

Current Operating Data

| | | |
|-------------------------------|----------|-------------------------|
| Original Purchase Price: | | \$1,000,000 |
| Depreciable %: | | 70.00% |
| Year Purchased: | | 1997 |
| Years Since Purchase: | | 15 |
| Building Type: | | Multi Family (27.5 yrs) |
| Current Property Sales Value: | | \$1,300,000 |
| Current Loan Balance: | | \$550,000 |
| Current Income: | | \$130,000 |
| Current Expenses: | | \$45,500 |
| Current NOI: | | \$84,500 |
| Current Debt Service: | | \$50,000 |
| Pre Tax Cash Flow: | | \$34,500 |
| Current Depreciation: | | \$25,455 |
| Taxable Cash Flow: | | \$9,045 |
| Current Taxes: | Tax Rate | 30.00% |
| Cash Flow: | | \$31,786 |

Cost of Sale

| COS Item | Method | Entry | Result |
|---------------------------|-----------------------|--------|-------------------------|
| Professional Fees | % of Sales Price | 6.00% | \$78,000 |
| Misc. Closing Costs | \$ Amount per \$1,000 | \$5.00 | \$6,500 |
| | | | \$0 |
| Total Cost Of Sale | | | 6.50% - \$84,500 |
| NET PROCEEDS: | | | \$665,500 |

| | | |
|----------------------------|----------|--|
| Upleg Property Calc. Type: | Cap Rate | |
| Exchange Property 1: | 6.00% | |
| Exchange Property 2: | 6.50% | |
| Exchange Property 3: | 7.00% | |

UPLEG PROPERTY OPERATIONS: Property Specific (\$ Amount)

| | Exchange Property 1: | | Exchange Property 2: | | Exchange Property 3: | |
|-----------------------|----------------------|--|----------------------|--|----------------------|--|
| Gross Potential Rent: | | | | | | |
| Vacancy Factor: | | | | | | |
| Other Income: | | | | | | |
| Expenses: | | | | | | |

UPLEG PROPERTY OPERATIONS: Cap Rate

| | | |
|-----------------------------|-----------|---------|
| Vacancy Factor: | % of PGR | 5.00% |
| Other Income: (No % of PGR) | \$ Amount | \$5,000 |
| Expense Amount: | % of EGR | 35.00% |

UPLEG PROPERTY OPERATIONS: GRM

| | | |
|-----------------|--|--|
| Vacancy Factor: | | |
| Other Income: | | |
| Expense Amount: | | |

Financing

| | | |
|----------------------------------|-------|-------------|
| Loan Amount: (Cap Rate/GRM) | % LTV | 70.00% |
| Loan Amount: (Property Specific) | | |
| Interest Rate: | | 5.75% |
| Amortization Period: (yrs) | | 30 yrs |
| Interest Only: | | No |
| Purchase Power: | | \$2,218,333 |
| Loan Amount: | | \$1,552,833 |

NEW DEPRECIATION & TAXES

| | |
|-------------------------|----------|
| Depreciable %: | 70.00% |
| Life Span: | 27.5 yrs |
| Income Tax Rate: | 30.00% |
| Capital Gains Tax Rate: | 20.00% |

| | |
|--------------------------------|------------------|
| Exchange Calculation Type: | Cap Rate |
| Current Property Sales Value: | \$1,300,000 |
| Current Loan Balance: | \$550,000 |
| Cost of Sale: | \$84,500 |
| Net Proceeds: | \$665,500 |
| Current Income: | \$130,000 |
| Current Expenses: | \$45,500 |
| Current NOI: | \$84,500 |
| Current Debt Service: | \$50,000 |
| Pre Tax Cash Flow: | \$34,500 |
| Current Depreciation: | \$25,455 |
| Taxable Cash Flow: | \$9,045 |
| Current Taxes: | \$0 |
| Cash Flow: | \$31,786 |
| Return on Equity (ROE): | 4.78% |

| | Exchange Property 1 | Exchange Property 2 | Exchange Property 3 |
|--------------------------------|---------------------|---------------------|---------------------|
| Exchange Purchase Price: | \$2,218,333 | \$2,218,333 | \$2,218,333 |
| Loan Amount: | \$1,552,833 | \$1,552,833 | \$1,552,833 |
| Down Payment: | \$665,500 | \$665,500 | \$665,500 |
| Taxable Gains: | \$0 | \$0 | \$0 |
| Capital Gains Tax: | \$0 | \$0 | \$0 |
| Potential Gross Revenue | \$210,283 | \$228,246 | \$246,208 |
| Vacancy | \$10,514 | \$11,412 | \$12,310 |
| Net Effective Rent | \$199,769 | \$216,833 | \$233,897 |
| Other Income | \$5,000 | \$5,000 | \$5,000 |
| Effective Gross Revenue | \$204,769 | \$221,833 | \$238,897 |
| Expenses | \$71,669 | \$77,642 | \$83,614 |
| Net Operating Income | \$133,100 | \$144,192 | \$155,283 |
| Debt Service | \$109,811 | \$109,811 | \$109,811 |
| Pre Tax Cash Flow | \$23,289 | \$34,381 | \$45,473 |
| Taxable Income | \$0 | \$0 | \$0 |
| Taxes | \$0 | \$0 | \$0 |
| Cash Flow | \$23,289 | \$34,381 | \$45,473 |
| <i>Cash on Cash</i> | <i>3.50%</i> | <i>5.17%</i> | <i>6.83%</i> |
| <i>Cap Rate</i> | <i>6.00%</i> | <i>6.50%</i> | <i>7.00%</i> |
| <i>GRM</i> | <i>10.55</i> | <i>9.72</i> | <i>9.01</i> |
| <i>DSCR</i> | <i>1.21</i> | <i>1.31</i> | <i>1.41</i> |

| Exchange Summary | Cash Flow | ROE/Cash on Cash | % Benefit Over Current |
|---------------------|-----------|------------------|------------------------|
| Current Income | \$31,786 | 4.78% | 0.00% |
| Exchange Property 1 | \$23,289 | 3.50% | -26.73% |
| Exchange Property 2 | \$34,381 | 5.17% | 8.16% |
| Exchange Property 3 | \$45,473 | 6.83% | 43.06% |

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