

Residential Investment Analysis

Property	Beds	Ba	Sq. Ft.
Indio, CA	3	2	2,181

	<u>Rate</u>	<u>Annual \$ Amt</u>
Purchase Price		\$140,000
Down Payment	20%	\$28,000
First Mortgage	80%	\$112,000
Term (Years)	30	
Interest Rate (Fixed)	5.25%	

Rent	\$1,450	
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Rental Income		
Potential Gross Annual Income	12	\$17,400
Less (-) Vacancy & Collection Loss	5%	(\$870)
Effective Gross Income		\$16,530

Operating Expenses (% of Effective Gross Income)	45%	(\$7,439)
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Net Operating Income (NOI)		\$9,092
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Annual Mortgage		(\$7,422)
Annual Cash Flow (Net Income)		\$1,670

Metrics		
Debt Service Coverage Ratio (NOI/Debt Service)*		(1.23)
Cash on Cash Return (Net Income/Down Payment)*		6%

* For an explanation of what these numbers mean, please see our Investment Presentation.