

RE/MAX OCEAN REALTY

Priced home @ \$379,000
3 BEDROOM 2.5 BATH
HOT TUB

Price			
Furnishings	Bill of Sale for	\$1.00	-
Selling Price			379,000
Down Payment			<u>50,000</u>
First Trust Amount			329,000
Second Trust Amount			-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>	<u>Annual</u>
First Trust	(6.625% interest only)	\$ 1,816.35	\$ 21,796.20
Second Trust Amount			\$ -
County Taxes		95.00	1,140.00
Insurance	(Fire, Wind, Flood, Liability)	140.00	1,680.00
Electricity		110.00	1,320.00
Water & Sewer		35.00	420.00
Cable TV	(Basic Service)	42.00	504.00
Telephone	(Basic Service)	32.00	384.00
Homeowner Association Dues		88.33	1,059.96
Pool & Hot Tub Maintenance		50.00	600.00
User fees	Estimated	-	-
Maintenance Program			-
Total Expenses		2,408.68	<u>28,904.16</u>
<u>Rental Projections</u>			Months
			15,000
Prime			-
Pre & Post Season			-
Value Week			-
Mid Season			-
Holiday			-
Off season			-
Total Estimated Gross Rental Weeks & Income			<u>15,000.00</u>
Management Fee		18.0%	<u>2,700.00</u>
Net Estimated Rental Income			12,300.00
Estimated Income, Net of Expenses		(1,383.68)	(16,604.16)

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%	\$ 379,000
	Year One Appreciation	17,055	396,055
	Year Two Appreciation	17,822	413,877
	Year Three Appreciation	18,624	432,502
	Year Four Appreciation	19,463	451,965
	Year Five Appreciation	20,338	472,303
	Five Year Total Appreciation	93,303	472,303

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	31.34%
	Year Two	32.88%
	Year Three	34.48%
	Year Four	36.16%
	Year Five	<u>37.91%</u>
	Return on Invested Capital	Five Year Total 183.84%

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

<u>Depreciation</u>	(Values based on comparable data)	<u>Depreciation Years</u>	<u>Annual Depreciation</u>
Land - Tax Basis		15	-
House - Tax Basis	164,500	27.5	5,981.82
Furnishings - Tax Basis		7	-
Annual Depreciation, Each of First Five Years			5,981.82
Year One Cash Flow		First Year	(16,604.16)
Depreciation		First Year	(5,981.82)
Cumulative Year One Gain (Loss) Applied to Schedule C			(22,585.98)
<u>Year One Return on Invested Capital</u>			
Assumed Tax Rate & Potential Tax Savings		28%	\$ 6,324
Equity Build Up		First Year	
First Year Appreciation		First Year	17,055
Net Potential Gain		First Year	\$ 23,379
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	43.99%

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