

# PROPERTY DATA WORK SHEET

<b>Date:</b> 02/22/08		<b>Seller:</b>	
<b>Property Address:</b> Rockingham Road			
<b>County:</b> Washington	<b>City:</b> Johnson City	<b>Zip:</b> 37615	
<b>Sub-division:</b>	<b>Lot #</b>	<b>Model:</b>	
<b>Purchase Price:</b> \$795,000	<b>Interest Rate:</b> 6.50%	<b>Down Payment:</b> \$79,500	
<b>Loan Amount:</b> \$715,500	<b>Market Value:</b> \$795,000	<b>% Down:</b> 10%	

\*Loan terms are at Individual Buyer's Option. The scenario noted here is based on the Beacon score of 700, full document, 10 years interest only 1st loan and 2nd and 10% down payment (the 20% down scenario is based on a conventional loan). Interest rates used are "blended" rates.

<b>Website Headline:</b>	NEXT TO NEW! CURRENTLY RENTED WITH CASH FLOW!
<b>Home Features:</b>	BRICK! Like new town homes. Eleven units all with a view of the lake! These eleven units feature two bedrooms, one and a half bathrooms, dishwasher, stove, side by side refrigerators, garbage disposal, and washer/dryer hookups. Convenient location to Johnson City, Bristol, Kingsport, and Gray areas. Units available for sale separately.

Estimated Monthly Expenses			
<b>Down Payment:</b>	10%	5%	20%
<b>Loan Amount:</b>	\$715,500	\$755,250	\$636,000
<b>Payment:</b>	\$3,876	\$4,091	\$3,445
<b>Taxes:</b>	\$406	\$406	\$406
<b>Ins.:</b>	\$158	\$158	\$158
<b>Mtg. Ins.:</b>	\$0	\$0	\$0
<b>Mgmt. Fee (using high rent):</b>	\$501	\$501	\$501
<b>1/4 Insp.:</b>	\$0	\$0	\$0
<b>Assoc. Fee:</b>	\$0	\$0	\$0
<b>Total Est. Exp.:</b>	\$4,940	\$5,155	\$4,509
<b>Exp./ Square Foot:</b>	\$0.42	\$0.43	\$0.38

Projected Rental Income:			
<b>LOW:</b>	\$6,375	R.P.S.F.	\$0.54
<b>HIGH:</b>	\$7,150	R.P.S.F.	\$0.60

Projected Monthly Cash Flow:			
<b>With 10% down:</b>	\$1,435	to	\$2,210
<b>With 5% down:</b>	\$1,220	to	\$1,995
<b>With 20% down:</b>	\$1,866	to	\$2,641

Property Data Assumptions	
<b>Depreciable Closing Cost:</b>	\$21,465
<b>Other Closing Cost:</b>	\$0
<b>Monthly PMI:</b>	\$0
<b>Loan Origination Fees:</b>	\$7,155
<b>Real Estate Appreciation Rate:</b>	5%
<b>Vacancy Rate(%):</b>	0%
<b>Maintenance % (1-5 Yrs.):</b>	5%
<b>Maintenance % (6-10 Yrs.):</b>	10%
<b>Other Monthly Costs (Fixed):</b>	\$0
<b>Annual Leasing/Advertising:</b>	\$0
<b>Rental Income Growth Rate:</b>	3%
<b>Inflation Rate for Expenses:</b>	3%
<b>Closing Cost % for Sale Analysis:</b>	5%
<b>Equity Share Percentage:</b>	100%

Property Data	
<b>Type Dwelling:</b>	Condominium
<b>Square Footage:</b>	11,880
<b>Bed Rooms:</b>	2 each
<b>Bath Rooms:</b>	1.5 each
<b>Kitchen:</b>	1 each
<b>Dining Room:</b>	1 each
<b>Living Room:</b>	1 each
<b>Bonus Room:</b>	no
<b>Fireplace:</b>	no
<b>Basement:</b>	no
<b>Garage (Attached):</b>	no

Appliances			
<b>Dishwasher:</b>	yes	<b>Refrigerator:</b>	yes
<b>Washer/Dryer:</b>	optional	<b>Microwave:</b>	no
<b>Stove:</b>	yes	<b>Other:</b>	yes

<b>Exterior Finish:</b>	Full Brick
<b>Year Built:</b>	1998
<b>Annual Property Taxes:</b>	\$4,870 Estimated



## FIRST YEAR PERFORMANCE PROJECTION REPORT

Rockingham Road	
Johnson City ,TN 37615	
2 each-Bedroom 1.5 each-Bath Condominium	
<b>Square Feet:</b>	11,880
<b>Purchase Price:</b>	\$795,000
<b>Initial Market Value:</b>	\$795,000
<b>Down Payment:</b>	\$79,500
<b>Loan Original Fees:</b>	\$7,155
<b>Depreciable Closing Cost:</b>	\$21,465
<b>Other Closing Costs:</b>	\$0
<b>Initial Cash Invested:</b>	<b>\$108,120</b>
<b>Cost per Square Foot:</b>	\$67

Potential Income	Monthly	Annual
Gross Rent:	\$7,150	\$85,800
Vacancy Losses:	\$0	\$0
<b>Operating Income:</b>	<b>\$7,150</b>	<b>\$85,800</b>

Other Assumptions	
Real Estate Appreciation Rate:	5%
Vacancy Rate:	0%
Management Fee:	\$501
Maintenance Percentage (1-5 Years)	5%
Maintenance Percentage (6-10 Years)	10%
Federal Income Tax Rate	25%

Monthly Rent per Sq. Ft.:	\$0.60
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<b>Equity Share Percentage:</b>	100%
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<b>Estimated Expenses</b>	<b>Monthly</b>	<b>Annual</b>
Property Taxes:	\$406	\$4,870
Insurance:	\$158	\$1,896
Management Fees:	\$501	\$6,006
Leasing/Ad. Fees:	\$0	\$0
Association Fees:	\$0	\$0
Maintenance:	\$358	\$4,290
Other:	\$0	\$0
<b>Operating Expenses:</b>	<b>\$1,422</b>	<b>\$17,062</b>

<b>Net Estimated Performance</b>	<b>Monthly</b>	<b>Annual</b>
<b>Net Operating Income:</b>	<b>\$5,728</b>	<b>\$68,738</b>
(-) Mortgage Payments:	\$3,876	\$46,508
<b>(=) Cash Flow:</b>	<b>\$1,853</b>	<b>\$22,231</b>
(+) Principal Reduction:	\$0	\$0
(+) First-Year Appreciation:	\$3,313	\$39,750
<b>(=) Gross Equity Income:</b>	<b>\$5,165</b>	<b>\$61,981</b>
(+) Tax Savings:	\$1,070	\$12,844
<b>(=) GEI w/Tax Savings:</b>	<b>\$6,235</b>	<b>\$74,825</b>

<b>Mortgage Info. Assumptions</b>	
Loan-to-Value Ratio:	90%
Loan Amount:	\$715,500
Monthly Payment:	\$3,876
Loan Type:	Interest Only
Term:	30 Years
Interest Rate:	6.50%
Monthly PMI:	\$0

<b>Financial Indicators</b>	
Debt Coverage Ratio:	1.48
Annual Gross Rent Multiplier:	9
Monthly Gross Rent Multiplier:	111
Capitalization Rate:	8.6%
Cash on Cash Return:	20.6%
<b>Total Return on Investment:</b>	<b>57%</b>
<b>Total ROI with Tax Savings:</b>	<b>69%</b>

<b>Glossary of Terms</b>	
<b>Depreciable Closing Costs:</b>	The numbers in sections 1100 through 1300 on page 2 of the HUD-1 statement. These costs are part of the acquisition cost of the property for tax purposes. They are part of your basis and depreciable over 27.5 years
<b>Annual Gross Rent Multiplier</b>	The Annual Gross Rent Multiplier is the Purchase Price divided by the Gross Annual Rent.
<b>Capitalization Rate</b>	The Capitalization Rate is the Net Operating Income divided by the Market Value.
<b>Cash on Cash Return</b>	The Cash on Cash Return is the Annual Cash Flow divided by the Initial Cash Invested.
<b>Total Return on Investment</b>	The Total Return on Investment is the Annual Gross Equity Income divided by the Initial Cash Invested.
<b>Total Return on Investment with Tax Savings</b>	The Total Return with Tax Savings is the Annual Gross Equity Income plus the Potential Tax Savings divided by the Initial Cash Invested.
<b>PMI</b>	Private Mortgage Insurance protects the lender in case you cannot make your payments. It is typically charged on loans that have a loan-to-value ratio greater than 80%
<b>Cumulative Cash Invested</b>	The Cumulative Cash Invested represents the total net out-of-pocket expenses to date. At the end of the first year, this is the total cash required to close plus any negative cash flow during the year.
<b>Debt Coverage Ratio</b>	The Debt Coverage Ratio is the Net Operating Income divided by the Total Mortgage Payment (with PMI).
<b>Equity Share Percentage</b>	Equity Share Percentage - (Your share of Equity for jointly owned properties)

## 10-YEAR PERFORMANCE PROJECTION REPORT

<b>What assumptions would you like for this report?</b>			
Rental Income Growth Rate:	3%	Refinance Loan to Value Ratio:	90%
Inflation rate for Expenses:	3%	Closing Cost Percentage for Sale Analysis:	5%

<b>Projected Income</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Gross Rent:	\$85,800	\$88,374	\$91,025	\$93,756	\$96,569	\$99,466	\$102,450	\$105,523	\$108,689	\$111,950
Vacancy Losses:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Income</b>	<b>\$85,800</b>	<b>\$88,374</b>	<b>\$91,025</b>	<b>\$93,756</b>	<b>\$96,569</b>	<b>\$99,466</b>	<b>\$102,450</b>	<b>\$105,523</b>	<b>\$108,689</b>	<b>\$111,950</b>

<b>Projected Expenses</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Property Taxes:	\$4,870	\$5,016	\$5,167	\$5,322	\$5,481	\$5,646	\$5,815	\$5,989	\$6,169	\$6,354
Insurance:	\$1,896	\$1,953	\$2,011	\$2,072	\$2,134	\$2,198	\$2,264	\$2,332	\$2,402	\$2,474
Management Fees:	\$6,006	\$6,186	\$6,372	\$6,563	\$6,760	\$6,963	\$7,171	\$7,387	\$7,608	\$7,836
Leasing/Advertising Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Association Fees:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance:	\$4,290	\$4,419	\$4,551	\$4,688	\$4,828	\$8,837	\$9,103	\$9,376	\$9,657	\$9,947
Other:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses:</b>	<b>\$17,062</b>	<b>\$17,574</b>	<b>\$18,101</b>	<b>\$18,644</b>	<b>\$19,203</b>	<b>\$23,644</b>	<b>\$24,353</b>	<b>\$25,084</b>	<b>\$25,836</b>	<b>\$26,611</b>

<b>Income Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Net Operating Income</b>	<b>\$68,738</b>	<b>\$70,800</b>	<b>\$72,924</b>	<b>\$75,112</b>	<b>\$77,365</b>	<b>\$79,686</b>	<b>\$82,077</b>	<b>\$84,539</b>	<b>\$87,075</b>	<b>\$89,687</b>
(-) Mortgage Payments	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508	\$46,508
<b>(=) Cash Flow</b>	<b>\$22,231</b>	<b>\$24,293</b>	<b>\$26,417</b>	<b>\$28,604</b>	<b>\$30,858</b>	<b>\$33,179</b>	<b>\$35,569</b>	<b>\$38,032</b>	<b>\$40,568</b>	<b>\$43,180</b>
(+) Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(+) Appreciation	\$39,750	\$41,738	\$43,824	\$46,016	\$48,316	\$50,732	\$53,269	\$55,932	\$58,729	\$61,665
<b>(=) Gross Equity Income</b>	<b>\$61,981</b>	<b>\$66,030</b>	<b>\$70,241</b>	<b>\$74,620</b>	<b>\$79,174</b>	<b>\$83,911</b>	<b>\$88,838</b>	<b>\$93,964</b>	<b>\$99,297</b>	<b>\$104,845</b>
Capitalization Rate	8.6%	8.1%	7.9%	7.8%	7.6%	7.5%	7.3%	7.2%	7.1%	6.9%

Cash on Cash Return	20.6%	22.5%	24.4%	26.5%	28.5%	30.7%	32.9%	35.2%	37.5%	39.9%
Return on Equity	52.0%	41.0%	34.3%	29.7%	26.5%	24.0%	22.0%	20.5%	19.2%	18.1%
<b>Loan Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Market Value:	\$834,750	\$876,488	\$920,312	\$966,327	\$1,014,644	\$1,065,376	\$1,118,645	\$1,174,577	\$1,233,306	\$1,294,971
(-) Loan Balance	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500	\$715,500
<b>(=) Equity</b>	<b>\$119,250</b>	<b>\$160,988</b>	<b>\$204,812</b>	<b>\$250,827</b>	<b>\$299,144</b>	<b>\$349,876</b>	<b>\$403,145</b>	<b>\$459,077</b>	<b>\$517,806</b>	<b>\$579,471</b>
Loan-to-Value Ratio	85.7%	81.6%	77.7%	74.0%	70.5%	67.2%	64.0%	60.9%	58.0%	55.3%
Potential Cash-Out Refi.	\$35,775	\$73,339	\$112,781	\$154,195	\$197,679	\$243,338	\$291,280	\$341,619	\$394,475	\$449,974
<b>Sale Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Equity	\$119,250	\$160,988	\$204,812	\$250,827	\$299,144	\$349,876	\$403,145	\$459,077	\$517,806	\$579,471
(-) Closing Cost	\$41,738	\$43,824	\$46,016	\$48,316	\$50,732	\$53,269	\$55,932	\$58,729	\$61,665	\$64,749
<b>(=) Proceeds After Sale</b>	<b>\$77,513</b>	<b>\$117,163</b>	<b>\$158,796</b>	<b>\$202,511</b>	<b>\$248,412</b>	<b>\$296,607</b>	<b>\$347,213</b>	<b>\$400,348</b>	<b>\$456,141</b>	<b>\$514,723</b>
(+) Cumulative CashFlow	\$22,231	\$46,523	\$72,940	\$101,544	\$132,402	\$165,581	\$201,150	\$239,181	\$279,749	\$322,929
(-) Initial Cash Invested	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120	\$108,120
<b>(=) Net Profit</b>	<b>-\$8,377</b>	<b>\$55,566</b>	<b>\$123,616</b>	<b>\$195,935</b>	<b>\$272,694</b>	<b>\$354,068</b>	<b>\$440,242</b>	<b>\$531,410</b>	<b>\$627,770</b>	<b>\$729,532</b>
Return on Investment	-7.7%	51.4%	114.3%	181.2%	252.2%	327.5%	407.2%	491.5%	580.6%	674.7%

**Prepared by North East Tennessee Real Estate, LLC (423) 282-1050 fax: (423) 282-3848 info@netretn.com**

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