

Advanced Commercial Credit International (ACI) Limited (A Virginia Corporation)

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With Investor Offices in USA and Canada
Commercial Real Estate Investment Banking
Real Value for Commercial Real Estate Owners

ACI Commercial Real Estate Equity Funds

DATED: January 1, 2012

Executive Summary

ACI was founded by Terry Taylor, BBA, CGA in 2001. ACI is a commercial real estate banking firm, where through its investors (both debt and equity) provide the following services.

ACI's unique knowledge, broad capital markets relationships, investor base, and national and international platforms, enable us to finance the most favorable financing/equity raise or sale for commercial properties. With a history of performance spanning more than 10 years, we bring to the table over 2,000 investors, plus an additional 3,000 industry contacts, combined with over 13,000 accounts that operate from offices in major and secondary markets throughout the US and Canada.

ACI is a valuable relationship for virtually any real estate transaction. Some of our specialties include:

Debt and Equity Placement with ACI Investors
Investment Sales – Acquisitions and Dispositions
Advisory Services
Private Equity & Corporate Finance
Structured Finance
Loan Sales
Loan Servicing

There are two major components to creating a new commercial real estate equity fund, a Securities Component and an Investment Banking Component:

(1) Securities Component

In order to facilitate the creation of the equity fund, ACI initially utilizes Securities Attorneys (SA) that have the following credentials in order to ensure proper securities laws compliance.

SA Qualifications

- The SA's are a registered broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act") and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").



- The SA and its registered representatives primarily assist operating companies, as well as unregistered investment funds, in formulating capital solutions through the private placement of debt, equity and/or hybrid securities, counsel investors seeking to deploy capital, and represent small and mid-cap operating companies wishing to sell or purchase companies and/or business units in mergers, acquisitions, dispositions and other pertinent commercial transactions.
- While other broker-dealers may offer similar services, the SA are able to separate and distinguish itself due to the strength and experience of its co-founders and principals and have a combined sixteen (16) years of legal practice relating to, among other areas, private securities, fund formation, mergers, acquisitions, dispositions and other pertinent commercial transactions, and have the expertise to address and overcome obstacles that inevitably present themselves when structuring or closing a transaction. This level of sophistication permits the SA to add value to its clients and registered representatives where other broker-dealers simply cannot. As a result, a high rate of efficiency is attained and deals, regardless of the potential pitfalls, are completed.
- Corporate Finance and Securities. SA has extensive experience acting as lead corporate and securities counsel in various corporate and securities transactions, including structuring, drafting, advising clients and preparing documents for public and private debt, equity and hybrid securities offerings ranging from \$10 million to \$700 million. SA has represented issuers in public and private offerings in the real estate, defense, pharmaceutical, food and alternative energy industries, among others, and with respect to various types of financing, including initial public and follow-on offerings, secondary offerings, Rule 144A offerings and private placements of equity, debt, mezzanine and other hybrid securities. SA has also represented venture capital fund clients, hedge fund clients and issuers in connection with their formation and financing, and has assisted start-up and portfolio companies with their “A” and subsequent financing rounds.
- Securities Compliance. SA has significant experience counseling clients on broker-dealer and investment adviser compliance and formation issues, state securities “blue sky” law issues and issues relating to state securities regulators and enforcement actions.
- Transactions. SA has significant experience counseling clients in mergers and acquisitions and various other corporate transactions, including structuring and drafting various types of agreements, such as limited liability company operating agreements, partnership agreements, escrow agreements, broker-dealer agreements, selling agreements, investment advisory agreements, merger and acquisition agreements, purchase and sale agreements, indentures and stock plans.
- Real Estate Capital Markets. SA has significant experience in all aspects of structuring and syndicating real estate projects, including real estate investment funds, real estate operating and development companies, partnerships, joint ventures, REITs and Section 1031 structures, such as tenant-in-common arrangements and Delaware Statutory Trust offerings. In addition, SA has experience in structuring and syndicating Section 1031 oil & gas offerings, including royalty interests, working interests, and related structural

attributes such as farm-out arrangements and production payments. SA has represented a number of sponsors in the tenant-in-common industry in offerings ranging from \$10 to \$50 million, a U.S. public company in the REIT industry and its affiliated broker-dealer in a \$5.4 billion public offering, a U.S. public real estate company in a \$110 million, five public partnership, roll-up transaction, and other sponsors and funds in the real estate industry.

- SA has Series 7, Series 24, Series 27 and Series 63 and Series 79 securities licenses

SA History

- Registered Securities Attorneys
- Private and public securities offerings and broker-dealer and investment adviser formation and compliance
- Structured and registered direct participation programs and public non-traded real estate investment trusts (“REITs”)
- Domestic securities offerings, securities compliance and mergers and acquisitions in the real estate, pharmaceutical, defense, food and alternative energy sectors, among others.

SA Scope of Operations

- To provide the services and corresponding benefits detailed above, SA conducts and operates four separate business lines: (1) Private Placement Securities Business Line; (2) Merger and Acquisition Business Line; (3) New Products Support and Structuring Business Line; and (4) Managing Broker- Dealer Operations Business Line.

Internal Work With Company Seeking Equity Funds

Securities Process:

- Conducts investigation, due diligence and analysis with respect to the business and operations of a Company or Fund client (the “Company/Fund Client”) and of the specific industry and markets which it serves
- Works with the management team of the Company / Fund / Client in structuring an offering that will meet the needs of the Company/Fund Client and be accepted by potential investors in the marketplace.
- Conferences with client to discuss structure and other issues relating to the offering and structure.
- Prepare any applicable charts, diagrams, term sheets, memoranda on the various applicable structures and benefits of each
- Research and discuss with client various tax consequences and structuring issues implicated by the structuring of the fund

- Assists the Company/Fund Client with preparation of confidential private placement memoranda, subscription documents, investor questionnaires, organizational documents and other documents necessary for a private placement of securities.

(2) Investment Banking Component

- Once the securities offering documents have been prepared and approved, then SA takes the offering memorandum to its investors that includes private investors, REIT's; institutions, insurance companies, pension funds, etc... ACI will also solicit funds and target some of its 2,000 investors, plus an additional 3,000 industry contacts, combined with over 13,000 accounts.
- SA will participate in the placement of private placement of debt, equity and hybrid securities. It represents not only operating companies ("Companies") and unregistered investment funds ("Funds") seeking debt and equity from investors, but also investors seeking to invest in securities issued by Companies and Funds (collectively, "Private Securities Offering Business"). SA also works with Funds that have internal sales teams that require registration under the rules and regulations of the Exchange Act and/or FINRA. In such cases, SA contracts with applicable Funds to assist their designated employees in properly registering as representatives of CCI, so such employees can legally sell debt, equity and hybrid securities (the "Unregistered Funds Registered Representatives Business," and together with the Private Securities Offering Business, the "Private Placement Securities Business Line").

Capital Raise Process

- Review and analyze due diligence materials for the Private Placement Memorandum.
- Draft and prepare Private Placement Memorandum
- Draft and prepare Subscription Agreement and Investor Questionnaire
- Draft and prepare any additional operative documents, if applicable (LLC Agreement, Asset Management Agreement, if applicable).
- Conferences with third-party due diligence companies and broker-dealers/investment advisers' due diligence officers, if applicable
- Makes initial contacts with potential investors who possess the financial strength, profile, risk tolerance and other qualifications necessary to purchase securities from or invest in the Company/Fund Client.
- When appropriate, arranges and participates in discussions between the Company/Fund Client and the potential investors, visits to the Company/Fund Client's facilities by such potential investors and otherwise makes such

introductions and performs such services as CCI believes desirable by the Company/Fund Client and the potential investors

- Review investor subscription materials and correspond with client with respect to any questions or issues relating to investors' accreditation, suitability and entity/investor issues.
- Correspond with any investor's registered representatives, broker-dealers or investment advisers with respect to questions about the offering or offering documents
- Arranges and prepares proper escrow agreements and closing procedures for the securities transactions, and assists in closing the purchase of the securities
- Assists, prepares and files all Securities and Exchange Commission (“SEC”) and “blue sky” filings necessary for the applicable private securities offering exemption.
- Research any changes in fees, requirements and laws with respect to private offerings in the states.
- Prepare and mail blue sky filings to state securities commissioners.
- Prepare Form D filing and correspondence with the SEC
- Provides the Company/Fund Client with templates, procedures and general advice regarding investor relations

Compensation

SA and ACI are compensated in two ways.

There is an initial retainer of \$50,000 for the SA for the securities side and \$50,000 for ACI to consult and facilitate the process for the client.

In addition, both ACI and SA will receive a transaction-based fee, which is a percentage of the aggregate debt and/or equity raised for the Company/Fund Client and is generally in the 2% range in total. The transaction-based fee is determined on a case-by-case basis.

SA Recent Transactions

SA have had extensive experience representing real estate funds, REITs, venture capital funds and private equity funds in connection with their organization and the preparation of offering materials. The following are some of their representative engagements with respect to private securities offerings (Regulation D) for real estate related funds in the last few years:

- a. A \$35 million, Distressed Real Estate Fund for a subsidiary of a public company, that focused on purchasing pools of individual single-family residences, condominiums, commercial real estate (including hotel, multi-family, office, retail, and industrial real estate), raw land and other real property acquired at a discount from distressed developers or other distressed property owners.
- b. A \$35 million, Private Loan Fund, that generates current income for its investors by investing in short-term mortgage loans collateralized by first priority mortgages on real property located anywhere in the United States, but primarily in the Mid-Atlantic.
- c. A \$50 million, Bridge/Mezzanine Loan Fund, that generates current income for its investors by investing in senior secured "bridge" loans, mezzanine loans and preferred equity financing for real estate projects.
- d. A \$50 million, Opportunity Fund, that seeks a combination of growth and income from distressed and undervalued commercial, industrial and residential property, primarily located in the Midwest.
- e. A \$50 million, Private REIT, that acquires single-tenant, net leased assets throughout the United States.
- f. A \$50 million, Note Fund, that generates income to service its Notes by investing in short-term mortgage loans collateralized by first priority mortgages on real property located anywhere in the United States.

Fund Management / Fund Control / Fund Accounting / Fund Administration

To be determined on a case by case basis

Terms and Conditions of Fund Draws

To be determined on a case by case basis

Please direct all enquiries to:

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