

Taxable Income Analysis - Property Sale

5 Month of a 12 Month Report

	Month 1	Month 2	Month 3	Month 4	Month 5
Projected Property Sales Price	\$ 168,700	\$ 176,279	\$ 184,362	\$ 190,150	\$ 190,991
Estimated Selling Expenses	(10,122)	(10,577)	(11,062)	(11,409)	(11,459)
Cumulative Improvements Made	(2,875)	(3,625)	(4,875)	(9,825)	(9,825)
Amortization Points Paid	-	-	-	-	-
Original Cost of Property	(152,000)	(152,000)	(152,000)	(152,000)	(152,000)
Taxable Gain (Loss) on Property Sale	\$ 3,703	\$ 10,077	\$ 16,426	\$ 16,916	\$ 17,707
Tax Rate	32.00%	32.00%	32.00%	32.00%	32.00%
Tax (Expense) Benefit from Sale	(1,185)	(3,225)	(5,256)	(5,413)	(5,666)

Taxable Income Analysis - Rental Activity

	Month 1	Month 2	Month 3	Month 4	Month 5
Net Operating Income (NOI)	\$ (1,310)	\$ (1,410)	\$ (60)	\$ (60)	\$ (60)
Interest Expense - 1st Mortgage	n/a	(375)	(375)	(375)	(375)
Interest Expense - 2nd Mortgage	n/a	-	-	-	-
Interest Expense - 3rd Mortgage	n/a	-	-	-	-
<u>Operating Taxable Income</u>	<u>\$ (1,310)</u>	<u>\$ (1,785)</u>	<u>\$ (435)</u>	<u>\$ (435)</u>	<u>\$ (435)</u>
Tax Rate	32.00%	32.00%	32.00%	32.00%	32.00%
Tax (Expense) Benefit from Operations	419	571	139	139	139