Illustration of Internal Rate of Return over a 10-Year Holding Period
3510 GREENMOUNT AVENUE

Purchase Price	**359,000**	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Rent	4.0%	43,812	45,564	47,387	49,283	51,254	53,304	55,436	57,654	59,960	62,358
Vacancy	3.0%	1,314	1,367	1,422	1,478	1,538	1,599	1,663	1,730	1,799	1,871
Effective Income		42,498	44,198	45,965	47,804	49,716	51,705	53,773	55,924	58,161	60,487
Expenses	4.0%	16,332	16,985	17,665	18,371	19,106	19,870	20,665	21,492	22,351	23,245
Exp as a percent of Annual Rent		38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
Exp per unit	3	5,444	5,662	5,888	6,124	6,369	6,623	6,888	7,164	7,450	7,748
NOI	0	26,166	27,212	28,301	29,433	30,610	31,835	33,108	34,432	35,810	37,242
Debt Service	$ 1,285	15,425	15,425	15,425	15,425	15,425	15,425	15,425	15,425	15,425	15,425
Before Tax Cash Flow	**(107,700)**	**10,740**	**11,787**	**12,876**	**14,008**	**15,185**	**16,409**	**17,683**	**19,007**	**20,384**	**290,002**
19.2% Internal Rate of Return											
NOI		26,166	27,212	28,301	29,433	30,610	31,835	33,108	34,432	35,810	37,242
Less Interest		10,684	10,491	10,289	10,080	9,862	9,636	9,400	9,154	8,899	8,633
Less Depreciation		9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573
Taxable Income to Individuals		5,909	7,148	8,438	9,779	11,174	12,625	14,135	15,704	17,337	19,036
Pass Thru Entity	20%	(1,182)	(1,430)	(1,688)	(1,956)	(2,235)	(2,525)	(2,827)	(3,141)	(3,467)	(3,807)
Taxable Income	0	4,727	5,719	6,750	7,823	8,940	10,100	11,308	12,564	13,870	15,228
Tax @ *	37%	1,749	2,116	2,498	2,895	3,308	3,737	4,184	4,649	5,132	5,635
After Tax Cash Flow	**(107,700)**	**8,991**	**9,671**	**10,378**	**11,113**	**11,877**	**12,672**	**13,499**	**14,358**	**15,252**	**240,958**
15.8% Internal Rate of Return											

Purchase	359,000							**Assume a Sale at End of Year 10**			
L-V	75%							Annual Rent Roll			62,358
Loan	269,250							GRM			8.2
Down Payment	89,750				annual appreciation		3.6%	Price			510,969
Cap Improvement	-							Sale Costs		6%	30,658
Closing Costs	17,950							Less: Basis			263,267
Initial Investment	107,700							Gain			217,044
Rate	4.00%							Tax @		20%	43,409
Term	30							Mortgage Balance			212,126
P&I	$1,285.44							Sale Proceeds Before Tax			268,185
								Sale Proceeds After Tax			224,776

Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
269,250	Beg Bal	269,250	264,508	259,574	254,438	249,093	243,530	237,740	231,715	225,444	218,918
4.00%	Prin	4,742	4,935	5,136	5,345	5,563	5,789	6,025	6,271	6,526	6,792
30.0	Int	10,684	10,491	10,289	10,080	9,862	9,636	9,400	9,154	8,899	8,633
1,285	Bal EOY	264,508	259,574	254,438	249,093	243,530	237,740	231,715	225,444	218,918	212,126
Cost Recovery / Depreciation		359,000	359,000	Building	80%	287,200	Land	20%	71,800	**Life**	**30**
		9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573	9,573
Basis		349,427	339,853	330,280	320,707	311,133	301,560	291,987	282,413	272,840	263,267

* Tax rate of 35% applies to income of $200,001 to $500,000 for singles; $400,001 to $600,000 for married filing jointly. Marginal rate above $500k/$600k is 37%.