# PROPERTY AND INVESTOR DATA SUMMARY

FORM 1

Property Address Olive Drive			Investor Sullivan				
Prepared By	Greg Swann		_	Date	4/22/2005		
PURCHASE PRICE \$ IMPROVEMENT ALLOCATION (%) x		80%	LAND	ALLOCATION 20%			
IMPROVEMENT	VALUE	\$	152,000 b				
1st Loan 2nd Loan	Amount \$ 180,500 +	x x	Rate (%) 6.50%	=	Annual Interest \$ 11,733 + 0		
TOTAL=	\$ 180,500	C		=	\$ 11,733 d		
Down Payment					\$		
Closing Costs				+	\$		
Initial Investment				=	\$ 13,000 f		
Gross Scheduled	Income (monthly rent	\$	950 x 12)	=	\$ 11,400 g		
Annual Vacancy	Allowance (	10% %	x (g))	=	\$ 1,140 h		
Property Taxes         1,082           Insurance         600           Utilities         0           Maintenance         600           Other         370			Investor's Tax Bracket (%)				
 TOTAL	0 \$ 2,652 i			28% bracket	j = x <u>0.72</u>		

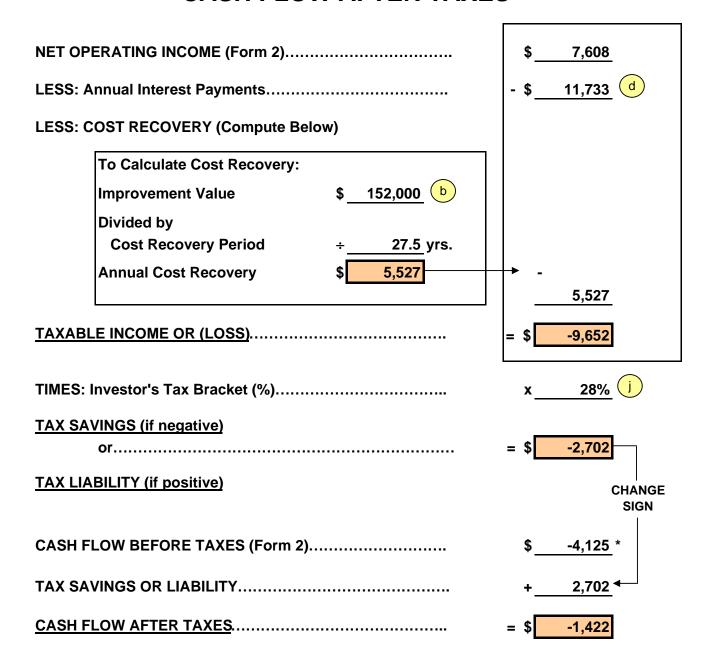
### **CASH FLOW BEFORE TAXES**

Gross Scheduled Income		\$ <u>11,400</u> g
LESS: Vacancy Allowance	-	\$1,140 h
GROSS OPERATING INCOME	=	\$ 10,260
LESS: Total Operating Expenses	-	\$ <u>2,652</u> i
NET OPERATING INCOME	=	\$ 7,608
LESS: Annual Interest Payments	-	11,733 d
CASH FLOW BEFORE TAXES	=	\$ -4,125

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**

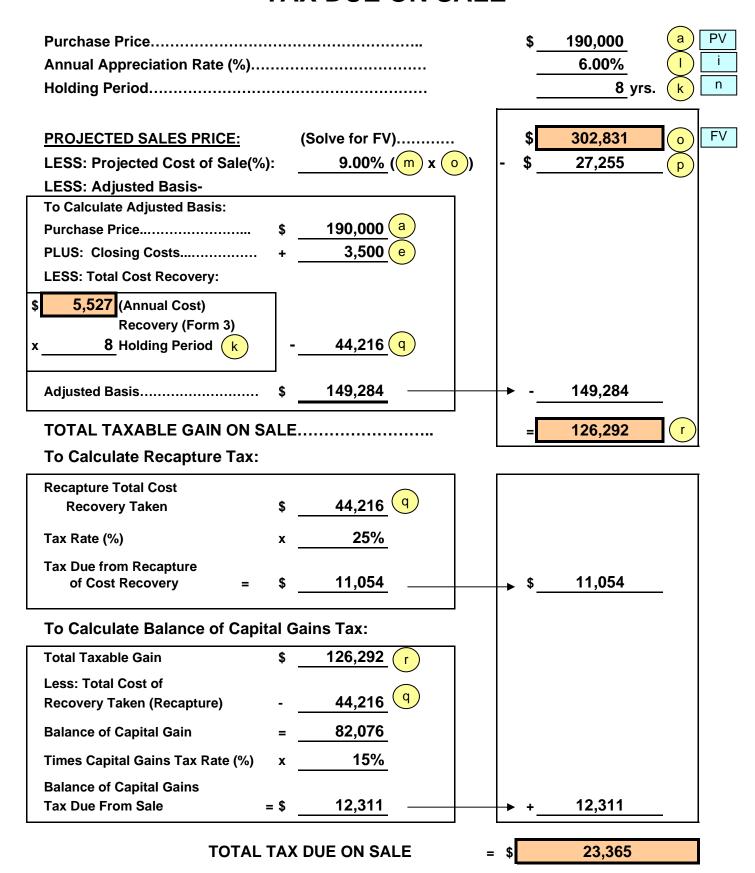


- \* If CFBT is negative: A tax savings will reduce the negative cash flow.

  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:	= \$302,831	
LESS: Projected Cost of Sale:  Mortgage Balance Due:  Tax Due on Sale (Form 4)	- \$ 27,255 P c 180,500 c - \$ 23,365	
AFTER-TAX PROCEEDS FROM SALE:	= \$ 71,711 S	
CASH FLOW AFTER TAX (Form 3):	\$ -1,422 n 1.44% k 8 yrs.	PMT i n SOLVE
AMOUNT ACCUMULATED:	= -11,966 * T	FOR FV
TOTAL FUTURE WEALTH: ( S + T )	= \$ 59,745	FV
INITIAL INVESTMENT:	f \$13,000	PV
HOLDING PERIOD:	k8 yrs.	n SOLVE
AFTER-TAX RATE OF RETURN/YIELD (%):	= 21.00%	FOR 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.