

Annual Property Operating Data

Property:	Brooklyn Street Townhomes	Price:	\$1,950,000
Location:	8423 SE Brooklyn St Portland, OR, 97266	Loans:	1,365,000
No.Units:	8 Age: 2006 SqFootage: 12,224	Down:	585,000

				Annual \$
Gross Scheduled Income				\$ 195,000
- Vacancy & Credit Loss @ 5%				9,750
Effective Gross Income				\$ 185,250
Laundry Income				
+ Other Income				10,533
Gross Operating Income				\$ 195,783
Operating Expenses:	Annual \$	% of GOI	\$/Unit	
Real Estate Taxes	32,727	16.72	4,091	
Insurance	7,076	3.61	885	
Water/Sewer				
Trash	6,900	3.52	863	
Property Management	13,705	7.00	1,713	
Electric Light Pole	180	0.09	23	
Repairs/Maintenance	5,000	2.55	625	
Advertising				
Telephone				
Landscaping	2,500	1.28	313	
Miscellaneous				
Total Operating Expenses	68,088	34.78	8,511	68,088
Net Operating Income				\$ 127,695

<i>Proposed Investment</i>			
Down Payment (30%)	585,000		
+ Acq Costs			
+ Loan Points			
Total Investment	585,000		
First Loan: 1,365,000, fixed-rate, 5.85%, 30 yrs, 0% pts			
LTV: 70% DCR: 1.32 BER: 84.13%			
Replacement Reserves			2,500
Annual Debt Service			96,632
Cash Flow Before Taxes			\$ 28,563

Capitalization Rate	6.55%
Gross Rent Multiplier	10.00
Price Per Unit	\$243,750
Price Per Square Foot	\$159.52
Cash on Cash	4.88%

Rent Roll Summary

8423 SE Brooklyn St Portland, OR, 97266

	Annual Rent	Units	_percent	Footage	_percent
Occupied	195,000	8	100.0%	12,224	100.0%
Vacant					
Total	195,000	8		12,224	

No.	Address	Primary Tenant	Unit Type	Square Footage	Current Rent	Start Date	End Date	Date Last Increase	Comments

Rent Scenarios

8423 SE Brooklyn St Portland, OR, 97266

Unit Count	Unit Mix	Average Square Feet	Average Monthly Rent	Rent Scenario1	Rent Scenario2	Rent Scenario3
1	3/2.5	1,528	2,049	2,100	2,200	2,300
1	3/2.5	1,528	2,088	2,100	2,200	2,300
1	3/2.5	1,528	1,999	2,100	2,200	2,300
1	3/2.5	1,528	1,999	2,100	2,200	2,300
1	3/2.5	1,528	1,999	2,100	2,200	2,300
1	3/2.5	1,528	1,999	2,100	2,200	2,300
1	3/2.5	1,528	1,999	2,100	2,200	2,300
1	3/2.5	1,528	2,018	2,100	2,200	2,300
1	3/2.5	1,528	2,099	2,100	2,200	2,300

Cash Flow				
Gross Scheduled Income	195,000	201,600	211,200	220,800
Less: Vacancy & Credit Loss	9,750	10,080	10,560	11,040
Effective Gross Income	185,250	191,520	200,640	209,760
Plus: Other Income	10,533	10,533	10,533	10,533
Gross Operating Income	195,783	202,053	211,173	220,293
Less: Operating Expenses	68,088	68,088	68,088	68,088
Net Operating Income	127,695	133,965	143,085	152,205
Less: Non-funded Additions				
Less: Replacement Reserves	2,500	2,500	2,500	2,500
Less: Debt Service	96,632	96,632	96,632	96,632
Cash Flow Before Taxes	28,563	34,833	43,953	53,073
Ratios				
Capitalization Rate	6.55%	6.87%	7.34%	7.81%
Gross Rent Multiplier	10.00	9.67	9.23	8.83
Operating Expense Ratio	34.78%	33.70%	32.24%	30.91%
Debt Coverage Ratio	1.32	1.39	1.48	1.58
Break-Even Ratio	84.13%	81.52%	78.00%	74.77%
Cash-on Cash Return	4.88%	5.95%	7.51%	9.07%

Debt service includes loan payment for upgrade loan (if any in first-year). Non-funded upgrades (if any in first-year) are added to the initial investment for the cash-on-cash return computation.

Comments:

3-Year Monthly Cash Flow Before Tax

8423 SE Brooklyn St Portland, OR, 97266

Mo	Operating Income	- Operating Expenses	- Non-funded Additions	- Replacement Reserves	- Loan Payment	= Cash Flow
1	16,315	5,674		208	8,053	2,380
2	16,315	5,674		208	8,053	2,380
3	16,315	5,674		208	8,053	2,380
4	16,315	5,674		208	8,053	2,380
5	16,315	5,674		208	8,053	2,380
6	16,315	5,674		208	8,053	2,380
7	16,315	5,674		208	8,053	2,380
8	16,315	5,674		208	8,053	2,380
9	16,315	5,674		208	8,053	2,380
10	16,315	5,674		208	8,053	2,380
11	16,315	5,674		208	8,053	2,380
12	16,315	5,674		208	8,053	2,380
	195,783	68,088		2,500	96,632	28,563
13	16,315	5,674		208	8,053	2,380
14	16,315	5,674		208	8,053	2,380
15	16,315	5,674		208	8,053	2,380
16	16,315	5,674		208	8,053	2,380
17	16,315	5,674		208	8,053	2,380
18	16,315	5,674		208	8,053	2,380
19	16,315	5,674		208	8,053	2,380
20	16,315	5,674		208	8,053	2,380
21	16,315	5,674		208	8,053	2,380
22	16,315	5,674		208	8,053	2,380
23	16,315	5,674		208	8,053	2,380
24	16,315	5,674		208	8,053	2,380
	195,783	68,088		2,500	96,632	28,563
25	16,315	5,674		208	8,053	2,380
26	16,315	5,674		208	8,053	2,380
27	16,315	5,674		208	8,053	2,380
28	16,315	5,674		208	8,053	2,380
29	16,315	5,674		208	8,053	2,380
30	16,315	5,674		208	8,053	2,380
31	16,315	5,674		208	8,053	2,380
32	16,315	5,674		208	8,053	2,380
33	16,315	5,674		208	8,053	2,380
34	16,315	5,674		208	8,053	2,380
35	16,315	5,674		208	8,053	2,380
36	16,315	5,674		208	8,053	2,380
	195,783	68,088		2,500	96,632	28,563
	587,348	204,264		7,500	289,896	85,688

Report Assumptions:

Operating Income signifies Gross Operating Income (all rental income less vacancy allowance plus other income). Non-funded additions are capital additions not funded by a loan. Replacement Reserves is what is set aside for future repairs.

Down Payment Sensitivity

8423 SE Brooklyn St Portland, OR, 97266

Down Payment	Percent	Cash Requirement	Annual Loan Payment	DCR	Cash Flow Before Tax	C-O-C
\$10,000	0.51%	10,000	137,338	0.93	-9,644	-121.44%
\$35,000	1.79%	35,000	135,568	0.94	-7,874	-29.64%
\$60,000	3.08%	60,000	133,799	0.95	-6,104	-14.34%
\$85,000	4.36%	85,000	132,029	0.97	-4,334	-8.04%
\$110,000	5.64%	110,000	130,259	0.98	-2,564	-4.60%
\$135,000	6.92%	135,000	128,489	0.99	-795	-2.44%
\$160,000	8.21%	160,000	126,719	1.01	975	-0.95%
\$185,000	9.49%	185,000	124,950	1.02	2,745	0.13%
\$210,000	10.77%	210,000	123,180	1.04	4,515	0.96%
\$235,000	12.05%	235,000	121,410	1.05	6,285	1.61%
\$260,000	13.33%	260,000	119,640	1.07	8,055	2.14%
\$285,000	14.62%	285,000	117,870	1.08	9,824	2.57%
\$310,000	15.90%	310,000	116,100	1.10	11,594	2.93%
\$335,000	17.18%	335,000	114,331	1.12	13,364	3.24%
\$360,000	18.46%	360,000	112,561	1.13	15,134	3.51%
\$385,000	19.74%	385,000	110,791	1.15	16,904	3.74%
\$410,000	21.03%	410,000	109,021	1.17	18,674	3.94%
\$435,000	22.31%	435,000	107,251	1.19	20,443	4.12%
\$460,000	23.59%	460,000	105,481	1.21	22,213	4.29%
\$485,000	24.87%	485,000	103,712	1.23	23,983	4.43%
\$510,000	26.15%	510,000	101,942	1.25	25,753	4.56%
\$535,000	27.44%	535,000	100,172	1.27	27,523	4.68%
\$560,000	28.72%	560,000	98,402	1.30	29,292	4.78%
\$585,000	30.00%	585,000	96,632	1.32	28,562	4.88%
\$610,000	31.28%	610,000	94,863	1.35	30,332	4.97%
\$635,000	32.56%	635,000	93,093	1.37	32,102	5.06%
\$660,000	33.85%	660,000	91,323	1.40	33,872	5.13%
\$685,000	35.13%	685,000	89,553	1.43	35,642	5.20%
\$710,000	36.41%	710,000	87,783	1.45	37,411	5.27%
\$735,000	37.69%	735,000	86,013	1.48	39,181	5.33%
\$760,000	38.97%	760,000	84,244	1.52	40,951	5.39%
\$785,000	40.26%	785,000	82,474	1.55	42,721	5.44%
\$810,000	41.54%	810,000	80,704	1.58	44,491	5.49%
\$835,000	42.82%	835,000	78,934	1.62	46,261	5.54%
\$860,000	44.10%	860,000	77,164	1.65	48,030	5.58%
\$885,000	45.38%	885,000	75,394	1.69	49,800	5.63%
\$910,000	46.67%	910,000	73,625	1.73	51,570	5.67%
\$935,000	47.95%	935,000	71,855	1.78	53,340	5.70%
\$960,000	49.23%	960,000	70,085	1.82	55,110	5.74%
\$985,000	50.51%	985,000	68,315	1.87	56,879	5.77%
\$1,010,000	51.79%	1,010,000	66,545	1.92	58,649	5.81%
\$1,035,000	53.08%	1,035,000	64,776	1.97	60,419	5.84%
\$1,060,000	54.36%	1,060,000	63,006	2.03	62,189	5.87%
\$1,085,000	55.64%	1,085,000	61,236	2.09	63,959	5.89%
\$1,110,000	56.92%	1,110,000	59,466	2.15	65,729	5.92%
\$1,135,000	58.21%	1,135,000	57,696	2.21	67,498	5.95%
\$1,160,000	59.49%	1,160,000	55,926	2.28	69,268	5.97%

Note: Down Payment steps 25,000. Results are annualized. Considers loans to finance purchase only