

ADG

ATLANTIC DISBURSEMENT GROUP

Specializing in fund disbursement for the construction industry





Advantages

ADG is a third party construction fund disbursement company offering services that reduce your risk, increase your efficiency and improve service to your customers.

- Fund Disbursement Service
 - State of the art software with 24/7 secure web portal
 - Issues payments directly to subcontractors and suppliers
 - Collects and tracks lien waivers
 - Maintains and tracks construction loan budget
 - Generates detailed reports on all disbursement activity

- Inspection Service
 - Provides construction site inspections by industry-experienced inspectors
 - Provides inspection reports
 - Documents construction progress using digital photography

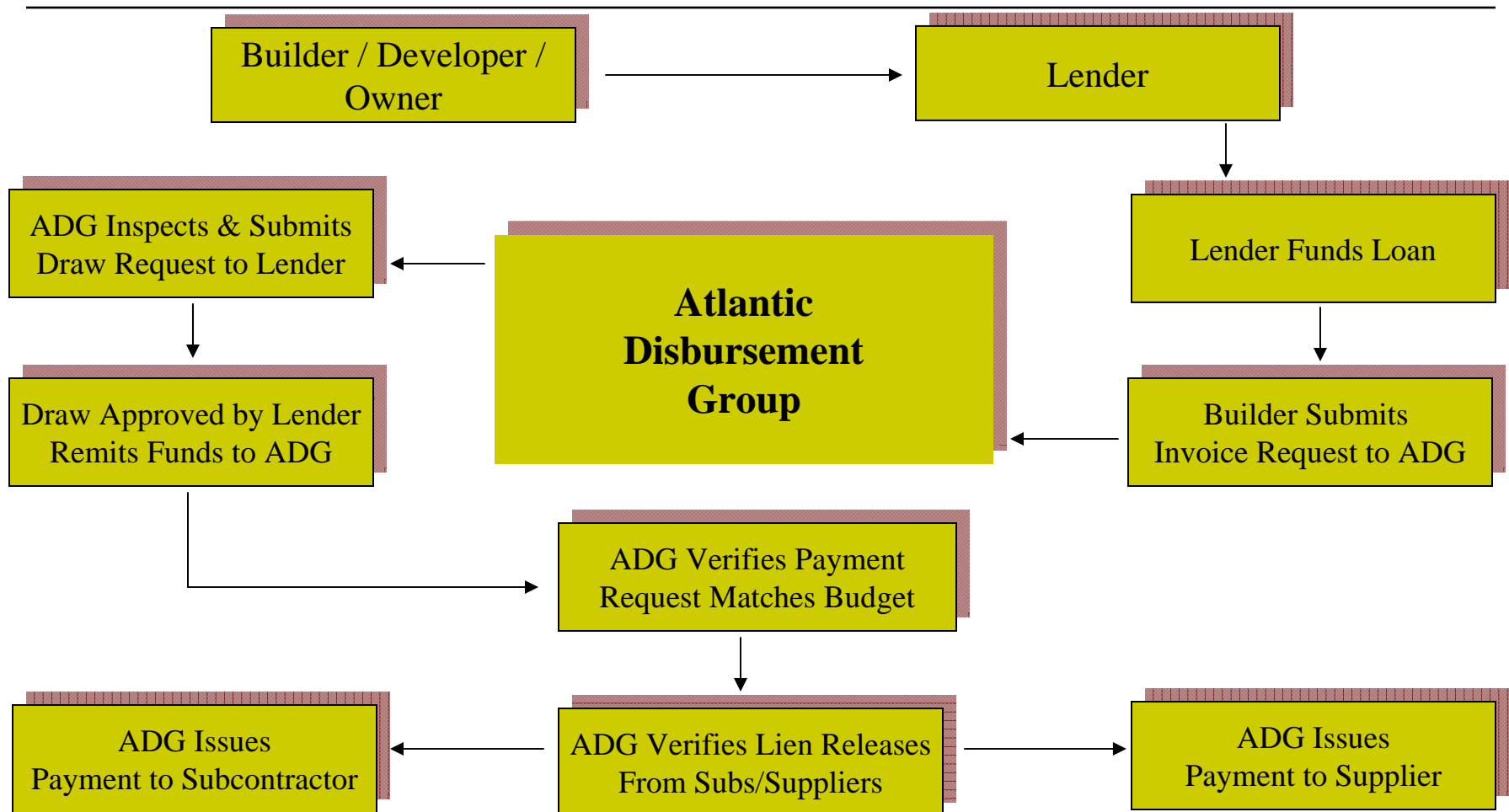
- Professional Liability Insurance Policy - \$1M per transaction



Disbursement/Inspection Process

- ❑ Builder/Developer/Owner submits budget and specifications to lender for review
- ❑ Lender approves the builder's loan
- ❑ Builder or lender submits approved budget to ADG
- ❑ Builder submits invoices to ADG
- ❑ ADG performs regular site inspections and provides lender with inspection report and proof of completion via digital photographs
- ❑ Lender disburses the draw request to ADG
- ❑ ADG verifies payment request matches budget
- ❑ ADG sends lien waiver to supplier
- ❑ Lien waiver returned to ADG
- ❑ Check or wire is sent to subcontractor or supplier
- ❑ Builder/Developer/Owner pays ADG a fee based on a tiered pricing structure upon loan closing

Disbursement/Inspection Process Flow





Who Benefits

- Lenders
- Title Insurance Companies
- Builders
- Developers
- Subcontractors
- Suppliers
- Homeowners



Lender

□ Risk Management

- System tailored to meet lender's specific disbursing rules
- Provides real time budget tracking
- Eliminates fund disbursement on uncompleted work
- Direct pay to subcontractors and suppliers, not the builder, protects lender from potential fraud
- Eliminates possibility of mechanics and material liens
- Construction site inspections performed by industry-experienced inspectors
- Construction progress documented through digital photography and detailed inspection reports
- Lender alerted to project delays/issues, allowing swift and collaborative problem resolution



Lender (con't)

- Customer Relations and Sales
 - Relationship managers have more time to foster existing banking relationships
 - Loan officers have more time to target new business
 - Powerful sales tool for construction/perm and pre-sale loans
 - Protects homeowner from liens and builder mismanagement of funds
 - Gives homeowner piece of mind
 - Increases chance of long-term banking customer



Industry Benefits

□ Title Insurance Companies

- Reduction in title insurance losses
- Lien releases will be required before issuing payment for goods or services
- Potential to offer preferred rates to participating lenders, builders and developers

□ Subcontractors and Suppliers

- Quick payment
- Increased cash flow and management efficiency
- Elimination of costly collection fees
- Willingness to offer discounts to participating builders

□ Builders and Developers

- Increased profitability through strict cost controls
- Lower construction costs through subcontractor/supplier discounts
- Reduction in construction back office accounting, including year-end 1099 reporting
- Elimination of liens filed
- Potential to offer preferred rates on title insurance
- Increased efficiency