
Discounted Cash Flow Analysis

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Company:	REsheets

Basic Information

Property Name:	Willowbrook Apartments
Property Address:	14550 Stoneridge Dr., Los Angeles, CA, 91367
Year Built:	1995
Total Land SF:	20,000 SF

Unit Mix

Unit Description	Unit Type	No. of Units	Unit SF	Current		Pro Forma		% Upside
				Rent	Monthly Total	Pro Forma	Monthly Total	
Ash	Single/Studio	5 Units	450 SF	\$810	\$4,050	\$900	\$4,500	11.11%
Elm	1 Bedroom	7 Units	700 SF	\$1,260	\$8,820	\$1,300	\$9,100	3.17%
Dog Wood	1 Bedroom	10 Units	775 SF	\$1,395	\$13,950	\$1,400	\$14,000	0.36%
Fern	2 Bedroom	5 Units	950 SF	\$1,710	\$8,550	\$1,800	\$9,000	5.26%
Evergreen	2 Bedroom	10 Units	1,000 SF	\$1,800	\$18,000	\$1,750	\$17,500	(2.78%)
Pine	3 Bedroom	5 Units	1,200 SF	\$2,160	\$10,800	\$2,100	\$10,500	(2.78%)
Ash (2nd Floor)	Single/Studio	5 Units	450 SF	\$860	\$4,300	\$1,000	\$5,000	16.28%
Elm (2nd Floor)	1 Bedroom	7 Units	700 SF	\$1,310	\$9,170	\$1,400	\$9,800	6.87%
Dog Wood (2nd Floor)	1 Bedroom	10 Units	775 SF	\$1,445	\$14,450	\$1,500	\$15,000	3.81%
Fern (2nd Floor)	2 Bedroom	5 Units	950 SF	\$1,760	\$8,800	\$1,900	\$9,500	7.95%
Evergreen (2nd Floor)	2 Bedroom	10 Units	1,000 SF	\$1,850	\$18,500	\$1,850	\$18,500	0.00%
Pine (2nd Floor)	3 Bedroom	5 Units	1,200 SF	\$2,210	\$11,050	\$2,200	\$11,000	(0.45%)
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
Total / Average		84 Units	71,300 SF	\$1,553	\$130,440	\$1,588	\$133,400	2.27%

Annual Unit Rollover

Method:		% of Total
Entry:		20.00%
Unit Result:		17 Units
Percentage Result:		20.00%

Other Income

Income Item	Method	Entry	Result	(Per Unit/Per SF/%EGR)
Billboard	Per Month	\$2,000	\$24,000	\$286 / \$.34 / 1.59%
Laundry	Per Month	\$200	\$2,400	\$29 / \$.03 / 0.16%
Pet Fees	\$ Amount	\$15,000	\$15,000	\$179 / \$.21 / 0.99%
Total Expenses			\$41,400	\$493 / \$.58 / 2.73%

Operating Expenses

Expense Item	Method	Entry	Result	(Per Unit/Per SF/%EGR)
Real Estate Taxes	% of Purchase	1.20%	\$216,000	\$2,571 / \$3.03 / 14.27%
Insurance	Per SF	\$0.40	\$28,520	\$340 / \$.40 / 1.88%
Utilities	\$ Amount	\$25,000	\$25,000	\$298 / \$.35 / 1.65%
Repairs & Maintenance	Per Unit	\$250	\$21,000	\$250 / \$.29 / 1.39%
General & Administrative	Per Unit	\$175	\$14,700	\$175 / \$.21 / 0.97%
Contract Services	Per Month	\$750	\$9,000	\$107 / \$.13 / 0.59%
Management Fee	% of EGR	3.50%	\$52,995	\$631 / \$.74 / 3.50%
Marketing	\$ Amount	\$1,500	\$1,500	\$18 / \$.02 / 0.10%
Reserves & Replacements	Per Unit	\$250	\$21,000	\$250 / \$.29 / 1.39%
Total Expenses			\$389,715	\$4,639 / \$5.47 / 25.74%

Growth Rates

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-10
Income:	N/A	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy:	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Concessions:	3.00%	2.00%	1.00%	1.00%	1.00%	1.00%
Expenses:	N/A	3.00%	3.00%	3.00%	3.00%	3.00%

Financing

Loan Calc. Method:	% LTV	70.00%
Interest Rate:		5.75%
Amortization Period: (yrs)		30 yrs
Interest Only Period: (yrs)		2 yrs
Loan Amount Result:		\$12,600,000
Debt Service:		\$891,025
Loan Constant:		7.07%

Purchase Price

Method:	\$ Amount		
Sensitivity:	Low Price	Base Price (Used in Analysis)	High Price
Entry:	\$17,000,000	\$18,000,000	\$19,000,000
Result:	\$17,000,000	\$18,000,000	\$19,000,000
Per Unit:	\$202,381	\$214,286	\$226,190
Per SF:	\$238.43	\$252.45	\$266.48
Cap Rate:	6.61%	6.25%	5.92%
GRM:	10.62	11.24	11.87

Reversion Price (Exit)

Method:	Cap Rate		
Entry:	7.50%		
Cost of Sale:	3.00%		
Results For Year:	Year 3	Year 5	Year 10
Reversion Price:	\$16,169,272	\$17,354,404	\$20,118,511
Leveraged IRR:	-7.38%	4.90%	11.43%
Unleveraged IRR:	2.22%	5.50%	7.74%
Cap Rate:	7.50%	7.50%	7.50%
GRM:	9.61	9.63	9.63
Per Unit:	\$192,491	\$206,600	\$239,506
Per SF:	\$226.78	\$243.40	\$282.17

Willowbrook Apartments - 14550 Stoneridge Dr., Los Angeles, CA, 91367

Year Built: 1995
 No. of Units: 84 Units
 NRSF: 71,300 SF
 Total Land SF: 20,000 SF

Price: \$18,000,000
 Per Unit: \$214,286
 Per SF: \$252.45
 Cap Rate: 6.25%
 GRM: 11.24

Financing: \$12,600,000
 LTV %: 70.00%
 Interest Rate/Loan Constant: 5.75%/7.07%
 Amortization Period: 30 yrs
 Debt Service: \$891,025
 Cash on Cash: 4.32%



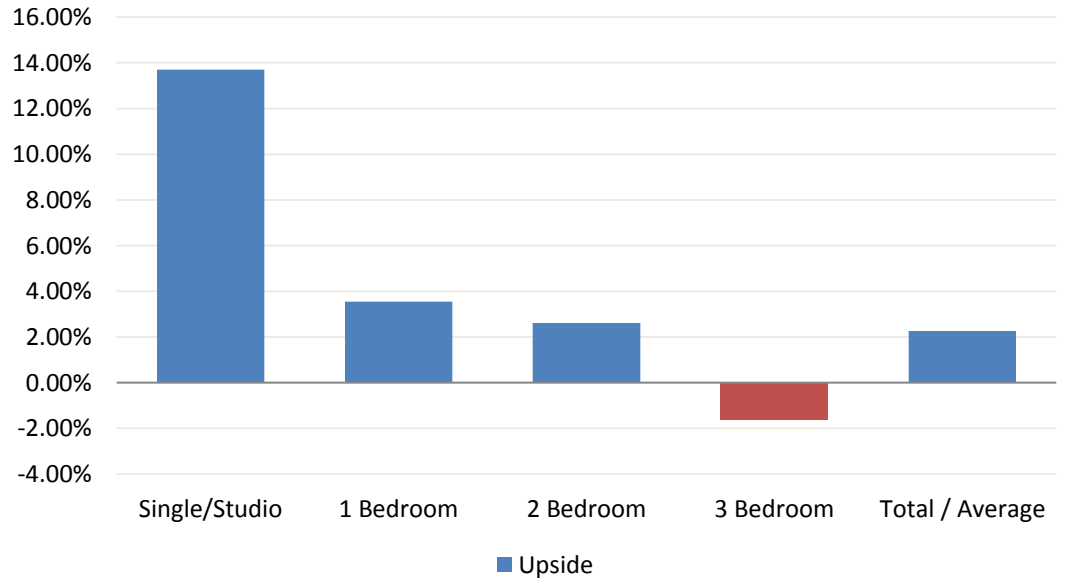
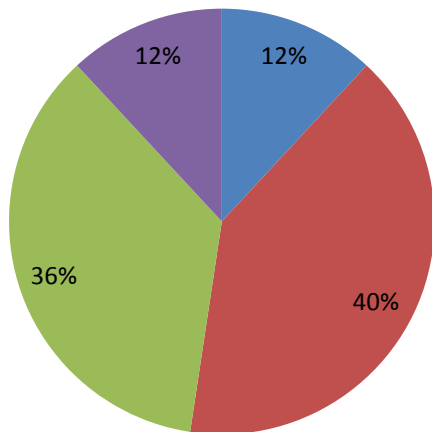
Unit Description	Unit Type	No. of Units	Unit SF	Current		Pro Forma		% Upside
				Rent	Monthly Total	Rent	Monthly Total	
Ash	Single/Studio	5 Units	450 SF	\$810	\$4,050	\$900	\$4,500	11.11%
Elm	1 Bedroom	7 Units	700 SF	\$1,260	\$8,820	\$1,300	\$9,100	3.17%
Dog Wood	1 Bedroom	10 Units	775 SF	\$1,395	\$13,950	\$1,400	\$14,000	0.36%
Fern	2 Bedroom	5 Units	950 SF	\$1,710	\$8,550	\$1,800	\$9,000	5.26%
Evergreen	2 Bedroom	10 Units	1,000 SF	\$1,800	\$18,000	\$1,750	\$17,500	-2.78%
Pine	3 Bedroom	5 Units	1,200 SF	\$2,160	\$10,800	\$2,100	\$10,500	-2.78%
Ash (2nd Floor)	Single/Studio	5 Units	450 SF	\$860	\$4,300	\$1,000	\$5,000	16.28%
Elm (2nd Floor)	1 Bedroom	7 Units	700 SF	\$1,310	\$9,170	\$1,400	\$9,800	6.87%
Dog Wood (2nd Floor)	1 Bedroom	10 Units	775 SF	\$1,445	\$14,450	\$1,500	\$15,000	3.81%
Fern (2nd Floor)	2 Bedroom	5 Units	950 SF	\$1,760	\$8,800	\$1,900	\$9,500	7.95%
Evergreen (2nd Floor)	2 Bedroom	10 Units	1,000 SF	\$1,850	\$18,500	\$1,850	\$18,500	0.00%
Pine (2nd Floor)	3 Bedroom	5 Units	1,200 SF	\$2,210	\$11,050	\$2,200	\$11,000	-0.45%
Total / Average		84 Units	71,300 SF	\$1,553	\$130,440	\$1,588	\$133,400	2.27%

	Pro Forma	Per Unit	Per SF	%PGR/EGR
Potential Gross Revenue	\$1,600,800	\$19,057	\$22.45	100.00%
Vacancy	(\$80,040)	(\$953)	(\$1.12)	-5.00%
Concessions	(\$48,024)	(\$572)	(\$0.67)	-3.00%
Net Effective Rent	\$1,472,736	\$17,533	\$20.66	92.00%
Other Income	\$41,400	\$493	\$0.58	2.59%
Effective Gross Revenue	\$1,514,136	\$18,025	\$21.24	94.59%
Expenses				
Real Estate Taxes	\$216,000	\$2,571	\$3.03	14.27%
Insurance	\$28,520	\$340	\$0.40	1.88%
Utilities	\$25,000	\$298	\$0.35	1.65%
Repairs & Maintenance	\$21,000	\$250	\$0.29	1.39%
General & Administrative	\$14,700	\$175	\$0.21	0.97%
Contract Services	\$9,000	\$107	\$0.13	0.59%
Management Fee	\$52,995	\$631	\$0.74	3.50%
Marketing	\$1,500	\$18	\$0.02	0.10%
Reserves & Replacements	\$21,000	\$250	\$0.29	1.39%
Total Expenses	\$389,715	\$4,639	\$5.47	25.74%
Net Operating Income	\$1,124,421	\$13,386	\$15.77	74.26%
Debt Service	\$891,025	\$10,607	\$12.50	58.85%
Cash Flow	\$233,397	\$2,779	\$3.27	15.41%
Cash on Cash	4.32%			

Unit Analysis

Unit Type	No. of Units	Unit SF	Current Rent	Current		Pro Forma	
				Monthly Total	Pro Forma Rent	Monthly Total	% Upside
Single/Studio	10 Units	900 SF	\$1,670	\$8,350	\$1,900	\$9,500	13.70%
1 Bedroom	34 Units	2,950 SF	\$5,410	\$46,390	\$5,600	\$47,900	3.55%
2 Bedroom	30 Units	3,900 SF	\$7,120	\$53,850	\$7,300	\$54,500	2.61%
3 Bedroom	10 Units	2,400 SF	\$4,370	\$21,850	\$4,300	\$21,500	-1.62%
Total / Average	84 Units	71,300 SF	\$1,553	\$130,440	\$1,588	\$133,400	2.27%

■ Single/Studio ■ 1 Bedroom ■ 2 Bedroom ■ 3 Bedroom



Cash Flow

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$1,572,384	\$1,626,873	\$1,683,215	\$1,741,475	\$1,801,715	\$1,855,766	\$1,911,439	\$1,968,782	\$2,027,846	\$2,088,681
Vacancy	78,619	81,344	84,161	87,074	90,086	92,788	95,572	98,439	101,392	104,434
Concessions	47,172	32,537	16,832	17,415	18,017	18,558	19,114	19,688	20,278	20,887
Net Effective Rent	1,446,593	1,512,992	1,582,223	1,636,986	1,693,612	1,744,420	1,796,753	1,850,655	1,906,175	1,963,360
Other Income	41,400	42,642	43,921	45,239	46,596	47,994	49,434	50,917	52,444	54,018
Effective Gross Revenue	1,487,993	1,555,634	1,626,144	1,682,225	1,740,208	1,792,414	1,846,186	1,901,572	1,958,619	2,017,378
Expenses										
Real Estate Taxes	216,000	222,480	229,154	236,029	243,110	250,403	257,915	265,653	273,622	281,831
Insurance	28,520	29,376	30,257	31,165	32,100	33,062	34,054	35,076	36,128	37,212
Utilities	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Repairs & Maintenance	21,000	21,630	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400
General & Administrative	14,700	15,141	15,595	16,063	16,545	17,041	17,553	18,079	18,622	19,180
Contract Services	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Management Fee	52,995	54,585	56,222	57,909	59,646	61,435	63,279	65,177	67,132	69,146
Marketing	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Reserves & Replacements	21,000	21,630	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400
Total Expenses	389,715	401,406	413,448	425,852	438,627	451,786	465,340	479,300	493,679	508,489
NOI	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	1,340,628	1,380,847	1,422,272	1,464,940	1,508,888
Debt Service	724,500	724,500	891,025	891,025	891,025	891,025	891,025	891,025	891,025	891,025
Cash Flow	373,779	429,727	321,671	365,349	410,556	449,603	489,822	531,247	573,915	617,864
<i>Cash on Cash</i>	6.92%	7.96%	5.96%	6.77%	7.60%	8.33%	9.07%	9.84%	10.63%	11.44%
<i>Effective Cap Rate</i>	6.10%	6.41%	6.74%	6.98%	7.23%	7.45%	7.67%	7.90%	8.14%	8.38%
<i>Effective GRM</i>	11.45	11.06	10.69	10.34	9.99	9.70	9.42	9.14	8.88	8.62
<i>DSCR</i>	1.52	1.59	1.36	1.41	1.46	1.50	1.55	1.60	1.64	1.69

Leveraged DCF Analysis

	Cash Flow	13.00%	14.00%	15.00%	16.00%	17.00%	18.00%
Year 1	373,779	330,777	327,876	325,025	322,223	319,469	316,761
Year 2	429,727	336,540	330,661	324,936	319,357	313,922	308,623
Year 3	321,671	222,934	217,119	211,504	206,081	200,842	195,779
Year 4	365,349	224,075	216,316	208,889	201,779	194,968	188,443
Year 5	410,556	222,833	213,230	204,119	195,471	187,259	179,458
Year 6	449,603	215,953	204,833	194,376	184,536	175,273	166,547
Year 7	489,822	208,204	195,751	184,142	173,313	163,206	153,767
Year 8	531,247	199,834	186,234	173,666	162,044	151,290	141,332
Year 9	573,915	191,048	176,484	163,143	150,913	139,693	129,393
Year 10	617,864	182,015	166,665	152,726	140,060	128,539	118,052
Total Cash Flow	4,563,533	2,334,213	2,235,168	2,142,525	2,055,777	1,974,460	1,898,155
Proceeds @ 7.50% Cap Rate	8,548,410	2,518,262	2,305,881	2,113,036	1,937,784	1,778,389	1,633,297
Total Value of Equity	13,111,942	4,852,475	4,541,048	4,255,561	3,993,561	3,752,849	3,531,453
Debt Balance	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
Total Present Value	25,711,942	17,452,475	17,141,048	16,855,561	16,593,561	16,352,849	16,131,453

Unleveraged DCF Analysis

	Cash Flow	6.00%	7.00%	8.00%	9.00%	10.00%	11.00%
Year 1	1,098,279	1,036,112	1,026,429	1,016,925	1,007,595	998,435	989,440
Year 2	1,154,227	1,027,258	1,008,147	989,564	971,490	953,907	936,797
Year 3	1,212,695	1,018,202	989,921	962,677	936,423	911,116	886,712
Year 4	1,256,373	995,165	958,481	923,472	890,046	858,120	827,612
Year 5	1,301,580	972,617	928,009	885,834	845,938	808,179	772,425
Year 6	1,340,628	945,090	893,317	844,823	799,373	756,749	716,754
Year 7	1,380,847	918,342	859,922	805,711	755,370	708,593	665,096
Year 8	1,380,847	866,360	803,665	746,028	693,000	644,175	599,186
Year 9	1,464,940	867,096	796,830	732,835	674,499	621,278	572,681
Year 10	1,508,888	842,555	767,042	698,907	637,371	581,742	531,407
Total Cash Flow	13,099,304	9,488,797	9,031,763	8,606,775	8,211,106	7,842,293	7,498,111
Proceeds @ 7.50% Cap Rate	19,514,955	10,897,049	9,920,414	9,039,200	8,243,328	7,523,860	6,872,864
Total Present Value	32,614,259	20,385,846	18,952,176	17,645,975	16,454,434	15,366,153	14,370,975

Reversion & IRR Analysis

	Equity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Reversion Sales Price		14,643,714	15,389,698	16,169,272	16,751,643	17,354,404	17,875,036	18,411,287	18,963,626	19,532,535	20,118,511
Per Unit		174,330	183,211	192,491	199,424	206,600	212,798	219,182	225,757	232,530	239,506
Per SF		205.38	215.84	226.78	234.95	243.40	250.70	258.22	265.97	273.95	282.17
Cap Rate		7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
GRM		9.31	9.46	9.61	9.62	9.63	9.63	9.63	9.63	9.63	9.63
Cost Of Sale		439,311	461,691	485,078	502,549	520,632	536,251	552,339	568,909	585,976	603,555
Debt Balance		12,600,000	12,600,000	12,433,475	12,257,376	12,071,150	11,874,217	11,665,959	11,445,728	11,212,832	10,966,546
Net Proceeds		1,604,402	2,328,007	3,250,718	3,991,718	4,762,622	5,464,568	6,192,989	6,948,990	7,733,726	8,548,410

Leveraged IRR

Year 1	(5,400,000)	1,978,181									
Year 2	(5,400,000)	373,779	2,757,734								
Year 3	(5,400,000)	373,779	429,727	3,572,389							
Year 4	(5,400,000)	373,779	429,727	321,671	4,357,067						
Year 5	(5,400,000)	373,779	429,727	321,671	365,349	5,173,177					
Year 6	(5,400,000)	373,779	429,727	321,671	365,349	410,556	5,914,172				
Year 7	(5,400,000)	373,779	429,727	321,671	365,349	410,556	449,603	6,682,811			
Year 8	(5,400,000)	373,779	429,727	321,671	365,349	410,556	449,603	489,822	7,480,237		
Year 9	(5,400,000)	373,779	429,727	321,671	365,349	410,556	449,603	489,822	531,247	8,307,642	
Year 10	(5,400,000)	373,779	429,727	321,671	365,349	410,556	449,603	489,822	531,247	573,915	9,166,274
IRR		-63.37%	-24.99%	-7.38%	0.42%	4.90%	7.38%	9.01%	10.11%	10.88%	11.43%

Unleveraged IRR

Year 1	(18,000,000)	15,302,681									
Year 2	(18,000,000)	1,098,279	16,082,234								
Year 3	(18,000,000)	1,098,279	1,154,227	16,896,889							
Year 4	(18,000,000)	1,098,279	1,154,227	1,212,695	17,505,467						
Year 5	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	18,135,352					
Year 6	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	18,679,413				
Year 7	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	1,340,628	19,239,795			
Year 8	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	1,340,628	1,380,847	19,816,989		
Year 9	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	1,340,628	1,380,847	1,422,272	20,411,499	
Year 10	(18,000,000)	1,098,279	1,154,227	1,212,695	1,256,373	1,301,580	1,340,628	1,380,847	1,422,272	1,464,940	21,023,844
IRR		-14.99%	-2.38%	2.22%	4.26%	5.50%	6.25%	6.78%	7.18%	7.49%	7.74%