Non-Disclosure and Confidentiality Agreement
The Recipient hereby agrees that all financial and other information ("Information") that it has and will receive concerning Capital Equity Partners, LLC is confidential and will not be disclosed to any individual or entity without prior written consent.
I. Our Proven Plan – A Bold Solution in a Challenging Market

Capital Equity Partners, LLC (CEP) is a Real Estate Investment firm that markets and acquires residential and commercial real estate, at reduced prices, for rehabilitation, rezoning, repositioning and resale to the marketplace.

We Know the Market

For 10 years, CEP has developed a deep understanding of the Metro Boston area. The properties we transform are in markets that are known for their value, desirability to live, general community employment and median prices.

These properties are available at reduced prices due to a number of factors including, but not limited to:

- Financial distress of the owners
- Functional obsolescence
- Unwanted inheritance of a property
- Structures with deferred maintenance
- A failing commercial business
- General development opportunities

We frequently sell the assets prior to completion of the renovation.

This is the Most Opportune Time to Acquire Real Estate in the History of the United States

To that end, CEP is seeking investors to help seed opportunities that CEP will source and underwrite. We are requesting a $50,000-$500,000 initial commitment from each investor.

- Interested investors will provide a variety of capital expenditures including acquisition, construction and monthly carrying costs.
- A percentage of each property acquired by the company may be opened up as equity positions to partners.
- Each investment vehicle will operate under a separate partnership agreement specific to the investment needs and the desires of the partners.

♦ To ensure the alignment of goals between company owners and outside investors, CEP will generally retain a minimum 33% ownership in each investment. Under certain circumstances, we may choose to hold an investment on behalf of outside investors where the company has no stake; in these cases, CEP will ensure that the overhead associated with these investments poses no tax on other investments or investors.
II. Our Flexible Process - Keeping You Excited and Involved

You will have an opportunity to review a package that outlines your specific project prior to approval. You only invest in assets that you believe will get you the return you seek.

• We generally limit involvement to 3-5 investors per property.
• Investors can expect to receive a full package which will show the MLS listing on the property, if any, property photos, contractor budget, sales comps in the area plus a market write up on the subject’s surrounding area, and a disposition strategy based upon recent market activity.

Once you receive your package, we will expect to receive confirmation within 36 hours. Upon your approval, we will expect to receive your funds within another 48 hours. This will allow us to solidify the loan documents, purchase the property, and commence construction as soon as we close on the property.

We Sweat the Details – You Enjoy the Return
CEP will be responsible for the day-to-day management of the investment properties, and retains the right to make decisions affecting day-to-day management issues. CEP has authority to make all day-to-day operating decisions. CEP will do everything possible to optimize the efficiency of labor and budget to deliver on-time and under-budget projects.

♦ While at some point the company may consider adding partner owners who have voting rights towards corporate decisions, it should be clear that investors into specific investment vehicles will have no operating control over the corporate entity as a whole.

Guaranteed Work From Licensed, Insured Contractors
CEP uses a system of recruiting and retaining quality contractors that are not only licensed and insured, but guarantee their work for up to one year. Our systems allow our contractors the ability to grow their businesses alongside ours, so as our volume grows, so does theirs. This strategy eliminates the worry and need for the contractor to continually wonder about where their next job is coming from. Not every contractor will fit our business model, but the right ones make all the difference in being on time, and on budget.
III. Record and Returns

Over the past few years, 18 units have been acquired, renovated and sold for returns of over 50% on each project. A brief review of a few of the projects and their economic performances are located at the end of this prospectus.

Are You Looking For a Better Return Than a .75-1.25% CD?
CEP will do a ‘call for equity’ once an offer has been accepted from the sellers on a particular investment property. Investors will receive their invested capital on each deal plus 10-15% returns, as set forth prior to investment, upon sale of the property. Any equity stake negotiated prior to any investment will also be distributed on top of the agreed upon interest rate return.

The MAO Formula – Ensuring Your Return of Principle
One way we’ve been able to achieve results such as a 54%, 68%, or even 102% return on equity – all real examples that you’ll find in this prospectus – is by focusing on time, scope of work, and revenue generation. Our primary underwriting of each deal revolves around the MAO formula; Maximum Allowable Offer = <75% of ARV (After Repair Value) – Repairs. This formula is the basis of our firm, and will be utilized in every property we look at.

This formula also protects you in the case of catastrophic business failure. That’s because, with the MAO formula, we never expose ourselves or our investors to a property in which we are more than 75% invested of the after repair value of the home. This insulates ourselves and our investors from a market decline, as well as failure to perform on CEP’s part.

♦ Brokerage/Investment Fees
CEP may use Capital Residential Group, LLC (CRG) as its Real Estate Broker on its transactions, as they are both wholly owned companies of the CEP’s principals.

Investment acquisition and sale, when appropriate, will be represented by CRG. Upon purchasing each property, CRG may be the buyer’s agent and receive the disclosed MLS amount of the listing agent’s fee. Upon selling the asset, CRG may be the representing broker and charge a market rate fee of 5% on each transaction.

Fees are not limited to the above mentioned, and CEP reserves the right to change fee structures dependent upon investment and exit strategy.

In consideration of any fees, CEP will forgo any investment, management or acquisition fees typically associated with a realty trust or real estate portfolio. If the invested property does not yield the agreed upon return, we will put any fees received at risk, allowing the investors to apply any fees CEP has received toward reaching the preferred yield.
IV. About Us

Capital Equity Partners, LLC
611 East Broadway
Boston, MA 02127
www.capequitypartners.com

Founding Principals:

John J. Collins

John J. Collins has an extensive background in real estate and real estate investing. Being able to see the complexity involved in the market qualifies him as a successful real estate investor. In fact, in the last 3 years, he has closed over 150 Million in purchase/refinance transactions. John has also renovated and sold multiple properties in the last couple years with a 65% return on investment. Being born and raised in his hometown, his knowledge of the South Boston market is one of his strongest attributes. He currently lives in Lynnfield with his wife Kristen and his two children Isabella and Johnny.

- Co-founder of Capital Residential Group, LLC (CRG).
- Co-founder of Capital Investment & Loan LLC (CIL) one of the top mortgage brokerage offices in Boston.
- 12 years as a professional realtor.
- Eight years of experience as a professional mortgage broker and business owner.
- Expert in financial consultation for property investors.

Andrew T. Schena

Andrew T. Schena brings an in-depth knowledge of real estate sales and financing, resulting from 10 years of experience in the real estate industry. Working for institutions that have taken him from here in Massachusetts to Arizona and Nevada, Andrew’s real estate career has been thorough and well rounded. Andrew is a graduate of Fortune Builders Mastery, a nationally recognized real estate investment educational program. Born in Cambridge and raised in Reading, Andrew graduated from Quinnipiac University in Hamden, Connecticut, in 1999 with a B.A. in Mass Communications and Broadcast Journalism. He has been married to his wife, Erin, for three years, and they have a 14-month-old baby girl, Madison. Andrew enjoys running, P90X, and, most of all, real estate.

- Co-Founder of Capital Residential Group, LLC (CRG).
- Three years as a professional realtor.
- Eight years of experience as a professional mortgage broker and business owner.
- Expert in financial consultation for property investors.
Tim Johnson Architect, LLC
720 East Eighth Street
Boston, Massachusetts 02127
www.timjohnsonarchitect.com

Tim Johnson has 22+ years experience as a registered architect. The focus of Mr. Johnson’s work is environmentally informed architecture and real estate development.

Mr. Johnson’s firm has partnered on several residential developments including a recent multi-family project (2010 completion date) that is Energy Star certified. Energy Star qualified homes meet strict energy guidelines established by the Environmental Protection Agency.

• Many years as a finish carpenter, furniture maker and green package designer.
• Patented the Geocup – a hot cup-to-go, which has been recognized by the National Endowment for the Arts for its visionary design (see geocup.com).

Matthew Ray
Drohan, Tocchio & Morgan, PC
175 Derby St. Suite 30
Hingham, Massachusetts 02043
www.dtm-law.com

Matthew joined DT&M in 2009, bringing considerable experience in real estate and corporate law, as well as real estate finance and commercial litigation. Because of his MBA, he has a unique business perspective in several legal areas, including real estate and development, secured transactions, land use and zoning analysis, debt and equity financing, and mergers and acquisitions. Matthew joined DT&M from his own firm in Boston.

Education: Suffolk University School of Law, JD, 2005; Sawyer School of Business at Suffolk University, MBA, Corporate Financial Analysis, 2005; Assumption College, B.A., Marketing and Finance, 1999; Admitted to bar: Massachusetts, 2005

Professional Memberships:
• American Bar Association
• Boston Bar Association
• Real Estate Finance Association
• The Real Estate Bar Association for Massachusetts (REBA)
V. Current Projects

8 Perkins Ln. Lynnfield, MA  01940

This property is in the same neighborhood as our recently completed 3 Candlewood Rd. project. The home is 4123 sq. ft., 4 bed, 3.5 bath, situated on ¾ of an acre, at the prime location within the cul-de-sac. The home had a minor structural issue with a rotted sill, and other than that, needed heavy cosmetic and mechanical work. We replaced the roof, many rotted clap boards and trim, the heating and cooling systems, and all plumbing and electrical fixtures. The hardwood floors were redone, and replaced entirely in the family room. We gutted the entire master bath and retiled, upgraded the Jacuzzi tub, and tile shower surround. The interior and exterior received new paint, and the landscaping was 100% overhauled, and a new driveway installed.

We currently have the property UAG for $779,000 without an open house, $29,000 more than we estimated going into the project. The numbers are looking to break down like this:

<table>
<thead>
<tr>
<th>Purchase Price: $430,000</th>
<th>Construction Costs: $135,000</th>
<th>Capital Raised: $175,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Price (est): $779,000</td>
<td>Gross Profit: $102,550</td>
<td>Investor ARR (est): 25.22%</td>
</tr>
</tbody>
</table>
VI. Past Projects

3 Candlewood Rd., Lynnfield, MA

This property is located in one of the premiere, established neighborhoods in all of Lynnfield. It is situated among similar sized and styled properties in an upper class neighborhood. The surrounding properties are physically well kept with well-groomed landscapes. Lynnfield is a highly desirable town due to the public schools system, location to major highways (95/93/Rt.1) and the City of Boston.

The property was a foreclosure we purchased as an REO. The home received a state-of-the-art tankless furnace and H/W heating system, central air/FHA system, as well as new windows to bring the efficiency rating of the home up to today’s standards. 2.5 of the 3.5 bathrooms were completely gutted, as was the entire kitchen. The kitchen was opened up to the dining area and received high-end, solid wood cabinetry with Cesarstone countertops, complemented with high-end Bosch stainless steel appliances in the kitchen, creating a new luxury feel. The interior received detailed millwork chair rails and wainscoting. The finished basement also received a makeover with a new laundry room, complimented by a tiled bar area and newly rugged living room, and brought up to par with the rest of the home.

Purchase Price: $500,000  Construction Costs: $125,000  Capital Raised: $150,000  Gross Profit: $125,000  Investor ARR: 18.33%  Sale Price: $750,000
A rundown 3 Family on the up-and-coming west side of South Boston was a perfect opportunity to convert into 3 condo’s for first-time buyers. The building’s scope would include a full gut interior, stripping the property down to its’ interior and exterior shell. The building needed structural replacement on the entire back end of the property, and replacement of rotted sills. The building was taken from its shell and reconfigured by Architect Tim Johnson to maximize living space for a modern, open layout. All units received h/w floors, spa-like bath’s, central A/C and heat, recessed lighting, stainless steel appliances, Cesarstone counters, and full plywood boxed cabinets. Modern finishes and contemporary design made the building a hit with buyers, as all 3 units were UAG in 30 days once completed.

Purchase Price: $433,000  Construction Costs: $275,000  Capital Raised: $235,000
Sale Price: $955,000  Gross Profit: $247,000  Investor ARR: 30.80%
200 W Eighth St. South Boston, MA

Location Map
42 Joan Rd. – Hyde Park, MA

A solid Single Family located in a desirable area of Hyde Park where many teachers and public professionals that need to reside within City Limits to qualify for employment, choose to live. This home had been neglected for 5-10 years, and simply needed updating. We not only gave the property a facelift with a new kitchen and bath, but we also increased the livable square footage by building out a basement living room and ½ bath/laundry room combo. Other updates included a new roof, new mechanicals, cleaning of the heating duct system, new insulation, new paint throughout, newly refinished flooring, new paint on the exterior, and cleaned up the landscaping by cutting down trees, and replacing the fence. We received many complements from the neighbors, and also provided a great return.

Purchase Price: $170,000  Construction Costs: $42,000  Capital Raised: $70,000
Sale Price: $315,000  Gross Profit: $103,000  Investor Ret: 26.77% ARR
42 Joan Rd. – Hyde Park, MA

Location Map
198 W. 6th Street – South Boston, MA

This three-family was gutted down to the studs. Three 2 bedroom, 2 bath units with 3 ¼ oak floors were installed. New 200 amp electrical service was brought into the building along with central A/C. Chocolate cabinets with granite countertops were installed with Bosch appliances. Boston acoustic custom surround systems were installed to compliment the units. 25x10 decks complimented the deeded 2 car parking (per unit). The outside of the building was completely renovated with cedar-plank and a water bulldog drainage system was installed in the basement. Units were bought, developed, and sold in 18 weeks.

Purchase Price: $550,000 Costs (down payment, hard and soft): $462,500  
Sale Price: $1.189M Net Returns: $314,000  
Return on Equity: 68%
735 East 3rd Street - South Boston, MA

Three-family located on South Boston’s East Side, a highly desirable neighborhood. The units were completely gutted down to the studs with only existing walls remaining. 25’ beams were installed to open the floor plan and give a more contemporary feel. Chocolate cherry cabinets with Caesar-stone counters were installed to give it a high end feel/look but keeping costs low. New 3 ¼ wide oak was installed throughout the 3 bedrooms and custom travertine tile was installed in the master and guest baths. Units were bought, developed, and sold in 16 weeks.

Purchase Price: $650,000  
Costs (down payment, hard and soft): $537,500
Sale Price: $1,313M  
Net Returns: $288,000

Return on Equity: 54%
735 E. 3rd Street – South Boston, MA

Location Map
Two Family located in the heart of City Point (South Boston’s most desirable location). The first floor unit was gutted to the studs and expanded into the basement where 700 additional square feet was added. The second floor unit underwent a minor renovation including: new bathroom, roof deck and central A/C. In addition, the existing yard was replaced by a 2 car driveway. 20’ beams were installed to open the floor plan and give a more contemporary feel. Chocolate maple cabinets with Caesar-stone counters were installed to give it a high end feel/look but keeping costs low. New 3 ¼ wide oak was installed throughout the 2 bedrooms and lower level. Custom bath with steam-room and 3-person Jacuzzi were added to the master bath. **Unit 2 was bought, developed, and sold in 13 weeks. Unit 1 was developed to be an Owner Occupied Unit, and sold after 2.5 years for $525,000.**

Purchase Price: $535,000  
Costs (down payment, hard and soft): $353,750  
Sale Price: $1.25M  
Net Returns: $361,250  
**Return on Equity: 102%**