

## 10 Year Performance Projection

Pre-Leased Property  
 Memphis, TN 38141  
 3bd | 2ba | Built: 1987

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$15,540	\$16,006	\$16,486	\$16,981	\$17,490	\$18,015	\$18,556	\$19,112	\$19,686	\$20,276
Vacancy Losses	-\$1,243	-\$1,280	-\$1,319	-\$1,358	-\$1,399	-\$1,441	-\$1,484	-\$1,529	-\$1,575	-\$1,622
<b>Operating Income</b>	<b>\$14,297</b>	<b>\$14,726</b>	<b>\$15,167</b>	<b>\$15,622</b>	<b>\$16,091</b>	<b>\$16,574</b>	<b>\$17,071</b>	<b>\$17,583</b>	<b>\$18,111</b>	<b>\$18,654</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	-\$1,426	-\$1,468	-\$1,512	-\$1,558	-\$1,605	-\$1,653	-\$1,702	-\$1,753	-\$1,806	-\$1,860
Insurance	-\$792	-\$816	-\$840	-\$865	-\$891	-\$918	-\$946	-\$974	-\$1,003	-\$1,033
Management Fees	-\$1,144	-\$1,178	-\$1,213	-\$1,250	-\$1,287	-\$1,326	-\$1,366	-\$1,407	-\$1,449	-\$1,492
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	-\$1,243	-\$1,280	-\$1,319	-\$1,358	-\$1,399	-\$1,441	-\$1,484	-\$1,529	-\$1,575	-\$1,622
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$4,605</b>	<b>-\$4,743</b>	<b>-\$4,885</b>	<b>-\$5,032</b>	<b>-\$5,182</b>	<b>-\$5,338</b>	<b>-\$5,498</b>	<b>-\$5,663</b>	<b>-\$5,833</b>	<b>-\$6,008</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>\$9,692</b>	<b>\$9,983</b>	<b>\$10,283</b>	<b>\$10,591</b>	<b>\$10,909</b>	<b>\$11,236</b>	<b>\$11,573</b>	<b>\$11,920</b>	<b>\$12,278</b>	<b>\$12,646</b>
- Mortgage Payments	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547	-\$8,547
<b>= Cash Flow</b>	<b>\$1,145</b>	<b>\$1,436</b>	<b>\$1,735</b>	<b>\$2,044</b>	<b>\$2,361</b>	<b>\$2,689</b>	<b>\$3,026</b>	<b>\$3,373</b>	<b>\$3,731</b>	<b>\$4,099</b>
+ Principal Reduction	\$1,459	\$1,549	\$1,644	\$1,746	\$1,854	\$1,968	\$2,089	\$2,218	\$2,355	\$2,500
+ Appreciation	\$9,504	\$10,074	\$10,679	\$11,319	\$11,999	\$12,718	\$13,482	\$14,291	\$15,148	\$16,057
<b>= Gross Equity Income</b>	<b>\$12,108</b>	<b>\$13,059</b>	<b>\$14,058</b>	<b>\$15,109</b>	<b>\$16,214</b>	<b>\$17,375</b>	<b>\$18,597</b>	<b>\$19,882</b>	<b>\$21,233</b>	<b>\$22,656</b>
Capitalization Rate	5.8%	5.6%	5.5%	5.3%	5.1%	5.0%	4.9%	4.7%	4.6%	4.5%
Cash on Cash Return	2.0%	2.6%	3.1%	3.7%	4.2%	4.8%	5.4%	6.0%	6.7%	7.3%
Return on Equity	23.9%	21.0%	18.9%	17.3%	16.0%	15.0%	14.1%	13.4%	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	\$167,904	\$177,978	\$188,657	\$199,976	\$211,975	\$224,693	\$238,175	\$252,466	\$267,613	\$283,670
- Loan Balance	-\$117,341	-\$115,792	-\$114,148	-\$112,402	-\$110,548	-\$108,580	-\$106,491	-\$104,273	-\$101,918	-\$99,418
<b>= Equity</b>	<b>\$50,563</b>	<b>\$62,186</b>	<b>\$74,509</b>	<b>\$87,575</b>	<b>\$101,427</b>	<b>\$116,113</b>	<b>\$131,684</b>	<b>\$148,193</b>	<b>\$165,695</b>	<b>\$184,252</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	\$33,773	\$44,388	\$55,644	\$67,577	\$80,229	\$93,644	\$107,866	\$122,946	\$138,934	\$155,885

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$50,563	\$62,186	\$74,509	\$87,575	\$101,427	\$116,113	\$131,684	\$148,193	\$165,695	\$184,252
- Closing Costs	-\$11,753	-\$12,458	-\$13,206	-\$13,998	-\$14,838	-\$15,729	-\$16,672	-\$17,673	-\$18,733	-\$19,857
<b>= Proceeds After Sale</b>	<b>\$38,810</b>	<b>\$49,728</b>	<b>\$61,303</b>	<b>\$73,576</b>	<b>\$86,588</b>	<b>\$100,385</b>	<b>\$115,012</b>	<b>\$130,520</b>	<b>\$146,962</b>	<b>\$164,395</b>
+ Cumulative Cash Flow	\$1,145	\$2,581	\$4,316	\$6,360	\$8,721	\$11,410	\$14,436	\$17,809	\$21,539	\$25,638
- Approximate Cash Invest	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936	-\$55,936
<b>= Net Profit</b>	<b>-\$15,981</b>	<b>-\$3,628</b>	<b>\$9,683</b>	<b>\$24,000</b>	<b>\$39,374</b>	<b>\$55,859</b>	<b>\$73,512</b>	<b>\$92,393</b>	<b>\$112,566</b>	<b>\$134,098</b>
Internal Rate of Return	-28.6%	-3.3%	5.6%	9.6%	11.7%	12.8%	13.4%	13.8%	13.9%	14.0%
Return on Investment	-28.6%	-6.5%	17.3%	42.9%	70.4%	99.9%	131.4%	165.2%	201.2%	239.7%

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