

Carolina Capital Reserve Fund



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WELCOME TO CAROLINA CAPITAL RESERVE FUND I LLC!

We are very pleased that you have expressed interest in the Fund. It has been said that experience is the greatest teacher and experienced based wisdom is the foundation upon which Carolina Hard Money has been built. It is a foundation gained as a result of all of our experiences during both good and challenging times. Experience drives every decision we make, every loan we underwrite, every relationship we form, and every strategic plan we craft and execute. Together we have more than 45 years mortgage banking experience in the Carolinas and surrounding states. Years of personal and professional experiences, including the road traveled through an adversarial bankruptcy and its concomitant issues, have enhanced our skills in identifying hidden value, underwriting complex structured real estate ventures, and negotiating multi-layered and multi-faceted deals. It's the things learned and skills developed from this unique path traveled that we rely on in underwriting quality transactions, mitigating risks, and ultimately seeking higher enhanced yield for investors.

Now, we are looking to allow the Fund to benefit from our core philosophy that permits us to be part of the solution for Borrowers and investors. Our team consists of a carefully collected external roster of niche experts. By staying lean and relying on established professional relationships, we bring durable, flexible expertise to the process of acquiring and enhancing real estate assets.

In joining the Fund as an investor, either through debt (i.e., you loan to the Fund and are secured by its assets) or through equity (i.e., you own shares of the Fund) you may earn the rewards of successful real estate deals.

Locally Based - Deal Focused - Relationship Driven

What sets us apart? More than anything, we believe it is our commitment to the success of both our borrowers and our investors. Our first step in any loan analysis is always evaluating borrower value and benefit. There are many loans that we **could** fund that would be more than adequately collateralized and that would be likely generate a profit for us. However, that fact alone is simply not enough in our minds to justify funding a deal. Every loan we make must be a win-win for the borrower and for us on the front end as well as for our investors. Our philosophy is that if the loan is well underwritten and the borrower wins, we are likely to all win. It's that simple.

To us, private lending is a local business. The most successful private lenders focus on being the best they can be in their own backyard. The Fund's focus is to be the best private lender in its own backyard as we believe this will add value to both to our borrowers (beyond being just a source of money) and to our investors as well. Investors can have confidence the Fund is lending in markets it knows, to people it knows. Private lending is personal, face-to-face, and one-on-one. We don't just know real estate investments. We know people. We know our customers, and we lend to people with proven character and experience and strive to help our borrowers succeed.

While many factors contribute to a lending decision, the fundamental merits of a given deal are the driving factor. We feel that we are first and foremost real estate investors and, as real estate investors, we look at each deal presented to us as would an investor and we take a common sense approach to lending. The Fund is here to help. We are much more than a reliable and creative source of financing for our customers. We bring to all of our relationships solid real estate and lending expertise with the goal of playing a vital role in the long-term success of our borrowers and investors.

OVERVIEW OF CAROLINA CAPITAL RESERVE FUND I LLC

CAROLINA CAPITAL MANAGEMENT LLC (“CCM”) IS SEEKING INVESTORS FOR THE CAROLINA CAPITAL RESERVE FUND I LLC (THE “FUND”). THE OBJECTIVE OF THE FUND IS TO PRODUCE ATTRACTIVE RISK-ADJUSTED RETURNS TO INVESTORS WHILE PRESERVING INVESTORS’ CAPITAL INVESTMENT.

- The open ended Fund will originate and buy short term loans (typically 6-24 months) secured by Residential and Commercial real estate in the south east, primarily the Carolinas.
- The Fund will generate current income to investors primarily through interest payments received from borrowers.
- Investors will receive a variable yield. Based on current interest rates, the estimated yield to Fund investors is 7- 9% per annum.
- The target Fund capitalization is \$50 million. The Fund is offering membership interests and secured debt as part of the Fund’s offering.
- The target loan to value ratio of loans in the Fund is projected to be approximately 65%.
- CCM shall serve as Fund Manager. CCM is led by Bill Fairman and Wendy Sweet. Bill and Wendy have significant experience in real estate finance, real estate development, and real estate investment.

What We Will Cover!

RETURNS SINCE INCEPTION & THE LAST 12 MONTHS

BRIEF OVERVIEW OF THE FUND STRUCTURE

THE MARKET OPPORTUNITY

WHY WE ARE UNIQUELY QUALIFIED TO MANAGE THIS FUND

THE IMPACT OF PRIVATE CAPITAL



BRIEF OVERVIEW OF THE FUND STRUCTURE

- \$50,000 MINIMUM INVESTMENT
- 24 MONTH LOCK UP PERIOD
- DISTRIBUTIONS PAYABLE ON A QUARTERLY BASIS
- REINVEST EARNINGS FOR COMPOUNDING OR RECEIVE DISTRIBUTIONS



**Returns since inception & the last 12 months:
(9.10%) last 12 months (9.19%)**

THE MARKET OPPORTUNITY

- HOUSING SHORTAGE, 1.5 MONTHS OF AVAILABLE INVENTORY
- HEDGE FUNDS PURCHASED ALL MOST OF THE FORECLOSED SUBURBAN SFR
- DEMOGRAPHICS HAVE CHANGED, PEOPLE WANT HOMES WITH CHARACTER, THEY WANT TO BE CLOSER TO THE TOWN CENTERS
- THIS DOES NOT WORK IN THE TRACK BUILDER MODEL, TRACK BUILDERS HAVE TO BUILD EVEN FURTHER AWAY
- CHARLOTTE POPULATION PREDICTED TO GROW 47% IN THE NEXT TWO DECADES
- RALEIGH AREA 50%
- DIVERSE EMPLOYMENT, (CHARLOTTE) NUMBER 2 IN BANKING BEHIND NY CITY
- LOGISTICS, CHARLOTTE IS WITHIN ONE DAYS TRUCK DRIVE OF 50%OF THE US POPULATION.
- RALEIGH NC, 3 MAJOR UNIVERSITIES WITHIN 20 MILES: UNC, NC STATE, DUKE
- GREENVILLE/SPARTANBURG SC
- CLEMSON, BMW NORTH AMERICAN
- CHARLESTON, SC
- BOEING, PORT OF CHARLESTON



WHY WE ARE UNIQUELY QUALIFIED TO MANAGE THIS FUND

- **BILL FAIRMAN AND WENDY SWEET HAVE A COMBINED 50 YEARS EXPERIENCE IN MORTGAGE BANKING**
- **WE ARE NOT AN INSTITUTION CHASING YIELD, WE ARE LENDERS PURSUING SOLID LOANS FOR REAL ESTATE INVESTORS**
- **BILL FAIRMAN AND WENDY SWEET HAVE LIVED AND WORKED IN THE REGION SINCE 1970 AND HAVE SIGNIFICANT EXPERTISE IN THE REGIONAL MARKET**

THE IMPACT OF PRIVATE CAPITAL

- **SMALL BUSINESSES HAVE THE CAPITAL THEY NEED**
- **JOB FOR GOOD SKILLED LABOR**
- **NEIGHBORHOODS REVITALIZED**
- **PROVIDING HOMES THAT PEOPLE WANT, NOT JUST SETTLE FOR.**



YIELD COMPARISON

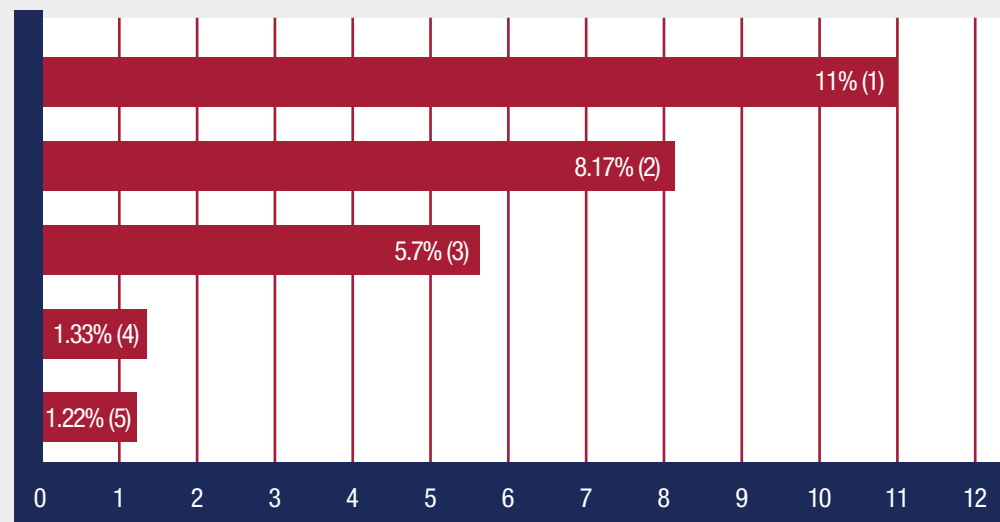
Carolina Capital Reserve Fund I LLC Membership Interests

FTSE NAREIT Mortgage Reits – 8.17% (2)

Junk Bonds – 5.7% (3)

Short Term Investment Grade Bonds – 1.33% (4)

12 Month Treasury Note 1.22% (5)



- Based on past performance. Not a guarantee or indication future performance.
- The FTSE NAREIT All REITs Index is a market capitalization-weighted index that includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market List. The yield shown is the year to date dividend yield for commercial mortgage REIT's as of August 31, 2016
- iShare iBoxx \$ High Yield Corporate Bond ETF (HYG) includes broad range of U.S. dollar-denominated high yield corporate bonds (www.ishares.com). Trailing twelve month dividend yield as of 9/19/2016.
- Vanguard Short-Term Bond Index Fund Investor Shares (VBISX) targets short term, investment grade government, corporate and securitized dollar-denominated bonds (<http://www.Morningstar.com>). Trailing twelve month dividend yield as of 9/19/2016.
- Current Yield on 12 month Treasury Notes purchased on 8/1/2017 and held to maturity.
Source: <https://www.treasury.gov/resource-center>

LENDING BUSINESS – CAROLINA HARD MONEY

Total \$ loan amount currently servicing:	\$33 million
Target Markets:	We only lend in our backyard - North and South Carolina
We only lend in our backyard:	North and South Carolina
Weighted average interest rate:	10.99% per annum
Weighted average Loan To Value per product type:	Single Family Residences 68.5% Multifamily and commercial N/A%

FUND OPERATIONS

Years of Operations	2014 - Present
Total number of investors	87
Total \$ raised currently	\$16,500,000
Average IRR annualized	9.10% since inception

BILL FAIRMAN

Bill began his career in the mortgage banking industry in 1989 as a residential mortgage loan officer with The Money Centre, a Charlotte NC based mortgage brokerage. He moved up the ranks to Whole Sale Account Executive and after eleven years with The Money Centre, Bill went on to become Regional Sales Manager for several other wholesale mortgage companies, the last a Whole Sale Commercial Mortgage Lender.

Bill was one of the few that successfully made the transition from residential to commercial lending and was assigned the duty of hosting the company's half-day seminars teaching residential mortgage professionals how to underwrite commercial loans.

Having spent the vast majority of his time on the wholesale side of the mortgage industry, he has had a unique opportunity to be involved in literally thousands of mortgage transactions, and thus has seen almost every type of scenario play out, both good and bad, giving him a unique depth of experience in the real estate investment space.

Bill is a co-founder of Carolina Hard Money, a hard money lender that specializes in short term purchase money loans with a construction component for real estate investors/builders in the Carolinas.

Bill is also a managing member of Carolina Capital Management, the manager of Carolina Capital Reserve Fund I, a Private Pool Mortgage fund created to raise capital from accredited investors and deploying it into real estate secured loans.



www.carolinahardmoney.com

www.carolinacapitalreservefund.com

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WENDY SWEET

Wendy Sweet began her early career in commercial real estate and hotel management. She developed Fairman & Associates in 1995, sharing her knowledge and marketing expertise with private, semiprivate, and daily fee/resort clubs and residential communities across the country. She has spoken nationally at events hosted by Crittenden Golf Expo, Hotel and Golf Associates, and the National Homebuilders Association. Wendy then began working for a national lender as an account executive promoting their investor niche product programs to mortgage brokers. There she met Larry Goins at Financial Help Services, Inc., and she and Larry subsequently became partners in a mortgage company to broker hard money loans. Together, Wendy and Larry started Investors Rehab, a wholesale real estate firm. In 2007, at the outset of the real estate downturn, Wendy started South Street Mortgage, establishing a company geared toward the owner occupied market while continuing to offer hard money loans for investors. In order to better present her business with a name that reflected what she does and where she does it, Wendy wound down South Street Mortgage and opened Carolina Hard Money with her brother, Bill Fairman, in 2012. As a strategic adjunct to the hard money business, in that same year, Wendy also established Sweet Carolina Houses. She serves as the exclusive buyer's agent for Larry Goins while also managing Investors Rehab, Inc. The roles combine to provide a synergistic opportunity to serve her clients and create business for the Fund.

Between Financial Help Services, South Street Mortgage, and Carolina Hard Money, over 700 hard money loans have been completed giving Wendy extensive experience in the space. Her passion for real estate is anchored by her passion for God. While engaged in her various real estate pursuits, Wendy graduated from the New Life Theological Seminary in 2012 as well. Real estate has given Wendy the opportunity to implement her belief in ethical, moral, and biblical principles, and put people and principles before profits.



Loan Samples



ROSLYN AVE

CHARLOTTE, NC

Loan Amount	\$120,800.00
Interest Rate	13.75%, \$1,384.17 monthly plus 5 points origination fee due to extend the loan for each additional 90 days.
Date Paid Off	March 2017
Sale Price	\$196,000



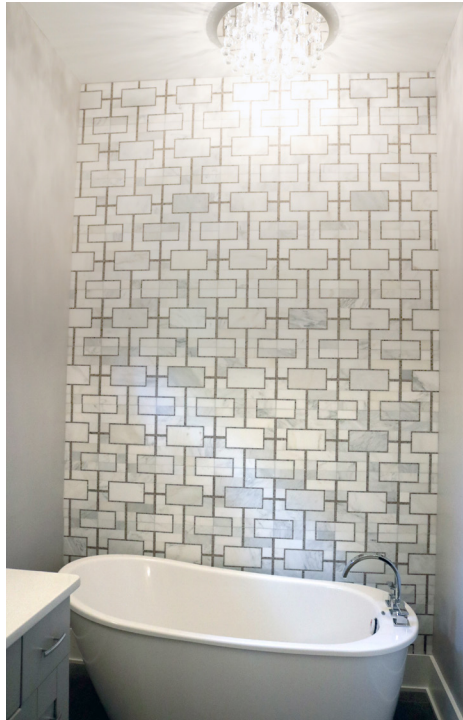
ELLSWORTH

CHARLOTTE, NC

Loan Amount	\$723,706
Interest Rate	13.75%, \$8,292.46 monthly plus 5 points origination fee
Term	9 months (September 2016 to May 2017)
Maturity Date	9 months from first payment. There is a 2% of the loan amount renewal fee due to extend the loan for each additional 90 days.
Loan Closed	July 2017 – Owner Refinanced
Currently Listed For	\$1,249,900



BEFORE



FLINT ST

CHARLOTTE, NC

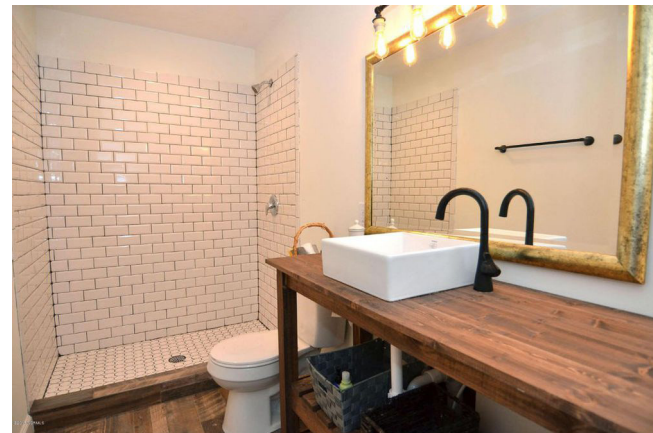
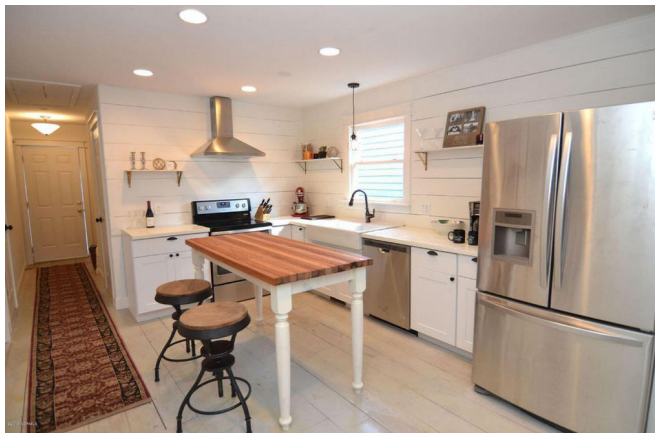
Loan Amount	\$197,000
Interest Rate	13.75%, \$2,257.30 monthly plus 5 points origination fee
Term	9 months (December 2015 to August 2016)
Maturity Date	9 months from first payment. There is a 2% of the loan amount renewal fee due to extend the loan for each additional 90 days.
Loan Closed	July 2017 – Owner Refinanced
Paid off March 2017	Sold for \$345,000



NORTH 7TH STREET

WILMINGTON, NC

Loan Amount	\$104,250
Interest Rate	13.75%, \$1,194.53 monthly plus 5 points origination fee
Term	6 months (October 2016 to March 2017)
Maturity Date	9 months from first payment. There is a 2% of the loan amount renewal fee due to extend the loan for each additional 90 days.
Paid Off	March 2017



Carolina Capital Reserve Fund I LLC

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