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## Lynch Investments, LLC

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[www.lynchinvestments.com](http://www.lynchinvestments.com)

Lynch Investments, LLC and its affiliated companies comprise a San Francisco based real estate investment firm that acquires, improves, develops, and manages real estate assets. Lynch Investments, LLC specifically targets multi-family, office, and industrial property whose value can be increased by renovation, repositioning within a market, and/or improved property management.

### The Lynch Companies

The mission of Lynch Investments is to create exceptional investment opportunities that maximize value and minimize risk for both private and institutional investors. It achieves this objective by integrating the specific talents and expertise of each of the following affiliated companies.

- [Lynch Real Estate Services, Inc.](#) provides the market research, financial analysis, and due diligence investigation necessary to target favorable markets and find suitable properties in those markets. Lynch Real Estate Services, Inc. also is responsible for negotiating the financing, acquisition and disposition of such properties.
- [Lynch Asset Services, Inc.](#) develops and implements strategic asset management plans for acquired properties, maximizing their economic potential and providing supervisory control. Lynch Asset Services is also responsible for leasing, improving and repositioning Lynch assets.
- [Lynch Property Management, Inc.](#) oversees the day-to-day operation and management of all Lynch properties.
- [Lynch Development Services, Inc.](#) coordinates and oversees all physical inspection, renovation and construction at Lynch properties.

### A Track Record of Disciplined Acquisition

Since its inception in 1988, Lynch Investments has acquired and improved over 100 properties. (For a more detailed description of these transactions, please see the attached Track Record.) Each Lynch Investments project has realized profit, even those that were sold during declining markets. Lynch Investments' continuing success can be attributed to its disciplined application of the following acquisitions criteria:

- [Profile:](#) Acquire and improve value-added properties (i.e., those amenable to improved management, repositioning and/or physical renovation);
- [Property Type:](#) Multi-family, office, and industrial properties;
- [Geographic Location:](#) High-growth markets in the Western United States;
- [Economic Factors:](#) Price vs. replacement cost, other barriers to entry, demand for rental space (employment and/or population growth), vacancy and absorption;
- [Target Cash-on-Cash Return:](#) At least 8% to 10% per year once stabilized;
- [Target Overall Return:](#) IRR (annual return including sale/refinance proceeds) of 18% to 25%, depending on the inherent risk and condition of the property.

### The Typical Investment Profile

- **Ownership:** The property is owned by a separate, single-purpose, limited liability company (“LLC”). Investors are Members of the LLC and have a pro rata ownership interest based on the amount of their investment. Lynch Investments is the Managing Member of the LLC.
- **Financing:** Generally, as much as 30% of the total project cost of any one deal is provided by LLC investors (individuals and/or institutions) and 70% or more of that cost is financed by mortgage-secured debt.
- **Returns from Cash Flow:** Once a property is stabilized (generally six to twelve months after close of escrow), investors are paid all the cash flow generated at the property up to the amount at which the investors have received a 8% to 10% annualized return on their capital investment (a “preferred return”). Any cash flows in excess of the preferred return are split among the investors and Lynch Investments, LLC (the investors generally receive 50% to 70% of the amount exceeding the hurdle). Cash flow distributions are paid quarterly.
- **Profits from Sale or Refinance:** Investors are paid 50% to 70% of the profits from the sale or refinance of the property. Lynch Investments, LLC receives the balance of these profits.

For more information about upcoming investment opportunities,

please contact John Warner

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Email: [jwarner@lynchinvestments.com](mailto:jwarner@lynchinvestments.com)

Lynch Investments' staff draws on experience in every aspect of the real estate industry including brokerage, leasing, property management, finance, accounting, and development. They work together as a team to source, acquire, manage, and maximize the performance of each investment property.

#### PRINCIPAL

##### **Peter Lynch – Founder and Managing Member of Lynch Investments, LLC**

Mr. Lynch sets acquisition and disposition policy for Lynch Investments and determines the financial structure of all transactions. Mr. Lynch has extensive experience in real estate investment, renovation and development, having worked in construction in the early years of his career, and having been the head of Lynch Investments since its inception in 1988. Before establishing Lynch Investments, Mr. Lynch spent six years as Director of the Western Region for CARE International, a private international relief and development organization. Mr. Lynch holds a Bachelor's degree from Whitworth College and a Master's degree from the University of Houston.

#### KEY PERSONNEL

##### **James Milway – Vice President, Lynch Asset Services, Inc.**

Mr. Milway is responsible for overseeing the performance and management of all Lynch office and development properties. He joined Lynch in 2000 with over eight years of institutional asset management experience, operating a nationwide portfolio of office, industrial, and residential properties with values ranging from \$3 million to \$72 million. Mr. Milway also has four years of experience in real estate development, and one year as a commercial real estate appraiser. He earned his Bachelor's degree in Business Administration from Arizona State University and his Master's degree in Real Estate Appraisal and Investment Analysis from the University of Wisconsin, Madison.

##### **John Warner – Acquisitions, Sales, & Finance, Lynch Real Estate Services, Inc.**

Mr. Warner joined Lynch in 1998 and has played a key role in the company's growth from a locally oriented real estate investment business to a multi-state operation with a multiple asset class portfolio. Focus areas include property acquisitions and sales, capital structure transaction management, tax-deferred exchanges, and investor relations. Before joining Lynch, Mr. Warner managed several multiplex movie theatres for a national theatre chain and concurrently operated his own retail business in San Francisco. Mr. Warner attended the University of California at San Diego where he studied literature and photography. He also holds a California real estate license.

**Amy Lin – Controller, Lynch Investments, LLC**

Ms. Lin implements and oversees all accounting policies and procedures for Lynch Investments. She joined Lynch Investments in 1997 and has been working in accounting and financial management for real estate, property management and construction companies since 1990. She has a Bachelor's degree in Business Administration, with a concentration in accounting, from San Francisco State University. Amy also holds a California real estate licence.

**Kelly Duff-Xu – Associate, Lynch Asset Services, Inc.**

Ms. Duff-Xu assists in overseeing the performance and management of Lynch office and development properties. Prior to joining Lynch in October 2005, Ms. Duff-Xu accumulated over five years of experience in real estate development, investment, and valuation with companies such as CB Richard Ellis, Inc. (NYSE: CBG) and BioMed Realty Trust, Inc. (NYSE: BMR). Ms. Duff-Xu earned her MBA from University of Southern California in Los Angeles with a concentration in real estate finance and a BS in Management Engineering from Chongqing University in P.R. China.



- q **Location:** 2590 Venture Oaks Way  
Sacramento, CA
- q **Sale Date:** May 4, 2006
- q **Sale Price:** \$ 8,900,000
- q **Size:** 40,000 Square Feet
- q **Use:** Single Tenant Office



- q **Location:** 1440 Broadway, Oakland, CA
- q **Sale Date:** April 27, 2006
- q **Sale Price:** \$ 10,100,000
- q **Size:** 85,000 Square Feet
- q **Use:** Office and Retail



- q **Location:** 4165 Old Dowlen Road  
Beaumont, TX
- q **Sale Date:** April 10, 2006
- q **Sale Price:** \$ 10,100,000
- q **Size:** 157,170 Square Feet plus 15 acres of raw land
- q **Use:** 152 Residential Units



- q **Location:** 2600 Northeast Loop 410  
San Antonio, TX
- q **Sale Date:** April 4, 2006
- q **Sale Price:** \$ 10,030,000
- q **Size:** 222,038 Square Feet
- q **Use:** 293 Residential Units



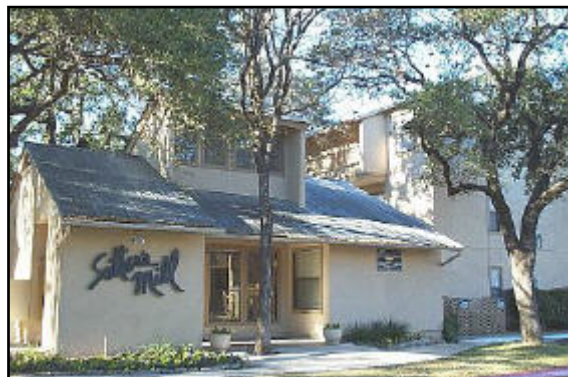
- q **Location:** Kuhio Highway  
Kapaa, Kauai
- q **Acquisition Date:** March 24, 2006
- q **Purchase Price:** \$ 49,611,221
- q **Size:** 2021 Acres
- q **Use:** Agricultural Land & Residential Development



- q **Location:** 5725 International Blvd., Oakland, CA
- q **Sale Date:** January 24, 2006
- q **Sale Price:** \$ 7,300,000
- q **Size:** 219,275 Square Feet
- q **Use:** Industrial Flex Space



- q **Location:** 6225 Saratoga Boulevard  
Corpus Christi, TX
- q **Sale Date:** December 28, 2005
- q **Sale Price:** \$ 18,100,000
- q **Size:** 226,856 Square Feet
- q **Use:** 252 Residential Units



- q **Location:** 11955 Parliament Drive  
San Antonio, TX
- q **Sale Date:** December 15, 2005
- q **Sale Price:** \$4,625,000
- q **Size:** 10,408 Square Feet
- q **Use:** 128 Residential Units



- q **Location:** Paniolo Road, Waikoloa Village, HI
- q **Sale Date:** April 4, 2005
- q **Sale Price:** \$ 25,083,000
- q **Size:** 866 Acres
- q **Use:** Residential Development Opportunity





- q **Location:** Corpus Christi Portfolio  
Corpus Christi, TX
- q **Acquisition Date:** July 9, 2004
- q **Purchase Price:** \$ 14,250,000
- q **Size:** 463,292 Square Feet
- q **Use:** 528 Residential Units



- q **Location:** 71-1420 Mamalahoa Hwy  
Kailua-Kona, HI
- q **Acquisition Date:** June 30, 2004
- q **Purchase Price:** \$ 11,640,000
- q **Size:** 400 Acres
- q **Use:** 18-Hole Golf Course and Residential  
Development Opportunity



- q **Location:** 411 30th St., Oakland, CA
- q **Sale Date:** June 21, 2004
- q **Sale Price:** \$ 4,400,000
- q **Size:** 37,500 Square Feet
- q **Use:** Medical Offices



- q **Location:** 1009 Pat Broker Road  
University City, TX
- q **Acquisition Date:** May 26, 2004
- q **Purchase Price:** \$ 3,475,000
- q **Size:** 109,600 Square Feet
- q **Use:** 152 Residential Units



- q **Location:** Portfolio of eight properties  
Fontana, CA
- q **Sale Date:** January 8, 2004
- q **Sale Price:** \$16,380,000
- q **Size:** 192,053 Square Feet
- q **Use:** 255 Residential Units



- q **Location:** 11721 Parliament Dr. Houston, TX
- q **Acquisition Date:** December 5, 2003
- q **Purchase Price:** \$ 7,800,000
- q **Size:** 223,036 Square Feet
- q **Use:** 252 Residential Units



- q **Location:** 3411 Cummins Street  
Houston, TX
- q **Acquisition Date:** June 16, 2003
- q **Purchase Price:** \$5,040,000
- q **Size:** 101,010 Square Feet
- q **Use:** 103 Residential Units



- q **Location:** 651 E. Travis Blvd., Fairfield, CA
- q **Sale Date:** June 5, 2003
- q **Sale Price:** \$6,900,000
- q **Size:** 75,000 Square Feet
- q **Use:** 100 Residential Units



- q **Location:** 1350 Crowley Lane, Fairfield, CA
- q **Sale Date:** April 29, 2003
- q **Sale Price:** \$ 4,650,000
- q **Size:** 60,966 Square Feet
- q **Use:** 98 Residential Units



- q **Location:** 10225 Bissonnet, Houston, TX
- q **Acquisition Date:** February 11, 2003
- q **Purchase Price:** \$26,250,000
- q **Size:** 613,680 Square Feet
- q **Use:** 708 Residential Units



- q **Location:** 17015 Ivy Ave., Fontana, CA
- q **Sale Date:** October 31, 2002
- q **Sale Price:** \$1,395,000
- q **Size:** 23,950 Square Feet
- q **Use:** 26 Residential Units



- q **Location:** 6700 Chimney Rock, Houston, TX
- q **Acquisition Date:** October 25, 2002
- q **Purchase Price:** \$4,300,000
- q **Size:** 117,625 Square Feet
- q **Use:** 125 Residential Units



- q **Location:** 1101 Leah Ave., San Marcos, TX
- q **Acquisition Date:** July 30, 2002
- q **Purchase Price:** \$ 7,650,000
- q **Size:** 152,536 Square Feet
- q **Use:** 168 Residential Units



- q **Location:** 800 Nasa Rd. 1 West, Webster, TX
- q **Acquisition Date:** January 15, 2002
- q **Purchase Price:** \$ 8,500,000
- q **Size:** 280,510 Square Feet
- q **Use:** 289 Residential Units



- q **Location:** 1450 Alice St., Oakland, CA
- q **Sale Date:** October 5, 2000
- q **Sale Price:** \$ 3,610,000
- q **Size:** 42,650 Square Feet
- q **Use:** 52 Residential Units



- q **Location:** 7578 El Cajon Blvd.,  
La Mesa, CA
- q **Acquisition Date:** August 23, 2000
- q **Purchase Price:** \$ 2,485,000
- q **Size:** 22,000 Square Feet
- q **Use:** Single Tenant Office



- q **Location:** 420-436 17th St., Oakland, CA
- q **Sale Date:** August 11, 2000
- q **Sale Price:** \$ 4,000,000
- q **Size:** 65,000 Square Feet
- q **Use:** Office and Retail (Vacant at sale)



- q **Location:** 600-616 16th Street, Oakland, CA
- q **Acquisition Date:** June 30, 2000
- q **Purchase Price:** \$ 4,350,000
- q **Size:** 65,000 Square Feet
- q **Use:** Office and Retail