

RE/MAX OCEAN REALTY

8 BEDROOM 7.5 BATH
POOL/ HOT TUB

Price				
Furnishings	Bill of Sale for	\$1.00		-
Selling Price				1,495,000
Down Payment			20%	<u>299,000</u>
First Trust Amount				1,196,000
Second Trust Amount				-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>		<u>Annual</u>
First Trust	(7.00% interest only)	\$ 6,976.66	\$	83,719.92
Second Trust Amount			\$	-
County Taxes		291.49		3,497.88
Insurance	(Fire, Wind, Flood, Liability)	455.00		5,460.00
Electricity		236.00		2,832.00
Water & Sewer		86.00		1,032.00
Cable TV	(Basic Service)	52.00		624.00
Telephone	(Basic Service)	32.00		384.00
Homeowner Association Dues		33.33		399.96
Pool & Hot Tub Maintenance		150.00		1,800.00
User fees	Estimated	-		-
Maintenance Program				-
Total Expenses		8,312.48		<u>99,749.76</u>
<u>Rental Projections</u>			Months	
				91,025
Prime				-
Pre & Post Season				-
Value Week				-
Mid Season				-
Holiday				-
Off season				-
Total Estimated Gross Rental Weeks & Income				<u>91,025.00</u>
Management Fee			15.0%	<u>13,653.75</u>
Net Estimated Rental Income				77,371.25
Estimated Income, Net of Expenses		(1,864.88)		(22,378.51)

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			\$ 1,495,000
	Year One Appreciation	67,275	1,562,275
	Year Two Appreciation	70,302	1,632,577
	Year Three Appreciation	73,466	1,706,043
	Year Four Appreciation	76,772	1,782,815
	Year Five Appreciation	<u>80,227</u>	<u>1,863,042</u>
	Five Year Total Appreciation	368,042	1,863,042

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	21.88%
	Year Two	22.89%
	Year Three	23.95%
	Year Four	25.05%
	Year Five	<u>26.21%</u>
	Return on Invested Capital	Five Year Total
		122.47%

* 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	667,050	27.5	24,256.36
Furnishings - Tax Basis		7	-
Annual Depreciation, Each of First Five Years			<u>24,256.36</u>
Year One	Cash Flow	First Year	(22,378.51)
	Depreciation	First Year	<u>(24,256.36)</u>
	Cumulative Year One Gain (Loss) Applied to Schedule C		(46,634.87)
	<u>Year One Return on Invested Capital</u>		
Assumed Tax Rate & Potential Tax Savings		28%	\$ 13,058
Equity Build Up		First Year	
First Year Appreciation		First Year	<u>67,275</u>
Net Potential Gain		First Year	\$ 80,333
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	26.24%

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