



The DFY Report 9-10-18

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| Address | Purchase Price | Cash on Cash Return | Average Annual Return |
|-------------------------------------------------|----------------|---------------------|-----------------------|
| 110 Majestic Gardens Ct, Winter Haven, FL 33880 | \$175,000 | 7.98% | 27.42% |
| 429 Arthur St, Indianapolis, IN 46229 | \$99,900 | 11.39% | 18.03% |
| 8912 Robey Dr, Indianapolis, IN 46234 | \$119,000 | 10.45% | 18.35% |
| 4724 Ashcroft Dr, Memphis, TN 38125 | \$219,000 | 8.02% | 21.11% |
| 10324 Hickory Hill Dr, Indianapolis, IN 46234 | \$159,000 | 4.88% | 15.22% |

1. Removes GEOGRAPHY as a condition of investing in real estate.
2. Help you invest with a PLAN and on PURPOSE.
3. Simplify the process of investing in real estate for YOU.
4. Increase the likelihood of real estate investing success.

Our clients range from first time investors purchasing 1 property, to seasoned pros who are building their real estate portfolio with our property inventory, and using our system.

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www.info@dfy-realestate.com

110 Majestic Gardens Court Winter Haven, FL 33880



| Property Info | |
|--------------------------|---------------|
| Purchase Price | \$ 175,000.00 |
| Down Payment | \$ 35,000.00 |
| Estimated Closing Costs | \$ 5,250.00 |
| Estimated Rehab Expenses | \$ 2,500.00 |
| Coordination Fee | \$ 4,995.00 |

2% Seller PD

| | |
|--------------------------------|--------------|
| Total Out of Pocket | \$ 47,745.00 |
| Property Management Setup/Misc | \$ 2,500.00 |

| | |
|-------------|------|
| Year Built | 2006 |
| Square Feet | 1745 |
| Bedrooms | 4 |
| Bathrooms | 2 |

| Assumptions | |
|------------------------------|-------|
| Down Payment | 20% |
| Closing Costs | 5% |
| Interest Rate | 5.50% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 8% |
| Annual Appreciation (YR 1-2) | 10% |
| Annual Appreciation (YR 3-5) | 5% |
| Annual Rent Increase | 5% |
| Closing Costs on Future Sale | 7.50% |

| Financed Income Breakdown | |
|------------------------------|-------------|
| Monthly Rent | \$ 1,475.00 |
| Monthly Principal & Interest | \$ 794.90 |
| Monthly Taxes | \$ 175.00 |
| Monthly Insurance | \$ 70.83 |
| PITI Monthly | \$ 1,040.74 |

| | |
|---------------|--------------------------------------|
| 27.42% | AVERAGE ANNUAL RETURN* |
| 8.39% | AVERAGE ANNUAL CASH ON CASH** |

| | Income/Expenses | | | | |
|----------------------------|-----------------|--------------|--------------|--------------|---------------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Gross Rent | \$ 17,700.00 | \$ 18,585.00 | \$ 19,514.25 | \$ 20,489.96 | \$ 21,514.46 |
| Taxes | \$ 2,100.00 | \$ 2,310.00 | \$ 2,425.50 | \$ 2,546.78 | \$ 2,674.11 |
| Insurance | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 |
| HOA | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 |
| Property Management | \$ 1,000.00 | \$ 1,000.00 | \$ 1,561.14 | \$ 1,639.20 | \$ 1,721.16 |
| Vacancy/Repairs | \$ - | \$ 1,486.80 | \$ 1,561.14 | \$ 1,639.20 | \$ 1,721.16 |
| Net Operating Income | \$ 13,350.00 | \$ 12,538.20 | \$ 12,716.47 | \$ 13,414.79 | \$ 14,148.03 |
| Debt Service | \$ 9,538.86 | \$ 9,538.86 | \$ 9,538.86 | \$ 9,538.86 | \$ 9,538.86 |
| Financials | | | | | |
| Net Monthly Cash Flow | \$ 317.60 | \$ 267.45 | \$ 291.93 | \$ 360.23 | \$ 431.94 |
| Cap Rate | 7.63% | | | | |
| Cash on Cash Return | 7.98% | 6.72% | 7.34% | 9.05% | 10.86% |
| Principal Reduction | \$ 2,072.00 | \$ 4,242.00 | \$ 6,524.00 | \$ 8,918.00 | \$ 11,438.00 |
| Appreciation | \$ 17,500.00 | \$ 36,750.00 | \$ 47,337.50 | \$ 58,454.38 | \$ 70,127.09 |
| Profit on Sale | | \$ 19,386.24 | \$ 34,964.79 | \$ 51,964.61 | \$ 65,465.17 |
| ROI | | | 73.23% | 108.84% | 137.11% |
| Total Capital to Re-Invest | | | \$ 69,964.79 | \$ 86,964.61 | \$ 100,465.17 |

| Glossary of Terms | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes | Taxes increase by 3% annually. |
| Principal Reduction | The Principal Reduction is calculated cumulatively based off a 30 year ammortization, fixed rate mortgage. |
| Appreciation | The Appreciation value is calculated cumulatively. |
| Profit on Sale | The Profit on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting the initial Purchase Price, Closing Costs, Rehab Expenses and Closing Costs on the Future Sale, plus accumulated cash flow plus principal paydown. It is assumed year 5 is the end of the useful life of rehab done in year 1, and a \$5000 rehab expense has been added for year 5 for a more detailed rehab associated with selling the home. |
| Return on Investment (ROI) | The Return on Investment is calculated by taking the Profit on the Sale, divided by the initial Total Out of Pocket |
| Cash on Cash Return | The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Out of Pocket (TOP). |
| Cap Rate | Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price. |
| Vacancies/Repairs | Vacancy/Repair expenses start in month 18 since the homes are typically rehabbed at the start of year 1. There is \$2500 budgeted in the first year for the initial Property Management setup/misc expenses that may or may not occur. |
| Total Out of Pocket (TOP) | The Total Out of Pocket value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and the Coordination Fee. |
| Property Management Setup/Misc | The Property Management setup/Misc expenses are not calculated into the total out of pocket. This amount should be set aside for any expenses that may or may not occur associated with a new investment. |
| Total Capital to Re-Invest | Total Capital to Re-Invest is calculated by adding the Profit on Sale to the initial down payment. (Financed options only) |
| Debt Service | Debt service is the annual principal and interest mortgage payment. |

*The Average Annual Return is calculated by dividing the ROI in year 5 by 5.

**The Average Annual Cash on Cash Return is the average of the Cash on Cash Return over all 5 years the investment is held.

The information and any statistical data contained herein have been obtained from sources which we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All opinions expressed and data provided herein are subject to change without notice. Past performance is no guarantee of future results, and current performance may be lower or higher than the performance data quoted. Results shown here are not typical, results will vary based upon real estate prices, interest rates, creditworthiness and many other factors.

429 Arthur Street Indianapolis, IN 46229



20% Down FINANCED PROFORMA

| Property Info | |
|---------------------------------------|--------------------|
| Purchase Price | \$ 99,900.00 |
| Down Payment | \$ 19,980.00 |
| Estimated Closing Costs | \$ 4,995.00 |
| Estimated Rehab Expenses | |
| Coordination Fee | \$ 4,995.00 |
| Total Out of Pocket | |
| Property Management Setup/Misc | \$ 2,500.00 |
| Year Built | |
| Square Feet | 1128 |
| Bedrooms | 3 |
| Bathrooms | 1 |

| Assumptions | |
|------------------------------|-------|
| Down Payment | 20% |
| Closing Costs | 5% |
| Interest Rate | 5.50% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 10% |
| Annual Appreciation (YR 1-3) | 5% |
| Annual Appreciation (YR 4-5) | 5% |
| Annual Rent Increase | 5% |
| Closing Costs on Future Sale | 7.50% |

| Financed Income Breakdown | |
|------------------------------|-------------|
| Monthly Rent | \$ 1,000.00 |
| Monthly Principal & Interest | \$ 453.78 |
| Monthly Taxes | \$ 111.00 |
| Monthly Insurance | \$ 70.83 |
| PITI Monthly | \$ 635.61 |

| | |
|---------------|--------------------------------------|
| 18.03% | AVERAGE ANNUAL RETURN* |
| 11.64% | AVERAGE ANNUAL CASH ON CASH** |

| | Income/Expenses | | | | |
|-----------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Gross Rent | \$ 12,000.00 | \$ 12,600.00 | \$ 13,230.00 | \$ 13,891.50 | \$ 14,586.08 |
| Taxes | \$ 1,332.00 | \$ 1,398.60 | \$ 1,468.53 | \$ 1,541.96 | \$ 1,619.05 |
| Insurance | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 |
| HOA | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Management | \$ 960.00 | \$ 1,008.00 | \$ 1,058.40 | \$ 1,111.32 | \$ 1,166.89 |
| Vacancy/Repairs | \$ - | \$ 1,260.00 | \$ 1,323.00 | \$ 1,389.15 | \$ 1,458.61 |
| Net Operating Income | \$ 8,858.00 | \$ 8,083.40 | \$ 8,530.07 | \$ 8,999.07 | \$ 9,491.53 |
| Debt Service | \$ 5,445.32 | \$ 5,445.32 | \$ 5,445.32 | \$ 5,445.32 | \$ 5,445.32 |
| Financials | | | | | |
| Net Monthly Cash Flow | \$ 284.39 | \$ 225.39 | \$ 268.44 | \$ 313.64 | \$ 361.10 |
| Cap Rate | 8.87% | | | | |
| Cash on Cash Return | 11.39% | 9.02% | 10.75% | 12.56% | 14.46% |
| Principal Reduction | \$ 1,182.82 | \$ 2,421.58 | \$ 3,724.27 | \$ 5,090.90 | \$ 6,529.46 |
| Appreciation | \$ 4,995.00 | \$ 10,239.75 | \$ 15,746.74 | \$ 21,529.07 | \$ 27,600.53 |
| Profit on Sale | | \$ 528.20 | \$ 10,146.13 | \$ 20,625.13 | \$ 27,013.05 |
| ROI | | | 33.85% | 68.82% | 90.13% |
| Total Capital to Re-Invest | | | \$ 30,126.13 | \$ 40,605.13 | \$ 46,993.05 |

| Glossary of Terms | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes | Taxes increase by 3% annually. |
| Principal Reduction | The Principal Reduction is calculated cumulatively based off a 30 year ammortization, fixed rate mortgage. |
| Appreciation | The Appreciation value is calculated cumulatively. |
| Profit on Sale | The Profit on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting the initial Purchase Price, Closing Costs, Rehab Expenses and Closing Costs on the Future Sale, plus accumulated cash flow plus principal paydown. It is assumed year 5 is the end of the useful life of rehab done in year 1, and a \$5000 rehab expense has been added for year 5 for a more detailed rehab associated with selling the home. |
| Return on Investment (ROI) | The Return on Investment is calculated by taking the Profit on the Sale, divided by the initial Total Out of Pocket |
| Cash on Cash Return | The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Out of Pocket (TOP). |
| Cap Rate | Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price. |
| Vacancies/Repairs | Vacancy/Repair expenses start in month 18 since the homes are typically rehabbed at the start of year 1. There is \$2500 budgeted in the first year for the initial Property Management setup/misc expenses that may or may not occur. |
| Total Out of Pocket (TOP) | The Total Out of Pocket value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and the Coordination Fee. |
| Property Management Setup/Misc | The Property Management setup/Misc expenses are not calculated into the total out of pocket. This amount should be set aside for any expenses that may or may not occur associated with a new investment. |
| Total Capital to Re-Invest | Total Capital to Re-Invest is calculated by adding the Profit on Sale to the initial down payment. (Financed options only) |
| Debt Service | Debt service is the annual principal and interest mortgage payment. |

*The Average Annual Return is calculated by dividing the ROI in year 5 by 5.

**The Average Annual Cash on Cash Return is the average of the Cash on Cash Return over all 5 years the investment is held.

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8912 Robey Drive Indianapolis, IN 46234

20% Down FINANCED PROFORMA



| Property Info | |
|--------------------------------|---------------|
| Purchase Price | \$ 119,000.00 |
| Down Payment | \$ 23,800.00 |
| Estimated Closing Costs | \$ 5,950.00 |
| Estimated Rehab Expenses | |
| Coordination Fee | \$ 4,995.00 |
| Total Out of Pocket | |
| Property Management Setup/Misc | \$ 2,500.00 |
| Total Out of Pocket | |
| | \$ 34,745.00 |
| Year Built | |
| | 1944 |
| Square Feet | |
| | 1732 |
| Bedrooms | |
| | 3 |
| Bathrooms | |
| | 2 |

| Assumptions | |
|------------------------------|-------|
| Down Payment | 20% |
| Closing Costs | 5% |
| Interest Rate | 5.50% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 10% |
| Annual Appreciation (YR 1-3) | 5% |
| Annual Appreciation (YR 4-5) | 5% |
| Annual Rent Increase | 5% |
| Closing Costs on Future Sale | 7.50% |

| Financed Income Breakdown | |
|------------------------------|-------------|
| Monthly Rent | \$ 1,075.00 |
| Monthly Principal & Interest | \$ 540.54 |
| Monthly Taxes | \$ 75.00 |
| Monthly Insurance | \$ 70.83 |
| PITI Monthly | \$ 686.37 |

| | |
|---------------|--------------------------------------|
| 18.35% | AVERAGE ANNUAL RETURN* |
| 10.68% | AVERAGE ANNUAL CASH ON CASH** |

| | Income/Expenses | | | | |
|----------------------------|-----------------|--------------|--------------|--------------|--------------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Gross Rent | \$ 12,900.00 | \$ 13,545.00 | \$ 14,222.25 | \$ 14,933.36 | \$ 15,680.03 |
| Taxes | \$ 900.00 | \$ 945.00 | \$ 992.25 | \$ 1,041.86 | \$ 1,093.96 |
| Insurance | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 |
| HOA | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Management | \$ 1,032.00 | \$ 1,083.60 | \$ 1,137.78 | \$ 1,194.67 | \$ 1,254.40 |
| Vacancy/Repairs | \$ - | \$ 1,354.50 | \$ 1,422.23 | \$ 1,493.34 | \$ 1,568.00 |
| Net Operating Income | \$ 10,118.00 | \$ 9,311.90 | \$ 9,820.00 | \$ 10,353.49 | \$ 10,913.67 |
| Debt Service | \$ 6,486.42 | \$ 6,486.42 | \$ 6,486.42 | \$ 6,486.42 | \$ 6,486.42 |
| Financials | | | | | |
| Net Monthly Cash Flow | \$ 302.63 | \$ 239.21 | \$ 285.49 | \$ 334.08 | \$ 385.10 |
| Cap Rate | 8.50% | | | | |
| Cash on Cash Return | 10.45% | 8.26% | 9.86% | 11.54% | 13.30% |
| Principal Reduction | \$ 1,408.96 | \$ 2,884.56 | \$ 4,436.32 | \$ 6,064.24 | \$ 7,777.84 |
| Appreciation | \$ 5,950.00 | \$ 12,197.50 | \$ 18,757.38 | \$ 25,645.24 | \$ 32,877.51 |
| Profit on Sale | | \$ 799.30 | \$ 11,844.77 | \$ 23,852.91 | \$ 31,877.55 |
| ROI | | | 34.09% | 68.65% | 91.75% |
| Total Capital to Re-Invest | | | \$ 35,644.77 | \$ 47,652.91 | \$ 55,677.55 |

| Glossary of Terms | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes | Taxes increase by 3% annually. |
| Principal Reduction | The Principal Reduction is calculated cumulatively based off a 30 year ammortization, fixed rate mortgage. |
| Appreciation | The Appreciation value is calculated cumulatively. |
| Profit on Sale | The Profit on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting the initial Purchase Price, Closing Costs, Rehab Expenses and Closing Costs on the Future Sale, plus accumulated cash flow plus principal payoff. It is assumed year 5 is the end of the useful life of rehab done in year 1, and a \$5000 rehab expense has been added for year 5 for a more detailed rehab associated with selling the home. |
| Return on Investment (ROI) | The Return on Investment is calculated by taking the Profit on the Sale, divided by the initial Total Out of Pocket |
| Cash on Cash Return | The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Out of Pocket (TOP). |
| Cap Rate | Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price. |
| Vacancies/Repairs | Vacancy/Repair expenses start in month 18 since the homes are typically rehabbed at the start of year 1. There is \$2500 budgeted in the first year for the initial Property Management setup/misc expenses that may or may not occur. |
| Total Out of Pocket (TOP) | The Total Out of Pocket value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and the Coordination Fee. |
| Property Management Setup/Misc | The Property Management setup/Misc expenses are not calculated into the total out of pocket. This amount should be set aside for any expenses that may or may not occur associated with a new investment. |
| Total Capital to Re-Invest | Total Capital to Re-Invest is calculated by adding the Profit on Sale to the initial down payment. (Financed options only) |
| Debt Service | Debt service is the annual principal and interest mortgage payment. |

*The Average Annual Return is calculated by dividing the ROI in year 5 by 5.

**The Average Annual Cash on Cash Return is the average of the Cash on Cash Return over all 5 years the investment is held.

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4724 Ashcroft Drive Memphis, TN 38125



20% Down FINANCED PROFORMA

| Property Info | |
|--------------------------------|---------------|
| Purchase Price | \$ 219,000.00 |
| Down Payment | \$ 43,800.00 |
| Estimated Closing Costs | \$ 8,760.00 |
| Estimated Rehab Expenses | |
| Coordination Fee | \$ 4,995.00 |
| Total Out of Pocket | |
| | \$ 57,555.00 |
| Property Management Setup/Misc | \$ 2,500.00 |
| Year Built | |
| | 2004 |
| Square Feet | |
| | 2223 |
| Bedrooms | |
| | 4 |
| Bathrooms | |
| | 3 |

| Assumptions | |
|------------------------------|-------|
| Down Payment | 20% |
| Closing Costs | 4% |
| Interest Rate | 5.50% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 8% |
| Annual Appreciation (YR 1-3) | 5% |
| Annual Appreciation (YR 4-5) | 5% |
| Annual Rent Increase | 5% |
| Closing Costs on Future Sale | 7.50% |

| Financed Income Breakdown | |
|------------------------------|-------------|
| Monthly Rent | \$ 1,750.00 |
| Monthly Principal & Interest | \$ 994.77 |
| Monthly Taxes | \$ 151.33 |
| Monthly Insurance | \$ 79.17 |
| PITI Monthly | \$ 1,225.27 |

| | |
|---------------|--------------------------------------|
| 21.11% | AVERAGE ANNUAL RETURN* |
| 8.91% | AVERAGE ANNUAL CASH ON CASH** |

| | Income/Expenses | | | | |
|----------------------------|-----------------|--------------|--------------|--------------|---------------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Gross Rent | \$ 21,000.00 | \$ 22,050.00 | \$ 23,152.50 | \$ 24,310.13 | \$ 25,525.63 |
| Taxes | \$ 1,816.00 | \$ 1,906.80 | \$ 2,002.14 | \$ 2,102.25 | \$ 2,207.36 |
| Insurance | \$ 950.00 | \$ 950.00 | \$ 950.00 | \$ 950.00 | \$ 950.00 |
| HOA | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property Management | \$ 1,680.00 | \$ 1,764.00 | \$ 1,852.20 | \$ 1,944.81 | \$ 2,042.05 |
| Vacancy/Repairs | \$ - | \$ 1,764.00 | \$ 1,852.20 | \$ 1,944.81 | \$ 2,042.05 |
| Net Operating Income | \$ 16,554.00 | \$ 15,665.20 | \$ 16,495.96 | \$ 17,368.26 | \$ 18,284.17 |
| Debt Service | \$ 11,937.20 | \$ 11,937.20 | \$ 11,937.20 | \$ 11,937.20 | \$ 11,937.20 |
| Financials | | | | | |
| Net Monthly Cash Flow | \$ 384.73 | \$ 318.23 | \$ 395.41 | \$ 476.44 | \$ 561.53 |
| Cap Rate | 7.56% | | | | |
| Cash on Cash Return | 8.02% | 6.64% | 8.24% | 9.93% | 11.71% |
| Principal Reduction | \$ 2,592.96 | \$ 5,308.56 | \$ 8,164.32 | \$ 11,160.24 | \$ 14,313.84 |
| Appreciation | \$ 10,950.00 | \$ 22,447.50 | \$ 34,519.88 | \$ 47,195.87 | \$ 60,505.66 |
| Profit on Sale | | \$ 4,328.11 | \$ 23,095.72 | \$ 43,534.24 | \$ 60,737.73 |
| ROI | | | 40.13% | 75.64% | 105.53% |
| Total Capital to Re-Invest | | | \$ 66,895.72 | \$ 87,334.24 | \$ 104,537.73 |

| Glossary of Terms | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes | Taxes increase by 3% annually. |
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| Appreciation | The Appreciation value is calculated cumulatively. |
| Profit on Sale | The Profit on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting the initial Purchase Price, Closing Costs, Rehab Expenses and Closing Costs on the Future Sale, plus accumulated cash flow plus principal paydown. It is assumed year 5 is the end of the useful life of rehab done in year 1, and a \$5000 rehab expense has been added for year 5 for a more detailed rehab associated with selling the home. |
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| Cap Rate | Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price. |
| Vacancies/Repairs | Vacancy/Repair expenses start in month 18 since the homes are typically rehabbed at the start of year 1. There is \$2500 budgeted in the first year for the initial Property Management setup/misc expenses that may or may not occur. |
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10324 Hickory Hill Drive Indianapolis, IN 46234

20% Down FINANCED PROFORMA



| Property Info | |
|--------------------------------|---------------|
| Purchase Price | \$ 159,000.00 |
| Down Payment | \$ 31,800.00 |
| Estimated Closing Costs | \$ 7,950.00 |
| Estimated Rehab Expenses | |
| Coordination Fee | \$ 4,995.00 |
| Total Out of Pocket | |
| Property Management Setup/Misc | \$ 2,500.00 |
| Year Built | |
| Square Feet | 1766 |
| Bedrooms | 3 |
| Bathrooms | 2 |

| Assumptions | |
|------------------------------|-------|
| Down Payment | 20% |
| Closing Costs | 5% |
| Interest Rate | 5.50% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 8% |
| Annual Appreciation (YR 1-3) | 5% |
| Annual Appreciation (YR 4-5) | 5% |
| Annual Rent Increase | 5% |
| Closing Costs on Future Sale | 7.50% |

| Financed Income Breakdown | |
|------------------------------|-------------|
| Monthly Rent | \$ 1,350.00 |
| Monthly Principal & Interest | \$ 722.23 |
| Monthly Taxes | \$ 229.00 |
| Monthly Insurance | \$ 70.83 |
| PITI Monthly | \$ 1,022.06 |

| | |
|---------------|--------------------------------------|
| 15.22% | AVERAGE ANNUAL RETURN* |
| 5.76% | AVERAGE ANNUAL CASH ON CASH** |

| | Income/Expenses | | | | |
|----------------------------|-----------------|---------------|--------------|--------------|--------------|
| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Gross Rent | \$ 16,200.00 | \$ 17,010.00 | \$ 17,860.50 | \$ 18,753.53 | \$ 19,691.20 |
| Taxes | \$ 2,748.00 | \$ 2,885.40 | \$ 3,029.67 | \$ 3,181.15 | \$ 3,340.21 |
| Insurance | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 | \$ 850.00 |
| HOA | \$ 456.00 | \$ 456.00 | \$ 456.00 | \$ 456.00 | \$ 456.00 |
| Property Management | \$ 1,296.00 | \$ 1,360.80 | \$ 1,428.84 | \$ 1,500.28 | \$ 1,575.30 |
| Vacancy/Repairs | \$ - | \$ 1,360.80 | \$ 1,428.84 | \$ 1,500.28 | \$ 1,575.30 |
| Net Operating Income | \$ 10,850.00 | \$ 10,097.00 | \$ 10,667.15 | \$ 11,265.81 | \$ 11,894.40 |
| Debt Service | \$ 8,666.73 | \$ 8,666.73 | \$ 8,666.73 | \$ 8,666.73 | \$ 8,666.73 |
| Financials | | | | | |
| Net Monthly Cash Flow | \$ 181.94 | \$ 130.64 | \$ 190.17 | \$ 252.69 | \$ 318.32 |
| Cap Rate | 6.82% | | | | |
| Cash on Cash Return | 4.88% | 3.50% | 5.10% | 6.78% | 8.54% |
| Principal Reduction | \$ 1,882.56 | \$ 3,854.16 | \$ 5,927.52 | \$ 8,102.64 | \$ 10,392.24 |
| Appreciation | \$ 7,950.00 | \$ 16,297.50 | \$ 25,062.38 | \$ 34,265.49 | \$ 43,928.77 |
| Profit on Sale | | \$ (2,189.72) | \$ 10,273.24 | \$ 23,993.48 | \$ 34,041.48 |
| ROI | | | 22.96% | 53.62% | 76.08% |
| Total Capital to Re-Invest | | | \$ 42,073.24 | \$ 55,793.48 | \$ 65,841.48 |

| Glossary of Terms | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxes | Taxes increase by 3% annually. |
| Principal Reduction | The Principal Reduction is calculated cumulatively based off a 30 year ammortization, fixed rate mortgage. |
| Appreciation | The Appreciation value is calculated cumulatively. |
| Profit on Sale | The Profit on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting the initial Purchase Price, Closing Costs, Rehab Expenses and Closing Costs on the Future Sale, plus accumulated cash flow plus principal payoff. It is assumed year 5 is the end of the useful life of rehab done in year 1, and a \$5000 rehab expense has been added for year 5 for a more detailed rehab associated with selling the home. |
| Return on Investment (ROI) | The Return on Investment is calculated by taking the Profit on the Sale, divided by the initial Total Out of Pocket |
| Cash on Cash Return | The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Out of Pocket (TOP). |
| Cap Rate | Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price. |
| Vacancies/Repairs | Vacancy/Repair expenses start in month 18 since the homes are typically rehabbed at the start of year 1. There is \$2500 budgeted in the first year for the initial Property Management setup/misc expenses that may or may not occur. |
| Total Out of Pocket (TOP) | The Total Out of Pocket value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and the Coordination Fee. |
| Property Management Setup/Misc | The Property Management setup/Misc expenses are not calculated into the total out of pocket. This amount should be set aside for any expenses that may or may not occur associated with a new investment. |
| Total Capital to Re-Invest | Total Capital to Re-Invest is calculated by adding the Profit on Sale to the initial down payment. (Financed options only) |
| Debt Service | Debt service is the annual principal and interest mortgage payment. |

*The Average Annual Return is calculated by dividing the ROI in year 5 by 5.

**The Average Annual Cash on Cash Return is the average of the Cash on Cash Return over all 5 years the investment is held.

The information and any statistical data contained herein have been obtained from sources which we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All opinions expressed and data provided herein are subject to change without notice. Past performance is no guarantee of future results, and current performance may be lower or higher than the performance data quoted. Results shown here are not typical, results will vary based upon real estate prices, interest rates, creditworthiness and many other factors.