



**Loan Summary**  
Hyatt Investments, LLC  
1052 E. Indian School Rd.  
Phoenix, AZ 85281.

#### PURPOSE

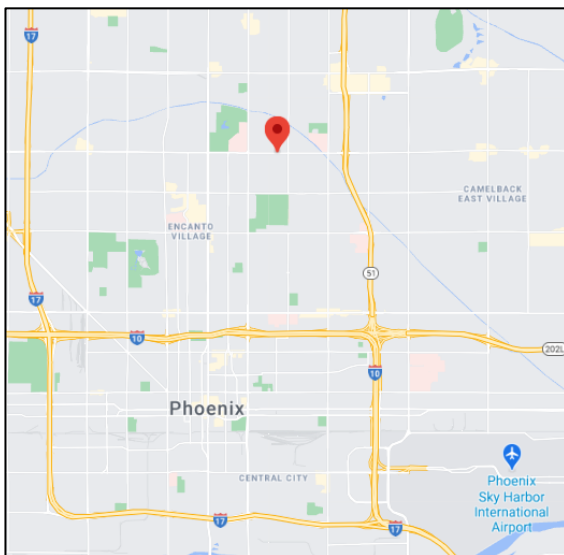
The purchase of a commercial building located at 1052 E. Indian School Rd. Phoenix, AZ 85014 and further identified as parcel #155-16-031 Maricopa County, Arizona. The 2,959-sf building sits on an approximately 9,601-sf lot and is currently under contract for \$275,000 (\$92.94/sf).

The free-standing office building to be purchased will be renovated with improvements at the Guarantor's expense. The Guarantor plans to rent half of the building to a Chiropractor for his practice. The remaining office space will serve as a headquarters for Solorzano Law Firm which was founded by the Guarantor.

#### GUARANTOR

Jonathan Solorzano, an unmarried man.

3187 E. Burridge Lane  
Phoenix, Arizona, 85004.



#### ADDRESS

1052 E Indian School Rd.  
Phoenix, Arizona, 85014

**Loan Amount:** \$220,000  
**Rate:** 10.50%  
**Maturity:** 12 Months  
**Terms:** Monthly interest-only payments with the outstanding balance due in 12 Months from the date of the Note.  
**Minimum Interest:** 5 Months



#### BORROWER

The Borrower is a single asset limited liability company which will be used to purchase and own the subject property.

## REPAYMENT

The primary source of repayment will come from the refinance of the property with a conventional lender once all of the renovations & improvements are done (between \$40K-\$60K) and the law firm will be occupying the property. May 1<sup>st</sup>, 2021 is the move in date so the refinance will occur sometime after that time period, most likely with MidFirst Bank.

The secondary source of repayment will come from the sale of the property.

A tertiary source of repayment will come from the foreclosure of the property.

## COLLATERAL

The collateral for this loan is a First Deed of Trust and ALTA Title Policy on the subject property.

The subject property is currently under contract for \$275,000 (\$92.94/sf). The 2,959-sf office building was constructed in 1978 and sits on a 9,601-sf lot. The parcel is currently zoned C-2 and has enough parking with 15 spaces (5/1,000 sf leased).

The property was sold in 2012 for \$250K to the current owner. This owner died and the Estate had it listed for \$540K starting in May of 2020, reduced to \$450K in August 2020. The Estate wants out so our Borrower has lowballed the offer for a very quick close which was accepted.

The property will serve as the new office for Jonathan Solorzano, who is the owner and founder of The Solorzano Law Firm. This site will operate as the new headquarters for The Solorzano Law Firm which focuses on Personal Injury, Immigration, Real Estate, and Criminal Law. He currently has a couple of Associate attorneys and a case load of 200+ lawsuits in their active cases.

Jonathan plans on making several improvements to the buildings outside and interior areas projecting the costs will be somewhere between \$40-\$60K. These include fixing the roof, stuccoing the outside of the building and painting it a flat grey for more of a modern office look, interior wall repairs, and replacing the flooring from tile to a new linoleum flooring. These repairs are to be completed within 150 days of funding.

**Purchase Value: \$275,000**  
**Loan to Cost: 80%**



## OFFICE SALES COMPARABLES

Over the last 12 months, there have been 5+ comparable sales of C zoned, retail/office buildings within a 3-mile radius of the subject property. One C-2 zoned, 2,251 sf office building sold on 8/13/2020 for \$315,000 (\$139.94/sf). The property located at 4541 N 12<sup>th</sup> St. is less than a mile away from the subject property. The value of the property is at \$519,700 (\$175.62 per sf) based on the averages of these comparables. Our loan will be at \$74.35 per sf.

Zoning:	Address:	Sale Price:	Sale Date:	Building SF:	Price per SF:	Land SF:	Price per SF:	Year Built:
C-2	1052 E. Indian School Rd. Phoenix, AZ. 85014	\$275,000	11/30/2020	2,959	\$92.94	9,601	\$28.64	1978
C-2	3909 N. 16th St. Phoenix, AZ 85016	\$470,000	9/25/2020	2,639	\$178.10	10,890	\$43.16	1967
C-O	2645 N 7th Ave. Phoenix, AZ 85007	\$680,000	8/20/2020	3,585	\$189.68	6,970	\$97.56	1984
C-2	4541 N 12th St. Phoenix, AZ 85014	\$315,000	8/13/2020	2,251	\$139.94	8,276	\$38.06	1946
C-1	2210 N 7th St. Phoenix, AZ 85006	\$432,000	1/16/2020	3,112	\$138.82	7,405	\$58.34	1974
<i>Pending Sale</i>								
C-2	5015 N 7th Ave. Phoenix, AZ 85013	\$875,000	11/9/2020	3,779	\$231.54	14,375	\$60.87	1963
Averages:		\$554,400		3,073	\$175.62	10,868	\$59.60	

Based on these recent sales, Colonial values the subject property conservatively at \$390,000, based on a 75% of the average price per square foot of similar square foot buildings in this zip code.

## GUARANTOR

Hyatt Investments, LLC is purchasing this property which will be guaranteed by its manager/owner Jonathan Solorzano. Jonathan is an alum of Arizona State University and Arizona Summit Law School where he graduated with honors. This site will operate as the new headquarters for his law practice, Solorzano Law Firm. Jonathan started the firm over 4 years ago and currently has 12 employees.

Jonathan's F/S dated 11/23/2020 shows *negative* N/W of \$298K on Total Assets of \$712K. These assets are centered in cash of \$111,592 cash and a personal residence of \$600K subject to a mortgage of \$493K. He does not list a value of cars or value of the law firm. Other liabilities include student debt of \$410K and car loans of \$108K. He is a guarantor on these car loans that are expensed at \$28K for 2019 through the Sub S Corp. law firm. \$101,000 plus \$200K net profit.

Jonathan Solorzano's Federal adjusted gross income for 2019 was \$264,925, from W-2 from the law firm of \$36K and \$234K in net profit from the law firm.

The Law Office of Jonathan Solorzano's Federal Tax Return, a Sub-S corporation, reported a 2019 gross revenues of \$1025K with total deductions of \$661K for an ordinary income of \$364K for the year.

Jonathan Solorzano's mid-range credit score is 733 as of 11/23/2020.

## SUMMARY

This area of Phoenix is seeing regentrification & should provide an investor with a reasonable return based on a good loan to value and a strong guarantor.

No one should consider investing unless they are prepared to own the subject property.