

1

Aruka Midway Proforma									
Total Project Cost: \$ 4,662,000									
Aruka Midway Proforma - Single Family Properties (SFPs) & Rental Properties (SFPs)									
Sources									
Bank Financing (75% of equity req less down payment.)									
Sponsor equity	\$	2,787,000							
Investor equity	\$	275,000							
	\$	1,600,000							
Total Sources	\$	4,662,000							
Allocation of Projected Net Profit									
Gross Projected Sales (sales of all properties and rent)									
Bank Loan Repaid at 4.82% at year 7 (paid from properties sold)	\$	8,765,458							
Initial SC Investment Returned	\$	2,932,025							
Total SC Annual Dividends	\$	1,600,000							
Net Profit after all Debt Services	\$	816,000							
OHara Developments 20% Carried Interest	\$	3,417,433							
Investor Capital Portion of Return (60% pro-rata share)	\$	683,487							
	\$	2,733,946							
Aruka Midway Proforma - Single Family Properties (SFPs)									
Capital Structure									
Equity Required									
Bank Financing (75% of equity req.)	\$	3,092,609							
Bank Down Payment (20% of Bank Financing)	\$	2,319,456							
OHara Developments	\$	699,300							
SC Preferred Investors (includes bank down payment)	\$	275,000							
	\$	1,600,000							
Projections - 15 SFPs									
Projected Cost									
Number of SFPs									
Aquisition	\$	80,000	\$	120,000	\$	80,000	\$	120,000	\$
Renovation Cost	\$	300,000	\$	450,000	\$	300,000	\$	450,000	\$
Operating Expenses	\$	32,348	\$	48,522	\$	32,348	\$	48,522	\$
Total Cost Per Year	\$	412,348	\$	618,522	\$	412,348	\$	618,522	\$
Sale Price (3% annual increase)	\$	640,000	\$	988,800	\$	678,976	\$	1,049,018	\$
Cost to Sell (4%)	\$	25,600	\$	39,552	\$	27,159	\$	41,961	\$
Gross Projected Sales	\$	614,400	\$	949,248	\$	651,817	\$	1,007,057	\$
Gross Profit (bank loan repaid from sale of properties)	\$	202,052	\$	330,726	\$	239,469	\$	388,536	\$
	\$		\$		\$		\$		\$

Aruka Midway Proforma - Rental Properties (RPs)									
Capital Structure		Projected Cost		Per RP		Portfolio			
Equity Required	\$ 1,569,391	Number of RPs		1		8			
Bank Financing (75% of equity req.)	\$ 1,177,043	Aquisition	\$	20,000	\$	160,000			
Bank Down Payment (20% of Bank Financing)	\$ 235,409	Renovation Cost	\$	160,000	\$	1,280,000			
O'Hara Developments	\$ 110,000	Operating Expenses	\$	16,174	\$	129,391			
SC Preferred Investors (includes bank down)	\$ 517,757	Total Cost	\$	196,174	\$	1,569,391			
8 Duplexes (17 Units)									
Year 2		Year 3		Year 4		Year 5		Year 6	
Projections		Projections		Projections		Projections		Projections	
Number of SFPs	2	2	2	2	2	2	2	2	2
Aquisition	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Renovation Cost	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000
Operating Expenses	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348	\$ 32,348
Total Cost Per Year	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348	\$ 392,348
Number of Duplexes	2	2	2	2	2	2	2	2	2
Annual Income	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Rental Income	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Gross Income	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Annual Expenses									
Mortgage (P&I)	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150	\$ 22,150
Vacancy (5%)	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Management Fee (5%)	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Property Taxes	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690	\$ 9,690
Insurance	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
Maintenance Cost (1%)	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Cap Ex (4.5%)	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970	\$ 2,970
Total Annual Expenses	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910	\$ 44,910
Net Operating Income	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090	\$ 21,090
Equity Accumulated	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748	\$ 354,748
Return to SC investors									
SC Equity	\$ (1,600,000)								
Preferred Investors Annual Dividend (8.5%)		\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000
60% of Project Profit									
Total projected return.		\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000