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| <b>BASIC PURCHASE INFORMATION</b> |                 |
|-----------------------------------|-----------------|
| Property Value (est.)             | <b>\$70,000</b> |
| Purchase Price                    | <b>\$53,000</b> |
| Down Payment                      | \$10,600        |
| Equity at Purchase                | \$27,600        |

| <b>FINANCIAL PERFORMANCE SUMMARY</b> |          |
|--------------------------------------|----------|
| <b>Capitalization Rate</b>           | 12.4%    |
| <b>Cash-on-Cash Return</b>           | 28.5%    |
| <b>Total Equity (Year 5)</b>         | \$46,230 |

| <b>MORTGAGE CALCULATION</b> |              |
|-----------------------------|--------------|
| Interest Rate               | <b>5.00%</b> |
| Down Payment                | <b>20%</b>   |
| Loan Term (Fixed)           | <b>30</b>    |
| Loan Amount                 | \$42,400     |
| Annual Payment              | \$2,731      |
| Monthly Payment             | \$228        |

| <b>CALCULATION ASSUMPTIONS</b> |              |
|--------------------------------|--------------|
| Rental Income (mo.)            | <b>\$750</b> |
| Vacancy Allowance              | <b>5%</b>    |
| Maintenance Reserve            | <b>3%</b>    |
| Management Fee                 | <b>10%</b>   |
| Property Taxes                 | <b>\$80</b>  |
| Insurance                      | <b>\$25</b>  |
| Homeowners Assoc.              | <b>\$0</b>   |
| Utilities                      | <b>\$0</b>   |
| Misc Expenses                  | <b>\$0</b>   |
| Rental Income Increase         | <b>3%</b>    |
| Property Tax Increase          | <b>3%</b>    |
| Utilities Increase             | <b>4%</b>    |
| Misc Expenses Increase         | <b>4%</b>    |
| Building to Land Value Ratio   | <b>75%</b>   |
| Appreciation Rate              | <b>4%</b>    |
| Closing Costs (Buy)            | <b>3%</b>    |
| Closing Costs (Sell)           | <b>8%</b>    |

| <b>CASH TO PURCHASE</b>    |                 |
|----------------------------|-----------------|
| Down Payment               | \$10,600        |
| Closing Costs              | \$1,272         |
| <b>Total Cash Required</b> | <b>\$11,872</b> |