

Schedule Of Prospective Cash Flow
 In Inflated Dollars for the Fiscal Year Beginning 1/1/2000

For the Years Ending	Year 1 Dec-2000	Year 2 Dec-2001	Year 3 Dec-2002	Year 4 Dec-2003	Year 5 Dec-2004	Year 6 Dec-2005
Potential Gross Revenue						
Base Rental Revenue	\$440,000	\$440,000	\$440,000	\$420,000	\$420,000	\$420,000
Absorption & Turnover Vacancy	(140,000)			(70,000)		
Base Rent Abatements		(58,333)				
Scheduled Base Rental Revenue	300,000	381,667	440,000	350,000	420,000	420,000
Expense Reimbursement Revenue						
General Expenses	10,107	20,072	26,075	2,393	14,025	20,778
Total Reimbursement Revenue	10,107	20,072	26,075	2,393	14,025	20,778
Total Potential Gross Revenue	310,107	401,739	466,075	352,393	434,025	440,778
Effective Gross Revenue	310,107	401,739	466,075	352,393	434,025	440,778
Operating Expenses						
General Expenses	135,161	150,072	156,075	157,178	168,811	175,563
Total Operating Expenses	135,161	150,072	156,075	157,178	168,811	175,563
Net Operating Income	174,946	251,667	310,000	195,215	265,214	265,215
Leasing & Capital Costs						
Tenant Improvements		100,000		130,000		
Leasing Commissions		38,500		63,000		
Capital Expenditures	30,000	30,000	30,000	30,000	30,000	30,000
Total Leasing & Capital Costs	30,000	168,500	30,000	223,000	30,000	30,000
Cash Flow Before Debt Service & Taxes	\$144,946	\$83,167	\$280,000	(\$27,785)	\$235,214	\$235,215

Prospective Present Value
 Cash Flow Before Debt Service plus Property Resale
 Discounted Annually (Endpoint on Cash Flow & Resale) over a 5-Year Period

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 12.00%
Year 1	Dec-2000	\$144,946	\$129,416
Year 2	Dec-2001	83,167	66,300
Year 3	Dec-2002	280,000	199,299
Year 4	Dec-2003	(27,785)	(17,658)
Year 5	Dec-2004	<u>235,214</u>	<u>133,467</u>
Total Cash Flow		715,542	510,824
Property Resale @ 10% Cap Rate		2,519,542	<u>1,429,656</u>
Total Property Present Value			<u>\$1,940,480</u> =====
Rounded to Thousands			<u>\$1,940,000</u> =====
Per SqFt			64.68
Percentage Value Distribution			
Assured Income			26.95%
Prospective Income			(0.63%)
Prospective Property Resale			73.68%
			<u>100.00%</u> =====

15.3% decrease in value.

Property Summary Report

Timing & Inflation
 Reporting Period: January 1, 2000 to December 31, 2004; 5 years
 Inflation Month: Analysis Start
 General Inflation Rate: 4.00%

Property Size & Occupancy
 Property Size: 30,000 Square Feet
 Alternate Size: 1 Square Foot
 Number of rent roll tenants: 1
 Total Occupied Area: 20,000 Square Feet, 66.67%, during first month of analysis

Space Absorption
 Suite 200 10,000 Square Feet, leasing from 1/01 to 1/01
 1 lease per year, 10,000 SqFt per lease

Property Purchase & Resale
 Purchase Price: -
 Resale Method: Capitalize Net Operating Income
 Cap Rate: 10.00%
 Cap Year: Year 6
 Commission/Closing Cost: \$132,608
 Net Cash Flow from Sale: \$2,519,542

Present Value Discounting
 Discount Method: Annually (Endpoint on Cash Flow & Resale)
 Unleveraged Discount Rate: 12.00%
 Unleveraged Present Value: \$1,940,480 at 12.00%