

RE/MAX OCEAN REALTY

Priced home @ \$699,000
 Ocean Sands
 6 bedroom 5.5 bath pool/hot tub- weekly rental

Price			
Furnishings	Bill of Sale for	\$1.00	-
Selling Price			699,000
Down Payment		20%	<u>139,800</u>
First Trust Amount			559,200
Second Trust Amount			-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>	<u>Annual</u>
First Trust	(6.625% interest only)	\$ 3,087.25	\$ 37,047.00
Second Trust Amount			\$ -
County Taxes		183.00	2,196.00
Insurance	(Fire, Wind, Flood, Liability)	200.00	2,400.00
Electricity		104.00	1,248.00
Water & Sewer		65.00	780.00
Cable TV	(Basic Service)	62.00	744.00
Telephone	(Basic Service)	28.00	336.00
Homeowner Association Dues			-
Pool & Hot Tub Maintenance		150.00	1,800.00
User fees	Estimated	-	-
Maintenance Program			-
Total Expenses		3,879.25	<u>46,551.00</u>
<u>Rental Projections</u>			Months
			37,000
Prime			-
Pre & Post Season			-
Value Week			-
Mid Season			-
Holiday			-
Off season			-
Total Estimated Gross Rental Weeks & Income			<u>37,000.00</u>
Management Fee		18.0%	<u>6,660.00</u>
Net Estimated Rental Income			30,340.00
Estimated Income, Net of Expenses		(1,350.92)	(16,211.00)

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
	Assumed Appreciation Rate	4.50%	
Purchase Price			\$ 699,000
	Year One Appreciation	31,455	\$ 749,999
	Year Two Appreciation	33,750	\$ 749,999
	Year Three Appreciation	33,750	\$ 749,999
	Year Four Appreciation	33,750	\$ 749,999
	Year Five Appreciation	33,750	\$ 749,999
	Five Year Total Appreciation	166,455	\$ 749,999

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	21.53%
	Year Two	23.18%
	Year Three	23.18%
	Year Four	23.18%
	Year Five	<u>23.18%</u>
	Return on Invested Capital	Five Year Total 118.10%

* 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	266,500	27.5	9,690.91
Furnishings - Tax Basis		7	-
Annual Depreciation, Each of First Five Years			<u>9,690.91</u>
Year One Cash Flow		First Year	(16,211.00)
Depreciation		First Year	<u>(9,690.91)</u>
Cumulative Year One Gain (Loss) Applied to Schedule C			(25,901.91)
<u>Year One Return on Invested Capital</u>			
Assumed Tax Rate & Potential Tax Savings		28%	\$ 7,253
Equity Build Up		First Year	
First Year Appreciation		First Year	<u>31,455</u>
Net Potential Gain		First Year	\$ 38,708
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	26.72%

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