

### 1st Year Pro forma

City, State	Cleveland, OH
Street	4137 E. 59th St
Property Type	Single Family
Year Built	1935
Living Area Sq Ft	1,447
Bedrooms	2
Baths	1
Neighborhood Class	C

<b>Price</b>	<b>\$107,000</b>
Cost per Sq Ft	\$73.95
Monthly Rent per Sq Ft	\$0.69



<b>Income</b>	<b>Monthly</b>	<b>Annual</b>
Gross Rent	\$1,000	\$12,000
Vacancy Losses	\$50	\$600
<b>Operating Income</b>	<b>\$950</b>	<b>\$11,400</b>

<b>Expenses</b>	<b>Monthly</b>	<b>Annual</b>
Property Taxes	\$77	\$925
Insurance	\$65	\$780
Management	\$95	\$1,140
Leasing/Advertising	\$0	\$0
Association Fees	\$0	\$0
Maintenance	\$50	\$600
Gas, electric, water	\$0	\$0
<b>Operating Expenses</b>	<b>\$287</b>	<b>\$3,445</b>

<b>Net Performance</b>	<b>Monthly</b>	<b>Annual</b>
Net Operating Income	\$663	\$7,955
Debt Service	\$493	\$5,913
Cash Flow	\$170	\$2,042
Principal Reduction	\$94	\$1,127
First Year Appreciation	\$268	\$3,210
<b>Gross Equity Income</b>	<b>\$532</b>	<b>\$6,379</b>

<b>Financial Indicators</b>	
Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	8.9
Monthly Gross Rent Multiplier	107
Rent ratio	0.9%
Capitalization Rate	7.4%
Cash on Cash Return	9.5%
<b>Total Return on Investment</b>	<b>29.8%</b>

<b>Assumptions</b>	
Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	10%
Maintenance Percentage	5%
Rental Increase	2.0%

<b>Mortgage Information</b>	
Loan to Value	80.0%
Downpayment	\$21,400
Loan Amount	\$85,600
Terms	360
Interest Rate*	5.625%
Mortgage Payment	\$492.76

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

\*Based on 10 year fixed rate. 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**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
<b>INCOME</b>						
Gross Rent	\$12,000	\$12,240	\$12,485	\$12,734	\$12,989	\$14,341
Vacancy	\$600	\$612	\$624	\$637	\$649	\$717
Operating Income	\$11,400	\$11,628	\$11,861	\$12,098	\$12,340	\$13,624
<b>EXPENSES</b>						
Property taxes	\$925	\$944	\$962	\$982	\$1,001	\$1,105
Insurance	\$780	\$796	\$812	\$828	\$844	\$932
Management	\$1,140	\$1,163	\$1,186	\$1,210	\$1,234	\$1,362
Maintenance	\$600	\$612	\$624	\$637	\$649	\$717
Gas, electric, water	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping, gardening, show remov	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	\$3,445	\$3,514	\$3,584	\$3,656	\$3,729	\$4,117

**Income Analyses**

Net Operating Income	\$7,955	\$8,114	\$8,276	\$8,442	\$8,611	\$9,507
Debt Service	\$5,913	\$5,913	\$5,913	\$5,913	\$5,913	\$5,913
Cash Flow	\$2,042	\$2,201	\$2,363	\$2,529	\$2,698	\$3,594
<b>Cash on Cash Return</b>	<b>9.5%</b>	<b>10.3%</b>	<b>11.0%</b>	<b>11.8%</b>	<b>12.6%</b>	<b>16.8%</b>

**Equity Analysis**

Principal Reduction	\$1,127	\$1,192	\$1,261	\$1,334	\$1,411	\$1,867
Annual Appreciation	\$3,210	\$3,306	\$3,405	\$3,508	\$3,613	\$4,188
Total Annual Equity Gain	\$4,337	\$4,498	\$4,666	\$4,841	\$5,023	\$6,056
<b>Total Equity Gain %</b>	<b>20.27%</b>	<b>21.02%</b>	<b>21.80%</b>	<b>22.62%</b>	<b>23.47%</b>	<b>28.30%</b>

Total Annual Income	\$2,042	\$2,201	\$2,363	\$2,529	\$2,698	\$3,594
Total Annual Equity	\$4,337	\$4,498	\$4,666	\$4,841	\$5,023	\$6,056
Total Income & Equity	\$6,379	\$6,699	\$7,029	\$7,370	\$7,721	\$9,650
<b>Return from Income &amp; Equity</b>	<b>29.8%</b>	<b>31.3%</b>	<b>32.8%</b>	<b>34.4%</b>	<b>36.1%</b>	<b>45.1%</b>

Cummulative Cash flow	\$2,042	\$4,243	\$6,606	\$9,135	\$11,832	\$51,495
Cummulative Equity Gain	\$4,337	\$8,835	\$13,501	\$18,343	\$23,366	\$79,468
<b>Total Cummulative Income &amp; Equity</b>	<b>\$6,379</b>	<b>\$13,078</b>	<b>\$20,107</b>	<b>\$27,477</b>	<b>\$35,198</b>	<b>\$130,963</b>