

Adrian Apartments II1212 Main St
Atlanta GA 30303**Cash Flow Analysis**Douglas Rutherford
404-702-4428

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Potential Rental Income	\$ 303,000	\$ 306,030	\$ 309,090	\$ 312,181	\$ 315,303
Other Income	2,400	2,424	2,448	2,473	2,497
Less: Vacancy & Credit Losses	(12,120)	(12,241)	(12,364)	(12,487)	(12,612)
Less: Operating Expenses	(6,305)	(6,368)	(6,432)	(6,496)	(6,561)
Net Operating Income (NOI)	\$ 286,975	\$ 289,845	\$ 292,743	\$ 295,671	\$ 298,627
Less: Annual Debt Service	(168,895)	(168,895)	(168,895)	(168,895)	(168,895)
CASH FLOW Before Taxes	\$ 118,080	\$ 120,950	\$ 123,848	\$ 126,776	\$ 129,732
UBIT Expense	N/A	N/A	N/A	N/A	N/A
CASH FLOW After Taxes	\$ 118,080	\$ 120,950	\$ 123,848	\$ 126,776	\$ 129,732

Property Resale Analysis					
Projected Sales Price	\$ 3,587,188	\$ 3,623,059	\$ 3,659,290	\$ 3,695,883	\$ 3,732,842
Less: Selling Expenses	(143,488)	(144,922)	(146,372)	(147,835)	(149,314)
Adjusted Projected Sales Price	\$ 3,443,700	\$ 3,478,137	\$ 3,512,918	\$ 3,548,048	\$ 3,583,528
Less: Mortgage(s) Balance Payoff	(2,146,873)	(2,122,136)	(2,095,677)	(2,067,375)	(2,037,103)
SALE PROCEEDS Before Taxes	\$ 1,296,827	\$ 1,356,001	\$ 1,417,242	\$ 1,480,672	\$ 1,546,425
UBIT Expense from Sale	N/A	N/A	N/A	N/A	N/A
SALE PROCEEDS After Taxes	\$ 1,296,827	\$ 1,356,001	\$ 1,417,242	\$ 1,480,672	\$ 1,546,425

Cash Position					
Cash Generated in Current Year	\$ 118,080	\$ 120,950	\$ 123,848	\$ 126,776	\$ 129,732
Cash Generated in Previous Years	n/a	118,080	239,030	362,878	489,654
Cash Generated from Property Sale	1,296,827	1,356,001	1,417,242	1,480,672	1,546,425
Original Initial Investment	(930,000)	(930,000)	(930,000)	(930,000)	(930,000)
Total Potential CASH Generated	\$ 484,907	\$ 665,031	\$ 850,120	\$ 1,040,326	\$ 1,235,811

Financial Measures						
Debt Coverage Ratio (DCR)		1.70	1.72	1.73	1.75	1.77
Loan to Value Ratio (LVR)		70.0%	69.3%	68.5%	67.6%	66.7%
Capitalization Rate Based on Cost		9.26%	9.35%	9.44%	9.54%	9.63%
Capitalization Rate Based on Resale Price		8.00%	8.00%	8.00%	8.00%	8.00%
Net Present Value (NPV) - Before Taxes	13.50%	316,614	320,536	321,923	321,248	318,909
Net Present Value (NPV) - After Taxes	10.00%	356,279	397,966	435,148	468,262	497,705
Cash on Cash Return with Equity Build-up		52.14%	12.73%	11.60%	10.69%	9.92%
Cash on Cash Return - Before Taxes		12.70%	13.01%	13.32%	13.63%	13.95%
Cash on Cash Return - After Taxes		12.70%	13.01%	13.32%	13.63%	13.95%
Internal Rate of Return (IRR) - Before Taxes		52.14%	32.53%	26.51%	23.56%	21.80%
Internal Rate of Return (IRR) - After Taxes		52.14%	32.53%	26.51%	23.56%	21.80%
Modified Internal Rate of Return (MIRR) - Before Taxes		52.14%	30.96%	24.16%	20.65%	18.42%
Modified Internal Rate of Return (MIRR) - After Taxes		52.14%	30.96%	24.16%	20.65%	18.42%

Adrian Apartments II1212 Main St
Atlanta GA 30303**Cash Flow Analysis**Douglas Rutherford
404-702-4428

Rental Activity Analysis	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$ 318,456	\$ 321,641	\$ 324,857	\$ 328,106	\$ 331,387
Other Income	2,522	2,548	2,573	2,599	2,625
Less: Vacancy & Credit Losses	(12,738)	(12,866)	(12,994)	(13,124)	(13,255)
Less: Operating Expenses	(6,627)	(6,693)	(6,760)	(6,827)	(6,896)
Net Operating Income (NOI)	\$ 301,614	\$ 304,630	\$ 307,676	\$ 310,753	\$ 313,860
Less: Annual Debt Service	(168,895)	(168,895)	(168,895)	(168,895)	(168,895)
CASH FLOW Before Taxes	\$ 132,719	\$ 135,735	\$ 138,781	\$ 141,858	\$ 144,965
UBIT Expense	N/A	N/A	N/A	N/A	N/A
CASH FLOW After Taxes	\$ 132,719	\$ 135,735	\$ 138,781	\$ 141,858	\$ 144,965

Property Resale Analysis					
Projected Sales Price	\$ 3,770,170	\$ 3,807,872	\$ 3,845,951	\$ 3,884,410	\$ 3,923,254
Less: Selling Expenses	(150,807)	(152,315)	(153,838)	(155,376)	(156,930)
Adjusted Projected Sales Price	\$ 3,619,363	\$ 3,655,557	\$ 3,692,113	\$ 3,729,034	\$ 3,766,324
Less: Mortgage(s) Balance Payoff	(2,004,723)	(1,970,088)	(1,933,042)	(1,893,416)	(1,851,032)
SALE PROCEEDS Before Taxes	\$ 1,614,641	\$ 1,685,469	\$ 1,759,071	\$ 1,835,617	\$ 1,915,292
UBIT Expense from Sale	N/A	N/A	N/A	N/A	N/A
SALE PROCEEDS After Taxes	\$ 1,614,641	\$ 1,685,469	\$ 1,759,071	\$ 1,835,617	\$ 1,915,292

Cash Position					
Cash Generated in Current Year	\$ 132,719	\$ 135,735	\$ 138,781	\$ 141,858	\$ 144,965
Cash Generated in Previous Years	619,386	752,105	887,840	1,026,621	1,168,479
Cash Generated from Property Sale	1,614,641	1,685,469	1,759,071	1,835,617	1,915,292
Original Initial Investment	(930,000)	(930,000)	(930,000)	(930,000)	(930,000)
Total Potential CASH Generated	\$ 1,436,745	\$ 1,643,309	\$ 1,855,691	\$ 2,074,096	\$ 2,298,736

Financial Measures						
Debt Coverage Ratio (DCR)		1.79	1.80	1.82	1.84	1.86
Loan to Value Ratio (LVR)		65.7%	64.7%	63.6%	62.4%	61.1%
Capitalization Rate Based on Cost		9.73%	9.83%	9.93%	10.02%	10.12%
Capitalization Rate Based on Resale Price		8.00%	8.00%	8.00%	8.00%	8.00%
Net Present Value (NPV) - Before Taxes	13.50%	315,245	310,541	305,038	298,937	292,407
Net Present Value (NPV) - After Taxes	10.00%	523,835	546,978	567,428	585,451	601,288
Cash on Cash Return with Equity Build-up		9.28%	8.73%	8.25%	7.84%	7.48%
Cash on Cash Return - Before Taxes		14.27%	14.60%	14.92%	15.25%	15.59%
Cash on Cash Return - After Taxes		14.27%	14.60%	14.92%	15.25%	15.59%
Internal Rate of Return (IRR) - Before Taxes		20.61%	19.75%	19.10%	18.59%	18.17%
Internal Rate of Return (IRR) - After Taxes		20.61%	19.75%	19.10%	18.59%	18.17%
Modified Internal Rate of Return (MIRR) - Before Taxes		16.85%	15.65%	14.70%	13.92%	13.25%
Modified Internal Rate of Return (MIRR) - After Taxes		16.85%	15.65%	14.70%	13.92%	13.25%