

1811 old estill springs
11811 Old Estill Springs Rd
Tullahoma, TN 37388



5-Year Cash Flow Analysis

Fiscal Year Beginning February 2025

INITIAL INVESTMENT

Purchase Price	\$3,000,000
+ Acquisition Costs	\$60,000
- Mortgage(s)	\$2,400,000
+ Loan Fees Points	\$24,000
Initial Investment	\$684,000

MORTGAGE DATA

Loan Amount	\$2,400,000
Interest Rate (30/360)	6.000%
Amortization Period	20 Years
Loan Term	20 Years
Loan Fees Points	1.00%
Periodic Payment	\$17,194.35
Annual Debt Service	\$206,332

1ST LIEN

CASH FLOW

For the Year Ending	Year 1 Jan-2026	Year 2 Jan-2027	Year 3 Jan-2028	Year 4 Jan-2029	Year 5 Jan-2030
POTENTIAL RENTAL INCOME (PRI)	\$192,000	\$197,760	\$203,693	\$209,804	\$216,098
- Vacancy / Credit Loss	\$19,200	\$19,776	\$20,369	\$20,980	\$21,610
EFFECTIVE RENTAL INCOME	\$172,800	\$177,984	\$183,324	\$188,824	\$194,488
+ Other Income	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME (GOI)	\$172,800	\$177,984	\$183,324	\$188,824	\$194,488
- Operating Expenses	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
NET OPERATING INCOME (NOI)	\$167,800	\$172,834	\$178,019	\$183,360	\$188,860
NET OPERATING INCOME (NOI)	\$167,800	\$172,834	\$178,019	\$183,360	\$188,860
- Capital Expenses / Replacement Reserves	\$0	\$0	\$0	\$0	\$0
- Annual Debt Service 1st Lien	\$206,332	\$206,332	\$206,332	\$206,332	\$206,332
CASH FLOW BEFORE TAXES	(\$38,532)	(\$33,498)	(\$28,313)	(\$22,972)	(\$17,472)
Loan Balance	\$2,335,925	\$2,267,898	\$2,195,675	\$2,118,997	\$2,037,590
Loan-to-Value (LTV) - 1st Lien	121.66%	114.66%	107.79%	101%	94.29%
Debt Service Coverage Ratio	0.81	0.84	0.86	0.89	0.92
Before Tax Cash on Cash	-5.63%	-4.90%	-4.14%	-3.36%	-2.55%
Return on Equity	7.53%	8.62%	10.87%	18.25%	-113.75%
Equity Multiple	-0.80	-0.67	-0.53	-0.36	-0.18

SALES PROCEEDS

Projected Sales Price (EOY 5)	\$2,161,000
Cost of Sale	\$108,050
Mortgage Balance 1st Lien	\$2,037,590
Sales Proceeds Before Tax	\$15,360

INVESTMENT PERFORMANCE

Internal Rate of Return (IRR)	N/A
Acquisition CAP Rate	5.59%
Year 1 Cash-on-Cash	-5.63%
Gross Rent Multiplier	15.63
Price Per Square Foot	\$125.00
Loan to Value	80.00%
Debt Service Coverage Ratio	0.81



Paul Smith, Affiliate Broker, SHR
Nashville - Murfreesboro
1450 St. Andrews Drive, Murfreesboro TN 37128
Phone: 615-895-8000

Email: pandeinvestments@gmail.com | <http://paulsmith.kwreality.com>

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Cash Flow Details

Fiscal Year Beginning February 2025

INCOME

For the Year Ending	Year 1 Jan-2026	Year 2 Jan-2027	Year 3 Jan-2028	Year 4 Jan-2029	Year 5 Jan-2030
POTENTIAL RENTAL INCOME (PRI)	\$192,000	\$197,760	\$203,693	\$209,804	\$216,098
- Vacancy / Credit Loss	\$19,200	\$19,776	\$20,369	\$20,980	\$21,610
EFFECTIVE RENTAL INCOME (ERI)	\$172,800	\$177,984	\$183,324	\$188,824	\$194,488
+ Other Income	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER INCOME	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME (GOI)	\$172,800	\$177,984	\$183,324	\$188,824	\$194,488

EXPENSE DETAIL

TOTAL OPERATING EXPENSES	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
NET OPERATING INCOME (NOI)	\$167,800	\$172,834	\$178,019	\$183,360	\$188,860



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5-Year Cash Flow Analysis

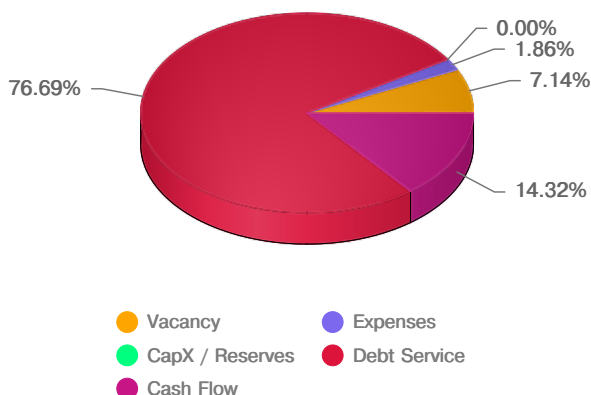
Fiscal Year Beginning February 2025



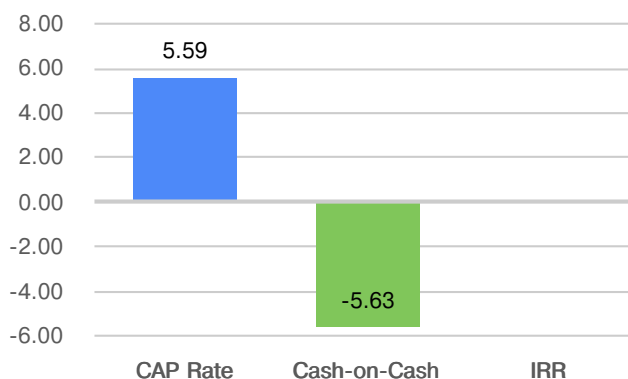
ASSUMPTION / INPUTS

Purchase Price	\$3,000,000
Year 1 Potential Income	\$192,000
Vacancy & Credit Loss	10.00%
Year 1 Expenses	\$5,000
Acquisition CAP Rate	5.59%
Sale Price - CAP Rate	9.00%

Acquisition Costs	2.00%
Annual Income Increase	3.00%
Other Income Increase	3.00%
Annual Expense Increase	3.00%
Loan Fees Points	1.00%
Cost of Sale upon Disposition	5.00%



Investment Performance (%)



5-YEAR EQUITY YIELD & EFFECTIVE LOAN RATE

Unleveraged Investment		Financing Cash Flow		Equity Investment	
Cash Flow & 5-year Yield		& Effective Rate		Cash Flow & 5-year Yield	
N	\$	N	\$	N	\$
0	(\$3,060,000)	0	\$2,376,000	0	(\$684,000)
1	\$167,800	1	(\$206,332)	1	(\$38,532)
2	\$172,834	2	(\$206,332)	2	(\$33,498)
3	\$178,019	3	(\$206,332)	3	(\$28,313)
4	\$183,360	4	(\$206,332)	4	(\$22,972)
5	\$2,241,810	5	(\$2,243,923)	5	(\$2,113)
Property IRR/Yield = N/A		Effective Loan Rate = 6.17%		Equity IRR / Yield = N/A	

Neutral Leverage - The Equity Yield Remained the SAME with Leverage



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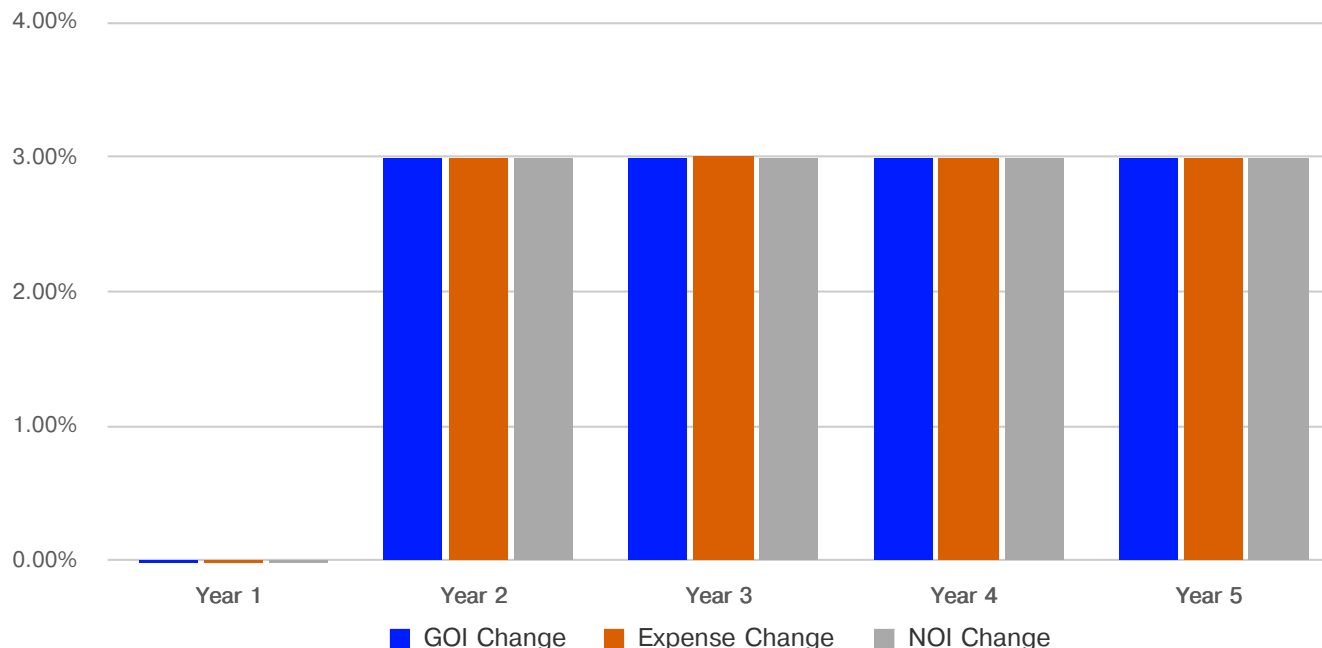
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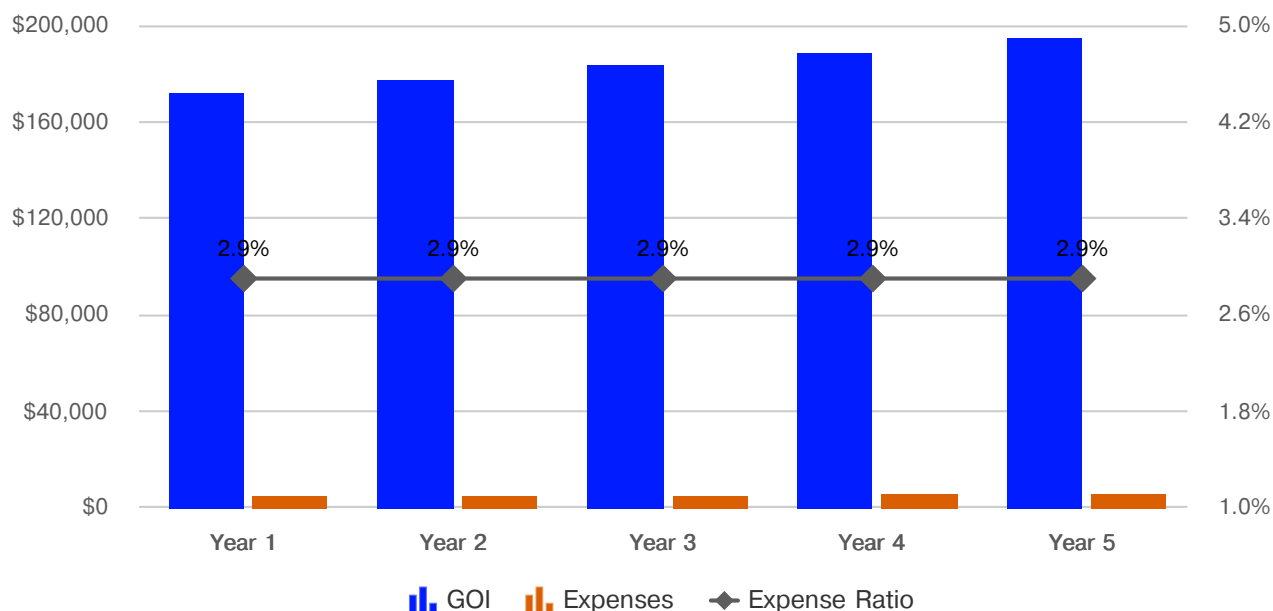
Annual GOI, Expense and NOI Percent Change, Expense Ratio % of GOI

Fiscal Year Beginning February 2025

Annual GOI, Expense and NOI Percent Change



Expense Ratio % of GOI



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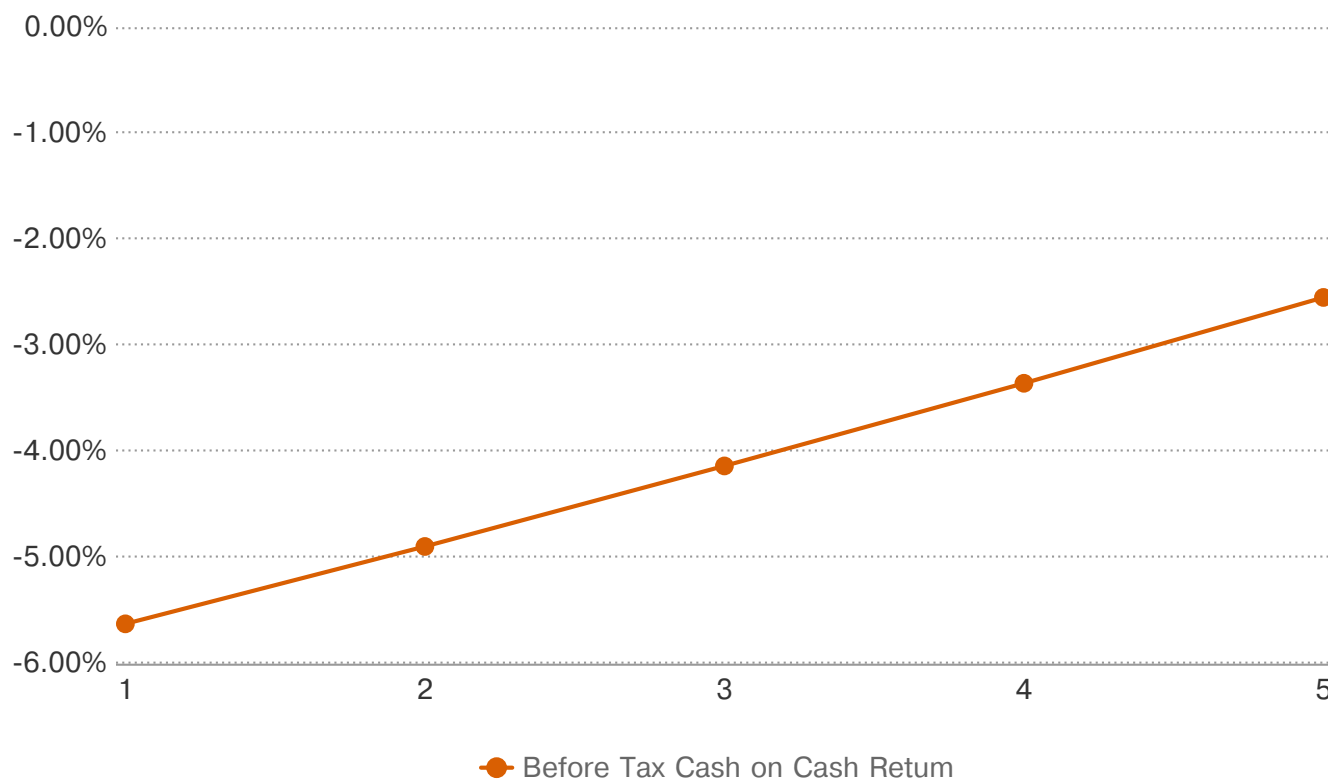
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Cash-on-Cash Analysis

Fiscal Year Beginning February 2025

Annual Cash-on-Cash Dividend Return



Year	Year 1	Year 2	Year 3	Year 4	Year 5
Before Tax Cash on Cash Return	-5.63%	-4.90%	-4.14%	-3.36%	-2.55%



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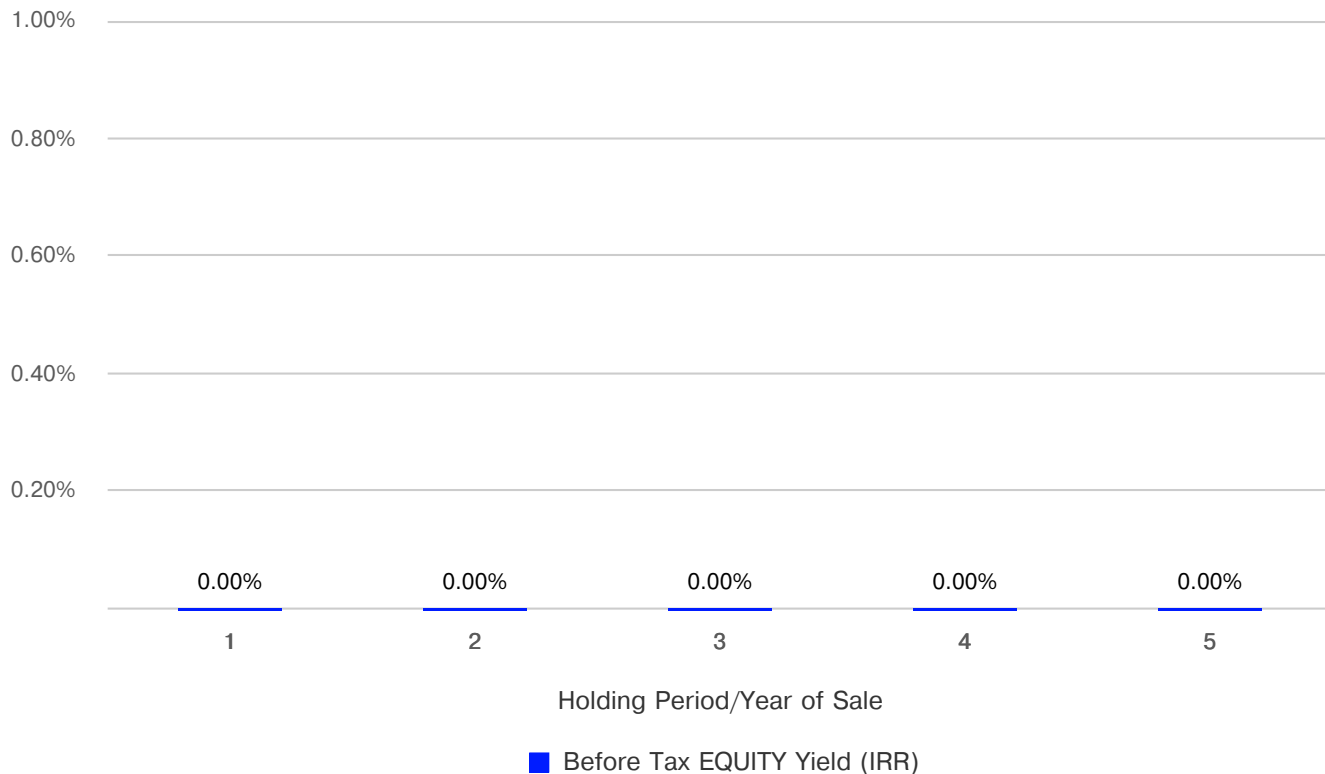


Optimal Holding Period Analysis

Fiscal Year Beginning February 2025

Before Tax Optimal Holding Period	N/A
Before Tax Optimal Hold Annual Yield	N/A

Optimal Holding Period by Annual Equity Yield (IRR)



Year of Sale	Year 1	Year 2	Year 3	Year 4	Year 5
Before Tax EQUITY Yield (IRR)	N/A	N/A	N/A	N/A	0.00%



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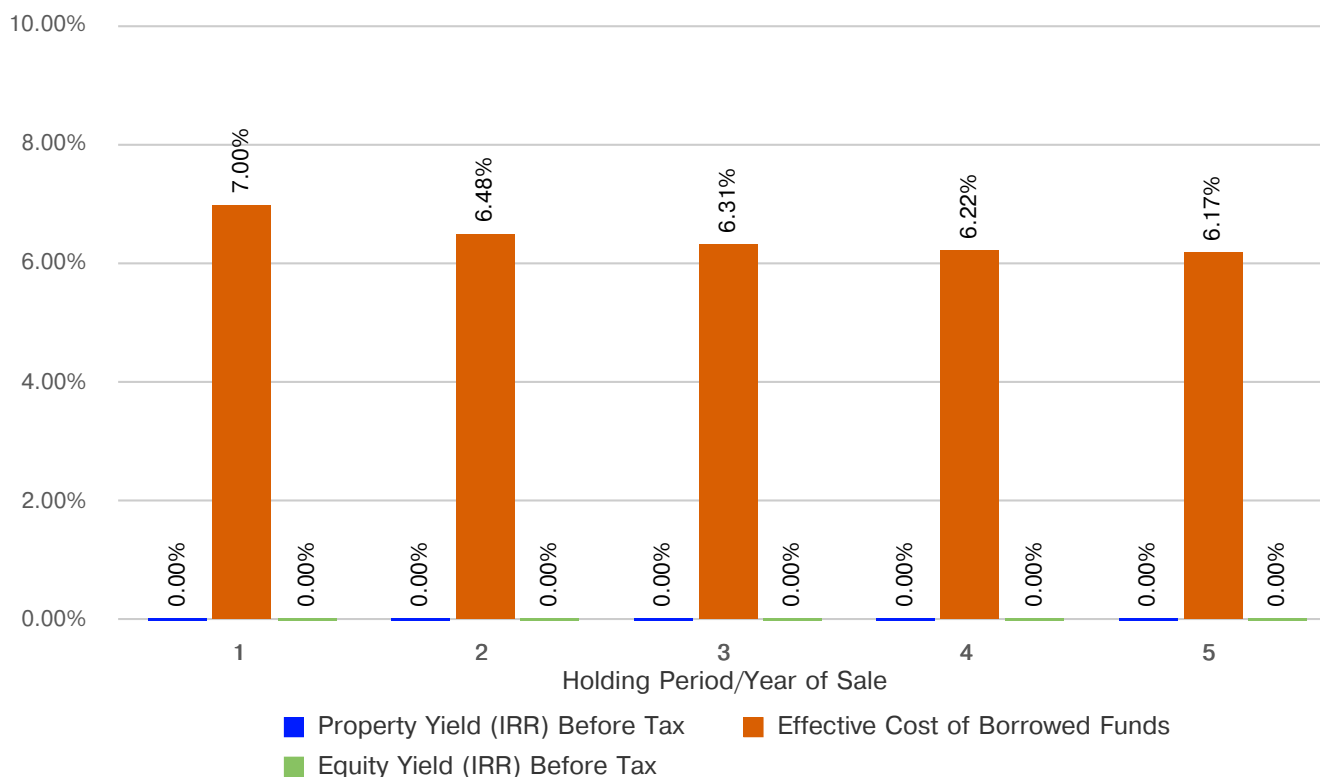
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Impact of Leverage Analysis

Fiscal Year Beginning February 2025

Impact of Leverage Analysis (Before Tax)



Year of Sale	Year 1	Year 2	Year 3	Year 4	Year 5
Property Yield (IRR) Before Tax	N/A	N/A	N/A	N/A	N/A
Effective Cost of Borrowed Funds	7.00%	6.48%	6.31%	6.22%	6.17%
Equity Yield (IRR) Before Tax	N/A	N/A	N/A	N/A	0.00%
Impact of Leverage on Yield	N/A	N/A	N/A	N/A	↑ 0.87%



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