

ACQUISITION ANALYSIS



PROPERTY INFORMATION

Address 608 Springs Rd, Vallejo, CA
 Date of Preparation: 6/19/08
 Building Size 871
 Lot Size 3,250
Bedrooms 2
Bathrooms 1
 * There is a 3rd bedroom built in the garage which is not reflected in the Building Size or # of Bedrooms.

CAPITALIZATION

Acquisition Price	\$	107,000.00	
Rehab Budget	\$	2,500.00	
Closing Costs	\$	1,070.00	
Credits	\$	-	
Total Capitalization	\$	110,570.00	
Loan Amount	\$	74,900.00	70%
Down payment	\$	35,670.00	

FINANCING SUMMARY (1)

Loan Amount	\$	74,900.00
Rate		7.125%
Amortization Period (Yrs)		30
Monthly Payment	\$	504.62
Annual Debt Service	\$	6,055.38

Expenses	Total	Note
Property Taxes	\$ 1,337.50	(rate of 1.125%)
Insurance	\$ 600.00	
Repairs/Maintenance	\$ 500.00	
Property Management	\$ 855.00	(6.0% of EGI)
Reserves for Replacement	\$ 400.00	
Misc	\$ 350.00	
Total Expenses	\$ 4,042.50	
Expenses PSF	\$ 4.64	

Note: Expenses assume that Tenant Pays Gas, Electric, Garbage, Yard Maintenance, Water/Sewer, Trash.

PREVIOUS SALES HISTORY

Date	Sales Price	Price per Sq Ft
6/18/2002	\$ 186,500	\$ 214.12
9/24/2004	\$ 306,000	\$ 351.32

DISCOUNT TO MARKET VALUE

	Market	Subject Property	Discount to Market Value
GRM	16.50	7.13	56.8%
Price per Sq Foot	\$ 367.00	\$ 122.85	66.5%

PROPERTY INFORMATION

Property Listed Price	\$	114,900.00
Target Acquisition Price	\$	107,000.00
Current Market Value (First American)	\$	244,211.00
Current Market Value (Zillow.com)	\$	223,500.00
Minimum CMV	\$	223,500.00
Monthly Rent	\$	1,250.00
Rent PSF	\$	1.44
Acquisition PSF	\$	122.85
Comparable Sales PSF	\$	367.00

OPERATING DATA

Income	Proforma
Monthly Income	\$ 1,250.00
Gross Potential Rent	\$ 15,000.00
Gross Potential Income	\$ 15,000.00
Vacancy/Credit Losses	5.0%
Less Vacancy/Credit Losses	\$ 750.00
Effective Gross Income	\$ 14,250.00
Less Expenses	\$ 4,042.50
Net Operating Income	\$ 10,207.50

CASH FLOW

Net Operating Income	\$	10,207.50
Annual Debt Service	\$	6,055.38
Cash Flow	\$	4,152.12
Cash on Cash Return		11.64%
GRM		7.13
Cap Rate		9.54%
Debt Coverage Ratio (DCR)		1.69

RETURN ANALYSIS (Assume a 5 Year Hold)

	Sales Price	IRR
Low	\$ 125,000.00	39%
Mid	\$ 155,000.00	50%
High	\$ 185,000.00	59%
Cash on Cash Return		11.64%

Notes

- (1) Financing Estimated Provided by North American Savings Bank
- (2) Rehabilitation Costs estimated by Herrera Construction

The information contained herein has been obtained from sources we believe to be reliable, but we make no representations or warranties, expressed or implied as to the accuracy of the information. Reference to square footage or age are approximate. The IRR Analysis must assume that the residual value of the asset is known and is provided for what-if analysis only. This is a what-if analysis only and real estate can lose value. United Investors assumes no responsibility expressed or implied for the accuracy of this information.