

### Transaction Summary Pre Screen

6/6/2023

Project Name            The Island Apartments  
 Address                    3636 Ocean Breeze Ave.  
 City, State, Zip        Torrance, CA. 90504

Source / Broker  
 Company  
 Address  
 City, State, Zip

Purpose of Transaction

Purchase transaction

Borrower Profile: 30 Years experience as investor with in house property management. See attached SREO & PFS

Story: N/A

See attached listing broker OM

Purchase / Refinance	Purchase Transaction		
Sales Price / Estimated Value	\$20,000,000		
% Loan to Value	60.00%	\$12,000,000	Loan Amt
% Down Payment / Equity	40.00%	\$8,000,000	Equity
Monthly Income (Current Rents)	\$140,000	11.90	GRM
Laundry Income	\$1,000	1.23	DCR
RUBS Program	\$350	5.25%	Cap Rate
Administration	\$125	\$266,667	CPU
Monthly Income (Market Rents)	\$155,000	10.71%	% Upside

Interest Rate	5.850%		
Amortization	360		
Loan Program	5 Year Fixed		Prepay: 5-4-3-2-1
Lot Size:	1.2 Acres		APN # 33-55-5556
Property Type	75 Unit Garden style multifamily		
Total Number of Units	75	\$266,667	CPU
Year Built	1961	Rehab	
Gross Building Area	51,668	Avg Sq Ft	689
Laundry Room	Yes		
Pool	One Pool		
Elevator	No		
Gas Utilities	Separate Meters		
Electric Utilities	Separate Meters		

Borrowing Entity	ABC LLC
Guarantor's	John & Mary Smith
Guarantor's	

**Transaction Type** Purchase Transaction

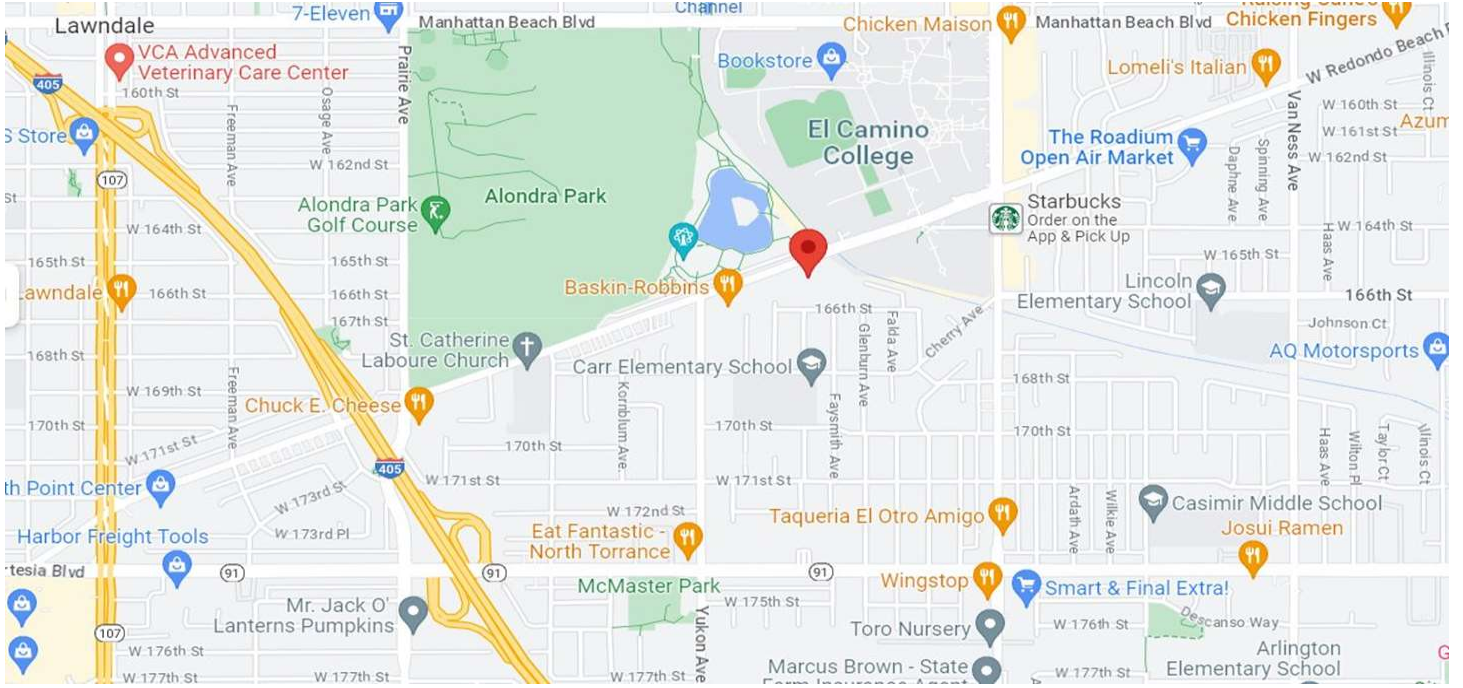
PURCHASE TRANSACTION		REFINANCE TRANSACTION	
Sales Price:	\$20,000,000	Estimated Value:	N/A
Cash Down:	\$8,000,000	Date Acquired:	
Requested 1st TD:	\$12,000,000	Original Cost:	
Subordinate Financing:	\$0	Existing Debt:	
Total Financing:	\$12,000,000	New 1st TD:	
Estimated Closing Date:		Subordinate Debt:	
Source of Down Payment:		Total Financing:	
		Net Proceeds:	

Source of Funds		LTC-Cost Basis	
Savings	\$5,000,000	Purchase Price:	\$0
1031 Exchange	\$9,000,000	Rehab:	\$0
Refinance	\$0	Cost Basis:	\$0
Other	\$0	Proposed Loan Amount:	\$0
<b>Total:</b>	<b>\$14,000,000</b>	% LTC:	#DIV/0!

**Photos**



### Map Location



The Island Apartments

3636 Ocean Breeze Ave.

Torrance, CA. 90504

AS IS / Full Market Rents	
Total GBA	30,000
# of Units	30
1st TD LTV	55.00%
Cost per Sq Ft	\$317
Value per Unit	\$316,667
Loan per Unit	\$174,167
GRM (Actual)	12.62
GRM (Market)	10.25
Cap (Actual)	4.73%
Cap (Market)	6.38%
<b>% Rent Upside</b>	<b>23.97%</b>

Financial Underwriting Analysis

	2021	2022	2023 YTD	In Place	Market Rents	
			12		Rent Control	
<b>Gross Scheduled Income</b>	726,000	726,000	726,000	726,000	\$60,500	\$75,000
Laundry Income	10,226	12,446	12,000	12,000	\$1,000	\$1,000
RUBS Program	3,000	3,600	4,200	12,000	\$1,000	\$1,000
Administration			1,500	3,000	\$250	\$250
<b>Total Gross Potential Income</b>	739,226	742,046	743,700	753,000	\$62,750	\$77,250
Less Vacancy Allowance				(37,650)	5%	5%
<b>Gross Operating Income (GOI)</b>	739,226	742,046	743,700	715,350		
<b>OPERATING EXPENSES:</b>						
Real Estate Taxes	35,000	36,000	0	118,750	118,750	1.250%
Other Taxes & Assessments			0	0	0	0.000%
Licenses	1,858	4,012	0	1,500	1,500	\$50
Insurance	13,199	5,002	0	15,000	15,000	\$0.50
Gas	11,000	13,000	1,800	6,000	6,000	\$200
Electric	20,000	22,000	17,000	6,000	6,000	\$200
Water & Sewer	36,488	29,853	30,000	16,500	16,500	\$550
Trash	18,692	20,958	21,000	7,200	7,200	\$20.00
Undetailed Combined Utilities				0	0	\$0
Pest Control	780	780	0	1,500	1,500	\$50
Building Maint & Repairs	44,001	80,000	12,000	28,500	28,500	\$950
Pool Maintenance	4,890	30,781	0	0	0	\$0
Elevator Maintenance			0	0	0	\$0
Interior & Exterior Decorating			0	0	0	\$0
Cleaning			0	0	0	\$0
Supplies			0	0	0	\$0
Payroll(Janitorial, Salaries)			0	0	0	\$0
Payroll Taxes / Workers Comp			0	0	0	0%
Telephone & Communications	3,851	3,601	0	0	0	\$0.00
Legal & Professional Fees		1,465	0	3,000	3,000	\$100
Gardening / Landscaping	11,150	7,170	0	0	0	\$0.00
Off Site Professional Mgt	50,000	52,000	0	28,614	35,226	4.00%
Resident Mgr Salary	14,000	16,800	0	12,600	12,600	\$35
Resident Mgr Apt Allowance	24,000	24,000	0	0	0	\$0
General & Administrative	1,500	1,000	0	3,000	3,000	\$100
Advertising & Marketing	1,125	1,508	0	1,500	1,500	\$50
Contract Services			0	0	0	\$0
Miscellaneous expenses			0	7,154	8,807	1.00%
<b>TOTAL OPERATING EXPENSES</b>	\$291,534	\$349,930	\$81,800	\$256,818	265,083	
Replacements / Capex	0	0	0	9,000	9,000	\$300
<b>TOTAL EXPENSES &amp; RESERVES</b>	\$291,534	\$349,930	\$81,800	\$265,818	274,083	
Expenses / % GOI	39.44%	47.16%	11.00%	37.16%	31.12%	Qualifying Rate 5.850%
Expenses / Per Unit	\$9,718	\$11,664	\$2,727	\$8,861	\$9,136	Interest Rate 5.850%
<b>NET OPERATING INCOME</b>	\$447,692	\$392,116	\$661,900	\$449,533	\$606,568	Amortization 30
1st TD Debt Service 5.850%	(\$373,151)	(\$373,151)	(\$373,151)	(\$373,151)	(\$373,151)	1ST TD LTV (As Is) 55.00%
<b>DSCR (Qualifying-Amort)</b>	1.20	1.05	1.77	1.20	1.63	2nd TD LTV (As Is) 0.00%
2nd TD Debt Service 0.00%	\$0	\$0	\$0	\$0	\$0	Value (As Is) \$9,500,000
Total Combined Debt Service	(\$373,151)	(\$373,151)	(\$373,151)	(\$373,151)	(\$373,151)	Loan Amount 1st TD \$5,225,000
Total Combined DCR	1.20	1.05	1.77	1.20	1.63	Loan Amount 2nd TD \$0
1st TD Debt Service (Interest Only)	(\$309,908)	(\$309,908)	(\$309,908)	(\$309,908)	(\$309,908)	
DCR with Interest Only Payments	1.44	1.27	2.14	1.45	1.96	

% of Value / Price	
Direct Assessment	
Per Unit / Year	
Per Sq Ft (GBA)	
Per Unit / Year	
Per Unit / Year	
Per Unit / Year	
Per Unit / Month	
% of Value / Price	
Per Unit / Year	
Per Month	
Per Month	
Per Unit / Year	
Per Unit / Year	
Per Unit / Year	
Per Unit / Year	
Check actual if applicable	
% of Payroll if applicable	
Per Unit / Month	
Per Unit / Year	
Per Unit / Month	
% of GOI	
Per Unit / Month	
Per Month if applicable	
Per Unit / Year	
Per Unit / Year	
Per Unit / Year	
% of GSI if applicable	

Underwriting Comments

2021 Capex	\$10,000 water heater
2022 Capex	\$40,000 new windows
2022 Capex	\$24,680 pool resurface included in Pool expense.
YTD 2023 Collections	
Trailing 90 Day Collections	
Other Notes	

Narrative

As of: 6/6/2023

Property: The Island Apartments  
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Torrance, CA. 90504

# Units: **Rent Roll**  
 30

Unit #	Tenants Name	Deposit	Monthly Rent	Market Rents	Other	# of Bdrm	# of Bath	Move In Date	Last Rent Increase	Section 8
1	John Smith		\$2,500.00	\$2,500.00		2	2	08/01/23		No
2			\$2,000.00	\$2,500.00		2	2	06/01/19	06/01/23	No
3			\$2,000.00	\$2,500.00		2	2	06/01/19		No
4			\$2,000.00	\$2,500.00		2	2	06/01/19		No
5			\$2,000.00	\$2,500.00		2	2	06/01/19		No
6			\$2,000.00	\$2,500.00		2	2	06/01/19		No
7			\$2,000.00	\$2,500.00		2	2	06/01/19		No
8			\$2,000.00	\$2,500.00		2	2	06/01/19		No
9			\$2,000.00	\$2,500.00		2	2	06/01/19		No
10			\$2,000.00	\$2,500.00		2	2	06/01/19		No
11			\$2,000.00	\$2,500.00		2	2	06/01/19		No
12			\$2,000.00	\$2,500.00		2	2	06/01/19		No
13			\$2,000.00	\$2,500.00		2	2	06/01/19		No
14			\$2,000.00	\$2,500.00		2	2	06/01/19		No
15			\$2,000.00	\$2,500.00		2	2	06/01/19		No
16			\$2,000.00	\$2,500.00		2	2	06/01/19		No
17			\$2,000.00	\$2,500.00		2	2	06/01/19		No
18			\$2,000.00	\$2,500.00		2	2	06/01/19		No
19			\$2,000.00	\$2,500.00		2	2	06/01/19		No
20			\$2,000.00	\$2,500.00		2	2	06/01/19		No
21			\$2,000.00	\$2,500.00		2	2	06/01/19		No
22			\$2,000.00	\$2,500.00		2	2	06/01/19		No
23			\$2,000.00	\$2,500.00		2	2	06/01/19		No
24			\$2,000.00	\$2,500.00		2	2	06/01/19		No
25			\$2,000.00	\$2,500.00		2	2	06/01/19		No
26			\$2,000.00	\$2,500.00		2	2	06/01/19		No
27			\$2,000.00	\$2,500.00		2	2	06/01/19		No
28			\$2,000.00	\$2,500.00		2	2	06/01/19		No
29			\$2,000.00	\$2,500.00		2	2	06/01/19		No
30			\$2,000.00	\$2,500.00		2	2	06/01/19		No

Total Rental Income	\$60,500.00	\$75,000.00	
Laundry Income	\$1,000.00	\$0.00	
RUBS Program	\$1,000.00	\$0.00	
Administration	\$250.00	\$0.00	
<b>Total Monthly Income</b>	<b>\$62,750.00</b>	<b>\$75,000.00</b>	<b>\$0.00</b>

Borrower/Seller

Date

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