

10 Year Performance Projection

Pre-Leased Property
 Memphis, TN 38128
 3bd | 2ba | Built: 1964

| Projected Income | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Projected Rent | \$13,500 | \$13,905 | \$14,322 | \$14,752 | \$15,194 | \$15,650 | \$16,120 | \$16,603 | \$17,101 | \$17,614 |
| Vacancy Losses | -\$1,080 | -\$1,112 | -\$1,146 | -\$1,180 | -\$1,216 | -\$1,252 | -\$1,290 | -\$1,328 | -\$1,368 | -\$1,409 |
| Operating Income | \$12,420 | \$12,793 | \$13,176 | \$13,572 | \$13,979 | \$14,398 | \$14,830 | \$15,275 | \$15,733 | \$16,205 |

| Estimated Expenses | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Property Taxes | -\$1,410 | -\$1,453 | -\$1,496 | -\$1,541 | -\$1,587 | -\$1,635 | -\$1,684 | -\$1,734 | -\$1,787 | -\$1,840 |
| Insurance | -\$784 | -\$807 | -\$831 | -\$856 | -\$882 | -\$908 | -\$936 | -\$964 | -\$993 | -\$1,022 |
| Management Fees | -\$994 | -\$1,023 | -\$1,054 | -\$1,086 | -\$1,118 | -\$1,152 | -\$1,186 | -\$1,222 | -\$1,259 | -\$1,296 |
| Leasing/Advertising Fees | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 |
| Association Fees | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 |
| Maintenance | -\$1,080 | -\$1,112 | -\$1,146 | -\$1,180 | -\$1,216 | -\$1,252 | -\$1,290 | -\$1,328 | -\$1,368 | -\$1,409 |
| Other | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 |
| Operating Expenses | -\$4,267 | -\$4,395 | -\$4,527 | -\$4,663 | -\$4,803 | -\$4,947 | -\$5,095 | -\$5,248 | -\$5,406 | -\$5,568 |

| Income Analysis | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Operating Income | \$8,153 | \$8,397 | \$8,649 | \$8,909 | \$9,176 | \$9,451 | \$9,735 | \$10,027 | \$10,327 | \$10,637 |
| - Mortgage Payments | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 | -\$8,455 |
| = Cash Flow | -\$303 | -\$58 | \$194 | \$453 | \$720 | \$996 | \$1,279 | \$1,571 | \$1,872 | \$2,182 |
| + Principal Reduction | \$1,443 | \$1,532 | \$1,627 | \$1,727 | \$1,834 | \$1,947 | \$2,067 | \$2,194 | \$2,330 | \$2,473 |
| + Appreciation | \$9,402 | \$9,966 | \$10,564 | \$11,198 | \$11,870 | \$12,582 | \$13,337 | \$14,137 | \$14,985 | \$15,884 |
| = Gross Equity Income | \$10,542 | \$11,440 | \$12,384 | \$13,378 | \$14,424 | \$15,524 | \$16,683 | \$17,903 | \$19,187 | \$20,540 |
| Capitalization Rate | 4.9% | 4.8% | 4.6% | 4.5% | 4.4% | 4.3% | 4.1% | 4.0% | 3.9% | 3.8% |
| Cash on Cash Return | -0.5% | -0.1% | 0.3% | 0.8% | 1.3% | 1.8% | 2.3% | 2.8% | 3.4% | 3.9% |
| Return on Equity | 21.1% | 18.6% | 16.8% | 15.4% | 14.4% | 13.5% | 12.8% | 12.2% | 11.7% | 11.3% |

| Loan Analysis | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Market Value | \$166,102 | \$176,068 | \$186,632 | \$197,830 | \$209,700 | \$222,282 | \$235,619 | \$249,756 | \$264,741 | \$280,626 |
| - Loan Balance | -\$116,082 | -\$114,550 | -\$112,923 | -\$111,196 | -\$109,362 | -\$107,416 | -\$105,349 | -\$103,155 | -\$100,825 | -\$98,352 |
| = Equity | \$50,020 | \$61,519 | \$73,709 | \$86,634 | \$100,338 | \$114,866 | \$130,270 | \$146,601 | \$163,916 | \$182,274 |
| Loan-to-Value Ratio | 69.9% | 65.1% | 60.5% | 56.2% | 52.2% | 48.3% | 44.7% | 41.3% | 38.1% | 35.0% |
| Potential Cash-Out Refi | \$33,410 | \$43,912 | \$55,046 | \$66,851 | \$79,368 | \$92,638 | \$106,708 | \$121,626 | \$137,442 | \$154,211 |

| Sale Analysis | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Equity | \$50,020 | \$61,519 | \$73,709 | \$86,634 | \$100,338 | \$114,866 | \$130,270 | \$146,601 | \$163,916 | \$182,274 |
| - Closing Costs | -\$11,627 | -\$12,325 | -\$13,064 | -\$13,848 | -\$14,679 | -\$15,560 | -\$16,493 | -\$17,483 | -\$18,532 | -\$19,644 |
| = Proceeds After Sale | \$38,393 | \$49,194 | \$60,645 | \$72,786 | \$85,659 | \$99,307 | \$113,777 | \$129,118 | \$145,384 | \$162,630 |
| + Cumulative Cash Flow | -\$303 | -\$361 | -\$167 | \$286 | \$1,006 | \$2,002 | \$3,281 | \$4,852 | \$6,724 | \$8,906 |
| - Approximate Cash Invest | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 | -\$55,443 |
| = Net Profit | -\$17,353 | -\$6,610 | \$5,035 | \$17,629 | \$31,222 | \$45,865 | \$61,615 | \$78,528 | \$96,665 | \$116,093 |
| Internal Rate of Return | -31.3% | -6.1% | 2.9% | 7.1% | 9.3% | 10.6% | 11.3% | 11.7% | 12.0% | 12.1% |
| Return on Investment | -31.3% | -11.9% | 9.1% | 31.8% | 56.3% | 82.7% | 111.1% | 141.6% | 174.4% | 209.4% |

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