

Apartment Advisors, Inc.

| # Units | Address | City | Zip | APN | |
|-------------------------------|-------------------------|----------------------------|--------------------------|------------------------|-------------------|
| 5 | 434 Avacado | El Cajon | 92020 | | |
| Price | GRM | CAP Rate | | \$ / Unit | Parking |
| \$1,300,000 | <u>Current</u> 16.17 | <u>Market</u> 13.37 | <u>Current</u> 3.10% | <u>Market</u> 4.38% | 7 Spaces |
| \$ / Square Foot (Approx.) | Average size | Gross Sq. Ft. (Approx.) | Parcel Size (Approx.) | Yr. Built (+/-) | Lot Dimensions |
| \$250.97 | 1036 | 5,180 | 9,879.00 | 1986 | 71 X 139 |

| Monthly Income Breakdown | | | | Annual Operating Expenses (Estimated) | | | |
|------------------------------------|--------------|---------|----------------|------------------------------------------|---------|-----------------------|----------------|
| # of Units | Type | Rent | Total | | | | |
| Current Income | | | | Advertising | \$0 | Management (Off Site) | \$4,824 |
| 2 | 3 bed 2 bath | \$1,500 | \$3,000 | Elevator | \$0 | Management (On Site) | \$0 |
| 3 | 2 bed 2 bath | \$1,200 | \$3,600 | Gas & Electric | \$1,500 | Licenses & Fees | \$75 |
| | Laundry | | \$100 | Water & Sewer | \$6,000 | Miscellaneous | \$0 |
| Total Monthly Income | | | \$6,700 | Landscaping | \$1,200 | Reserves | \$1,500 |
| | | | | Trash Removal | \$2,400 | Spa/Pool | \$0 |
| | | | | Pest Control | \$495 | Insurance | \$1,500 |
| | | | | Maintenance | \$3,750 | Taxes | \$15,600 |
| Market Income | | | | Total Est Annual Expenses | | | |
| 2 | 3 bed 2 bath | \$1,750 | \$3,500 | | | \$38,844 | |
| 3 | 2 bed 2 bath | \$1,500 | \$4,500 | Expenses per: | | Est. Sq. Ft. | \$5.90 |
| | Laundry | | \$100 | | | Unit | \$5,222 |
| Total Market Monthly Income | | | \$8,100 | | | % of GSI | 55.12% |

| Annual Operating Proforma | | | | Financing Summary | |
|---------------------------------|-------|----------------|---------------|---------------------------------------------------|------------------|
| | | <u>Current</u> | <u>Market</u> | | |
| Gross Scheduled Income | | \$80,400 | \$97,200 | Down Payment | \$715,000 |
| Less: Vacancy Factor | 1.50% | \$1,206 | \$1,458 | Proposed Financing: | \$585,000 |
| Gross Operating Income | | \$79,194 | \$95,742 | Interest Rate: | 4.30% |
| Less: Expenses | 0.00% | \$38,844 | \$38,844 | Amortized over: | 30 |
| Net Operating Income | | \$40,350 | \$56,898 | Debt Coverage Ratio: | 1.16 |
| Less: 1st TD Payments | | (\$34,740) | (\$34,740) | Capital Improvemtns | |
| Pre-Tax Cash Flow | | \$5,610 | \$22,158 | \$25,000.00 | |
| Cash on Cash Return | | 0.78% | 2.99% | Total Capital | |
| Principal Reduction | | \$9,776 | \$9,776 | \$740,000.00 | |
| Total return before tax shelter | | 2.15% | 4.47% | Market Cap Rate Including Caplital Improvments | |
| | | | | 4.29% | |

Contact Information

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