

Cash Flow Control Projection

Beginning Reference Point: May 1, 2017

Annual Cash Flow Case Study 3 Project Calculation # 8e93e68d-OK 81,450 50,249 39,336 **Acquisition of Apartments** 700,000 YE Cash Balance YE Cash Balance YE Cash Balance Value based on 100% of Company 91,450 141,699 181,035 Year Year Year Sales-Accrual % Growth Override (Total Sales) Total General Sales Manual Override 165,000 165,000 165,000 Apartments General Sales 0 **Total General Sales** 165,000 165,000 165,000 Annual Growth Result 0.00% 0.00% 0.00% See Information Browser for Yrs 1-3 Inputs 0 0 0 Individually Scheduled Sales Total Individully Scheduled Sales 0 0 0 Beg Base Sales **Total All Sales-Accrual** Total All Sales 165,000 165,000 165.000 165,000 Cost of Goods Sold (COGS) Step 3 Inputs for Sales/EBITDA 5.00% 10.00% 15.00% General COGS-% of General Sales Override General Cost of Goods Sold 8,250 16,500 24,750 COGS % of Sales 5.00% 10.00% 15.00% Individually Scheduled COGS See Information Browser for Yrs 1-3 Inputs 0 0 0 Total Individually Scheduled COGS 0 0 0 Total All COGS Total All COGS 8,250 16,500 24,750 **Gross Margin** Gross Margin 156,750 148,500 140,250 90.00% % of Sales 95.00% 85.00% Operating & Overhead Expense Step 3 Inputs for Operating Expense 10.00% 15.00% 17.00% Direct Operating Expense Override - % of Sales % of Total All Sales (Before Int & Deprec) 0 0 0 16,500 28,050 Operating Expense from Current Inputs 24,750 Additional Operating/Overhead Expenses See Information Browser for Inputs 0 0 Total Operating/Overhead Expense 16,500 24,750 28,050 Operating/Overhead Expense % of Sales Result 15.00% 10.00% 17.00% Lease on Real Property Assets See Step 7 0 0 0 **Total Operating/Overhead Expenses** 16,500 24,750 28,050 Other (Income) Expense from AJE's 0 0 0 **EBITDA-Accrual EBITDA Override** Whole Number Override Input Target Company % Increase Overide of Prior Year Requires Prior Year Inputs Not Available Beg Base EBITDA **Total EBITDA-Accrual** Total EBITDA (a) 130,000 140,250 123,750 112,200 78.79% EBITDA - % of Sales % of Sales 85.00% 75.00% 68 00% 7.88% -11.76% -9.33% % over Prior Year

Purchase Target Company Acquisition of Apartments

Annual Cash Flow

Annual Cash Flow



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Annual Cash Flow Annual Cash Flow Annual Cash Flow Case Study 3 Project Calculation # 8e93e68d-OK 50,249 81.450 39.336 **Acquisition of Apartments** 700,000 YE Cash Balance YE Cash Balance YE Cash Balance Value based on 100% of Company 91,450 141,699 181,035 Year Year Year 3 Other Cash Flow Items (Increase) Decrease in Cash Accounts Receivable/Inventory Change 555 555 (a) 13,248 Other Current Asset Invested (Received) 0 0 0 (a) Other Manual Investment (Pmts Received) (a) Beg Balance 0 0 0 End of Year Balance \$ Securities/Notes Receivable Invested (Received) 0 0 0 (a) **Debt Payments** See Step 6 for Debt Inputs **Accounts Payable** Beg Balance A/P Change (Increase-Source), Decrease-Use of Funds 15,000 14,353 (518)(293)(a) End of Year Balance 647 1,166 1,459 Loan Triggers-Check to Use A/R Loan each Year Accounts Receivable Debt End of Year A/R Debt Balance 0 0 Loan Triggers-Check to Use Inventory Loan each Year **Inventory Debt** End of Year Inv Debt Balance 0 0 0 0 0 A/R and Inventory Interest Paid (a) 0 Other Current Debt Scheduled Payments (a) Manual Additional Debt Pymt's (Draws) (a) Beg Balance End of Year Debt Balance \$ 0 0 0 **Equipment Debt Scheduled Payments** 0 (a) 0 Manual Additional Debt Pymt's (Draws) Beg Balance 0 0 End of Year Debt Balance \$ 0 **Building and Imp Debt Scheduled Payments** 31,200 30,264 33,026 Manual Additional Debt Pymt's (Draws) (a) Beg Balance 378,300 352,273 End of Year Debt Balance \$ 390,000 366.951 Real Estate Debt Scheduled Payments Manual Additional Debt Pymt's (Draws) Beg Balance 0 0 0 End of Year Debt Balance \$ Other Transaction Debt Scheduled Payments (a) 0 0 Manual Additional Debt Pymt's (Draws) (a) Beg Balance End of Year Debt Balance \$ 0 0 0 End of Year Accrued Interest 0 0 0 Other Long Term Debt Scheduled Payments (a) Manual Additional Debt Pymt's (a) Beg Balance End of Year Debt Balance \$ 0 0 0 **Subordinated Debt Scheduled Payments** (a) Manual Additional Debt Pymt's (Draws) (a) Beg Balance 0 0 0 End of Year Debt Balance \$ End of Year Accrued Regular Interest 0 0 0 End of Year Accrued PIK Interest 0 0 0 Pre-Payment Penalty 0 0 0 (a) Reg Sched PIK Payment (a) 0 0 0 Warrants Paid 0 0 0 (a) Max Senior & Sub Debt 0 0 0 Possible Sub Debt Availability

EBITDA Multiple

Purchase Target Company
Acquisition of Apartments



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Case Study 3 Project Calculation # 8e93e68d-OK	Acquisition of Apartments		Annual Cash Flow 81,450	Annual Cash Flow 50,249	Annual Cash Flow 39,336
	\$ 700,000 Value based on 100% of Company		YE Cash Balance 91,450	YE Cash Balance 141,699	YE Cash Balance 181,035
			Year 1	Year 2	Year 3
	EBITDA Multiple	-			
Seller Debt Scheduled Payments		(a)	0	30,019	30,019
Additional Payment due to Earn Ou	t	(a)	0	0	0
Manual Additional Debt Pymt's (Draws))	(a)			
	Beg Balance				
End of Year Purchase Note Balance			231,800	213,371	194,020
Performance Note End of Year Balance			0	0	0
End of Year Accrued Interes	t		11,590	11,590	11,590
Equity Debt Scheduled Payments		(a)	0	0	0
Manual Additional Debt Pymt's (Draws))	(a) (a)			0
manda Additional Dept 1 yint 5 (Draws)	Beg Balance	(α)			
End of Year Debt Balance			0	0	0
End of Year Accrued Interes	t		0	0	0
CapEx, Taxes and Other Items					
Capital Expenditures (Sales)	See Step 7	(a)	0	0	0
Income Taxes	·	(a)	0	13,181	9,557
Other Interest & General Indiv Sched Int Paid	See Other Interest Paid	(a)	0	0	0
AJE entries-(Excludes items listed separately)	See Step 7	(a)	0	0	0
Non expense Cash Draws (Contributions)	See Step 7	(a)	0	0	0
,	- -	()			
Cash Flow Annual Cash Flow	Beg Cash Balance	(a)	81,450	50,249	39,336
Ending Cash Balance	- 9	\/	91,450	141,699	181,035
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⁽a) Items that equal Cash Flow calculation Annual Cash Flow = EBITDA less (a)

UnHappy with Cash, See Help-Cash Weekley/Monthly Cash Flow -See Information Graphs **Purchase Target Company Acquisition of Apartments**