

Investment Summary Mariposa Woods Ontario, California



Property Description: The property consists of 22 townhome residences, individually platted for condominium purposes, with 44 covered carport spaces, swimming pool, attractive grounds, and controlled access.

Purchase Date: 12/6/98

Purchase Price: \$885,000 (\$40,227 / unit)

Renovation Budget: \$310,000

Lender: Acacia Bank / Cal Fed Bank

Equity Investment: \$300,000

Business Plan: Acquired the property from Bank of America REO sale division. The property was completely vacant at time of purchase and in very poor condition. Complete renovation of exteriors and interiors required including new roofs, siding, paint, fencing, landscape, pool resurface, new countertops, floor coverings, window coverings, plumbing, appliances, etc. After completion, lease up to new resident profile just below home ownership level, with the exit potential of condo conversion to existing residents, or outright sale to investor.

Projected Returns: Based on five year modeling, the equity yield was targeted to be 26%.

Actual Results: Renovation was very difficult, but completed on time. Lease up was well received by new residents. Property sold in December, 2001 for \$1,825,000 (above forecast), producing yield of 25% to investors. Proceeds were traded into acquisition of Venice Park Apartments in North Miami, Florida.

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