

**Cash Flow & Resale Assumptions - Years 1-10**  
**The RealData Building**

9/10/2007

10:43 AM

Property Type: Office Building

**Purchase**

Purchase Price, Real Property	1,000,000
Purchase Price, Personal Property	0
Required Cash Investment (Calculated Value)	481,000
Closing Costs, Capitalized	8,000

**Financing**

	<b>First Mortgage</b>		<b>Second Mortgage</b>		<b>Third Mortgage</b>	
Year this Loan Begins	2007		2007		2008	
Month this Loan Begins	3		4		4	
Principal Amount (\$ or % of purchase price)	0.65		100,000		15,000	
Term of Loan, in Months	240		12		0	
Interest Only? For How Many Months?	<input type="checkbox"/> 0		<input type="checkbox"/> 0		<input checked="" type="checkbox"/> 0	
Monthly Payment to Override Calculation	0.00		0.00		0.00	
Number of Points	2.00		0.00		0.00	
Number of Months to Amortize Points	240		12		0	
Dollar Value of Points	13,000		0		0	

<b>First Mortgage</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 650,000 for 20 years	Annual Rate:	9.50%	10.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Monthly Payment		6,058.86	6,267.02	6,678.14	6,678.14	6,678.14	6,678.14	0.00	0.00	0.00	0.00
Loan Balance, End of Year		640,538	628,862	617,329	604,461	590,105	574,087	0	0	0	0

<b>Second Mortgage</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 100,000 for 1 year	Annual Rate:	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Monthly Payment		8,861.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Balance, End of Year		26,083	0	0	0	0	0	0	0	0	0

<b>Third Mortgage</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 15,000 until resale	Annual Rate:	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Monthly Payment		0.00	150.00	150.00	150.00	150.00	150.00	0.00	0.00	0.00	0.00
Loan Balance, End of Year		0	15,000	15,000	15,000	15,000	15,000	0	0	0	0

**Balloon Existing Loans, and Refinance**

Refinance in Year	2013	month	1								
Refinance Amount	0	or	55.00% of market value	or	<input type="checkbox"/> sum of existing loan balances	789,415 = refinance amount used					
Term of New Loan, in Months	240										
Number of Points	0.00		number of months to amortize points		240		0 = dollar value of points				

  

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Sum of Loan Balances, End of Year	666,621	643,862	632,329	619,461	605,105	589,087	0	0	0	0
Annual Interest Rate of New Loan	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Monthly Payment	0.00	0.00	0.00	0.00	0.00	0.00	7,618.03	7,618.03	7,618.03	7,618.03

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**Resale**

Sale Expected at End of Year... 2026  
 Cost of Sale as a % of Selling Price 7.00%

Estimate Selling Price by... (enter rate below)

- Capitalization of Net Operating Income 11.50%
- Appreciation Rate 4.00%
- Gross Rent Multiplier 7.00

If Capitalizing NOI Then Use...

- Current Year's Net Operating Income
- Next Year's Net Operating Income

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Selling Price, Calculated	1,197,200	1,201,100	1,286,300	1,337,200	1,409,400	1,435,300	1,448,400	1,456,200	1,478,700	1,482,500
Selling Price to Override Calculation	0	0	0	0	0	0	0	0	0	0
Personal Property Selling Price	0	0	0	0	0	0	0	0	0	0

**Taxes**

Depreciable Amount (\$ or % of price) 0.70  
 Depreciable Amount Used 708,000

Depreciation Type

- 27.5-Year Straight Line for Residential Income Property Only
- 39-Year Straight Line for Non-Residential Income Property Only
- Optional 40-Year Straight Line for Residential or Non-Residential
- Other Straight Line 100 years

Loss Allowance (see IRS Publication 925)

- Investor participates actively
- Investor qualifies as a real estate professional according to Revenue Reconciliation Act of 1993

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Marginal Tax Bracket	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Investor's Estimated Adjusted Gross Income	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000

**Capital Improvements and Funded Reserves**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Improvements	10,000	8,000	2,000	0	0	0	5,000	0	0	0
Funded Reserves	100,000	0	0	0	0	0	0	0	0	0
Interest Rate Earned on Reserves	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<input checked="" type="checkbox"/> Use reserves to offset negative cash flows										
<input type="checkbox"/> Apply reserves (if available) as follows:	0	0	0	0	0	0	0	0	0	0

**Cash Flow & Resale Assumptions - Years 11-20**  
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Property Type: Office Building

**Financing**

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>First Mortgage</b>											
\$ 650,000 for 20 years	Annual Rate:	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Monthly Payment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Balance, End of Year		0	0	0	0	0	0	0	0	0	0
<b>Second Mortgage</b>											
\$ 100,000 for 1 year	Annual Rate:	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Monthly Payment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Balance, End of Year		0	0	0	0	0	0	0	0	0	0
<b>Third Mortgage</b>											
\$ 15,000 until resale	Annual Rate:	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Monthly Payment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Balance, End of Year		0	0	0	0	0	0	0	0	0	0

Balloon Existing Loans, and Refinance

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sum of Loan Balances, End of Year	0	0	0	0	0	0	0	0	0	0
Annual Interest Rate of New Loan	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Monthly Payment	7,618.03	7,618.03	7,618.02	7,618.02	7,618.02	7,618.02	7,618.02	7,618.02	7,618.02	7,618.02

**Resale**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Selling Price, Calculated	1,481,500	1,480,400	1,479,200	1,477,900	1,476,400	1,474,700	1,472,900	1,470,900	1,468,800	1,466,500
Selling Price to Override Calculation	0	0	0	0	0	0	0	0	0	0
Personal Property Selling Price	0	0	0	0	0	0	0	0	0	0

**Taxes**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Marginal Tax Bracket	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Investor's Estimated Adjusted Gross Income	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000

**Capital Improvements and Funded Reserves**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capital Improvements	0	0	0	0	0	0	0	0	0	0
Funded Reserves	0	0	0	0	0	0	0	0	0	0
Interest Rate Earned on Reserves	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<input type="checkbox"/> Apply reserves (if available) as follows:	0	0	0	0	0	0	0	0	0	0