

\$ 240,000 Preferred Equity Loan Participation

**1104 Putnam Avenue, Brooklyn
New York, NY 11221**

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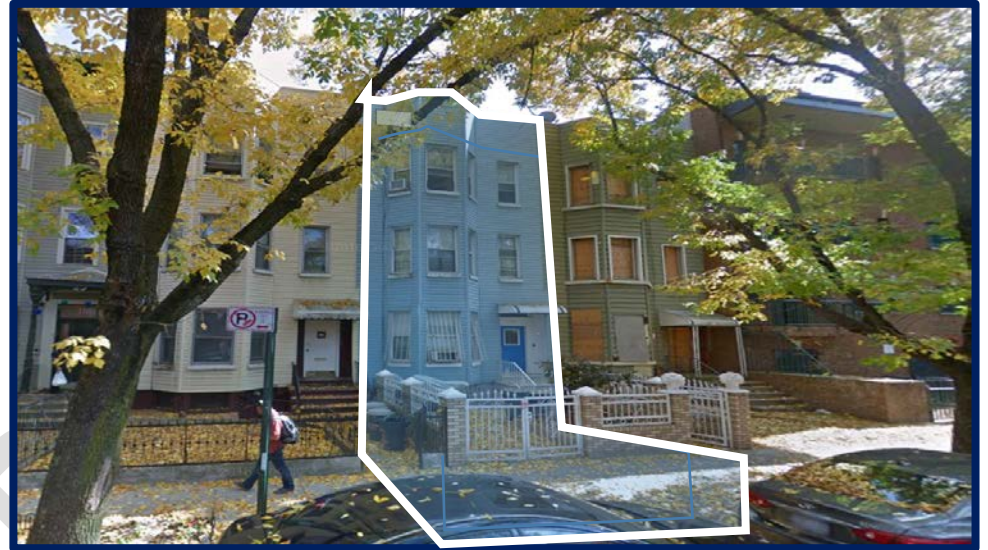
\$240,000 PREFERRED EQUITY BRIDGE LOAN

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EXECUTIVE SUMMARY

Overview. Four Arrow Funding, Inc. (the “Lender” or “FAF”), an affiliate of Chesterfield Faring, Ltd. (“CFL”), is syndicating a \$240,000 Preferred Equity Bridge Loan (the “Loan”) to Putnam Property Holding Company LLC (the “Borrower”) for the acquisition of 1104 Putnam Avenue, Brooklyn, NY 11221 (the “Property”), a three (3) family house. The Property is located in the Bushwick area of Brooklyn, one of the fastest growing markets in NYC.

Underwriting. The Property is a “fix and flip” opportunity. The Purchase Price is \$1,215,000. The “fix” portion is \$450,000 plus \$100,000 of carrying costs for a total cost will be approximately \$1,765,000. The Borrower arranged a 75.0% loan to value (“LTV”) first mortgage loan (“FML”) for approximately \$1.4 million at a fixed rate of 9.0% per annum. With the Loan added to the FML, the leverage is 82.0% LTV of the \$2.0 million completed value. The Borrower is investing \$200,000 of common cash equity subordinated to the Loan.



Loan Participation. FAF is offering five (5) \$48,000 Loan participations (“Participations”). Each Participation pays 14.0% per annum (the “Interest”) plus an initial three percent (3.0%) origination fee (the “Fee”) for the first six (6) months totaling a 20.0% annualized return. All of the Interest and the Fee are prepaid at closing so your net cost to purchase one (1) Participation is only **\$43,200 for a face amount of \$48,000 for a profit of \$4,800**. Also, since your Interest and Fee (six (6) month term—a 6% effective Fee) is prepaid, your effective interest rate is **22.22%**. As stated, the Loan has a term of six (6) months. The Borrower may have the right to extend for two (2) three (3) month extensions for a one and one half (1.5%) extension fee per extension. FAF receives a one percent (1.0%) origination fee of \$2,400, two percent (2.0%) spread income of \$4,800, a \$5,000 underwriting fee from the Borrower, plus a \$15,000 exit fee when fully repaid by Borrower so FAF is motivated to get our investors repaid in full.

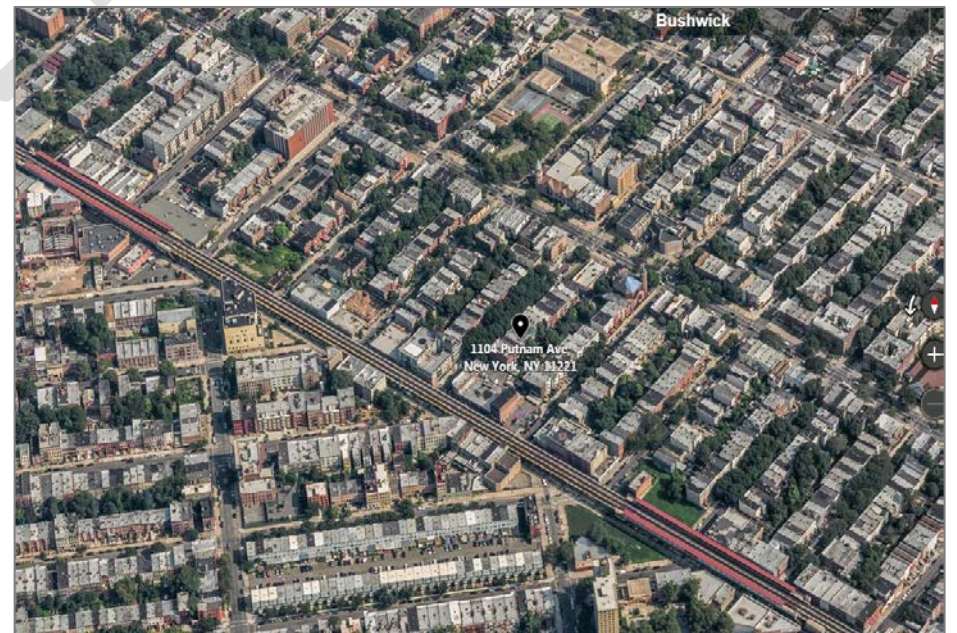
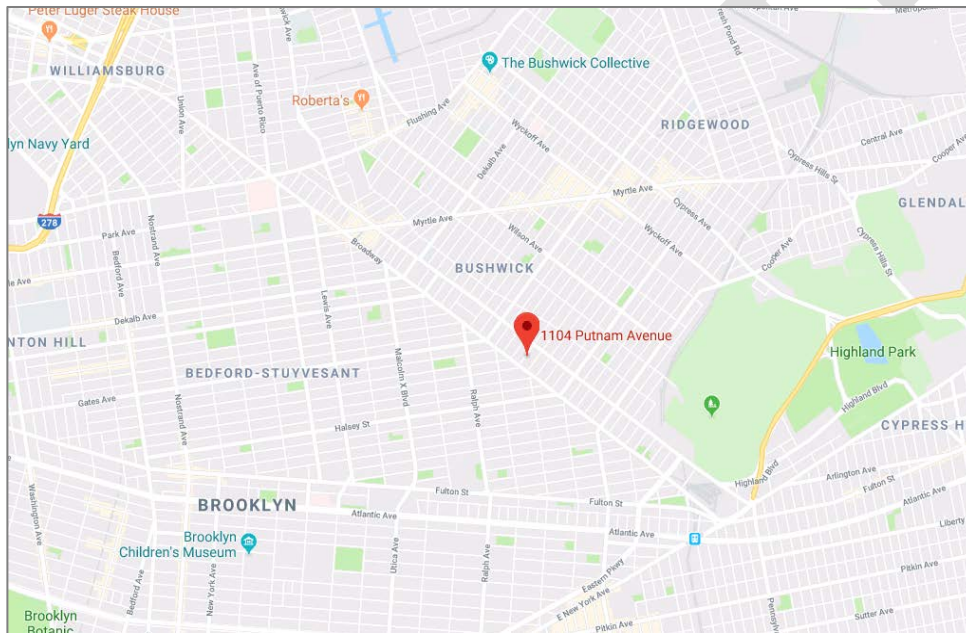
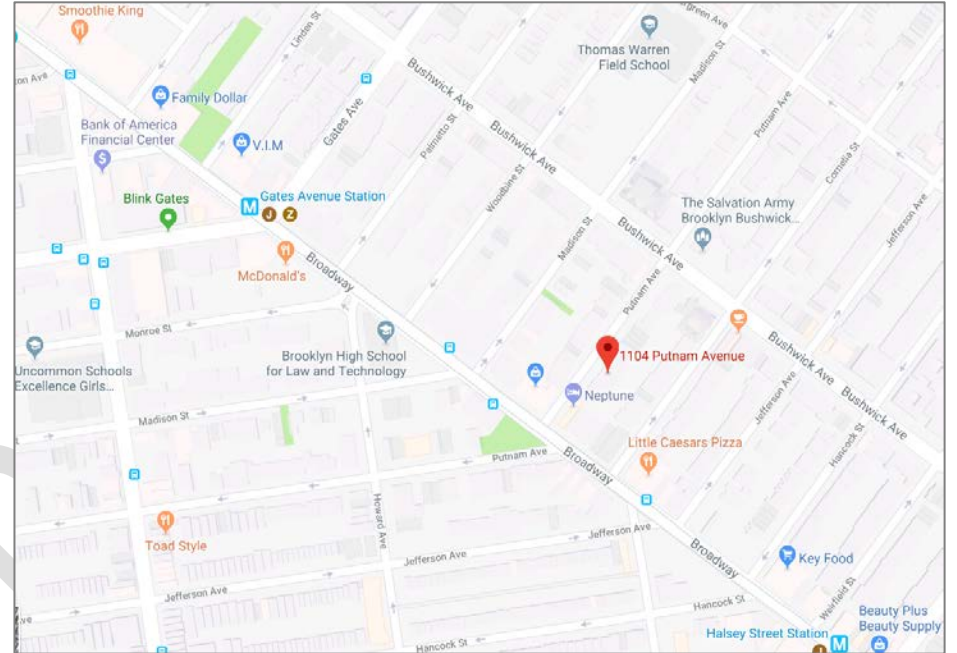
Risks Mitigated. FAF closed a similar loan with this Borrower in early June 2018. The Borrower and its sponsor has been well vetted by FAF and CFL. The principal of the Borrower has undertaken many of these small properties in Brooklyn to date to much success. He is a professional that worked in real estate finance and understands the market, finance, and real estate well. The principal has suggested that he would like to do several of these Loans per year with us which we have and will continue to do. Thus, he is highly motivated to pay us off promptly and on time.



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LOCATION



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SALES COMPARABLES

Property	Address	ARV/Price	Building sqft.	Price/sqft.	Year Built	Units
Subject	1104 Putnam Avenue	\$1,900,000	3,300	\$576	1910	3
1	1010 Halsey St	\$1,600,000	2,400	\$667	1905	3
2	1111 Jefferson Ave	\$1,740,000	2,700	\$644	1905	4
3	106 Harman St	\$1,855,000	2,880	\$644	1901	2
4	1320 Bushwick Ave	\$1,325,000	2,250	\$589	1920	2
5	1110 Putname Ave	\$2,000,000	3,000	\$667	1992	2
Comp. Average		\$1,704,000	2,646	\$642		

* Data reflects current active listings in the market

* Subject Property price reflects after renovation value of \$1.9 million

* Scheduled purchase price is \$1,220,000



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RENTAL COMPARABLES

Property	Address	Unit Tpye	Rent/Unit	Total sqft	Rent /sqft	Year Built
Subject	1104 Putnam Avenue	3-4 Bedrooms/2 Baths	\$3,700	950	\$3.89	1910
1	1010 Halsey St	2 Bedrooms/3 Baths	\$3,850	1,000	\$3.85	1905
2	1111 Jefferson Ave	4 Bedrooms/1 Bath	\$3,800	950	\$4.00	1905
3	106 Harman St	4 Bedrooms/1 Bath	\$3,600	980	\$3.67	1901
4	1320 Bushwick Ave	4 Bedrooms/1 Bath	\$3,500	913	\$3.83	1920
5	1110 Putname Ave	2 Bedrooms/2 Baths	\$3,350	900	\$3.72	1992
Comp. Average			\$3,620		\$3.82	



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PHOTOS

