

Income & Expense Statement Yearly
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

	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	179,856	179,856	180,000	180,000	180,000	208,680	208,680	208,680	208,680	208,680	241,920
Recoverable Expenses	48,000	49,440	50,880	52,440	54,000	55,680	57,360	59,040	60,840	62,640	64,560
Parking	10,800	11,124	11,459	11,801	12,157	12,521	12,895	13,284	13,680	14,090	14,515
Potential Gross Income	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410	320,995
Less: Vacancy & Credit Loss Allowance	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271	16,050
Effective Gross Income	226,723	228,399	230,222	232,029	233,849	263,037	264,988	266,954	269,040	271,140	304,945
Operating Expenses											
Property Taxes	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317
Insurance	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	14,802
Maintenance	12,000	12,480	12,984	13,500	14,040	14,604	15,180	15,792	16,428	17,076	17,760
Utilities	16,800	17,304	17,820	18,360	18,912	19,476	20,064	20,664	21,276	21,924	22,572
Property Management	11,336	11,420	11,511	11,601	11,692	13,152	13,249	13,348	13,452	13,557	15,247
	80,136	82,504	84,958	87,492	90,108	94,177	96,968	99,859	102,845	105,933	110,698
Net Operating Income	146,587	145,895	145,264	144,536	143,741	168,860	168,020	167,095	166,195	165,207	194,247

Income & Expense Statement Yearly Snapshot
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
REVENUE											
Potential Gross Income	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410	320,995
Less: Vacancy & Credit Loss Allowance	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271	16,050
Effective Gross Income	226,723	228,399	230,222	232,029	233,849	263,037	264,988	266,954	269,040	271,140	304,945
Operating Expenses	80,136	82,504	84,958	87,492	90,108	94,177	96,968	99,859	102,845	105,933	110,698
Net Operating Income	146,587	145,895	145,264	144,536	143,741	168,860	168,020	167,095	166,195	165,207	194,247

Operating Cash Flow Yearly
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

	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	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410
Less: Vacancy & Credit Loss Allow.	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271
Effective Gross Income	226,723	228,399	230,222	232,029	233,849	263,037	264,988	266,954	269,040	271,140
Operating Expenses	80,136	82,504	84,958	87,492	90,108	94,177	96,968	99,859	102,845	105,933
Net Operating Income	146,587	145,895	145,264	144,536	143,741	168,860	168,020	167,095	166,195	165,207
Less: Principal Payments	14,533	15,584	16,710	17,919	19,214	20,603	22,092	23,689	25,402	27,238
Interest payments	66,040	64,989	63,862	62,654	61,359	59,970	58,481	56,884	55,171	53,335
CASH FLOW BEFORE TAX	66,014	65,322	64,691	63,963	63,168	88,287	87,447	86,522	85,622	84,634
Less: Income Tax at 35.00%	19,594	19,343	19,516	19,684	19,859	29,137	29,364	29,600	29,884	30,558
CASH FLOW AFTER TAX	46,420	45,979	45,175	44,279	43,309	59,150	58,083	56,923	55,738	54,076
INCOME TAX CALCULATIONS										
Net Operating Income	146,587	145,895	145,264	144,536	143,741	168,860	168,020	167,095	166,195	165,207
Less: Interest Payments	66,040	64,989	63,862	62,654	61,359	59,970	58,481	56,884	55,171	53,335
Depreciation & Amortization	24,564	25,641	25,641	25,641	25,641	25,641	25,641	25,641	25,641	24,564
Taxable Income	55,983	55,265	55,760	56,241	56,741	83,249	83,898	84,570	85,383	87,308
Income Tax at 35.00%	19,594	19,343	19,516	19,684	19,859	29,137	29,364	29,600	29,884	30,558

Net Cash Flow (Before Tax)
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Year	Investment	Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (1,648,000)	\$ 950,000	-	\$ 66,014	-	\$ (631,986)
Year 2 Jan-Year 2 Dec	-	-	-	65,322	-	65,322
Year 3 Jan-Year 3 Dec	-	-	-	64,691	-	64,691
Year 4 Jan-Year 4 Dec	-	-	-	63,963	-	63,963
Year 5 Jan-Year 5 Dec	-	-	-	63,168	-	63,168
Year 6 Jan-Year 6 Dec	-	-	-	88,287	-	88,287
Year 7 Jan-Year 7 Dec	-	-	-	87,447	-	87,447
Year 8 Jan-Year 8 Dec	-	-	-	86,522	-	86,522
Year 9 Jan-Year 9 Dec	-	-	-	85,622	-	85,622
Year 10 Jan-Year 10 Dec	-	-	(747,016)	84,634	2,233,842	1,571,460
					Total	\$ 1,544,497

Financial Returns (Before Tax) with Financing

Internal Rate of Return (IRR)	15.69%
Net Present Value (NPV) at 13.00%	\$ 133,484
Modified Internal Rate of Return (MIRR)	12.79%
Short Term Financing Rate (Before Tax)	7.500%
Short Term Reinvestment Rate (Before Tax)	2.500%

Financial Returns (Before Tax) without Financing

Internal Rate of Return (IRR)	11.40%
Net Present Value (NPV) at 13.00%	(\$ 159,246)
Modified Internal Rate of Return (MIRR)	9.21%
Short Term Financing Rate (Before Tax)	7.500%
Short Term Reinvestment Rate (Before Tax)	2.500%

Net Cash Flow (After Tax)
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Year	Investment	Financing		Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)
		Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (1,648,000)	\$ 950,000	-	\$ 46,420	-	\$ (651,580)
Year 2 Jan-Year 2 Dec	-	-	-	45,979	-	45,979
Year 3 Jan-Year 3 Dec	-	-	-	45,175	-	45,175
Year 4 Jan-Year 4 Dec	-	-	-	44,279	-	44,279
Year 5 Jan-Year 5 Dec	-	-	-	43,309	-	43,309
Year 6 Jan-Year 6 Dec	-	-	-	59,150	-	59,150
Year 7 Jan-Year 7 Dec	-	-	-	58,083	-	58,083
Year 8 Jan-Year 8 Dec	-	-	-	56,923	-	56,923
Year 9 Jan-Year 9 Dec	-	-	-	55,738	-	55,738
Year 10 Jan-Year 10 Dec	-	-	(747,016)	54,076	2,082,402	1,389,462
					Total	\$ 1,146,517

Financial Returns (After Tax) with Financing

Internal Rate of Return (IRR)	12.23%
Net Present Value (NPV) at 8.45%	\$ 223,450
Modified Internal Rate of Return (MIRR)	10.42%
Short Term Financing Rate (After Tax)	4.875%
Short Term Reinvestment Rate (After Tax)	1.625%

Financial Returns (After Tax) without Financing

Internal Rate of Return (IRR)	8.40%
Net Present Value (NPV) at 8.45%	(\$ 5,632)
Modified Internal Rate of Return (MIRR)	7.09%
Short Term Financing Rate (After Tax)	4.875%
Short Term Reinvestment Rate (After Tax)	1.625%

Present Value Appraisal
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

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	146,587	0.88495575	129,723				129,723
Year 2 Jan-Year 2 Dec	145,895	0.78314668	114,257				114,257
Year 3 Jan-Year 3 Dec	145,264	0.69305016	100,675				100,675
Year 4 Jan-Year 4 Dec	144,536	0.61331873	88,647				88,647
Year 5 Jan-Year 5 Dec	143,741	0.54275994	78,017				78,017
Year 6 Jan-Year 6 Dec	168,860	0.48031853	81,107				81,107
Year 7 Jan-Year 7 Dec	168,020	0.42506064	71,419				71,419
Year 8 Jan-Year 8 Dec	167,095	0.37615986	62,854				62,854
Year 9 Jan-Year 9 Dec	166,195	0.33288483	55,324				55,324
Year 10 Jan-Year 10 Dec	165,207	0.29458835	48,668	2,233,842	0.29458835	658,064	706,732
		Present Values	830,691			658,064	1,488,755

CASH FLOW. PRESENT VALUE SUMMARY

Present Value Net Operating Income	830,691	55.80%
Present Value of Reversion (Sale)	658,064	44.20%
Present Value at 13.00%	1,488,755	100.00%

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

Revenue Calculations. Yearly
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Base Rent	180,000	180,000	180,000	180,000	180,000	208,680	208,680	208,680	208,680	208,680
Free Rent Adjustment	(144)	(144)	-	-	-	-	-	-	-	-
	179,856	179,856	180,000	180,000	180,000	208,680	208,680	208,680	208,680	208,680
Recoverable Expenses	48,000	49,440	50,880	52,440	54,000	55,680	57,360	59,040	60,840	62,640
Parking	10,800	11,124	11,459	11,801	12,157	12,521	12,895	13,284	13,680	14,090
Total	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410

Revenue Calculations. Yearly
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Year 11

REVENUE

Base Rent	241,920
Free Rent Adjustment	-
	<hr/>
	241,920
Recoverable Expenses	64,560
Parking	14,515
Total	320,995

Expense Calculations Yearly
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

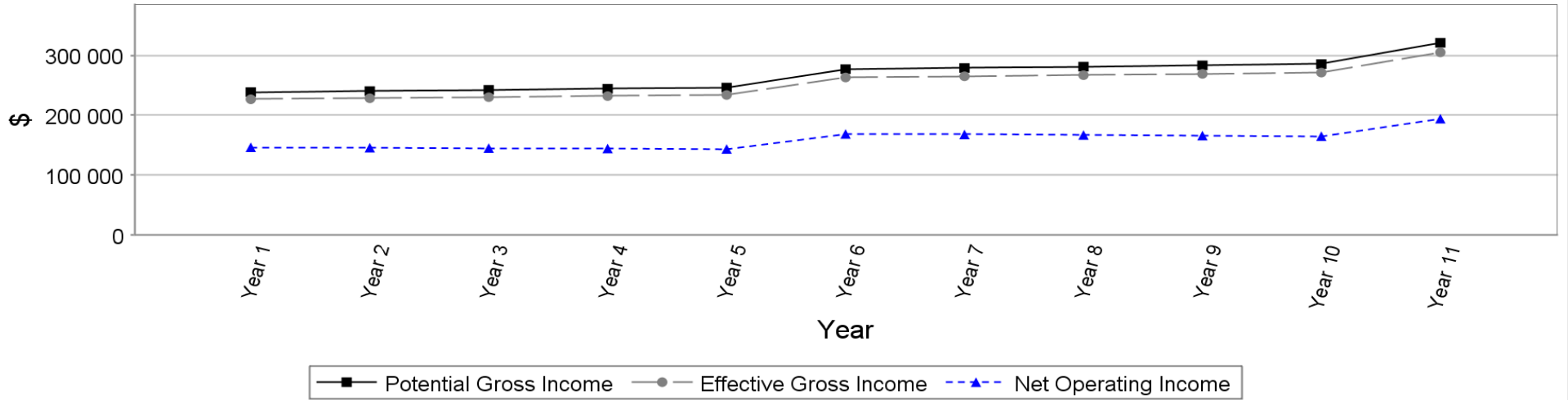
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Property Taxes	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317
Insurance	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	14,802
Maintenance	12,000	12,480	12,984	13,500	14,040	14,604	15,180	15,792	16,428	17,076	17,760
Utilities	16,800	17,304	17,820	18,360	18,912	19,476	20,064	20,664	21,276	21,924	22,572
Property Management											
Potential Gross Income. Gen Revenue	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410	320,995
Less: Vacancy Allowance	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271	16,050
Effective Gross Income. Gen Revenue	226,723	228,399	230,222	232,029	233,849	263,037	264,988	266,954	269,040	271,140	304,945
% of Effective Gross Income. Gen Revenue	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	11,336	11,420	11,511	11,601	11,692	13,152	13,249	13,348	13,452	13,557	15,247
Total	80,136	82,504	84,958	87,492	90,108	94,177	96,968	99,859	102,845	105,933	110,698

Vacancy & Credit Loss. Yearly
Pentium Place
12,000 Sq. Ft Office Building

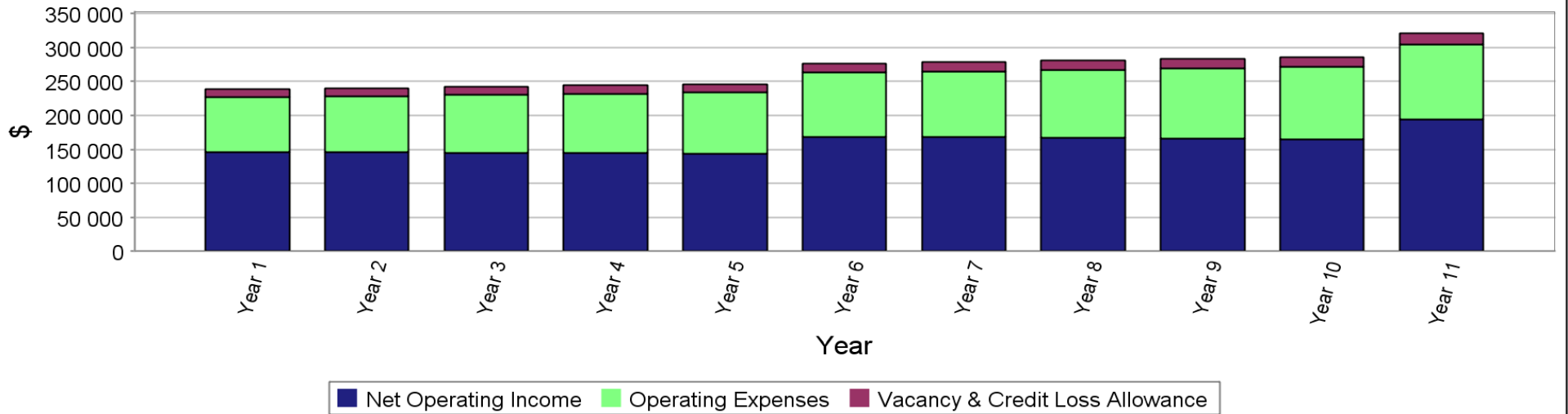
September 28, 2009
Investit Decisions
Real Estate Investment Yearly

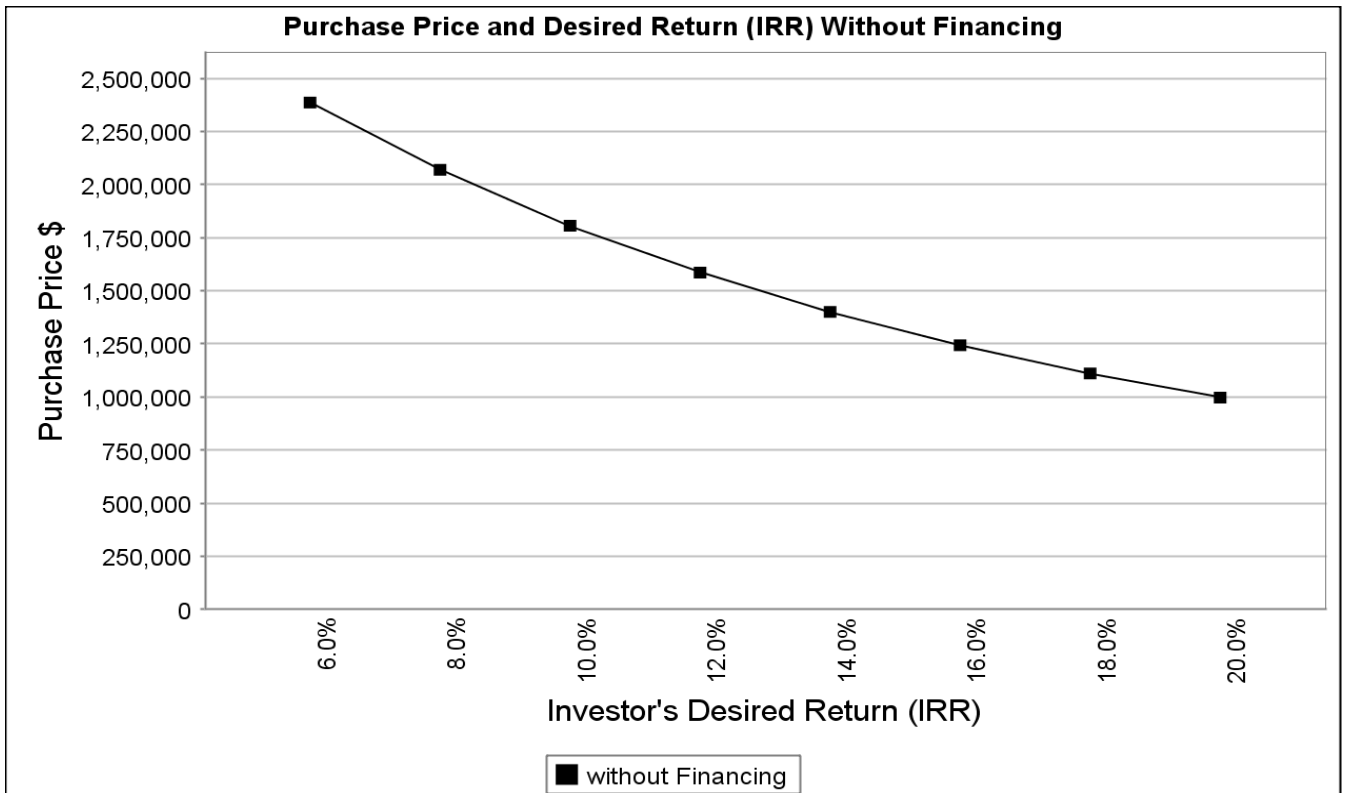
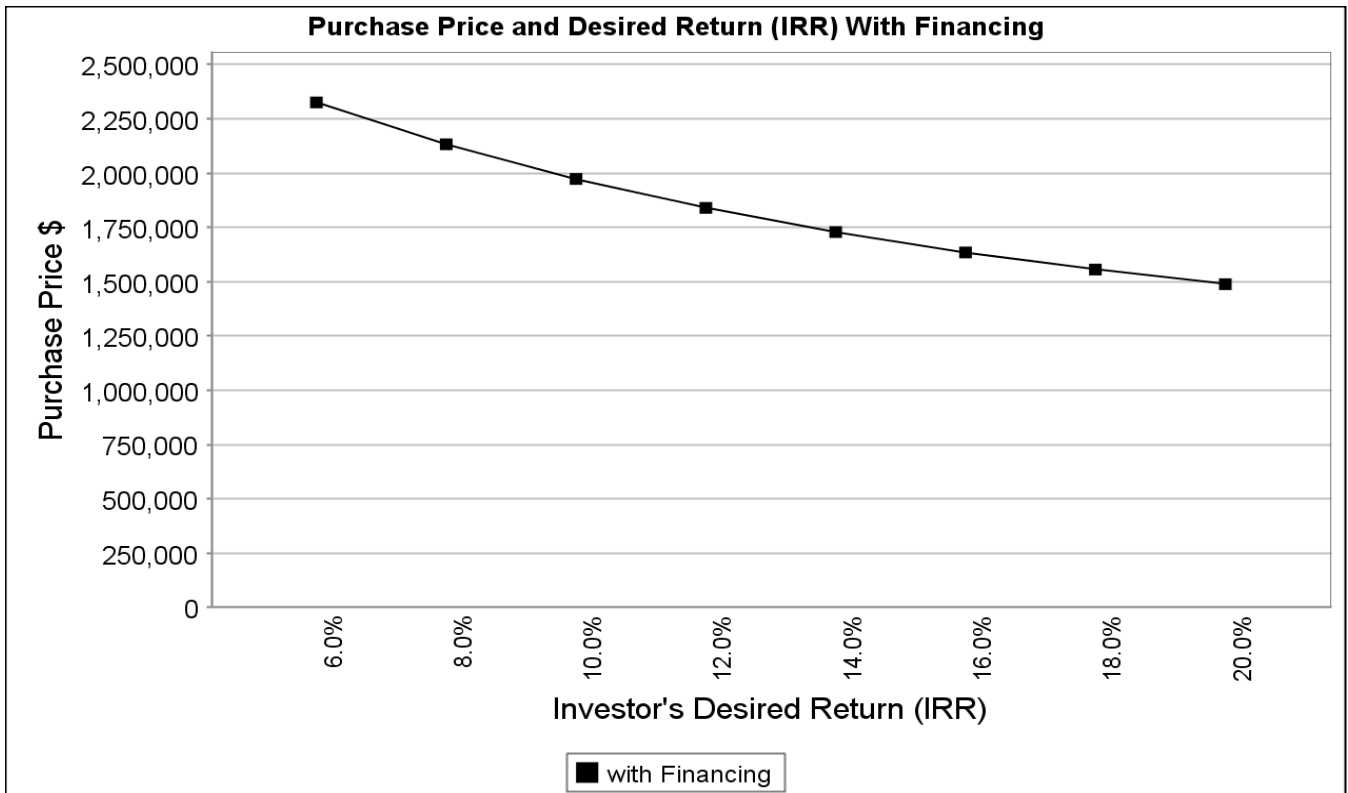
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
VACANCY & CREDIT LOSS											
Revenue	238,656	240,420	242,339	244,241	246,157	276,881	278,935	281,004	283,200	285,410	320,995
	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271	16,050
TOTAL VACANCY	11,933	12,021	12,117	12,212	12,308	13,844	13,947	14,050	14,160	14,271	16,050

Income & Expenses



Income Distribution





Financial Measures Summary
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Financial Returns.

Cap Rate using the investment in Year 1 of \$ 1,648,000 8.89%

		<u>With Financing</u>	<u>Without Financing</u>
Internal Rate of Return (IRR)	Before Tax	15.69%	11.40%
	After Tax	12.23%	8.40%
Net Present Value (NPV)	Before Tax	\$ 133,484 at 13.00%	(\$ 159,246) at 13.00%
	After Tax	\$ 223,450 at 8.45%	(\$ 5,632) at 8.45%
Modified Internal Rate of Return (MIRR)	Before Tax	12.79%	9.21%
	Short Term Financing Rate (Before Tax)	7.50%	7.50%
	Short Term Reinvestment Rate (Before Tax)	2.50%	2.50%
Modified Internal Rate of Return (MIRR)	After Tax	10.42%	7.09%
	Short Term Financing Rate (After Tax)	4.88%	4.88%
	Short Term Reinvestment Rate (Before Tax)	1.63%	1.63%

Financial Operating Ratios

Year	Debt Coverage Ratio	Default Ratio (Breakeven) (Using PGI)	Overall Operating Expense Ratio (Using PGI)
Year 1	1.82	67.34%	33.58%
Year 2	1.81	67.83%	34.32%
Year 3	1.80	68.31%	35.06%
Year 4	1.79	68.81%	35.82%
Year 5	1.78	69.34%	36.61%
Year 6	2.10	63.11%	34.01%
Year 7	2.09	63.65%	34.76%
Year 8	2.07	64.21%	35.54%
Year 9	2.06	64.77%	36.32%
Year 10	2.05	65.35%	37.12%

Financial Measures Summary
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Cash on Cash Returns

Year	Based on Initial Equity in Year 1				Based on Adjusted Annual Equity			
	Cash on Cash Before Tax		Cash on Cash After Tax		Cash on Cash Before Tax		Cash on Cash After Tax	
	Annual	Average	Annual	Average	Annual	Average	Annual	Average
Year 1	9.46%	9.46%	6.65%	6.65%	9.46%	9.46%	6.65%	6.65%
Year 2	9.36%	9.41%	6.59%	6.62%	9.36%	9.41%	6.59%	6.62%
Year 3	9.27%	9.36%	6.47%	6.57%	9.27%	9.36%	6.47%	6.57%
Year 4	9.16%	9.31%	6.34%	6.51%	9.16%	9.31%	6.34%	6.51%
Year 5	9.05%	9.26%	6.20%	6.45%	9.05%	9.26%	6.20%	6.45%
Year 6	12.65%	9.82%	8.47%	6.79%	12.65%	9.82%	8.47%	6.79%
Year 7	12.53%	10.21%	8.32%	7.01%	12.53%	10.21%	8.32%	7.01%
Year 8	12.40%	10.48%	8.16%	7.15%	12.40%	10.48%	8.16%	7.15%
Year 9	12.27%	10.68%	7.99%	7.24%	12.27%	10.68%	7.99%	7.24%
Year 10	12.13%	10.83%	7.75%	7.29%	12.13%	10.83%	7.75%	7.29%

IRR & MIRR Year by Year (Before Tax)Pentium Place
12,000 Sq. Ft Office BuildingSeptember 28, 2009
Investit Decisions
Real Estate Investment Yearly

<u>Year</u>	<u>Investment Year 1</u>	<u>Estimated Sale Price</u>	<u>IRR (Before Tax)</u>	<u>MIRR (Before Tax)</u>
Year 1 Jan-Year 1 Dec	\$ (1,648,000)			
Year 2 Jan-Year 2 Dec		1,815,797	12.95%	12.51%
Year 3 Jan-Year 3 Dec		1,806,704	11.96%	11.21%
Year 4 Jan-Year 4 Dec		1,796,761	11.43%	10.42%
Year 5 Jan-Year 5 Dec		2,110,749	17.01%	15.19%
Year 6 Jan-Year 6 Dec		2,100,250	15.89%	13.89%
Year 7 Jan-Year 7 Dec		2,088,689	15.09%	12.91%
Year 8 Jan-Year 8 Dec		2,077,438	14.51%	12.15%
Year 9 Jan-Year 9 Dec		2,065,086	14.06%	11.52%
Year 10 Jan-Year 10 Dec		2,428,090	15.69%	12.79%

Modified Internal Rate of Return (MIRR)

Short Term Financing Rate (Before Tax)	7.500%
Short Term Reinvestment Rate (Before Tax)	2.500%

Goal Seeking Results
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

SUMMARY

	Internal Rate of Return (IRR)	Buy	Sell	Compounding Appreciation Rate
BEFORE TAX				
With Financing				
Based on data entered	15.69%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	13.00%	\$ 1,781,484	\$ 2,428,090	3.15%
	13.00%	\$ 1,648,000	\$ 1,935,571	1.62%
Without Financing				
Based on data entered	11.40%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	13.00%	\$ 1,488,754	\$ 2,428,090	5.01%
	13.00%	\$ 1,648,000	\$ 3,015,661	6.23%
AFTER TAX				
With Financing				
Based on data entered	12.23%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,892,210	\$ 2,428,090	2.52%
	8.45%	\$ 1,648,000	\$ 1,785,006	0.80%
Without Financing				
Based on data entered	8.40%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,641,845	\$ 2,428,090	3.99%
	8.45%	\$ 1,648,000	\$ 2,444,295	4.02%

GOAL SEEKING RESULTS BEFORE TAX

With Financing

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 1,781,484 and sell for \$ 2,428,090 in 10 years which is 3.15% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,935,571 in 10 years which is 1.62% compounding increase in value per year.

Without Financing

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 1,488,754 and sell for \$ 2,428,090 in 10 years which is 5.01% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 3,015,661 in 10 years which is 6.23% compounding increase in value per year.

GOAL SEEKING RESULTS AFTER TAX

With Financing

To achieve an Internal Rate of Return (IRR) of 8.45% after tax, you would have to either:

- a) Buy the property for \$ 1,892,210 and sell for \$ 2,428,090 in 10 years which is 2.52% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,785,006 in 10 years which is 0.80% compounding increase in value per year.

Without Financing

To achieve an Internal Rate of Return (IRR) of 8.45% after tax, you would have to either:

- a) Buy the property for \$ 1,641,845 and sell for \$ 2,428,090 in 10 years which is 3.99% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 2,444,295 in 10 years which is 4.02% compounding increase in value per year.

INVESTMENT TAB ENTRIES. Allocations of the Purchase Price between Land and Improvements to achieve the desired Internal Rate of Return (IRR)

	%	BEFORE TAX		AFTER TAX	
		With Financing 13.00% IRR	No Financing 13.00% IRR	With Financing 8.450% IRR	No Financing 8.450% IRR
Land	39.32%	700,486	585,384	744,025	645,580
Improvements	60.68%	1,080,998	903,370	1,148,186	996,265
Purchase Price (Year 1 Total)	100.00%	\$ 1,781,484	\$ 1,488,754	\$ 1,892,210	\$ 1,488,754

Notes:

The allocation of the Purchase Price between Land and Improvements uses the same % allocation used in the First Year of the Investment Folder grid.

The Purchase Price (Year 1 Total) excludes entries using the Depreciation methods "Amort. Mortgage Fees" and "Amortize"

Cash Flow from Sale
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

Cash Flow from Sale (Before Tax)

Sale Price		\$	2,428,090
Less: Real Estate Commission			121,404
Selling Expenses			24,281
Legal			48,562
Net Sale Price			2,233,842
Less: Mortgage Repayment			747,016
Cash Flow from Sale (Before Tax)			1,486,826

Cash Flow from Sale (After Tax)

Net Sale Price			2,233,842
Less: Capital Gains Tax			
Net Sale Price	2,233,842		
Less Cost Basis	1,648,000		
Capital Gains	585,842	x 15.00%	87,876
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale	1,000,000		
Less Adjusted Basis	745,744		
Recaptured Depreciation	254,256	x 25.00%	63,564
Net Proceeds (After Tax)			2,082,402
Less: Mortgage Repayment			747,016
Cash Flow from Sale (After Tax)			1,335,386

Input Data Summary
Pentium Place
12,000 Sq. Ft Office Building

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Investit Decisions
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Investment Analysis

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
Purchase Price	\$ 1,600,000
Acquisition Cost	48,000 3.00%
Total Purchase Price	<u>\$ 1,648,000</u>
Building Area	14,000 Sq. Ft
Rentable Area	12,000 Sq. Ft
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:	2.500%
After Tax:	1.625%

Short Term Financing Rates

Before Tax:	7.500%
After Tax:	4.875%

Investment information

Input Data Summary
Pentium Place
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Active Investor with no Loss limitation

Total Invested in Year 1 is \$ 1,648,000

	Investment Type	Date	Amount	Recovery Period Years
Land	Land (No Depreciation)	Jan, Year 1	\$ 648,000	-
Improvements	Commercial Property. Straight Line	Jan, Year 1	\$ 1,000,000	39.00

Financing

First Mortgage

Starts: January Year 1
Type: Standard Mortgage
Amount: \$ 950,000
Interest Rate: Fixed
Payment Frequency: Monthly
Compounding Frequency: Monthly
Addit. Payments/Borrowing: No
Rounding: Up to Nearest Cent
No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	11 yrs & 0 mos	7.000%	25 yrs & 0 mos

Sale Information

Sale price at the end of 10 years is \$ 2,428,090 based on the income for the year following sale and a Cap Rate of 8.00%

Selling Expenses

Selling Expenses 1.00% of the Sale Price
Legal 2.00% 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
Pentium Place
12,000 Sq. Ft Office Building

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EXPENSES PROJECTIONS

Property Taxes

Entry Choice: Amount

Year 1 \$30,000
 Compounding at 3.00% per year for next 10 years

Insurance

Entry Choice: Amount

Year 1 \$10,000
 Compounding at 4.00% per year for next 10 years

Maintenance

Entry Choice: \$ per Month

Year 1 \$1,000 per Month for 1 year
 Compounding at 4.00% per year for next 10 years

Utilities

Entry Choice: \$ per Month

Year 1 \$1,400 per Month for 1 year
 Compounding at 3.00% per year for next 10 years

Property Management

Entry Choice: % of Effective Gross Income

Year 1 5.00% of Effective Gross Income
 Constant per year for next 10 years

REVENUE PROJECTIONS

Base Rent

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

Quantity: 12,000

Year 1 Jan Stepped Projection (Lease)
 Term 1: \$15.00 per Unit of Total Rentable Area per Year for 5 years
 Term 2: Increased by 3.00% compounding per year to \$17.39 per Unit of Total Rentable Area per Year for 5 years
 Term 3: Increased by 3.00% compounding per year to \$20.16 per Unit of Total Rentable Area per Year for 1 year

Free Rent

Entry Choice: % of Rent

Year 1 0.08%
 Constant per year for next 0 year

Projection Descriptions
Pentium Place
12,000 Sq. Ft Office Building

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Year 1 0.08%. Single Entry
Year 2 0.08%. Single Entry

Recoverable Expenses

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

Quantity: 12,000

Year 1 \$4.00 per Unit of Total Rentable Area per Year
 Compounding at 3.00% per year for next 10 years

Parking

Entry Choice: \$ per Space per Month

Quantity: 30

Year 1 \$30.00 per Space per Month for 1 year
 Compounding at 3.00% per year for next 10 years

Depreciation Schedules
Pentium Place
12,000 Sq. Ft Office Building

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Improvements

Starting Date: Year 1 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 \$ 1,000,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Depreciation Bonus	Undepreciated Balance
Yr. 1 Jan-Yr. 1 Dec	\$ 1,000,000	\$ 1,000,000	\$ 24,564	-	\$ 975,436
Yr. 2 Jan-Yr. 2 Dec		975,436	25,641		949,795
Yr. 3 Jan-Yr. 3 Dec		949,795	25,641		924,154
Yr. 4 Jan-Yr. 4 Dec		924,154	25,641		898,513
Yr. 5 Jan-Yr. 5 Dec		898,513	25,641		872,872
Yr. 6 Jan-Yr. 6 Dec		872,872	25,641		847,231
Yr. 7 Jan-Yr. 7 Dec		847,231	25,641		821,590
Yr. 8 Jan-Yr. 8 Dec		821,590	25,641		795,949
Yr. 9 Jan-Yr. 9 Dec		795,949	25,641		770,308
Yr. 10 Jan-Yr. 10 Dec		770,308	24,564		745,744
Total	\$ 1,000,000		\$ 254,256	-	

Mortgage Schedule
Pentium Place
12,000 Sq. Ft Office Building

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Investit Decisions
Real Estate Investment Yearly

First Mortgage

Amount: \$ 950,000
Type: Standard Mortgage
Analysis Start Date: January Year 1
Mortgage Commences: January Year 1
Payment Frequency: Monthly
Payment Rounded: Up to Nearest Cent
Compounding Frequency: Monthly
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	11	0	7.000 %	25	0

	Outstanding Balance	End of Year Accrued Interest	Mortgage Payout
Payout at end of Analysis Period: Dec Year 10	\$ 747,015.96	-	\$ 747,015.96
Payout at end of last Term: Dec Year 11	\$ 717,808.92	-	\$ 717,808.92

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	80,572.92	66,039.59	14,533.33	-	935,466.67
Year 2 Jan-Year 2 Dec	80,572.92	64,988.98	15,583.94	-	919,882.73
Year 3 Jan-Year 3 Dec	80,572.92	63,862.43	16,710.49	-	903,172.24
Year 4 Jan-Year 4 Dec	80,572.92	62,654.41	17,918.51	-	885,253.73
Year 5 Jan-Year 5 Dec	80,572.92	61,359.10	19,213.82	-	866,039.91
Year 6 Jan-Year 6 Dec	80,572.92	59,970.12	20,602.80	-	845,437.11
Year 7 Jan-Year 7 Dec	80,572.92	58,480.75	22,092.17	-	823,344.94
Year 8 Jan-Year 8 Dec	80,572.92	56,883.70	23,689.22	-	799,655.72
Year 9 Jan-Year 9 Dec	80,572.92	55,171.19	25,401.73	-	774,253.99
Year 10 Jan-Year 10 Dec	80,572.92	53,334.89	27,238.03	-	747,015.96
Year 11 Jan-Year 11 Dec	80,572.92	51,365.88	29,207.04	-	717,808.92
	886,302.12	654,111.04	232,191.08	-	