

Mosaic Student Housing

Marina California

225 Cypress Ave., Marina, CA, 93933

Private Placement Offering

For property related questions
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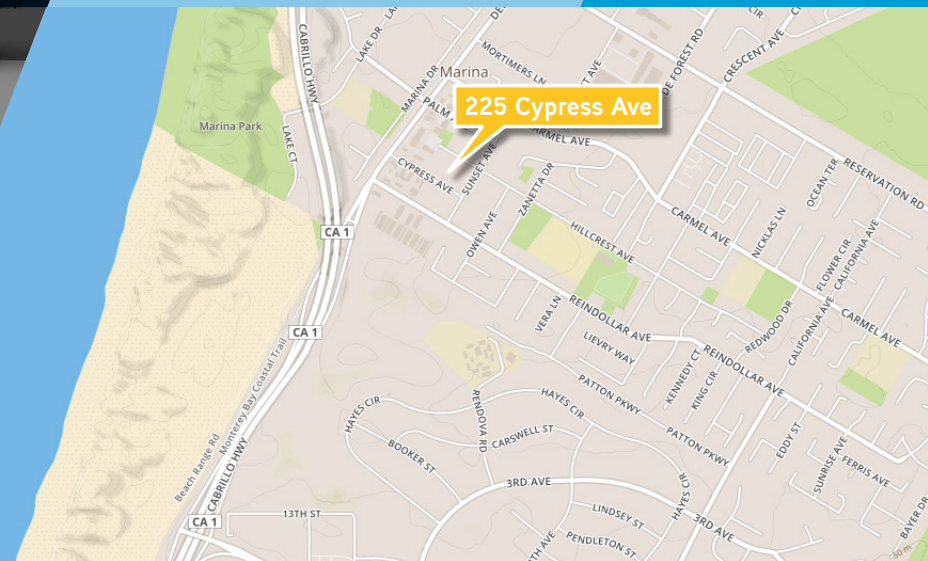
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DISCLAIMER

Mosaic Student Housing, LLC & 225 Cypress Ave, LLC

Mosaic Student Housing, LLC and 225 Cypress Ave, LLC are newly formed California Limited Liability Corporations, Mosaic Student Housing, LLC is offering (the “Offering”) to sell to certain qualified, accredited Investors (the “Investors”) pursuant to this Confidential Private Placement Memorandum (the “Memorandum”) up to \$1,750,000 of beneficial interests (the “Interest”) for a 50% interest in the Mosaic Student Housing development. 225 Cypress Ave, LLC represents the developers 50% interest in this development opportunity.

This material does not constitute an offer or solicitation by anyone in any jurisdiction for the purchase or sale of securities. Offers and sales shall be made only to persons who qualify as accredited Investors under applicable federal law and only pursuant to the Memorandum and subscription documents setting forth definitive terms of the offering and the investment opportunity. This material has not been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of statements in this material. Any representation to the contrary is a criminal offense. Investment involves a high degree of risk and is speculative as described in detail in the Memorandum and subscription documents. Before investing, you are responsible for conducting your own due diligence of the Trust and the Offering, and you should review the entire Memorandum, including the “Risk Factors” in its entirety before investing. This material does not constitute tax advice to any prospective Investor. Prospective Investors must consult with their own tax advisors regarding the tax consequences to them of acquiring and owning an investment. Investment in the Trust will not be suitable for some Investors. The LLC may accept or reject any investment in whole or in part in its sole and absolute discretion. Nothing herein shall be considered to be an endorsement, guarantee of returns or performance, authorization or approval of Marina Student Housing, LLC; 225 Cypress Ave, LLC or any of its affiliates.

PRINCIPAL

Ted Crocker, Principal

For more than 50 years Ted Crocker has been involved in the acquisition, development, and management of residential and commercial real estate. He began his career developing fast food restaurants in Santa Cruz County with his brother Richard. At its height this business included 14 restaurant locations as well as several franchised locations throughout California.

He later formed Crocker Development Company along with his brother in the early 1970s, which went on to become an industry leader in the development of self-storage facilities. By 1980 the name “Crocker’s Lockers” was recognized throughout Northern and Central California and Arizona as a leader in the self-storage industry. Crocker’s Lockers was the 2nd largest builder of mini-storage projects in California and 8th in the nation in terms of square footage constructed with more than 50 facilities in California and Arizona and more than 2.2 million square feet of storage space.

In addition to the self-storage facilities Ted developed and built numerous custom single family homes, several residential subdivisions as well as commercial buildings. Predicting increased competition in the self-storage industry in the 80s, Ted shifted his emphasis toward mid-sized commercial and residential projects. In the mid-1980s he formed Overland Development Corporation. Overland focused on the development of raw commercial land to continue operating post construction. While continuing his work in real estate development, Ted returned to the restaurant industry in 1987, acquiring the California Culinary Academy from McKesson Corporation. As Chairman of the Board and CEO for the Academy, he was influential in revitalizing its program, taking it from 200 students to over 1000, and launching its successful IPO in 1993.

Since leaving the academy Ted has been focused on a variety of real estate development projects including self-storage, residential, multi-family, and student housing developments throughout Northern California.

INVESTMENT OVERVIEW

California State University Monterey Bay, located in the Monterey County towns of Marina and Seaside has a severe shortage of available student housing opportunities. Over the past three years the developer of the Mosaic Student Housing project has worked closely with the planning department within Marina to secure approvals for this aesthetically pleasing and efficient design to include a managers studio apartment and 11 student units offering a total of 51 beds.

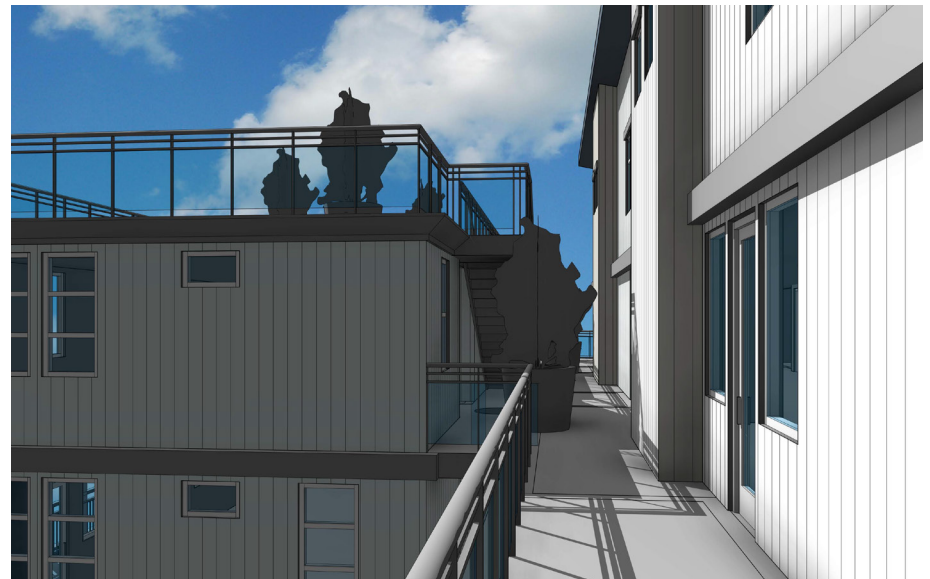
Highly attractive with an excellent amenity-set and very attractive returns for the buyer of this project, the Mosaic Student Housing development project will be delivered with building permits Q4, 2018.

Each unit features easy access from exterior walkways, a private balcony, fully equipped kitchen, full bathroom and closet space. Communal amenities include an observation deck, basketball court, full gym, storage lockers, community herb garden and secured parking spaces.

This project will be delivered shovel ready and offers the buyer very attractive returns upon completion.

CSUMB Student Housing Supply

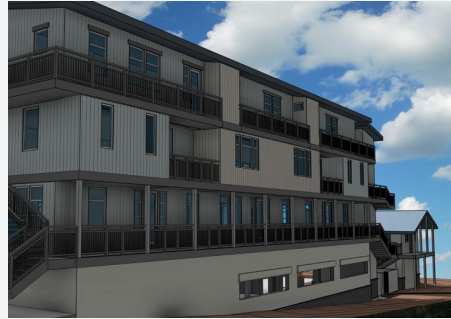
The 2017 total enrollment at CSUMB stands at just under 7,500 undergraduate and graduate students. As of Fall 2017, there are 3,900 on-campus beds that are 100% leased, meaning the school only has capacity to house 52% students on campus. There are not any off-campus beds currently. There is one master plan development being proposed, Campus Town, which will include some student housing, but the timing of this is unknown. It will likely be more than 5 years before construction begins.



WHY INVEST IN STUDENT HOUSING?

Top 6 reasons to invest in Student Housing:

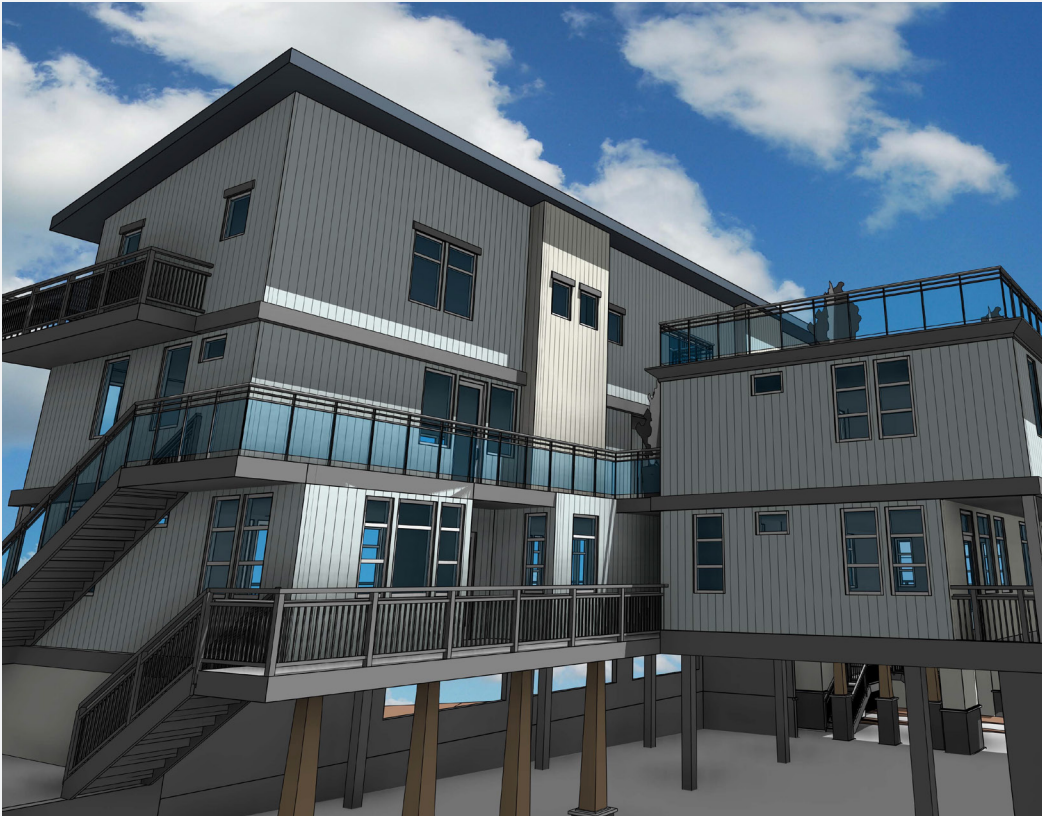
- According to Real Capital Analytics, CAP rates for Student Housing trends above rates of return for Multifamily property (see chart below)
- CSUMB has only enough on-campus housing to board 52% of its students. There is a growing student population who is actively seeking convenience, entertainment, and community while maintaining independence from the restrictions of on-campus living
- Student Housing is shielded from declining Net Operating Income during economic downturns
- The benefits of a predictable and secure leasing schedule
- University affiliated Student Housing properties benefit from financial aid qualifications
- CSUMB CFO has validated the proposed rental rates as appropriate and agreed initially to an affiliated student referral program with more affiliation possible



Purpose-Built Student Housing. Purpose-Built student housing is typically an amenities-rich, multi-housing property specifically designed to house students. Contemporary-designed student housing typically provides each resident with their own private bedroom, bathroom and walk-in closet within suites and floorplans designed for two to five occupants. This enhanced privacy coupled with high speed internet access, high end interior finishes such as granite countertops, pendant lighting, Energy Star® Appliances, private study areas, fitness center, and common area BBQ's. Students can be academically productive and enjoy the amenities in their purpose-built housing while being close to campus. Students don't need cars as the project is located within 3.5 miles from campus and has access to a dedicated shuttle service or bike trails. Further, Investors are hiring an experienced property management firm. This means that accounting, reporting, property maintenance, marketing, lease renewal and technology best practices are being implemented to ensure property upkeep and stable occupancies.

Newly constructed, Class "A", purpose-built, student housing property located near campus will be in greater demand than older "drive" properties located off campus. Because of these demand factors, Investors in Class "A" student housing located near campus will achieve higher renewal rates, have the ability to grow rents annually and benefit from the stability of cash flows. **Student Housing: Recession Resistant.** The student housing industry has proven to be a recession resistant sector, even when compared to other residential real estate. While revenue for publicly-listed apartment REITs declined during the Great Recession of 2008 – 2010, revenue for publicly-listed student housing REITs maintained positive revenue growth. When the economy reached the worst economic levels since the Great Depression, student housing was the beneficiary. More young students looked to improve their job prospects by pursuing secondary education, causing a direct increase in the demand for student housing.

SITE DESCRIPTION



Address	225 Cypress Ave, Marina, CA 93933
Investment	\$1,750,000 (50% interest)
Units	12 apartments, 51 beds plus managers studio
Amenities	Sun deck, basketball court, gym, private lockers, full kitchens, elevator, balconies
Parking	12 spaces (8 underground and secured, 1 ADA)
Parcel Size	12,250 SF
Zoning	C-R
Proposed Building	10,988 SF

INVESTMENT HIGHLIGHTS

- This is a proposed student housing development with fully engineered drawings, ready for building permits in the Monterey County city of Marina. This project serves the California State University, Monterey Bay campus and is located approximately 2.5 miles from campus.
- This project includes a managers studio apartment on the ground floor and 11 student units with a total of 51 beds.
- Each unit includes a full kitchen and balcony.
- On-site amenities include an observation deck, basketball court, gym, private lockers, individual unit balconies elevator, secured parking and easy unit access.

California State University, Monterey Bay (CSUMB) is a public university in the 23-campus California State University system, located in Marina and Seaside, in Monterey County, California. It is on the site of the former U.S. Army base Fort Ord in the northern Central Coast of California region and is accredited by the Western Association of Schools and Colleges.





CSUMB was founded in 1994 with a student enrollment of 654 students. Classes began August 28, 1995. The founding president was Peter Plympton Smith. It was the 21st campus in the California State University System. The university offers 23 bachelor's degrees, 7 master's degrees, and teaching credentials.

As of fall 2016, the university has 6,883 undergraduate students, 544 graduate students and 163 full-time faculty members. The university operates on the semester system. The current president Eduardo M. Ochoa was appointed in May 2012.

CSUMB, in conjunction with Hartnell college, developed CSin3, a 3-year computer science program funded in part by grants from the Foundation established by Matsui Nursery. That Foundation also donated 210 acres of prime agricultural land to the Hartnell College Foundation, with a valuation of about \$20 million.



INVESTMENT SUMMARY

Capitalization

Development Costs	\$3,482,120
Land Price	\$1,750,000
Finance Costs	\$150,000
Cash to Developer	\$200,000
Operating Reserve	\$150,000
Total	\$5,732,120

Equity Breakdown

Total Cost	\$5,732,120
Construction Loan	\$3,382,120
Developer Equity	\$600,000
Class A Investors	\$1,750,000

Projected Returns 2019 to 2021

Income	2019*	2020	2021	Total
Rental and Misc. Income	\$209,970	\$680,609	\$696,705	\$1,587,283
Total Income	\$209,970	\$680,609	\$696,705	\$1,587,283
Operating Expense	\$(141,110)	\$(197,427)	\$(202,553)	\$(541,089)
Net Operating Income	\$68,860	\$483,182	\$494,152	\$1,046,194
Debt Expense: First	\$(202,927)	\$(243,330)	\$(243,330)	\$(689,588)
Operating Cash Flow	\$(134,067)	\$239,852	\$250,822	\$356,607

*Partial, Initial Year.

Internal Rate of Return for Class A Investors

	2019*	2020	Total
Investment	\$(1,750,000)	\$ -	\$ -
Operating Cash Flow	\$ -	\$119,926	\$119,926
Preferred Return	\$122,500	\$122,500	\$245,000
Return of Capital	\$ -	\$1,750,000	\$1,750,000
Sales Proceeds	\$ -	\$1,400,693	\$1,400,693
Total Investor Proceeds	\$(1,627,500)	\$3,393,119	\$1,765,619
IRR	108.5%		ROI 100.9%

*Partial, Initial Year. Sale anticipated prior to 12/31/2020.

DEVELOPMENT COST SUMMARY

Existing Debt	\$1,150,000
Retained Equity	\$400,000
Net to Developer	\$200,000
Acquisition	\$1,750,000

Improvements

Construction - 14,336 sq.ft. @ \$170/sq.ft.	\$2,437,120
Contingency	\$300,000
Elevator	\$100,000
Engineering	\$50,000
Furnishings	\$300,000
Permits & Fees	\$195,000
Parking/Paving	\$100,000
Total Improvement Costs	\$3,482,120

Finance Costs

Interest Reserve (construction)	\$150,000
Total Finance Costs	\$150,000

Total Project Costs

\$5,382,120

Equity Offering

\$1,750,000 - 50%
6.0% Accrued Dividend
50% Interest, Class A Shares
112% 5-year I.R.R.
104.2% Return on Investment (ROI)

INCOME ASSUMPTIONS

Unit Breakdown

Unit Type #	# of Units	Unit Type	Occupants Per Unit	Monthly Rent Per Occupant	Rent Per Unit	Monthly Rent	Annual Rent	Annual Growth	12/31/19	12/31/20	12/31/21
1	0	Den Mom	1	-	-	-	-	0.0%	-	-	-
2	1	Studio	2	\$950	1,900	1,900	22,800	2.5%	22,800	23,370	23,954
3	1	2Br/ 1Ba	4	\$1,150	4,300	4,300	51,600	2.5%	51,600	52,890	54,212
4	1	2Br/ 1Ba	4	\$1,150	4,300	4,300	51,600	2.5%	51,600	52,890	54,212
5	1	2Br/ 1Ba	4	\$1,150	4,300	4,300	51,600	2.5%	51,600	52,890	54,212
6	1	2Br/ 1Ba	4	\$1,150	4,300	4,300	51,600	2.5%	51,600	52,890	54,212
7	1	2Br/ 1Ba	4	\$1,150	4,300	4,300	51,600	2.5%	51,600	52,890	54,212
8	1	3Br / 2Ba	6	\$1,150	6,300	6,300	75,600	2.5%	75,600	77,490	79,427
9	1	3BR / 1Ba	3	\$1,400	4,200	4,200	50,400	2.5%	50,400	51,660	52,952
10	1	3Br / 3Ba	6	\$1,150	6,600	6,600	79,200	2.5%	79,200	81,180	83,210
11	1	3Br / 3Ba	6	\$1,150	6,600	6,600	79,200	2.5%	79,200	81,180	83,210
12	1	4Br / 2Ba	8	\$1,050	8,000	8,000	96,000	2.5%	96,000	98,400	100,860
		Storage			600	600	7,200	0.0%	7,200	7,200	7,200
		Parking			1,000	1,000	12,000	0.0%	12,000	12,000	12,000
		Misc			1,625	1,625	19,500	0.0%	19,500	19,500	19,500
Gross Scheduled Income						58,325	699,900		699,900	716,430	733,373

Vacancy Rate	70%	5%	5%
Vacancy Loss	(489,930)	(35,822)	(36,669)
Gross Income	209,970	680,609	696,705

PRO FORMA

Income	Current Annual	Annual Growth	2019	2020	2021	2022	2023
Rental Income			209,970	680,609	696,705	716,203	733,114
Total Income			\$209,970	\$680,609	\$696,705	\$716,203	\$733,114
Operating Expenses							
Accounting	1,200	2.0%	1,200	1,224	1,248	1,273	1,299
Insurance	12,000	2.0%	12,000	12,240	12,485	12,734	12,989
Licenses	300	2.0%	300	306	312	318	325
Repairs & Maintenance	9,000	2.0%	2,700	9,180	9,364	9,551	9,742
Supplies	2,100	2.0%	630	2,142	2,185	2,229	2,273
Property Taxes	105,036	3.0%	105,036	108,187	111,433	114,776	118,219
Garbage	9,000	2.0%	2,700	9,180	9,364	9,551	9,742
Landscaping	1,200	2.0%	360	1,224	1,248	1,273	1,299
Property Management (3.85%)	30,024	Fixed	8,084	26,203	26,823	27,574	28,225
Water/Sewer	9,600	2.0%	2,880	9,792	9,988	10,188	10,391
Electricity	6,000	2.0%	1,800	6,120	6,242	6,367	6,495
Gas	5,400	2.0%	1,620	5,508	5,618	5,731	5,845
Reserves	6,000	2.0%	1,800	6,120	6,242	6,367	6,495
Total Operating Expenses			141,110	197,427	202,553	207,932	213,338
Net Operating Income			\$68,860	\$483,182	\$494,152	\$508,271	\$519,776
Debt Service							
Mortgage			(202,927)	(243,330)	(243,330)	(243,330)	(243,330)
Total Debt Service			(202,927)	(243,330)	(243,330)	(243,330)	(243,330)
Net Cash Flow			\$(134,067)	\$239,852	\$250,822	\$264,941	\$276,446

LOAN SUMMARY

Loan Amount \$3,382,120

RATE	6.00%
Interest Only Portion	1

Amount:	\$3,382,120
Amortization (yrs):	30

	2019	2020	2021
First Loan Amount	\$3,382,120	\$3,382,120	\$3,340,587
Interest Rates	6.00%	6.00%	6.00%
Total Payment	\$202,927	\$243,330	\$243,330
Principal Payment	\$0	\$41,533	\$44,094
Interest Payment	\$202,927	\$201,797	\$199,236
End Balance	\$3,382,120	\$3,340,587	\$3,296,493

SALES ANALYSIS

Sale end of the year 2020

Sales Analysis @ 12-31-2020			6.0% CAP
Sales Price			\$8,053,033
less: commission (2%)			\$(161,061)
Sales Proceeds			\$7,891,973
less: first note			\$(3,340,587)
less: investor capital			\$(1,750,000)
Gross Profit			\$2,801,385

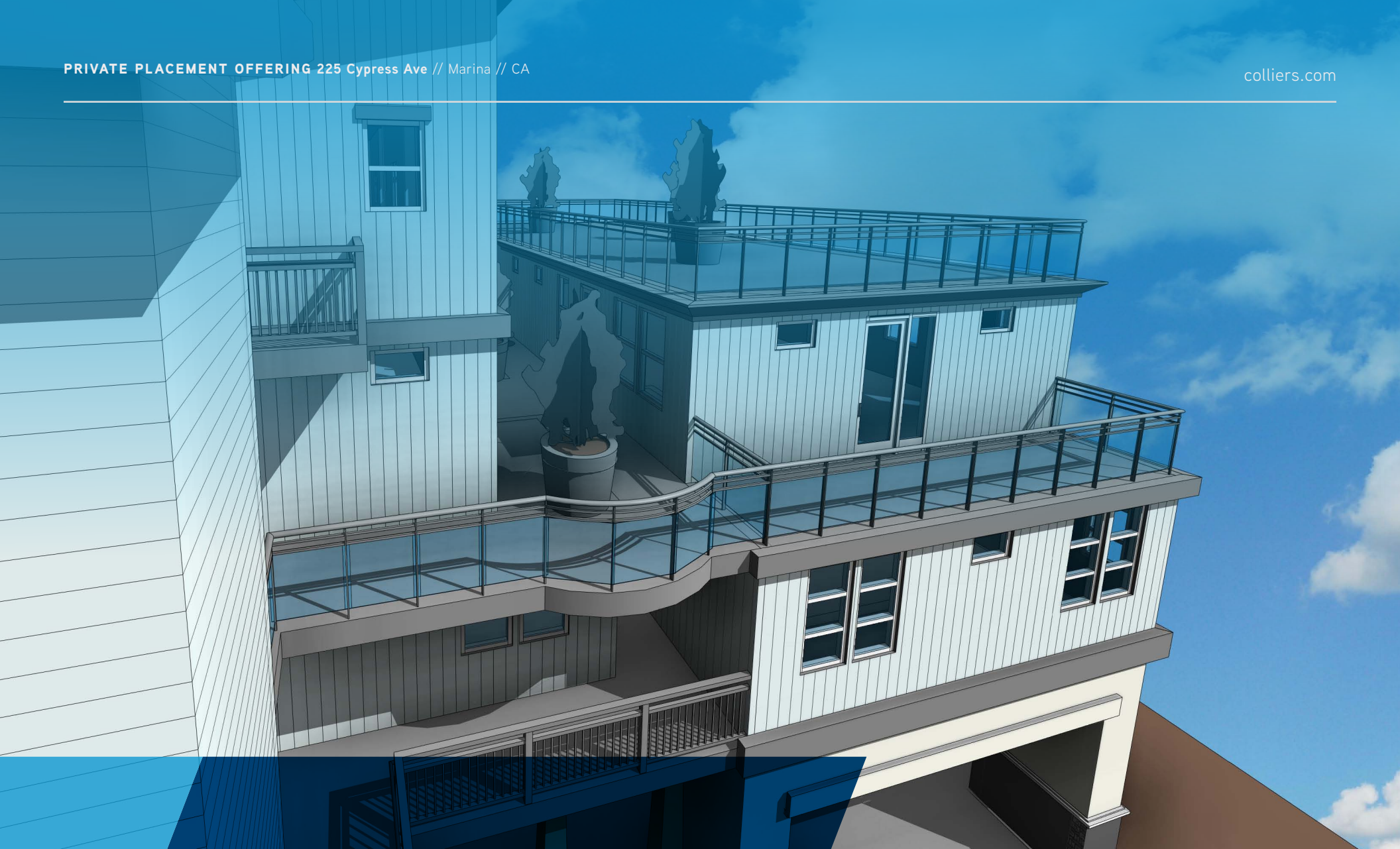


RISK FACTORS

NOTE THAT ALL CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANINGS ASSIGNED IN THE MEMORANDUM. THIS SECTION IS SUBJECT TO CHANGE BASED ON CHANGES TO THE MEMORANDUM. A WARNING ABOUT INVESTING IN THE INTERESTS.

Each prospective Investor should consult with the prospective Investor's own tax advisor regarding an investment in the Interests and the qualification of the prospective Investor's transaction under Section 1031 for the prospective Investor's specific circumstances. Each prospective Investor's specific circumstances may differ and, as a result, no assurances can be given and no legal opinion will be provided that the purchase of the Interests by any prospective Investor will qualify as a Section 1031 exchange. An investment in the Interests involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment and can afford to lose their entire investment. The risks involved with an investment in Interests include, but are not limited to:

- Investors have limited control over the Limited Liability Company.
- The Developers have limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments.
- Certain risks are inherent to the student housing industry, including an annual leasing cycle, short lease-up period, seasonal cash flows and changing University admission and housing policies.
- The LLC will depend on the Residents for revenue, and significant occupancy rate fluctuations or defaults by a significant number of the Residents will adversely affect the LLC's operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the investment.
- The Loan Documents will contain various restrictive covenants, and if the LLC fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- There is and will be no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The LLC is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 exchange.
- Various other risks as set forth in the Memorandum.



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