

GENERAL BACKGROUND INFORMATION

(As available on 9/22/09 - subject to change without notice)

The Modern
11871 Lake Avenue
10 Unit Apartment Building
Real Property Located in Lakewood, Ohio
Cuyahoga County



Materials Presented by:

Ag Real Estate Group, Inc.
Eric M. Silver, President & Broker

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REGISTRATION

CREPD, LLC

Eric M. Silver is a Real Estate Broker licensed in the State of Ohio, doing business as Ag Real Estate Group, Inc. Eric Zimmerman is a Real Estate Agent for Ag Real Estate Group, Inc., licensed in the State of Ohio.

We welcome co-brokerage participation in support of our effort to market and sell this property. Upon completion and closing of a transaction with a buyer who has been duly registered by a Buyer's agent, Seller shall pay a co-brokerage fee equal to 3% of the purchase price (via escrow) to a buyer's broker. To be registered and recognized as a buyer's broker, you must complete this registration form and have received an executed copy in return prior to your client having contact with the Ag Real Estate Group, Inc. Brokers contacting the Ag Real Estate Group, Inc. after their client makes an initial contact directly to the Ag Real Estate Group, Inc. will not be recognized or compensated by the Seller. Registration will remain valid for a period of 150 days after the later date below, after which time the registration becomes null and void.

CIRCLE ONE CHOICE: *I am* / *am not* represented by a broker or agent.

Buyer (*print and sign*) Phone # Date

Buyer's Agent - Name and Phone # Date

Ag Real Estate Group, Inc. Date
By: Eric M. Silver, President and Broker

CONSUMER GUIDE TO AGENCY RELATIONSHIPS

Ag Real Estate Group, Inc.



We are pleased you have selected Ag Real Estate Group, Inc. to help you with your real estate needs. Whether you are selling, buying or leasing real estate, Ag Real Estate Group, Inc. can provide you with expertise and assistance. Because this may be the largest financial transaction you will enter into, it is important to understand the role of the agents and brokers with whom you are working. Below is some information that explains the various services that agents can offer and their options for working with you:

Representing the Sellers

Most sellers of real estate choose to list their home for sale with a real estate brokerage. When they do so, they sign a listing agreement that authorizes the brokerage and the listing agent to represent their interests. As the seller's agent, the brokerage and listing agent must: follow the seller's lawful instructions, be loyal to the seller, promote the seller's best interests, disclose material facts to the seller, maintain confidential information, act with reasonable skill and care, and account for any money they handle in the transaction. In rare circumstances, a listing broker may offer "subagency" to other brokerages, which would also represent the seller's interests and owe the seller these same duties.

Representing Buyers

When purchasing real estate, buyers usually choose to work with a real estate agent as well. Often the buyers want to be represented in the transaction. This is referred to as buyer's agency. A brokerage and agent that agree to represent a buyer's interest in a transaction must: follow the buyer's lawful instructions, be loyal to the buyer, promote the buyer's best interests, disclose material facts to the buyer, maintain confidential information, and account for any money they handle in the transaction.

Dual Agency

Occasionally, the same agent and brokerage that represent the seller also represent the buyer. This is referred to as dual agency. When a brokerage and its agents become "dual agents," they must maintain a neutral position in the transaction. They may not advocate the position of one client over the best interests of the other client, or disclose any confidential information to the other party without written consent.

Representing Both the Buyer & Seller

On occasion, the buyer and seller will each be represented by two different agents from the same brokerage. In this case, the agents may each represent the best interest of their respective clients. Or, depending on company policy, the agents may both act as dual agents and remain neutral in the transaction. When either of the above occurs, the brokerage will be considered a dual agent. As a dual agent, the brokerage and its managers will maintain a neutral position and cannot advocate for the position of one client over another. The brokerage will also protect the confidentiality of all parties.

For more information on agency law in Ohio, contact the Ohio Division of Real Estate & Professional Licensing at (614) 466-4100, or online at www.com.ohio.gov/real.

Working With Ag Real Estate Group, Inc.

Ag Real Estate Group, Inc. does represent both buyers and sellers. When Ag Real Estate Group, Inc. lists property for sale, all agents in the brokerage represent the seller. Likewise, when a buyer is represented by a Ag Real Estate Group, Inc. agent, all of the agents represent that buyer. Therefore, when a buyer represented by a Ag Real Estate Group, Inc. agent wishes to purchase property listed by our company, the agent(s) involved act as dual agents. This is true whether one agent is representing both parties or two separate agents are involved.

In the event that both the buyer and seller are represented by Ag Real Estate Group, Inc. agents, these agents and Ag Real Estate Group, Inc. will act as a dual agent but only if both parties agree. As a dual agent, they will treat both parties honestly, prepare and present offers at the direction of the parties, and help the parties fulfill the terms of any contract. They will not, however, disclose any confidential information that will place one party at an advantage over the other or advocate or negotiate to the detriment of either party.

If dual agency occurs, you will be asked to consent to that in writing. If you do not agree to your agent acting as a dual agent, you can seek representation from another brokerage.

As a buyer, you may also choose to represent yourself on properties Ag Real Estate Group, Inc. has listed. In that instance, Ag Real Estate Group, Inc. will represent the seller and you would represent your own best interests. Because the listing agent has a duty of full disclosure to the seller, you should not share any information with the listing agent that you would not want the seller to know.

Working With Other Brokerages

Ag Real Estate Group, Inc. does offer representation to both buyers and sellers. When Ag Real Estate Group, Inc. lists property for sale, it also cooperates with, and offers compensation to, other brokerages that represent buyers. Ag Real Estate Group, Inc. does reserve the right, in some instances, to vary the compensation it offers to other brokerages. As a seller, you should understand that just because Ag Real Estate Group, Inc. shares a fee with a brokerage representing the buyer, it does not mean that you will be represented by that buyer's brokerage. Instead, that company will be looking out for the buyer and Ag Real Estate Group, Inc. will be representing your interests.

When acting as a buyer's agent, Ag Real Estate Group, Inc. also accepts compensation offered by the listing broker. If the property is not listed with any broker, or the listing broker does not offer compensation, we will attempt to negotiate for a seller-paid fee.

Fair Housing Statement

It is illegal, pursuant to the Ohio Fair Housing Law, division (H) of Section 4112.02 of the Revised Code and the Federal Fair Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 4112.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes. (Effective: 3/25/08)

We hope you find this information to be helpful to you as you begin your real estate transaction. When you are ready to enter into a transaction, you will be given an Agency Disclosure Statement that specifically identifies the role of the agents and brokerages. Please ask questions if there is anything you do not understand.

Because it is important that you have this information, Ohio law requires that we ask you to sign below to acknowledge receipt of this pamphlet. Your signature will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Name (Please Print)

Signature Date

Signature Date

GENERAL BACKGROUND INFORMATION

(Included as of 9/22/2009)

- Fact Sheet
- Rent Roll
- Offering Summary
- Unit Mix
- Proposed Financing
- Sample Income & Expense Statement
- Location Map
- Tax Map
- Aerial Photos
- Property Detail Report

This property is owned by, CREPD LLC, an entity created by the lender that accepted title to the property as part of the settlement of a lawsuit. Therefore the existing owner, manager, and broker do not have historical operating data to pass along to potential purchasers.

The sole purpose of The General Background Information included herein is to provide general and not specific information regarding the real property described. The owner and manager have operated the property since late May, 2009.

The information contained herein shall not constitute an offer to sell nor a request or solicitation of an offer to buy. No person or entity shall have any rights whatsoever to rely on this information or any other information received unless there is a mutually executed document specifically and intentionally creating such right of reliance.

The information included herein has been secured from sources that are usually reliable; however the accuracy of the information has not been verified by any of the following: The owner, manager, or broker and their agents, employees or consultants. All parties are encouraged and directed to initiate and complete (at their own expense) any and all due diligence studies that may be required in order to evaluate the quality, condition, suitability, and potential value of the property.

THE OWNER, BROKER, MANAGER (and any parties related in any way to them) MAKE NO WARRANTY (expressed or implied) WHATSOEVER REGARDING THE PROPERTY.

TOURS OR INSPECTIONS OF THE PROPERTY ARE BY PRIOR ARRANGEMENT WITH THE BROKER. NO PARTY HAS AUTHORIZATION TO ENTER UPON THE PROPERTY WITHOUT SPECIFIC WRITTEN PERMISSION OF THE BROKER.

Fact Sheet

The Modern
11871 Lake Avenue
Lakewood, OH 44107

The Property

| | |
|----------------|---------------------------------------|
| Property: | The Modern |
| Address: | 11871 Lake Avenue, Lakewood, OH 44107 |
| Zoning: | MH (Multi Family High Density) |
| Lot Size: | .29 acres |
| Parcel Number: | 312-29-008 |

Building

| | |
|--------------------------|--------------------------------|
| Number of Units: | 10 (including 1 janitor suite) |
| Number of Buildings: | 1 |
| Number of Stories: | 3.5 |
| Year Built: | 1920 |
| Building Square Footage: | 20,716 +/- |
| Rentable Square Footage: | 16,653 +/- |
| Parking: | On site garage and off street |

Construction

| | |
|-----------|-------|
| Exterior: | Brick |
|-----------|-------|

Utilities

| | |
|--------------|---|
| Water/Sewer: | Owner Paid |
| Electric: | Tenant Paid (owner pays house electric) |
| Gas: | Owner Paid |

HVAC

| | |
|----------|--------------|
| Heat: | Steam boiler |
| Cooling: | None |

Amenities

On-site laundry

*All information to be verified by potential purchaser.

Rent Roll

As Of: 9/22/09

The Modern
11871 Lake Avenue
Lakewood, OH 44107
Rent Roll as of: 9/22/09

| Unit # | Rent | Lease Begin | Lease End |
|--------|--------|-------------|-----------|
| 1 | Vacant | n/a | n/a |
| 2 | 850.00 | 4/1/2006 | 4/1/2007 |
| 3 | 750.00 | 9/1/2009 | 8/31/2010 |
| 4 | Vacant | n/a | n/a |
| 5 | 750.00 | 8/1/2009 | 7/31/2010 |
| 6 | 750.00 | 3/1/2009 | 3/31/2010 |
| 7 | Vacant | n/a | n/a |
| 8 | 600.00 | 8/1/2009 | 7/31/2010 |
| 9 | 600.00 | 7/11/2009 | 6/30/2010 |
| 10 | Vacant | n/a | n/a |

*Lease information has not been verified.

New Owner has been provided limited lease documentation.

Information above is based on limited available information and is subject to errors, omissions, inaccuracies and modification.

Offering Summary

The Modern
11871 Lake Avenue
Lakewood, OH 44107

Summary

| | |
|-----------------------------|-----------|
| Price | \$249,000 |
| Down Payment | \$74,700 |
| Price Per Unit | \$24,900 |
| Price Per Gross Building SF | \$12.02 |
| Number Of Units | 10 |
| Building Square Footage | 20,716 |
| Number of Stories | 3.5 |
| Lot Size | .29 acres |
| Year Built | 1920 |

Proposed New Financing

| | |
|---------------|--------------|
| Loan Amount | \$174,300 |
| Loan Type | Proposed New |
| Interest Rate | 6.50% |
| Amoritization | 30 Years |
| Term | 5 Years |
| Loan To Value | 70% |

Potential Operating Data - Year 1

| | |
|----------------------|----------|
| Gross Potential Rent | \$82,800 |
| Net Effective Rent | \$80,316 |
| Expenses | \$47,369 |
| Net Operating Income | \$32,947 |
| Annual Debt Service | \$13,220 |
| Cash Flow | \$19,727 |

*Summary for illustration purposes only. Potential purchaser to develop own proforma.

Unit Mix

The Modern
11871 Lake Avenue
Lakewood, OH 44107

Unit Type - 2 Bedroom

| No. of Units | Bdr. | Ba. | SF. |
|--------------|------|-----|---------------|
| 3 | 2 | 1 | 1,200 - 1,300 |

Unit Type - 3 Bedroom

| No. of Units | Bdr. | Ba. | SF. |
|--------------|------|-----|---------------|
| 6 | 3 | 1 | 1,400 - 1,500 |

Unit Type - 2 Bedroom (Janitor Suite)

| No. of Units | Bdr. | Ba. | SF. |
|--------------|------|-----|---------------|
| 1 | 2 | 1 | 1,200 - 1,300 |

Proposed Financing

The Modern
11871 Lake Avenue
Lakewood, OH 44107

Proposed New Financing

| | |
|---------------|--------------|
| Loan Amount | \$174,300 |
| Loan Type | Proposed New |
| Interest Rate | 6.5 |
| Amoritization | 30 Years |
| Term | 5 Years |
| Loan To Value | 70% |

Sample Income & Expense Statement

The Modern
11871 Lake Avenue
Lakewood, OH 44107

Sample Income & Expense Statement

| Income | Monthly | Annual |
|-----------------------------|---------|-----------------------|
| Gross Potential Rent Income | \$6,900 | \$82,800 ¹ |
| Less Vacancy (5%) | -\$345 | -\$4,140 |
| Misc. Other Income | \$138 | \$1,656 |
| Net Effective Gross Income | \$6,693 | \$80,316 |

| Expenses | Monthly | Annual |
|-----------------------|---------|-----------------------|
| Advertising | \$100 | \$1,200 ³ |
| Insurance | \$432 | \$5,179 ² |
| Real Estate Taxes | \$919 | \$11,024 ⁴ |
| Electric | \$100 | \$1,200 ³ |
| Water & Sewer | \$479 | \$5,750 ³ |
| Gas | \$1,250 | \$15,000 ³ |
| Trash Removal | \$125 | \$1,500 ³ |
| Management @ 5% | \$335 | \$4,016 |
| Maintenance & Repairs | \$125 | \$1,500 ³ |
| Unit Make Ready Work | \$83 | \$1,000 ⁵ |
| Total Expenses | \$3,947 | \$47,369 |

| | | |
|--|---------|----------|
| Net Operating Income (before debt service) | \$2,746 | \$32,947 |
|--|---------|----------|

1 - Rents based on estimated average of \$625 @ 2-bed; \$750 @ 3-bed; \$525 @ basement

2 - Historical figures not available; based on estimate of \$.25/sf

3 - Historical operating expenses not available, based on Broker assumptions

4 - Based on 2007 tax bills per Auditor's website

5 - Historical make ready expenses not available, Broker estimate of \$500 per unit @ 2 units per year

*All information to be verified by prospective purchaser. May be subject to additional expenses not listed

Location Map



Tax Map

REVISED:

N



Aerial Photos



Property Detail Report

Property Details Report
11871 Lake Ave Lakewood, OH 44107-1810
Lakewood - Cuyahoga County

Owner Info:

| | | | |
|---------------------------|---------------|---------------------|---------------------|
| Owner Name: | Crepd Llc | Recording Date: | 06/30/2000 |
| Tax Billing Address: | 106 S Main St | Annual Tax: | \$11,024 |
| Tax Billing City & State: | Akron OH | County Use Code: | Apt 7-19 Un Walk-Up |
| Tax Billing Zip: | 44308 | State Use: | Apt 7-19 Un Walk-Up |
| Tax Billing Zip+4: | 1417 | Universal Land Use: | Apartment |

Location Info:

| | | | |
|------------------|---------------|-------------------|-------------|
| School District: | Lakewood City | Flood Zone Panel: | 3901120001B |
| Subdivision: | Rockport | Panel Date: | 02/01/1978 |
| Census Tract: | 1606.01 | Flood Zone Code: | C |

Tax Info:

| | | | |
|----------------------|------------|---------------------|----------------------------------|
| Tax ID: | 312-29-008 | Total Assessment: | \$113,370 |
| Tax Year: | 2007 | % Improv: | 89% |
| Annual Tax: | \$11,024 | Tax Area: | 130 |
| Assessment Year: | 2007 | Tax Appraisal Area: | 130 |
| Land Assessment: | \$12,220 | Legal Description: | 21 Ff 4 Wp 742.29ft Wof Hird Ave |
| Improved Assessment: | \$101,150 | Lot Number: | 21 |

Characteristics:

| | | | |
|----------------------|-----------------|-----------------|---------------------|
| Lot Frontage: | 61.2 | Sewer: | Public Service |
| Lot Acres: | .2911 | Garage Type: | Garage |
| Basement Type: | Full | Garage Sq Ft: | 1166 |
| Basement Sq Feet: | 3536 | Roof Type: | Flat |
| Building Sq Ft: | 18,449 | Roof Material: | Composition Shingle |
| Total Adj Bldg Area: | 14878 | Roof Shape: | Flat |
| Stories: | 3 | Exterior: | Brick |
| Condition: | Average | Floor Cover: | Wood |
| Total Units: | 10 | Foundation: | Concrete Block |
| Full Baths: | 10 | Year Built: | 1920 |
| Heat Type: | Hot Water Steam | Topography: | Flat/Level |
| Water: | Public | # of Buildings: | 1 |

Last Market Sale:

| | | | |
|-----------------|------------|------------------|-------------------|
| Recording Date: | 06/30/2000 | Deed Type: | Warranty Deed |
| Settle Date: | 06/29/2000 | Owner Name: | Crepd Llc |
| Sale Price: | \$269,000 | Seller: | Roberts Raymond F |
| Document No: | 6300200 | Price Per Sq Ft: | \$14.58 |

Sales History:

| | | | | |
|-----------------|---|---|----------------------|-------------------|
| Recording Date: | 04/30/2009 | 06/01/2004 | 12/19/2002 | 06/30/2000 |
| Sale Price: | | | | \$269,000 |
| Nominal: | Y | Y | Y | |
| Buyer Name: | Crepd Llc | Modern Real Estate Invs 11871 Lake Avenue Llc | Donegan Shawn & Dawn | Roberts Raymond F |
| Seller Name: | Modern Real Estate Invs 11871 Lake Avenue Llc | Donegan Shawn & Dawn | | |
| Document No: | 4300759 | 6011408 | 12190861 | 6300200 |
| Document Type: | Quit Claim Deed | Quit Claim Deed | Warranty Deed | Warranty Deed |

Mortgage History:

| | | |
|------------------|------------------|--------------------|
| Mortgage Date: | 06/01/2004 | 06/30/2000 |
| Mortgage Amt: | \$500,000 | \$215,200 |
| Mortgage Lender: | Firstmerit Bk Na | Charter One Bk Fsb |
| Mortgage Type: | Conventional | Conventional |

Features:

| | |
|--------------|------------|
| Bldg Desc | |
| Description: | Bldg Size: |
| Apt-Bsmt-Utl | 3536 |
| Apt-Bsmt-Unt | 1179 |
| Apartments | 4578 |
| Apartments | 4578 |
| Apartments | 4578 |