

**2651 Highland Avenue***Willow Tree House (10-Year Lease Agreement)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income <sup>[1]</sup>	\$54,000	\$60,000	\$66,000	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972
Operating Expenses:										
Insurance	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Real Estate Taxes	11,344	11,684	12,034	12,395	12,767	13,150	13,545	13,951	14,370	14,801
<b>Total Operating Expenses</b>	<b>\$13,344</b>	<b>\$13,744</b>	<b>\$14,156</b>	<b>\$14,581</b>	<b>\$15,018</b>	<b>\$15,469</b>	<b>\$15,933</b>	<b>\$16,411</b>	<b>\$16,903</b>	<b>\$17,410</b>
<b>Net Operating Income</b>	<b>\$40,656</b>	<b>\$46,256</b>	<b>\$51,844</b>	<b>\$57,419</b>	<b>\$59,142</b>	<b>\$60,916</b>	<b>\$62,743</b>	<b>\$64,626</b>	<b>\$66,564</b>	<b>\$68,561</b>
Purchase Price	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
<i>Implied Cap Rate</i>	<i>8.1%</i>	<i>9.3%</i>	<i>10.4%</i>	<i>11.5%</i>	<i>11.8%</i>	<i>12.2%</i>	<i>12.5%</i>	<i>12.9%</i>	<i>13.3%</i>	<i>13.7%</i>

[1] Rental income is based on the executed lease agreement with Willow Tree House that commenced in June 2024 with an initial 10-year term and two (2) 5-year extension options

Note: Investors should utilize their own insurance expense estimates. Real estate taxes are based on 2023/24 tax bill. Investors should reassess real estate taxes based on their values.