



**Newmark
Cornish & Carey**

OFFERING MEMORANDUM

4309 Collins Court
Mountain View, California



4309 Collins Court
Mountain View, California



The information contained herein has either been given to us by the owner of the property or obtained from sources that Newmark Cornish & Carey believes to be reliable. We have no reason to doubt its accuracy, but we do not guarantee it. The value of this investment is dependent upon federal and state tax laws, as well as the investment income, the tax bracket and other factors, which the prospective buyer's tax advisor and legal counsel should evaluate. The prospective buyer should carefully verify each item of income, expense and all other information contained herein. The prospective buyer should measure all units prior to purchase and should NOT rely on square footage figures and depictions in this Offering Memorandum. Newmark Cornish & Carey and its Agents have not measured the units. See Footnotes and Disclaimers at the end of this Offering Memorandum.

PLEASE DO NOT DISTURB RESIDENTS. A TOUR OF THE PROPERTY CAN BE ARRANGED THROUGH LISTING AGENTS ONLY.

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Video Tour:



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4309 Collins Court
Mountain View, California

OFFERING SUMMARY

Address	4309 Collins Court, Mountain View, California 94040
Price	\$3,990,000
# of Units	10
Price per Unit	\$399,000
Gross Annual Scheduled Income (Current)	\$240,255
Gross Income Multiplier (Current)	16.61
Capitalization Rate (Current)	3.44% (\$137,440 NOI)
Gross Annual Scheduled Income (Market)	\$270,675
Gross Income Multiplier (Market)	14.74
Capitalization Rate (Market)	4.02% (\$160,365 NOI)
Price per SF (Assumed ±6,197 SF - Source: Open Homes Photography)	\$644
Price per SF (Assumed ±6,703 SF - Source: LandVision)	\$595
Zoning	R3-1
Assessor's Parcel Number	148-09-007
Year Built	1957
Lot Size (Per LandVision)	±10,044 SF

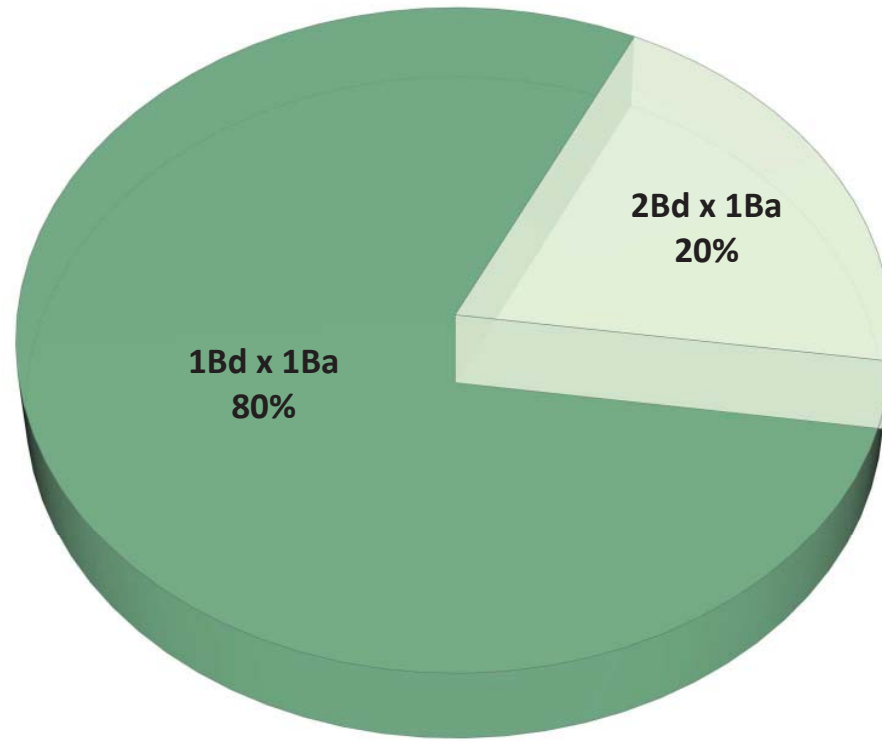
See Offering Summary Footnotes and Disclaimers at the end of this Offering Memorandum.



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Mountain View, California



UNIT MIX/SCHEDULED INCOME



# of Units	Unit Type	Approx. SF	Current Rent	Average Current Rent	Estimated Market Rent	Estimated Market Rent/SF
8	1x1	565 - 607	\$1,750 - \$1,995	\$1,834	\$2,150	\$3.54 - \$3.81
2	2x1	772 - 800	\$2,595	\$2,595	\$2,600	\$3.25 - \$3.37
10		6,197	\$19,865	\$1,987	\$22,400	\$3.61

See Unit Mix/Scheduled Income Footnotes and Disclaimers at the end of this Offering Memorandum.

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PROPERTY OVERVIEW



PROPERTY DESCRIPTION

Attractive 2-story apartment building comprised of 10 units located in a highly desirable Mountain View neighborhood near the borders of both Palo Alto and Los Altos. The immediate neighborhood consists primarily of quality apartments, condominiums and single family homes. This sought after location is conveniently located with easy access to:

- The Village at San Antonio Shopping Center (Safeway, Starbucks and restaurants)
- El Camino Real, which has many retail conveniences
- Downtown Mountain View
- Stanford University and Stanford Research Park
- Shoreline Business Park (Employers including Google, LinkedIn and Intuit)
- Highways 101, 280 and Central Expressway
- Rengstorff Park and Del Medio Park
- Whole Foods, Target, Walmart and Trader Joe's
- San Antonio Caltrain Station

These destinations provide the residents of 4309 Collins Court a variety of restaurants, recreation activities, grocery stores, retailers and service providers to utilize and enjoy close to home.

SAN ANTONIO CENTER DEVELOPMENT ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ 405 SAN ANTONIO ROAD, MOUNTAIN VIEW

Located 0.4 miles from the subject property, the second phase of The Village mixed-use development has begun and is expected to be completed by late 2017. The development includes an upscale movie theater, hotel, over 107,000 square feet of commercial space and over 350,000 square feet of office space along California Street and San Antonio Road.



PROPERTY HIGHLIGHTS

- Highly sought after Los Altos schools
- Attractive curb appeal
- Kitchens are equipped with refrigerator, free-standing gas oven/stove, stainless steel sink and garbage disposal
- Dining area off kitchen
- 10 resident storage lockers in parking area and 4 in the common laundry room
- Ample storage within units including walk-in closet in Unit #1
- Desirable floorplans

IMPROVEMENTS MADE IN 2017

- New dual pane windows
- Exterior painted
- Driveway slurry seal
- Landscape improvements

LAUNDRY FACILITIES

- Common laundry room with 1 coin-operated washer and 1 coin-operated dryer and wash basin. The laundry room equipment is owned and included in the sale.

HEATING

- Gas wall furnace

PARKING

- 4 attached carport spaces
- 6 tuck-under building parking spaces
- 10 total parking spaces

ROOF COVERINGS

- Apartment buildings: Pitched wood shingle
- Attached carports: Pitched composition shingle

See Property Overview Footnotes and Disclaimers at the end of this Offering Memorandum.

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PROPERTY OVERVIEW



DOMESTIC HOT WATER SYSTEM

- Two common water heaters

UTILITIES

Units are individually metered for gas and electricity, master metered for water.

UTILITY PAYMENT RESPONSIBILITIES

Garbage	Owner
Common Area Electricity	Owner
Common Area Gas	Owner
Water	Owner
Electricity within Units	Resident
Gas within Units	Resident
Gas for Unit Hot Water	Owner
Gas for Laundry Hot Water	Owner
Sewer	Owner

UPSIDE OPPORTUNITY

There is not a Utility Bill Back program for a portion of the water, garbage and sewer expense currently in place at 4309 Collins Court. A number of the apartment communities in the submarket are currently billing back residents for a prorata portion of the water, garbage and sewer bills. The party that acquires the 4309 Collins Court may want to consider implementing such a program and by doing so, the Buyer may be able to reduce their net utility expenses resulting in a potential increase in the Net Operating Income generated by the property.

Should Buyer wish to implement a Utility Bill Back program, Buyer should investigate the impact any Utility Bill Back will have on the allowable rent increase Buyer may implement under the Mountain View Rent Control law.

See Property Overview Footnotes and Disclaimers at the end of this Offering Memorandum.

SCHOOLS⁽⁵⁾⁽⁶⁾

Elementary School (K-5):	Santa Rita Elementary School
Middle School (6-8):	Egan Junior High School
High School (9-12):	Los Altos High School

PROPOSED FINANCING

Buyer has the opportunity to obtain a new loan of their choice. It is anticipated that a new adjustable rate or fixed rate loan (fixed for a portion of the loan term) will be available on the subject property. The amount of the loan is dependent upon the lender, loan program and buyer's qualifications. Available loan amounts and terms are subject to change and are not guaranteed.

EXISTING LOAN SUMMARY

Lender:	Chase Bank
Loan Origination Date:	July 2, 2014
Balance:	Approximately \$1,516,000
Interest Rate:	4.16% fixed until 8/1/21, at which point the interest rate becomes adjustable.
Prepayment Penalty:	3% of outstanding loan balance until 8/1/18, at which point it goes down to 2% of the outstanding loan balance.

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PROFORMA OPERATING STATEMENT

INCOME	Current	Proforma (Market)
Gross Scheduled Rents	\$238,380 (1)	\$268,800 (7)
Laundry Income	\$1,800 (10)	\$1,800 (10)
Deposit Forfeiture	594 (2)	594 (2)
Late Fee	50 (2)	50 (2)
NSF Fee	25 (2)	25 (2)
Gross Scheduled Income	240,849	271,269
Less: Vacancy and Collection Loss	3% 7,151 (3)	5% 13,440 (9)
Effective Gross Income	\$233,698	\$257,829
EXPENSES		
Total Maintenance	10,000 (11)	10,000 (11)
Taxes & Insurance		
Property Insurance	4,131 (14)	4,131 (12)
Property Taxes	45,965 (4)	45,965 (4)
Special Assessments	990 (5)	990 (5)
Total Taxes & Insurance	51,086	51,086
Utilities		
Gas & Electric	4,467 (2)	4,467 (2)
Water/Sewer/Trash	15,486 (2)	15,486 (2)
Total Utilities	19,953	19,953
Administration		
Bank Charges	79 (2)	79 (2)
Licenses & Fees	23 (2)	23 (2)
Property Management	11,685 (13)	12,891 (8)
Rerent Fees	500 (2)	500 (2)
Workers Comp Insurance	432 (2)	432 (2)
Total Administration	12,719	13,925

See Proforma Operating Statement Footnotes and Disclaimers at the end of this Offering Memorandum.

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PROFORMA OPERATING STATEMENT (CONTINUED)

EXPENSES (CONTINUED)	Current	Proforma (Market)
Replacement Reserves (\$250 per unit)	2,500 (6)	2,500 (6)
Total Operating Expenses	96,258	97,464
Net Operating Income	\$137,440	\$160,365
Operating Expenses as a percentage (%) of Gross Scheduled Income	39.97%	35.93%
Operating Expenses per Unit	\$9,626	\$9,746
Operating Expenses per SF (assumes ± 6,703 SF - Source: LandVision)	\$14.36	\$14.54
Operating Expenses per SF (assumes ± 6,197 SF - Source: Open Homes Photography)	\$15.53	\$15.73

See Proforma Operating Statement Footnotes and Disclaimers at the end of this Offering Memorandum.

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RENT ROLL

Unit #	Unit Type	Approximate SF	Current Rent	Estimated Market Rent	Security Deposit	Move-In Date	Lease Expiration Date
1	2x1	800	\$2,595	\$2,600	\$2,595	8/26/2015	MTM
2	2x1	772	\$2,595	\$2,600	\$2,595	12/22/2015	MTM
3	1x1	565	\$1,960	\$2,150	\$750	10/15/2016	10/14/2017
4	1x1	565	\$1,995	\$2,150	\$750	12/1/2015	MTM
5	1x1	586	\$1,750	\$2,150	\$500	7/22/2006	MTM
6	1x1	586	\$1,750	\$2,150	\$600	2/21/2009	MTM
7	1x1	607	\$1,750	\$2,150	\$750	9/16/2013	MTM
8	1x1	586	\$1,760	\$2,150	\$600	9/19/2009	MTM
9	1x1	565	\$1,960	\$2,150	\$1,960	11/5/2016	11/4/2017
10	1x1	565	\$1,750	\$2,150	\$750	9/11/2010	MTM
		6,197	\$19,865	\$22,400	\$11,850		



See Rent Roll Footnotes and Disclaimers at the end of this Offering Memorandum.

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PROPERTY PHOTOGRAPHS

The Village
(New Mixed-Use Development)

SAFEWAY 

4309 Collins Court



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PROPERTY PHOTOGRAPHS



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PROPERTY PHOTOGRAPHS



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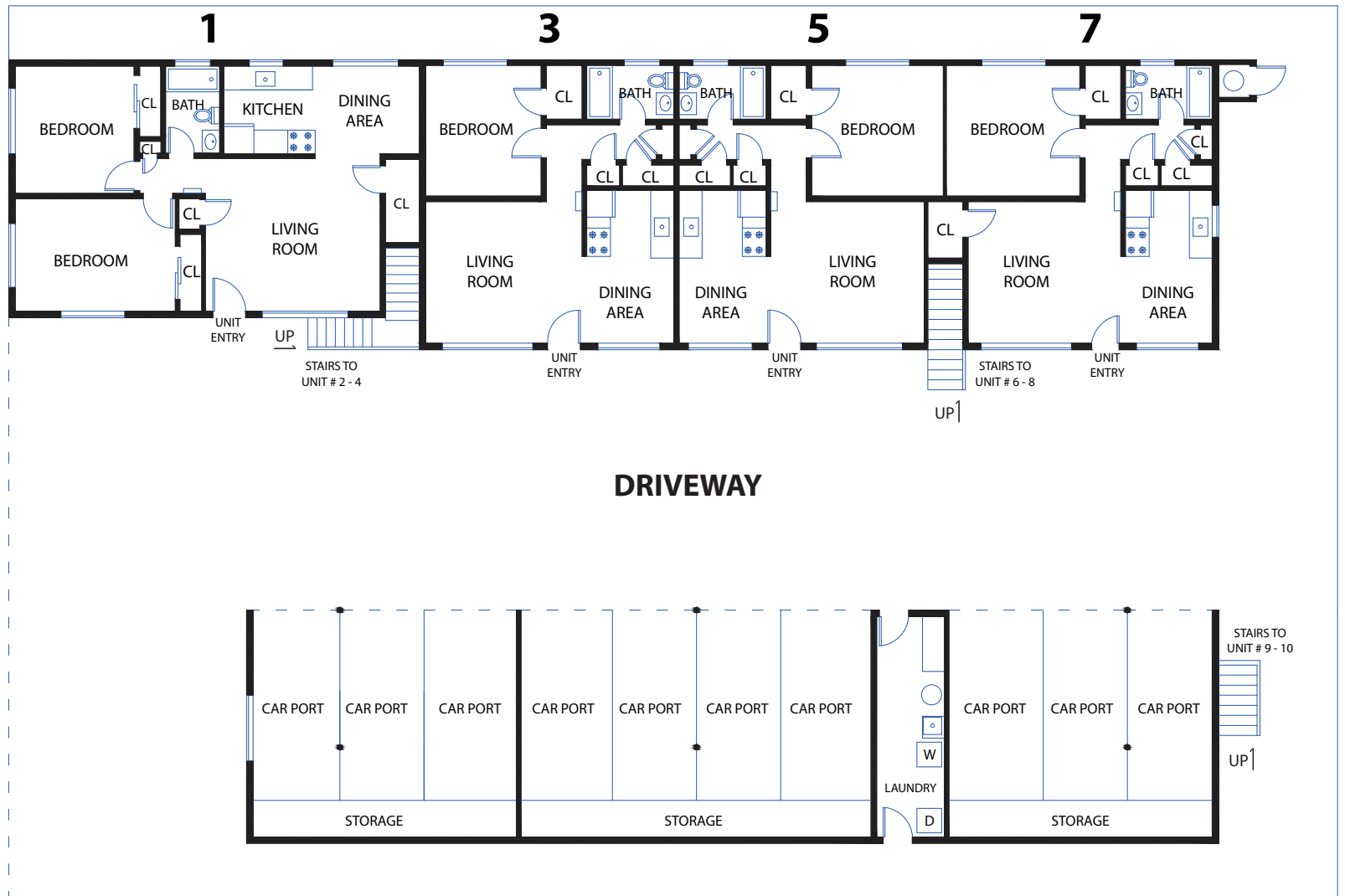
SITE/FLOOR PLANS - LOWER LEVEL

UNIT #1
APPROX. 800 SF

UNIT #3
APPROX. 565 SF

UNIT #5
APPROX. 586 SF

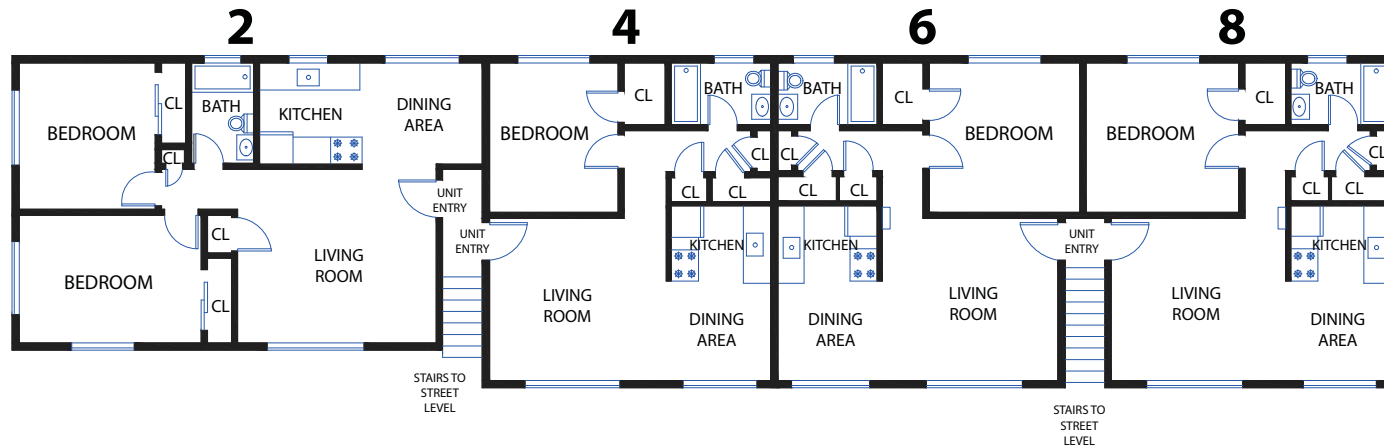
UNIT #7
APPROX. 607 SF



Note: Lot configuration and placement of buildings and features on the lot are approximate and not guaranteed as accurate. Floor plans, square footage and dimensions are approximate and not for construction purposes. Prospective buyers should not rely on these plans, square footage and dimensions in making their purchase decision and should carefully verify the above items and all other information herein. This Site Plan was drafted by Open Homes Photography and is not guaranteed to be accurate by Brokers, Agents or Seller.

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SITE/FLOOR PLANS - UPPER LEVEL



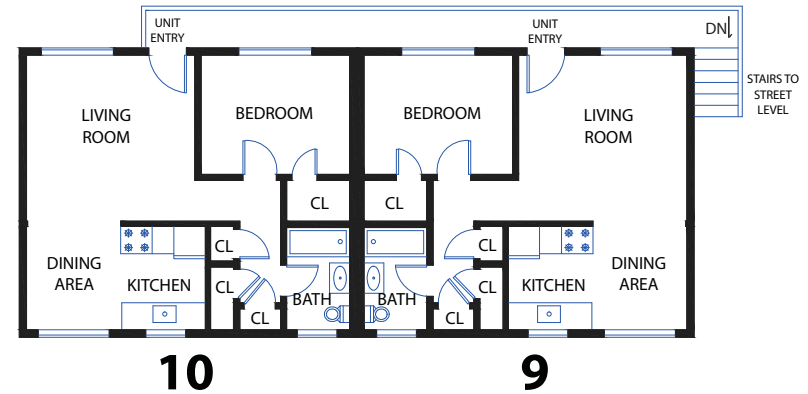
UNIT #2
APPROX. 772 SF

UNIT #4
APPROX. 565 SF

UNIT #6 & 8
APPROX. 586 SF

UNIT #9 & 10
APPROX. 565 SF

DRIVEWAY



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AERIAL MAP



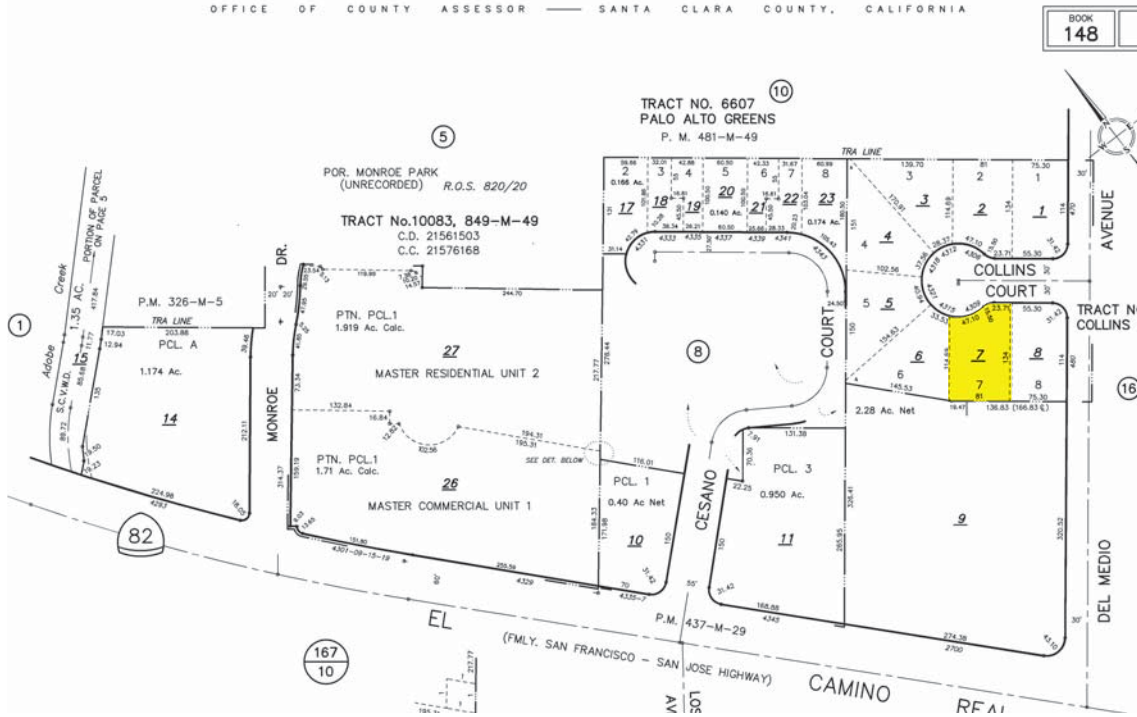
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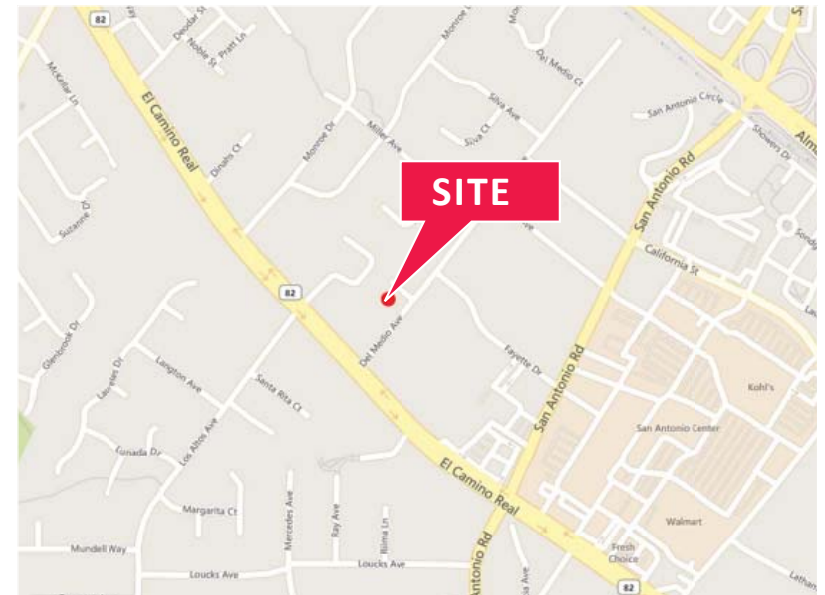
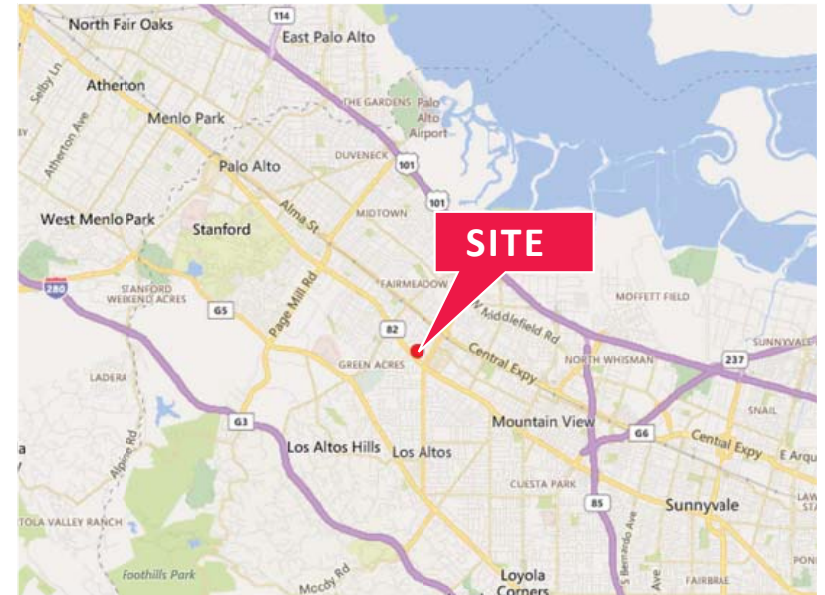
PARCEL MAP

A.P.N. 148-09-007

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA



AREA MAPS



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RENT COMPARABLES



SUBJECT PROPERTY 4309 Collins Court Mountain View # of Units: 10 Year Built: 1957	Unit Type	Est. Market Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,150	565 - 607	\$3.54 - \$3.81	
	2x1	\$2,600	772 - 800	\$3.25 - \$3.37	



#1 Franciscan Apartments 439 Del Medio Avenue Mountain View # of Units: 40 Year Built: 1958	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$1,950	632	\$3.09	- Pool



#2 Oak View Apartments 265 N Rengstorff Ave Mountain View # of Units: 17 Year Built: 1963	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,245	650	\$3.45	



#3 Park Regent 2020 Latham Street Mountain View # of Units: 76 Year Built: 1959	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,295	600	\$3.83	- Pool - A/C



#4 1776 California Street Mountain View # of Units: 21 Year Built: 1958	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,295	475	\$4.83	- Remodeled unit - Newly installed A/C - Stainless steel appliances

See Rent Comparables Footnotes and Disclaimers at the end of this Offering Memorandum.

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RENT COMPARABLES



#5 Atrium Apartments 1990 Latham Street Mountain View # of Units: 36 Year Built: 1959	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,350	660	\$3.56	



#6 Camille Apartments 2645 California Street Mountain View # of Units: 60 Year Built: 1968	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	1x1	\$2,395	654	\$3.66	<ul style="list-style-type: none"> - A/C - Hardwood flooring - Double paned windows - Fully equipped kitchen
	2x1	\$2,995	913	\$3.28	



#7 40 Evandale Avenue Mountain View # of Units: 24 Year Built: 1963	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	2x1	\$2,500	-	-	<ul style="list-style-type: none"> - Laminate wood flooring - Recessed lighting - Granite countertops - New carpet in bedrooms - New paint



#8 312 Camille Court Mountain View # of Units: 4 Year Built: 1958	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	2x1	\$2,550	900	\$2.83	<ul style="list-style-type: none"> - Double pane windows - Granite countertops



#9 Parkview Apartments 529 Taylor Court Mountain View # of Units: 22 Year Built: 1959	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
	2x1	\$2,595	890	\$2.92	<ul style="list-style-type: none"> - Master bath - Balcony/deck/patio

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RENT COMPARABLES

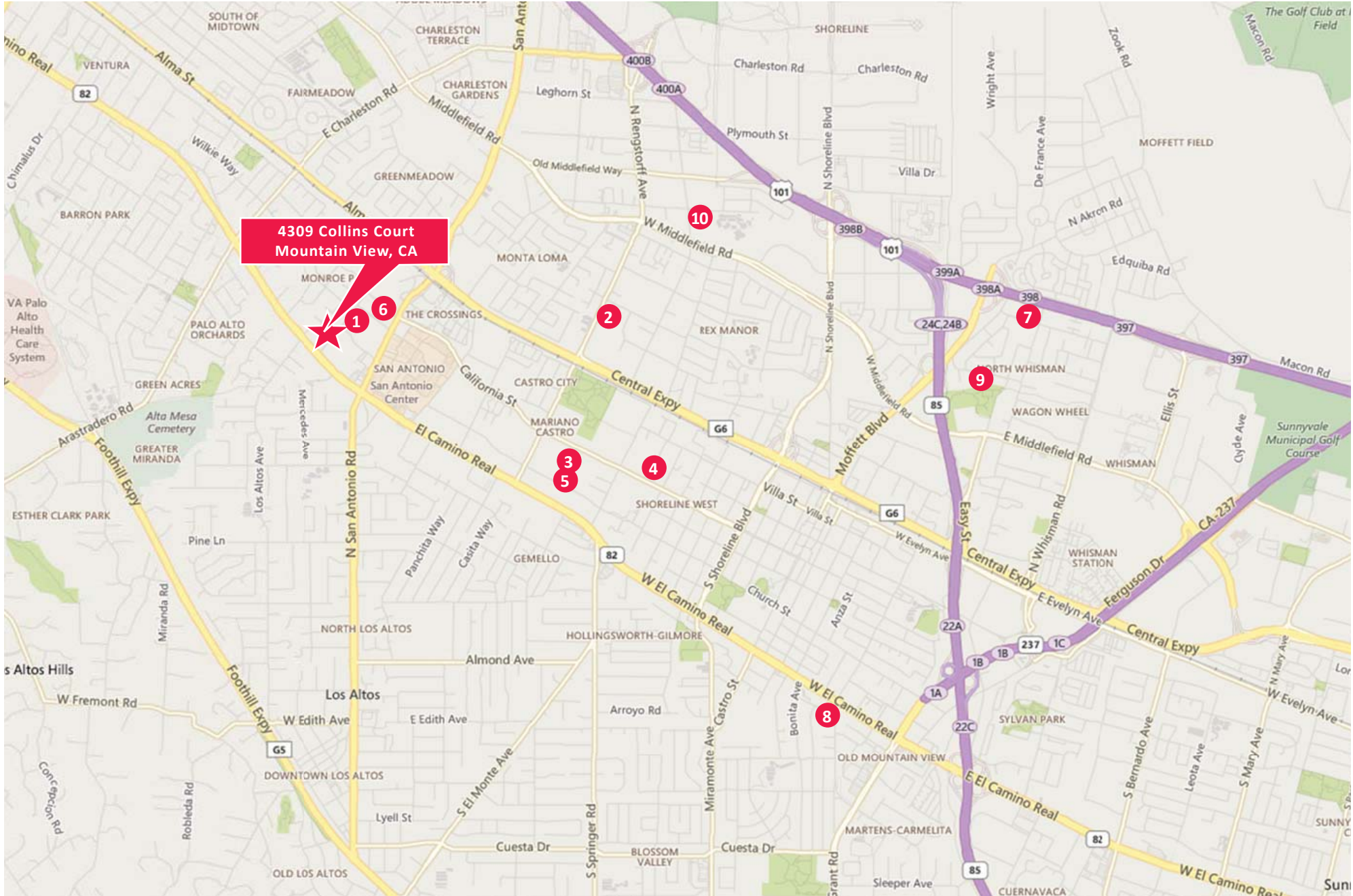


	Unit Type	Asking Rent	Approx. SF	Rent/SF	Comments
#10 695 Sierra Vista Ave Mountain View # of Units: 6 Year Built: 1963	2x1	\$2,795	755	\$3.70	- Hardwood floor covering - Double paned windows - 2 parking spaces

See Rent Comparables Footnotes and Disclaimers at the end of this Offering Memorandum.

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RENT COMPARABLES



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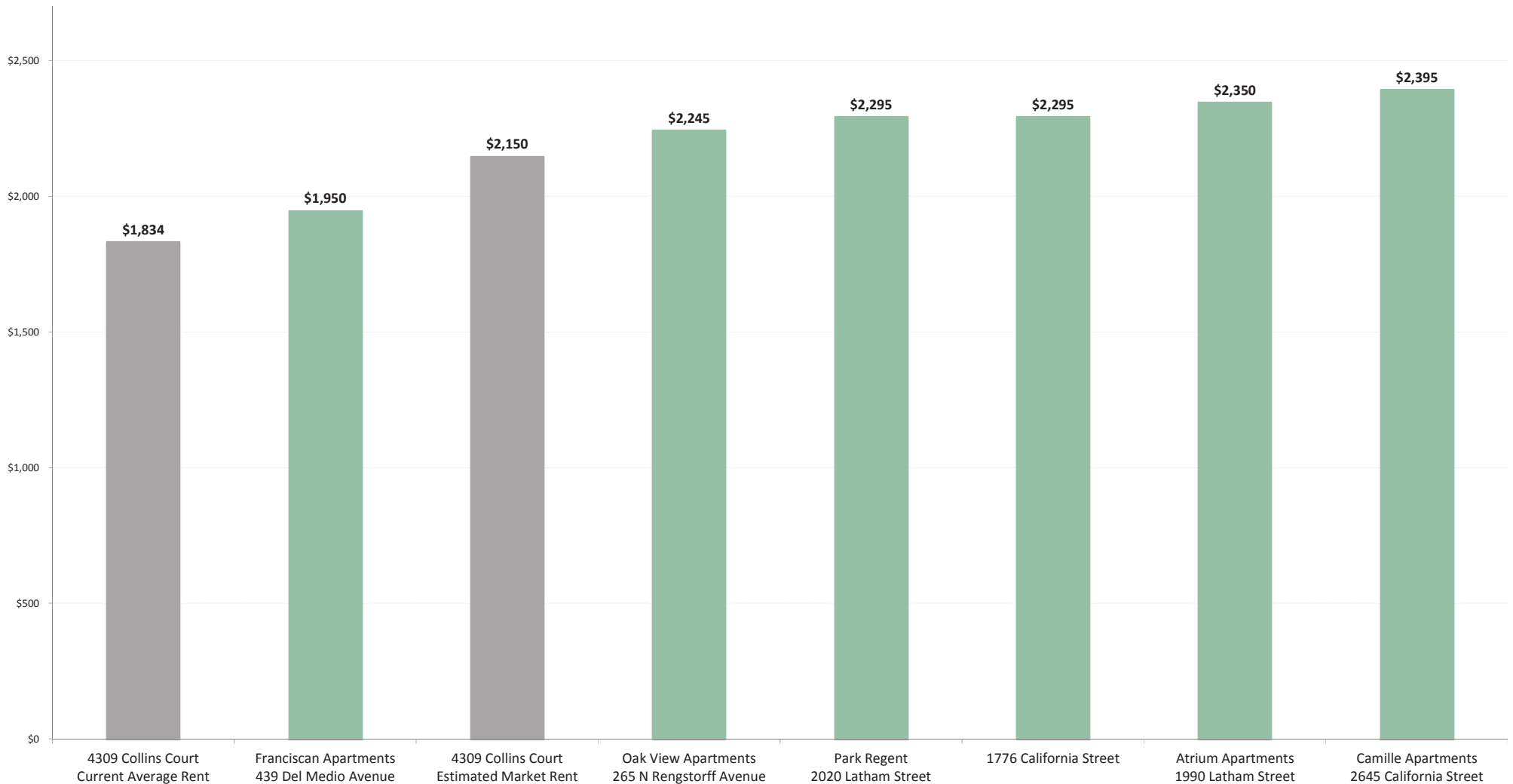
RENT COMPARABLES

1 Bedroom x 1 Bath Rent Comparables

Average Asking Rent of Comparables: \$2,255

4309 Collins Court Est. Market Rent: \$2,150

4309 Collins Court Average Current Rent: \$1,834



See Rent Comparables Footnotes and Disclaimers at the end of this Offering Memorandum.

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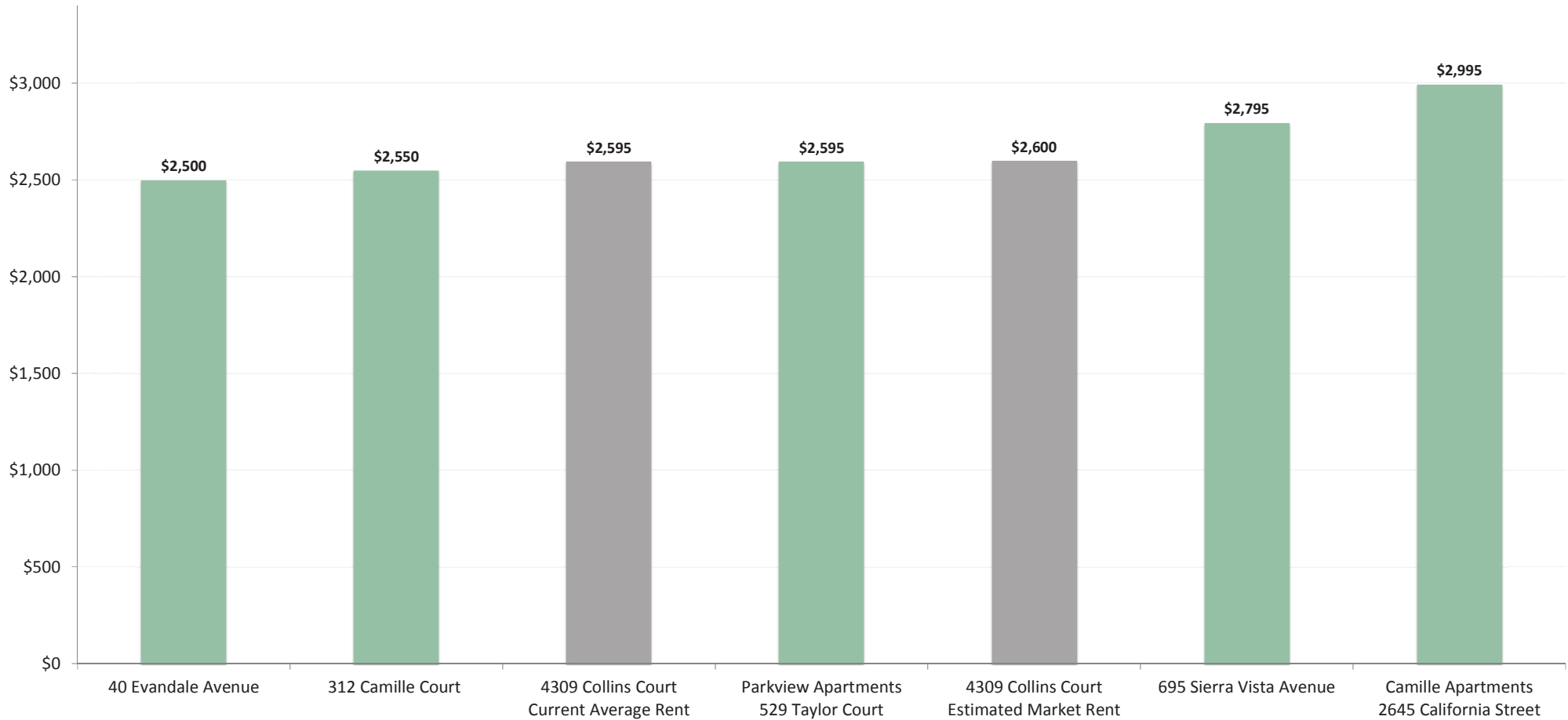
RENT COMPARABLES

2 Bedroom x 1 Bath Rent Comparables

Average Asking Rent of Comparables: \$2,687

4309 Collins Court Est. Market Rent: \$2,600

4309 Collins Court Average Current Rent: \$2,595



See Rent Comparables Footnotes and Disclaimers at the end of this Offering Memorandum.

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COMPARABLE SALES



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1060 Noriega Avenue Sunnyvale # of Units: 15 Year Built: 1977	\$6,970,000	\$464,667	\$498	18.16	3.31%	6/30/17	4 - 1x1 10 - 2x2 1 - 3x2½ TH



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1256 Balboa Court Sunnyvale # of Units: 14 Year Built: 1968	\$5,703,779	\$407,413	\$461	19.68	2.57%	6/23/17	8 - 1x1 1 - 2x1 3 - 2x2 1 - 3x3 1 - Studio x 1



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
Casa Del Medio 415-417 Del Medio Ave Mountain View # of Units: 18 Year Built: 1959	\$7,550,000	\$419,444	\$616	15.47	3.88%	6/6/17	1 - Studio x 1 9 - 1x1 7 - 2x1 1 - 3x1

Note: In determining Cap Rate, 40% of Gross Scheduled Income was assumed for Operating Expenses and Vacancy, actual amounts may vary.



Property	List Price	Price/Unit	Price/SF	GIM	Cap Rate	Status	Unit/Bd/Ba
2010 San Ramon Avenue Mountain View # of Units: 9 Year Built: 1963	\$4,109,000	\$456,556	\$584	16.71	3.59%	6/1/17	9 - 2x1

Note: In determining Cap Rate, 40% of Gross Scheduled Income was assumed for Operating Expenses and Vacancy, actual amounts may vary.



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
2001-2005 Colony Street Mountain View # of Units: 17 Year Built: 1961	\$6,800,000	\$400,000	\$641	17.15	3.53%	3/27/17	9 - 1x1 8 - 2x1

GIM = Gross Income Multiplier

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COMPARABLE SALES



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
490 Walker Drive Mountain View # of Units: 14 Year Built: 1971	\$5,384,000	\$384,579	\$545	16.42	3.65%	2/21/17	4 - Studio x 1 6 - 1x1 4 - 2x1

Note: In determining Cap Rate, 40% of Gross Scheduled Income was assumed for Operating Expenses and Vacancy, actual amounts may vary.



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1973 San Luis Avenue Mountain View # of Units: 16 Year Built: 1978	\$9,000,000	\$562,500	\$705	-	-	2/8/17	1 - 1x1 15 - 2x2



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1870 California Street Mountain View # of Units: 11 Year Built: 1964	\$6,100,000	\$554,545	\$677	12.82	5.18%	12/9/16	6 - 1x1 2 - 2x1 2 - 2x1½ 1 - 2 x 2

Note: This was an All Cash purchase. Seller's Agent indicated approximately 75% of the units were furnished. The Cap Rate and GIM were based on rent levels reported by Seller's Agent, including the furnished rent levels.



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
296 Higdon Avenue Mountain View # of Units: 5 Year Built: 1961	\$2,700,000	\$540,000	\$837	17.93	3.62%	10/17/16	4 - 1x1 1 - 2x1 House



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
Four Palms Apartments 1277-1283 Ayala Drive Sunnyvale # of Units: 16 Year Built: 1964	\$7,047,000	\$440,438	\$537	17.76	3.28%	8/30/16	7 - 1x1 8 - 2x1 1 - 3x2

GIM = Gross Income Multiplier

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COMPARABLE SALES



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1237-1241 Coronado Dr Sunnyvale # of Units: 8 Year Built: 1963	\$3,900,000	\$487,500	\$518	20.07	2.91%	8/25/16	6 - 2x1 2 - 3x1

Note: Property consists of 2 adjacent fourplexes.



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
Villa Rosa Apartments 884 Park Drive Mountain View # of Units: 7 Year Built: 1954	\$2,950,000	\$421,429	\$792	17.37	3.49%	5/26/16	7 - 1x1



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
511 Walker Drive Mountain View # of Units: 14 Year Built: 1960	\$4,750,000	\$339,286	\$785	-	-	4/27/16	14 - Studio x 1



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
1162 Sunnyvale Saratoga Rd Sunnyvale # of Units: 10 Year Built: 1952	\$4,400,000	\$440,000	\$611	32.20	1.27%	2/25/16	5 - 1x1 5 - 2x1



Property	Sale Price	Price/Unit	Price/SF	GIM	Cap Rate	COE	Unit/Bd/Ba
184 Centre Street Mountain View # of Units: 11 Year Built: 1960	\$4,950,000	\$450,000	\$624	20.38	2.94%	2/19/16	7 - 1x1 3 - 2x1 1 - 3x1

Note: In determining Cap Rate, 40% of Gross Scheduled Income was assumed for Operating Expenses and Vacancy, actual may vary.

GIM = Gross Income Multiplier

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LOCATION OVERVIEW

SAN FRANCISCO BAY AREA⁽¹⁾⁽²⁾

The San Francisco Bay Area consists of nine counties, 101 cities and comprises over 7,000 square miles. With six different sub-regions, it houses 7.44 million residents, making it the fifth most populous metropolitan area in the United States. It is home to many of the world's most distinguished and innovative Fortune 500 businesses, such as Salesforce, Netflix, and Cisco.⁽³⁾ The workforce is comprised of highly educated individuals, with over 4,111,536⁽⁴⁾ people in the labor force. The San Francisco Bay Area's diverse region appeals visitors through its iconic attractions, such as the Golden Gate Bridge and Fisherman's Wharf, and other highlights ranging from amusement parks and museums to beaches and wine countries. In 2014, San Francisco attracted over 18.01 million visitors, increasing the number of jobs supported by tourism by 13.2 percent.⁽⁵⁾ Residents of the San Francisco Bay Area can enjoy its great weather, beautiful scenery, and diversity.

SANTA CLARA COUNTY⁽⁶⁾

Santa Clara County, most commonly known as the "Silicon Valley", is home to nearly 1.8 million people, making it the largest of nine Bay Area counties. It is considered as one of the best areas to live and work, and houses many of the nation's most successful businesses. The County has one of the highest standards of living in the country and is a major employment center for the region, providing 25% of all jobs in the Bay Area. Residents of Santa Clara County are culturally and ethnically diverse and speak over 100 different languages and dialects. Residents of the County can spend their free time visiting the Tech Museum of Innovation, the Rosicrucian Museum, the Children's Discovery Museum, and many more museums and art galleries in the area or watching sports games and concerts at the SAP Center and Levi's Stadium. Residents can drive a short hour to visit beaches along the Pacific Ocean in Santa Cruz, Half Moon Bay, Monterey, and Carmel. Santa Clara County is home to three major universities: Stanford University, Santa Clara University, and San Jose State University, as well as many distinguished community colleges.

CITY OF MOUNTAIN VIEW⁽⁷⁾

Located idyllically in the heart of Silicon Valley, Mountain View is home to a diverse community of residents, small businesses and widely recognized corporations. Nestled between the San Francisco Bay and the Santa Cruz Mountains, Mountain View is a 10-mile drive to San Jose and a 35-mile drive to San Francisco. With its strong safety and public education records and superb public services and facilities, it is considered one of the best places to live in the Bay Area.

MAJOR EMPLOYERS IN MOUNTAIN VIEW⁽⁸⁾

Google Inc. (HQ)	16,688 local employees
Symantec (HQ)	2,789 local employees
Microsoft Corporation	1,668 local employees
El Camino Hospital	1,300 local employees
Intuit Corporation (HQ)	1,287 local employees
LinkedIn (HQ)	1,228 local employees
Samsung Research America Inc. (HQ)	1,085 local employees
Synopsys, Inc. (HQ)	1,031 local employees
Palo Alto Medical Foundation	665 local employees
City of Mountain View (HQ)	534 local employees



DEMOGRAPHICS⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾

	Citywide	5-mile Radius of Property
Residential Population:	76,260	268,234
Average Household Size:	2.36	2.62
Median Age:	34.6	-
Average Household Income:	\$119,983	\$ 128,965
Number of Housing Units:	34,136	109,402
Unemployment rate:	3.9%	-
Size:	12.00 square miles	64.59 square miles
Persons per square mile	6,147.7	4,152.5

See Location Overview Sources and Disclaimers at the end of this Offering Memorandum.

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FOOTNOTES & DISCLAIMERS

OFFERING SUMMARY FOOTNOTES AND DISCLAIMERS

Gross Annual Scheduled Income (Current) & the Gross Income Multiplier (Current) are based on the current rents shown in the Rent Roll under the “Current” column. These rent levels are subject to change without notice. Gross Scheduled Income does not include \$594 Deposit Forfeiture shown in the Operating Statement. Buyer should review most recent rent roll and Operating Statement prior to purchase.

Gross Annual Scheduled Income (Market) & Gross Income Multiplier (Market) assumes the units are all rented at the “Estimated Market Rent” levels shown in the rent roll. Gross Scheduled Income does not include \$594 Deposit Forfeiture shown in the Operating Statement. Please note that current rents are not all at these levels. These rent levels are not guaranteed to be achievable or sustainable by Seller, Brokers or Agents and Buyer should use rent levels it thinks it can obtain for the subject property.

Capitalization Rate (Current) is based on income, expenses and vacancy figures shown in the Pro-Forma Operating Statement “Current” column. See Proforma Operating Statement Footnotes and Disclaimers in this section of the Offering Memorandum.

Capitalization Rate (Market) is based on income, expenses and vacancy figures shown in the Pro-Forma Operating Statement Pro-Forma (Market) column. See Proforma Operating Statement Footnotes and Disclaimers in this section of the Offering Memorandum.

Zoning: This was provided by the City of Mountain View and is not guaranteed as accurate by Seller, Broker or Agents. Buyer should confirm zoning prior to purchase and rely on its own investigation.

Year Built & Lot Size: Data source is LandVision. Seller, Broker and Agents are making no guarantee or representations as to when the improvements were built or the size of the lot. Buyer should conduct its own investigation to determine the age of the improvements and the size of the lot.

Square Footage and Related Price Per SF (Data Source: Open Homes Photography and LandVision): These sizes and calculations are **NOT** guaranteed as accurate by Brokers, Seller or Agents. Buyer is encouraged to conduct and rely on its own measurements of the units and the improvements.

UNIT MIX/SCHEDULED INCOME OVERVIEW FOOTNOTES AND DISCLAIMERS

Current Rents are shown. These rent levels are subject to change without notice. Buyer should review most recent rent roll prior to purchase.

Estimated Market Rents assumes the units are all rented at the “Estimated Market Rent” levels shown in the rent roll. Please note that current rents are not all at these levels. These rent levels are not guaranteed to be achievable or sustainable by Seller, Brokers or Agents and Buyer should use rent levels it thinks it can obtain for the subject property.

Approximate Square Feet (Data Source: Open Homes Photography): Seller, Brokers and Agents have not measured all the units and are **NOT** representing or warranting the accuracy of the square footage of the units or the sizes of the individual rooms. Buyer should conduct and rely on its own measurements.

Mountain View has a rent control law which may affect the amount and timing of any rent increase the Buyer may implement at the property. Buyer should review and understand the effect this rent control law may have on the Buyer’s operation of the property and its rental increases.

PROPERTY OVERVIEW FOOTNOTES AND DISCLAIMERS

- (1) <http://www.mountainview.gov/depts/comdev/planning/activeprojects/sanantcenter.asp>
- (2) <http://merlonegeier.propertycapsule.com/properties/thevillageatsanantoniocenter/>
- (3) <https://mv-voice.com/news/2015/06/01/big-changes-afoot-at-san-antonio-center>
- (4) <http://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=23055>
- (5) <http://www.myschoollocation.com/losaltossd/>
- (6) <http://locator.decisioninsite.com/?StudyID=187720#>

Information in this section of the Offering Memorandum were provided to us by the owner or sources we deem reliable but is not guaranteed to be accurate by Brokers, Agents or Seller. Buyer should **NOT** rely on the accuracy of this information and should verify its accuracy and verify features and improvements referenced in this section of the Offering Memorandum, prior to Buyer removing contingencies and purchasing this property.

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FOOTNOTES & DISCLAIMERS

PROFORMA OPERATING STATEMENT FOOTNOTES & DISCLAIMERS

- (1) Based on the current Apartment rents as of 5/31/17
- (2) Based on actual amount from the 2016 Operating Statement provided by the owner.
- (3) Estimated at 3% of Gross Scheduled Rent, actual amount may vary.
- (4) Based on list price of \$3,990,000, using actual 2016/17 tax rate of 1.152%.
- (5) Based on 2016/17 Special Assessments of \$990.16 rounded to the nearest dollar.
- (6) Based on \$250/unit/year
- (7) Based on Estimated Market Rent levels
- (8) Based on 5% of Effective Gross Income
- (9) Estimated at 5% of Gross Scheduled Rent, actual amount may vary.
- (10) Actual amount was not available at the time this Offering Memorandum was prepared. Assumed \$15/unit/month for laundry income. Actual amount may vary.
- (11) Underwritten at \$10,000 (\$1,000/unit). Actual amount in 2016 was approximately \$34,763 and this amount may contain some expenditures that are considered to be Capital Improvements and/or non-recurring on an annual basis.
- (12) Reflects Owner's approximate Insurance Premium for coverage from State National for the period of 9/1/16 - 9/1/17. This does not include \$1,350 premium paid during this period for \$10,000,000 Umbrella Liability policy.
- (13) Based on 5% of Effective Gross Income. Actual amount paid in 2016 was \$11,148.
- (14) Reflects Owner's approximate Insurance Premium for coverage from State National for the period of 9/1/16 - 9/1/17. This does not include \$1,350 premium paid during this period for \$10,000,000 Umbrella Liability policy. Actual 2016 amount paid was \$8,873 per Operating Statement provided by the Management Company.

RENT ROLL FOOTNOTES AND DISCLAIMERS

General Notes: Rent levels, occupancy, deposit amounts, date of last rent adjustment and terms are subject to change without notice. Move-In dates are subject to change as units turnover. Buyer should obtain updated information and confirm all rent levels, lease terms, move-in dates, amount and date of last rental adjustment and deposit amounts prior to purchase.

Estimated Market Rent column does not reflect current rent levels for all units. These rent levels are not guaranteed to be achievable or sustainable by Seller, Brokers or Agents. Buyer should use rent levels it thinks it can obtain for the subject property.

Square Footage Column (Data Source: Open Homes Photography): Square footage shown in Rent Roll are not guaranteed as accurate by Seller, Brokers or Agents. Buyer should measure the apartments prior to purchase and rely on its own measurements.

Mountain View has a rent control law which may affect the amount and timing of any rent increase the Buyer may implement at the property. Buyer should review and understand the effect the rent control law may have on the Buyer's operation of the property and its rental increases.

The City of Mountain View announced in June 2017 that an allowable rent increase of 3.4% is available to be given to residents under Measure V Rent Control upon the one year anniversary of their moving in to the property or September 1, 2017, whichever is later. Buyer should confirm this information prior to purchase and removal of Buyer contingencies.

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FOOTNOTES & DISCLAIMERS

RENT COMPARABLES FOOTNOTES AND DISCLAIMERS

Estimated market rent levels shown for the subject property are estimates only and not guaranteed to be achievable or sustainable by Owner, Broker or Agents.

GENERAL DISCLAIMERS

Note: Building square footage, square footage of improvements, unit square footage and lot size are not guaranteed as accurate. Brokers and Agents have not measured all units, lot, building or improvements and are making NO representation as to the accuracy of square footage figures. Data source for lot size is LandVision. Buyer should measure all units, lot, improvements and the building prior to purchase and should not rely on any square footage figures provided to them by Brokers, Agents or Seller.

When analyzing this property. Buyer should use income, vacancy and expense levels that will accurately reflect the manner in which it plans to operate the property. Brokers, Agents and Seller are making no representations or warranties as to the level of income or expenses Buyer will incur at the property.

Mountain View has a rent control law that was passed as Measure V in the November 8, 2016 election. The Rent Control law may affect the amount and timing of any rent increase the Buyer may implement or has implemented at the property. Buyer should review and understand the effect the Mountain View Rent Control law may have on the Buyer's operation of the property and its rental increases. Should Buyer wish to implement a Utility Bill Back program, Buyer should investigate the impact any Utility Bill Back will have on the allowable rent increase Buyer may implement under the Mountain View Rent Control law.

LOCATION OVERVIEW SOURCES & DISCLAIMERS

- (1) https://en.wikipedia.org/wiki/San_Francisco_Bay_Area
- (2) <http://www.bayareavision.org/bayarea/>
- (3) <http://fortune.com/2015/06/15/states-most-fortune-500-companies/>
- (4) http://www.marineconomicconsulting.com/EmplReports/Regions/Bay_Area.pdf
- (5) <http://www.sanfrancisco.travel/article/record-breaking-economic-impact-2014>
- (6) <https://www.sccgov.org/sites/scc/pages/about-the-county.aspx>
- (7) <http://www.mountainview.gov/about/default.asp>
- (8) <http://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=18256>
- (9) <http://www.mountainview.gov/about/learn/demographics.asp>
- (10) <http://www.sfrealtors.com/US/Neighborhood/CA/Mountain-View-Demographics.html>
- (11) LandVision

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