

| DFY Property Example | | Purchase Price: \$220,000 | |
|----------------------|-----------|---------------------------|------------|
| Bedrooms | Bathrooms | Square Feet | Year Built |
| 3 | 2 | 1566 | 1996 |



| 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 | \$ 1,420.50 |
| Total Cash To Close | \$ 76,215.50 |

| Financing | |
|------------------------------|-------------|
| Projected Monthly Rent | \$ 1,500.00 |
| Principal & Interest Payment | \$ 752.48 |
| Monthly Taxes | \$ 165.92 |
| Monthly Insurance | \$ 70.83 |
| PITI Monthly Payment | \$ 989.23 |
| Monthly Avg. HOA Expense | \$ 0.00 |
| Total Monthly Expense | \$ 989.23 |

| 5 Year Income Returns | |
|--------------------------|-------------|
| Avg. Monthly Cash Flow | \$338.83 |
| Cash on Cash Return | 5.70% |
| Combined C.o.C Return | 10.44% |
| 5 Year Annualized Return | 15.89% |
| Profit On Sale Year 5 | \$56,232.11 |

| 10 Year Income Returns | |
|---------------------------|--------------|
| Avg. Monthly Cash Flow | \$395.83 |
| Cash on Cash Return | 8.62% |
| Combined C.o.C Return | 13.87% |
| 10 Year Annualized Return | 19.13% |
| Profit On Sale Year 10 | \$135,443.48 |

| Annual Expense Breakdown | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| | YEAR 1 | YEAR 3 | YEAR 5 | YEAR 7 | YEAR 10 |
| Gross Rent | \$ 18,000.00 | \$ 19,096.20 | \$ 20,259.16 | \$ 21,492.94 | \$ 23,485.92 |
| Taxes | \$ 1,991.04 | \$ 2,236.93 | \$ 2,466.22 | \$ 2,641.88 | \$ 2,929.09 |
| Insurance | \$ 849.96 | \$ 849.96 | \$ 849.96 | \$ 849.96 | \$ 849.96 |
| HOA | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Property Management | \$ 1,740.00 | \$ 1,527.70 | \$ 1,620.73 | \$ 1,719.44 | \$ 1,878.87 |
| Vacancy/Repairs | \$ 0.00 | \$ 1,909.62 | \$ 2,025.92 | \$ 2,149.29 | \$ 2,348.59 |
| Net Operating Income | \$ 13,419.00 | \$ 12,571.99 | \$ 13,296.33 | \$ 14,132.38 | \$ 15,479.40 |
| Debt Service | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 | \$ 9,029.82 |

| Annual Income Breakdown | | | | | |
|----------------------------|----------------|--------------|---------------|---------------|---------------|
| Net Monthly Cash Flow | \$ 365.77 | \$ 295.18 | \$ 355.54 | \$ 425.21 | \$ 537.47 |
| Cap Rate | 6.10% | | | | |
| Cash on Cash Return | 5.87% | 4.74% | 5.70% | 6.82% | 8.62% |
| 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 | 10.29% | 9.31% | 10.44% | 11.75% | 13.87% |
| Appreciation | \$ 15,400.00 | \$ 44,471.90 | \$ 71,580.27 | \$ 92,348.07 | \$ 126,305.89 |
| Profit on Sale | \$ (11,170.64) | \$ 22,710.09 | \$ 56,232.11 | \$ 85,532.67 | \$ 135,443.48 |
| Total ROI | -15.78% | 32.08% | 79.43% | 120.82% | 191.32% |
| Total Capital to Re-Invest | \$ 43,829.36 | \$ 77,710.09 | \$ 111,232.11 | \$ 140,532.67 | \$ 190,443.48 |