



Royal Real Estate

Complete Analysis Report

For Property Located At:

5013 Susan Oak Drive

Fair Oaks, CA 95628



Introduction

Bringing Real Estate Value Across America

Richard Brown, President
Avanced Capital Investments
4370 La Jolla Village Drive
Suite 400
San Diego, CA 92122



Re: 5013 SUSAN OAK DR. FAIR OAKS, CA 95628

Dear Mr. Brown:

Thank you for your time in considering the investment in the above referenced property. As we have discussed it is an excellent opportunity for you to take advantage of the foreclosure market in Northern California at or near the bottom of the price trough. It is highly unlikely we will see prices this low again in our lifetime.

The property is a well maintained 4 bedroom 3 bath home in a nice subdivision. The last market sale of the property was at \$396,000 when the home was new and purchased by the current occupants in 1990. The owners refinanced it in April of 2007 for \$414,000 and the lender posted it for trustee's sale on April 2, 2010 and the sale being held June 29, 2010.

We believe we can purchase this property from the lender for \$360,000 and we have non-qualifying financing arranged for \$252,000 at 14% for 1 year requiring an initial investment from you of \$108,000.

As we have discussed, you will invest the \$108,000 and will receive your investment back plus 6% annual interest upon sale of the property plus 50% of the profits which we estimate to be \$114,000 if we resell the property for \$589,000 which is less than comparable sales with pools nearby. As you can see from our report, this price is well supported by comparable sales in the area. We believe this entire transaction, purchase and resale can be accomplished in 6 months or less. This would give you a total return of \$60,240 plus your initial investment of \$108,000, or an annualized return of 112%.

We look forward to working with you on this project and others in the future where we can make these kinds of profits. This is truly an exciting time to be in the real estate investment business and we are thankful that we are working with a fellow visionary such as you. If you have any questions about any of the supporting financial data and reports, please feel free to call and we will set up a meeting and go over any and all aspects of this fantastic investment.

Sincerely,

John Smith, President
JC/ab

463 Carmel Mountain Rd. Suite 308-334
San Diego, CA 92130

5013 SUSAN OAK DR FAIR OAKS, CA 95628

Property Characteristics

Owner Information

Owner Name CHERRINGTON LYNNE
Mailing Address 5013 SUSAN OAK DR FAIR OAKS CA, 95628
Mailing Carrier Code C032

Location Information

County SACRAMENTO
Census Tract 0080.05

Sales Info

Last Sale Information

Sale Price \$396,000
Sale Date 4/1/1990
Sale Type 1 FULL
Document Number 900504-701
Deed Type DEED (REG)
Lender WESTERN FED'L S&L

Foreclosure Info

Recent Transaction

Document Type NOTICE OF TRUSTEE'S SALE
Trustee Name ETS SERVICES LLC
Trustee Phone 7147302727
Borrower 1 Name LYNNE C CHERRINGTON
Original Loan Recording Date 4/2/2007

Tax Info

Assessment Information

Assessed Total Value \$589,091
Land Value \$151,432
Improvement Value \$437,659
Assessment Year 2009
Taxable Amount \$582,091
Tax Exemption HOMEOWNER



5 Year Analysis

Property Sale

5013 SUSAN OAK DR
FAIR OAKS, CA 95628

5 Year Analysis

Beginning 07/15/10

Purchase Price:	\$360,000.00
Initial Capital Improvements:	\$15,000.00
Total Closing Costs:	\$9,789.00
Capital Gains Rate:	15.000%
Property Depreciable Amount:	\$252,000.00
Depreciable Years:	27.5
Depreciation Method:	Straightline

1st Year July 2011	2nd Year July 2012	3rd Year July 2013	4th Year July 2014	5th Year July 2015
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Sale Details

Tax Basis

Purchase Price	\$360,000.00	\$360,000.00	\$360,000.00	\$360,000.00	\$360,000.00
Capital Improvements	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Depreciation	(\$9,709.09)	(\$19,418.18)	(\$29,127.27)	(\$38,836.36)	(\$48,545.45)

Adjusted Tax Basis	\$365,290.91	\$355,581.82	\$345,872.73	\$336,163.64	\$326,454.55
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Expenses

Up-Front Cash	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)
Closing Costs/Additional Expenses	(\$9,789.00)	(\$9,789.00)	(\$9,789.00)	(\$9,789.00)	(\$9,789.00)
Capital Improvements	(\$15,000.00)	(\$15,000.00)	(\$15,000.00)	(\$15,000.00)	(\$15,000.00)
Down Payments	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)	(\$108,000.00)
First Mortgage Balance	(\$143,664.36)	(\$143,278.60)	(\$142,835.23)	(\$142,325.65)	(\$141,739.96)
Second Mortgage Balance	--	--	--	--	--
Property Sale Cost	(\$47,120.00)	(\$49,004.80)	(\$50,964.99)	(\$53,003.59)	(\$55,123.74)

Total Expenses	(\$431,573.36)	(\$433,072.40)	(\$434,589.23)	(\$436,118.24)	(\$437,652.70)
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Total Exchange Expenses	(\$56,909.00)	(\$58,793.80)	(\$60,753.99)	(\$62,792.59)	(\$64,912.74)
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Taxes

Taxable Gain	\$166,800.09	\$198,184.38	\$230,435.68	\$263,588.67	\$297,679.41
Depreciation Recovery Tax	(\$2,718.55)	(\$5,437.09)	(\$8,155.64)	(\$10,874.18)	(\$13,592.73)
Capital Gains Tax	(\$23,563.65)	(\$26,814.93)	(\$30,196.26)	(\$33,712.85)	(\$37,370.09)

Total Tax Liability	(\$26,282.20)	(\$32,252.02)	(\$38,351.90)	(\$44,587.03)	(\$50,962.82)
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Monthly Income And Expenses

Principal Payments	(\$335.64)	(\$721.40)	(\$1,164.77)	(\$1,674.35)	(\$2,260.04)
Interest Payments	(\$20,139.00)	(\$40,227.88)	(\$60,259.15)	(\$80,224.21)	(\$100,113.16)
Operating Expenses	(\$10,512.54)	(\$21,025.08)	(\$31,537.62)	(\$42,050.16)	(\$52,562.70)
Gross Operating Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income Tax	\$13,916.35	\$27,815.41	\$41,694.61	\$55,550.98	\$69,381.11

Net Income Profit/Loss	(\$17,070.83)	(\$34,158.95)	(\$51,266.93)	(\$68,397.74)	(\$85,554.79)
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Summary

Sale Price	\$589,000.00	\$612,560.00	\$637,062.40	\$662,544.90	\$689,046.69
Adjusted Tax Basis	\$365,290.91	\$355,581.82	\$345,872.73	\$336,163.64	\$326,454.55
Taxable Gain	\$166,800.09	\$198,184.38	\$230,435.68	\$263,588.67	\$297,679.41
Total Tax Liability	(\$26,282.20)	(\$32,252.02)	(\$38,351.90)	(\$44,587.03)	(\$50,962.82)
Total Expenses	(\$431,573.36)	(\$433,072.40)	(\$434,589.23)	(\$436,118.24)	(\$437,652.70)
Net Sale Profit/Loss	\$131,144.44	\$147,235.57	\$164,121.28	\$181,839.63	\$200,431.17
Net Income Profit/Loss	(\$17,070.83)	(\$34,158.95)	(\$51,266.93)	(\$68,397.74)	(\$85,554.79)
Net Profit/Loss	\$114,073.61	\$113,076.63	\$112,854.35	\$113,441.89	\$114,876.38

5013 SUSAN OAK DR FAIR OAKS, CA 95628

Quick Property Details

Owner Information

Owner Name: CHERRINGTON LYNNE
 Mailing Address: 5013 SUSAN OAK DR FAIR OAKS CA, 95628

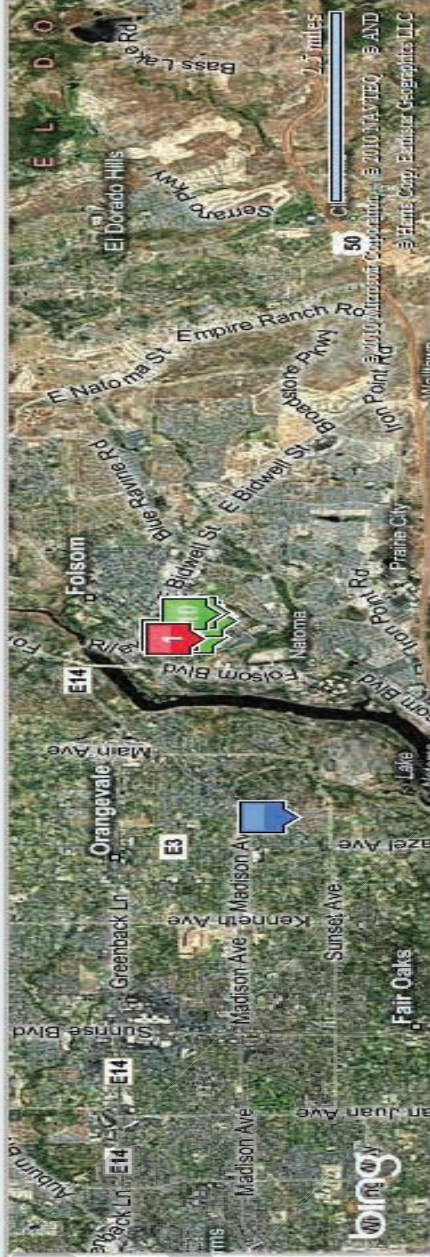
Mailing Carrier Code: C032

Location Information

County: SACRAMENTO
 Census Tract: 0080.05

[Full Details](#)

Map



Zoom Out

Zoom In

View Type

Aerial

Hybrid

Street

Bird's Eye

Estimated Value Heat Map Parcel Boundaries

Statistics

Comparable Properties

Analysis

Neighbors

Nearby Pre-Foreclosures

Nearby Foreclosures

Reports

Community Profile

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#	Document Type	Address	City	State	Zip	Beds	Baths	SqFt.	Estimated Value	Amount Of Default	Listing Date	Distance
1	TRUSTEE'S DEED	111 GILDED ROCK CIR	FOLSOM	CA	95630	3	3.0	1,677	\$348,538	\$367,449.08	7/13/10	2.49
2	TRUSTEE'S DEED	1103 SIBLEY ST	FOLSOM	CA	95630	3	2.0	1,402	\$211,421	\$286,501.14	7/13/10	2.46

[Quick View](#)

[Quick View](#)

5013 SUSAN OAK DR FAIR OAKS, CA 95628

Quick Property Details

Owner Information

Owner Name: CHERRINGTON LYNNE
 Mailing Address: 5013 SUSAN OAK DR FAIR OAKS CA, 95628

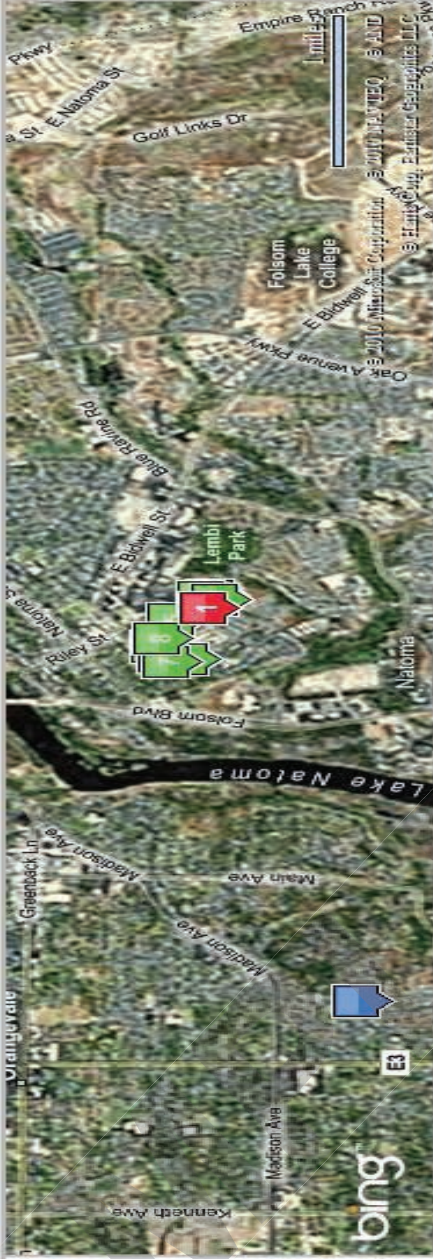
Mailing Carrier Code: C032

Location Information

County: SACRAMENTO
 Census Tract: 0080.05

[Full Details](#)

Map



Zoom Out

Zoom In

View Type

Aerial

Hybrid

Street

Bird's Eye

Estimated Value Heat Map Parcel Boundaries

Statistics

Comparable Properties

Analysis

Nearby Pre-Foreclosures

Nearby Foreclosures

Reports

Community Profile

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#	Document Type	Address	City	State	Zip	Beds	Baths	SqFt	Estimated Value	Amount Of Default	Listing Date	Distance
1	NOTICE OF TRUSTEE'S SALE	503 GIVEN ST	FOLSOM	CA	95630	3	3.0	1,573	\$342,448	\$417,611.86	7/07/10	2.71
2	NOTICE OF TRUSTEE'S SALE	105 FOLEY LN	FOLSOM	CA	95630	4	3.0	1,938	\$313,753	\$38.10	7/06/10	2.52

[Quick View](#)

[Quick View](#)



Comparable Sales

Comparable Sales Report

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Number of Comparables: 3

Summary Statistics:

	Subject	Low	High	Average
Sale Price	\$396,000.00	\$549,000.00	\$650,000.00	\$603,000.00
Bldg/Living Area	3,317	3,675	3,740	3,707
Price/Sqft	\$119.38	\$146.79	\$175.39	\$162.72
Year Built	1990	1992	2005	1999
Lot Area	12,120	10,934	16,887	13,275
Bedrooms	4	3	6	4
Bathrooms	3	4	4	4
Distance from subject	0.0	0.21	0.86	0.44

Subject Property

Address:	5013 SUSAN OAK DR FAIR OAKS, CA 95628		
Owner Name:	CHERRINGTON LYNNE		
Seller Name:	C BROOKS DEVELOPMENT INC		
APN:	-418	Map Reference 1:	Total Living Area: 3,317
County:	SACRAMENTO	Map Reference 2:	260-G7
Subdivision:	PHOENIX OAKS	Census Tract:	80.05
Sale Price:	\$396,000.00	Prior Sale Price:	\$237,000.00
Sale Date:	4/1/1990	Prior Sale Date:	6/1/1989
Recording Date:		Prior Recording Date:	6/20/1989
Document Number:	899803	Acres:	0.2782
1st Mortgage Amount:	\$316,800.00	Lot Area:	12,120.00
Cash Down:		Number of Stories:	2
Total Assessed Value:	\$465,600.00	Land Use:	SFR
			Bedrooms: 4
			Bath(F/H): 3
			Year Built: 1990
			Air Conditioning: Yes
			Fireplace: Yes
			Pool: Yes
			Roof Material: CONCRETE
			Parking: COVERED

Comp#:	2	Distance From Subject:	0.21 (miles)
Address:	5133 AILERON CT FAIR OAKS, CA 95628		
Owner Name:	BUCKMAN ALYSON R / CINELLI ALBERT E		
APN:	235-0650-025-0000	Sale Price:	\$610,000.00
County:	SACRAMENTO	Sale Date:	6/16/2011
Bedrooms:	4	Recording Date:	6/24/2011
Bathrooms:	4	Total Assessed Value:	\$566,162.00
Total Rooms:	9	Property Tax:	\$6,448.58
			Total Living Area: 3675
			Lot Area: 12,004.00
			Year Built: 1992
			Pool: No
			Land Use: SFR

Comp#:	3	Distance From Subject:	0.25 (miles)
Address:	9075 WINDSOCK AVE FAIR OAKS, CA 95628		
Owner Name:	DUTRA STEVEN A / DUTRA JILL J		
APN:	235-0180-077-0000	Sale Price:	\$650,000.00
County:	SACRAMENTO	Sale Date:	9/21/2011
Bedrooms:	3	Recording Date:	10/6/2011
Bathrooms:	4	Total Assessed Value:	\$536,878.00
Total Rooms:	9	Property Tax:	\$6,203.80
			Total Living Area: 3706
			Lot Area: 16,887.00
			Year Built: 2000
			Pool: No
			Land Use: SFR



Distance From Subject: 0.86 (miles)

Comp#: 5

Address: 5124 ILLINOIS AVE FAIR OAKS, CA 95628

Owner Name: NEVILLE ARTHUR K / NEVILLE DANA K

APN: 253-0181-011-0000

Sale Price: \$549,000.00

Total Living Area: 3740

County: SACRAMENTO

Sale Date: 6/2/2011

Lot Area: 10,934.00

Bedrooms: 6

Recording Date: 6/6/2011

Year Built: 2005

Bathrooms: 4

Total Assessed Value: \$483,562.00

Pool: No

Total Rooms: 9

Property Tax: \$5,354.34

Land Use: SFR

SAMPLE ONLY

Mortgage Analysis Report

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Purchase Value			
Purchase Price:	\$360,000.00	Assessed Value:	\$589,091.00
		Last Sale Price:	\$396,000.00

Mortgages		
	First Mortgage	Second Mortgage
Mortgage Type:	Fixed Interest	
Amount:	\$252,000.00	
Down Payment:	\$108,000.00	
Interest Only Term:		
Interest Only APR:		
Fixed Interest Term:	30 Years	
Fixed Interest APR:	14.00%	
Extra Payment Frequency:		
Extra Payment Amount:		
Bi-Weekly Payments:		
Effective Term:	61 Months	
Monthly I.O. Payment:		
Monthly Fixed APR Payment:	\$1,706.22	
Total Interest:	\$100,113.16	
Total Paid:	\$352,113.16	

Additional Expenses	
Amount Of Default:	\$0.00
Accrued Interest:	\$0.00
Other Fees:	\$0.00

Closing Costs		
Seller Pays Closing Costs: Some		
Points:	3.00%	\$7,560.00
Administration Fee:		\$336.00
Application Fee:		\$205.00
Commitment Fee:		\$498.00
Document Preparation:		\$194.00
Funding Fee:		\$228.00
Mortgage Broker Fee:		\$839.00
Processing:		\$320.00
Tax Service:		\$73.00
Underwriting:		\$269.00
Appraisal:		\$327.00
Attorney or Settlement		\$445.00
Credit Report:		\$29.00
Flood Certification:		\$17.00
Pest & Other		\$68.00
Survey:		\$174.00
Title Insurance:		\$605.00
Title Search:		\$200.00
Recording Fee:		\$76.00
Taxes:		\$1,339.00
Other Fees or Costs:		\$0.00
Total:		\$9,789.00

SAMPLE ONLY



Rehab / Improvements

Rehab/Improvements Analysis Report

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Kitchen:	\$0.00	Roof:	\$0.00	Electrical:	\$0.00	Driveway:	\$0.00
Exterior:	\$0.00	Chimney:	\$0.00	Wall:	\$0.00	Garage:	\$0.00
Bathroom(s):	\$0.00	Gutter:	\$0.00	Ceiling:	\$0.00	Irrigation/Sprinkles:	\$0.00
Window(s):	\$0.00	Cladding:	\$0.00	Fireplace:	\$0.00	Landscaping:	\$0.00
Door(s):	\$0.00	Deck:	\$0.00	Skylight:	\$0.00	Equipment:	\$0.00
Carpet:	\$0.00	Porch:	\$0.00	Foundation:	\$0.00	Pool/Spa Repair:	\$0.00
Interior Paint:	\$0.00	Heating:	\$0.00	Basement:	\$0.00	Other:	\$15,000.00
Exterior Paint:	\$0.00	AC/Heat Pump:	\$0.00	Attic:	\$0.00		
Flooring:	\$0.00	Plumbing::	\$0.00	Alarm:	\$0.00		

Total Improvements Expenses: \$15,000.00

Rental Analysis Report

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Unit Type	Qty	Rent/Mo	SqFt	\$/SqFt	Occupancy %	Annual % Increase	Average Monthly Rent
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Miscellaneous Income

Monthly / Annually

Laundry Room:

Vending Machines:

Late Charges:

Deposit Forfeitures:

Section 8 Income:

Income From Interest:

Other Income:

Annual Income Increase

Type:

Amount:

Summary

Total Gross Monthly Income:

Property Management Fee:

Leasing Commissions:

Leasing Commissions (First Year):

Total Net Monthly Income:

SAMPLE ONLY

Expenses Analysis Report

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Operating Expenses					
	Monthly	Annually		Monthly	Annually
Advertising:	\$0.00	\$0.00	Trash:	\$0.00	\$0.00
Property Taxes:	\$542.71	\$6,512.54	Accounting:	\$0.00	\$0.00
Janitorial Service:	\$0.00	\$0.00	Association Fees:	\$0.00	\$0.00
Legal:	\$83.33	\$1,000.00	Landscaping:	\$0.00	\$0.00
Licenses:	\$0.00	\$0.00	Fire Insurance:	\$125.00	\$1,500.00
Repairs And Maintenance :	\$0.00	\$0.00	Flood Insurance:	\$0.00	\$0.00
Supplies:	\$0.00	\$0.00	Mortgage Insurance:	\$0.00	\$0.00
Electricity:	\$83.33	\$1,000.00	Liability Insurance:	\$0.00	\$0.00
Gas:	\$16.67	\$200.00	Workmen's Comp Insurance:	\$0.00	\$0.00
Sewer And Water:	\$25.00	\$300.00	Payroll:	\$0.00	\$0.00
Telephone:	\$0.00	\$0.00	Pool/Spa Service:	\$0.00	\$0.00
Other Utilities:	\$0.00	\$0.00	Miscellaneous/Reserves:	\$0.00	\$0.00
Apply Operating Expenses Per Unit: No					

Yearly Expenses Increase	
Type:	Percentage
Amount:	0.0%

Summary	
Total Monthly Operating Expenses:	\$876.05

Sales Information

For Property Located At

5013 SUSAN OAK DR FAIR OAKS, CA 95628



Tax Rates

Capital Gains Tax Rate:	15.000
State Income Tax Rate:	9.000
Federal Income Tax Rate:	28.000

Depreciation

Type: Percentage Of Purchase Price: 70.00
Method: Straightline

Analysis

First Payment Date: 7/15/2010

Length: 5 Years

Property Value Increase

Annual Market Value Increase Rate: 4.000

Sales Cost Rate

Sales Cost Rate: 8.000 Type: Percentage

Property Value Basis

Market Value: 0.000

Taxes And Deductions

5 Year Analysis

Beginning 07/15/10

5013 SUSAN OAK DR
FAIR OAKS, CA 95628

State Tax Rate:	9.00%
Federal Tax Rate:	28.00%
Operating Expenses Increase:	0.00%
Initial Capital Improvements:	\$15,000.00
Property Depreciable Amount:	\$252,000.00
Depreciable Years:	27.5
Depreciation Method:	Straightline

1st Year July 2011	2nd Year July 2012	3rd Year July 2013	4th Year July 2014	5th Year July 2015
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Tax Details

Gross Operating Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expenses					
Monthly Operating Expenses	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)
Total Operating Expense Deductions	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)
Net Operating Income	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)
Depreciation					
Building Structure	(\$9,163.64)	(\$9,163.64)	(\$9,163.64)	(\$9,163.64)	(\$9,163.64)
Capital Improvements	(\$545.45)	(\$545.45)	(\$545.45)	(\$545.45)	(\$545.45)
Total Depreciation Deductions	(\$9,709.09)	(\$9,709.09)	(\$9,709.09)	(\$9,709.09)	(\$9,709.09)
Mortgages					
First Mortgage Interest	(\$20,139.00)	(\$20,088.88)	(\$20,031.27)	(\$19,965.06)	(\$19,888.95)
Second Mortgage Interest	--	--	--	--	--
Total Mortgage Deductions	(\$20,139.00)	(\$20,088.88)	(\$20,031.27)	(\$19,965.06)	(\$19,888.95)
Taxable Income/Loss	(\$40,360.64)	(\$40,310.51)	(\$40,252.90)	(\$40,186.69)	(\$40,110.58)
Taxes					
State Tax	\$3,632.46	\$3,627.95	\$3,622.76	\$3,616.80	\$3,609.95
Federal Tax	\$10,283.89	\$10,271.12	\$10,256.44	\$10,239.57	\$10,220.18
Total Tax	\$13,916.35	\$13,899.06	\$13,879.20	\$13,856.37	\$13,830.13

Tax Summary

Net Operating Income	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)	(\$10,512.54)
Total Deductions	(\$29,848.10)	(\$29,797.97)	(\$29,740.36)	(\$29,674.15)	(\$29,598.04)
Taxable Income/Loss	(\$40,360.64)	(\$40,310.51)	(\$40,252.90)	(\$40,186.69)	(\$40,110.58)
Total Tax Cost/Savings	\$13,916.35	\$13,899.06	\$13,879.20	\$13,856.37	\$13,830.13
Cash Before Taxes	(\$45,987.18)	(\$30,987.18)	(\$30,987.18)	(\$30,987.18)	(\$30,987.18)
Net Income	(\$32,070.83)	(\$17,088.12)	(\$17,107.98)	(\$17,130.81)	(\$17,157.05)