

## 10 Year Performance Projection

Occupied Property  
 Memphis, TN 38127  
 3bd | 1ba | Built: 1952

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$13,140	\$13,534	\$13,940	\$14,358	\$14,789	\$15,233	\$15,690	\$16,161	\$16,645	\$17,145
Vacancy Losses	-\$1,051	-\$1,083	-\$1,115	-\$1,149	-\$1,183	-\$1,219	-\$1,255	-\$1,293	-\$1,332	-\$1,372
<b>Operating Income</b>	<b>\$12,089</b>	<b>\$12,451</b>	<b>\$12,825</b>	<b>\$13,210</b>	<b>\$13,606</b>	<b>\$14,014</b>	<b>\$14,435</b>	<b>\$14,868</b>	<b>\$15,314</b>	<b>\$15,773</b>

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,092	-\$1,124	-\$1,158	-\$1,193	-\$1,229	-\$1,265	-\$1,303	-\$1,342	-\$1,383	-\$1,424
Insurance	-\$632	-\$651	-\$670	-\$691	-\$711	-\$733	-\$755	-\$777	-\$801	-\$825
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	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$657	-\$677	-\$697	-\$718	-\$739	-\$762	-\$784	-\$808	-\$832	-\$857
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$2,380</b>	<b>-\$2,452</b>	<b>-\$2,525</b>	<b>-\$2,601</b>	<b>-\$2,679</b>	<b>-\$2,760</b>	<b>-\$2,842</b>	<b>-\$2,928</b>	<b>-\$3,016</b>	<b>-\$3,106</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>\$9,708</b>	<b>\$10,000</b>	<b>\$10,300</b>	<b>\$10,609</b>	<b>\$10,927</b>	<b>\$11,255</b>	<b>\$11,592</b>	<b>\$11,940</b>	<b>\$12,298</b>	<b>\$12,667</b>
- Mortgage Payments	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200	-\$6,200
<b>= Cash Flow</b>	<b>\$3,508</b>	<b>\$3,800</b>	<b>\$4,100</b>	<b>\$4,409</b>	<b>\$4,727</b>	<b>\$5,055</b>	<b>\$5,392</b>	<b>\$5,740</b>	<b>\$6,098</b>	<b>\$6,467</b>
+ Principal Reduction	\$1,058	\$1,123	\$1,193	\$1,266	\$1,344	\$1,427	\$1,515	\$1,609	\$1,708	\$1,813
+ Appreciation	\$6,894	\$7,308	\$7,746	\$8,211	\$8,704	\$9,226	\$9,779	\$10,366	\$10,988	\$11,647
<b>= Gross Equity Income</b>	<b>\$11,461</b>	<b>\$12,231</b>	<b>\$13,038</b>	<b>\$13,886</b>	<b>\$14,775</b>	<b>\$15,708</b>	<b>\$16,687</b>	<b>\$17,715</b>	<b>\$18,794</b>	<b>\$19,928</b>
Capitalization Rate	8.0%	7.7%	7.5%	7.3%	7.1%	6.9%	6.7%	6.5%	6.3%	6.2%
Cash on Cash Return	10.9%	11.8%	12.7%	13.7%	14.7%	15.7%	16.8%	17.8%	19.0%	20.1%
Return on Equity	31.2%	27.1%	24.1%	21.9%	20.1%	18.6%	17.5%	16.5%	15.6%	14.9%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$121,794	\$129,102	\$136,848	\$145,059	\$153,762	\$162,988	\$172,767	\$183,133	\$194,121	\$205,768
- Loan Balance	-\$85,117	-\$83,993	-\$82,801	-\$81,534	-\$80,190	-\$78,762	-\$77,247	-\$75,638	-\$73,930	-\$72,117
<b>= Equity</b>	<b>\$36,677</b>	<b>\$45,108</b>	<b>\$54,047</b>	<b>\$63,524</b>	<b>\$73,572</b>	<b>\$84,225</b>	<b>\$95,520</b>	<b>\$107,495</b>	<b>\$120,191</b>	<b>\$133,652</b>
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	\$24,498	\$32,198	\$40,362	\$49,019	\$58,196	\$67,927	\$78,243	\$89,182	\$100,779	\$113,075

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$36,677	\$45,108	\$54,047	\$63,524	\$73,572	\$84,225	\$95,520	\$107,495	\$120,191	\$133,652
- Closing Costs	-\$8,526	-\$9,037	-\$9,579	-\$10,154	-\$10,763	-\$11,409	-\$12,094	-\$12,819	-\$13,588	-\$14,404
<b>= Proceeds After Sale</b>	<b>\$28,152</b>	<b>\$36,071</b>	<b>\$44,468</b>	<b>\$53,370</b>	<b>\$62,809</b>	<b>\$72,816</b>	<b>\$83,426</b>	<b>\$94,676</b>	<b>\$106,603</b>	<b>\$119,248</b>
+ Cumulative Cash Flow	\$3,508	\$7,308	\$11,408	\$15,816	\$20,543	\$25,598	\$30,990	\$36,730	\$42,828	\$49,296
- Approximate Cash Invest	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172	-\$32,172
<b>= Net Profit</b>	<b>-\$512</b>	<b>\$11,207</b>	<b>\$23,703</b>	<b>\$37,014</b>	<b>\$51,180</b>	<b>\$66,242</b>	<b>\$82,244</b>	<b>\$99,234</b>	<b>\$117,259</b>	<b>\$136,372</b>
Internal Rate of Return	-1.6%	16.9%	22.0%	23.7%	24.2%	24.1%	23.9%	23.6%	23.2%	22.8%
Return on Investment	-1.6%	34.8%	73.7%	115.1%	159.1%	205.9%	255.6%	308.4%	364.5%	423.9%

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