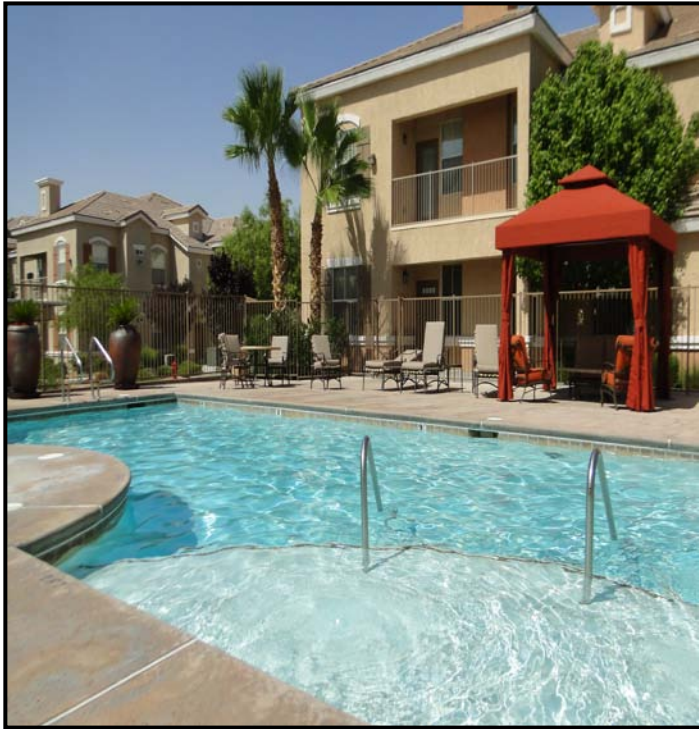




9145 Echelon Point Drive, Las Vegas, NV 89149



## Tenant in Common Property Overview

- 188 units built as luxury apartments in 2005.
- Acquired from a large life insurance company who purchased the property in 2006 directly from the developer for \$29,000,000.
- The Fund acquired it for \$22,000,000, a \$7,000,000 discount to 2006 purchase price.
- Appraised replacement value of \$26,800,000.
- Value-add through aggressive management.

### Location Description – North Las Vegas:

The Willows at Town Center is a class A community with large open 1, 2 and 3 bedroom floor plans averaging 1,023 square feet. 158 units boast direct access 1 and 2 car garages. Unusual amenities include modern gas stoves, desk stations, nine foot vaulted ceilings and full-sized washers/dryers in every unit. Exterior amenities provide resort style living with design features such as controlled-access gated entry, sparkling pool, heated spa, stainless steel barbeque station, pool-side cabanas, a fitness and a business center. Views of the Las Vegas Strip, city lights and mountain ranges are spectacular. The Willows is located 25 minutes from the Strip in the community of Centennial Hills with easy access to I-95 and the 215 Beltway. Close proximity to major transportation lines, shopping, schools, medical facilities, outdoor recreation, and entertainment destinations is an attractive benefit.

### Financial Overview:\*

Escrow Purchase Price	\$22,000,000	Escrow Close	Nov. 15, 2012
Down Payment	\$11,000,000	Cost per Unit	\$117,021
Loan Balance	\$11,000,000	Cost per Foot	\$114.37
Loan to Value (LTV)	50%	Stabilized CAP	6.28%
		Purchase DCR	252%

*\*Please refer to the Tenant in Common Private Placement Memorandum for details on the Total Use of Proceeds.*

## Investment Highlights:\*

- Minimum Investment \$300,000
- Projected ROI 12-13%
- Initial Monthly Cash Flow 5.0% annualized
- Preferred Annual Return 8%
- Anticipated Hold Period 5-7 Years
- Pass Through of Income and Tax Benefits

*\*These are investment objectives and there are no assurances they will be achieved. Please refer to the Memorandum.*



## Business Plan:

Immediately following closing, RK Properties will implement a property improvement program and an aggressive marketing campaign. Improvements will include upgrading the fitness center with paint, flat screen TVs and new equipment, upgrading furnishings in the leasing office, and installing a new business center. Stucco repair and new paint, upgraded pool furniture and cabanas will grace the outdoors. The unit interiors will also be enhanced as they come available with new brushed nickel cabinet pulls and designer two tone paint. Thanks to its recent construction, the property requires only minor touch ups.

Once the physical improvements are completed and the aggressive marketing program is in place, management will begin to slowly increase the market rents and improve performance.

### Capital Improvement Reserves

Pool Furniture	\$ 10,000
Gym	\$ 20,000
Slurry Restoration	\$ 30,000
Paint	\$ 90,000
Signage	\$ 10,000
Misc. Reserves	\$ 50,000
Landscape	\$ 10,000
Business Center	\$ 10,000
Flooring & Appliance	\$ 75,000
HVAC	\$ 50,000
Tenant Displacement	\$ 60,000
<b>Total</b>	<b>\$ 415,000</b>

### Projected Sale Proceeds\*

	<u>YEAR 5 (2016)</u>	<u>YEAR 6 (2017)</u>	<u>YEAR 7 (2018)</u>
Sale Price	\$ 32,568,739	\$ 34,059,195	\$ 35,342,303
- Cost of Sale ( 5.5 %)	\$ 1,791,281	\$ 1,873,256	\$ 1,943,827
- Loans	\$ 10,642,123	\$ 10,329,673	\$ 10,062,153
Proceeds from Sale	\$ 20,135,336	\$ 21,856,267	\$ 23,336,324
- Original Capital	\$ 14,752,500	\$ 14,752,500	\$ 14,752,500
- Deferred Asset Management Fee	\$ 425,516	\$ 522,689	\$ 623,749
Return Reserves	\$ 300,000	\$ 300,000	\$ 300,000
Total from Sale	\$ 5,257,320	\$ 6,881,078	\$ 8,260,075
Interest on Reserves	\$ 7,500	\$ 9,000	\$ 10,500
Cash Flow Received	\$ 3,765,841	\$ 4,667,473	\$ 5,643,629
Total	\$ 9,030,660	\$ 11,557,551	\$ 13,914,203
<b>Total R.O.I</b>	<b>61.21%</b>	<b>78.3%</b>	<b>94.3%</b>
<b>Annualized R.O.I</b>	<b>12.2%</b>	<b>13.1%</b>	<b>13.5%</b>

**\*Please refer to the Memorandum for full explanation of Risk Factors, Cash Flow Analysis and Projections.**

## RISK FACTORS AND SUITABILITY STANDARDS

This Property Overview is presented as a summary of the information set forth in the Tenant in Common Private Placement Memorandum ("Memorandum") dated December 1, 2012. This information is incorporated herein by reference and is qualified in its entirety by the applicable provisions of the Memorandum, as supplemented. The financial forecast, figures, analysis and conclusions contained in this Property Overview are believed to be accurate, but no warranty is made as to their correctness. There is no assurance that the actual property operating results will match the financial forecast set forth in the Memorandum, as supplemented, since it is difficult to estimate future income and expense items accurately. Neither RK Properties or Rance King Securities Corporation represent or guarantee that an investment in this property will result in economic gain(s). This Property Overview does not represent an offer to sell any securities by RK Properties, or Rance King Securities Corporation. Such an offer may only be made by the Memorandum which must accompany or precede this Property Overview. There are numerous risks involved in investing in real estate which are set forth in greater detail in the Memorandum. This investment must be considered speculative and there is no assurance that the investment objectives set forth in the Memorandum will be achieved. Tenants in common may either be accredited investors or non-accredited investors who meet the minimum net worth and/or income requirements as defined in the Memorandum. Please contact Investor Relations at 800-677-7333 for further information, or to request a Memorandum.