

FRACTIONAL LOAN INTERESTS

Offered by:

Cushman Rexrode Capital Corporation

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Minimum Investment: \$5,000

Cushman Rexrode Capital Corporation (“CRCC”) is a California corporation that is licensed as a real estate broker in the State of California. CRCC has arranged to make or purchase a loan (the “Loan”) to a third party borrower (“Borrower”), which Loan will be evidenced by a promissory note (the “Secured Note”) that is secured by a deed of trust (a “Deed of Trust”) encumbering developed or undeveloped real property primarily located within the State of California (the “Security Property”). CRCC is now offering to sell direct undivided fractional interests in the Loan (“Fractional Interests”) to qualified California residents on the terms and conditions outlined in this Offering Circular. Persons or entities purchasing Fractional Interests are referred to herein as “Investors” or “Lenders.” CRCC or its affiliates may also purchase Fractional Interests and, to the extent they purchase Fractional Interests, CRCC or such affiliates is also referred to herein as a “Lender.”

The body of this Offering Circular contains only a general description of the terms, conditions, risks and other important factors associated with an investment in Fractional Interests. All information specific to the Loan being offered hereby is set forth in the investment summary attached as Exhibit A of this Offering Circular and the Lender/Purchaser Disclosure Statement (“LPDS”) included therewith (collectively, the “Investment Summary”). The Investment Summary contains detailed information regarding the Loan amount and purpose, the identity of the Borrower, details regarding the Security Property and any additional risk disclosures and other considerations specific to the Loan being offered hereby. **Potential Investors should read this Offering Circular together with the Investment Summary and all other exhibits and documents attached hereto in their entirety prior to investing.**

An investment in Fractional Interests involves a high degree of risk and is only suitable for experienced investors that have assessed such risks in light of their own personal financial situation, liquidity needs and investment objectives. Investors should not purchase Fractional Interests unless they can afford to lose their entire investment. (See “RISK FACTORS” and “INVESTOR SUITABILITY STANDARDS”). Significant risks include, without limitation, the following:

- The Borrower may default and Investors may lose of all or a portion of their investment. Investors that cannot afford the loss of their investment in Fractional Interests should not invest.
- In the event of a default, Investors may be required to either: (i) invest additional amounts to pay loan expenses and protect the value of the investment; or (ii) have their distribution rights subordinated to the return of all additional amounts contributed by all other investors, plus up to a 20% return thereon.
- In the event of a payment default by the Borrower, monthly interest payments will immediately cease. Investors should not invest if cessation of monthly interest payments will cause them undue hardship.
- CRCC will arrange and service the Loan and is subject to certain conflicts of interest.
- Investments in Fractional Interests are not liquid investments and Investors should not expect the return of their investment prior to the maturity date of the Loan set forth in the Investment Summary.

THESE FRACTIONAL INTEREST SECURITIES ARE BEING OFFERED AND SOLD ONLY TO RESIDENTS OF THE STATE OF CALIFORNIA PURSUANT TO A PERMIT GRANTED BY THE CALIFORNIA COMMISSIONER OF BUSINESS OVERSIGHT. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES, NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OF THE INFORMATION SET FORTH HEREIN.

The date of this Offering Circular is January 6, 2017.

THE SALE OF FRACTIONAL INTERESTS COVERED BY THIS OFFERING CIRCULAR HAS NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS PROVIDED FOR UNDER SECTION 3(A)(11) AND RULE 147 THEREUNDER RELATING TO INTRASTATE OFFERINGS OR SECTION 4(A)(2) OF ACT RELATED TO PRIVATE OFFERINGS. ACCORDINGLY, THESE INTERESTS ARE BEING OFFERED SOLELY TO CERTAIN SELECTED RESIDENTS OF THE STATE OF CALIFORNIA, AND THIS DOES NOT CONSTITUTE AN OFFER TO SELL INTERESTS OR A SOLICITATION OF ANY OFFER TO BUY INTERESTS WITH RESPECT TO ANY OTHER PERSON. THE OFFERING OF FRACTIONAL INTERESTS MAY ALSO QUALIFY FOR OTHER EXEMPTIONS FROM REGISTRATION UPON WHICH CRCC MAY RELY WITH RESPECT TO THIS OFFERING.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY IN ANY STATE OTHER THAN THE STATE OF CALIFORNIA OR WITH RESPECT TO ANY PERSON WHO IS NOT A BONA FIDE RESIDENT OF CALIFORNIA, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY WITH RESPECT TO ANY PERSON EXCEPT THOSE PARTICULAR PERSONS WHO SATISFY THE SUITABILITY STANDARDS DESCRIBED HEREIN. (SEE "INVESTOR SUITABILITY STANDARDS.")

THERE IS NO MARKET FOR FRACTIONAL INTERESTS AND NONE IS EXPECTED TO DEVELOP IN THE FUTURE. FRACTIONAL INTERESTS ARE NOT REDEEMABLE AND ARE ALSO SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER INCLUDING THE EXPRESS RESTRICTIONS SET FORTH IN THE REGULATIONS OF THE CALIFORNIA COMMISSIONER OF BUSINESS OVERSIGHT (SEE "COMMISSIONER'S RULE 260.141.11"). FRACTAL INTERESTS SHOULD ONLY BE PURCHASED BY INVESTORS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, AND ANY SUCH INFORMATION OR REPRESENTATIONS SHOULD NOT BE RELIED UPON. ANY PROSPECTIVE PURCHASER OF FRACTIONAL INTERESTS WHO RECEIVES ANY SUCH INFORMATION OR REPRESENTATIONS SHOULD CONTACT CRCC IMMEDIATELY TO CHECK ITS ACCURACY.

THE INFORMATION PROVIDED HEREIN IS CURRENT AS OF THE DATE OF THIS OFFERING CIRCULAR, ONLY. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALES HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CRCC SINCE THE DATE HEREOF.

PROSPECTIVE PURCHASERS SHOULD NOT REGARD THE CONTENTS OF THIS OFFERING CIRCULAR OR ANY OTHER COMMUNICATION AS A SUBSTITUTE FOR CAREFUL AND INDEPENDENT TAX ADVICE AND FINANCIAL PLANNING. LEGAL COUNSEL FOR CRCC DOES NOT REPRESENT THE INTERESTS OF PURCHASERS OF FRACTIONAL INTERESTS WITH RESPECT TO THAT INVESTMENT DECISION. EACH POTENTIAL INVESTOR IS ENCOURAGED TO CONSULT WITH HIS OR HER OWN INDEPENDENT LEGAL COUNSEL, ACCOUNTANT AND/OR OTHER PROFESSIONAL ADVISORS WITH RESPECT TO THE LEGAL AND TAX ASPECTS OF THIS INVESTMENT AND WITH SPECIFIC REFERENCE TO HIS OR HER OWN TAX SITUATION, PRIOR TO SUBSCRIBING FOR FRACTIONAL INTERESTS. (SEE "LEGAL MATTERS.")

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EXHIBITS

- Exhibit A - Investment Summary
- Exhibit B - Loan Servicing and Equity Interest Agreement
- Exhibit C - Subscription Agreement

SUMMARY OF THE OFFERING

The following information is a brief summary of, and is qualified in its entirety by, the information contained elsewhere in this Offering Circular. This Offering Circular, together with the Investment Summary and all other exhibits and attachments included herewith should be read in their entirety before investing.

Terms of the Offering

Fractional Interests are offered only to bona fide residents of the State of California. The minimum investment is \$5,000. Each Investor must meet certain minimum standards of income and/or net worth as described in the “INVESTOR SUITABILITY STANDARDS” section. Fractional Interests are subject to substantial transfer restrictions. (See “Terms of the Offering,” and COMMISSIONER’S RULE 260.141.11”.)

Fractional Interests

Fractional Interests represent an undivided fractional interest in the Secured Note evidencing the Loan and a concurrent undivided fractional interest in the Deed of Trust that secures the repayment of the Secured Note. See the Investment Summary for a description of the Security Property. The Loan may be secured by improved or unimproved real property that is fully funded at closing or a construction loan that is made pursuant to a Construction Loan Agreement that provides for the funding of the Loan in installments (a “**Construction Loan**”). See the Investment Summary attached as Exhibit A, hereto, for a description of the purpose of the Loan being offered hereby and the nature of the security for the Loan.

If the Loan is a Construction Loan a single Secured Note will be issued for the maximum amount to be loaned in favor of CRCC and all Investors whose subscriptions have been accepted by CRCC prior to the closing of the Loan (the “**Initial Investors**”). (See “TERMS OF THE OFFERING – Subscription Procedures.”) CRCC will hold all Fractional Interests in the Construction Loan not yet sold to Investors; however, CRCC will have the rights and obligations of an Investor only if CRCC purchases or funds Fractional Interests to meet the funding requirements of the Loan Documents, including any Fractional Interests purchased by CRCC to fully fund the loan at closing. (See “Loan Funding.”) Construction Loans involve additional risk of loss and an increased risk that additional capital will be required from Investors to protect their investment upon default. (See “RISK FACTORS – Risks Related to Construction Loans.”)

All Investors that purchase Fractional Interests together with CRCC will hold the Secured Note and the Deed of Trust as tenants in common pursuant to the terms of the Loan Servicing and Equity Interest Agreement attached hereto as Exhibit B (the “**Loan Servicing Agreement**”) and as otherwise provided at law. Fractional Interests are non-assessable securities; however, investors may be required to invest additional sums in excess of the amounts paid to purchase Fractional Interests to protect their initial investment in an event of a default by the Borrower under the terms of the Loan documents. (See “DESCRIPTION OF FRACTIONAL INTERESTS,” “LOAN SERVICING” and “RISK FACTORS – Risks Related to the Ownership of Fractional Interests.”)

Lending Standards and Policies

The principal amount of the Loan in which Fractional Interests are offered is set forth in the Investment Summary attached as Exhibit A hereto. The Loan will be evidenced by the Secured Note and secured by the Deed of Trust encumbering the Security Property. The amount of the Loan will not exceed a certain percentage of the appraised value of the property securing the Loan. (See “DESCRIPTION OF LOANS AND LOAN CRITERIA – Loan-To-Value Ratio; Valuations.”) The Loan will provide in most cases that Borrowers will make and Lenders will receive monthly payments of interest only and will call for a balloon payment of principal when the Secured Note matures. The Secured Note may be payable earlier if the Security Property is sold or if the Borrower refinances the Loan which may result in a reduction of the overall interest received by the Lenders. (See, “RISK FACTORS – Risks Related to Private Lending.”)

If the Loan is a Construction Loan, it will be directly secured by a first priority Deed of Trust encumbering the Security Property being improved or rehabilitated and will be subject to a Construction Loan Agreement. Construction Loans will be underwritten based upon the appraised value of the Security Property on an “as-completed” basis and are subject to greater risks of loss. (See “Risk Factors – Risks Related to Construction Loans.”)

Loan Servicing

CRCC will service the Loan pursuant to the terms of the Loan Servicing Agreement. CRCC will collect and disburse to the Investors on a monthly basis interest payments made by the Borrower under the Loan, less a loan servicing fee, as provided for in the Loan Servicing Agreement. (See “LOAN SERVICING – Secured Note Servicing” and “COMPENSATION TO CRCC.”) If the Borrower should default under the Loan, CRCC will enforce the terms of the Secured Note and Deed of Trust on behalf of all Lenders by commencing foreclosure procedures or otherwise taking those actions reasonably required to protect the Lenders’ interest in the Loan, subject to the terms and conditions set forth in the Loan Servicing Agreement. (See “LOAN SERVICING – Loan Servicing Following Borrower Default” and “LOAN SERVICING – Non-Judicial Foreclosure.”) If CRCC determines that the Lenders will acquire the Property through foreclosure, a deed in lieu of foreclosure or otherwise (a “**Transfer**”), CRCC may form a limited partnership, limited liability company or other business entity (a “**Transfer Entity**”) to take title to the Property, in which case the Lenders will be required to transfer their Fractional Interests into the Transfer Entity in exchange for a corresponding percentage interest in the Transfer Entity. (See “LOAN SERVICING – Transfer of Security Property”). Failure of a Lender to complete such a transfer may result in legal action against such Lender by the CRCC and/or the other Lenders. (SEE “RISK FACTORS – Risks Related to the Ownership of Fractal Interests.”) If Lenders should take title of the Property through a Transfer Entity or otherwise, CRCC will provide property management services in exchange for management fees as provided in the Loan Servicing Agreement. (See “LOAN SERVICING – Property Management; Sale and Refinancing” and “COMPENSATION TO CRCC.”) If the Loan is a Construction Loan, CRCC will monitor disbursements, expenditures and construction on behalf of Lenders to enforce compliance with the restrictions set forth in the Construction Loan Agreement. (See “LOAN SERVICING – Construction Loans.”)

Investors will have only those rights expressly set forth in the Loan Servicing Agreement. If Investor approval is required under the terms of the Loan Servicing Agreements, CRCC is authorized to take any action approved by Investors holding more than 50% of the outstanding Fractional Interests held by all Investors (a “**Lender Majority**”). (See, “RISK FACTORS – Risks Related to the Ownership of Fractional Interests.”) CRCC may resign or a Lender Majority may remove CRCC as the servicer of the Loan, in which case the Lenders would be required to find a replacement Loan Servicer and may be required to pay higher loan servicing fees. (See, “RISK FACTORS – Risks Related to CRCC.”)

Loan Expenses and Investor Subordination Provisions

Fractional Interests are non-assessable securities; however, all loan expenses incurred in connection with collecting the amounts due under the Secured Note, enforcing the Loan documents or otherwise protecting the value of the Security Property are the obligation of the Lenders, only, and CRCC may request that the Lenders pay their pro-rata share of any such expenses by providing the Lenders with a written loan expense request in accordance with the terms and conditions set forth in the Loan Servicing Agreement (a “**Loan Expense Request**”). (See “Loan Servicing – Loan Expenses and Investor Subordination Provisions.”) Failure of any Lender to pay his, her or its pro-rata share of the amounts set forth in a Loan Expense Request is not an event of default under the Loan Servicing Agreement; however, each Lender that fails to pay their pro-rata share of such expenses will have his, her or its right to any future distributions subordinated to the rights of the paying Lenders to receive the return of any additional amounts paid, plus interest on such amount equal to the lesser of 20% or the maximum amount allowed by law. (See “LOAN SERVICING – Loan Expenses and Investor Subordination Provisions” and “RISK FACTORS – Risks Related to Ownership of Fractional Interests.”)

Loan Servicer and Compensation

CRCC has extensive experience in the private lending industry. (See “BROKER AND SERVICER.”) CRCC will receive substantial compensation in connection with the funding and servicing of each Loan, some of which is payable to CRCC without regard to the performance of the Loan. (See “COMPENSATION TO CRCC” and “CONFLICTS OF INTERESTS.”) CRCC may also receive certain fees or other compensation for enforcing the Loan and/or managing and selling the Security Property on the Lender’s behalf. (See “LOAN SERVICING - Loan Expenses and Investor Subordination Provisions.”)

No Liquidity

The Fractional Interests are subject to substantial restrictions on transferability and no established market exists for the trading of Fractional Interests. (SEE "TERMS OF THE OFFERING – Restrictions on Transfer.") Investors should not purchase Fractional Interests unless they intend to hold them for the full term of the Secured Note. (See “RISK FACTORS – Risks Related to Ownership of Fractional Interests.”)

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements within the meaning of federal securities law. Words such as “may,” “will,” “expect,” “anticipate,” “believe,” “estimate,” “continue,” “predict,” or other similar words, identify forward-looking statements. Forward-looking statements may appear in a number of places in this Offering Circular, including, without limitation the Investment Summary and other Exhibits hereto, and may include statements regarding CRCC’s intent, belief or current expectation about, among other things, the performance of the Loan or prior loans made or arranged by CRCC, trends affecting the markets in which Loan has been made and/or the financial condition and strategies of the Borrower or any guarantors on the Loan. Although CRCC believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those predicted in the forward-looking statements as a result of various factors, including those set forth in the “RISK FACTORS” section of this Offering Circular. If any of the events described in “RISK FACTORS” occur, they could have an adverse effect on the performance of the Loan and the investment returns earned by the Investors. When considering forward-looking statements, prospective investors should keep these RISK FACTORS in mind as well as the other cautionary statements in this Offering Circular. Prospective investors should not place undue reliance on any forward-looking statement. CRCC is not obligated to update forward-looking statements.

TERMS OF THE OFFERING

The minimum investment is \$5,000. Each Investor must meet certain investor suitability standards. (See “INVESTOR SUITABILITY STANDARDS.”) The Fractional Interests sold in this Offering Circular are subject to certain restrictions on resale and transfer. (See “RISK FACTORS – Risks Related to Ownership of Fractional Interests.”)

Subscription Procedures

Prospective Investors can subscribe to purchase Fractional Interests by completing and returning to CRCC the Subscription Agreement, the Investment Summary and the Loan Servicing Agreement that accompany this Offering Circular, together with a check in the amount of the desired investment for deposit in CRCC’s trust account(s). Beginning January 1, 2013, the California Bureau of Real Estate, formerly the Department of Real Estate (“**BRE**”), began requiring all licensed real estate brokers in California who solicit investors to fund real estate secured loans to make “reasonable efforts” to determine that the loan investment is suitable and appropriate for the investor based upon information provided by the investor regarding the investor’s financial situation and investment objectives. To meet this requirement, Investor’s will be required to complete the form of Investor Questionnaire issued by the BRE for this purpose (BRE Form RE 870) (“**Questionnaire**”) and may be required to deliver updated Questionnaires annually to the extent required under the California Business and Professions Code.

Any assessment of investor suitability made by CRCC for this purposes is for CRCC’s benefit, only, and does not constitute investment advice from CRCC to any Investor. CRCC is

not a licensed investment advisor and is not adequately trained or qualified to give such investment advice to potential Investors. (See “Risk Factors – Risks Related to CRCC.”) Potential Investors should consult with a qualified investment professional to determine if an investment in Fractional Interests is suitable to an Investors own financial situation and investment objectives.

CRCC reserves the right to reject subscriptions for any reason, including the failure of a prospective Investor to fully complete and sign any of the offering documents or any Questionnaire or if CRCC determines that the prospective Investor does not meet the investor qualifications described in the "Investor Suitability Standards" section or is otherwise not suitable for an investment in Fractional Interests.

CRCC will promptly deposit all subscription checks into non-interest-bearing trust account(s) established with a federally insured bank or savings and loan upon its receipt of such checks. There may be some lapse of time between when CRCC accepts subscriptions and when the Loan “closes,” i.e., when it is actually funded to the Borrower. No interest will be paid to Investors with respect to the period prior to the Loan closing. (See, “RISK FACTORS – Risks related to Ownership of Fractional Interests.”)

This offering is only for, and CRCC will only accept subscriptions up to, an amount equal to the original principal amount of the Loan. Subscriptions will be accepted in the order that they are received by CRCC. When CRCC has received subscriptions that collectively equal the original principal amount of the Loan, CRCC will reject all subsequently received subscriptions and will promptly return the accompanying subscription checks.

Pre-Loan Closing

The Borrower has entered into an agreement with the Borrower to place the Loan that contains certain conditions that must be satisfied before CRCC will fund the Loan to the Borrower. If the Loan does not close all subscription funds will be returned to Investors, without interest. (See “RISK FACTORS – Risks Related to Ownership of Fractional Interests.”)

By executing and delivering the documents described above and delivering a subscription check to CRCC, a prospective Investor unconditionally and irrevocably agrees to purchase the Fractional Interests if and when the Loan closes or, if the Loan has already closed prior to an Investor’s purchase, when CRCC delivers to the Investor assignments of the Investor’s interest in the Secured Note and Deed of Trust. (See “LOAN FUNDING.”) Subscriptions are non-cancelable and irrevocable and subscription funds are non-refundable unless the Loan fails to close or except as determined by CRCC in its sole discretion.

Restrictions on Transfer

As a condition to this offering, restrictions have been placed upon the ability of Investors to resell or otherwise dispose of any Fractional Interests purchased hereunder, including without limitation the following:

1. No Investor may resell or otherwise transfer any Fractional Interest except to a person or entity that meets the eligibility standards described below. (See “INVESTOR SUITABILITY STANDARDS.”)

2. Fractional Interests may not be sold or transferred without the prior written consent of the California Commissioner of Business Oversight, except as permitted in Section 260.141.11 of the Rules of the California Commissioner of Business Oversight. (See “COMMISSIONER’S RULE 260.141.11.”)

3. Fractional Interests have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Act”), in reliance upon the exemptions provided for under Section 3(a)(11) and Rule 147 thereunder or Section 4(a)(2) of the Act and Regulation D, thereunder. Fractional Interests may not be sold or otherwise transferred without registration under the Act or pursuant to an exemption therefrom. In addition, no sales or transfers may be made to non-California residents for at least nine months after the last sale by CRCC of a Fractional Interest in that Loan. If the Loan is a Construction Loan, this nine-month period will not commence until the last Loan disbursement is made to the Borrower under the Construction Loan Agreement.

4. No sale or transfer shall be effective unless the buyer or transferee has executed and delivered to CRCC a Loan Servicing Agreement in the form attached hereto as Exhibit B.

A legend will be placed upon all instruments or certificates evidencing ownership of Fractional Interests stating that the Fractional Interests have not been registered under the Act and setting forth the applicable limitations on resale.

INVESTOR SUITABILITY STANDARDS

To purchase a Fractional Interest, a prospective Investor must meet certain eligibility and suitability standards, some of which are set forth below, and must execute and deliver the documents described in the “TERMS OF THE OFFERING - Subscription Procedures” section above. By executing the Subscription Agreement and the Loan Servicing Agreement, an investor makes certain representations and warranties, upon which CRCC will rely in accepting subscriptions. Read the Subscription Agreement, Loan Servicing Agreement, and the Investment Summary carefully before investing. Each prospective Investor must be a bona fide resident of the State of California, or if the investor is a trust, corporation or other entity, the principal office and place of business of such trust, corporation or other entity must be located in California. In addition:

1. Each Investor must have either (a) annual income of at least \$65,000 and a net worth (exclusive of home, furnishings and automobiles) of at least \$250,000; or (b) a net worth (exclusive of home, furnishings and automobiles) of at least \$500,000; and

2. The amount of each Investor’s investment in a Fractional Interest offered hereby must not exceed 10% of such Investor’s net worth (exclusive of home, furnishings and automobiles).

3. If the Investor is an ERISA Plan (such as a pension or profit sharing plan, Individual Retirement Account, or 401(k) plan), the foregoing requirements must be met by either the ERISA Plan itself or, if the investment is being made on behalf of a plan participant who has the power to direct the investment on his or her behalf, by the plan participant for whose account the investment is being made.

4. If the investor is a fiduciary account other than an ERISA Plan (such as a family trust or a custodial account for the benefit of a minor), the foregoing suitability standards may be met by any of the following: (i) by all the beneficiaries of the account; (ii) by the trustee or custodian if that person is the donor of the funds for investment; or (iii) by the donor of the funds for investment if the only beneficiaries of the fiduciary account are the donor's ancestors, descendants or spouse.

RISK FACTORS

ANY INVESTMENT IN FRACTIONAL INTERESTS INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS SUITABLE ONLY FOR INVESTORS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENTS. WHEN ANALYZING THIS OFFERING, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS AND ANY ADDITIONAL RISKS THAT MAY BE SET FORTH IN THE INVESTMENT SUMMARY. SUCH RISKS REPRESENT ONLY SOME OF THE RISKS INVOLVED IN CONNECTION WITH AN INVESTMENT IN FRACTIONAL INTERESTS. MOREOVER, CHANGES IN CIRCUMSTANCES WITH RESPECT TO THE BORROWER, THE SECURITY PROPERTY OR THE GENERAL ECONOMIC CLIMATE MAY EXACERBATE EXISTING RISKS OR CREATE NEW RISKS FOLLOWING THE DATE OF THIS OFFERING CIRCULAR.

Risks Related to Private Lending

Investors will be private money lenders and are subject to the general risks associated with loan defaults and foreclosures.

An investment in a Fractional Interest represents a loan from the Investors to the Borrower, which loan is secured by real property and the improvements thereto, or by undeveloped land. Accordingly, the Investor assumes the risk of default by the Borrower. In the event of a default by the Borrower, the Security Property will be the primary protection for the Investor's investment. The Loan may be an interest-only or partially amortizing loan that provides for relatively small monthly payments of interest only or interest and some portion of principal, with a large "balloon" payment of principal due at the end of the term. Most borrowers are unable to repay the principal amount of such loans out of their own funds and therefore must sell or refinance the Security Property at loan maturity. A downturn in the real estate market, fluctuations in interest rates, and the unavailability of mortgage funds could adversely affect the ability of borrowers to pay off or refinance their loans at maturity. If the Security Property consists of undeveloped land, it may be more difficult for the Borrower to sell or refinance the Loan than if the real property security were improved real estate because undeveloped land is generally viewed as being a riskier and more speculative form of investment or real property security than is improved real estate.

There are a number of factors that could adversely affect the value of the Security Property, including, among other things, the following:

(1) CRCC will rely on appraisals or broker valuations to determine the fair market value of the Security Property used to secure the Loan. (See “DESCRIPTION OF LOANS AND LOAN CRITERIA – Loan-to-Value Ratio; Valuations.”) No assurance can be given that such appraisals or valuations will, in any or all cases, be accurate. Moreover, since appraisals fix the value of real property at a given point in time, subsequent events could adversely affect the value of Security Property used to secure a loan. Such subsequent events may include, but are not limited to, changes in general or local economic conditions, neighborhood values, interest rates, or applicable zoning laws.

(2) If the Borrower defaults, the investors may be forced to purchase the Security Property at a foreclosure sale either directly or through a Transfer Entity by credit bidding some or all of the outstanding debt. The ability of the Investors to recoup their investment will then depend primarily on their ability to operate the Security Property on a profitable basis and/or to refinance or sell the real Security Property in an amount sufficient to fully repay the Investors’ initial investment, together with interest that is owing thereon after the full payment of all foreclosure costs and any other costs incurred enforcing the Loan and refinancing or selling the Security Property. Moreover, any Lenders that fail to pay their pro-rata share of loan expenses will have their repayment rights subordinated to the other Lender’s right to repayment of any loan expenses paid plus interest of up to 20% thereon. (See “LOAN SERVICING – Loan Expenses and Subordination Provisions.”) Such subordination may further affect the ability of the subordinated Lenders to receive the return of their investment from the Security Property proceeds and may result in lower returns or greater losses for the subordinated Lenders.

(3) California’s anti-deficiency laws or one-action rule may preclude the Investors from recovering any deficiency from the Borrower if the Security Property proves insufficient to repay amounts owing to the Investors.

(4) CRCC may hold back a portion of Loan proceeds at the closing of the Loan and designate such funds as an interest reserve for the purpose of funding all or a portion of the monthly payments to the Lenders under the Secured Note. (See “LOAN FUNDING.”) Following the application of the interest reserve, the Borrower may be required to begin making payments to the Lenders and may be unable or unwilling to do so.

Fractional Interests are subject to increased risks related to high-yield mortgage loans.

CRCC does not intend to offer Fractional Interests in the type of loans that resulted in the “sub-prime mortgage” collapse in 2007-2008 because its loans will not have such high loan-to-value ratios. CRCC may, however, offer Fractional Interests in loans to borrowers that are less creditworthy than those who can satisfy institutional lenders’ credit requirements or who cannot satisfy institutional lenders’ income documentation requirements, which are reasons CRCC can charge much higher interest rates on its loans. (See “LENDING STANDARDS AND POLICIES.”)

Loans made and arranged by CRCC are underwritten on an asset basis rather than a credit basis. While CRCC may take certain steps to determine a borrower's ability to repay the loan according to its terms, such considerations are subordinate to a determination that a borrower has sufficient equity in the Security Property to satisfy the maximum loan-to-value ratios described in this Offering Circular. Consequently, the diminution of the value of the Security Property upon foreclosure will result in a loss to the lenders on a loan only to the extent that such diminution exceeds the Borrower's equity in the Security Property.

Nonetheless, asset based loans often involve higher risks than conventional loans, some of which include: (i) an increased risk of the non-availability of credit for a borrower to refinance the loan at maturity; (ii) an increased risk of foreclosures in the area surrounding the Security Property negatively affecting the value of the Security Property; (iii) increased constraints on credit affecting the ability of borrowers to sell property; and (iv) increased risk of an abandonment of property by a borrower due to other financial problems or general market decline. The occurrence of any of these events for the Borrower could lead to a default on the Loan, causing losses and extra costs payable by Lenders which may lead to lower returns or greater losses for Investors.

The real estate market may suffer from declines in property values and reduced credit availability.

CRCC and its lending activities are located primarily in Northern California. During the real estate market decline following the financial crisis, the most dramatic and well-publicized declines in property values (and the largest loan losses) occurred in the single-family residential sector with some regions, including parts of Northern California, experiencing declines of over 50%. Such declines were caused by, among other factors, an extreme influx of foreclosures and distressed real estate sales and an excess supply of new residential construction. Other property categories also experienced declines in value and a dramatic slow-down in sales following the financial crisis. Any loan offered pursuant to the terms hereof is subject to the risk of loan losses resulting from declines in property values, and there is no guaranty that market declines equal to, or greater than, those experienced following the financial crisis will not occur in the future. If the market value of the Security Property declines significantly or declines below the Loan amount, the Borrower may have difficulty paying or refinancing the Loan or selling the Security Property, causing losses to the Investors.

The tightening of credit standards and general unavailability of credit following the financial crisis also significantly affected the ability of borrowers to refinance loans and the ability of potential purchasers to finance the purchase of real property. While the availability of credit has increased since the height of the financial crisis, increased credit standards required by the district lenders continues to affect the availability of credit in some market sectors. If this decreased availability of credit continues or tightens again in the future, the Borrower may have difficulty paying or refinancing the Loan or selling the Security Property (despite the Security Property having adequate value), causing losses to the Investors.

The Borrower may be less creditworthy, which may increase the risk of a Loan default.

CRCC will evaluate the creditworthiness of the Borrower based on a review of financial information provided by the Borrower, and by making other inquiries (e.g., running a credit check) but, as stated above, may lend money to borrowers that are either unable or unwilling to obtain financing from traditional sources, such as commercial banks. Loans to such individuals or entities may entail a higher risk of delinquency and loss. Moreover, this financial information and these inquiries will be given and made as of a particular point in time. The financial condition and/or credit status of the Borrower could change subsequent to when this financial information and these inquiries are given and made.

Loan Defaults and reserves for potential Loan defaults may effect payments to Investors.

Payments of interest to Investors are dependent upon the Borrower meeting its obligations under the Secured Note. If the Borrower defaults on its payment obligations, monthly payment to the Investors will immediately cease. If CRCC has reason to believe that the Borrower will default under the Loan either because of a default in any payment due under the Secured Note or for any other reason, CRCC may withhold from Lenders up to three months' interest to defray the expected costs resulting from the expected default and to enforce the Lenders' rights to payment under the Loan documents. In either circumstance, Lenders would not receive the amount of unpaid or reserved interest unless and until the Borrower paid such amounts or proceeds were otherwise collected from the Security Property through sale or otherwise in an amount sufficient to recover the costs of foreclosure and the unpaid interest. Consequently, Investors should not invest if the cessation of monthly payments payable under the Loan would cause undue hardship.

Lenders' rights may be affected by the bankruptcy and equitable rights of the Borrower.

The recovery of sums advanced by the Investors in making the Loans and protecting their interest in the Security Property may also be delayed or impaired by the operation of the federal bankruptcy laws or by irregularities in the manner in which the Loan was made or in which the rights of the Investors under the loan documents are enforced. A foreclosure sale may be delayed by the filing of a petition in bankruptcy, which automatically stays any actions to enforce the terms of the Loan. The length of this delay and the costs associated therewith may have an adverse impact on the Investors' ability to recoup some or all of their investment.

Lenders must rely on information provided by others which may prove inaccurate or incomplete.

The success of a Loan will depend, among other things, on an accurate assessment of the creditworthiness of the Borrower and the underlying value of the Security Property. While CRCC will make an investigation regarding the Security Property and the Borrower, it will rely to some extent on third parties such as credit agencies, appraisers, and the Borrower itself to provide the information upon which CRCC will base its decision to make the Loan and offer Fractional Interests in the Loan to prospective Investors. There is no guarantee that this information will be accurate. Individual prospective Investors may request and will be given an opportunity to review any information obtained by CRCC with respect to the Loan, the Borrower or the Security Property, in order to assess for themselves the reliability of that information.

Lenders may be subject to the risks related to the ownership of the Security Property.

If the Borrower defaults on the Loan and the Investors foreclose or otherwise take title to the Security Property following a Transfer, the Investors will bear the economic and other risks borne by an owner of real property. These risks include, but are not limited to, the financial risks involved in leasing, operating and selling the real property, the risks for environmental clean-up costs and related environmental liabilities described above and the risk of liability for uninsured casualties on the real property. If the Security Property consists of undeveloped land, the risks of owning such land may be greater than the risks of owning improved real estate.

The Investors can lessen their potential liability for environmental clean-up costs, uninsured casualties and other liabilities relating to the ownership of the Security Property by taking back title to the Security Property through a Transfer Entity of which the Investors would be the limited partners or members. (See “LOAN SERVICING – Transfer of Security Property.”)

Lenders may be subject to the additional risks associated with undeveloped land.

The Security Property may consist of undeveloped land. For a number of reasons, undeveloped land is generally considered a riskier and more speculative form of security for a loan than is improved real estate. For example, before improvements can be constructed on undeveloped land the owner of the land may need to secure entitlements (e.g., zoning approvals, variances, and architectural approvals), undergo review of and obtain clearance on environmental impact issues (including issues concerning traffic, open space, school or transit impact, endangered species, wetlands, noise and air quality), obtain building permits, secure access and connections to necessary utilities, obtain construction financing, undertake and complete construction, and find buyers or tenants once the undeveloped land has been improved. Many of these risks are no longer at issue with respect to improved real estate. Moreover, it is likely that undeveloped land will not generate any income that can be used to pay the interest and/or principal owing under the Loan or real property taxes assessed against the undeveloped land. Accordingly, the Borrower must have other sources of income in order to make these payments. For these reasons, undeveloped land was drastically impacted by the financial crisis with some areas of Northern California suffering declines in land values of 60% or more from 2008 through 2011.

Even if the owner of undeveloped land intends to hold the undeveloped land for investment, rather than developing the land itself, any prospective purchaser of the undeveloped land will take these risks into account when it sets the purchase price. Additionally, it can take up to several years or more to market and sell undeveloped land. Due to this potentially protracted time frame, it may be difficult for the owner of undeveloped land to sell the undeveloped land in time to pay off the Loan at maturity. Finally, most lenders are more reluctant to lend against undeveloped land than against improved real estate due to the risks and other matters described above. Due to these considerations, it may be more difficult for the Borrower to sell or refinance the Security Property in order to repay the Loan.

In acknowledgment of these increased risks, CRCC will not make a loan secured by undeveloped land that exceeds fifty percent (50%) of the fair market value of the undeveloped

land (other than a single family zoned lot or parcel) as compared to a minimum of 65% loan-to-value ratio for improved real estate. (See “LENDING STANDARDS AND POLICIES.”) This more conservative underwriting does not, however, eliminate the risks described above. It merely provides the Investors with a greater equity cushion should the Borrower default under the Loan.

Lenders are subject to the risk of uninsured Losses.

As a condition to CRCC arranging a loan for a borrower, CRCC will require a borrower to obtain and maintain fire insurance on the Security Property. However, there are certain types of losses (generally those of a catastrophic nature, such as losses due to war, earthquakes, hurricanes, floods or mudslides) that are either uninsurable or not economically insurable. Should any such disaster occur, Investors could suffer a loss of principal and interest on the loan secured by the uninsured property. If the Security Property consists of undeveloped land, CRCC may not require the Borrower to carry fire insurance as there would be no improvements to insure. CRCC will not require the borrower to carry liability insurance with respect to Security Property. If an accident should occur on the Security Property (e.g., a “slip and fall”) or some other event should occur that would be covered under a liability insurance policy, the borrower would be liable to pay any resulting claims. This could impair the borrower’s ability to repay the loan.

Early Loan payoff will affect an Investor’s return on investment.

Interest rates are subject to fluctuation, and the cost and availability of funds may increase and decrease from time to time. If a borrower is able to borrow funds at a lower interest rate than the interest rate that it is obligated to pay under a loan arranged through this offering, it may elect to refinance its loan. This would result in an Investor being repaid some or all of its investment prior to the stated loan maturity. CRCC’s loan documents typically allow a borrower to prepay its loan without prohibition or the payment of a prepayment premium. If a borrower repaid its loan because interest rates were lower, then, due to the lower interest rate environment, the Investor may have difficulty re-lending its funds at the same yield that it was receiving from the prepaid loan.

Guaranties may be unenforceable by Lenders.

The obligations of the Borrower may be guaranteed by a guarantor. Current California laws provide a number of protections for guarantors. Under certain circumstances, these protections could serve to limit or exonerate the guarantor of its obligations under its guaranty. Some of these protections are waivable, while others may not be waivable due to public policy considerations. Even ostensible waivers of some of these protections may be held by a California court to be unenforceable for a variety of reasons, such as the ostensible waivers being deemed too vague. Also, a guarantor may, in some circumstances, be entitled to the protections of the antideficiency and “one form of action” laws available to the Borrower.

Lenders run the risk of being responsible for environmental liabilities.

Under current federal and state law, the owner of real property contaminated with toxic or hazardous substances (including a mortgage lender that has acquired title through foreclosure)

may be liable for all costs associated with any remedial action necessary to bring the property into compliance with applicable environmental laws and regulations. This liability may arise regardless of who caused the contamination or when it was caused. A lender's best protection against environmental risks is to thoroughly inspect and investigate the property before making or investing in a loan. CRCC will take certain precautions to avoid environmental issues and will generally not make or invest in loans secured by properties known or suspected to have (or to be likely to have) environmental problems unless CRCC believes that such environmental problems do not materially affect the value of the Security Property. Prior to making a loan, however, CRCC will generally not engage an environmental inspection firm to conduct a review of the property. Therefore, there can be no assurance that CRCC will always be able to detect whether or not a property is contaminated prior to arranging a Loan.

The presence of hazardous waste can reduce the value of the Security Property and clean up costs can reduce the Borrower's ability to repay the Loan. Moreover, if, following the closing of the Loan, CRCC discovers environmental contamination on the Security Property, the potential clean up costs may render it unprofitable to foreclose on or otherwise take title to the Security Property following a default by the Borrower. While CRCC will require Borrowers to agree to hold Lenders harmless from any liability for such contamination, the Borrower may lack the financial resources to perform under the indemnity. Since Lenders could have personal liability to clean up hazardous waste on a Security Property to which they take title in foreclosure or otherwise, CRCC will recommend the Lenders take title to the Security Property through a Transfer Entity rather than directly in order to limit the Lenders' exposure to such liabilities. (See "LOAN SERVICING – Transfer of Security Property.") Even if CRCC does not foreclose on a contaminated site, the mere existence of hazardous substances on the property may depress the market value of the Security Property such that the loan is no longer adequately secured increasing the risk of loss upon a Borrower default.

Investors may be subject to limitations on recovering unpaid amounts through foreclosure.

The Secured Note will be secured by a Deed of Trust. Under the Deed of Trust, the Borrower as trustor grants to the trustee the power to sell the property in the event of a default. Foreclosure under a deed of trust is accomplished in most cases by a non-judicial trustee's sale under a power of sale provision in the deed of trust. In a non-judicial foreclosure, after a notice period during which the Borrower has the right to reinstate the Loan by curing the default and paying actual costs and statutorily limited attorney's or trustee's fees, the Property is sold. Following the sale, the Borrower and any junior lienholder lose the right to redeem the Property. If the Property does not sell for enough to pay off the Loan and recover the costs of the foreclosure, the Lenders as beneficiaries of the Deed of Trust will have no right to recover any deficiency absent an independent guarantee of the debt by a third party. On the other hand, if the Lenders should elect to foreclose in a judicial foreclosure, they may have a right to recover from the Borrower any deficiency between the amount recovered in the sale and the amount owing under the Secured Note. However, a judicial foreclosure is subject to delays and may take several years to complete. After the sale, the Borrower would still have a right to redeem the Property for a period of one year if less than the entire debt is bid in (three months if the entire amount is bid in).

Anti-deficiency legislation may limit investors' recovery.

In addition to the statutory limitation on recovery of any deficiency in the amount owed by a debtor if a beneficiary/lender under a deed of trust forecloses under a power of sale in a non-judicial foreclosure as described above, California law also contains two other limitations which could possibly apply to Lenders: Under the "one form of action" rule, a beneficiary/lender under a deed of trust must exhaust his security under the deed of trust by foreclosure before bringing a personal action against the trustor on the promissory note. Under another statutory provision, any deficiency judgment obtained by a beneficiary following a judicial foreclosure sale is limited to the amount by which the outstanding debt exceeds the fair market value of the property at the time of sale even if that value exceeds the highest bid received at the time of the sale.

The Deed of Trust may be Junior to other liens on the Security Property and subject to greater risks of loss.

The Loan may be secured by a junior deed of trust. In the event of foreclosure on a Loan that is so secured, the debt secured by the senior deed of trust must be satisfied before any proceeds from the sale of the property can be applied toward the Loan. (See the "Loan Priority" section of the Investment Summary for information regarding the priority of the Deed of Trust.) Furthermore, to protect its junior security interest, the Lenders may be required to make substantial cash outlays for such items as loan payments to senior lienholders to prevent their foreclosure. Therefore, a Loan secured by a junior deed of trust is subject to greater risk in the event of a decline in property values than are Loans secured by first deeds of trust.

The Presence of Junior liens may increase risks of loss on a Senior loan.

If the Deed of Trust is a first lien on the Security Property, there may be junior liens that also encumber the Security Property and which secure the repayment of other debts owing by the Borrower. The presence of junior liens on the Security Property may increase the risks to the Lenders in a variety of ways. First, the presence of junior liens on the Security Property means that the Borrower has less equity in the Property. When a Borrower has little equity in a Security Property, it may be less committed to developing or maintaining the Security Property or servicing the debt on the Security Property since it has little money at risk. Also, if the Borrower has to service the debt secured by the junior liens, then the revenue generated from the Property may be used to service these debts, rather than being used to maintain or enhance the value of the Property. Further, if a junior lienholder should go bankrupt, the automatic stay would prevent a senior lienholder (which would include the Lenders under the Deed of Trust) from foreclosing on its senior lien. Thus, the Lenders could be delayed from enforcing its rights under the Deed of Trust due to the bankruptcy of a junior lienholder. (See the "Loan Priority" section of the Investment Summary for Information on any junior liens on the Security Property.)

Investors may be subject to the risks associated with entitlements.

If the Borrower intends to subdivide the Property, it will need to comply with applicable local, state and federal subdivision laws. If the Loan is to be made before the Security Property is fully subdivided, then the Lenders will bear the risk that the Borrower is unable to complete its

subdivision. For example, the Borrower may have a tentative subdivision map approved for the Security Property, with the issuance of a final subdivision map being conditioned on the satisfaction of certain conditions. If the Borrower is unable to satisfy these conditions, then the Borrower will be unable to subdivide the Security Property. The value of the Property as a single legal parcel may be less than the value of the Security Property if the subdivision had been completed. (See the “Loan Purpose” section of the Investment Summary to determine if the Borrower intends to entitle the Security Property.)

Risks Related to Construction Loans

Construction Loans involve additional risks generally.

Construction Loans involve additional risks which may not be prevalent in loans secured by improved or unimproved real property or may increase those risks associated with investments in Fractional Interests, generally. While CRCC and its principals have many years of experience in making and servicing Construction Loans, depressed real estate values, decreased demand and the widespread inability of borrowers to obtain financing to repay Construction Loans at maturity has resulted in a dramatic increase in defaults on Construction Loans. Potential purchasers of Fractional Interests in a Construction Loan should consider and understand each of the additional risks inherent in Construction Loans set forth herein prior to investing.

Appraisals for Construction Loans assume an “as completed” value which may not be realized.

If the Loan is a Construction Loan, the value of the Security Property securing the Construction Loans may be based upon an appraisal of the projected value of the Security Property when the construction has been completed (i.e., the “as constructed” value) and not the value of the Security Property at the time the Construction Loan is made. In making a Construction Loan based upon the “as constructed” value, Lenders are subject to the risks that actual construction costs may exceed budget, construction delays could occur, labor or supply shortages may exist, or, the market value of the project once completed could be less than anticipated.

The loan-to-value ratio will at times during the period that construction is not yet completed be higher than the percentage set forth in the Investment Summary and may be in excess of 100% of the value of the Property prior to the completion of construction. Moreover, if for any reason the construction project is not completed, it is likely that the Security Property will be worth less than the appraised value. If the Lenders must foreclose on the Security Property before the project is completed and the Security Property value at the time of foreclosure is less than the appraised value “as constructed,” there is a greater likelihood that the Lenders will not be able to sell the Security Property for the full amount owing to them and the Lenders may be required to take a loss or elect to complete the construction prior to sale.

CRCC may be required to purchase Fractional Interests to fully fund Construction Loans at closing.

If the Loan is a Construction Loan based upon the “as completed” value of the Security Property, it will be fully funded into escrow at the time the Deed of Trust is recorded. In such

case CRCC may purchase Fractional Interests to fund any portion of the loan not sold to Investors at the time the Loan is closed and the Loan proceeds are funded into escrow. CRCC may, thereafter, re-sell Fractional Interests it has purchased to new investors at par after the Loan closes. CRCC will be entitled to all of the rights of a Lender on all Fractional Interests funded into escrow, unless and until, some or all of the Fractional Interests are re-sold to third party Investors. To the extent CRCC funds a majority of the Loan, it will unilaterally represent a Lender Majority and, as such, will have the right to control any enforcement or other actions taken by the Lenders in connection with the Loan. Moreover, CRCC's inability to re-sell a significant amount of Fractional Interests it has acquired to fully fund several Constructions Loans, may affect the liquidity of CRCC and may make it difficult or impossible to continue in business. (See "Risks Related to CRCC," below).

Construction Loans may only be partially funded at closing increasing potential risks or loss.

If a Construction Loan is underwritten based upon the current value of the Security Property at the time the Loan is made, the Loan may only be partially funded at closing and CRCC will continue to sell additional Fractional Interests as required to disburse the Loan funds to the Borrower in accordance with the disbursement schedule set forth in the Construction Loan Agreement. If inadequate Fractional Interests have been sold to fund a loan disbursement when due, CRCC may purchase Fractional Interests to fund the disbursement, but it is not obligated to do so. If CRCC is unable or unwilling to fund the loan disbursement when due, it will need to raise the unfunded portion from new investors.

A number of factors could negatively impact CRCC's ability to raise the unfunded portion including, but not limited to: (i) the continued downturn in the economy and in particular the market for trust deed investments or the Security Property, (ii) the continued depression of real estate values, including the value of the Security Property, (iii) an event affecting CRCC's ability to function, such as the untimely demise of Bob Cushman or Stephen Rexrode or other key employees, (iv) an administrative action against CRCC or the financial failure of CRCC, (v) a change in the Borrower's financial and other circumstances, making it a less attractive borrower to subsequent potential investors in the Loan, (vi) adverse events affecting the Security Property such as a title dispute, discovery of toxic substances, discovery of unforeseen geological structures and similar adverse events affecting the value of the Security Property and the uses to which the Borrower intends to make of it, (vii) the failure or untimely performance by the Borrower and/or its contractor, which result in cost overruns and other delays that the Borrower is not able to compensate for and (viii) other risks that are inherent in any project of its type. If any of these risks occur before the unfunded portion is raised, it could jeopardize CRCC's chances of success at raising the unfunded portion.

If the unfunded portion cannot be funded, there could be adverse consequences associated with this investment including, but not limited to: (i) a loss of the value of the Security Property if it is incomplete and the Borrower is unable to raise funds to complete it from other sources, (ii) a Borrower claim against the Lenders and/or CRCC and the Loan based upon allegations that CRCC did not perform and thereby has breached the Loan documents, (iii) increased costs to the Borrower which it may not have the ability to meet, (iv) a bankruptcy filing by the Borrower and (v) abandonment by the Borrower of the collateral for the Loan.

Construction Loans based upon the “as completed” value of the Security Property will be fully funded at closing and will not be subject to the risks associated with partial funding; however, such loans are subject to the additional risks discussed herein.

Construction Loans are subject to additional loan disbursement and monitoring risks and CRCC may be required to relinquish control of loan disbursements to unaffiliated third parties.

If the Loan is a Construction Loan with a holdback in excess of \$100,000, CRCC is required by statute to utilize (i) an unaffiliated third party fund control agent (“**Control Agent**”) to disburse Loan funds to the borrower; and (ii) a qualified third party unaffiliated with CRCC to inspect and monitor the construction (“**Inspectors**”) and verify disbursements to the borrower from the disbursement escrow in accordance with the terms of the Construction Loan Agreement. (See “LOAN FUNDING.”) Consequently, in such cases, Lenders must rely, to some degree, on parties unaffiliated with CRCC to control loan funds and ensure that Loan proceeds are being utilized by the Borrower to complete the construction project as required by the Construction Loan Agreement. CRCC will monitor the actions of all Control Agents and Inspectors; however, in these circumstances, CRCC will have reduced control over Loan funds and Lenders will be subject to risks that are not be attributable to any action of CRCC. Such risks include the possibility of a Control Agent filing bankruptcy or the illegal misappropriation of funds by a Control Agent or an agent or employee thereof. Either event may delay or otherwise affect the ability of the borrower to complete the construction or the Lenders ability to receive amounts due under the Loan.

Construction Loans with holdbacks of less than \$100,000 will be serviced and monitored by CRCC. If CRCC’s resources deteriorate or CRCC is unable to provide the servicing for the Construction Loan, it may be difficult for the Lenders to locate a replacement servicer with adequate experience to Service the Construction Loan.

Foreclosure on the Security Property prior to completion of the construction may cause the Investors to incur completion costs and may otherwise adversely affect the Lenders ability to obtain their investment from the Security Property.

If Lenders must foreclose before construction is completed, and if there are insufficient funds in the construction disbursement account to complete construction, Lenders will need to choose between selling the Security Property with construction incomplete or incurring debt to finance completion of the project before it is sold. If they elect to sell the Security Property before completing construction, the Security Property is more likely to sell at a price which will not return to the Lenders the amount owed. On the other hand, monies to complete construction will either have to be advanced by the Lenders or CRCC or borrowed from third-party lenders. If monies are borrowed to complete construction, those monies will have to be repaid before Lenders will receive the amount they invested. If third-party financing is unavailable or not practical, the Lenders may be required to advance construction costs and other Loan Expenses in order to protect the value of their investment. (See “Loan Servicing – Lender Expenses and Investor Subordination Provisions.”) In such circumstances, Lenders that make such advances will be entitled to the return of such advances plus an additional return thereon equal to the lesser of 20% or the maximum rate of interest on such advances allowed by law prior to any payments to the non-advancing Lenders.

CRCC may, but is not obligated to, advance the funds required to complete construction of a property or to otherwise increase its marketability. If CRCC advances funds, the advances plus interest will be repayable out of any Loan proceeds received thereafter before payments will be made to the Investors.

Risks Related to CRCC

Lenders must rely on CRCC to service the Loan and, if applicable, manage the Security Property and the Transfer Entity.

Unless CRCC resigns or is removed by a Lender Majority, Lenders must rely on CRCC to service the Loan and, if the Investors should take title to the Security Property, to manage the Security Property. Moreover, since the financial crisis, the mortgage lending industry has been negatively affected by declining property values, economic recession and decreased economic activity, generally. The industry has also been the subject of increased legislative and regulatory scrutiny as well as negative media attention resulting from increased foreclosures, investor losses and allegations (both warranted and unwarranted) of fraudulent practices within the industry. Within the last three years, these stresses on the industry have resulted in the failure of an increasing number mortgage brokers in California and continued increases in regulation of the industry may make continuing in the mortgage lending industry impractical in the future.

In the event CRCC is unable to service the Loan, the Lenders would be required to locate a replacement loan servicer or to service the Loan or manage the Security Property on their own behalf. In such event, the increased stresses on the mortgage lending industry and the reduced number of operating mortgage brokers in the area may make it difficult for the Lenders to find someone willing to replace CRCC as the loan servicer or property manager. Moreover, even if a replacement can be found, the new loan servicer or property manager would likely require compensation in excess of that paid to CRCC under the Loan Servicing Agreement which would result in lower returns or losses to the Lenders.

CRCC's withdrawal as Loan Servicer may adversely affect overall investment returns and place additional burdens on the Lenders.

The Loan Servicing Agreement may be terminated by either CRCC or by a Lender Majority upon 30 days prior written notice. (See "LOAN SERVICING – Replacement of Loan Servicer.") Upon termination by CRCC or a Lender Majority, Lenders may have difficulty identifying and retaining a replacement servicer to act for the Lenders in connection with the Loan and any replacement servicer may charge fees for such services that are significantly greater than those charged by CRCC which would adversely affect the overall amounts received by the Lenders on the Loan. Moreover, if a Lender Majority has failed to notify CRCC of the appointment of a replacement servicer by the effective date of the termination, then CRCC is required to: (i) distribute all undisbursed funds held by CRCC to the Lenders in accordance with their Fractional Interests or as otherwise outlined in the Loan Servicing Agreement; and (ii) deliver all Loan files in CRCC's possession to the Lender holding the greatest Fractional Interest in the Loan or such other Lender identified by a Lender Majority. In such event, the identified Lender will be required to maintain the Loan documents on behalf of the Lenders until a replacement servicer is retained.

Lenders have a limited right to remove CRCC as the loan servicer.

If, for any reason, one or more Lenders desire to replace CRCC as the loan servicer over the course of the Loan term, obtaining the vote of the Lender Majority required to do so may be difficult and expensive. In the event a Lender Majority is unwilling to remove CRCC as the servicer for the Loan, the Lender or Lenders seeking the removal will have no right to compel the removal under the terms of the Loan Servicing Agreement.

CRCC is not required to devote its full time to loan servicing activities

CRCC is not required to devote its full time to the fulfillment of its duties under the Loan Servicing Agreement, but only such time as it determines is reasonably required.

There are risks of government action if CRCC does not comply with all applicable laws and regulations.

CRCC will use its best efforts to comply with all local, state and federal lending regulations applicable to arranging and servicing the Loan however, the interpretation, application and enforcement of newly adopted or amended regulations has, in some cases, been unclear and/or inconsistent. Consequently, despite CRCC's best efforts at compliance, there is the possibility of governmental action to enforce any alleged violations of such lending laws. Any potential enforcement actions may result in legal fees, damage awards or fines and penalties against CRCC which may affect CRCC's ability to service the Loan.

CRCC is not a licensed investment advisor or otherwise qualified to assess the suitability of an investment in Fractional Interests for any particular investor.

As real estate brokers licensed by the BRE, CRCC has a statutory responsibility to make reasonable efforts to determine that an investment in a loan made or arranged by CRCC is suitable and appropriate for the lender or purchaser of such loan investment based upon information provided by the potential lender or purchaser regarding such lender/purchaser's financial situation and investment objectives. CRCC will obtain such information from potential Lenders by requiring each potential Lender to submit an Investor Questionnaire on a form issued by the BRE for this purpose (BRE Form RE 870). (See "Terms of the Offering – Subscription Procedures.") Any determination of suitability made by CRCC in connection with a Lender's purchase of Fractional Interests is made for statutory purposes, only, and should not be relied upon by a potential Lender in determining if an investment in Fractional Interests is suitable or advisable for such Lender's own personal financial situation. CRCC is not a licensed investment advisor and is not otherwise qualified to make such a determination on Lender's behalf. Investors should consult with a knowledgeable investment professional prior to investing in Fractional Interests to determine if such an investment is suitable given their financial situation and investment objectives.

CRCC is subject to conflicts of interest.

There are several areas in which the interests of CRCC will conflict with those of the Lenders, which should be carefully considered. (See "CONFLICTS OF INTEREST.")

Risks Related to the Ownership of Fractional Interests

Investors may be required to invest additional capital to protect the value of their initial investment.

In the event the Borrower defaults under the Loan, Investors may be required to pay various expenses incurred in order to enforce the Loan documents or otherwise protect the value of the Security Property (See “LOAN SERVICING – Loan Expenses and Investor Subordination Provisions.”) While the purpose of paying such expenses will be to collect the amount due under the Loan or otherwise protect the value of the Investors interest in the Security Property, there is no guaranty that such efforts will be successful and such expenses will have to be repaid before Investors receive the return of their initial investment or any return thereon. Consequently, there is greater risk that the proceeds ultimately received will not be sufficient to pay each Investor the full return of their invested principal plus all interest payable thereon.

The subordination of distribution rights applicable to Investors that fail to pay their pro rata share of any Loan expenses will increase such Investors’ risks of loss.

The failure of an Investor to pay his or her pro-rata share of Loan expenses is not a default under the terms of the Loan Servicing Agreement; however, Investors that pay their share of expenses will have the right to the return of their expenses paid, plus interest prior to any further distributions to the non-paying Investors. (See “LOAN SERVICING – Loan Expenses and Investor Subordination Provisions.”) Any subordination of an Investor’s right to receive distributions of Loan proceeds will increase the amount of proceeds that must be received on the Loan and/or from the Security Property before the subordinated Investor receives his or her invested capital or any return thereon and will result in a greater risk of loss.

Lenders will be subject to the decisions of a Majority Interest

Lenders will hold their Fractional Interests as tenant-in-common with the other Lenders. By executing the Loan Servicing Agreement each Lender is appointing CRCC to service and enforce the Loan on Lender’s behalf and is expressly waiving and relinquishing any individual right to enforce the loan documents separately from the other Lenders and any rights to partition following the transfer of the Property.

Pursuant to the Loan Servicing Agreement, CRCC is authorized to take certain actions in connection with the loan documents and the enforcement thereof without Lender consent. Any action that CRCC is not expressly authorized to take unilaterally, however, must be approved by a Lender Majority Lenders holding more than fifty percent (50%) of the total outstanding Fractional Interests which Lender Majority may in certain circumstances include the approvals of CRCC or its affiliates to the extent they have purchased Fractional Interests and have not resold such interests to new Lenders. (See “LOAN FUNDING” and “LOAN SERVICING.”) Such decisions may include, without limitation: (i) approval of a Loan forbearance or Loan extension exceeding six months; (ii) how, when or if to foreclose upon the Security Property and the determination of how the Lenders shall take title to the Security Property; (iii) the terms and conditions of any Transfer Entity created to hold the Security Property; and (iv) approval of any sale of the Security Property to CRCC or its affiliates or any sale of the Security Property for an

amount less than the Lenders entire outstanding investment. (See “LOAN SERVICING – Investor Approval Rights.”)

Consequently, an Investor will not have the right to enforce his or her individual rights as a secured party upon a Borrower default and may be subject to enforcement decisions that are not in his or her best interest if the enforcement action conflicts with the decisions of the Lender Majority.

A breach of the Loan Servicing Agreement by other Lenders may cause Investor losses.

Each non-approving Lender is required under the terms of the Loan Servicing Agreement to take any action and to execute any documents required to implement any action approved by a Lender Majority. Nonetheless, there is a risk that a Lender that does not approve of an action approved by a Lender Majority may refuse to take the actions required by the Lender upon demand. Such refusal may affect the ability of the other Lenders to adequately enforce the Loan and/or may affect their ability to sell the Security Property or cause a diminution of its value upon sale. Moreover, the failure of a Lender to take an action approved by a Lender Majority may require the other Lenders to take legal action against the non-approving Lender to compel the approved action which would result in increased costs payable prior to the return of the Lenders’ investment. While the Lenders may also have a claim for damages and legal fees incurred by the other Lenders by reason of the non-approving Lender’s failure to act in accordance with the Loan Servicing Agreement, there is no guaranty such action would be successful or would adequately reimburse the Lenders’ for the actual losses suffered.

Fractional Interests are not liquid investments.

There is no public market for the Fractional Interests and none is expected to develop in the future. Even if a potential buyer could be found, the transferability of Fractional Interests will be restricted by the provisions of the Securities Act of 1933, as amended, and the intrastate exemption, Regulation D, Rule 147, Rule 504 and Rule 505 thereunder, and by the provisions of the Loan Servicing and Tenancy in Common Agreement. Unless an exemption is available, Fractional Interests may not be sold or transferred without registration under the Securities Act of 1933, as amended, or pursuant to an exemption thereunder, and the prior written consent of the California Commissioner of Business Oversight. Investors must be capable of bearing the economic risks of this investment with the understanding that Fractional Interests may not be liquidated by resale or redemption. Investors should expect to hold Fractional Interests through the scheduled maturity date of the Secured Note.

Investors are subject to the risks of litigation

CRCC will act in good faith and use reasonable judgment in selecting borrowers and making and servicing the loans. However, the Investors are exposed to the risk of litigation by a borrower for any allegations by the borrower (warranted or otherwise) regarding the terms of the loans or the actions or representations of CRCC in making, managing or foreclosing on the loans. It is impossible for CRCC to foresee what allegations may be brought by a specific borrower, and CRCC will use its best efforts to avoid litigation if, in CRCC’s judgment, the circumstances warrant an alternative resolution. If an allegation is brought and/or litigation is

commenced against CRCC, the Investors may be named as defendants in any such litigation and could incur legal fees and costs to respond to the allegations and to defend any resulting litigation. Incurring such fees will adversely affect the ability of the Investors to receive the return of their investment and the full return thereon and may result in Investor losses.

An investment in a single Loan lacks diversity.

There will be no diversification of risk for persons who become Investors in a loan secured by a single Security Property. All of their funds will be loaned to one borrower and will be secured by a single Security Property.

Fractional Interests are risky and speculative investments and if you cannot afford to lose your entire investment, you shouldn't invest.

Prospective investors should be aware that the Fractional Interests are risky and speculative investments suitable only for investors of adequate financial means. If you cannot afford to lose your entire investment, you should not invest in the Fractional Interests. If CRCC accepts an investment, you should not assume that the Fractional Interests are a suitable and appropriate investment for you.

DESCRIPTION OF FRACTIONAL INTERESTS

Fractional Interests are undivided interests in a Secured Note and an undivided interest in the Deed of Trust and the other applicable Loan documents. When Fractional Interests are sold to fund a specified loan and all of the conditions for the initial funding of that loan have been met, the proceeds will be made payable to and deposited in a loan escrow account for disbursement to the Borrower.

CRCC and the Initial Investors will appear as the initial payees or lenders on the Secured Note, and as the initial beneficiaries under the Deed of Trust and shall be named as lenders on the other related Loan documents. The original Deed of Trust will be recorded with the County Recorder in the county in which the underlying Security Property is located prior to disbursement of the Loan proceeds to the Borrower unless CRCC has received written authorization from the Initial Investors for prior release of the Loan proceeds. Following the Loan closing, CRCC will promptly deliver each Initial Lender an executed copy of the Secured Note and an executed conformed copy of the recorded Deed of Trust which shall serve as evidence of each Initial Lender's Fractional Interest in the Loan.

Investors subscribing to purchase Fractional Interest following the initial closing of the Loan will not be named on the Secured Note or Deed of Trust, but will receive an assignment of the Fractional Interest retained in CRCC's name at Loan closing. In each such case, CRCC will execute written assignments of the Secured Note and the Deed of Trust and any other applicable Loan documents in favor of each Investor assigning the Investor the percentage of CRCC's Fractional Interest subscribed for by such Investor in their Subscription Agreement. CRCC shall cause each original assignment of the Deed of Trust executed by CRCC to be recorded with the County Recorder in the county in which the Security Property is located within 10 business days of CRCC's receipt of an Investor's subscription amount and Investors will become direct, legal

owners of their Fractional Interests in the Loan as tenants in common with the other Lenders. CRCC shall promptly, upon its receipt of the conformed copies of the assignment of Deed of Trust, deliver a conformed copy of the originally recorded Deed of Trust and a conformed copy of the recorded assignment of Deed of Trust, together with each other assignments relating to the Loan and such assignments will serve as evidence the Fractional Interest held by each Lender.

If the Loan is a Construction Loan based upon the “as completed” value of the Security Property with a construction holdback of less than \$100,000, Loan proceeds may be transferred from escrow to a construction disbursement account controlled by CRCC (“**Disbursement Account**”) and thereafter disbursed to the Borrower, or on the Borrower’s behalf, for the purposes and on the terms described in the Construction Loan Agreement. If the Loan is a Construction Loan with a construction holdback of more than \$100,000, Loan proceeds will be transferred from escrow to an fund control account (“**Control Account**”) controlled by a third party control agent selected by CRCC (“**Control Agent**”) and thereafter disbursed by the Control Agent to the Borrower, or on the Borrower’s behalf, for the purposes and on the terms described in the Construction Loan Agreement. The Construction Loan Agreement will further require the Borrower to pledge to CRCC, as agent for the Lenders, all amounts held in the Disbursement Account or Control Account as additional security for the Loan obligation. The Construction Loan Agreement will also require the Borrower to deliver the plans, specifications, permits, budgets and related information as required to complete the construction project for approval by CRCC prior to Loan funding. Subsequent disbursements from the Disbursement Account or Control Account will be made by CRCC or the Control Agent (and overseen by CRCC) pursuant to a construction budget and draw schedule outlined in the Construction Loan Agreement. (See “LOAN SERVICING.”)

All Lenders, including CRCC to the extent that it acquires a Fractional Interest, will hold their Fractional Interests as tenants in common in accordance with the terms and conditions set forth in the Loan Servicing Agreement. Each other Lender executing the Loan Servicing Agreement is an express third party beneficiary of the Loan Servicing Agreement and, by executing the Loan Servicing Agreement, each Lender is agreeing to the terms and conditions that will govern both the rights and obligations of both CRCC and the Lenders with respect to servicing the Loan as well as the rights and obligations of the Lenders as they relate to the other Lenders in connection with their ownership of Fractional Interests in the Loan. Investors’ right to affect actions taken by CRCC or the other Lenders in connection with the Loan are limited to those rights expressly set forth in the Loan Servicing Agreement. (See “LOAN SERVICING – Investor Consent Rights” and “RISK FACTORS – Risks Related to the Ownership of Fractional Interests.”) Moreover, if the Borrower defaults on its obligations under the Loan documents, Lenders (including CRCC and its Affiliates to the extent they own Fractional Interests) are responsible for contributing their pro-rata share of any expenses incurred in connection with enforcement of the Loan and any expenses required to protect the Investors’ interest in the Loan or the Security Property. Failure of any Investor to pay their share of such expenses will result in a subordination of such Investor’s right to distributions from any future proceeds collected on the Loan or from the Security Property to certain priority rights granted to those Investors that pay their share (and the non-contributing Lender’s share) thereof. (See “LOAN SERVICING – Loan Expenses and Investor Priorities,” and “RISK FACTORS – Risks Related to Ownership of Fractional Interests.”)

LOAN FUNDING

CRCC has entered into a loan placement agreement or other agreement (the “**Placement Agreement**”) with the Borrower that contains certain conditions that must be satisfied before CRCC will fund the Loan. CRCC may waive one or more of these conditions and proceed to fund the Loan if it determines, in its reasonable business judgment, that the waiver of such condition(s) will not materially affect the likelihood that the Borrower will repay the Loan or the value of the property serving as security for the Loan.

When all of the conditions to the Loan have been satisfied or waived or will be satisfied at the closing, CRCC will close the Loan pursuant to escrow instructions submitted by CRCC which will contain numerous conditions to Loan closing, including without limitation the execution and delivery of the following: a Secured Note, a Deed of Trust, and (when appropriate) a Security Agreement; a title insurance company being prepared to issue, with respect to a new Loan secured by a Deed of Trust, a lender's policy of title insurance that names CRCC and any other initial Investors, as the insured thereunder and that insures the proper lien priority of the Deed of Trust, subject only to exceptions approved by CRCC; and the escrow company being prepared to record the Deed of Trust in the county recorder's office of the county where the Property is located and deliver the other executed Loan Documents to CRCC on behalf of itself and any other initial Investors. If Investor funds are deposited in CRCC's trust account prior to Loan closing but the conditions precedent to Loan funding are not satisfied by the Borrower, then CRCC shall promptly return the Investor funds to the Investors. Upon funding the Loan, a portion of loan proceeds may be held back by CRCC and designated an interest reserve for the purpose of funding monthly payments to the Lenders under the Secured Note. All of the funds held prior to Loan funding or as an interest reserve will be held in CRCC's name, as trustee, for the Borrower.

If the Loan is a Construction Loan underwritten on the “as completed” value of the Security Property all Fractional Interests in the Loan will be sold and the entire loan balance will be funded into escrow prior to closing. Upon closing Loan funds will be transferred either to a Disbursement Account established by CRCC for distributing the loan proceeds in compliance with the Construction Loan Agreement or to a third party Control Account for distribution by a Control Agent. (See “Description of Fractional Interests.”) In either case, upon closing, each Lender will receive a Fractional Interest in the Secured Note and Deed of Trust and Construction Loan Agreement and such funds shall be deemed loaned to the Borrower and shall bear interest as provided in the Secured Note. Draws by the Borrower from a Disbursement Account will be controlled by CRCC acting for the Lenders who will verify the progress of the construction and the Borrower's compliance with the Construction Loan Agreement. Draws by the Borrower on Loans subject to a Control Account will be controlled by the Control Agent and verified by a qualified non-affiliated third party Inspector. In the case of Loans subject to disbursement by a Control Agent, CRCC will select, and oversee the actions of, both the Control Agent and the Inspector on behalf of Lenders. (See “DESCRIPTIONS OF LOANS AND LOAN CRITERIA – Construction Loans” and “Risk Factors – Risk Related to Construction Loans.”)

DESCRIPTIONS OF LOANS AND LOAN CRITERIA

CRCC has applied the following standards and policies in underwriting the Loan, except as otherwise indicated in the Investment Summary attached hereto as Exhibit A, which contains detailed information concerning the terms of the Loan, the Security Property and the Borrower. The Investment Summary contains the authoritative description of the Loan offered hereby, and in the event of any conflict or inconsistency between this Offering Circular and the Investment Summary, the Investment Summary shall be controlling.

Loan Amount and Loan Term

The principal amount and term of the specific Loan offered hereby is set forth in the Investment Summary. (See “Investment Summary – Principal Loan Amount” and “Loan Term.”) The initial term of the Loan may be extended for six months by CRCC to the extent CRCC believes such an extension is in the best interest of the Investors. Any Loan extension in excess of six months from the original maturity date or other Loan modification must be approved by a Lender Majority. (See “LOAN SERVICING – Lender Approval Rights.”)

Initial, Default and Additional Interest

Interest on the principal amount of the Loan shall be payable by the Borrower at the initial interest rate specified in the Investment Summary. (See “Investment Summary – Note Interest Rate”) In most circumstances the Secured Note will provide for an increase of the initial rate of interest upon the occurrence of certain events of default by the Borrower (such increased interest is referred to herein as “**Default Interest**”). Additionally, the Loan documents may provide for an increase of the initial interest rate upon certain conditions or at certain times over the course of the Loan unrelated to a Borrower default (“**Adjusted Interest**”). Default Interest and Adjusted Interest are referred to collectively herein as (“**Additional Interest**”). Information regarding the rate of Default Interest and any Adjusted Interest is set forth in the “Note Interest Rate” section of the Investment Summary.

Priority of Deed of Trust

Loans will be secured by a senior or junior deed of trust primarily on California real property. A senior deed of trust will be senior to all other recorded monetary liens other than liens for taxes or the assessments of special assessment districts to fund streets, utilities or other public improvements. A junior deed of trust will be subject to any senior deeds of trust in addition to any liens for taxes or the assessments of special assessment districts to fund streets, utilities or other public improvements. If the Loan is secured by a junior deed of trust the obligations secured by the senior lien(s) must not be in default at the time of the Loan closing; however, Loan proceeds may be used to cure defaults under the senior lien(s). The loan may also be secured by one or more additional deeds of trust encumbering other property owned by Borrower or its affiliates where, in the reasonable judgment of CRCC, such cross-collateralization is necessary to meet the loan-to-value ratio requirements below or to further enhance the security for the Loan.

Loan-to-Value Ratio; Valuations

The total amount of the Loan plus, if the Loan is secured by a junior deed of trust, the amount of any senior liens, will generally not exceed a certain percentage of the value of the Security Property, as set forth below (the “**Maximum Loan-to-Value Ratio**”):

Type of Property	Loan-to-Value Ratio
(a) Improved Single-Family Residence - Non-Owner Occupied	75%
(b) Improved Commercial and Income-Producing Properties	65%
(c) New Construction – Residential (as completed value)	75%
(d) New Construction – Commercial (as completed value)	65%
(e) Land - single-family residentially zoned lot or parcel which has installed offsite improvements including drainage, curbs, gutters, sidewalks, paved roads, and utilities as mandated by the political subdivision having jurisdiction over the lot or parcel	65%
(f) Land - zoned for and, if required, approved for subdivision as commercial or residential development	50%
(g) Other Unimproved Land	35%

The loan-to-value ratio for the Loan offered hereby is set forth in Investment Summary (the “**Loan-to-Value Ratio**”). The Loan-to-Value Ratio for the Loan may exceed the applicable Maximum Loan-to-Value Ratio set forth above if, in CRCC’s reasonable judgment, a higher loan amount is warranted by the circumstances of the particular Loan, such as personal guaranties, prior loan history with the particular borrower, market conditions, etc. However, in no event shall the aggregate principal amount of the Loan, together with the unpaid principal amount of any encumbrances upon the property senior thereto, exceed 80% of the fair market value of improved real property or 50% of the fair market value of unimproved real property, except in the case of a single-family zoned lot or parcel described in (e) above, which shall not exceed 65% percent of the fair market value of that lot or parcel. If the Loan –to-Value Ratio for the Loan does exceed the Maximum Loan-to-Value Ratio for the Loan as set forth above, the circumstances warranting the increased Loan-to-Value Ratio are also stated in the Investment Summary.

The value of the Security Property will, in most cases, be based upon an appraisal performed by an independent California certified appraiser; however, unless the Loan is a Construction Loan, CRCC may rely upon a valuation done by an experienced real estate broker (which may include CRCC) if, in CRCC’s judgment, the cost or time to obtain an independent certified appraisal is not warranted under the circumstances. If the appraisal or valuation is dated more than 180 days before the date the Loan closes, a supplemental appraiser’s letter or a broker’s opinion (which may include CRCC) will be obtained.

The value for Security Property securing a Construction Loan shall in most cases be based upon an appraisal performed by an independent certified appraiser in accordance with the

Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal for a Construction Loan will be prepared on an “as completed” basis, i.e., assuming that the improvements for which the Loan is obtained will be completed. The appraiser may also assume that all public improvements to be funded by special assessment district bonds will be completed as proposed and that the property will be marketed and sold in the manner planned by the Borrower. Consequently, the percentage of the Loan amount in relation to the actual value of the Security Property at the time the Loan is closed (the “**Current Value**”) will, in most cases, be greater than both the Maximum Loan -to-Value Ratio for Construction Loans set forth above and the actual Loan-to-Value Ratio stated in the Investment Summary and may exceed 100% of the such Current Value (i.e., the Loan amount is greater than the Current Value of the Security Property securing the Loan). (See “RISK FACTORS – Risks Related to Construction Loans.”)

Although CRCC may conduct a cursory physical inspection of the Property, due to the costs involved, it will not obtain inspection reports from licensed civil engineers. Due to the costs involved, CRCC will not always engage the services of an environmental consultant to conduct a third party environmental site assessment of the Property. (See “RISK FACTORS – Risks Related to Private Lending.”)

Recourse to Borrower and/or Guarantor

The Borrower will often be a corporation, partnership or other business entity that may have been formed for the purpose of developing or managing the property. Information regarding the Borrower is set forth in the Investment Summary attached hereto as Exhibit A. The Secured Note will have recourse to the Borrower and may also be guaranteed by persons related to the Borrower. The guarantor, if any, or the Borrower must be considered creditworthy by CRCC. CRCC will make inquiries of sources which it believes are reliable but CRCC will not be liable in the event its inquiries are incomplete or the information it obtains and relies upon is later determined to be inaccurate. Notwithstanding the foregoing, while Borrower may be able to repay the principal amount of the Loan from sources other than the Property securing the Loan, the sale or refinance of such Property is considered to be the primary (and perhaps sole) source of repayment of the Loan.

Environmental Site Assessment

CRCC may require the Borrower to provide an environmental site assessment by environmental specialist to determine the potential presence of hazardous substances and soil and/or ground-water contamination only when in CRCC’s judgment it is appropriate to do so based upon disclosed past use of a property or adjoining property. The Borrower will also be required to indemnify and hold Lenders harmless from any liability that may arise from the presence of hazardous waste.

Prepayment and Release Provisions

The Loan may provide for prepayment penalties in the event of early payoff of the Loan. (See “Investment Summary – Prepay Penalty.”) All prepayment penalties paid by the Borrower shall be payable to the Investors.

Extensions

Any extension or renewal of the Loan beyond the stated maturity date, other than a forbearance not exceeding 6 months, will require the consent of a Lender Majority.

Insurance Requirements

The Loan may be conditioned on the following insurance being in place:

1. A title insurance policy naming CRCC and/or its assigns as the insured and loss payee and providing title insurance in an amount equal to the principal amount of the Loan. Title insurance insures only the validity and priority of the lien of the Deed of Trust, and does not insure against loss by reason of other causes, such as diminution in the value of the Property, over-appraisals, Borrower's defaults, etc.

2. Satisfactory fire insurance naming CRCC and/or its assigns as loss payee in an amount at least equal to the replacement cost of the improvements on the Property, subject to commercially reasonable deductibles. (See "RISK FACTORS.")

3. If the Property consists of undeveloped land, CRCC may not require the Borrower to carry fire insurance as there would be no improvements to insure (see "Investment Summary").

4. If the Loan is secured by Hypothecated Notes, then CRCC will require the Borrowers under the Hypothecated Notes to procure and maintain the fire insurance described in clause (2) above. CRCC will also require a collateral assignment endorsement to any existing title insurance policies that insure the Deeds of Trust securing the Hypothecated Notes or will require the Borrower to purchase title insurance insuring such Deeds of Trust in favor of the Lenders.

LOAN SERVICING

CRCC will be responsible for servicing the Loan on behalf of all of the Lenders in accordance with the terms and conditions set forth in the Loan Servicing Agreement, which agreement shall also govern the rights and obligations of the Lenders in connection with actions taken with respect to the Loan. By executing the Loan Servicing Agreement, each Lender is appointing CRCC as his, her or its agent to collect all payments made by the Borrower under the Secured Note and to disburse such payments to the Lenders, less the monthly servicing fee payable to CRCC. (See "COMPENSATION TO CRCC.") In the event the Borrower defaults under the terms of the Loan documents, CRCC will also act as each Lender's agent in connection with enforcement of the Loan documents and protecting the Lenders' interest in the Loan and the Security Property, including taking all post-default actions required to foreclose upon the Security Property, to effect the transfer of the Security Property to the Lenders or a Transfer Entity and thereafter managing, selling or refinancing the Security Property on the Lenders' behalf. If the Loan is a Construction Loan, CRCC, will also act for the Lenders by either: (i) authorizing expenditures from the Disbursement Account, monitoring the financed construction project and the Borrower's use of the Loan proceeds in connection therewith; or (ii) selecting

and overseeing the Control Agent and Inspector in connection with such actions (see “Description of Fractional Interests”).

The following is a summary of the terms and conditions of the Loan Servicing Agreement and is qualified in its entirety by the provisions set forth therein. Potential Investors should read the Loan Servicing Agreement in its entirety prior to investing in Fractional Interests.

Secured Note Servicing

Following Loan closing, CRCC will collect the monthly payments of principal, interest and any other amounts owing by the Borrower under the Secured Note for deposit in a non-interest bearing trust account established in CRCC’s name, as agent for the Lenders (the “**Trust Account**”). The Trust Account will be established with a federally insured bank or savings and loan selected by CRCC and shall be maintained in accordance California’s Business and Professions Code and the California Code of Regulations and other rules and regulations applicable to real estate brokers licensed by the California Bureau of Real Estate.

So long as the Borrower is not in payment default, CRCC will, on a monthly basis and within twenty-five (25) days of CRCC’s receipt of such funds, disburse funds received from the Borrower to the Lenders in proportion to their Fractional Interests, after deducting the Servicing Fee payable to CRCC pursuant to the Loan Servicing Agreement. (See “COMPENSATION TO CRCC,” and “INVESTMENT SUMMARY – Net Investor Rate.”) Notwithstanding the foregoing, if CRCC should determine, in its reasonable judgment, that the Borrower may default in its payment or other obligations under the Secured Note or the other Loan Documents and that costs may need to be incurred to protect the value of the Security Property and/or to enforce the rights of the Investors under the Loan documents, then CRCC shall have the right to retain up to three months’ interest under the Secured Note in order to pay for such costs.

Loan Servicing Following Borrower Default.

Any event of default by Borrower under the Loan documents shall constitute an event of default under all Fractional Interests held by all Lenders. Upon the discovery by CRCC of the occurrence of a payment or other event of default under the Loan Documents which materially impairs or threatens the value of the Lenders’ security or the ability of Borrower or any other party to perform its obligations under the Loan Documents (an “**Event of Default**”), CRCC shall promptly notify the Lenders of such Event of Default and will take those actions required to foreclose on the Lenders’ security interest in the Security Property including selecting a foreclosure agent, making demands, accepting reinstatements, seeking relief from any stay of foreclosure proceedings, credit bidding on the Security Property at the foreclosure sale and pursuing or defending any litigation which related to such foreclosure proceedings or the Loan.

Notwithstanding the forgoing, CRCC may negotiate and enter into a forbearance agreement or loan extension with the Borrower to the extent it deems immediate foreclosure not to be in the best interest of the Lenders and acceptable forbearance or extension terms can be reached. In no event, however, will the term of such forbearance or extension be more than six months without the written consent of a Lender Majority. Under the terms of the Loan Servicing

Agreement, CRCC may also accept a deed in lieu of foreclosure from the Borrower if doing so would cause the Lenders to incur no greater expense or liability than if CRCC completed a non-judicial foreclosure sale and may, at any time, file suit or pursue any other legal remedies against any guarantors of the Loan if such action will not impair the Lenders' security interest in the Security Property.

Judicial Foreclosure

If CRCC reasonably believes that a judicial foreclosure action may be in the Lenders' best interest, it may, without Lender consent, engage legal counsel or other advisors to assess the costs and benefits of a judicial foreclosure and to present such assessment to the Lenders at a meeting called by CRCC (a "**Judicial Foreclosure Meeting**"). CRCC shall only pursue a judicial foreclosure action on behalf of the Lenders following the completion of a Judicial Foreclosure Meeting and CRCC's receipt of written instructions approved by a Majority Lender in connection therewith. CRCC may condition its obligation to act as the agent for the Lenders in a judicial foreclosure on CRCC's prior receipt from the Lenders of an amount equal to the estimated cost of completing the judicial foreclosure, as determined by CRCC, in its sole judgment as set forth in a Loan Expense Request given in accordance with the terms and conditions of the Loan Servicing Agreement. (See the "Loan Expenses and Lender Subordination Provisions") subsection, below.)

Non-Judicial Foreclosure

If, following an Event of Default, CRCC determines that it is in the best interest of the Lenders to enforce of the power of sale contained in the Deed of Trust and to proceed to sell the Security Property pursuant to a non-judicial foreclosure sale (a "**Foreclosure Sale**"), CRCC or its affiliate(s) will act on behalf of all of the Lenders in connection with such Foreclosure Sale including retaining a qualified foreclosure company or other foreclosure agent (a "**Foreclosure Agent**") to administer the Foreclosure Sale on the Lenders' behalf.

At least 15 days prior to the date of the Foreclosure Sale, CRCC shall give the Lenders written notice of the date and time the Foreclosure Sale shall be held ("**Foreclosure Sale Notice**"), which will advise the Lenders of the total accrued and unpaid amounts due from the Borrower which may be credited towards the Lenders' purchase of the Security Property at the Foreclosure Sale (the "**Full Credit Bid**"). The Foreclosure Sale Notice shall also include either a notice to the Lenders of CRCC's intention to conduct the Foreclosure Sale in accordance with the Default Bid Instructions outlined in the Loan Servicing Agreement or a written proposal from CRCC outlining alternative bidding instructions for approval by a Lender Majority.

Each Lender shall then have five business days from the date of the Foreclosure Sale Notice (the "**Lender Bid Deadline**") to deliver to CRCC a written proposal for alternative bidding instructions (a "**Lender Bid Proposal**"). Within two business days following the Lender Bid Deadline, CRCC shall deliver to each Lender a written statement outlining the material terms of each properly submitted Lender Bid Proposal together with a request that each Lender affirmatively approve either the original bid instructions set forth in the Foreclosure Sale Notice or one of the alternative Lender Bid Proposals forwarded by CRCC to the Lenders pursuant to the terms hereof (collectively, the "**Bid Proposals**"). Upon the approval of one of

the Bid Proposals by Lenders representing a Lender Majority (the “**Majority Instructions**”), CRCC shall be authorized to instruct the Foreclosure Agent to accept bids for the Security Property at the Foreclosure Sale in accordance therewith. CRCC shall notify the Lenders of the adoption of the Majority Instructions promptly following CRCC’s receipt of the requisite approvals from the Lender Majority; however, the failure of CRCC to notify any Lender of the adoption of a Bid Proposal or the terms of the approved Majority Instructions prior to the Foreclosure Date, shall not affect the right of CRCC to take those actions required to implement the Majority Instructions at the time of the Foreclosure Sale.

In no event shall CRCC, without the express written approval of a Lender Majority, instruct the trustee or the Foreclosure Agent at the Foreclosure Sale to either: (i) place a bid on the Lenders’ behalf which exceeds the Full Credit Bid; or (ii) accept a competing bid for the Security Property in an amount which is less than Full Credit Bid available to the Lenders.

If at any time prior to the Foreclosure Sale, CRCC is unclear on the appropriate bidding instructions to be utilized in at the Foreclosure Sale, CRCC may postpone the Foreclosure Sale until clear directions from the Lender Majority are received.

Transfer of Security Property

If CRCC determines that the Security Property is going to be acquired by the Lenders following a Transfer (i.e., following judicial or non-judicial foreclosure or by a deed in lieu of foreclosure), CRCC, with the affirmative consent of a Lender Majority, may arrange for deed at the closing of the Transfer to be held by either: (i) the Lenders, as tenants in common, according to their Fractional Interests, or (ii) a limited liability company, a limited partnership or another type of business entity formed by CRCC for the purpose of holding title pending sale of the Security Property (a “**Transfer Entity**”).

To the extent CRCC determines that, due to liability, tax or other considerations, it would be advantageous to the Lenders to hold title to the Property following a Transfer in a Transfer Entity, CRCC shall distribute to the Lenders a copy of a proposed operating agreement, limited partnership agreement or other form of document governing the terms and conditions applicable to the Transfer Entity (the “**Transfer Entity Agreement**”) for approval by a Lender Majority. The Transfer Entity will be managed by CRCC and the Transfer Entity Agreement shall provide for the capitalization of the Transfer Entity through each Lender’s contribution of his, her or its Fractional Interest in the Loan (or if formed following a Transfer, the Security Property) which the Lenders will assign to the Transfer Entity in exchange for an equity interest in the Transfer Entity equal to each Lender’s then current Fractional Interest.

The terms contained in the Transfer Entity Agreement shall be structured such that, following the Transfer to the Transfer Entity, the Lenders and CRCC shall retain, as nearly as possible, all material rights and obligations existing under the Loan Servicing Agreement as of the date of the Transfer including, but not limited to (i) the retention of each Lender’s relative rights to distributions payable under the Loan Servicing Agreement, as such date, including the retention of all priorities and subordinations related to any loan expenses made by the Lenders as of such date; (ii) the retention of all rights to the payment of all fees and other compensation payable to the CRCC or to any Lender as of the Transfer; (iii) any ongoing additional capital

contribution requirements shall be materially similar to the Lenders' obligations to pay for loan expenses under the Loan Servicing Agreement with penalties no more onerous than the subordination provisions set forth therein; and (iv) any other rights and obligations of the Lenders and CRCC reasonably material to an Lender's decision to purchase his, her or its Fractional Interest at the time such investment decision was made.

So long as the Transfer Entity Agreement is approved by a Lender Majority and meets the requirements set forth, above, each Lender, including those Lenders that did not consent to the action approved by a Lender Majority shall be required to execute and deliver assignments of their Fractional Interests to the Transfer Entity and any other documents reasonably necessary in CRCC's good faith judgment to effectuate the Transfer. If any Lender fails to execute and deliver any document so required, CRCC shall have the right to execute such documents as Lender's attorney-in-fact pursuant to the Power of Attorney granted in the Loan Servicing Agreement. Additionally, the failure of any Lender to execute any such document shall be a breach of the terms of the Loan Servicing Agreement by such Lender and CRCC and/or the other Lenders shall be entitled to pursue any legal, equitable or other rights against such Lender for any damages caused by reason of such breach.

Property Management; Sale and Refinance

Following a Transfer of the Property to the Lenders or a Transfer Entity, CRCC shall have the right to serve as the exclusive property manager on behalf of the Lenders or the Transfer Entity or may engage a third party to provide such services. In consideration of such services, CRCC or such third party shall be entitled to usual and customary fees for such services which shall be payable as a Loan Expense as described below. (See "COMPENSATION TO CRCC.")

CRCC or its affiliate shall also be responsible for refinancing or selling the Security Property on behalf of the Lenders following a Transfer and will be entitled to usual and customary commissions for such services which shall be payable from the proceeds of such refinancing or sale prior to any distributions to the Lenders. (See "COMPENSATION TO CRCC.")

Loan Expenses and Lender Subordination Provisions

While Fractional Interests are non-assessable securities, all expenses incurred in connection with collecting the amounts due under the Secured Note, enforcing the Loan documents or otherwise protecting the value of the Security Property ("**Loan Expenses**") are payable by the Lenders and are not the obligation of CRCC. Such Loan Expenses may include, by way of example and without limitation, any of the following (as applicable): (i) all fees and costs incurred in connection with a judicial foreclosure or to exercise the power of sale under the Deed of Trust including filing notices of default and any notices of sale; (ii) all fees and costs incurred negotiating and documenting any forbearance agreement between the Lenders and the Borrower or any guarantors; (iii) all fees and costs incurred transferring title to the Security Property to the Lenders or a Transfer Entity (including all fees and costs incurred forming the Transfer Entity); (iv) any fees or costs incurred to pay for property taxes or insurance on the Security Property (including forced order fire insurance); (v) any fees or costs or expenses

incurred to keep any senior liens current (if any);(vi) any costs incurred renovating or otherwise improving the Security Property for rent or sale on behalf of the Lenders; (vii) any fees or costs incurred marketing the Security Property for sale; (viii) any fees or costs incurred for market studies and other reports as CRCC deems advisable; (ix) any fees or costs incurred to pay any leasing commissions and/or tenant improvement costs; and (x) any fees or costs payable to attorneys, accountants, appraisers, contractors and other third parties in connection with any Loan Expenses.

If, at any time, CRCC determines that the proceeds collected under the Loan or from the Security Property are insufficient to pay any Loan Expenses incurred, or to be incurred, on the Lenders' behalf, then CRCC may require the Lenders to pay their pro-rata share of such Loan Expenses by making a written request for payment of such Loan Expense(s) in accordance with the terms and conditions set forth in the Loan Servicing Agreement (a "**Loan Expense Request**"). Failure of a Lender to pay his, her or its pro-rata share of any Loan Expense as set forth in a properly given Loan Expense Request shall not be an event of default under the Loan Servicing Agreement; however, each such Lender shall have his, her or its right to any future distributions of Loan proceeds or proceeds from the Security Property subordinated to the rights of the Lenders that do pay their share of the Loan Expense (the "**Priority Lenders**") to receive (i) the return of their pro-rata share of the Loan Expenses paid; (ii) the return of any additional share of the Loan Expense paid to cover the amounts not paid by the non-Priority Lenders; and (iii) interest on the aggregate amount of the Loan Expenses paid by the Priority Lenders at the Priority Rate (i.e., the lesser of 20% or the maximum amount allowed by law). (See "RISK FACTORS – Risks Related to Ownership of Fractional Interests.")

Protective Advances

CRCC may, in its sole discretion and without being so obligated to the Lenders, advance its own funds to pay Loan Expenses on behalf of the Lenders. If CRCC makes any advances to pay any Loan Expenses ("**Protective Advances**"), it will, within 10 days, notify the Lenders of their share of the Protective Advances made by sending the Loan Expense Request discussed above and each Lender shall have the right to pay their pro-rata share of the Protective Advance. If one or more Lenders does not pay their pro-rata share of a Protective Advance made by CRCC the other Lenders will have the right to pay the unpaid portion of the Protective Advance (based upon such Lenders' relative Fractional Interests) and the aggregate Protective Advances paid by such Lenders will be repayable from future distributions, plus interest at the Priority Rate (i.e., the lesser of 20% per annum or the maximum legal rate) prior to any further distributions to the non-paying Lenders. Any Protective Advances not paid by the Lenders will be payable from future Loan proceeds or proceeds from the Security Property prior to any payment to any of the Lenders. (See "Distributions of Post-Default Proceeds," below.)

Lender Approval Rights

Lenders will have only those rights expressly set forth in the Loan Servicing Agreement (collectively the "**Approval Rights**").

CRCC is authorized under the Loan Servicing Agreement to take any action subject to the Approval Rights if any such action is approved by a Lender Majority (i.e., Lenders

representing more than 50% of the Fractional Interests). Consequently, CRCC will be authorized to take any action approved by a Lender Majority notwithstanding the objections of any Lender or group of Lenders holding less than 50% of the Fractional Interests (See “RISK FACTORS – Risks Related to the Ownership of Fractional Interests.”)

Distribution of Post-Default Proceeds

Pursuant to the terms of the Loan Servicing Agreement any amounts collected by CRCC following an Event of Default by the Borrower will be applied by CRCC and/or paid to CRCC and the Lenders in the following order of priority:

- (a) first, to CRCC in an amount equal to all accrued and unpaid Servicing Fees, Management Fees or unpaid Protective Advances made by CRCC and any other fees, reimbursements, or other amounts payable to CRCC pursuant to this Agreement;
- (b) Second, to the Priority Lenders in proportion to the relative amount of Loan Expenses paid by the Priority Lenders until such amounts, plus interest thereon at the Priority Rate are paid in full; and
- (c) thereafter, to the Lenders, pro-rata in accordance with their Fractional Interests.

Termination; Replacement of Loan Servicer

The Lenders may remove CRCC as the loan servicer and terminate of the Loan Servicing Agreement only upon thirty (30) days’ prior written notice executed by a Lender Majority. CRCC may also terminate the Loan Servicing Agreement and retire as the loan servicer, thereunder, upon thirty (30) days’ prior written notice to the Lenders. Upon either such termination, CRCC will be entitled to an amount equal to: (i) any monthly Servicing Fees accrued but unpaid as of the termination date; plus (ii) any Management Fees accrued but unpaid as of the termination date; plus (iii) any Protective Advances and any other sums advanced by CRCC on behalf of the Lenders plus interest thereon at the Priority Rate.

Following a termination of the Loan Servicing Agreement, CRCC will make good faith efforts to facilitate the transfer the Loan servicing responsibilities to another party; however, it shall be the sole responsibility of the Lenders to identify and retain a substitute loan servicer or other agent to act for the Lenders in connection with the Loan (a “**Replacement Agent**”) and CRCC will not take any actions in connection with such transfer unless directed, in writing, by a Lender Majority. If a Lender Majority fails to notify CRCC of the appointment of a Replacement Agent by the effective date of the termination of the Loan Servicing Agreement, then CRCC will be required to: (i) distribute all undisbursed funds held for the benefit of the Lenders (if any) to the Lenders in accordance with their Fractional Interests or as otherwise outlined in the Loan Servicing Agreement; and (ii) deliver all Loan files in CRCC’s possession to the Lender holding the greatest Fractional Interest in the Loan or any other party identified by a Lender Majority.

COMPENSATION TO CRCC

Loan Origination Fee

For arranging the Loan, CRCC will receive a loan origination fee and a \$1,000 document preparation fee from the Borrower which will be funded from the Loan proceeds at the time the Loan closes. The amount of the Loan origination fee depends upon market conditions and is set forth in the Lender/Purchaser Disclosure Statement included with the Investment Summary.

Servicing Fee

In consideration for the services being provided by CRCC in connection with servicing the Loan and, if applicable, enforcing the Loan on behalf of the Investors, CRCC will be entitled to receive a monthly Servicing Fee equal to a percentage of the unpaid Principal amount outstanding at the end of each month; plus 40% of any Additional Interest payable by the Borrower under the Loan documents for such month (the “**Servicing Fee**”). (See “DESCRIPTIONS OF LOANS AND LOAN CRITERIA – Initial Interest and Additional Interest.”) In most cases, the monthly percentage portion of the Servicing Fee will be 1/12th of 1%; however, the actual percentage payable on the Loan may be higher or lower based upon the terms of the Loan. The percentage applicable to the Loan offered hereby is set forth in the “Servicing Fee” section of the Investment Summary attached hereto as Exhibit A.

The Servicing Fee will be deducted from interest payments made by the Borrower or from any interest reserve created under the Loan documents, with the balance (including 60% of any Additional Interest paid during such month) being remitted to Lenders. In the event that, following a default by the Borrower under the Loan documents, interest payments are insufficient to pay CRCC’s Servicing Fee, such Servicing Fee shall accrue and be payable from any future proceeds received under the Loan or from the Security Property prior to any further distributions to the Lenders. (See “LOAN SERVICING – Distributions of Post-Default Proceeds.”)

Management Fee

If, following a default by the Borrower under the Loan documents, there is a Transfer of the Security Property to the Lenders or a Transfer Entity, CRCC shall be entitled to a monthly Management Fee equal to 1% of the outstanding Loan amount as of the date of Transfer of the Security Property (the “**Management Fee**”). The Management Fee shall be payable on a monthly basis from the proceeds received from the operation of the Security Property (if any). In the event that Security Property proceeds are insufficient to pay CRCC’s Management Fee on a monthly basis, such Management Fee shall accrue and be payable from any future proceeds received under the Loan or from the Security Property prior to any further distributions to the Lenders. (See “LOAN SERVICING – Distributions of Post-Default Proceeds.”)

Interest on Costs Advanced on Behalf of Lenders

CRCC may take Protective Actions on behalf of the Lenders and may make Protective Advances for the benefit of the Lenders in connection with such actions. (See “LOAN

SERVICING – Protective Advances.”) If CRCC elects to make one or more Protective Advances on behalf of one or more Lenders, CRCC will be entitled to interest on such advances at the Priority Rate equal to the lesser of 20% or the maximum rate permitted by law. Such Protective Advances and interest thereon at the Priority Rate will be due from the Lenders and payable prior to any further payments to the Lender following the advance or payable out of proceeds obtained from a sale or refinancing of the property or otherwise obtained as a result of collection efforts.

Property Management Fees and Broker Commissions

If Lenders or a Transfer Entity take title to the Security Property, CRCC may act as the property manager for the Security Property or may engage a third party property manager to manage the Security Property at the direction of CRCC. If CRCC acts as the property manager for the Security Property, it shall be entitled receive property management fees in an amount equal to the fees that are usual and customary for such services for similar properties in the area where the Security Property is located.

If following a Transfer, the Security Property is sold by or on behalf of the Lenders, CRCC will be entitled to receive a commission for acting as the listing real estate broker, or may at its option retain a third party to act as listing broker. The commission will be payable as a cost of the sale and prior to any payments to Lenders for unpaid principal and interest, and shall be equal to the lesser of 6% of the gross sales price or the usual and customary commission for the services of a real estate broker for similar properties. Such commission will be shared with any selling broker that procures a buyer for the Property. The sales commission payable by Lenders is in addition to any fees that CRCC may be entitled to receive from the purchaser or others if CRCC arranges financing for the purchaser or services a loan made to the purchaser.

Possible Profit on Purchase of Property

With the consent of a majority-in-interest of the Lenders, CRCC or an affiliate may purchase a property to which the Lenders have taken title. If this were to occur, CRCC or its affiliate could profit from the purchase and resale of the property.

Possible Additional Compensation

If, after a default by Borrower, Lenders take title to property that is still under construction, CRCC may recommend that the Lenders complete all or part of the construction before selling the property, and CRCC may propose itself, or another affiliate to supervise the construction or to provide other services required in order to complete construction. CRCC will not propose a rate of compensation in excess of the rate customary in the industry. If a majority-in-interest of the Lenders elect to complete construction and to employ CRCC or its affiliate, CRCC would receive additional compensation in an amount which cannot be determined at this time.

ERISA CONSIDERATIONS

Tax Consequences to Qualified Employee Benefit Plans and IRAs

Interest income from Fractional Interests held by IRAs and qualified pension and profit sharing plans is anticipated to be exempt from federal income taxation under the Internal Revenue Code, but no tax opinion has been obtained with respect to this issue. Such interest is not expected to constitute income from a trade or business. Qualified plans and IRAs, consequently, should not have unrelated business taxable income (“UBTI”) as a result of receiving interest from a Secured Note. If the Lenders were to take title to the Security Property as a result of a default by the Borrower, however, Lenders could receive income from a sale of the Security Property assuming the Security Property sold for an amount in excess of the amount loaned plus interest and capitalized costs of foreclosure and of holding the Security Property for sale. If the Lenders were considered to have acquired the Security Property for resale and therefore to have the status of dealers in real estate, such gain could be considered UBTI.

The Lenders might also choose to rent the Security Property pending its sale. Rent is generally not classified as UBTI. However, if the Lenders were also to incur debt to acquire the Security Property (for example, in order to pay off a senior lien) or to complete construction or otherwise improve the Security Property, rent received would not be excluded from UBTI to the extent of average monthly acquisition indebtedness divided by average adjusted basis of the Security Property for the relevant tax period. Unrelated business taxable income in excess of \$1,000 during any tax year is subject to tax. Qualified plans which receive UBTI, even if less than \$1,000, must file reports with the IRS.

ERISA

In considering an investment in a Fractional Interest, a fiduciary of a tax exempt employee benefit plan, such as a qualified pension or profit sharing plan, Keogh plan, 401(k) plan or IRA, should consider (a) whether the investment satisfies the diversification requirement of Section 404(a)(1)(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (b) whether the investment is prudent given the risks involved; (c) whether the investment is made solely in the interests of the plan participants; (d) whether the investment complies with the plan’s need for liquidity; (e) whether the compensation to persons providing services to the plan, such as CRCC, is reasonable; and (f) whether the investment would otherwise constitute a transaction prohibited under Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended. ERISA also requires that assets of a plan be valued at its fair market value as of the close of the plan’s fiscal year, and it may not be possible to satisfactorily value the Fractional Interests from year to year since there will be no market for the Fractional Interests.

Under ERISA and the regulations adopted by the Department of Labor, CRCC may be considered a fiduciary if it exercises discretionary authority or control of the management or administration of a plan or its assets or renders investment advice to the plan. Since the investment decision to purchase a Fractional Interest will be made solely by each plan without any advice or recommendation from CRCC, and since the actions that CRCC may take under the Servicing Agreement without the consent of a majority-in-interest of the Lenders are limited,

CRCC does not believe that it would be deemed a “fiduciary” of plan investors. However, if CRCC were deemed to be a fiduciary, transactions with CRCC would be subject to scrutiny to determine whether it involved any prohibited transactions such as the charging of unreasonable fees or the use of plan assets for the benefit of the fiduciary. Other plan fiduciaries who were found to have participated in such transactions could be required to (a) restore to the plan any profit realized by the fiduciary on the transaction and (b) make good to the qualified plan any loss suffered by the plan as a result of its investment. The fiduciary and participating parties in interest could also be liable for an excise tax of 15% of the amount involved, and if the transaction were not corrected within a specified period, it could be liable for an additional excise tax of 100% of the amount involved. With respect to IRAs, the tax exempt status of the account could be lost but the other described penalties would not apply.

As a provider of services to Lenders who are employee benefit plans or IRAs, CRCC will be considered a “party in interest” or “disqualified person” as those terms are defined in the Labor Code and the Internal Revenue Code. Under both Codes, a loan or an extension of credit to a plan by a party in interest or disqualified person is a prohibited transaction. The Servicing Agreement provides that CRCC may advance costs to complete construction or of collection to Lenders if Lenders do not elect to pay its pro-rata share of such costs. Even though these advances, plus interest, are only payable out of the sale of the Security Property or other proceeds from the collection efforts of CRCC and are non-recourse to the plan, the advances may be deemed a loan of the type intended to constitute a prohibited transaction. Therefore, if CRCC is advised by counsel that an advance of costs on behalf of plan Lenders would be treated by the Department of Labor or the Internal Revenue Service as a prohibited transaction, CRCC will either notify the plans and require them to pay their pro-rata share of the costs or avoid making the advance by deferring payment of the costs to be incurred.

Persons investing in Fractional Interests in a Loan on behalf of qualified ERISA Plans should consult their own tax advisors, accountants and attorneys to determine whether an investment in a Fractional Interest is permitted under the trust instrument and other documents establishing the plan as well as under ERISA and the regulations adopted thereunder.

CONFLICTS OF INTEREST

Compensation

The terms on which CRCC will act as Loan originator and servicer have not been negotiated at arm’s length or set by law, and each Lender should independently evaluate the terms of the Loan Servicing Agreement. The Loan origination fees negotiated by CRCC with the Borrower could affect the terms of the Secured Note that CRCC is able to negotiate for the Lenders. Fees paid to CRCC may also diminish Borrower’s ability to pay Lenders. CRCC believes, however, that its fees to the Lenders and to Borrowers are reasonable and within the range of those customary and usual in the mortgage loan business for the same type of loan.

Moreover, CRCC will earn the largest portion of its compensation from commissions (or “points”) that it collects at loan closing, which are not affected by whether the Loan proves to be a good investment. Therefore, in theory, CRCC could be motivated to close loans using Investors’ funds that are risky or otherwise not in the best interests of the Investors, in order to

earn its loan points. Investors should review the terms of the Loan carefully prior to investing and must rely on the good faith of CRCC to protect their interests in this regard.

Purchase of Security Property

CRCC or its affiliates will not purchase any Security Property in foreclosure at a trustee's sale or purchase a Security Property after a default and Transfer of a property to the Lenders, without the consent of a Lender Majority.

Refinancing of the Loan

CRCC may loan monies to the Borrower to permit the Borrower to pay all of the interest and principal owing under the Secured Note or it may act as broker and servicing agent for others who refinance the Loan made to Borrower by Lenders. Lenders may have no right to participate in such a refinancing of the Loan. It is possible, though not likely, that a refinancing on behalf of the Borrower which permits Borrower to pay off the Loan owed to Lenders and avoid foreclosure would not be in the best interests of Lenders in that it might otherwise obtain title to the Security Property and profit from its later sale.

Competition for Loans

CRCC may arrange and service other loans for other investors at the same time that Fractional Interests in this Loan are being offered to Lenders pursuant to the terms of this Offering Circular. Investors may not be able to participate in other loans that may be more secure or more profitable than the Loan set forth in the Investment Summary.

Purchase of Fractional Interests

CRCC may purchase or fund Fractional Interests to fund disbursements that are due to the Borrower where insufficient Fractional Interests have been sold to fund a disbursement due. CRCC will hold all such Fractional Interests purchased to fund the Loan in parity with the other Lenders and will have the same rights, including all voting rights, under the Loan Servicing Agreement as any other Lender. As such, CRCC may have interests in the Loan as both the servicer of the Loan as well as a Lender.

BROKER AND SERVICER

CRCC is a licensed California real estate broker that will arrange the Loan and offer and sell Fractional Interests in the Loan. CRCC will also act as loan servicer for the Loan under the Loan Servicing Agreement. CRCC's offices are located at 2080 Mountain Boulevard, Suite 203, Oakland, California 94611.

CRCC has been a licensed real estate brokerage firm since 1993 and is engaged in the business of originating loans evidenced by promissory notes secured by deeds of trust on California real property. CRCC arranges for private investors to participate in the ownership of these secured promissory notes. As of October 31, 2016, CRCC was servicing a loan portfolio of approximately \$21.5 Million worth of real estate secured loans. CRCC typically arranges

short-term notes (1-5 years) secured by commercial or residential real estate. The outstanding stock of CRCC is owned 50% by the Cushman Family Trust and 50% by Stephen Rexrode.

The following officers of CRCC are responsible for the underwriting and servicing of CRCC's loans and the sale of the Fractional Interests under this offering:

Robert Cushman II. Robert Cushman II is the President of CRCC. He received his undergraduate degree in psychology from Dartmouth College in 1974. Mr. Cushman is a licensed real estate broker and has been in the mortgage lending business since 1976. As the President of CRCC, Mr. Cushman is involved in all aspects of the operations of CRCC.

Stephen Rexrode. Stephen Rexrode is the Vice President, Treasurer and Secretary of CRCC. He received his undergraduate degree in management science from University of California at San Diego in 1985. Mr. Rexrode is a licensed real estate broker and has been in the mortgage lending business since 1985. As an officer of CRCC, Mr. Rexrode is involved in all aspects of the operations of CRCC.

PRIOR PERFORMANCE

The following performance information is for illustrative purposes only. Past performance does not ensure future results. Additionally, investors will only own fractional interests in the loan described in the investment summary attached hereto as Exhibit A. Prior performance of other loans made and arranged by CRCC is not an accurate prediction of future results of the loan being offered hereby.

The information provided below is accurate as of the dates specified, only. The inclusion of such information shall not imply that there has been no change in the number or amount of loan defaults or foreclosures experienced in connection with CRCC arranged loans, or the affairs of CRCC generally, since the dates specified. If more current information regarding the performance of other loans arranged by CRCC is important to an investor's decision to purchase Fractional Interests in the Loan, such information should be requested from CRCC prior to investing.

General

Since its inception, CRCC has originated or arranged over 322 loans in an aggregate principal amount of approximately \$246,000,000. Over the course of the five year period ending as of October 31, 2016 (the "**Reporting Period**"), CRCC made and arranged 42 loans in the aggregate principal amount of \$18,050,000 (the "**Five Year Loans**") and as of October 31, 2016, CRCC was servicing a portfolio of 31 outstanding loan investments with an aggregate original principal balance of approximately \$21,535,060 (the "**Outstanding Portfolio**"). Information regarding the prior performance of the Five Year Loans and Outstanding Portfolio (as applicable) is set forth below. Unless otherwise indicated, all information is current as of October 31, 2016.

Loan Priorities (Five Year Loans)

Priority of Deed of Trust	Number of Loans	Aggregate Principal Amount	Percentage of Actual Principal

First Deeds of Trust	42	\$18,050,000	100%
Second Deeds of Trust	0	N/A	N/A

Collateral Type (Five Year Loans)

Collateral Type	Number of Loans	Aggregate Principal Amount
Improved 1-4 Unit Residential (Non-Owner Occupied)	20	\$6,635,000
Improved Multi-Family Residential	7	\$3,430,000
Improved Commercial/Industrial	14	\$7,940,000
Construction Loans	0	N/A
Land – Improved	0	N/A
Land – Unimproved	0	N/A

Loan Default Rates (Five Year Loans)

As of October 31, 2016, none of the 42 loans originated by CRCC over the Reporting Period was in material default.¹ Past performance, however, is not a guaranty of future results and investments in Fractional Interests are subject to the risks of borrower defaults. (See "RISK FACTORS – Risks Related to the Ownership of Fractional Interests.")

Loan Foreclosure Rates (Five Year Loans)

As of October 31, 2016, none of the loans made or arranged by CRCC during the five year Reporting Period resulted in foreclosure and acquisition of the security property by the lender. Past performance is not a guaranty of future results and investments in Fractional Interests are subject to the risks of foreclosure. (See "RISK FACTORS – Risks Related to the Ownership of Fractional Interests.")

LEGAL MATTERS

CRCC has retained counsel to advise it in connection with the preparation of this Offering Circular, Loan Servicing Agreement and Subscription Agreement, as well as the offer and sale of the Fractional Interests offered hereby. Such counsel has not been retained to provide, and will not provide, legal services in connection with the preparation or review of any Investment Summary, any of the Loan documents, the negotiation or closing of the Loan or the

¹ As of October 31, 2016, the Outstanding Portfolio had two loans in the aggregate principal amount of \$2,850,000 that were in material default; however, each of these two loans was made prior to the five-year Reporting Period.

servicing or enforcement of the Loan, nor has it represented the interests of the Lenders in connection with this offering or the Loan. Lenders purchasing Fractional Interests in the Loan that wish to obtain the benefit of review by legal counsel on their behalf must retain their own attorneys to do so.

PLAN OF DISTRIBUTION

The Fractional Interests offered hereby will be offered and sold by CRCC and through its duly authorized and licensed agents and employees, who will be paid commissions by CRCC out of the Loan origination or brokerage commissions it receives from Borrowers for arranging the Loan. The Borrower is required to pay these fees or commissions from the Loan proceeds, which will not be an expense of the Lenders.

ADDITIONAL INFORMATION AND UNDERTAKINGS

CRCC undertakes to make available to each prospective Investor every opportunity to obtain any additional information from CRCC necessary to verify the accuracy of the information contained in this Offering Circular or to assess the merits of the Loan, the Borrower, any guarantors, and the Security Property, to the extent that CRCC possesses such information or can acquire it without unreasonable effort or expense. This additional information includes, without limitation, financial and other information concerning the Borrower or any guarantors, appraisals and other servicing information concerning the Security Property, information regarding past mortgage lending experience of CRCC, and all other documents or instruments that are material to this offering and the transactions contemplated and described in this Offering Circular.

COMMISSIONER'S RULE 260.141.11

In addition to the various restrictions on the transfer of Fractional Interests imposed by state and federal securities laws generally, no Fractional Interest may be sold or transferred or any consideration received therefor without the prior written consent of the California Commissioner of Business Oversight, except as provided in the Commissioner's Rules. A copy of Commissioner's Rule 260.141.11 follows:

260.141.11 Restriction on Transfer.

(a) The issuer of any security upon which a restriction on transfer has been imposed pursuant to Sections 260.141.10 or 260.534 shall cause a copy of this section to be delivered to each issuee or transferee of such security at the time that the certificate evidencing the security is delivered to the issuee or transferee.

(b) It is unlawful for the holder of any such security to consummate a sale or transfer of such security, or any interest therein, without the prior written consent of the Commissioner (until this condition is removed pursuant to Section 260.141.12 of these rules), except:

- (1) to the issuer;

- (2) pursuant to the order or process of any court;
- (3) to any person described in Subdivision (i) of Section 25102 of the Code or Section 260.105.14 of these rules;
- (4) to the transferor's ancestors, descendants or spouse, or any custodian or trustee for the account of the transferor or the transferor's ancestors, descendants, or spouse; or to a transferee by a trustee or custodian for the account of the transferee or the transferee's ancestors, descendants or spouse;
- (5) to holders of securities of the same class of the same issuer;
- (6) by way of gift or donation inter vivos or on death;
- (7) by or through a broker-dealer licensed under the Code (either acting as such or as a finder) to a resident of a foreign state, territory or country who is neither domiciled in this state to the knowledge of the broker-dealer, nor actually present in this state if the sale of such securities is not in violation of any securities law of the foreign state, territory or country concerned;
- (8) to a broker-dealer licensed under the Code in a principal transaction, or as an underwriter or member of an underwriting syndicate or group;
- (9) if the interest sold or transferred is a pledge or other lien given by the purchaser to the seller upon a sale of the security for which the Commissioner's written consent is obtained or under this rule not required;
- (10) by way of a sale qualified under Sections 25111, 25112, 25113, or 25121 of the Code, of the securities to be transferred, provided that no order under Section 25140 or Subdivision (a) of Section 25143 is in effect with respect to such qualification;
- (11) by a corporation to a wholly owned subsidiary of such corporation, or by a wholly owned subsidiary of a corporation to such corporation;
- (12) by way of an exchange qualified under Section 25111, 25112, or 25113 of the Code, provided that no order under Section 25140 or Subdivision (a) of Section 25143 is in effect with respect to such qualification;
- (13) between residents of foreign states, territories or countries who are neither domiciled nor actually present in this state;
- (14) to the State Controller pursuant to the Unclaimed Property Law or to the administrator of the unclaimed property law of another state;
- (15) by the State Controller pursuant to the Unclaimed Property Law or by the administrator of the unclaimed property law of another state if, in either such case, such person (i) discloses to potential purchasers at the sale that transfer of the securities is restricted under

this rule, (ii) delivers to each purchaser a copy of this rule, and (iii) advises the Commissioner of the name of each purchaser;

(16) by a trustee to a successor trustee when such transfer does not involve a change in the beneficial ownership of the securities; or

(17) by way of an offer and sale of outstanding securities in an issuer transaction that is subject to the qualification requirement of Section 25110 of the Code but exempt from that qualification requirement by subdivision (f) of Section 25102; provided that any such transfer is on the condition that any certificate evidencing the security issued to such transferee shall contain the legend required by this section.

(c) The certificates representing all such securities subject to such a restriction on transfer, whether upon initial issuance or upon any transfer thereof, shall bear on their face a legend, prominently stamped or printed thereon in capital letters of not less than 10-point size, reading as follows:

“IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.”

EXHIBIT A
INVESTMENT SUMMARY

EXHIBIT B

LOAN SERVICING AGREEMENT

EXHIBIT C
SUBSCRIPTION AGREEMENT