

The Peach Orchard

2000 Collier Road, Lewisburg

5-Year Cash Flow Analysis



Fiscal Year Beginning February 2018

INITIAL INVESTMENT

Purchase Price	\$879,000
+Acquisition Costs	\$17,580
-Mortgage(s)	\$703,200
+Loan Fees & Points	\$7,032
Initial Investment	\$200,412

MORTGAGE DATA

Loan Amount	\$703,200
Interest Rate	4.000%
Amortization Period	25 Years
Periodic Payment	\$3,712
Annual Debt Service	\$44,541

1ST LIEN

CASH FLOW

For the Year Ending	Year 1 Jan-2019	Year 2 Jan-2020	Year 3 Jan-2021	Year 4 Jan-2022	Year 5 Jan-2023
POTENTIAL RENTAL INCOME (PRI)	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259
-Vacancy / Credit Loss	\$0	\$0	\$0	\$0	\$0
EFFECTIVE RENTAL INCOME	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259
+Other Income	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME (GOI)	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259
-Operating Expenses	\$52,559	\$52,801	\$53,046	\$53,294	\$53,544
NET OPERATING INCOME (NOI)	\$49,441	\$50,729	\$52,037	\$53,365	\$54,715
NET OPERATING INCOME (NOI)	\$49,441	\$50,729	\$52,037	\$53,365	\$54,715
-Annual Debt Service 1st Lien	\$44,541	\$44,541	\$44,541	\$44,541	\$44,541
CASH FLOW BEFORE TAXES	\$4,900	\$6,188	\$7,496	\$8,824	\$10,174
Value using Acquisition Cap Rate	\$902,000	\$925,000	\$949,000	\$973,000	\$997,000
Loan Balance	\$686,483	\$669,084	\$650,977	\$632,132	\$612,520
Loan to Value	76.12%	72.32%	68.61%	64.98%	61.43%
Debt Service Coverage Ratio	1.11	1.14	1.17	1.20	1.23
Before Tax Cash on Cash	2.44%	3.09%	3.74%	4.40%	5.08%

SALES PROCEEDS

Projected Sales Price (EOY 5)	\$1,002,000
Cost of Sale	\$50,100
Mortgage Balance 1st Lien	\$612,520
Sales Proceeds Before Tax	\$339,380

INVESTMENT PERFORMANCE

Internal Rate of Return (IRR)	14.06%
Acquisition CAP Rate	5.62%
Year 1 Cash-on-Cash	2.44%
Gross Rent Multiplier	8.62
Loan to Value	76.12%
Debt Service Coverage Ratio	1.11



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Expense Detail Analysis



Fiscal Year Beginning February 2018

INCOME

For the Year Ending	Year 1 Jan-2019	Year 2 Jan-2020	Year 3 Jan-2021	Year 4 Jan-2022	Year 5 Jan-2023
POTENTIAL RENTAL INCOME (PRI)	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259
- Vacancy / Credit Loss	\$0	\$0	\$0	\$0	\$0
EFFECTIVE RENTAL INCOME (ERI)	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259
+ Other Income	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME (GOI)	\$102,000	\$103,530	\$105,083	\$106,659	\$108,259

EXPENSE DETAIL

Personal Property Taxes	\$408	\$408	\$408	\$408	\$408
Property Insurance	\$3,094	\$3,094	\$3,094	\$3,094	\$3,094
Payroll	\$19,500	\$19,500	\$19,500	\$19,500	\$19,500
New Trees To Replace Old Trees	\$800	\$800	\$800	\$800	\$800
Employment Taxes And Costs	\$4,300	\$4,300	\$4,300	\$4,300	\$4,300
Repairs And Maintenance	\$2,600	\$2,626	\$2,652	\$2,679	\$2,706
Utilities : Electric	\$1,200	\$1,212	\$1,224	\$1,236	\$1,249
Farm Fuel	\$1,200	\$1,212	\$1,224	\$1,236	\$1,249
Farm Chemicals	\$8,500	\$8,585	\$8,671	\$8,758	\$8,845
Farm Food	\$3,400	\$3,434	\$3,468	\$3,503	\$3,538
Advertising	\$823	\$827	\$831	\$835	\$840
Supplies	\$2,000	\$2,020	\$2,040	\$2,061	\$2,081
Bank Charges	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Crop Insurance	\$1,677	\$1,711	\$1,745	\$1,780	\$1,815
Fertilizer	\$1,100	\$1,111	\$1,122	\$1,133	\$1,145
Gravel	\$457	\$462	\$466	\$471	\$476
TOTAL OPERATING EXPENSES	\$52,559	\$52,801	\$53,046	\$53,294	\$53,544
NET OPERATING INCOME (NOI)	\$49,441	\$50,729	\$52,037	\$53,365	\$54,715



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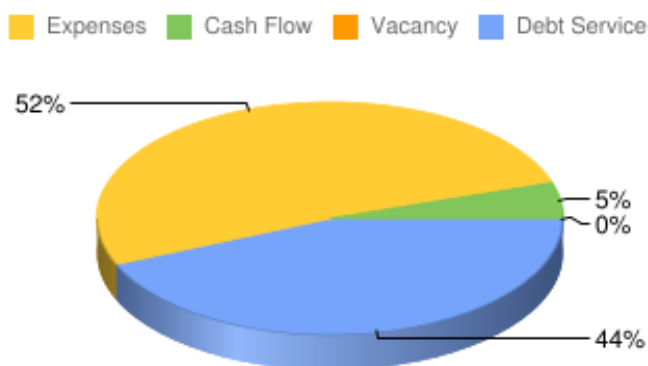
Fiscal Year Beginning February 2018

ASSUMPTION / INPUTS

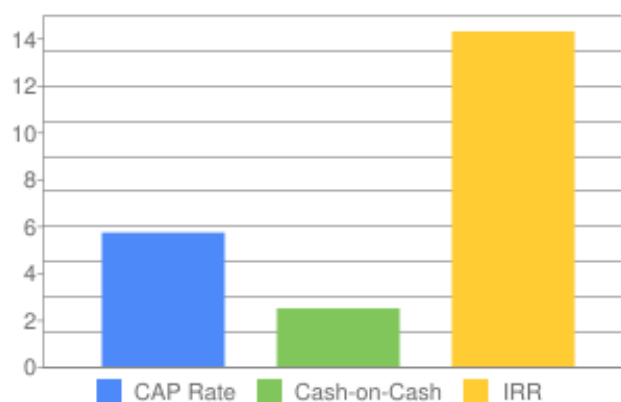
Purchase Price	\$879,000
Year 1 Potential Income	\$102,000
Vacancy & Credit Loss	0.00%
Year 1 Expenses	\$52,559
Acquisition CAP Rate	5.62%
Sale Price - CAP Rate	5.60%

Acquisition Costs	2.00%
Annual Income Increase	1.50%
Other Income Increase	3.00%
Annual Expense Increase	N/A
Loan Fees & Points	1.00%
Cost of Sale upon Disposition	5.00%

Cash Flow \$4,900



Investment Performance (%)



5-YEAR EQUITY YIELD & EFFECTIVE LOAN RATE

Unleveraged Investment		Financing Cash Flow		Equity Investment	
Cash Flow & 5-year Yield		& Effective Rate		Cash Flow & 5-year Yield	
N	\$	N	\$	N	\$
0	(\$896,580)	0	\$696,168	0	(\$200,412)
1	\$49,441	1	(\$44,541)	1	\$4,900
2	\$50,729	2	(\$44,541)	2	\$6,188
3	\$52,037	3	(\$44,541)	3	\$7,496
4	\$53,365	4	(\$44,541)	4	\$8,824
5	\$1,006,615	5	(\$657,061)	5	\$349,554

Property IRR/Yield = 6.86%

Effective Loan Rate = 4.19%

Equity IRR/Yield = 14.06%

Positive Leverage! Leverage INCREASED the Yield by 7.19%



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