

Ten Year Performance Projection

Great location!  
Arizona  
3bd | 2.5ba | Built: 2008

| Projected Income | Year 1   | Year 2   | Year 3   | Year 4   | Year 5   | Year 6   | Year 7   | Year 8   | Year 9   | Year 10  |
|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Projected Rent   | \$26,400 | \$27,192 | \$28,008 | \$28,848 | \$29,713 | \$30,605 | \$31,523 | \$32,469 | \$33,443 | \$34,446 |
| Vacancy Losses   | -\$2,112 | -\$2,175 | -\$2,241 | -\$2,308 | -\$2,377 | -\$2,448 | -\$2,522 | -\$2,597 | -\$2,675 | -\$2,756 |
| Operating Income | \$24,288 | \$25,017 | \$25,767 | \$26,540 | \$27,336 | \$28,156 | \$29,001 | \$29,871 | \$30,767 | \$31,690 |

| Estimated Expenses       | Year 1   | Year 2   | Year 3   | Year 4   | Year 5   | Year 6   | Year 7   | Year 8   | Year 9   | Year 10  |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Property Taxes           | -\$1,440 | -\$1,490 | -\$1,543 | -\$1,597 | -\$1,652 | -\$1,710 | -\$1,770 | -\$1,832 | -\$1,896 | -\$1,963 |
| Insurance                | -\$720   | -\$745   | -\$771   | -\$798   | -\$826   | -\$855   | -\$885   | -\$916   | -\$948   | -\$981   |
| Management Fees          | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     |
| Leasing/Advertising Fees | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     |
| Association Fees         | -\$1,248 | -\$1,292 | -\$1,337 | -\$1,384 | -\$1,432 | -\$1,482 | -\$1,534 | -\$1,588 | -\$1,643 | -\$1,701 |
| Maintenance              | -\$528   | -\$546   | -\$566   | -\$585   | -\$606   | -\$627   | -\$649   | -\$672   | -\$695   | -\$720   |
| Other                    | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     | -\$0     |
| Operating Expenses       | -\$3,936 | -\$4,074 | -\$4,216 | -\$4,364 | -\$4,517 | -\$4,675 | -\$4,838 | -\$5,008 | -\$5,183 | -\$5,364 |

| 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  | \$20,352  | \$20,943  | \$21,551  | \$22,176  | \$22,820  | \$23,482  | \$24,163  | \$24,863  | \$25,584  | \$26,326  |
| - Mortgage Payments   | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 | -\$16,875 |
| = Cash Flow           | \$3,477   | \$4,068   | \$4,676   | \$5,301   | \$5,945   | \$6,607   | \$7,288   | \$7,988   | \$8,709   | \$9,451   |
| + Principal Reduction | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| + Appreciation        | \$21,600  | \$22,896  | \$24,270  | \$25,726  | \$27,270  | \$28,906  | \$30,640  | \$32,478  | \$34,427  | \$36,493  |
| = Gross Equity Income | \$25,077  | \$26,964  | \$28,946  | \$31,027  | \$33,214  | \$35,512  | \$37,928  | \$40,467  | \$43,136  | \$45,944  |
| Capitalization Rate   | 5.3%      | 5.2%      | 5.0%      | 4.9%      | 4.7%      | 4.6%      | 4.5%      | 4.3%      | 4.2%      | 4.1%      |
| Cash on Cash Return   | 3.6%      | 4.3%      | 4.9%      | 5.6%      | 6.2%      | 6.9%      | 7.6%      | 8.4%      | 9.1%      | 9.9%      |
| Return on Equity      | 22.5%     | 20.0%     | 18.2%     | 16.8%     | 15.7%     | 14.8%     | 14.0%     | 13.3%     | 12.8%     | 12.3%     |

| Loan Analysis           | Year 1     | Year 2     | Year 3     | Year 4     | Year 5     | Year 6     | Year 7     | Year 8     | Year 9     | Year 10    |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Market Value            | \$381,600  | \$404,496  | \$428,766  | \$454,492  | \$481,761  | \$510,667  | \$541,307  | \$573,785  | \$608,212  | \$644,705  |
| - Loan Balance          | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 | -\$270,000 |
| = Equity                | \$111,600  | \$134,496  | \$158,766  | \$184,492  | \$211,761  | \$240,667  | \$271,307  | \$303,785  | \$338,212  | \$374,705  |
| Loan-to-Value Ratio     | 70.8%      | 66.7%      | 63.0%      | 59.4%      | 56.0%      | 52.9%      | 49.9%      | 47.1%      | 44.4%      | 41.9%      |
| Potential Cash-Out Refi | \$73,440   | \$94,046   | \$115,889  | \$139,043  | \$163,585  | \$189,600  | \$217,176  | \$246,407  | \$277,391  | \$310,235  |

| Sale Analysis             | Year 1    | Year 2    | Year 3    | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Equity                    | \$111,600 | \$134,496 | \$158,766 | \$184,492 | \$211,761 | \$240,667 | \$271,307 | \$303,785 | \$338,212 | \$374,705 |
| - Closing Costs           | -\$26,712 | -\$28,315 | -\$30,014 | -\$31,814 | -\$33,723 | -\$35,747 | -\$37,891 | -\$40,165 | -\$42,575 | -\$45,129 |
| = Proceeds After Sale     | \$84,888  | \$106,181 | \$128,752 | \$152,677 | \$178,038 | \$204,920 | \$233,415 | \$263,620 | \$295,638 | \$329,576 |
| + Cumulative Cash Flow    | \$3,477   | \$7,545   | \$12,221  | \$17,522  | \$23,467  | \$30,073  | \$37,361  | \$45,350  | \$54,059  | \$63,510  |
| - Approximate Cash Invest | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 | -\$95,400 |
| = Net Profit              | -\$7,035  | \$18,326  | \$45,573  | \$74,799  | \$106,105 | \$139,594 | \$175,377 | \$213,570 | \$254,297 | \$297,686 |
| Internal Rate of Return   | -7.4%     | 9.3%      | 14.3%     | 16.3%     | 17.1%     | 17.3%     | 17.3%     | 17.2%     | 17.1%     | 16.8%     |
| Return on Investment      | -7.4%     | 19.2%     | 47.8%     | 78.4%     | 111.2%    | 146.3%    | 183.8%    | 223.9%    | 266.6%    | 312.0%    |

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