

Property leased or purchased March, 2012. Lease expires or property is sold at the end of 2031.  
Lessee or investor's marginal tax bracket is 28.00% Figures for 2012 represent 10 months' cash flows.

<b>Cash flows as a tenant leasing 4,200 sf</b>		
	Before Taxes	After Taxes
2012	(52,763)	(37,989)
2013	(56,050)	(40,356)
2014	(65,801)	(47,377)
2015	(66,300)	(47,736)
2016	(66,491)	(47,873)
2017	(69,934)	(50,352)
2018	(70,789)	(50,968)
2019	(71,003)	(51,122)
2020	(74,093)	(53,347)
2021	(74,898)	(53,927)
2022	(75,139)	(54,100)
2023	(75,390)	(54,281)
2024	(75,652)	(54,469)
2025	(75,923)	(54,665)
2026	(76,206)	(54,868)
2027	(76,499)	(55,079)
2028	(76,805)	(55,299)
2029	(77,122)	(55,528)
2030	(77,453)	(55,766)
2031	(77,796)	(56,013)

  

<b>Cash flows as an owner occupying 4,200 sf</b>		
	Before Taxes	After Taxes and Reserves
Initial Investment	(481,000)	(481,000)
2012	(52,763)	(52,763)
2013	(14,065)	(14,065)
2014	(65,801)	(65,801)
2015	(40,702)	(40,702)
2016	3,183	3,183
2017	13,185	13,185
2018	231,399	231,399
2019	892	892
2020	388	388
2021	19	19
2022	(333)	(333)
2023	(709)	(709)
2024	(1,110)	(1,110)
2025	(1,538)	(1,538)
2026	(1,992)	(1,992)
2027	(2,476)	(2,476)
2028	(2,989)	(2,989)
2029	(3,533)	(3,533)
2030	(4,110)	(4,586)
2031	1,094,452	938,117

**(398,826) = Present Value of Cost to Lease**

(assuming lease runs to end of year 2031;  
estimated cash flows are monthly, after-tax and are discounted at  
11% per year.)

**(395,684) = Present Value of Cost to Buy and Occupy**

(assuming sale at end of year 2031;  
estimated cash flows are monthly, after-tax and are discounted at  
11% per year.)

Positive amounts are net gains; negative amounts are net losses.

**Preferred choice is to buy and occupy.**

**However, the difference is less than 10% of the total cost to lease.**

<i>Rents Assumed in this Analysis</i>				
	Gross Scheduled Rent to Third Party Investor	Rent Loss Due to Owner Occupancy	Net Rent Collected if Owner Occupied	Rent Paid as Tenant Only
2012	153,458	52,763	100,696	52,763
2013	187,546	56,050	131,496	56,050
2014	199,343	65,801	133,542	65,801
2015	206,944	66,300	140,644	66,300
2016	217,228	66,491	150,738	66,491
2017	221,829	69,934	151,895	69,934
2018	224,910	70,789	154,121	70,789
2019	227,380	71,003	156,376	71,003
2020	231,714	74,093	157,622	74,093
2021	233,796	74,898	158,898	74,898
2022	235,346	75,139	160,207	75,139
2023	236,939	75,390	161,548	75,390
2024	238,575	75,652	162,924	75,652
2025	240,257	75,923	164,333	75,923
2026	241,985	76,206	165,779	76,206
2027	243,761	76,499	167,261	76,499
2028	245,586	76,805	168,781	76,805
2029	247,463	77,122	170,340	77,122
2030	249,392	77,453	171,939	77,453
2031	251,376	77,796	173,579	77,796
Total:	4,534,827	1,432,107	3,102,720	1,432,107