



MULTIFAMILY INVESTMENT SUMMARY ANALYSIS

PROJECT NAME:		TOTAL # UNITS	31
PROPERTY ADDRESS	6021-6029 Carlton Way	COST PER UNIT	\$130,645
CITY, STATE, ZIP CODE	Los Angeles, CA. Property Type	CURRENT GRM	9.61
		MARKET GRM	7.57
PROPOSED SALES PRICE	\$4,050,000	CURRENT CAP RATE	6.63%
PROPOSED FINANCING (1ST TD)	\$2,632,500 65.00% 6.250%	MARKET CAP RATE	8.53%
SECONDARY FINANCING		TOTAL BUILDING SQ FT	28,272
TOTAL FINANCING	\$2,632,500 65.00%	AVERAGE UNIT SIZE	832
CASH DOWN PAYMENT	\$1,417,500 35.00%	AVERAGE RENT / UNIT	\$1,115

# UNITS	APARTMENT UNIT MIX:	LOW	HIGH	MKT RENT	UNIT SIZE
11	1 Bdr / 1 Bath	\$708	\$1,102	\$1,200	691
6	2 Bdr / 1 Bath	\$846	\$1,425	\$1,425	728
7	2 Bdr / 2 Bath	\$1,054	\$1,553	\$1,575	809
6	3 Bdr / 2 Bath	\$1,097	\$1,682	\$1,700	1,279
1	Single / 1 Bath	\$1,045	\$1,045	\$1,045	500

	CURRENT	MARKET		Annual Operating Expenses
Total Scheduled Monthly Rents:	\$34,566	\$44,020		Real Estate Taxes \$47,750
Laundry	\$350	\$350		Other Taxes & Assessments \$3,100
Parking				Licenses \$620
Vending	\$200	\$200		Insurance \$7,068
Total Monthly Scheduled Income	\$35,116	\$44,570		Utilities \$26,549
Total Gross Annual Scheduled Income	\$421,392	\$534,840		Trash \$5,057
Less Vacancy Allowance 3%	(\$12,642)	(\$26,742)	5%	Maintenance & Repairs \$9,300
Effective Gross Income (EGI)	\$408,750	\$508,098		Apartment Turnover \$3,000
Less Operating Expenses <u>34.29%</u>	(\$140,155)	(\$162,591)	<u>32.00%</u>	Gardening \$3,600
Net Operating Income	\$268,596	\$345,507		Professional Mgt \$15,536
Debt Service 1st TD	(\$194,505)	(\$194,505)		Resident Mgr Salary
Debt Service 2nd TD				Resident Mgr Apt Allowance \$9,600
Total Debt Service	(\$194,505)	(\$194,505)		General & Administrative \$1,500
Total Cash Flow	\$74,091	\$151,002		Advertising & Marketing \$775
Total Cash on Cash Return	5.23%	10.65%		Payroll & Salaries
Estimated Principal Reduction (1st TD)	\$41,030	\$41,030		Miscellaneous expenses \$500
Estimated Annual Depreciation	\$89,237	\$89,237		Replacement Reserves \$6,200
				Total: \$140,155
Year Built: 1963	Lot Size 23,940	Total Bldg Sq Ft 28,272		Total Expense/Unit: \$4,521
Gas Utility Meters: Separate Meters				Total Expense % EGI: 34.29%
Electric Utility Meters: Separate Meters		Type of Parking: Sub-Terr		
# of Stories: 2-Story		Amenities: Laundry facility.		
Laundry Room Yes	COMMENTS:			

WFP makes no warranty or representation about the content of this investment summary. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The above information is from sources deemed to be reliable. Please complete your own due diligence and investigations.

Multifamily Rent Roll as of: **4/1/09**

PROPERTY ADDRESS				CITY, STATE, ZIP									
6021-6029 Carlton Way				Los Angeles, CA. 90028									
TOTAL NUMBER OF UNITS:			# OF VACANT UNITS:			# OF FURNISHED UNITS:			# OF UNFURNISHED UNITS:			# SECTION 8 UNITS:	
31			0			0			31			1	
APT. #	TENANTS NAME	BDR / BATH	SQ. FEET (approx)	CURRENT RENT IN PLACE	MARKET RENT	ORIGINAL OCCUPANCY DATE	CURRENT LEASE EXPIRATION or MTM	DATE LAST RENT INCREASE	FURNISHED UNIT (Y/N)	SEC 8 (Y/N)	RENT CONCESSIONS		
1		2 / 2		\$1,127.40						N			
2		2 / 1		\$1,503.00						N			
3		3 / 2		\$1,531.76						N			
4		1 / 1		\$899.12						Y			
5		2 / 2		\$850.00						N			
6		2 / 1		\$1,292.07						N			
7		2 / 2		\$1,054.21						N			
8		3 / 2		\$970.67						N			
9		2 / 1		\$1,097.86						N			
10		1 / 1		\$708.33						N			
11		1 / 1		\$899.12						N			
12		2 / 1		\$846.88						N			
13		3 / 2		\$979.76						N			
14		2 / 2		\$1,127.40						N			
15		2 / 1		\$846.88						N			
16		2 / 2		\$1,127.04						N			
17		2 / 1		\$1,138.54						N			
18		3 / 2		\$1,656.71						N			
19		1 / 1		\$1,104.96						N			
20		2 / 1		\$903.77						N			
21		2 / 1		\$846.88						N			
22		2 / 2		\$1,127.40						N			
23		3 / 2		\$1,682.96						N			
24		2 / 1		\$846.88						N			
25		1 / 1		\$709.23						N			
26		1 / 1		\$1,157.96						N			
27		2 / 1		\$874.18						N			
28		3 / 2		\$1,632.77						N			
29		2 / 2		\$1,553.00						N			
30	Manager	2 / 1		\$1,425.00						N	\$200		
31		S / 1		\$1,045.00						N			
		/											
		/											

MONTHLY RENT SCHEDULE: \$34,566.74

ALL COLUMNS AND SECTIONS MUST BE COMPLETED

	2007	2008	YTD-2009 4/1/2009	YTD-ANULZD 3	ACTUAL Current Rents	APPRAISAL Guidelines	FINAL UW	
Gross Potential Base Rent	315,799	403,677	0	0	414,792	402,252	402,252	
Laundry	0	4,200	0	0	4,200	4,200	4,200	
Parking	0	7,440	0	0	0	0	0	
Vending	0	2,400	0	0	2,400	2,400	2,400	
Gross Potential Income	315,799	417,717	0	0	421,392	408,852	408,852	
Less: Physical Vacancy	0	0	0	0	(8,428)	2% (20,443)	5% (20,443)	5%
Less: Concessions & Delinquency	0	0	0	0	0	0%	0	0%
Total Economic Vacancy	0	0	0	0	(8,428)	(20,443)	(20,443)	
% Total Economic Vacancy	0.00%	0.00%	#DIV/0!	#DIV/0!	2.00%	5.00%	5.00%	
EFFECTIVE GROSS INCOME (EGI)	315,799	417,717	0	0	412,964	388,409	388,409	
OPERATING EXPENSES:								
Real Estate Taxes	53,316	50,347	0	0	47,750	47,750	47,750	1.179%
Other Taxes & Assessments	0	0	0	0	3,100	3,100	3,100	0.077%
Licenses	0	0	0	0	620	620	620	\$20
Insurance	4,024	4,389	0	0	7,068	7,068	7,068	\$0.25
Gas	0	8,456	0	0	8,709	8,709	8,709	\$281
Electric	0	0	0	0	0	0	0	\$0
Water & Sewer	0	0	0	0	0	0	0	\$0
Trash	0	4,910	0	0	5,057	5,057	5,057	\$13.59
Undetailed Combined Utilities	19,638	17,321	0	0	17,840	17,840	17,840	\$575
Pest Control	0	0	0	0	775	775	775	\$25
Building Maintenance & Repairs	4,400	0	0	0	9,300	9,300	9,300	\$300
Pool Maintenance	0	0	0	0	0	0	0	\$0
Elevator Maintenance	0	0	0	0	0	0	0	\$0
Turnover Decorating (Interior & Exterior)	0	0	0	0	3,100	3,100	3,100	\$100
Cleaning & Operating Supplies	0	3,600	0	0	1,550	1,550	1,550	\$50
Payroll (Janitorial, Salaries, Security)	0	0	0	0	0	0	0	\$0
Payroll Taxes / Workers Comp	0	0	0	0	0	0	0	#DIV/0!
Telephone & Communications	0	0	0	0	930	930	930	\$2.50
Legal & Professional Fees	0	0	0	0	1,550	1,550	1,550	\$50
Gardening / Landscaping	6,600	3,600	0	0	3,600	3,600	3,600	\$9.68
Non Resident Manager (Off Site)	0	0	0	0	15,536	15,536	15,536	4.00%
Resident Mgr Salary	0	0	0	0	0	0	0	\$0
Resident Mgr Apt Allowance	0	2,400	0	0	2,400	8,400	8,400	\$700
General & Administrative	0	0	0	0	0	1,550	1,550	\$50
Advertising & Marketing	1,100	0	0	0	0	775	775	\$25
Contract Services	0	0	0	0	0	0	0	
Miscellaneous expenses	0	0	0	0	0	0	0	0.00%
TOTAL OPERATING EXPENSES	\$89,078	\$95,022	\$0	\$0	\$128,885	137,210	137,210	
Replacements / Reserves	0	0	0	0	0	8,525	8,525	\$275
TOTAL EXPENSES & REP. RESERVES	\$89,078	\$95,022	\$0	\$0	\$128,885	145,735	145,735	
Expenses / Sq Foot	\$3.15	\$3.36	\$0.00	\$0.00	\$4.56	\$5.15	\$5.15	
Expenses / EGI %	28.21%	22.75%	#DIV/0!	#DIV/0!	31.21%	37.52%	37.52%	
Expenses / Per Unit	\$2,873	\$3,065	\$0	#DIV/0!	\$4,158	\$4,701	\$4,701	
NET OPERATING INCOME	\$226,721	\$322,695	\$0	\$0	\$284,079	\$242,675	\$242,675	
1st TD Debt Service	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	
DSCR (Qualifying)	1.17	1.66	0.00	0.00	1.46	1.25	1.25	
2nd TD Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Combined Debt Service	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	(\$194,505)	
COMBINED DSCR (Qualifying)	1.17	1.66	0.00	0.00	1.46	1.25	1.25	
Capital Improvements	\$0	\$210,000	\$0	\$0	N/A			
Stress Test DCR Rate	6.250%				1.46	1.25	1.25	
Breakeven Vacancy					23.26%	16.78%	16.78%	
Breakeven Interest Rate					10.293%	8.490%	8.490%	
Cap Rate					7.014%	5.992%	5.992%	



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Prepared for: David Condon & Vahan Saroians

RE: Carlton Way Apartments 6021-6029 Carlton Way Los Angeles, CA. 90028

Date: 5/20/2009

CURRENT / MARKET RENTS	Current Rents	Current Rents	Current Rents	Current Rents	Current Rents
LOAN PROGRAM OPTIONS	ARM- 12 MAT	3-Year Fixed / ARM	5-Year Fixed / Balloon	7-Year Fixed / Balloon	10-Year Fixed / Balloon
PURCHASE PRICE / VALUE	\$4,050,000	\$4,050,000	\$4,050,000	\$4,050,000	\$4,050,000
LOAN AMOUNT	\$3,037,500	\$2,842,000	\$2,628,000	\$2,628,000	\$2,699,000
LOAN TO VALUE (DCR)	75%	70%	65%	65%	67%
LOAN TO VALUE (Guidelines)	75%	75%	80%	80%	80%
DEBT COVERAGE RATIO	1.20	1.20	1.25	1.25	1.25
CURRENT INTEREST RATE	5.250%	5.900%	5.430%	5.830%	5.930%
VARIABLE RATE MARGIN	2.55%	2.65%	0.00%	0.00%	0.00%
CEILING (First Adjustment)	10.700%	11.250%	0.000%	0.000%	0.000%
LOAN TERM	30/30	30/30	30/5	30/7	30/10
AMORTIZATION IN YEARS	30	30	30	30	30
MONTHLY PAYMENT	\$16,773	\$16,857	\$16,181	\$16,181	\$16,182
RECOURSE	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
IMPOUNDS	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance
PRE-PAYMENT	1.25, 1.25, 1.25	1.25, 1.25, 1.25	Yield Maintenance	Yield Maintenance	Yield Maintenance
LOAN FEE	1.00%	1.00%	1.00%	1.00%	1.00%

COMMENTS

Current financing options from preliminary underwriting as of above date. Please call for current update. These quotes have been underwritten with complete rent roll and prior two (2) years operating history, plus the year to date profit & loss statement. Maximum loan dollars is available with program # 1 (Adjustable), qualified at 5.25% with a 1.20 DCR.

Rates & Terms are subject to change without notice with market conditions.

Project Name:	Carlton Way Apartments				# Units	30	Exit Strategy Reinvestment Capital:		\$1,532,265			
Address:					Cost / Unit:	\$135,000	Exit Strategy Cost / Unit:		\$166,503			
	Purchase Price			\$4,050,000		Capitalization Rate - at actual		0.000%				
	Down Payment			\$1,296,000		Capitalization Rate - at market		6.630%				
	Renovation Budget			\$0		Exit Strategy Closing Costs:		2.25%				
	Closing Costs, 3rd Party Reports			\$50,000		Mortgage Interest Rate (1st TD)		5.450%				
	Total Project Costs			\$4,100,000		Amortization (1st TD)		360				
	Amount Financed (1st TD)			\$2,754,000		Mortgage Interest Rate (2nd TD)		0.000%				
	Amount Financed (2nd TD); Earn-Out			\$0		Amortization (2nd TD)		360				
	Total Invested Capital			\$1,346,000		Annual increase in Gross Rents (after stabilization)		3.50%				
	Total Invested Capital after Earn-Out			\$1,346,000		% of Increase. to Operating Expenses		5.00%				
	IRR on net cash flow			5.99%		Annual Depreciation Schedule		\$90,000				
	Vacancies year 1			3.00%		Estimated Tax Bracket		40.00%				
	Vacancies year 2			3.00%								
	Vacancies after year 2 (Stabilized)			3.00%								
Year												
	1	2	3	4	5	6	7	8	9	10	Totals	
Net Cash Flow												
Gross Scheduled Rents	421,392	421,392	436,092	451,392	467,192	483,592	500,492	517,992	536,092	554,892	4,790,520	
Vacancies	(12,642)	(12,642)	(13,083)	(13,542)	(14,016)	(14,508)	(15,015)	(15,540)	(16,083)	(16,647)	(143,716)	
Effective Gross Income (EGI)	408,750	408,750	423,009	437,850	453,176	469,084	485,477	502,452	520,009	538,245	4,646,804	
Operating expenses	(140,155)	(140,155)	(147,163)	(154,521)	(162,247)	(170,359)	(178,877)	(187,821)	(197,212)	(207,073)	(1,685,583)	
Operating expenses % EGI	34.29%	34.29%	34.79%	35.29%	35.80%	36.32%	36.85%	37.38%	37.92%	38.47%	36.27%	
Net Operating Income	268,595	268,595	275,846	283,329	290,929	298,725	306,600	314,631	322,797	331,172	2,961,221	
Mortgage Payments (1st TD)	186,607	186,607	186,607	186,607	186,607	186,607	186,607	186,607	186,607	186,607	1,866,075	
Mortgage Payments (2nd TD)												
Pre-Tax Net Cash Flow	81,988	81,988	89,239	96,722	104,322	112,117	119,993	128,024	136,190	144,565	1,095,146	
Total Principal Reduction	37,441	39,533	41,742	44,075	46,538	49,138	51,884	54,784	57,845	61,077	484,056	
Depreciation	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	900,000	
Taxable Income	\$29,428	\$31,521	\$40,981	\$50,796	\$60,859	\$71,256	\$81,877	\$92,807	\$104,035	\$115,642	\$679,202	
Estimated Tax Liability	\$11,771	\$12,608	\$16,392	\$20,319	\$24,344	\$28,502	\$32,751	\$37,123	\$41,614	\$46,257	271,681	
After Tax Cash Flow	\$70,216	\$69,380	\$72,847	\$76,403	\$79,978	\$83,615	\$87,242	\$90,901	\$94,576	\$98,308	823,465	
% After Tax Cash on Cash Return	5.22%	5.15%	5.41%	5.68%	5.94%	6.21%	6.48%	6.75%	7.03%	7.30%	6%	
Mortgage												
Beginning Principal Balance (1st TD)	2,754,000	2,716,559	2,677,027	2,635,285	2,591,210	2,544,672	2,495,534	2,443,650	2,388,867	2,331,022	2,754,000	
Principal Reduction (1st TD)	37,441	39,533	41,742	44,075	46,538	49,138	51,884	54,784	57,845	61,077	484,056	
Ending Principal Balance (1st TD)	2,716,559	2,677,027	2,635,285	2,591,210	2,544,672	2,495,534	2,443,650	2,388,867	2,331,022	2,269,944	3,238,056	
Beginning Principal Balance (2nd TD)	N/A	-	-	-	-	-	-	-	-	-	-	
Principal Reduction (2nd TD)	N/A	-	-	-	-	-	-	-	-	-	-	
Ending Principal Balance (2nd TD)	N/A	-	-	-	-	-	-	-	-	-	-	
Invested Cash												
Cash Distributed	81,988	81,988	89,239	96,722	104,322	112,117	119,993	128,024	136,190	144,565	1,095,146	
Cumulative Cash Distributions	81,988	163,976	253,215	349,936	454,258	566,376	686,368	814,392	950,581	1,095,146	1,095,146	
Beginning Cash Investment	1,296,000	1,214,012	1,132,024	1,042,785	946,064	841,742	729,624	609,632	481,608	345,419	1,296,000	
Cash Distributed	81,988	81,988	89,239	96,722	104,322	112,117	119,993	128,024	136,190	144,565	1,095,146	
Ending Cash Invested	1,214,012	1,132,024	1,042,785	946,064	841,742	729,624	609,632	481,608	345,419	200,854	200,854	
Property Value												
Beginning Property Value	4,050,000	4,051,200	4,051,200	4,160,600	4,273,400	4,388,100	4,505,700	4,624,400	4,745,600	4,868,700	\$4,050,000	
Ending Property Value Based	4,051,200	4,051,200	4,160,600	4,273,400	4,388,100	4,505,700	4,624,400	4,745,600	4,868,700	4,995,100	\$4,995,100	
Less Closing Costs (Commission)	3,960,000	3,870,000	3,780,000	3,690,000	3,600,000	3,510,000	3,420,000	3,330,000	3,240,000	3,150,000	\$112,390	
Gross Profit											\$4,882,710	
Less Loan Payoff											\$3,238,056	
Net Profit											\$1,532,265	
Cash Flow for IRR	(1,416,216)	69,380	72,847	76,403	79,978	83,615	87,242	90,901	94,576	98,308	\$1,532,265	
Beginning Cash Investment	1,296,000	1,132,024	1,042,785	946,064	946,064	729,624	609,632	481,608	345,419	200,854		