

SCHEDULE OF PROSPECTIVE CASH FLOW
 In Inflated Dollars for the Fiscal Year Beginning 6/1/1995

For the Years Ending	Year 1 May-1996	Year 2 May-1997	Year 3 May-1998	Year 4 May-1999	Year 5 May-2000	Year 6 May-2001
POTENTIAL GROSS REVENUE						
Base Rental Revenue	\$1,284,844	\$1,335,088	\$1,357,000	\$1,357,000	\$1,513,729	\$1,580,783
CPI & Other Adjustment Revenue	9,900	21,597	40,508	60,757	29,055	30,386
Expense Reimbursement Revenue						
Property Taxes	4,349	7,667	9,755	11,469	7,102	3,263
Common Area Maintenance	15,963	29,557	38,042	44,727	27,553	12,576
Property Insurance	2,189	3,955	5,174	6,259	3,980	1,889
Total Reimbursement Revenue	22,501	41,179	52,971	62,455	38,635	17,728
TOTAL POTENTIAL GROSS REVENUE	1,317,245	1,397,864	1,450,479	1,480,212	1,581,419	1,628,897
REVENUE ADJUSTMENTS						
Absorption & Turnover Vacancy	371,094	24,463			36,755	44,740
Base Rent Abatements	121,875	38,625			27,566	33,556
General Vacancy		43,499	72,524	74,011	40,938	35,027
TOTAL REVENUE ADJUSTMENTS	492,969	106,587	72,524	74,011	105,259	113,323
EFFECTIVE GROSS REVENUE	824,276	1,291,277	1,377,955	1,406,201	1,476,160	1,515,574
OPERATING EXPENSES						
Property Taxes	50,000	51,500	53,045	54,636	56,275	57,964
Common Area Maintenance						
Utilities	86,979	102,142	106,090	109,273	111,261	114,358
Janitorial	15,573	20,308	21,218	21,855	22,072	22,652
Administrative	75,000	77,250	79,568	81,955	84,413	86,946
Total	177,552	199,700	206,876	213,083	217,746	223,956
Property Insurance	25,000	26,500	28,090	29,775	31,562	33,456
Management Fee	41,214	64,564	68,898	70,310	73,808	75,779
TOTAL OPERATING EXPENSES	293,766	342,264	356,909	367,804	379,391	391,155
NET OPERATING INCOME	530,510	949,013	1,021,046	1,038,397	1,096,769	1,124,419
DEBT SERVICE						
Interest Payments	353,424	346,870	339,666	331,746	323,041	
Principal Payments	66,035	72,589	79,793	87,713	96,418	
Origination Points & Fees	37,500					
TOTAL DEBT SERVICE	456,959	419,459	419,459	419,459	419,459	
LEASING & CAPITAL COSTS						
Tenant Improvements	487,500	150,000			400,962	282,574
Leasing Commissions	138,938	44,033			152,572	99,408
Roof Repair	45,000					
Reserve	20,000	20,600	21,218	21,855	22,510	23,185
TOTAL LEASING & CAPITAL COSTS	691,438	214,633	21,218	21,855	576,044	405,167
CASH FLOW AFTER DEBT SERVICE BUT BEFORE INCOME TAX	(\$617,887)	\$314,921	\$580,369	\$597,083	\$101,266	\$719,252

Initial Equity	
Price	\$ 5,000,000
Loans	\$ 3,750,000
Equity	\$ 1,250,000

Verify Equity IRR	
n	\$
0	\$ (1,250,000)
1	\$ (617,887)
2	\$ 314,921
3	\$ 580,369
4	\$ 597,083
5	\$ 7,548,236 44.51%

Perform MIRR	
Finance Rate	5%
Reinvestment Rate	10%
MIRR	38.37%

Verify Overall IRR	
n	\$
0	\$ (5,000,000)
1	\$ (160,928)
2	\$ 734,380
3	\$ 999,828
4	\$ 1,016,542
5	\$ 11,315,147 24.87%

Price Delta	
Purchase Price	\$ 5,000,000
Selling Price	\$11,244,190
Price Delta	125%

Cap Rates	
Going in	11%
Terminal	10%

Operating Expense Ratio	
Year 1	35.6%
Year 2	26.5%
Year 3	25.9%
Year 4	26.2%
Year 5	25.7%
Year 6	25.8%

Growth in Base Rental Revenue	
Year 1	NA
Year 2	3.9%
Year 3	1.6%
Year 4	0.0%
Year 5	11.5%
Year 6	4.4%

Growth in Effective Rental Revenue	
Year 1	NA
Year 2	56.7%
Year 3	6.7%
Year 4	2.0%
Year 5	5.0%
Year 6	2.7%

Growth in Operating Expenses	
Year 1	NA
Year 2	16.5%
Year 3	4.3%
Year 4	4.3%
Year 5	3.1%
Year 6	3.1%

Growth in NOI	
Year 1	NA
Year 2	78.9%
Year 3	7.8%
Year 4	1.7%
Year 5	5.6%
Year 6	2.5%

