



**Buy v Lease Comparison (Before Tax)**

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

Year	Investment	BUY			Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back	Operating Cash Flow (Before Tax)			Leasing Expenses (Before Tax)	Cash Flow Difference (Before Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 700,000	-	\$ (88,670)	-	\$ (238,670)	\$ (73,320)	\$ (165,350)
Year 2 Jan-Year 2 Dec	-	-	-	(89,300)	-	(89,300)	(73,990)	(15,310)
Year 3 Jan-Year 3 Dec	-	-	-	(89,960)	-	(89,960)	(74,694)	(15,266)
Year 4 Jan-Year 4 Dec	-	-	-	(90,620)	-	(90,620)	(75,400)	(15,220)
Year 5 Jan-Year 5 Dec	-	-	-	(91,310)	-	(91,310)	(76,113)	(15,197)
Year 6 Jan-Year 6 Dec	-	-	-	(92,000)	-	(92,000)	(85,018)	(6,982)
Year 7 Jan-Year 7 Dec	-	-	-	(92,750)	-	(92,750)	(85,768)	(6,982)
Year 8 Jan-Year 8 Dec	-	-	-	(93,500)	-	(93,500)	(86,584)	(6,916)
Year 9 Jan-Year 9 Dec	-	-	-	(94,280)	-	(94,280)	(87,402)	(6,878)
Year 10 Jan-Year 10 Dec	-	-	(475,068)	(95,060)	1,132,058	561,931	(88,256)	650,187
<b>Total</b>						\$ (410,459)	\$ (806,544)	\$ 396,086
<b>Net Present Value (NPV) at 13.00%</b>						\$ (450,520)	\$ (427,107)	\$ (23,412)

**BUY v LEASE Financial Returns (Before Tax)**

Internal Rate of Return (IRR)	11.55%
Net Present Value (NPV) at 13.00%	(\$ 23,412)
Modified Internal Rate of Return (MIRR)	11.11%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%

**Conclusion.**

If the Net Present Value (NPV) is positive consider buying.  
If the Net Present Value (NPV) is negative consider Leasing.

Consider Buying if the Total Purchase Price is approximately \$ 826,588 or less.



**Buy v Lease Comparison (After Tax)**

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

Year	Investment	BUY			Sale Proceeds (After Tax)	Net Cash Flow (After Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back	Operating Cash Flow (After Tax)			Leasing Expenses (After Tax)	Cash Flow Difference (After Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 700,000	-	\$ (58,403)	-	\$ (208,403)	\$ (47,658)	\$ (160,745)
Year 2 Jan-Year 2 Dec	-	-	-	(59,031)	-	(59,031)	(48,093)	(10,938)
Year 3 Jan-Year 3 Dec	-	-	-	(59,920)	-	(59,920)	(48,551)	(11,369)
Year 4 Jan-Year 4 Dec	-	-	-	(60,845)	-	(60,845)	(49,010)	(11,834)
Year 5 Jan-Year 5 Dec	-	-	-	(61,827)	-	(61,827)	(49,473)	(12,354)
Year 6 Jan-Year 6 Dec	-	-	-	(62,851)	-	(62,851)	(55,262)	(7,589)
Year 7 Jan-Year 7 Dec	-	-	-	(63,959)	-	(63,959)	(55,749)	(8,209)
Year 8 Jan-Year 8 Dec	-	-	-	(65,115)	-	(65,115)	(56,279)	(8,835)
Year 9 Jan-Year 9 Dec	-	-	-	(66,341)	-	(66,341)	(56,811)	(9,530)
Year 10 Jan-Year 10 Dec	-	-	(475,068)	(67,832)	1,054,789	511,889	(57,367)	569,256
<b>Total</b>						\$ (196,402)	\$ (524,254)	\$ 327,852
<b>Net Present Value (NPV) at 8.45%</b>						\$ (299,647)	\$ (339,146)	\$ 39,499

**BUY v LEASE Financial Returns (After Tax)**

Internal Rate of Return (IRR)	10.57%
Net Present Value (NPV) at 8.45%	\$ 39,499
Modified Internal Rate of Return (MIRR)	9.85%
Short Term Financing Rate (After Tax)	5.200%
Short Term Reinvestment Rate (After Tax)	1.950%

**Conclusion.**

If the Net Present Value (NPV) is positive consider buying.  
If the Net Present Value (NPV) is negative consider Leasing.

Consider Buying if the Total Purchase Price is approximately \$ 889,499 or less.