

Build & Hold Pro Forma

EQUITY POSITION

Total Project Costs Overall (including land)	8,234,200
Financing at @ 7.75%, 20 years	6,807,000
Equity Investment	\$ 1,427,200

Retire takeout financing	5,078,000
Cash proceeds of refinance	\$ 1,729,000

POTENTIAL RESALE based on 9.0% cap rate

Estimated market value	9,076,000
Less costs of sale	635,320
Less outstanding debt	6,807,000
Potential Proceeds	\$ 1,633,680

STABILIZED PRO FORMA OPERATING STATEMENT

GROSS ANNUAL INCOME

Gross scheduled rent income	1,012,000
Miscellaneous first-year income	35,000
Total Gross Income	\$ 1,047,000
Less 3.00% Vacancy & Credit Loss Allowance	31,410
Gross Operating Income	\$ 1,015,590

OPERATING EXPENSES

Taxes	72,000
Insurance	36,000
Maintenance	10,000
Management fee at 5.00% of GOI	50,780
Other expenses	30,000
Total Operating Expenses	\$ 198,780

NET OPERATING INCOME (before debt service) \$ 816,811

ANNUAL DEBT SERVICE \$ 670,584

CASH FLOW

Cash flow (after debt service)	146,227
Cash flow (vacancy & management excluded)	228,416

Cap Rate based on total cost: 9.92%	Debt Coverage Ratio: 1.22	Cash on Cash Return: 10.25%
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THE INFORMATION, PROJECTIONS, AND CALCULATIONS PRESENTED IN THIS DOCUMENT ARE BELIEVED TO BE ACCURATE AND CORRECT BUT ARE NOT GUARANTEED.