

Property Name **NO DEBT/BEFORE TAX**
 Location Anywhere, USA
 Type of Property Investment
 Size of Property 10,000 (Sq. Ft./Units)
 Purpose of analysis CCIM/IEM SUCCESS SERIES

Annual Property Operating Data

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages _____
 Equals Initial Investment 1,000,000

Assessed/Appraised Values
 Land _____
 Improvements _____
 Personal Property _____
 Total _____
 Adjusted Basis as of _____

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	_____	_____	_____	_____	_____	_____
2nd	_____	_____	_____	_____	_____	_____

	ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1	POTENTIAL RENTAL INCOME	<u>15.00</u>		<u>150,000</u>	6.67 Gross Rent Multiplier
2	Less: Vacancy & Cr. Losses		(5. % of PRI)	<u>7,500</u>	
3	EFFECTIVE RENTAL INCOME			<u>142,500</u>	
4	Plus: Other Income (collectable)				
5	GROSS OPERATING INCOME			<u>142,500</u>	
	OPERATING EXPENSES:				
7	Real Estate Taxes	_____	_____	_____	
8	Personal Property Taxes	_____	_____	_____	
9	Property Insurance	_____	_____	_____	
10	Off Site Management	_____	_____	_____	
11	Payroll	_____	_____	_____	
12	Expenses/Benefits	_____	_____	_____	
13	Taxes/Worker's Compensation	_____	_____	_____	
14	Repairs and Maintenance	_____	_____	_____	
	Utilities:				
15	_____	_____	_____	_____	
16	_____	_____	_____	_____	
17	_____	_____	_____	_____	
18	_____	_____	_____	_____	
19	Accounting and Legal	_____	_____	_____	
20	Licenses/Permits	_____	_____	_____	
21	Advertising	_____	_____	_____	
22	Supplies	_____	_____	_____	
23	Miscellaneous Contract Services:				
24	_____	_____	_____	_____	
25	_____	_____	_____	_____	
26	_____	_____	_____	_____	
27	_____	_____	_____	_____	
28	_____	_____	_____	_____	
29	TOTAL OPERATING EXPENSES			<u>42,500</u>	
30	NET OPERATING INCOME			<u>100,000</u>	10% cap rate
31	Less: Annual Debt Service				
32	Less: Participation Payments				
33	Less: Leasing Commissions				
34	Less: Funded Reserves				
35	CASH FLOW BEFORE TAXES			<u>\$100,000</u>	10% cash-on-cash return

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Prepared for: _____
 Prepared by: _____

Cash Flow Analysis Worksheet

Property Name **NO DEBT/BEFORE TAX**
 Prepared For **CCIM/IREM SUCCESS SERIES**
 Prepared By **Steven R. Price, CCIM, CRE**
 Date Prepared _____

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages _____
 Equals Initial Investment 1,000,000

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount			Value		
Interest Rate			C. R. Method		
Amortization Period			Useful Life		
Loan Term			In Service Date		
Payments/Year			Date of Sale		
Periodic Payment			Recapture		
Annual Debt Service			Investment Tax		
Loan Fees/Costs			Credit (\$\$ or %)		

Taxable Income

End of Year : 1 2 3 4 5

1 Potential Rental Income	150,000	154,500	159,135	163,909	168,826
2 -Vacancy & Credit Losses	7,500	7,725	7,957	8,195	8,441
3 =Effective Rental Income	142,500	146,775	151,178	155,714	160,385
4 +Other Income (collectable)					
5 =Gross Operating Income	142,500	146,775	151,178	155,714	160,385
6 -Operating Expenses	42,500	43,775	45,088	46,441	47,834
7 =NET OPERATING INCOME	100,000	103,000	106,090	109,273	112,551
8 -Interest - 1st Mortgage					
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements					
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs					
14 -Leasing Commissions					
15 =Real Estate Taxable Income					
16 Tax Liability (Savings) at 00.0%					

Cash Flow

17 NET OPERATING INCOME (Line 7)	100,000	103,000	106,090	109,273	112,551
18 -Annual Debt Service					
19 -Participation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	100,000	103,000	106,090	109,273	112,551
23 -Tax Liability (Savings) (Line 16)					
24 =CASH FLOW AFTER TAXES					

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Alternative Cash Sales Worksheet

NO DEBT/BEFORE TAX

Mortgage Balances

	End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage						
Principal Balance - 2nd Mortgage						
TOTAL UNPAID BALANCE						

Calculation of Sale Proceeds

PROJECTED SALES PRICE	\$1,159,274			
	(At 10.% cap)			

CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition			
2 +Capital Additions			
3 -Cost Recovery (Depreciation) Taken			
4 -Basis in Partial Sales			
5 =Adjusted Basis at Sale			

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price			
7 -Costs of Sale			
8 -Adjusted Basis at Sale (Line 5)			
9 -Participation Payment on Sale			
10 =Gain or (Loss)			
11 -Straight Line Cost Recovery (limited to gain)			
12 -Suspended Losses			
13 =Capital Gain from Appreciation			

ITEMS TAXED AS ORDINARY INCOME:

14 Unamortized Loan Fees/Costs (negative)			
15 +			
16 =Ordinary Taxable Income			

CALCULATION OF SALES PROCEEDS AFTER TAX:

17 Sale Price	1,159,274	0	(1,000,000)
18 -Costs of Sale	57,964	1	100,000
19 +Balance of Funded Reserves		2	103,000
20 -Mortgage Balance(s)		3	106,090
21 -Participation Payments on Sale		4	109,273
22 =Sale Proceeds Before Tax	1,101,310	5	1,213,861
23 -Tax (Savings): Ordinary Income at % of line 16		IRR =	12.14%
24 -Tax: Straight Line Recapture at % of line 11			
25 -Tax on Capital Gains at % of line 13			
26 =SALE PROCEEDS AFTER TAX			

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Property Name **NO DEBT/AFTER TAX**
 Location Anywhere, USA
 Type of Property Investment
 Size of Property 10,000 (Sq. Ft./Units)
 Purpose of analysis CCIM/IEM SUCCESS SERIES

Annual Property Operating Data

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages _____
 Equals Initial Investment 1,000,000

Assessed/Appraised Values
 Land 250,000 25%
 Improvements 750,000 75%
 Personal Property _____
 Total _____
 Adjusted Basis as of _____

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	_____	_____	_____	_____	_____	_____
2nd	_____	_____	_____	_____	_____	_____

	ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1	POTENTIAL RENTAL INCOME	<u>15.00</u>		<u>150,000</u>	<u>6.67 Gross Rent Multiplier</u>
2	Less: Vacancy & Cr. Losses		(5. % of PRI)	<u>7,500</u>	
3	EFFECTIVE RENTAL INCOME			<u>142,500</u>	
4	Plus: Other Income (collectable)				
5	GROSS OPERATING INCOME			<u>142,500</u>	
	OPERATING EXPENSES:				
7	Real Estate Taxes	_____	_____	_____	
8	Personal Property Taxes	_____	_____	_____	
9	Property Insurance	_____	_____	_____	
10	Off Site Management	_____	_____	_____	
11	Payroll	_____	_____	_____	
12	Expenses/Benefits	_____	_____	_____	
13	Taxes/Worker's Compensation	_____	_____	_____	
14	Repairs and Maintenance	_____	_____	_____	
	Utilities:				
15	_____	_____	_____	_____	
16	_____	_____	_____	_____	
17	_____	_____	_____	_____	
18	_____	_____	_____	_____	
19	Accounting and Legal	_____	_____	_____	
20	Licenses/Permits	_____	_____	_____	
21	Advertising	_____	_____	_____	
22	Supplies	_____	_____	_____	
23	Miscellaneous Contract Services:				
24	_____	_____	_____	_____	
25	_____	_____	_____	_____	
26	_____	_____	_____	_____	
27	_____	_____	_____	_____	
28	_____	_____	_____	_____	
29	TOTAL OPERATING EXPENSES			<u>42,500</u>	
30	NET OPERATING INCOME			<u>100,000</u>	<u>10% cap rate</u>
31	Less: Annual Debt Service	_____	_____	_____	
32	Less: Participation Payments	_____	_____	_____	
33	Less: Leasing Commissions	_____	_____	_____	
34	Less: Funded Reserves	_____	_____	_____	
35	CASH FLOW BEFORE TAXES			<u>\$100,000</u>	<u>10% cash-on-cash return</u>

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Prepared for: _____
 Prepared by: _____

Cash Flow Analysis Worksheet

Property Name **NO DEBT/AFTER TAX**
 Prepared For **CCIM/IREM SUCCESS SERIES**
 Prepared By **Steven R. Price, CCIM, CRE**
 Date Prepared _____

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages _____
 Equals Initial Investment 1,000,000

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount			Value	750,000	
Interest Rate			C. R. Method	SL	
Amortization Period			Useful Life	39	
Loan Term			In Service Date		
Payments/Year			Date of Sale		
Periodic Payment			Recapture		
Annual Debt Service			Investment Tax		
Loan Fees/Costs			Credit (\$\$ or %)		

Taxable Income

End of Year :	1	2	3	4	5
1 Potential Rental Income	150,000	154,500	159,135	163,909	168,826
2 -Vacancy & Credit Losses	7,500	7,725	7,957	8,195	8,441
3 =Effective Rental Income	142,500	146,775	151,178	155,714	160,385
4 +Other Income (collectable)					
5 =Gross Operating Income	142,500	146,775	151,178	155,714	160,385
6 -Operating Expenses	42,500	43,775	45,088	46,441	47,834
7 =NET OPERATING INCOME	100,000	103,000	106,090	109,273	112,551
8 -Interest - 1st Mortgage					
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements	18,428	19,230	19,230	19,230	18,428
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs					
14 -Leasing Commissions					
15 =Real Estate Taxable Income	81,572	83,770	86,860	90,043	94,123
16 Tax Liability (Savings) at 35.0%	28,550	29,320	30,401	31,515	32,943

Cash Flow

17 NET OPERATING INCOME (Line 7)	100,000	103,000	106,090	109,273	112,551
18 -Annual Debt Service					
19 -Participation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	100,000	103,000	106,090	109,273	112,551
23 -Tax Liability (Savings) (Line 16)	28,550	29,320	30,401	31,515	32,943
24 =CASH FLOW AFTER TAXES	\$71,450	\$73,681	\$75,689	\$77,758	\$79,608

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Alternative Cash Sales Worksheet

NO DEBT/AFTER TAX

Mortgage Balances

	End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage						
Principal Balance - 2nd Mortgage						
TOTAL UNPAID BALANCE						

Calculation of Sale Proceeds

PROJECTED SALES PRICE	\$1,159,274		
	(At 10.% cap)		

CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition	\$1,000,000		
2 +Capital Additions			
3 -Cost Recovery (Depreciation) Taken	94,546		
4 -Basis in Partial Sales			
5 =Adjusted Basis at Sale	905,454		

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price	1,159,274		
7 -Costs of Sale	57,964		
8 -Adjusted Basis at Sale (Line 5)	905,454		
9 -Participation Payment on Sale			
10 =Gain or (Loss)	195,856		
11 -Straight Line Cost Recovery (limited to gain)	94,546		
12 -Suspended Losses			
13 =Capital Gain from Appreciation	101,310		

ITEMS TAXED AS ORDINARY INCOME:

14 Unamortized Loan Fees/Costs (negative)			
15 +			
16 =Ordinary Taxable Income			

CALCULATION OF SALES PROCEEDS AFTER TAX:

17 Sale Price	1,159,274		
18 -Costs of Sale	57,964	0	(1,000,000)
19 +Balance of Funded Reserves		1	71,450
20 -Mortgage Balance(s)		2	73,681
21 -Participation Payments on Sale		3	75,689
22 =Sale Proceeds Before Tax	1,101,310	4	77,758
23 -Tax (Savings): Ordinary Income at 35% of line 16		5	1,142,085
24 -Tax: Straight Line Recapture at 25% of line 11	23,637	IRR =	8.58%
25 -Tax on Capital Gains at 15% of line 13	15,197		
26 =SALE PROCEEDS AFTER TAX	\$1,062,477		

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Property Name **WITH DEBT/BEFORE TAX**
 Location Anywhere, USA
 Type of Property Investment
 Size of Property 10,000 (Sq. Ft./Units)
 Purpose of analysis CCIM/IEM SUCCESS SERIES

Annual Property Operating Data

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Assessed/Appraised Values
 Land _____
 Improvements _____
 Personal Property _____
 Total _____

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	\$700,000	\$5,403	12	8.0%	25	5
2nd	_____	_____	_____	_____	_____	_____

Adjusted Basis as of _____

ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1 POTENTIAL RENTAL INCOME	15.00		150,000	6.67 Gross Rent Multiplier
2 Less: Vacancy & Cr. Losses		(5.0% of PRI)	7,500	
3 EFFECTIVE RENTAL INCOME			142,500	
4 Plus: Other Income (collectable)				
5 GROSS OPERATING INCOME			142,500	
OPERATING EXPENSES:				
7 Real Estate Taxes				
8 Personal Property Taxes				
9 Property Insurance				
10 Off Site Management				
11 Payroll				
12 Expenses/Benefits				
13 Taxes/Worker's Compensation				
14 Repairs and Maintenance				
Utilities:				
15 _____				
16 _____				
17 _____				
18 _____				
19 Accounting and Legal				
20 Licenses/Permits				
21 Advertising				
22 Supplies				
23 Miscellaneous Contract Services:				
24 _____				
25 _____				
26 _____				
27 _____				
28 _____				
29 TOTAL OPERATING EXPENSES			42,500	
30 NET OPERATING INCOME			100,000	10% cap rate
31 Less: Annual Debt Service			64,833	
32 Less: Participation Payments				
33 Less: Leasing Commissions				
34 Less: Funded Reserves				
35 CASH FLOW BEFORE TAXES			\$35,167	11.20% cash-on-cash return

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Cash Flow Analysis Worksheet

Property Name **WITH DEBT/BEFORE TAX**
 Prepared For **CCIM/IREM SUCCESS SERIES**
 Prepared By **Steven R. Price, CCIM, CRE**
 Date Prepared _____

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Mortgage Data		Cost Recovery Data			
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount	700,000		Value		
Interest Rate	8.00%		C. R. Method		
Amortization Period	25. Years		Useful Life		
Loan Term	5. Years		In Service Date		
Payments/Year	12		Date of Sale		
Periodic Payment	5,402.71		Recapture		
Annual Debt Service	64,832.56		Investment Tax		
Loan Fees/Costs	14,000		Credit (\$\$ or %)		

Taxable Income

End of Year :	1	2	3	4	5
1 Potential Rental Income	150,000	154,500	159,135	163,909	168,826
2 -Vacancy & Credit Losses	7,500	7,725	7,957	8,195	8,441
3 =Effective Rental Income	142,500	146,775	151,178	155,714	160,385
4 +Other Income (collectable)					
5 =Gross Operating Income	142,500	146,775	151,178	155,714	160,385
6 -Operating Expenses	42,500	43,775	45,088	46,441	47,834
7 =NET OPERATING INCOME	100,000	103,000	106,090	109,273	112,551
8 -Interest - 1st Mortgage					
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements					
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs					
14 -Leasing Commissions					
15 =Real Estate Taxable Income					
16 Tax Liability (Savings) at 00.0%					

Cash Flow

17 NET OPERATING INCOME (Line 7)	100,000	103,000	106,090	109,273	112,551
18 -Annual Debt Service	64,833	64,833	64,833	64,833	64,833
19 -Participation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	35,167	38,167	41,257	44,440	47,718
23 -Tax Liability (Savings) (Line 16)					
24 =CASH FLOW AFTER TAXES					

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Alternative Cash Sales Worksheet

WITH DEBT/BEFORE TAX

Mortgage Balances

End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage	690,836	680,912	670,164	658,524	645,918
Principal Balance - 2nd Mortgage	0	0	0	0	0
TOTAL UNPAID BALANCE	\$690,836	\$680,912	\$670,164	\$658,524	\$645,918

Calculation of Sale Proceeds

PROJECTED SALES PRICE	\$1,159,274			
	(At 10.% cap)			

CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition			
2 +Capital Additions			
3 -Cost Recovery (Depreciation) Taken			
4 -Basis in Partial Sales			
5 =Adjusted Basis at Sale			

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price			
7 -Costs of Sale			
8 -Adjusted Basis at Sale (Line 5)			
9 -Participation Payment on Sale			
10 =Gain or (Loss)			
11 -Straight Line Cost Recovery (limited to gain)			
12 -Suspended Losses			
13 =Capital Gain from Appreciation			

ITEMS TAXED AS ORDINARY INCOME:

14 Unamortized Loan Fees/Costs (negative)			
15 +			
16 =Ordinary Taxable Income			

CALCULATION OF SALES PROCEEDS AFTER TAX:

17 Sale Price	1,159,274	0	(314,000)	
18 -Costs of Sale	57,964	1	35,167	
19 +Balance of Funded Reserves		2	38,167	
20 -Mortgage Balance(s)	645,918	3	41,257	
21 -Participation Payments on Sale		4	44,440	
22 =Sale Proceeds Before Tax	455,393	5	503,111	
23 -Tax (Savings): Ordinary Income at % of line 16		IRR =	19.00%	
24 -Tax: Straight Line Recapture at % of line 11				
25 -Tax on Capital Gains at % of line 13				
26 =SALE PROCEEDS AFTER TAX				

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Property Name **WITH DEBT/AFTER TAX**
 Location Anywhere, USA
 Type of Property Investment
 Size of Property 10,000 (Sq. Ft./Units)
 Purpose of analysis CCIM/IEM SUCCESS SERIES

Annual Property Operating Data

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Assessed/Appraised Values
 Land 250,000 25%
 Improvements 750,000 75%
 Personal Property _____
 Total _____

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	<u>\$700,000</u>	<u>\$5,403</u>	<u>12</u>	<u>8.0%</u>	<u>25</u>	<u>5</u>
2nd	_____	_____	_____	_____	_____	_____

Adjusted Basis as of _____

	ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1	POTENTIAL RENTAL INCOME	<u>15.00</u>		<u>150,000</u>	<u>6.67 Gross Rent Multiplier</u>
2	Less: Vacancy & Cr. Losses		<u>(5.0% of PRI)</u>	<u>7,500</u>	
3	EFFECTIVE RENTAL INCOME			<u>142,500</u>	
4	Plus: Other Income (collectable)				
5	GROSS OPERATING INCOME			<u>142,500</u>	
	OPERATING EXPENSES:				
7	Real Estate Taxes	_____	_____	_____	
8	Personal Property Taxes	_____	_____	_____	
9	Property Insurance	_____	_____	_____	
10	Off Site Management	_____	_____	_____	
11	Payroll	_____	_____	_____	
12	Expenses/Benefits	_____	_____	_____	
13	Taxes/Worker's Compensation	_____	_____	_____	
14	Repairs and Maintenance	_____	_____	_____	
	Utilities:				
15	_____	_____	_____	_____	
16	_____	_____	_____	_____	
17	_____	_____	_____	_____	
18	_____	_____	_____	_____	
19	Accounting and Legal	_____	_____	_____	
20	Licenses/Permits	_____	_____	_____	
21	Advertising	_____	_____	_____	
22	Supplies	_____	_____	_____	
23	Miscellaneous Contract Services:				
24	_____	_____	_____	_____	
25	_____	_____	_____	_____	
26	_____	_____	_____	_____	
27	_____	_____	_____	_____	
28	_____	_____	_____	_____	
29	TOTAL OPERATING EXPENSES			<u>42,500</u>	
30	NET OPERATING INCOME			<u>100,000</u>	<u>10% cap rate</u>
31	Less: Annual Debt Service			<u>64,833</u>	
32	Less: Participation Payments				
33	Less: Leasing Commissions				
34	Less: Funded Reserves				
35	CASH FLOW BEFORE TAXES			<u>\$35,167</u>	<u>11.2% cash-on-cash return</u>

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Cash Flow Analysis Worksheet

Property Name **WITH DEBT/AFTER TAX**
 Prepared For **CCIM/IREM SUCCESS SERIES**
 Prepared By **Steven R. Price, CCIM, CRE**
 Date Prepared _____

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount	700,000		Value	750,000	
Interest Rate	8.00%		C. R. Method	SL	
Amortization Period	25. Years		Useful Life	39	
Loan Term	5. Years		In Service Date		
Payments/Year	12		Date of Sale		
Periodic Payment	5,402.71		Recapture		
Annual Debt Service	64,832.56		Investment Tax		
Loan Fees/Costs	14,000		Credit (\$\$ or %)		

Taxable Income

End of Year :	1	2	3	4	5
1 Potential Rental Income	150,000	154,500	159,135	163,909	168,826
2 -Vacancy & Credit Losses	7,500	7,725	7,957	8,195	8,441
3 =Effective Rental Income	142,500	146,775	151,178	155,714	160,385
4 +Other Income (collectable)					
5 =Gross Operating Income	142,500	146,775	151,178	155,714	160,385
6 -Operating Expenses	42,500	43,775	45,088	46,441	47,834
7 =NET OPERATING INCOME	100,000	103,000	106,090	109,273	112,551
8 -Interest - 1st Mortgage	55,669	54,908	54,085	53,192	52,226
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements	18,428	19,230	19,230	19,230	18,428
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs	2,800	2,800	2,800	2,800	2,800
14 -Leasing Commissions					
15 =Real Estate Taxable Income	23,103	26,062	29,975	34,050	39,097
16 Tax Liability (Savings) at 35.0%	8,086	9,122	10,491	11,918	13,684

Cash Flow

17 NET OPERATING INCOME (Line 7)	100,000	103,000	106,090	109,273	112,551
18 -Annual Debt Service	64,833	64,833	64,833	64,833	64,833
19 -Participation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	35,167	38,167	41,257	44,440	47,718
23 -Tax Liability (Savings) (Line 16)	8,086	9,122	10,491	11,918	13,684
24 =CASH FLOW AFTER TAXES	\$27,081	\$29,046	\$30,766	\$32,523	\$34,035

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Alternative Cash Sales Worksheet

WITH DEBT/AFTER TAX

Mortgage Balances

End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage	690,836	680,912	670,164	658,524	645,918
Principal Balance - 2nd Mortgage	0	0	0	0	0
TOTAL UNPAID BALANCE	\$690,836	\$680,912	\$670,164	\$658,524	\$645,918

Calculation of Sale Proceeds

PROJECTED SALES PRICE	\$1,159,274		
	(At 10.% cap)		

CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition	\$1,000,000		
2 +Capital Additions			
3 -Cost Recovery (Depreciation) Taken	94,546		
4 -Basis in Partial Sales			
5 =Adjusted Basis at Sale	905,454		

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price	1,159,274		
7 -Costs of Sale	57,964		
8 -Adjusted Basis at Sale (Line 5)	905,454		
9 -Participation Payment on Sale			
10 =Gain or (Loss)	195,856		
11 -Straight Line Cost Recovery (limited to gain)	94,546		
12 -Suspended Losses			
13 =Capital Gain from Appreciation	101,310		

ITEMS TAXED AS ORDINARY INCOME:

14 Unamortized Loan Fees/Costs (negative)			
15 +			
16 =Ordinary Taxable Income			

CALCULATION OF SALES PROCEEDS AFTER TAX:

17 Sale Price	1,159,274	0	(314,000)
18 -Costs of Sale	57,964	1	27,081
19 +Balance of Funded Reserves		2	29,046
20 -Mortgage Balance(s)	645,918	3	30,766
21 -Participation Payments on Sale		4	32,523
22 =Sale Proceeds Before Tax	455,393	5	450,595
23 -Tax (Savings): Ordinary Income at 35% of line 16		IRR =	14.52%
24 -Tax: Straight Line Recapture at 25% of line 11	23,637		
25 -Tax on Capital Gains at 15% of line 13	15,197		
26 =SALE PROCEEDS AFTER TAX	\$416,560		

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IRR Comparison

	Mortgage Portfolio	No Financing	With Financing	IRR Increase
Pre-Tax IRR	12.14%	12.14%	19.00%	56.51%
After-Tax IRR	7.89%	8.58%	14.52%	84.01%
Eff. Tax Rate	35.00%	29.32%	23.58%	

Annual Property Operating Data

Property Name 39.6% MTR and 20% on CG
 Location Anywhere, USA
 Type of Property Investment
 Size of Property 10,000 (Sq. Ft./Units)
 Purpose of analysis CCIM/IEM SUCCESS SERIES

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Assessed/Appraised Values
 Land 250,000 25%
 Improvements 750,000 75%
 Personal Property _____
 Total _____

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	<u>\$700,000</u>	<u>\$5,403</u>	<u>12</u>	<u>8.0%</u>	<u>25</u>	<u>5</u>
2nd	_____	_____	_____	_____	_____	_____

Adjusted Basis as of _____

	ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1	POTENTIAL RENTAL INCOME	<u>15.00</u>		<u>150,000</u>	<u>6.67 Gross Rent Multiplier</u>
2	Less: Vacancy & Cr. Losses		<u>(5.0% of PRI)</u>	<u>7,500</u>	
3	EFFECTIVE RENTAL INCOME			<u>142,500</u>	
4	Plus: Other Income (collectable)				
5	GROSS OPERATING INCOME			<u>142,500</u>	
	OPERATING EXPENSES:				
7	Real Estate Taxes	_____	_____	_____	
8	Personal Property Taxes	_____	_____	_____	
9	Property Insurance	_____	_____	_____	
10	Off Site Management	_____	_____	_____	
11	Payroll	_____	_____	_____	
12	Expenses/Benefits	_____	_____	_____	
13	Taxes/Worker's Compensation	_____	_____	_____	
14	Repairs and Maintenance	_____	_____	_____	
	Utilities:				
15	_____	_____	_____	_____	
16	_____	_____	_____	_____	
17	_____	_____	_____	_____	
18	_____	_____	_____	_____	
19	Accounting and Legal	_____	_____	_____	
20	Licenses/Permits	_____	_____	_____	
21	Advertising	_____	_____	_____	
22	Supplies	_____	_____	_____	
23	Miscellaneous Contract Services:				
24	_____	_____	_____	_____	
25	_____	_____	_____	_____	
26	_____	_____	_____	_____	
27	_____	_____	_____	_____	
28	_____	_____	_____	_____	
29	TOTAL OPERATING EXPENSES			<u>42,500</u>	
30	NET OPERATING INCOME			<u>100,000</u>	<u>10% cap rate</u>
31	Less: Annual Debt Service			<u>64,833</u>	
32	Less: Participation Payments				
33	Less: Leasing Commissions				
34	Less: Funded Reserves				
35	CASH FLOW BEFORE TAXES			<u>\$35,167</u>	<u>11.2% cash-on-cash return</u>

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Prepared for: _____
 Prepared by: _____

Cash Flow Analysis Worksheet

Property Name **39.6% MTR and 20% on CG**
 Prepared For **CCIM/IREM SUCCESS SERIES**
 Prepared By **Steven R. Price, CCIM, CRE**
 Date Prepared _____

Purchase Price 1,000,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs 14,000
 Less Mortgages 700,000
 Equals Initial Investment 314,000

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount	700,000		Value	750,000	
Interest Rate	8.00%		C. R. Method	SL	
Amortization Period	25. Years		Useful Life	39	
Loan Term	5. Years		In Service Date		
Payments/Year	12		Date of Sale		
Periodic Payment	5,402.71		Recapture		
Annual Debt Service	64,832.56		Investment Tax		
Loan Fees/Costs	14,000		Credit (\$\$ or %)		

Taxable Income

End of Year :	1	2	3	4	5
1 Potential Rental Income	150,000	154,500	159,135	163,909	168,826
2 -Vacancy & Credit Losses	7,500	7,725	7,957	8,195	8,441
3 =Effective Rental Income	142,500	146,775	151,178	155,714	160,385
4 +Other Income (collectable)					
5 =Gross Operating Income	142,500	146,775	151,178	155,714	160,385
6 -Operating Expenses	42,500	43,775	45,088	46,441	47,834
7 =NET OPERATING INCOME	100,000	103,000	106,090	109,273	112,551
8 -Interest - 1st Mortgage	55,669	54,908	54,085	53,192	52,226
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements	18,428	19,230	19,230	19,230	18,428
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs	2,800	2,800	2,800	2,800	2,800
14 -Leasing Commissions					
15 =Real Estate Taxable Income	23,103	26,062	29,975	34,050	39,097
16 Tax Liability (Savings) at 39.6%	9,149	10,320	11,870	13,484	15,482

Cash Flow

17 NET OPERATING INCOME (Line 7)	100,000	103,000	106,090	109,273	112,551
18 -Annual Debt Service	64,833	64,833	64,833	64,833	64,833
19 -Participation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	35,167	38,167	41,257	44,440	47,718
23 -Tax Liability (Savings) (Line 16)	9,149	10,320	11,870	13,484	15,482
24 =CASH FLOW AFTER TAXES	\$26,019	\$27,847	\$29,387	\$30,956	\$32,236

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Alternative Cash Sales Worksheet

Mortgage Balances						
	End of Year:	1	2	3	4	5
Principal Balance - 1st Mortgage		690,836	680,912	670,164	658,524	645,918
Principal Balance - 2nd Mortgage		0	0	0	0	0
TOTAL UNPAID BALANCE		\$690,836	\$680,912	\$670,164	\$658,524	\$645,918

Calculation of Sale Proceeds

PROJECTED SALES PRICE	\$1,159,274				
	(At 10.% cap)				

CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition	\$1,000,000				
2 +Capital Additions					
3 -Cost Recovery (Depreciation) Taken	94,546				
4 -Basis in Partial Sales					
5 =Adjusted Basis at Sale	905,454				

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price	1,159,274				
7 -Costs of Sale	57,964				
8 -Adjusted Basis at Sale (Line 5)	905,454				
9 -Participation Payment on Sale					
10 =Gain or (Loss)	195,856				
11 -Straight Line Cost Recovery (limited to gain)	94,546				
12 -Suspended Losses					
13 =Capital Gain from Appreciation	101,310				

ITEMS TAXED AS ORDINARY INCOME:

14 Unamortized Loan Fees/Costs (negative)					
15 +					
16 =Ordinary Taxable Income					

CALCULATION OF SALES PROCEEDS AFTER TAX:

17 Sale Price	1,159,274		0	(314,000)	
18 -Costs of Sale	57,964		1	26,019	
19 +Balance of Funded Reserves			2	27,847	
20 -Mortgage Balance(s)	645,918		3	29,387	
21 -Participation Payments on Sale			4	30,956	
22 =Sale Proceeds Before Tax	455,393		5	443,730	
23 -Tax (Savings): Ordinary Income at 40% of line 16			IRR =	13.91%	
24 -Tax: Straight Line Recapture at 25% of line 11	23,637				
25 -Tax on Capital Gains at 20% of line 13	20,262				
26 =SALE PROCEEDS AFTER TAX	\$411,494				

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IRR Comparison

	35% MTR & 15% CG	39.6% MTR & 20% CG	Increase (Decrease)
Pre-Tax IRR	19.00%	19.00%	0.00%
After-Tax IRR	14.52%	13.91%	-4.20%
Eff. Tax Rate	23.58%	26.79%	13.62%