

75% Scenario

Cash balance available to invest:	\$8,656,439
75% Invested:	\$6,492,329
Coupon:	4.75%
Annual Income**	\$308,386
**Tax free equivalent at 30%:	\$440,501

Current Loan:	\$7,447,760
Loan rate:	2.18%
Annual interest cost:	\$162,361
Management Fee:	\$55,185
Total annual cost to cover:	\$217,546

Net cash flow surplus:	\$90,840
Net cash flow surplus tax equivalent:	\$129,771

Coincidental Benefits

- All traditional closing costs
- No pre payments
- Avoided higher commercial loan rates
- Appraisal concerns
- Avoid possible balloon payments
- Avoid escrow requirements
- Avoid attorney's fees
- Avoid credit underwriting

Estimated closing costs	
Highrise Condo	\$35,000
Residential Building	\$179,000
Total	\$214,000
Claude's bond portfolio total return	(\$150,358)