

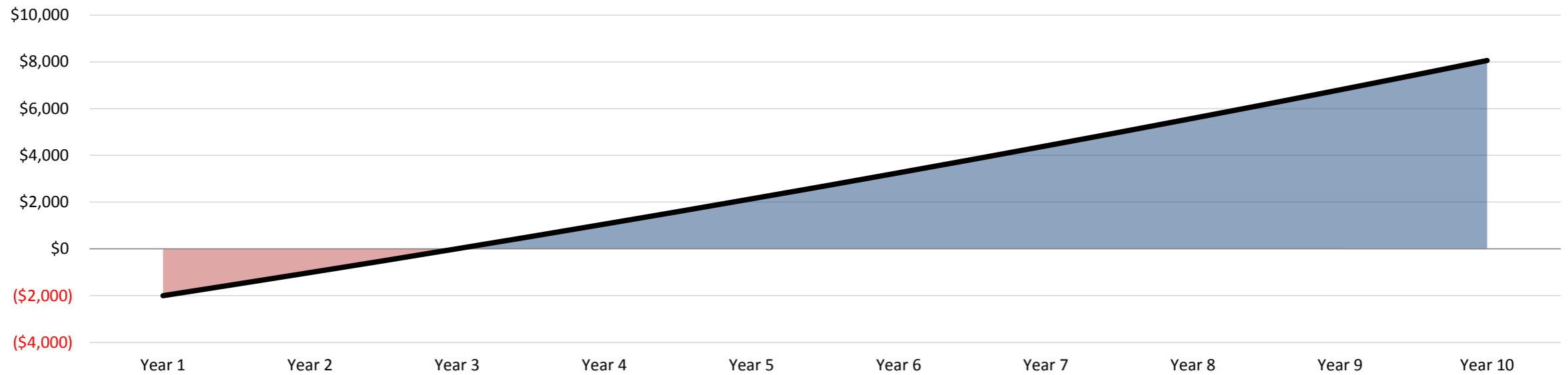
OWN VS. LEASE

COST OF OWNERSHIP	
Property Purchase Price:	\$1,000,000
Loan Amount: (%LTV)	70.00%
Interest Rate:	5.75%
Amortization Period:	30 yrs
Property Ownership Expenses:	Per SF \$7.50
Annual Inflation:	3.00%
Property Value Appreciation:	2.50%

TOTAL SF NEEDED	
Property SF:	10,000 SF
COST OF LEASING	
Rent:	\$/SF/MO \$0.90
Ave. Annual Rent Increase:	3.00%
Lease Type:	Gross
Alternative Investment Interest:	3.50%

Ownership Benefit - If **RED** (better to lease), If **BLUE** (better to own)

	Own	Lease
Total 10 Year Cost:	\$1,104,805	\$1,133,099



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cost of Ownership										
Debt Service	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501	\$49,501
Ownership Expenses	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$86,946	\$89,554	\$92,241	\$95,008	\$97,858
Ownership Benefits										
Annual Value Appreciation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Net Ownership Costs	\$99,501	\$101,751	\$104,069	\$106,456	\$108,915	\$111,447	\$114,055	\$116,742	\$119,509	\$122,359
Cost of Leasing										
Rent	\$108,000	\$111,240	\$114,577	\$118,015	\$121,555	\$125,202	\$128,958	\$132,826	\$136,811	\$140,916
Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Benefits										
Alternative Investment of DP	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Net Leasing Costs	\$97,500	\$100,740	\$104,077	\$107,515	\$111,055	\$114,702	\$118,458	\$122,326	\$126,311	\$130,416
Benefit to Own	(\$2,001)	(\$1,011)	\$8	\$1,059	\$2,140	\$3,255	\$4,402	\$5,584	\$6,802	\$8,056