

SCENARIO #1



1. Hypothetical Purchase:

Cabin Purchase Price –	\$250,000
Down Payment 10% –	<u>\$ 25,000</u>
30 Year Mortgage	\$ 225,000
@ 7%	\$1,496.93 – Monthly

\$17,963.16 – Annual (see amortization schedule below)

2. Estimate of Rental Income:

Estimate Of Rental Income				
Prepared for:	2 Bedroom, 2 Bath Mid Comp			
Rental Periods:	<div style="background-color: #cccccc; padding: 2px; text-align: center; font-weight: bold;">High & Holiday</div> May 23 - Aug. 21 Sept. 22 - Nov. 6 Memorial Day July 4th Labor Day Thanksgiving Christmas New Years	<div style="background-color: #cccccc; padding: 2px; text-align: center; font-weight: bold;">Mid Season</div> March 7 - May 22 Aug. 22 - Sept. 21	<div style="background-color: #cccccc; padding: 2px; text-align: center; font-weight: bold;">Low Season</div> Nov. 7 - March 6	
Days in Period:	160	100	105	TOTALS 365
Rates:				
Base per night:	\$140	\$120	\$100	
Cleaning Fee:	\$75	\$75	\$75	
First night:	\$215	\$195	\$175	
Weekly:	\$915	\$795	\$675	
Occupancy Rate:	80%	50%	20%	55%
Total Days Rented:	128	50	21	199
Total Income:	\$17,920	\$6,000	\$2,100	\$26,020
			Total to Owner:	\$18,214.00

3. Amortization Schedule:

Estimated Yearly Payment							
Loan Amount	\$225,000	Appraised Value	0	SCENARIO #1			
Rate	7%	Homeowners Ins	0				
Loan Terms	30	Property Tax	0				
Pmt/Year	12	# Pmt's 1st Yr	12				
% Down	10%						
Principal and Interest	\$1,496.93	Homeowners Insurance	0				
Property Tax	0	Mortgage Insurance	0				
				Year To Date		Loan To Date	
Yearly Pmt	Interest	Current Principle	Balance	Interest	Principal	Interest	Principal
0	\$1,312.50	\$184.43	\$224,815.57	\$1,312.50	\$184.43	\$1,312.50	\$184.43
1	\$1,300.31	\$196.62	\$222,714.43	\$15,677.60	\$2,285.56	\$15,677.60	\$2,285.56
2	\$1,286.10	\$210.83	\$220,263.62	\$15,512.37	\$2,450.79	\$31,189.97	\$4,736.35
3	\$1,270.86	\$226.07	\$217,635.65	\$15,335.20	\$2,627.96	\$46,525.16	\$7,364.31
4	\$1,254.52	\$242.41	\$214,817.73	\$15,145.23	\$2,817.93	\$61,670.39	\$10,182.25
5	\$1,236.99	\$259.94	\$211,796.11	\$14,941.52	\$3,021.64	\$76,611.91	\$13,203.89
6	\$1,218.20	\$278.73	\$208,556.02	\$14,723.08	\$3,240.08	\$91,335.00	\$16,443.96
7	\$1,198.05	\$298.88	\$205,081.72	\$14,488.86	\$3,474.30	\$105,823.86	\$19,918.27
8	\$1,176.45	\$320.48	\$201,356.25	\$14,237.70	\$3,725.46	\$120,061.55	\$23,643.72
9	\$1,153.28	\$343.65	\$197,361.47	\$13,968.39	\$3,994.77	\$134,029.94	\$27,638.49
10	\$1,128.44	\$368.49	\$193,077.88	\$13,679.60	\$4,283.56	\$147,709.56	\$31,922.05
11	\$1,101.80	\$395.13	\$188,484.65	\$13,369.94	\$4,593.22	\$161,079.52	\$36,515.27
12	\$1,073.24	\$423.70	\$183,559.38	\$13,037.90	\$4,925.26	\$174,117.42	\$41,440.54
13	\$1,042.61	\$454.32	\$178,278.05	\$12,681.85	\$5,281.31	\$186,799.28	\$46,721.85
14	\$1,009.76	\$487.17	\$172,614.96	\$12,300.06	\$5,663.10	\$199,099.34	\$52,384.95
15	\$974.54	\$522.39	\$166,542.44	\$11,890.67	\$6,072.49	\$210,990.03	\$58,457.43
16	\$936.78	\$560.15	\$160,030.96	\$11,451.69	\$6,511.47	\$222,441.73	\$64,968.90
17	\$896.29	\$600.64	\$153,048.78	\$10,980.98	\$6,982.18	\$233,422.69	\$71,951.08
18	\$852.87	\$644.06	\$145,561.88	\$10,476.24	\$7,486.92	\$243,898.94	\$79,438.01
19	\$806.31	\$690.62	\$137,533.74	\$9,935.01	\$8,028.15	\$253,833.94	\$87,466.17
20	\$756.38	\$740.55	\$128,925.23	\$9,354.65	\$8,608.51	\$263,188.56	\$96,074.68
21	\$702.85	\$794.08	\$119,694.42	\$8,732.34	\$9,230.82	\$271,920.94	\$105,305.49
22	\$645.45	\$851.48	\$109,796.30	\$8,065.05	\$9,898.11	\$279,985.97	\$115,203.62
23	\$583.89	\$913.04	\$99,182.66	\$7,349.51	\$10,613.65	\$287,335.47	\$125,817.25
24	\$517.89	\$979.04	\$87,801.75	\$6,582.25	\$11,380.91	\$293,917.69	\$137,198.17
25	\$447.11	\$1,049.82	\$75,598.13	\$5,759.52	\$12,203.64	\$299,677.25	\$149,401.81
26	\$371.22	\$1,125.71	\$62,512.28	\$4,877.32	\$13,085.84	\$304,554.63	\$162,487.64
27	\$289.84	\$1,207.09	\$48,480.47	\$3,931.35	\$14,031.81	\$308,485.97	\$176,519.44
28	\$202.58	\$1,294.35	\$33,434.29	\$2,916.98	\$15,046.18	\$311,402.97	\$191,565.59
29	\$109.02	\$1,387.91	\$17,300.43	\$1,829.30	\$16,133.87	\$313,232.28	\$207,699.44
30	\$8.68	\$1,488.49	\$0.00	\$662.98	\$17,300.43	\$313,895.28	\$224,999.84

4. Asset Depreciation Schedule:

Scenario #1

Asset Depreciation

Annual depreciation amounts under various methods

Initial cost	\$225,000
Salvage value	\$50,000
Useful life (years)	30

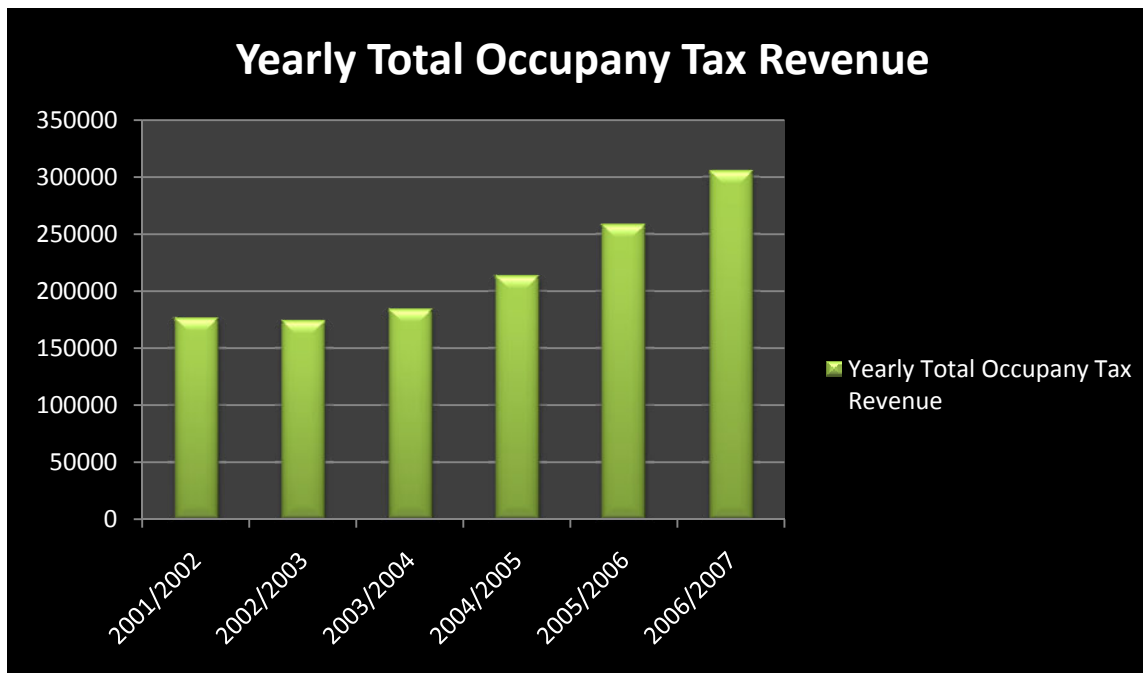
Years	Double Declining Balance	Straight-Line	Sum of Years Digits	150% Declining Balance
1	\$15,254	\$5,932	\$11,475	\$11,441
2	\$14,220	\$5,932	\$11,086	\$10,859
3	\$13,256	\$5,932	\$10,697	\$10,307
4	\$12,357	\$5,932	\$10,308	\$9,783
5	\$11,519	\$5,932	\$9,919	\$9,285
6	\$10,739	\$5,932	\$9,530	\$8,813
7	\$10,010	\$5,932	\$9,141	\$8,365
8	\$9,332	\$5,932	\$8,752	\$7,940
9	\$8,699	\$5,932	\$8,363	\$7,536
10	\$8,109	\$5,932	\$7,974	\$7,153
11	\$7,560	\$5,932	\$7,585	\$6,789
12	\$7,047	\$5,932	\$7,196	\$6,444
13	\$6,569	\$5,932	\$6,807	\$6,116
14	\$6,124	\$5,932	\$6,418	\$5,805
15	\$5,709	\$5,932	\$6,029	\$5,510
16	\$5,322	\$5,932	\$5,640	\$5,230
17	\$4,961	\$5,932	\$5,251	\$4,964
18	\$4,625	\$5,932	\$4,862	\$4,712
19	\$4,311	\$5,932	\$4,473	\$4,472
20	\$4,019	\$5,932	\$4,084	\$4,245
21	\$3,746	\$5,932	\$3,695	\$4,029
22	\$1,512	\$5,932	\$3,306	\$3,824
23	\$0	\$5,932	\$2,917	\$3,629
24	\$0	\$5,932	\$2,528	\$3,445
25	\$0	\$5,932	\$2,139	\$3,270
26	\$0	\$5,932	\$1,750	\$3,104
27	\$0	\$5,932	\$1,361	\$2,946
28	\$0	\$5,932	\$972	\$2,796
29	\$0	\$5,932	\$583	\$2,190
Total	\$175,000	\$172,034	\$174,854	\$175,000

5. Rental Income Growth Statistics: Occupancy Tax

	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
July	\$35,752	\$38,482	\$37,529	\$40,820	\$46,813	\$55,313	\$54,430
August	\$24,772	\$26,698	\$27,203	\$24,467	\$31,632	\$29,324	\$39,534
September	\$17,446	\$15,815	\$15,534	\$18,325	\$21,782	\$33,137	\$26,143
October	\$24,605	\$24,457	\$25,739	\$29,991	\$31,925	\$37,873	\$42,090
November	\$8,599	\$8,418	\$8,226	\$11,442	\$14,922	\$22,540	\$24,289
December	\$3,809	\$3,713	\$5,114	\$8,834	\$13,199	\$18,209	\$20,766
January	\$1,853	\$1,995	\$2,467	\$3,769	\$5,037	\$6,167	N/A
February	\$2,449	\$2,343	\$3,803	\$5,043	\$5,449	\$8,902	N/A
March	\$5,645	\$5,095	\$5,067	\$8,016	\$10,668	\$11,309	N/A
April	\$9,484	\$7,927	\$11,003	\$11,442	\$15,251	\$20,406	N/A
May	\$15,015	\$13,985	\$15,085	\$20,223	\$20,326	\$23,791	N/A
June	\$26,328	\$24,730	\$26,942	\$30,419	\$40,671	\$38,381	N/A
Totals	\$175,757	\$173,658	\$183,712	\$212,791	\$257,675	\$305,352	N/A

The chart below graphically illustrates the exceptional growth of rental income in the area...

+174% in 5 YEARS!!!



- Please note...the numbers above represent the 3% occupancy tax revenue...divide by 0.03!
- Source: Economic Development Board, Swain County, NC.