

RE/MAX OCEAN REALTY

4 bedroom 2 bath
Year Round Rental

<u>Price</u>	<u>Bill of Sale for</u>		
<u>Furnishings</u>			-
Selling Price			350,000
Down Payment		20%	<u>70,000</u>
First Trust Amount			280,000
Second Trust Amount			-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>	<u>Annual</u>
First Trust	(6.25% interest only)	\$ 1,458.33	\$ 17,499.96
Second Trust Amount			\$ -
County Taxes		95.66	1,147.92
Insurance	(Fire, Wind, Flood, Liability)	135.00	1,620.00
Electricity			-
Water & Sewer			-
Cable TV	(Basic Service)		-
Telephone	(Basic Service)		-
Homeowner Association Dues			-
Pool & Hot Tub Maintenance			-
User fees	Estimated	-	-
Maintenance Program			-
<u>Total Expenses</u>		<u>1,688.99</u>	<u>20,267.88</u>
<u>Rental Projections</u>		<u>Months</u>	
			15,500
Prime			-
Pre & Post Season			-
Value Week			-
Mid Season			-
Holiday			-
Off season			-
<u>Total Estimated Gross Rental Weeks & Income</u>			<u>15,500.00</u>
Management Fee		10.0%	<u>1,550.00</u>
<u>Net Estimated Rental Income</u>			<u>13,950.00</u>
Estimated Income, Net of Expenses		(526.49)	(6,317.88)

The figures expressed in this ProForma should be used only as a guideline; information is based on both known and estimated current data. The numbers cited above do not include any provisions for deductions which may be available to you through your personal tax situation. Consult your Tax Accountant who may provide you with that information.

Five Year Estimated Appreciation

			Value
Purchase Price	Assumed Appreciation Rate	4.50%	\$ 350,000
	Year One Appreciation	15,750	365,750
	Year Two Appreciation	16,459	382,209
	Year Three Appreciation	17,199	399,408
	Year Four Appreciation	17,973	417,382
	Year Five Appreciation	<u>18,782</u>	<u>436,164</u>
	Five Year Total Appreciation	86,164	436,164

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	21.75%
	Year Two	22.76%
	Year Three	23.82%
	Year Four	24.92%
	Year Five	<u>26.08%</u>
	Return on Invested Capital	Five Year Total
		122.34%

* Calculations are based on Year One rental rates; rates generally increase approximately 3% annually.

<u>Depreciation</u>	(Values based on comparable data)	<u>Depreciation</u> <u>Years</u>	<u>Annual</u> <u>Depreciation</u>
Land - Tax Basis		15	-
House - Tax Basis	169,000	27.5	6,145.45
Furnishings - Tax Basis		7	<u>-</u>
Annual Depreciation, Each of First Five Years			6,145.45
Year One	Cash Flow	First Year	(6,317.88)
	Depreciation	First Year	<u>(6,145.45)</u>
	Cumulative Year One Gain (Loss) Applied to Schedule C		(12,463.33)
	<u>Year One Return on Invested Capital</u>		
Assumed Tax Rate & Potential Tax Savings		28%	\$ 3,490
Equity Build Up		First Year	
First Year Appreciation		First Year	<u>15,750</u>
Net Potential Gain		First Year	\$ 19,240
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	26.73%

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