

ABC APARTMENTS, SAN ANGELO, TEXAS						
Age:	1983					5/5/17
Land:		Five Year Operating Pro-Forma			(RE-HAB)	
Units/Acre:						
Units:	72	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase Price:	Contract	\$4,275,000	\$4,275,000	\$4,275,000	\$4,275,000	\$4,275,000
Price Per Unit		\$59,375	\$59,375	\$59,375	\$59,375	\$59,375
Price Per Square Foot		\$75.99	\$75.99	\$75.99	\$75.99	\$75.99
Square Feet		56,256	56,256	56,256	56,256	56,256
No. Of Units	72	72	72	72	72	72
Avg. Unit Size	Per Sq. Ft.	781	781	781	781	781
Occupancy	Percentage	95.00	95.00	95.00	95.00	95.00
Avg. Market Rent	\$ Per Unit	766	781	797	813	828
Rental Rate	Effective	\$0.980	\$1.00	\$1.02	\$1.04	\$1.06
<b>INCOME</b>						
Gross Potential		\$661,571	\$675,072	\$688,573	\$702,075	\$715,576
Rehab Unit Income		\$10,800	\$24,500	\$43,200	\$43,200	\$43,200
Concessions/Bad Debt/ Non-Rev.		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Other Income		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
RUBS Income		\$1,200	\$20,000	\$30,000	\$32,000	\$30,000
Total Income		\$703,571	\$749,572	\$791,773	\$807,275	\$818,776
Vacancy & Loss to Lease		(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
Adjusted Income		\$663,571	\$709,572	\$751,773	\$767,275	\$778,776
<b>EXPENSES</b>						
Per Square Foot		\$5.50	\$5.66	\$5.80	\$5.95	\$6.15
Per Unit		\$4,297	\$4,422	\$4,532	\$4,649	\$4,805
Total Expenses		\$309,408	\$318,409	\$326,285	\$334,723	\$345,974
<b>NET INCOME (NOI)</b>		<b>\$354,163</b>	<b>\$391,163</b>	<b>\$425,489</b>	<b>\$432,552</b>	<b>\$432,802</b>
Capitalization Rate	CAP Rate	8.28%	9.15%	9.95%	10.12%	10.12%
<b>Capital Reserves</b>	<b>\$285.33</b>	\$20,544	\$20,544	\$20,544	\$20,544	\$20,544
<b>Debt Service</b>	<b>4.67%</b>	\$149,732	\$149,732	\$198,852	\$198,852	\$198,852
		Int. Only	Int. Only	30 Yr. Amort	30 Yr. Amort	30 Yr. Amort
<b>Net Cash Flow</b>		<b>\$183,887</b>	<b>\$220,887</b>	<b>\$206,093</b>	<b>\$213,156</b>	<b>\$213,406</b>
Cummulative Cash Flow		\$183,887	\$404,774	\$610,867	\$824,023	\$1,037,429
<b>Investor Equity</b>		<b>\$1,329,000</b>	<b>\$1,329,000</b>	<b>\$1,329,000</b>	<b>\$1,329,000</b>	<b>\$1,329,000</b>
<b>Return On Equity</b>		<b>13.84%</b>	<b>16.62%</b>	<b>15.51%</b>	<b>16.04%</b>	<b>16.06%</b>
<b>CAP Valuation</b>	<b>7.50%</b>	<b>\$4,722,167</b>	<b>\$5,215,507</b>	<b>\$5,673,182</b>	<b>\$5,767,356</b>	<b>\$5,770,692</b>
True Acquisition Cost		\$4,535,250	\$4,535,250	\$4,535,250	\$4,535,250	\$4,535,250
<b>Projected Gross Profit</b>		<b>\$186,917</b>	<b>\$680,257</b>	<b>\$1,137,932</b>	<b>\$1,232,106</b>	<b>\$1,235,442</b>
Est. Closing Costs	<b>3.00%</b>	\$141,665	\$156,465	\$170,195	\$173,021	\$173,121
<b>Projected Net Proceeds</b>		<b>\$45,252</b>	<b>\$523,792</b>	<b>\$967,736</b>	<b>\$1,059,085</b>	<b>\$1,062,321</b>
<b>Assumptions:</b>						
Loan Amount	75%	\$3,206,250	\$3,206,250	\$3,206,250	\$3,206,250	\$3,206,250
Down Payment	25%	\$1,068,750	\$1,068,750	\$1,068,750	\$1,068,750	\$1,068,750
Interest Rate	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%
Amortization	2 Yrs I/O	I/O	I/O	30 Years	30 Years	30 Years
Immediate Reserves	Lender	\$36,250	\$36,250	\$36,250	\$36,250	\$36,250
Interior Upgrades	\$1,500 / Unit	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000

