

## 1st Year Pro forma

City, State	Indianapolis, IN
Street	4464 N. Aristocrat Lane
Property Type	Single family
Year Built	1979
Living Area Sq Ft	956
Bedrooms	3
Baths	1
Neighborhood Class	B

<b>Price</b>	<b>\$185,000</b>
Cost per Sq Ft	\$193.51
Monthly Rent per Sq Ft	\$1.67



Income	Monthly	Annual
Gross Rent (tenant in place)	\$1,600	\$19,200
Vacancy Losses	\$64	\$768
<b>Gross Operating Income</b>	<b>\$1,536</b>	<b>\$18,432</b>

Expenses	Monthly	Annual
Property Taxes	\$143	\$1,712
Insurance	\$50	\$600
Management	\$138.24	\$1,659
Leasing/Advertising	\$0	\$0
Gas, electric, water	\$0	\$0
Maintenance	\$48	\$576
Lawcare/Snow removal	\$0	\$0
<b>Operating Expenses</b>	<b>\$379</b>	<b>\$4,547</b>

Net Performance	Monthly	Annual
Net Operating Income	\$1,157	\$13,885
Debt Service	\$877	\$10,524
Cash Flow	\$280	\$3,361
Principal Reduction	\$129	\$1,551
First Year Appreciation	\$463	\$5,550
<b>Total Income &amp; Equity Return</b>	<b>\$872</b>	<b>\$10,462</b>

Financial Indicators	
Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	9.6
Monthly Gross Rent Multiplier	116
Rent ratio	0.9%
Capitalization Rate	7.5%
Cash on Cash Return	7.3%
<b>Total Return on Investment</b>	<b>22.6%</b>

Assumptions	
Real Estate Appreciation Rate	3%
Vacancy Rate	4%
Management Fee	9%
Maintenance Percentage	3%
Rental Increase	2.0%

Mortgage Information	
Loan to Value	75.0%
Downpayment	\$46,250
Loan Amount	\$138,750
Terms	360
Interest Rate*	6.500%
Mortgage Payment	\$876.99

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

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
<b>INCOME</b>						
Gross Rent	\$19,200	\$19,584	\$19,976	\$20,375	\$20,783	\$22,946
Vacancy	\$768	\$783	\$799	\$815	\$831	\$918
Operating Income	\$18,432	\$18,801	\$19,177	\$19,560	\$19,951	\$22,028
<b>EXPENSES</b>						
Property taxes	\$1,712	\$1,746	\$1,781	\$1,817	\$1,853	\$2,046
Insurance	\$600	\$612	\$624	\$637	\$649	\$717
Management	\$828	\$845	\$862	\$879	\$897	\$990
Maintenance	\$576	\$588	\$599	\$611	\$623	\$688
Water, electric, gas	\$0	\$0	\$0	\$0	\$0	\$0
Lawn care/Snow removal	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	\$3,716	\$3,791	\$3,867	\$3,944	\$4,023	\$4,441

<b>Income Analyses</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Net Operating Income	\$14,716	\$15,010	\$15,310	\$15,616	\$15,929	\$17,586
Debt Service	\$10,524	\$10,524	\$10,524	\$10,524	\$10,524	\$10,524
Cash Flow	\$4,192	\$4,486	\$4,786	\$5,092	\$5,405	\$7,063
<b>Cash on Cash Return</b>	<b>9.1%</b>	<b>9.7%</b>	<b>10.3%</b>	<b>11.0%</b>	<b>11.7%</b>	<b>15.3%</b>

<b>Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Principal Reduction	\$1,551	\$1,655	\$1,766	\$1,884	\$2,010	\$2,810
Annual Appreciation	\$5,550	\$5,717	\$5,888	\$6,065	\$6,247	\$7,241
Total Annual Equity Gain	\$7,101	\$7,371	\$7,654	\$7,948	\$8,256	\$10,051
<b>Total Equity Gain %</b>	<b>15.4%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>17.2%</b>	<b>17.9%</b>	<b>21.73%</b>

<b>Income &amp; Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Total Annual Income	\$4,192	\$4,486	\$4,786	\$5,092	\$5,405	\$7,063
Total Annual Equity	\$7,101	\$7,371	\$7,654	\$7,948	\$8,256	\$10,051
<b>Total Income &amp; Equity</b>	<b>\$11,293</b>	<b>\$11,857</b>	<b>\$12,440</b>	<b>\$13,041</b>	<b>\$13,661</b>	<b>\$17,114</b>
<b>Return from Income &amp; Equity</b>	<b>24.4%</b>	<b>25.6%</b>	<b>26.9%</b>	<b>28.2%</b>	<b>29.5%</b>	<b>37.0%</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$4,192	\$8,678	\$13,464	\$18,557	\$23,961	\$55,892
Cummulative Equity Gain	\$7,101	\$14,472	\$22,126	\$30,074	\$38,330	\$84,778
Total Cummulative Income & Equity	\$11,293	\$23,150	\$35,590	\$48,630	\$62,292	\$140,670
Income & Equity ROI	24.4%	25.6%	26.9%	28.2%	29.5%	37.0%

# 10 Year Cumulative Return

