# PROPERTY AND INVESTOR DATA SUMMARY

FORM 1

| Property Address                     |          | _                    | Investo       | or              |
|--------------------------------------|----------|----------------------|---------------|-----------------|
| Prepared By Greg Swann               |          | •                    | Date          | 8/15/2005       |
|                                      |          |                      |               |                 |
| PURCHASE PRICE                       | \$       |                      | LAND          | ALLOCATION 20%  |
| IMPROVEMENT ALLOCATION (%)           | X        | 80%                  |               | %               |
| IMPROVEMENT VALUE                    | \$       | 180,000 b            |               |                 |
| Amount                               |          | Rate (%)             |               | Annual Interest |
| 1st Loan \$ 112,500                  | х        | 6.50%                | =             | \$              |
| +                                    |          |                      |               | +               |
| 2nd Loan \$                          | X        |                      | =             | \$              |
|                                      |          |                      |               |                 |
| TOTAL= \$ 112,500                    | C        |                      | =             | \$ 7,313 d      |
|                                      |          |                      |               |                 |
| Down Payment                         |          |                      |               | \$ 112,500      |
|                                      |          |                      |               |                 |
| Closing Costs                        |          |                      | +             | \$ 3,500 e      |
| Initial Investment                   |          |                      | =             | \$ 116,000 f    |
| Gross Scheduled Income (monthly rent | \$       | 1,050x 12)           | ) <b>=</b>    | \$ 12,600 g     |
| Annual Vacancy Allowance (           | 10%<br>% | x (g))               | =             | \$ 1,260 h      |
| ANNUAL OPERATING EXPENSES            | 70       | Investor's Tax Brack | cet (%)       | 28% j           |
| Property Taxes 1,623                 |          | Holding Period       |               |                 |
| Insurance 600                        |          | Annual Property      |               |                 |
| Utilities 0                          |          | Appreciation Rate    | e (%)         | 6.00%           |
| Maintenance 600                      |          | Projected Cost of Sa | ale (%)       | 9.00% m         |
| Other 460                            |          |                      |               |                 |
| 0                                    |          | Investor's Pre-Tax   |               |                 |
|                                      |          | Investment Rat       | te (%)        | 2.00%           |
| TOTAL \$ 3,283                       |          | 1.00 minus           | 28%<br>bracke | <u> </u>        |
|                                      |          | Investor's After-Tax | . J. GONG     | _               |
|                                      |          | Investment Rate      | e             | 1.44% n         |

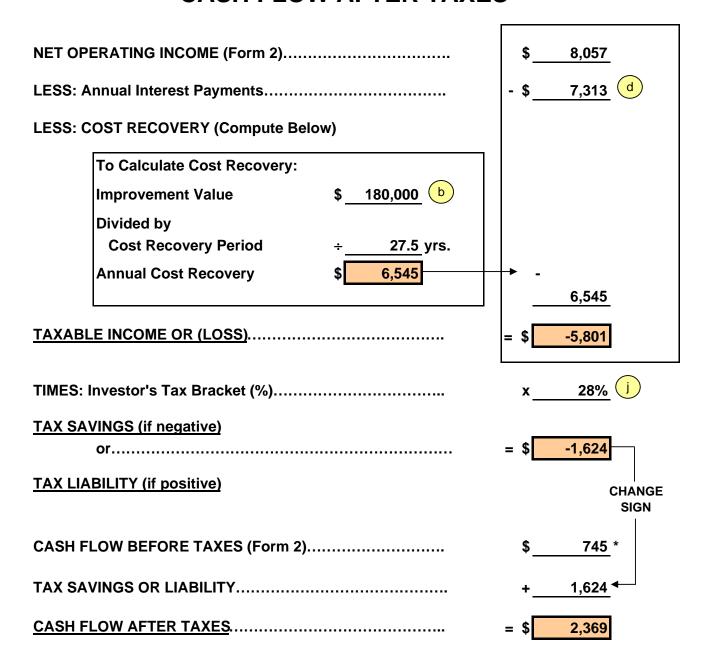
### **CASH FLOW BEFORE TAXES**

| Gross Scheduled Income         |   | \$ <u>12,600</u> <u>g</u> |
|--------------------------------|---|---------------------------|
| LESS: Vacancy Allowance        | - | \$1,260 h                 |
| GROSS OPERATING INCOME         | = | \$ 11,340                 |
|                                |   |                           |
| LESS: Total Operating Expenses | - | \$                        |
| NET OPERATING INCOME           | = | \$ 8,057                  |
|                                |   |                           |
| LESS: Annual Interest Payments | - | 7,313 d                   |
| CASH FLOW BEFORE TAXES         | = | \$ 745                    |

The preparer accepts no expressed or implied liability due to the contents of this report. Although all facts, figured and projections have been obtained from sources deemed reliable and are believed to be correct, no guarantee or liability is assumed by its author. These forms assist in the analysis of real estate investments and are not intended to comprehensively analyze the tax ramifications for an individual investor. As with any investment, your personal tax counsel should be contacted.

FORM 2

#### **CASH FLOW AFTER TAXES**

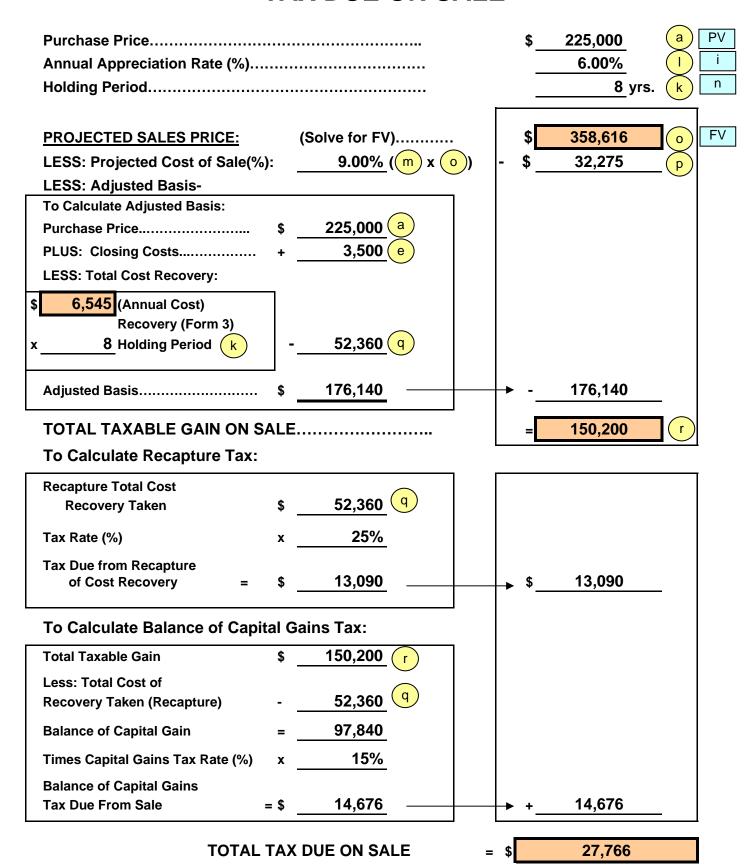


- \* If CFBT is negative: A tax savings will reduce the negative cash flow.

  A tax liability will increase the negative cash flow.
- \* If CFBT is positive: A tax savings will increase the positive cash flow.

  A tax liability will reduce the positive cash flow.

# TAX DUE ON SALE



### RESIDENTIAL INVESTMENT PERFORMANCE SUMMARY

|                                     |                                 | =             |
|-------------------------------------|---------------------------------|---------------|
| PROJECTED SALES PRICE:              | = \$ 358,616                    |               |
| LESS: Projected Cost of Sale:       | - \$ 32,275 P<br>- \$ 112,500 C |               |
| AFTER-TAX PROCEEDS FROM SALE:       | = \$ 186,074 S                  |               |
| CASH FLOW AFTER TAX (Form 3):       | \$ 2,369<br>n 1.44%<br>k 8 yrs. | PMT i n SOLVE |
| AMOUNT ACCUMULATED:                 | = 19,935 * T                    | FOR FV        |
| TOTAL FUTURE WEALTH: ( S + T )      | = \$ 206,009                    | FV            |
| INITIAL INVESTMENT:                 | f \$ 116,000                    | PV            |
| HOLDING PERIOD:                     | k8 yrs.                         | SOLVE         |
| AFTER-TAX RATE OF RETURN/YIELD (%): | = 7.44%                         | FOR<br>i      |
|                                     |                                 |               |

\*Note:

If CFAT is positive, the amount accumulated will also be positive and represents the amount that annual cash flows would earn if invested in a relatively safe and liquid type investment during the holding period.

If CFAT is negative, the amount accumulated will also be negative, and represents the after-tax lost opportunity cost of using investment capital to meet the annual deficit for the duration of the holding period.