

DETERMINING DEPRECIABLE BASIS OF THE PROPERTY

| Basis of the property | |
|---------------------------------------|-----------|
| Purchase price allocation to building | 60% |
| Purchase price | \$ 70,000 |
| Building value | \$ 42,000 |
| Land value | \$ 28,000 |

| Cost added to the basis of the property (Closing Statement) | |
|-------------------------------------------------------------|----------|
| Abstract fees | \$ 1,500 |
| Legal Fees (Title fees) | \$ 200 |
| Recording fees | \$ 1,200 |
| Surveys | |
| Appraisal done by you (not required by lender) | |
| Transfer tax | |
| Title Insurance Binder | |
| Lender's Title insurance | |
| Title Search | |
| Title Settlement Agent fee | |
| Seller owed back taxes | |
| Seller owed back interest | |
| Seller owed mortgages fees | |
| Seller owed repair or improvements | |
| Seller owed sales commissions | |
| Pest inspection fees | |
| Other Fees | |
| Other Fees | |

| Cost added to the basis of the property(Personal Expenses) | |
|-----------------------------------------------------------------|------------------|
| Travel expenses to look at the property | \$ 500 |
| Tax Consultation to look at the property | \$ 300 |
| Other cost that were incurred after you identified the property | |
| Adjusted Depreciable Basis of the Property | \$ 45,700 |

DEPRECIABLE BASIS OF REHAB

| Capital Improvement Basis | |
|-------------------------------------------------|-----------------|
| Total Rehab done after purchase | \$ 10,000 |
| Less: Repairs (cost that are not capitalizable) | \$ 2,000 |
| Total Capital Improvement | \$ 8,000 |

| Cost Deducted in a Year of the Purchase (Closing Statement) | |
|-------------------------------------------------------------|-----------------|
| Insurance Paid on closing | \$ 1,200 |
| Utilities Paid on closing | |
| Property taxes paid on Closing | \$ 800 |
| Prepaid Interest paid on closing | |
| HOA Capital Contribution | |
| HOA Dues paid on closing | |
| Home inspection | \$ 500 |
| Home warranty dee | |
| Other Cost 1 | |
| Total deductible Cost | \$ 2,500 |

| Cost of a loan that cannot be deducted in a year of purchase | |
|--------------------------------------------------------------|-----------------|
| Points | \$ 2,000 |
| Total Points | \$ 2,000 |
| Loan Origination fee | \$ 500 |
| Credit Report Fees | \$ 75 |
| Appraisal fees Required by lender | \$ 500 |
| Flood determination fee | |
| Flood monitoring fee | |
| Tax Monitoring fee | |
| Tax Status Research fee | |
| Other loan Origination fees | |
| Total Loan origination fees | \$ 3,075 |
| Amortization | |
| Yearly Term of the loan | \$ 30 |
| Approximate Yearly Amortization | \$ 103 |

IGNORE BELOW IF NOT REFINANCING

| Answer these before calculating the refi point amortization | |
|-------------------------------------------------------------|-----|
| Number of months after original loan you are refinancing | 6 |
| Yearly term of the loan | 30 |
| Is refinance with the same lender | Yes |

| Points on a new loan | |
|-----------------------------------|---------------|
| Points | 2000 |
| Total Points | 2000 |
| Loan Origination fee | 600 |
| Credit Report Fees | 20 |
| Appraisal fees Required by lender | 500 |
| Flood determination fee | |
| Flood monitoring fee | |
| Tax Monitoring fee | |
| Tax Status Research fee | |
| Other loan Origination fees | |
| | \$ 169 |

DEPRECIATION SCHEDULE

Property Information

| | |
|--------------------------------------|----------------------|
| Land/building value allocation | \$ 45,700.00 |
| Select type of property | Residential Property |
| Depreciable life | 27.5 |
| Month Placed in service | 11 |
| First year depreciation total months | 1.5 |

| Year | Net Book Value (Start of Year) | Annual Depreciation | Accumulated Depreciation | Net Book Value (End of Year) |
|------|-----------------------------------|---------------------|-----------------------------|---------------------------------|
| 1 | 45,700.00 | 207.73 | 207.73 | 45,492.27 |
| 2 | 45,492.27 | 1,716.69 | 1,924.42 | 43,775.58 |
| 3 | 43,775.58 | 1,716.69 | 3,641.11 | 42,058.89 |
| 4 | 42,058.89 | 1,716.69 | 5,357.80 | 40,342.20 |
| 5 | 40,342.20 | 1,716.69 | 7,074.49 | 38,625.51 |
| 6 | 38,625.51 | 1,716.69 | 8,791.17 | 36,908.83 |
| 7 | 36,908.83 | 1,716.69 | 10,507.86 | 35,192.14 |
| 8 | 35,192.14 | 1,716.69 | 12,224.55 | 33,475.45 |
| 9 | 33,475.45 | 1,716.69 | 13,941.24 | 31,758.76 |
| 10 | 31,758.76 | 1,716.69 | 15,657.93 | 30,042.07 |
| 11 | 30,042.07 | 1,716.69 | 17,374.62 | 28,325.38 |
| 12 | 28,325.38 | 1,716.69 | 19,091.31 | 26,608.69 |
| 13 | 26,608.69 | 1,716.69 | 20,808.00 | 24,892.00 |
| 14 | 24,892.00 | 1,716.69 | 22,524.69 | 23,175.31 |
| 15 | 23,175.31 | 1,716.69 | 24,241.38 | 21,458.62 |
| 16 | 21,458.62 | 1,716.69 | 25,958.07 | 19,741.93 |
| 17 | 19,741.93 | 1,716.69 | 27,674.76 | 18,025.24 |
| 18 | 18,025.24 | 1,716.69 | 29,391.45 | 16,308.55 |
| 19 | 16,308.55 | 1,716.69 | 31,108.14 | 14,591.86 |
| 20 | 14,591.86 | 1,716.69 | 32,824.83 | 12,875.17 |
| 21 | 12,875.17 | 1,716.69 | 34,541.52 | 11,158.48 |
| 22 | 11,158.48 | 1,716.69 | 36,258.21 | 9,441.79 |
| 23 | 9,441.79 | 1,716.69 | 37,974.90 | 7,725.10 |
| 24 | 7,725.10 | 1,716.69 | 39,691.59 | 6,008.41 |
| 25 | 6,008.41 | 1,716.69 | 41,408.28 | 4,291.72 |
| 26 | 4,291.72 | 1,716.69 | 43,124.97 | 2,575.03 |
| 27 | 2,575.03 | 1,716.69 | 44,841.66 | 858.34 |
| 28 | 858.34 | 858.34 | 45,700.00 | - |

IMPROVEMENTS DEPRECIATION SCHEDULE

Property Information

| | |
|--------------------------------------|----------------------|
| Improvements | \$ 8,000 |
| Select type of property | Residential Property |
| Depreciable life | 27.5 |
| Month Placed in service | 3 |
| First year depreciation total months | 9.5 |

| Year | Net Book Value (Start of Year) | Annual Depreciation | Accumulated Depreciation | Net Book Value (End of Year) |
|------|-----------------------------------|---------------------|-----------------------------|---------------------------------|
| 1 | 8,000.00 | 230.30 | 230.30 | 7,769.70 |
| 2 | 7,769.70 | 293.20 | 523.50 | 7,476.50 |
| 3 | 7,476.50 | 293.20 | 816.70 | 7,183.30 |
| 4 | 7,183.30 | 293.20 | 1,109.89 | 6,890.11 |
| 5 | 6,890.11 | 293.20 | 1,403.09 | 6,596.91 |
| 6 | 6,596.91 | 293.20 | 1,696.28 | 6,303.72 |
| 7 | 6,303.72 | 293.20 | 1,989.48 | 6,010.52 |
| 8 | 6,010.52 | 293.20 | 2,282.68 | 5,717.32 |
| 9 | 5,717.32 | 293.20 | 2,575.87 | 5,424.13 |
| 10 | 5,424.13 | 293.20 | 2,869.07 | 5,130.93 |
| 11 | 5,130.93 | 293.20 | 3,162.26 | 4,837.74 |
| 12 | 4,837.74 | 293.20 | 3,455.46 | 4,544.54 |
| 13 | 4,544.54 | 293.20 | 3,748.66 | 4,251.34 |
| 14 | 4,251.34 | 293.20 | 4,041.85 | 3,958.15 |
| 15 | 3,958.15 | 293.20 | 4,335.05 | 3,664.95 |
| 16 | 3,664.95 | 293.20 | 4,628.24 | 3,371.76 |
| 17 | 3,371.76 | 293.20 | 4,921.44 | 3,078.56 |
| 18 | 3,078.56 | 293.20 | 5,214.64 | 2,785.36 |
| 19 | 2,785.36 | 293.20 | 5,507.83 | 2,492.17 |
| 20 | 2,492.17 | 293.20 | 5,801.03 | 2,198.97 |
| 21 | 2,198.97 | 293.20 | 6,094.23 | 1,905.77 |
| 22 | 1,905.77 | 293.20 | 6,387.42 | 1,612.58 |
| 23 | 1,612.58 | 293.20 | 6,680.62 | 1,319.38 |
| 24 | 1,319.38 | 293.20 | 6,973.81 | 1,026.19 |
| 25 | 1,026.19 | 293.20 | 7,267.01 | 732.99 |
| 26 | 732.99 | 293.20 | 7,560.21 | 439.79 |
| 27 | 439.79 | 293.20 | 7,853.40 | 146.60 |
| 28 | 146.60 | 146.60 | 8,000.00 | - |