

| DFY Property Example | | Purchase Price: \$220,000 | |
|----------------------|-----------|---------------------------|------------|
| Bedrooms | Bathrooms | Square Feet | Year Built |
| 3 | 1.5 | 1615 | 1978 |



| Assumptions | |
|---------------------------------|----------------|
| Down Payment | 25% |
| Closing Costs | 4% |
| Pre-Paid Items | 6 Months T & I |
| Interest Rate | 3.625% |
| Property Management Fee | 8% |
| Vacancy/Repairs | 8% |
| Projected Appreciation (Yr 1-2) | 7% |
| Projected Appreciation (Yr 3-5) | 5% |
| Projected Appreciation (Yr 6+) | 3.5% |
| Annual Rent Increase | 3% |
| Closing Costs On Future Sale | 7.5% |
| Property Mngmnt Reserve | \$5000 |

| Cost/Expense | |
|--------------------------|--------------|
| Down Payment | \$ 55,000.00 |
| Estimated Closing Costs | \$ 8,800.00 |
| Estimated Rehab Expenses | \$ 6,000.00 |
| DFY T.E.A.M.S. Fee | \$ 4,995.00 |
| Total Out of Pocket | \$ 74,795.00 |
| Estimated Pre-Paid Items | \$ 1,430.00 |
| Total Cash To Close | \$ 76,225.00 |

| Financing | |
|------------------------------|-------------|
| Projected Monthly Rent | \$ 1,600.00 |
| Principal & Interest Payment | \$ 752.48 |
| Monthly Taxes | \$ 163.33 |
| Monthly Insurance | \$ 75.00 |
| PITI Monthly Payment | \$ 990.81 |
| Monthly Avg. HOA Expense | \$ 0.00 |
| Total Monthly Expense | \$ 990.81 |

| 5 Year Income Returns | |
|--------------------------|-------------|
| Avg. Monthly Cash Flow | \$427.99 |
| Cash on Cash Return | 7.17% |
| Combined C.o.C Return | 11.91% |
| 5 Year Annualized Return | 15.80% |
| Profit On Sale Year 5 | \$59,077.60 |

| 10 Year Income Returns | |
|---------------------------|--------------|
| Avg. Monthly Cash Flow | \$490.09 |
| Cash on Cash Return | 10.33% |
| Combined C.o.C Return | 15.58% |
| 10 Year Annualized Return | 19.29% |
| Profit On Sale Year 10 | \$144,308.70 |

| Annual Expense Breakdown | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| | YEAR 1 | YEAR 3 | YEAR 5 | YEAR 7 | YEAR 10 |
| Gross Rent | \$ 19,200.00 | \$ 20,369.28 | \$ 21,609.77 | \$ 22,925.80 | \$ 25,051.65 |
| Taxes | \$ 1,959.96 | \$ 2,202.02 | \$ 2,427.72 | \$ 2,600.64 | \$ 2,883.37 |
| Insurance | \$ 900.00 | \$ 900.00 | \$ 900.00 | \$ 900.00 | \$ 900.00 |
| HOA | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Property Management | \$ 1,836.00 | \$ 1,629.54 | \$ 1,728.78 | \$ 1,834.06 | \$ 2,004.13 |
| Vacancy/Repairs | \$ 0.00 | \$ 2,036.93 | \$ 2,160.98 | \$ 2,292.58 | \$ 2,505.16 |
| Net Operating Income | \$ 14,504.04 | \$ 13,600.79 | \$ 14,392.29 | \$ 15,298.52 | \$ 16,758.98 |
| Debt Service | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 |

| Annual Income Breakdown | | | | | |
|----------------------------|----------------|--------------|---------------|---------------|---------------|
| | YEAR 1 | YEAR 3 | YEAR 5 | YEAR 7 | YEAR 10 |
| Net Monthly Cash Flow | \$ 456.19 | \$ 380.91 | \$ 446.87 | \$ 522.39 | \$ 644.10 |
| Cap Rate | 6.59% | | | | |
| Cash on Cash Return | 7.32% | 6.11% | 7.17% | 8.38% | 10.33% |
| Principal Reduction | 1.51% | 1.66% | 1.83% | 2.02% | 2.34% |
| Depreciation | 2.91% | 2.91% | 2.91% | 2.91% | 2.91% |
| Combined Cash on Cash | 11.74% | 10.68% | 11.91% | 13.31% | 15.58% |
| Appreciation | \$ 15,400.00 | \$ 44,471.90 | \$ 71,580.27 | \$ 92,348.07 | \$ 126,305.89 |
| Profit on Sale | \$ (14,085.60) | \$ 23,397.75 | \$ 59,077.60 | \$ 90,674.84 | \$ 144,308.70 |
| Total ROI | -18.83% | 31.28% | 78.99% | 121.23% | 192.94% |
| Total Capital to Re-Invest | \$ 40,914.40 | \$ 78,397.75 | \$ 114,077.60 | \$ 145,674.84 | \$ 199,308.70 |