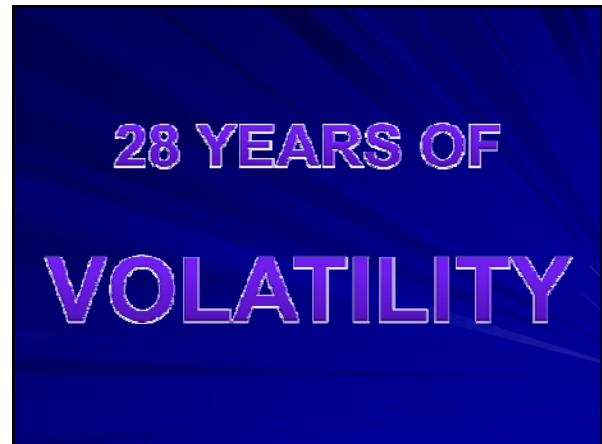


Additional Insights

28 Years of Volatility



There are always
reasons not to
invest.....

Remember Any of These?

1960 Russia downs U-2 plane	1983 U.S. Embassy, Marine barracks bombed
1961 Berlin Wall erected	1984 Record federal deficits
1962 Cuban missile crisis	1985 Economic growth slows
1963 Kennedy assassinated	1987 Record-setting market decline
1964 Gulf of Tonkin	1988 Junk bond scandal
1965 Civil rights marches	1989 October "Mini-Crash"
1966 Vietnam War escalates	1990 Persian Gulf crisis
1967 Newark race riots	1991 Recession
1968 USS Pueblo seized	1992 Riots sweep Los Angeles
1969 Money tightens - markets fall	1993 Bombing of World Trade Center
1970 Cambodia invaded - Vietnam War	1994 Rising U.S. interest rates
1971 Wage/price freeze	1995 Oklahoma City bombing
1972 Largest U.S. trade deficit ever	1997 Collapse of Thailand economy
1973 Energy crisis	1998 President impeachment proceedings
1974 Nixon resigns	1999 Y2K 2000 Internet stocks plummet
1975 Clouded economic prospects	2001 September 11 terrorist attacks
1976 Economic recovery slows	2002 WorldCom accounting scandal
1977 Market slumps	2003 War in Iraq
1978 Interest rates rise	2004 Madrid Terrorist Attacks
1979 Interest rates at all-time high	2005 London Train Bombing
1980 Oil prices skyrocket	2006 India, Israel, Lebanon bombings
1981 Market slumps	2007 Subprime crisis
1982 Worst recession in 40 years	2008 Bear Stearns near collapse
	Lehman Brothers
	Economic Bailout package

Remember Any of These?

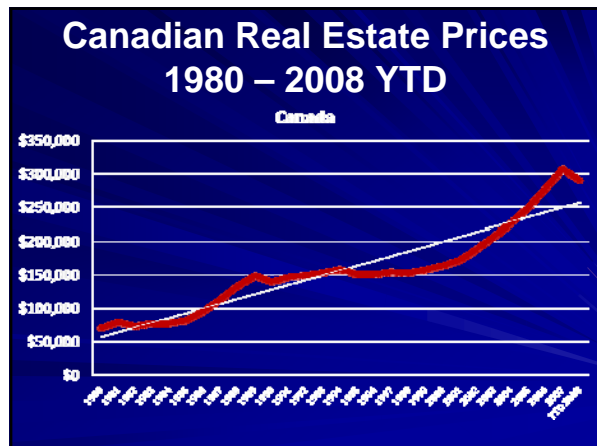
- **1979- Interest rates at all-time high Time**
- **1980- Oil prices skyrocket**
- **1981- Market slumps**

Remember Any of These?

- **1982- Worst recession in 40 years**
- **On and on...**
- **Recycling...**

Additional Insights

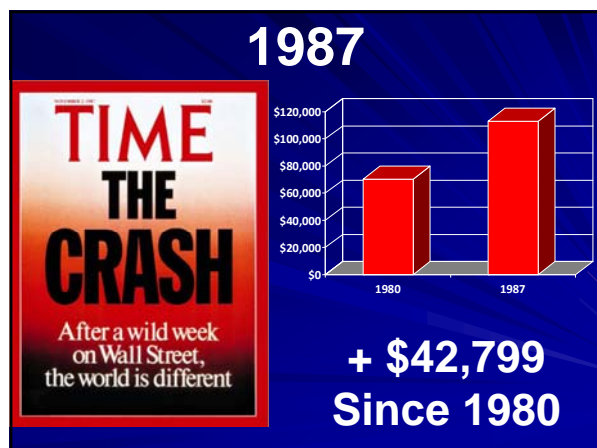
28 Years of Volatility



Invested in Real
Estate 1980....

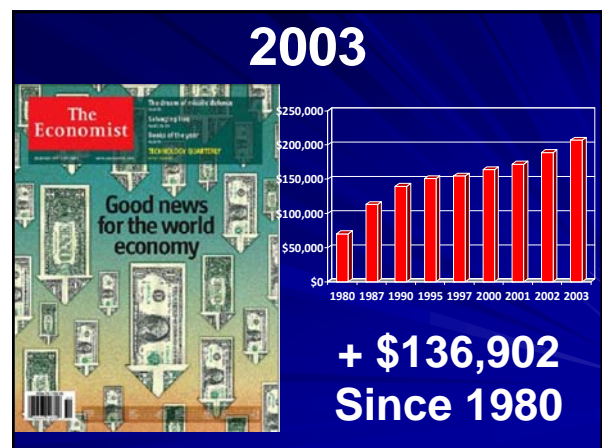
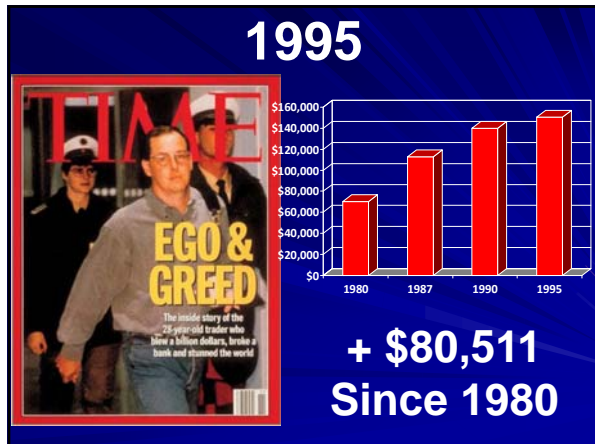


\$70, 209
1980 Average Price
\$290,347
August, 2008
Average Price
+220,138



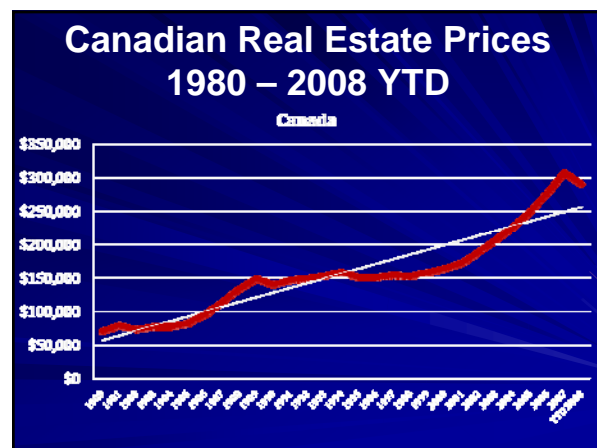
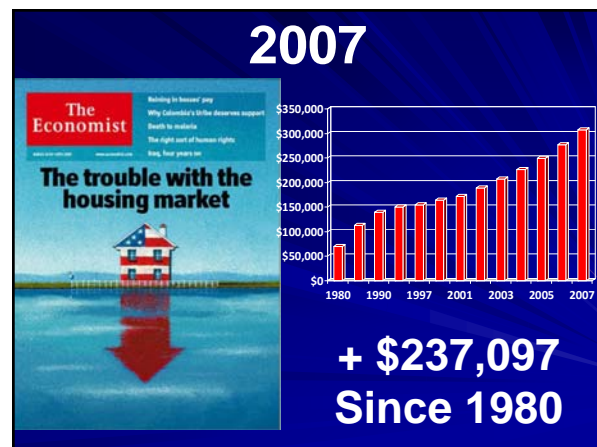
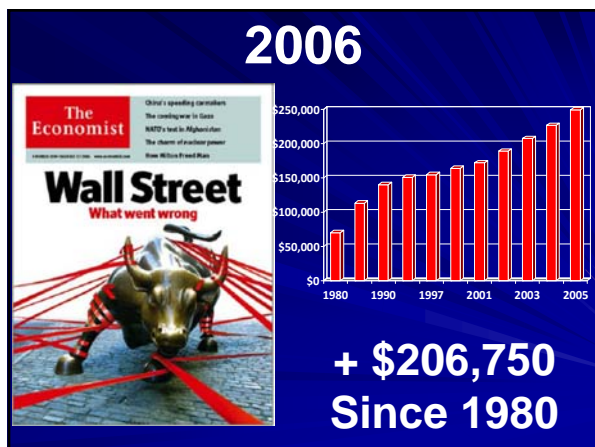
Additional Insights

28 Years of Volatility



Additional Insights

28 Years of Volatility

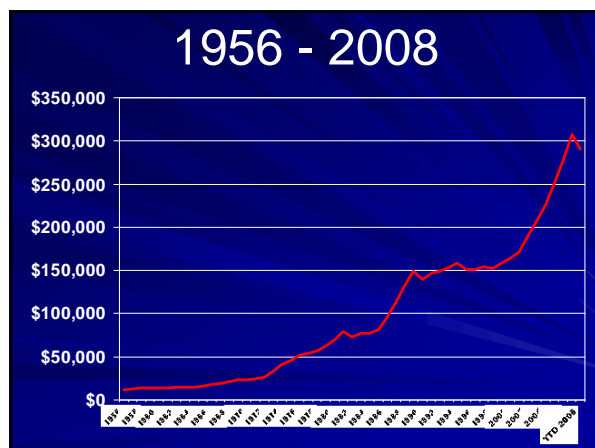
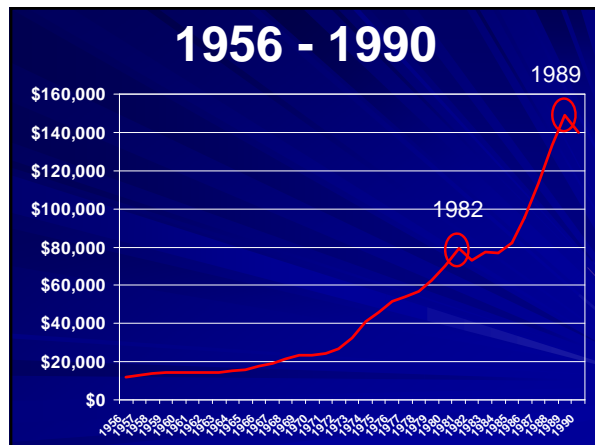


Additional Insights

28 Years of Volatility

1980 - 2008

- \$17,552 Investment in 1980
- Free and Clear \$290,347 house in Aug. 2008?



Perspective

- 1989
- Over Time looks insignificant
- Loss in first year
- Break-even in year 2
- \$243,739 Equity in 19 years

Additional Insights

28 Years of Volatility

Perspective

- \$37,293 investment in 1989
- House price 1989-
\$149,173
- House price 2008-
\$290,347
- Equity of \$243,739

Summary

- **Always reasons not to invest**
- **Time**
- **Cash Flow**

Summary

- **Significant ROI over time**
- **Prices did not go up every year**
- **What did someone miss out?**
- **Staying invested**



"Turning Business Dreams Into Realities... One Entrepreneur At A Time!"™

What Would Happen @ 3%

Zero Cash Flow
25% Down
35 Yr Amortization

The Value of Property Investing

- Purchase at \$240,000
- Down Payment \$ 60,000
- Mortgage 6%
- Value Only Increase 3% Annually

Additional Insights

28 Years of Volatility



The Value of Property Investing

Mortgage Paydown & Small Appreciation

■ Down Payment		\$60,000
■ Year 1 Value	247,200	\$ 8,648
■ Yr 2	254,616	\$17,737
■ Yr 3	262,254	\$27,150
■ Yr 4	270,122	\$36,901
■ Yr 5	278,225	\$47,002
■ Yr 6	286,572	\$57,468

The Value of Property Investing

Mortgage Paydown & Small Appreciation

■ Down Payment		\$60,000
■ Year 1 R.O.I.	14.4%	
■ Yr 2	15.1%	29.6%
■ Yr 3	15.7%	45.3%
■ Yr 4	16.3%	61.5%
■ Yr 5	16.8%	78.3%
■ Yr 6	17.4%	95.8%