



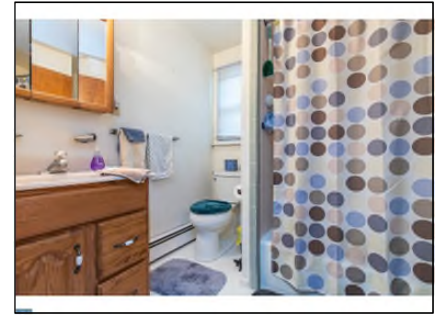
Norwood Triplex

Stabilized Triplex in Norwood PA
Value Add - Increase Rents 10%
Walk to SEPTA Regional Rail
Little to no Capital Improvements needed

Executive Summary



Norwood Triplex



Income, Expenses & Cash Flow Property Overview

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------------|-----------|--------------|--|---------------------------|-------|--------------------|-------------|-----------------------------------|-------------------------|-------------------|-----------------|-------------------------------|---------------|--|-----------------------|------------|--------------|--|-------|--|---------------|--------|----------------|--|-------------------------------|--------------------------|------------------|----------------|-------------------------------|----------------------|--|---------------|--------------|--------------|---|----------------|-----------|-------------|--|-----------------|--|-----------------|----------|-------------------|------------|
| <table border="0" style="width: 100%;"> <tr> <td>Potential Rental Income</td> <td style="text-align: right;">\$ 29,040</td> </tr> <tr> <td>Other Income</td> <td></td> </tr> <tr> <td>Total Vacancy and Credits</td> <td style="text-align: right;">(871)</td> </tr> <tr> <td>Operating Expenses</td> <td style="text-align: right;">\$ (15,184)</td> </tr> <tr> <td>Net Operating Income (NOI)</td> <td style="text-align: right;"><u>\$ 12,985</u></td> </tr> <tr> <td> Debt Service:</td> <td style="text-align: right;"> \$ (12,045)</td> </tr> <tr> <td>Cash Flow Before Taxes</td> <td style="text-align: right;">\$ 940</td> </tr> </table> | Potential Rental Income | \$ 29,040 | Other Income | | Total Vacancy and Credits | (871) | Operating Expenses | \$ (15,184) | Net Operating Income (NOI) | <u>\$ 12,985</u> | Debt Service: | \$ (12,045) | Cash Flow Before Taxes | \$ 940 | <table border="0" style="width: 100%;"> <tr> <td>Purchase/Asking Price</td> <td style="text-align: right;">\$ 215,000</td> </tr> <tr> <td>Improvements</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Closing Costs</td> <td style="text-align: right;">13,500</td> </tr> <tr> <td>Finance Points</td> <td></td> </tr> <tr> <td>Total Acquisition Cost</td> <td style="text-align: right;"><u>\$ 228,500</u></td> </tr> <tr> <td> Mortgage (s)</td> <td style="text-align: right;"> \$ 172,000</td> </tr> <tr> <td> Down Payment / Investment</td> <td style="text-align: right;"> \$ 56,500</td> </tr> </table> | Purchase/Asking Price | \$ 215,000 | Improvements | | Other | | Closing Costs | 13,500 | Finance Points | | Total Acquisition Cost | <u>\$ 228,500</u> | Mortgage (s) | \$ 172,000 | Down Payment / Investment | \$ 56,500 | <table border="0" style="width: 100%;"> <tr> <td>Property Type</td> <td>Multi-Family</td> </tr> <tr> <td>No. of Units</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Price Per Unit</td> <td style="text-align: right;">\$ 76,167</td> </tr> <tr> <td>Total Sq Ft</td> <td></td> </tr> <tr> <td>Price Per Sq Ft</td> <td></td> </tr> <tr> <td>Income per Unit</td> <td style="text-align: right;">\$ 9,680</td> </tr> <tr> <td>Expenses per Unit</td> <td style="text-align: right;">\$ (5,061)</td> </tr> </table> | Property Type | Multi-Family | No. of Units | 3 | Price Per Unit | \$ 76,167 | Total Sq Ft | | Price Per Sq Ft | | Income per Unit | \$ 9,680 | Expenses per Unit | \$ (5,061) |
| Potential Rental Income | \$ 29,040 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Vacancy and Credits | (871) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Expenses | \$ (15,184) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Operating Income (NOI) | <u>\$ 12,985</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt Service: | \$ (12,045) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow Before Taxes | \$ 940 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchase/Asking Price | \$ 215,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Improvements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing Costs | 13,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance Points | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Acquisition Cost | <u>\$ 228,500</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortgage (s) | \$ 172,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Down Payment / Investment | \$ 56,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Type | Multi-Family | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No. of Units | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Price Per Unit | \$ 76,167 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Sq Ft | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Price Per Sq Ft | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income per Unit | \$ 9,680 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses per Unit | \$ (5,061) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Assumptions Loan Information

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|----------------------|--------------------|----------------------|-------|-------------------------------|-------|--|---------------|-----------|--------------------|------------------|-----------------------|------------|--------|--------|--|--|--------|--------|---|--------------------|----------------------|-------------|----------------|------------|-------|----|---------|
| <table border="0" style="width: 100%;"> <tr> <td>Rental Growth Rate:</td> <td style="text-align: right;">10.00%</td> </tr> <tr> <td>Expense Growth Rate:</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Capitalization Rate (Resale):</td> <td style="text-align: right;">6.50%</td> </tr> </table> | Rental Growth Rate: | 10.00% | Expense Growth Rate: | 1.00% | Capitalization Rate (Resale): | 6.50% | <table border="0" style="width: 100%;"> <tr> <td>Down Payment:</td> <td style="text-align: right;">\$ 56,500</td> <td style="text-align: right;"><u>% of Asking</u></td> <td style="text-align: right;"><u>% of Cost</u></td> </tr> <tr> <td>Initial Loan Balance:</td> <td style="text-align: right;">\$ 172,000</td> <td style="text-align: right;">26.28%</td> <td style="text-align: right;">24.73%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">80.00%</td> <td style="text-align: right;">75.27%</td> </tr> </table> | Down Payment: | \$ 56,500 | <u>% of Asking</u> | <u>% of Cost</u> | Initial Loan Balance: | \$ 172,000 | 26.28% | 24.73% | | | 80.00% | 75.27% | <table border="0" style="width: 100%;"> <tr> <td><u>Loan Amount</u></td> <td><u>Interest Rate</u></td> <td><u>Term</u></td> <td><u>Payment</u></td> </tr> <tr> <td style="text-align: right;">\$ 172,000</td> <td style="text-align: right;">5.75%</td> <td style="text-align: right;">30</td> <td style="text-align: right;">\$1,004</td> </tr> </table> | <u>Loan Amount</u> | <u>Interest Rate</u> | <u>Term</u> | <u>Payment</u> | \$ 172,000 | 5.75% | 30 | \$1,004 |
| Rental Growth Rate: | 10.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expense Growth Rate: | 1.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capitalization Rate (Resale): | 6.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Down Payment: | \$ 56,500 | <u>% of Asking</u> | <u>% of Cost</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Initial Loan Balance: | \$ 172,000 | 26.28% | 24.73% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 80.00% | 75.27% | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Loan Amount</u> | <u>Interest Rate</u> | <u>Term</u> | <u>Payment</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 172,000 | 5.75% | 30 | \$1,004 | | | | | | | | | | | | | | | | | | | | | | | | | |

Financial Measurements Notes / Discussion

| Financial Measurements | Year 1 | Year 3 | Year 7 | Notes / Discussion |
|---|--------------|---------------|---------------|--------------------|
| Debt Coverage Ratio (DCR) | 1.08 | 1.35 | 1.61 | |
| Loan-to-Value Ratio (LVR) | 71.3% | 63.2% | 49.3% | |
| Capitalization Rate Based on Cost | 5.68% | 7.09% | 8.48% | |
| Capitalization Rate Based on Resale Price | 6.50% | 6.50% | 6.50% | |
| Gross Rent Multiplier | 7.40 | 7.93 | 8.41 | |
| Net Present Value (NPV) - B/ Taxes 6.00% | (4,698) | 18,346 | 61,165 | |
| Cash on Cash Return - Before Taxes | 1.66% | 7.36% | 12.99% | |
| Internal Rate of Return - Before Taxes | | 16.67% | 18.90% | |
| Modified Internal Rate of Return - Before Taxes | | 16.28% | 17.26% | |

Disclaimer: All information presented is believed to be accurate.

The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

Norwood Triplex



Front



Side



Rear



U1 LR



U1 KIT



U2 BA



U3 LR



| Rental Activity Analysis | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Potential Rental Income | \$ 29,040 | \$ 31,944 | \$ 32,902 | \$ 33,889 | \$ 34,906 |
| Less: Vacancy & Credit Losses | (871) | (958) | (987) | (1,017) | (1,047) |
| Effective Gross Income | \$ 28,169 | \$ 30,986 | \$ 31,915 | \$ 32,873 | \$ 33,859 |
| Less: Operating Expenses | (15,184) | (15,513) | (15,712) | (15,913) | (16,119) |
| Net Operating Income (NOI) | \$ 12,985 | \$ 15,473 | \$ 16,204 | \$ 16,959 | \$ 17,740 |
| Less: Annual Debt Service | (12,045) | (12,045) | (12,045) | (12,045) | (12,045) |
| CASH FLOW Before Taxes | \$ 940 | \$ 3,428 | \$ 4,159 | \$ 4,914 | \$ 5,695 |

| Property Resale Analysis | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Projected Sales Price | \$ 238,039 | \$ 249,286 | \$ 260,912 | \$ 272,928 | \$ 285,346 |
| Less: Selling Expenses | (14,282) | (14,957) | (15,655) | (16,376) | (17,121) |
| Adjusted Projected Sales Price | \$ 223,757 | \$ 234,329 | \$ 245,257 | \$ 256,552 | \$ 268,225 |
| Less: Mortgage(s) Balance Payoff | (169,787) | (167,444) | (164,962) | (162,334) | (159,551) |
| SALE PROCEEDS Before Taxes | \$ 53,970 | \$ 66,885 | \$ 80,295 | \$ 94,218 | \$ 108,675 |

| Cash Position | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------------|------------|-----------|-----------|-----------|-----------|
| Cash Generated in Current Year | \$ 940 | \$ 3,428 | \$ 4,159 | \$ 4,914 | \$ 5,695 |
| Cash Generated in Previous Years | n/a | 940 | 4,368 | 8,526 | 13,441 |
| Cash Generated from Property Sale | 53,970 | 66,885 | 80,295 | 94,218 | 108,675 |
| Original Initial Investment | (56,500) | (56,500) | (56,500) | (56,500) | (56,500) |
| Total Potential CASH Generated | \$ (1,590) | \$ 14,753 | \$ 32,321 | \$ 51,159 | \$ 71,311 |

| Financial Measurements | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|---------|--------|--------|--------|
| Debt Coverage Ratio (DCR) | 1.08 | 1.28 | 1.35 | 1.41 | 1.47 |
| Loan-to-Value Ratio (LVR) | 71.3% | 67.2% | 63.2% | 59.5% | 55.9% |
| Capitalization Rate Based on Cost | 5.68% | 6.77% | 7.09% | 7.42% | 7.76% |
| Capitalization Rate Based on Resale Price | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% |
| Break-Even Ratio | 93.76% | 86.27% | 84.36% | 82.50% | 80.68% |
| Operating Expense Ratio | 53.90% | 50.07% | 49.23% | 48.41% | 47.61% |
| Net Present Value (NPV) - Before Taxes | 6.00% | (4,698) | 6,965 | 18,346 | 29,451 |
| Cash-on-Cash Return with Equity | -2.81% | 30.28% | 26.27% | 23.46% | 21.39% |
| Cash-on-Cash Return - Before Taxes | 1.66% | 6.07% | 7.36% | 8.70% | 10.08% |
| Internal Rate-of-Return (IRR) - Before Taxes | -2.81% | 12.39% | 16.67% | 18.23% | 18.80% |
| Modified Internal Rate-of-Return (MIRR) - Before Taxes | -2.81% | 12.30% | 16.28% | 17.49% | 17.73% |

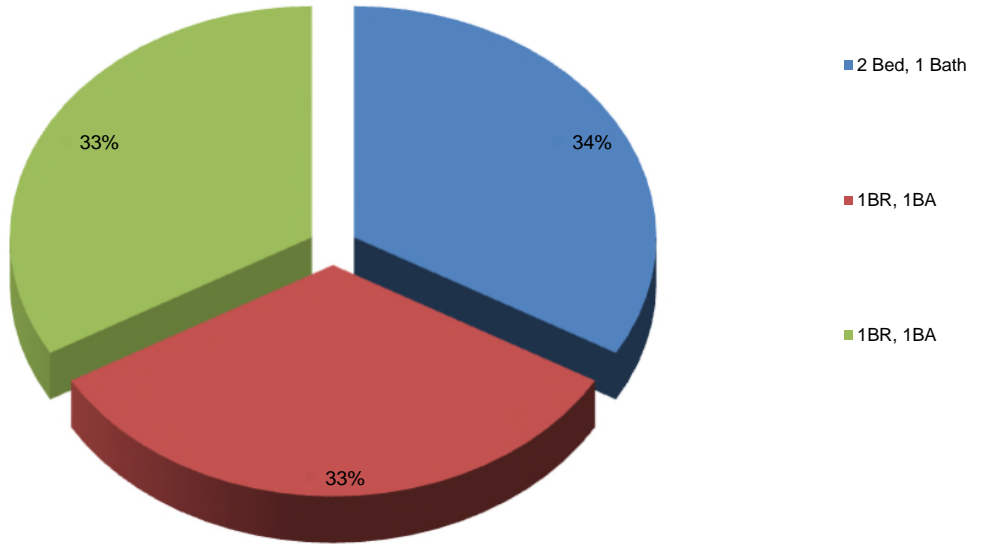
Rent Roll Summary



Sergio Altomare
267-225-4373

| Unit Description | Number of Units | Per unit Sq Ft | Total Sq Ft | Percent of Total | Monthly Rev/ Sq Ft | Rent Per Unit | Monthly Rent | Annual Rent |
|------------------|-----------------|----------------|-------------|------------------|--------------------|---------------|-----------------|------------------|
| 2 Bed, 1 Bath | 1 | | | | | \$ 995 | \$ 995 | \$ 11,940 |
| 1BR, 1BA | 1 | | | | | \$ 700 | \$ 700 | \$ 8,400 |
| 1BR, 1BA | 1 | | | | | \$ 725 | \$ 725 | \$ 8,700 |
| Totals | 3 | | | | | 2,420 | \$ 2,420 | \$ 29,040 |

Unit Mix



Annual Expenses



Sergio Altomare
267-225-4373

| Expense Description | Annual Amount | Annual Increase | Per Unit | Per Sq Ft | % of Expenses | % of Revenue |
|--|------------------|-----------------|-----------------|-----------|---------------|--------------|
| Commissions | 1,210 | 1.0% | 403.33 | | 8.0% | 4.3% |
| Insurance | 1,500 | 1.0% | 500.00 | | 9.9% | 5.3% |
| Landscaping | 600 | 1.0% | 200.00 | | 4.0% | 2.1% |
| Maintenance | 1,200 | 1.0% | 400.00 | | 7.9% | 4.3% |
| Management Fee | 1,972 | | 657.27 | | 13.0% | 7.0% |
| Property Taxes | 7,035 | 1.0% | 2,345.00 | | 46.3% | 25.0% |
| Water | 1,667 | 1.0% | 555.67 | | 11.0% | 5.9% |
| Total Annual Operating Expenses | \$ 15,184 | | \$ 5,061 | - | 100.0% | 53.9% |