3630 Bayside

3630 Bayside Ln, San Diego, CA 92109





For More Information

The Courtney Gabhart Group
619-725-3632

Curtis Gabhart
Senior VP & Principal



Investment Highlights

- Absolute Trophy Location!
- Steps to Ocean & Bay
- Contact Kevin Hemstreet 619-944-1455

Exclusive listing by:



2635 Camino del Rio S San Diego, CA 92108 www.acicommercial.com





Real Estate Investment Details	1
Property Description	2
Property Photos	3
Maps and Aerials	4
Executive Summary	6
Pro Forma Summary	7
Internal Rate of Return Analysis	8
Cash Flow Analysis	9
Cash In Cash Out	11
Annual Property Operating Data	15
Annual Property Operating Data per Sq. Ft	17
Detailed General Expenses	19
Property Resale Analysis	21
Financial Indicators	23
Loan Analysis	25
Investment Return Analysis	27
Cumulative Analysis	29
Property Equity Analysis	31
Equity vs. Debt	32
Cumulative Wealth Analysis	33
Operating Income Analysis	34
Gross Income Vs. Operating Expenses	35

Real Estate Investment Details



ANALYSIS

Analysis Date: September 2007

PROPERTY

Property: 3630 Bayside
Property Address: 3630 Bayside Ln

San Diego, CA 92109

PURCHASE INFORMATION

Property Type: Multi-Family
Purchase Price: \$2,495,000
Fair Market Value: \$2,495,000

Units: 11
Total Rentable Sq. Ft.: 0

Resale Valuation 6% (annual appreciation)

Resale Expenses: 0%

FINANCIAL INFORMATION

Down Payment: \$1,366,582

Passive Loss Rules: No Closing Costs: \$0 Discount Rate: 4%

LOANS

 Debt
 Term
 Rate
 Payment
 LO Costs

 Fixed
 \$1,128,418
 30 yrs
 5.75%
 \$6,585.14

INCOME & EXPENSES

Gross Operating Income: \$140,220
Monthly GOI: \$11,685
Total Annual Expenses: (\$45,394)
Monthly Expenses: (\$3,783)

CONTACT INFORMATION

Curtis Gabhart 619-725-3632

curtisgabhart@aciapartments.com

DISCLAIMER: All information is believed to be accurate.

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.



Curtis Gabhart 619-725-3632

Property Description

Mission Bay Park is San Diego's biggest playground. This water wonderland boasts 27 miles of shoreline, 19 miles of sandy beaches, free parking, great playgrounds, picnic sites, barbecues, and basketball and volleyball courts. Plus, it's minutes from the airport, Mission Valley, and downtown. Since the park covers over 4,000 acres



MISSION BEACH - 1 LOT FROM MISSION BAY! 3-story apartment building. SUMMER RENTAL possibilities which could give a Projected income of \$236,850 = 10.55 x Gross.

Call lead agent Kevin Hemstreet 619-944-1455 for details.

- **11 UNITS:**
- 4 studios
- 5 1-BR's
- 2 2-BR's/1.5 BA's
- 13 PARKING:
- 1 garage
- 8 carports
- 4 more additional spaces















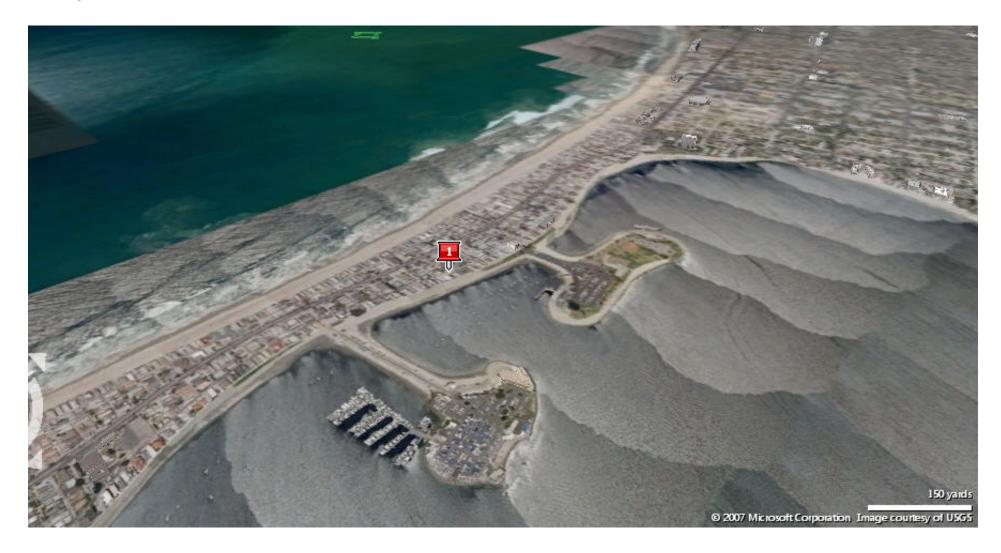






BUILDING YOUR WEALTH THROUG

3630 Bayside Ln San Diego, CA 92109



Executive Summary



3630 Bayside Ln San Diego, CA 92109

Curtis Gabhart 619-725-3632

Acquisition Costs

Purchase Price, Points and Closing	\$2,495,000
Investment - Cash	\$1,366,582
First Loan	\$1,128,418

INVESTMENT INFORMATION

Purchase Price	\$2,495,000
Price per Unit	\$226,818
Price per Sq.Ft.	NA
Income per Unit	\$13,418
Expenses per Unit	(\$4,127)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$147,600
Total Vacancy and Credits	(\$7,380)
Operating Expenses	(\$45,394)
Net Operating Income	\$94,826
Debt Service	(\$72,437)
Cash Flow Before Taxes	\$22,389
Total Interest (Debt Service)	(\$59,162)
Depreciation and Amortization	(\$66,022)

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	1.64%
Optimal Internal Rate of Return (yr 1)	12.41%
Debt Coverage Ratio	1.31
Capitalization Rate	3.80%
Gross Rent Multiplier	16.90
Gross Income / Rentable SF	\$0.00
Gross Expenses / Rentable SF	\$0.00
Operating Expense Ratio	32.37%



Curtis Gabhart 619-725-3632



UNIT MIX & ANNUAL SCHEDULED INCOME

Туре	Units	Actual	Total	Market	Total
Studio	4	\$10,800	\$43,200	\$14,400	\$57,600
1 Bed / 1 Bath	5	\$13,200	\$66,000	\$21,000	\$105,000
2 Bed / 1.5 Bath	2	\$19,200	\$38,400	\$30,000	\$60,000
TOTALS	11		\$147,600		\$222,600

INVESTMENT SUMMARY

Price:	\$2,495,000
Units:	11
Price/Unit:	\$226,818
RSF:	1
Price/RSF:	\$2,495,000.0
Cap Rate:	3.8%
Pro Forma Cap Rate:	6.66%

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$147,600	\$222,600
Less: Vacancy	(\$7,380)	(\$11,130)
Effective Gross Income	\$140,220	\$211,470
Less: Expenses	(\$45,394)	(\$45,394)
Net Operating Income	\$94,826	\$166,076
Debt Service	(\$72,437)	(\$72,437)
Net Cash Flow after Debt Service	\$22,389	\$93,639
Principal Reduction	\$13,275	\$13,275
Total Return	\$35,664	\$106,914

FINANCING SUMMARY

Loan Amount:	\$1,128,418
Down Payment:	\$1,366,582
Loan Type:	Fixed
Interest Rate:	5.75%
Term:	30 years
Monthly Payment	\$6 585 1 <i>4</i>

ANNUALIZED EXPENSES

Description	Actual	Market
Estimate	\$45,394	\$45,394
Total Expenses	\$45,394	\$45,394
Expenses Per RSF	\$45,394.00	\$45,394.00
Expenses Per Unit	\$4.127	\$4.127





Curtis Gabhart 619-725-3632

BEFORE TAX IRR

Time	Future Cash Flows		
Initial Investment	(\$1,366,582)		
End of Year 1	\$22,389	End of Year 11	\$75,440
End of Year 2	\$20,546	End of Year 12	\$83,163
End of Year 3	\$25,524	End of Year 13	\$91,272
End of Year 4	\$30,751	End of Year 14	\$99,787
End of Year 5	\$36,240	End of Year 15	\$108,727
End of Year 6	\$42,003	End of Year 16	\$118,115
End of Year 7	\$48,054	End of Year 17	\$127,972
End of Year 8	\$54,408	End of Year 18	\$138,321
End of Year 9	\$61,079	End of Year 19	\$149,188
End of Year 10	\$68,085	End of Year 20*	\$7,558,801

IRR = 10.94%

* (\$160,599 + \$7,398,202)

AFTER TAX IRR

Time	Future Cash Flows		
Initial Investment	(\$1,366,582)		
End of Year 1	\$22,389	End of Year 11	\$75,440
End of Year 2	\$20,546	End of Year 12	\$83,163
End of Year 3	\$25,524	End of Year 13	\$91,272
End of Year 4	\$30,751	End of Year 14	\$99,787
End of Year 5	\$36,240	End of Year 15	\$108,727
End of Year 6	\$42,003	End of Year 16	\$118,115
End of Year 7	\$48,054	End of Year 17	\$127,972
End of Year 8	\$54,408	End of Year 18	\$138,321
End of Year 9	\$61,079	End of Year 19	\$149,188
End of Year 10	\$68,085	End of Year 20*	\$7,215,730

IRR = 10.73%

* (\$160,599 + \$7,055,132)



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$147,600	\$154,980	\$162,729	\$170,865	\$179,409	\$188,379	\$197,798	\$207,688	\$218,072	\$228,976
Turnover Vacancy	(\$7,380)	(\$7,749)	(\$8,136)	(\$8,543)	(\$8,970)	(\$9,419)	(\$9,890)	(\$10,384)	(\$10,904)	(\$11,449)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
NET OPERATING INCOME	\$94,826	\$99,567	\$104,546	\$109,773	\$115,262	\$121,025	\$127,076	\$133,430	\$140,101	\$147,106
Loan Payment	(\$72,437)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)
Loan Fayment	(\$12,431)	(\$13,022)	(\$15,022)	(\$7.9,022)	(\$7.9,022)	(\$7.9,022)	(\$19,022)	(\$7.9,022)	(\$7.9,022)	(\$19,022)
NET CASH FLOW (b/t)	\$22,389	\$20,546	\$25,524	\$30,751	\$36,240	\$42,003	\$48,054	\$54,408	\$61,079	\$68,085
Cash On Cash Return b/t	1.64%	1.50%	1.87%	2.25%	2.65%	3.07%	3.52%	3.98%	4.47%	4.98%
NET OPERATING INCOME	\$94,826	\$99,567	\$104,546	\$109,773	\$115,262	\$121,025	\$127,076	\$133,430	\$140,101	\$147,106
Depreciation & Amortization	(\$66,022)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)
Loan Interest	(\$59,162)	(\$63,722)	(\$62,818)	(\$61,862)	(\$60,849)	(\$59,776)	(\$58,639)	(\$57,436)	(\$56,162)	(\$54,812)

Footnotes: b/t = before taxes; a/t = after taxes



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
GROSS SCHEDULED INCOME	\$240,425	\$252,446	\$265,068	\$278,322	\$292,238	\$306,850	\$322,192	\$338,302	\$355,217	\$372,978
Turnover Vacancy	(\$12,021)	(\$12,622)	(\$13,253)	(\$13,916)	(\$14,612)	(\$15,342)	(\$16,110)	(\$16,915)	(\$17,761)	(\$18,649)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
NET OPERATING INCOME	\$154,462	\$162,185	\$170,294	\$178,809	\$187,749	\$197,136	\$206,993	\$217,343	\$228,210	\$239,621
Loan Payment	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)	(\$79,022)
NET CASH FLOW (b/t)	\$75,440	\$83,163	\$91,272	\$99,787	\$108,727	\$118,115	\$127,972	\$138,321	\$149,188	\$160,599
Cash On Cash Return b/t	5.52%	6.09%	6.68%	7.30%	7.96%	8.64%	9.36%	10.12%	10.92%	11.75%
NET OPERATING INCOME	\$154,462	\$162,185	\$170,294	\$178,809	\$187,749	\$197,136	\$206,993	\$217,343	\$228,210	\$239,621
Depreciation & Amortization	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$68,902)	(\$66,022)
Loan Interest	(\$53,383)	(\$51,869)	(\$50,266)	(\$48,568)	(\$46,770)	(\$44,866)	(\$42,849)	(\$40,714)	(\$38,452)	(\$36,057)

Footnotes: b/t = before taxes; a/t = after taxes



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$147,600	\$154,980	\$162,729	\$170,865	\$179,409	\$188,379	\$197,798	\$207,688	\$218,072	\$228,976
GROSS SCHEDULED INCOME	\$147,600	\$154,980	\$162,729	\$170,865	\$179,409	\$188,379	\$197,798	\$207,688	\$218,072	\$228,976
Turnover Vacancy	(\$7,380)	(\$7,749)	(\$8,136)	(\$8,543)	(\$8,970)	(\$9,419)	(\$9,890)	(\$10,384)	(\$10,904)	(\$11,449)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$140,220	\$147,231	\$154,593	\$162,322	\$170,438	\$178,960	\$187,908	\$197,304	\$207,169	\$217,527
Expenses										
Estimate	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
TOTAL OPERATING EXPENSES	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
NET OPERATING INCOME	\$94,826	\$99,567	\$104,546	\$109,773	\$115,262	\$121,025	\$127,076	\$133,430	\$140,101	\$147,106
Debt Service										
Loan Interest	(\$59,162)	(\$63,722)	(\$62,818)	(\$61,862)	(\$60,849)	(\$59,776)	(\$58,639)	(\$57,436)	(\$56,162)	(\$54,812)
Principal Payments	(\$13,275)	(\$15,300)	(\$16,203)	(\$17,160)	(\$18,173)	(\$19,246)	(\$20,382)	(\$21,586)	(\$22,860)	(\$24,210)
NET CASH FLOW (b/t)	\$22,389	\$20,546	\$25,524	\$30,751	\$36,240	\$42,003	\$48,054	\$54,408	\$61,079	\$68,085
Cash Flow IRR	N/A	N/A	N/A	N/A	N/A	-30.85%	N/A	-18.96%	N/A	-11.38%
Projected Property Value	\$2,644,700	\$2,803,382	\$2,971,585	\$3,149,880	\$3,338,873	\$3,539,205	\$3,751,557	\$3,976,651	\$4,215,250	\$4,468,165



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Resale Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds b/f Debt Payoff	\$2,644,700	\$2,803,382	\$2,971,585	\$3,149,880	\$3,338,873	\$3,539,205	\$3,751,557	\$3,976,651	\$4,215,250	\$4,468,165
Loan Principal Balance	(\$1,115,143)	(\$1,099,843)	(\$1,083,640)	(\$1,066,480)	(\$1,048,307)	(\$1,029,061)	(\$1,008,679)	(\$987,093)	(\$964,233)	(\$940,024)
Net Proceeds From Sale	\$1,529,557	\$1,703,539	\$1,887,945	\$2,083,400	\$2,290,566	\$2,510,144	\$2,742,879	\$2,989,558	\$3,251,017	\$3,528,141
Net Resale IRR	13.56%	13.14%	12.87%	12.65%	12.46%	12.30%	12.14%	12.01%	11.88%	11.76%



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rental Income	\$240,425	\$252,446	\$265,068	\$278,322	\$292,238	\$306,850	\$322,192	\$338,302	\$355,217	\$372,978
GROSS SCHEDULED INCOME	\$240,425	\$252,446	\$265,068	\$278,322	\$292,238	\$306,850	\$322,192	\$338,302	\$355,217	\$372,978
Turnover Vacancy	(\$12,021)	(\$12,622)	(\$13,253)	(\$13,916)	(\$14,612)	(\$15,342)	(\$16,110)	(\$16,915)	(\$17,761)	(\$18,649)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$228,404	\$239,824	\$251,815	\$264,406	\$277,626	\$291,507	\$306,083	\$321,387	\$337,456	\$354,329
Expenses										
Estimate	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
TOTAL OPERATING EXPENSES	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
NET OPERATING INCOME	\$154,462	\$162,185	\$170,294	\$178,809	\$187,749	\$197,136	\$206,993	\$217,343	\$228,210	\$239,621
Debt Service										
Loan Interest	(\$53,383)	(\$51,869)	(\$50,266)	(\$48,568)	(\$46,770)	(\$44,866)	(\$42,849)	(\$40,714)	(\$38,452)	(\$36,057)
Principal Payments	(\$25,639)	(\$27,153)	(\$28,756)	(\$30,454)	(\$32,252)	(\$34,156)	(\$36,172)	(\$38,308)	(\$40,570)	(\$42,965)
NET CASH FLOW (b/t)	\$75,440	\$83,163	\$91,272	\$99,787	\$108,727	\$118,115	\$127,972	\$138,321	\$149,188	\$160,599
Cash Flow IRR	N/A	-6.28%	N/A	-2.70%	N/A	-0.10%	0.94%	1.85%	2.64%	3.34%
Projected Property Value	\$4,736,255	\$5,020,430	\$5,321,656	\$5,640,955	\$5,979,413	\$6,338,177	\$6,718,468	\$7,121,576	\$7,548,871	\$8,001,803



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Resale Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds b/f Debt Payoff	\$4,736,255	\$5,020,430	\$5,321,656	\$5,640,955	\$5,979,413	\$6,338,177	\$6,718,468	\$7,121,576	\$7,548,871	\$8,001,803
Loan Principal Balance	(\$914,385)	(\$887,232)	(\$858,476)	(\$828,022)	(\$795,771)	(\$761,615)	(\$725,443)	(\$687,135)	(\$646,565)	(\$603,601)
Net Proceeds From Sale	\$3,821,870	\$4,133,198	\$4,463,180	\$4,812,933	\$5,183,642	\$5,576,562	\$5,993,025	\$6,434,441	\$6,902,305	\$7,398,202
Net Resale IRR	11.65%	11.55%	11.46%	11.37%	11.29%	11.21%	11.14%	11.07%	11.00%	10.94%



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$147,600	\$154,980	\$162,729	\$170,865	\$179,409	\$188,379	\$197,798	\$207,688	\$218,072	\$228,976
GROSS SCHEDULED INCOME	\$147,600	\$154,980	\$162,729	\$170,865	\$179,409	\$188,379	\$197,798	\$207,688	\$218,072	\$228,976
Turnover Vacancy	(\$7,380)	(\$7,749)	(\$8,136)	(\$8,543)	(\$8,970)	(\$9,419)	(\$9,890)	(\$10,384)	(\$10,904)	(\$11,449)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$140,220	\$147,231	\$154,593	\$162,322	\$170,438	\$178,960	\$187,908	\$197,304	\$207,169	\$217,527
Expenses										
Estimate	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
TOTAL OPERATING EXPENSES	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
NET OPERATING INCOME	\$94,826	\$99,567	\$104,546	\$109,773	\$115,262	\$121,025	\$127,076	\$133,430	\$140,101	\$147,106



Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rental Income	\$240,425	\$252,446	\$265,068	\$278,322	\$292,238	\$306,850	\$322,192	\$338,302	\$355,217	\$372,978
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GROSS SCHEDULED INCOME	\$240,425	\$252,446	\$265,068	\$278,322	\$292,238	\$306,850	\$322,192	\$338,302	\$355,217	\$372,978
Turnover Vacancy	(\$12,021)	(\$12,622)	(\$13,253)	(\$13,916)	(\$14,612)	(\$15,342)	(\$16,110)	(\$16,915)	(\$17,761)	(\$18,649)
General Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$228,404	\$239,824	\$251,815	\$264,406	\$277,626	\$291,507	\$306,083	\$321,387	\$337,456	\$354,329
Evnences										
Expenses Estimate	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
Louinato	(4.0,0.1_)	(\$11,000)	(40.,02.,	(400,001)	(400,011)	(40.,01.)	(400,000)	(4.0.,0)	(4:00,=10)	(4111,100)
TOTAL OPERATING EXPENSES	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
NET OPERATING INCOME	\$154,462	\$162,185	\$170,294	\$178,809	\$187,749	\$197,136	\$206,993	\$217,343	\$228,210	\$239,621



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$147.600.00	\$154,980.00	\$162.729.00	\$170.865.45	\$179.408.72	\$188.379.16	\$197.798.12	\$207.688.02	\$218.072.42	\$228.976.04
Miscellaneous Income	\$0.00	\$0.00		\$0.00						\$0.00
	*	******	,	*	*****	*	*	,	*	*****
GROSS SCHEDULED INCOME	\$147,600.00	\$154,980.00	\$162,729.00	\$170,865.45	\$179,408.72	\$188,379.16	\$197,798.12	\$207,688.02	\$218,072.42	\$228,976.04
Turnover Vacancy	(\$7,380.00)	(\$7,749.00)	(\$8,136.45)	(\$8,543.27)	(\$8,970.44)	(\$9,418.96)	(\$9,889.91)	(\$10,384.40)	(\$10,903.62)	(\$11,448.80)
General Vacancy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSS OPERATING INCOME	\$140,220.00	\$147,231.00	\$154,592.55	\$162,322.18	\$170,438.29	\$178,960.20	\$187,908.21	\$197,303.62	\$207,168.80	\$217,527.24
Expenses										
Estimate	(\$45,394.00)	(\$47,663.70)	(\$50,046.89)	(\$52,549.23)	(\$55,176.69)	(\$57,935.53)	(\$60,832.30)	(\$63,873.92)	(\$67,067.61)	(\$70,420.99)
TOTAL OPERATING EXPENSES	(\$45,394.00)	(\$47,663.70)	(\$50,046.89)	(\$52,549.23)	(\$55,176.69)	(\$57,935.53)	(\$60,832.30)	(\$63,873.92)	(\$67,067.61)	(\$70,420.99)
NET OPERATING INCOME	* 04.000.00	* 00 507 00	\$404 F4F 67	\$400 770 OF	\$44E 004 00	\$404.004.00	\$4.07.07F.04	£400 400 70	\$4.40.404.40	*4.47.400.05
NET OPERATING INCOME	\$94,826.00	\$99,567.30	\$104,545.67	\$109,772.95	\$115,261.60	\$121,024.68	\$127,075.91	\$133,429.70	\$140,101.19	\$147,106.25



Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rental Income	\$240,424.85	\$252,446.09	\$265,068.39	\$278,321.81	\$292,237.90	\$306,849.80	\$322,192.29	\$338,301.90	\$355,217.00	\$372,977.85
Miscellaneous Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSS SCHEDULED INCOME	\$240,424.85	\$252,446.09	\$265,068.39	\$278,321.81	\$292,237.90	\$306,849.80	\$322,192.29	\$338,301.90	\$355,217.00	\$372,977.85
Turnover Vacancy	(\$12,021.24)	(\$12,622.30)	(\$13,253.42)	(\$13,916.09)	(\$14,611.90)	(\$15,342.49)	(\$16,109.61)	(\$16,915.10)	(\$17,760.85)	(\$18,648.89)
General Vacancy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSS OPERATING INCOME	\$228,403.60	\$239,823.78	\$251,814.97	\$264,405.72	\$277,626.01	\$291,507.31	\$306,082.67	\$321,386.81	\$337,456.15	\$354,328.96
Expenses										
Estimate	(\$73,942.04)	(\$77,639.14)	(\$81,521.10)	(\$85,597.16)	(\$89,877.02)	(\$94,370.87)	(\$99,089.41)	(\$104,043.88	(\$109,246.07	(\$114,708.38
TOTAL OPERATING EXPENSES	(\$73,942.04)	(\$77,639.14)	(\$81,521.10)	(\$85,597.16)	(\$89,877.02)	(\$94,370.87)	(\$99,089.41)	(\$104,043.88	(\$109,246.07	(\$114,708.38
NET OPERATING INCOME	\$154,461.56	\$162,184.64	\$170,293.87	\$178,808.57	\$187,748.99	\$197,136.44	\$206,993.27	\$217,342.93	\$228,210.08	\$239,620.58



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Expenses	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)
Estimate	(\$45,394)	(\$47,664)	(\$50,047)	(\$52,549)	(\$55,177)	(\$57,936)	(\$60,832)	(\$63,874)	(\$67,068)	(\$70,421)



Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Total Expenses	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)
Estimate	(\$73,942)	(\$77,639)	(\$81,521)	(\$85,597)	(\$89,877)	(\$94,371)	(\$99,089)	(\$104,044)	(\$109,246)	(\$114,708)



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Property Value	\$2,644,700	\$2,803,382	\$2,971,585	\$3,149,880	\$3,338,873	\$3,539,205	\$3,751,557	\$3,976,651	\$4,215,250	\$4,468,165
Resale Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds b/f Debt Payoff	\$2,644,700	\$2,803,382	\$2,971,585	\$3,149,880	\$3,338,873	\$3,539,205	\$3,751,557	\$3,976,651	\$4,215,250	\$4,468,165
Basis at Acquisition	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000
Depreciation	(\$63,141)	(\$132,044)	(\$200,946)	(\$269,848)	(\$338,750)	(\$407,652)	(\$476,555)	(\$545,457)	(\$614,359)	(\$683,261)
Adjusted Tax Basis	\$2,431,859	\$2,362,956	\$2,294,054	\$2,225,152	\$2,156,250	\$2,087,348	\$2,018,445	\$1,949,543	\$1,880,641	\$1,811,739
Resale Tax Gain (Loss)	\$212,841	\$440,426	\$677,531	\$924,728	\$1,182,623	\$1,451,858	\$1,733,112	\$2,027,108	\$2,334,609	\$2,656,426
Resale Tax Benefit (Cost)	(\$15,785)	(\$33,011)	(\$50,236)	(\$67,462)	(\$84,688)	(\$101,913)	(\$119,139)	(\$136,364)	(\$153,590)	(\$170,815)
Loan Principal Balance	(\$1,115,143)	(\$1,099,843)	(\$1,083,640)	(\$1,066,480)	(\$1,048,307)	(\$1,029,061)	(\$1,008,679)	(\$987,093)	(\$964,233)	(\$940,024)
Net Resale Proceeds	\$1,513,771	\$1,670,528	\$1,837,708	\$2,015,938	\$2,205,878	\$2,408,231	\$2,623,740	\$2,853,193	\$3,097,427	\$3,357,326
Resale Cap Rate	3.59%	3.55%	3.52%	3.48%	3.45%	3.42%	3.39%	3.36%	3.32%	3.29%

Footnotes: b/f = before



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Projected Property Value	\$4,736,255	\$5,020,430	\$5,321,656	\$5,640,955	\$5,979,413	\$6,338,177	\$6,718,468	\$7,121,576	\$7,548,871	\$8,001,803
Resale Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds b/f Debt Payoff	\$4,736,255	\$5,020,430	\$5,321,656	\$5,640,955	\$5,979,413	\$6,338,177	\$6,718,468	\$7,121,576	\$7,548,871	\$8,001,803
Basis at Acquisition	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000
Depreciation	(\$752,163)	(\$821,066)	(\$889,968)	(\$958,870)	(\$1,027,772)	(\$1,096,674)	(\$1,165,577)	(\$1,234,479)	(\$1,303,381)	(\$1,372,283)
Adjusted Tax Basis	\$1,742,837	\$1,673,934	\$1,605,032	\$1,536,130	\$1,467,228	\$1,398,326	\$1,329,423	\$1,260,521	\$1,191,619	\$1,122,717
Resale Tax Gain (Loss)	\$2,993,418	\$3,346,496	\$3,716,624	\$4,104,825	\$4,512,185	\$4,939,852	\$5,389,045	\$5,861,055	\$6,357,252	\$6,879,086
Resale Tax Benefit (Cost)	(\$188,041)	(\$205,266)	(\$222,492)	(\$239,718)	(\$256,943)	(\$274,169)	(\$291,394)	(\$308,620)	(\$325,845)	(\$343,071)
Loan Principal Balance	(\$914,385)	(\$887,232)	(\$858,476)	(\$828,022)	(\$795,771)	(\$761,615)	(\$725,443)	(\$687,135)	(\$646,565)	(\$603,601)
Net Resale Proceeds	\$3,633,830	\$3,927,932	\$4,240,688	\$4,573,216	\$4,926,699	\$5,302,394	\$5,701,631	\$6,125,822	\$6,576,460	\$7,055,132
Resale Cap Rate	3.26%	3.23%	3.20%	3.17%	3.14%	3.11%	3.08%	3.05%	3.02%	2.99%

Footnotes: b/f = before



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	17.92	18.09	18.26	18.43	18.61	18.79	18.97	19.15	19.33	19.51
Capitalization Rate	3.80%	3.99%	4.19%	4.40%	4.62%	4.85%	5.09%	5.35%	5.62%	5.90%
Cash On Cash Return b/t	1.64%	1.50%	1.87%	2.25%	2.65%	3.07%	3.52%	3.98%	4.47%	4.98%
Cash On Cash Return a/t	1.64%	1.50%	1.87%	2.25%	2.65%	3.07%	3.52%	3.98%	4.47%	4.98%
Debt Coverage Ratio	1.31	1.26	1.32	1.39	1.46	1.53	1.61	1.69	1.77	1.86
Gross Income per Sq. Ft.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expenses per Sq. Ft.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income Multiplier	27.89	28.16	28.42	28.69	28.97	29.24	29.52	29.80	30.09	30.37
Operating Expense Ratio	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%
Loan To Value Ratio	42.17%	39.23%	36.47%	33.86%	31.40%	29.08%	26.89%	24.82%	22.87%	21.04%

Footnotes: b/t = before taxes; a/t = after taxes



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rent Multiplier	19.70	19.89	20.08	20.27	20.46	20.66	20.85	21.05	21.25	21.45
Capitalization Rate	6.19%	6.50%	6.83%	7.17%	7.53%	7.90%	8.30%	8.71%	9.15%	9.60%
Cash On Cash Return b/t	5.52%	6.09%	6.68%	7.30%	7.96%	8.64%	9.36%	10.12%	10.92%	11.75%
Cash On Cash Return a/t	5.52%	6.09%	6.68%	7.30%	7.96%	8.64%	9.36%	10.12%	10.92%	11.75%
Debt Coverage Ratio	1.95	2.05	2.16	2.26	2.38	2.49	2.62	2.75	2.89	3.03
Gross Income per Sq. Ft.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expenses per Sq. Ft.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income Multiplier	30.66	30.96	31.25	31.55	31.85	32.15	32.46	32.77	33.08	33.39
Operating Expense Ratio	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%	32.37%
Loan To Value Ratio	19.31%	17.67%	16.13%	14.68%	13.31%	12.02%	10.80%	9.65%	8.57%	7.54%

Footnotes: b/t = before taxes; a/t = after taxes



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
LOAN 1										
Debt Service Analysis										
Principal Payments	\$13,275	\$15,300	\$16,203	\$17,160	\$18,173	\$19,246	\$20,382	\$21,586	\$22,860	\$24,21
Interest Payments	\$59,162	\$63,722	\$62,818	\$61,862	\$60,849	\$59,776	\$58,639	\$57,436	\$56,162	\$54,812
Total Debt Service	\$72,437	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022
Principal Balance Analysis										
Beginning Principal Balance	\$1,128,418	\$1,115,143	\$1,099,843	\$1,083,640	\$1,066,480	\$1,048,307	\$1,029,061	\$1,008,679	\$987,093	\$964,23
Principal Reductions	\$13,275	\$15,300	\$16,203	\$17,160	\$18,173	\$19,246	\$20,382	\$21,586	\$22,860	\$24,21
Ending Principal Balance	\$1,115,143	\$1,099,843	\$1,083,640	\$1,066,480	\$1,048,307	\$1,029,061	\$1,008,679	\$987,093	\$964,233	\$940,02



Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
LOAN 1										
Debt Service Analysis										
Principal Payments	\$25,639	\$27,153	\$28,756	\$30,454	\$32,252	\$34,156	\$36,172	\$38,308	\$40,570	\$42,965
Interest Payments	\$53,383	\$51,869	\$50,266	\$48,568	\$46,770	\$44,866	\$42,849	\$40,714	\$38,452	\$36,057
Total Debt Service	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022	\$79,022
Principal Balance Analysis										
Beginning Principal Balance	\$940,024	\$914,385	\$887,232	\$858,476	\$828,022	\$795,771	\$761,615	\$725,443	\$687,135	\$646,565
Principal Reductions	\$25,639	\$27,153	\$28,756	\$30,454	\$32,252	\$34,156	\$36,172	\$38,308	\$40,570	\$42,965
Ending Principal Balance	\$914,385	\$887,232	\$858,476	\$828,022	\$795,771	\$761,615	\$725,443	\$687,135	\$646,565	\$603,601



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CASH FLOW (a/t) - To Date	\$22,389	\$42,935	\$68,459	\$99,210	\$135,450	\$177,453	\$225,507	\$279,915	\$340,995	\$409,079
Net Resale Proceeds	\$1,513,771	\$1,670,528	\$1,837,708	\$2,015,938	\$2,205,878	\$2,408,231	\$2,623,740	\$2,853,193	\$3,097,427	\$3,357,326
Invested Capital	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)
Net Return on Investment	\$169,579	\$346,881	\$539,585	\$748,566	\$974,746	\$1,219,102	\$1,482,665	\$1,766,527	\$2,071,840	\$2,399,824
Internal Rate of Return	12.41%	12.06%	11.89%	11.76%	11.66%	11.56%	11.48%	11.40%	11.33%	11.26%
Modified IRR	12.41%	12.00%	11.78%	11.61%	11.46%	11.32%	11.20%	11.07%	10.96%	10.85%
NPV (cash flow + reversion)	\$110,496	\$218,439	\$330,349	\$446,151	\$565,776	\$689,161	\$816,245	\$946,974	\$1,081,298	\$1,219,172
PV (NOI + reversion)	\$2,634,160	\$2,775,119	\$2,917,903	\$3,062,540	\$3,209,056	\$3,357,479	\$3,507,836	\$3,660,157	\$3,814,469	\$3,970,802

Footnotes: a/t = after taxes; Modified IRR = Modified Internal Rate of Return; PV = Present Value; NPV = Net Present Value; NOI = Net Operating Income Reversion = Amount received from the resale; Net Return on Investment = Cash Flow (a/t To Date) + Net Proceeds from Resale - Invested Capital.



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
CASH FLOW (a/t) - To Date	\$484,519	\$567,682	\$658,954	\$758,741	\$867,469	\$985,583	\$1,113,555	\$1,251,876	\$1,401,065	\$1,561,663
Net Resale Proceeds	\$3,633,830	\$3,927,932	\$4,240,688	\$4,573,216	\$4,926,699	\$5,302,394	\$5,701,631	\$6,125,822	\$6,576,460	\$7,055,132
Invested Capital	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)
Net Return on Investment	\$2,751,767	\$3,129,032	\$3,533,061	\$3,965,375	\$4,427,585	\$4,921,395	\$5,448,604	\$6,011,116	\$6,610,943	\$7,250,213
Internal Rate of Return	11.19%	11.13%	11.08%	11.02%	10.97%	10.92%	10.87%	10.82%	10.78%	10.73%
Modified IRR	10.74%	10.64%	10.54%	10.45%	10.36%	10.27%	10.18%	10.10%	10.02%	9.94%
NPV (cash flow + reversion)	\$1,360,553	\$1,505,405	\$1,653,694	\$1,805,389	\$1,960,464	\$2,118,897	\$2,280,667	\$2,445,760	\$2,614,160	\$2,785,858
PV (NOI + reversion)	\$4,129,186	\$4,289,651	\$4,452,228	\$4,616,948	\$4,783,843	\$4,952,944	\$5,124,286	\$5,297,901	\$5,473,824	\$5,652,087

Footnotes: a/t = after taxes; Modified IRR = Modified Internal Rate of Return; PV = Present Value; NPV = Net Present Value; NOI = Net Operating Income Reversion = Amount received from the resale; Net Return on Investment = Cash Flow (a/t To Date) + Net Proceeds from Resale - Invested Capital.



Curtis Gabhart 619-725-3632

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity (appreciation)	\$149,700	\$308,382	\$476,585	\$654,880	\$843,873	\$1,044,205	\$1,256,557	\$1,481,651	\$1,720,250	\$1,973,16
Equity (loan reduction)	\$13,275	\$28,575	\$44,778	\$61,938	\$80,111	\$99,357	\$119,739	\$141,325	\$164,185	\$188,394
CASH FLOW (a/t)	\$22,389	\$42,935	\$68,459	\$99,210	\$135,450	\$177,453	\$225,507	\$279,915	\$340,995	\$409,079
Tax Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals - To Date	\$185,364	\$379,892	\$589,822	\$816,028	\$1,059,434	\$1,321,015	\$1,601,804	\$1,902,891	\$2,225,430	\$2,570,639
Invested Capital	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582
ROIC - To Date	13.56%	27.80%	43.16%	59.71%	77.52%	96.67%	117.21%	139.24%	162.85%	188.11%

Footnotes: a/t = after taxes; ROIC = Return On Invested Capital



Curtis Gabhart 619-725-3632

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Equity (appreciation)	\$2,241,255	\$2,525,430	\$2,826,656	\$3,145,955	\$3,484,413	\$3,843,177	\$4,223,468	\$4,626,576	\$5,053,871	\$5,506,803
Equity (loan reduction)	\$214,033	\$241,186	\$269,942	\$300,396	\$332,647	\$366,803	\$402,975	\$441,283	\$481,853	\$524,817
CASH FLOW (a/t)	\$484,519	\$567,682	\$658,954	\$758,741	\$867,469	\$985,583	\$1,113,555	\$1,251,876	\$1,401,065	\$1,561,663
Tax Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals - To Date	\$2,939,808	\$3,334,299	\$3,755,553	\$4,205,092	\$4,684,529	\$5,195,564	\$5,739,998	\$6,319,735	\$6,936,788	\$7,593,284
Invested Capital	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)	(\$1,366,582)
ROIC - To Date	215.12%	243.99%	274.81%	307.71%	342.79%	380.19%	420.03%	462.45%	507.60%	555.64%

Footnotes: a/t = after taxes; ROIC = Return On Invested Capital



