



The Premier Lender in **Auction** and **Bridge** financing for real estate secured by First Deeds of Trust

Liberty Capital Funds – Real Estate Opportunity Fund II

Fund Overview

Liberty Capital Real Estate Opportunity Fund II, LLC (“REO II”, “Fund”), is uniquely positioned to excel in any type of economic cycle. First and foremost, the Fund seeks to provide investors with principal preservation and the opportunity for growth and income that target **net** returns of 14% or greater. The strategy of the Fund is to originate and execute short term bridge loans, secured by First Deeds of Trust, to well qualified borrowers. The Fund differentiates itself from the competition by conducting business as a licensed Consumer Lending Company, which enables them to offer bridge financing to primary residential buyers, as well as investors.

In addition to providing financing, Liberty Capital is positioning itself as a value added partner to real estate agents. According to the National Real Estate Association over 31% of all sales in the US in 2010 were “distressed” sales. Bloomberg recently reported that in Q1 of 2011 “distressed” sales were up to 39% of the entire market. Traditionally Realtors have access to the MLS and utilize bank financing, however that only covers roughly 60-70% of the market. By working with Liberty and the Fund, Realtors gain exclusive access to Liberty’s web-based proprietary information which provides insights into traditional real estate data plus the industry’s first comprehensive analysis of the “shadow inventory” that many buyers and investors are seeking today.

The Funds management and advisory board has over 150 years in related business experience. Through their collective efforts they have developed proprietary methods for valuing property, ranking homes by borrower’s criteria, and evaluating the credit worthiness of each loan request. Quantifying this data into streamlined systems allows for scalability, consistency, and growth.

REO Fund I and REO Fund II Historical Returns

Reo Fund I (closed)								Avg	Annual Return	Since Inception	
Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10				
6.88%	6.61%	4.74%	3.73%	3.22%	2.95%	4.94%	1.76%	4.35%	17.42%		
REO Fund II (open)								Avg	Annual Return	Average Quarterly Return	
Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12				
4.05%	4.50%							4.28%	17.12%	4.34%	
										Total Return	43.38%

* REO Fund I is closed with investors in REO I rolling funds to REO II as they liquidate

Fund Offering

REO II is a no load, evergreen fund, with an initial offering of \$20,000,000 USD. The minimum investment for an A share in the Fund is \$250,000; B shares have a minimum investment of \$100,000. The commitment period for the Fund is 12 months following the end of the calendar quarter in which investment began. Financials are performed quarterly and a third party audit will occur following the end of each calendar year. Distributions to investors can be set monthly, quarterly, or may compound at investors discretion.

- Annual Management Fee – 2%
- Annual Preferred Return – 8% (may be paid out monthly as a distribution, see ppm for further details)
- Profit Split to investors starting at – 60% (above the preferred return)
- Targets net distribution – 14% +

General Information

Portfolio Manager:	Liberty Capital Funds Management II, LLC	Legal:	Cairncross & Hempelmann
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