

PROPERTY SALE ANALYSIS

5 Month of a 12-Month Cash Flow Projection

	Month 1	Month 2	Month 3	Month 4	Month 5
Projected Sales Price - Initial FMV	\$ 165,825	\$ 166,654	\$ 167,487	\$ 168,325	\$ 169,166
Property Improvements - FMV	2,875	3,625	4,875	9,825	9,825
FMV Adjustment Option (+/-)		6,000	12,000	12,000	12,000
Total Projected FMV of Property	168,700	176,279	184,362	190,150	190,991
Estimated Selling Expenses	(10,122)	(10,577)	(11,062)	(11,409)	(11,459)
1st Mortgage Balance Payoff	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
2nd Mortgage Balance Payoff	-	-	-	-	-
3rd Mortgage Balance Payoff	-	-	-	-	-
Prepayment Penalty (if any)	-	-	-	-	-
Income Tax Benefit (Cost) From Sale	(1,185)	(3,225)	(5,256)	(5,413)	(5,666)
Tax Benefit From Suspended Losses (if any)	-	-	-	-	-
Estimated Cash Proceeds from Sale	\$ 82,393	\$ 87,478	\$ 93,044	\$ 98,328	\$ 98,866
Original Investment	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)	\$ (77,000)
Net Cash From Sale less Investment	\$ 5,393	\$ 10,478	\$ 16,044	\$ 21,328	\$ 21,866

PROPERTY PROFIT/LOSS CALCULATION

Total Projected FMV of Property	\$ 168,700	\$ 176,279	\$ 184,362	\$ 190,150	\$ 190,991
Selling Expenses	(10,122)	(10,577)	(11,062)	(11,409)	(11,459)
Income Tax Benefit (Cost) From Sale	(1,185)	(3,225)	(5,256)	(5,413)	(5,666)
Cumulative Operating Cash Flow (from below)	(3,766)	(5,730)	(7,275)	(12,521)	(12,817)
Points Paid (if any)	-	-	-	-	-
Equity Generated from Monthly Payments	-	-	-	-	-
Initial Purchase Price	\$ (152,000)	\$ (152,000)	\$ (152,000)	\$ (152,000)	\$ (152,000)
Profit/Loss on Property After Taxes	\$ 1,627	\$ 4,748	\$ 8,769	\$ 8,807	\$ 9,049

OPERATING INCOME & IMPROVEMENT OUTFLOW

Gross Rental Income (if any)	\$ -	\$ -	\$ -	\$ -	\$ -
Vacancy & Credits	-	-	-	-	-
Operating Expenses	(1,310)	(1,410)	(60)	(60)	(60)
Net Operating Income (NOI)	\$ (1,310)	\$ (1,410)	\$ (60)	\$ (60)	\$ (60)

Mortgage Payments - 1st Mortgage	n/a	(375)	(375)	(375)	(375)
Mortgage Payments - 2nd Mortgage	n/a	-	-	-	-
Mortgage Payments - 3rd Mortgage	n/a	-	-	-	-
Capital Improvements	(2,875)	(750)	(1,250)	(4,950)	-
Income Taxes	419	571	139	139	139
Monthly Net Operating Cash Flow	\$ (3,766)	\$ (1,964)	\$ (1,546)	\$ (5,246)	\$ (296)
Cumulative Net Operating Cash Flow	\$ (3,766)	\$ (5,730)	\$ (7,275)	\$ (12,521)	\$ (12,817)

CASH GENERATED & RATE of RETURN

Net Cash Generated / Spent This Month	(3,766)	(1,964)	(1,546)	(5,246)	(296)
Cumulative Net Cash Generated / Spent	n/a	(3,766)	(5,730)	(7,275)	(12,521)
Cash From Sale Net of Original Investment	5,393	10,478	16,044	21,328	21,866
Total Cumulative Cash Generated	1,627	4,748	8,769	8,807	9,049
Cash on Cash Return b/f Taxes	3.11%	9.07%	16.75%	16.82%	17.28%
Cash on Cash Return a/f Taxes	2.11%	11.06%	11.39%	11.44%	11.75%
Cumulative Leveraged IRR	27.92%	42.75%	51.71%	36.48%	28.30%
Cumulative Unleveraged IRR	13.36%	21.50%	26.26%	19.68%	16.04%