



Plaza 500

15,000 Sq. Ft Office Building



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Income & Expense Statement Yearly
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
REVENUE											
Base Rent	300,000	309,000	318,300	327,750	337,650	347,850	358,200	369,000	380,100	391,500	403,200
Recoverable Expenses	108,750	112,050	115,350	118,800	122,400	126,000	129,900	133,800	137,700	141,900	146,100
Potential Gross Income	408,750	421,050	433,650	446,550	460,050	473,850	488,100	502,800	517,800	533,400	549,300
Less: Vacancy & Credit Loss Allowance	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	408,750	421,050	433,650	446,550	460,050	473,850	488,100	502,800	517,800	533,400	549,300
Operating Expenses											
TIM's	120,000	123,600	127,350	131,100	135,000	139,050	143,250	147,600	151,950	156,600	161,250
	120,000	123,600	127,350	131,100	135,000	139,050	143,250	147,600	151,950	156,600	161,250
Net Operating Income	288,750	297,450	306,300	315,450	325,050	334,800	344,850	355,200	365,850	376,800	388,050
Interest on Mtce Reserve Account	6,828	8,897	4,064	4,167	4,273	4,381	4,491	4,605	4,722	4,841	-
Net Income	295,578	306,347	310,364	319,617	329,323	339,181	349,341	359,805	370,572	381,641	388,050



Operating Cash Flow Yearly
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CASH FLOW BEFORE TAX										
Potential Gross Income	408,750	421,050	433,650	446,550	460,050	473,850	488,100	502,800	517,800	533,400
Less: Vacancy & Credit Loss Allow.	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	408,750	421,050	433,650	446,550	460,050	473,850	488,100	502,800	517,800	533,400
Operating Expenses	120,000	123,600	127,350	131,100	135,000	139,050	143,250	147,600	151,950	156,600
Net Operating Income	288,750	297,450	306,300	315,450	325,050	334,800	344,850	355,200	365,850	376,800
Less: Principal Payments	72,546	78,089	84,056	90,478	97,391	104,832	112,842	121,464	130,745	140,734
Interest payments	191,350	185,807	179,840	173,418	166,505	159,064	151,054	142,432	133,151	123,162
CASH FLOW BEFORE TAX	24,854	33,554	42,404	51,554	61,154	70,904	80,954	91,304	101,954	112,904
Less: Income Tax at 35.00%	11,352	17,061	18,836	24,247	30,063	36,118	42,478	49,158	56,174	64,676
CASH FLOW AFTER TAX	13,502	16,493	23,568	27,307	31,091	34,786	38,476	42,146	45,780	48,228
INCOME TAX CALCULATIONS										
Net Operating Income	288,750	297,450	306,300	315,450	325,050	334,800	344,850	355,200	365,850	376,800
Plus: Interest Repl. Reserve Acct.	6,828	8,897	4,064	4,167	4,273	4,381	4,491	4,605	4,722	4,841
Less: Interest Payments	191,350	185,807	179,840	173,418	166,505	159,064	151,054	142,432	133,151	123,162
Depreciation & Amortization	71,795	71,795	76,708	76,923	76,923	76,923	76,923	76,923	76,923	73,692
Taxable Income	32,433	48,745	53,816	69,276	85,895	103,194	121,365	140,450	160,497	184,787
Income Tax at 35.00%	11,352	17,061	18,836	24,247	30,063	36,118	42,478	49,158	56,174	64,676



Net Cash Flow Hold versus Sell (Before Tax)
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Year	Investment	HOLD					Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)	SELL NOW	HOLD vs SELL
		Financing		Replacement Reserve Acct. Cash Flow		Sale Proceeds				Cash Flow	
		Borrow	Paid Back	Additions	Reductions	(Before Tax)				(Before Tax)	
Year 1 Jan-Year 1 Dec	-	-	-	-	-	24,854	-	24,854	1,324,280	(1,299,426)	
Year 2 Jan-Year 2 Dec	-	-	-	(75,000)	-	33,554	-	(41,446)	-	(41,446)	
Year 3 Jan-Year 3 Dec	(200,000)	-	-	-	200,000	42,404	-	42,404	-	42,404	
Year 4 Jan-Year 4 Dec	-	-	-	-	-	51,554	-	51,554	-	51,554	
Year 5 Jan-Year 5 Dec	-	-	-	-	-	61,154	-	61,154	-	61,154	
Year 6 Jan-Year 6 Dec	-	-	-	-	-	70,904	-	70,904	-	70,904	
Year 7 Jan-Year 7 Dec	-	-	-	-	-	80,954	-	80,954	-	80,954	
Year 8 Jan-Year 8 Dec	-	-	-	-	-	91,304	-	91,304	-	91,304	
Year 9 Jan-Year 9 Dec	-	-	-	-	-	101,954	-	101,954	-	101,954	
Year 10 Jan-Year 10 Dec	-	-	(1,590,542)	-	196,269	112,904	4,760,080	3,478,711	-	3,478,711	
								Total	3,962,346	1,324,280	2,638,066
								Net Present Value (NPV) at 13.00%	1,219,618	1,324,280	(104,662)

HOLD vs SELL Financial Returns (Before Tax)

Internal Rate of Return (IRR)	12.039%
Net Present Value (NPV) at 13.00%	(\$ 104,662)
Modified Internal Rate of Return (MIRR)	10.840%
Short Term Financing Rate (Before Tax)	7.000%
Short Term Reinvestment Rate (Before Tax)	2.000%

Conclusion. Hold or Sell?

Decision Rule

If the Net Present Value (NPV) is positive consider holding.
 If the Net Present Value (NPV) is negative consider selling.

Conclusion: Consider selling because the Net Present Value at 13.00% is negative.



Net Cash Flow Hold versus Sell (After Tax)
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Year	Investment	HOLD					Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)	SELL NOW	HOLD vs SELL	
		Financing		Replacement Reserve Acct. Cash Flow		Sale Proceeds (After Tax)				Cash Flow (After Tax)	Cash Flow (After Tax)	Cash Flow Difference (After Tax)
		Borrow	Paid Back	Additions	Reductions							
Year 1 Jan-Year 1 Dec	-	-	-	-	-	13,502	-	13,502	824,280	(810,778)		
Year 2 Jan-Year 2 Dec	-	-	-	(75,000)	-	16,493	-	(58,507)	-	(58,507)		
Year 3 Jan-Year 3 Dec	(200,000)	-	-	-	200,000	23,568	-	23,568	-	23,568		
Year 4 Jan-Year 4 Dec	-	-	-	-	-	27,307	-	27,307	-	27,307		
Year 5 Jan-Year 5 Dec	-	-	-	-	-	31,091	-	31,091	-	31,091		
Year 6 Jan-Year 6 Dec	-	-	-	-	-	34,786	-	34,786	-	34,786		
Year 7 Jan-Year 7 Dec	-	-	-	-	-	38,476	-	38,476	-	38,476		
Year 8 Jan-Year 8 Dec	-	-	-	-	-	42,146	-	42,146	-	42,146		
Year 9 Jan-Year 9 Dec	-	-	-	-	-	45,780	-	45,780	-	45,780		
Year 10 Jan-Year 10 Dec	-	-	(1,590,542)	-	196,269	48,228	4,182,299	2,836,254	-	2,836,254		
								Total	3,034,405	824,280	2,210,125	
								Net Present Value (NPV) at 8.45%	1,350,512	824,280	526,232	

HOLD vs SELL Financial Returns (After Tax)

Internal Rate of Return (IRR)	13.850%
Net Present Value (NPV) at 8.45%	\$ 526,232
Modified Internal Rate of Return (MIRR)	12.156%
Short Term Financing Rate (After Tax)	4.550%
Short Term Reinvestment Rate (After Tax)	1.300%

Conclusion. Hold or Sell?

Decision Rule

If the Net Present Value (NPV) is positive consider holding.
 If the Net Present Value (NPV) is negative consider selling.

Conclusion: Consider holding because the Net Present Value at 8.45% is positive.



Present Value Appraisal
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Year	Net Operating Income	Present Value Discount Factor at 13.00%	Present Value Net Operating Income	Property Reversion (Sale)	Present Value Discount Factor at 13.00%	Present Value Property Reversion (Sale)	Overall Present Value
Year 1 Jan-Year 1 Dec	288,750	0.88495575	255,531				255,531
Year 2 Jan-Year 2 Dec	297,450	0.78314668	232,947				232,947
Year 3 Jan-Year 3 Dec	306,300	0.69305016	212,281				212,281
Year 4 Jan-Year 4 Dec	315,450	0.61331873	193,471				193,471
Year 5 Jan-Year 5 Dec	325,050	0.54275994	176,424				176,424
Year 6 Jan-Year 6 Dec	334,800	0.48031853	160,811				160,811
Year 7 Jan-Year 7 Dec	344,850	0.42506064	146,582				146,582
Year 8 Jan-Year 8 Dec	355,200	0.37615986	133,612				133,612
Year 9 Jan-Year 9 Dec	365,850	0.33288483	121,786				121,786
Year 10 Jan-Year 10 Dec	376,800	0.29458835	111,001	4,760,080	0.29458835	1,402,264	1,513,265
		Present Values	1,744,446			1,402,264	3,146,710

CASH FLOW. PRESENT VALUE SUMMARY

Present Value Net Operating Income	1,744,446	55.44%
Present Value of Reversion (Sale)	1,402,264	44.56%
Present Value at 13.00%	3,146,710	100.00%

Note: Present Value is calculated before tax and excludes financing and capital expenditures



Revenue Calculations. Yearly
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Base Rent	300,000	309,000	318,300	327,750	337,650	347,850	358,200	369,000	380,100	391,500
Free Rent Adjustment	-	-	-	-	-	-	-	-	-	-
	300,000	309,000	318,300	327,750	337,650	347,850	358,200	369,000	380,100	391,500
Recoverable Expenses	108,750	112,050	115,350	118,800	122,400	126,000	129,900	133,800	137,700	141,900
Total	408,750	421,050	433,650	446,550	460,050	473,850	488,100	502,800	517,800	533,400



Revenue Calculations. Yearly
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

Year 11

REVENUE

Base Rent	403,200
Free Rent Adjustment	-
	<hr/>
	403,200
 Recoverable Expenses	 146,100
 Total	 549,300



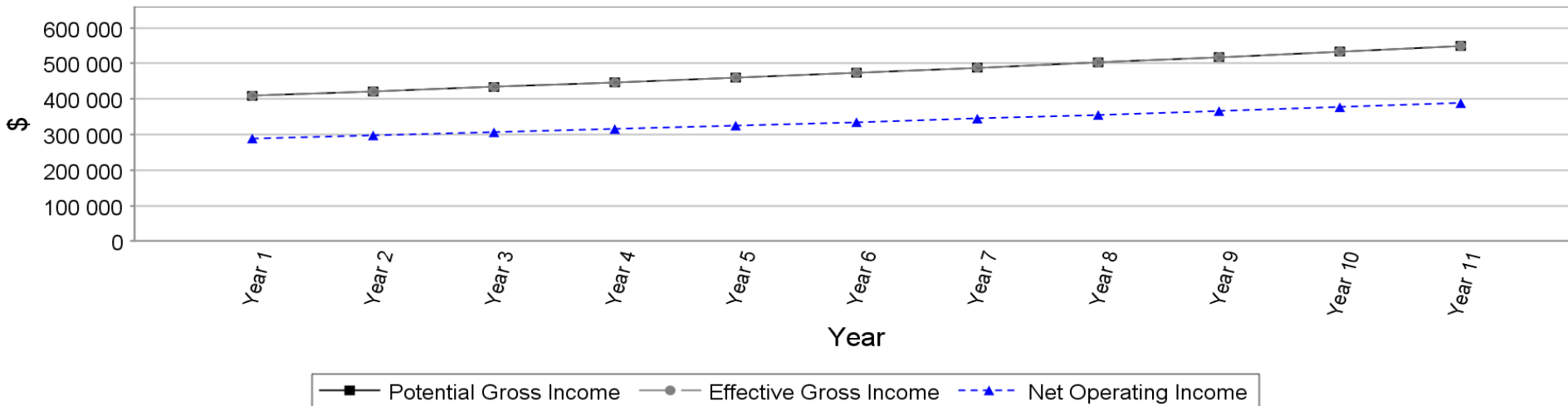
Expense Calculations Yearly
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

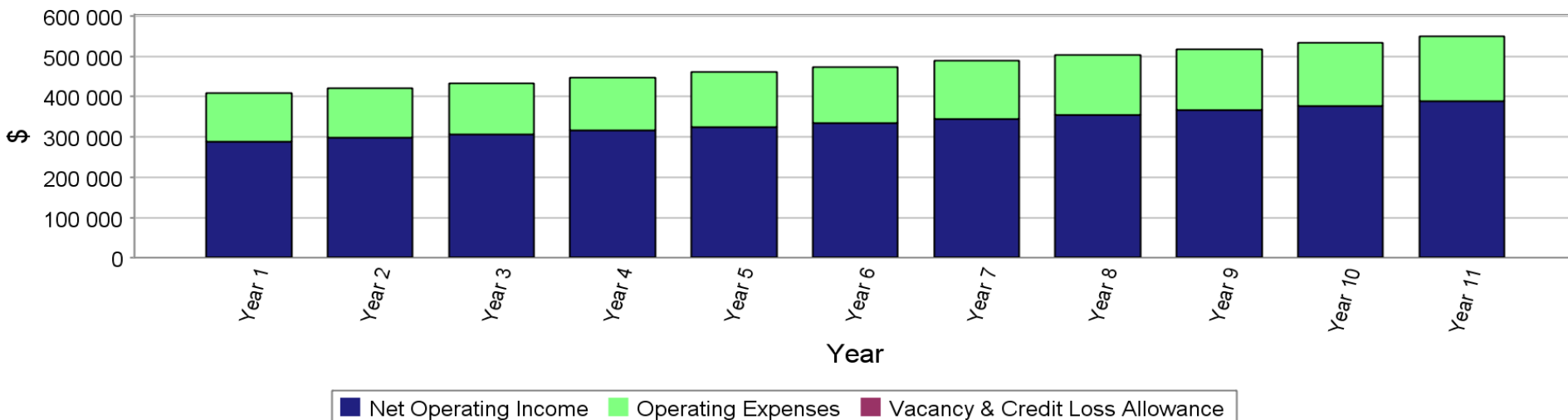
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
TIM's	120,000	123,600	127,350	131,100	135,000	139,050	143,250	147,600	151,950	156,600	161,250
Total	120,000	123,600	127,350	131,100	135,000	139,050	143,250	147,600	151,950	156,600	161,250



Income & Expenses



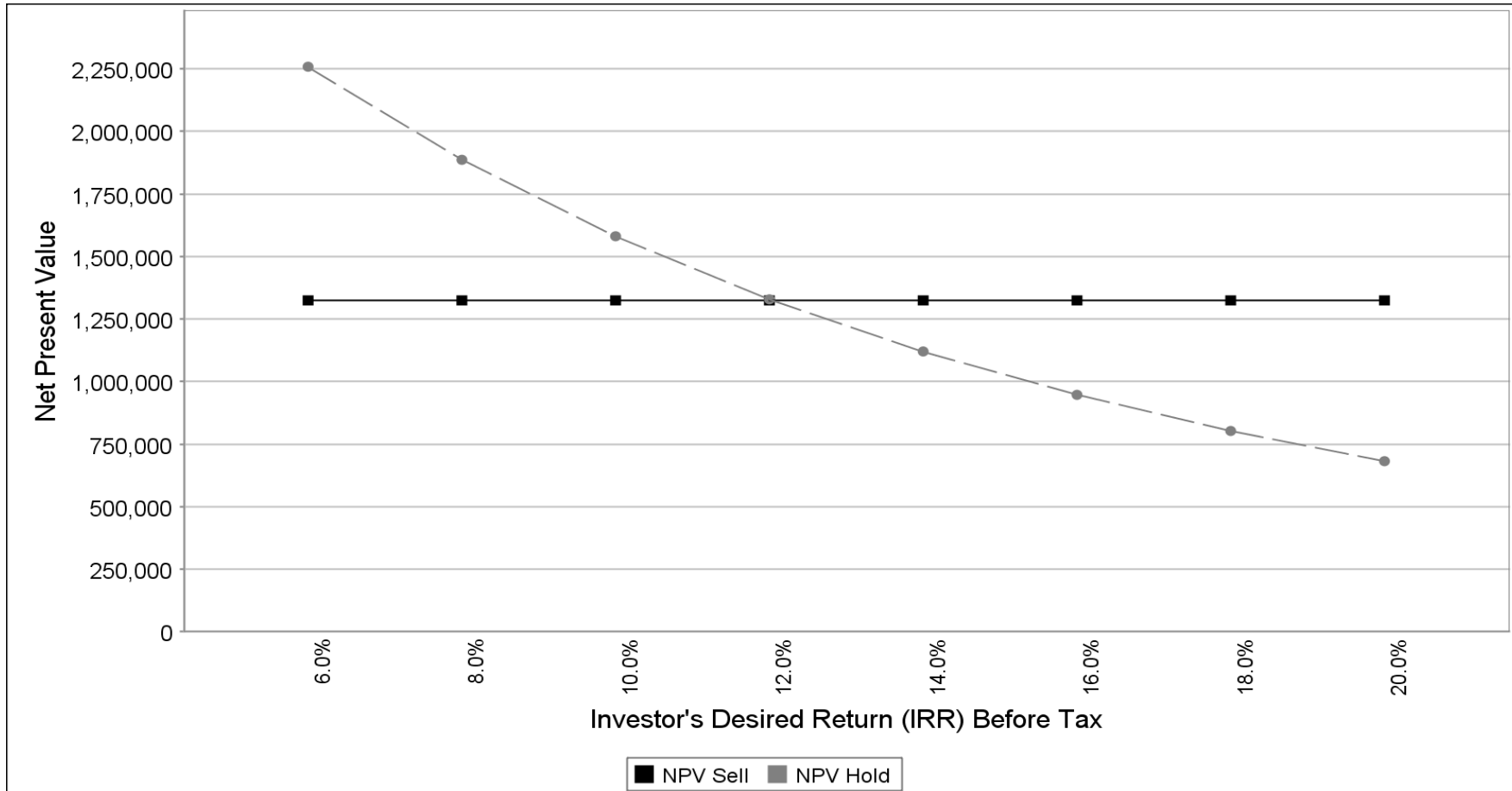
Income Distribution





Hold v Sell. Net Present Value (NPV) Before Tax
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly



Interpretations

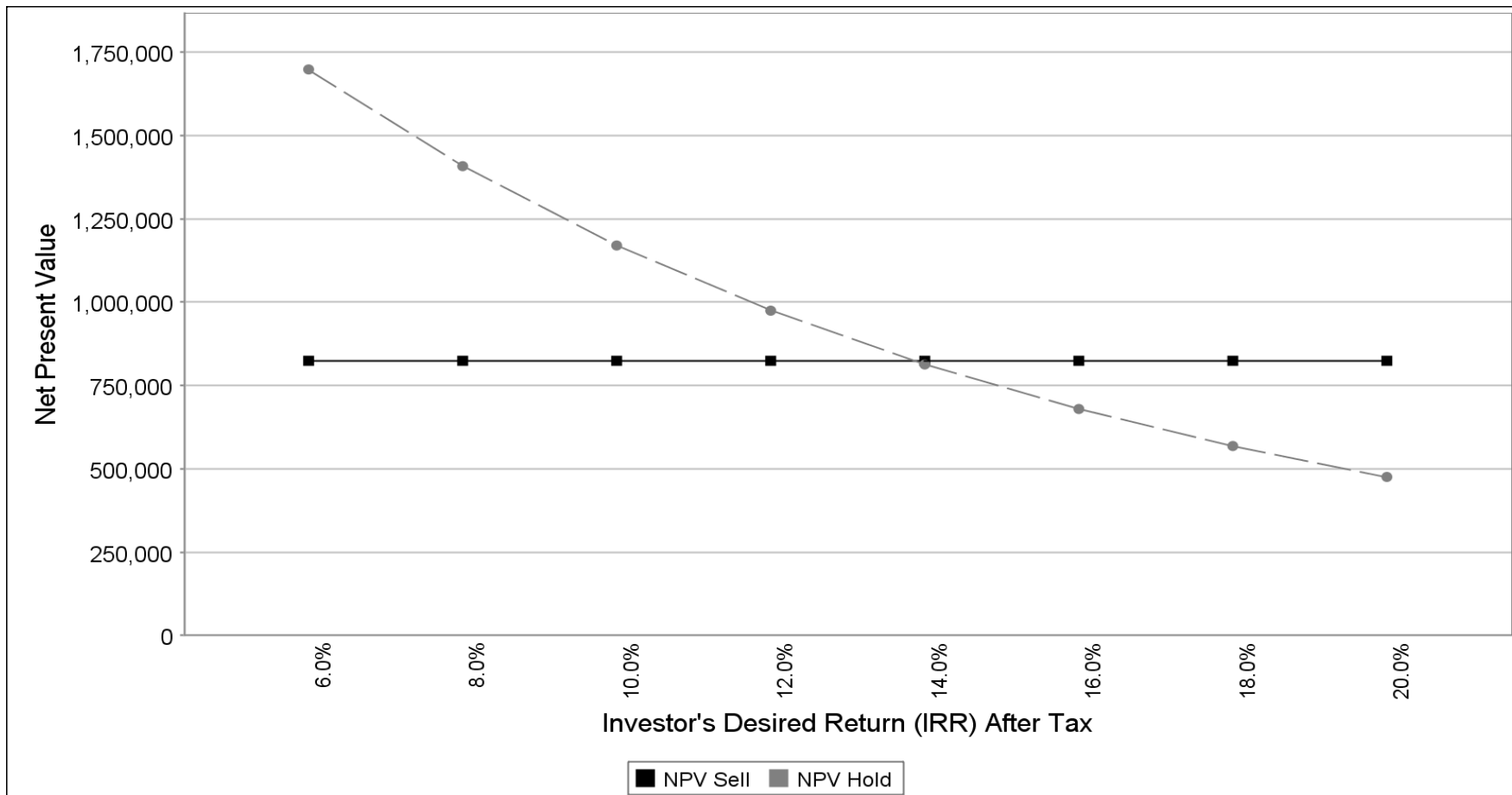
For the Desired Return (IRR) Before Tax consider:

- a) Hold if the Net Present Value (NPV) for holding is greater than the Net Present Value for Selling
- b) Sell if the Net Present Value (NPV) for selling is greater than the Net Present Value for Holding



Hold v Sell. Net Present Value (NPV) After Tax
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly



Interpretations

For the Desired Return (IRR) After Tax consider:

- a) Hold if the Net Present Value (NPV) for holding is greater than the Net Present Value for Selling
- b) Sell if the Net Present Value (NPV) for selling is greater than the Net Present Value for Holding



Replacement Reserve Yearly
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Maintenance Reserve Accounts

Opening Balance: \$ 270,000

Interest Rate: 2.500%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Replacement Reserve										
Additions to Mtce Reserves	-	75,000	-	-	-	-	-	-	-	-
Roof Replacement										
Additions to Mtce Reserves	-	-	(200,000)	-	-	-	-	-	-	-
Replacement Reserve Summary										
Balance. Beginning of Year	270,000	276,828	360,725	164,790	168,957	173,229	177,610	182,102	186,707	191,428
Additions to Mtce Reserves	-	75,000	(200,000)	-	-	-	-	-	-	-
Interest	6,828	8,897	4,064	4,167	4,273	4,381	4,491	4,605	4,722	4,841
Recovery										(196,269)
Balance. End of Year	276,828	360,725	164,790	168,957	173,229	177,610	182,102	186,707	191,428	-



Financial Measures Summary
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Financial Returns.

Internal Rate of Return (IRR)	Before Tax	12.04%
	After Tax	13.85%
Net Present Value (NPV)	Before Tax	(\$ 104,662) at 13.00%
	After Tax	\$ 526,232 at 8.45%
Modified Internal Rate of Return (MIRR)	Before Tax	10.84%
	Short Term Financing Rate (Before Tax)	7.00%
	Short Term Reinvestment Rate (Before Tax)	2.00%
Modified Internal Rate of Return (MIRR)	After Tax	12.16%
	Short Term Financing Rate (After Tax)	4.55%
	Short Term Reinvestment Rate (Before Tax)	1.30%

Financial Operating Ratios

Year	Total Loan to Value Ratio (At End of Year) using		Debt Coverage Ratio	Default Ratio (Breakeven) (Using PGI)	Overall Operating Expense Ratio (Using PGI)
	Original Loan Amount	Outstanding Loan Balance			
Year 1	0%	64.33%	1.09	93.92%	29.36%
Year 2	0%	60.56%	1.13	92.03%	29.36%
Year 3	0%	56.80%	1.16	90.22%	29.37%
Year 4	0%	53.04%	1.20	88.46%	29.36%
Year 5	0%	49.31%	1.23	86.71%	29.34%
Year 6	0%	45.59%	1.27	85.04%	29.34%
Year 7	0%	41.88%	1.31	83.41%	29.35%
Year 8	0%	38.17%	1.35	81.84%	29.36%
Year 9	0%	34.46%	1.39	80.31%	29.35%
Year 10	0%	30.74%	1.43	78.83%	29.36%



Cash Flow from Sale
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

Cash Flow from Sale (Before Tax)

Sale Price		\$	5,174,000
Less: Real Estate Commission			258,700
Selling Expenses			103,480
Legal Fees			51,740
Net Sale Price			<u>4,760,080</u>
Less: Mortgage Repayment			<u>1,590,542</u>
Cash Flow from Sale (Before Tax)			<u>3,169,538</u>

Cash Flow from Sale (After Tax)

Net Sale Price			4,760,080
Less: Capital Gains Tax			
Net Sale Price		4,760,080	
Less Cost Basis		<u>3,000,000</u>	
Capital Gains	1,760,080	x 15.00%	264,012
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale		3,000,000	
Less Adjusted Basis		<u>1,744,923</u>	
Recaptured Depreciation	1,255,077	x 25.00%	<u>313,769</u>
Net Proceeds (After Tax)			4,182,299
Less: Mortgage Repayment			<u>1,590,542</u>
Cash Flow from Sale (After Tax)			<u>2,591,756</u>



Sales Proceeds Yr by Yr (Before Tax)

Plaza 500

15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sale Price	3,966,000	4,084,000	4,206,000	4,334,000	4,464,000	4,598,000	4,736,000	4,878,000	5,024,000	5,174,000
Real Estate Commissions	198,300	204,200	210,300	216,700	223,200	229,900	236,800	243,900	251,200	258,700
Less Selling: Expenses										
Selling Expenses	79,320	81,680	84,120	86,680	89,280	91,960	94,720	97,560	100,480	103,480
Legal Fees	39,660	40,840	42,060	43,340	44,640	45,980	47,360	48,780	50,240	51,740
Total Selling Expenses	118,980	122,520	126,180	130,020	133,920	137,940	142,080	146,340	150,720	155,220
Sales Proceeds (Before Tax)	3,648,720	3,757,280	3,869,520	3,987,280	4,106,880	4,230,160	4,357,120	4,487,760	4,622,080	4,760,080
Repayment of Mortgages	2,551,174	2,473,085	2,389,029	2,298,551	2,201,160	2,096,328	1,983,485	1,862,021	1,731,277	1,590,542
Net Sales Proceeds (Before Tax)	1,097,546	1,284,195	1,480,491	1,688,729	1,905,720	2,133,832	2,373,635	2,625,739	2,890,803	3,169,538
Cap Rate	7.28%	7.28%	7.28%	7.28%	7.28%	7.28%	7.28%	7.28%	7.28%	7.28%



Sell Now. Cash Flow from Sale
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

Sell Now. Cash Flow from Sale (Before Tax)

Sell Now. Sale Price	\$	4,200,000
Less: Real Estate Commissions		189,000
Selling & Legal Expenses		63,000
Net Sale Price		<u>3,948,000</u>
Less: Mortgage Repayment		2,623,720
Sell Now. Cash Flow from Sale (Before Tax)		1,324,280
Less: Income Taxes Paid on Sale (Capital Gain & Recaptured Depreciation)		500,000
Sell Now. Cash Flow from Sale (After Tax)		824,280



Input Data Summary
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

CMHC Hold vs Sell

Note

For information on Revenue, Expenses and Vacancy inputs and projections see the Revenue, Expense and Vacancy projection description reports.

Project Information

Analysis Period	10 years
Starting date	January Year 1
Building Area	16,500 Sq. Ft
Office	
Rentable Area	15,000 Sq. Ft
Usable Area	12,750 Sq. Ft
Add On Factor	17.65%
Land Area	0 Sq. Ft
Frontage	0 Ft

Investor Information

Marginal Tax Rate	35.00%
Capital Gain Tax Rate	15.00%
Recaptured Deprec. Tax Rate	25.00%

Desired Return on Investment (Discount Rate)

Before Tax:	13.00%
After Tax:	8.45%

Short Term Reinvestment Rates

Before Tax:	2.000%
After Tax:	1.300%

Short Term Financing Rates

Before Tax:	7.000%
After Tax:	4.550%

Sell Now Input

Sale Price	\$ 4,200,000
Repayment of Mortgages	\$ 2,623,720
Selling Expenses	
Real Estate Commissions	4.50% of the Sale Price



Input Data Summary
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Selling & Legal Expenses 1.50% of the Sale Price
 Income Taxes paid on Sale \$ 500,000

Investment information

Active Investor with no Loss limitation

Total Invested in Year 1 is \$ 0

	Investment Type	Date	Amount	Recovery Period Years	Type
Existing Investment. Building	Commercial Property. Straight Line	Jan, Year 1	\$ 2,800,000	39.00	Exists
Roof Replacement	Commercial Property. Straight Line	Jan, Year 3	\$ 200,000	39.00	New

Financing

Original First Mortgage

Status: Pre-existing mortgage or financing
 Starts: Prior to the the analysis start date
 Type: Standard Mortgage
 Amount: \$ 2,623,720 (Outstanding Balance of pre-existing mortgage on analyis start date)
 Interest Rate: Fixed
 Payment Frequency: Monthly
 Compounding Frequency: Semi-annually
 Addit. Payments/Borrowing: No
 Rounding: Up to Nearest Cent
 No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	18 yrs & 0 mos	7.500%	18 yrs & 0 mos

Sale Information

Sale price at the end of 10 years is \$ 5,174,000 based on the income for the year following sale and a Cap Rate of 7.50%

Selling Expenses
 Selling Expenses 2.00% of the Sale Price



Input Data Summary
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

Legal Fees 1.00% of the Sale Price

Real Estate Commissions 5.00% of the Sale Price

Allocation of Improvements on Sale Same ratio as on acquisition



Projection Descriptions
Plaza 500
15,000 Sq. Ft Office Building

Investor Pro
Hold versus Sell Office Monthly

REPLACEMENT RESERVE PROJECTIONS

Replacement Reserve

Entry Choice: Add or Subtract (-) Replacement Reserve

Year 2 Jan \$75,000. Single Entry

Roof Replacement

Entry Choice: Add or Subtract (-) Replacement Reserve

Year 3 Jan -\$200,000. Single Entry

EXPENSES PROJECTIONS

TIM's

Entry Choice: \$ per Unit of Total Rentable Area (Office) per Year

Quantity: 15,000

Year 1 Jan \$8.00 per Unit of Total Rentable Area (Office) per Year paid monthly for 12 months

Compounding at 3.00% per year for next 10 years

REVENUE PROJECTIONS

Base Rent

Entry Choice: \$ per Unit of Total Rentable Area (Office) per Year

Quantity: 15,000

Year 1 Jan \$20.00 per Unit of Total Rentable Area (Office) per Year paid monthly for 12 months

Compounding at 3.00% per year for next 10 years

Recoverable Expenses

Entry Choice: \$ per Unit of Total Rentable Area (Office) per Year

Quantity: 15,000

Year 1 Jan \$7.25 per Unit of Total Rentable Area (Office) per Year paid monthly for 12 months

Compounding at 3.00% per year for next 10 years



Depreciation Schedules
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Existing Investment. Building

Starting Date: Prior to analysis start date
 Depreciation Method: Commercial Property. Straight Line
 Remaining Recovery Period: 32.00 Year(s)
 First Year Convention: Mid-Month
 Last Year Convention: 95.8%
 Book Value or Undepreciated Balance \$ 2,300,451 (on analysis start date)

Period	Book Value	Adjusted Cost Basis	Depreciation	Depreciation Bonus	Undepreciated Balance
Yr. 1 Jan-Yr. 1 Dec	\$ 2,300,451	\$ 2,300,451	\$ 71,795	-	\$ 2,228,656
Yr. 2 Jan-Yr. 2 Dec		2,228,656	71,795		2,156,861
Yr. 3 Jan-Yr. 3 Dec		2,156,861	71,795		2,085,066
Yr. 4 Jan-Yr. 4 Dec		2,085,066	71,795		2,013,271
Yr. 5 Jan-Yr. 5 Dec		2,013,271	71,795		1,941,476
Yr. 6 Jan-Yr. 6 Dec		1,941,476	71,795		1,869,681
Yr. 7 Jan-Yr. 7 Dec		1,869,681	71,795		1,797,886
Yr. 8 Jan-Yr. 8 Dec		1,797,886	71,795		1,726,091
Yr. 9 Jan-Yr. 9 Dec		1,726,091	71,795		1,654,296
Yr. 10 Jan-Yr. 10 Dec		1,654,296	68,779		1,585,517
Total	\$ 2,300,451		\$ 714,934	-	



Depreciation Schedules
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Roof Replacement

Starting Date: Year 3 January
 Depreciation Method: Commercial Property, Straight Line
 Recovery Period: 39.0 Year(s)
 First Year Convention: Mid-Month 95.8%
 Last Year Convention: 95.8%
 Amount \$ 200,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Depreciation Bonus	Undepreciated Balance
Yr. 3 Jan-Yr. 3 Dec	\$ 200,000	\$ 200,000	\$ 4,913	-	\$ 195,087
Yr. 4 Jan-Yr. 4 Dec		195,087	5,128		189,959
Yr. 5 Jan-Yr. 5 Dec		189,959	5,128		184,831
Yr. 6 Jan-Yr. 6 Dec		184,831	5,128		179,703
Yr. 7 Jan-Yr. 7 Dec		179,703	5,128		174,575
Yr. 8 Jan-Yr. 8 Dec		174,575	5,128		169,447
Yr. 9 Jan-Yr. 9 Dec		169,447	5,128		164,319
Yr. 10 Jan-Yr. 10 Dec		164,319	4,913		159,406
Total	\$ 200,000		\$ 40,594	-	



Depreciation Schedules
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Combined Depreciation Schedule

<u>Period</u>	<u>Cost Basis</u>	<u>Adjusted Cost Basis</u>	<u>Depreciation</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 2,300,451	\$ 2,300,451	\$ 71,795	\$ 2,228,656
Yr. 2 Jan-Yr. 2 Dec	-	2,228,656	71,795	2,156,861
Yr. 3 Jan-Yr. 3 Dec	200,000	2,356,861	76,708	2,280,153
Yr. 4 Jan-Yr. 4 Dec	-	2,280,153	76,923	2,203,230
Yr. 5 Jan-Yr. 5 Dec	-	2,203,230	76,923	2,126,307
Yr. 6 Jan-Yr. 6 Dec	-	2,126,307	76,923	2,049,384
Yr. 7 Jan-Yr. 7 Dec	-	2,049,384	76,923	1,972,461
Yr. 8 Jan-Yr. 8 Dec	-	1,972,461	76,923	1,895,538
Yr. 9 Jan-Yr. 9 Dec	-	1,895,538	76,923	1,818,615
Yr. 10 Jan-Yr. 10 Dec	-	1,818,615	73,692	1,744,923
Total	\$ 2,500,451		\$ 755,528	



Mortgage Schedule
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Original First Mortgage

Status: Pre-existing Mortgage or financing
 Amount: \$ 2,623,720 (Outstanding Balance of pre-existing mortgage on analysis start date)
 Type: Standard Mortgage
 Analysis Start Date: January Year 1
 Payment Frequency: Monthly
 Payment Rounded: Up to Nearest Cent
 Compounding Frequency: Semi-annually
 Interest Rate: Fixed
 Additional Payment or Borrowing: No

Term	Start Date of (Balloon) Term	Time Period		Nominal Annual Interest Rate	Amortization	
		Years	Months		Years	Months
1	Year 1 Jan	18	0	7.500 %	18	0

	Outstanding Balance	End of Year Accrued Interest	Mortgage Payout
Payout at end of Analysis Period: Dec Year 10	\$ 1,590,542.34	-	\$ 1,590,542.34
Payout at end of last Term: Dec Year 18	-	-	-

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	263,896.08	191,349.95	72,546.13	-	2,551,173.87
Year 2 Jan-Year 2 Dec	263,896.08	185,806.97	78,089.11	-	2,473,084.76
Year 3 Jan-Year 3 Dec	263,896.08	179,840.47	84,055.61	-	2,389,029.15
Year 4 Jan-Year 4 Dec	263,896.08	173,418.09	90,477.99	-	2,298,551.16
Year 5 Jan-Year 5 Dec	263,896.08	166,504.99	97,391.09	-	2,201,160.07
Year 6 Jan-Year 6 Dec	263,896.08	159,063.70	104,832.38	-	2,096,327.69
Year 7 Jan-Year 7 Dec	263,896.08	151,053.87	112,842.21	-	1,983,485.48
Year 8 Jan-Year 8 Dec	263,896.08	142,432.01	121,464.07	-	1,862,021.41
Year 9 Jan-Year 9 Dec	263,896.08	133,151.41	130,744.67	-	1,731,276.74
Year 10 Jan-Year 10 Dec	263,896.08	123,161.68	140,734.40	-	1,590,542.34
Year 11 Jan-Year 11 Dec	263,896.08	112,408.69	151,487.39	-	1,439,054.95
Year 12 Jan-Year 12 Dec	263,896.08	100,834.12	163,061.96	-	1,275,992.99
Year 13 Jan-Year 13 Dec	263,896.08	88,375.19	175,520.89	-	1,100,472.10



Mortgage Schedule
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 14 Jan-Year 14 Dec	263,896.08	74,964.27	188,931.81	-	911,540.29
Year 15 Jan-Year 15 Dec	263,896.08	60,528.72	203,367.36	-	708,172.93
Year 16 Jan-Year 16 Dec	263,896.08	44,990.17	218,905.91	-	489,267.02
Year 17 Jan-Year 17 Dec	263,896.08	28,264.39	235,631.69	-	253,635.33
Year 18 Jan-Year 18 Dec	263,895.98	10,260.65	253,635.33	-	-
	4,750,129.34	2,126,409.34	2,623,720.00	-	