital Development, Inc. is not only a sound business decision, but also a profitable one.

BUSINESS OPPORTUNITY

The state of the current real estate and financial markets in the Charlotte metropolitan area will significantly contribute to the increase of Company real estate investments and profitability.

The ABC concept is to obtain apartment and warehouse space within the Charlotte metropolitan area. Acquired properties will be purchased for at least 30% below the current market value. Acquired properties will then be renovated and rented below market rate to ensure that space is quickly rented to full capacity. The excessive number of foreclosures in the area, along with the tightening of credit requirements, has dramatically increased the need for rental

space and will also contribute to quick rentals, low vacancy rates and increased cash flow.

We use a very specific formula to determine whether or not the property will produce a return to justify the investment. We specifically identify properties where we can capitalize upon the current owner's failure to realize the full rental potential of their property. This failure is due to poor management, poor property condition and below value rent. We improve upon property management, make the necessary renovations and offer competitive rents. The result is an asset that provides cash flow and a substantial equity position.

To ensure consistent cash flow, ABC also acquires smaller, distressed properties in the Charlotte metropolitan area. These properties may be "distressed" because they are in need of substantial repair, or have owners who need to sell quickly and cheaply for various reasons. These properties will be quickly rehabilitated for subsequent resale. The timeframe from acquisition to disposition of the property is typically 120 days, which is a conservative number based on the average days on the market for property in Charlotte.

The market is expected to rebound in the near future and ACD plans to establish the portfolio that will allow us to capitalize on the recovery. "The recorded home prices for many markets were significantly depressed over the last few years because of a large percentage of distressed homes sold at a discount. Now, as more normal, non-distressed home sales occur, the median price in many areas is showing higher values" (Lawrence Yun, The National Association of Realtors Chief, 2010).

ACD DISTINGUISHES ITSELF FROM THESE COMPANIES BECAUSE:

- We have over 40 collective years of experience in the industry, weathering good and bad conditions
- We operate with the highest of integrity
- We are full-time developers with a long-term strategy
- Our experience is specifically within the Charlotte market
- Our strategy will allow us to profit when the real estate market is great,

and more importantly, when it is not. Our system allows for fluctuation in the market and ensures profitability.

SERVICE DESCRIPTION

In addition to real estate development, ABC also provides real estate and construction consulting services that include:

- *Property Inspection*
- *Property Preservation*
- *Property Management*
- *REO Maintenance*
- *Feasibility Studies*

Our focus is real estate in the Charlotte metropolitan area and we limit our services to clients with property located in the Charlotte metropolitan area. Directing all facets of ACD in one geographical area allows us to direct our resources and expertise most effectively.

CURRENT BUSINESS POSITION

ACD is a Maryland "C" Corporation formed in June 2010. ABC's team consists of individuals with more than 15 years of experience in real estate development, construction, business writing and law. Management feels that its expertise allows it to capitalize upon the following aspects of the Charlotte market:

- *Increase in rental units*
- *Decrease in real estate prices*
- *Increase in foreclosures*
- *Increase on credit restrictions*
- *Decline in meaningful competition*
- *Increase in vacant units*

This will be done by utilizing ABC's in-house ability to perform construction

services without extensive overhead and to come up with effective, cost-efficient solutions to real estate problems. Evidence of these assertions will be presented.

FINANCIAL POTENTIAL

Upon obtaining the necessary additional financing, ABC expects to generate over \$1,000,000 in revenue. Steady growth is expected through the three-years of projections.

THE REQUEST

ACD is offering investment opportunities by invitation and referral only. We are specifically looking for people who see our vision of maximizing the potential wealth to be generated in the real estate market by minimizing risk, capitalizing on advantages and using sound, experienced judgment in approaching investments. The investors we invite to join us must be willing to make a minimum one year investment to allow ACD to create profits in accordance with our business plan.

Our strategy is solid, thorough, and most importantly, realistic. Accordingly, we cannot accept investors who have unrealistic expectations of making huge profits in a very short period of time, such as a 100% return in 60 days.

Funds generated will be used for:

- Various stages of ACD's expansion; and
- The real estate investment plan, from acquisition and rehabilitation to final disposition of properties.

As a term of the funding, investors have the right to indicate where they would like their investment applied, as long as this requirement is noted prior to funding. Investors will receive a quarterly report detailing what projects the Company is invested in and the status of each project. The investment terms vary depending on the amount and time limit of the investment. The rate of return ranges from 12-18%.

If you choose to invest in a very specific project, we will provide you with an investment overview for that project.

The exit strategy will vary based on the type of property, investment term and

purpose. The purpose is to ensure that investor funds are returned as requested. Exit strategies include:

- Selling the property for a profit
- Cash-out refinance of the property, as our contract price and renovation number will be well under the ARV (After Repair Value)

ABC believes that this is the perfect time and opportunity to capitalize upon the current real estate market. With sufficient funding, this opportunity can be seized to the mutual benefit of ACD and its investors.