



DFD Development Opportunity Fund Executive Summary

Overview

The DFD Development Opportunity Fund is a fund that purchases Distressed Real Estate directly from Banks and other financial Institutions. DFD Development through its principle David F Damerau President has regional banking relationships developed over a twenty-year period. These banking relationships have created the opportunity for the firm to have “first look” at REO properties throughout the southeast US and allow our Company to make discounted purchases of properties that meet our market guidelines and proposed rates of return. DFD Development Corp is a Florida Corporation acting as both General Partner and Investment Manager of the Fund. The Fund is set up to provide an annual return to the Limited Partners (“Investors”), and derives its return from the sale, rental and in some cases financing of the acquired properties. DFD Development acts as the Fund Administrator, and is run by its Investment Committee. The capacity for the initial fund is \$20,000,000 and provides a preferred expected annual return to its Investors of 7% per annum to be applied towards the 50% overall profit participation.* (please see investors term sheet Exhibit “A” for further information)

Market Opportunity

The opportunity is available today because increased regulatory requirements in the Banking Industry have created additional capital requirements, which in turn created liquidity shortfalls for many banks. These opportunities will be short lived to be able to enter markets at these

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current prices, because as banks are able to increase their Capital reserves they will not have to sell off REO's at these current discounts. Real estate prices are historically going to rise based on market absorption, in addition to the limited supply available within our niche market that this fund is looking to invest. Thus, because of the relationship with these eight regional Banks there exists a significant edge for DFD Development where there are few competitors. Through sound underwriting practices, solid structuring and efficient execution; DFD Development plans to purchase, renovate, lease and or sell the distressed opportunities, concentrating on a specific niche in the market creating highly profitable opportunities. This focused and efficient strategy includes emphasis on thorough due diligence. DFD Development's second advantage is its execution process, we are small enough to be able to move quickly when needed to take advantage of severely discounted opportunities and large enough to be able to bring the required resources to execute. Opportunities will be uncorrelated to each other, while falling within **well-defined parameters and underwriting** criteria. The Fund expects to pay a minimum preferred return of 7% annually to investors well within historical ranges.

The Fund

The Fund's assets will consist of REO Properties purchased by the Fund. The purchases will consist of Real Estate located in Florida, Georgia, North Carolina, South Carolina and Tennessee. Property Types such as Apartments, Gas Stations, Light, Commercial and Condominiums will be further defined as follows: Only properties Located on the water, water access and or water view, properties located in an "urban core", properties that have come under the designation of "Chinese Drywall", and partially completed developments that would meet a certain demographic location. These properties will have the highest discounts and proportionally the highest returns. These opportunities will range in duration from 1 to 30 months, and are secured with the REO purchased. As additional consideration to protect and mitigate any principle loss to the Investors, the **General Partner will guarantee up to a Two Million Dollar stop loss to the fund**. The additional collateral will be provided to the fund with Real Estate owned by the General Partner, and will be identified in the operating agreement, that totals at least Two Million in Equity. This commitment by the General Partner will almost certainly mitigate any losses to the Investor willing to commit an investment to this fund. Purchases will also have a discounted value ratio of 30-80% below real market value, and will be

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diversified across different industries, collateral and geographic locations additionally to mitigate the remaining risk.

DFD Opportunity Fund

DFD Opportunity Fund was created for the purpose of taking advantage of the current Real Estate market conditions and is managed by David F Damerau, President and its management team, the properties will be purchased , having first been reviewed by the investment committee. DFD Development acts as the General Partner for Opportunity Fund, and manages the operations and investment funds raised by the Fund. DFD Development has an investment committee that reviews the Properties before acquisition by the Fund. The investment committee has 5 members, and every property acquired, must be mutually agreed upon by a majority of the Committee members. DFD Development has the following responsibilities, as Fund Administrator:

i) maintain Fund accounts at a U.S. domiciled bank; **ii)** make monthly distributions of the Fund's profits from its investments to its investors; **iii)** pay the Fund's expenses and administer the Loss Reserve Account; **iv)** maintain book keeping, detailed records and oversee the preparation of tax returns for the Fund; **v)** oversee the Fund's operations and the purchase and collection Fund investments. DFD Capital as General Partner will share in any profits and or cash flow of the Fund after expenses and the 7% minimum preferred return distributions to the Limited Partners.

Management Team

The management team of DFD Development has experience in the real estate, finance and investment industries, and has a proven track record of success in prior ventures. **DFD Development Corporation**, and its subsidiaries, engages in the development of real estate, which includes the building and marketing of homes, townhouses and commercial developments. DFD Development's founders and management team has extensive experience in the Real Estate Business. The company's innovative approach to looking at these opportunities mitigates the risk. (See www.dfdcapitaldevelopment.com) This Executive Summary is for informational purposes only and should not be construed as an offer or solicitation of Units in the associated

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offering. This summary should act as a supplement to the Offering Memorandum, which should be reviewed in its entirety before subscribing for Units. An Offering Memorandum and Subscription Package are available directly from DFD Development Management, or through your financial representative.

Key Information

Fund Name: DFD Development Opportunity Fund.

Investment Manager: DFD Development Corp.

Domicile: Florida

Auditor: Robert Meyers, PA

Fund Maximum: \$20,000,000 USD

Minimum Initial Investment: \$50,000

Maximum Project Investment: \$5,000,000 without prior investor approval

Projected Annual Return: 7%, paid yearly*

Overall Returns Based on Project Proforma's for Investors average 15%-20%

For Further Information, contact: David F. Damerau, President

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Addendum “A”

DFD Opportunity Fund Profit Sharing Schedule Addendum

THIS WILL serve as an addendum to the Operating Agreement (Exhibit 1) as it pertains to the Profit Sharing Schedule for the Fund. The parties are DFD Development Corp, a Florida Corporation (Developer) (hereafter “DFD Development” and Investor Group, (hereafter) “Investors.”

1. Investor to acquire 50% interest as Member(s) in the Investor Group Co.
(Preferred Capital Investment)

2. Net profits to be split 50% JV members/50% Developer member. As Investments are sold and or rented, distribution of proceeds shall be distributed as follows:
 - a. First, reimbursement and repayment of all acquisition, construction loan costs if any, construction and marketing costs, subject to the proforma items listed.

 - b. Second, reimbursement to (Investor Member) the preferred capital in proportion to their capital investment to the parties’ total capital investment.

 - c. Third, DFD Development Corp. Is reimbursed any preferred

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capital investment.

d. Forth, JV Members to receive the first 7% per annum rate of return on the Principle investment amount, to be applied towards the 50% JV members overall profit split.

e. Fifth, DFD Development Corp. To receive an equal sum, pursuant to line item letter (d) above.

f. Sixth, net proceeds from closings will be divided in proportion to the authorized and agreed division.

Agreed to this ____ day of. ____.

DFD Development Corp.

(JV Investors)

By: DAVID F. DAMERAU,
President

Investor

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