



COAST CAPITAL INCOME FUND

Frequently Asked Questions

How does Coast Capital Income Fund work?

An investor purchases units of Coast Capital Income Fund at \$1,000/unit. The Fund then lends the money out to borrowers. Borrowers make interest payments to the fund each month, and the Fund pays out interest to the investors. The Fund contains a large number of highly diverse trust deed loans as security for the investment, similar to a “mutual fund” of loans.

What is the Fund’s loan to value?

As of December 31, 2007, the portfolio average LTV is 60.23% of the original appraised values, ensuring an excellent margin of security.

For example, if a commercial property is appraised at \$1,000,000, our average loan would be \$602,300 for that property value. The conservative loan to value means a large equity cushion (in this case over 39%) exists for the loan. Our management team also personally visits and reviews every property for the Fund before we commit a penny to it.

What is the Fund’s portfolio profile?

As of December 31, 2007, the Fund had 87 loans. The majority of the loans are commercial (62%), followed by residential income 1-4 units (15%), single family residences (14%) and lots (9%).

Where are the properties in the Fund’s portfolio located ?

All the loans are secured by California real estate.

Why is the Fund attractive to borrowers?

Qualified borrowers can rely upon the Fund to provide funding much faster and more responsively than traditional banks and similar lenders. Our underwriting process normally takes less than 10 days. The marginal additional expense of a Fund loan is considered an opportunity cost by the borrower.

Who manages the Fund?

The fund manager, Coast Capital Corporation, has been managing deed of trust investments since it was founded in 1961. Mr. Pete Cline is the Chief Executive Officer of Coast Capital and he is also one of the founders of Coast Capital Income Fund I, LLC (Fund No. 1).

Under his management, Fund No.1 earned an annual average return of 10% from 2000-2007.

What kind of licensing do you have?

Coast Capital Corporation is a licensed broker through the California Department of Real Estate. Coast Capital Income Fund is licensed through the California Department of Corporations.

How does the Fund’s return compare to other investments?

The Fund’s target annual yield is 10%, which is 2.5x the national six-month CD average*. The return is based on the Fund Manager’s performance of an affiliate investment fund.

The fund is designed to provide investors with a consistent and impressive rate of return, either for income generation or tax-deferred investments such as 401K, IRAs and pension plans.

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Do I have to pay a load or commission when I invest?

Investors do not need to pay a load or commission fee. 100% of your investment goes into the Fund.

How often does the Fund pay earnings?

The Fund pays interest earnings monthly, which is paid around the 6th of each month for the previous month's interest. Investors have a choice of receiving monthly cash distributions or reinvesting by purchasing additional units, or a combination of both.

What is the minimum investment?

\$50,000 (50 units). The Fund Manager can make exceptions on a case-by-case basis.

Are there suitability standards?

Coast Capital Income Fund is offered exclusively to qualified investors who are California Residents and who meet certain minimum standards of income and/or net worth.

Can I invest my IRA in the Fund?

Yes, self-directed IRAs can invest in the Fund. This can be done at IRA Services, Schwab, TD Ameritrade, and other firms. Please call 800.675.7444 for more details.

What if I want to withdraw from the Fund?

A member may make a partial or full withdrawal from the Fund and receive a return of capital providing the following conditions have been met: (i) the Member has been in the Fund for at least six months (ii) the Member provides the LLC with a written request for the withdrawal amount.

The Fund will use its best efforts to redeem units for Members within 30 days of receiving a written request from the Member. Large withdrawals generally require longer waiting periods.

What information is provided for tax reporting?

Income information is reported on a Schedule K-1.

How do I invest?

The offering is made through the Offering Circular. After reading the Offering Circular, complete the Subscription Agreement and return it with your check, made payable to: Coast Capital Income Fund, LLC.

If you prefer to wire your funds, contact us for wire instructions. The investor begins earning interest the day the wire arrives. For investments made by check, there is a three-day hold period prior to earning interest.

CA residents only. The information is only a brief summary of, and is qualified in its entirety by, the detailed information appearing in the Offering Circular. The Offering Circular, together with the exhibits attached, should be read in their entirety before any investment decision is made.*Source bankrate.com 10/03/07.