

## 10 Year Performance Projection

Leased at 1200 per Month  
 Memphis, TN 38141  
 3bd | 2ba | Built: 1988 | Remodeled: 2021

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$14,400	\$14,832	\$15,277	\$15,735	\$16,207	\$16,694	\$17,194	\$17,710	\$18,241	\$18,789
Vacancy Losses	-\$1,152	-\$1,187	-\$1,222	-\$1,259	-\$1,297	-\$1,335	-\$1,376	-\$1,417	-\$1,459	-\$1,503
<b>Operating Income</b>	<b>\$13,248</b>	<b>\$13,645</b>	<b>\$14,055</b>	<b>\$14,476</b>	<b>\$14,911</b>	<b>\$15,358</b>	<b>\$15,819</b>	<b>\$16,293</b>	<b>\$16,782</b>	<b>\$17,286</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	-\$2,442	-\$2,515	-\$2,591	-\$2,669	-\$2,749	-\$2,831	-\$2,916	-\$3,003	-\$3,094	-\$3,186
Insurance	-\$844	-\$870	-\$896	-\$923	-\$950	-\$979	-\$1,008	-\$1,038	-\$1,070	-\$1,102
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	-\$1,152	-\$1,187	-\$1,222	-\$1,259	-\$1,297	-\$1,335	-\$1,376	-\$1,417	-\$1,459	-\$1,503
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$4,438</b>	<b>-\$4,572</b>	<b>-\$4,709</b>	<b>-\$4,850</b>	<b>-\$4,996</b>	<b>-\$5,145</b>	<b>-\$5,300</b>	<b>-\$5,459</b>	<b>-\$5,623</b>	<b>-\$5,791</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>\$8,810</b>	<b>\$9,074</b>	<b>\$9,346</b>	<b>\$9,626</b>	<b>\$9,915</b>	<b>\$10,213</b>	<b>\$10,519</b>	<b>\$10,835</b>	<b>\$11,160</b>	<b>\$11,494</b>
- Mortgage Payments	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009	-\$7,009
<b>= Cash Flow</b>	<b>\$1,800</b>	<b>\$2,064</b>	<b>\$2,337</b>	<b>\$2,617</b>	<b>\$2,906</b>	<b>\$3,203</b>	<b>\$3,510</b>	<b>\$3,825</b>	<b>\$4,150</b>	<b>\$4,485</b>
+ Principal Reduction	\$1,196	\$1,270	\$1,349	\$1,432	\$1,520	\$1,614	\$1,713	\$1,819	\$1,931	\$2,050
+ Appreciation	\$7,794	\$8,262	\$8,757	\$9,283	\$9,840	\$10,430	\$11,056	\$11,719	\$12,422	\$13,168
<b>= Gross Equity Income</b>	<b>\$10,791</b>	<b>\$11,596</b>	<b>\$12,443</b>	<b>\$13,332</b>	<b>\$14,266</b>	<b>\$15,247</b>	<b>\$16,279</b>	<b>\$17,363</b>	<b>\$18,504</b>	<b>\$19,703</b>
Capitalization Rate	6.4%	6.2%	6.0%	5.9%	5.7%	5.5%	5.4%	5.2%	5.1%	4.9%
Cash on Cash Return	4.9%	5.7%	6.4%	7.2%	8.0%	8.8%	9.6%	10.5%	11.4%	12.3%
Return on Equity	26.0%	22.7%	20.4%	18.6%	17.2%	16.0%	15.1%	14.3%	13.6%	13.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$137,694	\$145,956	\$154,713	\$163,996	\$173,836	\$184,266	\$195,322	\$207,041	\$219,463	\$232,631
- Loan Balance	-\$96,229	-\$94,959	-\$93,610	-\$92,178	-\$90,658	-\$89,045	-\$87,331	-\$85,512	-\$83,581	-\$81,531
<b>= Equity</b>	<b>\$41,465</b>	<b>\$50,997</b>	<b>\$61,103</b>	<b>\$71,817</b>	<b>\$83,177</b>	<b>\$95,221</b>	<b>\$107,990</b>	<b>\$121,528</b>	<b>\$135,882</b>	<b>\$151,100</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	\$27,696	\$36,402	\$45,632	\$55,418	\$65,794	\$76,794	\$88,458	\$100,824	\$113,936	\$127,837

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$41,465	\$50,997	\$61,103	\$71,817	\$83,177	\$95,221	\$107,990	\$121,528	\$135,882	\$151,100
- Closing Costs	-\$9,639	-\$10,217	-\$10,830	-\$11,480	-\$12,168	-\$12,899	-\$13,673	-\$14,493	-\$15,362	-\$16,284
<b>= Proceeds After Sale</b>	<b>\$31,827</b>	<b>\$40,780</b>	<b>\$50,273</b>	<b>\$60,338</b>	<b>\$71,009</b>	<b>\$82,322</b>	<b>\$94,318</b>	<b>\$107,036</b>	<b>\$120,519</b>	<b>\$134,816</b>
+ Cumulative Cash Flow	\$1,800	\$3,865	\$6,201	\$8,819	\$11,724	\$14,928	\$18,437	\$22,263	\$26,413	\$30,898
- Approximate Cash Invest	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372	-\$36,372
<b>= Net Profit</b>	<b>-\$2,745</b>	<b>\$8,273</b>	<b>\$20,102</b>	<b>\$32,784</b>	<b>\$46,361</b>	<b>\$60,878</b>	<b>\$76,383</b>	<b>\$92,926</b>	<b>\$110,561</b>	<b>\$129,342</b>
Internal Rate of Return	-7.5%	11.0%	16.5%	18.5%	19.2%	19.4%	19.3%	19.1%	18.9%	18.6%
Return on Investment	-7.5%	22.7%	55.3%	90.1%	127.5%	167.4%	210.0%	255.5%	304.0%	355.6%

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