

## 10 Year Performance Projection

BEAUTIFUL NEW CONSTRUCTION HOME  
Queen Creek, AZ 85140

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$33,600	\$34,608	\$35,646	\$36,716	\$37,817	\$38,952	\$40,120	\$41,324	\$42,563	\$43,840
Vacancy Losses	-\$2,688	-\$2,769	-\$2,852	-\$2,937	-\$3,025	-\$3,116	-\$3,210	-\$3,306	-\$3,405	-\$3,507
<b>Operating Income</b>	<b>\$30,912</b>	<b>\$31,839</b>	<b>\$32,795</b>	<b>\$33,778</b>	<b>\$34,792</b>	<b>\$35,835</b>	<b>\$36,911</b>	<b>\$38,018</b>	<b>\$39,158</b>	<b>\$40,333</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,730	-\$2,812	-\$2,896	-\$2,983	-\$3,073	-\$3,165	-\$3,260	-\$3,357	-\$3,458	-\$3,562
Insurance	-\$1,137	-\$1,172	-\$1,207	-\$1,243	-\$1,280	-\$1,319	-\$1,358	-\$1,399	-\$1,441	-\$1,484
Management Fees	-\$1,032	-\$1,063	-\$1,095	-\$1,128	-\$1,162	-\$1,196	-\$1,232	-\$1,269	-\$1,307	-\$1,347
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$1,500	-\$1,545	-\$1,591	-\$1,639	-\$1,688	-\$1,739	-\$1,791	-\$1,845	-\$1,900	-\$1,957
Maintenance	-\$672	-\$692	-\$713	-\$734	-\$756	-\$779	-\$802	-\$826	-\$851	-\$877
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$7,071</b>	<b>-\$7,284</b>	<b>-\$7,502</b>	<b>-\$7,727</b>	<b>-\$7,959</b>	<b>-\$8,198</b>	<b>-\$8,444</b>	<b>-\$8,697</b>	<b>-\$8,958</b>	<b>-\$9,227</b>

Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Net Operating Income</b>	<b>\$23,841</b>	<b>\$24,556</b>	<b>\$25,292</b>	<b>\$26,051</b>	<b>\$26,833</b>	<b>\$27,638</b>	<b>\$28,467</b>	<b>\$29,321</b>	<b>\$30,201</b>	<b>\$31,107</b>
- Mortgage Payments	-\$20,493	-\$20,493	-\$20,493	-\$20,493	-\$20,493	-\$20,493	-\$20,493	-\$25,540	-\$25,540	-\$25,540
<b>= Cash Flow</b>	<b>\$3,347</b>	<b>\$4,062</b>	<b>\$4,799</b>	<b>\$5,558</b>	<b>\$6,339</b>	<b>\$7,144</b>	<b>\$7,973</b>	<b>\$3,781</b>	<b>\$4,661</b>	<b>\$5,567</b>
+ Principal Reduction	\$4,707	\$4,948	\$5,200	\$5,466	\$5,745	\$6,038	\$6,347	\$9,010	\$9,565	\$10,154
+ Appreciation	\$27,299	\$28,937	\$30,674	\$32,514	\$34,465	\$36,533	\$38,725	\$41,048	\$43,511	\$46,122
<b>= Gross Equity Income</b>	<b>\$35,354</b>	<b>\$37,947</b>	<b>\$40,673</b>	<b>\$43,538</b>	<b>\$46,549</b>	<b>\$49,715</b>	<b>\$53,045</b>	<b>\$53,839</b>	<b>\$57,737</b>	<b>\$61,842</b>
Capitalization Rate	4.9%	4.8%	4.7%	4.5%	4.4%	4.3%	4.2%	4.0%	3.9%	3.8%
Cash on Cash Return	2.3%	2.8%	3.3%	3.9%	4.4%	5.0%	5.5%	2.6%	3.2%	3.9%
Return on Equity	21.0%	18.7%	17.1%	15.8%	14.7%	13.8%	13.1%	11.9%	11.4%	11.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$482,289	\$511,227	\$541,900	\$574,414	\$608,879	\$645,412	\$684,137	\$725,185	\$768,696	\$814,818
- Loan Balance	-\$313,786	-\$308,838	-\$303,638	-\$298,172	-\$292,427	-\$286,389	-\$280,042	-\$271,032	-\$261,467	-\$251,313
<b>= Equity</b>	<b>\$168,504</b>	<b>\$202,389</b>	<b>\$238,263</b>	<b>\$276,243</b>	<b>\$316,452</b>	<b>\$359,023</b>	<b>\$404,095</b>	<b>\$454,153</b>	<b>\$507,229</b>	<b>\$563,505</b>
Loan-to-Value Ratio	65.1%	60.4%	56.0%	51.9%	48.0%	44.4%	40.9%	37.4%	34.0%	30.8%
Potential Cash-Out Refi	\$120,275	\$151,266	\$184,073	\$218,801	\$255,565	\$294,482	\$335,681	\$381,635	\$430,359	\$482,023

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$168,504	\$202,389	\$238,263	\$276,243	\$316,452	\$359,023	\$404,095	\$454,153	\$507,229	\$563,505
- Closing Costs	-\$33,760	-\$35,786	-\$37,933	-\$40,209	-\$42,622	-\$45,179	-\$47,890	-\$50,763	-\$53,809	-\$57,037
<b>= Proceeds After Sale</b>	<b>\$134,744</b>	<b>\$166,603</b>	<b>\$200,330</b>	<b>\$236,034</b>	<b>\$273,831</b>	<b>\$313,845</b>	<b>\$356,205</b>	<b>\$403,390</b>	<b>\$453,420</b>	<b>\$506,467</b>
+ Cumulative Cash Flow	\$3,347	\$7,409	\$12,208	\$17,766	\$24,106	\$31,250	\$39,223	\$43,004	\$47,665	\$53,231
- Initial Cash Invested	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232	-\$144,232
<b>= Net Profit</b>	<b>-\$6,141</b>	<b>\$29,781</b>	<b>\$68,306</b>	<b>\$109,568</b>	<b>\$153,705</b>	<b>\$200,863</b>	<b>\$251,197</b>	<b>\$302,162</b>	<b>\$356,853</b>	<b>\$415,467</b>
Internal Rate of Return	-4.3%	9.9%	14.1%	15.6%	16.2%	16.4%	16.3%	16.1%	15.8%	15.6%
Return on Investment	-4.3%	20.6%	47.4%	76.0%	106.6%	139.3%	174.2%	209.5%	247.4%	288.1%

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.