

EXECUTIVE SUMMARY: OPERATIONS, SUPPORT VALUES, INVESTMENT RETURNS

Date of Analysis: **7/3/23**
Investment Analysis Prepared By: **Prudent Broker**

Property Name: **ABC Townhomes**
Property Address: **Anywhere Street**
City/County/State/Zip Code: **Anywhere, USA 123456**
Tax Identification Number: **0040G (004, 019A)**

Asking Price: **\$2,150,000** Per Unit: **\$67,188**
Asking Price CAP RATE: **6.02%** Quoted NOI: **\$129,480**

Total HVAC Sq.Footage: **30,684** Aux. Sq. Feet: **3,200**
Total Units: **32** Total Bdrms: **64**
Average Rent Per Unit: **\$680** Avg. Rent/SF: **\$0.71**



Reconstructed Current Operating (RCO) Statement:

	Annual:	Per Unit:
Potential Gross Income:	\$298,080	\$9,315
Economic Losses:	\$41,544	\$1,298
Additional Income:	\$3,200	\$100
Total Effective Income:	\$259,736	\$8,117
Expenses:	35.40%	
Administrative	0.92%	\$2,400
Operational	13.37%	\$34,720
Management	6.25%	\$16,224
Taxes	4.48%	\$11,629
Insurance	4.81%	\$12,500
Personnel / Payroll	0.00%	\$0
Reserves	5.57%	\$14,471
Reconstructed NOI:	64.60%	\$5,244

Investor Assumptions To Achieve Desired Minimal Returns:

Price found that achieves desired returns!			
Price to Achieve Returns:	\$1,892,000	Acquisition Price/Unit:	\$59,125
Amount of New Financing:	\$1,570,125	Acquisition CAP RATE:	8.87%
PIP Financed in Above:	\$151,125	Blended Interest Rate:	7.00%
Est. Closing Costs:	\$50,984	Interest Only (Yrs.):	0
Equity Investor Participation:	\$147,473	Loan to Value Ratio:	75.00%
General Partner Equity:	\$273,879	Term (Yrs.):	25
Broker Participation:	\$0	Balloon Pymt (Yrs.):	10
Prorated Credits:	\$9,382	Monthly P & I Pymt:	\$11,097
Preferential (Partner / Equity Investor) Financing: Yes			
Equity Participation:	35.00%	% of Cash Flows:	20.00%
% Equity Return:	35.00%	Preferential Interest:	6.50%

Range of Property Value Following Improvements (PIP):

Description:	Value:	CAP RATE:
Lender Financing Guidelines:	\$1,892,000	8.87%
Capitalization Rate	\$1,974,000	8.50%
Gross Rent Multiplier	\$1,827,800	9.18%
Income Approach to Value:	\$1,957,500	8.57%
Weighted Value:	\$1,918,000	8.75%
Est. Property Value Including PIP:	\$2,093,500	8.01%

Key Analytics Based on Assumed Price and Financing (if any):

Year:	1	2	3	4	5
NOI:	\$167,792	\$171,656	\$178,717	\$186,041	\$193,640
DCR:	1.26	1.29	1.34	1.40	1.45
Debt Svc:	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168
CFBT:	\$34,625	\$38,488	\$45,549	\$52,874	\$60,473
CFAT:	\$32,371	\$34,275	\$38,212	\$42,275	\$46,465
LTV:	75.00%	72.62%	71.30%	69.89%	68.37%
CBE Ratio:	77.67%	77.98%	76.28%	74.64%	73.05%

Snapshot of Other Value Ranges and Returns Based On Financing, Income, and Operational Expenses:

Price:	Total Investment:	Purchase Cap Rate:	Equity Div. Rate (EDR):	(IRR):
Investor's Desired Minimal:			11.00%	18.00%
\$2,150,000	\$519,328	7.80%	5.67%	17.34%
\$2,042,500	\$461,357	8.22%	7.59%	20.19%
\$1,935,000	\$432,782	8.67%	9.97%	22.78%
\$1,827,500	\$404,207	9.18%	12.68%	25.62%

Resulting Property Metrics:

	5 Yrs.	10 Yrs.
Resale Value:	\$2,500,558	\$3,049,070
Gross Rent Multiplier:	8.39	7.51
Resale Cap Rate:	7.74%	7.74%
Residual:	\$878,785	\$1,586,501
Average EDR:	11.01%	15.63%
IRR:	23.88%	22.32%
(NPV) based on Assumptions:	\$330,953	\$701,423
Return on Assets (ROA):	55.78%	112.74%

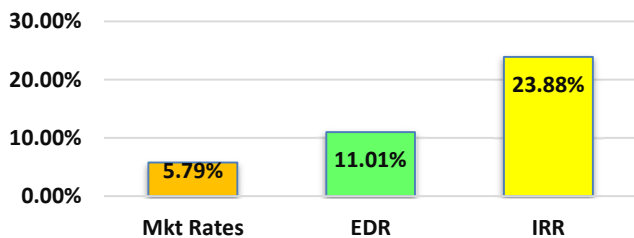
Cash-On-Cash (EDR) Based On Reconstructed Operating Stmt and Financing:

Years:	1	2	3	4	5
EDR =	8.22%	9.13%	10.81%	12.55%	14.35%

5 Yr Investment Return:

	General Partner:	Equity Investor:
Investment % - Amount:	65.00% \$273,879	35.00% \$147,473
Returns <u>above</u> Investment:	\$718,474	\$392,320
Earnings Multiple:	2.62	2.66
Average EDR:	10.75%	11.49%
IRR:	23.57%	24.48%
ROI (Avg Return on Investment):	52.47%	53.21%

Performance



General Information

Property Name: ABC Townhomes
Property Address: Anywhere Street
 Anywhere, USA 123456
Tax Parcel Number: 0040G (004, 019A)
Total Acreage: 5.24
Year Built (Four Digit Year Only): 1992
Total Buildings: 4 **Total Units:** 32
Property Type: 20 - 50 Unit Apt Complex
Property Style: Ranch
 (See Property Mix)
Condition: Good

Date: 7/3/2023
Prepared For: Investor 1
Contact Phone Number: 000-000-0000

Prepared By: Prudent Broker
Broker/Associate License #: BK #1234567
Company Name: Sole Proprietor
Address: 100 Main Street
 Anywhere, USA, 123457
 000-000-0000

Asking Price: \$2,150,000
Asking Price CAP Rate: 6.02%
Assumed Asking Price Per Unit: \$67,188
Assumed Asking Price Per Sq. Ft: \$70.07
Last Known Net Operating Income: * \$129,480
Use Seller's Profit & Loss Statements? No

Year Last Purchased: 2014
Last Purchase Price by Owner: \$1,396,000
Purchased Price Per Unit by Owner: \$43,625

County Property Assessor / Land: \$97,479
Appraiser Assessments: Improvements: \$785,182
 Total: \$882,661
 Total Per Unit: \$27,583
 Land to Value Ratio: 12.41%
 Total Heated & Cooled Sq. Feet: 30,684
 Total Auxillary Sq. Feet: 3,200

Property Appraiser or Private Sector Appraiser:
 CAP Rate Range for Similar Properties: 8.50%
 Use Gross Rent Multiplier (GRM)? Yes
 Gross Rent Multiplier number: 7

Tax Collector's Office:
 Current Real Estate Taxes: \$11,629
 Current Millege Rate: 35.515
 % Market Value by P.A. for Taxation: 40.00%
 Projected Real Estate Taxes: \$26,878

Contemplated Transaction Type? Value Add
 Total Units Being Upgraded: 32
 Are Property Improvements to be Financed? Yes

Note: Requires New Financing

Investor Minimal Desired Returns:
 Cash On Cash (Equity Dividend Return EDR): 11.00%
 Internal Rate of Return or IRR: 18.00%



**Estimated Property Improvements Requirement
based on Physical Observation and/or Vendor Quotes:**

Laundry Renovation and Key Cards:	\$	-
Landscape, Repairs & Maintenance:	\$	7,500
Exterior Repairs & Painting of Buildings:	\$	-
Non-Upgrade Interior Repairs/Renovations:	\$	20,000
Other: Roofing	\$	-
Other: Stucco, Doors, Door Casings, Caulking, etc.	\$	-
Other: Paving & Erosion Repairs	\$	14,000
Other:	\$	-

Upgrade Cost Per Unit:	\$5,000	\$160,000
Total of Estimated Property Improvements:		\$201,500

Months to Achieve Renovations: 12

Planned Monthly Rent Increases (per-unit): \$100

Investment Analysis: Input Data for Property Mix and Income

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Property Name: ABC Townhomes
 Property Address: Anywhere Street
 Anywhere, USA 1234...

Date: 7/3/2023
 Prepared For: Investor 1
 Prepared By: Prudent Broker

Notes:

Property Mix / Income

Unit Type:	# Units:	Sq. Footage per Unit:	Avg. Contract Rent / Unit:	Avg. Market Rent / Unit:	Monthly:	Annual:
2 BD 1 BA	32	960	\$ 680	\$ 750	\$ 24,000	\$ 288,000
Totals:	32	30,720	\$ 21,760	\$ 24,000	\$ 24,000	\$ 288,000

Unit Type:	Total Units:	Mix %:	Total Sq. Ft:	Avg. Sq. Ft.	Avg Rent:	Avg. / Sq.Ft
1 BD	0	0.00%	0	0	\$0	\$0.00
2 BD	32	100.00%	30,720	960	\$680	\$0.71
3 BD	0	0.00%	0	0	\$0	\$0.00
4 BD	0	0.00%	0	0	\$0	\$0.00
	32	100.00%	30,720	960	\$680	\$0.71

Total Bedrooms: 64

Projected Vacancy Allowance

Percentage: 5.00%

Projected Rates of Inflation

Income: 3.50%

Expenses: 3.00%

Equity Participation Considerations

Preferential Financing?	Yes	Annual Distribution of Cash Flows?	Yes
% of Equity Participation:	35.00%	% of Cash Flows to Investor:	20.00%
(investor percentage of total equity)		Equity Investor Interest Upon Resale?	Yes
Preferential Financing Rate:	6.50%	% of Equity Return to Investor:	35.00%

Broker Equity Participation? No

% Commission to Equity Investment: -

Investment Analysis: Input Data for Existing & Proposed Mtg Financing; Weighted Cost of Capital

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Property Name: ABC Townhomes

Prepared For:

Investor 1

Property Address: Anywhere Street

Anywhere, USA 1234...

Prepared By:

Prudent Broker

Notes:

Financing Type: New Financing - No Existing Mortgages

No

No

1st Mtg:

2nd Mtg:

-

Original Mortgage Amount:

-

-

Interest Rate:

-

-

Principal and Interest Payment:

-

-

Original Term in Months:

-

-

Balloon Term in Months:

-

-

Mths from Origination to Closing:

-

-

Effective Daily Interest:

-

-

Mortgage Constant

-

-

Principal Reduction by time of Balloon Date:

-

-

Mortgage Balance at time of Acquisition Closing:

\$0

\$0

Principal Reduction at time of Acquisition Closing:

\$0

\$0

Proposed New Financing:

Interest Only (I/O) Years:

0

1st Mtg:

2nd Mtg:

Int. Only Mtg.

Lender Allowed Debt Coverage Ratio:

1.25

0.00

0.00

Lender Allowed Loan to Value:

75.00%

0.00%

0.00%

Financing:

\$1,570,125

\$0

\$0

Interest Rate:

7.00%

0.00%

0.00%

Term in Months:

25 Year Term

300

0

0

Balloon Payment:

10 Year Balloon

120

0

0

Mthly Pymt lower of DCR or LTV:

\$11,097

\$0

\$0

Resulting Financing Amounts:

\$1,570,125

\$0

\$0

Interest Rate:

7.00%

0.00%

0.00%

Term in Months:

25 Year Term

300

0

0

Principal & Interest or Interest Only:

\$11,097

\$0

\$0

Daily Interest:

\$299.04

\$0.00

\$0.00

Mortgage Constant:

0.08481

0.00000

0.00000

Purchaser's Principal Balance at End of 5-Year Hold Period:

1st Mtg:

2nd Mtg:

Principal Reduction Yrs 1 - 5:

\$138,765

\$0

\$0

Principal Remaining:

\$1,431,360

\$0

\$0

Purchaser's Principal Balance at End of 10-Year Hold Period:

Principal Reduction Yrs 6-10:

\$196,717

\$0

\$0

Principal Remaining:

\$1,234,643

\$0

\$0

Financing Costs (Formulating the Discount Rate)

Cost of Equity:

Safe ("Risk-Free" Rate)

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>

4.00%

20-year US T-Bill

Equity Risk Premium

<https://investor.vanguard.com/mutual-funds/profile/performance/vgsix>

5.79%

Ex: Vanguard 10-year REIT

Beta (36-month

<https://investor.vanguard.com/mutual-funds/profile/portfolio/vgsix>

0.96

1.72%

volatility index)

Cost for Non-Liquidity

-2.28%

Cost of Management

4.00%

Equity Cost:

7.44%

The cost of capital is not only on the debt being paid, but on the equity as well. The opportunity costs are detailed in this section.

High performing REIT with proven track record BETA between "Fund" and Stock Market Returns

The weighted cost of capital includes the percentage of equity and debt financing attributable to the investment at their respective costs. This weighted cost of capital is the Discount Rate or Minimal Required Rate of Return to the investor when adjusted for inflation. It is used to discount back anticipated cash flows and the residual (future proceeds from sale) to determine a supportable value for the investment.

Cost of

Debt Financing
(the average after-tax interest rate.)

Investor's

Interest Rate:	Tax Rate:	After-Tax Cost of Debt:
7.00%	35.00%	4.55%
Percentage:	Effective Financing Rate	
Debt	82.99%	4.55%
Equity	17.01%	1.27%
Weighted Cost of Capital:		5.82%

Property Name: ABC Townhomes
Property Address: Anywhere Street

Anywhere, USA 1234...

Prepared For: Investor 1
Prepared By: Prudent Broker

Notes:

Reserves for Replacements must be accounted within operations otherwise it will be deducted out of the resale price by any new buyer noting deferred maintenance. This may result in a lower "reversion value" in the Income Approach to Value Analysis applying the Discounted Cash Flow Technique. Further, Yields and Internal Rate of Return could end up irregular in a given year if reserves are not accounted for annually; "stabilized" so that no year absorbs the entire cost of replacement. Components are inspected by the physical observation method for all units of a given property to determine the estimated value and remaining life of unit components. Appraisers use "Benchmark" costs which can meet lender "underwriter's" requirements based on style/age. These typically range from \$250 - \$400 per unit.

Anticipated Future-Year Cash Infusions:

Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Cash Infusions:	\$0	\$0	\$0	\$0	\$0

Anticipated Resale of Excess Property, if any:

Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Out Parcels:	\$0	\$0	\$0	\$0	\$0

Estimated Reserves for Replacement:**Roofing Reserves:**

Est Remaining Life	20
Roofing Cost / Sq.	\$ 250
Annual Reserve:	\$ 4,871

Unit Reserves:

Type Units:	# Units:	Benchmark:	Reserves:
1 Bedroom	0	\$ -	\$ -
2 Bedroom	32	\$ 300	\$ 9,600
3 Bedroom	0	\$ -	\$ -
4 Bedroom	0	\$ -	\$ -

Total Roofing and Unit Reserves: \$ 14,471

While it is agreed that not all replacements per unit will be required at the same time or estimated economic life span of a reserve component, the benchmark cost per unit may have to be explained or "justified"; achieved with a line item format in the Reconstructed Operating Statement if required by a lender.

Tax Considerations:

Straight Line Depreciation:	27.50
Investors Est. Income Bracket:	35.00%
Anticipated Capital Gains Rate:	20.00%
Federal Recapture Rate:	25.00%

Capitalization and Discount Rates:

Assumed CAP RATE at time of Resale:	7.00%
Investor's Discount Rate:	8.63%

Purchase Closing Assumptions and Considerations:

Projected Closing Date:	9/30/2023	Broker Commissions being Paid By:	Seller
Day of Year of Closing:	273	% Commission Paid by Buyer:	0.00%
Day of Month for Closing:	30	% Commission Paid by Seller:	6.00%
Earnest Money Deposit:	\$10,000	Co-Brokerage Agreement?	Yes
Months of Escrow:	0	% Commission to Selling Broker:	50.00%
Annual Association Fees:	\$0	% Commission to Listing Broker:	50.00%

Estimated Buyer's Closing Costs:

Working Capital:	\$7,500
Application Fees:	\$1,500
Appraisal Fee:	\$3,000
Attorney Fees:	\$6,800
State Tax on Mtg (per \$1.00):	0.0040
State Tax on Note (per \$1.00):	0.0040
Loan Origination Points:	-
Discount Points on Mortgage:	-
Hazard/Liability Insurance:	\$12,500
Survey:	\$1,800
Other Third Party Reports:	\$3,500
Estimated Title Insurance:	\$10,406
Real Estate Commission N/A	0.00%
Consulting / Asset Mgt Fees:	0.00%
Brokerage-resale in Yrs 5 & 10:	6.00%
Defeasance Fee at Purchase:	\$0
Defeasance Fee at Resale:	\$0

Estimated Seller's Closing Costs (Negotiable):

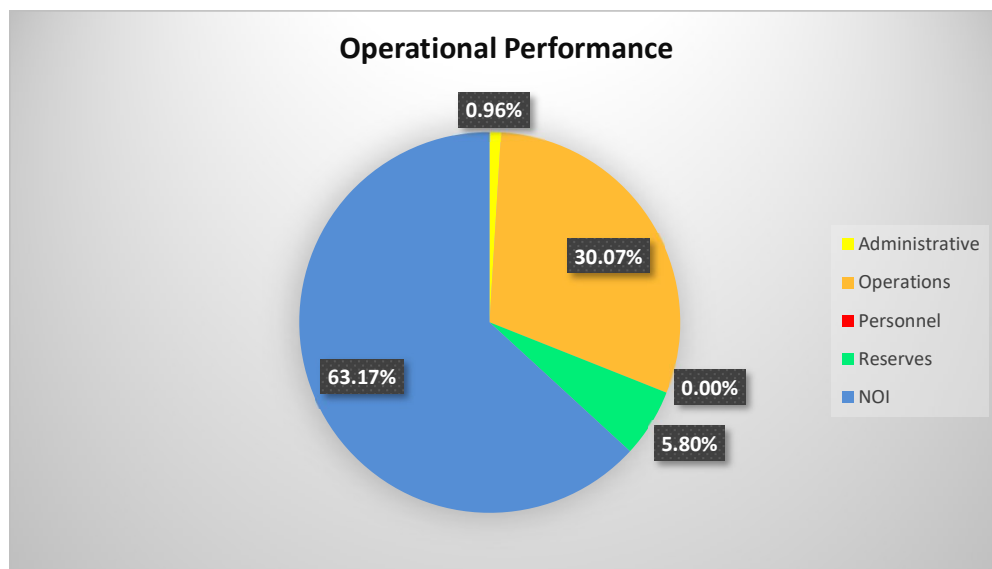
Attorney Fees:	\$1,500
State Documentary Fees Rate:	0.004
Termite Report / Bldg.	\$450
Repairs & Replacements:	\$0
Title Insurance:	\$0
Survey	\$0
Brokerage Selling Commission:	6.00%
Credit to Buyer Closing Costs:	0.00%
Property Warranty Fee:	\$0
Defeasance Fee, if applicable:	\$0

Reconstructed Operating Statement

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Property Name:	ABC Townhomes	Date:	7/3/2023	Number of Buildings:	4
Property Address:	Anywhere Street	Prepared For:	Investor 1	Number of Units:	32
	Anywhere, USA 1234...	Prepared By:	Prudent Broker	Number of Bedrooms:	64
Tax Parcel Number:	0040G (004, 019A)	Company Name:	Sole Proprietor	Total Square Feet:	30,684
P & L Stmt from Seller:	No, Industry Stds applied	Price to Achieve Returns:	\$1,892,000	Auxillary Square Feet:	3,200

	Monthly:	Annual:	% Total:	Per Unit:
Gross Market Rents:	\$ 24,000	\$ 288,000	100.00%	\$ 9,000
Losses to Lease	\$ 2,240	\$ 26,880	9.33%	\$ 840
Gross Potential Rents:	\$ 21,760	\$ 261,120	90.67%	\$ 8,160
Less Economic Losses:				
Vacancy Allowance	\$ 1,088	\$ 13,056	5.00%	\$ 408
Concessions and Bad Debt	\$ 133	\$ 1,600	0.61%	\$ 50
Subtotal of Economic Losses:	\$ 1,221	\$ 14,656	5.61%	\$ 458
Adjusted Gross Potential Rental Income:	\$ 20,539	\$ 246,464	85.05%	\$ 7,702
Add Other Income:	\$ 267	\$ 3,200	1.23%	\$ 100
Total Effective Income:	\$ 20,805	\$ 249,664	86.28%	\$ 7,802
Expenses:				
General & Administrative	\$200	\$2,400	0.96%	\$75
Advertising and Marketing	\$0	\$0	0.00%	\$0
Contract Services	\$1,333	\$16,000	6.41%	\$500
Hazard/Liability Insurance	\$1,042	\$12,500	5.01%	\$391
Maintenance & Repairs	\$1,333	\$16,000	6.41%	\$500
Management Fee	\$1,352	\$16,224	6.50%	\$507
Utilities	\$227	\$2,720	1.09%	\$85
Personnel & Payroll	\$0	\$0	0.00%	\$0
Reserves for Replacements	\$1,206	\$14,471	5.80%	\$452
Real Estate Property Taxes	\$969	\$11,629	4.66%	\$363
Total of Expenses:	\$7,662	\$91,944	36.83%	\$2,873
Net Operating Income:	\$13,143	\$157,720	63.17%	\$4,929



PROFORMA BASED ON CURRENT RECONSTRUCTED OPERATING STATEMENT AND PROPOSED FINANCING

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PROPERTY INFORMATION:

Property Name: ABC Townhomes
 Property Address: Anywhere Street
 Anywhere, USA 123456
 Tax Identification Number: 0040G (004, 019A)
 Total Heated and Cooled Square Feet: 30,684
 Prepared By: Prudent Broker
 Date: 7/3/2023
 Total Units: 32
 Profit & Loss Statement From Seller: No
 Price to Achieve Returns: \$1,892,000

New Mortgage Financing

Type:	1st Mtg.	2nd Mtg.	Int. Only Mtg	Totals / Average:
Amount:	\$1,570,125	\$0	\$0	\$1,570,125
Interest Rate:	7.00%	0.00%	0.00%	7.00%
Remaining Term:	300	0	0	
P & I Payment:	\$11,097	\$0	\$0	\$11,097
I/O Payments:	\$9,159	\$0	\$0	\$9,159
PIP Financing In Above Amount	\$151,125			

Projected Vacancy Allowance:

5.00%

Estimated Annual Revenue Appreciation:

3.50%

PROJECTED CASH FLOW:

	Starting Reconstructed Operating Stmt At Time of Purchase:	
Gross Market Rents:	100.00%	\$288,000
Loss to Lease (Market less Contract Rents no less than 1%)	9.02%	\$26,880
Adjusted Gross Potential Rents:	90.98%	\$261,120
Average Contract Rents:		
Less Economic Losses: (Concessions and Vacancy)	5.40%	\$14,656
Adjusted Gross Potential Income:	85.58%	\$246,464
Other Income:	1.18%	\$3,200
Projected Effective Income:	86.76%	\$249,664

Reconstructed Operations Adjusted for Renovations and Projected Lease Appreciation End of Each Year As Applicable

	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
\$298,080	\$308,513	\$319,311	\$330,487	\$342,054	\$354,026	\$366,416	\$379,241	\$392,514	\$406,252	
\$26,888	\$14,187	\$14,516	\$14,852	\$15,192	\$15,539	\$15,891	\$16,248	\$16,611	\$16,979	
\$271,192	\$294,326	\$304,794	\$315,635	\$326,861	\$338,487	\$350,526	\$362,993	\$375,903	\$389,273	
\$14,656	\$15,169	\$15,700	\$16,249	\$16,818	\$17,407	\$18,016	\$18,647	\$19,299	\$19,975	
\$256,536	\$279,157	\$289,095	\$299,386	\$310,043	\$321,080	\$332,510	\$344,346	\$356,604	\$369,298	
\$3,200	\$3,312	\$3,428	\$3,548	\$3,672	\$3,801	\$3,934	\$4,071	\$4,214	\$4,361	
\$259,736	\$282,469	\$292,523	\$302,934	\$313,715	\$324,881	\$336,443	\$348,418	\$360,818	\$373,660	

Estimated Annual Appreciation in Expenses:

3.00%

	Reconstructed Operating Stmt	
Less Operating Expenses:		
Administration:	0.96%	\$2,400
Operational Expenses less Taxes:	18.91%	\$47,220
Management	6.50%	\$16,224
Personnel:	0.00%	\$0
Reserve for Replacements:	5.80%	\$14,471
Taxes (Personal & Real Estate):	0.00%	\$0
Taxes (State and County Tax)	4.66%	\$11,629
Taxes (Sales Tax):	0.00%	\$0
Subtotal of Est. Expenses:	36.83%	\$7,662
Estimated NOI Before Debt Service:	63.17%	\$167,792
NOI as % of Gross Effective Income:		

\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	
\$47,220	\$48,637	\$50,096	\$51,599	\$53,147	\$54,741	\$56,383	\$58,075	\$59,817	\$61,611	
\$16,224	\$18,356	\$19,009	\$19,686	\$20,386	\$21,112	\$21,863	\$22,641	\$23,447	\$24,282	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
\$11,629	\$26,878	\$27,684	\$28,515	\$29,370	\$30,251	\$31,159	\$32,093	\$33,056	\$34,048	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
\$91,944	\$110,813	\$113,806	\$116,892	\$120,075	\$123,357	\$126,742	\$130,232	\$133,831	\$137,543	
\$167,792	\$171,656	\$178,717	\$186,041	\$193,640	\$201,524	\$209,702	\$218,186	\$226,987	\$236,116	
64.60%	60.77%	61.10%	61.41%	61.72%	62.03%	62.33%	62.62%	62.91%	63.19%	

* First Year Taxes are based on current assessment and millage rates. Higher real estate taxes are likely beginning the second year as a result of resale and reassessment. Thereafter, taxes are indexed at the annual expense appreciation rate.

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CASH FLOWS - TAXABLE INCOME:		Year:	1	2	3	4	5	6	7	8	9	10
Before Tax Cash Flows:	Estimated Net Income Before Debt Service (EBIT):		\$167,792	\$171,656	\$178,717	\$186,041	\$193,640	\$201,524	\$209,702	\$218,186	\$226,987	\$236,116
	Less Infusion of Capital or Working Capital:		\$0	\$0	\$0	\$0	\$0					
	Less Debt Service (PI) 1st Mortgage (Assumption):		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Debt Service (PI) 1st Mortgage (New Financing):		\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168
	Less Debt Service (PI) 2nd Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Debt Service (PI) 3rd Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cash Flow Before Tax (Cash Throw off/ Cash Flow)		\$34,625	\$38,488	\$45,549	\$52,874	\$60,473	\$68,356	\$76,534	\$85,018	\$93,819	\$102,949
Computation of Est. Taxes:	Estimated Net Income Before Debt Service (EBIT)		\$167,792	\$171,656	\$178,717	\$186,041	\$193,640	\$201,524	\$209,702	\$218,186	\$226,987	\$236,116
	Add Reserves for Replacement		\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471	\$14,471
	Less Interest on 1st Mortgage (Assumption):		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Interest - 1st Mortgage (New Financing):		\$109,148	\$107,411	\$105,549	\$103,553	\$101,412	\$99,116	\$96,655	\$94,015	\$91,185	\$88,150
	Less Interest - 2nd Mortgage:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Interest - 3rd Interest Only Mtg:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Less Depreciation based on Buildings Only:		\$66,676	\$66,676	\$66,676	\$66,676	\$66,676	\$66,676	\$66,676	\$66,676	\$66,676	\$66,676
	Less Tax Loss Carry forward, if any:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Taxable Income:		\$6,439	\$12,039	\$20,962	\$30,283	\$40,023	\$50,202	\$60,841	\$71,965	\$83,596	\$95,761
	x Tax Rate Estimated At		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
	Total Estimated Tax:		\$2,254	\$4,214	\$7,337	\$10,599	\$14,008	\$17,571	\$21,295	\$25,188	\$29,259	\$33,516
After-Tax Cash Flow:	Cash Flow Before Tax (CFBT):		\$34,625	\$38,488	\$45,549	\$52,874	\$60,473	\$68,356	\$76,534	\$85,018	\$93,819	\$102,949
	Estimated Tax		\$2,254	\$4,214	\$7,337	\$10,599	\$14,008	\$17,571	\$21,295	\$25,188	\$29,259	\$33,516
	After Tax Cash Flow (AFTC)		\$32,371	\$34,275	\$38,212	\$42,275	\$46,465	\$50,785	\$55,239	\$59,830	\$64,560	\$69,432

Principal Reductions:	Annual Principal Reduction in Mortgages (Equity Build-up):	\$24,020	\$25,756	\$27,618	\$29,615	\$31,756	\$34,051	\$36,513	\$39,152	\$41,983	\$45,018
	Gross Sales from Resale of Out Parcels or Land, If any:	\$0	\$0	\$0	\$0	\$0					
Total Investment:	Deposit, Working Capital, and Amount Due at Closing:	\$421,352									

Net Present Value and the Internal Rate of Return are based on before tax cash flows and residual as a property's operations and value are not dependent upon an investor's tax bracket or the method of depreciation applied by the investor.

Profitability Index is the total of cash flows and residual before taxes divided by total Investment.

Loan to Value Ratio:	LTV =	75.00%	72.62%	71.30%	69.89%	68.37%	66.75%	65.00%	63.13%	61.13%	58.98%
Interest Coverage Ratio:	ICR =	1.54	1.60	1.69	1.80	1.91	2.03	2.17	2.32	2.49	2.68
Debt Service Coverage Ratio:	DCR =	1.26	1.29	1.34	1.40	1.45	1.51	1.57	1.64	1.70	1.77
Debt Ratio (NOI / Total Mortgage Principal):	DR =	0.11	0.11	0.12	0.13	0.14	0.14	0.15	0.17	0.18	0.19
Operating Expense Ratio (Expenses / Gross Effective Inc)	OER =	35.40%	39.23%	38.90%	38.59%	38.28%	37.97%	37.67%	37.38%	37.09%	36.81%
Cash Breakeven (Exp.+ Debt Service-Replacements)/GPI	CBE =	77.67%	77.98%	76.28%	74.64%	73.05%	71.51%	70.02%	68.58%	67.18%	65.83%
Margin of Safety (1 -Cash Breakeven Ratio)	MOS =	22.33%	22.02%	23.72%	25.36%	26.95%	28.49%	29.98%	31.42%	32.82%	34.17%
ROTA (Return on Total Assets = EBIT / Total Assets)	EBIT =	8.43%	8.62%	8.97%	9.34%	9.72%	10.12%	10.53%	10.96%	11.40%	11.86%
Equity Dividend Rate (Pre-Tax "CTO" / Investment Amt.)	EDR =	8.22%	9.13%	10.81%	12.55%	14.35%	16.22%	18.16%	20.18%	22.27%	24.43%
Average Equity Dividend Rate Over Holding Period:						11.01%					15.63%
NPV (Net Present Value at Cost of Capital):	NPV =					\$330,953					\$701,423
Profitability Index:	PI =					2.64					5.33
IRR (Internal Rate of Return Over Investment Period):	IRR =					23.88%					22.32%

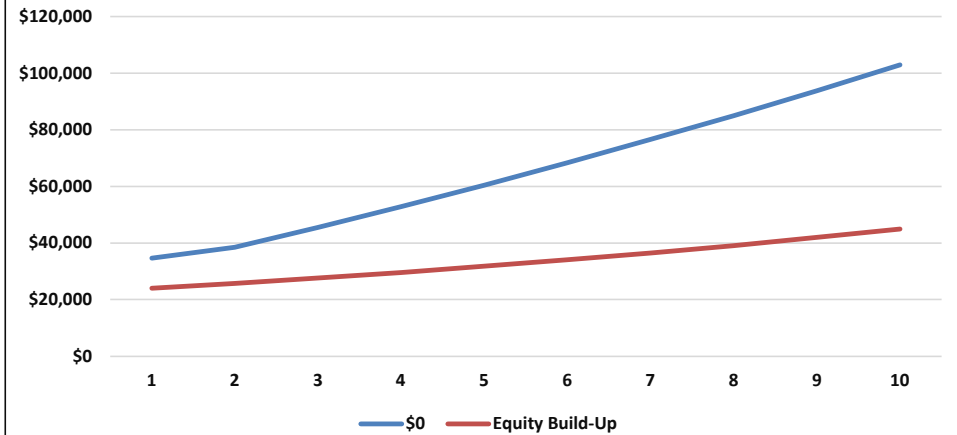
Property Name: ABC Townhomes
 Property Address: Anywhere Street
 Anywhere, USA 123456
 Tax I.D. #: 0040G (004, 019A)

Prepared By: Prudent Broker
 Date: 7/3/2023

Calculation of Capital Gains on Residual:

	<u>5 Year:</u>	<u>10 Year:</u>
Purchase Price:	\$1,892,000	\$1,892,000
Closing Costs:	\$50,984	\$50,984
Less Depreciation:	<u>-\$333,381</u>	<u>-\$666,762</u>
Basis of Asset:	\$1,609,603	\$1,276,222
Sales Price:	\$2,500,558	\$3,049,070
Less Basis of Asset:	\$1,609,603	\$1,276,222
Less Accumulated Depreciation:	<u>\$333,381</u>	<u>\$666,762</u>
Gain:	\$557,574	\$1,106,086
Tax Rate:	<u>20.00%</u>	<u>20.00%</u>
Subtotal of Capital Gains:	\$111,515	\$221,217
Recapture of Accumulating Depreciation for Tax Purposes:		
Depreciation Taken Over Holding Period:	\$333,381	\$666,762
Tax Rate of Depreciation Recapture:	<u>25.00%</u>	<u>25.00%</u>
Subtotal of Applicable Tax on Depreciation Recapture:	\$83,345	\$166,691
Total Estimated Capital Gains:	\$194,860	\$387,908

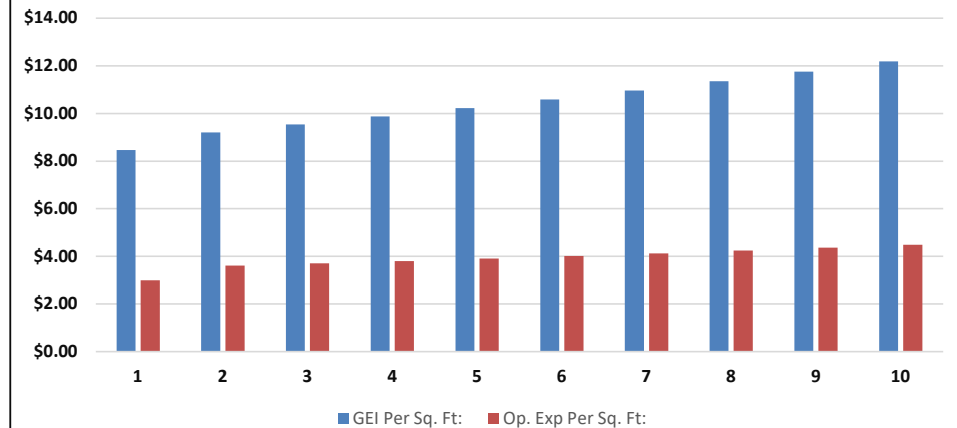
Operational Performance Trend Line at Acquisition Price:



Accumulation of Reserves for Replacements:

Description:	<u>% GEI:</u>	<u>1 Yr:</u>	<u>3 Yrs:</u>	<u>5 Yrs:</u>	<u>10 Yrs:</u>
Totals:	5.80%	\$14,471	\$48,382	\$84,124	\$185,221

Income & Expenses Per Square Foot:



PROFORMA BASED ON CURRENT RECONSTRUCTED OPERATING STATEMENT AND PROPOSED FINANCING

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Property Name: ABC Townhomes
 Property Address: Anywhere Street
 Anywhere, USA 123456
 Tax I.D. #: 0040G (004, 019A)

Prepared By: Prudent Broker
 Date: 7/3/2023

Calculation of Loss to Lease:

Gross Market Rents: \$288,000 Months to Achieve Renovations: 12
 Reconstructed Operating Stmt. Beginning Contract Rents: \$249,664 Rent Increases with Renovations \$100
 (Also known as Gross Potential Rents) Projected Income Appreciation Rate: 3.50%
 Planned Unit Renovation Improvements: \$201,500 Total Number of Units: 32

Year:	Market Trends with Inflationary Trends:				Renovation and Inflationary Rent Increases:				Average Rent Per Unit:		Effective Loss to Lease If No Unit Renovations:	Effective Loss to Lease With Renovations:	Gross Potential Rents without Renovation:	Gross Potential Rents with Renovation:
	Year End Annual Market Rents:	Rent Increase Percentage:	Rent Increase Amount:	Rent Increase Average Per Unit:	Annual Contract Rents:	Rent Increase Percentage:	Cummulative Rent Increase Amount:	Rent Increase Average Per Unit:	Average Contract Rent Not To Exceed Mkt. Rent:	Projected Average Market Rent:				
0	\$288,000				\$249,664				\$650	\$750				
1	\$298,080	3.50%	\$10,080	\$26.25	\$271,192	8.62%	\$21,528	\$56.06	\$706	\$776	\$39,678	\$26,888	\$258,402	\$271,192
2	\$308,513	3.50%	\$10,433	\$27.17	\$294,326	8.53%	\$23,134	\$60.24	\$766	\$803	\$41,066	\$14,187	\$267,446	\$294,326
3	\$319,311	3.50%	\$10,798	\$28.12	\$304,794	3.56%	\$10,468	\$27.26	\$794	\$832	\$42,504	\$14,516	\$276,807	\$304,794
4	\$330,487	3.50%	\$11,176	\$29.10	\$315,635	3.56%	\$10,841	\$28.23	\$822	\$861	\$43,991	\$14,852	\$286,495	\$315,635
5	\$342,054	3.50%	\$11,567	\$30.12	\$326,861	3.56%	\$11,226	\$29.23	\$851	\$891	\$45,531	\$15,192	\$296,523	\$326,861
6	\$354,026	3.50%	\$11,972	\$31.18	\$338,487	3.56%	\$11,625	\$30.27	\$881	\$922	\$47,125	\$15,539	\$306,901	\$338,487
7	\$366,416	3.50%	\$12,391	\$32.27	\$350,526	3.56%	\$12,039	\$31.35	\$913	\$954	\$48,774	\$15,891	\$317,642	\$350,526
8	\$379,241	3.50%	\$12,825	\$33.40	\$362,993	3.56%	\$12,467	\$32.47	\$945	\$988	\$50,481	\$16,248	\$328,760	\$362,993
9	\$392,514	3.50%	\$13,273	\$34.57	\$375,903	3.56%	\$12,911	\$33.62	\$979	\$1,022	\$52,248	\$16,611	\$340,266	\$375,903
10	\$406,252	3.50%	\$13,738	\$35.78	\$389,273	3.56%	\$13,370	\$34.82	\$1,014	\$1,058	\$54,077	\$16,979	\$352,176	\$389,273

Property Name:	ABC Townhomes	Date:	7/3/2023
Property Address:	Anywhere Street	Prepared For:	Investor 1
	Anywhere, USA 123456	Prepared By:	Prudent Broker

Support As Is Price for Property to Achieve
\$1,892,000

Returns Not Including PIP Funding:

Total Acreage:	5.24	Financing:	New Financing	1st Mtg:	2nd Mtg:	3rd Mtg:
Total Heated and Cooled Sq. Feet:	30,684	Interest Rates:		7.00%	0.00%	0.00%
Total Auxillary Square Feet:	3,200	Term of Loan:		300	0	0
Total Number of Buildings:	4	Debt Coverage Ratio:		1.25	0.00	0.00
Total Number of Dwelling Units:	32	Loan-to-Value:		75.00%	0.00%	0.00%

Reconstructed Net Annual Operating Income:
\$167,792
Mortgage Constant:
0.08481
0.00000
0.00000

1 Supportable Price Based on Reconstructed Operating Statement and Lender Requirements:

Max. Annual Allowable Mortgage Pymt. No Less Than Debt Coverage Ratio:	NOI/DCR =	\$134,234
Based On Lender or Owner Guidelines:	Mortgage Constant =	0.08481
	MTG(S) =	\$1,419,000
Adjusted Price for PIP Amount Financed Based on Loan Constant or Loan-to-Value, whichever is less:	PRICE =	\$1,892,000

2 Price Based on Comparable Sale CAP Rates:

Rate:	8.50%
Total Supportable Price Based on Higher of Cap Rate or Weighted Cost of Capital:	\$1,974,000

(Not recommended as methodology does not account for variations in cash flows. Assumes business will grow at a stable rate every year or won't grow at all.)

3 Gross Rent Multiplier Effect:

Gross Potential Rent	\$261,120
Multiplier Effect	7
	\$1,827,800

4 Income Approach to Value (Discounted Cash Flow Technique):

Investor's Capitalization Rate:
8.63%

Year:	NOI :	Residual:	Rate:	PV Worth:	Value:
1	\$167,792		1.086332	\$154,458	
2	\$171,656		1.180118	\$145,457	
3	\$178,717		1.282000	\$139,405	
4	\$186,041		1.392678	\$133,585	
5	\$193,640	\$878,785	1.512911	\$127,992	
6	\$201,524		1.643524	\$122,617	
7	\$209,702		1.785413	\$117,453	
8	\$218,186		1.939551	\$112,493	
9	\$226,987		2.106997	\$107,730	
10	\$236,116		2.288899	\$103,157	
		\$1,586,501	2.288899	\$693,128	\$1,957,500

The residual value represents the proceeds from resale before tax that is a function of the last year's NOI indexed for the average growth in revenues over the holding period, factored at the weighted cost of capital, less closing costs and any mortgage balances.

(Takes into account variations in cash flows due to market conditions, fluctuations of vacancy rates, requirements for future cash infusions into operations, inflationary or deflationary projected tendencies, etc.)

5
Weighted Value:
1,918,000

MODIFIED INVESTOR LEVERAGED IRR ANALYSIS

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Property Name: ABC Townhomes
 Property Address: Anywhere Street
 Anywhere, USA 123456
 Tax Parcel Number: 0040G (004, 019A)

Date: 7/3/2023
 Prepared For: Investor 1
 Prepared By: Prudent Broker

USE OF FUNDS:

Property Acquisition **\$1,892,000**
 Number of Units 32
 Total Cost Per Unit: \$62,527
 Closing Costs, Fees, Prorations including Prorated Rents \$50,984
 Property Improvement Plan (PIP) Not Financed; Investor PIP Funds \$50,375
 Broker Equity Participation: \$0
 Working Capital \$7,500
 Total Use of Funds **\$2,000,859**
 Preferential Financing Involved? Yes
 Real Estate Brokerage Participation? No

- Agrees -

SOURCES OF FUNDS:

First Mortgage \$1,419,000
 Second Mortgage \$0
 Third Mortgage - Interest Only Mortgage \$0
 PIP Financed \$151,125
 Equity from General Partner, Equity Investor, and/or Broker: \$421,352
 Pro-rated Rents to Date of Closing \$684
 Pro-rated Taxes to be Paid \$8,698
 Total Source of Funds **\$2,000,859**
 Equity Investor: **\$147,473**
 Broker Equity: **\$0**
 General Partner Equity: **\$273,879**

MORTGAGE INFORMATION:

First Mortgage Amount Including PIP Financed \$1,570,125
 Interest Rate 7.00%
 Amortization Period 300
 Balloon or Call Period 120
 Monthly Payment \$11,097
 Annual Payment \$133,168

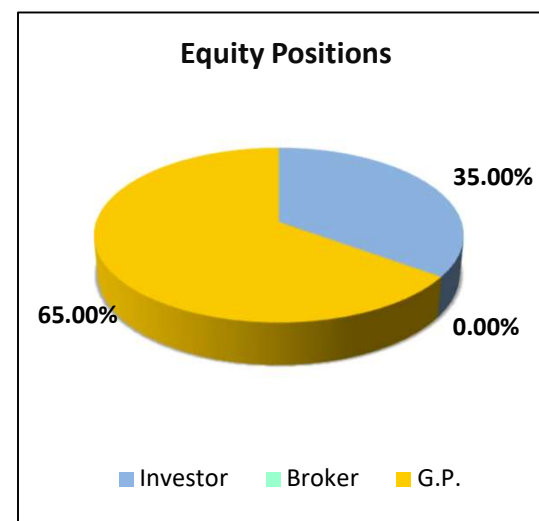
Second Mortgage Amt	Interest Only Mortgage Amt
\$0	\$0
Interest Rate 0.00%	Interest Rate 0.00%
Amortization Period 0	Amortization Period 0
Balloon or Call Period 0	Balloon or Call Period 0
Monthly Payment \$0	Monthly Payment \$0
Annual Payment \$0	Annual Payment \$0

	1	2	3	4	5	6	7	8	9	10
Beginning Balance:										
First	\$1,570,125	\$1,546,105	\$1,520,349	\$1,492,730	\$1,463,115	\$1,431,360	\$1,397,308	\$1,360,796	\$1,321,643	\$1,279,660
Second	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Payments:										
Interest to 1st Mtg:	\$109,148	\$107,411	\$105,549	\$103,553	\$101,412	\$99,116	\$96,655	\$94,015	\$91,185	\$88,150
Interest to 2nd Mtg:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest to 3rd Mtg:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Reduced 1st Mtg:	\$24,020	\$25,756	\$27,618	\$29,615	\$31,756	\$34,051	\$36,513	\$39,152	\$41,983	\$45,018
Principal Reduced 2nd:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance:	\$1,546,105	\$1,520,349	\$1,492,730	\$1,463,115	\$1,431,360	\$1,397,308	\$1,360,796	\$1,321,643	\$1,279,660	\$1,234,643

CASH FLOW:

	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Occupancy Rates:	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
NOI:	\$167,792	\$171,656	\$178,717	\$186,041	\$193,640	\$201,524	\$209,702	\$218,186	\$226,987	\$236,116
1st Mtg Annual Pymt. Assumption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1st Mtg Annual Pymt. New	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168	\$133,168
2nd Mtg Annual Pymt.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3rd Mtg Interest Only:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CF After Debt Service:	\$34,625	\$38,488	\$45,549	\$52,874	\$60,473	\$68,356	\$76,534	\$85,018	\$93,819	\$102,949
Debt Coverage Ratio:	1.2600	1.2890	1.3420	1.3970	1.4541	1.5133	1.5747	1.6384	1.7045	1.7731

End of Holding Period NOI:	\$193,640	\$236,116
Average Annual Revenue Growth Rate:	3.50%	3.50%
Terminal Cap Rate:	7.74%	7.74%
Gross Sales Price:	\$2,500,558	\$3,049,070
Sales Price Per Unit:	\$78,142	\$95,283
Estimated Selling Costs:	\$168,446	\$202,461
Pro-rated Revenues	\$0	\$0
Estimated Real Estate Tax Proration	<u>\$21,967</u>	<u>\$25,466</u>
Net Proceeds Prior to Mortgage Payoffs:	\$2,310,145	\$2,821,143
Balance of Mortgages:		
First Mortgage:	\$1,431,360	\$1,234,643
Second Mortgage:	\$0	\$0
Interest Only Mortgage:	\$0	\$0
Return of Equity to Investors:	\$147,473	\$147,473
Return of Funds to Broker, If any:	\$0	\$0
Return of Equity to General Partner:	<u>\$273,879</u>	<u>\$273,879</u>
Available Proceeds from Sale:	\$457,433	\$1,165,148

[illegible]

INVESTOR POSITION / RETURNS:

1 2 3 4 5 6 7 8 9 10

Investor:	-\$147,473	\$14,594	\$15,366	\$16,778	\$18,243	\$327,338
Investor IRR:						24.48%
Investor EDR:		9.90%	10.42%	11.38%	12.37%	13.40%
Average Annual Investor EDR:						11.49%
Investor Average Annual Return on Investment (ROI):						53.21%

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	Pref. Fin. Pref Return:	Yes 6.50%	Equity: 65.00% Annual Distribution: Yes			General Partner CF: 65.00% Annual Distribution: Yes		Preferential Payment: (Must be > CF after Debt to distribute)		\$17,802	
5 Yr. Returns		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Adj. CFBT		\$34,625	\$38,488	\$45,549	\$52,874	\$60,473					
Pref. Payment:		\$9,586	\$9,586	\$9,586	\$9,586	\$9,586					
CFADS & Pref. Pymt:		\$25,039	\$28,903	\$35,963	\$43,288	\$50,887					
Avail. - Distribution:		\$25,039	\$28,903	\$35,963	\$43,288	\$50,887					
Pref CF Distributions:		\$5,008	\$5,781	\$7,193	\$8,658	\$10,177					
GP CF Distributions:		\$20,031	\$23,122	\$28,770	\$34,630	\$40,709					
G.P.	-\$273,879	\$20,031	\$23,122	\$28,770	\$34,630	\$611,920					
General Partner IRR:						23.57%					
General Partner EDR:		7.31%	8.44%	10.50%	12.64%	14.86%					
Average Annual GP EDR:						10.75%					
General Partner Average Annual Return on Investment (ROI):						52.47%					

Adj. CFBT	\$34,625	\$38,488	\$45,549	\$52,874	\$60,473	\$68,356	\$76,534	\$85,018	\$93,819	\$102,949	
Pref. Payment:	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	<u>\$9,586</u>	
CFADS & Pref. Pymt:	\$25,039	\$28,903	\$35,963	\$43,288	\$50,887	\$58,770	\$66,948	\$75,432	\$84,233	\$93,363	
Avail. - Distribution:	\$25,039	\$28,903	\$35,963	\$43,288	\$50,887	\$58,770	\$66,948	\$75,432	\$84,233	\$93,363	
Pref CF Distributions:	\$5,008	\$5,781	\$7,193	\$8,658	\$10,177	\$11,754	\$13,390	\$15,086	\$16,847	\$18,673	
GP CF Distributions:	\$20,031	\$23,122	\$28,770	\$34,630	\$40,709	\$47,016	\$53,559	\$60,346	\$67,386	\$74,690	
GP:	-\$273,879	\$20,031	\$23,122	\$28,770	\$34,630	\$40,709	\$47,016	\$53,559	\$60,346	\$67,386	\$1,105,916
General Partner IRR:										22.42%	
General Partner EDR:	7.31%	8.44%	10.50%	12.64%	14.86%	17.17%	19.56%	22.03%	24.60%	27.27%	
Average Annual General Partner EDR:										16.44%	
General Partner Average Annual Return on Investment (ROI):										54.09%	

ESTIMATED PURCHASE CLOSING DISCLOSURE

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Property Information:

ABC Townhomes	
Anywhere Street	
Anywhere, USA 123456	
Amount of New Financing	\$1,570,125
Interest Rate on Mortgage	7.00%
Type Of Financing:	New Financing
Second Mortgage:	No

Closing Information:

Closing Date:	9/30/2023
Closing Day of Year:	273
Day of Month of Closing:	30
Months of Escrow at Closing:	0
Total Annual Effective Income at time of closing:	\$249,664
Total Mthly Effective Income prorated at closing:	\$20,520
Interest Rate of 1st Mortgage Being Paid Off	0.00%
Interest Rate of 2nd Mortgage Being Paid Off, if any	0.00%

Summary of Borrower's Transaction:

Due from Borrower at Closing:	
Sale Price of Property	\$1,892,000
Sale Price of Any Personal Property	
Closing Costs Paid at Closing (J):	\$50,984
(see page two)	
Adjustments	
Adjustments for Items Paid by Seller in Advance:	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
Gross Amount Due from Borrower (K):	\$1,942,984

Summary of Seller's Transaction:

Due to Seller at Closing:	
Sale Price of Property:	\$1,892,000
Sale Price of Any Personal Property	
Adjustments:	
Adjustments for Items Paid by Seller in Advance:	
City / Town Taxes	
County Taxes	
Assessments, if any	
HOA or CAM Dues	
Gross Amount Due Seller (M):	\$1,892,000

Paid Already by or on Behalf of Borrower at Closing:

Deposit or Earnest Money	\$10,000
Credit of Brokerage Commission, If any	\$0
Principal Amounts of New Loan(s)	
First Mortgage	\$1,419,000
Second Mortgage	\$0
Third (Interest Only) Mortgage	\$0
Seller Credits	\$0
Cost to Cure Transfer Taxes	
Lender LIP	\$151,125
Pro-rated Rents	\$684
Adjustments for items unpaid by Seller:	
City / Town Taxes	
County Taxes	\$8,698
Assessments, if any	\$0
Commercial Mgt. Assoc. Fees (CAM)	\$0
Total Paid by Borrower (L):	\$1,589,507

Due from Seller at Closing:

Excess desposits, if any	
Closing Costs Paid at Closing (J):	\$124,463
Existing Loans Assumed/taken "Subject To"	
Payoff or Assumption of First Mortgage	\$0
Payoff or Assumption of Second Mortgage	\$0
Third (Interest Only) Mortgage:	\$0
Seller Credits	\$0
Cost to Cure Transfer Taxes	
Other Credits	
Pro-rated Rents	\$684
Adjustments for items unpaid by Seller:	
City / Town Taxes	
County Taxes	\$8,698
Assessments, if any	
Commercial Mgt. Assoc. Fees (CAM)	\$0
Total Reduction Amounts Due Seller (N):	\$133,845

Calculations:

Total Due from Borrower at Closing (K):	\$1,942,984
Total Paid Already by or on Behalf of Borrower at Closing (L):	\$1,589,507
Cash From (To) Borrower at Closing:	\$353,477

Cash at Settlement To (From) Seller

Total Due to Seller at Closing (M):	\$1,892,000
Total Due from Seller at Closing (N):	\$133,845
Cash To (From) Seller at Closing:	\$1,758,155

Loan Costs:	Borrower:	Seller:
(A) Origination Charges Associated with Loan:		
Origination Charges or Points	\$0	
Discount Pts for interest rate chosen	\$0	
Application Fee	\$1,500	
Underwriting Fee	\$225	
Adjusted Origination Charges		
(B) Services Borrower Did Not Shop For:		
Appraisal Fee	\$3,000	
Credit Report	\$75	
Flood Determination Fee	\$125	
Flood Monitoring Fee		
Tax Monitoring and Service Fees	\$85	
(C) Services Borrower Did Not Shop For:		
Pest Control		\$1,800
Survey	\$1,800	\$0
Title Insurance Binder		
Lender's Title Insurance	\$10,406	\$0
Owner's Title Insurance		
Settlement or Closing Fee	\$375	
Title Services / Lender's Title Insurance	\$125	
(D) TOTAL LOAN COSTS (Borrower Paid):	\$17,716	\$1,800
(E) Taxes and Other Government Fees:		
Recording Fees:		
Deed	\$27	
Mortgage	\$300	
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:	\$5,676	
State Tax / stamps		
Deed:		\$7,568
Mortgage:	\$5,676	
(F) Prepays:		
Hazard Insurance Premium (Quarterly):	\$3,125	
Interest on First Mortgage	\$8,164	\$0
Interest on Second Mortgage, if any	\$0	\$0
Interest Only Third Mortgage, if any	\$0	
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
(G) Initial Escrow Payment at Closing:		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
(H) Other:		
Defesance Fee	\$0	\$0
Property Warranty Fee		\$0
Real Estate Acquisition Fee	\$0	
Real Estate Commission	\$0	\$113,520
Attorney Fees	\$6,800	\$1,500
Repairs	\$0	\$0
Third Party Reports	\$3,500	
(I) Total Other Costs (Borrower-Paid):	\$33,268	\$122,663
(J) Total Closing Costs (Borrower-Paid):	\$50,984	(J) Total Closing Costs (Seller-Paid): \$124,463

ESTIMATED 5 YEAR RESALE CLOSING DISCLOSURE

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Property Information:

ABC Townhomes
Anywhere Street
Anywhere, USA 123456

Original Mortgage Balance \$1,570,125
Interest Rate on Mortgage 7.00%

Closing Information:

Closing Date: 9/30/2023
Closing Day of Year: 273
Day of Month of Closing: 30
Months of Escrow at Closing: 0
Gross Annual Effective Rents at time of closing: \$310,043

New Financing

Summary of Borrower's Transaction:

Due from Borrower at Closing:

Sale Price of Property
Sale Price of Any Personal Property
Closing Costs Paid at Closing (J)
(see page two)

Adjustments:

Adjustments for Items Paid by Seller in Advance:

City / Town Taxes
County Taxes
Assessments, if any
HOA or CAM Dues

Gross Amount Due from Borrower (K):

Paid Already by or on Behalf of Borrower at Closing:

Deposit or Earnest Money
Credit of Brokerage Commission, If any
Principal Amounts of New Loan(s)
First Mortgage
Second Mortgage
Payoff of Interest Only Mortgage
Seller Credits
Cost to Cure Transfer Taxes
Other Credits
Pro-rated Rents

Adjustments for items unpaid by Seller:

City / Town Taxes
County Taxes
Assessments, if any
Commercial Mgt. Assoc. Fees (CAM)

Total Paid by Borrower (L):

Calculations:

Total Due from Borrower at Closing (K):
Total Paid Already by or on Behalf of
Borrower at Closing (L):

Cash From (To) Borrower at Closing:

Summary of Seller's Transaction:

Due to Seller at Closing:

Sale Price of Property: \$2,500,558
Sale Price of Any Personal Property

Adjustments:

Adjustments for Items Paid by Seller in Advance:

City / Town Taxes
County Taxes
Assessments, if any
HOA or CAM Dues

Gross Amount Due Seller (M):

\$2,500,558

Due from Seller at Closing:

Excess deposits, if any
Closing Costs Paid at Closing (J): \$168,446
Existing Loans Assumed/taken "Subject To"
Payoff of First Mortgage \$1,431,360
Payoff of Second Mortgage \$0
Payoff of Interest Only Mortgage \$0
Seller Credits \$0
Cost to Cure Transfer Taxes
Other Credits
Pro-rated Rents \$0

Adjustments for items unpaid by Seller:

City / Town Taxes
County Taxes \$21,967
Assessments, if any
Commercial Mgt. Assoc. Fees (CAM) \$0

Total Reduction Amounts Due Seller (N):

\$1,621,773

Cash at Settlement To (From) Seller

Total Due to Seller at Closing (M): \$2,500,558
Total Due from Seller at Closing (N): \$1,621,773

Cash To (From) Seller at Closing:

\$878,785

Loan Costs:	Borrower:	Seller:
(A) Origination Charges Associated with Loan:		
Origination Charges or Points		
Discount Pts for interest rate chosen		
Application Fee		
Underwriting Fee		
Adjusted Origination Charges		
(B) Services Borrower Did Not Shop For:		
Appraisal Fee		
Credit Report		
Flood Determination Fee		
Flood Monitoring Fee		
Tax Monitoring and Service Fees		
(C) Services Borrower Did Not Shop For:		
Pest Control		\$0
Survey		
Title Insurance Binder		
Lender's Title Insurance		\$0
Owner's Title Insurance		
Settlement or Closing Fee		
Title Services / Lender's Title Insurance		
(D) TOTAL LOAN COSTS (Borrower Paid):		\$0
(E) Taxes and Other Government Fees:		
Recording Fees:		
Deed		
Mortgage		
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:		
State Tax / stamps		
Deed:		\$10,002
Mortgage:		
(F) Prepays:		
Homeowner's Insurance Premium:		
Interest on First Mortgage		\$8,335
Interest on Second Mortgage		\$0
Interest on Third Mortgage		\$0
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
(G) Initial Escrow Payment at Closing:		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
(H) Other:		
HOA Capital Contribution		
HOA Processing Fee		
Property Inspection Fee		
Property Warranty Fee		
Real Estate Commission		\$150,034
Defeasance Fee		\$0
Credit by Seller to Buyer for Repairs		
Repairs		
Lawn Maintenance		
(I) Total Other Costs (Borrower-Paid):		\$168,446
(J) Total Closing Costs (Borrower-Paid):		
		(J) Total Closing Costs (Seller-Paid):
		\$168,446

ESTIMATED 10 YEAR RESALE CLOSING DISCLOSURE

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Property Information:

ABC Townhomes
Anywhere Street
Anywhere, USA 123456

Original Mortgage Balance \$1,570,125
Interest Rate on Mortgage 7.00%

Closing Information:

Closing Date: 9/30/23
Closing Day of Year: 273
Day of Month of Closing: 30
Months of Escrow at Closing: 0
Gross Annual Effective Rents at time of closing: \$369,298

Summary of Borrower's Transaction:

Due from Borrower at Closing:

Sale Price of Property
Sale Price of Any Personal Property
Closing Costs Paid at Closing (J)
(see page two)

Adjustments:

Adjustments for Items Paid by Seller in Advance:

City / Town Taxes
County Taxes
Assessments, if any
HOA or CAM Dues

Gross Amount Due from Borrower (K):

Paid Already by or on Behalf of Borrower at Closing:

Deposit or Earnest Money
Credit of Brokerage Commission, If any
Principal Amounts of New Loan(s)
First Mortgage
Second Mortgage
Interest Only Mortgage
Seller Credits
Cost to Cure Transfer Taxes
Other Credits
Pro-rated Rents

Adjustments for items unpaid by Seller:

City / Town Taxes
County Taxes
Assessments, if any
Commercial Mgt. Assoc. Fees (CAM)

Total Paid by Borrower (L):

Calculations:

Total Due from Borrower at Closing (K):
Total Paid Already by or on Behalf of
Borrower at Closing (L):

Cash From (To) Borrower at Closing:

Summary of Seller's Transaction:

Due to Seller at Closing:

Sale Price of Property: \$3,049,070
Sale Price of Any Personal Property

Adjustments:

Adjustments for Items Paid by Seller in Advance:

City / Town Taxes
County Taxes
Assessments, if any
HOA or CAM Dues

Gross Amount Due Seller (M):

\$3,049,070

Due from Seller at Closing:

Excess desposits, if any
Closing Costs Paid at Closing (J): \$202,461
Existing Loans Assumed/taken "Subject To"
Payoff of First Mortgage \$1,234,643
Payoff of Second Mortgage \$0
Payoff of Interest Only Mortgage \$0
Seller Credits
Cost to Cure Transfer Taxes
Other Credits
Pro-rated Rents \$0

Adjustments for items unpaid by Seller:

City / Town Taxes
County Taxes \$25,466
Assessments, if any
Commercial Mgt. Assoc. Fees (CAM) \$0

Total Reduction Amounts Due Seller (N):

\$1,462,569

Cash at Settlement To (From) Seller

Total Due to Seller at Closing (M): \$3,049,070
Total Due from Seller at Closing (N): \$1,462,569

Cash To (From) Seller at Closing:

\$1,586,501

Loan Costs:	Borrower:	Seller:
(A) Origination Charges Associated with Loan:		
Origination Charges or Points		
Discount Pts for interest rate chosen		
Application Fee		
Underwriting Fee		
Adjusted Origination Charges		
(B) Services Borrower Did Not Shop For:		
Appraisal Fee		
Credit Report		
Flood Determination Fee		
Flood Monitoring Fee		
Tax Monitoring and Service Fees		
(C) Services Borrower Did Not Shop For:		
Pest Control		\$0
Survey		
Title Insurance Binder		
Lender's Title Insurance		\$0
Owner's Title Insurance		
Settlement or Closing Fee		
Title Services / Lender's Title Insurance		
(D) TOTAL LOAN COSTS (Borrower Paid):		\$0
(E) Taxes and Other Government Fees:		
Recording Fees:		
Deed		
Mortgage		
Releases		\$75
Transfer Taxes:		
City / County tax / stamps		
Deed:		
Mortgage:		
State Tax / stamps		
Deed:		\$12,196
Mortgage:		
(F) Prepays:		
Homeowner's Insurance Premium:		
Interest on First Mortgage		\$7,245
Interest on Second Mortgage		\$0
Interest on Third Mortgage		\$0
Mortgage Insurance Premium		
Property Taxes (6 mths) to County		
(G) Initial Escrow Payment at Closing:		
Homeowner's Insurance for 2 months		
Mortgage Insurance for 2 months		
Property Taxes for 2 months		
(H) Other:		
HOA Capital Contribution		
HOA Processing Fee		
Property Inspection Fee		
Property Warranty Fee		
Real Estate Commission		\$182,944
Defeasance Fee		\$0
Credit by Seller to Buyer for Repairs		
Repairs		
Lawn Maintenance		
(I) Total Other Costs (Borrower-Paid):		\$202,461
(J) Total Closing Costs (Borrower-Paid):		\$202,461
(J) Total Closing Costs (Seller-Paid):		\$202,461