

EQUITIES

ON THE MOVE CORPORATE PROFILES

Cal-Bay International, Inc.

OTC BB: CBAY



“Building a diversified, U.S. real estate portfolio”

2111 Palomar Airport Road, Suite 100, Carlsbad, CA 92011
 Contact: Tim Garlin • Phone: 760-930-0100 • Fax: 760-930-0200
 IR@calbayinternational.com • www.calbayinternational.com

COMPANY MISSION:

To increase shareholder value through the acquisition, development and management of commercial, industrial, residential and resort properties.

TOP 10 INVESTMENT HIGHLIGHTS

- ☑ Steadily growing revenues through a diversified portfolio of commercial, residential, industrial and resort properties.
- ☑ Concentrating on acquiring properties in high growth areas.
- ☑ Growing shareholder equity through value acquisitions with both short-term and long-term potential.
- ☑ Currently in the process of completing the necessary legal compliance and filing the required paperwork to list on the American Stock Exchange.
- ☑ Four divisions working independently and collaboratively to execute the company's overall operating plan.
- ☑ Approaching a market value of about \$50 million with annual rental revenues of over \$4 million.
- ☑ Establishing international presence and gaining access to European capital markets.
- ☑ Each property must pass Cal-Bay's stringent 10-Step Success Matrix, a proprietary due diligence process and comprehensive market evaluation.
- ☑ Cal-Bay has acquired real estate in Utah, Florida, Nevada, and California, including commercial properties and single-family residences.
- ☑ Cal-Bay's pending acquisition of Cobs Homes, LLC will result in an Internet-based home building site, where users will be able to virtually build their dream home from the ground up.

CORPORATE OVERVIEW

Cal-Bay International, a leading-edge real estate acquisition corporation, acquires, develops and manages a diversified portfolio of commercial, industrial, residential and resort properties in high-growth geographic areas. The Carlsbad, CA-based company has interests in Utah, Florida, Nevada, Ohio, Texas and California. Current real estate under contract, in escrow and owned by Cal-Bay is approaching a market value of about \$50 million with annual rental revenues of over \$4 million.

Cal-Bay's strategic plan is to create

each project such that it will generate income from the placement of the construction loan, current income during the period in which the property is held, and the capital appreciation of the facility upon sale. Prior to acquisition, each property must pass Cal-Bay's stringent 10-Step Success Matrix, a proprietary due diligence process and comprehensive market evaluation.

The biggest change to Cal-Bay's corporate structure and strategic growth plan will come when the acquisition of COBS Homes, LLC is completed hopefully in May. An Internet-based home building

site, COBS enables the user to virtually build their dream home from the ground up. The user acts as general contractor, as COBS helps them buy the land, find financing, plan construction, buy materials find subcontractors and offers 100% construction loans. This acquisition is expected to bring in an additional 40 employees to Cal-Bay as well as add annual revenues of \$6 million.

In March, the company listed on the Frankfurt Stock Exchange, the world's third largest trading center. Operating on the German exchange will give the company access to the global capital markets, strengthening its international presence and attracting European investors, who traditionally buy and hold stock long-term as a company grows.

CAL-BAY'S REAL ESTATE HOLDINGS

Cal-Bay's initial focus is the acquisition of real estate throughout the state of California and the remainder of the U.S. The company's activities include raw land acquisition and facility construction. Cal-Bay provides construction and property management expertise in exchange for an equity interest in the property. It develops projects with construction and permanent financing to be obtained through the efforts of its management and affiliates. Initially, the company may hire third party contractors to work on its projects but also may use its own staff as well. Each property is setup to generate income from the placement of the equity and construction loan, current income during the period in which the property is held, and the capital appreciation of the facility upon sale.

In 2005, the company raised capital for acquisitions and operations through the private offerings of its common stock and its preferred B stock. It also entered into short-term loan agreements to fulfill capital needs. To support its operations in the long term, the company plans to raise funds by selling at least one of its properties this year.

CURRENT PROJECTS

Aspen Cove, Utah

Cal-Bay's Aspen Cove, Utah real estate is comprised of a 45-acre lakefront property, which includes development land and an operational 14-room lakefront lodge. The company plans to build 21 luxury 3000-square-foot vacation homes on the mountaintop resort. Each home will have approximately one acre of land. The property was acquired for \$2.6 million in the second quarter of 2005. Management estimates the value of the property at \$5 million.

Las Vegas, Nevada

Also in the second quarter of 2005, the company entered into escrow to purchase the Las Vegas Distribution Center, a 30,000-square-foot facility, with four commercial loading docks. The warehouse is situated within minutes of the international airport. The purchase price is \$3.1 million. In the same period, Cal-Bay acquired a single family 2500-square-foot residence for \$250,000 on Valley Drive in Las Vegas.

West Palm Beach, Florida

In the third quarter ending December 31, 2005, the company purchased the first mortgage position on a parcel of land comprising approximately 290 acres in West Palm Beach, FL. The company purchased the mortgage on the property for \$5.5 million. Payment on the mortgage includes \$1.5 million in cash and \$4 million in the company's preferred B stock. Cal-Bay purchased the mortgage on the property through funds raised via a private offering. Subsequent to year-end December 31, 2005 the balance of funding for the note was completed. The maturity value of this mortgage is now in excess of \$8 millions dollars.

Southern California

The company is in escrow to acquire a Southern California residential property for the sum of \$2.6 million. The property has an appraised value of \$3.2 million and will generate approximately \$144,000 a year in revenue.

MARKET OPPORTUNITY

Real estate continues to attract capital. In search of better returns and diversification, a broader group of institutional and individual investors are putting more assets into commercial real estate

securities, funds and properties, according to a recent report by Deloitte & Touche LLP. These investors include pension funds, domestic/international high net worth families and hedge funds. As an asset class, commercial real estate has offered investors an attractive combination of steady returns and low volatility. In the public markets, REITs have also posted strong returns of 38.8% in 2003 and 30.4% in 2004. Despite a bumpy year through October 2005, all REITs posted returns of 4.01% and equity REITs of 7.84%

The volume of transactions of investment real estate worth more than \$5 million increased 24% from \$118.9 billion in 2003 to \$185.4 billion in 2004, according to Real Capital Analytics. At \$190.3 billion through the first three quarters of 2005, transactions had already surpassed 2004. REITs and other public companies represented the largest net buyers.

MANAGEMENT

Roger E. Pawson is chairman, president and CEO. From 1999 to 2001, Pawson was the president and CEO of TLCO Software, Inc., a company that develops advanced user friendly Web authoring software. He sold his interest in TLCO Software in 2001 and then repurchased a majority interest in TLCO Software in 2004. From 2001 to 2004, Pawson served as president and CEO of National Developers, an Arizona-based development company that specializes in the design and construction of custom homes, shopping malls and strip centers. During 2004, he was the interim president and a director of SK Technologies, a publicly traded company. Pawson also serves as President and CEO of Union Dental Holdings Inc, OTC BB: UDHI and Pegasus Wireless Corp OTC BB PGWC from 2004 to 2005. From 2005 to current President and CEO of Cal-Bay International, Inc.

This corporate profile is based upon information provided by management of Cal-Bay International Inc.. The information is not intended to be, and shall not constitute, an offer to sell or solicitation of any offer to buy any security. It is intended for information only, and to increase awareness of Cal-Bay International Inc.'s services. Safe Harbor Statement: The statements in this document relating to future product availability, collaboration and partnership, and positive direction are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of

1995. Some or all of the aspects anticipated by these forward-looking statements may not, in fact, occur. Factors that could cause or contribute to such differences include, but are not limited to, contractual difficulties, demand for Cal-Bay International Inc.'s products, the future market price of Cal-Bay International Inc. common stock, and the Company's ability to obtain necessary future financing. EQUITIES Magazine was paid \$7,500 by Cal-bay International Inc. to write and print this profile in the Summer issue of EQUITIES Magazine. Before investing in any security, you are strongly advised to review all public filings of the issuer of such security, which can be found at www.sec.gov, as well as the warnings published by the Securities and Exchange Commission at <http://www.sec.gov/investor.shtml>.