

Cash Flow Analysis Worksheet

Property Name	Gatlin Center	Purchase Price	2,700,000
Prepared For		Plus Acquisition Costs	
Prepared By		Plus Loan Fees/Costs	
Date Prepared	9-Feb-25	Less Mortgages	
		Equals Initial Investment	2,700,000

Mortgage Data			Cost Recovery Data		
	1st Mortgage	2nd Mortgage		Improvements	Personal Property
Amount			Value	2,295,000	
Interest Rate			C. R. Method	SL	
Amortization Period			Useful Life	39	
Loan Term			In Service Date	1-Jan-02	
Payments/Year	12	12	Future Sale Date	December-06	
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	168,780	173,843	179,059	184,430	189,963
2 -Vacancy & Credit Losses	8,439	8,692	8,953	9,222	9,498
3 =Effective Rental Income	160,341	165,151	170,106	175,209	180,465
4 +Other Income (collectable)					
5 =Gross Operating Income	160,341	165,151	170,106	175,209	180,465
6 -Operating Expenses					
7 =NET OPERATING INCOME	160,341	165,151	170,106	175,209	180,465
8 -Interest - 1st Mortgage					
9 -Interest - 2nd Mortgage					
10 -Participation Payments					
11 -Cost Recovery - Improvements	56,388	58,844	58,844	58,844	56,388
12 -Cost Recovery - Personal Property					
13 -Amortization of Loan Fees/Costs					
14 -Leasing Commissions					
15 =Real Estate Taxable Income	103,953	106,307	111,262	116,365	124,077
16 Tax Liability (Savings) at 36.0%	37,423	38,271	40,054	41,891	44,668

Cash Flow

17 NET OPERATING INCOME (Line 7)	160,341	165,151	170,106	175,209	180,465
18 -Annual Debt Service					
19 -Participatipation Payments					
20 -Leasing Commissions					
21 -Funded Reserves					
22 =CASH FLOW BEFORE TAXES	160,341	165,151	170,106	175,209	180,465
23 -Tax Liability (Savings) (Line 16)	37,423	38,271	40,054	41,891	44,668
24 =CASH FLOW AFTER TAXES	\$122,918	\$126,881	\$130,052	\$133,318	\$135,797

The statements and figures herein, while not guaranteed, are secured from sources we believe authoritative.

Property Name Gatlin Center
 Location _____
 Type of Property Professional
 Size of Property 5,626 (Sq. Ft./Units)
 Purpose of analysis Sale

Assessed/Appraised Values
 Land 405,000 15%
 Improvements 2,295,000 85%
 Personal Property 0 0%
 Total 2,700,000 100%

Adjusted Basis as of 9-Feb-25 \$2,700,000

Annual Property Operating Data

Purchase Price 2,700,000
 Plus Construction Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages _____
 Equals Initial Investment 2,700,000

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	_____	_____	<u>12</u>	_____	_____	_____
2nd	_____	_____	<u>12</u>	_____	_____	_____

ALL FIGURES ARE ANNUAL		\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1	POTENTIAL RENTAL INCOME	_____		<u>168,780</u>	
2	Less: Vacancy & Cr. Losses	_____	(5. % of PRI)	<u>8,439</u>	
3	EFFECTIVE RENTAL INCOME			<u>160,341</u>	
4	Plus: Other Income (collectable)				
5	GROSS OPERATING INCOME			<u>160,341</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	Water/Sewer	_____	_____		
16	Trash Removal	_____	_____		
17	Electric	_____	_____		
18	Lawn Maintenance	_____	_____		
19		_____	_____		
20	Licenses/Permits	_____	_____		
21	Advertising	_____	_____		
22		_____	_____		
23	Miscellaneous Contract Services:	_____	_____		
24		_____	_____		
25		_____	_____		
26		_____	_____		
27		_____	_____		
28		_____	_____		
29	TOTAL OPERATING EXPENSES				
30	NET OPERATING INCOME			<u>160,341</u>	
31	Less: Annual Debt Service	_____	_____		
32	Less: Participation Payments	_____	_____		
33	Less: Leasing Commissions	_____	_____		
34	Less: Funded Reserves	_____	_____		
35	CASH FLOW BEFORE TAXES			<u>\$160,341</u>	

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Prepared for: _____
 Prepared by: _____

Alternative Cash Sales Worksheet

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	<u>\$2,700,000</u>	<u>\$2,655,417</u> (At 7.0% cap)	<u>\$2,323,490</u> (At 8.0% cap)
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CALCULATION OF ADJUSTED BASIS:

1 Basis at Acquisition	<u>\$2,700,000</u>	<u>\$2,700,000</u>	<u>\$2,700,000</u>
2 +Capital Additions			
3 -Cost Recovery (Depreciation) Taken	<u>289,308</u>	<u>289,308</u>	<u>289,308</u>
4 -Basis in Partial Sales			
5 =Adjusted Basis at Sale	<u>2,410,692</u>	<u>2,410,692</u>	<u>2,410,692</u>

CALCULATION OF CAPITAL GAIN ON SALE:

6 Sale Price	<u>2,700,000</u>	<u>2,655,417</u>	<u>2,323,490</u>
7 -Costs of Sale	<u>189,000</u>	<u>185,879</u>	<u>162,644</u>
8 -Adjusted Basis at Sale (Line 5)	<u>2,410,692</u>	<u>2,410,692</u>	<u>2,410,692</u>
9 -Participation Payment on Sale			
10 =Gain or (Loss)	<u>100,308</u>	<u>58,845</u>	<u>(249,847)</u>
11 -Straight Line Cost Recovery (limited to gain)	<u>100,308</u>	<u>58,845</u>	
12 -Suspended Losses			
13 =Capital Gain from Appreciation			<u>(249,847)</u>

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	<u>2,700,000</u>	<u>2,655,417</u>	<u>2,323,490</u>
18 -Cost of Sale	<u>189,000</u>	<u>185,879</u>	<u>162,644</u>
19 -Participation Payment on Sale			
20 -Mortgage Balance(s)			
21 +Balance of Funded Reserves			
22 =Sale Proceeds Before Tax	<u>2,511,000</u>	<u>2,469,537</u>	<u>2,160,845</u>
23 -Tax (Savings): Ordinary Income at 36% of Line 16			
24 -Tax: Straight Line Recapture at 30% of Line 11	<u>30,092</u>	<u>17,654</u>	
25 -Tax on Capital Gains at 25% of Line 13			<u>(62,462)</u>
26 =SALE PROCEEDS AFTER TAX	<u>\$2,480,908</u>	<u>\$2,451,884</u>	<u>\$2,223,307</u>

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INTERNAL RATES OF RETURN

INTERNAL RATES OF RETURN

BEFORE TAX

Alternative 1		Alternative 2		Alternative 3	
n	\$	n	\$	n	\$
0	(2,700,000)	0	(2,700,000)	0	(2,700,000)
1	160,341	1	160,341	1	160,341
2	165,151	2	165,151	2	165,151
3	170,106	3	170,106	3	170,106
4	175,209	4	175,209	4	175,209
5	180,465 + 2,511,000	5	180,465 + 2,469,537	5	180,465 + 2,160,845
IRR= 5.02%		IRR= 4.74%		IRR= 2.5%	
NPV= \$0		NPV= \$0		NPV= \$0	
@ 5.02%		@ 4.74%		@ 2.5%	

AFTER TAX

Alternative 1		Alternative 2		Alternative 3	
n	\$	n	\$	n	\$
0	(2,700,000)	0	(2,700,000)	0	(2,700,000)
1	122,918	1	122,918	1	122,918
2	126,881	2	126,881	2	126,881
3	130,052	3	130,052	3	130,052
4	133,318	4	133,318	4	133,318
5	135,797 + 2,480,908	5	135,797 + 2,451,884	5	135,797 + 2,223,307
IRR= 3.28%		IRR= 3.07%		IRR= 1.37%	
NPV= \$0		NPV= \$0		NPV= \$0	
@ 3.28%		@ 3.07%		@ 1.37%	

Cap rate used on Sale = 6.%

Cap rate on Sale = 7.%

Cap rate on Sale = 8.%

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Assumptions

Ordinary Income Tax Bracket 36%
 Capital Gain Max Tax Rate 25%
 Tax Rate on Straight Line Recapture 30%
 Month Placed in Service: January (from CashFlows Sheet)

	Year---->	1	2	3	4	5	6
Vacancy Rates (enter just year 1, or each year)		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rent Income Escalators (enter just year 2, or each year)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Escalator, with vacancy		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Escalator, without vacancy		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expense Escalators (enter just year 2, or each year)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

	Alternative 1	Alternative 2	Alternative 3
Cap rate used in Sale	6.00%	7.00%	8.00%
Expenses of Sale	7.00%		

Gatlin Center
Rent roll

Units	Tenant	Sq. Ft.	\$ per sq f	Annualized Rent amount	Monthly Rent amount
1		5626	30	168,780	14,065
2				-	-
3				-	-
4				-	-
5				-	-
6				-	-
7				-	-
8				-	-
9				-	-
10				-	-
11				-	-
12				-	-
13				-	-
14				-	-
15				-	-
16				-	-
17				-	-
18				-	-
Total		5,626		168,780	14,065

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Sq. Ft. Land	Sq. Ft. Bldg	% Ratio bldg sq. ft
31,875.00	5,047.00	16%