

| Investment Analysis - Year 1 Returns | | | |
|---|-----|---------------------|---------------------|
| 310-25 Tamarack Street | | | |
| Purchase Price | | \$ 172,900.00 | |
| Financing Information | | | |
| 1st Mortgage | 80% | \$ 138,320.00 | |
| 2nd Mortgage | 0% | \$ - | |
| Investment | | Amount | |
| Down Payment | | \$ 34,580.00 | |
| Land Transfer Tax | | \$ 1,454.00 | |
| Immediate Repairs and Renovations | | | |
| Inspection | | \$ - | |
| Appraisal | | \$ - | |
| Survey | | \$ - | |
| Financing Costs | | | |
| Legal Costs | | \$ 1,500.00 | |
| Other - Furniture | | | |
| Total Investment | | \$ 37,534.00 | |
| Income | | Monthly | Annually |
| Gross Rents | | \$ 1,475.00 | \$ 17,700.00 |
| Less: Vacancy Allowance | 3% | \$ 44.25 | \$ 531.00 |
| Other Income | | \$ - | \$ - |
| Total Income | | \$ 1,430.75 | \$ 17,169.00 |
| Operating Expenses | | Monthly | Annually |
| Heating | | \$ - | \$ - |
| Hydro | | \$ - | \$ - |
| Water/Sewar | | \$ - | \$ - |
| Property Taxes | | \$ 180.00 | \$ 2,160.00 |
| Condo Fees | | \$ 223.00 | \$ 2,676.00 |
| Insurance | | | \$ - |
| Property Management | | 0% | \$ - |
| Repairs and Maintenance | | 0% | \$ - |
| Snow Removal | | \$ - | \$ - |
| Interest only Home Equity Line of Credit | | | \$ - |
| Other | | \$ - | \$ - |
| Total Operating Expenses | | \$ 403.00 | \$ 4,836.00 |
| | | Monthly | Annually |
| Net Operating Income(NOI) | | \$ 1,027.75 | \$ 12,333.00 |
| Financing Costs | | Rate | Monthly |
| 1st Mortgage Payment - 25 yr amort | | 2.60% | \$ 627.52 |
| 2nd Mortgage Payment | | 0.00% | \$ - |
| Total Financing Payments | | | \$ 627.52 |
| | | Monthly | Annually |
| Cash Flow | | \$ 400.23 | \$ 4,802.76 |
| Annual Return before Income Taxes | | 12.80% | |
| Return on Investment | | Rate | Amount |
| Cash Flow | | | \$ 4,802.76 |
| Mortgage Principal Paydown | | | \$ 3,988.54 |
| Annual Appreciation | | 2% | \$ 3,458.00 |
| Total Return on Investment (ROI) | | 32.64% | |

Unit Details

800 sq ft
 2 bedroom 1 bath
 Air Handler Owned
 Hot Water Tank Rental
 Central Air conditioning
 New Flooring
 New Baseboards, Doors, Electrical, Painting
 s/s Appliances: Fridge, Range, Microwave, Dishwasher

Return after 5 Years

| | |
|----------------------------|--------------------|
| Cash Flow: | \$24,014.00 |
| Principle Paydown: | \$21,014.00 |
| Equity Appreciation at 2%: | \$17,290.00 |
| Total Investment: | \$37,534.00 |
| Total Return: | \$62,318.00 |
| | 175.00% |

Assumptions

Tenant pays utilities (water is included in condo fees)
 No property management fee
 No increase in rent for 5 years (for ease of math)
 2% Annual appreciation (actual for old house stock)
 3% Vacancy rate (included, although vacancy is close to zero in Deep River)

Summary

Return of Investment in 2.9 years
 Return of Investment from Cash Flow in 7.04 years
 Annual return is 32.64%

Cost to Furnish Not included in Worksheet

Furniture for Furnished Unit - Cost \$5000

Couch
 Coffee and side table
 TV & TV Stand
 Kitchen pots, dishes, etc.
 Queen Bed
 2 Side Tables & Lamps
 Chair