



## **Cedar Place Office Park**

Buy v Lease Analysis Office

4005 West 18th

Vancouver, BC V7R1Y2  
Canada



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**Property Description**

3000 Sq Ft Office Building

**Address**

4005 West 18th  
Vancouver, BC V7R1Y2  
Canada

**Location Description**

Lowere Pemberton light industrial area

**Legal**

**Legal**

1229-DL25384 - 1493

**Zoning**

Light industrial

**Encumbrances**

\$700, 0000 first mortgage RBC



**Property Taxes Information**

Assessment Date	Jan 2007
Property Taxes	\$ 7,500
Roll or Identification Number	2813463774-1647

**Assessed Value**

Land	320,000
Improvements	410,000
	<hr/>
	\$ 730,000

**Land**

Dimensions	50 Feet x 120 deep
Frontage	50 Ft
Land Area	6,000 Sq. Ft



**Jeff Bailey**

JB Design & Printing  
2340 Pemberton St

North Vancouver, BC V7T1m1  
Canada

**Contact Information**

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**Client Information**  
Cedar Place Office Park  
Buy v Lease Analysis Office

March 06, 2008  
Investor Pro  
Buy v Lease Web Site



**Buy v Lease Comparison (Before Tax)**

Cedar Place Office Park  
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Year	Investment	BUY			Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back					Leasing Expenses (Before Tax)	Cash Flow Difference (Before Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 700,000	-	\$ (88,083)	-	\$ (238,083)	\$ (73,320)	\$ (164,763)	
Year 2 Jan-Year 2 Dec	-	-	-	(88,713)	-	(88,713)	(73,990)	(14,723)	
Year 3 Jan-Year 3 Dec	-	-	-	(89,373)	-	(89,373)	(74,694)	(14,679)	
Year 4 Jan-Year 4 Dec	-	-	-	(90,033)	-	(90,033)	(75,400)	(14,632)	
Year 5 Jan-Year 5 Dec	-	-	-	(90,723)	-	(90,723)	(76,113)	(14,610)	
Year 6 Jan-Year 6 Dec	-	-	-	(91,413)	-	(91,413)	(85,018)	(6,394)	
Year 7 Jan-Year 7 Dec	-	-	-	(92,163)	-	(92,163)	(85,768)	(6,395)	
Year 8 Jan-Year 8 Dec	-	-	-	(92,913)	-	(92,913)	(86,584)	(6,329)	
Year 9 Jan-Year 9 Dec	-	-	-	(93,693)	-	(93,693)	(87,402)	(6,291)	
Year 10 Jan-Year 10 Dec	-	-	(473,326)	(94,473)	1,132,058	564,260	(88,256)	652,516	
<b>Total</b>							\$ (402,844)	\$ (806,544)	\$ 403,701
<b>Net Present Value (NPV) at 13.00%</b>							\$ (446,820)	\$ (427,107)	\$ (19,712)

**BUY v LEASE Financial Returns (Before Tax)**

Internal Rate of Return (IRR)	11.77%
Net Present Value (NPV) at 13.00%	(\$ 19,712)
Modified Internal Rate of Return (MIRR)	11.34%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%

**Conclusion.**

If the Net Present Value (NPV) is positive consider buying.  
If the Net Present Value (NPV) is negative consider Leasing.

Consider Buying if the Total Purchase Price is approximately \$ 830,288 or less.



**Buy v Lease Comparison (After Tax)**  
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Year	Investment	BUY			Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back					Leasing Expenses (After Tax)	Cash Flow Difference (After Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 700,000	-	\$ (53,153)	-	\$ (203,153)	\$ (42,526)	\$ (160,627)	
Year 2 Jan-Year 2 Dec	-	-	-	(49,594)	-	(49,594)	(42,914)	(6,680)	
Year 3 Jan-Year 3 Dec	-	-	-	(50,888)	-	(50,888)	(43,322)	(7,566)	
Year 4 Jan-Year 4 Dec	-	-	-	(52,211)	-	(52,211)	(43,732)	(8,479)	
Year 5 Jan-Year 5 Dec	-	-	-	(53,582)	-	(53,582)	(44,145)	(9,436)	
Year 6 Jan-Year 6 Dec	-	-	-	(54,988)	-	(54,988)	(49,311)	(5,678)	
Year 7 Jan-Year 7 Dec	-	-	-	(56,469)	-	(56,469)	(49,745)	(6,724)	
Year 8 Jan-Year 8 Dec	-	-	-	(57,994)	-	(57,994)	(50,218)	(7,775)	
Year 9 Jan-Year 9 Dec	-	-	-	(59,585)	-	(59,585)	(50,693)	(8,892)	
Year 10 Jan-Year 10 Dec	-	-	(473,326)	(61,230)	998,602	464,046	(51,189)	515,235	
						<b>Total</b>	\$ (174,417)	\$ (467,796)	\$ 293,379
						<b>Net Present Value (NPV) at 7.54%</b>	\$ (268,096)	\$ (315,833)	\$ 47,737

**BUY v LEASE Financial Returns (After Tax)**

Internal Rate of Return (IRR)	10.13%
Net Present Value (NPV) at 7.54%	\$ 47,737
Modified Internal Rate of Return (MIRR)	9.50%
Short Term Financing Rate (After Tax)	4.640%
Short Term Reinvestment Rate (After Tax)	1.740%

**Conclusion.**

If the Net Present Value (NPV) is positive consider buying.  
 If the Net Present Value (NPV) is negative consider Leasing.

Consider Buying if the Total Purchase Price is approximately \$ 897,737 or less.



**Buy v Lease. Operating Cash Flow Comparison Yearly**  
 Cedar Place Office Park  
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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>BEFORE TAX COMPARISON. BUY V LEASE</b>										
<b>Lease. Cash Outflows</b>										
Lease. Leasing Expenses	73,320	73,990	74,694	75,400	76,113	85,018	85,768	86,584	87,402	88,256
<b>Buy. Cash Outflows</b>										
Buy. Building Operating Expenses	21,000	21,630	22,290	22,950	23,640	24,330	25,080	25,830	26,610	27,390
Principle Payments	15,916	17,132	18,441	19,850	21,367	23,000	24,757	26,649	28,685	30,876
Interest payments	51,166	49,950	48,641	47,232	45,716	44,083	42,326	40,434	38,398	36,206
	<b>88,083</b>	<b>88,713</b>	<b>89,373</b>	<b>90,033</b>	<b>90,723</b>	<b>91,413</b>	<b>92,163</b>	<b>92,913</b>	<b>93,693</b>	<b>94,473</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(14,763)</b>	<b>(14,723)</b>	<b>(14,679)</b>	<b>(14,632)</b>	<b>(14,610)</b>	<b>(6,394)</b>	<b>(6,395)</b>	<b>(6,329)</b>	<b>(6,291)</b>	<b>(6,216)</b>
<b>AFTER TAX COMPARISON. BUY v LEASE</b>										
<b>Lease</b>										
Lease. Leasing Expenses	73,320	73,990	74,694	75,400	76,113	85,018	85,768	86,584	87,402	88,256
Tax Saving at 42.00%	(30,794)	(31,076)	(31,371)	(31,668)	(31,967)	(35,708)	(36,023)	(36,365)	(36,709)	(37,068)
<b>Lease. Cash Outflow After Tax</b>	<b>42,526</b>	<b>42,914</b>	<b>43,322</b>	<b>43,732</b>	<b>44,145</b>	<b>49,311</b>	<b>49,745</b>	<b>50,218</b>	<b>50,693</b>	<b>51,189</b>
<b>Buy</b>										
Buy. Building Operating Expenses	21,000	21,630	22,290	22,950	23,640	24,330	25,080	25,830	26,610	27,390
Plus: Interest Payments	51,166	49,950	48,641	47,232	45,716	44,083	42,326	40,434	38,398	36,206
Depreciation and Amortization	11,000	21,560	20,698	19,870	19,075	18,312	17,579	16,876	16,201	15,553
	83,166	93,140	91,629	90,052	88,431	86,725	84,985	83,140	81,209	79,149
Tax Saving at 42.00%	(34,930)	(39,119)	(38,484)	(37,822)	(37,141)	(36,424)	(35,694)	(34,919)	(34,108)	(33,243)
Plus: Principal Payments	15,916	17,132	18,441	19,850	21,367	23,000	24,757	26,649	28,685	30,876
Less: Depreciation and Amortization	11,000	21,560	20,698	19,870	19,075	18,312	17,579	16,876	16,201	15,553
<b>Buy. Cash Outflow After Tax</b>	<b>53,153</b>	<b>49,594</b>	<b>50,888</b>	<b>52,211</b>	<b>53,582</b>	<b>54,988</b>	<b>56,469</b>	<b>57,994</b>	<b>59,585</b>	<b>61,230</b>
<b>Difference (After Tax) Buy v Lease</b>	<b>(10,627)</b>	<b>(6,680)</b>	<b>(7,566)</b>	<b>(8,479)</b>	<b>(9,436)</b>	<b>(5,678)</b>	<b>(6,724)</b>	<b>(7,775)</b>	<b>(8,892)</b>	<b>(10,041)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

	Year 1 Jan	Year 1 Feb	Year 1 Mar	Year 1 Apr	Year 1 May	Year 1 Jun	Year 1 Jul	Year 1 Aug	Year 1 Sep	Year 1 Oct	Year 1 Nov	Year 1 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	73,320
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Principle Payments	1,282	1,290	1,298	1,306	1,314	1,322	1,330	1,338	1,347	1,355	1,363	1,372	15,916
Interest payments	4,308	4,300	4,292	4,284	4,276	4,268	4,260	4,252	4,244	4,235	4,227	4,219	51,166
	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>7,340</b>	<b>88,083</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(14,763)</b>





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	Year 2 Jan	Year 2 Feb	Year 2 Mar	Year 2 Apr	Year 2 May	Year 2 Jun	Year 2 Jul	Year 2 Aug	Year 2 Sep	Year 2 Oct	Year 2 Nov	Year 2 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	6,166	6,166	6,166	6,166	6,166	6,166	6,166	6,166	6,166	6,166	6,166	6,166	73,990
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	21,630
Principle Payments	1,380	1,389	1,397	1,406	1,414	1,423	1,432	1,441	1,449	1,458	1,467	1,476	17,132
Interest payments	4,210	4,202	4,193	4,185	4,176	4,167	4,158	4,150	4,141	4,132	4,123	4,114	49,950
	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>7,393</b>	<b>88,713</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(1,227)</b>	<b>(14,723)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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	Year 3 Jan	Year 3 Feb	Year 3 Mar	Year 3 Apr	Year 3 May	Year 3 Jun	Year 3 Jul	Year 3 Aug	Year 3 Sep	Year 3 Oct	Year 3 Nov	Year 3 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	74,694
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	22,290
Principle Payments	1,485	1,495	1,504	1,513	1,522	1,532	1,541	1,551	1,560	1,570	1,579	1,589	18,441
Interest payments	4,105	4,096	4,086	4,077	4,068	4,058	4,049	4,040	4,030	4,020	4,011	4,001	48,641
	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>7,448</b>	<b>89,373</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(1,223)</b>	<b>(14,679)</b>



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	Year 4 Jan	Year 4 Feb	Year 4 Mar	Year 4 Apr	Year 4 May	Year 4 Jun	Year 4 Jul	Year 4 Aug	Year 4 Sep	Year 4 Oct	Year 4 Nov	Year 4 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283	6,283	75,400
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	22,950
Principle Payments	1,599	1,609	1,619	1,629	1,639	1,649	1,659	1,669	1,679	1,690	1,700	1,711	19,850
Interest payments	3,991	3,981	3,972	3,962	3,952	3,941	3,931	3,921	3,911	3,900	3,890	3,880	47,232
	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>7,503</b>	<b>90,033</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(1,219)</b>	<b>(14,632)</b>



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	Year 5 Jan	Year 5 Feb	Year 5 Mar	Year 5 Apr	Year 5 May	Year 5 Jun	Year 5 Jul	Year 5 Aug	Year 5 Sep	Year 5 Oct	Year 5 Nov	Year 5 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	6,343	6,343	6,343	6,343	6,343	6,343	6,343	6,343	6,343	6,343	6,343	6,343	76,113
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	23,640
Principle Payments	1,721	1,732	1,742	1,753	1,764	1,775	1,786	1,797	1,808	1,819	1,830	1,841	21,367
Interest payments	3,869	3,859	3,848	3,837	3,826	3,815	3,805	3,794	3,783	3,771	3,760	3,749	45,716
	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>7,560</b>	<b>90,723</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(14,610)</b>



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	Year 6 Jan	Year 6 Feb	Year 6 Mar	Year 6 Apr	Year 6 May	Year 6 Jun	Year 6 Jul	Year 6 Aug	Year 6 Sep	Year 6 Oct	Year 6 Nov	Year 6 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	7,085	7,085	7,085	7,085	7,085	7,085	7,085	7,085	7,085	7,085	7,085	7,085	85,018
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	24,330
Principle Payments	1,853	1,864	1,876	1,887	1,899	1,910	1,922	1,934	1,946	1,958	1,970	1,982	23,000
Interest payments	3,738	3,726	3,715	3,703	3,692	3,680	3,668	3,656	3,644	3,632	3,620	3,608	44,083
	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>7,618</b>	<b>91,413</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(6,394)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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	Year 7 Jan	Year 7 Feb	Year 7 Mar	Year 7 Apr	Year 7 May	Year 7 Jun	Year 7 Jul	Year 7 Aug	Year 7 Sep	Year 7 Oct	Year 7 Nov	Year 7 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	7,147	7,147	7,147	7,147	7,147	7,147	7,147	7,147	7,147	7,147	7,147	7,147	85,768
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	25,080
Principle Payments	1,994	2,006	2,019	2,031	2,044	2,056	2,069	2,082	2,095	2,107	2,120	2,133	24,757
Interest payments	3,596	3,584	3,571	3,559	3,547	3,534	3,521	3,509	3,496	3,483	3,470	3,457	42,326
	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>7,680</b>	<b>92,163</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(533)</b>	<b>(6,395)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

	Year 8 Jan	Year 8 Feb	Year 8 Mar	Year 8 Apr	Year 8 May	Year 8 Jun	Year 8 Jul	Year 8 Aug	Year 8 Sep	Year 8 Oct	Year 8 Nov	Year 8 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	86,584
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	25,830
Principle Payments	2,147	2,160	2,173	2,186	2,200	2,213	2,227	2,241	2,255	2,268	2,282	2,296	26,649
Interest payments	3,444	3,430	3,417	3,404	3,390	3,377	3,363	3,349	3,336	3,322	3,308	3,294	40,434
	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>7,743</b>	<b>92,913</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>	<b>(6,329)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

	Year 9 Jan	Year 9 Feb	Year 9 Mar	Year 9 Apr	Year 9 May	Year 9 Jun	Year 9 Jul	Year 9 Aug	Year 9 Sep	Year 9 Oct	Year 9 Nov	Year 9 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	7,284	87,402
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	26,610
Principle Payments	2,311	2,325	2,339	2,353	2,368	2,383	2,397	2,412	2,427	2,442	2,457	2,472	28,685
Interest payments	3,280	3,265	3,251	3,237	3,222	3,208	3,193	3,178	3,163	3,148	3,133	3,118	38,398
	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>7,808</b>	<b>93,693</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(524)</b>	<b>(6,291)</b>





**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

	Year 10 Jan	Year 10 Feb	Year 10 Mar	Year 10 Apr	Year 10 May	Year 10 Jun	Year 10 Jul	Year 10 Aug	Year 10 Sep	Year 10 Oct	Year 10 Nov	Year 10 Dec	Yearly Total
<b>BUY V LEASE COMPARISON</b>													
<b>Lease. Cash Outflows</b>													
Lease. Leasing Expenses	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	88,256
<b>Buy. Cash Outflows</b>													
Buy. Building Operating Expenses	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	27,390
Principle Payments	2,487	2,502	2,518	2,533	2,549	2,565	2,580	2,596	2,612	2,628	2,644	2,661	30,876
Interest payments	3,103	3,088	3,072	3,057	3,041	3,026	3,010	2,994	2,978	2,962	2,946	2,929	36,206
	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>7,873</b>	<b>94,473</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>	<b>(6,216)</b>



**Buy v Lease. Expense Calculations Yearly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting May	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
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**BUY: EXPENSE CALCULATIONS**

Operating Costs	21,000	21,630	22,290	22,950	23,640	24,330	25,080	25,830	26,610	27,390
	<b>21,000</b>	<b>21,630</b>	<b>22,290</b>	<b>22,950</b>	<b>23,640</b>	<b>24,330</b>	<b>25,080</b>	<b>25,830</b>	<b>26,610</b>	<b>27,390</b>

**LEASE: EXPENSE CALCULATIONS**

Base Rent	51,000	51,000	51,000	51,000	51,000	59,130	59,130	59,130	59,130	59,130
Taxes, Insurance & Maintenance	18,000	18,540	19,110	19,680	20,250	20,880	21,480	22,140	22,800	23,490
Parking	4,320	4,450	4,584	4,720	4,863	5,008	5,158	5,314	5,472	5,636
	<b>73,320</b>	<b>73,990</b>	<b>74,694</b>	<b>75,400</b>	<b>76,113</b>	<b>85,018</b>	<b>85,768</b>	<b>86,584</b>	<b>87,402</b>	<b>88,256</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 1 Jan	Year 1 Feb	Year 1 Mar	Year 1 Apr	Year 1 May	Year 1 Jun	Year 1 Jul	Year 1 Aug	Year 1 Sep	Year 1 Oct	Year 1 Nov	Year 1 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>21,000</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Taxes, Insurance & Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Parking	360	360	360	360	360	360	360	360	360	360	360	360	4,320
	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>6,110</b>	<b>73,320</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 2 Jan	Year 2 Feb	Year 2 Mar	Year 2 Apr	Year 2 May	Year 2 Jun	Year 2 Jul	Year 2 Aug	Year 2 Sep	Year 2 Oct	Year 2 Nov	Year 2 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	21,630
	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>1,803</b>	<b>21,630</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Taxes, Insurance & Maintenance	1,545	1,545	1,545	1,545	1,545	1,545	1,545	1,545	1,545	1,545	1,545	1,545	18,540
Parking	371	371	371	371	371	371	371	371	371	371	371	371	4,450
	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>6,166</b>	<b>73,990</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 3 Jan	Year 3 Feb	Year 3 Mar	Year 3 Apr	Year 3 May	Year 3 Jun	Year 3 Jul	Year 3 Aug	Year 3 Sep	Year 3 Oct	Year 3 Nov	Year 3 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	22,290
	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>1,858</b>	<b>22,290</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Taxes, Insurance & Maintenance	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	19,110
Parking	382	382	382	382	382	382	382	382	382	382	382	382	4,584
	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>6,224</b>	<b>74,694</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 4 Jan	Year 4 Feb	Year 4 Mar	Year 4 Apr	Year 4 May	Year 4 Jun	Year 4 Jul	Year 4 Aug	Year 4 Sep	Year 4 Oct	Year 4 Nov	Year 4 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	22,950
	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>1,913</b>	<b>22,950</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Taxes, Insurance & Maintenance	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	19,680
Parking	393	393	393	393	393	393	393	393	393	393	393	393	4,720
	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>6,283</b>	<b>75,400</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 5 Jan	Year 5 Feb	Year 5 Mar	Year 5 Apr	Year 5 May	Year 5 Jun	Year 5 Jul	Year 5 Aug	Year 5 Sep	Year 5 Oct	Year 5 Nov	Year 5 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	23,640
	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>23,640</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Taxes, Insurance & Maintenance	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	20,250
Parking	405	405	405	405	405	405	405	405	405	405	405	405	4,863
	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>6,343</b>	<b>76,113</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
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 Buy v Lease Web Site

Starting March	Year 6 Jan	Year 6 Feb	Year 6 Mar	Year 6 Apr	Year 6 May	Year 6 Jun	Year 6 Jul	Year 6 Aug	Year 6 Sep	Year 6 Oct	Year 6 Nov	Year 6 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	24,330
	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>2,028</b>	<b>24,330</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	59,130
Taxes, Insurance & Maintenance	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	20,880
Parking	417	417	417	417	417	417	417	417	417	417	417	417	5,008
	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>7,085</b>	<b>85,018</b>





**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
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Starting March	Year 7 Jan	Year 7 Feb	Year 7 Mar	Year 7 Apr	Year 7 May	Year 7 Jun	Year 7 Jul	Year 7 Aug	Year 7 Sep	Year 7 Oct	Year 7 Nov	Year 7 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	25,080
	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>2,090</b>	<b>25,080</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	59,130
Taxes, Insurance & Maintenance	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	21,480
Parking	430	430	430	430	430	430	430	430	430	430	430	430	5,158
	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>7,147</b>	<b>85,768</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	Year 8 Jan	Year 8 Feb	Year 8 Mar	Year 8 Apr	Year 8 May	Year 8 Jun	Year 8 Jul	Year 8 Aug	Year 8 Sep	Year 8 Oct	Year 8 Nov	Year 8 Dec	Yearly Total
<b>BUY: EXPENSE CALCULATIONS</b>													
Operating Costs	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	2,153	25,830
	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>2,153</b>	<b>25,830</b>
<b>LEASE: EXPENSE CALCULATIONS</b>													
Base Rent	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	59,130
Taxes, Insurance & Maintenance	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	22,140
Parking	443	443	443	443	443	443	443	443	443	443	443	443	5,314
	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>7,215</b>	<b>86,584</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

Starting March	<b>Year 9 Jan</b>	<b>Year 9 Feb</b>	<b>Year 9 Mar</b>	<b>Year 9 Apr</b>	<b>Year 9 May</b>	<b>Year 9 Jun</b>	<b>Year 9 Jul</b>	<b>Year 9 Aug</b>	<b>Year 9 Sep</b>	<b>Year 9 Oct</b>	<b>Year 9 Nov</b>	<b>Year 9 Dec</b>	<b>Yearly Total</b>
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**BUY: EXPENSE CALCULATIONS**

Operating Costs	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	26,610
	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>2,218</b>	<b>26,610</b>

**LEASE: EXPENSE CALCULATIONS**

Base Rent	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	59,130
Taxes, Insurance & Maintenance	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	22,800
Parking	456	456	456	456	456	456	456	456	456	456	456	456	5,472
	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>87,402</b>



**Buy v Lease. Expense Calculations Monthly**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

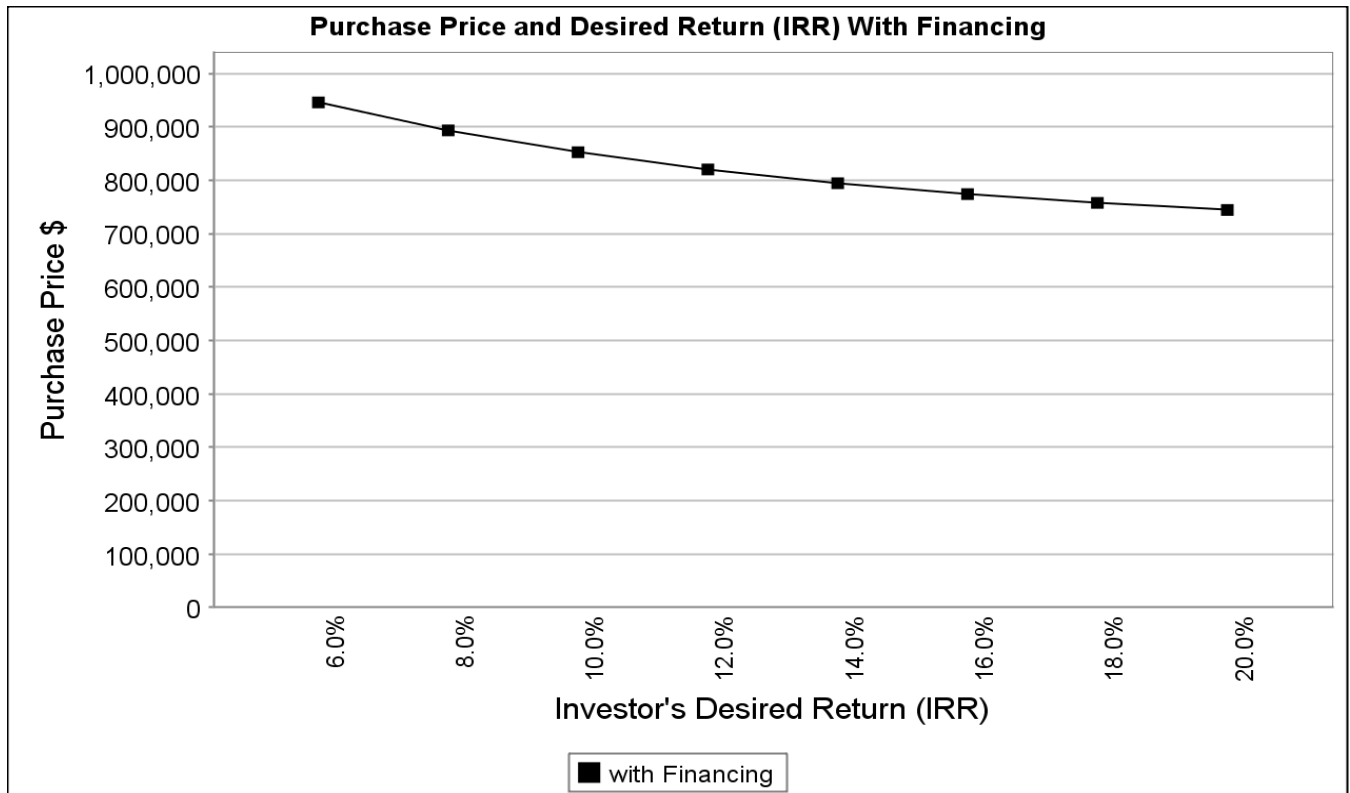
Starting March	<b>Year 10 Jan</b>	<b>Year 10 Feb</b>	<b>Year 10 Mar</b>	<b>Year 10 Apr</b>	<b>Year 10 May</b>	<b>Year 10 Jun</b>	<b>Year 10 Jul</b>	<b>Year 10 Aug</b>	<b>Year 10 Sep</b>	<b>Year 10 Oct</b>	<b>Year 10 Nov</b>	<b>Year 10 Dec</b>	<b>Yearly Total</b>
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**BUY: EXPENSE CALCULATIONS**

Operating Costs	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	27,390
	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>2,283</b>	<b>27,390</b>

**LEASE: EXPENSE CALCULATIONS**

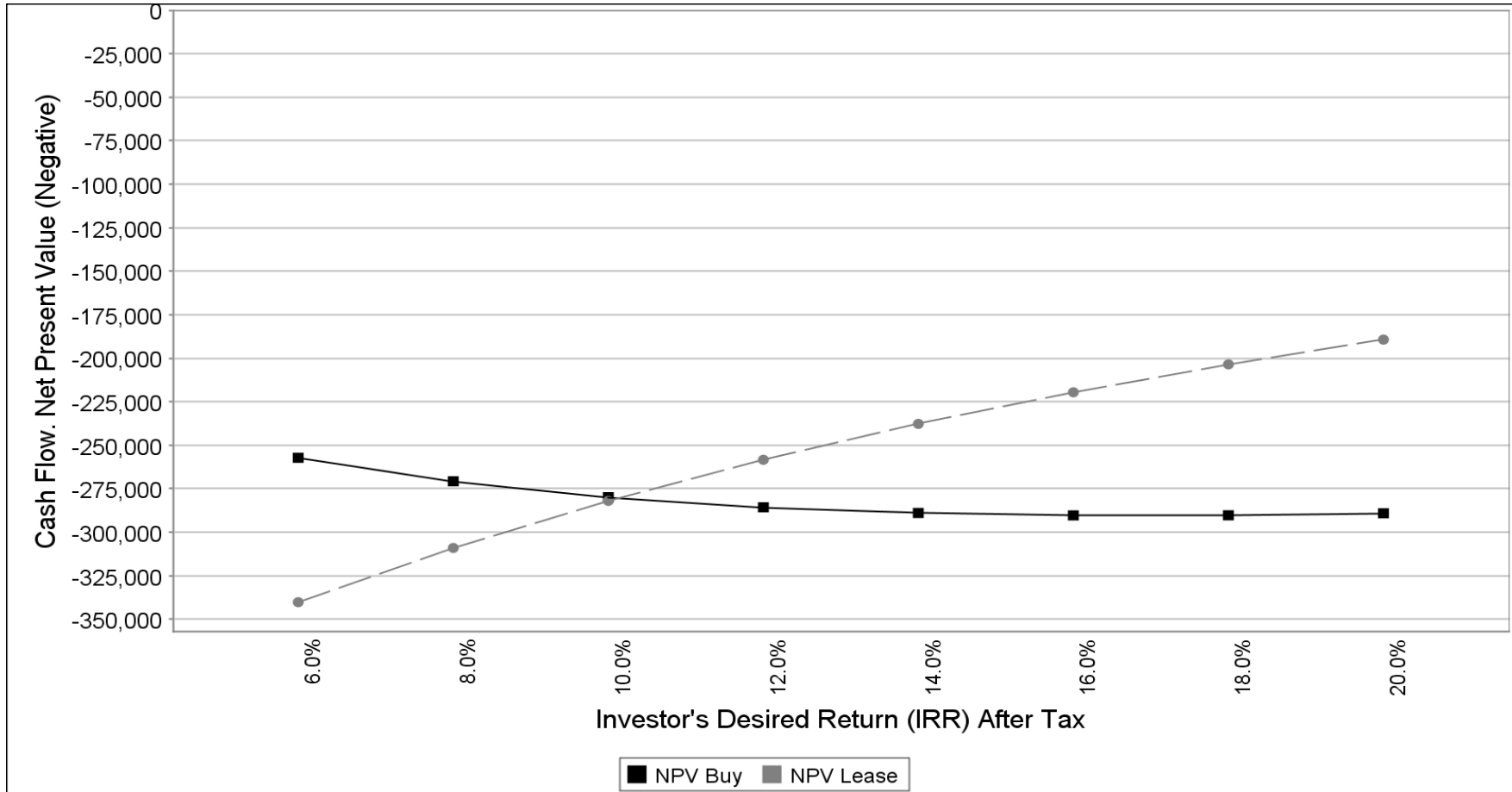
Base Rent	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	59,130
Taxes, Insurance & Maintenance	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	23,490
Parking	470	470	470	470	470	470	470	470	470	470	470	470	5,636
	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>7,355</b>	<b>88,256</b>





**Buy v Lease. Net Present Value (NPV) After Tax**  
Cedar Place Office Park  
Buy v Lease Analysis Office

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Interpretations

For the Desired Return (IRR) After Tax consider:

- a) Leasing if the Net Present Value (NPV) for leasing is less than the Net Present Value for Buying
- b) Buying if the Net Present Value (NPV) for buying is less than the Net Present Value for Leasing



**Buy v Lease. Net Present Value (NPV) After Tax**  
Cedar Place Office Park  
Buy v Lease Analysis Office

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**SUMMARY**

	<b>Internal Rate of Return (IRR)</b>	<b>Buy</b>	<b>Sell</b>	<b>Compounding Appreciation Rate</b>
<b>BEFORE TAX</b>				
<b>With Financing</b>				
Based on data entered	11.77%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 830,288	\$ 1,199,009	3.74%
	13.00%	\$ 850,000	\$ 1,269,442	4.09%
<b>Without Financing</b>				
Based on data entered	8.76%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 633,731	\$ 1,199,009	6.58%
	13.00%	\$ 850,000	\$ 1,971,785	8.78%
<b>AFTER TAX</b>				
<b>With Financing</b>				
Based on data entered	10.13%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 886,036	\$ 1,199,009	3.07%
	8.32%	\$ 850,000	\$ 1,104,311	2.65%
<b>Without Financing</b>				
Based on data entered	6.02%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 694,586	\$ 1,199,009	5.61%
	8.32%	\$ 850,000	\$ 1,607,428	6.58%





**GOAL SEEKING RESULTS BEFORE TAX**

**With Financing**

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 830,288 and sell for \$ 1,199,009 in 10 years which is 3.74% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,269,442 in 10 years which is 4.09% compounding increase in value per year.

**Without Financing**

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 633,731 and sell for \$ 1,199,009 in 10 years which is 6.58% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,971,785 in 10 years which is 8.78% compounding increase in value per year.

**GOAL SEEKING RESULTS AFTER TAX**

**With Financing**

To achieve an Internal Rate of Return (IRR) of 8.32% after tax, you would have to either:

- a) Buy the property for \$ 886,036 and sell for \$ 1,199,009 in 10 years which is 3.07% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,104,311 in 10 years which is 2.65% compounding increase in value per year.

**Without Financing**

To achieve an Internal Rate of Return (IRR) of 8.32% after tax, you would have to either:

- a) Buy the property for \$ 694,586 and sell for \$ 1,199,009 in 10 years which is 5.61% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,607,428 in 10 years which is 6.58% compounding increase in value per year.

**INVESTMENT TAB ENTRIES.** Allocations of the Purchase Price between Land and Improvements to achieve the desired Internal Rate of Return (IRR)

	%	BEFORE TAX		AFTER TAX	
		With Financing 13.00% IRR	No Financing 13.00% IRR	With Financing 8.320% IRR	No Financing 8.320% IRR
Land	35.29%	293,043	223,670	312,719	245,148
Building	64.71%	537,245	410,061	573,318	449,438
<b>Purchase Price (Year 1 Total)</b>	<b>100.00%</b>	<b>\$ 830,288</b>	<b>\$ 633,731</b>	<b>\$ 886,036</b>	<b>\$ 633,731</b>

**Notes:**

The allocation of the Purchase Price between Land and Improvements uses the same % allocation used in the First Year of the Investment Folder grid.

The Purchase Price (Year 1 Total) excludes entries using the Depreciation methods "Amort. Mortgage Fees" and "Amortize"



**Cash Flow from Sale (Before Tax)**

Sale Price		\$	1,199,009
Less: Real Estate Commission			59,950
Selling Expenses			7,000
Net Sale Price			<u>1,132,058</u>
Less: Mortgage Repayment			<u>473,326</u>
<b>Cash Flow from Sale (Before Tax)</b>			<b>658,732</b>

**Cash Flow from Sale (After Tax)**

Net Sale Price			1,132,058
Less: Capital Gains Tax			
Net Sale Price	1,132,058		
Less Cost Basis	<u>850,000</u>		
Capital Gains	282,058	x 42.00% x 50.00%	59,232
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale	550,000		
Less Undepreciated Balance	<u>373,276</u>		
Recaptured Depreciation	176,724	x 42.00%	<u>74,224</u>
Net Proceeds (After Tax)			<u>998,602</u>
Less: Mortgage Repayment			<u>473,326</u>
<b>Cash Flow from Sale (After Tax)</b>			<b>525,276</b>



**Building**

Starting Date: Year 1 January  
 Amount: \$ 550,000  
 CCA Claim: Full CCA Claim  
 CCA Method: Building  
 CCA Rate: 4.0%  
 First Year Rate: 50.0%  
 Claim CCA in last Year: Yes

<u>Comencing</u>	<u>Value of Improvements</u>	<u>CCA Available</u>	<u>CCA Claimed</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 550,000	\$ 11,000	\$ 11,000	\$ 539,000
Yr. 2 Jan-Yr. 2 Dec		21,560	21,560	517,440
Yr. 3 Jan-Yr. 3 Dec		20,698	20,698	496,742
Yr. 4 Jan-Yr. 4 Dec		19,870	19,870	476,872
Yr. 5 Jan-Yr. 5 Dec		19,075	19,075	457,797
Yr. 6 Jan-Yr. 6 Dec		18,312	18,312	439,485
Yr. 7 Jan-Yr. 7 Dec		17,579	17,579	421,906
Yr. 8 Jan-Yr. 8 Dec		16,876	16,876	405,030
Yr. 9 Jan-Yr. 9 Dec		16,201	16,201	388,829
Yr. 10 Jan-Yr. 10 Dec		15,553	15,553	373,276
Total	\$ 550,000		\$ 176,724	



**Input Data Summary**  
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**Buy versus Lease Analysis**

**Note**

For information on Revenue, Expenses and Vacancy inputs and projections see the Revenue, Expense and Vacancy projection description reports.

**Project Information**

Analysis Period                    10 years  
 Starting date                      January Year 1

**Investor Information**

Marginal Tax Rate                42.00%  
 Capital Gain. 50.00% added to income

Desired Return on Investment (Discount Rate)

Before Tax:                        13.00%  
 After Tax:                         7.54%

Short Term Reinvestment Rates

Before Tax:                        3.000%  
 After Tax:                         1.740%

Short Term Financing Rates

Before Tax:                        8.000%  
 After Tax:                         4.640%

**Investment information**

Total Invested in Year 1 is \$ 850,000

	CCA Class	Date	Amount	CCA Rate	First Year	Claim CCA in Last Year
Land	Land	Jan, Year 1	\$ 300,000			
Building	Building	Jan, Year 1	\$ 550,000	4.00%	50.00%	Yes

**Financing**

First Mortgage RBC



**Input Data Summary**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

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Starts: January Year 1  
 Type: Standard Mortgage  
 Amount: \$ 700,000  
 Interest Rate: Fixed  
 Payment Frequency: Monthly  
 Compounding Frequency: Semi-annually  
 Addit. Payments/Borrowing: No  
 Rounding: Up to Nearest Cent  
 No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	10 yrs & 0 mos	7.500%	20 yrs & 0 mos

**Sale Information**

Sale price at the end of 10 years is \$ 1,199,009 based on the total purchase price of \$ 850,000 in year 1 increasing at an Annual Compounding Rate of 3.50% for 10 years

**Selling Expenses**

Selling Expenses \$ 7,000

Real Estate Commissions 5.00% of the Sale Price

Allocation of Improvements on Sale Same ratio as on acquisition





**Sale Price Estimates**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

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<u>Financial Measure</u>	<u>Sale Price based on the Income for the Last Year</u>		<u>Sale Price based on the Income for the year following the sale</u>	
Potential Gross Income Multiplier	0	\$ 0	0	\$ 0
Effective Gross Income Multiplier	0	\$ 0	0	\$ 0
Capitalization Rate	0%	\$ 0	0%	\$ 0
Net Income Multiplier	0	\$ 0	0	\$ 0
<hr/>				
Compounding Annual Growth Rate	3.50%	\$ 1,199,009		
Uniform Annual Increase	0%	\$ 850,000		
Enter your own estimate		\$ 0		

**The estimated Sale Priced selected at the end of 10 years is \$ 1,199,009**

Based on the Purchase Price of \$ 850,000 increasing at an Annual Compounding Rate of 3.50% for 10 year(s)



**Mortgage Schedule**  
 Cedar Place Office Park  
 Buy v Lease Analysis Office

March 06, 2008  
 Investor Pro  
 Buy v Lease Web Site

**First Mortgage RBC**

Amount: \$700,000  
 Type: Standard Mortgage  
 Analysis Start Date: January Year 1  
 Mortgage Commences: January Year 1  
 Payment Frequency: Monthly  
 Payment Rounded: Up to Nearest Cent  
 Compounding Frequency: Semi-annually  
 Interest Rate: Fixed  
 Additional Payment or Borrowing: No

Term	Start Date of (Balloon) Term	Time Period		Nominal Annual Interest Rate	Amortization	
		Years	Months		Years	Months
1	Year 1 Jan	10	0	7.500 %	20	0

	Outstanding Balance	End of Year Accrued Interest	Mortgage Payout
Payout at end of Analysis Period: Dec Year 10	\$ 473,326.30	-	\$ 473,326.30
Payout at end of last Term: Dec Year 10	\$ 473,326.30	-	\$ 473,326.30

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	67,082.64	51,166.41	15,916.23	-	684,083.77
Year 2 Jan-Year 2 Dec	67,082.64	49,950.30	17,132.34	-	666,951.43
Year 3 Jan-Year 3 Dec	67,082.64	48,641.28	18,441.36	-	648,510.07
Year 4 Jan-Year 4 Dec	67,082.64	47,232.25	19,850.39	-	628,659.68
Year 5 Jan-Year 5 Dec	67,082.64	45,715.56	21,367.08	-	607,292.60
Year 6 Jan-Year 6 Dec	67,082.64	44,082.97	22,999.67	-	584,292.93
Year 7 Jan-Year 7 Dec	67,082.64	42,325.66	24,756.98	-	559,535.95
Year 8 Jan-Year 8 Dec	67,082.64	40,434.06	26,648.58	-	532,887.37
Year 9 Jan-Year 9 Dec	67,082.64	38,397.95	28,684.69	-	504,202.68
Year 10 Jan-Year 10 Dec	67,082.64	36,206.26	30,876.38	-	473,326.30
	<b>670,826.40</b>	<b>444,152.70</b>	<b>226,673.70</b>	-	