

THE STACK COMPANY

PRIVATE LENDING OPPORTUNITY

DISCLAIMER

This document does not constitute an offer of securities and should be used solely for informational purposes. It is the responsibility of any prospective investor to fully review and make their own assessment relative to the information provided herein. Sources used in compiling information contained within this document are believed to be reliable, however their accuracy is not guaranteed, nor has it been fully verified.

The value of any transaction to an investor depends on many factors not outlined herein, including taxes and other items which should be evaluated by tax, legal and financial advisors. We highly recommend that all investors conduct a fully independent investigation of the property and investment to satisfy their needs.

As with any investment the risk of losing your investment is real and risks must be assessed by you prior to entering into any agreement.

THE OPPORTUNITY FOR YOU

- ▶ Put your money to work for you by becoming a private lender
- ▶ Act as “the bank” to fund real estate transactions
- ▶ Diversify your portfolio of investments to include private lending in addition to traditional investment avenues (stocks, bonds, mutual funds)
- ▶ Potentially achieve higher than market returns
- ▶ Possibly higher stability of investment via real estate

WHO ARE WE?

- ▶ Joshua & Roxana Stack are forming The Stack Company.
- ▶ Long time corporate professionals, experience in international business and transitioning to real estate investment professionals
- ▶ Already own two investment properties in North Carolina*.
- ▶ The Stack Company, LLC will be domiciled in North Carolina.
- ▶ A real estate investment firm focusing on acquiring buy and hold rental properties that provide positive net cashflow and high return on investment (ROI)

CONTENTS

1. Introduction to The Stack Company and Principals
2. Investment strategy - Where, What, How
3. Raising Capital - How you fit in
4. Appendices & Additional Info





PARTNER

JOSHUA STACK

+45 2425 4973 | stackjd@gmail.com | [Linkedin Profile](#) | [Bigger Pockets Profile](#)



PARTNER

ROXANA LOO
STACK

+45 3079 4329 | loo.roxana@gmail.com | [Linkedin Profile](#)

**DISCIPLINED INVESTING
FOCUSING ON CASHFLOW & ROI,
NOT SPECULATIVE APPRECIATION.**

Joshua & Roxana Stack

WHAT ASSETS DO WE INVEST IN?

- ▶ Single family & small multifamily (duplex, triplex, etc) homes of quality construction
- ▶ Properties that provide cashflow and high ROI
- ▶ Homes that can attract high quality tenants and provide a comfortable, safe home environment.
- ▶ Target safe neighborhoods and preferring good school districts
- ▶ Where possible, close to transport amenities and shopping





ASSET CLASSES

- ▶ 50-90k USD homes
- ▶ 2 & 3 bedroom
- ▶ Rental income of 600+ USD/month
- ▶ Generating ROI of minimum 10%; target 12%
- ▶ Initially limited rehab needed
- ▶ Also target properties with a value add component

WHERE DO WE INVEST

- ▶ Charlotte, North Carolina metropolitan area
- ▶ Specifically focused on the Belmont to Kings Mountain, corridor including Gastonia, west of Charlotte*
- ▶ In Charlotte's path of progress.
- ▶ More desirable than other quadrants of Charlotte's perimeter

| Zip Code | City |
|----------|----------------|
| 28012 | Belmont |
| 28016 | Bessemer City |
| 28032 | Cramerton |
| 28034 | Dallas |
| 28052 | Gastonia W |
| 28054 | Gastonia |
| 28056 | Gastonia S |
| 28086 | Kings Mountain |
| 28098 | Lowell |
| 28120 | Mt Holly |

*See Appendix 2

CAPITAL POSITION & ASSET ACQUISITION

- ▶ The Stack Company has a strong initial capital position
 - ▶ Significant equity in already owned properties
 - ▶ Access to cash and cash equivalent reserves for self financing
 - ▶ Outside capital needed to achieve growth goals and accelerate acquisitions
 - ▶ You can act as a bank and be a private lender

WE SEEK CAPITAL THROUGH PRIVATE FUNDING

How it works

- ▶ You loan us money, we use then invest directly in real estate and repay you on a scheduled and agreed payment plan at an agreed interest rate

How it can be done

- ▶ Private notes (loans) of 3 to 5 year maturities at above market interest rates
 - ▶ Registered and notarized. Fully legalized
 - ▶ Secured or unsecured
- ▶ Private 15 or 30 year mortgages
 - ▶ First position lien, secured through Deed of Trust
- ▶ Asset based portfolio lending on multiple properties

CAPITAL REQUIREMENTS

What we are looking for

- ▶ Preferred full loans to fund the acquisition of individual properties
 - ▶ E.g. 60k purchase price w/ 20% down = loan amount 48k USD
- ▶ Loans against equity positions in existing properties
- ▶ Smaller loan amounts also possible
- ▶ Larger loan amounts against multiple properties an option



LOAN STRUCTURES

- ▶ Loans can be structured in many ways to suit your specific criteria or requirements at interest rates that work for you
- ▶ Multiple arrangements available, options to fit every lender

| | |
|--------------------------|-----------------------------|
| Varying maturity lengths | Short or long amortizations |
| Interest only | Balloon payments |

WHY TRY PRIVATE LENDING WITH US?

- ▶ Loan against specific and articulated business cases for individual properties
- ▶ Secured investments against assets
- ▶ Higher yields than savings accounts or investment accounts
- ▶ Diversify your portfolio of investments through private lending
- ▶ Put money actively to work which may not be yielding interest
- ▶ Help fund a start up business with a secured position





NEXT STEPS

- ▶ We would love to provide you much more information and develop a win-win business relationship
- ▶ What would you need to make a private financing relationship as proposed a success?
- ▶ Let's discuss how we can do business together.



APPENDIX 1

**LENDING CASE STUDY, SAMPLE
BUSINESS CASE & ADDITIONAL
INFORMATION ON PRIVATE
LENDING**

CASE STUDY – SHORT TERM PRIVATE LENDING

Ivan is a house flipper in Southern California, where the typical run-down house costs over \$300,000, which Ivan doesn't have. Instead, Ivan networks at various SoCal real estate events and meets individuals looking to invest in real estate without getting their hands dirty.

On his newest flip, he talks with Dr. Jim, an anesthesiologist, who has over a million dollars in various investments and retirement accounts. Dr. Jim has no time to invest but is looking to diversify his portfolio. He lends Ivan \$370,000, enough to purchase Ivan's newest flip and fund 100% of the repairs. Dr. Jim obtains a first lien position on the home, and Ivan signs a two-year promissory note, paying Dr. Jim 9% and payments deferred (but interest accruing) until the home is sold. The funds are disbursed, and Ivan gets to work managing the flip.

Within nine months, the property is rehabbed and sold, and Dr. Jim receives his money back, Ivan makes his profit, and everyone is happy and ready for the next deal.

In this example, Ivan uses a short-term private money loan to fund a real estate fix and flip. This is one of the easiest-to-obtain private loan to obtain because it gives the investor their money back in the shortest time possible. Ivan was able to avoid paying extremely high rates and fees from a hard money lender and could make more cash when the rehabbed property was sold.

CASE STUDY – MEDIUM TERM PRIVATE LENDING

Sarah is an investor in the Dallas area who is primarily interested in small multifamily properties. She is especially interested in finding properties that have been poorly run and poorly maintained, acquiring them for a low price, rehabbing them, and renting them out while she waits for the market to improve. Sarah finds the perfect property, located near her home—a garden-style fourplex in a great neighborhood that needs some new paint, carpet, and better management.

She gets the property under contract for \$110,000 and sets out to find funding. She discusses the deal with an experienced investor, Wilson, whom she met online through BiggerPockets.com. Wilson is tired of dealing with tenants and has been selling off his properties. As a result, has a sizable chunk of cash in his bank account that he needs to “put to work.”

Wilson lends Sarah \$130,000, enough for Sarah to buy and rehab the fourplex, for a five-year term at 8%, interest only, which comes out to \$866.66 per month. Sarah immediately improves the property and rents out each unit for \$750. After all the expenses, including the loan payment to Wilson, she clears almost \$700 per month in cash flow. She then holds on to the property for several years, until the market improves, and then sells the property for \$190,000, clearing a huge profit.

CASE STUDY – LONG TERM PRIVATE LENDING

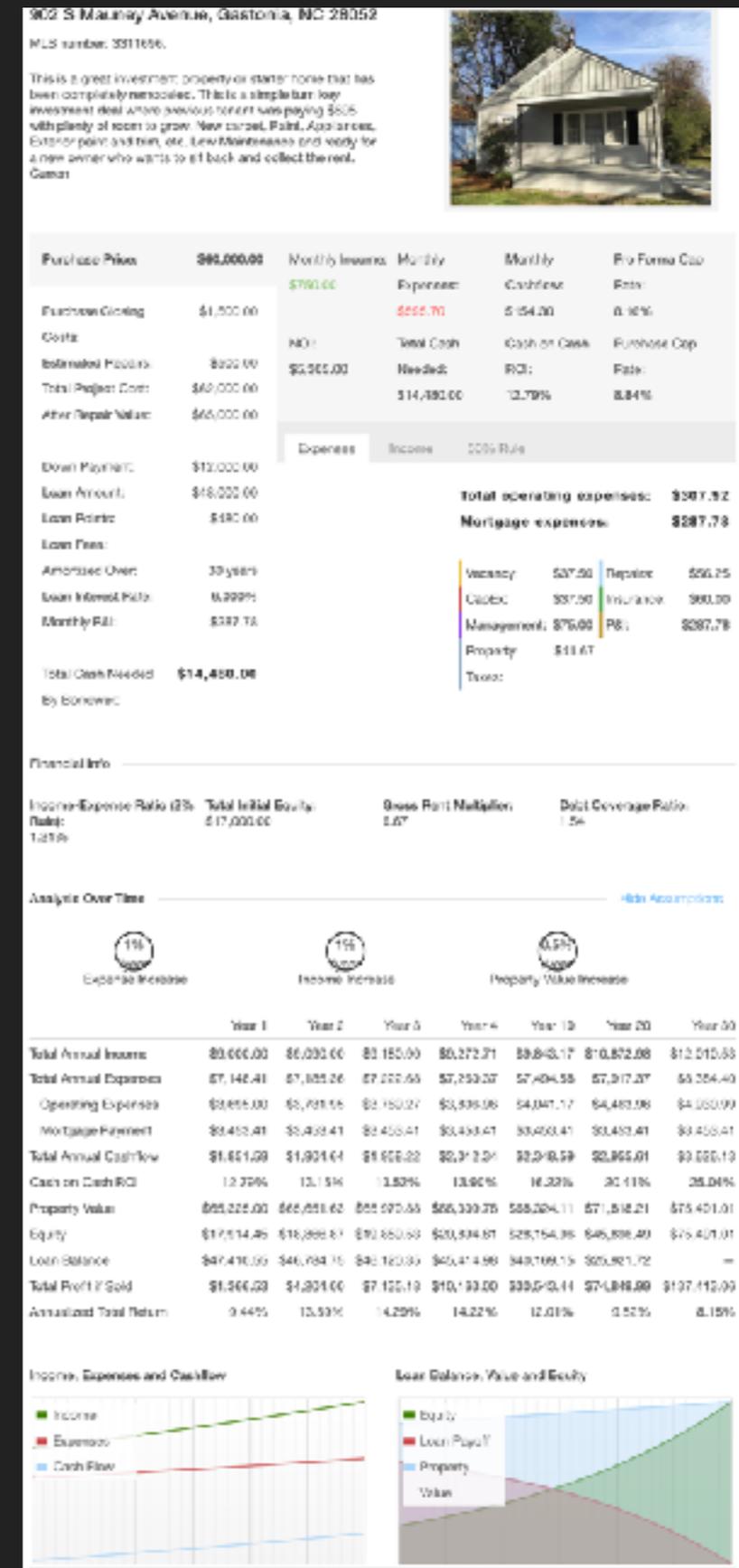
Real estate investor Robert enjoys renting out single-family homes but has long since maxed out his “four property” limit from the banks. Instead, he uses private lending to buy cash flow-generating properties. He gets his newest project—an older, rent-ready, three-bedroom, two-bath home outside of Milwaukee—under contract for \$50,000.

He then talks with his newest private lender, a distant cousin named Cal, about the property. The cousin made a killing selling his tech business in the late 1990s and has been investing his money in the stock market ever since, averaging a 6% return over the past decade. In an effort to diversify his portfolio, Cal mentioned at a recent family reunion that he’d love to get in on the real estate action. Robert and Cal agree to a 30-year fixed loan at 6%, but to sweeten the deal, Robert offers Cal 20% of whatever profit is made at the end. They close on the property, Cal makes his 6%, while Robert rents the home out for \$1,000 per month and sits back to wait for his wealth to build.

Fifteen years later, Robert sells the home for an \$80,000 profit, and Cal receives \$16,000 of that profit.

SAMPLE BUSINESS CASE

- ▶ Full calculation showing all returns and analysis over time
- ▶ Includes long run projections and takes into account analysis over time
- ▶ Full transparency on the underlying real estate transaction for the private lender

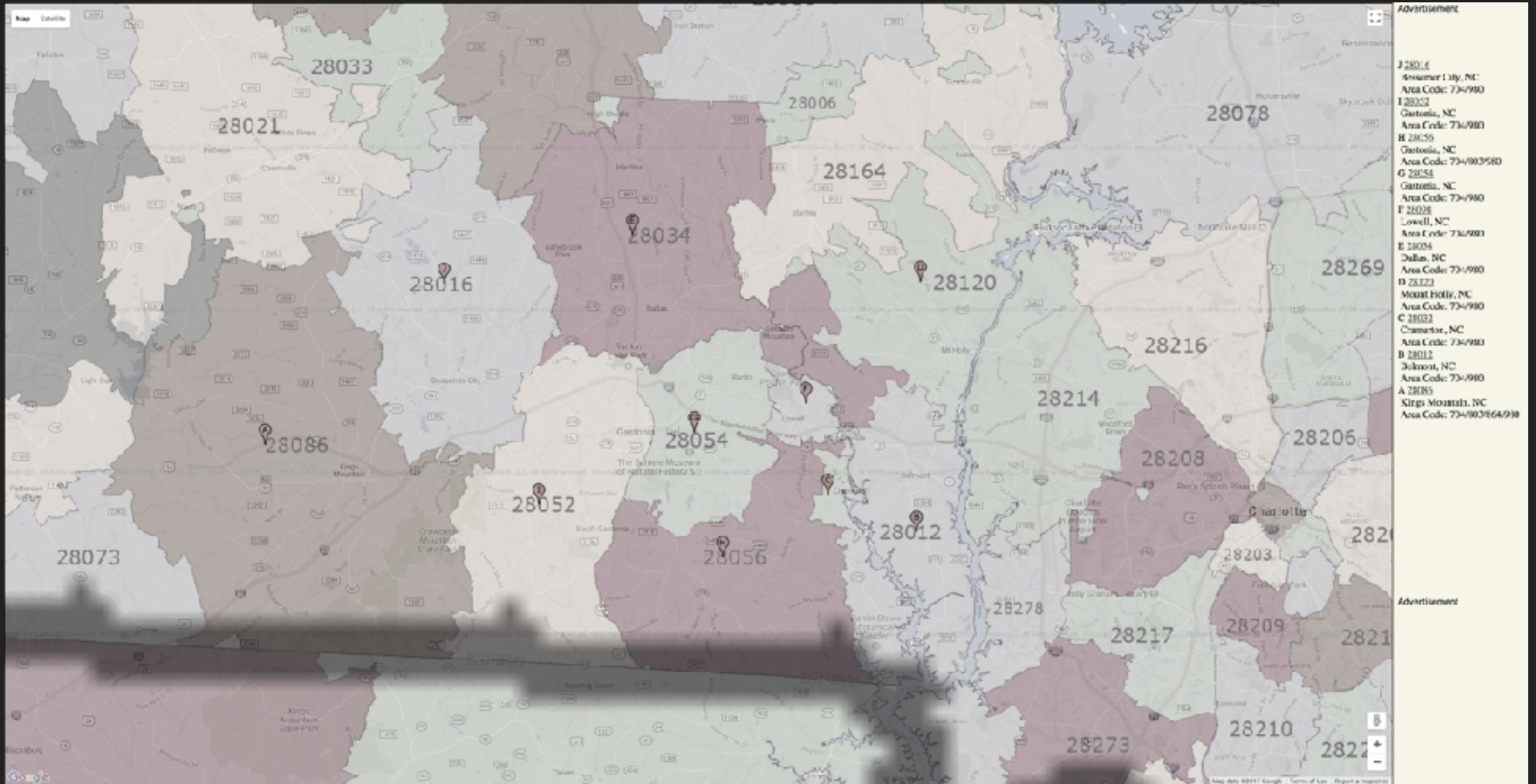




APPENDIX 2

INVESTMENT MARKET ANALYSIS

TARGET INVESTMENT AREA



DEMOGRAPHICS

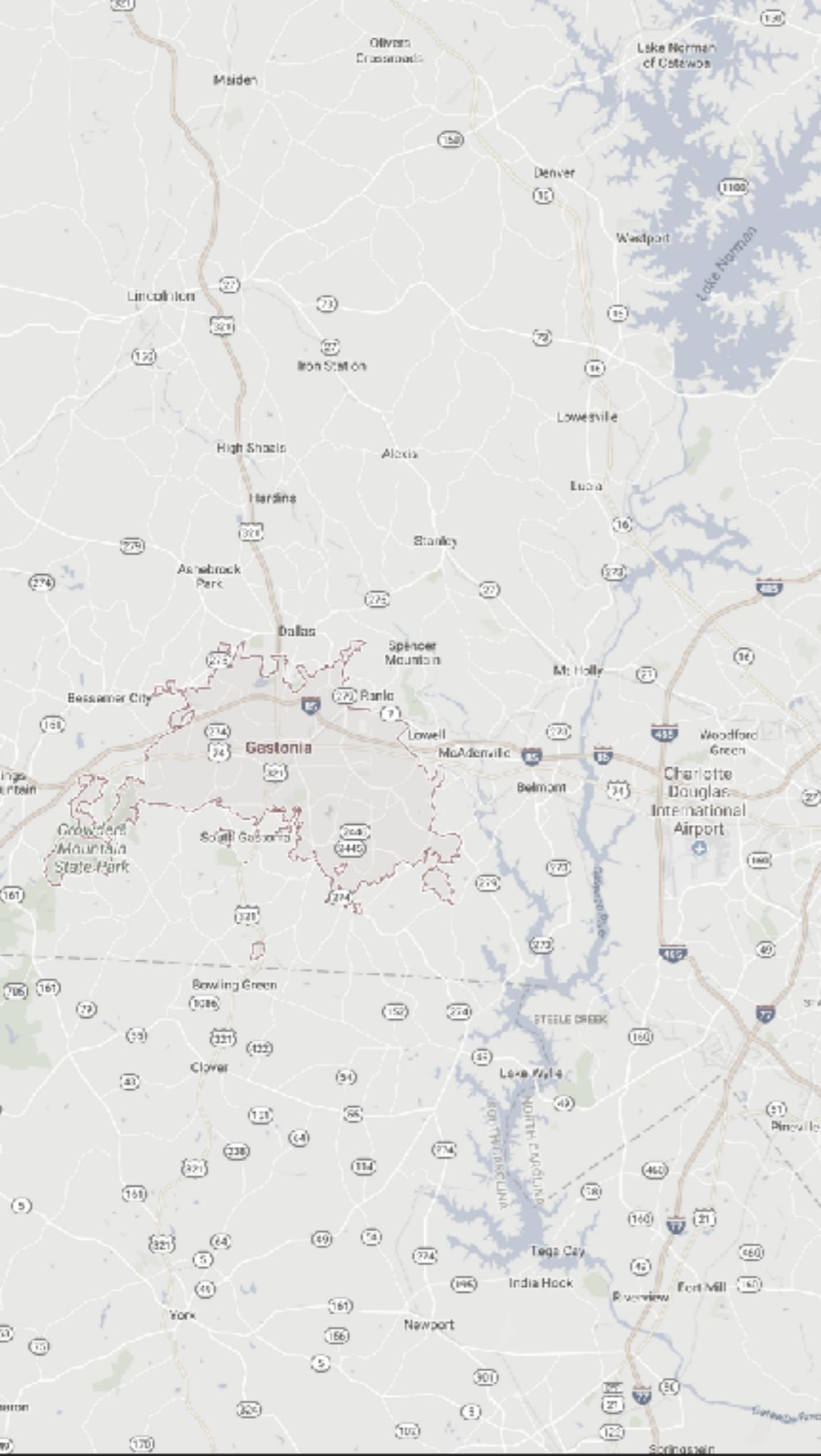
- ▶ Strong fundamentals for our target renter demographic
- ▶ Employment increasing, wage growth, poverty decreasing
- ▶ Slightly growing population with a median age below state average
- ▶ 55% home ownership, lower than national average
- ▶ Year over year increasing rents
- ▶ Growth from Charlotte pushing west into our investment corridor



DIVERSIFICATION & DEVELOPMENT

- ▶ Economy recovering from 90s/2000s job losses and diversifying from manufacturing dependence
 - ▶ Healthcare and a full technology park demonstrate diversification
- ▶ Economic development high on city management's agenda
- ▶ Leading indicator economic revitalization projects underway
 - ▶ Loray Mill Redevelopment
 - ▶ FUSE (Franklin Urban Sports & Entertainment district)
 - ▶ 10m USD LEED certified conference center
 - ▶ A developing arts district
 - ▶ 5m USD boutique hotel opening downtown in 2018

“A SUCCESSFUL
DOWNTOWN
IS THE KEY
TO A SUCCESSFUL
COMMUNITY.”



COMPARATIVE DATA

GASTONIA IN A REGIONAL CONTEXT



“Gaston County has recruited seven foreign firms to the county in the past five years.

Gaston County ranked 10th in total employment growth from 2013 to 2014 Gaston County ranked 4th in North Carolina out of 100 counties.

From Third Quarter 2009 to Second Quarter 2014, Gaston’s average wage increased 9.6% while manufacturing’s average wage increased 23.9%.”

**Tom Keigher,
Chairman Gaston County Board of
Commissioners in 2016**

GASTONIA, NC

POPULATION
73,211

MEDIAN HOUSEHOLD INCOME
\$40,432

MEDIAN AGE
37

NUMBER OF EMPLOYEES
31,114
2.88% GROWTH

POVERTY RATE
20.8%

MEDIAN PROPERTY VALUE
\$137,900
2.88% GROWTH

&

REMOVE COMPARISON

GASTON COUNTY, NC

POPULATION
209,807

MEDIAN HOUSEHOLD INCOME
\$42,429

MEDIAN AGE
39.8

NUMBER OF EMPLOYEES
91,563
1.35% GROWTH

POVERTY RATE
17.4%

MEDIAN PROPERTY VALUE
\$125,100
0.88% GROWTH

ABOUT

ECONOMY

HEALTH & SAFETY

DIVERSITY

EDUCATION

HOUSING & LIVING

READ MORE

ABOUT

Gastonia, NC is a census place located in Gaston County, NC with a population of 73,211 and a median age of 37.

was \$40,432, a 2.16% growth from the previous year. Also in 2015 there were 31,114 residents in Gastonia, NC with jobs, a 2.88% growth over 2014.

Kings Mountain, NC; Lowell, NC; and Randle, NC.

About the photo: View of Charlotte from the Central Ave. bridge over Independence Blvd.

Gaston County, NC is the 10th largest county in North Carolina by population and contains 15 census places. The largest places in Gaston County, NC by population are Gastonia, NC; Mount Holly, NC; and Kings Mountain, NC.

In 2015, the median household income in Gaston County, NC was \$42,429, a 0.64% growth from the previous year. Also in 2015 there were 91,563 residents in Gaston County, NC with jobs, a 1.35% growth over 2014.

Gaston County, NC borders Cleveland County, NC; Lincoln County, NC; Hecklerburg County, NC; and York County, SC.

In 2015, the median household income in Gastonia, NC

Gastonia borders the neighboring places of Dallas, NC;

PHOTO BY JAMES WILLAMOR

UNITED STATES \ NORTH CAROLINA \ GASTON COUNTY, NC \ CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA

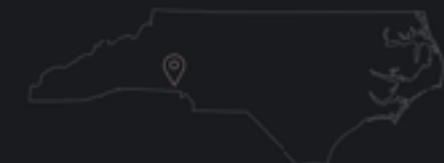
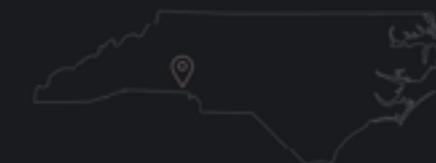


PHOTO BY JAMES WILLAMOR

UNITED STATES \ NORTH CAROLINA \ CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA



GASTONIA, NC

&

KINGS MOUNTAIN, NC

REMOVE COMPARISON

POPULATION
73,211
MEDIAN HOUSEHOLD INCOME
\$40,432

MEDIAN AGE
37
NUMBER OF EMPLOYEES
31,114
2.8% GROWTH

POVERTY RATE
20.8%
MEDIAN PROPERTY VALUE
\$137,900
1.8% GROWTH

POPULATION
10,792
MEDIAN HOUSEHOLD INCOME
\$40,939

MEDIAN AGE
42.1
NUMBER OF EMPLOYEES
4,462
2.8% GROWTH

POVERTY RATE
18.1%
MEDIAN PROPERTY VALUE
\$102,900
1.8% GROWTH

- ABOUT
- ECONOMY
- HEALTH & SAFETY
- DIVERSITY
- EDUCATION
- HOUSING & LIVING

READ MORE

ABOUT

Gastonia, NC is a census place located in Gaston County, NC with a population of 73,211 and a median age of 37.

In 2015, the median household income in Gastonia, NC was \$40,432, a 216% growth from the previous year. Also in 2015, there were 31,114 residents in Gastonia, NC with jobs, a 288% growth over 2014.

Gastonia borders the neighboring places of Dallas, NC; Kings Mountain, NC; Lowell, NC; and Randle, NC.

About the photo: View of Charlotte from the Central Ave. bridge over Independence Blvd.

Kings Mountain, NC is a census place located in Cleveland County, NC and Gaston County, NC with a population of 10,792 and a median age of 42.1.

In 2015, the median household income in Kings Mountain, NC was \$40,939, a 112% growth from the previous year. Also in 2015 there were 4,462 residents in Kings Mountain, NC with jobs, a 231% growth over 2014.

Kings Mountain borders the neighboring places of Gastonia, NC.

PHOTO BY JAMES WILLAMOR

UNITED STATES | NORTH CAROLINA | CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA | GASTON COUNTY, NC | SHELBY, NC | CLEVELAND COUNTY, NC



GASTONIA, NC

&

CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA

REMOVE COMPARISON

POPULATION
73,211
MEDIAN HOUSEHOLD INCOME
\$40,432

MEDIAN AGE
37
NUMBER OF EMPLOYEES
31,114
2.88% GROWTH

POVERTY RATE
20.8%
MEDIAN PROPERTY VALUE
\$137,900
2.0% GROWTH

POPULATION
2.43M
MEDIAN HOUSEHOLD INCOME
\$54,836

MEDIAN AGE
37.2
NUMBER OF EMPLOYEES
1.18M
3.0% GROWTH

POVERTY RATE
14.1%
MEDIAN PROPERTY VALUE
\$173,900
2.86% GROWTH

- ABOUT
- ECONOMY
- HEALTH & SAFETY
- DIVERSITY
- EDUCATION
- HOUSING & LIVING

READ MORE

ABOUT

Gastonia, NC is a census place located in Gaston County, NC with a population of 73,211 and a median age of 37.

In 2015, the median household income in Gastonia, NC was \$40,432, a 2.10% growth from the previous year. Also in 2015 there were 31,114 residents in Gastonia, NC with jobs, a 2.88% growth over 2014.

In 2015, the median household income in Gastonia, NC

Gastonia borders the neighboring places of [Dallas, NC](#)

[Kings Mountain, NC](#), [Lowell, NC](#), and [Reno, NC](#).

About the photo: View of Charlotte from the Central Ave. bridge over Independence Blvd.

Charlotte-Concord-Gastonia, NC-SC Metro Area is the 22nd largest metropolitan statistical area in the nation with a combined population of 2.43M people and a median age of 37.2.

In 2015, the median household income in Charlotte-

Concord-Gastonia, NC-SC Metro Area was \$54,836, a 2.4% growth from the previous year. Also in 2015 there were 1.18M residents in Charlotte-Concord-Gastonia, NC-SC Metro Area with jobs, a 3.0% growth over 2014.

The largest counties by population are [Mecklenburg](#)

County, NC; York County, SC; and Gaston County, NC. The largest places in Charlotte-Concord-Gastonia, NC-SC Metro Area by population are [Charlotte, NC](#); [Concord, NC](#); and [Gastonia, NC](#).

PHOTO BY JAMES WILLARD
UNITED STATES | NORTH CAROLINA | GASTON COUNTY, NC | CHARLOTTE-CONCORD-GASTONIA, NC-SC METRO AREA

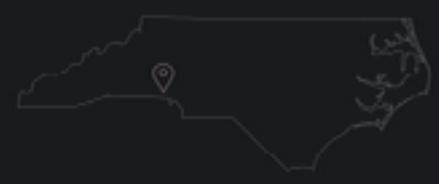
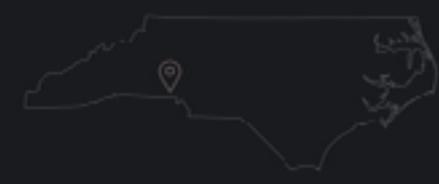


PHOTO BY JAMES WILLARD
UNITED STATES | SOUTH CAROLINA | NORTH CAROLINA





APPENDIX 3

OWNED PROPERTIES

199 FRONT STREET, CRAMERTON

- ▶ Asset owned free and clear
- ▶ 2 bed/1 bath; 966 sqft. Built circa 1900
- ▶ Operating rental property since 2008; +97% occupancy
- ▶ Current rent \$825, expect to rent for \$850+ in 2018
- ▶ Market Value 110k; 100% equity
- ▶ Web: 199frontstreet.com



308 GARDENSIDE, MARS HILL

- ▶ Mountain Cabin in Wolf Laurel Resort
- ▶ 2 bed/2 bath w/ unfinished basement. Built 1980
- ▶ Entering rental market Spring 2018 (Airbnb, VRBO, etc)
- ▶ Market value 130k USD
- ▶ Equity position of +50%

