



Cash Flow from Sale (Before Tax)

Sale Price		\$	5,205,434
Less: Real Estate Commission			260,272
Selling Expenses			6,000
Legal Expenses			3,000
Net Sale Price			<u>4,936,162</u>
Less: Mortgage Repayment			<u>1,589,449</u>
Cash Flow from Sale (Before Tax)			<u>3,346,713</u>

Cash Flow from Sale (After Tax)

Net Sale Price			4,936,162
Less: Capital Gains Tax			
Net Sale Price		4,936,162	
Less Cost Basis		<u>3,590,000</u>	
Capital Gains	1,346,162	x 37.00%	x 50.00%
			<u>249,040</u>
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale		2,590,000	
Less Undepreciated Balance		<u>1,746,630</u>	
Recaptured Depreciation	843,370	x 37.00%	
			<u>312,047</u>
Net Proceeds (After Tax)			<u>4,375,075</u>
Less: Mortgage Repayment			<u>1,589,449</u>
Cash Flow from Sale (After Tax)			<u>2,785,626</u>