

planEASe®

Cost Comparison



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Introduction Page

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The attached analysis of four alternatives for satisfying a user need for space was prepared using planEASe software, given the following specifications.

Alternative #1 Whale Point

11 Year Lease
Year 1 = \$0
Year 2-6 = \$20psf
Year 7-10 = \$23psf
TI's = None
Size = 39,096sf
Security = 1 month

Alternative #2 Waterfall Center

10 Year Lease
Year 1-5 = \$18psf
Year 6-10 = \$22psf
TI's = \$20psf
Size = 44,926sf
Security = 3 months

Alternative #3 1000 Ocean Blvd.

10 Year Lease
Year 1 = \$18psf
Annual increases 3%
TI's = \$25psf
Size = 47,260sf
Security = None

Alternative #4 Beach Overlook

Purchase @ \$100psf
TI's = \$30psf
Size = 41,750sf
Utilities & Taxes = \$6psf
Financing 70%, 30 year amort at 8.5%, 10 year balloon

Difference Sensitivity Analysis

- Compare the four alternatives and do "What if's" at the same time. How would that effect the decision if the inflation rate changes? "What if" the cost of money varies?

NPV Verification Report

- These cash flows and dates are those on which the Net Present Value After Tax in the planEASe analysis of the Beach Overlook are based.

Since the analysis involves after tax benefits for two of the leases and the purchase, we

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Cost Comparison

decided to perform the analysis after tax, assuming a 34% corporate tax rate for the client (planEASe performs analysis before tax as well, where appropriate). We also assumed the client has a 10% after tax Cost of Capital. To establish a common time frame for the analysis, we decided to use 10 years, ignoring the 11th year for Whale Point.

We assumed that the meaning of the 3% annual increases for the 1000 Ocean Blvd. lease meant that it was tied to the CPI, and expected to be 3%. This 3% Inflation Rate was also used for the growth in Utilities & Taxes for the Beach Overlook purchase. No assumption was given for the reversionary value of the Beach Overlook purchase, so we assumed that its value would increase at the 3% Inflation Rate as well, and tested this major assumption at the conclusion of the analysis when we compared the alternatives while varying the Inflation Rate.

Throughout the assumptions for all four alternatives, you will find that what would normally be expenses are instead entered as negative revenues. The end results are the same using either method, but using negative revenues is recommended because it allows you to view the expenses planned using the planEASe Lease Analysis capability, although that reporting is not necessary (or shown) for these simple leases.

You may wonder about the color presentation in this report package. planEASe is shipped with many page "styles" (this one is called "Influential") that allow you to present your planEASe reports in pre-defined colors and fonts. You may choose any of these styles before printing, and all the reports and graphs will use that style until you choose another. Of course, you may exercise your creativity at any time by easily defining your own styles, choosing (and saving) your own choices of colors and fonts as your own style.

We maintain an extensive website at www.planease.com, describing the product, the many classes constantly scheduled throughout the nation, and many tutorials available 24/7 to support the product. For instance, if you click on Tutorials/Presentation/Color Printing at the website, you will find a full screen-by-screen tutorial telling you how to save your own styles.

planEASe measures NPV's using a mid-year convention for placing the Cash Flows in time. This is explained in the NPV Verification Report on the last page of this package. If you care to verify our calculations using EXCEL, be sure to use the new XNPV function that allows unequal time periods.

Other than the NPV Verification Report mentioned above, all the reports in this package (these pages as well) were prepared by planEASe plus the Reporting Extension, priced at \$1,395. No additional software (other than Windows itself) is required. Additional capabilities (adding Advanced Graphs, Monthly Analysis and Partnership (or LLC) Models) are available at additional cost.

Analysis Assumptions Report

Whale Point Lease (39096 SqFt)

Investment Assumptions

Price of Property	Tenant Representation
Date of Acquisition	1 January 2002
Holding Period	10 Years
Inflation Rate	3% per Year
Sale Price Method	No Sale Price Specified
Selling Costs	6%

Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	34%
Tax Rate - Following Years	34%
Capital Gain Rate	34%
Cost Recovery Recapture Rate	34% - Losses Taken Currently
Present Value Discount Rate Before Debt	10% per Year
Present Value Discount Rate Before Tax	10% per Year
Present Value Discount Rate After Tax	10% per Year

Whale Point Revenue Assumptions

Annual Revenue (39,096 SqFt @ (\$20.00)/SqFt/Year)	(\$781,920.00)
Revenue Start Date	1 January 2003
Revenue Period	5 Years
Revenue Growth Method	No Growth is Projected

Whale Point Continued Revenue Assumptions

Annual Revenue (39,096 SqFt @ (\$23.00)/SqFt/Year)	(\$899,208.00)
Revenue Start Date	Continuation
Revenue Period	5 Years
Revenue Growth Method	No Growth is Projected

Whale Point Security Revenue Assumptions

Annual Revenue	(\$65,160.00)
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

Whale Point Return Revenue Assumptions

Annual Revenue	\$65,160.00
Revenue Start Date	at End of Lease
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

Real Estate Investment Analysis

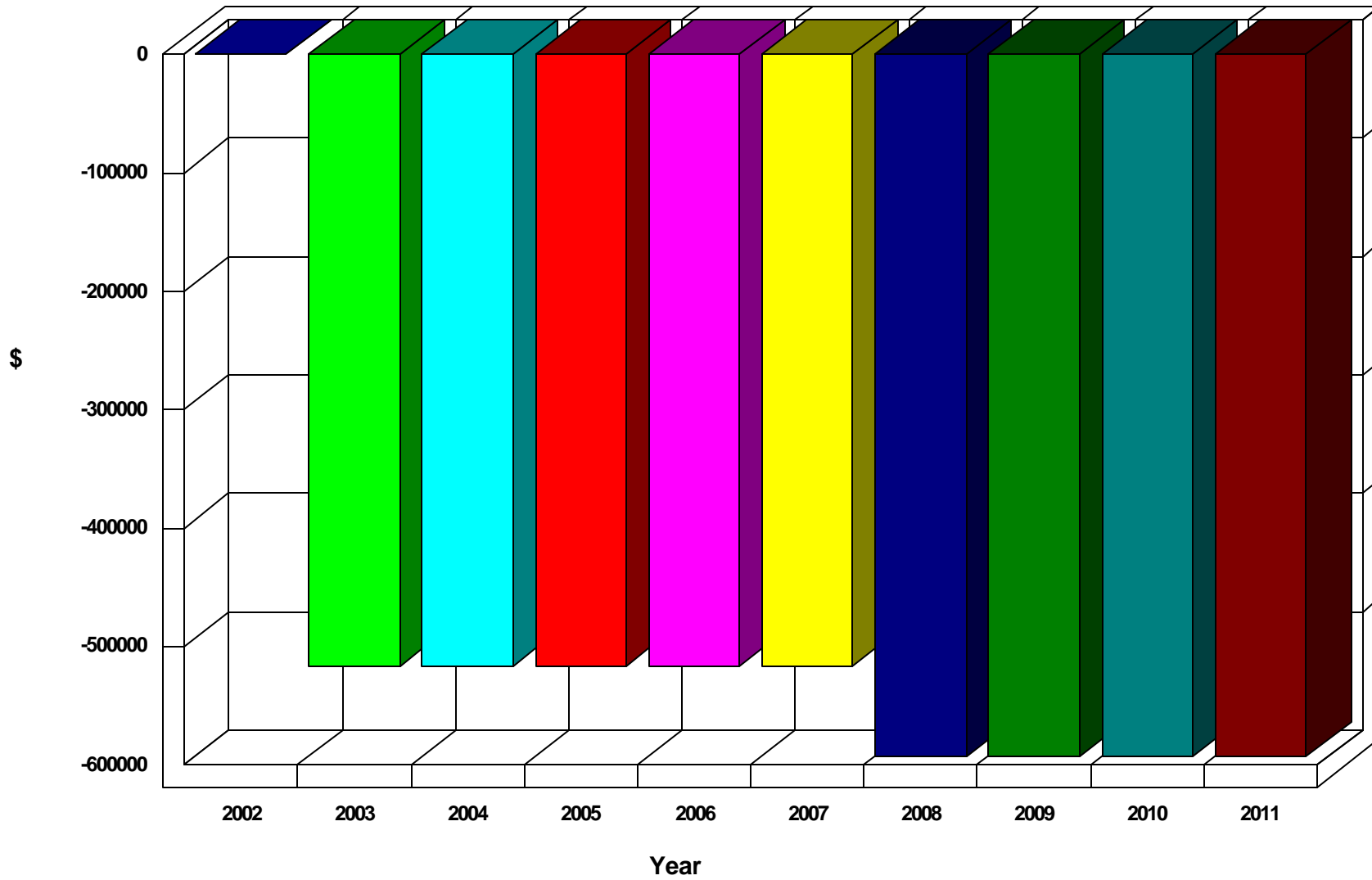
Whale Point Lease (39096 SqFt)

	Start	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	End	Total
Before Tax Cash Flow Projection													
Investment and Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Income	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Tax	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Taxable Income Projection													
Taxable Revenue	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Taxable Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Ordinary Income	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
After Tax Cash Flow Projection													
Cash Flow Before Tax	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Ordinary Income	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Capital Gains	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxable Income	(65,160)	0	(781,920)	(781,920)	(781,920)	(781,920)	(781,920)	(899,208)	(899,208)	(899,208)	(899,208)	65,160	(7,506,432)
Taxes	22,154	0	265,853	265,853	265,853	265,853	265,853	305,731	305,731	305,731	305,731	(22,154)	2,552,187
Cash Flow After Tax	(43,006)	0	(516,067)	(516,067)	(516,067)	(516,067)	(516,067)	(593,477)	(593,477)	(593,477)	(593,477)	43,006	(4,954,245)

Rate of Return Before Debt (IRR)	0.0%
Rate of Return Before Tax (IRR)	0.0%
Rate of Return After Tax (IRR)	0.0%
Net Present Value Before Debt @10%	(4,555,376)
Net Present Value Before Tax @10%	(4,555,376)
Net Present Value After Tax @10%	(3,006,548)

Cash Flow After Tax

Whale Point Lease (39096 SqFt)



Analysis Assumptions Report

Waterfall Center Lease (44926 SqFt)

Investment Assumptions

Price of Property	Tenant Representation
Date of Acquisition	1 January 2002
Holding Period	10 Years
Inflation Rate	3% per Year
Sale Price Method	No Sale Price Specified
Selling Costs	6%

Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	34%
Tax Rate - Following Years	34%
Capital Gain Rate	34%
Cost Recovery Recapture Rate	34% - Losses Taken Currently
Present Value Discount Rate Before Debt	10% per Year
Present Value Discount Rate Before Tax	10% per Year
Present Value Discount Rate After Tax	10% per Year

Work Letter Depreciation Assumptions

Depreciable Amount (44,926 SqFt @ \$20.00/SqFt)	\$898,520.00
Depreciable Life	39 Years
Depreciation Method	Straight Line
Depreciation Start Date	1 February 2002

Waterfall Center Revenue Assumptions

Notes Here

Annual Revenue (44,926 SqFt @ (\$18.00)/SqFt/Year)	(\$808,668.00)
Revenue Start Date	at Acquisition
Revenue Period	5 Years
Revenue Growth Method	No Growth is Projected

Waterfall Center Bump Revenue Assumptions

Annual Revenue (44,926 SqFt @ (\$22.00)/SqFt/Year)	(\$988,372.00)
Revenue Start Date	Continuation
Revenue Period	5 Years
Revenue Growth Method	No Growth is Projected

Waterfall Center Security Revenue Assumptions

Annual Revenue	(\$202,167.00)
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

Analysis Assumptions Report

Waterfall Center Lease (44926 SqFt)

Waterfall Center Security Return Revenue Assumptions

Notes Here

Annual Revenue	\$202,167.00
Revenue Start Date	at End of Lease
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

Real Estate Investment Analysis

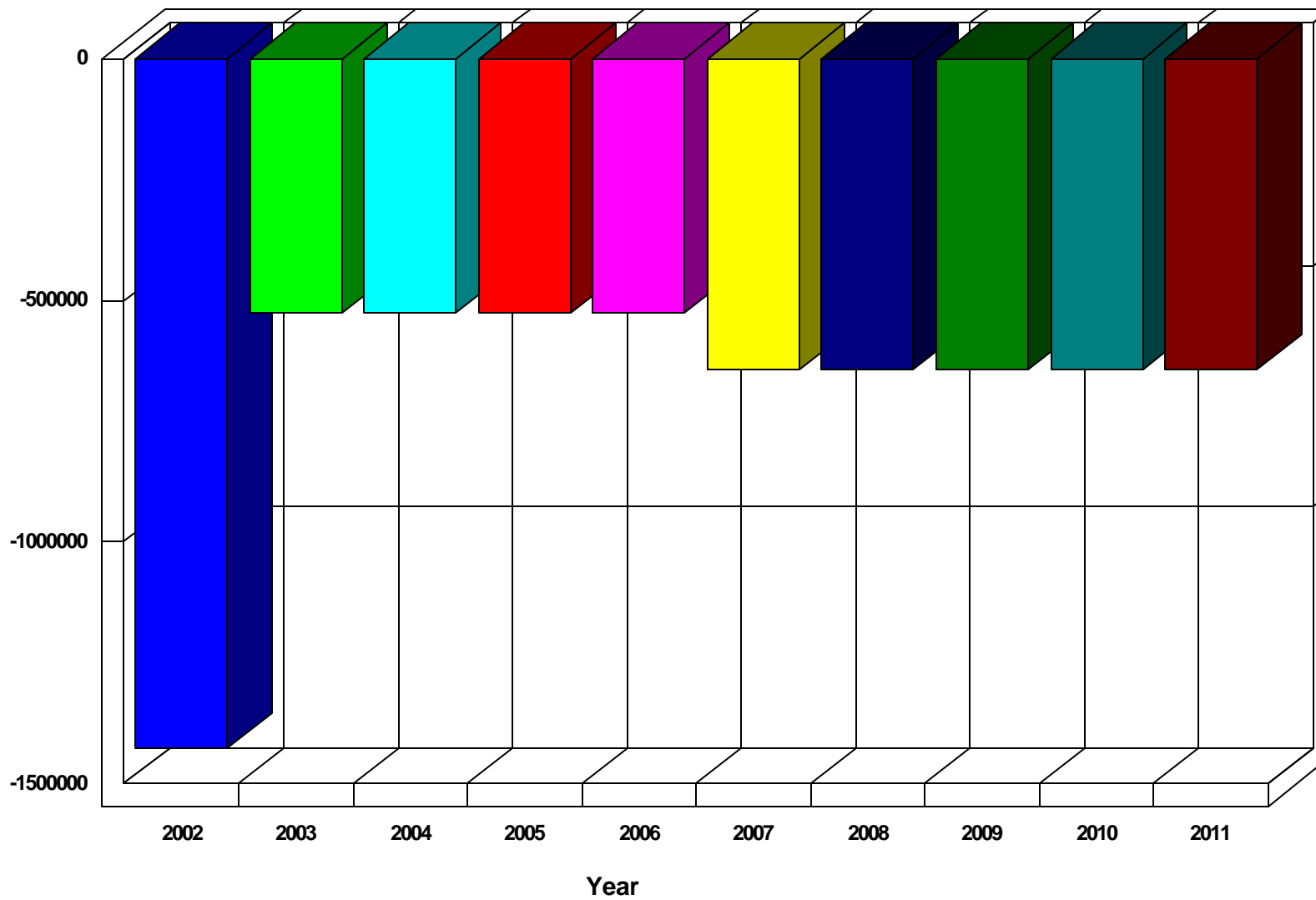
Waterfall Center Lease (44926 SqFt)

	Start	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	End	Total
Before Tax Cash Flow Projection													
Investment and Sale	0	(898,520)	0	0	0	0	0	0	0	0	0	0	(898,520)
Effective Income	(202,167)	(808,668)	(808,668)	(808,668)	(808,668)	(808,668)	(988,372)	(988,372)	(988,372)	(988,372)	(988,372)	202,167	(8,985,200)
Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt	(202,167)	(1,707,188)	(808,668)	(808,668)	(808,668)	(808,668)	(988,372)	(988,372)	(988,372)	(988,372)	(988,372)	202,167	(9,883,720)
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Tax	(202,167)	(1,707,188)	(808,668)	(808,668)	(808,668)	(808,668)	(988,372)	(988,372)	(988,372)	(988,372)	(988,372)	202,167	(9,883,720)
Taxable Income Projection													
Taxable Revenue	(202,167)	(808,668)	(808,668)	(808,668)	(808,668)	(808,668)	(988,372)	(988,372)	(988,372)	(988,372)	(988,372)	202,167	(8,985,200)
Taxable Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	(20,159)	(23,039)	(23,039)	(23,039)	(23,039)	(23,039)	(23,039)	(23,039)	(23,039)	(22,079)	0	(226,550)
Ordinary Income	(202,167)	(828,827)	(831,707)	(831,707)	(831,707)	(831,707)	(1,011,411)	(1,011,411)	(1,011,411)	(1,011,411)	(1,010,451)	202,167	(9,211,750)
After Tax Cash Flow Projection													
Cash Flow Before Tax	(202,167)	(1,707,188)	(808,668)	(808,668)	(808,668)	(808,668)	(988,372)	(988,372)	(988,372)	(988,372)	(988,372)	202,167	(9,883,720)
Ordinary Income	(202,167)	(828,827)	(831,707)	(831,707)	(831,707)	(831,707)	(1,011,411)	(1,011,411)	(1,011,411)	(1,011,411)	(1,010,451)	202,167	(9,211,750)
Capital Gains	0	0	0	0	0	0	0	0	0	0	0	(671,970)	(671,970)
Taxable Income	(202,167)	(828,827)	(831,707)	(831,707)	(831,707)	(831,707)	(1,011,411)	(1,011,411)	(1,011,411)	(1,011,411)	(1,010,451)	(469,803)	(9,883,720)
Taxes	68,737	281,801	282,780	282,780	282,780	282,780	343,880	343,880	343,880	343,880	343,553	159,733	3,360,465
Cash Flow After Tax	(133,430)	(1,425,387)	(525,888)	(525,888)	(525,888)	(525,888)	(644,492)	(644,492)	(644,492)	(644,492)	(644,819)	361,900	(6,523,255)

Rate of Return Before Debt (IRR)	0.0%
Rate of Return Before Tax (IRR)	0.0%
Rate of Return After Tax (IRR)	0.0%
Net Present Value Before Debt @10%	(6,669,298)
Net Present Value Before Tax @10%	(6,669,298)
Net Present Value After Tax @10%	(4,566,123)

Cash Flow After Tax

Waterfall Center Lease (44926 SqFt)



Analysis Assumptions Report

1000 Ocean Blvd. Lease (47260 SqFt)

Investment Assumptions

Price of Property	Tenant Representation
Date of Acquisition	1 January 2002
Holding Period	10 Years
Inflation Rate	3% per Year
Sale Price Method	No Sale Price Specified
Selling Costs	6%

Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	34%
Tax Rate - Following Years	34%
Capital Gain Rate	34%
Cost Recovery Recapture Rate	34% - Losses Taken Currently
Present Value Discount Rate Before Debt	10% per Year
Present Value Discount Rate Before Tax	10% per Year
Present Value Discount Rate After Tax	10% per Year

Work Letter Depreciation Assumptions

Depreciable Amount (47,260 SqFt @ \$25.00/SqFt)	\$1,181,500.00
Depreciable Life	39 Years
Depreciation Method	Straight Line
Depreciation Start Date	1 February 2002

1000 Ocean Blvd. Revenue Assumptions

	Notes Here	
Annual Revenue (47,260 SqFt @ (\$18.00)/SqFt/Year)		(\$850,680.00)
Revenue Start Date		at Acquisition
Revenue Period		Until Projected Sale
Revenue Growth Method		Annual at the Inflation Rate

Real Estate Investment Analysis

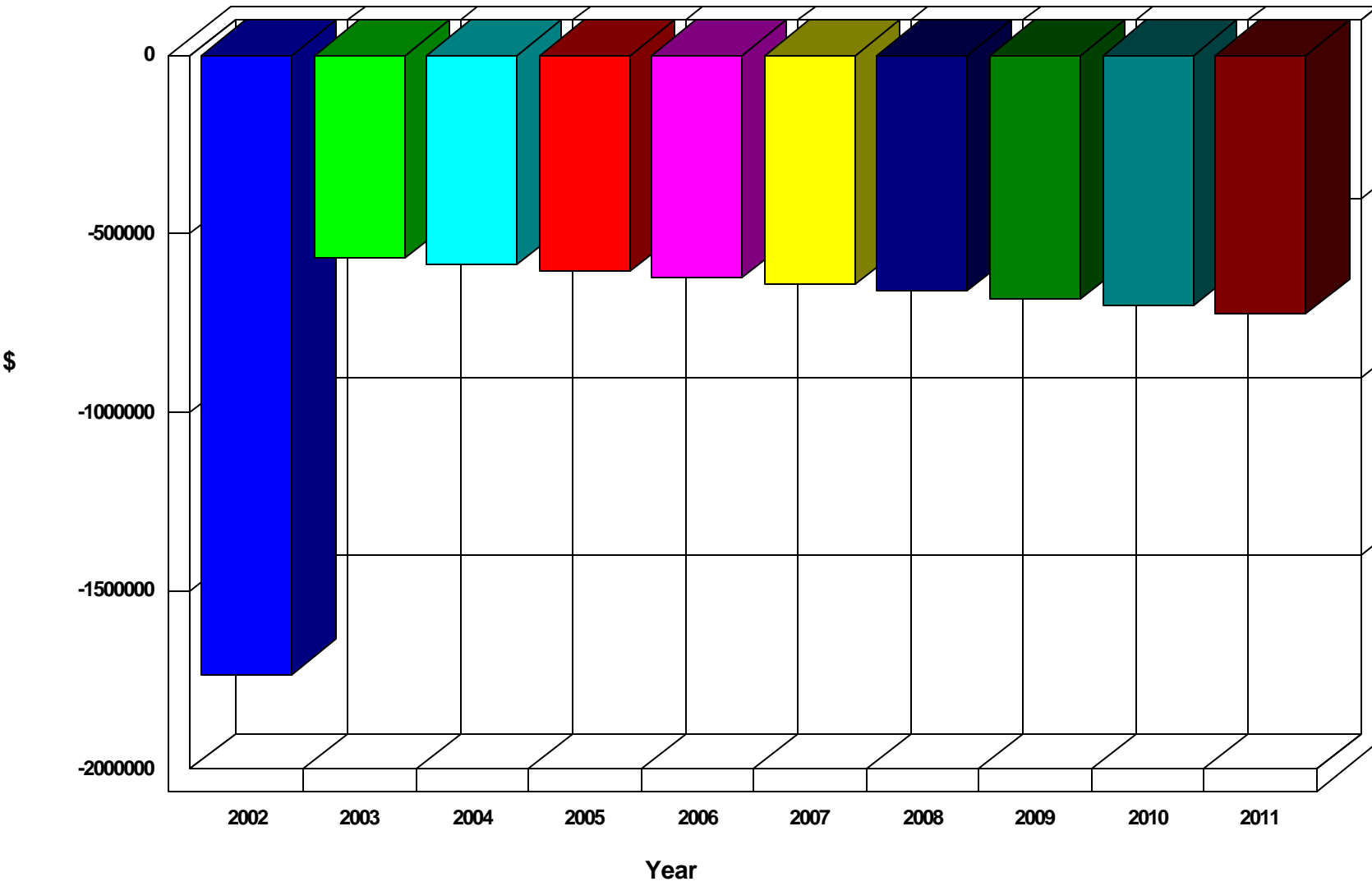
1000 Ocean Blvd. Lease (47260 SqFt)

	Start	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	End	Total
Before Tax Cash Flow Projection													
Investment and Sale	0	(1,181,500)	0	0	0	0	0	0	0	0	0	0	(1,181,500)
Effective Income	0	(850,680)	(876,200)	(902,486)	(929,561)	(957,448)	(986,171)	(1,015,756)	(1,046,229)	(1,077,616)	(1,109,944)	0	(9,752,093)
Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Debt	0	(2,032,180)	(876,200)	(902,486)	(929,561)	(957,448)	(986,171)	(1,015,756)	(1,046,229)	(1,077,616)	(1,109,944)	0	(10,933,593)
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Before Tax	0	(2,032,180)	(876,200)	(902,486)	(929,561)	(957,448)	(986,171)	(1,015,756)	(1,046,229)	(1,077,616)	(1,109,944)	0	(10,933,593)
Taxable Income Projection													
Taxable Revenue	0	(850,680)	(876,200)	(902,486)	(929,561)	(957,448)	(986,171)	(1,015,756)	(1,046,229)	(1,077,616)	(1,109,944)	0	(9,752,093)
Taxable Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	(26,508)	(30,295)	(30,295)	(30,295)	(30,295)	(30,295)	(30,295)	(30,295)	(30,295)	(29,033)	0	(297,900)
Ordinary Income	0	(877,188)	(906,495)	(932,781)	(959,856)	(987,743)	(1,016,466)	(1,046,051)	(1,076,524)	(1,107,911)	(1,138,977)	0	(10,049,992)
After Tax Cash Flow Projection													
Cash Flow Before Tax	0	(2,032,180)	(876,200)	(902,486)	(929,561)	(957,448)	(986,171)	(1,015,756)	(1,046,229)	(1,077,616)	(1,109,944)	0	(10,933,593)
Ordinary Income	0	(877,188)	(906,495)	(932,781)	(959,856)	(987,743)	(1,016,466)	(1,046,051)	(1,076,524)	(1,107,911)	(1,138,977)	0	(10,049,992)
Capital Gains	0	0	0	0	0	0	0	0	0	0	0	(883,600)	(883,600)
Taxable Income	0	(877,188)	(906,495)	(932,781)	(959,856)	(987,743)	(1,016,466)	(1,046,051)	(1,076,524)	(1,107,911)	(1,138,977)	(883,600)	(10,933,593)
Taxes	0	298,244	308,208	317,146	326,351	335,833	345,598	355,657	366,018	376,690	387,252	300,424	3,717,422
Cash Flow After Tax	0	(1,733,936)	(567,992)	(585,341)	(603,210)	(621,615)	(640,573)	(660,099)	(680,211)	(700,926)	(722,692)	300,424	(7,216,171)

Rate of Return Before Debt (IRR)	0.0%
Rate of Return Before Tax (IRR)	0.0%
Rate of Return After Tax (IRR)	0.0%
Net Present Value Before Debt @10%	(7,311,497)
Net Present Value Before Tax @10%	(7,311,497)
Net Present Value After Tax @10%	(5,041,746)

Cash Flow After Tax

1000 Ocean Blvd. Lease (47260 SqFt)



Analysis Assumptions Report

Beach Overlook Purchase (41750 SqFt)

Investment Assumptions

Price of Property		\$4,175,000.00
Date of Acquisition		1 January 2002
Holding Period		10 Years
Inflation Rate		3% per Year
Sale Price Method	Continuous Growth at Inflation Rate	
Selling Costs		6%

Investor's Assumptions

General Vacancy & Credit Loss		Zero
Tax Rate - First Year		34%
Tax Rate - Following Years		34%
Capital Gain Rate		34%
Cost Recovery Recapture Rate	34% - Losses Taken Currently	
Present Value Discount Rate Before Debt		10% per Year
Present Value Discount Rate Before Tax		10% per Year
Present Value Discount Rate After Tax		10% per Year

Building Depreciation Assumptions

Depreciable Amount		75% of Property Price
Depreciable Life		39 Years
Depreciation Method		Straight Line
Depreciation Start Date		at Acquisition

Work Letter Depreciation Assumptions

Depreciable Amount (41,750 SqFt @ \$30.00/SqFt)		\$1,252,500.00
Depreciable Life		39 Years
Depreciation Method		Straight Line
Depreciation Start Date		1 February 2002

Loan Assumptions

Loan Amount		70% of Property Price
Loan Interest Rate		8.5% Annually
Original Loan Period		30 Years
Loan Origination Date		at Acquisition
Loan Type		Monthly Payments, Amortizing

Utilities & Taxes Expense Assumptions

Annual Expense (41,750 SqFt @ \$6.00/SqFt/Year)		\$250,500.00
Expense Start Date		at Acquisition
Expense Period		Until Projected Sale
Expense Growth Method		Annual at the Inflation Rate

Real Estate Investment Analysis

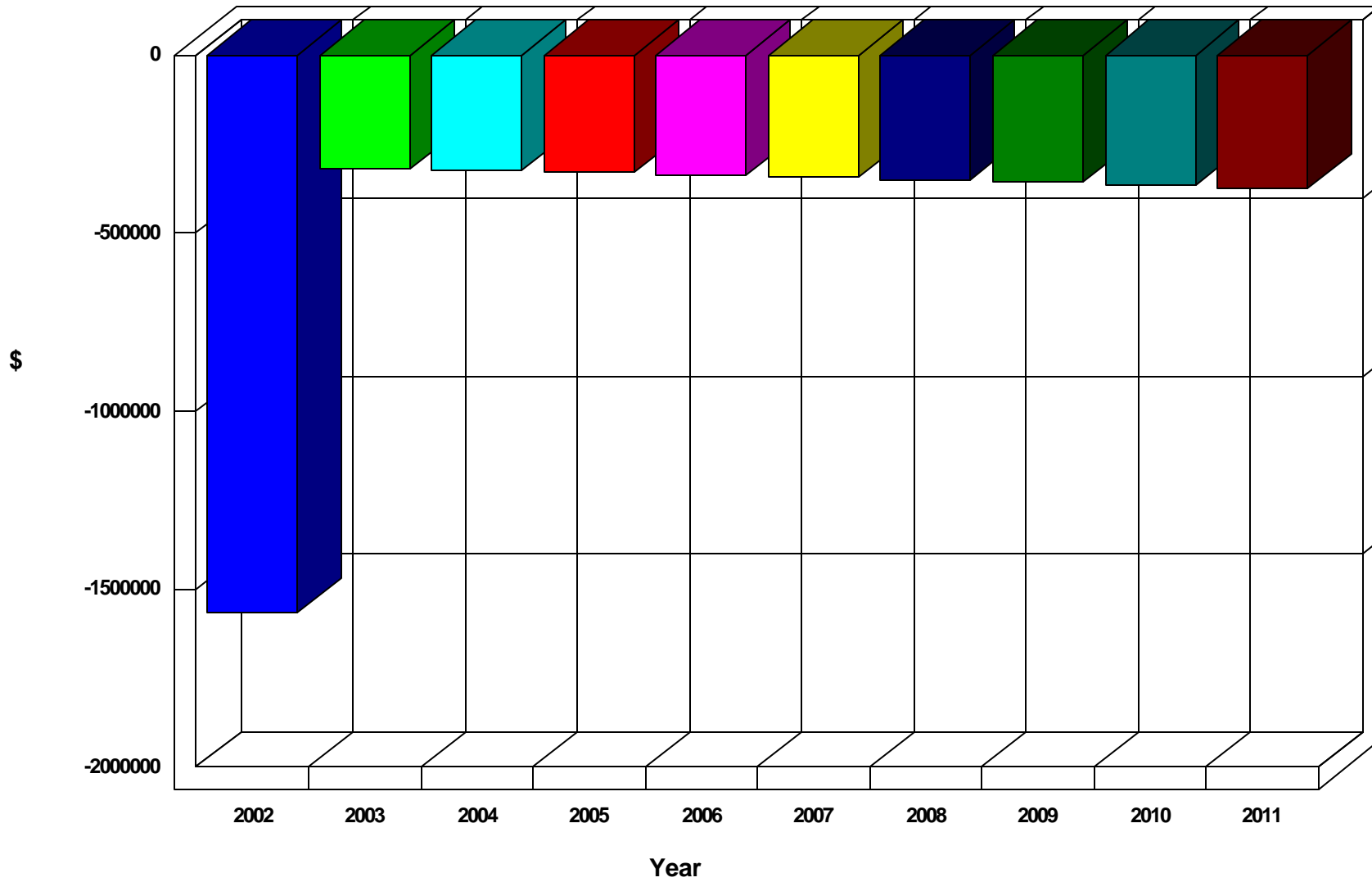
Beach Overlook Purchase (41750 SqFt)

	Buy	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Sell	Total
Before Tax Cash Flow Projection													
Investment and Sale	(4,175,000)	(1,252,500)	0	0	0	0	0	0	0	0	0	5,274,200	(153,300)
Effective Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expense	0	(250,500)	(258,015)	(265,755)	(273,728)	(281,940)	(290,398)	(299,110)	(308,083)	(317,326)	(326,846)	0	(2,871,702)
Cash Flow Before Debt	(4,175,000)	(1,503,000)	(258,015)	(265,755)	(273,728)	(281,940)	(290,398)	(299,110)	(308,083)	(317,326)	(326,846)	5,274,200	(3,025,002)
Debt Service	2,922,500	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(269,658)	(2,589,409)	(2,363,489)
Cash Flow Before Tax	(1,252,500)	(1,772,658)	(527,673)	(535,413)	(543,386)	(551,598)	(560,056)	(568,768)	(577,741)	(586,984)	(596,504)	2,684,791	(5,388,491)
Taxable Income Projection													
Taxable Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxable Expense	0	(250,500)	(258,015)	(265,755)	(273,728)	(281,940)	(290,398)	(299,110)	(308,083)	(317,326)	(326,846)	0	(2,871,702)
Interest Expense	0	(247,565)	(245,612)	(243,487)	(241,173)	(238,656)	(235,915)	(232,933)	(229,687)	(226,153)	(222,308)	0	(2,363,489)
Depreciation	0	(105,044)	(112,404)	(112,404)	(112,404)	(112,404)	(112,404)	(112,404)	(112,404)	(112,404)	(107,720)	0	(1,111,995)
Ordinary Income	0	(603,109)	(616,031)	(621,646)	(627,305)	(632,999)	(638,717)	(644,447)	(650,174)	(655,883)	(656,874)	0	(6,347,186)
After Tax Cash Flow Projection													
Cash Flow Before Tax	(1,252,500)	(1,772,658)	(527,673)	(535,413)	(543,386)	(551,598)	(560,056)	(568,768)	(577,741)	(586,984)	(596,504)	2,684,791	(5,388,491)
Ordinary Income	0	(603,109)	(616,031)	(621,646)	(627,305)	(632,999)	(638,717)	(644,447)	(650,174)	(655,883)	(656,874)	0	(6,347,186)
Capital Gains	0	0	0	0	0	0	0	0	0	0	0	958,695	958,695
Taxable Income	0	(603,109)	(616,031)	(621,646)	(627,305)	(632,999)	(638,717)	(644,447)	(650,174)	(655,883)	(656,874)	958,695	(5,388,491)
Taxes	0	205,057	209,451	211,360	213,284	215,220	217,164	219,112	221,059	223,000	223,337	(325,956)	1,832,087
Cash Flow After Tax	(1,252,500)	(1,567,601)	(318,222)	(324,054)	(330,102)	(336,378)	(342,892)	(349,656)	(356,682)	(363,984)	(373,167)	2,358,835	(3,556,404)

Rate of Return Before Debt (IRR)	0.0%
Rate of Return Before Tax (IRR)	0.0%
Rate of Return After Tax (IRR)	0.0%
Net Present Value Before Debt @10%	(5,188,457)
Net Present Value Before Tax @10%	(5,002,744)
Net Present Value After Tax @10%	(3,747,180)

Cash Flow After Tax

Beach Overlook Purchase (41750 SqFt)



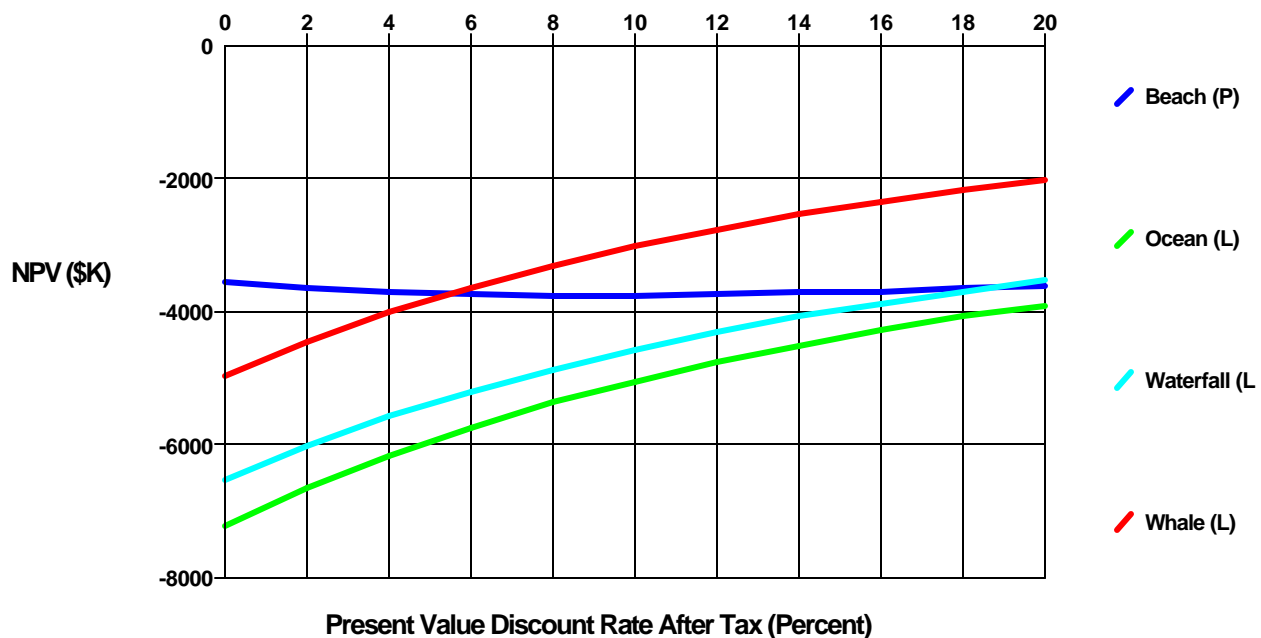
Sensitivity Analysis Comparison

planEASe®

If money costs less than 6% after tax, ownership of Beach Overlook is the least expensive alternative. With more expensive money, Whale Point is preferable.

Present Value Discount Rate After Tax versus Net Present Value After Tax @10%

Assumption Value	Beach (P) NPV (\$K)	Ocean (L) NPV (\$K)	Waterfall (L) NPV (\$K)	Whale (L) NPV (\$K)
Zero	-3,556.4	-7,216.2	-6,523.3	-4,954.2
2% per Year	-3,651.0	-6,651.4	-6,016.4	-4,442.9
4% per Year	-3,709.0	-6,162.7	-5,577.0	-4,003.3
6% per Year	-3,739.9	-5,738.0	-5,194.5	-3,623.5
8% per Year	-3,750.8	-5,367.1	-4,859.9	-3,293.9
10% per Year	-3,747.2	-5,041.7	-4,566.1	-3,006.5
12% per Year	-3,733.0	-4,755.2	-4,307.0	-2,754.9
14% per Year	-3,711.5	-4,501.8	-4,077.6	-2,533.7
16% per Year	-3,684.8	-4,276.8	-3,873.8	-2,338.4
18% per Year	-3,654.6	-4,076.2	-3,691.9	-2,165.3
20% per Year	-3,622.4	-3,896.8	-3,529.2	-2,011.3

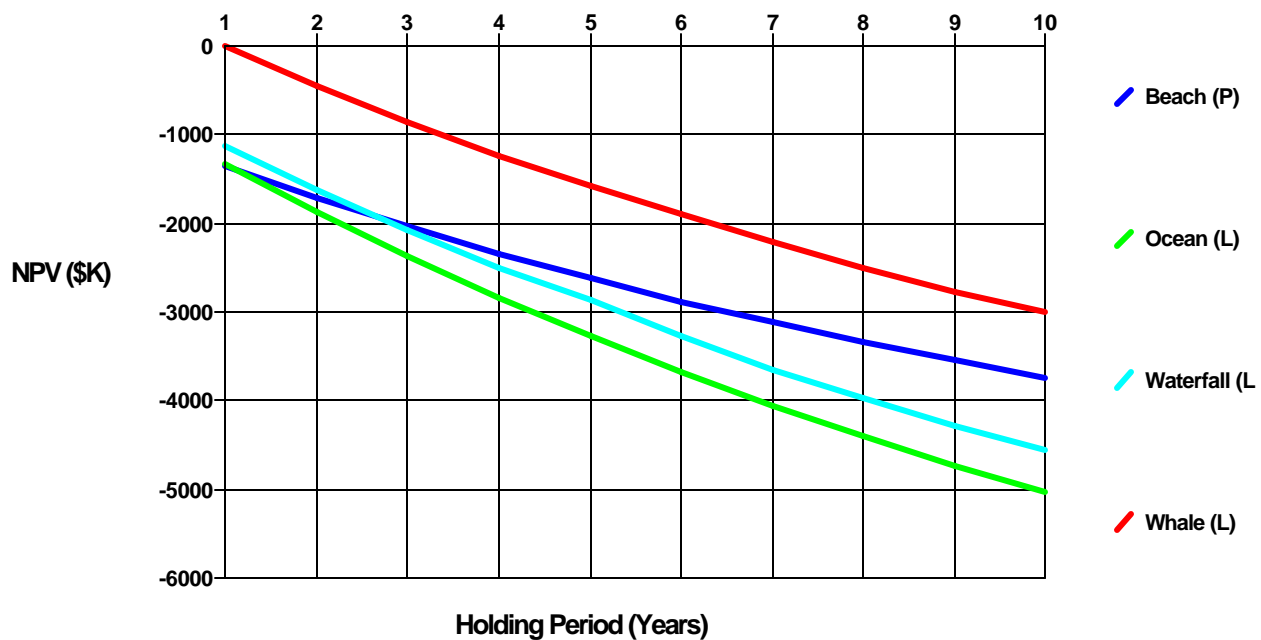


Sensitivity Analysis Comparison

Here we let the Holding Period vary from 1 to 10 years (the same as the lease term varied). The zero cost of the Whale Point at year one is clearly mis-stated because they would not make such an offer if only a one year term was specified. What is of note here is the clear superiority of Whale Point, regardless of the term.

Holding Period versus Net Present Value After Tax @10%

Assumption Value	Beach (P) NPV (\$K)	Ocean (L) NPV (\$K)	Waterfall (L) NPV (\$K)	Whale (L) NPV (\$K)
1 Year	-1,358.6	-1,337.8	-1,131.4	-3.9
2 Years	-1,708.9	-1,871.0	-1,629.3	-455.0
3 Years	-2,034.9	-2,368.8	-2,081.6	-865.0
4 Years	-2,337.1	-2,833.6	-2,492.2	-1,237.8
5 Years	-2,617.5	-3,267.4	-2,865.1	-1,576.6
6 Years	-2,877.7	-3,672.4	-3,273.8	-1,884.7
7 Years	-3,119.4	-4,050.6	-3,645.0	-2,206.4
8 Years	-3,344.0	-4,403.8	-3,982.1	-2,498.9
9 Years	-3,552.9	-4,733.6	-4,288.2	-2,764.8
10 Years	-3,747.2	-5,041.7	-4,566.1	-3,006.5



Sensitivity Analysis Comparison

**Property Value Yearly Growth Rate (%>Inflation)
versus
Net Present Value After Tax @10%**

Assumption Value	Beach (P) NPV (\$K)	Ocean (L) NPV (\$K)	Waterfall (L) NPV (\$K)	Whale (L) NPV (\$K)
At the Inflation Rate	-3,747.2	-5,041.7	-4,566.1	-3,006.5
1% Over Inflation	-3,611.0	-5,041.7	-4,566.1	-3,006.5
2% Over Inflation	-3,462.6	-5,041.7	-4,566.1	-3,006.5
3% Over Inflation	-3,300.9	-5,041.7	-4,566.1	-3,006.5
4% Over Inflation	-3,124.8	-5,041.7	-4,566.1	-3,006.5
5% Over Inflation	-2,933.3	-5,041.7	-4,566.1	-3,006.5
6% Over Inflation	-2,725.1	-5,041.7	-4,566.1	-3,006.5
7% Over Inflation	-2,499.1	-5,041.7	-4,566.1	-3,006.5
8% Over Inflation	-2,253.7	-5,041.7	-4,566.1	-3,006.5
9% Over Inflation	-1,987.7	-5,041.7	-4,566.1	-3,006.5
10% Over Inflation	-1,699.4	-5,041.7	-4,566.1	-3,006.5



Net Present Value Report

Beach Overlook Purchase (41750

These cash flows and dates are those on which the Net Present Value After Tax in the planEASe analysis of the Beach Overlook Purchase (41750 SqFt) are based.

planEASe Software plans operating cash flows monthly, and assumes that cash flows occurring during the month all occur at the middle of the month. Calculators and Spreadsheets typically schedule these cash flows at the end of the year (year-end convention). Since cash flows do actually occur unevenly during the year, the mid-month convention is more accurate.

The Net Present Value (NPV) of the Cash Flows shown in the table below, when discounted at 10.0000% to 1 Jan 2002 is (\$3,748,179.13). One interpretation of this NPV is that you must pay \$3,748,179.13 less on 1 Jan 2002 for the right to receive the cash flows shown, if you want a 10.0000% Internal Rate of Return on your total investment.

Date	Years	Cash Flow	Present Value Discount Factor	Present Value at 10.0000%
1 Jan 2002	0.00	(\$1,252,500.00)	1.0000000	(\$1,252,500.00)
15 Jan 2002	0.04	(27,031.00)	0.9963509	(26,932.36)
15 Feb 2002	0.12	(1,278,666.00)	0.9883182	(1,263,728.88)
15 Mar 2002	0.20	(26,171.00)	0.9811185	(25,676.85)
15 Apr 2002	0.28	(26,175.00)	0.9732086	(25,473.73)
15 May 2002	0.37	(26,179.00)	0.9656145	(25,278.82)
15 Jun 2002	0.45	(26,184.00)	0.9578296	(25,079.81)
15 Jul 2002	0.53	(26,188.00)	0.9503555	(24,887.91)
15 Aug 2002	0.62	(26,193.00)	0.9426936	(24,691.97)
15 Sep 2002	0.70	(26,197.00)	0.9350934	(24,496.64)
15 Oct 2002	0.79	(26,201.00)	0.9277968	(24,309.20)
15 Nov 2002	0.87	(26,206.00)	0.9203168	(24,117.82)
15 Dec 2002	0.95	(26,211.00)	0.9131354	(23,934.19)
15 Jan 2003	1.04	(26,492.00)	0.9057736	(23,995.75)
15 Feb 2003	1.12	(26,497.00)	0.8984711	(23,806.79)
15 Mar 2003	1.20	(26,502.00)	0.8919259	(23,637.82)
15 Apr 2003	1.28	(26,506.00)	0.8847351	(23,450.79)
15 May 2003	1.37	(26,511.00)	0.8778314	(23,272.19)
15 Jun 2003	1.45	(26,516.00)	0.8707542	(23,088.92)
15 Jul 2003	1.53	(26,521.00)	0.8639596	(22,913.07)
15 Aug 2003	1.62	(26,526.00)	0.8569942	(22,732.63)
15 Sep 2003	1.70	(26,530.00)	0.8500850	(22,552.75)
15 Oct 2003	1.79	(26,535.00)	0.8434516	(22,380.99)
15 Nov 2003	1.87	(26,540.00)	0.8366516	(22,204.73)
15 Dec 2003	1.95	(26,545.00)	0.8301231	(22,035.62)
15 Jan 2004	2.04	(26,976.00)	0.8234305	(22,212.86)
15 Feb 2004	2.12	(26,981.00)	0.8167919	(22,037.86)
15 Mar 2004	2.20	(26,986.00)	0.8106300	(21,875.66)
15 Apr 2004	2.29	(26,991.00)	0.8040946	(21,703.32)
15 May 2004	2.37	(26,996.00)	0.7978202	(21,537.95)

Net Present Value Report

Beach Overlook Purchase (41750)

Date	Years	Cash Flow	Present Value Discount Factor	Present Value at 10.0000%
15 Jun 2004	2.45	(27,002.00)	0.7913880	(21,369.06)
15 Jul 2004	2.54	(27,007.00)	0.7852127	(21,206.24)
15 Aug 2004	2.62	(27,012.00)	0.7788822	(21,039.17)
15 Sep 2004	2.71	(27,017.00)	0.7726027	(20,873.41)
15 Oct 2004	2.79	(27,023.00)	0.7665740	(20,715.13)
15 Nov 2004	2.87	(27,028.00)	0.7603938	(20,551.92)
15 Dec 2004	2.96	(27,034.00)	0.7544603	(20,396.08)
15 Jan 2005	3.04	(27,478.00)	0.7483778	(20,563.92)
15 Feb 2005	3.13	(27,483.00)	0.7423442	(20,401.85)
15 Mar 2005	3.20	(27,489.00)	0.7369364	(20,257.64)
15 Apr 2005	3.29	(27,494.00)	0.7309951	(20,097.98)
15 May 2005	3.37	(27,500.00)	0.7252911	(19,945.50)
15 Jun 2005	3.45	(27,505.00)	0.7194436	(19,788.30)
15 Jul 2005	3.54	(27,511.00)	0.7138297	(19,638.17)
15 Aug 2005	3.62	(27,517.00)	0.7080747	(19,484.09)
15 Sep 2005	3.71	(27,523.00)	0.7023661	(19,331.22)
15 Oct 2005	3.79	(27,528.00)	0.6968855	(19,183.86)
15 Nov 2005	3.87	(27,534.00)	0.6912671	(19,033.35)
15 Dec 2005	3.96	(27,540.00)	0.6858730	(18,888.94)
15 Jan 2006	4.04	(27,998.00)	0.6803434	(19,048.26)
15 Feb 2006	4.13	(28,004.00)	0.6748584	(18,898.73)
15 Mar 2006	4.20	(28,010.00)	0.6699422	(18,765.08)
15 Apr 2006	4.29	(28,016.00)	0.6645410	(18,617.78)
15 May 2006	4.37	(28,022.00)	0.6593555	(18,476.46)
15 Jun 2006	4.45	(28,028.00)	0.6540397	(18,331.42)
15 Jul 2006	4.54	(28,034.00)	0.6489361	(18,192.28)
15 Aug 2006	4.62	(28,041.00)	0.6437043	(18,050.11)
15 Sep 2006	4.71	(28,047.00)	0.6385147	(17,908.42)
15 Oct 2006	4.79	(28,053.00)	0.6335323	(17,772.48)
15 Nov 2006	4.87	(28,060.00)	0.6284246	(17,633.59)
15 Dec 2006	4.96	(28,066.00)	0.6235209	(17,499.74)
15 Jan 2007	5.04	(28,538.00)	0.6184940	(17,650.58)
15 Feb 2007	5.13	(28,544.00)	0.6135076	(17,511.96)
15 Mar 2007	5.20	(28,551.00)	0.6090383	(17,388.65)
15 Apr 2007	5.29	(28,557.00)	0.6041282	(17,252.09)
15 May 2007	5.37	(28,564.00)	0.5994141	(17,121.66)
15 Jun 2007	5.45	(28,571.00)	0.5945815	(16,987.79)
15 Jul 2007	5.54	(28,577.00)	0.5899419	(16,858.77)
15 Aug 2007	5.62	(28,584.00)	0.5851857	(16,726.95)
15 Sep 2007	5.71	(28,591.00)	0.5804679	(16,596.16)
15 Oct 2007	5.79	(28,598.00)	0.5759384	(16,470.69)
15 Nov 2007	5.87	(28,605.00)	0.5712951	(16,341.90)
15 Dec 2007	5.96	(28,612.00)	0.5668372	(16,218.35)
15 Jan 2008	6.04	(29,098.00)	0.5622673	(16,360.85)
15 Feb 2008	6.13	(29,105.00)	0.5577342	(16,232.85)
15 Mar 2008	6.21	(29,112.00)	0.5535267	(16,114.27)
15 Apr 2008	6.29	(29,120.00)	0.5490640	(15,988.74)

Net Present Value Report

Beach Overlook Purchase (41750)

Date	Years	Cash Flow	Present Value Discount Factor	Present Value at 10.0000%
15 May 2008	6.37	(29,127.00)	0.5447796	(15,867.80)
15 Jun 2008	6.46	(29,134.00)	0.5403875	(15,743.65)
15 Jul 2008	6.54	(29,141.00)	0.5361708	(15,624.55)
15 Aug 2008	6.62	(29,149.00)	0.5318481	(15,502.84)
15 Sep 2008	6.71	(29,156.00)	0.5275603	(15,381.55)
15 Oct 2008	6.79	(29,164.00)	0.5234437	(15,265.71)
15 Nov 2008	6.88	(29,171.00)	0.5192236	(15,146.27)
15 Dec 2008	6.96	(29,179.00)	0.5151720	(15,032.20)
15 Jan 2009	7.04	(29,680.00)	0.5110186	(15,167.03)
15 Feb 2009	7.13	(29,688.00)	0.5068987	(15,048.81)
15 Mar 2009	7.21	(29,696.00)	0.5032061	(14,943.21)
15 Apr 2009	7.29	(29,703.00)	0.4991491	(14,826.23)
15 May 2009	7.37	(29,711.00)	0.4952542	(14,714.50)
15 Jun 2009	7.46	(29,719.00)	0.4912614	(14,599.80)
15 Jul 2009	7.54	(29,727.00)	0.4874280	(14,489.77)
15 Aug 2009	7.62	(29,735.00)	0.4834983	(14,376.82)
15 Sep 2009	7.71	(29,743.00)	0.4796003	(14,264.75)
15 Oct 2009	7.79	(29,752.00)	0.4758579	(14,157.72)
15 Nov 2009	7.88	(29,760.00)	0.4720214	(14,047.36)
15 Dec 2009	7.96	(29,768.00)	0.4683382	(13,941.49)
15 Jan 2010	8.04	(30,285.00)	0.4645624	(14,069.27)
15 Feb 2010	8.13	(30,293.00)	0.4608170	(13,959.53)
15 Mar 2010	8.21	(30,302.00)	0.4574600	(13,861.95)
15 Apr 2010	8.29	(30,310.00)	0.4537719	(13,753.83)
15 May 2010	8.37	(30,319.00)	0.4502311	(13,650.56)
15 Jun 2010	8.46	(30,327.00)	0.4466013	(13,544.08)
15 Jul 2010	8.54	(30,336.00)	0.4431164	(13,442.38)
15 Aug 2010	8.62	(30,345.00)	0.4395439	(13,337.96)
15 Sep 2010	8.71	(30,354.00)	0.4360002	(13,234.35)
15 Oct 2010	8.79	(30,362.00)	0.4325981	(13,134.54)
15 Nov 2010	8.88	(30,371.00)	0.4291104	(13,032.51)
15 Dec 2010	8.96	(30,380.00)	0.4257620	(12,934.65)
15 Jan 2011	9.04	(31,046.00)	0.4223294	(13,111.64)
15 Feb 2011	9.13	(31,055.00)	0.4189246	(13,009.70)
15 Mar 2011	9.21	(31,064.00)	0.4158728	(12,918.67)
15 Apr 2011	9.29	(31,073.00)	0.4125199	(12,818.23)
15 May 2011	9.37	(31,083.00)	0.4093010	(12,722.30)
15 Jun 2011	9.46	(31,092.00)	0.4060011	(12,623.39)
15 Jul 2011	9.54	(31,102.00)	0.4028331	(12,528.91)
15 Aug 2011	9.62	(31,111.00)	0.3995854	(12,431.50)
15 Sep 2011	9.71	(31,121.00)	0.3963638	(12,335.24)
15 Oct 2011	9.79	(31,130.00)	0.3932710	(12,242.53)
15 Nov 2011	9.88	(31,140.00)	0.3901004	(12,147.73)
15 Dec 2011	9.96	(31,150.00)	0.3870564	(12,056.81)
31 Dec 2011	10.00	2,358,835.00	0.3854426	909,195.56
TOTALS		(\$3,556,403.00)		(\$3,748,179.13)