



## Sales Scenarios (5 year Hold)

Mortgage Balances					
End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage	1,258,040	1,235,151	1,211,294	1,186,428	1,160,510
Principal Balance - 2nd Mortgage					
<b>TOTAL UNPAID BALANCE</b>	<b>\$1,258,040</b>	<b>\$1,235,151</b>	<b>\$1,211,294</b>	<b>\$1,186,428</b>	<b>\$1,160,510</b>
Calculation of Sale Proceeds					
	<b>Scenario 1 @=6 Cap</b>	<b>Scenario 1 @7 Cap</b>	<b>Scenario 1 @8 Cap</b>		
PROJECTED SALES PRICE	<u>\$1,927,817</u>	<u>\$1,652,414</u>	<u>\$1,445,862</u>		
<b>CALCULATION OF ADJUSTED BASIS:</b>					
1 Basis at Acquisition	<u>\$1,616,000</u>	<u>\$1,616,000</u>	<u>\$1,616,000</u>		
2 +Capital Additions					
3 -Cost Recovery (Depreciation) Taken	<u>551,972</u>	<u>551,972</u>	<u>551,972</u>		
4 -Basis in Partial Sales					
5 =Adjusted Basis at Sale	<u>1,064,028</u>	<u>1,064,028</u>	<u>1,064,028</u>		
<b>CALCULATION OF CAPITAL GAIN ON SALE:</b>					
6 Sale Price	<u>1,927,817</u>	<u>1,652,414</u>	<u>1,445,862</u>		
7 -Costs of Sale	<u>134,947</u>	<u>115,669</u>	<u>101,210</u>		
8 -Adjusted Basis at Sale (Line 5)	<u>1,064,028</u>	<u>1,064,028</u>	<u>1,064,028</u>		
9 -Participation Payment on Sale					
10 =Gain or (Loss)	<u>728,841</u>	<u>472,717</u>	<u>280,624</u>		
11 -Straight Line Cost Recovery (limited to gain)	<u>551,972</u>	<u>472,717</u>	<u>280,624</u>		
12 -Suspended Losses					
13 =Capital Gain from Appreciation	<u>176,869</u>		<u>27,158</u>		
<b>ITEMS TAXED AS ORDINARY INCOME:</b>					
14 Unamortized Loan Fees/Costs (negative)	<u>(12,800)</u>	<u>(12,800)</u>	<u>(12,800)</u>		
15 +					
16 =Ordinary Taxable Income	<u>(12,800)</u>	<u>(12,800)</u>	<u>(12,800)</u>		
<b>CALCULATION OF SALES PROCEEDS AFTER TAX:</b>					
17 Sale Price	<u>1,927,817</u>	<u>1,652,414</u>	<u>1,445,862</u>		
18 -Cost of Sale	<u>20,000</u>	<u>19,000</u>	<u>18,000</u>		
19 -Participation Payment on Sale					
20 -Mortgage Balance(s)	<u>1,160,510</u>	<u>1,160,510</u>	<u>1,160,510</u>		
21 +Balance of Funded Reserves					
22 =Sale Proceeds Before Tax	<u>747,307</u>	<u>472,904</u>	<u>267,353</u>		
#####	<u>(3,840)</u>	<u>(3,840)</u>	<u>(3,840)</u>		
#####	<u>137,993</u>	<u>118,179</u>	<u>70,156</u>		
25 -Tax on Capital Gains at 15% of Line 13	<u>26,530</u>	<u>4,074</u>	<u>4,074</u>		
26 =SALE PROCEEDS AFTER TAX	<u>\$586,623</u>	<u>\$358,565</u>	<u>\$196,963</u>		