

REIA Report[®]: Seller

for the following income producing property:



811-817 Madison
East Pittsburgh PA 15112

Prepared for

Max Wilson

Phone: 724-368-3650

Cell: 724-816-4999

Email: MaxWilson@MaxBusinessGroup.com

on

March 30, 2009

Please verify accuracy of all information provided in this report by contacting the listing agent:

John Johns

John Johns Realty Company

999-999-9999

*The information, calculations & data presented in this report are believed to be accurate but are not guaranteed or warranted
This report was constructed using first and second party information, conservative assumptions, and industry standards.
The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advise.
Please seek proper real estate, legal, and tax advice as appropriate before making any purchases of real estate.*

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REIA Report[®] : Letter from REIAlliance

Thank you for your interest and purchase of our **REIA Report[®]**. This report and analysis has been created from years of working with buyers and sellers of income producing property, and lending institutions- intensely listening to every ones needs and comments, asking and getting feedback, and then taking action to improve our research, analysis, and reports. This customized report has been created just for you based on your earlier request and needs.

Every attempt has been taken to make the information easy to understand and reference- the reason for the menu of report options and the limited reporting of over 250 items relating to and in support of a specific properties performance that could be reported. In addition, every attempt has also been made to be as accurate and conservative with the data and calculations as possible using accounting, data collection, and banking standards as the benchmarks. However, as with any research, there are always limitations of data collection and reporting that impact the outputs of analysis. Included in this report, is a copy of my **Limitations of a REIA Report[®]**. It is the same document you reviewed, signed, and included with your order for this report.

Also included in this report is a **Glossary of Terms** to help you better understand the definition and use terms as reported on the **Property Profile** page of this report. The **Property Profile** was created as a quick overview of the critical financial performance criteria that buyers, sellers and lenders use when making decisions. It uniquely reports the financial performance for the property over time- ranging from historical, present, and projected perspectives- depending on input data use. All pages in the report are in support of the data presented in the **Property Profile**.

If you feel that there may be an error in the data used or in the analysis of data itself, please check the **REIA Report[®] Information Request Form** you downloaded and filled out about the property and compare it to the **REIA Report[®] Input Data Sheet** for discrepancies. If you found no discrepancies, but you believe an error exists in our work, please email us immediately at REAREport@REIAlliance.com so that we may address the issue as soon as possible. If necessary, we will rerun the data and return a new report to you ASAP.

Thank you for providing all of us here at the **REIAlliance** the opportunity to serve you.

REIA Report® : Limitations

A REIA Report® is a financial analysis of a selected property's financial performance based on reported historical, actual, and/or projected performance. The REIA Report® you are about to order, have ordered, or are about to view, may contain certain limitations. It is necessary that you understand those possible limitations and methods used to collect and analyze the financial information on which the analysis was based. Each limitation can and will have a direct bottom line effect on the costs and performance of the investment made- now and into the future.

A REIA Report® **IS NOT**: AN APPRAISAL; IT IS NOT AN OPINION; IT IS NOT A VALUATION OF THE PROPERTY OR PROPERTIES; IT IS ONLY A COLLECTION OF FINANCIAL CALCULATIONS BASED ON INFORMATION PROVIDED FROM OUTSIDE SOURCES. NO INTERPRETATION OF THE CALCULATIONS IS PROVIDED. THE INFORMATION AND CALCULATIONS PRESENTED IN THIS ANALYSIS ARE BELIEVED TO BE ACCURATE, BUT ARE NOT GUARANTEED.

When viewing a REIA Report® you should know that: "THIS ANALYSIS HAS NOT BEEN PERFORMED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE WHICH REQUIRE VALUERS TO ACT AS UNBIASED, DISINTERESTED THIRD PARTIES WITH IMPARTIALITY, OBJECTIVITY AND INDEPENDENCE AND WITHOUT ACCOMMODATION OF PERSONAL INTEREST. IT IS NOT TO BE CONSTRUED AS AN APPRAISAL AND MAY NOT BE USED AS SUCH FOR ANY PURPOSE."

Again- this is NOT AN APPRAISAL.

Also know that information within this report may be seen as "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, goals, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements" and are limited to the collection of the data on which they were formed.

Forward looking statements are based on expectations, estimates and projections at the time the statements are made and involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this report may be identified through the use of words such as: "exploratory", "investigative," "projected", "reported," "estimate," "believes," "understands" "will," (or any of their semantic truncations) or by statements indicating certain actions such as "may," "could," "should," "would", "will," or "might" occur. All information provided within this communication is understood as "information provided" and NOT INVESTMENT ADVICE on which action should be taken without further investigation.

The limitations of a REIA Report® may be, but not limited to:

1. COLLECTION OF DATA: All analysis has been conducted based on the information provided by the owner of the property, their contractual representative, or through some other investigation by the buyer of this report. The REIAAlliance, owner of all REIA Reports®, assumes no responsibility as to the accuracy of that information and therefore the outcomes of any analysis. Calculated financial factors are greatly effected by missing and incomplete data- information that could make one property look to be a better investment than another with more complete data. Please review the information provided for the analysis on the page entitled REIA Report® : Investor Input Data Sheet or REIA Report® : Seller Input Data Sheet . We would also suggest that you confirm that data for yourself with the seller or listing agent (contact info on front cover). You will see at the bottom of the input data sheets that some assumptions have been made. Please review these assumptions as a small change in any one of them can and will effect the financial performance of the property. NOTE: If you have purchased a REIA Report directly from our website, you will be given a code to allow you FREE access to go back into the input data and make any changes you find necessary. These changes may be changes in assumptions, income, expenses, etc. Once complete you will be able to print out the more accurate version of the report at no cost to you. You will have 14 days from date of original report to complete the update.

2. ASSUMPTIONS USED IN ANALYSIS: At times, it has been necessary to make certain assumptions and estimates to run even the most preliminary of analysis- as these reports provide. Every attempt has been made to use accurate, "common," and "conservative" values and industry standards- as to NOT make a property perform better on paper than in reality. Another assumption is that the user will use the report as a "sorting" mechanism- one that can provide insights into a property in a way that a decision whether or not to continue the investigation and analysis into that property is warranted. Another assumption is that this report can best meet the needs of its user by being created using a pure "income" approach to calculate and project future performance using current situations, conditions, and marketplace variables. Please note that these assumptions can change quickly and are effected by socio-economic, political and financial factors.

REIA Report[®] : Limitations

3. USE OF REPORTS: All versions of a REIA Report[®] are intended to PROVIDE INSIGHTS that help the consumer of the report make decisions on whether or not continue on the pathway for FURTHER INVESTIGATION BEFORE PURCHASE. They are NOT intended to be used as the sole basis for selection or purchase as the incomplete information and assumptions used CANNOT PROVIDE ACCURATE ANALYSIS at the level needed to make accurate and informed decisions. We have (and will) always recommend and encouraged all customers and clients to minimally HAVE AN APPRAISAL CONDUCTED BY A QUALIFIED AND CERTIFIED APPRAISER, one knowledgeable and experienced in the area and type of property being appraised before writing a contract for purchase! AGAIN, A REIA Report[®] IS NOT AN APPRAISAL.

In closing, this document has been provided to inform you the consumer about the limitations of every REIA Report[®] BEFORE purchasing and viewing it. As with any financial analysis, the outcome is only as good as the information available and level of comprehensiveness. The analysis you are about to view may have many limitations (some having been presented earlier in this document). The reports are provided to help you gain "insights" into a particular property. In the event an interest is developed based on the information provided in this report, it will be absolutely necessary to investigate and research into the property further in order to achieve the level of information needed to make an informed decision.

MUST READ: IMPORTANT

If you, the owner/purchaser of any version of this REIA Report[®], choose to share your report with others (your accountant, lawyer, real estate agent, friends, potential buyers or sellers, etc.), it is your sole responsibility to have a complete copy of this two page limitations document signed and retained BEFORE providing the report to others for review. THIS DOCUMENT MUST BE SIGNED BELOW BY ANY AND ALL PARTIES BEFORE VIEWING ANY VERSION OF REIA Report[®]. NOT MEETING THIS CONDITION VIOLATES THE CONDITIONS OF THE CONTRACTUAL SALE OF SUCH INFORMATION AND TRANSFERS ALL LIABILITY OF USE AND OR INTEPRETATION TO THE PURCHASER.

I/We have read this disclosure form and acknowledge by my/our signature and dating below.

_____ : _____ / ____ / _____
Customer

_____ : _____ / ____ / _____
Customer

_____ : _____ / ____ / _____
Customer

_____ : _____ / ____ / _____
Customer

_____ : _____ / ____ / _____
Witness

I/We have read this disclosure form and acknowledge by my/our signature and dating below.

_____ : _____ / ____ / _____
Provided information to:

_____ : _____ / ____ / _____
Provided information to:

_____ : _____ / ____ / _____
Provided information to:

_____ : _____ / ____ / _____
Provided information to:

_____ : _____ / ____ / _____
Owner/purchaser of report

REIA Report[®] : Glossary of Terms

Data Complete- Amount of data provided to achieve a level of confidence. 1=Lowest confidence while 5= Highest confidence.

of Units- The number of rental units in a particular building or project. May have multiple units in multiple buildings.

Purchase Price- The actual amount paid to and accepted by a seller for a particular property.

Gross Annual Income (GAI)- Total yearly income from all sources before expenses are deducted for a given property.

Net Operating Income (NOI)- Income after deducting operating expenses but before deducting for income taxes and interest.

Cash Flow Before Taxes (CFBT)- Net Operating Income minus the yearly debt services (principal and interest payments).

Tax Benefits (Tax Ben)- The estimate of tax benefits a property may provide its owner at a given time. A negative number suggests a profit while a positive number suggests an income loss. Note: this loss may be a function of depreciation.

Cash Flow After Taxes (CFAT)- The amount of cash generated from an investment after taxes have been paid per year.

Appreciation (Apprec)- The increase in value of a property over a given period of time. Usually reported in a %.

Principal Reduction End Year 1 (Prin Red EY1)- The amount of principal that has been paid down at the end of year one.

Total Out Of Pocket Funds (TOOPF)- The amount of cash it will take to purchase the property. This figure includes: estimated closing costs, payment of taxes and insurance, setup of escrow for taxes and insurance, out of closing expenses (inspections, tests, etc), and required down payment.

Cash on Cash Return (CoCR)- A comprehensive measure of the yield of an investment. It is a ratio of CFAT to the TOOPF required to close the transaction. Note: Once the property has generated enough CFAT or Total Equity (combining Appreciation, Principle Reduction, and Cash Flow After Taxes), to return to the investor all of the TOOPF, thus making TOOPF=\$0, the CoCR would then calculate to yielding infinite returns (CFAT/0).

Capitalization Rate (Cap Rate)- An estimation of a property's rate of return by consideration of net annual income as a percentage of its investment cost. The higher the rate (in %), the better the property may perform.

Debt Service Coverage Ratio (DSCR)- A risk index used by lending institutions as to the properties ability to repay the debt service over time from cash flows. Preferred ratios are 1.2 or greater. A lower ratio may be accepted for a "strong" buyer.

Net Income Multiplier (NIM)- A measure for judging how effective a property is generating income as compared to its market price. It is the direct inverse of Cap Rate. The lower the number, the better the property may perform.

Gross Rent Multiplier (GRM)- A ratio of a property's value by consideration of the sales price to total gross rents. GRM is limited to use as it does not factor in NOI nor Vacancy rates. The lower the number, the better the property may perform.

Mortgage Constant Factor (MCF)- A factor which expresses the cash cost of borrowing money. It is a ratio between the loan payment (principle and interest) and the loan amount of a specific property. Once calculated, this rate is presented as a %.

Cash on Cash Return- A ratio of the annual before-tax cash flow to the total amount of cash invested. It is presented as a %. It can be used by investors to evaluate the cash flow from an income-producing asset.

Payback of Cash to Close using Cash Flow After Taxes in Years- A ratio of the total amount of cash invested to the annual after-tax cash flow. It is the direct inverse of Cash on Cash Return. Provides the number of years it will take to recoup the total investment from after-tax cash flows only.

Payback of Cash to Close using Total Wealth Growth in Years- A ratio of the total amount of cash invested to the annual total wealth growth. Provides the number of years it will take to recoup the total investment based on the total yearly equity gain *after* the sale of the property. Except for the impact of spikes in appreciation, if the property is sold before this time period, the buyer will experience a negative "return on investment."

Break Even Occupancy Rate- A ratio of the expenses and financing costs to the Gross Annual Income. This factor, presented as a %, reports the minimum occupancy rate required for the gross income to cover the debt service.

Calculated Offer Price at DSCR of 1.XX (SLV/DSCR)- The maximum loan value of a property calculated by holding a the required Debt Service Coverage Ratio of 1.XX by the lender as a constant.

Calculated Offer Price based on cap rate of X.X%- The maximum offer price based on properties reported Net Operating Income, holding the investors need for a specific return (cap rate).

Before Tax IRR: Sell @ Yr X- IRR tells you how fast or slow you are making money. The before tax internal rate or return of the property if sold at year X. The year has been selected by analyzing projected performance for next 30 years. End of year X provides highest before-tax return.

After Tax IRR: Sell @ Yr X- IRR tells you how fast or slow you are making money. The after tax internal rate or return of the property if sold at year X. The year

REIA Report[®] : Property Profile

This property profile is **NOT AN APPRAISAL**.
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Please read "**Limitations of a Max Reportsm**" to understand the limitation of the analysis and the impact on the financial performance data calculated below.

Location				
Street Address	City	State	Zip	County
811-817 Madison	East Pittsburgh	PA	15112	East Alleg

Property Information			
Type*	Number of Units	Assessed Land Value	Assessed Building Value
Multi-family	4	\$23,960	\$95,840

Type* = Single family, Multi-family, Mixed use (commercial & residential), or Commercial

Purchasing Information				
Purchase Price	Estimated Cost to Close	Down Payment		Total Out of Pocket Funds
\$119,800	\$11,982	20%	\$23,960	\$35,942

* Seller's Assist in the amount of \$0 has been factored into this figure.

Income		
	With Property Manager	Self Managed
Gross Annual Income	\$36,000	\$36,000
Net Operating Income*	\$24,601	\$28,021
Cash Flow Before Taxes (CFBT)	\$15,511	\$18,931

*NOI calculated using: Vacancy= 5% Maintenance Reserves= 3% Property Management Fee= 10% or, 0% when Self Managed

Wealth Builders		
	With Property Manager	Self Managed
Tax Benefits	-\$4,001	-\$4,962
Cash Flow After Taxes (CFAT)	\$11,510	\$13,969
Appreciation at 2.0%	\$2,396	\$2,396
Principal Reduction	\$2,214	\$2,214
Bank Equity (included money down) End Year 1	\$28,570	\$28,570
Total Equity (Bank Equity + CFAT) End Year 1	\$40,080	\$42,539

Lending Criteria		
	With Property Manager	Self Managed
Cap Rate	20.54%	23.39%
Debt Service Coverage Ratio (DSCR)**	2.71	3.08
Net Income Multiplier (NIM)	4.87	4.28
Gross Rent Multiplier (GRM)	3.33	3.33
Mortgage Constant Factor (MCF)	13.56%	13.56%
Cash-On-Cash Return (End Year 1)	43.16%	52.67%
Payback of Cash to Close using only CFAT in Years	3.12	2.57
Payback of Cash to Close using Total Wealth Growth in Year	2.00	2.00
Break Even Occupancy Rate	51.91%	42.41%
Calculated Offer Price based on DSCR of 1.20	\$270,188	\$307,750
Calculated Offer Price based on capitalized rate of 9.00%	\$273,344	\$311,344

**Calculation: DSCR=Net Operating Income / Total Debt Service (Total Principle + Total Interest)

*** Calculation: Cash-On-Cash Return= CFBT/Down payment + closing costs

Compare to Other Investments: Internal Rate of Return (IRR)				
	Highest IRR at	With Property Manager	Highest IRR at	Self Managed
Before Tax IRR:	Year 15	54.17%	Year 17	63.67%
After Tax IRR:	Year 15	38.95%	Year 17	45.78%

REIA Report[®] : Seller's Estimated Closing Costs

Mailing Address of Property: 811-817 Madison East Pittsburgh PA 15112
 Name of Seller: Max Wilson
 Estimated Settlement Date: 10/1/08
 Purchase Price: \$119,800

1	Broker's Commissions Paid at Settlement:	6.00%	\$	7,188
2	Preparation of Deed		\$	100
3	Seller Side of Transfer Tax	1.00% of sales price	\$	1,198
4	Seller's Assist : 3.00%		\$	3,594
5	Property Warranty Paid by Seller		\$	0
6	Municipal Certifications		\$	100
7	Certificate of Resale (Condominium/Homeowner's Association)		\$	0
8	Settlement, Closing or Escrow Fee		\$	150
9	Notary Fee		\$	50
10	Survey		\$	0
11	On-lot Sewage System Pumping		\$	0
12	Property Repairs		\$	0
13	Tax Certifications		\$	100
14	Overnight/Express Mail Charges		\$	50
15	Domestic Lien Search		\$	125
16	"Patriot Act" Search		\$	0
17	Dye Test		\$	0
18	Selling Agents Commission Bonus		\$	0
19	Other		\$	0
20	Other		\$	0
21		Seller's Estimated Closing Costs	\$	12,655
22				
23		Seller's Original Listing Price	\$	119,800
24		Seller's Estimated Closing Costs from Line 21	\$	12,655
25		Seller's Estimated Payoff of First Mortgage	\$	0
26		Seller's Estimated Payoff of Second Mortgage	\$	0
27		Seller's Estimated Payoff of Equity Line of Credit	\$	0
28		Seller's Estimated Net Proceeds	\$	107,145

REIA Report[®] : Seller's Input Data Sheet

Seller's Information

Owner/Co-Owner	Phone:		Cell:	Email:
Max Wilson	724-368-3650		724-816-4999	MaxWilson@MaxBusinessGroup.com
			Cell:	

Listing Company Information

Representing Firms Name	Agent Name	Company Phone #	Multi-List #
John Johns Realty Company	John Johns	999-999-9999	752652

Property Location

Street:	City:	State	Zip	Zoning Code
811-817 Madison	East Pittsburgh	PA	15112	Multi-family

Property Information

Type*	Number of Units	Total Assessed Value	Assessed Land Value	Assessed Building Value
Multi-family	4	\$119,800	\$23,960	\$95,840

Type*= Single Family, Multi-family, Mixed Use (commercial/residential), or Commercial

Commercial Property: Additional Information

Description	Number of Units	Rentable Square Feet	Total Personal Property Value

Income

Purchase price	Gross Annual Income	Vacancy (default to 5%)	Additional Income not effected by vacancy
\$119,800	\$36,000	5%	

Expenses

Insurance	\$1,200
Electricity	
Fuel / Gas	
Sewer	
Water	
Refuse	
Total Utility Expenses (over past year)	\$248
Maintenance	\$1,000
Advertising	
Telephone	
Accounting and Legal	
License & Permits	
Payroll- Residential Management	
Taxes / Workmans Compensation	
Labor	
Supplies	
Lawn Care / Snow Removal	
Landscaping	
Total Other Expenses:	
Local Taxes	
County Taxes	
School Taxes	
Total Real Estate Taxes	\$2,705

Seller's Estimated Closing Costs

Estimated Settlement Date	October 1, 2008	
Broker Fee	6.00%	\$7,188
Sellers Assist	3.00%	\$3,594
Property Repairs		
Property Warranty Paid by Seller		
Transfer Tax at	1.00%	\$1,198
Settlement, Closing or Escrow Fee		\$150
Preparation of Deed		\$150
Municipal Certifications		\$100
Tax Certifications		\$100
Notary Fee		\$50
Overnight/Express Mail Charges		\$50
Domestic Lien Search		\$125
"Patriot Act" Search		
Survey		
Dye Text (runoff water)		
Certificate of Resale (Condo/H.O. Association)		
On-lot Sewage System Pumping		
Selling Agents Commission Bonus		
Other		
Other		
Total Estimated Closing Costs		\$12,705

Mortgages Due

Estimated Due on First Mortgage	
Estimated Due on Second Mortgage	
Estimated Due on Equity Line of Credit	

REIA Report[®] : Rental Income Analysis

Property: 811-817 Madison

East Pittsburgh PA 15112

County: East Alleg

of Units: 4

Unit Number	Tenant Name or Descriptor of same priced units	Type of Lease*	# of Months occupied	# of Units/SF	Rent per Unit/SF	Potent # Units/SF	Potent Rent per Unit/SF	Monthly Scheduled Rental Income	Annual Scheduled Rental Income	Monthly Potential Rental Income	Annual Potential Rental Income
1	Unit 1 Tenant			1	\$500			\$500	\$6,000		
2	Unit 2 Tenant			1	\$500			\$500	\$6,000		
3	Unit 3 Tenant			1	\$500			\$500	\$6,000		
4	Unit 4 Tenant			1	\$500			\$500	\$6,000		
5	Unit 5 Tenant			1	\$300			\$300	\$3,600		
6	Unit 6 Tenant			1	\$300			\$300	\$3,600		
7	Unit 7 Tenant			1	\$400			\$400	\$4,800		
8	Unit 8 Tenant										
9	Unit 9 Tenant										
19	Unit 10 Tenant										
	Unit 11 Tenant										
	Unit 12 Tenant										
11	Unit 13 Tenant										
12	Unit 14 Tenant										
Other Income Generated											
13	Laundry							Av Month Misc Inc	Av Yearly Misc Inc	Av Monthly Misc Inc	Av Yearly Misc Inc
14											
17											
18											
TOTALS								\$3,000	\$36,000	#REF!	#REF!
										TOTAL POTENTIAL	#REF!

*Type of Lease: (Y) Yearly contract available for review or (M) verbal month to month with no documentation