

Project Summary:

Date Purchased: Mar. 2000 | Date Sold: Jul. 2003

Months Held: 40 | Total Units: 197

Mountainside Village

1660 Kendall Drive

San Bernardino, CA 92407

OUR APPROACH:

Acquired in March 2000 at a price significantly below replacement cost, Mountainside Village suffered from deferred maintenance and an unfavorable reputation, and hence its rent rates lagged behind the burgeoning Inland Empire market averages. BASCOM'S renovation and marketing strategies greatly enhanced the desirability of the property, spurring significant rent rate growth over the holding period.

With the implementation of professional management practices, cost effective and efficient control systems, and the improvements to the physical plant, BASCOM would provide consumers with a compelling value proposition relative to the competition.



Performance Summary	Acquisition	Sale	Percent Increase
12 Month NOI	\$688,603	\$1.26M	82.67%
Avg. Asking Rent	\$750	\$935	24.67%
Equity	\$3.25M	\$7.69M	136.62%
Bascom Cost/Unit	\$55,838	\$61,670	10.44%

BACKGROUND:

Mountainside Village consists of 197 attractive two and three bedroom units distributed in 20 two-storey buildings over 14 scenic acres. A major renovation objective was to cultivate a park-like feel through landscaping the numerous mature trees on the property, set at the foot of the San Bernardino Mountains.

Situated adjacent to I-215 in the heart of the Inland Empire, the property is within commuting distance of the Orange and Los Angeles County job markets as well as nearby mountain recreational areas. Furthermore, California State University San Bernardino is right across the street, with its combined 20,000 students and faculty and 10,000 regional jobs.

The Inland Empire is one of the fastest growing areas in southern California, posting significant population growth over the past ten years as well as an increasing median income. Mountainside Village positioned BASCOM in this market with a prime location at low cost.

- **IRR:** 34.56%
- **Multiple on Equity:** 2.37
- **Lender Identity:** First Union National Bank
- **Loan to Total Value:** 52.9%
- **Equity Partner:** Lehman Brothers
- **Percentage of Replacement Cost:** 66.84%
- **Total Purchase Price:** \$11.00M
- **Total Renovation Cost:** \$1.15M
- **Total Investment Basis:** \$12.93M
- **Total Sale Price:** \$17.50M
- **Sale Price per Unit:** \$90,674