

500 LAKE PARK DRIVE DALLAS, TX			
Year Built			2005
No. of Bedrooms			4 BRs
No. of Bathrooms			2.5 BAs
Net Rentable SF			2,500
<b>Pre-tax Investment Returns</b>	<b>Unleveraged</b>	<b>Leveraged</b>	
Investment Holding Period			10 Years
Internal Rate of Return (IRR)	13.89%	24.18%	
10 Year Avg. Cash-on-Cash Return	7.54%	8.38%	
Initial Equity Investment	234,910	54,910	
Net Gain on Initial Equity Investment	453,653	351,365	
Return of Equity Multiple		1.93x	6.40x
<b>Hold Period</b>	<b>Unleveraged Cash Flow</b>	<b>Pre-Tax Yield</b>	<b>Leveraged Cash Flow</b>
Year 0	(234,910)		(54,910)
Year 1	14,395	6.13%	1,278
Year 2	15,034	6.40%	1,917
Year 3	15,700	6.68%	2,583
Year 4	16,394	6.98%	3,277
Year 5	18,119	7.71%	5,001
Year 6	17,873	7.61%	4,756
Year 7	18,660	7.94%	5,542
Year 8	19,479	8.29%	6,362
Year 9	20,334	8.66%	7,217
Year 10	532,575	226.71%	368,343
<b>Pricing</b>			
Purchase Price			225,000
Price Per Sq.Ft.			90
Financing		80.0%	180,000
Down Payment			54,910
<b>Financing</b>			
Loan Constant			7.287%
Loan Interest Rate			6.120%
Amortization			30 Years
Term			10 Years
Principal & Interest Payment			1,093
Real Estate Taxes			265
Insurance			18
Home Owner Association (HOA)			50
<b>Total Monthly Payment</b>			<b>1,426</b>
<b>Projected Monthly Rent</b>			<b>1,800</b>
<b>Sources</b>			
Financing			180,000
Down Payment			54,910
<b>Total Sources</b>			<b>234,910</b>

Uses	
Purchase Price	225,000
Commission	2,250
Loan Origination Fee	1,800
Loan Discount Points	-
Title Insurance	1,085
Processing Fee	565
Closing & Escrow	540
Appraisal Report	380
Doc Preparation	250
Tax Service	80
Notary Fee	60
Recording	60
Credit Report & Courier	75
Renovation Budget	1,500
Prepaid: Mortgage Interest	100
Prepaid: No. of Months Insurance Premium	6 Months
Prepaid: No. of Months Real Estate Taxes	4 Months
<b>Total Uses</b>	<b>234,910</b>

**THE iPROFIT ANALYZER™**  
EXECUTIVE CONTROL PANEL

ASSUMPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Monthly Rent	1,800	1,872	1,947	2,025	2,106	2,190	2,278	2,369	2,463	2,562
Rent Per Sq.Ft.	0.72	0.75	0.78	0.81	0.84	0.88	0.91	0.95	0.99	1.02
Rent Growth	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Vacant Months Per Year	1 Month	1 Month	1 Month	1 Month	0.5 Month	1 Month	1 Month	1 Month	1 Month	1 Month
Real Estate Tax Growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Expense Growth	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Annual Property Appreciation Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
<b>Projected Sales Price</b>	<b>245,250</b>	<b>267,323</b>	<b>291,382</b>	<b>317,606</b>	<b>346,190</b>	<b>377,348</b>	<b>411,309</b>	<b>448,327</b>	<b>488,676</b>	<b>532,657</b>

CASH FLOWS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Rental Income	21,600	22,464	23,363	24,297	25,269	26,280	27,331	28,424	29,561	30,744
(-) Vacancy	1,800	1,872	1,947	2,025	2,106	2,190	2,278	2,369	2,463	2,562
<b>NET RENTAL INCOME</b>	<b>19,800</b>	<b>20,592</b>	<b>21,416</b>	<b>22,272</b>	<b>24,216</b>	<b>24,090</b>	<b>25,053</b>	<b>26,055</b>	<b>27,098</b>	<b>28,182</b>
<b>Expenses</b>										
(-) Property Management Fee	990	1,030	1,071	1,114	1,211	1,204	1,253	1,303	1,355	1,409
(-) Home Owner Association (HOA)	600	617	633	651	669	687	706	725	745	766
(-) Real Estate Property Taxes	3,180	3,260	3,341	3,425	3,510	3,598	3,688	3,780	3,875	3,971
(-) Insurance	210	216	222	228	241	247	254	261	268	276
(-) Repairs & Maintenance	100	103	106	108	111	115	118	121	124	128
(-) Advertising	100	103	106	108	111	115	118	121	124	128
(-) Yard Service	25	26	26	27	28	29	29	30	31	32
(-) Trash Service	25	26	26	27	28	29	29	30	31	32
(-) Phone	25	26	26	27	28	29	29	30	31	32
(-) Electric	25	26	26	27	28	29	29	30	31	32
(-) Gas	25	26	26	27	28	29	29	30	31	32
(-) Water & Sewer	25	26	26	27	28	29	29	30	31	32
(-) Agent Commission	25	26	26	27	28	29	29	30	31	32
(-) Professional Fees	25	26	26	27	28	29	29	30	31	32
(-) Miscellaneous	25	26	26	27	28	29	29	30	31	32
<b>Total Expenses</b>	<b>5,405</b>	<b>5,558</b>	<b>5,716</b>	<b>5,878</b>	<b>6,097</b>	<b>6,217</b>	<b>6,394</b>	<b>6,576</b>	<b>6,764</b>	<b>6,957</b>
<b>NET OPERATING INCOME</b>	<b>14,395</b>	<b>15,034</b>	<b>15,700</b>	<b>16,394</b>	<b>18,119</b>	<b>17,873</b>	<b>18,660</b>	<b>19,479</b>	<b>20,334</b>	<b>21,225</b>
<b>Financing</b>										
(-) Principal Payment	2,161	2,297	2,442	2,596	2,759	2,933	3,117	3,314	3,522	3,744
(-) Interest Payment	10,956	10,820	10,675	10,522	10,358	10,185	10,000	9,804	9,595	9,373
Total Financing Payment	13,117	13,117	13,117	13,117	13,117	13,117	13,117	13,117	13,117	13,117
<b>PRE-TAX NET CASH FLOW</b>	<b>1,278</b>	<b>1,917</b>	<b>2,583</b>	<b>3,277</b>	<b>5,001</b>	<b>4,756</b>	<b>5,542</b>	<b>6,362</b>	<b>7,217</b>	<b>8,107</b>

RESALE ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Projected Sales Price	245,250	267,323	291,382	317,606	346,190	377,348	411,309	448,327	488,676	532,657
(-) Sales Commission	7,358	8,020	8,741	9,528	10,386	11,320	12,339	13,450	14,660	15,980
(-) Other Closing Costs	2,673	2,673	2,914	3,176	3,462	3,773	4,113	4,483	4,887	5,327
(-) Payoff Financing	177,839	175,541	173,099	170,503	167,744	164,812	161,694	158,380	154,858	151,114
<b>NET EQUITY AT SALE</b>	<b>57,601</b>	<b>81,088</b>	<b>106,627</b>	<b>134,398</b>	<b>164,598</b>	<b>197,442</b>	<b>233,162</b>	<b>272,013</b>	<b>314,271</b>	<b>360,236</b>
<b>UNLEVERAGED CASH FLOWS</b>										
Net Operating Income	14,395	15,034	15,700	16,394	18,119	17,873	18,660	19,479	20,334	21,225
+ Net Sale Proceeds at Sale	235,440	256,630	279,726	304,902	332,343	362,254	394,856	430,394	469,129	511,351
<b>TOTAL UNLEVERAGED CASH FLOWS</b>	<b>249,835</b>	<b>271,664</b>	<b>295,426</b>	<b>321,296</b>	<b>350,461</b>	<b>380,127</b>	<b>413,516</b>	<b>449,873</b>	<b>489,463</b>	<b>532,575</b>
<b>LEVERAGED CASH FLOWS</b>										
Net Cash Flow Distribution	1,278	1,917	2,583	3,277	5,001	4,756	5,542	6,362	7,217	8,107
+ Return of Initial Equity Investment	54,910	54,910	54,910	54,910	54,910	54,910	54,910	54,910	54,910	54,910
+ Net Equity at Sale	2,691	26,178	51,717	79,488	109,688	142,532	178,252	217,103	259,361	305,326
<b>TOTAL LEVERAGED CASH FLOWS</b>	<b>58,879</b>	<b>83,005</b>	<b>109,210</b>	<b>137,675</b>	<b>169,600</b>	<b>202,198</b>	<b>238,704</b>	<b>278,375</b>	<b>321,487</b>	<b>368,343</b>

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