



**CONVERGENT ACQUISITIONS & DEVELOPMENT - MEDIA KIT 2007-2008**



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Thank you for taking interest in Convergent Acquisitions & Development, Inc. We were founded on the basis that anyone, with a reasonable amount of planning and the right kind of help (the kind we offer) can build a secure future for themselves through the acquisition and retention of income producing property.

Real estate is the ONLY asset class that has consistently increased in value over the past 50 years - flying in the face of naysayers who called for "bubbles" to pop and prices to crash. Even in weak markets, there are always undervalued areas, and through Convergent, the average person has access to the best properties in the best undervalued areas of the country!

We didn't get where we are overnight. In the coming pages, you will see a handful of the exhaustive studies we have completed in many of the major markets in the countries, all to shore up to the best of our abilities, the financial future of our clients - a future built on the values that are already beginning to increase in the Charlotte, North Carolina market.

2007 has been a particularly interesting year; we watched as the rest of the country caught "Charlotte Fever." National publications were extolling the virtues of Charlotte in droves. They all began to see the convergence of factors that brought us here years ago.

This is an exciting time for Convergent, and for our clients and future clients. As Charlotte continues to grow and flourish, we will watch as our smart investors gain equity that - before meeting us - seemed to exist only on late night infomercials.

Welcome to sensible long-term real estate investing, welcome to the best in income property, welcome to Convergent.

Thank you,  
Nick Sabardin

**Convergent's president Nicolas Sabardin, BS, MBA, graduated from the prestigious Sorbonne University in Paris, France, before spending several years as a business consultant to some of France's largest corporations. He completed his education by earning his MBA at San Jose State University in Silicon Valley, with an emphasis on technology and marketing. He flew as a commercial airline pilot under US Airways' colors for five years after graduation, and fell in love with the Charlotte area, a US Airways hub. He is a long time experienced real estate investor.**

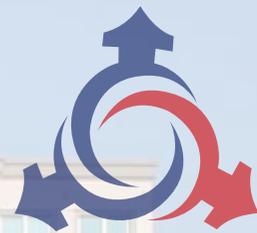


**Nick Sabardin on Why Charlotte? Why Now?**

"Even as the majority of the country is experiencing a decrease in home prices, Charlotte home prices are increasing at significant rates. This data just continues to prove the strength of the Charlotte market and the accuracy of Convergent's research. People are drawn to the Charlotte area due to the strong economy creating an abundance of good jobs, as well as the high quality of life that is found here. These are just some of the indicators we look for to insure that we position our customers in the best markets in the country to own investment real estate. Four years ago, as we examined real estate market trends throughout the country using our Due Diligence Methodology, we saw all of the up-indicators in the Charlotte market that predicted it could withstand just this kind of slump. We have not only been proven right on the "macro" level, we are just as accurate on the exact right pockets, neighborhood, and product at the "micro" level. You need to be in the right areas of growth, but also the right neighborhoods and properties. It only works as a complete package. The power of our research is what makes us unique and what allows us to position our customers in what we believe are the very opportunities in the country for income property ownership."

**Nick Sabardin on Apartment Complexes vs. Single Family Homes**

"Most of our customers buy our single-family homes one at a time. But those who are looking at small apartment buildings, eightplexes, fourplexes, and so on, now have a better choice. With our area's increase in rental demand as a consequence of its ongoing explosive growth, accelerated by the current mortgage crunch, what is the best real estate investment to respond to this opportunity? Looking at multifamily trends over the last few years, cap rates keep getting lower, averaging 6.0% across the nation. The rate of condo conversions has also dropped back to pre-2005 levels. This makes single family homes and town homes a very serious contender for the novice and seasoned investors alike, with some great advantages as compared to multi familys. Indeed, cap rates on these properties are now comparable to multifamily's. The exit strategy is much stronger as they are in essence already "converted" to fee simple homes. Foremost, who would not rather live in a brand new home or town home rather than an apartment? The future is bright in for our investors and getting brighter, as long as one knows how to take advantage of the current circumstance. We are happy to provide point by point comparisons for easy analysis."



**We are vendors and developers of real estate. Convergent is dedicated to making sure that our clients purchase the absolute best product in the best locations, so that they might build themselves a better future. We strive to identify what we believe to be emerging markets with great appreciation potential.**

**It is this research that gives us the tools needed to walk with confidence in the areas of the country where the appreciation should be the greatest over time. We then acquire or build new product with all the attributes we think renters prefer, thus better arming our clients in their ultimate goal of long-term appreciation with minimal outflow of cash.**

**The true secret of acquiring wealth in real estate is by buying fairly priced units in undervalued markets and gaining wealth over the years as the property appreciates in value. But anticipating appreciation is only half of the Convergent equation - without good services both before and after closing, owners can be left with vacancies, high insurance rates and all around confusion.**

**Our clients are guided through the entire process - minimizing the confusion, even for the greatest of novices. From selecting their property to working with partners in mortgage services, we are there. Then beyond closing, we introduce them to reliable reasonable insurance agents and the best in property management services.**

**People tell us time and time again that the thing that makes us different are our services - the convergence of the best product, the best place, the best people and the best service - at Convergent, it isn't just our name, it is our way of life.**

Visit Us At:

**[www.ConvergentAcquisitions.com](http://www.ConvergentAcquisitions.com)**

## due diligence

[ˈdoo ˈdɪlʻə-jəns]

**noun**

The care that a prudent person might be expected to exercise in the examination and evaluation of risks affecting a business transaction

Convergent Acquisitions & Development's Income Real Estate Due Diligence Methodology™ includes systematically analyzing data, layering the probabilities to find the best areas, rental markets, and product, taking into account all the elements of an income property's life cycle and real estate market trends.

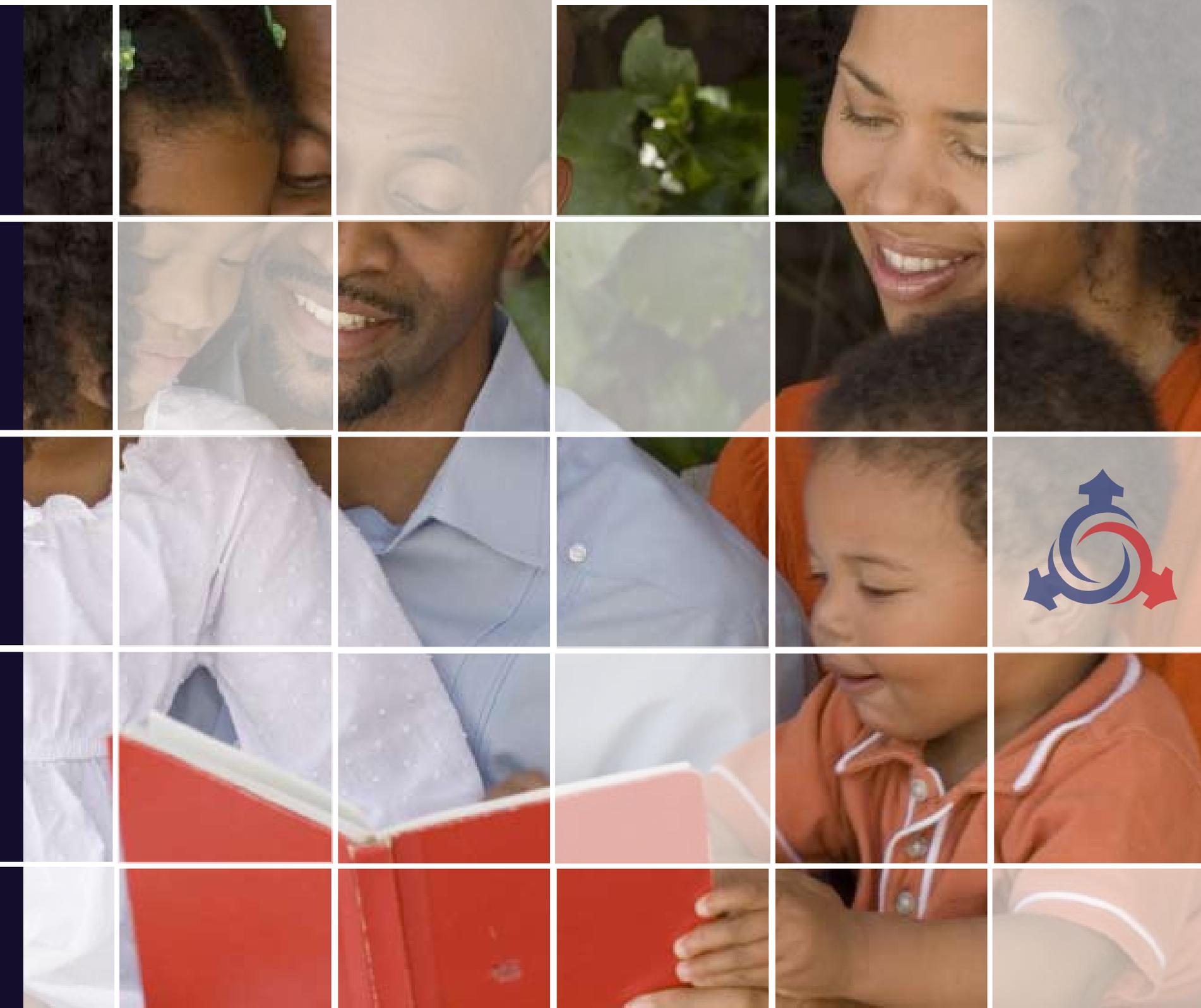
Through Convergent Acquisitions & Development's Due Diligence Methodology you will learn to

implement your own Due Diligence Methodology by looking at where to buy (the layering of probabilities through key indicators and real estate market trends); looking at what to buy (why some real estate make more sense than others) and even how to buy (the elements of a potential turnkey solution).

The definition says it all. Known as a research powerhouse, at Convergent Acquisitions we spend countless hours studying the most up to date real estate market trends. We have been able to save our clients the time and effort it would take to examine the real estate markets trends in every city throughout the country, so they can concentrate their efforts only on the markets that make the most sense. Although we always suggest that you conduct your own due diligence, we believe our research can be a powerful tool for you to add to your own data.

By looking at the research, the data and real estate market trends you will be armed with the ability to make informed decisions about real estate ownership. We always provide our research for free and we do this for you because an educated and informed real estate investor is our best client. We only develop properties that are well-suited for income property in areas that real estate market trends show the best potential for appreciation.





Successful investors understand that real estate trends are a game of probabilities, not certainties, and that is why you need to look for probabilities converging before you buy in an area.

Taking action as an investor is the most important step. It is also the most difficult. Knowing that all the stars are lining up makes it that much easier. If they are not, don't pull the trigger.

You should use the following 8 Criteria when analyzing a market to determine your chances of success. At Convergent, if a market doesn't fit into our Rule of 8, it doesn't make the cut.

1. Strong Demographic Growth
2. Strong and Diverse Economy
3. Growing Retirement Population
4. Improvement in Infrastructure
5. Undervalued Market
6. Strong Potential for Appreciation
7. Tightening Vacancy Trends
8. Rentals Renters Prefer\*

*\*All of our properties have to meet certain criteria as well. This is not a market specific rule, however, it is an essential. We make sure that all of our properties are tailored to the specific desires of the renter. Our properties include these upgrades/features for free. They include: New construction, Washer and dryer, Side-by-side refrigerator, Built-in microwave with hood, Dishwasher, 2" Faux wood blinds on all windows, Central heating and air, Amenities like swimming pools, parks, playgrounds, near or in the neighborhood, etc.*

Due diligence is what distinguishes the savvy investor from the speculator, a measured risk-taker from the risky adventurer, the pro from the amateur.

Convergent considers both the short and long-term requirements for success in real estate. Although there is no way to eliminate all risk, The High 5 addresses many of these common factors.

**1. RISK VS. RISKY** - *Risk is the variable attendant to any enterprise or effort. Risky is when these variables are too volatile to analyze, or when desired results require a massive rather than balanced change in market value. Through the layering of probabilities, the proper due diligence can eliminate risky.*

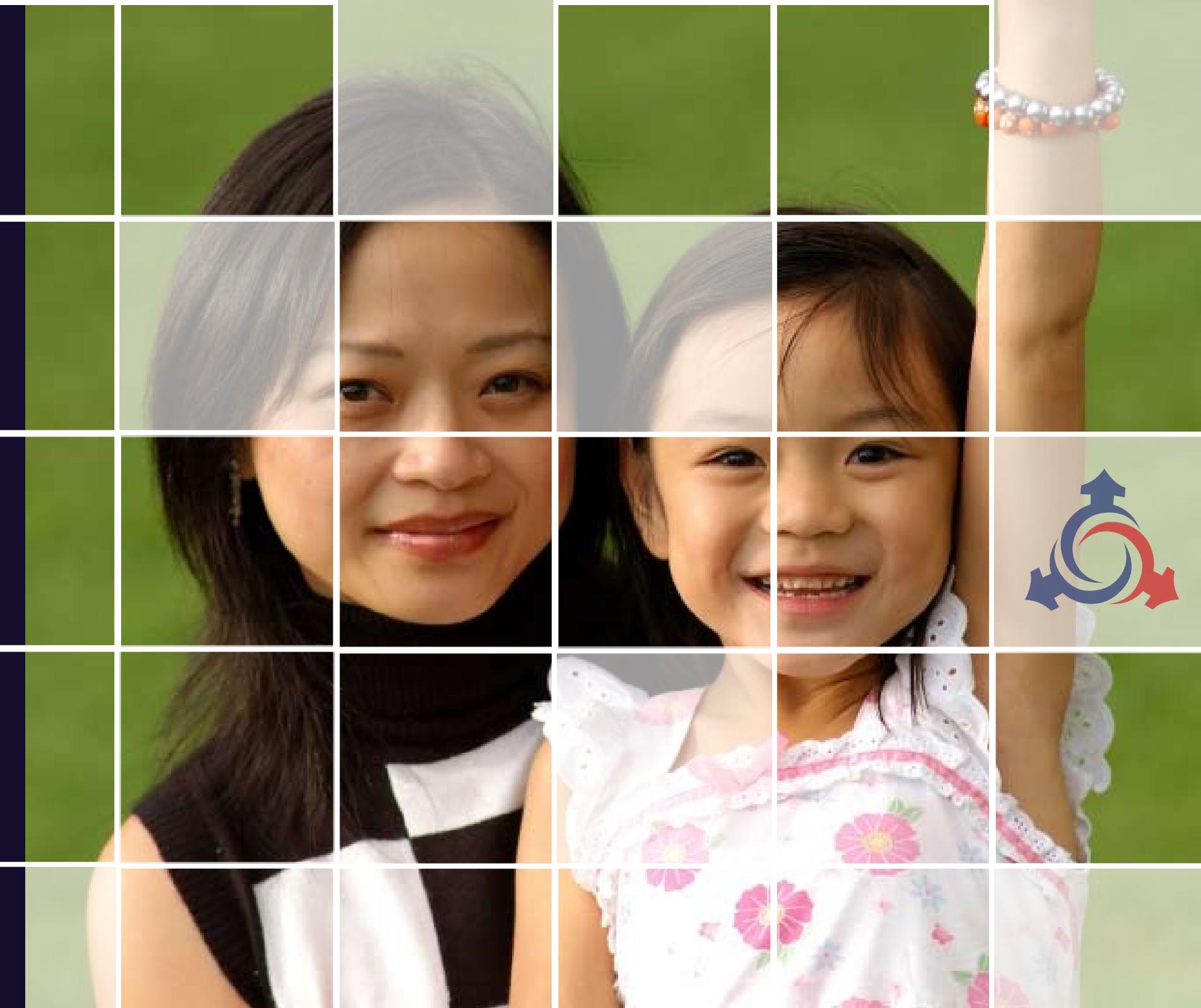
**2. PREDICTABILITY** - *In a demographically robust and economically strong environment, the movement of people into an area has a high quotient of predictability. And everyone wants to put a roof over their head. Further the ratio of home owners to renters is highly predictable.*

**3. ACQUISITION COST** - *When evaluating the merits of any non-owner occupied real estate purchase it is always sensible to consider the relationship between purchase price and potential revenue. Relatively small single family homes that can generate a rent close to the principal and interest payment even when properly leveraged to accelerate ROI dominate under this analysis.*

**4. MAINTENANCE REQUIREMENTS** - *When considering any major real estate purchase, experienced property owners include in their analysis the long term cost of ownership. When it comes to owning real estate, new construction, under builder warranty, in an HOA controlled sub-division will always cost less to maintain than a resale property.*

**5. EXIT STRATEGY** - *Forethought going into a transaction regarding the most profitable and likely exit strategy is a key step many novice real estate owners fail to consider before investing their hard earned dollars. It is our belief that when it comes time to market your property for resale and realize your profits it is to your advantage to have the largest positive pool of prospective buyers. Relatively small single family homes always have more potential buyers than any other class of real estate.*





Our Seven Steps for Success are the foundation that builds our potential turn-key solution. Taken individually or together these elements will make it easy to own real estate in an emerging market no matter your experience level. Our connections allow us to offer you access the best service providers in the market, thus streamlining our client's investment process.

- 1. We put the entire market under a microscope then carefully select the best locations to develop. We continually probe the market looking for triggering events which indicate impending growth. We build in areas with easy highway access, close to shopping, close to major employers and surrounded by upcoming development.*
- 2. We build or acquire the best products in the best locations and supercharge them with the amenities that renters want. No one else can offer these properties at these prices backed by our services, resources, and rent ready amenities.*
- 3. We have preferred lenders that specialize in income properties, including stated income and no-doc programs.*
- 4. We have secured the services of a leading investment Real Estate brokerage firm to help ensure a smooth and professional transaction.*
- 5. We have a short list of insurance companies that we recommend that are competent in income property policies.*
- 6. All our properties are brand new and carry the builder new construction warranty, and include our rent ready package.*
- 7. We have make it easy for clients to procure the services of the leading property management firms in the city. Under Convergent's guidelines, they sometime start marketing properties to credit worthy, background checked tenants before clients even close.*

It may seem like a lot - and it is - but Convergent follows all of these rules and more, so that we might make our clients rest that much easier, knowing that we have taken care to look at all aspects of each and every deal that we bring to them. The following is our list of 6 Ways We Protect Our Client's Best Interests:

**1. 2.5 MILE RADIUS ANALYSIS**

*Because as much as it has to be the right product - it should also be the right location. Our acquisitions team is networked with planning agencies, zoning departments and other local developers allowing us to develop only in micro markets where above average appreciation is indicated. We examine absorption rate studies, localized demographics and real estate trends to ensure we develop our properties in locations best suited for our clients' goals.*

**2. TRIGGERING EVENTS**

*The right timing is also essential to success. We have insight from zoning & planning agencies on new infrastructure being planned or developed and are able to acquire grandfathered lots lowering costs prior to impending impact fees.*

**3. SPREAD FINANCIAL EXPOSURE**

*We place limitations on the number of units one person may purchase in any individual neighborhood. This limits the financial exposure furthering protecting your investment. If an individual makes the decision to exit there is no major effect on any one development.*

**4. COMMUNITY OF STRONG OWNERS VS. 1ST TIME HOME BUYERS**

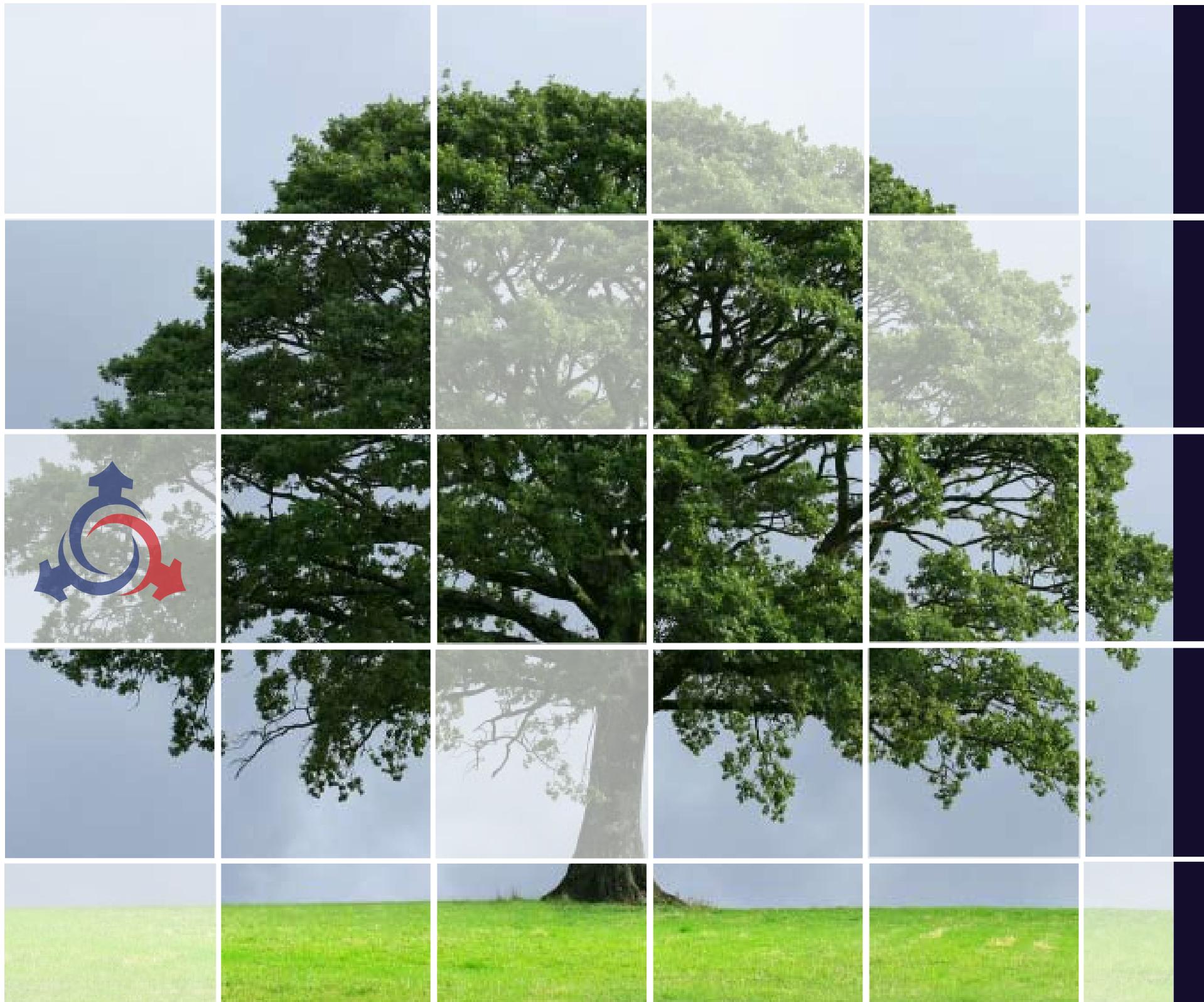
*We require a 10% initial payment on all of our properties ensuring every owner has the minimum financial reserves to be a responsible owner therefore helping maintain your property value.*

**5. CREATE A STRONG HOA**

*Our Home Owner Associations limit signage, impose professional property management and lawn care - this helps protect your property value.*

**6. LEVERAGED LEASE-UP MARKETING**

*Convergent places the best on-site lease-up in all of our new developments creating residential neighborhoods with the marketing power of an apartment complex.*





What good would it do for us to have the laundry list of requirements listed on the pervious 17 pages, if we didn't put them into practice in the best market in the country? Is there a market that fits all of these criteria? Yes, yes it fits our stringent framework for growth and then some.

*Where, you ask?*

*Charlotte, North Carolina, of course...*

We are sure by now that you have seen Charlotte in the news. Our clients could go buy from someone else, but they choose not to, because of our research and our service. Remember, we have been in Charlotte for years and there is no other company that can offer the quality, location and prices that we do. Read on to learn more about Charlotte and to learn more about what we are doing in Charlotte.



The following statements speak for themselves, and they are but a small sample of all of the good things that have been said about Charlotte, North Carolina, Convergent's Chosen Market. The whole list could fill another book, so we will just print a few...

**"Banks Help Charlotte, North Carolina Buck Housing Downturn...**Price gains started accelerating two years ago, driven by the expansion of Bank of America Corp. and Wachovia Corp., the second- and fourth-largest banking companies in the U.S. Both are based in Charlotte and together employ 35,000 people in the city of 664,000."

-Bloomberg.com, September 19, 2007

"On March 1, 2007 the Office of Federal Housing Enterprise Oversight announced the housing appreciation rates for 2006. Charlotte's appreciation rate for last year was 9.09%, exceeding the national average of 5.9%."

-OFHEO Data

"When home prices and local wages rise in tandem, you get a homeowner's dream — a 'fairly valued' market that sidesteps the dynamics of bubble and crash. When home prices outrun wages, real estate becomes overvalued; when incomes rise faster, it's undervalued...Charlotte is currently undervalued by 13%."

-Smart Money, a Wall Street Journal Publication

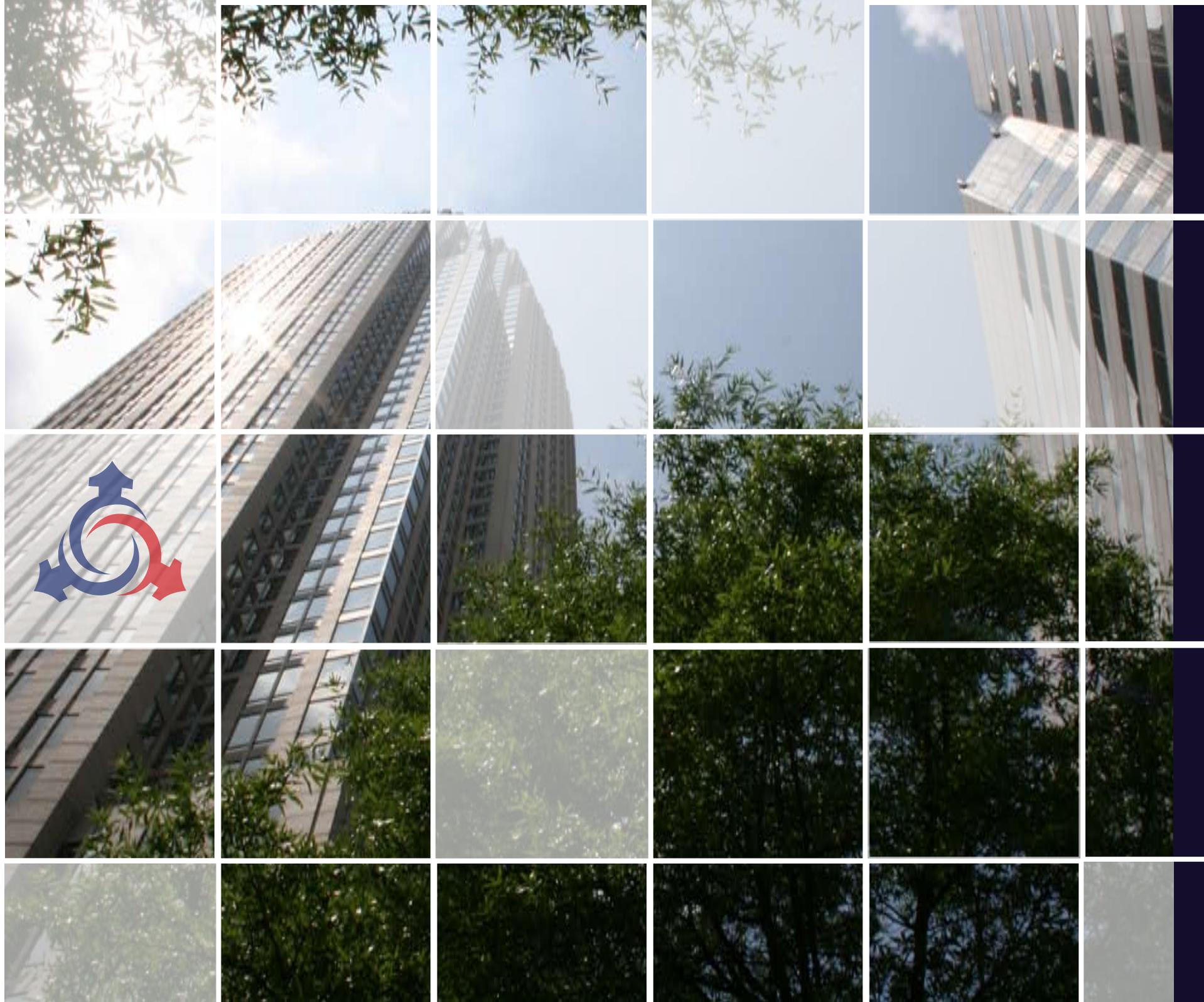
"The Charlotte Chamber foresees 100,000 people living in the center city and 4.2 million in the metro region in 2026. Charlotte is expected to have nearly twice as many Fortune 500 firms, more than twice as many people over 50, almost double the number of public school pupils and triple the amount of office space."

-The Charlotte Observer, October 24, 2006

"North Carolina is becoming the new Florida for some retirees. North Carolina is now the #1 retirement destination in the U.S. Many people who planned to move to Florida for their Golden years have now moved to North Carolina instead and the state's quiet boom doesn't seem to be showing any signs of ending anytime soon."

- HousingPredictor.com, 2007

**Charlotte vacancy rate plunged by more than 35% in just two years. Occupancy rates continue to break records.**





Every neighborhood is presented to our prospective clients through clear informational websites.

These sites contain four main sections and are unique to the individual neighborhood. Our senior Income Property Specialists (IPS) walk the client through the information, so that they do not miss any part of our research, so that they are able to make the most educated decision possible.

#### THE FOUR SECTIONS OF THE SITE ARE:

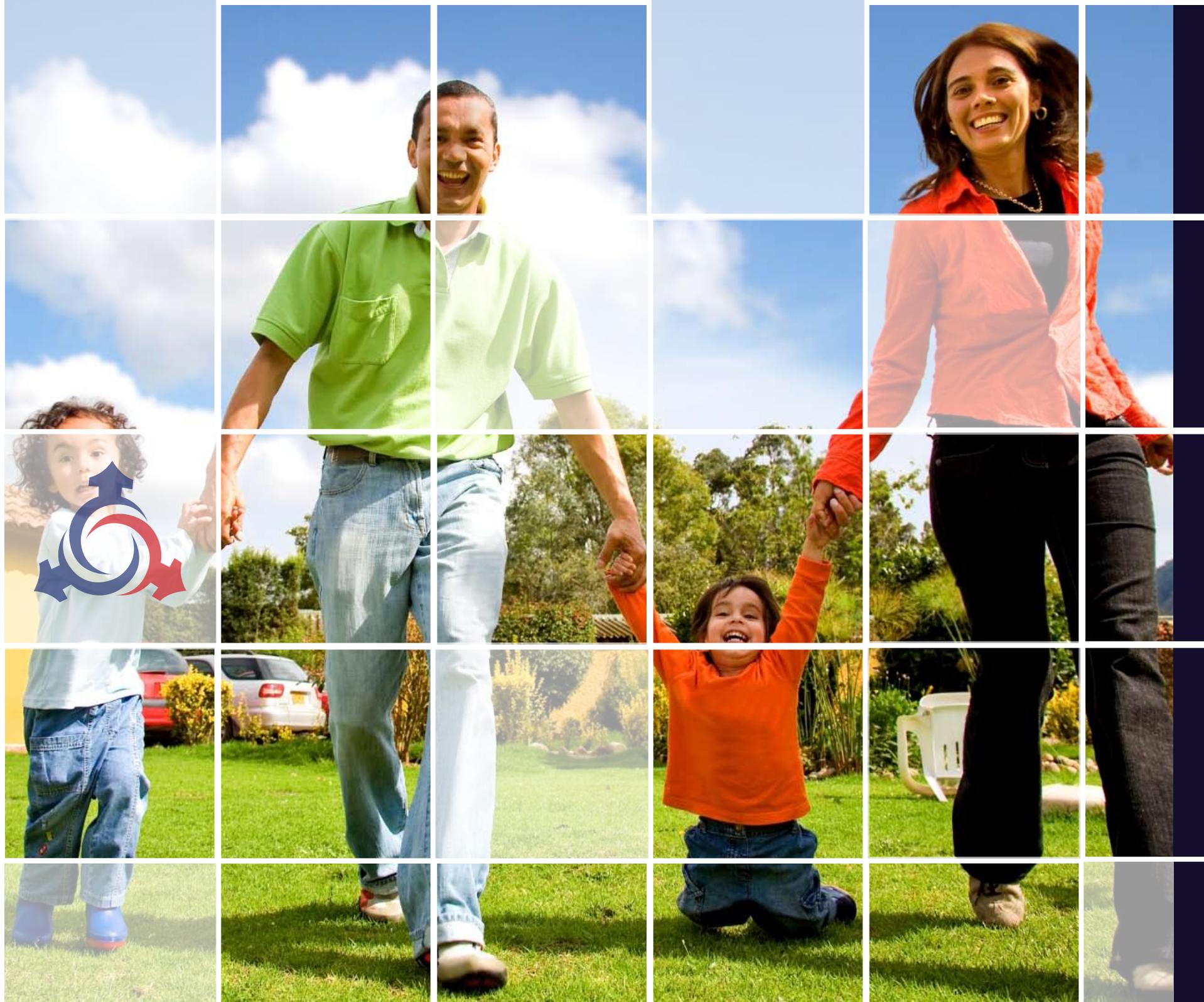
**1. REGIONAL INFORMATION** - This section contains information about the greater area around the neighborhood and includes a highlight of the largest businesses, transportation improvements, attractions and hospitals in the region. Through this regional study, clients can see why the neighborhood is perfectly situated for growth in the region.

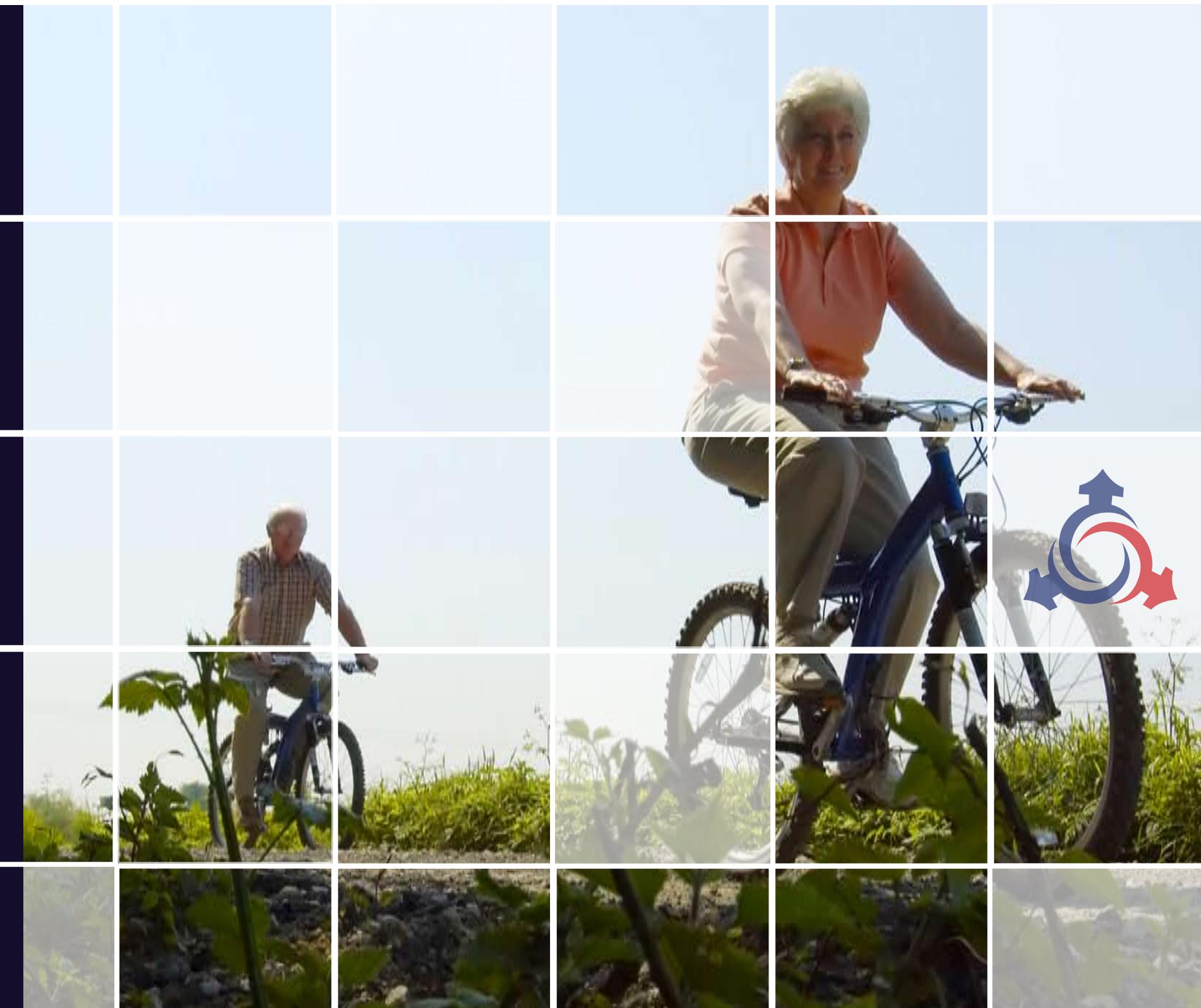
**2. AREA INFORMATION** - We then focus on a 2 to 3 mile radius around the neighborhood, highlighting the new shopping centers, business parks and transportation changes in the immediate area that gives the neighborhood a special advantage within the greater region.

**3. DEVELOPMENT INFORMATION** - Here we show the client photos and videos of the neighborhood and the immediate area. The plat map is provided here to illustrate the location of specific houses in the neighborhood.

**4. PROPERTY INFORMATION** - We then highlight the features and benefits of individual properties within our neighborhoods. Paying special attention to the things that renters want - including upgraded appliances, expansive floor plans and quality craftsmanship.

Below you will find a small sampling of Convergent's past neighborhoods. In addition to paying attention to the area around the neighborhood, we make sure that each individual neighborhood is attractively maintained through an active HOA, contains amenities in or near the neighborhood such as a swimming pool, golf course, parks, playgrounds and more. Of course, everything we sell is brand-new product, covered by a builder's warranty, thus giving even more peace of mind to our clients. Additionally, we take care to focus on neighborhoods that are built in traditional, classic styles, so that our clients are never left with properties that look dated in ten years.





If all of the previous proof that we have the right market and the right product still leaves you with questions, simply take a look at the chart of S&P/Case Shiller home prices below to see the massive appreciation that Charlotte is has already seen as compared to the rest of the country.

### S&P/Case-Shiller Home Prices

City	Month over Month % Chg (April to May)	Year over Year % Chg (May '06-May '07)
Seattle	↑ 0.95	↑ 9.06
Charlotte	↑ 1.09	↑ 6.99
Portland	↑ 0.90	↑ 5.71
Dallas	↑ 0.48	↑ 1.78
Atlanta	↑ 0.56	↑ 1.74
Chicago	↓ -0.11	↓ -0.56
Denver	↑ 1.08	↓ -1.44
New York	↓ -0.45	↓ -2.26
Cleveland	↑ 0.78	↓ -2.78
Los Angeles	↓ -0.06	↓ -3.28
Miami	↓ -1.47	↓ -3.29
San Francisco	↓ -0.27	↓ -3.43
Minneapolis	↓ -0.18	↓ -3.51
Las Vegas	↓ -0.82	↓ -4.10
Boston	↑ 0.80	↓ -4.29
Phoenix	↓ -0.51	↓ -5.55
Washington DC	↓ -0.33	↓ -6.34
Tampa	↓ -0.92	↓ -6.67
San Diego	↓ -0.36	↓ -6.96
Detroit	↓ -2.30	↓ -11.06
<b>Composite 10</b>	↓ -0.26	↓ -3.38
<b>Composite 20</b>	↓ -0.20	↓ -2.83

Above graphic is courtesy of SeekingAlpha.com and as such, they retain all rights.

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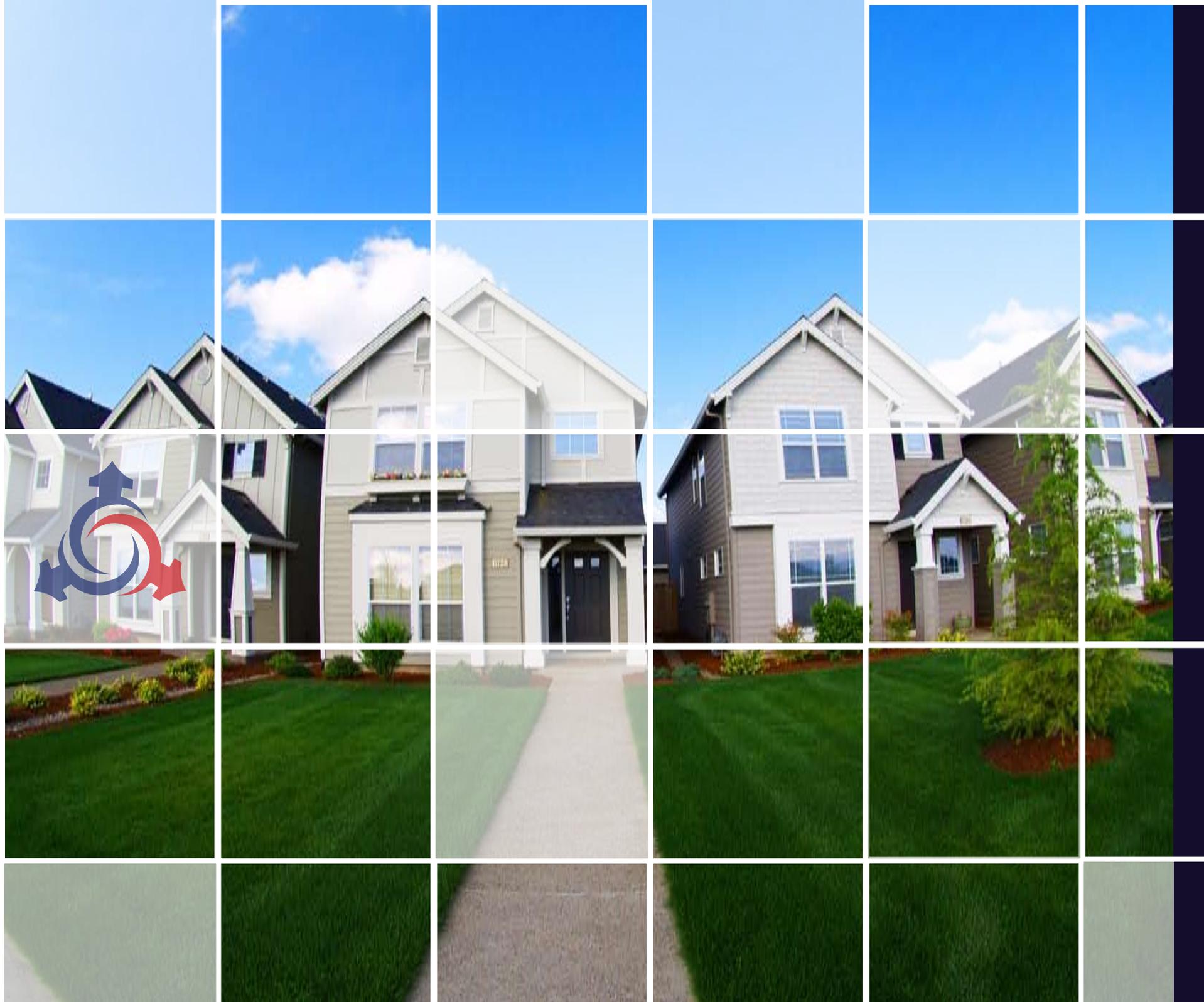
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You are reminded and agree that all real estate used for income or other investment purposes face the risks attendant to such an application, including that real estate values may go down, rents may decrease, and that vacancy rates may rise. Real estate is by its nature illiquid and a ready market may not exist for any particular property once purchased. Past performance is not a guarantee of future performance or results.



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