

# planEASe® Software

## Retail/Office Investment



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## Introduction Page

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## Annual Property Operating Data

### Retail/Office Investment

The APOD is a very useful snapshot of the status of a property investment as of the projected Acquisition Date, showing most of the information relevant to the investment, absent any projections of performance.

Purpose	For Sale
Name	Retail/Office Investment
Location	USA
Property Type	Retail - Office
Date	14 May 2008
Square Feet	20,000

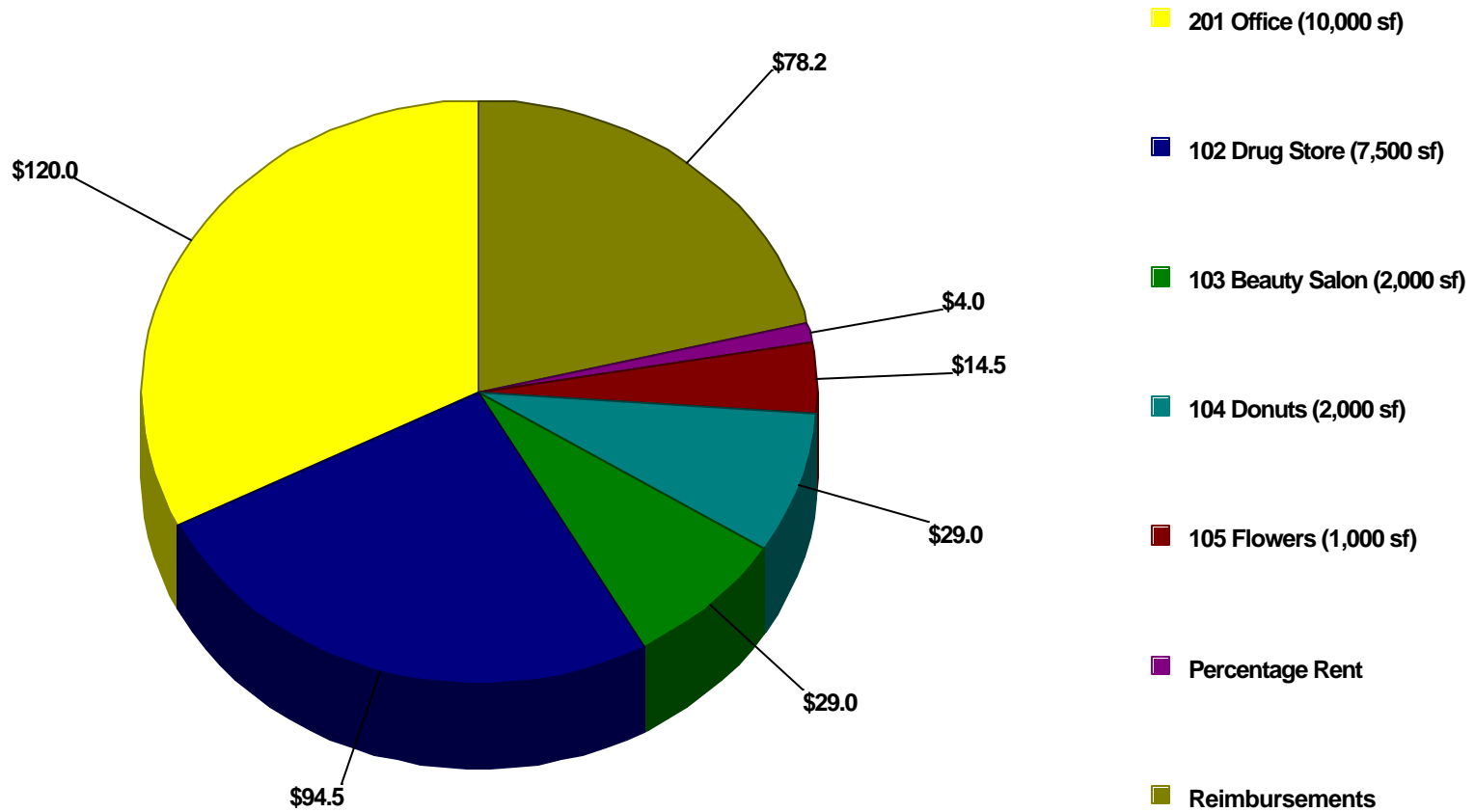
Price	\$4,000,000
-Loans	2,267,138
Down Payment	1,732,862
+Acq Costs	20,000
+Loan Points	22,671
Investment	1,775,534

	\$/SqFt	% of GI	Annual \$
<b>Gross Income</b>			
201 Office (10,000 sf)	12.00	32.5%	120,000
102 Drug Store (7,500 sf)	12.60	25.6%	94,500
103 Beauty Salon (2,000 sf)	14.50	7.9%	29,000
104 Donuts (2,000 sf)	14.50	7.9%	29,000
105 Flowers (1,000 sf)	14.50	3.9%	14,500
Base Rental Revenue	\$14.35	77.7%	\$287,000
Percentage Rent	\$0.20	1.1%	\$4,000
Total Reimbursements	\$3.91	21.2%	\$78,233
<b>Total Gross Income</b>	\$18.46	100.0%	\$369,233
- Vacancy & Credit Loss	0.00	0.0%	0
<b>Effective Income</b>	\$18.46	100.0%	\$369,233
Less: Operating Expenses			
Maintenance	0.57	3.1%	11,400
Insurance	0.23	1.2%	4,600
Property Taxes	2.00	10.8%	40,000
Security	0.15	0.8%	3,000
Utilities	0.17	0.9%	3,400
Management Fee	0.70	3.8%	14,000
Total Operating Expenses	\$3.82	20.7%	\$76,400
<b>Net Operating Income</b>	\$14.64	79.3%	\$292,833
Less: Debt Service			
Loan	11.38	61.6%	227,559
Total Debt Service	\$11.38	61.6%	\$227,559
<b>Net Operating Cash Flow</b>	\$3.26	17.7%	\$65,274

Capitalization Rate	7.32%
Gross Income Multiplier	10.83
Cash on Cash	3.68%
Debt Coverage Ratio	1.287
Price/SqFt	\$200

# Source of Gross Income at Acquisition (\$/yr)

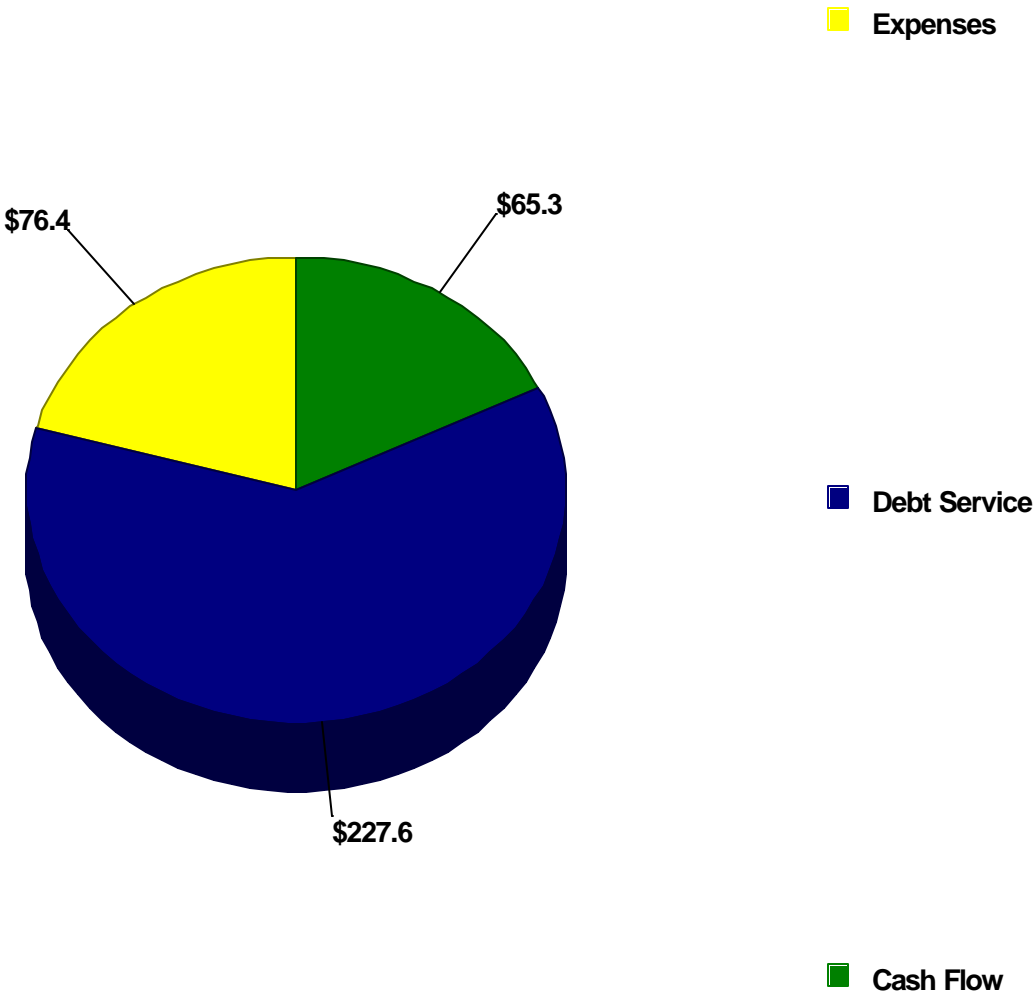
## Retail - Office



Dollars in Thousands  
Total \$ Shown - \$369.2

# Use of Effective Income at Acquisition (\$/yr)

## Retail/Office Investment



Dollars in Thousands  
Total \$ Shown - \$369.2

## **Retail/Office Investment**

### **Acquisition Annual Effective Income Tenant Rent Roll**

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Office	201	10,000	1/08	1/10	12.00	3.58	15.58	155,789

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Office Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Drug Store	102	7,500	1/07	1/13	13.13	3.40	16.53	123,967

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Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Beauty Salon	103	2,000	1/08	4/08	14.50	3.40	17.90	35,791

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Beauty and Small Market Profiles. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

## **Retail/Office Investment**

### **Acquisition Annual Effective Income Tenant Rent Roll**

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Donuts	104	2,000	1/08	11/08	14.50	3.40	17.90	35,791

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Small Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Flowers	105	1,000	1/08	7/13	14.50	3.40	17.90	17,896

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Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Totals		22,500			12.93	3.48	16.41	369,233

## **Retail/Office Investment**

### **2011 Annual Effective Income Tenant Rent Roll**

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Office	201	10,000	1/08	1/10	14.53	0.09	14.63	146,270

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Office Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Drug Store	102	7,500	1/07	1/13	13.88	3.67	17.55	131,589

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Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Beauty Salon	103	2,000	1/08	4/08	14.21	3.36	17.57	35,139

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Beauty and Small Market Profiles. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

## **Retail/Office Investment**

### **2011 Annual Effective Income Tenant Rent Roll**

Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Donuts	104	2,000	1/08	11/08	15.19	3.36	18.55	37,100

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Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Flowers	105	1,000	1/08	7/13	16.50	3.67	20.17	20,168

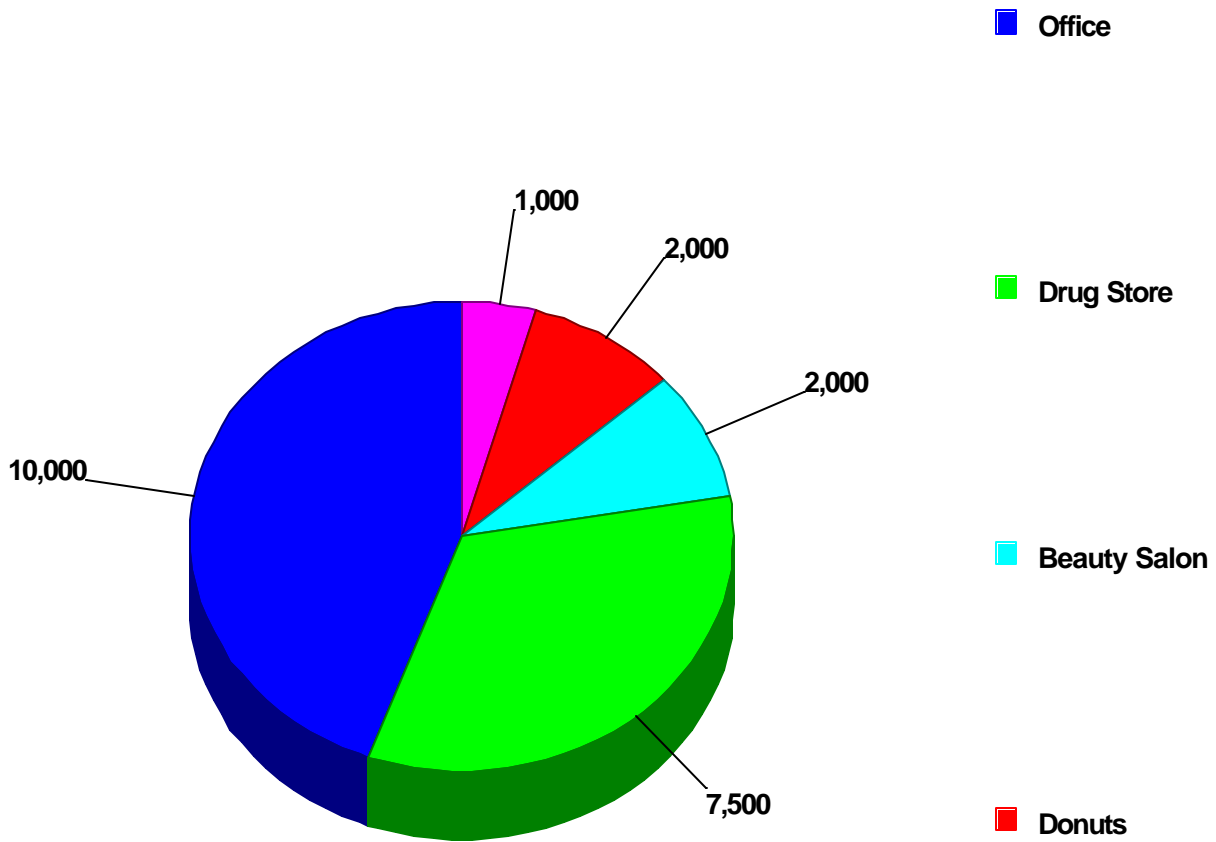
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Tenant Name	Suite	RSF	Start	End	Rent/RSF	Reimb/RSF	Total/RSF	Total \$
Totals		22,500			14.43	2.02	16.46	370,265



# Rentable Square Feet Distribution

## Retail/Office Investment



Square Feet  
Total Square Feet - 22,500

# Property Acquisition Report

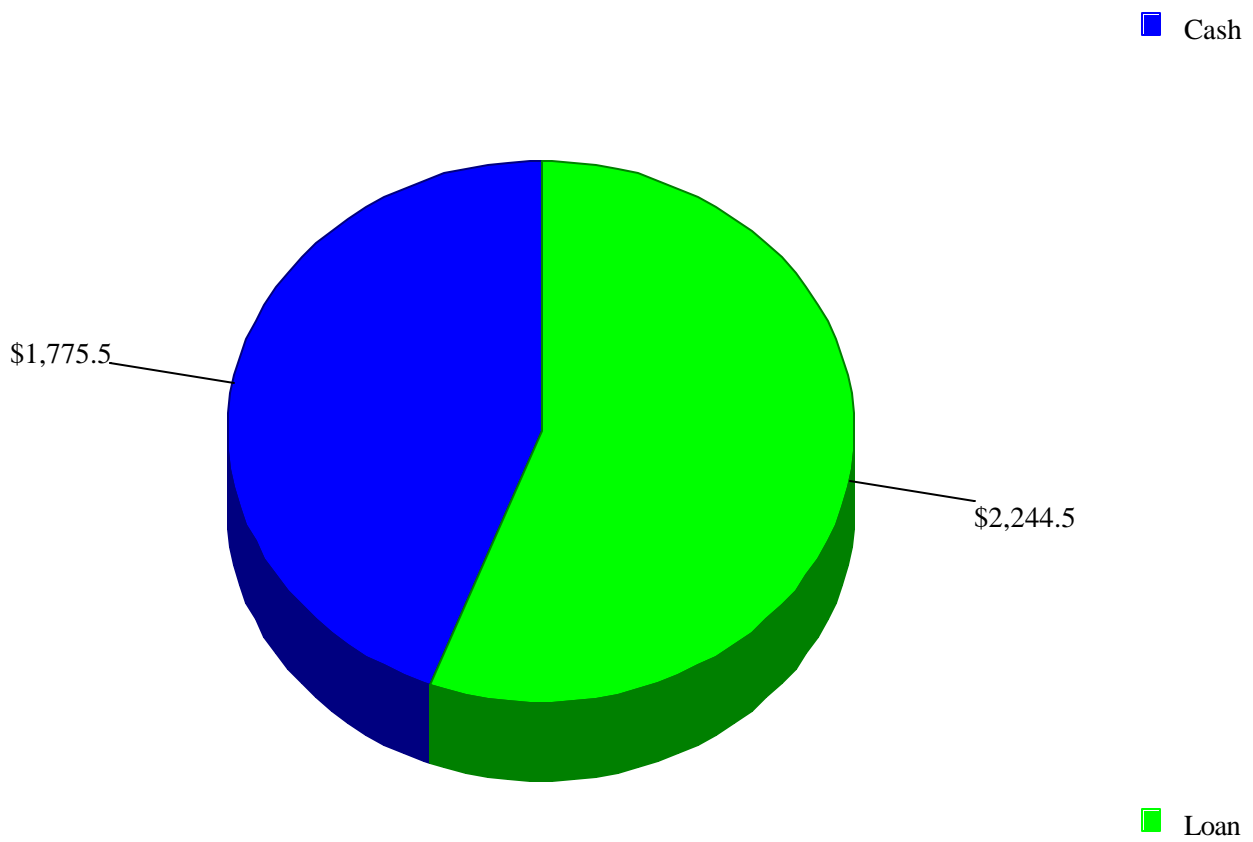
## Retail/Office Investment

This report shows the projected cash requirement for acquisition of the Retail/Office Investment on 1 January 2008.

<b>Cost of Property Acquired</b>			
Price of Property	\$4,000,000		
+ Closing Costs (.5%)	20,000		
<b>Total Cost of Property Acquired</b>			\$4,020,000
<b>Property Financing</b>			
Loan Loan Principal	\$2,267,138		
- Points (1 Point)	22,671		
Loan Loan Proceeds		\$2,244,466	
<b>Total Net Loan Proceeds</b>			2,244,466
<b>Cash Required at Acquisition</b>			<b>\$1,775,534</b>

# Source of Acquisition Funds

## Retail/Office Investment



Dollars in Thousands  
Total \$ Shown - \$4,020.0

# Proforma Income Statement

## Retail/Office Investment

This Statement is for the Retail/Office Investment as acquired on 1 January 2008 for a Price of \$4,000,000, subject to a Loan of \$2,267,138, for a Down Payment of \$1,732,862.

allows you to produce ProForma Income Statements. These reports can be prepared either before or after tax. They combine the Basic and Detail Analysis report information into a very readable format familiar to real estate professionals and accountants. Further, the reports offer information not shown in the Basic and Detail Analysis Reports, such as Ratio Analysis, projected Sale Proceeds by year, and Return and NPV measures by year, as well as a Common Size Statement and a Dollars/Square Foot or Dollars/Unit Statement.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Gross Income</b>										
201 Office	120,000	123,600	141,419	145,338	149,698	154,189	158,814	163,916	168,491	173,545
102 Drug Store	94,500	94,500	99,225	99,225	99,225	99,225	119,902	126,382	130,173	134,078
103 Beauty Salon	31,548	32,963	33,952	34,537	34,218	35,244	36,309	37,389	38,511	39,666
104 Donuts	29,366	31,313	32,252	33,220	34,215	35,242	36,299	37,473	38,511	39,666
105 Flowers	14,500	14,500	15,500	16,500	16,500	17,210	18,152	18,696	19,273	19,834
Base Rental Revenue	\$289,914	\$296,876	\$322,348	\$328,820	\$333,856	\$361,786	\$372,275	\$383,856	\$394,959	\$406,791
Percentage Rent	\$4,000	\$4,280	\$4,566	\$4,857	\$5,154	\$5,457	\$5,766	\$6,082	\$6,403	\$6,731
Total Reimbursements	\$78,233	\$80,217	\$47,812	\$46,778	\$48,936	\$51,155	\$53,438	\$51,673	\$53,266	\$55,752
<b>Total Gross Income</b>	<b>\$372,147</b>	<b>\$381,373</b>	<b>\$374,725</b>	<b>\$380,455</b>	<b>\$387,945</b>	<b>\$418,398</b>	<b>\$431,479</b>	<b>\$441,610</b>	<b>\$454,628</b>	<b>\$469,274</b>
Less: Vacancy & Credit Loss	22,677	0	14,890	6,897	0	52,992	3,761	17,870	1,980	4,111
<b>Effective Income</b>	<b>\$349,471</b>	<b>\$381,373</b>	<b>\$359,835</b>	<b>\$373,558</b>	<b>\$387,945</b>	<b>\$365,407</b>	<b>\$427,718</b>	<b>\$423,740</b>	<b>\$452,648</b>	<b>\$465,163</b>
Less: Operating Expenses										
Maintenance	11,400	11,742	12,094	12,457	12,831	13,216	13,612	14,021	14,441	14,874
Insurance	4,600	4,830	5,072	5,325	5,591	5,871	6,164	6,473	6,796	7,136
Property Taxes	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804
Security	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Utilities	3,400	3,502	3,607	3,715	3,827	3,942	4,060	4,182	4,307	4,436
Management Fee	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267
Total Operating Expenses	\$76,400	\$78,384	\$80,424	\$82,522	\$84,680	\$86,899	\$89,182	\$91,530	\$93,946	\$96,432
<b>Net Operating Income</b>	<b>\$273,071</b>	<b>\$302,989</b>	<b>\$279,411</b>	<b>\$291,035</b>	<b>\$303,266</b>	<b>\$278,508</b>	<b>\$338,536</b>	<b>\$332,210</b>	<b>\$358,702</b>	<b>\$368,732</b>
Less: Debt Service										
Loan	227,559	227,559	227,559	227,559	227,559	227,559	227,559	227,559	227,559	227,559
Total Debt Service	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559	\$227,559
<b>Net Operating Cash Flow</b>	<b>\$45,512</b>	<b>\$75,430</b>	<b>\$51,852</b>	<b>\$63,476</b>	<b>\$75,707</b>	<b>\$50,949</b>	<b>\$110,977</b>	<b>\$104,651</b>	<b>\$131,143</b>	<b>\$141,173</b>
Less: Capital Spending										
Market TIs	12,279	0	101,034	2,240	2,251	62,644	2,454	119,881	1,292	0
Market Commissions	6,022	0	11,264	1,052	1,058	22,907	1,153	14,249	607	0
Total Capital Spending	\$18,301	\$0	\$112,299	\$3,292	\$3,309	\$85,551	\$3,606	\$134,130	\$1,899	\$0
<b>Cash Flow Before Tax</b>	<b>\$27,211</b>	<b>\$75,430</b>	<b>(\$60,447)</b>	<b>\$60,184</b>	<b>\$72,398</b>	<b>(\$34,603)</b>	<b>\$107,370</b>	<b>(\$29,479)</b>	<b>\$129,244</b>	<b>\$141,173</b>
<b>Taxable Income and Taxes</b>										
(Losses Taken Currently)										
Taxable Revenues	\$349,471	\$381,373	\$359,835	\$373,558	\$387,945	\$365,407	\$427,718	\$423,740	\$452,648	\$465,163
Less: Deducted Expenses	76,400	78,384	80,424	82,522	84,680	86,899	89,182	91,530	93,946	96,432
Less: Interest Expense	179,639	175,662	171,354	166,690	161,637	156,166	150,240	143,823	136,873	129,346
Less: Amortization Points	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Less: Depreciation	69,157	74,621	79,115	83,442	82,353	86,999	91,423	95,829	100,028	83,538
Ordinary Income	\$23,141	\$51,573	\$27,808	\$39,771	\$58,141	\$34,210	\$95,739	\$91,425	\$120,667	\$154,714
Taxable Income	23,141	51,573	27,808	39,771	58,141	34,210	95,739	91,425	120,667	154,714

# *Proforma Income Statement*

## *Retail/Office Investment*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Taxes Due (- = Savings)	9,604	21,403	11,540	16,505	24,129	14,197	39,731	37,941	50,077	64,206
Cash Flow After Tax	\$17,607	\$54,027	(\$71,987)	\$43,679	\$48,269	(\$48,800)	\$67,639	(\$67,420)	\$79,167	\$76,967

# Proforma Income Statement

## Retail/Office Investment

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Sale Proceeds:</b>										
Sale Value	\$3,653,530	\$3,759,804	\$3,637,943	\$3,790,821	\$3,481,345	\$4,231,700	\$4,152,626	\$4,483,773	\$4,609,147	\$4,024,231
Less: Sale Costs (7%)	255,747	263,186	254,656	265,357	243,694	296,219	290,684	313,864	322,640	281,696
Less: Loan Repayment	2,132,531	2,082,661	2,111,116	2,050,247	1,984,325	1,912,932	1,835,614	1,751,878	1,661,192	1,562,979
Sale Proceeds Before Tax	1,265,252	1,413,957	1,272,171	1,475,217	1,253,326	2,022,549	2,026,329	2,418,031	2,625,315	2,179,556
Less: Taxes due to Sale	(104,296)	(68,325)	(90,162)	(56,926)	(87,833)	33,548	36,598	104,685	157,497	46,959
Sale Proceeds After Tax	1,369,548	1,482,281	1,362,333	1,532,143	1,341,159	1,989,001	1,989,731	2,313,347	2,467,818	2,132,597
<b>Ratio Analysis:</b>										
<b>Profitability Ratios</b>										
Capitalization Rate	6.83%	7.57%	6.99%	7.28%	7.58%	6.96%	8.46%	8.31%	8.97%	9.22%
Adj. Capitalization Rate	6.83%	7.55%	6.95%	7.05%	7.34%	6.73%	8.02%	7.87%	8.23%	8.45%
Cash on Cash Before Tax	2.56%	4.25%	2.92%	3.58%	4.26%	2.87%	6.25%	5.89%	7.39%	7.95%
Adj. Cash on Cash Before Tax	2.56%	4.21%	2.89%	3.33%	3.96%	2.66%	5.55%	5.24%	6.14%	6.60%
Cash on Cash After Tax	2.02%	3.04%	2.27%	2.65%	2.90%	2.07%	4.01%	3.76%	4.57%	4.33%
Adj. Cash on Cash After Tax	2.02%	3.02%	2.25%	2.46%	2.70%	1.92%	3.57%	3.34%	3.80%	3.60%
<b>Risk Ratios</b>										
Debt Coverage Ratio	1.200	1.331	1.228	1.279	1.333	1.224	1.488	1.460	1.576	1.620
Breakeven Occupancy	81.7%	80.2%	82.2%	81.5%	80.5%	75.2%	73.4%	72.3%	70.7%	69.0%
Loan Balance/Property Value	58.4%	55.4%	58.0%	54.1%	57.0%	45.2%	44.2%	39.1%	36.0%	38.8%
<b>Assumption Ratios</b>										
NOI/Property Value	7.47%	8.06%	7.68%	7.68%	8.71%	6.58%	8.15%	7.41%	7.78%	9.16%
Operating Expense Ratio	20.5%	20.6%	21.5%	21.7%	21.8%	20.8%	20.7%	20.7%	20.7%	20.5%
<b>Analysis Measures:</b>										
IRR Before Debt		0.2%	0.8%	3.5%	2.9%	6.2%	6.2%	6.9%	7.4%	6.5%
IRR Before Tax						3.5%	3.8%	5.3%	6.3%	4.5%
IRR After Tax						2.3%	2.4%	3.7%	4.4%	2.9%
NPV Before Debt @10.00%	(\$697,680)	(\$643,376)	(\$843,666)	(\$771,189)	(\$973,498)	(\$649,628)	(\$708,871)	(\$650,600)	(\$619,244)	(\$845,040)
NPV Before Tax @10.00%	(\$688,123)	(\$605,974)	(\$779,063)	(\$683,892)	(\$866,213)	(\$524,805)	(\$568,727)	(\$497,142)	(\$454,284)	(\$670,219)
NPV After Tax @10.00%	(\$627,490)	(\$575,640)	(\$749,049)	(\$695,679)	(\$877,958)	(\$617,895)	(\$683,769)	(\$660,244)	(\$658,391)	(\$848,585)

## Common Size Income Statement

### Retail/Office Investment

This Statement is for the Retail/Office Investment as acquired on 1 January 2008 for a Price of \$4,000,000, subject to a Loan of \$2,267,138, for a Down Payment of \$1,732,862.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Gross Income</b>										
201 Office	32.2%	32.4%	37.7%	38.2%	38.6%	36.9%	36.8%	37.1%	37.1%	37.0%
102 Drug Store	25.4%	24.8%	26.5%	26.1%	25.6%	28.7%	28.4%	28.6%	28.6%	28.6%
103 Beauty Salon	8.5%	8.6%	9.1%	9.1%	8.8%	8.4%	8.4%	8.5%	8.5%	8.5%
104 Donuts	7.9%	8.2%	8.6%	8.7%	8.8%	8.4%	8.4%	8.5%	8.5%	8.5%
105 Flowers	3.9%	3.8%	4.1%	4.3%	4.3%	4.1%	4.2%	4.2%	4.2%	4.2%
Base Rental Revenue	77.9%	77.8%	86.0%	86.4%	86.1%	86.5%	86.3%	86.9%	86.9%	86.7%
Percentage Rent	1.1%	1.1%	1.2%	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%
Total Reimbursements	21.0%	21.0%	12.8%	12.3%	12.6%	12.2%	12.4%	11.7%	11.7%	11.9%
<b>Total Gross Income</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less: Vacancy & Credit Loss	6.1%	0.0%	4.0%	1.8%	0.0%	12.7%	0.9%	4.0%	0.4%	0.9%
<b>Effective Income</b>	93.9%	100.0%	96.0%	98.2%	100.0%	87.3%	99.1%	96.0%	99.6%	99.1%
Less: Operating Expenses										
Maintenance	3.1%	3.1%	3.2%	3.3%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%
Insurance	1.2%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%
Property Taxes	10.7%	10.7%	11.1%	11.2%	11.2%	10.6%	10.4%	10.4%	10.3%	10.2%
Security	0.8%	0.8%	0.8%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%
Utilities	0.9%	0.9%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
Management Fee	3.8%	3.8%	4.0%	4.0%	4.1%	3.9%	3.9%	3.9%	3.9%	3.9%
Total Operating Expenses	20.5%	20.6%	21.5%	21.7%	21.8%	20.8%	20.7%	20.7%	20.7%	20.5%
<b>Net Operating Income</b>	73.4%	79.4%	74.6%	76.5%	78.2%	66.6%	78.5%	75.2%	78.9%	78.6%
Less: Debt Service										
Loan	61.1%	59.7%	60.7%	59.8%	58.7%	54.4%	52.7%	51.5%	50.1%	48.5%
Total Debt Service	61.1%	59.7%	60.7%	59.8%	58.7%	54.4%	52.7%	51.5%	50.1%	48.5%
<b>Net Operating Cash Flow</b>	12.2%	19.8%	13.8%	16.7%	19.5%	12.2%	25.7%	23.7%	28.8%	30.1%
Less: Capital Spending										
Market TI's	3.3%	0.0%	27.0%	0.6%	0.6%	15.0%	0.6%	27.1%	0.3%	0.0%
Market Commissions	1.6%	0.0%	3.0%	0.3%	0.3%	5.5%	0.3%	3.2%	0.1%	0.0%
Total Capital Spending	4.9%	0.0%	30.0%	0.9%	0.9%	20.4%	0.8%	30.4%	0.4%	0.0%
<b>Cash Flow Before Tax</b>	7.3%	19.8%	(16.1%)	15.8%	18.7%	(8.3%)	24.9%	(6.7%)	28.4%	30.1%

# Square Footage Income Statement

## Retail/Office Investment

This Statement is for the Retail/Office Investment as acquired on 1 January 2008 for a Price of \$4,000,000, subject to a Loan of \$2,267,138, for a Down Payment of \$1,732,862.

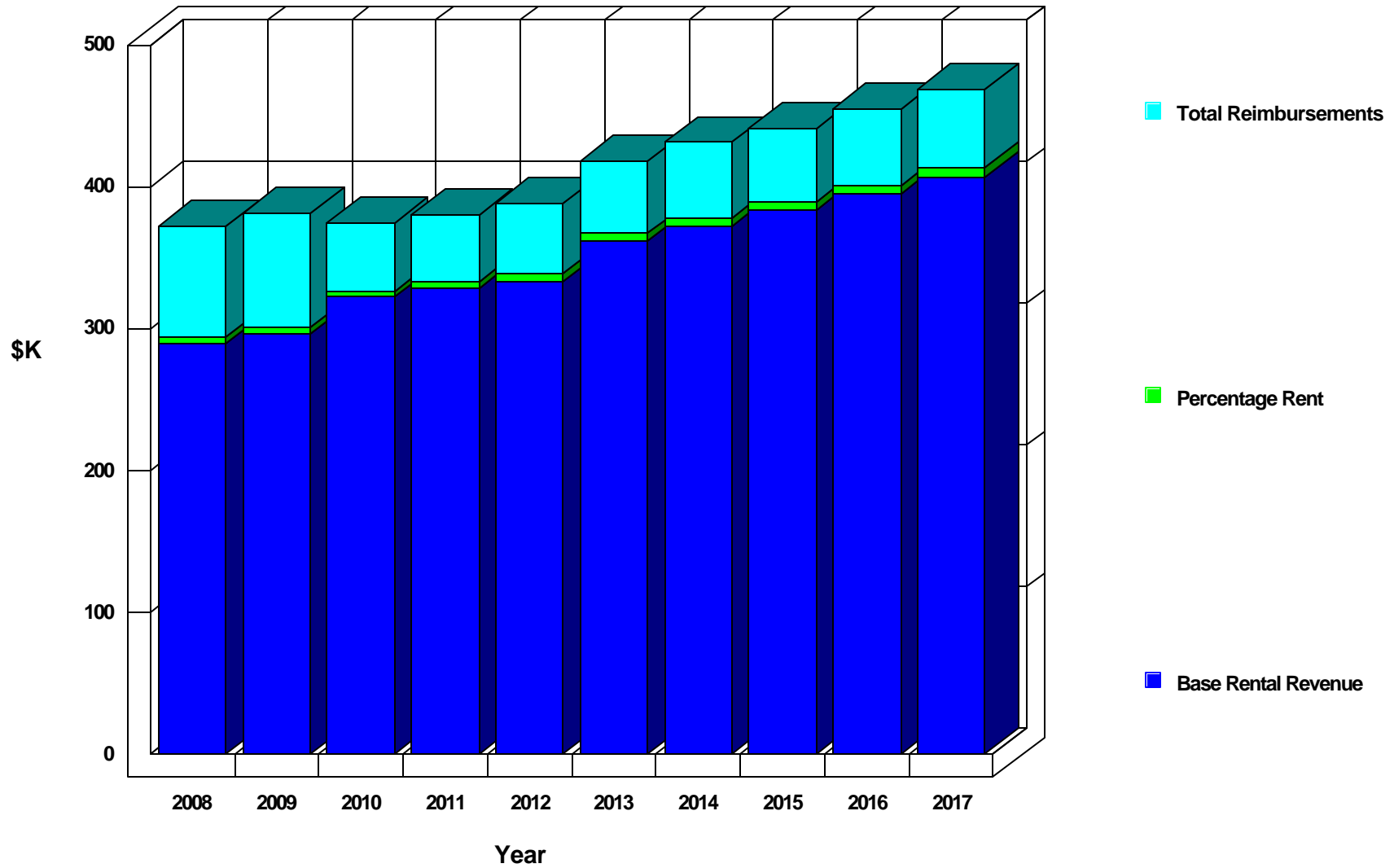
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Gross Income</b>										
201 Office (10,000 sf)	12.00	12.36	14.14	14.53	14.97	15.42	15.88	16.39	16.85	17.35
102 Drug Store (7,500 sf)	12.60	12.60	13.23	13.23	13.23	15.99	16.36	16.85	17.36	17.88
103 Beauty Salon (2,000 sf)	15.77	16.48	16.98	17.27	17.11	17.62	18.15	18.69	19.26	19.83
104 Donuts (2,000 sf)	14.68	15.66	16.13	16.61	17.11	17.62	18.15	18.74	19.26	19.83
105 Flowers (1,000 sf)	14.50	14.50	15.50	16.50	16.50	17.21	18.15	18.70	19.27	19.83
Base Rental Revenue	\$14.50	\$14.84	\$16.12	\$16.44	\$16.69	\$18.09	\$18.61	\$19.19	\$19.75	\$20.34
Percentage Rent	\$0.20	\$0.21	\$0.23	\$0.24	\$0.26	\$0.27	\$0.29	\$0.30	\$0.32	\$0.34
Total Reimbursements	\$3.91	\$4.01	\$2.39	\$2.34	\$2.45	\$2.56	\$2.67	\$2.58	\$2.66	\$2.79
<b>Total Gross Income</b>	\$18.61	\$19.07	\$18.74	\$19.02	\$19.40	\$20.92	\$21.57	\$22.08	\$22.73	\$23.46
Less: Vacancy & Credit Loss	1.13	0.00	0.74	0.34	0.00	2.65	0.19	0.89	0.10	0.21
<b>Effective Income</b>	\$17.47	\$19.07	\$17.99	\$18.68	\$19.40	\$18.27	\$21.39	\$21.19	\$22.63	\$23.26
Less: Operating Expenses										
Maintenance	0.57	0.59	0.60	0.62	0.64	0.66	0.68	0.70	0.72	0.74
Insurance	0.23	0.24	0.25	0.27	0.28	0.29	0.31	0.32	0.34	0.36
Property Taxes	2.00	2.04	2.08	2.12	2.16	2.21	2.25	2.30	2.34	2.39
Security	0.15	0.15	0.16	0.16	0.17	0.17	0.18	0.18	0.19	0.20
Utilities	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.21	0.22	0.22
Management Fee	0.70	0.72	0.74	0.76	0.79	0.81	0.84	0.86	0.89	0.91
Total Operating Expenses	\$3.82	\$3.92	\$4.02	\$4.13	\$4.23	\$4.34	\$4.46	\$4.58	\$4.70	\$4.82
<b>Net Operating Income</b>	\$13.65	\$15.15	\$13.97	\$14.55	\$15.16	\$13.93	\$16.93	\$16.61	\$17.94	\$18.44
Less: Debt Service										
Loan	11.38	11.38	11.38	11.38	11.38	11.38	11.38	11.38	11.38	11.38
Total Debt Service	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38	\$11.38
<b>Net Operating Cash Flow</b>	\$2.28	\$3.77	\$2.59	\$3.17	\$3.79	\$2.55	\$5.55	\$5.23	\$6.56	\$7.06
Less: Capital Spending										
Market TI's	0.61	0.00	5.05	0.11	0.11	3.13	0.12	5.99	0.06	0.00
Market Commissions	0.30	0.00	0.56	0.05	0.05	1.15	0.06	0.71	0.03	0.00
Total Capital Spending	\$0.92	\$0.00	\$5.61	\$0.16	\$0.17	\$4.28	\$0.18	\$6.71	\$0.09	\$0.00
<b>Cash Flow Before Tax</b>	\$1.36	\$3.77	(\$3.02)	\$3.01	\$3.62	(\$1.73)	\$5.37	(\$1.47)	\$6.46	\$7.06

Unless otherwise noted, based on 20,000 Square Feet



# Base Rental Revenue

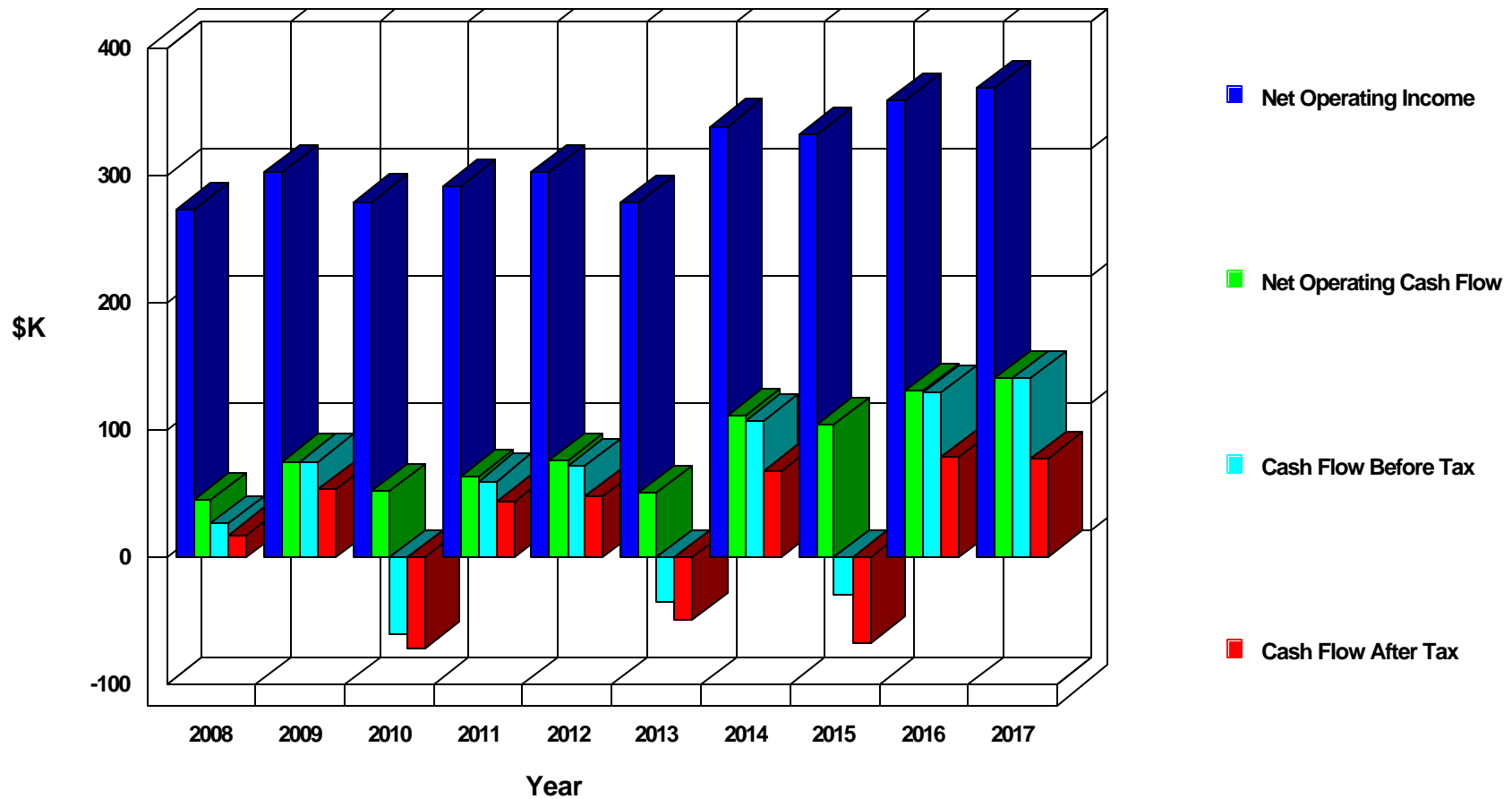
## Retail/Office Investment



# Cash Flow

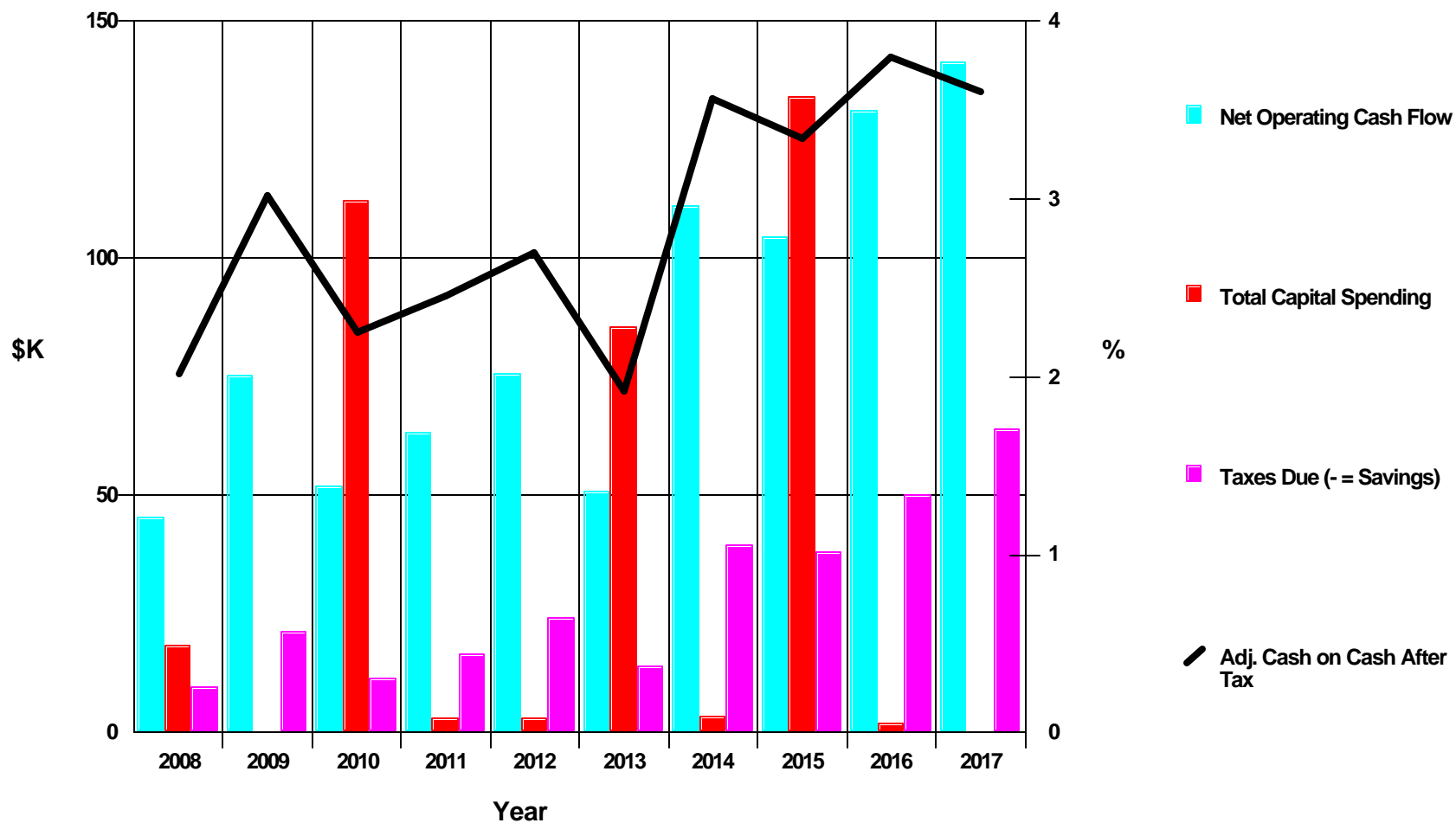
## Retail/Office Investment

This graph follows the cash flow from Net Operating Income to After Tax. Net Operating Income is simply revenues less expenses. Net Operating Cash Flow subtracts the debt service, then the capital spending items like TI's, Commissions, etc. are subtracted to make up the Cash Flow Before Tax. Finally the tax considerations of the expenses, depreciation, loan interest, etc. are calculated for the Cash Flow After Tax.



## Adj Cash on Cash After Tax Retail/Office Investment

Adj Cash on Cash After Tax is Net Operating Cash Flow less Taxes Due divided by Initial Equity adjusted both for additional investments and dispositions made since acquisition, and for additional loans and loan repayments since acquisition.



# IRR Before Tax

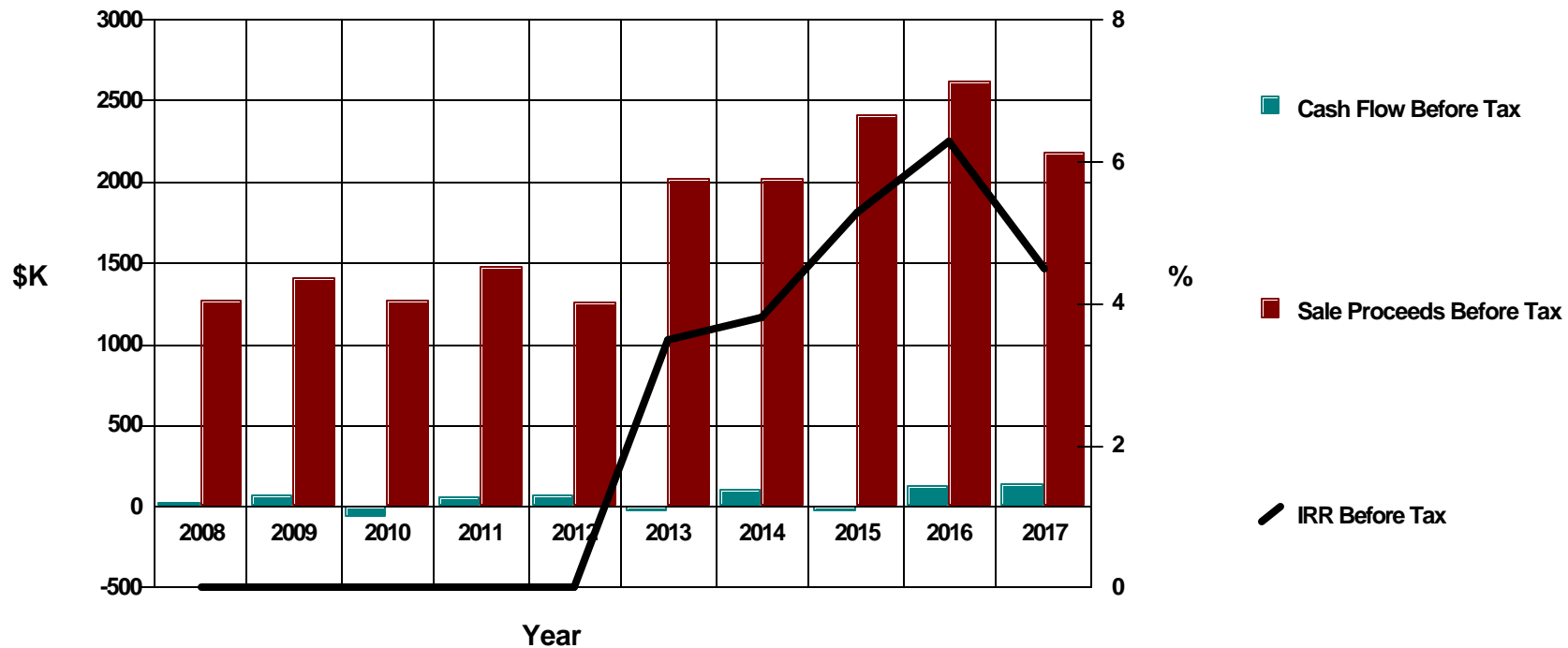
## Retail/Office Investment

### Internal Rate of Return (IRR)

The Internal Rate of Return (IRR) of an investment is defined as the Present Value Discount Rate that makes the Net Present Value of the Investment equal to zero.

You may think of the IRR as the annual Interest Rate or Yield (compounded annually) that the investment is paying you over the Holding Period. Naturally, the higher the yield, the better the investment.

Unlike the ratios (current year only) the IRR takes into account all the before tax cash flows up to the time of calculation. For this reason the IRR is sometimes called the time value of money, because it not only takes into account the value but also the time necessary to create the value. In addition to the Cash Flow Before Tax and the Sales Proceeds Before Tax the initial equity is included in this measure.



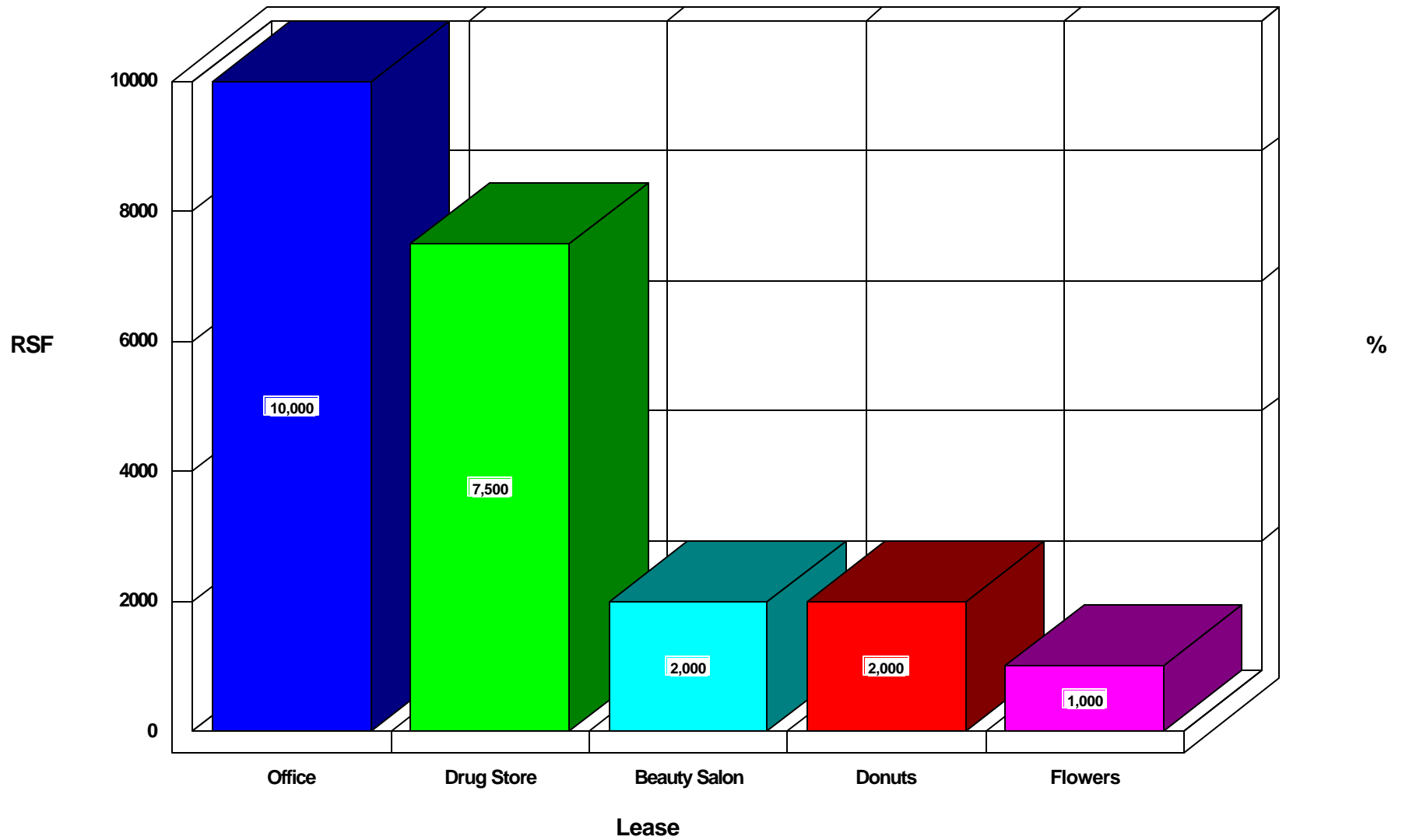
## ***Lease Analysis Summary***

### ***Retail/Office Investment***

Name	Suite	RSF	Total \$	PV @ 10%	PV/RSF
Office	201	10,000	1,316,498	836,167	83.62
Drug Store	102	7,500	1,325,009	829,618	110.62
Beauty Salon	103	2,000	377,810	229,793	114.90
Donuts	104	2,000	403,673	252,855	126.43
Flowers	105	1,000	201,480	127,250	127.25

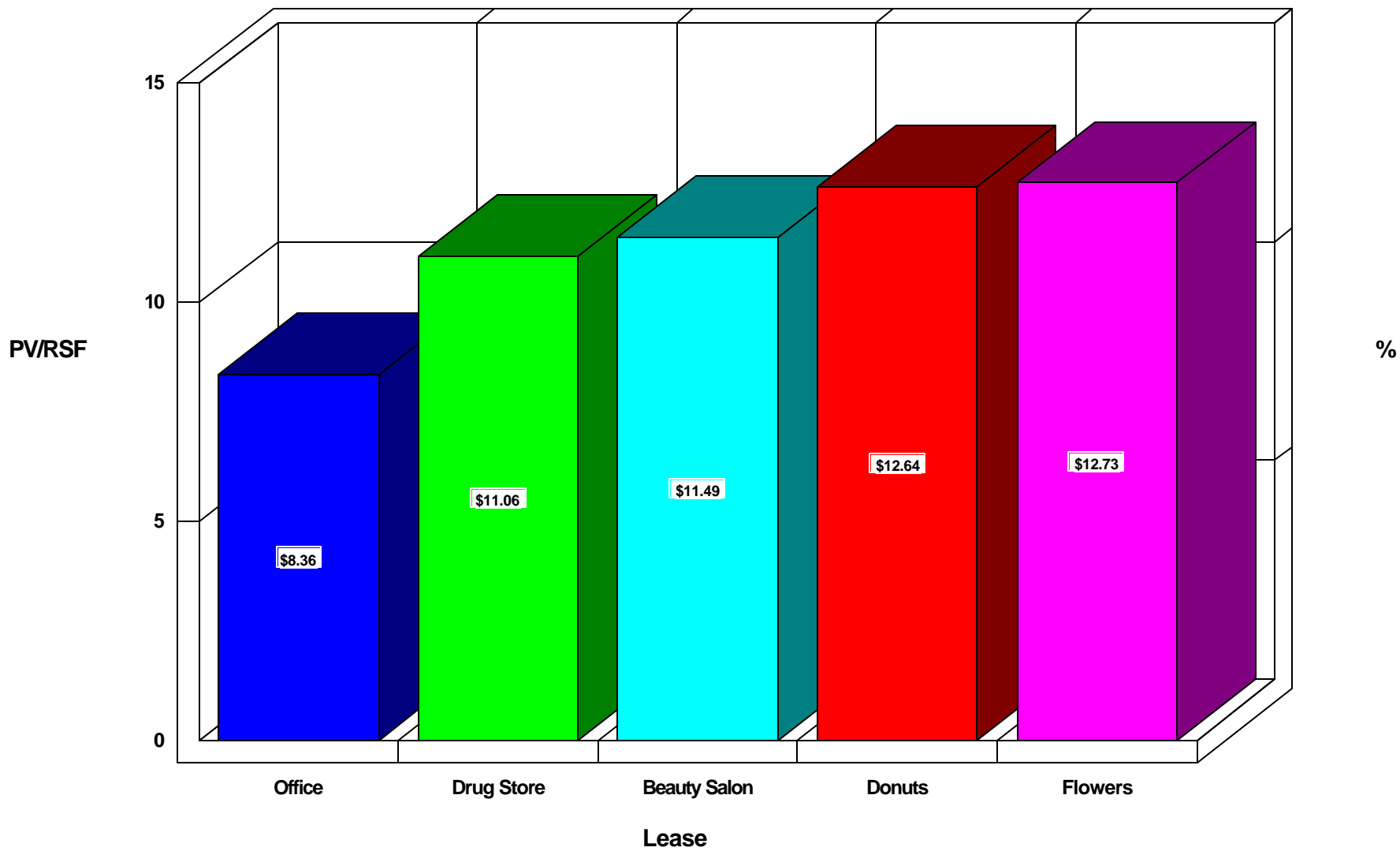
# Rentable Square Feet Comparison

## Retail/Office Investment



# PV/Year/RSF Comparison

## Retail/Office Investment



# Lease Analysis

## Office

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Office Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

		Measure	Rent	Rentable
Report Date	15 May 08	Total Effective	1,316,498	131.65
Suite	201	Avg Annual Effective	131,650	13.16
Rentable SF	10,000	PV @ 10%	836,167	83.62
Usable SF		Annual PV @ 10%	83,617	8.36

	2008	2009	2010	2011	2012	2013
Base Rent	120,000	123,600	0	0	0	0
To Market	0	0	129,660	145,338	149,698	154,189
Market TI's	0	0	(101,034)	0	0	0
Market Commissions	0	0	(11,264)	0	0	0
Reimb Maintenance	3,567	3,719	0	161	327	498
Reimb Insurance	2,711	2,813	0	113	231	355
Reimb Property Taxes	18,444	18,800	0	370	747	1,132
Reimb Security	2,000	2,040	0	42	86	131
Reimb Utilities	2,178	2,223	0	48	98	149
Reimb Management Fee	6,889	7,076	0	198	402	612
Total \$	155,789	160,271	17,362	146,270	151,589	157,066
Total PV	148,595	138,972	10,088	104,809	98,746	93,012
\$/RSF	15.58	16.03	1.74	14.63	15.16	15.71
PV/RSF	14.86	13.90	1.01	10.48	9.87	9.30



# Lease Analysis

## Office

	2014	2015	2016	2017	Total
Base Rent	0	0	0	0	243,600
To Market	158,814	150,251	168,491	173,545	1,229,985
Market TI's	0	(117,415)	0	0	(218,449)
Market Commissions	0	(13,091)	0	0	(24,355)
Reimb Maintenance	675	71	187	379	9,585
Reimb Insurance	486	52	144	295	7,200
Reimb Property Taxes	1,525	160	408	825	42,412
Reimb Security	178	19	49	100	4,645
Reimb Utilities	201	21	56	113	5,087
Reimb Management Fee	829	88	230	466	16,788
Total \$	162,707	20,156	169,564	175,724	1,316,498
Total PV	87,593	7,848	75,435	71,069	836,167
\$/RSF	16.27	2.02	16.96	17.57	131.65
PV/RSF	8.76	0.78	7.54	7.11	83.62

# Lease Analysis

## Drug Store

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Drug Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

		Measure	Rent	Rentable
Report Date	15 May 08	Total Effective	1,325,009	176.67
Suite	102	Avg Annual Effective	132,501	17.67
Rentable SF	7,500	PV @ 10%	829,618	110.62
Usable SF		Annual PV @ 10%	82,962	11.06

	2008	2009	2010	2011	2012	2013
Base Rent	94,500	94,500	0	0	0	0
Continued	0	0	99,225	99,225	99,225	0
To Market	0	0	0	0	0	80,197
Market TI's	0	0	0	0	0	(61,465)
Market Commissions	0	0	0	0	0	(22,353)
Percentage Rent	4,000	4,280	4,566	4,857	5,154	3,638
Reimb Maintenance	3,800	3,914	4,031	4,152	4,277	2,937
Reimb Insurance	1,533	1,610	1,691	1,775	1,864	1,305
Reimb Property Taxes	13,333	13,600	13,872	14,149	14,432	9,814
Reimb Security	1,000	1,030	1,061	1,093	1,126	773
Reimb Utilities	1,133	1,167	1,202	1,238	1,276	876
Reimb Management Fee	4,667	4,807	4,951	5,099	5,252	3,607
Total \$	123,967	124,908	130,599	131,589	132,606	19,328
Total PV	118,242	108,309	102,949	94,299	86,389	9,895
\$/RSF	16.53	16.65	17.41	17.55	17.68	2.58
PV/RSF	15.77	14.44	13.73	12.57	11.52	1.32

## Lease Analysis

### Drug Store

	2014	2015	2016	2017	Total
Base Rent	0	0	0	0	189,000
Continued	0	0	0	0	297,675
To Market	122,701	126,382	130,173	134,078	593,531
Market TI's	0	0	0	0	(61,465)
Market Commissions	0	0	0	0	(22,353)
Percentage Rent	5,766	6,082	6,403	6,731	51,477
Reimb Maintenance	4,537	4,674	4,814	4,958	42,094
Reimb Insurance	2,055	2,158	2,265	2,379	18,634
Reimb Property Taxes	15,015	15,316	15,622	15,935	141,089
Reimb Security	1,194	1,230	1,267	1,305	11,077
Reimb Utilities	1,353	1,394	1,436	1,479	12,554
Reimb Management Fee	5,572	5,739	5,912	6,089	51,695
Total \$	158,194	162,973	167,892	172,954	1,325,009
Total PV	85,152	79,750	74,688	69,945	829,618
\$/RSF	21.09	21.73	22.39	23.06	176.67
PV/RSF	11.35	10.63	9.96	9.33	110.62

## Lease Analysis

### Beauty Salon

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Beauty and Small Market Profiles. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

		Measure	Rent	Rentable
Report Date	15 May 08	Total Effective	377,810	188.91
Suite	103	Avg Annual Effective	37,781	18.89
Rentable SF	2,000	PV @ 10%	229,793	114.90
Usable SF		Annual PV @ 10%	22,979	11.49

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Base Rent	7,250	0	0	0	0	0	0	0	0	0	7,250
To Market	8,179	32,963	33,952	31,707	34,218	35,244	33,209	37,389	38,511	36,270	321,642
Market TI's	(10,224)	0	0	(2,240)	0	0	(2,454)	0	0	0	(14,918)
Market Commissions	(5,056)	0	0	(1,052)	0	0	(1,153)	0	0	0	(7,261)
Reimb Maintenance	507	1,044	1,075	1,015	1,141	1,175	1,109	1,246	1,284	1,212	10,807
Reimb Insurance	204	429	451	434	497	522	502	575	604	581	4,801
Reimb Property Taxes	1,778	3,627	3,699	3,459	3,849	3,926	3,670	4,084	4,166	3,895	36,152
Reimb Security	133	275	283	267	300	309	292	328	338	319	2,844
Reimb Utilities	151	311	321	303	340	350	331	372	383	361	3,223
Reimb Management Fee	622	1,282	1,320	1,247	1,401	1,443	1,362	1,531	1,576	1,488	13,271
Total \$	3,544	39,930	41,100	35,139	41,745	42,968	36,869	45,525	46,862	44,128	377,810
Total PV	3,759	34,616	32,392	25,338	27,191	25,444	20,002	22,281	20,850	17,920	229,793
\$/RSF	1.77	19.97	20.55	17.57	20.87	21.48	18.43	22.76	23.43	22.06	188.91
PV/RSF	1.88	17.31	16.20	12.67	13.60	12.72	10.00	11.14	10.43	8.96	114.90

# Lease Analysis

## Donuts

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Small Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

		Measure	Rent	Rentable
Report Date	15 May 08	Total Effective	403,673	201.84
Suite	104	Avg Annual Effective	40,367	20.18
Rentable SF	2,000	PV @ 10%	252,855	126.43
Usable SF		Annual PV @ 10%	25,286	12.64

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Base Rent	24,167	0	0	0	0	0	0	0	0	0	24,167
To Market	2,603	31,313	32,252	30,376	34,215	35,242	36,299	34,357	38,511	39,666	314,835
Market TI's	(2,055)	0	0	0	(2,251)	0	0	(2,466)	0	0	(6,772)
Market Commissions	(965)	0	0	0	(1,058)	0	0	(1,158)	0	0	(3,181)
Reimb Maintenance	929	1,044	1,075	1,015	1,141	1,175	1,210	1,142	1,284	1,322	11,336
Reimb Insurance	375	429	451	434	497	522	548	527	604	634	5,021
Reimb Property Taxes	3,259	3,627	3,699	3,459	3,849	3,926	4,004	3,744	4,166	4,249	37,981
Reimb Security	244	275	283	267	300	309	318	301	338	348	2,983
Reimb Utilities	277	311	321	303	340	350	361	341	383	394	3,381
Reimb Management Fee	1,141	1,282	1,320	1,247	1,401	1,443	1,486	1,403	1,576	1,624	13,922
Total \$	29,974	38,281	39,401	37,100	38,434	42,966	44,226	38,191	46,862	48,238	403,673
Total PV	28,808	33,191	31,057	26,691	24,943	25,447	23,812	18,547	20,850	19,511	252,855
\$/RSF	14.99	19.14	19.70	18.55	19.22	21.48	22.11	19.10	23.43	24.12	201.84
PV/RSF	14.40	16.60	15.53	13.35	12.47	12.72	11.91	9.27	10.43	9.76	126.43

# Lease Analysis

## Flowers

These notes as well as the title of the revenue is customizable. Depending on the Revenue Growth Method chosen, the Revenue Growth Rate is treated either as an annual percentage growth rate (for "@ Growth Rate" Growth Methods), as an addition to the Inflation Rate (for "@ \$>Inflation" Growth Methods), or as a dollar amount (for "@ \$/Year" or "@\$/Month" Growth Methods). Continuation Pages allow you to plan multi-step loans, revenues and expenses. This lease uses the Small Market Profile. Market Profiles allow you to specify, in general, how leased space will be re-leased when the lease you have entered expires.

		Measure	Rent	Rentable
Report Date	15 May 08	Total Effective	201,480	201.48
Suite	105	Avg Annual Effective	20,148	20.15
Rentable SF	1,000	PV @ 10%	127,250	127.25
Usable SF		Annual PV @ 10%	12,725	12.73

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Base Rent	14,500	14,500	7,250	0	0	0	0	0	0	0	36,250
Continued	0	0	8,250	16,500	16,500	8,250	0	0	0	0	49,500
To Market	0	0	0	0	0	7,470	18,152	18,696	17,641	19,834	81,792
Market TI's	0	0	0	0	0	(1,179)	0	0	(1,292)	0	(2,471)
Market Commissions	0	0	0	0	0	(554)	0	0	(607)	0	(1,161)
Reimb Maintenance	507	522	538	554	570	538	605	623	588	661	5,706
Reimb Insurance	204	215	225	237	249	239	274	288	277	317	2,525
Reimb Property Taxes	1,778	1,813	1,850	1,887	1,924	1,799	2,002	2,042	1,909	2,125	19,129
Reimb Security	133	137	141	146	150	142	159	164	155	174	1,502
Reimb Utilities	151	156	160	165	170	161	180	186	175	197	1,702
Reimb Management Fee	622	641	660	680	700	661	743	765	723	812	7,007
Total \$	17,896	17,984	19,074	20,168	20,264	17,527	22,115	22,764	19,569	24,120	201,480
Total PV	17,069	15,594	15,017	14,453	13,201	10,387	11,904	11,139	8,732	9,754	127,250
\$/RSF	17.90	17.98	19.07	20.17	20.26	17.53	22.12	22.76	19.57	24.12	201.48
PV/RSF	17.07	15.59	15.02	14.45	13.20	10.39	11.90	11.14	8.73	9.75	127.25

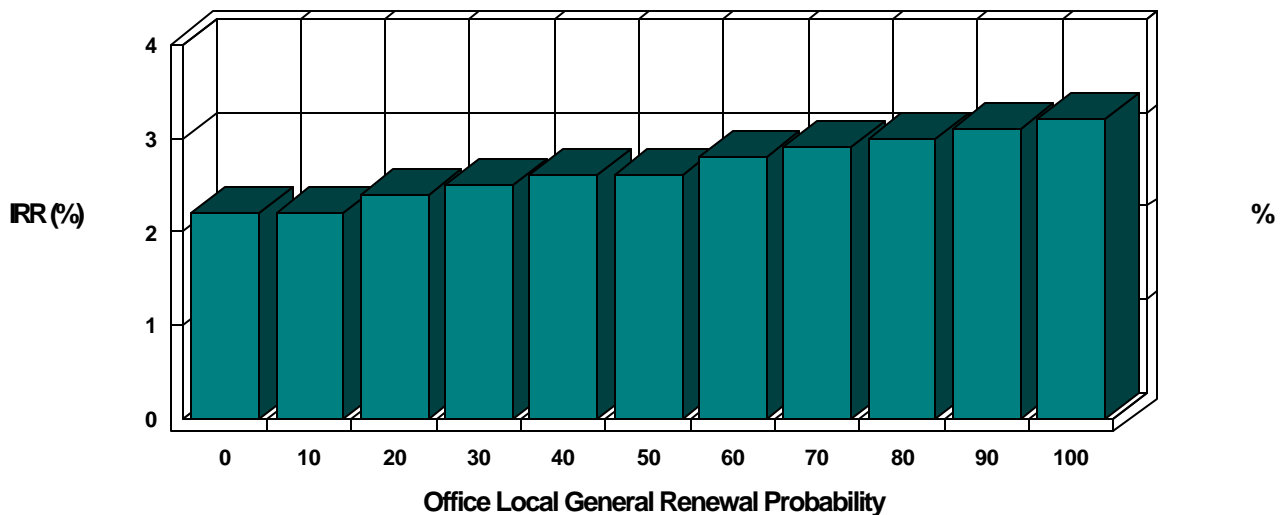
# Sensitivity Analysis

## Retail - Office

As you perform an analysis, planEASe measures the worth of the investment in terms of rates of return and net present values. Sensitivity Analysis allows you to investigate how these measures vary with a change in one of the assumptions. Any measure may be chosen for the Sensitivity Analysis, and any assumption may be chosen as well. Sensitivity Analysis provides a one page table and graph which describes the relationship between the assumption value and the resulting measure.

### Office Local General Renewal Probability versus Rate of Return After Tax

Assumption	IRR
Zero	2.2%
10%	2.2%
20%	2.4%
30%	2.5%
40%	2.6%
50%	2.6%
60%	2.8%
70%	2.9%
80%	3.0%
90%	3.1%
100%	3.2%



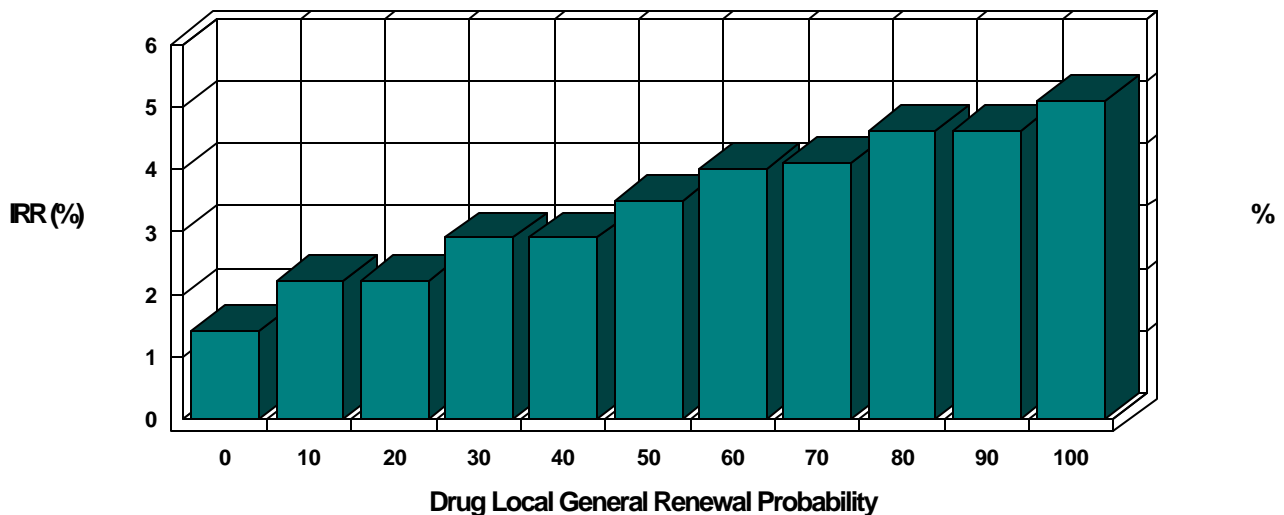
# Sensitivity Analysis

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### *Drug Local General Renewal Probability versus Rate of Return After Tax*

Assumption	IRR
Zero	1.4%
10%	2.2%
20%	2.2%
30%	2.9%
40%	2.9%
50%	3.5%
60%	4.0%
70%	4.1%
80%	4.6%
90%	4.6%
100%	5.1%





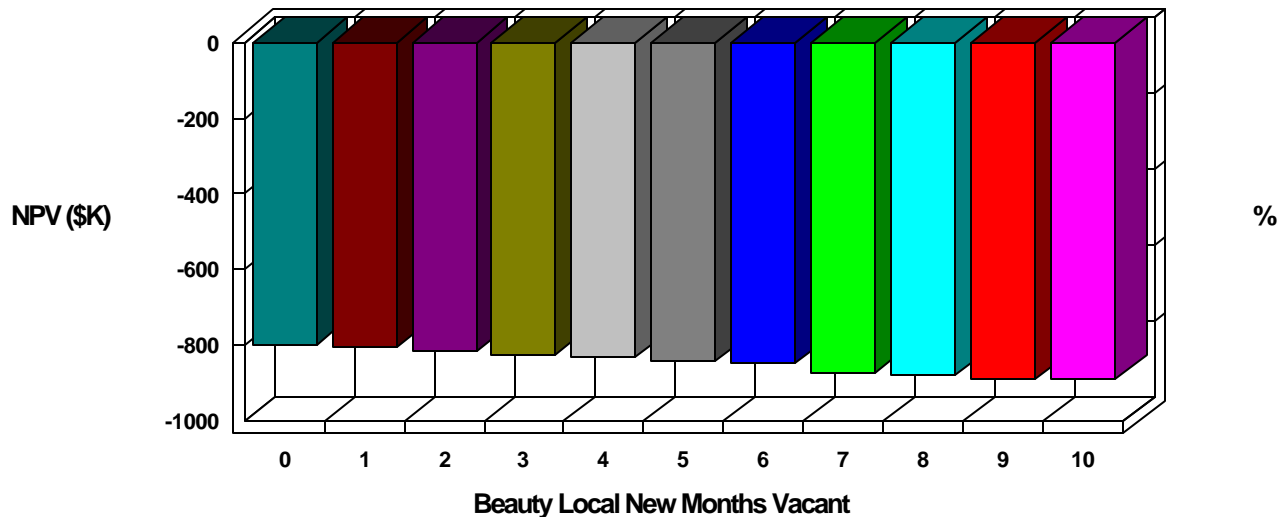
# Sensitivity Analysis

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### *Beauty Local New Months Vacant versus Net Present Value After Tax @10%*

Assumption	NPV
None	(796,462)
1.00 Months	(805,263)
2.00 Months	(814,088)
3.00 Months	(822,925)
4.00 Months	(831,787)
5.00 Months	(840,667)
6.00 Months	(848,585)
7.00 Months	(870,215)
8.00 Months	(879,220)
9.00 Months	(888,462)
10.00 Months	(890,081)



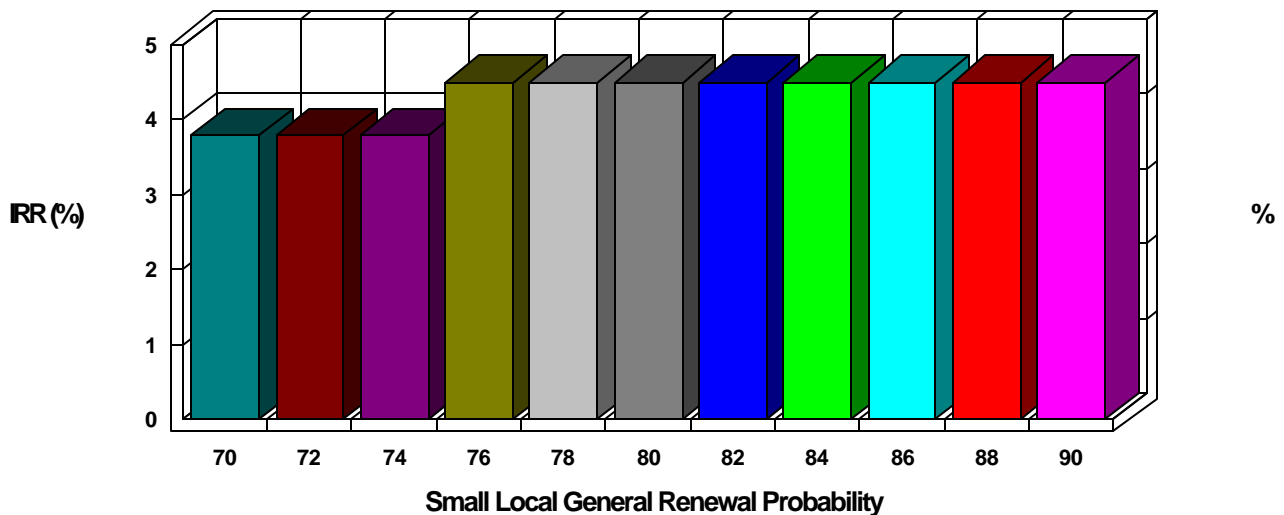
# Sensitivity Analysis

## Retail - Office

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### *Small Local General Renewal Probability versus Rate of Return Before Tax*

Assumption	IRR
70%	3.8%
72%	3.8%
74%	3.8%
76%	4.5%
78%	4.5%
80%	4.5%
82%	4.5%
84%	4.5%
86%	4.5%
88%	4.5%
90%	4.5%



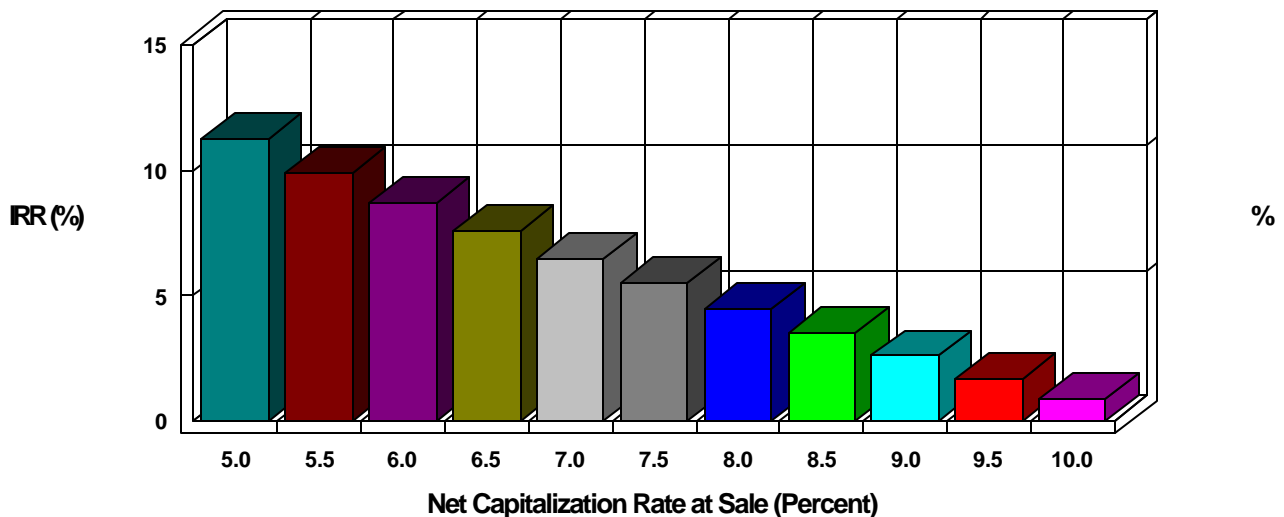
# Sensitivity Analysis

## Retail - Office

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### Net Capitalization Rate at Sale versus Rate of Return Before Tax

Assumption	IRR
5% Net Cap Rate	11.3%
5.5% Net Cap Rate	9.9%
6% Net Cap Rate	8.7%
6.5% Net Cap Rate	7.6%
7% Net Cap Rate	6.5%
7.5% Net Cap Rate	5.5%
8% Net Cap Rate	4.5%
8.5% Net Cap Rate	3.5%
9% Net Cap Rate	2.6%
9.5% Net Cap Rate	1.7%
10% Net Cap Rate	0.9%



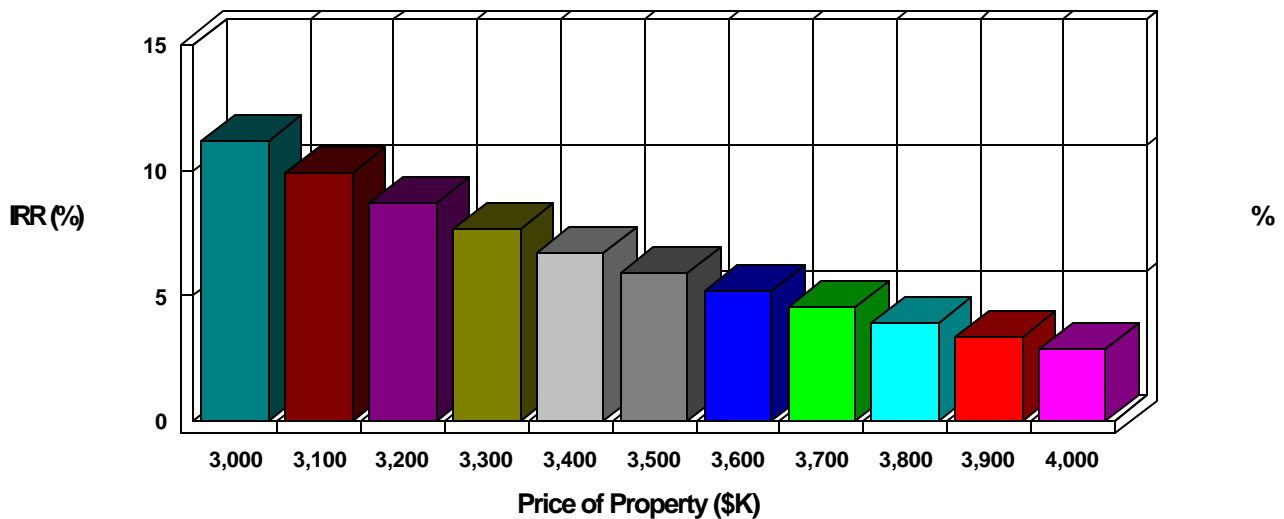
# Sensitivity Analysis

## Retail - Office

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### Price of Property versus Rate of Return After Tax

Assumption	IRR
\$3,000,000.00	11.2%
\$3,100,000.00	9.9%
\$3,200,000.00	8.7%
\$3,300,000.00	7.7%
\$3,400,000.00	6.7%
\$3,500,000.00	5.9%
\$3,600,000.00	5.2%
\$3,700,000.00	4.6%
\$3,800,000.00	3.9%
\$3,900,000.00	3.4%
\$4,000,000.00	2.9%



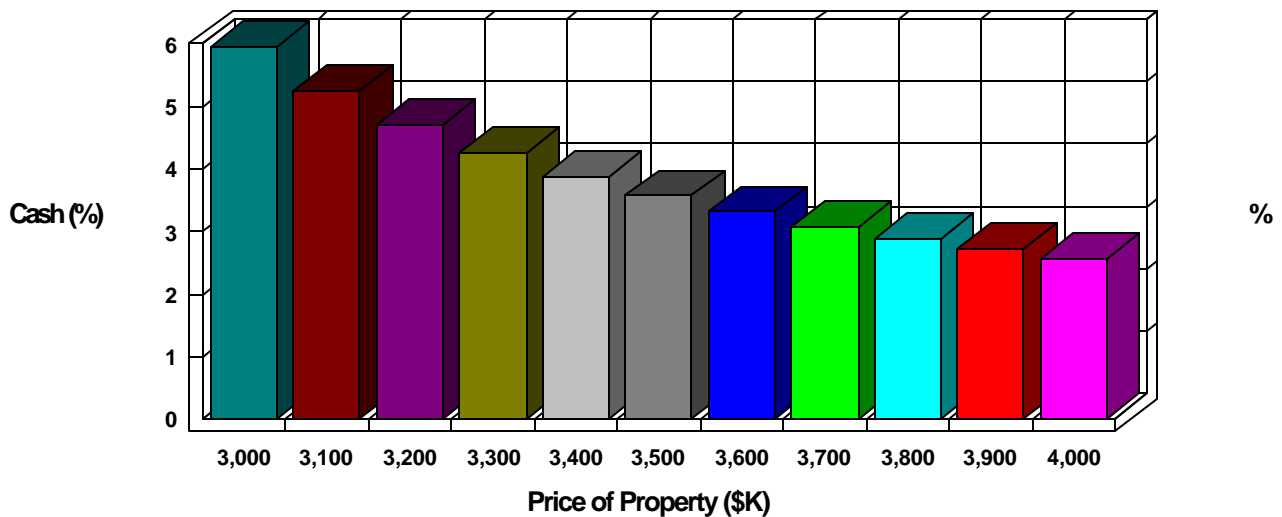
# Sensitivity Analysis

## Retail - Office

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### Price of Property versus Cash on Cash

Assumption	Cash
\$3,000,000.00	5.95%
\$3,100,000.00	5.26%
\$3,200,000.00	4.71%
\$3,300,000.00	4.26%
\$3,400,000.00	3.89%
\$3,500,000.00	3.58%
\$3,600,000.00	3.32%
\$3,700,000.00	3.09%
\$3,800,000.00	2.89%
\$3,900,000.00	2.72%
\$4,000,000.00	2.56%



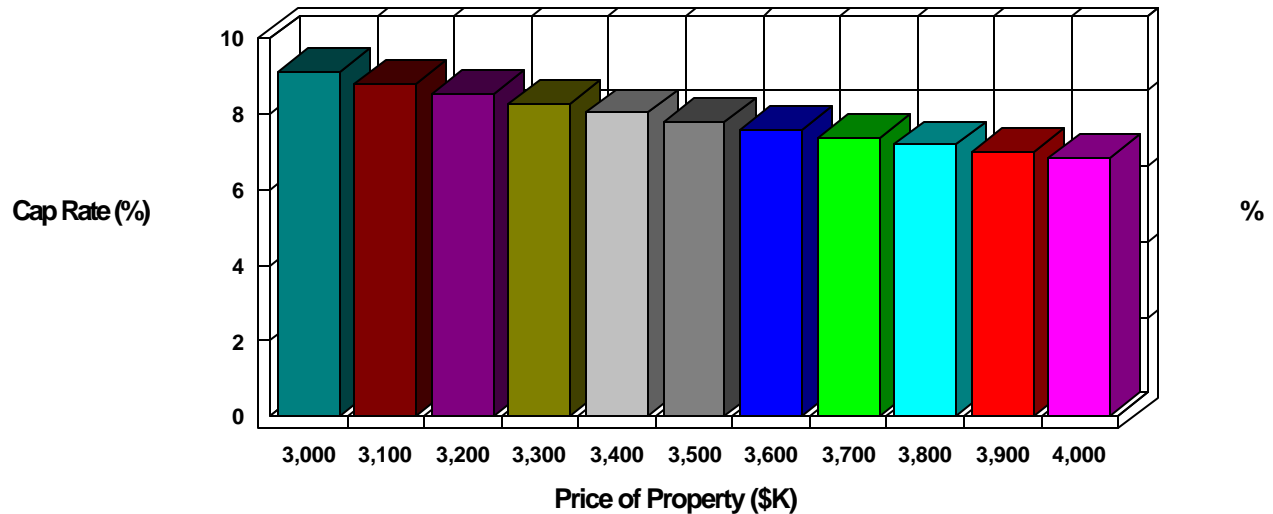
# Sensitivity Analysis

## Retail - Office

As you perform an analysis, planEASe measures the worth of the investment in terms of rates of return and net present values. Sensitivity Analysis allows you to investigate how these measures vary with a change in one of the assumptions. Any measure may be chosen for the Sensitivity Analysis, and any assumption may be chosen as well. Sensitivity Analysis provides a one page table and graph which describes the relationship between the assumption value and the resulting measure.

### Price of Property versus Net Capitalization Rate

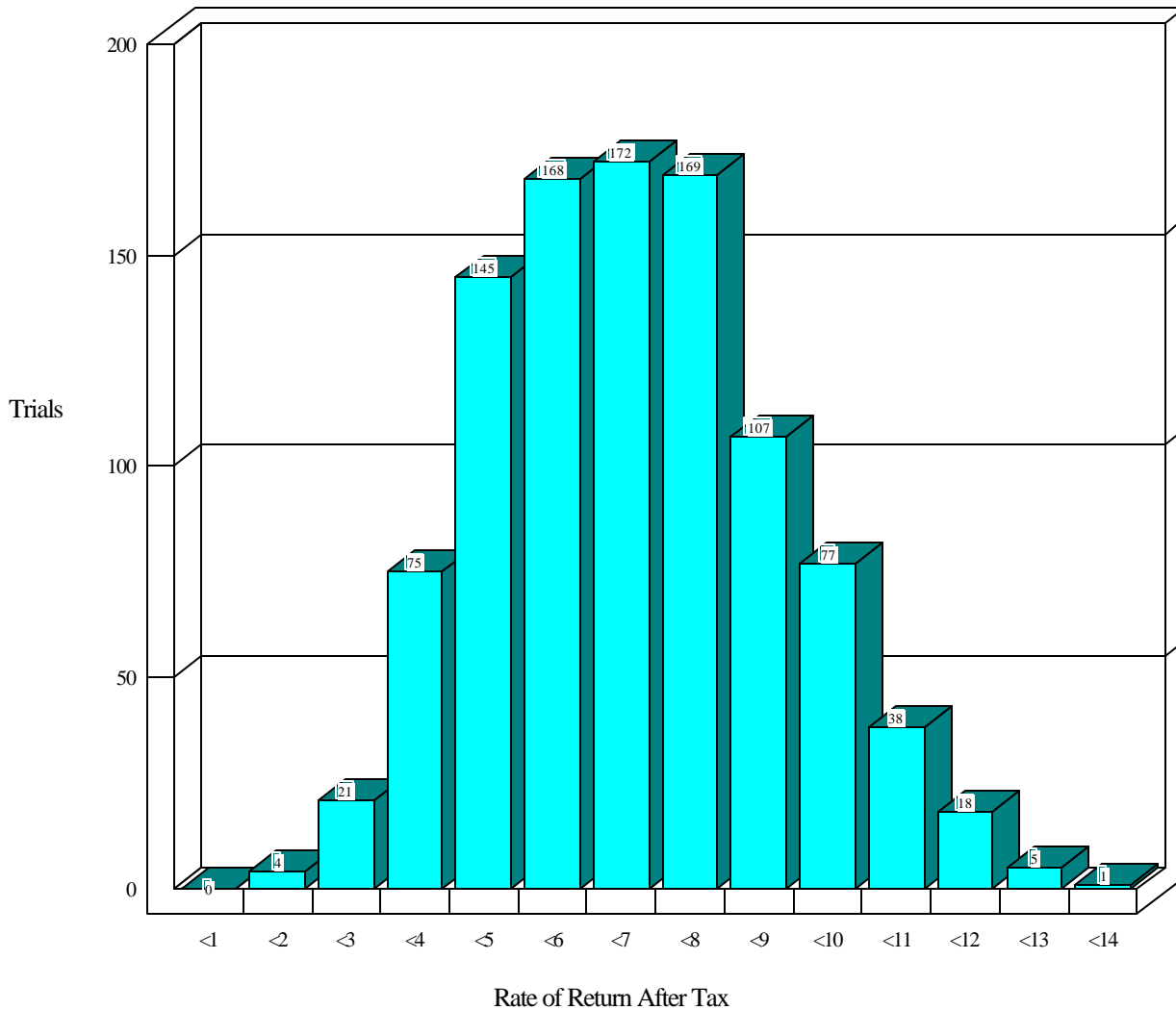
Assumption	NCR
\$3,000,000.00	9.12%
\$3,100,000.00	8.82%
\$3,200,000.00	8.55%
\$3,300,000.00	8.29%
\$3,400,000.00	8.04%
\$3,500,000.00	7.81%
\$3,600,000.00	7.59%
\$3,700,000.00	7.38%
\$3,800,000.00	7.19%
\$3,900,000.00	7.00%
\$4,000,000.00	6.83%



# Risk Analysis

## Retail - Office

Risk Analysis Assumption	Lowest	Likely	Highest
Inflation Rate	2% per Year	3% per Year	4% per Year
Net Capitalization Rate at Sale	7% Net Cap Rate	8% Net Cap Rate	9% Net Cap Rate
Price of Property	\$3,000,000.00	\$3,300,000.00	\$4,000,000.00
Beauty Local New Months Vacant	None	6.00 Months	9.00 Months
Beauty Local New Market Rent	\$6.00 \$/sf/yr	\$16.00 \$/sf/yr	\$26.00 \$/sf/yr
Small Local General Renewal Probability	70%	80%	90%
Drug Local General Renewal Probability	20%	30%	40%
Office Local General Renewal Probability	60%	70%	80%



Average IRR	6.6%	Lowest IRR	1.0%
Standard Deviation	2.1%	Highest IRR	13.1%

# Analysis Assumptions Report

## Retail - Office

### Investment Assumptions

Price of Property	\$4,000,000.00
Closing Costs	.5% of Property Price
Date of Acquisition	1 January 2008
Holding Period	10 Years
Inflation Rate	3% per Year
Sale Price Method	8% Capitalization of Next Year's NOI
Selling Costs	7%

### Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	41.5%
Tax Rate - Following Years	41.5%
Capital Gain Rate	15%
Cost Recovery Recapture Rate	25% - 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

### Depreciation Assumptions

Depreciable Amount	70% of Property Price
Depreciable Life	39 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

### Loan Assumptions

Loan Amount	1.2 Times Debt Coverage
Loan Interest Rate	8% Annually
Original Loan Period	20 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Loan Points Charged	1 Point, Amortized over Loan Life

### Office Local General Profile Assumptions

Renewal Probability	70%
Grow Rent	Yes
Growth Method	%>Inflation
Growth Rate	at the Inflation Rate
Lease Duration	5.00 Years
Life - TI's	15.00 Years
Life - Commissions	5.00 Years
Year 1 TI's	Zero



# Analysis Assumptions Report

## Retail - Office

### Office Local Renew Profile Assumptions

Market Rent	\$13.00 \$/sf/yr
TI's	\$5.00 \$/sf
Commissions	None
Abatements	None
End Charges	None
Start Charges	None

### Office Local New Profile Assumptions

Market Rent	\$14.00 \$/sf/yr
TI's	\$20.00 \$/sf
Commissions	5.00 % of Base Rent
Abatements	None
End Charges	None
Start Charges	None
Months Vacant	3 Months

### Drug Local General Profile Assumptions

Renewal Probability	30%
Grow Rent	Yes
Growth Method	%>Inflation
Growth Rate	at the Inflation Rate
Lease Duration	5.00 Years
Life - TI's	15.00 Years
Life - Commissions	5.00 Years
Year 1 TI's	Zero
Reimbursements	Continue

### Drug Local Renew Profile Assumptions

Market Rent	\$13.00 \$/sf/yr
TI's	None
Commissions	None
Abatements	None
End Charges	None
Start Charges	None

### Drug Local New Profile Assumptions

Market Rent	\$14.00 \$/sf/yr
TI's	\$10.00 \$/sf
Commissions	5.00 % of Base Rent
Abatements	None
End Charges	None
Start Charges	None
Months Vacant	6 Months

# Analysis Assumptions Report

## Retail - Office

### Small Local General Profile Assumptions

Renewal Probability	80%
Grow Rent	Yes
Growth Method	%>Inflation
Growth Rate	at the Inflation Rate
Lease Duration	3.00 Years
Life - TI's	15.00 Years
Life - Commissions	3.00 Years
Year 1 TI's	Zero
Reimbursements	Continue

### Small Local Renew Profile Assumptions

Market Rent	\$15.00 \$/sf/yr
TI's	None
Commissions	None
Abatements	None
End Charges	None
Start Charges	None

### Small Local New Profile Assumptions

Market Rent	\$16.00 \$/sf/yr
TI's	\$5.00 \$/sf
Commissions	5.00 % of Base Rent
Abatements	None
End Charges	None
Start Charges	None
Months Vacant	6 Months

### Beauty Local New Profile Assumptions

Market Rent	\$16.00 \$/sf/yr
TI's	\$5.00 \$/sf
Commissions	5.00 % of Base Rent
Abatements	None
End Charges	None
Start Charges	None
Months Vacant	6 Months

### 201 Office Revenue Assumptions

Annual Revenue (10,000 SqFt @ \$12.00/SqFt/Year)	\$120,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until 1 January 2010
Revenue Growth Method	Annual at the Inflation Rate

# Analysis Assumptions Report

## Retail - Office

### 201 Office To Market Re-Leasing Assumptions

Market Profile	Office Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	Until Projected Sale

### 102 Drug Store Revenue Assumptions

Annual Revenue (7,500 SqFt @ \$12.60/SqFt/Year)	\$94,500.00
Revenue Start Date	1 January 2007
Revenue Period	3 Years
Revenue Growth Method	Accrue 5% at Period End

### 102 Drug Store Continued Revenue Assumptions

Annual Revenue	Continuation
Revenue Start Date	Continuation
Revenue Period	3 Years
Revenue Growth Method	Accrue 5% at Period End

### 102 Drug Store To Market Re-Leasing Assumptions

Market Profile	Drug Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	Until Projected Sale

### 103 Beauty Salon Revenue Assumptions

Annual Revenue (2,000 SqFt @ \$14.50/SqFt/Year)	\$29,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until 1 April 2008
Revenue Growth Method	No Growth is Projected

### 103 Beauty Salon To Market Re-Leasing Assumptions

Market Profile	Beauty Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	One Time

# Analysis Assumptions Report

## Retail - Office

### 103 Beauty Salon To Market Re-Leasing Assumptions

Market Profile	Small Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	Until Projected Sale

### 104 Donuts Revenue Assumptions

Annual Revenue (2,000 SqFt @ \$14.50/SqFt/Year)	\$29,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until 1 November 2008
Revenue Growth Method	No Growth is Projected

### 104 Donuts To Market Re-Leasing Assumptions

Market Profile	Small Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	Until Projected Sale

### 105 Flowers Revenue Assumptions

Annual Revenue (1,000 SqFt @ \$14.50/SqFt/Year)	\$14,500.00
Revenue Start Date	at Acquisition
Revenue Period	Until 1 July 2010
Revenue Growth Method	Accrue \$2,000.00 at Period End

### 105 Flowers Continued Revenue Assumptions

Annual Revenue	Continuation
Revenue Start Date	Continuation
Revenue Period	Until 1 July 2013
Revenue Growth Method	No Growth is Projected

### 105 Flowers To Market Re-Leasing Assumptions

Market Profile	Small Loca
Management Fee	Zero
Taxable	Yes
Vacancy Factor	Zero
Revenue Max	None
Revenue Min	None
Repetitions	Until Projected Sale

# Analysis Assumptions Report

## Retail - Office

### Maintenance Expense Assumptions

Annual Expense (20,000 SqFt @ \$0.57/SqFt/Year)	\$11,400.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Insurance Expense Assumptions

Annual Expense (20,000 SqFt @ \$0.23/SqFt/Year)	\$4,600.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 2% Over Inflation

### Property Taxes Expense Assumptions

Annual Expense	1% of Property Price
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 2% Annually

### Security Expense Assumptions

Annual Expense (20,000 SqFt @ \$0.15/SqFt/Year)	\$3,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Utilities Expense Assumptions

Annual Expense (20,000 SqFt @ \$0.17/SqFt/Year)	\$3,400.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### Management Fee Expense Assumptions

Annual Expense	\$14,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

### 201 Office Maintenance Reimbursement Assumptions

Method	\$ Stop
Amount	0.15 \$/SqFt/Year

### 201 Office Insurance Reimbursement Assumptions

Method	\$ Stop
Amount	0.15 \$/SqFt/Year

# Analysis Assumptions Report

## Retail - Office

	<b>201 Office Property Taxes Reimbursement Assumptions</b>	
Method		\$ Stop
Amount		0.15 \$/SqFt/Year
	<b>201 Office Security Reimbursement Assumptions</b>	
Method		\$ Stop
Amount		0.15 \$/SqFt/Year
	<b>201 Office Utilities Reimbursement Assumptions</b>	
Method		\$ Stop
Amount		0.15 \$/SqFt/Year
	<b>201 Office Management Fee Reimbursement Assumptions</b>	
Method		\$ Stop
Amount		0.15 \$/SqFt/Year
	<b>102 Drug Store Percentage Rent Assumptions</b>	
Method		Over a Specified Breakpoint
Sales Growth Method		Grows at %/Year
Breakpoint		\$500,000 \$/Year
Sales Growth Rate		2.000%
Sale Percent		2.000%
Annual Sales		\$700,000 \$/Year
	<b>102 Drug Store Maintenance Reimbursement Assumptions</b>	
Method		Net
	<b>102 Drug Store Insurance Reimbursement Assumptions</b>	
Method		Net
	<b>102 Drug Store Property Taxes Reimbursement Assumptions</b>	
Method		Net
	<b>102 Drug Store Security Reimbursement Assumptions</b>	
Method		Net
	<b>102 Drug Store Utilities Reimbursement Assumptions</b>	
Method		Net
	<b>102 Drug Store Management Fee Reimbursement Assumptions</b>	
Method		Net
	<b>103 Beauty Salon Maintenance Reimbursement Assumptions</b>	
Method		Net

# ***Analysis Assumptions Report***

## ***Retail - Office***

Method	<b>103 Beauty Salon Insurance Reimbursement Assumptions</b>	Net
Method	<b>103 Beauty Salon Property Taxes Reimbursement Assumptions</b>	Net
Method	<b>103 Beauty Salon Security Reimbursement Assumptions</b>	Net
Method	<b>103 Beauty Salon Utilities Reimbursement Assumptions</b>	Net
Method	<b>103 Beauty Salon Management Fee Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Maintenance Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Insurance Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Property Taxes Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Security Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Utilities Reimbursement Assumptions</b>	Net
Method	<b>104 Donuts Management Fee Reimbursement Assumptions</b>	Net
Method	<b>105 Flowers Maintenance Reimbursement Assumptions</b>	Net
Method	<b>105 Flowers Insurance Reimbursement Assumptions</b>	Net
Method	<b>105 Flowers Property Taxes Reimbursement Assumptions</b>	Net
Method	<b>105 Flowers Security Reimbursement Assumptions</b>	Net

# ***Analysis Assumptions Report***

## ***Retail - Office***

### **105 Flowers Utilities Reimbursement Assumptions**

Method

Net

### **105 Flowers Management Fee Reimbursement Assumptions**

Method

Net



# Reimbursements Assumptions

## Retail - Office

Suite	Tenant Name	SqFt
201	Office	10,000

Expense	Method	Amount	Prorata	Min	Max	GU%
Maintenance	\$ Stop	\$0.15/sf/yr	None	None	None	None
Insurance	\$ Stop	\$0.15/sf/yr	None	None	None	None
Property Taxes	\$ Stop	\$0.15/sf/yr	None	None	None	None
Security	\$ Stop	\$0.15/sf/yr	None	None	None	None
Utilities	\$ Stop	\$0.15/sf/yr	None	None	None	None
Management Fee	\$ Stop	\$0.15/sf/yr	None	None	None	None

Suite	Tenant Name	SqFt
102	Drug Store	7,500

Expense	Method	Amount	Prorata	Min	Max	GU%
Maintenance	Net	None	None	None	None	None
Insurance	Net	None	None	None	None	None
Property Taxes	Net	None	None	None	None	None
Security	Net	None	None	None	None	None
Utilities	Net	None	None	None	None	None
Management Fee	Net	None	None	None	None	None

Drug Store has a Percentage Rent Provision calling for 2% of Annual Sales exceeding a Specified Breakpoint of \$500,000/Year. Sales are currently \$700,000/Year, and are projected to increase at 2.00% Annually

Suite	Tenant Name	SqFt
103	Beauty Salon	2,000

Expense	Method	Amount	Prorata	Min	Max	GU%
Maintenance	Net	None	None	None	None	None
Insurance	Net	None	None	None	None	None
Property Taxes	Net	None	None	None	None	None
Security	Net	None	None	None	None	None
Utilities	Net	None	None	None	None	None
Management Fee	Net	None	None	None	None	None

Suite	Tenant Name	SqFt
104	Donuts	2,000

Expense	Method	Amount	Prorata	Min	Max	GU%
Maintenance	Net	None	None	None	None	None
Insurance	Net	None	None	None	None	None
Property Taxes	Net	None	None	None	None	None
Security	Net	None	None	None	None	None
Utilities	Net	None	None	None	None	None
Management Fee	Net	None	None	None	None	None

# Reimbursements Assumptions

## Retail - Office

Suite	Tenant Name	SqFt
105	Flowers	1,000

Expense	Method	Amount	Prorata	Min	Max	GU%
Maintenance	Net	None	None	None	None	None
Insurance	Net	None	None	None	None	None
Property Taxes	Net	None	None	None	None	None
Security	Net	None	None	None	None	None
Utilities	Net	None	None	None	None	None
Management Fee	Net	None	None	None	None	None

# Market Profile Assumptions

## Retail - Office

### Office is a Local Profile

	General		Renew	New	Avg
Renewal Probability	70.00%	Market Rent	\$13.00/sf/yr	\$14.00/sf/yr	\$13.30/sf/yr
Grow Rent	Yes	TI's	\$5.00/sf	\$20.00/sf	\$9.50/sf
Growth Method	%>Inflation	Commissions	None	5.00% of Rent	1.50% of Rent
Growth Rate	at the Inflation Rate	Abatements	None	None	None
Lease Duration	5.00 Years	End Charges	None	None	None
Life - TI's	15.00 Years	Start Charges	None	None	None
Life - Commissions	5.00 Years	Months Vacant		3.00 Months	1 Month
Year 1 TI's	None				
Reimbursements	Cont w/BY&\$ adj				

### Drug is a Local Profile

	General		Renew	New	Avg
Renewal Probability	30.00%	Market Rent	\$13.00/sf/yr	\$14.00/sf/yr	\$13.70/sf/yr
Grow Rent	Yes	TI's	None	\$10.00/sf	\$7.00/sf
Growth Method	%>Inflation	Commissions	None	5.00% of Rent	3.50% of Rent
Growth Rate	at the Inflation Rate	Abatements	None	None	None
Lease Duration	5.00 Years	End Charges	None	None	None
Life - TI's	15.00 Years	Start Charges	None	None	None
Life - Commissions	5.00 Years	Months Vacant		6.00 Months	4 Months
Year 1 TI's	None				
Reimbursements	Continue				

### Small is a Local Profile

	General		Renew	New	Avg
Renewal Probability	80.00%	Market Rent	\$15.00/sf/yr	\$16.00/sf/yr	\$15.20/sf/yr
Grow Rent	Yes	TI's	None	\$5.00/sf	\$1.00/sf
Growth Method	%>Inflation	Commissions	None	5.00% of Rent	1.00% of Rent
Growth Rate	at the Inflation Rate	Abatements	None	None	None
Lease Duration	3.00 Years	End Charges	None	None	None
Life - TI's	15.00 Years	Start Charges	None	None	None
Life - Commissions	3.00 Years	Months Vacant		6.00 Months	1 Month
Year 1 TI's	None				
Reimbursements	Continue				

# Market Profile Assumptions

## Retail - Office

### Beauty is a Local Profile

	General		Renew	New	Avg
Renewal Probability	None	Market Rent	None	\$16.00/sf/yr	\$16.00/sf/yr
Grow Rent	Yes	TI's	None	\$5.00/sf	\$5.00/sf
Growth Method	%>Inflation	Commissions	None	5.00% of Rent	5.00% of Rent
Growth Rate	at the Inflation Rate	Abatements	None	None	None
Lease Duration	3.00 Years	End Charges	None	None	None
Life - TI's	15.00 Years	Start Charges	None	None	None
Life - Commissions	3.00 Years	Months Vacant		6.00 Months	6 Months
Year 1 TI's	None				
Reimbursements	Continue				