

### 1st Year Pro forma

City, State	Kansas City, MO
Street	7211 Lydia Ave
Property Type	Single family
Year Built	1923
Living Area Sq Ft	1,178
Bedrooms	3
Baths	1
Neighborhood Class	C+

<b>Price</b>	<b>\$147,000</b>
Cost per Sq Ft	\$124.79
Monthly Rent per Sq Ft	\$1.02



Income	Monthly	Annual
Gross Rent	\$1,200	\$14,400
Vacancy Losses	\$60	\$720
<b>Operating Income</b>	<b>\$1,140</b>	<b>\$13,680</b>

Expenses	Monthly	Annual
Property Taxes	\$36	\$429
Insurance	\$50	\$600
Management	\$69	\$828
Leasing/Advertising	\$0	\$0
Association Fees	\$0	\$0
Maintenance	\$48	\$576
Other	\$0	\$0
<b>Operating Expenses</b>	<b>\$203</b>	<b>\$2,433</b>

Net Performance	Monthly	Annual
Net Operating Income	\$937	\$11,247
Debt Service	\$649	\$7,793
Cash Flow	\$288	\$3,454
Principal Reduction	\$138	\$1,658
First Year Appreciation	\$368	\$4,410
<b>Gross Equity Income</b>	<b>\$794</b>	<b>\$9,523</b>

Financial Indicators	
Debt Cover Ratio	1.4
Annual Gross Rent Multiplier	10.2
Monthly Gross Rent Multiplier	123
Rent ratio	0.8%
Capitalization Rate	7.7%
Cash on Cash Return	11.7%
<b>Total Return on Investment</b>	<b>32.4%</b>

Assumptions	
Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	6%
Maintenance Percentage	4%
Rental Increase	3.0%

Mortgage Information	
Loan to Value	80.0%
Downpayment	\$29,400
Loan Amount	\$117,600
Terms	360
Interest Rate*	5.25%
Mortgage Payment	\$649.39

These are projections only and performance is not guaranteed. All investments have risk and investors should do their own due diligence

\*Rates can vary and are subject to change Seller will credit \$2000 towards loan points for interest rate reduction

**5 Year Performance Summary----Cash-flow & Equity**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>INCOME</b>					
Gross Rent	\$14,400	\$14,832	\$15,277	\$15,735	\$16,207
Vacancy	\$720	\$742	\$764	\$787	\$810
Operating Income	\$13,680	\$14,090	\$14,513	\$14,949	\$15,397
<b>EXPENSES</b>					
Property taxes	\$429	\$438	\$446	\$455	\$464
Insurance	\$600	\$612	\$624	\$637	\$649
Management	\$828	\$853	\$878	\$905	\$932
Maintenance	\$576	\$593	\$611	\$629	\$648
<b>Total Operating Expenses</b>	<b>\$2,433</b>	<b>\$2,496</b>	<b>\$2,560</b>	<b>\$2,626</b>	<b>\$2,694</b>

**Income Analyses**

Net Operating Income	\$11,247	\$11,595	\$11,953	\$12,322	\$12,703
Debt Service	\$7,793	\$7,793	\$7,793	\$7,793	\$7,793
Cash Flow	\$3,454	\$3,802	\$4,160	\$4,530	\$4,910
<b>Cash on Cash Return</b>	<b>11.7%</b>	<b>12.9%</b>	<b>14.2%</b>	<b>15.4%</b>	<b>16.7%</b>

<b>Equity Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Principal Reduction	\$1,658	\$1,747	\$1,841	\$1,940	\$2,045
Annual Appreciation	\$4,410	\$4,542	\$4,679	\$4,819	\$4,963
Total Annual Equity Gain	\$6,068	\$6,290	\$6,520	\$6,759	\$7,008
<b>Total Equity Gain %</b>	<b>20.6%</b>	<b>21.4%</b>	<b>22.2%</b>	<b>23.0%</b>	<b>23.8%</b>

<b>Income &amp; Equity Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Total Annual Income	\$3,454	\$3,802	\$4,160	\$4,530	\$4,910
Total Annual Equity	\$6,068	\$6,290	\$6,520	\$6,759	\$7,008
<b>Total Income &amp; Equity</b>	<b>\$9,523</b>	<b>\$10,092</b>	<b>\$10,680</b>	<b>\$11,289</b>	<b>\$11,918</b>
<b>Return from Income &amp; Equity</b>	<b>32.4%</b>	<b>34.3%</b>	<b>36.3%</b>	<b>38.4%</b>	<b>40.5%</b>

Cummulative Cash flow	\$3,454	\$7,256	\$11,417	\$15,946	\$20,857
Cummulative Equity Gain	\$6,068	\$12,358	\$18,878	\$25,637	\$32,645
Total Cummulative Income & Equity	\$9,523	\$19,614	\$30,295	\$41,583	\$53,502