



# Shenandoah Townhomes

242 Shenandoah Place, Henderson, KY

Offering Memorandum



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# Property Overview

# ★ The Opportunity

VWREA is pleased to offer the Shenandoah Townhomes, an offering of 20 units in Henderson, KY. The unit mix consists of (1) 1-bedroom apartment units, (18) 2-bedroom units, and (1) 3-bedroom units.



20

# of units



1973/2026

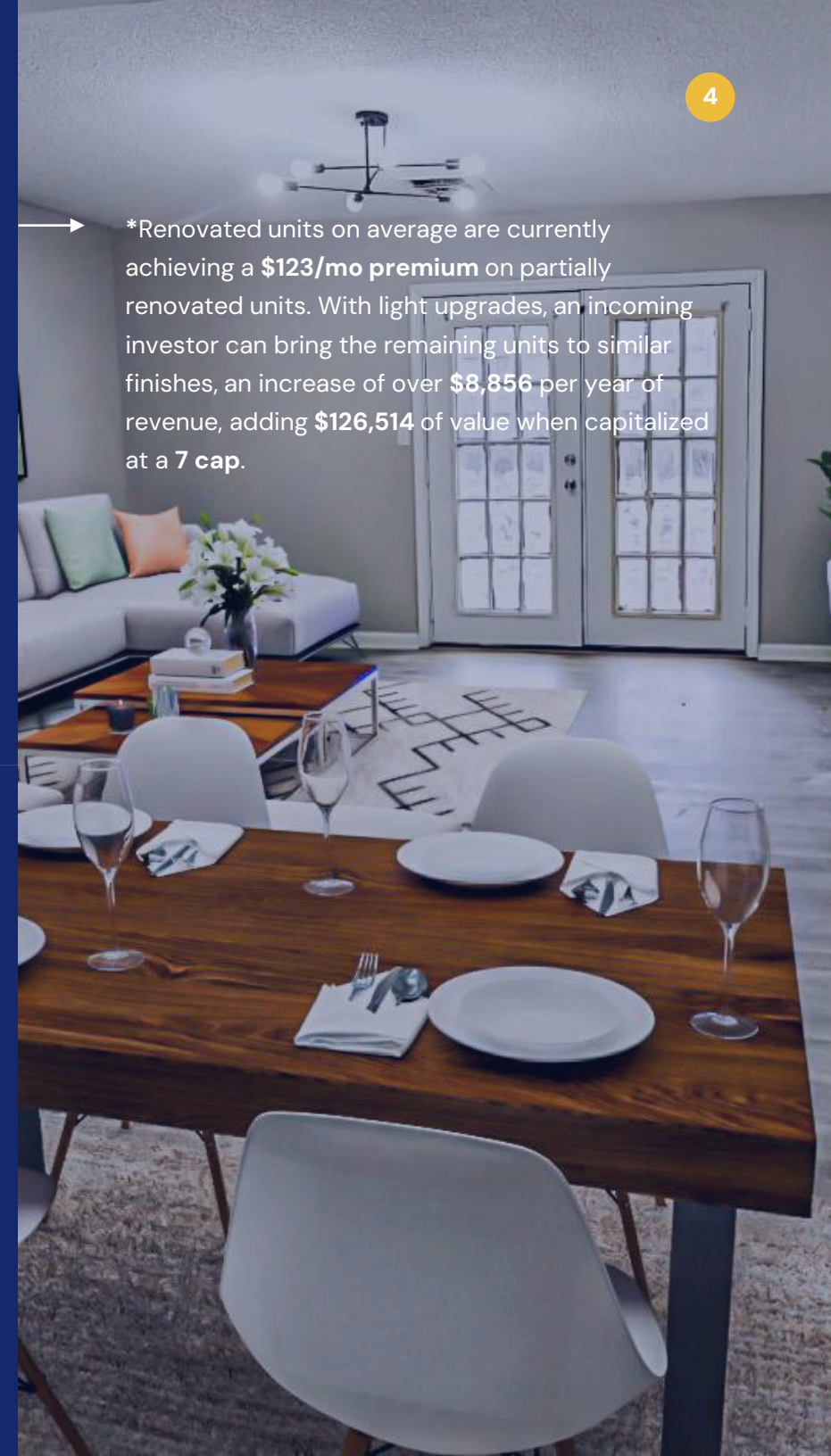
year built

## Prime Location

The Shenandoah Townhomes are near shopping, dining, and entertainment options alongside the Ohio River. Additionally, tenants benefit from being walking distance to the John James Audubon State Park that includes trailheads, pickleball courts, and the museum & nature center.

## Key City Investments

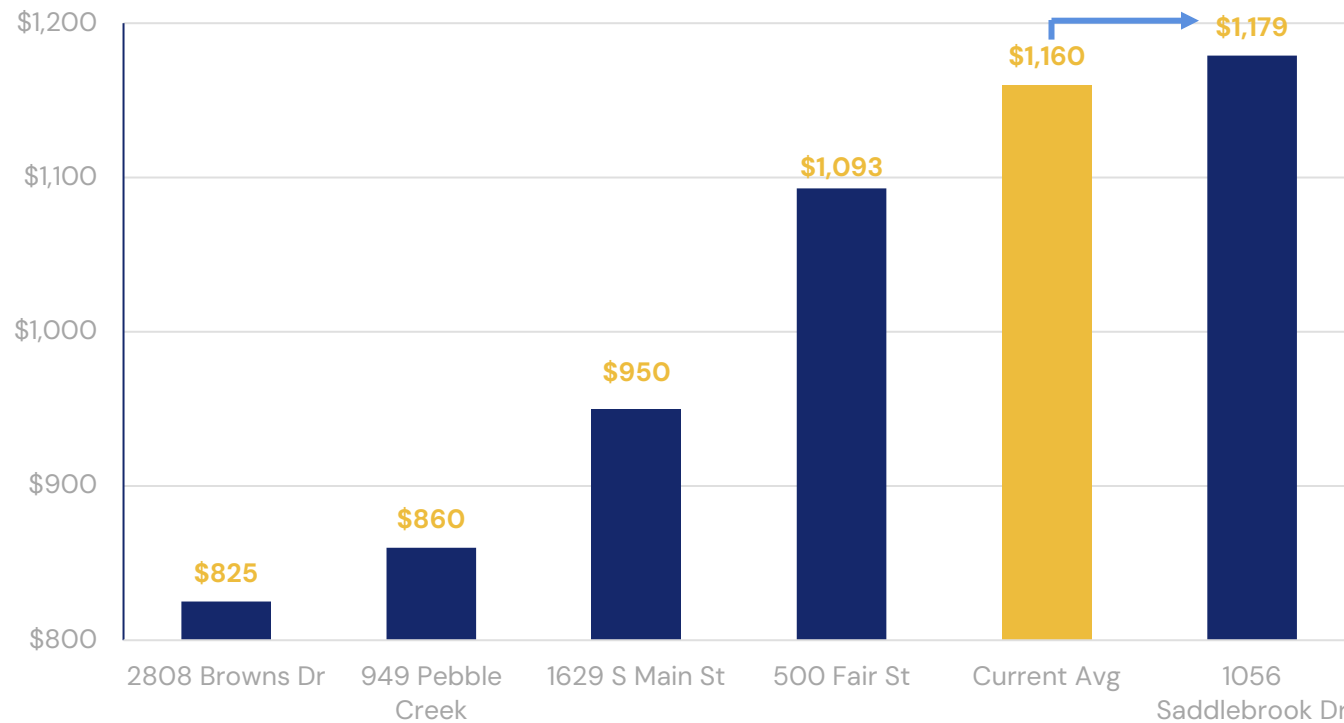
- **Tyson Foods**, invests \$23.5 million in Henderson, Ky facility retaining over 1,100 jobs
- **Gov. Beshear**, \$6 million approved for site and building development on 60 acres off 425 Bypass in Henderson, KY
- **Henderson Economic Development**, launched 2026–2031 Capital Campaign focused on business expansion and retention, workforce development and attraction. Already reached 85% of \$3 million goal.



→ \*Renovated units on average are currently achieving a **\$123/mo premium** on partially renovated units. With light upgrades, an incoming investor can bring the remaining units to similar finishes, an increase of over **\$8,856** per year of revenue, adding **\$126,514** of value when capitalized at a **7 cap**.

# Market Proven Rents

## 2 Bedroom Market Rent



→ In-place rents average \$1,160/mo, \$19 below the top of the market at \$1,179. Rents are already proven against the strongest comp in the submarket, providing an incoming investor with stable, in-place cash flow and income underwritten at levels the market has already demonstrated.



# \$600,000 Capex Spent

Over the past three years, ownership has invested **\$600,000** in capital improvements, completing the majority of the property's value-add work.

- 1

Full Kitchen Reno
- 3

Granite Countertops
- 2

Flooring, Fixtures, Upgrades
- 4

New Bathrooms

## Capital Improvements during ownership

| Improvements      | Detail                                          |
|-------------------|-------------------------------------------------|
| New Roof          | Building 252   242   262                        |
| Kitchen           | Flooring / Cabinets / Countertops / Appliances  |
| Duplex            | Renovation in Progress                          |
| Interiors         | LVP Flooring, Light Fixtures, Windows (Partial) |
| Exterior          | Foundation / Parking Lot / Landscaping          |
| Total \$ Invested | \$600,000+                                      |





## Suggested Unit Renovations

With a full renovation of the 14 units, and finishing the renovation for the 6 partially completed units, investors can capture a \$123 rental premium.

### Value-Add Summary

|                             |                 |
|-----------------------------|-----------------|
| Per Unit                    | \$15,000        |
| Rental Premium/Unit/Mo      | ~\$123          |
| Total Units Renovated       | 6               |
| Monthly Addition to Revenue | \$738           |
| Annual Addition to Revenue  | \$8,856         |
| <b>Renovation Budget</b>    | <b>\$90,000</b> |



#### 1 Full Kitchen Reno

#### 2 Flooring, Fixtures, Upgrades

#### 3 Granite Countertops

#### 4 New Bathrooms



**\$15,000** /unit  
Average Reno Cost

**\$123** /month  
Rental Premium

**9.84%**  
ROI



# Renovation Plan

VALUE-ADD



REHAB BUDGET  
**\$90,000**



UNITS RENOVATED  
**6 of 20**



ADDED ANNUAL REVENUE  
**\$8,856**



ROI  
**9.84%**

| Unit-by-Unit Plan |                     |          |              |                |              |          |
|-------------------|---------------------|----------|--------------|----------------|--------------|----------|
| Floor Plan        | Status              | Plan     | Current Rent | Projected Rent | Premium / Mo | Rehab \$ |
| 1 Bed-1 Bath      | Vacant (Renovating) | Renovate | \$1,000      | \$1,045        | +\$45        | \$15,000 |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,145      | \$1,195        | +\$50        | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,145      | \$1,195        | +\$50        | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,145      | \$1,195        | +\$50        | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,200      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | Renovate | \$1,045      | \$1,195        | +\$150       | \$15,000 |
| 2 Bed 1.5 Bath    | Occupied            | Renovate | \$1,045      | \$1,195        | +\$150       | \$15,000 |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,045      | \$1,195        | +\$150       | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,195      | \$1,195        | —            | —        |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,145      | \$1,195        | +\$50        | —        |
| 2 Bed 1.5 Bath    | Occupied            | Renovate | \$1,095      | \$1,195        | +\$100       | \$15,000 |
| 2 Bed 1.5 Bath    | Occupied            | As-is    | \$1,095      | \$1,195        | +\$100       | —        |
| 2 Bed 1.5 Bath    | Occupied            | Renovate | \$1,095      | \$1,195        | +\$100       | \$15,000 |
| 3 Bed-1.5 Bath    | Occupied            | As-is    | \$1,345      | \$1,345        | —            | —        |
| 3 Bed-2 Bath      | Vacant (Renovating) | Renovate | \$1,400      | \$1,345        | —            | \$15,000 |
| 6 units renovated |                     |          |              |                | +\$935       | \$90,000 |



### Newly Renovated Asset

Renovated in 2026, Shenandoah Place offers 20 units across four two-story buildings with an average unit size of  $\pm 1,195$  SF. Modern renovations limits near-term capital needs and positions the property well against older competing stock in Henderson, KY.

## PROPERTY

# Investment highlights



### Turn-Key Opportunity

All 20 units are well-maintained with minimal deferred maintenance, offering buyers a true turn-key investment. Investors can step directly into stable, in-place cash flow without the need for significant upfront capital expenditures.



### Prime Location: In Path of Growth

The property is located in Henderson, KY, a thriving Western Kentucky community just minutes from Evansville, IN. The area is experiencing significant residential and commercial development, placing the properties directly in the path of growth and supporting long-term rental demand.



### Location Overview

## ECONOMY

# Henderson in The News

Henderson and the surrounding region continue to benefit from significant economic development activity, supporting long-term population, employment, and housing demand.

➤ **Tyson Foods investing nearly \$23.5M in Henderson County**

Newkentuckyhome.ky.gov (June 2026)

➤ **Henderson to develop 35 acres of land into new retail district featuring restaurants, grocery stores, and hotels**

14news.com (March 2026)

➤ **Manufacturing company Project Press considering investing over 62M into existing Henderson County facility**

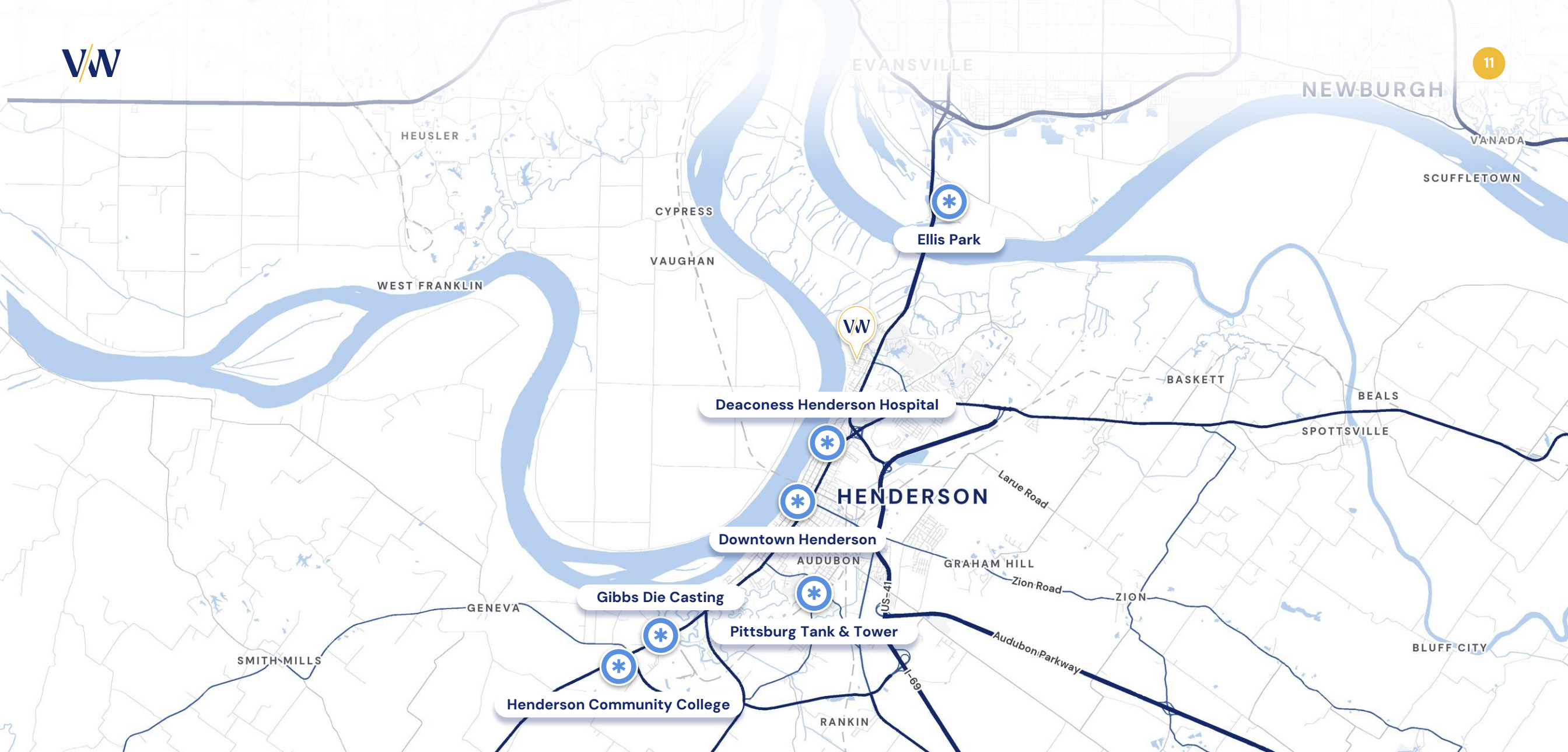
Wlos.com (Oct 2026)

➤ **Henderson County ramping up underground mine, expected to generate 300M while creating hundred of jobs**

Spectrumnews1.com (Feb 2026)

➤ **Site Development on 425 Bypass in Henderson Approved**

14news.com (Sept 2025)



**6** MIN Deaconess Henderson Hospital  
2.3 miles

**14** MIN Pittsburg Tank & Tower  
5.7 miles

**8** MIN Downtown Henderson  
3.3 miles

**15** MIN Gibbs Die Casting  
6.7 miles

**10** MIN Ellis Park Racing and Gaming  
4.2 miles

**16** MIN Henderson Community College  
7.7 miles

Property Location



Shenandoah Pl

Watson Ln

N Elm St

41

41



# Shenandoah Townhomes

|                   |                      |
|-------------------|----------------------|
| Property Address  | 242 Shenandoah Place |
| City, State, Zip  | Henderson, KY 42420  |
| County            | Henderson            |
| Year Built        | 1973 / 2026          |
| Property Type     | Market               |
| Number Of Units   | 20                   |
| Avg Unit Size     | ±1,195 SF            |
| Rentable SF       | ±23,900 SF           |
| Number of Parcels | 3                    |
| Lot Size          | ±1.45 AC             |
| # of Buildings    | 4                    |
| # of Stories      | 2                    |

## Amenities



Pet Friendly Community



Patio



Washer/Dryer Hookup



On-Site Parking

Gas

Tenant Paid

Electric

Tenant Paid

Water

Tenant Paid

Sewer

Tenant Paid

13





New Roofs

Exterior



New Parking Lot



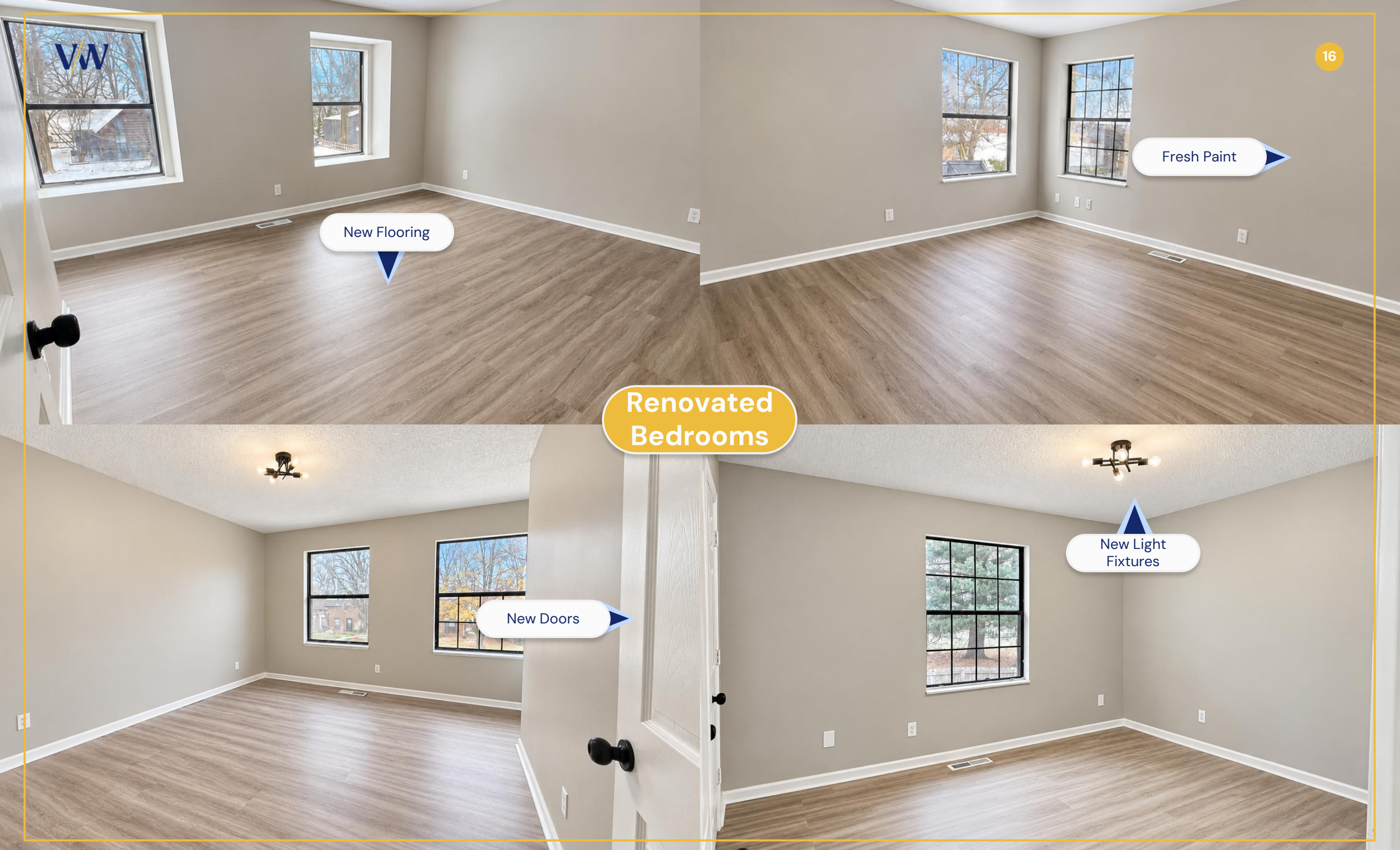
Stainless Steel Appliances

New Cabinets

## Renovated Kitchens

Granite Countertops

New Flooring



New Flooring

Fresh Paint

Renovated  
Bedrooms

New Doors

New Light  
Fixtures



New Flooring



New Vanities

## Renovated Bathrooms



New Mirrors





Interior  
Photos



Property Overview

**Local Competitors**

Financial Analysis

Part 2

# Local Competitors

Address

### Shenandoah

Subject Property



2 Bed | \$1,160/mo | 1,200 sf | \$0.97 RPSF

### 2808 Browns Dr



2 Bed | \$825/mo | 800 sf | \$1.03 RPSF

### 949 Pebble Creek



2 Bed | \$860/mo | 1,020 sf | \$0.84 RPSF

### 1056 Saddlebrook Dr



2 Bed | \$1,179/mo | 777 sf | \$1.52 RPSF

### Chapelwood Place Apartments



2 Bed | \$950/mo | 902 sf | \$1.05 RPSF

### 500 Fair St



2 Bed | \$1,093/mo | 700 sf | \$1.56 RPSF

Local Competitors

TWO BEDROOM

# Saddlebrook Apartments



YEAR BUILT

▶ 2005

UNITS

▶ 128

1056 Saddlebrook Dr, Henderson, KY 42420

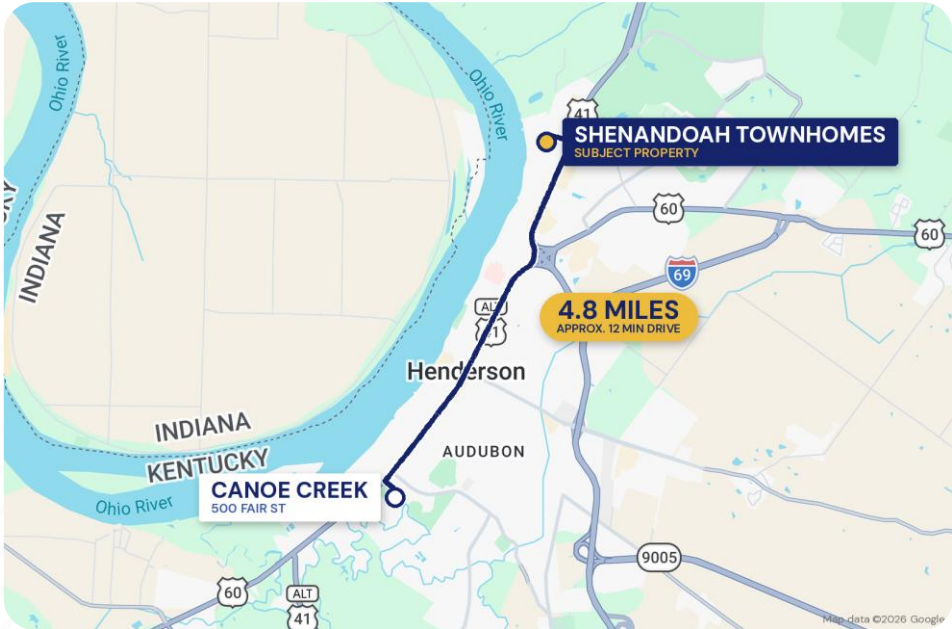
| Unit Type | # of Units | Unit SF | Rent    | Rent/SF |
|-----------|------------|---------|---------|---------|
| 1 Bed     | 33         | 645     | \$983   | \$1.52  |
| 2 Bed     | 56         | 777     | \$1,179 | \$1.52  |
| 3 Bed     | 33         | 1,201   | \$1,266 | \$1.05  |
| 4 Bed     | 6          | 1,517   | \$1,407 | \$0.93  |

UNIT FEATURES

- ▶ Swimming Pool & Sundeck Pavilion with Grilling Area
- Private Patio/Balcony
- W/D Connections
- Carports & Storage Units
- Playground
- WiFi Lounge & Coffee Bar



# Canoe Creek Apartments



## UNIT FEATURES

- All Utilities Included
- Renovated Units
- Hardwood-Style Flooring
- Clubhouse & Multi-Use Room
- Pet Play Area & Wash Station
- Picnic Area with Pergola
- 24-Hour Laundry Facilities



## YEAR BUILT

1973

## UNITS

121

500 Fair St, Henderson, KY 42420

| Unit Type | # of Units | Unit SF | Rent    | Rent/SF |
|-----------|------------|---------|---------|---------|
| 1 Bed     | 37         | 630     | \$937   | \$1.49  |
| 2 Bed     | 60         | 700     | \$1,093 | \$1.56  |
| 3 Bed     | 24         | 850     | \$1,237 | \$1.46  |



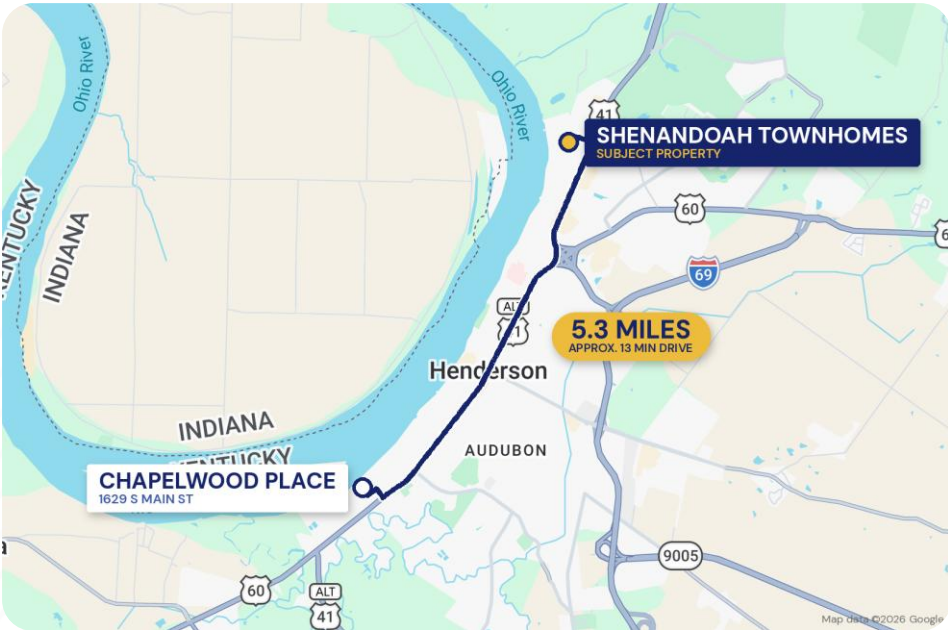
YEAR BUILT      UNITS  
▶ 1978      ▶ 160

1629 S Main St, Henderson, KY 42420

| Unit Type | # of Units | Unit SF | Rent  | Rent/SF |
|-----------|------------|---------|-------|---------|
| 1 Bed     | 84         | 779     | \$855 | \$1.10  |
| 2 Bed     | 76         | 902     | \$950 | \$1.05  |

UNIT FEATURES

- ▶ Swimming Pool
- Patio/Balcony
- W/D Hookups (2 Bed)
- Walk-In Closets (select)
- Stainless Appliances (select)
- River Views (Townhomes)
- Water, Sewer & Trash Included



Property Overview

Local Competitors

Financial Analysis

Part 3

# Financial Analysis

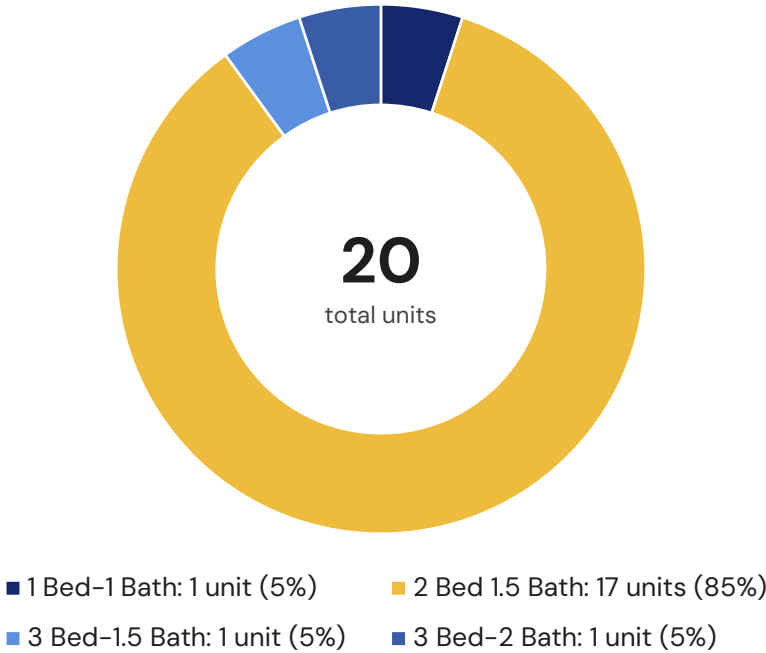
An aerial night photograph of a city square. In the center is a large, ornate building with a prominent blue dome and arched windows, illuminated from within. To its right stands a tall, modern skyscraper with many lit windows. The square is surrounded by trees and a paved area with some streetlights. In the foreground, a multi-lane road shows light trails from moving vehicles. The sky is a deep blue, suggesting dusk or dawn.

# Rent Roll Summary

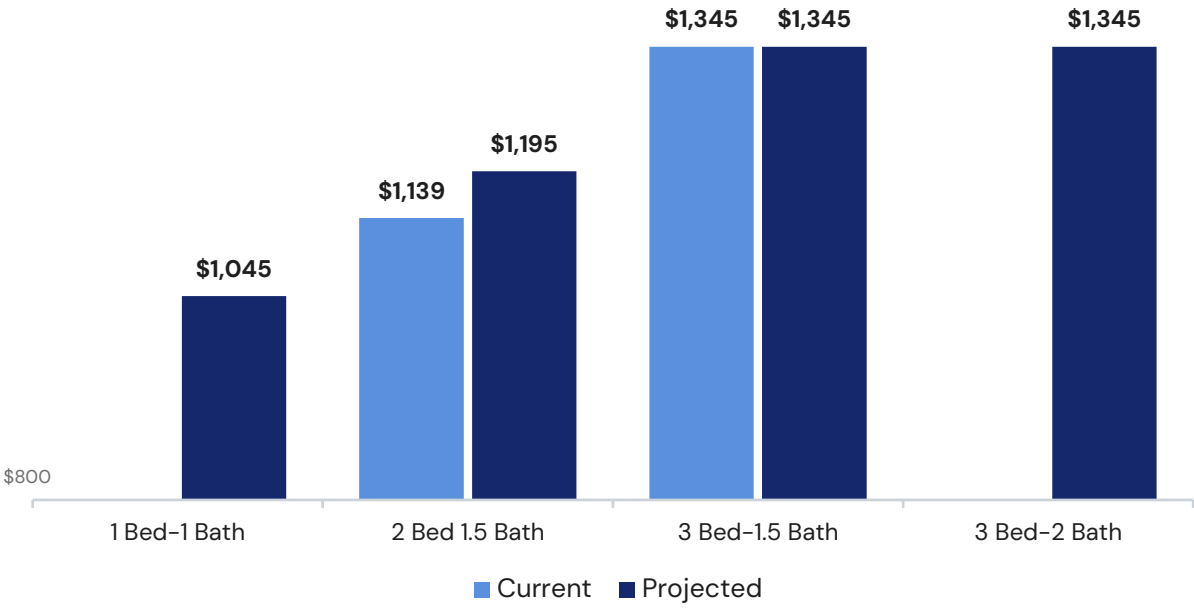
MONTHLY RENT

| Unit Description |      | Unit Details |     |          |            | Current Rent |        | Projected Rent |        |
|------------------|------|--------------|-----|----------|------------|--------------|--------|----------------|--------|
| Floor Plan       | #BR  | Unit sf      | %   | # Units  | # Vacant   | per unit     | psf    | per unit       | psf    |
| 1 Bed-1 Bath     | 1 BR | 1,000 sf     | 5%  | 1 unit   | Renovating | –            | –      | \$1,045        | \$1.04 |
| 2 Bed 1.5 Bath   | 2 BR | 1,194 sf     | 85% | 17 units | –          | \$1,139      | \$0.95 | \$1,195        | \$1.00 |
| 3 Bed-1.5 Bath   | 3 BR | 1,200 sf     | 5%  | 1 unit   | –          | \$1,345      | \$1.12 | \$1,345        | \$1.12 |
| 3 Bed-2 Bath     | 3 BR | 1,400 sf     | 5%  | 1 unit   | Renovating | –            | –      | \$1,345        | \$0.96 |
| Total            |      | 23,900 sf    |     | 20 units | 2 units    | \$20,715     |        | \$24,050       |        |
| Weighted Average |      | 1,195 sf     |     |          |            | \$1,151      | \$0.96 | \$1,202        | \$1.01 |

Unit Mix



Monthly Rent by Unit Type





# Rent Roll Detail

MONTHLY RENT

| Unit Description |      | Unit Details |          |                     | Current Rent |        | Projected Rent |        | Upside      |
|------------------|------|--------------|----------|---------------------|--------------|--------|----------------|--------|-------------|
| Floor Plan       | #BR  | Unit sf      | # Units  | Status              | per unit     | psf    | per unit       | psf    | Rent Upside |
| 1 Bed-1 Bath     | 1 BR | 1,000 sf     | 1 unit   | Vacant (Renovating) | –            | –      | \$1,045        | \$1.04 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,145      | \$0.88 | \$1,195        | \$0.92 | +\$50       |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,145      | \$0.88 | \$1,195        | \$0.92 | +\$50       |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,145      | \$0.88 | \$1,195        | \$0.92 | +\$50       |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,195      | \$0.92 | \$1,195        | \$0.92 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,195      | \$0.92 | \$1,195        | \$0.92 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,195      | \$0.92 | \$1,195        | \$0.92 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,200      | \$0.92 | \$1,195        | \$0.92 | –\$5        |
| 2 Bed 1.5 Bath   | 2 BR | 1,300 sf     | 1 unit   | Occupied            | \$1,195      | \$0.92 | \$1,195        | \$0.92 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,045      | \$0.95 | \$1,195        | \$1.09 | +\$150      |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,045      | \$0.95 | \$1,195        | \$1.09 | +\$150      |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,045      | \$0.95 | \$1,195        | \$1.09 | +\$150      |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,195      | \$1.09 | \$1,195        | \$1.09 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,195      | \$1.09 | \$1,195        | \$1.09 | –           |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,145      | \$1.04 | \$1,195        | \$1.09 | +\$50       |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,095      | \$1.00 | \$1,195        | \$1.09 | +\$100      |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,095      | \$1.00 | \$1,195        | \$1.09 | +\$100      |
| 2 Bed 1.5 Bath   | 2 BR | 1,100 sf     | 1 unit   | Occupied            | \$1,095      | \$1.00 | \$1,195        | \$1.09 | +\$100      |
| 3 Bed-1.5 Bath   | 3 BR | 1,200 sf     | 1 unit   | Occupied            | \$1,345      | \$1.12 | \$1,345        | \$1.12 | –           |
| 3 Bed-2 Bath     | 3 BR | 1,400 sf     | 1 unit   | Vacant (Renovating) | –            | –      | \$1,345        | \$0.96 | –           |
| Total            |      | 23,900 sf    | 20 units | 2 vacant            | \$20,715     | \$0.96 | \$24,050       | \$1.01 | +\$945      |
| Weighted Average |      | 1,195 sf     |          |                     | \$1,151      | \$0.96 | \$1,202        | \$1.01 | +\$52       |

# Profit and Loss

TRAILING VS. PRO FORMA

|                                |                    |      |               |                | Renovate 3 remaining units |               |                | Stabilize       |               |                |                 |               |                |
|--------------------------------|--------------------|------|---------------|----------------|----------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|---------------|----------------|
| Gross Income                   | Current (Trailing) |      |               |                | Year 1                     |               |                | Year 2          |               |                | Year 3          |               |                |
|                                | Total \$           | Note | % GSR         | \$/Unit        | \$                         | % GSR         | \$/Unit        | \$              | % GSR         | \$/Unit        | \$              | % GSR         | \$/Unit        |
| <b>Gross Scheduled Rent</b>    | <b>277,380</b>     |      |               | <b>13,869</b>  | <b>288,600</b>             |               | <b>14,430</b>  | <b>294,372</b>  |               | <b>14,719</b>  | <b>300,259</b>  |               | <b>15,013</b>  |
| Less: Economic Loss            | (54,981)           |      | 19.82%        | (2,749)        | (23,088)                   | 8.00%         | (1,154)        | (23,550)        | 8.00%         | (1,177)        | (24,021)        | 8.00%         | (1,201)        |
| Less: Bad Debt                 | –                  |      | –             | –              | (5,772)                    | 2.00%         | (289)          | (5,887)         | 2.00%         | (294)          | (6,005)         | 2.00%         | (300)          |
| <b>Total Economic Loss</b>     | <b>(54,981)</b>    |      | <b>19.82%</b> | <b>(2,749)</b> | <b>(28,860)</b>            | <b>10.00%</b> | <b>(1,443)</b> | <b>(29,437)</b> | <b>10.00%</b> | <b>(1,472)</b> | <b>(30,026)</b> | <b>10.00%</b> | <b>(1,501)</b> |
| <b>Effective Rental Income</b> | <b>222,399</b>     |      |               | <b>11,120</b>  | <b>265,512</b>             |               | <b>13,276</b>  | <b>270,822</b>  |               | <b>13,541</b>  | <b>276,239</b>  |               | <b>13,812</b>  |
| Other Income <sup>1</sup>      | 11,120             |      | 4.01%         | 556            | 9,293                      | 3.22%         | 465            | 9,479           | 3.22%         | 474            | 9,668           | 3.22%         | 483            |
| <b>Effective Gross Income</b>  | <b>233,519</b>     |      |               | <b>11,676</b>  | <b>274,805</b>             |               | <b>13,740</b>  | <b>280,301</b>  |               | <b>14,015</b>  | <b>285,907</b>  |               | <b>14,295</b>  |

| Expense                            | Current (Trailing) |         |               |              | Year 1         |               |              | Year 2         |               |              | Year 3         |               |              |
|------------------------------------|--------------------|---------|---------------|--------------|----------------|---------------|--------------|----------------|---------------|--------------|----------------|---------------|--------------|
|                                    | Total \$           | Note    | % EGI         | \$/Unit      | \$             | % EGI         | \$/Unit      | \$             | % EGI         | \$/Unit      | \$             | % EGI         | \$/Unit      |
| Tax <sup>2</sup>                   | 20,947             | Auditor | 8.97%         | 1,047        | 32,413         | 11.79%        | 1,621        | 33,061         | 11.79%        | 1,653        | 33,722         | 11.79%        | 1,686        |
| Insurance                          | 16,489             | T12     | 7.06%         | 824          | 16,819         | 6.12%         | 841          | 17,155         | 6.12%         | 858          | 17,498         | 6.12%         | 875          |
| Utilities <sup>3</sup>             | 360                | T12     | 0.15%         | 18           | 367            | 0.13%         | 18           | 375            | 0.13%         | 19           | 382            | 0.13%         | 19           |
| Landscaping                        | 3,293              | T12     | 1.41%         | 165          | 3,000          | 1.09%         | 150          | 3,060          | 1.09%         | 153          | 3,121          | 1.09%         | 156          |
| Repairs & Maintenance <sup>4</sup> | 14,482             | T-12    | 6.20%         | 724          | 13,000         | 4.73%         | 650          | 13,260         | 4.73%         | 663          | 13,525         | 4.73%         | 676          |
| Pest <sup>5</sup>                  | 3,800              | T12     | 1.63%         | 190          | 700            | 0.25%         | 35           | 714            | 0.25%         | 36           | 728            | 0.25%         | 36           |
| Marketing <sup>6</sup>             | 1,500              | Added   | 0.64%         | 75           | 1,530          | 0.56%         | 76           | 1,561          | 0.56%         | 78           | 1,592          | 0.56%         | 80           |
| General & Administration           | 2,971              | T12     | 1.27%         | 149          | 2,500          | 0.91%         | 125          | 2,550          | 0.91%         | 128          | 2,601          | 0.91%         | 130          |
| Management Fee <sup>7</sup>        | 22,332             | T12     | 9.56%         | 1,117        | 21,984         | 8.00%         | 1,099        | 22,424         | 8.00%         | 1,121        | 22,873         | 8.00%         | 1,144        |
| <b>Total Expenses</b>              | <b>86,174</b>      |         | <b>36.90%</b> | <b>4,309</b> | <b>92,313</b>  | <b>33.59%</b> | <b>4,616</b> | <b>94,159</b>  | <b>33.59%</b> | <b>4,708</b> | <b>96,043</b>  | <b>33.59%</b> | <b>4,802</b> |
| <b>Net Operating Income</b>        | <b>147,345</b>     |         | <b>63.10%</b> | <b>7,367</b> | <b>182,492</b> | <b>66.41%</b> | <b>9,125</b> | <b>186,142</b> | <b>66.41%</b> | <b>9,307</b> | <b>189,864</b> | <b>66.41%</b> | <b>9,493</b> |

Numbered references are detailed in the Underwriting Notes on the Underwriting Assumptions page.

# Underwriting Assumptions

| Tax Summary                 |             |          |  |
|-----------------------------|-------------|----------|--|
| Taxes Payable (Current)     |             | \$20,947 |  |
| Assessed Value              | \$1,330,000 |          |  |
| Tax Rate                    | 1.57%       |          |  |
| % Reassessment              | 2%          |          |  |
| Estimated Sale Price        | \$2,058,000 |          |  |
| Est. Tax Payable After Sale | \$511       |          |  |

| Tax Detail | Assessed    | Tax Bill | Tax Rate |
|------------|-------------|----------|----------|
| Property   | \$1,330,000 | \$20,947 | 1.57%    |

| General                |           |
|------------------------|-----------|
| Analysis Period        | 10 Years  |
| Economic Loss (Yr 1–3) | 8.0%      |
| Terminal Cap Rate      | 7.00%     |
| Cost of Sale           | 6.00%     |
| Total Cash Invested    | \$644,400 |

UNDERWRITING NOTES

- 1. Reduced to 3.5% of EGI Y1.
- 2. Taxes assessed 80% of value.
- 3. \$30 Common Area Lights
- 4. All units renovated, so reduce RM down.
- 5. Reduce to Market Norms Year 1.
- 6. Added Marketing
- 7. Adjusted Management Fee Down to 8% Year 1.

| Growth Rate Projections | Year 1       | Year 2 | Year 3 | Years 4–10 |
|-------------------------|--------------|--------|--------|------------|
| annual change           | vs. trailing |        |        | per year   |

| Income                  |        |      |      |      |
|-------------------------|--------|------|------|------|
| Gross Scheduled Rent    | 4.0%   | 2.0% | 2.0% | 2.0% |
| Effective Rental Income | 19.4%  | 2.0% | 2.0% | –    |
| Other Income            | –16.4% | 2.0% | 2.0% | –    |
| Effective Gross Income  | 17.7%  | 2.0% | 2.0% | –    |

| Expense                  |        |      |      |      |
|--------------------------|--------|------|------|------|
| Tax                      | 54.7%  | 2.0% | 2.0% | 2.0% |
| Insurance                | 2.0%   | 2.0% | 2.0% | 2.0% |
| Utilities                | 2.0%   | 2.0% | 2.0% | 2.0% |
| Landscaping              | –8.9%  | 2.0% | 2.0% | 2.0% |
| Repairs & Maintenance    | –10.2% | 2.0% | 2.0% | 2.0% |
| Pest                     | –81.6% | 2.0% | 2.0% | 2.0% |
| Marketing                | 2.0%   | 2.0% | 2.0% | 2.0% |
| General & Administration | –15.8% | 2.0% | 2.0% | 2.0% |
| Management Fee           | –1.6%  | 2.0% | 2.0% | –    |
| Total Expenses           | 7.1%   | 2.0% | 2.0% | –    |
| Net Operating Income     | 23.9%  | 2.0% | 2.0% | –    |

10-Year Cash Flow

ANNUAL

| Income                  | Current   | Year 1    | Year 2    | Year 3    | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Gross Scheduled Rent    | 277,380   | 288,600   | 294,372   | 300,259   | 306,265   | 312,390   | 318,638   | 325,010   | 331,511   | 338,141   | 344,904   |
| Less: Economic Loss     | (54,981)  | (23,088)  | (23,550)  | (24,021)  | (24,501)  | (24,991)  | (25,491)  | (26,001)  | (26,521)  | (27,051)  | (27,592)  |
| Less: Bad Debt          | –         | (5,772)   | (5,887)   | (6,005)   | (6,125)   | (6,248)   | (6,373)   | (6,500)   | (6,630)   | (6,763)   | (6,898)   |
| Effective Rental Income | 222,399   | 265,512   | 270,822   | 276,239   | 275,638   | 281,151   | 286,774   | 292,509   | 298,360   | 304,327   | 310,413   |
| Add: Other Income       | 11,120    | 9,293     | 9,479     | 9,668     | 9,647     | 9,840     | 10,037    | 10,238    | 10,443    | 10,651    | 10,864    |
| Effective Gross Income  | 233,519   | 274,805   | 280,301   | 285,907   | 285,286   | 290,991   | 296,811   | 302,747   | 308,802   | 314,978   | 321,278   |
| Expense                 | Current   | Year 1    | Year 2    | Year 3    | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   |
| Tax                     | 20,947    | 32,413    | 33,061    | 33,722    | 34,397    | 35,085    | 35,786    | 36,502    | 37,232    | 37,977    | 38,736    |
| Insurance               | 16,489    | 16,819    | 17,155    | 17,498    | 17,848    | 18,205    | 18,569    | 18,941    | 19,319    | 19,706    | 20,100    |
| Controllable Expenses   | 48,738    | 43,082    | 43,943    | 44,822    | 45,211    | 46,116    | 47,038    | 47,979    | 48,938    | 49,917    | 50,915    |
| Total Expenses          | 86,174    | 92,313    | 94,159    | 96,043    | 97,456    | 99,405    | 101,393   | 103,421   | 105,490   | 107,600   | 109,752   |
| Net Operating Income    | 147,345   | 182,492   | 186,142   | 189,864   | 187,829   | 191,586   | 195,418   | 199,326   | 203,312   | 207,379   | 211,526   |
| Debt Service            | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   | 121,829   |
| Cash Flow               | 25,516    | 60,663    | 64,313    | 68,036    | 66,000    | 69,757    | 73,589    | 77,497    | 81,483    | 85,550    | 89,697    |
| Cash-on-Cash Return     | 3.96%     | 9.41%     | 9.98%     | 10.56%    | 10.24%    | 10.83%    | 11.42%    | 12.03%    | 12.64%    | 13.28%    | 13.92%    |
| DSCR (Amortized)        | 1.21      | 1.50      | 1.53      | 1.56      | 1.54      | 1.57      | 1.60      | 1.64      | 1.67      | 1.70      | 1.74      |
| Loan Balance (Year End) | 1,503,600 | 1,478,774 | 1,452,286 | 1,424,023 | 1,393,868 | 1,361,693 | 1,327,363 | 1,290,734 | 1,251,652 | 1,209,953 | 1,165,461 |

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