

Property Information

Type	Office Building
Number of Units	8
Square Footage	14,000

Sources of Funds

Cash Investment	481,000	42.53%
First Mortgage (20 year term, 9.50% rate initially)	650,000	57.47%

Annualized 1st Year Income & Expenses

Gross Income	184,150	Total:	1,131,000
Vacancy & Credit Allowance	5,525		
Gross Operating Income	178,626		
Operating Expenses	40,945		
Net Operating Income	137,680		

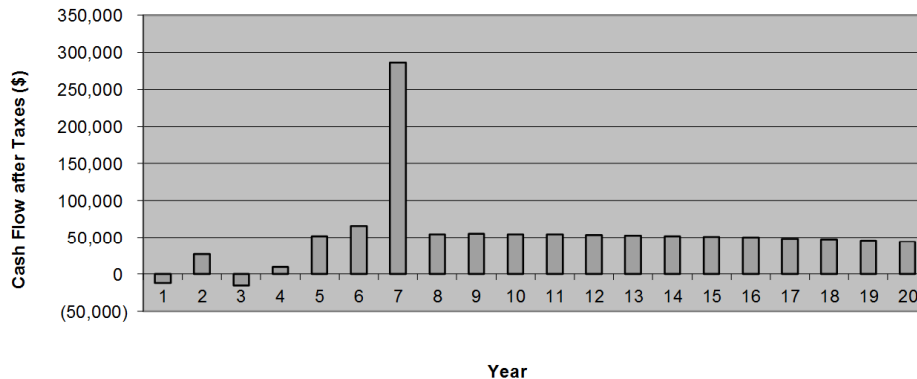
Assumptions

Safe Rate for MIRR	4.00%
Reinvestment Rate for MIRR	7.00%
Discount Rate for PV	11.00%
Capitalization Rate for Resale	11.00%
Holding Period (Years)	20
Depreciable Basis	708,000
Depreciation Type	39-Year
1st Year Marginal Tax Rate	28.00%

Uses of Funds

Purchase Price, Real Property (71.43 per square foot)	1,000,000	88.42%
Closing Costs	8,000	0.71%
Points	13,000	1.15%
1st Year Capital Improvements	10,000	0.88%
1st Year Funded Reserves	100,000	8.84%
Total:	1,131,000	

20-Year Projected Cash Flow After Taxes



Financial Measures

	Year 1	Year 10	Year 20
Capitalization Rate	12.37%	13.62%	13.47%
Debt Coverage Ratio	0.82	1.78	1.76
Cash on Cash Return	-7.14%	15.58%	15.19%
IRR before Taxes	18.94%	14.94%	14.32%
IRR after Taxes	13.12%	11.60%	11.27%
MIRR before Taxes	18.94%	13.28%	11.09%
MIRR after Taxes	13.12%	10.68%	9.48%
Return on Equity	-9.87%	8.08%	4.46%

	Year 1	Year 10	Year 20
Gross Income Multiplier	6.83	6.63	6.10
Gross Income/sf	13.15	16.70	17.96
Operating Expense Ratio	22.92%	24.82%	30.84%
Operating Expenses/sf	2.92	4.02	5.37
Projected Selling Price	1,251,600	1,549,900	1,533,100
After-Tax Sale Proceeds	558,878	658,968	949,692
PV, NOI+Reversion	1,172,674	1,417,089	1,438,425
PV, CFAT+Sale Proceeds	490,206	503,390	494,649