

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Purchase Price	1,150,000									
Cash Investment	616,608									
PROJECTED SELLING PRICE, REAL ESTATE	1,387,200	1,369,800	1,922,300	1,972,900	2,045,900	2,070,300	2,081,300	2,086,700	2,107,400	2,108,500
Selling Price Based on Capitalization Rate of 11.00%										
ORIGINAL BASIS, Purchase Price of Real Estate	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
(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.	357,100	374,800	458,800	498,800	498,800	498,800	498,800	498,800	498,800	498,800
+ Costs of Sale	97,104	95,886	134,561	138,103	143,213	144,921	145,691	146,069	147,518	147,595
- Adjusted Cumulative Depreciation, Real Estate	27,020	56,496	85,973	115,449	144,925	174,402	203,878	233,355	262,831	292,307
- Adjusted Cumulative Depr., Capital Additions	333	697	1,061	1,424	1,788	2,152	2,515	2,879	3,242	3,606
- Adjusted Cumulative Depr., Tenant Improvements	2,836	6,555	12,617	20,030	28,252	36,506	44,761	53,015	61,270	69,524
- Adjusted Cumulative Depr., Dev. Capital Additions	0	7,983	17,453	26,973	36,493	46,013	55,533	65,053	74,573	84,093
ADJUSTED BASIS AT SALE	1,582,014	1,556,955	1,634,257	1,631,027	1,588,555	1,542,648	1,495,804	1,448,567	1,402,402	1,354,864
GAIN OR (LOSS) ON SALE, Real Estate	(194,814)	(187,155)	288,043	341,873	457,345	527,652	585,496	638,133	704,998	753,636
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	(14,917)	(13,455)	(12,708)	(11,960)	(11,213)	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	(14,917)	(13,455)	(18,331)	(20,015)	(22,970)	(7,150)	(4,189)	(2,095)	(0)	(0)
Effect of Deductions at Sale + Depreciation Adjustment	(3,251)	(2,810)	(3,944)	(4,335)	(5,037)	(1,240)	(529)	(27)	476	476
Estimated Tax on Depreciation Recapture	0	0	28,105	39,330	50,750	62,177	73,605	85,032	96,460	107,887
Estimated Tax on Gain	(720)	(720)	25,641	26,700	36,883	40,287	41,821	42,575	45,462	45,616
ESTIMATED TOTAL FEDERAL TAX ON SALE	(3,971)	(3,530)	49,802	61,695	82,596	101,224	114,897	127,581	142,398	153,979
PROJECTED SELLING PRICE, incl. pers. property	1,387,200	1,369,800	1,922,300	1,972,900	2,045,900	2,070,300	2,081,300	2,086,700	2,107,400	2,108,500
- Costs of Sale	97,104	95,886	134,561	138,103	143,213	144,921	145,691	146,069	147,518	147,595
- First Mortgage Payoff, EOY	722,590	696,665	670,948	644,050	615,916	586,490	0	0	0	0
- Second Mortgage Payoff	25,470	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	1,102,725	1,065,133	1,025,814	984,690
- Development Loan Payoff	170,233	0	0	0	0	0	0	0	0	0
+ Balance of Reserve Fund	41,029	0	0	0	0	0	0	0	0	0
BEFORE-TAX SALE PROCEEDS	412,832	562,249	1,101,791	1,175,747	1,271,771	1,323,889	832,884	875,498	934,068	976,215
- Estimated Total Federal Tax on Sale	(3,971)	(3,530)	49,802	61,695	82,596	101,224	114,897	127,581	142,398	153,979
AFTER-TAX SALE PROCEEDS	416,802	565,779	1,051,989	1,114,052	1,189,174	1,222,665	717,987	747,917	791,669	822,236
Internal Rate of Return, Before Tax	-33.05%	-9.90%	20.89%	19.91%	20.21%	19.82%	19.20%	19.37%	19.56%	19.58%
Modified Internal Rate of Return, Before Tax	-33.05%	-9.90%	19.79%	18.92%	19.01%	18.30%	17.32%	16.64%	16.10%	15.52%
Internal Rate of Return, after Tax	-35.74%	-12.94%	15.97%	15.35%	15.83%	15.61%	15.15%	15.42%	15.69%	15.78%
Modified Internal Rate of Return, after Tax	-35.74%	-12.72%	14.79%	14.42%	14.86%	14.52%	13.88%	13.51%	13.23%	12.88%
PV, Net Operating Inc. & Sale Price less Costs of Sale	1,311,532	1,316,064	1,765,262	1,823,527	1,891,491	1,925,445	1,949,377	1,968,503	1,992,678	2,006,933
PV, CFAT and Sale Proceeds after Taxes	360,204	382,349	728,212	754,018	808,103	837,542	848,853	881,411	916,160	940,654
EQUITY (deducting Costs of Sale)	542,036	562,249	1,101,791	1,175,747	1,271,771	1,323,889	832,884	875,498	934,068	976,215
Equity Multiple (total cash distributions/initial equity)	0.67	0.81	1.79	2.09	2.50	2.86	3.17	3.47	3.80	4.10
RETURN ON EQUITY (CFAT/Equity)	-15.41%	-21.91%	2.79%	6.88%	9.70%	10.39%	13.42%	12.75%	12.09%	11.49%

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Purchase Price	1,150,000									
Cash Investment	616,608									
PROJECTED SELLING PRICE, REAL ESTATE	2,104,600	2,100,500	2,142,200	2,137,700	2,133,000	2,128,100	2,122,900	2,117,500	2,111,800	2,105,900
Selling Price Based on Capitalization Rate of 11.00%										
ORIGINAL BASIS, Purchase Price of Real Estate	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
(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.	498,800	498,800	498,800	498,800	498,800	498,800	498,800	498,800	498,800	498,800
+ Costs of Sale	147,322	147,035	149,954	149,639	149,310	148,967	148,603	148,225	147,826	147,413
- Adjusted Cumulative Depreciation, Real Estate	321,784	351,260	380,736	410,213	439,689	469,165	498,642	528,118	557,595	587,071
- Adjusted Cumulative Depr., Capital Additions	3,970	4,333	4,697	5,061	5,424	5,788	6,152	6,515	6,879	7,242
- Adjusted Cumulative Depr., Tenant Improvements	77,779	86,033	94,288	102,542	110,797	119,052	127,306	135,561	143,815	152,070
- Adjusted Cumulative Depr., Dev. Capital Additions	93,613	103,133	112,653	122,173	131,693	141,213	150,733	160,253	169,773	179,293
ADJUSTED BASIS AT SALE	1,306,977	1,259,075	1,214,379	1,166,450	1,118,506	1,070,549	1,022,570	974,578	926,564	878,537
GAIN OR (LOSS) ON SALE, Real Estate	797,623	841,425	927,821	971,250	1,014,494	1,057,551	1,100,330	1,142,922	1,185,236	1,227,363
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)
Effect of Deductions at Sale + Depreciation Adjustment	476	476	476	476	476	476	476	476	476	476
Estimated Tax on Depreciation Recapture	119,315	130,742	142,170	153,597	165,025	176,452	187,880	199,307	210,735	222,162
Estimated Tax on Gain	45,072	44,500	50,317	49,689	49,034	48,350	47,625	46,871	46,076	45,253
ESTIMATED TOTAL FEDERAL TAX ON SALE	164,863	175,718	192,963	203,763	214,535	225,278	235,981	246,655	257,287	267,892
PROJECTED SELLING PRICE, incl. pers. property	2,104,600	2,100,500	2,142,200	2,137,700	2,133,000	2,128,100	2,122,900	2,117,500	2,111,800	2,105,900
- Costs of Sale	147,322	147,035	149,954	149,639	149,310	148,967	148,603	148,225	147,826	147,413
- 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	941,676	896,686	849,629	800,410	748,930	695,085	638,767	579,861	518,249	453,807
- Development Loan Payoff										
+ Balance of Reserve Fund	0	0	0	0	0	0	0	0	0	0
BEFORE-TAX SALE PROCEEDS	1,015,602	1,056,779	1,142,617	1,187,651	1,234,760	1,284,048	1,335,530	1,389,414	1,445,725	1,504,680
- Estimated Total Federal Tax on Sale	164,863	175,718	192,963	203,763	214,535	225,278	235,981	246,655	257,287	267,892
AFTER-TAX SALE PROCEEDS	850,740	881,061	949,654	983,888	1,020,225	1,058,769	1,099,550	1,142,759	1,188,438	1,236,788
Internal Rate of Return, Before Tax	19.55%	19.52%	19.58%	19.53%	19.47%	19.41%	19.36%	19.31%	19.26%	19.21%
Modified Internal Rate of Return, Before Tax	14.98%	14.50%	14.17%	13.76%	13.39%	13.05%	12.73%	12.44%	12.17%	11.91%
Internal Rate of Return, after Tax	15.83%	15.85%	15.98%	15.97%	15.95%	15.92%	15.90%	15.86%	15.83%	15.80%
Modified Internal Rate of Return, after Tax	12.53%	12.21%	12.02%	11.75%	11.49%	11.24%	11.02%	10.81%	10.61%	10.43%
PV, Net Operating Inc. & Sale Price less Costs of Sale	2,018,074	2,028,115	2,051,022	2,059,381	2,066,911	2,073,692	2,079,780	2,085,261	2,090,178	2,094,603
PV, CFAT and Sale Proceeds after Taxes	960,853	978,626	1,005,859	1,019,526	1,031,410	1,041,689	1,050,511	1,058,042	1,064,401	1,069,726
EQUITY (deducting Costs of Sale)	1,015,602	1,056,779	1,142,617	1,187,651	1,234,760	1,284,048	1,335,530	1,389,414	1,445,725	1,504,680
Equity Multiple (total cash distributions/initial equity)	4.40	4.71	5.09	5.40	5.72	6.04	6.36	6.68	7.01	7.34
RETURN ON EQUITY (CFAT/Equity)	10.96%	10.46%	9.94%	9.48%	9.05%	8.62%	8.21%	7.82%	7.44%	7.07%

- 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) If the projected selling price for any year(s) above displays "see note 2," 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.
- 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.

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of pro forma projection and analysis, and should not be used for preparation of income tax returns. You are advised that any Federal tax calculations displayed in these reports are necessarily estimates only. They are based upon interpretations of various tax acts and revisions since 1986, and are subject to further clarifications, interpretations, rulings, regulations, and technical corrections. These tax calculations are also based upon certain assumptions, as entered into the software by the user, about the property and about the taxpayer's adjusted gross income, tax brackets and like matters. The actual tax liability that this property may create may be altered substantially from the estimates displayed herein by other factors, which are outside the scope of this analysis and external to this property, and which may also differ from taxpayer to taxpayer. Such factors may include but are not limited to the Alternative Minimum Tax and investment interest limitations. In particular, for the years 2013 and following, the actual tax liability is likely to be affected by items such as: the taxpayer's total taxable income; the taxpayer's net investment income from all sources, including those external to the property analyzed here; and the extent to which those items exceed certain thresholds, which are themselves subject to change.

The user of this program and recipients of its reports should consult a tax specialist concerning his/her particular circumstances before making any investment decision.