

## 1 Year Performance Projection

Portfolio of 7 Properties  
Memphis, TN 38128  
All units occupied!



Square Feet	10,000
Initial Market Value	\$675,000
Purchase Price	\$675,000
Downpayment	\$168,750
Loan Origination Fees	\$11,391
Depreciable Closing Costs	\$20,250
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$200,391</b>
Cost per Square Foot	\$68
Monthly Rent per Square Foot	\$0.65

Income	Monthly	Annual
Gross Rent	\$6,500	\$78,000
Vacancy Losses	-\$520	-\$6,240
<b>Operating Income</b>	<b>\$5,980</b>	<b>\$71,760</b>

Expenses	Monthly	Annual
Property Taxes	-\$478	-\$5,738
Insurance	-\$422	-\$5,062
Management Fees	-\$478	-\$5,741
Leasing/Advertising Fees	-\$0	-\$0
Association Fees	-\$0	-\$0
Maintenance	-\$325	-\$3,900
Other	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$1,703</b>	<b>-\$20,441</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$4,277</b>	<b>\$51,319</b>
- Mortgage Payments	-\$3,365	-\$40,376
<b>= Cash Flow</b>	<b>\$912</b>	<b>\$10,943</b>
+ Principal Reduction	\$429	\$5,152
+ First-Year Appreciation	\$3,375	\$40,500
<b>= Gross Equity Income</b>	<b>\$4,716</b>	<b>\$56,595</b>
+ Tax Savings	\$122	\$1,467
<b>= GEI w/Tax Savings</b>	<b>\$4,839</b>	<b>\$58,062</b>

Mortgage Info	First	Second
Loan-to-Value Ratio	75%	0%
Loan Amount	\$506,250	\$0
Monthly Payment	\$3,364.69	\$0.00
Loan Type	Amortizing Fixed	
Term	30 Years	
Interest Rate	6.990%	0.000%
Monthly PMI	\$0	

Financial Indicators	
Debt Coverage Ratio	1.27
Annual Gross Rent Multiplier	9
Monthly Gross Rent Multiplier	104
Capitalization Rate	7.6%
Cash on Cash Return	5%
<b>Total Return on Investment</b>	<b>28%</b>
<b>+ Tax Benefits: Deductions, Depreciation, 1031 Exchange</b>	

Assumptions	
Real Estate Appreciation Rate	6%
Vacancy Rate	8%
Management Fee	8%
Maintenance Percentage	5%

Comments
All properties are located in Shelby County.
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*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.