

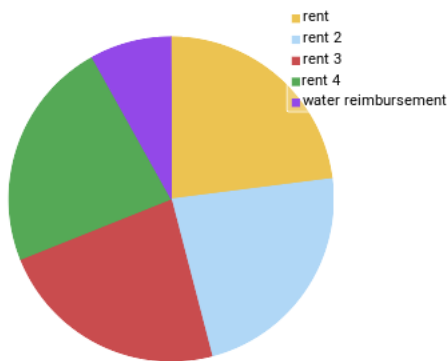
|                        |                          |                           |                            |
|------------------------|--------------------------|---------------------------|----------------------------|
| <b>Monthly Income:</b> | <b>Monthly Expenses:</b> | <b>Monthly Cash Flow:</b> | <b>Pro Forma Cap Rate:</b> |
| \$3,700.00             | \$2,996.83               | \$703.17                  | 8.14%                      |
| <b>NOI</b>             | <b>Total Cash Needed</b> | <b>Cash on Cash ROI</b>   | <b>Purchase Cap Rate</b>   |
| \$21,984.00            | \$97,980.00              | 8.61%                     | 8.33%                      |

## Property Information

|                               |                     |
|-------------------------------|---------------------|
| Purchase Price:               | \$264,000.00        |
| Purchase Closing Costs:       | \$5,000.00          |
| Estimated Repair Costs:       | \$25,000.00         |
| <b>Total Cost of Project:</b> | <b>\$294,000.00</b> |
| After Repair Value            | \$270,000.00        |

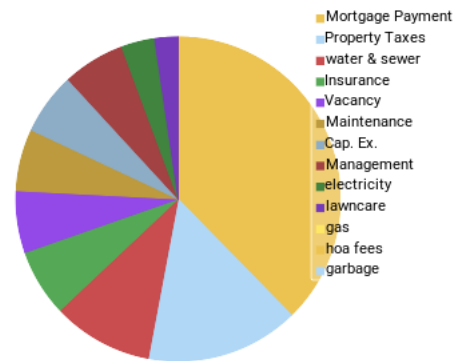
|                         |                   |
|-------------------------|-------------------|
| Down Payment:           | \$66,000.00       |
| Loan Amount:            | \$198,000.00      |
| Loan Points:            | 1.0               |
| Loan Fees:              | \$1,980.00        |
| Amortized Over:         | 25 years          |
| Loan Interest Rate:     | 4.750%            |
| <b>Monthly P&amp;I:</b> | <b>\$1,128.83</b> |

## Income



|              |                   |                     |          |
|--------------|-------------------|---------------------|----------|
| rent         | \$850.00          | water reimbursement | \$300.00 |
| rent 2       | \$850.00          | rent 3              | \$850.00 |
| rent 4       | \$850.00          |                     |          |
| <b>Total</b> | <b>\$3,700.00</b> |                     |          |

## Expenses



|                  |                   |                |          |
|------------------|-------------------|----------------|----------|
| electricity      | \$100.00          | gas            | \$0.00   |
| water & sewer    | \$300.00          | hoa fees       | \$0.00   |
| garbage          | \$0.00            | lawncare       | \$70.00  |
| Vacancy          | \$185.00          | Maintenance    | \$185.00 |
| Cap. Ex.         | \$185.00          | Management     | \$185.00 |
| Insurance        | \$200.00          | Property Taxes | \$458.00 |
| Mortgage Payment | \$1,128.83        |                |          |
| <b>Total</b>     | <b>\$2,996.83</b> |                |          |

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## Financial Projections

|                                 |              |                      |      |
|---------------------------------|--------------|----------------------|------|
| Total Initial Equity:           | \$72,000.00  |                      |      |
| Gross Rent Multiplier:          | 5.95         |                      |      |
| Income-Expense Ratio (2% Rule): | 1.26%        |                      |      |
| Typical Cap Rate:               | 8.33%        | Debt Coverage Ratio: | 1.62 |
| ARV based on Cap Rate:          | \$264,000.00 |                      |      |

## 50% Rule Cash Flow Estimates

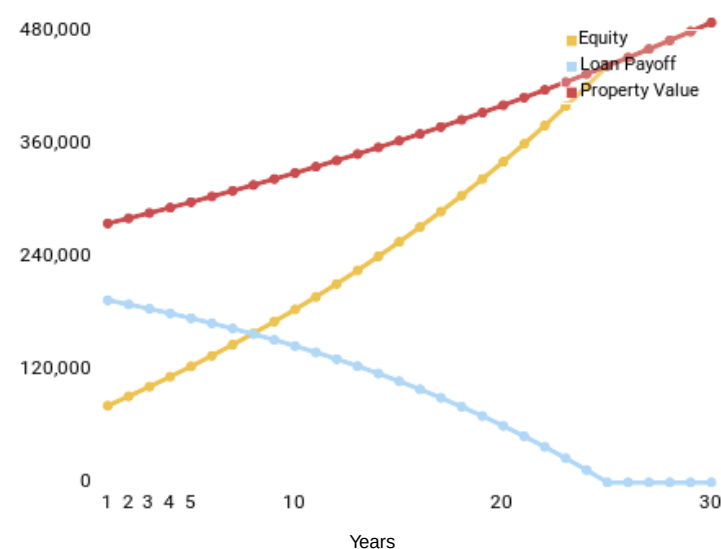
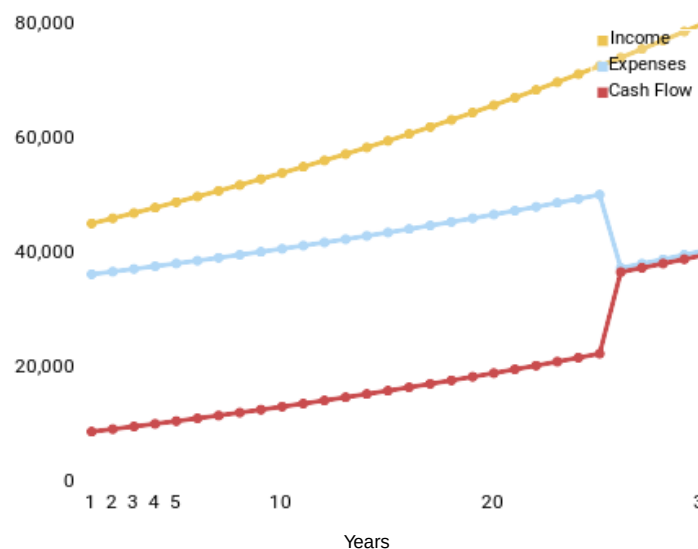
|                                                |                 |
|------------------------------------------------|-----------------|
| Total Monthly Income:                          | \$3,700.00      |
| x50% for Expenses:                             | \$1,850.00      |
| Monthly Payment/Interest Payment:              | \$1,128.83      |
| <b>Total Monthly Cash Flow using 50% Rule:</b> | <b>\$721.17</b> |

## Analysis Over Time

| Annual Growth Assumptions   | 2%        |           | 2%        | 2%             |           |           |           |
|-----------------------------|-----------|-----------|-----------|----------------|-----------|-----------|-----------|
|                             | Expenses  |           | Income    | Property Value |           |           |           |
|                             | Year 1    | Year 2    | Year 5    | Year 10        | Year 15   | Year 20   | Year 30   |
| Total Annual Income         | \$45,288  | \$46,194  | \$49,021  | \$54,123       | \$59,757  | \$65,976  | \$80,424  |
| Total Annual Expenses       | \$36,410  | \$36,868  | \$38,295  | \$40,871       | \$43,715  | \$46,855  | \$40,603  |
| Total Annual Cashflow       | \$8,878   | \$9,326   | \$10,726  | \$13,252       | \$16,042  | \$19,121  | \$39,821  |
| Cash on Cash ROI            | 9.06%     | 9.52%     | 10.95%    | 13.53%         | 16.37%    | 19.52%    | 40.64%    |
| Property Value              | \$275,400 | \$280,908 | \$298,102 | \$329,128      | \$363,384 | \$401,206 | \$489,068 |
| Equity                      | \$81,632  | \$91,578  | \$123,420 | \$184,003      | \$255,720 | \$341,024 | \$489,068 |
| Loan Balance                | \$193,768 | \$189,330 | \$174,681 | \$145,125      | \$107,664 | \$60,182  | \$0       |
| Total Profit if Sold        | -\$7,470  | \$11,802  | \$74,404  | \$196,096      | \$342,333 | \$516,960 | \$962,124 |
| Compound Annual Growth Rate | -8%       | 6%        | 12%       | 12%            | 11%       | 10%       | 8%        |

Income, Expenses and Cash Flow (in \$)

Loan Balance, Value and Equity (in \$)



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