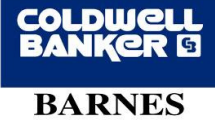


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# The Kestner Team

www.TheKestnerTeam.com



<b>** Note: Items in blue are automatically calculated</b>		<b>Seller:</b>	
<b>Property Address:</b> 5104 Ryan Allen Circle		<b>Sub-division:</b> Cobblestone Creek	
<b>County:</b> Davidson	<b>City:</b> Whites Creek	<b>Zip:</b> 37189	
<b>Purchase Price:</b> \$140,000	<b>Interest Rate:</b> 5.875%	<b>Down Payment:</b> \$28,000	
<b>Loan Amount:</b> \$112,000	<b>Market Value:</b> \$140,000	<b>% Down:</b> 20%	

\*Loan terms are at Individual Buyer's Option. The scenario noted here is based on the Beacon score of 720, full doc, fully amortized loan, available from Ron Greenfield, with Elite Home Loans 615-482-7542. **INTEREST RATE SHOWN IS FOR EXAMPLE PURPOSE ONLY.** No specific loan is associated or offered for this specific property. Interest rates change daily. Please refer to your mortgage lender to determine specific interest rates that apply to you. **YOUR CONTRACT WILL NOT BE CONTINGENT UPON YOUR ABILITY TO OBTAIN A PARTICULAR LOAN.**

**\$8,000 SELLER INCENTIVE!!!!!!**

The seller is offering \$8,000 for you to use however suits you most!!! If lowering the price in order to get the payments down is of most importance to you, then lower the price by \$8,000. If you'd rather have seller contributions to your closing costs, then use as much as your lender will allow and use the rest to lower the price. Or, buy down the interest rate, too. I CAN'T MAKE IT ANY EASIER!!! This is a great home with a proven rental history. Low maintenance yard, easy access to interstate (2.5 miles), quick access to downtown Nashville. Contact Nina Kestner 615-289-1340 or nkestner@comcast.net

Estimated Monthly Expenses		Property Data	
<b>Down Payment:</b> 20%		<b>Type Dwelling:</b> Single Family Home	
<b>Loan Amount:</b> \$112,000		<b>Square Footage:</b> 1,568	<b>Appliances:</b> Dishwasher: YES Washer/Dryer: NO Stove: YES Refrigerator: YES Microwave: YES Garage Door Opener: YES Exterior Finish: Vinyl / Brick Year Built: 2005
<b>Payment:</b> \$624		<b>Bed Rooms:</b> 3	
<b>Taxes:</b> \$93		<b>Bath Rooms:</b> 2.5	
<b>Ins.:</b> \$20		<b>Kitchen:</b> 12x15	
<b>Leasing:</b> \$17		<b>Dining Room:</b> 11x11	
<b>Mgmt. Fee (using low rent):</b> \$110		<b>Living Room:</b> 15x14	
<b>Maintenance:</b> \$115		<b>Bonus Room:</b>	
<b>Assoc. Fee:</b> \$12		<b>Fireplace:</b>	
<b>Total Est. Exp.:</b> \$990		<b>Basement:</b>	
<b>Exp./ Square Foot:</b> \$0.63		<b>Garage (Attached):</b> 2	
<b>Projected Rental Income:</b>		<b>Annual Property Taxes:</b>	
<b>LAST TENANT'S RENT:</b> \$1,095	<b>R.P.S.F.</b> \$0.70	\$1,111 Estimated	
<b>HIGH:</b> \$1,150	<b>R.P.S.F.</b> \$0.73		

The Projected Rent Range on this form is based on the opinion(s) of a local 3<sup>rd</sup> party Property Manager(s). The actual Market-Driven Rent Rate to be obtained is not guaranteed, but believed to be within the range stated. Purchasing Investor should verify that the Property Manager that they select to manage this property is in agreement with the Rent Range projected on this form.

Projected Monthly Cash Flow:	
With 20% down:	\$105 to \$160

Projected After-Tax Cash Flow:	
With 20% down:	Monthly: \$697
	Annually: \$8,363

Sale Analysis	Year 5	Year 10
Equity	\$50,298	\$76,148
(-) Closing Cost	\$11,361	\$13,170
<b>(=) Proceeds After Sale</b>	<b>\$38,937</b>	<b>\$62,978</b>
(+) Cumulative Cash Flow	\$4,798	\$16,786
(-) Initial Cash Invested	\$31,000	\$31,000
<b>(=) Net Profit</b>	<b>\$12,735</b>	<b>\$48,764</b>
Return on Investment	41.1%	157.3%



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**FIRST YEAR PERFORMANCE PROJECTION REPORT**

5104 Ryan Allen Circle		
Whites Creek ,TN 37189		
3-Bedroom 2.5-Bath Single Family Home		
Square Feet:	1,568	
Purchase Price:	\$140,000	
Initial Market Value:	\$140,000	
Down Payment:	\$28,000	
Loan Original Fees:	\$1,000	
Depreciable Closing Cost:	\$2,000	
Other Closing Costs:	\$0	
<b>Initial Cash Invested:</b>	<b>\$31,000</b>	
Cost per Square Foot:	\$89	
Monthly Rent per Sq. Ft.:	\$0.73	
<b>Estimated Expenses</b>	<b>Monthly</b>	<b>Annual</b>
Property Taxes:	\$93	\$1,111
Insurance:	\$20	\$240
Management Fees:	\$110	\$1,314
Leasing/Ad. Fees:	\$17	\$200
Association Fees:	\$12	\$144
Maintenance:	\$115	\$1,380
Other:	\$0	\$0
<b>Operating Expenses:</b>	<b>\$366</b>	<b>\$4,389</b>
<b>Net Estimated Performance</b>	<b>Monthly</b>	<b>Annual</b>
<b>Net Operating Income:</b>	<b>\$669</b>	<b>\$8,031</b>
(-) Mortgage Payments:	\$641	\$7,688
<b>(=) Cash Flow:</b>	<b>\$29</b>	<b>\$343</b>
(+) Principal Reduction:	\$135	\$1,620
(+) First-Year Appreciation:	\$350	\$4,200
<b>(=) Gross Equity Income:</b>	<b>\$514</b>	<b>\$6,163</b>
(+) Tax Savings:	\$183	\$2,200
<b>(=) GEI w/Tax Savings:</b>	<b>\$697</b>	<b>\$8,363</b>
<b>Mortgage Info. Assumptions</b>		
Loan-to-Value Ratio:	80%	
Loan Amount:	\$112,000	
Monthly Payment:	\$624	
Loan Type:	Interest Only	
Term:	30 Years	
Interest Rate:	5.88%	
Monthly PMI:	\$17	
<b>Financial Indicators</b>		
Debt Coverage Ratio:	1.04	
Annual Gross Rent Multiplier:	10	
Monthly Gross Rent Multiplier:	122	
Capitalization Rate:	5.7%	
Cash on Cash Return:	1.1%	
<b>Total Return on Investment:</b>	<b>20%</b>	
<b>Total ROI with Tax Savings:</b>	<b>27%</b>	

Potential Income	Monthly	Annual
Gross Rent:	\$1,150	\$13,800
Vacancy Losses:	\$115	\$1,380
<b>Operating Income:</b>	<b>\$1,035</b>	<b>\$12,420</b>
<b>Property Data Assumptions</b>		
<b>Depreciable Closing Cost:</b>	\$2,000	
<b>Other Closing Cost:</b>	\$0	
<b>Monthly PMI:</b>	\$17	
<b>Loan Origination Fees:</b>	\$1,000	
<b>Real Estate Appreciation Rate:</b>	3%	
<b>Vacancy Rate(%):</b>	10%	
<b>Maintenance % (1-5 Yrs.):</b>	10%	
<b>Maintenance % (6-10 Yrs.):</b>	15%	
<b>Other Monthly Costs (Fixed):</b>	\$0	
<b>Annual Leasing/Advertising:</b>	\$200	
<b>Rental Income Growth Rate:</b>	3%	
<b>Inflation Rate for Expenses:</b>	3%	
<b>Closing Cost % for Sale Analysis:</b>	7%	
Federal Income Tax Rate	25%	
<b>Equity Share Percentage:</b>	100%	

**Glossary of Terms**

**Depreciable Closing Costs:**  
 The numbers in sections 1100 through 1300 on page 2 of the HUD-1 statement. These costs are part of the acquisition cost of the property for tax purposes. They are part of your basis and depreciable over 27.5 years

**Annual Gross Rent Multiplier**  
 The Annual Gross Rent Multiplier is the Purchase Price divided by the Gross Annual Rent.

**Capitalization Rate**  
 The Capitalization Rate is the Net Operating Income divided by the Market Value.

**Cash on Cash Return**  
 The Cash on Cash Return is the Annual Cash Flow divided by the Initial Cash Invested.

**Total Return on Investment**  
 The Total Return on Investment is the Annual Gross Equity Income divided by the Initial Cash Invested.

**Total Return on Investment with Tax Savings**  
 The Total Return with Tax Savings is the Annual Gross Equity Income plus the Potential Tax Savings divided by the Initial Cash Invested.

**Cumulative Cash Invested**  
 The Cumulative Cash Invested represents the total net out-of-pocket expenses to date. At the end of the first year, this is the total cash required to close plus any negative cash flow during the year.

**Debt Coverage Ratio**

The Debt Coverage Ratio is the Net Operating Income divided by the Total Mortgage Payment (with PMI).

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## 10-YEARS PERFORMANCE PROJECTION REPORT

### What assumptions would you like for this report?

Rental Income Growth Rate:	3%	Refinance Loan to Value Ratio:	80%
Inflation rate for Expenses:	3%	Closing Cost Percentage for Sale Analysis:	7%

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent:	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006
Vacancy Losses:	\$1,380	\$1,421	\$1,464	\$1,508	\$1,553	\$1,600	\$1,648	\$1,697	\$1,748	\$1,801
<b>Operating Income</b>	<b>\$12,420</b>	<b>\$12,793</b>	<b>\$13,176</b>	<b>\$13,572</b>	<b>\$13,979</b>	<b>\$14,398</b>	<b>\$14,830</b>	<b>\$15,275</b>	<b>\$15,733</b>	<b>\$16,205</b>

Projected Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes:	\$1,111	\$1,144	\$1,179	\$1,214	\$1,250	\$1,288	\$1,327	\$1,366	\$1,407	\$1,450
Insurance:	\$240	\$247	\$255	\$262	\$270	\$278	\$287	\$295	\$304	\$313
Management Fees:	\$1,314	\$1,353	\$1,394	\$1,436	\$1,479	\$1,523	\$1,569	\$1,616	\$1,665	\$1,714
Leasing/Advertising Fees:	\$200	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261
Association Fees:	\$144	\$148	\$153	\$157	\$162	\$167	\$172	\$177	\$182	\$188
Maintenance:	\$1,380	\$1,421	\$1,464	\$1,508	\$1,553	\$2,132	\$2,196	\$2,262	\$2,330	\$2,400
Other:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses:</b>	<b>\$4,389</b>	<b>\$4,521</b>	<b>\$4,656</b>	<b>\$4,796</b>	<b>\$4,940</b>	<b>\$5,620</b>	<b>\$5,789</b>	<b>\$5,963</b>	<b>\$6,142</b>	<b>\$6,326</b>

Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Net Operating Income</b>	<b>\$8,031</b>	<b>\$8,272</b>	<b>\$8,520</b>	<b>\$8,776</b>	<b>\$9,039</b>	<b>\$9,310</b>	<b>\$9,589</b>	<b>\$9,877</b>	<b>\$10,173</b>	<b>\$10,479</b>
(-) Mortgage Payments	\$7,688	\$7,688	\$7,488	\$7,488	\$7,488	\$7,488	\$7,488	\$7,488	\$7,488	\$7,488
<b>(=) Cash Flow</b>	<b>\$343</b>	<b>\$584</b>	<b>\$1,032</b>	<b>\$1,288</b>	<b>\$1,551</b>	<b>\$1,822</b>	<b>\$2,101</b>	<b>\$2,389</b>	<b>\$2,685</b>	<b>\$2,991</b>
(+) Principal Reduction	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620	\$1,620
(+) Appreciation	\$4,200	\$4,326	\$4,456	\$4,589	\$4,727	\$4,869	\$5,015	\$5,165	\$5,320	\$5,480
<b>(=) Gross Equity Income</b>	<b>\$6,163</b>	<b>\$6,530</b>	<b>\$7,108</b>	<b>\$7,497</b>	<b>\$7,898</b>	<b>\$8,311</b>	<b>\$8,736</b>	<b>\$9,175</b>	<b>\$9,626</b>	<b>\$10,091</b>
Capitalization Rate	5.7%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Cash on Cash Return	1.1%	1.9%	3.3%	4.2%	5.0%	5.9%	6.8%	7.7%	8.7%	9.6%
Return on Equity	19.1%	17.9%	17.3%	16.5%	15.7%	15.1%	14.5%	14.0%	13.6%	13.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value:	\$144,200	\$148,526	\$152,982	\$157,571	\$162,298	\$167,167	\$172,182	\$177,348	\$182,668	\$188,148
(-) Loan Balance	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000
<b>(=) Equity</b>	<b>\$32,200</b>	<b>\$36,526</b>	<b>\$40,982</b>	<b>\$45,571</b>	<b>\$50,298</b>	<b>\$55,167</b>	<b>\$60,182</b>	<b>\$65,348</b>	<b>\$70,668</b>	<b>\$76,148</b>
Loan-to-Value Ratio	77.7%	75.4%	73.2%	71.1%	69.0%	67.0%	65.0%	63.2%	61.3%	59.5%
Potential Cash-Out Refi.	\$3,360	\$6,821	\$10,385	\$14,057	\$17,839	\$21,734	\$25,746	\$29,878	\$34,135	\$38,519

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$32,200	\$36,526	\$40,982	\$45,571	\$50,298	\$55,167	\$60,182	\$65,348	\$70,668	\$76,148
(-) Closing Cost	\$10,094	\$10,397	\$10,709	\$11,030	\$11,361	\$11,702	\$12,053	\$12,414	\$12,787	\$13,170
<b>(=) Proceeds After Sale</b>	<b>\$22,106</b>	<b>\$26,129</b>	<b>\$30,273</b>	<b>\$34,541</b>	<b>\$38,937</b>	<b>\$43,466</b>	<b>\$48,130</b>	<b>\$52,933</b>	<b>\$57,881</b>	<b>\$62,978</b>
(+) Cumulative Cash Flow	\$343	\$927	\$1,959	\$3,247	\$4,798	\$6,620	\$8,721	\$11,110	\$13,796	\$16,786
(-) Initial Cash Invested	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000
<b>(=) Net Profit</b>	<b>-\$8,551</b>	<b>-\$3,944</b>	<b>\$1,232</b>	<b>\$6,788</b>	<b>\$12,735</b>	<b>\$19,085</b>	<b>\$25,851</b>	<b>\$33,044</b>	<b>\$40,677</b>	<b>\$48,764</b>
Return on Investment	-27.6%	-12.7%	4.0%	21.9%	41.1%	61.6%	83.4%	106.6%	131.2%	157.3%

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