

### 1st Year Pro forma

City, State	Kansas City, MO
Street	4449 NE Winn Rd
Property Type	Single family
Year Built	1940
Living Area Sq Ft	925
Bedrooms	3
Baths	1.5
Neighborhood Class	B

<b>Price</b>	<b>\$169,000</b>
Furnishings	\$15,000
Total Cost	\$184,000



Income	Monthly	Annual
Gross Rent	\$4,800	\$57,600
Vacancy Losses	\$2,160	\$25,920
<b>Gross Operating Income</b>	<b>\$2,640</b>	<b>\$31,680</b>

Expenses	Monthly	Annual
Property Taxes	\$89	\$1,067
Insurance	\$65	\$780
Management	\$264	\$3,168
Gas, electric, water	\$200	\$2,400
Cable/Internet	\$75	\$900
Lawcare/Snow removal	\$40	\$480
Maintenance	\$288	\$3,456
<b>Operating Expenses</b>	<b>\$1,021</b>	<b>\$12,251</b>

Net Performance	Monthly	Annual
Net Operating Income	\$1,619	\$19,429
Debt Service	\$778	\$9,339
Cash Flow	\$841	\$10,090
Principal Reduction	\$148	\$1,780
First Year Appreciation	\$423	\$5,070
<b>Total Income &amp; Equity Return</b>	<b>\$1,412</b>	<b>\$16,939</b>

Financial Indicators	
Debt Cover Ratio	2.1
Annual Gross Rent Multiplier	2.9
Monthly Gross Rent Multiplier	35
Rent ratio	2.8%
Capitalization Rate	11.5%
Cash on Cash Return	20.7%
<b>Total Return on Investment</b>	<b>34.7%</b>

Assumptions	
Real Estate Appreciation Rate	3%
Occupancy Rate	55%
Management Fee	10%
Maintenance Percentage	6%
Annual Rental Increase	2.0%
Daily Rate	\$160

Mortgage Information	
Loan to Value	80.0%
Downpayment & furnishing	\$48,800
Loan Amount	\$135,200
Terms	360
Interest Rate*	5.625%
Mortgage Payment	\$778.29

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

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
<b>INCOME</b>						
Gross Rent	\$57,600	\$58,752	\$59,927	\$61,126	\$62,348	\$68,837
Vacancy	\$25,920	\$26,438	\$26,967	\$27,507	\$28,057	\$30,977
Operating Income	\$31,680	\$32,314	\$32,960	\$33,619	\$34,291	\$37,861
<b>EXPENSES</b>						
Property taxes	\$1,067	\$1,088	\$1,110	\$1,132	\$1,155	\$1,275
Insurance	\$780	\$796	\$812	\$828	\$844	\$932
Management	\$3,168	\$3,231	\$3,296	\$3,362	\$3,429	\$3,786
Maintenance	\$3,456	\$3,525	\$3,596	\$3,668	\$3,741	\$4,130
Water, electric, gas	\$2,400	\$2,448	\$2,497	\$2,547	\$2,598	\$2,868
Lawn care/Snow removal	\$480	\$490	\$499	\$509	\$520	\$574
Cable/Internet	\$900	\$918	\$936	\$955	\$974	\$1,076
<b>Total Operating Expenses</b>	<b>\$12,251</b>	<b>\$12,496</b>	<b>\$12,746</b>	<b>\$13,001</b>	<b>\$13,261</b>	<b>\$14,641</b>
<b>Income Analyses</b>						
Net Operating Income	\$19,429	\$19,818	\$20,214	\$20,618	\$21,031	\$23,219
Debt Service	\$9,339	\$9,339	\$9,339	\$9,339	\$9,339	\$9,339
Cash Flow	\$10,090	\$10,478	\$10,874	\$11,279	\$11,691	\$13,880
<b>Cash on Cash Return</b>	<b>20.7%</b>	<b>21.5%</b>	<b>22.3%</b>	<b>23.1%</b>	<b>24.0%</b>	<b>28.4%</b>
<b>Equity Analysis</b>						
Principal Reduction	\$1,780	\$1,883	\$1,991	\$2,106	\$2,228	\$2,977
Annual Appreciation	\$5,070	\$5,222	\$5,379	\$5,540	\$5,706	\$6,615
Total Annual Equity Gain	\$6,850	\$7,105	\$7,370	\$7,646	\$7,934	\$9,592
<b>Total Equity Gain %</b>	<b>14.0%</b>	<b>14.6%</b>	<b>15.1%</b>	<b>15.7%</b>	<b>16.3%</b>	<b>19.66%</b>
<b>Income &amp; Equity Analysis</b>						
Total Annual Income	\$10,090	\$10,478	\$10,874	\$11,279	\$11,691	\$13,880
Total Annual Equity	\$6,850	\$7,105	\$7,370	\$7,646	\$7,934	\$9,592
<b>Total Income &amp; Equity</b>	<b>\$16,939</b>	<b>\$17,583</b>	<b>\$18,245</b>	<b>\$18,925</b>	<b>\$19,625</b>	<b>\$23,472</b>
<b>Return from Income &amp; Equity</b>	<b>34.7%</b>	<b>36.0%</b>	<b>37.4%</b>	<b>38.8%</b>	<b>40.2%</b>	<b>48.1%</b>
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$10,090	\$20,568	\$31,442	\$42,721	\$54,412	\$119,348
Cummulative Equity Gain	\$6,850	\$13,955	\$21,325	\$28,971	\$36,905	\$81,360
Total Cummulative Income & Equity	\$16,939	\$34,522	\$52,767	\$71,692	\$91,317	\$200,708

## 10 Year Cummulative Return

