

Cash Flow and Resale Detailed Report - Years 1-10
The RealData Building - ANALYSIS OF TAXABLE INCOME OR LOSS

09/10/07
10:44 AM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GROSS INCOME	153,458	187,546	199,343	206,944	217,228	221,829	224,910	227,380	231,714	233,796
- Vacancy & Credit Allowance	4,604	5,626	5,980	6,208	6,517	6,655	6,747	6,821	6,951	7,014
- Operating Expenses	34,121	43,796	45,439	46,960	48,627	50,118	51,594	53,093	54,713	56,296
NET OPERATING INCOME	114,734	138,123	147,924	153,775	162,084	165,056	166,568	167,465	170,049	170,486
Capitalization Rate	12.37%	12.32%	12.26%	12.33%	13.00%	13.24%	13.30%	13.38%	13.58%	13.62%
Debt Coverage Ratio	0.82	1.34	1.81	1.88	1.98	2.01	1.82	1.83	1.86	1.86
- Interest, First Mortgage	51,126	63,528	68,605	67,270	65,781	64,120	0	0	0	0
- Interest, Second Mortgage	5,837	502	0	0	0	0	0	0	0	0
- Interest, Third Mortgage	0	1,350	1,800	1,800	1,800	1,800	0	0	0	0
- Interest, Refinance	0	0	0	0	0	0	78,354	76,986	75,475	73,805
- Depreciation, Real Property	14,372	18,154	18,154	18,154	18,154	18,154	18,154	18,154	18,154	18,154
- Depreciation (39-year), Capital Improvements	203	453	511	513	513	513	636	641	641	641
- Depreciation, Tenant Improvements	2,091	2,641	4,346	5,265	5,821	5,821	5,821	5,821	5,821	5,821
- Depreciation, Personal Property	0	0	0	0	0	0	0	0	0	0
- Amortization of Leasing Commissions	0	0	2,163	3,809	6,770	4,607	2,961	2,095	2,095	0
- Amortization of Points, First Mortgage	542	650	650	650	650	9,858	0	0	0	0
- Amortization of Points, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Refinance	0	0	0	0	0	0	0	0	0	0
+ Interest, Funded Reserves	3,333	2,989	3,109	2,121	2,206	2,294	2,386	2,481	2,580	2,684
INCOME OR (LOSS)	43,897	53,835	54,804	58,436	64,801	62,477	63,029	66,250	70,445	74,749
(LOSS) UTILIZED THIS YEAR	0	0	0	0	0	0	0	0	0	0
TAXABLE INCOME	43,897	53,835	54,804	58,436	64,801	62,477	63,029	66,250	70,445	74,749

ANALYSIS OF OPERATING CASH FLOWS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NET OPERATING INCOME	114,734	138,123	147,924	153,775	162,084	165,056	166,568	167,465	170,049	170,486
- Debt Service, First Mortgage	60,589	75,204	80,138	80,138	80,138	80,138	0	0	0	0
- Debt Service, Second Mortgage	79,754	26,584	0	0	0	0	0	0	0	0
- Debt Service, Third Mortgage	0	1,350	1,800	1,800	1,800	1,800	0	0	0	0
- Debt Service, Refinance	0	0	0	0	0	0	91,416	91,416	91,416	91,416
+ Proceeds of Second Mortgage, Less Pts (after BOY 1)	100,000	0	0	0	0	0	0	0	0	0
+ Proceeds of Third Mortgage, Less Pts (after BOY 1)	0	15,000	0	0	0	0	0	0	0	0
+ Proceeds of Refinance, Less Points	0	0	0	0	0	0	200,328	0	0	0
- Funded Reserves*	100,000	0	0	0	0	0	0	0	0	0
Interest Earned on Funded Reserves	3,333	2,989	3,109	2,121	2,206	2,294	2,386	2,481	2,580	2,684
- Capital Additions*	10,000	8,000	2,000	0	0	0	5,000	0	0	0
- Tenant Improvements	103,000	0	84,000	40,000	0	0	0	0	0	0
- Leasing Commissions	0	0	7,787	6,240	10,473	0	0	0	0	0
CASH FLOW BEFORE TAXES	(28,608)	41,985	(27,801)	25,598	69,674	83,118	270,480	76,049	78,633	79,070
Cash on Cash Return (CFBT/Initial investment)	-7.14%	8.73%	-5.78%	5.32%	14.49%	17.28%	56.23%	15.81%	16.35%	16.44%
Reserves Utilized	28,608	0	27,801	0	0	0	0	0	0	0
Reserves Remaining	74,725	77,714	53,022	55,142	57,348	59,642	62,028	64,509	67,089	69,773
NET CASH FLOW AFTER UTILIZING RESERVES	0	41,985	0	25,598	69,674	83,118	270,480	76,049	78,633	79,070
- Income Tax Attributable to Property	12,291	15,074	15,345	16,362	18,144	17,494	17,648	18,550	19,725	20,930
CASH FLOW AFTER TAXES AND RESERVES	(12,291)	26,911	(15,345)	9,236	51,529	65,625	252,832	57,498	58,908	58,140
Cumulative Cash Flow After Taxes	(12,291)	14,620	(725)	8,510	60,040	125,664	378,496	435,995	494,903	553,043

Cash Flow and Resale Detailed Report - Years 11-20
The RealData Building - ANALYSIS OF TAXABLE INCOME OR LOSS

09/10/07
10:44 AM

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
GROSS INCOME	235,346	236,939	238,575	240,257	241,985	243,761	245,586	247,463	249,392	251,376
- Vacancy & Credit Allowance	7,060	7,108	7,157	7,208	7,260	7,313	7,368	7,424	7,482	7,541
- Operating Expenses	57,911	59,580	61,308	63,094	64,943	66,855	68,834	70,881	72,999	75,191
NET OPERATING INCOME	170,375	170,250	170,110	169,955	169,782	169,593	169,385	169,158	168,911	168,644
Capitalization Rate	13.61%	13.60%	13.59%	13.57%	13.56%	13.55%	13.53%	13.51%	13.49%	13.47%
Debt Coverage Ratio	1.86	1.86	1.86	1.86	1.86	1.86	1.85	1.85	1.85	1.84
- Interest, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Refinance	71,961	69,924	67,673	65,187	62,441	59,407	56,055	52,352	48,262	43,743
- Depreciation, Real Property	18,154	18,154	18,154	18,154	18,154	18,154	18,154	18,154	18,154	18,154
- Depreciation (39-year), Capital Improvements	641	641	641	641	641	641	641	641	641	641
- Depreciation, Tenant Improvements	5,821	5,821	5,821	5,821	5,821	5,821	5,821	5,821	5,821	5,821
- Depreciation, Personal Property										
- Amortization of Leasing Commissions	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Refinance	0	0	0	0	0	0	0	0	0	0
+ Interest, Funded Reserves	2,791	2,903	3,019	3,139	3,265	3,396	3,531	3,673	3,820	3,972
INCOME OR (LOSS)	76,590	78,613	80,840	83,291	85,991	88,966	92,246	95,863	99,854	104,258
(LOSS) UTILIZED THIS YEAR	0	0	0	0	0	0	0	0	0	0
TAXABLE INCOME	76,590	78,613	80,840	83,291	85,991	88,966	92,246	95,863	99,854	104,258

ANALYSIS OF OPERATING CASH FLOWS

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
NET OPERATING INCOME	170,375	170,250	170,110	169,955	169,782	169,593	169,385	169,158	168,911	168,644
- Debt Service, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Refinance	91,416	91,416	91,416	91,416	91,416	91,416	91,416	91,416	91,416	91,416
+ Proceeds of Second Mortgage, Less Pts (after BOY 1)	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Third Mortgage, Less Pts (after BOY 1)	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Refinance, Less Points	0	0	0	0	0	0	0	0	0	0
- Funded Reserves*	0	0	0	0	0	0	0	0	0	0
Interest Earned on Funded Reserves	2,791	2,903	3,019	3,139	3,265	3,396	3,531	3,673	3,820	3,972
- Capital Additions*	0	0	0	0	0	0	0	0	0	0
- Tenant Improvements	0	0	0	0	0	0	0	0	0	0
- Leasing Commissions	0	0	0	0	0	0	0	0	0	0
CASH FLOW BEFORE TAXES	78,959	78,834	78,694	78,538	78,366	78,176	77,969	77,742	77,495	77,227
Cash on Cash Return (CFBT/Initial investment)	16.42%	16.39%	16.36%	16.33%	16.29%	16.25%	16.21%	16.16%	16.11%	16.06%
Reserves Utilized	0	0	0	0	0	0	0	0	0	0
Reserves Remaining	72,564	75,466	78,485	81,624	84,889	88,285	91,816	95,489	99,308	103,281
NET CASH FLOW AFTER UTILIZING RESERVES	78,959	78,834	78,694	78,538	78,366	78,176	77,969	77,742	77,495	77,227
- Income Tax Attributable to Property	21,445	22,012	22,635	23,322	24,078	24,911	25,829	26,842	27,959	29,192
CASH FLOW AFTER TAXES AND RESERVES	57,514	56,822	56,059	55,217	54,289	53,266	52,140	50,900	49,536	48,035
Cumulative Cash Flow After Taxes	610,557	667,379	723,438	778,655	832,943	886,209	938,349	989,249	1,038,785	1,086,820

Cash Flow and Resale Detailed Report - Years 1-10
The RealData Building - ANALYSIS OF RESALE

09/10/07
10:44 AM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PROJECTED SELLING PRICE, REAL ESTATE	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 Based on Capitalization Rate of 11.50%										
ORIGINAL BASIS, Purchase Price of Real Estate	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(or new basis for property acquired in 1031 exchange)										
+ Closing Costs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
+ Cumulative Capital Additions and Tenant Improve.	113,000	121,000	207,000	247,000	247,000	247,000	252,000	252,000	252,000	252,000
+ Costs of Sale	83,804	84,077	90,041	93,604	98,658	100,471	101,388	101,934	103,509	103,775
- Adjusted Cumulative Depreciation, Real Estate	13,615	31,769	49,923	68,077	86,231	104,385	122,538	140,692	158,846	177,000
- Adjusted Cumulative Depr., Capital Additions	192	637	1,145	1,658	2,171	2,684	3,314	3,955	4,596	5,237
- Adjusted Cumulative Depr., Tenant Improvements	1,981	4,622	8,897	14,124	19,921	25,741	31,562	37,382	43,203	49,024
ADJUSTED BASIS AT SALE	1,189,016	1,176,049	1,245,076	1,264,745	1,245,335	1,222,661	1,203,973	1,179,904	1,156,864	1,132,514
GAIN OR (LOSS) ON SALE, Real Estate	8,184	25,051	41,224	72,455	164,065	212,639	244,427	276,296	321,836	349,986
PROJECTED SELLING PRICE, Personal Property	0	0	0	0	0	0	0	0	0	0
- Book Value	0	0	0	0	0	0	0	0	0	0
GAIN ON SALE, Personal Property	0	0	0	0	0	0	0	0	0	0
DEDUCTIONS AT SALE										
Suspended Losses Utilized upon Sale	0	0	0	0	0	0	0	0	0	0
Unamortized Loan Points	(12,458)	(11,808)	(11,158)	(10,508)	(9,858)	0	0	0	0	0
Unamortized Leasing Commissions	0	0	(5,624)	(8,055)	(11,758)	(7,150)	(4,189)	(2,095)	(0)	(0)
TOTAL DEDUCTIONS AT SALE	(12,458)	(11,808)	(16,782)	(18,563)	(21,616)	(7,150)	(4,189)	(2,095)	(0)	(0)
TOTAL FEDERAL TAX ON SALE	(951)	3,204	5,876	13,195	32,462	45,855	54,130	62,176	72,683	79,473
PROJECTED SELLING PRICE, incl. pers. property	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
- Costs of Sale	83,804	84,077	90,041	93,604	98,658	100,471	101,388	101,934	103,509	103,775
- First Mortgage Payoff, EOY	640,538	628,862	617,329	604,461	590,105	574,087	0	0	0	0
- Second Mortgage Payoff	26,083	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	0	15,000	15,000	15,000	15,000	15,000	0	0	0	0
- Refinance Payoff	0	0	0	0	0	0	776,352	761,922	745,980	728,369
+ Balance of Reserve Fund	74,725	77,714	53,022	55,142	57,348	59,642	62,028	64,509	67,089	69,773
BEFORE-TAX SALE PROCEEDS	521,500	550,875	616,952	679,277	762,985	805,384	632,688	656,853	696,300	720,129
- Total Federal Tax on Sale	(951)	3,204	5,876	13,195	32,462	45,855	54,130	62,176	72,683	79,473
AFTER-TAX SALE PROCEEDS	522,451	547,671	611,076	666,082	730,523	759,529	578,558	594,677	623,618	640,656
Internal Rate of Return, Before Tax	8.42%	11.02%	11.33%	12.03%	13.95%	14.31%	14.05%	14.19%	14.43%	14.45%
Modified Internal Rate of Return, Before Tax	8.42%	11.02%	11.23%	11.85%	13.64%	13.85%	13.43%	13.23%	13.15%	12.90%
Internal Rate of Return, after Tax	5.55%	7.77%	8.10%	8.70%	10.37%	10.77%	10.61%	10.78%	11.05%	11.11%
Modified Internal Rate of Return, after Tax	5.55%	7.72%	8.04%	8.54%	10.15%	10.50%	10.28%	10.28%	10.38%	10.30%
PV, Net Operating Inc. & Sale Price less Costs of Sale	1,127,096	1,142,741	1,218,995	1,264,793	1,319,648	1,343,686	1,359,061	1,370,581	1,387,002	1,395,014
PV, CFAT and Sale Proceeds after Taxes	457,389	453,056	444,147	442,186	467,527	475,158	469,529	473,858	482,628	484,946
EQUITY, excluding reserves	446,776	473,162	563,930	624,135	705,637	745,742	570,660	592,344	629,211	650,356
RETURN ON EQUITY (CFAT/Equity)	-10.99%	5.69%	-7.65%	1.48%	7.30%	8.80%	9.20%	9.71%	9.36%	8.94%

Cash Flow and Resale Detailed Report - Years 11-20
The RealData Building - ANALYSIS OF RESALE

09/10/07
10:44 AM

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PROJECTED SELLING PRICE, REAL ESTATE	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 Based on Capitalization Rate of 11.50%										
ORIGINAL BASIS, Purchase Price of Real Estate	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(or new basis for property acquired in 1031 exchange)										
+ Closing Costs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
+ Cumulative Capital Additions and Tenant Improve.	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000
+ Costs of Sale	103,705	103,628	103,544	103,453	103,348	103,229	103,103	102,963	102,816	102,655
- Adjusted Cumulative Depreciation, Real Estate	195,154	213,308	231,462	249,615	267,769	285,923	304,077	322,231	340,385	358,538
- Adjusted Cumulative Depr., Capital Additions	5,878	6,519	7,160	7,801	8,442	9,083	9,724	10,365	11,006	11,647
- Adjusted Cumulative Depr., Tenant Improvements	54,844	60,665	66,485	72,306	78,126	83,947	89,767	95,588	101,408	107,229
ADJUSTED BASIS AT SALE	1,107,829	1,083,137	1,058,437	1,033,731	1,009,010	984,276	959,535	934,779	910,017	885,240
GAIN OR (LOSS) ON SALE, Real Estate	373,671	397,263	420,763	444,169	467,390	490,424	513,365	536,121	558,783	581,260
PROJECTED SELLING PRICE, Personal Property	0	0	0	0	0	0	0	0	0	0
- Book Value	0	0	0	0	0	0	0	0	0	0
GAIN ON SALE, Personal Property	0	0	0	0	0	0	0	0	0	0
DEDUCTIONS AT SALE										
Suspended Losses Utilized upon Sale	0	0	0	0	0	0	0	0	0	0
Unamortized Loan Points	0	0	0	0	0	0	0	0	0	0
Unamortized Leasing Commissions	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL DEDUCTIONS AT SALE	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL FEDERAL TAX ON SALE	85,459	91,429	97,382	103,318	109,221	115,090	120,943	126,762	132,564	138,333
PROJECTED SELLING PRICE, incl. pers. property	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
- Costs of Sale	103,705	103,628	103,544	103,453	103,348	103,229	103,103	102,963	102,816	102,655
- First Mortgage Payoff, EOY	0	0	0	0	0	0	0	0	0	0
- Second Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Refinance Payoff	708,914	687,421	663,678	637,449	608,474	576,464	541,103	502,039	458,884	411,211
+ Balance of Reserve Fund	72,564	75,466	78,485	81,624	84,889	88,285	91,816	95,489	99,308	103,281
BEFORE-TAX SALE PROCEEDS	741,445	764,817	790,463	818,622	849,467	883,291	920,510	961,387	1,006,408	1,055,915
- Total Federal Tax on Sale	85,459	91,429	97,382	103,318	109,221	115,090	120,943	126,762	132,564	138,333
AFTER-TAX SALE PROCEEDS	655,986	673,388	693,081	715,304	740,246	768,201	799,567	834,625	873,844	917,582
Internal Rate of Return, Before Tax	14.43%	14.40%	14.37%	14.34%	14.32%	14.29%	14.26%	14.23%	14.21%	14.18%
Modified Internal Rate of Return, Before Tax	12.64%	12.41%	12.19%	11.99%	11.80%	11.62%	11.46%	11.31%	11.17%	11.04%
Internal Rate of Return, after Tax	11.12%	11.13%	11.13%	11.14%	11.13%	11.13%	11.12%	11.11%	11.10%	11.09%
Modified Internal Rate of Return, after Tax	10.18%	10.08%	9.98%	9.88%	9.79%	9.71%	9.62%	9.55%	9.47%	9.40%
PV, Net Operating Inc. & Sale Price less Costs of Sale	1,400,657	1,405,707	1,410,227	1,414,269	1,417,863	1,421,060	1,423,918	1,426,458	1,428,727	1,430,742
PV, CFAT and Sale Proceeds after Taxes	485,698	486,289	486,721	487,000	487,114	487,075	486,906	486,602	486,181	485,642
EQUITY, excluding reserves	668,881	689,351	711,978	736,998	764,578	795,007	828,694	865,898	907,100	952,634
RETURN ON EQUITY (CFAT/Equity)	8.60%	8.24%	7.87%	7.49%	7.10%	6.70%	6.29%	5.88%	5.46%	5.04%

Cash Flow Detailed Report - Years 1-20

09/10/07

The RealData Building - ANALYSIS OF TAXABLE INCOME OR LOSS

10:44 AM

NOTES

- 1) If this analysis includes a partial first year, then the IRR, MIRR and PV calculations use estimated full year amounts for cash flow and NOI.
- 2) *First-year capital additions and funded reserves are treated as part of the initial cash investment and do not affect first year cash flow.
- 3) The "Analysis of Taxable Income or Loss" and the "Analysis of Operating Cash Flows" make no presumption as to intended year of sale. Therefore, adjustments for the "half-month convention" in regard to depreciation in the year of sale are accounted for within the Analysis of Resale.
- 4) If the projected selling price for any year(s) above displays "see note 4," then the value shown for those years has been entered directly by the user of this software, overriding the value that was calculated by the software.

DISCLAIMERS

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of projection and analysis, and should not be used for preparation of income tax returns. Federal tax calculations in this report are based upon interpretations of the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1993, the Taxpayer Relief Act of 1997, the Jobs and Growth Tax Relief Reconciliation Act of 2003 as well as intermediate and subsequent tax law revisions, and are subject to further clarifications, interpretations, rulings, regulations, and technical corrections. These tax calculations are also based upon certain assumptions about the taxpayer and about the property, and do not take into account the possibility of Alternative Minimum Tax liability, the At-Risk rules, investment interest limitations or the impact of other investments which may interact to produce tax consequences other than those projected here.

The user of this program and information should consult a tax specialist concerning his/her particular circumstances before making any investment decision. © 1982-2007, RealData®, Inc., Southport, CT All Rights Reserved