

**1651 LARKIN STREET  
UNDERWRITING**

	<b>2008</b>	\$/unit 12	<b>T12 July 2008 - June 2009</b>	\$/unit 12	<b>Current As- Is UW</b>	\$/unit 12	
<b>REVENUE</b>							
Gross Apartment Rent	138,397	11,533	152,148	12,679	176,234	14,686	(1) 2/1/2010 rent roll
Storage	-	-	-	-	1,200	100	
Parking	2,860	238	2,270	189	2,400	200	
Laundry	(443)	(37)	(1,205)	(100)	2,160	180	
Vacancy	-	-	-	-	5%	(6,463)	(539) (2) 5% on market units
Effective Gross Income	140,814	11,735	153,213	12,768	175,532	14,628	
<b>EXPENSES</b>							
Insurance	6,024	502	5,878	490	2,356	196	per current policy
Legal & Professional	-	-	323	27	1,000	83	
Repairs & Maintenance	1,086	91	3,194	266	6,000	500	
Utilities	17,699	1,475	17,692	1,474	17,700	1,475	
Property Management	4.0% 5,633	469	3.0% 4,537	378	4.0% 7,021	585	4% of EGI
Onsite Manager's Expense	-	-	9,876	823	-	-	
Leasing Commissions	-	-	500	42	-	-	
Advertising	-	-	-	-	-	-	
Other Operating Expense	60	5	967	81	-	-	
Property Taxes	27,888	2,324	28,164	2,347	26,207	2,184	1.20% x market value
Total Operating Expense	41.5% 58,390	4,866	46.4% 71,131	5,928	34.3% 60,284	5,024	
<b>Net Operating Income</b>	<b>82,425</b>	6,869	<b>82,082</b>	6,840	<b>115,247</b>	9,604	
Capital Expenditures	-	-	-	-	3,000	250	\$250/unit
<b>Net Cash Flow</b>	<b><u>82,425</u></b>	6,869	<b><u>82,082</u></b>	6,840	<b><u>112,247</u></b>	9,354	

GRM	12.00
Market Value	<b>2,183,928</b>
Cap Rate	5.28%
Value/unit	181,994
Value/sf	388

**Bold= Recent Leases and Vacant Units**

**Red= Severely Below Market Units**

		Unit #	Tenant
	\$ below mkt	<b>Residential</b>	
1,169	731	<b>1</b>	Jonathan Bowerbank
		<b>2</b>	VACANT
		<b>3</b>	Rick Kaluza (former manager)
1,169	731	<b>4</b>	Lacey Rainwater
		<b>5</b>	Shawn Barber
		6	Bruce Lee
		<b>7</b>	VACANT
		<b>8</b>	Aslee Kim
		9	William McClosky
629	671	<b>10</b>	Sanford Stemlieb
898	1,002	<b>11</b>	Barbara Patinkin
529	771	<b>12</b>	Donald James
4,395	5		
	781	<b>Parking Space</b>	
		GAR01	Rick Kaluza
		<b>Storage</b>	
		STOR1	VACANT
		STOR2	VACANT
		<b>Washer/Dryer</b>	
		LNDRY	Laundry

**Comments on the Rent Roll: 1/29/2010**

The subject property contains 6 one bedroom u  
has a garage with one parking spot which is cur

Market research has indicated that one bedroo

In 2008, 2 studios were leased for \$1,295 and \$:

5 units have significantly below market rents . T  
renovate a unit would be approximately \$17,00  
increase the value of the property by \$103,092/

(\$781 average rent differential x 12 months) x 1

This equates to a net profit of approximately \$8

1 Units 2 and 7 were previously leased to below n

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Unit 3 is occupied by the former manager. His lease is at a 10% discount for a net monthly rent of \$750/month.

**RENT ROLL**

2/1/2010

<b>1651 Larkin Street</b>					
<b>Unit Type</b>	<b>Move In Date</b>	<b>Expriation Date</b>	<b>Rent/Month</b>	<b>sf/unit</b>	<b>\$/sf</b>
1 Bedroom	07/01/2004	06/30/2005	1,169	513	\$ 2.28
<b>Studio</b>			<b>1,300</b>	<b>389</b>	<b>\$ 3.34</b>
1 Bedroom	04/01/2008	04/30/2008	1,900	529	\$ 3.59
<b>Studio</b>	<b>11/09/2009</b>	<b>11/08/2010</b>	<b>1,595</b>	<b>421</b>	<b>\$ 3.79</b>
1 Bedroom	08/01/2004	07/31/2005	1,169	532	\$ 2.20
Studio	07/01/2006	06/30/2007	957	409	\$ 2.34
<b>1 Bedroom</b>			<b>1,900</b>	<b>529</b>	<b>\$ 3.59</b>
<b>Studio</b>	<b>01/31/2010</b>	<b>01/30/2011</b>	<b>1,200</b>	<b>421</b>	<b>\$ 2.85</b>
1 Bedroom	07/14/2004	06/30/2005	1,438	532	\$ 2.70
Studio	02/20/1980	02/28/1981	629	409	\$ 1.54
1 Bedroom	09/01/1991	08/31/1992	898	529	\$ 1.70
Studio	11/01/1977	10/31/1978	529	421	\$ 1.26
			<b>\$14,686</b>	<b>5,634</b>	<b>\$2.60</b>
Parking Space	04/01/2008	04/30/2008	0		
			<b>\$0</b>		
Storage			0		
Storage			0		
			<b>\$0</b>		
Washer/Dryer	11/01/2007		180		
			<b>\$180</b>		
		Monthly Total	<b>\$14,866</b>		
		Annual Total	<b>\$178,394</b>		
		Current Rent as % of Market	74.4%		
		# of units below market by \$650/month or more	5		

units and 6 studios with 5 of the units having significantly below market rental rates. The property recently leased for free.

m units will rent for approximately \$1,900/month.

1,525/month. Studios are estimated to rent for \$1,300/month.

The average rental rate for these 5 units is \$781/month below market. It is estimated the cost to 10 (in line with three units previous owner renovated in 2008.) Assuming a GRM of 11, this would /unit:

.1 GRM = \$103,092)

\$6,092 per unit renovated for the 5 below market units.

market tenants and need complete renovations

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lease is signed for \$2,350/month with includes a free parking space and \$1,600/month employee  
. Lamar is currently working on getting the tenant to leave the property or sign a market lease.

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Coastal Mkt Rent	
	1,900
	1,300
	1,900
	1,595
	1,900
	1,300
	1,900
	1,300
	1,300
	1,900
	1,300
	1,300
	19,495
	200
	200
	50
	50
	100
	180
	180
	19,975
	239,700

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