

INTRODUCING:

DIAMOND TERRACE

Condominiums

1459 MacArthur Boulevard, Oakland, CA 94602

A beautiful, high-rise, luxury condominium project well located in the beautiful Glenview district

31 Spacious brand new luxury condominiums
30 Residential units & 1 commercial space in a 5 story stately building



Below Market Price: \$6,988,000

- \$2.3 million profit if sold as condominiums
- 6% existing capitalization rate / 6.5% Potential capitalization rate
- 10.3% Existing Cash on Cash Return / 12% Potential Cash on Cash Return
- Approved and finalized luxury condominium complex
- Comparable buildings have sold for \$257,000 - \$365,000 per unit over the last 18 months
- Built in 2012 / \$215.00 per square foot
- Exempt from rent control

For more information about this fabulous opportunity:

Please call Fred Lewis at (209) 522-9999

Or visit us at: www.hotdealsoakland.com



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Complex Description – APN 23-516-1

Diamond Terrace Condominiums are brand new and made up of 5 one bedroom units, 22 two bedroom units, 3 three bedrooms, and one commercial condominium in a 5 story stately building. These brand new condominiums offer eight different floor plans and built with exquisite taste. The existing numbers currently boast a 6% capitalization rate and 10.3% cash on cash return. The rents are currently \$100 below market to allow a quick rent up process. With rents \$100 higher at market the Cash on Cash return is 12% and the capitalization rate is 6.5%. All of the units have been fully approved for condominiums. We expect the condominium fair market price to be approximately \$300,000 a piece which totals \$9,300,000 in value. This allows an investor \$2,300,000 in potential profit after purchase of property. They have stunning views of Oakland and San Francisco with roof top patios, stylish new interiors that include gourmet kitchens, brand new stainless steel appliances, and granite counter tops. The Top floors enjoy sun decks while first floors have spacious private patios. They enjoy the convenience of in-unit washers and dryers, and underground parking garage. All units are wired for high-speed internet access, cable, security alarm, and intercom systems. It is a gated and control accessed community. The complex has gas heat and hot water efficiently run throughout and also has dual pane windows. You will love Oakland's landscape, and picturesque views of hillside neighborhoods and nearby waterfront. We are also conveniently located by BART, freeways, restaurants, and shopping. The complex has a brand new elevator. The complex is located above I580 near the on & off ramps that allows easy access on and off the freeway to reach San Francisco and the entire Bay Area with ease. The complex was built in a manner that allows excellent noise reduction on the interior of the units so once you are home you feel you are away from the hustle and bustle of the City.

Complex Location:

These luxurious condominiums are well located in the Glenview District of Oakland. The main street is Park Boulevard running east and west between Lymart and Interstate 580. The Glenview district is a lively commercial district of Oakland. Glenview offers a wonderful variety of restaurants, markets, coffee shops, art shops, florists, beauty services, business services, laundry, and cleaners. The Glenview district has a variety of churches and synagogues. The two main schools in the district are Glenview Elementary and Edna Bruer Middle School; both of which are excellent schools.

Project History:

In 2005 a group of Hong Kong Investors began building this project. They initially invested 8.2 million dollars of bank money and an undisclosed amount of their own cash. By 2008 the project was stalled because of a lack of funding and the downturn of the real estate market. American Liberty Investments purchased the property in May of 2011 and invested 1.5 million dollars to complete the project. There is probably 11 – 12 million dollars currently in this project. The units were expected to sell for approximately \$500,000 to \$600,000 at the peak of the real estate market giving the building, at that time, what they believed would be a potential value of 15.5 million to 18.6 million.

Glenview District Home Sales:

Homes and condominiums in the Glenview district that are comparable and range in price from a low of \$300,000 to a high of \$650,000 with an average selling price of \$450,000.

Tenant Description:

This complex is occupied by professionals that work in the Bay Area. The majority of these tenants are what's called "voluntary tenants" that certainly have the means to purchase a single family home but choose not to. All of these residents were carefully selected based on their income, credit, and references from past landlords.

Condominium Approval:

There exists a final subdivision public report the new buyer will simply have to amend the public report to add their name. Other than that it is a completed condominium complex ready to market. The map has been recorded; the Declaration of Restrictions and Condominium Plan are also completed. The Department of Real Estate issued the final Public Report which is the "white" report and is evidence that the State of California has granted the sub-divider permission to advertise sell and close escrow on individual units. A purchaser will be required to obtain a Department of Real Estate Final Report in their name before they can close escrow on their individual units which is a rudimentary process. This "white" report for the project was issued on November 21, 2011 and expires on November 20, 2016 at which time if the sub-divider still owns the units the "white" report is required to be renewed for an additional 5 year period before the sub-divisor may advertise, take deposits, sell and or close escrow on individual units.

The Articles of Incorporation have been filed for the Diamond Terrace Owners Association and the Declaration of Restrictions in Condominium Plan for Diamond Terrace Condominiums has also been filed and recorded.

RUBBS – Utilities Pass Through:

What RUBBS stands for is Redwood Utility Billing Services. I have attached the Utility Addendum and Redwood Utility Billing Services Agreement on the website. What this service allows the owner to sub-meter the water, sewer, garbage, and hot water to pass through those amounts to individual tenants. The leases are currently on a one year term. Ideally the owner would, on expiration of those leases, place the RUBBS program in place and have the tenants pick up the utilities as opposed to increasing the rents which will further reduce your expenses.

Real Estate Market in the City of Oakland – News Articles:

The East Bay is one of the ten highest performing multifamily markets in the United States according to real estate services company Grubb & Ellis. Oakland East Bay finished in 8th place nationally coming in ahead of Portland, OR and Washington, DC in the top 10. Metropolitan areas were ranked according to occupancy and rental rates, a robust job market; positive population growth and coastal location were three of the East Bays factors for success. In addition, Santa Ana based Grubb & Ellis predicted even more growth through 2012 linking the prospects in the rental market with challenging mortgage qualifications for the growing 18-34 age group.

An article published in InMan News dated August 23, 2011 stated 11 of the fastest moving real estate markets in July listed Oakland as number 2 in the country, only behind Denver, Colorado.

In the August 2011 issue of the National Apartment Association they listed the twelve top rent growth markets in the country according to MPF Research and Oakland was listed as number 4 in the entire country.

A New York Times article dated January 10, 2012 titles, “Oakland Ranks Number 5 of Places to Go in 2012” states, “Oakland ranked as the 5th most desirable destination to visit this year in the “45 Places to go in 2012” this story appeared in the New York Times

The San Francisco Business Times February 23, 2012 issue states, “Bay Area apartment market – raising rents in San Francisco / Peninsula region are pushing renters to the East Bay.”

Polaris group recorded a 58.5% increase in condominium resale transactions, although the sales marketing and consulting firm noted that the number of cash buyers had also increased rising from 26% from September and November of 2010 to 38% in the same period a year later.

In the May 3rd issue of the San Francisco Business Times there is an article titles “Condos Make a Comeback”. Though they are referring to San Francisco in the article, as with everything else in the real estate market, apartment rentals and the commercial unit market, once the San Francisco market is absorbed activity will come across the bridge to the East Bay.

In the San Francisco Business Times April 14, 2011 issue article states, “East Bay condos swap renters for buyers, units moving quickly in Oakland and Emeryville. 8 units have gone into contract for prices near \$400 per square foot – about a 30% to 35% discount on 2008 prices. A one bedroom starts at around \$250,000 and two bedrooms near \$500,000. ‘Sales have gone quicker than I had originally anticipated’ sellers said ‘I had no idea what the market was like but we had quality units and have always believed in the Jack London Square neighborhood.”

Travel section on January 8, 2012. Oakland placed before 4. London and 6. Tokyo and on the coveted list Oakland was the highest ranked North American city.”

A Yahoo Real Estate article dated September 20, 2011 titled “US Cities Where Homes Sell the Fastest” Oakland was listed as number 5 where the median time to sell was 81 days.

Articles continued

The San Francisco Business Times April 12, 2012 article states, "The new Condominium development sales market appears to be stabilizing." The Polaris Group Report states, "Conditions for new home developers and sellers of existing homes are far from favorable, though as buyers remain opportunistic and price sensitive."

Commission:

The commission offered to the selling agent of this property is \$150,000. If there are multiple agents on the sale the \$150,000 commission will be split amongst the agents. Whether there is one agent or multiple agents the \$150,000 commission will remain the same. The property is not listed with any agent. Commission will only be paid to the agent who has an unconditionally accepted offer and consummated transaction. No commission will be paid based on the acceptance of a contract unless the transaction is consummated. Therefore only one agent could ever be due a commission unless it is agreed to in writing in advanced that multiple agents are working on the project and it is that agent which will consummate the sale.

Directions:

From East of Oakland:

You will take I580 West exiting at the 14th Ave/Park Blvd. exit. You will turn right at the light which is Beaumont, and driving north 2 blocks, turn right on Excelsior. Go East one block turning right on Brighton. Brighton runs into 1459 MacArthur Boulevard.

From San Francisco:

You will continue on I580 East exiting on Park Boulevard. Once on Park Boulevard you will drive along the frontage road which is MacArthur Boulevard, turn left on 13th Avenue and cross the freeway, turn right on Excelsior. Go East on Excelsior cross Beaumont and turn right on Brighton. Brighton will run into the complex at 1459 MacArthur Boulevard.

DIAMOND TERRACE CONDOMINIUMS

1459 MacArthur Boulevard, Oakland, CA 94602

ANNUAL PROPERTY OPERATING DATA

| | | | |
|-------------------|---|--------|-------------|
| PURPOSE: | Property Analysis | PRICE: | \$6,988,000 |
| NAME: | Diamond Terrace Condominiums | | |
| LOCATION: | 1459 MacArthur Boulevard, Oakland, CA 94602 | | |
| TYPE OF PROPERTY: | 31 Luxury Condominiums | | |

| | | | |
|----------------------------------|-------------------|--------------|------|
| <u>ASSESSED APPRAISED VALUES</u> | LAND: | \$ 1,257,840 | 18% |
| | IMPROVEMENTS: | \$ 5,590,400 | 80% |
| | PERSONAL PROPERTY | \$ 139,760 | 2% |
| | TOTAL: | \$ 6,899,000 | 100% |

| | | | | |
|----------------------------------|-------------|----------|----------|------|
| PROPOSED 1 st 70% LTV | \$4,888,000 | \$27,753 | 30 Years | 3.7% |
|----------------------------------|-------------|----------|----------|------|

| | | |
|------------------------|------------|------------|
| | EXISTING: | POTENTIAL: |
| GROSS RENTAL INCOME | \$ 629,784 | \$ 665,784 |
| VACANCY | \$ 12,000 | \$ 12,000 |
| GROSS OPERATING INCOME | \$ 617,784 | \$ 653,784 |

LESS OPERATING EXPENSES

| | | |
|---|-----------|-----------|
| PROPERTY INSURANCE | \$ 6,649 | \$ 6,649 |
| REAL ESTATE TAXES | \$ 95,000 | \$ 95,000 |
| RESIDENT MANAGER | \$ 12,000 | \$ 12,000 |
| REPAIRS AND MAINTENANCE | \$ 12,000 | \$ 12,000 |
| (\$600 Labor – 40 hours@ \$15/hr) + (\$400 Materials) | | |

SERVICES:

| | | |
|--------------|-----------|-----------|
| RUBBISH | \$ 9,600 | \$ 9,600 |
| PEST CONTROL | \$ 1,500 | \$ 1,500 |
| ***RESERVES | \$ 14,915 | \$ 14,915 |

UTILITIES:

| | | |
|---|------------|------------|
| ELECTRICITY | \$ 6,000 | \$ 6,000 |
| GAS | \$ 18,000 | \$ 18,000 |
| WATER AND SEWER | \$ 24,000 | \$ 24,000 |
| TELEPHONE | \$ 600 | \$ 600 |
| TOTAL OPERATING EXPENSES (33% with vacancy) | \$ 211,064 | \$ 211,064 |

| | | |
|---------------------------------|-------------------|-------------------|
| NET OPERATING INCOME | \$ 406,720 | \$ 442,720 |
| LESS: TOTAL ANNUAL DEBT SERVICE | \$ 190,776 | \$ 190,776 |
| CASH FLOW | \$ 215,944 | \$ 251,944 |

10.3% Existing Cash on Cash Return / 12% Potential Cash on Cash Return

***Reserves: These reserves of \$14,915 are not actually for reserves in a typical sense that older buildings need for maintenance. These reserves have been listed as costs that a buyer may use to adjust these expenses up if they feel necessary. Since there is not a track record of expenses there is an additional \$14,915 to be used as additional expenses a buyer may deem necessary or to increase any of the expenses. If a buyer deems no adjustments need to be made that figure of \$14,915 is additional cash flow and will increase the existing capitalization rate and cash on cash return.

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Diamond Terrace Condominiums - Rent Roll

| <u>Floor</u> | <u>Unit#</u> | <u>Unit Type</u> | <u>Sq Ft</u> | <u>Existing Rent</u> | <u>Potential Rent</u> |
|--|-------------------------------------|-------------------------------|--------------|-----------------------|--------------------------|
| 1st | 11 | 3/2 | 1075 | \$1,850.00 | \$1,950.00 |
| 1st | 12 | 1/1 | 612 | \$1,295.00 | \$1,395.00 |
| 1st | 13 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 1st | 14 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 1st | 15 | 2/2 | 920 | \$1,750.00 | \$1,850.00 |
| 1st | 16 | 1/1 | 718 | \$1,375.00 | \$1,475.00 |
| 2nd | 21 | 3/2 | 1075 | \$1,850.00 | \$1,950.00 |
| 2nd | 22 | 1/1 | 612 | \$1,295.00 | \$1,395.00 |
| 2nd | 23 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 2nd | 24 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 2nd | 25 | 2/2 | 920 | \$1,750.00 | \$1,850.00 |
| 2nd | 26 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 2nd | 27 | 2/1 | 781 | \$1,595.00 | \$1,695.00 |
| 2nd | 28 | 2/1 | 875 | \$1,750.00 | \$1,850.00 |
| 3rd | 31 | 3/2 | 1075 | \$1,850.00 | \$1,950.00 |
| 3rd | 32 | 1/1 | 612 | \$1,295.00 | \$1,395.00 |
| 3rd | 33 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 3rd | 34 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 3rd | 35 | 2/2 | 920 | \$1,750.00 | \$1,850.00 |
| 3rd | 36 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 3rd | 37 | 2/1 | 781 | \$1,595.00 | \$1,695.00 |
| 3rd | 38 | 2/1 | 871 | \$1,695.00 | \$1,795.00 |
| 4th | 41 | 1/1 | 729 | \$1,495.00 | \$1,595.00 |
| 4th | 42 | 2/1 | 871 | \$1,695.00 | \$1,795.00 |
| 4th | 43 | 1/1 | 612 | \$1,395.00 | \$1,495.00 |
| 4th | 44 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 4th | 45 | 2/2 | 920 | \$1,750.00 | \$1,850.00 |
| 4th | 46 | 2/1 | 871 | \$1,650.00 | \$1,750.00 |
| 4th | 47 | 2/1 | 781 | \$1,595.00 | \$1,695.00 |
| 4th | 48 | 2/1 | 871 | \$1,750.00 | \$1,850.00 |
| **Commercial | 1459-A | \$1.95 a Sqft | 1925 | \$3,607.00 | \$3,607.00 |
| Common Areas: | Ground Floor | | 575 | | |
| | 1st Floor with mezzanine & terraces | | 1575 | | |
| | 2nd Floor | | 825 | | |
| | 3rd Floor | | 825 | | |
| | 4th Floor | | 1325 | | |
| | | Total Square Feet: | 32391 | | |
| **Currently vacant and being used as the management office | | Total Monthly Rent: | | \$52,482.00 | \$55,482.00 |
| | | Total Annual Income: | | \$629,784.00 | \$665,784.00 |
| | | Total Annual Expenses: | | \$213,564.00 | \$213,564.00 |
| | | NOI: | | \$416,220.00 | \$452,220.00 |
| | | 6 Cap: | | \$6,988,000.00 | 6.5 Potential Cap |

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Sold Condominium Complex Comparisons

| | | Sold Property Comparison | | | | | |
|----------------------------|--|---|---|--|---|---|---|
| | | Subject Property |  |  |  |  |  |
| Address | | 1459 MacArthur Boulevard Oakland, CA 94602 | 129 2nd Street Oakland, CA 94607 | 630 E. 20th Street Oakland, CA 94606 | 6465 San Pablo Avenue Oakland, CA 94608 | 101 Embarcadero Way Oakland, CA 94607 | 630 20th Street Oakland, CA 94606 |
| Property Type | | Multi Family | Multi Family | Multi Family | Multi Family | Multi Family | Multi Family |
| Property Sub-Type | | Mid/High Rise | Mid/High Rise | Garden/Low Rise | Garden/Low Rise | Mid/High Rise | Mid/High Rise |
| Year Built | | 2012 | 2006 | 2009 | 2008 | 2001 | 2008 |
| Building Size | | 31,450 | 115,353 SF | 94,408 SF | 33,778 SF | 257,796 SF | |
| Number of Units | | 31 | 104 | 58 | | 282 | 88 |
| Number of Stories | | 5 | 8 | | | 4 | |
| Sale Date | | Active | 12/13/2011 | 11/18/2010 | 3/29/2011 | 6/30/2011 | 11/29/2010 |
| Sale Price | | 6,988,000 | \$38,000,000.00 | \$19,275,000.00 | \$8,500,000.00 | \$64,875,000.00 | \$19,700,000.00 |
| Sale Price Per Unit | | \$225,419.00 | \$365,384.62 | \$332,327.59 | \$257,576.00 | \$230,053.19 | \$223,863.64 |
| Notes | | | | | Property received 14 offers | | Apartment Complex that needs to be converted into condos |

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Rental Rate Comparisons


| Property | Year Built/Units | Unit Size | Sq. Ft. | Rent | Amenities |
|---|------------------|-----------|---------|------------|--|
| 1. Diamond Terrace Condominiums | 2012 | 1/1 | 612 | \$1,295.00 | Hardwood floors, granite counter tops, stainless steel appliances, Parking, Security Systems |
| 1459 MacArthur Boulevard | 31 Units | 2/1 | 781 | \$1,595.00 | Elevator, Washer & Dryer, Pets OK, views, patios |
| Oakland, CA 94602 | | 2/2 | 920 | \$1,750.00 | |
| (510) 336-3013 | | 3/2 | 1075 | \$1,850.00 | |
| 2. The Bond | | 1/1 | 735 | \$2,270.00 | Dog park, AC, Fitness center, concierge, controlled access, parking, Pets OK, court yard |
| 311 2nd Street | | 2/2 | 1250 | \$3,200.00 | BBQ, Pets OK, Stainless Steel appliances, microwaves, granite counter tops, washers & dryers, walk-in closets, |
| Oakland, CA 94607 | | | | | |
| (510) 834-2663 | | | | | |
| 3. Aqua Via | | 0/1 | 790 | \$1,887.00 | Bocce ball court, gym, courtyards, BBQ, views, walking path, Pets OK, controlled access |
| 125 2nd Street | | 1/1 | 750 | \$1,897.00 | Stainless steel appliances, walk-in closets, AC, Microwave, |
| Oakland, CA 94607 | | 2/2 | 1186 | \$2,627.00 | |
| (510) 208-3600 | | | | | |
| 4. Landing at Jack London | 2001 | 0/1 | | \$1,582.00 | Views, Walking trail access, fireplaces, fitness center, pool, controlled access, parking |
| 101 Embarcadero West | 126 | 1/1 | | \$1,812.00 | Pets OK, Washer & Dryers |
| Oakland, CA 94607 | | 2/2 | | \$2,151.00 | |
| (510) 200-0094 | | | | | |
| 5. The Grand | | 0/1 | 457 | \$1,325.00 | Private balconies, Washers & Dryers, Concierge, Spa, Game Room, Fitness center, |
| 100 Grand Avenue | | 1/1 | 747 | \$1,725.00 | business center, Parking, pet friendly, controlled access, non-smoking building |
| Oakland, CA 94612 | | 2/2 | 1192 | \$2,375.00 | |
| (510) 839-1004 | | 3/2 | 1168 | \$2,450.00 | |
| 6. 1200 Lakeshore Boulevard | | 1/1 | 965 | \$1,995.00 | Doorman, Controlled access, washer & dryers, fitness center, granite countertops |
| Oakland, CA 94606 | | 2/1 | 1240 | \$2,295.00 | on-site parking, walk in closets, hardwood floors, patios/balconies Dishwashers, microwaves |
| (510) 834-1200 | | 3/2 | 1700 | \$3,595.00 | Pets OK |
| 7. Jackson Courtyard | 2006 | 1/1 | | \$1,599.00 | Views, hardwood floors, granite counter tops, stainless steel appliances, track lighting, |
| 1401 Jackson Street | 45 Units | 2/1 | | \$1,799.00 | controlled access, parking, W/D hook ups, |
| Oakland, CA 94612 | | 2/2 | | \$1,999.00 | |
| (510) 735-9773 | | | | | |
| 8. Allegro at Jack London Square | 2001 | 1/1 | 624 | \$1,525.00 | Views, court yards, patios/balconies, controlled access, parking, security systems, elevator |
| 240 3rd Street | 206 | 2/2 | 1079 | \$1,895.00 | fitness center, dishwashers, microwaves, vaulted ceilings, washers & dryers, hardwood floors |
| Oakland, CA 94607 | | | | | Walk-in closets, pets OK |
| (510) 625-1928 | | | | | |
| 9. Domain by Alta | 2011 | 0/1 | 570 | \$1,495.00 | Private courtyards, BBQ, Fitness center, Yoga Studio, granite counter tops, kitchen pantry, |
| 1389 Jefferson Street | 264 | 1/1 | 740 | \$1,586.00 | Washers & Dryers, walk-in closets, Resident lounge, parking, hardwood floors, valet trash service |
| Oakland, CA 94612 | | 2/2 | 1111 | \$2,420.00 | Bike shop, Art gallery, pets OK, elevator |
| (866) 832-0577 | | 3/2 | 1685 | \$3,520.00 | |
| 10. The Uptown | 2008 | 0/1 | | \$1,378.00 | Doorman, Controlled access, washer & dryers, fitness center, lap pool, granite countertops |
| 500 William Street | 408 | 1/1 | | \$1,408.00 | on-site parking, walk in closets, hardwood floors, patios/balconies Dishwashers, microwaves |
| Oakland, CA 94612 | | 2/2 | | \$1,742.00 | Pets OK |
| (510) 452-0827 | | 3/2 | | \$2,633.00 | |
| 11. 1458 MacArthur Boulevard | | 1/1 | 600 | \$1,300.00 | No Balcony, No Granite Counters, No Views, No Alarm, No Controlled Access |
| Oakland, CA 94602 | | | | | No stainless steel appliances, no hardwood floors |
| 12. Jackson Lake Apartments | | 1/1 | 600 | \$1,095.00 | On-site laundry, fitness center, pool, controlled access, elevator, resident lounge |
| 1533 Jackson Street | 190 | 2/1 | 965 | \$1,495.00 | Pets OK |
| Oakland, CA 94612 | | | | | |
| (866) 499-9231 | | | | | |
| 13. Lion Creek Crossing | 2011 | 1/1 | 635 | \$931.00 | Clubhouse, parking, controlled access, playground, child-care, elevator, dishwashers |
| 6888 Lion Way | 364 | 2/2 | 861 | \$1,118.00 | |
| Oakland, CA 94621 | | 3/2.5 | 1337 | \$1,288.00 | |
| (888) 759-5130 | | | | | |

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Sold Condominium Comparisons

| 1 Bedroom Condominium Comparisons | | | | | | |
|--|-------------------------------------|-------------|--------------|------------|---------------------|----------------------------|
| | Address | Size | Price | Age | Closing Date | Notes |
| 1 | 222 Broadway, Oakland | 1/1 | \$459,000.00 | 3 years | Active | |
| 2 | 222 Broadway, Oakland | 1/1 | \$399,000.00 | 3 years | Active | |
| 3 | 222 Broadway, Oakland | 1/1 | \$362,300.00 | 3 years | Active | |
| 4 | 222 Broadway, Oakland | 1/1 | \$339,000.00 | 3 years | 4/27/2012 | |
| 5 | 1379 Hampel Street #3, Oakland | 1/1 | \$249,000.00 | 89 years | 1/26/2011 | |
| 6 | 1379 Hampel Street #1, Oakland | 1/1 | \$235,000.00 | 89 years | 1/26/2011 | |
| 7 | 630 Thomas L. Berkeley Way, Oakland | 1/1 | \$229,000.00 | 3 years | 4/12/2012 | Several sold at this price |
| 8 | 288 3rd Street #507, Oakland | 1/1 | \$287,900.00 | 6 years | Active | |
| 9 | 1379 Hampel Street #2, Oakland | 1/1 | \$225,000.00 | 89 years | 1/28/2011 | |
| 2 Bedroom Condominium Comparisons | | | | | | |
| | Address | Size | Price | Age | Closing Date | Notes |
| 1 | 222 Broadway, Oakland | 2/2 | \$699,000.00 | 3 years | Active | |
| 2 | 222 Broadway, Oakland | 2/2 | \$664,000.00 | 3 years | 4/27/2012 | |
| 3 | 222 Broadway, Oakland | 2/2 | \$649,000.00 | 3 years | 4/27/2012 | Several sold at this price |
| 4 | 222 Broadway, Oakland | 2/2 | \$610,000.00 | 3 years | 3/20/2012 | 1 day on market |
| 5 | 222 Broadway, Oakland | 2/2 | \$579,000.00 | 3 years | 3/30/2012 | |
| 6 | 222 Broadway, Oakland | 2/1 | \$499,000.00 | 3 years | Active | 28 days on market |
| 7 | 222 Broadway, Oakland | 2/2 | \$479,000.00 | 3 years | Active | |
| 8 | 630 Thomas L. Berkeley Way, Oakland | 2/2 | \$409,000.00 | | Active | 17 days on market |
| 9 | 630 Thomas L. Berkeley Way, Oakland | 2/2 | \$390,000.00 | 3 years | Active | 17 days on market |
| 10 | 3720 Ardley Avenue, Oakland | 2/1 | \$379,000.00 | 64 years | Active | |
| 11 | 3722 Ardley Avenue, Oakland | 2/1 | \$360,000.00 | 64 years | Active | |
| 12 | 3724 Ardley Avenue, Oakland | 2/1 | \$325,000.00 | 64 years | Active | |
| 13 | 508 Zephyr Drive, Oakland | 2/2 | \$293,000.00 | 3 years | 3/30/2012 | 13 days on market |
| 14 | 988 Franklin Street #303, Oakland | 2/2 | \$380,000.00 | 10 Years | Active | |
| 15 | 367 Somerset Road, Oakland | 2/1 | \$289,900.00 | 50 years | Active | |
| 16 | 1774 12th Street, Oakland | 2/2 | \$292,400.00 | 1 year | 12/23/2011 | 28 days on market |
| 3 Bedroom Condominium Comparisons | | | | | | |
| | Address | Size | Price | Age | Closing Date | Notes |
| 1 | 3465 1st Avenue, Oakland | 3/2 | \$549,000.00 | 1 year | 2/28/2012 | |
| 2 | 630 Thomas L. Berkeley Way, Oakland | 3/2 | \$390,000.00 | 3 years | Active | |
| 3 | 1059 El Centro Avenue, Oakland | 3/2 | \$370,000.00 | 35 years | 7/15/2011 | |
| 4 | 275 9th Street #3, Oakland | 3/2 | \$440,000.00 | 7 years | Active | |
| 5 | 609 Palisade Drive, Oakland | 3/3 | \$370,000.00 | 1 year | 11/18/2011 | |

Since owner has not owned property stabilized for more than 1 calendar year, the above income and expenses are only estimations. Although the information contained herein is deemed reliable, no representations of any kind, expressed or implied, are being made as to the accuracy of such information. All of the data in this prospectus are estimates and approximations to include square footage. Any prospective purchaser and their tax and legal advisor should carefully verify all information contained herein and conduct an independent investigation. Seller bears no liability of any errors, inaccuracies or omissions.

| Loan Options | | | |
|--|--|---------------------|------------------------------|
| Property: | 1459 MacArthur Boulevard, Oakland, CA 94602 | | |
| List Price: | \$6,988,000 | | |
| | | | |
| | Option 1 | Option 2 | Option 3 |
| Basic Terms | | | |
| Loan Amount | \$5,241,000 | \$4,891,600 | \$5,241,000 |
| Interest Rate | 3.60% | 3.90% | 4.45% |
| Loan Details | | | |
| Fixed Period (Years) | 5 | 5 | 10 |
| Loan Term (Years) | 30 | 30 | 15 |
| Amortization (Years) | 30 | 30 | 30 |
| Prepayment Penalty | 5 Years (5,4,3,2,1) | 5 Years (5,4,3,2,1) | 10 Years (Yield Maintenance) |
| Monthly Payment | \$23,828 | \$15,898 | \$26,400 |
| Payment Type | Principal & Interest | Interest-Only | Principal & Interest |
| Adjustments | Semi-Annually | Semi-Annually | Semi-Annually |
| Index | 6 Month LIBOR | 6 Month LIBOR | 6 Month LIBOR |
| Margin | 2.25% | 2.25% | 2.25% |
| Floor | 3.95% | 3.95% | 3.95% |
| Ceiling | 9.50% | 9.50% | 9.50% |
| Maximum Loan-To-Value | 75.00% | 70.00% | 75.00% |
| Recourse ⁽¹⁾ | Yes | Yes | Yes |
| Assumable | Yes | Yes | Yes |
| Tax & Impounds | No | No | No |
| Transaction Costs | | | |
| Piedmont Capital Fee | 1.00% | 1.00% | 1.00% |
| Appraisal Fee | Included | \$2,500 (Est.) | Included |
| Lender Processing | \$3,850 | \$3,000 | \$3,850 |
| | | | |
| <i>(1) Non-recourse options are also available upon request.</i> | | | |
| <i>This is an indicative quote and not to be considered a loan commitment. Terms may fluctuate due to underwriting due diligence, loan approval requirements, and/or changes in market rates. Rates and programs quoted as of May 4, 2012 and are subject to change.</i> | | | |
| | | | |
|  | <p><i>Nils Ratnathicam, Senior Vice President of Piedmont Capital, has a successful track record of arranging financing for varying property types nationwide. He has closed over \$300,000,000 in real estate transactions over the past five years, ranging from multi-family to office to retail purchase loans as well as short term bridge and note hypothecations.</i></p> <p><i>Nils is also a dedicated member of numerous real estate organizations, including the Bay Area Mortgage Association, the California Association of Mortgage Brokers, and the East Bay Rental Housing Association. He earned his Bachelor's Degree in Real Estate Finance from the University of Southern California.</i></p> | | |

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