



US DEVELOPMENT: YEARLY UPDATE

2010 was a splendid year for US Development. We are actively expanding our market share in three states, as well as forming long-term strategic business relationships.

Recently, US Development received a letter of invitation on The Rockefeller. This means we have preliminary loan approval to begin finalizing all engineering, architectural and construction plans for The Rockefeller in Norfolk, VA. Redevelopment of these 125 residential units will begin the first or second quarter of 2011.

The H.U.D./FHA financing process is tedious and time-consuming; however, this time, it has proven very beneficial. Hillier Enterprises, which is a local business concern in Norfolk, is a partner with US Development in this particular endeavor. The architect we have selected is VIA design architects of Norfolk. Its president, Donna Phaneuf, has come to US Development highly recommended.

Our construction partner is CF Evans of Orangeburg, SC. It is a third generation, family-owned construction company that has an active niche in multi-family construction. We look forward to a long-term relationship with both the architect and contractor.

The Savoy, our second property in Norfolk, is progressing nicely. The local lender is TowneBank in conjunction with The Virginia Housing Authority. Construction should begin the second half of 2011. The property will consist of 36 residential units, as well as first-floor retail businesses.

Winston-Salem is another market where we are active. City Plaza on Trade and Cherry streets is in the design phase. On this project, we are looking at approximately 60 residential units, as well as first-floor retail space. Our commercial partner is Calhoun Roepnack Construction from North Carolina, as well as David Gall, our historic architect.

Architect David Gall has been awarded the Pepper Building contract in Winston-Salem. US Development was awarded the building through a national Request for Proposal, or RFP.

US Development also has various activities underway throughout the Southeast, including Columbia, SC. We have started to acquire, develop and construct approximately eight developments in 2011.

US Development recently closed on 5.5 acres on the Intercoastal Waterway in Myrtle Beach, SC, for approximately 200 apartment units. Construction should begin in the second quarter of 2011. The contractor will be Apex Homes of Myrtle Beach and Charlotte, NC. The architect is Humphreys & Partners, which is an international architectural firm based in Dallas, TX.

US Development is involved in several other acquisition and development projects that will be announced in the near future.

We wish to thank everyone involved for their cooperation. We are extremely fortunate for the teamwork that has been demonstrated throughout the Southeast. With your valuable assistance, we can redevelop the downtown areas and move residents back into the center cities. Happy New Year to All!

For any questions or comments, please call:

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