



## **Cedar Plaza**

### Buy v Lease Analysis

Mar 09, 2008



## **Property Information**

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008

Investor Pro  
Buy v Lease

### **Property Description**

### **Location Description**

### **Legal**

### **Zoning**

### **Encumbrances**

**Property Information**

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**Property Taxes Information**

Assessment Date

Property Taxes \$ 0

Roll or Identification Number

**Assessed Value**

Land -

Improvements -

-

**Land**

Dimensions

Frontage 0 Ft

Land Area 0 Sq. Ft



**Client Information**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
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Buy v Lease

**Contact Information**

Office Tel:

Mobile:

Home Tel:

Fax:

E-mail:



# Buy v Lease Comparison (Before Tax)

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008

Investor Pro  
Buy v Lease

Year	Investment	BUY			Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back	Operating Cash Flow (Before Tax)			Leasing Expenses (Before Tax)	Cash Flow Difference (Before Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 650,000	-	\$ (83,836)	-	\$ (283,836)	\$ (73,320)	\$ (210,516)
Year 2 Jan-Year 2 Dec	-	-	-	(84,466)	-	(84,466)	(73,990)	(10,477)
Year 3 Jan-Year 3 Dec	-	-	-	(85,126)	-	(85,126)	(74,694)	(10,433)
Year 4 Jan-Year 4 Dec	-	-	-	(85,786)	-	(85,786)	(75,400)	(10,386)
Year 5 Jan-Year 5 Dec	-	-	-	(86,476)	-	(86,476)	(76,113)	(10,363)
Year 6 Jan-Year 6 Dec	-	-	-	(87,166)	-	(87,166)	(85,018)	(2,148)
Year 7 Jan-Year 7 Dec	-	-	-	(87,916)	-	(87,916)	(85,768)	(2,148)
Year 8 Jan-Year 8 Dec	-	-	-	(88,666)	-	(88,666)	(86,584)	(2,083)
Year 9 Jan-Year 9 Dec	-	-	-	(89,446)	-	(89,446)	(87,402)	(2,044)
Year 10 Jan-Year 10 Dec	-	-	(441,135)	(90,226)	1,132,058	600,697	(88,256)	688,953
<b>Total</b>						\$ (378,190)	\$ (806,544)	\$ 428,355
<b>Net Present Value (NPV) at 13.00%</b>						\$ (464,295)	\$ (427,107)	\$ (37,188)

## BUY v LEASE Financial Returns (Before Tax)

Internal Rate of Return (IRR)	11.01%
Net Present Value (NPV) at 13.00%	(\$ 37,188)
Modified Internal Rate of Return (MIRR)	10.83%
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 \$ 812,812 or less.



# **Buy v Lease Comparison (After Tax)**

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008

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Buy v Lease

Year	Investment	BUY			Sale Proceeds (After Tax)	Net Cash Flow (After Tax)	LEASE	BUY v LEASE
		Financing Borrow	Paid Back	Operating Cash Flow (After Tax)			Leasing Expenses (After Tax)	Cash Flow Difference (After Tax)
Year 1 Jan-Year 1 Dec	\$ (850,000)	\$ 650,000	-	\$ (54,868)	-	\$ (254,868)	\$ (47,658)	\$ (207,210)
Year 2 Jan-Year 2 Dec	-	-	-	(55,467)	-	(55,467)	(48,093)	(7,373)
Year 3 Jan-Year 3 Dec	-	-	-	(56,322)	-	(56,322)	(48,551)	(7,772)
Year 4 Jan-Year 4 Dec	-	-	-	(57,212)	-	(57,212)	(49,010)	(8,201)
Year 5 Jan-Year 5 Dec	-	-	-	(58,156)	-	(58,156)	(49,473)	(8,682)
Year 6 Jan-Year 6 Dec	-	-	-	(59,139)	-	(59,139)	(55,262)	(3,877)
Year 7 Jan-Year 7 Dec	-	-	-	(60,202)	-	(60,202)	(55,749)	(4,453)
Year 8 Jan-Year 8 Dec	-	-	-	(61,310)	-	(61,310)	(56,279)	(5,031)
Year 9 Jan-Year 9 Dec	-	-	-	(62,485)	-	(62,485)	(56,811)	(5,674)
Year 10 Jan-Year 10 Dec	-	-	(441,135)	(63,921)	1,054,789	549,733	(57,367)	607,100
<b>Total</b>						\$ (175,427)	\$ (524,254)	\$ 348,827
<b>Net Present Value (NPV) at 8.45%</b>						\$ (310,390)	\$ (339,146)	\$ 28,755

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

Internal Rate of Return (IRR)	9.77%
Net Present Value (NPV) at 8.45%	\$ 28,755
Modified Internal Rate of Return (MIRR)	9.43%
Short Term Financing Rate (After Tax)	5.200%
Short Term Reinvestment Rate (After Tax)	1.950%

## **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 \$ 878,755 or less.



**Buy v Lease. Operating Cash Flow Comparison Yearly**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

	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	14,581	15,713	16,933	18,247	19,664	21,190	22,835	24,608	26,518	28,577
Interest payments	48,256	47,124	45,904	44,589	43,173	41,646	40,001	38,228	36,318	34,259
	<b>83,836</b>	<b>84,466</b>	<b>85,126</b>	<b>85,786</b>	<b>86,476</b>	<b>87,166</b>	<b>87,916</b>	<b>88,666</b>	<b>89,446</b>	<b>90,226</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(10,516)</b>	<b>(10,477)</b>	<b>(10,433)</b>	<b>(10,386)</b>	<b>(10,363)</b>	<b>(2,148)</b>	<b>(2,148)</b>	<b>(2,083)</b>	<b>(2,044)</b>	<b>(1,970)</b>

**AFTER TAX COMPARISON. BUY v LEASE**

**Lease**

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 35.00%	(25,662)	(25,896)	(26,143)	(26,390)	(26,640)	(29,756)	(30,019)	(30,304)	(30,591)	(30,890)
<b>Lease. Cash Outflow After Tax</b>	<b>47,658</b>	<b>48,093</b>	<b>48,551</b>	<b>49,010</b>	<b>49,473</b>	<b>55,262</b>	<b>55,749</b>	<b>56,279</b>	<b>56,811</b>	<b>57,367</b>

**Buy**

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	48,256	47,124	45,904	44,589	43,173	41,646	40,001	38,228	36,318	34,259
Depreciation and Amortization	13,510	14,103	14,103	14,103	14,103	14,103	14,103	14,102	14,103	13,510
	82,766	82,857	82,297	81,642	80,916	80,079	79,184	78,160	77,031	75,159
Tax Saving at 35.00%	(28,968)	(29,000)	(28,804)	(28,575)	(28,320)	(28,028)	(27,714)	(27,356)	(26,961)	(26,306)
Plus: Principal Payments	14,581	15,713	16,933	18,247	19,664	21,190	22,835	24,608	26,518	28,577
Less: Depreciation and Amortization	13,510	14,103	14,103	14,103	14,103	14,103	14,103	14,102	14,103	13,510
<b>Buy. Cash Outflow After Tax</b>	<b>54,868</b>	<b>55,467</b>	<b>56,322</b>	<b>57,212</b>	<b>58,156</b>	<b>59,139</b>	<b>60,202</b>	<b>61,310</b>	<b>62,485</b>	<b>63,921</b>

<b>Difference (After Tax) Buy v Lease</b>	<b>(7,210)</b>	<b>(7,373)</b>	<b>(7,772)</b>	<b>(8,201)</b>	<b>(8,682)</b>	<b>(3,877)</b>	<b>(4,453)</b>	<b>(5,031)</b>	<b>(5,674)</b>	<b>(6,554)</b>
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**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Plaza  
 Buy v Lease Analysis

March 09, 2008  
 Investor Pro  
 Buy v Lease

	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	1,174	1,181	1,189	1,196	1,203	1,211	1,219	1,226	1,234	1,242	1,249	1,257	14,581
Interest payments	4,063	4,055	4,048	4,040	4,033	4,025	4,018	4,010	4,003	3,995	3,987	3,979	48,256
	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>6,986</b>	<b>83,836</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(876)</b>	<b>(10,516)</b>





**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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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	1,265	1,273	1,281	1,289	1,297	1,305	1,313	1,321	1,330	1,338	1,346	1,355	15,713
Interest payments	3,971	3,963	3,956	3,948	3,939	3,931	3,923	3,915	3,907	3,898	3,890	3,882	47,124
	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>7,039</b>	<b>84,466</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(873)</b>	<b>(10,477)</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	1,363	1,372	1,380	1,389	1,398	1,406	1,415	1,424	1,433	1,442	1,451	1,460	16,933
Interest payments	3,873	3,865	3,856	3,847	3,839	3,830	3,821	3,812	3,804	3,795	3,786	3,776	45,904
	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>7,094</b>	<b>85,126</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(869)</b>	<b>(10,433)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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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	1,469	1,478	1,487	1,497	1,506	1,516	1,525	1,535	1,544	1,554	1,563	1,573	18,247
Interest payments	3,767	3,758	3,749	3,740	3,730	3,721	3,711	3,702	3,692	3,683	3,673	3,663	44,589
	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>7,149</b>	<b>85,786</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(866)</b>	<b>(10,386)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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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	1,583	1,593	1,603	1,613	1,623	1,633	1,643	1,654	1,664	1,674	1,685	1,695	19,664
Interest payments	3,653	3,643	3,633	3,623	3,613	3,603	3,593	3,583	3,572	3,562	3,552	3,541	43,173
	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>7,206</b>	<b>86,476</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>(10,363)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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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	1,706	1,717	1,727	1,738	1,749	1,760	1,771	1,782	1,793	1,804	1,816	1,827	21,190
Interest payments	3,530	3,520	3,509	3,498	3,487	3,476	3,465	3,454	3,443	3,432	3,421	3,409	41,646
	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>7,264</b>	<b>87,166</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(2,148)</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	1,838	1,850	1,861	1,873	1,885	1,897	1,908	1,920	1,932	1,944	1,957	1,969	22,835
Interest payments	3,398	3,386	3,375	3,363	3,352	3,340	3,328	3,316	3,304	3,292	3,280	3,268	40,001
	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>7,326</b>	<b>87,916</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(179)</b>	<b>(2,148)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
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	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	1,981	1,994	2,006	2,019	2,031	2,044	2,057	2,069	2,082	2,095	2,108	2,122	24,608
Interest payments	3,255	3,243	3,230	3,218	3,205	3,193	3,180	3,167	3,154	3,141	3,128	3,115	38,228
	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>7,389</b>	<b>88,666</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(174)</b>	<b>(2,083)</b>



**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Plaza  
 Buy v Lease Analysis

March 09, 2008  
 Investor Pro  
 Buy v Lease

	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	2,135	2,148	2,162	2,175	2,189	2,202	2,216	2,230	2,244	2,258	2,272	2,286	26,518
Interest payments	3,101	3,088	3,075	3,061	3,048	3,034	3,020	3,006	2,992	2,978	2,964	2,950	36,318
	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>7,454</b>	<b>89,446</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(170)</b>	<b>(2,044)</b>





**Buy v Lease. Operating Cash Flow Comparison Monthly**  
 Cedar Plaza  
 Buy v Lease Analysis

March 09, 2008  
 Investor Pro  
 Buy v Lease

	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	2,301	2,315	2,330	2,344	2,359	2,373	2,388	2,403	2,418	2,433	2,449	2,464	28,577
Interest payments	2,936	2,921	2,907	2,892	2,878	2,863	2,848	2,833	2,818	2,803	2,788	2,772	34,259
	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>7,519</b>	<b>90,226</b>
<b>Difference (Before Tax) Buy v Lease</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(164)</b>	<b>(1,970)</b>



**Buy v Lease. Expense Calculations Yearly**  
 Cedar Plaza  
 Buy v Lease Analysis

March 09, 2008  
 Investor Pro  
 Buy v Lease

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 Plaza  
 Buy v Lease Analysis

March 09, 2008  
 Investor Pro  
 Buy v Lease

Starting March	<b>Year 1 Jan</b>	<b>Year 1 Feb</b>	<b>Year 1 Mar</b>	<b>Year 1 Apr</b>	<b>Year 1 May</b>	<b>Year 1 Jun</b>	<b>Year 1 Jul</b>	<b>Year 1 Aug</b>	<b>Year 1 Sep</b>	<b>Year 1 Oct</b>	<b>Year 1 Nov</b>	<b>Year 1 Dec</b>	<b>Yearly Total</b>
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**BUY: EXPENSE CALCULATIONS**

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>

**LEASE: EXPENSE CALCULATIONS**

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

Starting March	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Year 2</b>	<b>Yearly Total</b>
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>		

**BUY: EXPENSE CALCULATIONS**

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>

**LEASE: EXPENSE CALCULATIONS**

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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
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## BUY: EXPENSE CALCULATIONS

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>

## LEASE: EXPENSE CALCULATIONS

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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
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## BUY: EXPENSE CALCULATIONS

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>

## LEASE: EXPENSE CALCULATIONS

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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
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## BUY: EXPENSE CALCULATIONS

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>

## 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	1,740	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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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
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**BUY: EXPENSE CALCULATIONS**

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>

**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	1,790	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 Plaza

Buy v Lease Analysis

March 09, 2008

Investor Pro

Buy v Lease

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
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## BUY: EXPENSE CALCULATIONS

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>

## 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	1,845	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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

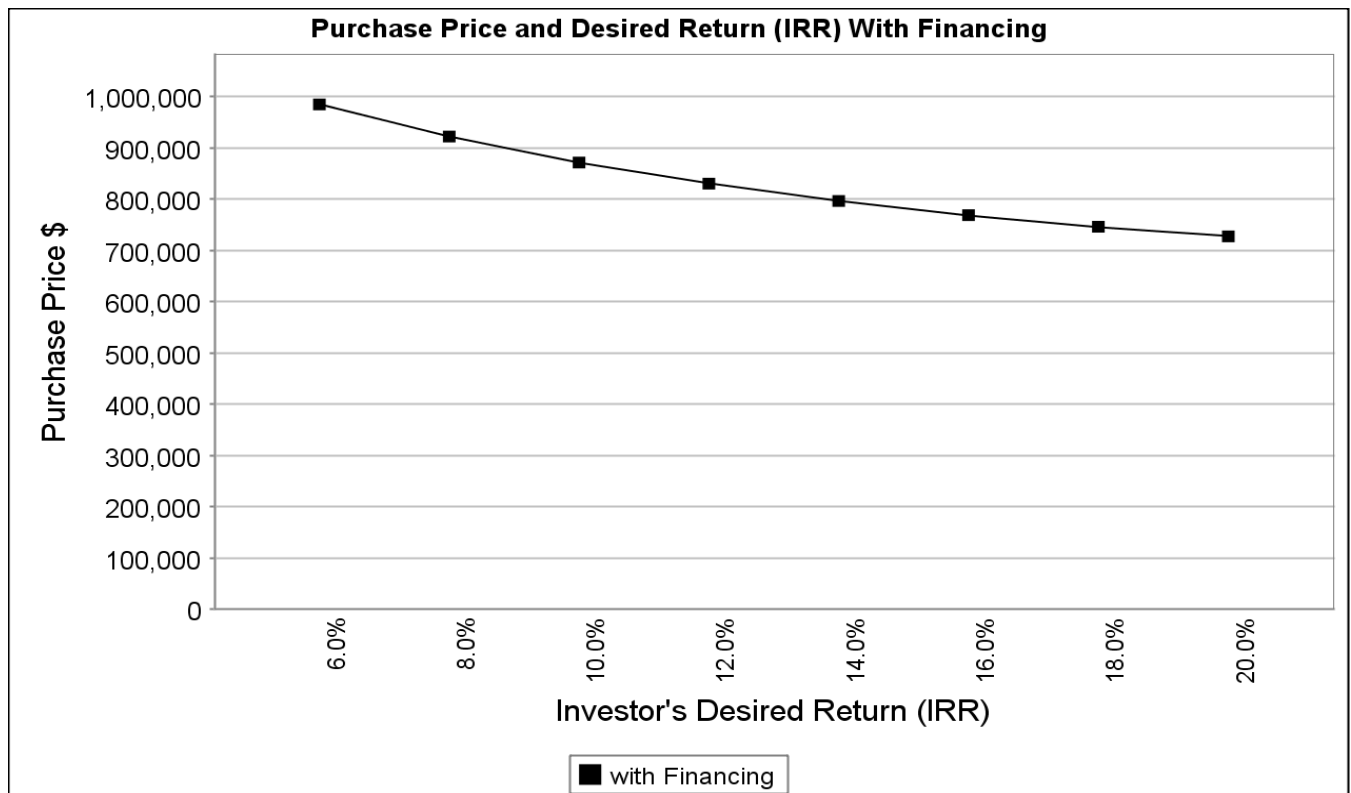
Starting March	<b>Year 10 Jan</b>	<b>Year 10 Feb</b>	<b>Year 10 Mar</b>	<b>Year 10 Apr</b>	<b>Year 10 May</b>	<b>Year 10 Jun</b>	<b>Year 10 Jul</b>	<b>Year 10 Aug</b>	<b>Year 10 Sep</b>	<b>Year 10 Oct</b>	<b>Year 10 Nov</b>	<b>Year 10 Dec</b>	<b>Yearly Total</b>
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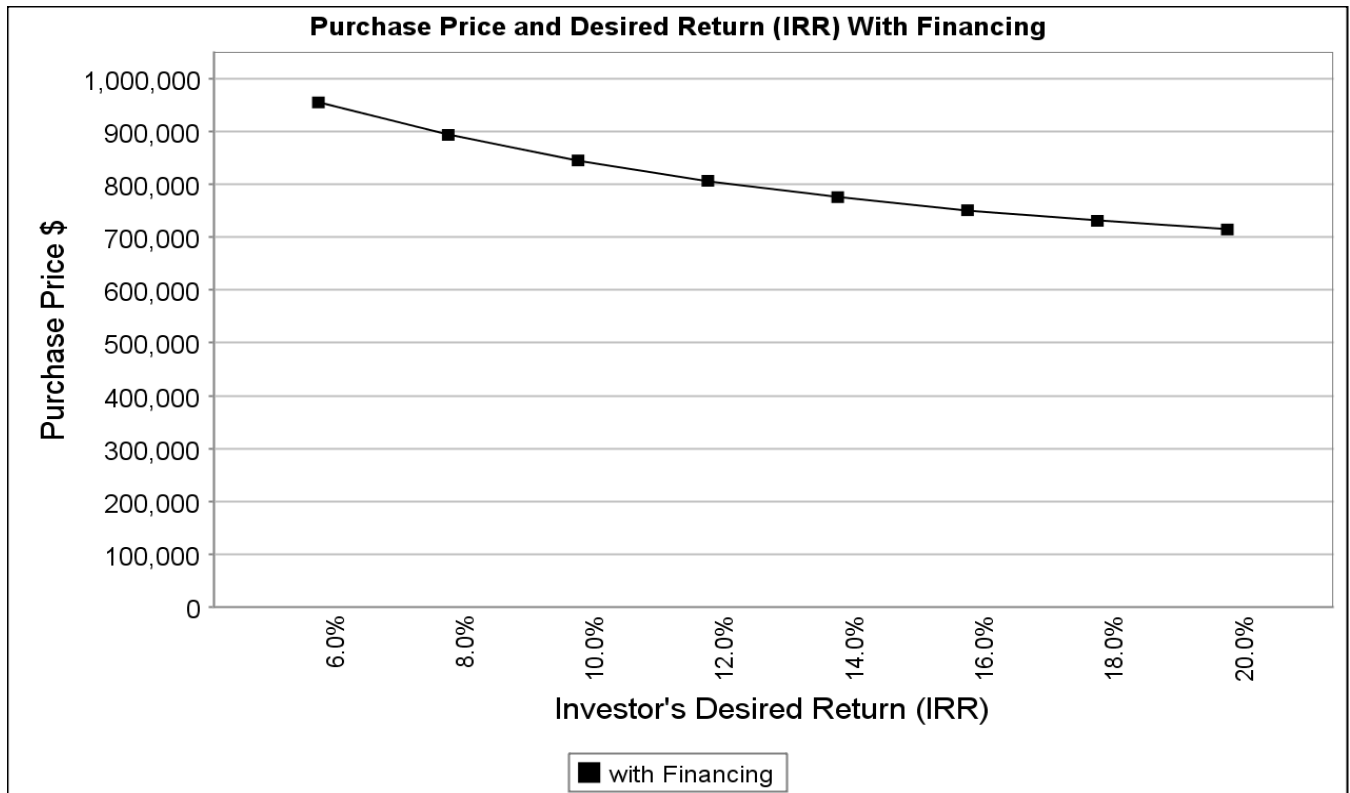
**BUY: EXPENSE CALCULATIONS**

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>

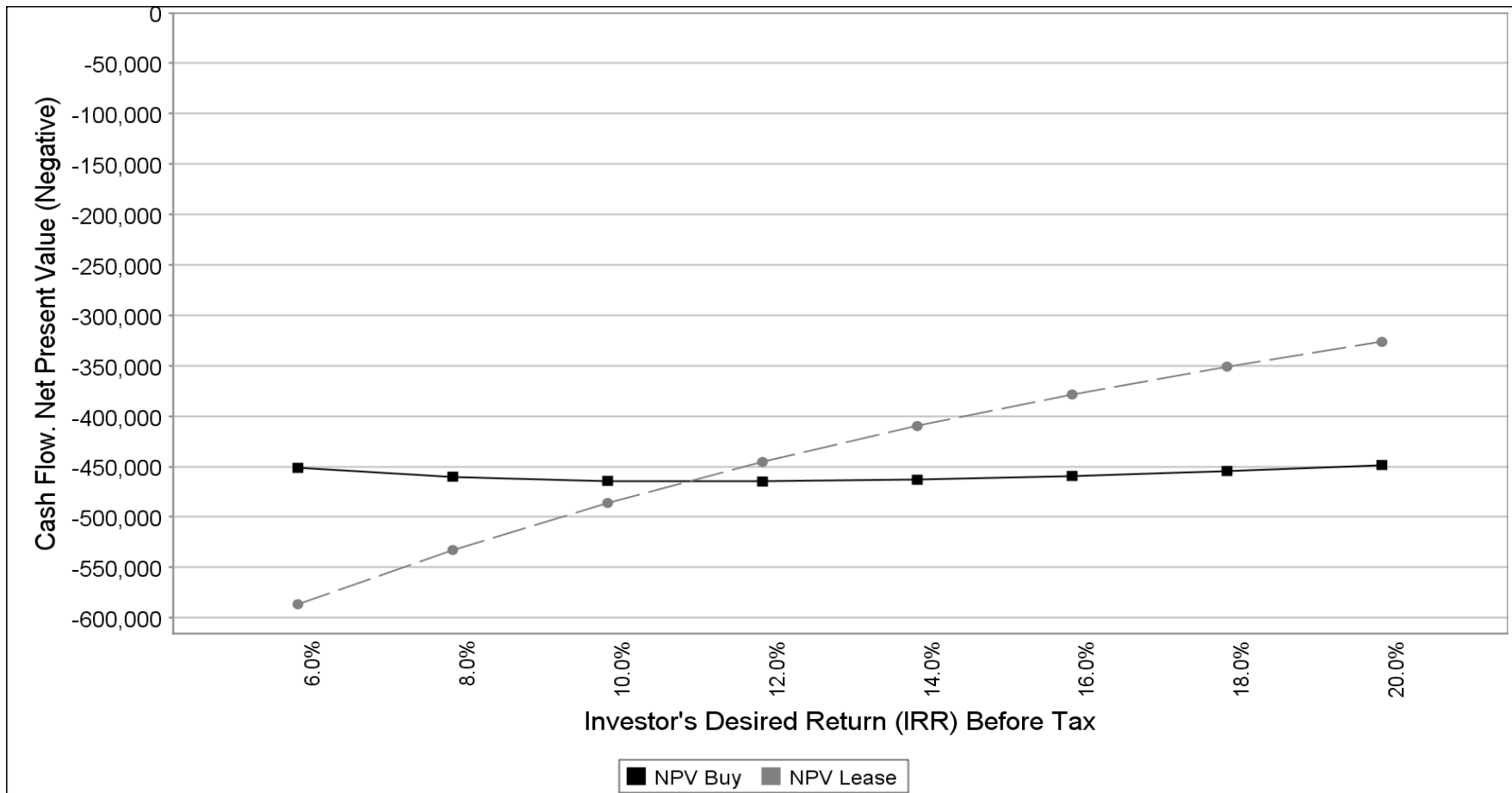






**Buy v Lease. Net Present Value (NPV) Before Tax**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease



**Interpretations**

For the Desired Return (IRR) Before 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) Before Tax**  
Cedar Plaza  
Buy v Lease Analysis

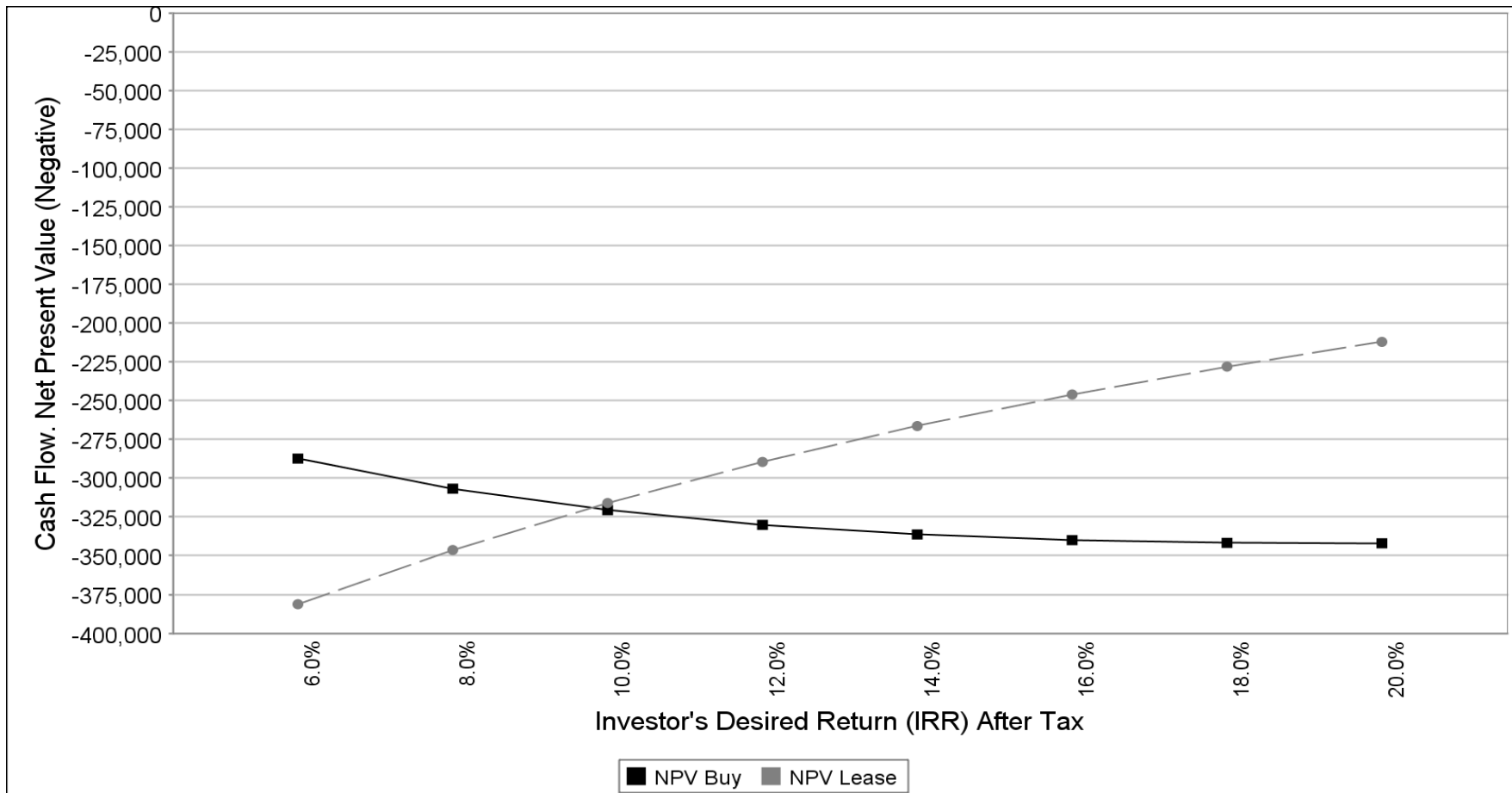
March 09, 2008  
Investor Pro  
Buy v Lease





**Buy v Lease. Net Present Value (NPV) After Tax**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease



**Interpretations**

For the Desired Return (IRR) After Tax consider:

- Leasing if the Net Present Value (NPV) for leasing is less than the Net Present Value for Buying
- 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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease



**Goal Seeking Results**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

**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	11.01%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 812,812	\$ 1,199,009	3.96%
	13.00%	\$ 850,000	\$ 1,331,885	4.59%
<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	9.77%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 884,841	\$ 1,199,009	3.09%
	8.32%	\$ 850,000	\$ 1,111,415	2.72%
<b>Without Financing</b>				
Based on data entered	6.63%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 736,493	\$ 1,199,009	4.99%
	8.32%	\$ 850,000	\$ 1,484,382	5.73%



## 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 \$ 812,812 and sell for \$ 1,199,009 in 10 years which is 3.96% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,331,885 in 10 years which is 4.59% 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 \$ 884,841 and sell for \$ 1,199,009 in 10 years which is 3.09% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,111,415 in 10 years which is 2.72% 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 \$ 736,493 and sell for \$ 1,199,009 in 10 years which is 4.99% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,484,382 in 10 years which is 5.73% 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)

	% Allocation	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%	286,875	223,670	312,297	259,939
Building	64.71%	525,937	410,061	572,544	476,554
<b>Purchase Price (Year 1 Total)</b>	<b>100.00%</b>	<b>\$ 812,812</b>	<b>\$ 633,731</b>	<b>\$ 884,841</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**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

**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>441,135</u>
<b>Cash Flow from Sale (Before Tax)</b>		<b>690,924</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 15.00% 42,309
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale		550,000	
Less Adjusted Basis		<u>410,157</u>	
Recaptured Depreciation		139,843	x 25.00% <u>34,961</u>
Net Proceeds (After Tax)			1,054,789
Less: Mortgage Repayment			<u>441,135</u>
<b>Cash Flow from Sale (After Tax)</b>			<b>613,654</b>



## Depreciation Schedules

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

### Building

Starting Date: Year 1 January  
Depreciation Method: Commercial Property. Straight Line  
Recovery Period: 39.0 Year(s)  
First Year Convention: Mid-Month 95.8%  
Last Year Convention: 95.8%  
Depreciation Bonus: 0%  
Amount \$ 550,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Depreciation Bonus	Undepreciated Balance
Yr. 1 Jan-Yr. 1 Dec	\$ 550,000	\$ 550,000	\$ 13,510	-	\$ 536,490
Yr. 2 Jan-Yr. 2 Dec		536,490	14,103		522,387
Yr. 3 Jan-Yr. 3 Dec		522,387	14,103		508,284
Yr. 4 Jan-Yr. 4 Dec		508,284	14,103		494,181
Yr. 5 Jan-Yr. 5 Dec		494,181	14,103		480,078
Yr. 6 Jan-Yr. 6 Dec		480,078	14,103		465,975
Yr. 7 Jan-Yr. 7 Dec		465,975	14,103		451,872
Yr. 8 Jan-Yr. 8 Dec		451,872	14,102		437,770
Yr. 9 Jan-Yr. 9 Dec		437,770	14,103		423,667
Yr. 10 Jan-Yr. 10 Dec		423,667	13,510		410,157
Total	\$ 550,000		\$ 139,843	-	



## Input Data Summary

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008

Investor Pro

Buy v Lease

### 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 35.00%  
Capital Gain Tax Rate 15.00%  
Recaptured Deprec. Tax Rate 25.00%

#### Desired Return on Investment (Discount Rate)

Before Tax: 13.00%  
After Tax: 8.45%

#### Short Term Reinvestment Rates

Before Tax: 3.000%  
After Tax: 1.950%

#### Short Term Financing Rates

Before Tax: 8.000%  
After Tax: 5.200%

#### Investment information

Active Investor with no Loss limitation

Total Invested in Year 1 is \$ 850,000

	Investment Type	Date	Amount	Recovery Period Years
Land	Land (No Depreciation)	Jan, Year 1	\$ 300,000	-



# Input Data Summary

Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

Building Commercial Property. Straight Line Jan, Year 1 \$ 550,000 39.00

## Financing

### First Mortgage

Starts: January Year 1  
Type: Standard Mortgage  
Amount: \$ 650,000  
Interest Rate: Fixed  
Payment Frequency: Monthly  
Compounding Frequency: Monthly  
Addit. Payments/Borrowing: No  
Rounding Up to Nearest Cent  
No of Terms: 1

Nominal  
Annual

Term	Time Period	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





**Projection Descriptions**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

**BUY (EXPENSES) PROJECTIONS**

**Operating Costs**

Entry Choice: \$ per Sq. Ft per Year

Quantity: 3,000

Year 1 Jan           \$7.00 per Sq. Ft per Year paid monthly for 12 months  
                                  Compounding at 3.00% per year for next 9 years

**LEASE (EXPENSES) PROJECTIONS**

**Base Rent**

Entry Choice: \$ per Sq. Ft per Year

Quantity: 3,000

Year 1 Jan           Stepped Projection (Lease)  
                                  Term 1: \$17.00 per Sq. Ft per Year paid monthly for 5 years  
                                  Term 2: Increased by 3.00% compounding per year to \$19.71 per Sq. Ft per Year paid monthly for 5 years

**Taxes, Insurance & Maintenance**

Entry Choice: \$ per Sq. Ft per Year

Quantity: 3,000

Year 1 Jan           \$6.00 per Sq. Ft per Year paid monthly for 12 months  
                                  Compounding at 3.00% per year for next 9 years

**Parking**

Entry Choice: \$ per Space per Month

Quantity: 12

Year 1 Jan           \$30.00 per Space per Month paid monthly for 12 months  
                                  Compounding at 3.00% per year for next 9 years



**Sale Price Estimates**  
Cedar Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

<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		
<hr/>				

**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 Plaza  
Buy v Lease Analysis

March 09, 2008  
Investor Pro  
Buy v Lease

**First Mortgage**

Amount: \$650,000  
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: Monthly  
Interest Rate: Fixed  
Additional Payment or Borrowing: No

Term	Start Date of (Balloon) Term	Time Period Years	Months	Nominal Annual Interest Rate	Amortization 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	\$ 441,134.78	-	\$ 441,134.78
Payout at end of last Term: Dec Year 10	\$ 441,134.78	-	\$ 441,134.78

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	62,836.32	48,255.57	14,580.75	-	635,419.25
Year 2 Jan-Year 2 Dec	62,836.32	47,123.61	15,712.71	-	619,706.54
Year 3 Jan-Year 3 Dec	62,836.32	45,903.81	16,932.51	-	602,774.03
Year 4 Jan-Year 4 Dec	62,836.32	44,589.29	18,247.03	-	584,527.00
Year 5 Jan-Year 5 Dec	62,836.32	43,172.70	19,663.62	-	564,863.38
Year 6 Jan-Year 6 Dec	62,836.32	41,646.17	21,190.15	-	543,673.23
Year 7 Jan-Year 7 Dec	62,836.32	40,001.13	22,835.19	-	520,838.04
Year 8 Jan-Year 8 Dec	62,836.32	38,228.39	24,607.93	-	496,230.11
Year 9 Jan-Year 9 Dec	62,836.32	36,318.00	26,518.32	-	469,711.79
Year 10 Jan-Year 10 Dec	62,836.32	34,259.31	28,577.01	-	441,134.78
	<b>628,363.20</b>	<b>419,497.98</b>	<b>208,865.22</b>	-	