

Return on Equity Analysis (Refinance & Acquisition)

	Subject Property	Refinance Scenario #1 (Rate & Term)	Refinance Scenario #2 (Max Cash Out)	Refinance/Acquisition Property #2 Acquisition
Property Address	3338 Park View Blvd.			XY Street
City, State	Redondo Beach, CA. 90504			Torrance, CA.
Estimated Value (Real Estate Asset)	\$10,000,000	\$10,000,000	\$10,000,000	\$13,333,333
Existing Financing / Loan Amount	\$6,000,000	\$5,075,000	\$7,500,000	\$9,333,333
Cap Rate	5.72%	5.72%	5.72%	6.00%
Loan to Value %	60.00%	50.75%	75.00%	70%
Equity / Cash Down payment	\$4,000,000	\$4,925,000	\$2,500,000	\$4,000,000
Closing Costs / Rehab	N/A	\$0	\$0	\$0
Toal Equity / Capital Investment	\$4,000,000	\$4,925,000	\$2,500,000	\$4,000,000
% LTV Equity / % Total Capital	40.00%	49.25%	25.00%	30.00%
Interest Rate	6.250%	4.000%	5.500%	4.500%
Amortization	360	360	360	360
Net Operating Income	\$572,039	\$572,039	\$572,039	\$800,000
Debt Service	\$443,316	\$290,746	\$511,010	\$567,488
Pre-Tax Cash Flow	\$128,723	\$281,293	\$61,028	\$232,512
% ROE (cash on cash return)	3.22%	5.71%	2.44%	5.81%

<i>Principal Reduction</i>	\$70,307	\$87,746	\$98,510	\$147,488
<i>Depreciation</i>	\$225,000	\$225,000	\$225,000	\$0

	Comments
Subject Property:	
Refinance Scenario #1	
Refinance Scenario #2	
Refinance / Acquisition	