MANAGEMENT & REALTY

EXCLUSIVE OFFERING

1156 W. Florence Ave.

Los Angeles, CA 90044

15 Unit Master Leased Apartment Community Offering Immediate Cash Flow

OFFERED AT

$6,250,000

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Investment Highlights

15 Unit Master Leased Apartment Community Offering Immediate Cash Flow

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100% Master Leased

All 15 unis leased to a single corporate tenant. No unit by unit vacancy risk.

Personal Guaranty

Continuing personal guaranty from the tenant's principal.

Contractual Escalations

3% automatic annual rent increases built into the lease through the Initial Term and Option Term.

Tenant Bears Turnover Risk

All tenant caused damage and unit turnover costs are billed directly to the Lessee. Not absorbed by ownership. All utilities, water & sewer, electric, and trash are in the Lessee's name and paid directly by Lessee.

5 Year Term + 5 Year Option

Initial 5 year term commenced March 1, 2026, plus one 5 year option to extend at the greater of FMV or 3% growth.

Newly Constructed Asset

New construction. Certificate of Occupancy issued April 2026.

Property Overview

1156 W. Florence Ave. is a newly constructed three story apartment community in South Los Angeles consisting of fifteen (15) residential units and one (1) onsite office space in the lobby. The Property was built under a City of Los Angeles density bonus entitlement and received its Certificate of Occupancy in April 2026. The entire building, all residential units and the office space, is leased to a single corporate tenant, Turning Point Network, under a five year Master Lease Agreement with one five year renewal option.

9,571 SF
Gross Building SF

APN
6019-011-002

2026
Certificate of Occupancy

Unit Mix

Unit Type	Count
Studio	7
2 Bed / 2 Bath + W&D	6
3 Bed / 2 Bath + W&D	2
Office Space	1

Building Systems & Security

- ButterflyMX smart video intercom at the ground floor lobby entry door
- 16 hardwired PoE Ring security cameras throughout the property

Master Lease Structure

Institutional grade lease terms rarely found in multifamily

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Reliable Monthly Rent: Single Source

- 100% of the Property is leased to a single corporate tenant, no unit by unit vacancy risk
- Rent is due in full regardless of occupancy status
- No unit by unit termination or surrender permitted. The lease covers the entire Property as one obligation

Tenant Bears Operating Risk

- All tenant caused damage billed to Lessee
- All unit turnover costs billed to Lessee. Ownership is insulated from make ready expense
- Lessee is fully responsible for the conduct of all occupants, guests and invitees
- All utilities, water & sewer, electric, and trash are in the Lessee's name and paid directly by Lessee.

Automatic Rent Escalations

- 3% automatic annual rent increases through the 5 year Initial Term
- One 5 year option to extend, rent reset to the greater of fair market value or 3% growth
- 3% annual increases continue through the Option Term

Early Lease Termination Protection

- Lessee may only terminate with 180 days' written notice
- Early termination triggers liquidated damages equal to 12 months of then current total rent
- Obligation survives Lessee bankruptcy, insolvency, or loss of program funding

Personal Guaranty

- Continuing, unconditional guaranty from the Lessee's principal, primary and direct liability
- Guaranty survives Lessee bankruptcy and extends to all lease amendments (incl. the Laundry Addendum)

Insurance & Risk Transfer

- Lessee carries $2M / $4M general liability, naming Lessor as additional insureds
- Coverage is primary and non-contributory
- Lessee reimburses Lessor monthly for the master tenant-landlord liability policy ($20/unit/month)

Rent Schedule & Escalations

Master Lease Agreement

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Unit	Type	Monthly Rent
101	Studio	$1,927
102	Studio	$2,121
103	Studio	$2,121
104	Studio	$2,121
105	Studio	$2,121
106	Studio	$1,927
107	Studio	$2,121
201	3BR / 2BA	$3,600
202	2BR / 2BA	$2,726
203	2BR / 2BA	$2,726
204	2BR / 2BA	$2,726
301	3BR / 2BA	$3,600
302	2BR / 2BA	$1,126
303	2BR / 2BA	$2,726
304	2BR / 2BA	$2,726
Office Space	—	$3,050
Total Base Rent		**$39,765**

Effective Date	Total Monthly Rent
3/1/2026 (Commencement)	$39,765
2/1/2027	$40,958
2/1/2028	$42,187
2/1/2029	$43,452
2/1/2030	$44,756
2/1/2031 (Option Year 1)	Greater of FMV or +3%
2/1/2032 – 2035	+3% annually

3% Automatic Annual Escalations

Base rent increases 3% every February 1st throughout the 5 year Initial Term and continues into the Option Term thereafter. Rent applies to all units and the office space in the aggregate due as a single monthly payment.

Total includes $300/month tenant-liability insurance reimbursement, as additional rent.

Affordable Housing Regulatory Framework

Deed Restricted - Recorded Rental Covenant

The Property was developed under a City of Los Angeles density bonus / land use incentive entitlement. As a condition of that entitlement, the Owner recorded a Rental Covenant Agreement with the Los Angeles Housing Department (LAHD) (Recording No. 20240116845), restricting 13 of the 15 residential units to income eligible households for a term of 55 years from the Certificate of Occupancy.

Unit Type	Total Units	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	Market Rate
Studio	7	0	5	2	0
2 Bed / 2 Bath	6	1	5	0	0
3 Bed / 2 Bath	2	0	0	0	2
Total	**15**	**1**	**10**	**2**	**2**

Important Disclosure: Contract Rent vs. Covenant Rent Ceilings

The Master Lease's 3% annual escalation applies to the total contractual rent owed by the master tenant. On the 13 covenant restricted units, actual collectible rent remains subject to the maximum allowable rent ceilings published annually by HUD/HCD under the recorded covenant, which may grow at a different rate than a flat 3%. Because the master tenant is contractually obligated for the full lease amount regardless of occupancy or individual unit economics, ownership's income is insulated from this distinction. Buyers should independently review the recorded covenant and consult qualified counsel regarding compliance.

Financial Summary

Welfare Exemption Scenario (***Illustrative Purposes Only***)

Pricing

Offer Price	**$6,250,000**
Price / Unit (15 residential)	**$416,667**
Price / SF	**$653**
GRM	**13.2x**
Cap Rate	**6.34%**

***Estimated property tax amount under the welfare exemption formula. See Financial Summary: Scenario Comparison.*

Annualized Income

Scheduled Base Rent	**$473,580**

Owner Provided Services (Included in Expenses)

- Internet: Owner maintains a bulk internet service agreement with Spectrum providing internet access inside all residential units and the office space at no cost to the tenant, per Section 8.1 of the Master Lease.
- Laundry: Owner leases two washer/dryer units for the ground-floor common area laundry room serving the 1st floor units. Vend pricing is set to $0.00/cycle; Lessee fully reimburses this cost monthly as additional rent, excluded from income/expenses above as it nets to $0.

Annualized Operating Expenses

Expense	Annual
Property Taxes (*Welfare Exemption - Estimated*)**	**$25,000****
Management Fee (3.5%)	$16,575
Repairs & Maintenance (1.5% of GSI)	$7,104
Miscellaneous (1.5% of GSI)	$7,104
Internet: Spectrum Bulk Agreement	$6,840
Common Area Janitorial	$6,000
Property Insurance	$4,337
Gardening / Landscaping	$1,800
Fire Alarm Monitoring	$780
SCEP Fee ($67.94/unit)	$1,019
JCO Fee ($31.05/unit)	$466
Total Operating Expenses	**$77,025**

Net Operating Income

$396,555

6.34%
Cap Rate

Financial Summary

Standard Market Rate Scenario

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Pricing

Offer Price	**$6,250,000**
Price / Unit (15 residential)	**$416,667**
Price / SF	**$653**
GRM	**13.2x**
Cap Rate	**5.55%**

Annualized Income

Scheduled Base Rent	**$473,580**

Owner Provided Services (Included in Expenses)

- Internet: Owner maintains a bulk internet service agreement with Spectrum providing internet access inside all residential units and the office space at no cost to the tenant, per Section 8.1 of the Master Lease.
- Laundry: Owner leases two washer/dryer units for the ground-floor common area laundry room serving the 1st floor units. Vend pricing is set to $0.00/cycle; Lessee fully reimburses this cost monthly as additional rent, excluded from income/expenses above as it nets to $0.

Annualized Operating Expenses

Expense	Annual
Property Taxes (reassessed at sale price)	$74,561
Management Fee (3.5%)	$16,575
Repairs & Maintenance (1.5% of GSI)	$7,104
Miscellaneous (1.5% of GSI)	$7,104
Internet: Spectrum Bulk Agreement	$6,840
Common Area Janitorial	$6,000
Property Insurance	$4,337
Gardening / Landscaping	$1,800
Fire Alarm Monitoring	$780
SCEP Fee ($67.94/unit)	$1,019
JCO Fee ($31.05/unit)	$466
Total Operating Expenses	**$126,586**

Net Operating Income

$346,994

5.55%
Cap Rate

Financial Summary

Comparison

Side by Side Annual Comparison

	Scenario A *Standard Taxation*	Scenario B *Welfare Tax Exemption*
Scheduled Gross Rent	$473,580	$473,580
Operating Expenses (*excluding property taxes)*	$52,025	$52,025
Property Taxes	$74,561	$25,000**
Total Operating Expenses	**$126,586**	**$77,025**
Net Operating Income	**$346,994**	**$396,555**

+$49,561

Potential NOI Increase

+0.8 pts

Cap Rate Improvement (**to 6.34%)**

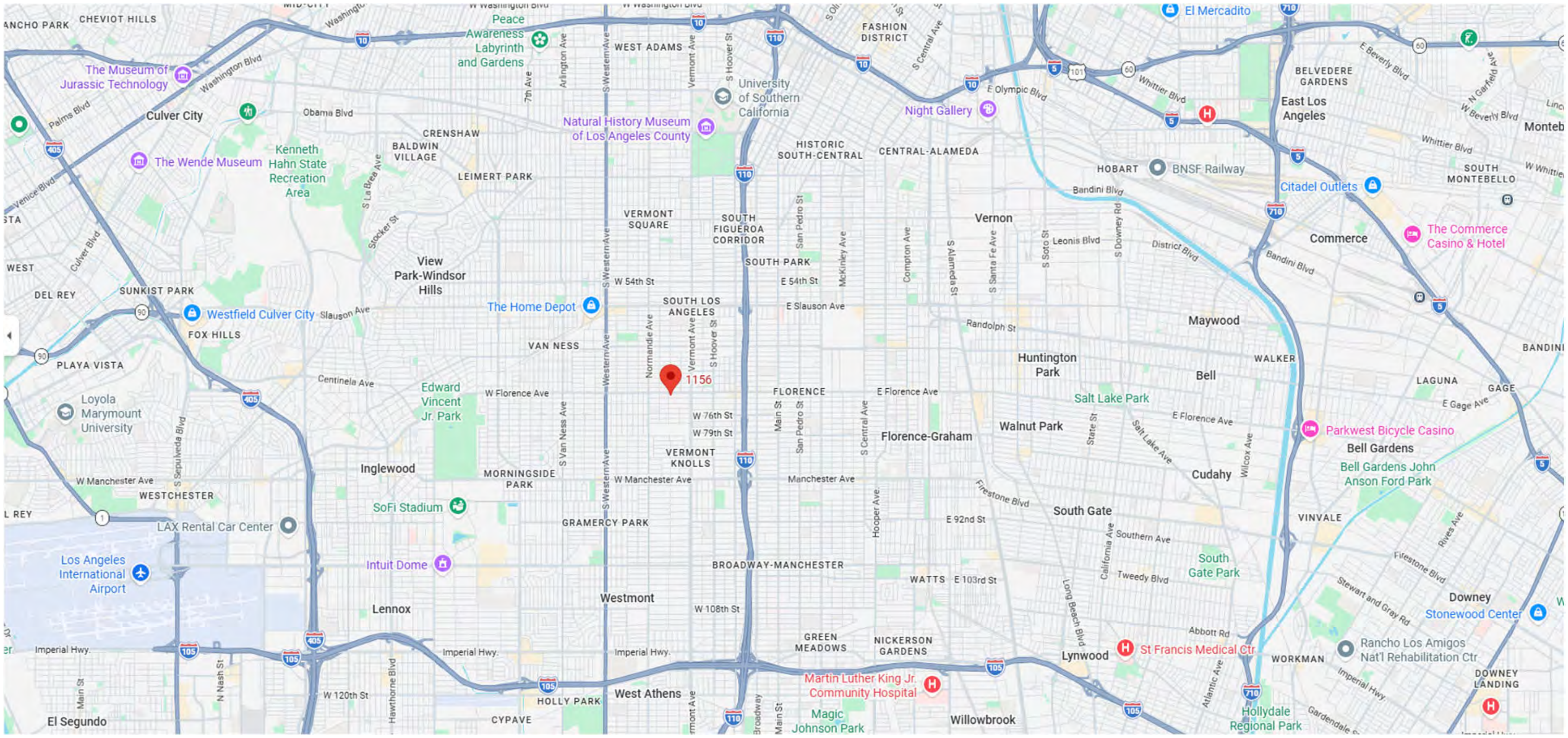
If a reduced property tax of $25,000 per year is achieved under a successful exemption

**California Welfare Tax Exemption

California Revenue & Taxation Code Section 214(g)(1)(C) provides a welfare exemption from property tax for qualifying rental housing serving lower income households. This property's recorded 55 year affordable housing covenant with the City of Los Angeles (13 of 15 units income restricted) ***may*** support an exemption application; however, eligibility depends on ownership/operating structure, use requirements and approval by the Los Angeles County Assessor among other factors.

Under the welfare exemption statute, a minimum property tax obligation is calculated using a statutory formula rather than being reduced to $0. This scenario assumes a reduced property tax obligation of approximately $25,000/year, presented for illustrative purposes only and does not constitute a representation of the amount that will be assessed. Buyers should independently evaluate eligibility and the applicable minimum tax formula with qualified tax and legal counsel.

Location



1156 W. Florence Ave. Los Angeles, CA 90044

Photos

Exterior: Front

Photos

Exterior: Sides

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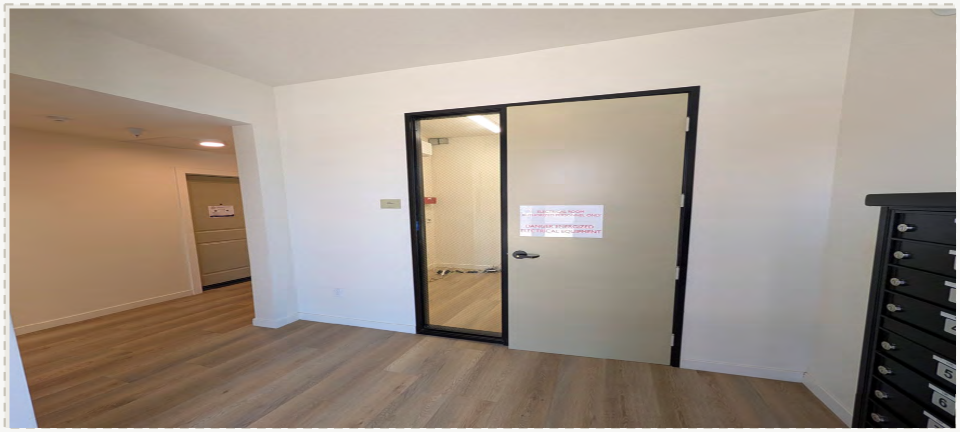
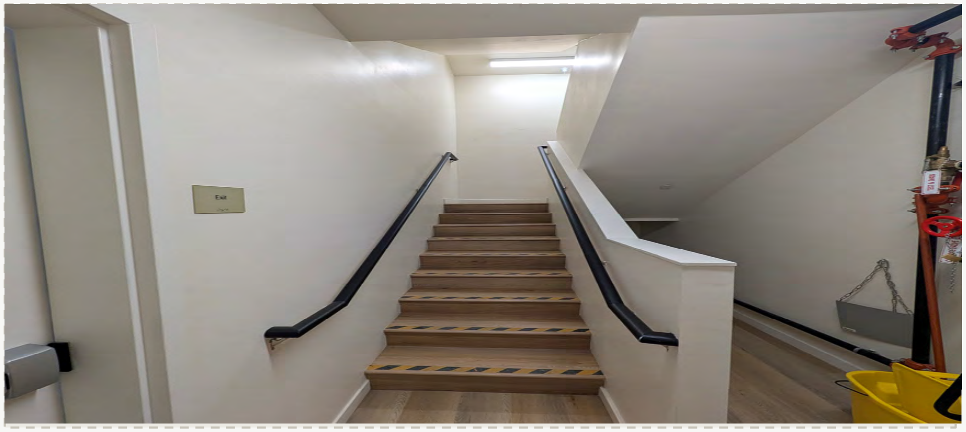
Photos

Interior: Common Areas





Photos

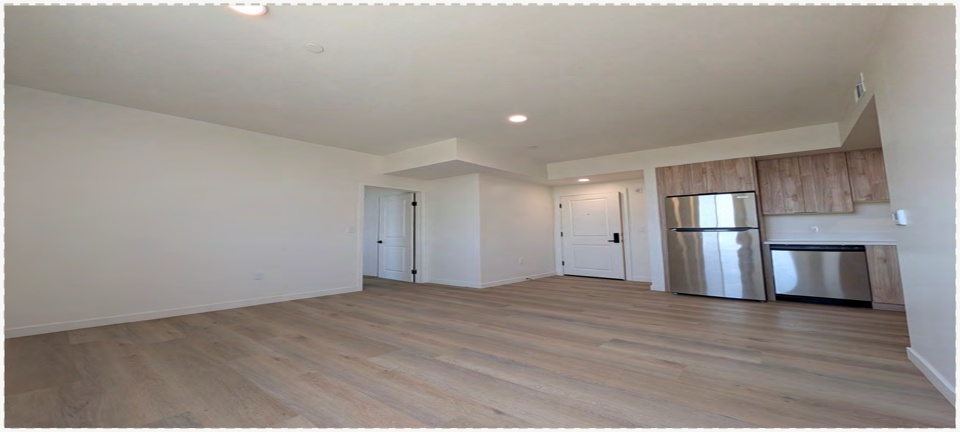
Exterior: Roof

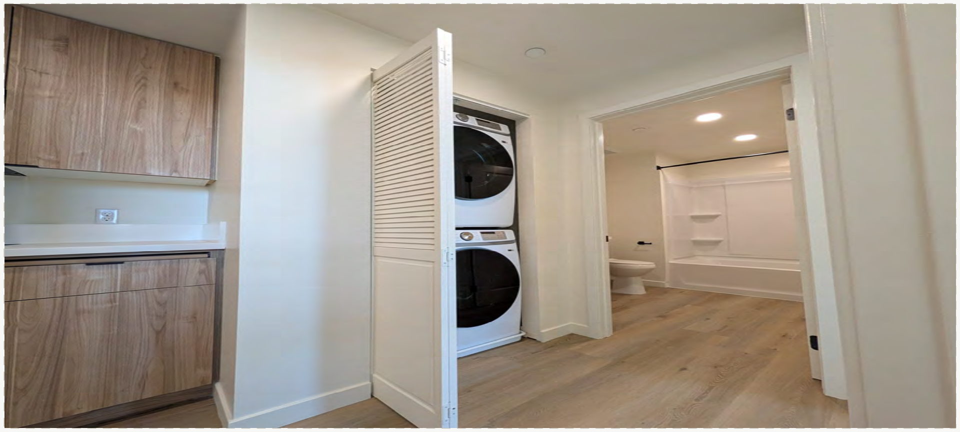
Photos

Exterior: Rear

Photos

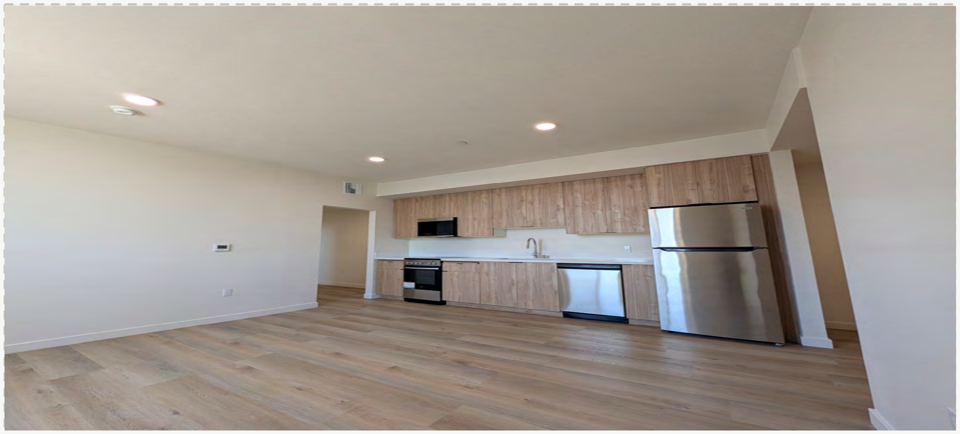
Unit 301: 3 Bed / 2 Bath (w/W&D)





Photos

Unit 302: 2 Bed / 2 Bath (w/W&D)



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