



Dinner Lake



**Leveraged Proforma      20.00%      Downpayment**

Property Info	
Purchase Price	\$ 168,000.00
Down Payment	\$ 33,600.00
Estimated Closing Costs	\$ 6,720.00
Rehab Expenses	\$ 5,880.00
Acquisition Fee	\$ 4,500.00
Short Term Reserves (*Admin only)	\$ 1,000.00
GRM Test	122

Total Property Investment	\$ 52,700.00
Long Term Pre Funded Reserves (*Admin only)	\$ 5,000.00
Leasing Fee & LLC Setup (*Admin only)	\$ 1,000.00
Year Built	2012
Square Feet	1302
Bedrooms	3
Bathrooms	2

Financed Income Breakdown	
Monthly Rent	\$ 1,375.00
Monthly Principal & Interest	\$ 742.16
Monthly Taxes	\$ 208.33
Monthly Insurance	\$ 54.17
PITI Monthly	\$ 1,004.66

Cash on Cash Returns	
2.53%	Client Average Cash on Cash 5 Year
2.80%	Client Average Cash on Cash 7 Year
3.07%	Client Average Cash on Cash 10 Year
Cap Rate	6.74%

Assumptions	
Down Payment	20.00%
Closing Costs	4.00%
Interest Rate	5.25%
Property Management Fee	8.00%
Vacancy/Repairs	10.00%
Annual Appreciation (YR 1-3)	9.00%
Annual Appreciation (YR 4+)	4.00%
Annual Rent Increase	2.50%
Closing Costs on Future Sale	7.50%

Proposed Appreciation Table			
1	\$ 168,000.00	\$ 15,120.00	
2	\$ 183,120.00	\$ 16,480.80	
3	\$ 199,600.80	\$ 17,964.07	
4	\$ 217,564.87	\$ 19,602.59	
5	\$ 226,267.47	\$ 9,050.70	
6	\$ 235,318.17	\$ 9,412.73	
7	\$ 244,730.89	\$ 9,789.24	
8	\$ 254,520.13	\$ 10,180.81	
9	\$ 264,700.93	\$ 10,588.04	

End of YEAR	Income								
	1	2	3	4	5	6	7	8	9
Gross Rent	\$ 16,500.00	\$ 16,912.50	\$ 17,335.31	\$ 17,768.70	\$ 18,212.91	\$ 18,668.24	\$ 19,134.94	\$ 19,613.31	\$ 20,103.65

	Expenses								
	1	2	3	4	5	6	7	8	9
Taxes	\$ 2,500.00	\$ 2,725.00	\$ 2,970.25	\$ 3,089.06	\$ 3,212.62	\$ 3,341.13	\$ 3,474.77	\$ 3,613.76	\$ 3,758.31
Insurance	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00
HOA	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00	\$ 450.00
Property Management	\$ 1,320.00	\$ 1,353.00	\$ 1,386.83	\$ 1,421.50	\$ 1,457.03	\$ 1,493.46	\$ 1,530.80	\$ 1,569.07	\$ 1,608.29
Vacancy/Repairs	\$ -	\$ 1,691.25	\$ 1,733.53	\$ 1,776.87	\$ 1,821.29	\$ 1,866.82	\$ 1,913.49	\$ 1,961.33	\$ 2,010.36
LLC Compliance Costs** (Admin Only)	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
Net Operating Income	\$ 11,330.00	\$ 9,793.25	\$ 9,894.71	\$ 10,131.27	\$ 10,371.97	\$ 10,616.83	\$ 10,865.88	\$ 11,119.15	\$ 11,376.68
Debt Maintenance: Annual Principal and Interest	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94	\$ 8,905.94

	Profits and Contingent Fees								
	1	2	3	4	5	6	7	8	9
Gross Profits	\$ 2,424.06	\$ 887.31	\$ 988.76	\$ 1,225.33	\$ 1,466.02	\$ 1,710.88	\$ 1,959.94	\$ 2,213.21	\$ 2,470.74
Monthly Gross Cash Flow	\$ 202.00	\$ 73.94	\$ 82.40	\$ 102.11	\$ 122.17	\$ 142.57	\$ 163.33	\$ 184.43	\$ 205.89
<b>Client Cash on Cash Return WITHOUT ADMIN</b>	<b>4.60%</b>	<b>1.68%</b>	<b>1.88%</b>	<b>2.33%</b>	<b>2.78%</b>	<b>3.25%</b>	<b>3.72%</b>	<b>4.20%</b>	<b>4.69%</b>
Owner Minimum Threshold Return (*Admin only)	4.00%								
Bedrock Administration Fee (*Admin only)	\$ 316.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105.21	\$ 362.74
Net Profits after Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner Performance Bonus (*Admin only)	80.00%								
Bedrock Performance Bonus (*Admin only)	20.00%								
Total Property Investment	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00	\$ 52,700.00
Owner Total Return	\$ 2,108.00	\$ 887.31	\$ 988.76	\$ 1,225.33	\$ 1,466.02	\$ 1,710.88	\$ 1,959.94	\$ 2,213.21	\$ 2,470.74
<b>Client Cash on Cash Return after ADMIN costs</b>	<b>4.00%</b>	<b>1.68%</b>	<b>1.88%</b>	<b>2.33%</b>	<b>2.78%</b>	<b>3.25%</b>	<b>3.72%</b>	<b>4.00%</b>	<b>4.00%</b>

	Other NON cash on cash sources of RETURNS								
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Principal Reduction Annual	\$ 1,989.12	\$ 2,083.20	\$ 2,190.72	\$ 2,298.24	\$ 2,405.76	\$ 2,513.28	\$ 2,620.80	\$ 2,728.32	\$ 2,835.84
Principal Reduction Cumulative	\$ 1,989.12	\$ 4,072.32	\$ 6,263.04	\$ 8,561.28	\$ 10,967.04	\$ 13,480.32	\$ 16,101.12	\$ 18,829.44	\$ 21,665.28
Principal Reduction ALONE Annual Expressed as ROI	3.77%	3.95%	4.16%	4.36%	4.57%	4.77%	4.97%	5.18%	5.38%
Cash on Cash + Principal Reduction	7.77%	5.64%	6.03%	6.69%	7.35%	8.02%	8.69%	9.38%	9.38%
Conservative Appreciation	3.00%								
Cash on Cash + Conservative Appreciation	10.77%	9.64%	10.15%	11.05%	11.95%	12.85%	13.75%	14.65%	14.65%
Proposed Appreciation	9.00%								
Cash on Cash + Proposed Appreciation	19.77%	18.64%	19.15%	20.05%	20.95%	21.85%	22.75%	23.65%	23.65%
Cumulative Equity Gain	\$ 15,120.00	\$ 31,600.80	\$ 49,564.87	\$ 58,267.47	\$ 67,318.17	\$ 76,730.89	\$ 86,520.13	\$ 96,700.93	\$ 107,288.97
Hypothetical Appreciation as ROI based on Property Investment	28.69%	31.27%	34.09%	36.51%	38.51%	40.11%	41.38%	42.33%	42.97%
Cumulative Equity Gain with Hypothetical Appreciation	\$ 15,120.00	\$ 31,600.80	\$ 49,564.87	\$ 58,267.47	\$ 67,318.17	\$ 76,730.89	\$ 86,520.13	\$ 96,700.93	\$ 107,288.97
Profit in Event of Sale with Hypothetical Appreciation	\$ (15,724.88)	\$ 1,603.06	\$ 20,410.55	\$ 30,758.69	\$ 41,536.34	\$ 52,756.40	\$ 64,432.24	\$ 76,577.80	\$ 89,207.58
Gain / Loss in Event of Sale	-29.84%	3.04%	38.73%	58.37%	78.82%	100.11%	122.26%	145.31%	169.27%
Cash on Cash + Principal Reduction+ Hypothetical Appreciation	36.47%	36.91%	40.12%	43.20%	45.87%	48.11%	49.97%	51.48%	52.65%
Depreciation / Tax Savings @ 28% Bracket	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44	\$ 1,368.44
Depreciation ROI	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Year over year Comprehensive Return = Cash on Cash + Principal Reduction + Proposed Appreciation + Depreciation	39.06%	39.51%	42.72%	45.80%	47.45%	48.75%	49.75%	50.48%	50.97%
All Returns	\$ 20,585.56	\$ 20,819.75	\$ 22,511.99	\$ 13,594.60	\$ 14,290.92	\$ 15,005.33	\$ 15,738.41	\$ 16,385.56	\$ 16,900.31
Cumulative Returns	\$ 20,585.56	\$ 41,405.30	\$ 63,917.29	\$ 77,511.89	\$ 91,802.81	\$ 106,808.14	\$ 122,546.55	\$ 138,932.11	\$ 155,832.43
Cumulative Comprehensive Return = Cash on Cash + Principal Reduction + Proposed Appreciation + Depreciation	39.06%	78.57%	121.29%	147.08%	174.20%	202.67%	232.54%	263.63%	295.70%

Glossary and Assumptions	
Appreciation	The Appreciation value is calculated cumulatively.
Appreciation ROI	Return as calculated from Appreciation to Total Property Investment
Cap Rate	Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price.
Cash on Cash Return	The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Property Investment (TPI)
Client Portfolio Bonus	(2-3 Houses = .5%) (4-5 Houses = 1%) (6+ Houses = 1.5%)
Closing Costs	Percentage of closing costs adjusts based on loan amount. 100-150K=4%, 150K-200K=3.5%, & over 200K=3%
Depreciation ROI	Return based on depreciation to property investment
Depreciation/Tax Savings	Assuming Average 28% tax bracket
Principal Reduction	The Principal Reduction is calculated cumulatively based off a 30 year amortization, fixed rate mortgage.
Profit on Sale	The Profit on Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting Loan Amount, TPI and Closing Costs on the Future Sale.
Return on Investment (ROI)	Return on Investment
Taxes	Taxes increase at same rate of property appreciation
Total Property Investment (TPI)	The Total Property Investment value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and the Prefunded Reserves/LLC Setup
Vacancies/Repairs	Vacancy/Repair expenses start in month 12 since the homes are typically rehabbed at the start of year 1.
(*Admin only)	These ONLY apply when client also hires Bedrock Property Administration LLC to provide day to day Business management services on property.
LLC Compliance Fees**	Registered Agent \$52.00 yr, Managed Reporting \$49.00, Annual Filing fee with state \$150.00 - 300.00 yr (dependent on state)