

Lease Summary

Tenant	Unit I.D.	Size(SF)	Rent Per Mo.	Lease Expire	Options	Comments
Antique Store Rent 30x \$125.00	#1	9000	\$4,500.00		Performa	can stay 2 yrs
Antique Store Percentage (15%)			\$1,500.00		Performa	
Antique Store Basement	Vacant	3000				
Printer	#2	5000	\$1,580.00			approx 1 yr remain
Garage/storage at end of Antique Shop	Vacant	1200				
Machine Shop	#3	1900	\$550.00	mo/mo		20 yr tenant

Base Year	2010	5	20,100	8,130	Monthly
				97,560	Annual

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THIS IS NOT A SALES OFFERING!

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CASH FLOW ANALYSIS

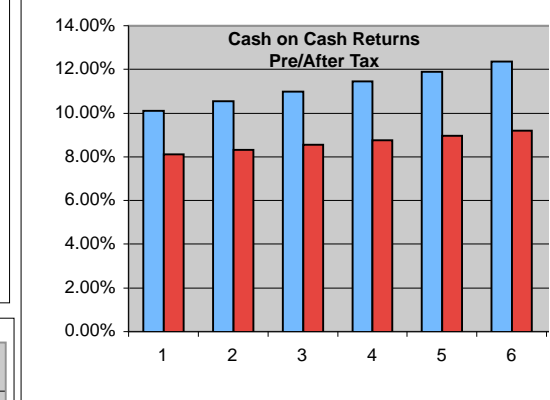
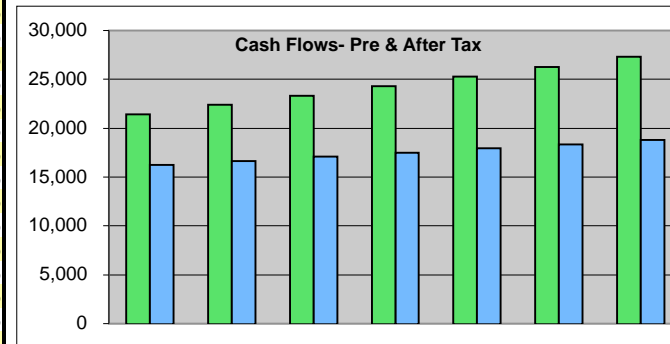
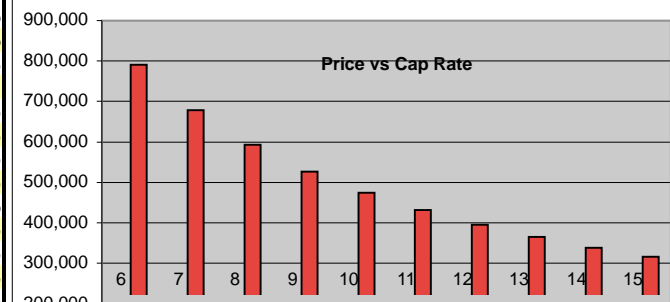
Purpose	Proforma Analysis
Name	-
Location	36 Market St, Salem, NJ
Type of Property	Retail Complex
Zoning	Commercial
Parcel #	

Price	500,000
Recovery Period*	39.0
Est Rent Escalation%	2.5
Est Expense Escal %	3.0
Property Escal %	2.0
Sale Costs %	8.5
Acquisition Costs %	2.5
Marginal Tax Rate	40%
Recapture Rate	25%
Capital Gains Rate	20%
Total Bldg SF	20,100
Gross Rent Multi	5.13
Cap Rate	9.49%

LOANS	#1	#2	#3
Amount or % Mtg...	60.00	0	0
Loan Amounts.....	300,000	0	0
No. years.....	25	30	15
Int Rate %.....	7.25	6.75	6.75
Pmt (P&I /mo).....	2,168.42	0.00	0.00
Total Payment	2,168.42	\$/1000 Rate	7.228
Total Debt	300,000	% Borrowed	60.00%
Total Down Pmt	200,000	No. Units	5
Closing Costs	12,500	Price/Unit	100,000
Total Investment	212,500	Rent/SF (avg)	4.85
Debt Cover Ratio	1.82	Net Op Income/SF	2.36
		Purchase Price/SF	24.88

INCOME & EXPENSES		
Gross Rental Income	97,560	100.0%
+ Other income		0.0%
= Eff rental income	97,560	100.0%
- Vac & Credit loss		0.0%
Gross Oper Income	97,560	100.0%

EXPENSES		
Real Estate Taxes	11,854	23.7%
Pers Prop Taxes		0.0%
Property Insurance	5,937	11.9%
Property Management		0.0%
Off Site		0.0%
On Site		0.0%
Repairs & Maint		0.0%
Utilities	12,554	25.1%
Water	546	1.1%
Sewer		0.0%
Fuel Oil		0.0%
Gas		0.0%
Elect		0.0%
Cable		0.0%
Accounting		0.0%
Advertising/license		0.0%
Leasing Commissions		0.0%
Supplies		0.0%
Lawn/Grounds Maint		0.0%
Janitorial Service		0.0%
Refuse Removal		0.0%
Contract services		0.0%
Exterminator		0.0%
Pool		0.0%
Elevator		0.0%
HVAC		0.0%
Misc.		0.0%
Legal Fees		0.0%
Other Fees		0.0%
Antique Store Mgr	19,200	38.3%
Total Oper Expenses	50,091	100.0%
NET OPER INCOME	47,469	



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ANNUAL PROPERTY OPERATING DATA

All Figures Annual	\$	\$/sq ft	\$/unit	%	Comments
Gross Rental Income	97,560	4.85	19,512	100.0%	
+ Other income	0	-	0	0.0%	The statements and figures presented herein, while not guaranteed,
= Eff rental income	97,560	4.85	19,512	100.0%	are secured from sources we believe authoritative. Anyone who doubts
- Vac & Credit loss		-	0	0.0%	their accuracy should verify for themselves
= Gross Oper Income	97,560	4.85	19,512		
EXPENSES					
Real Estate Taxes	11,854	0.59	2,371	51.3%	-----
Pers Prop Taxes	0	-	0	23.7%	-----
Property Insurance	5,937	0.30	1,187	0.0%	-----
Property Management	0	-	0	11.9%	-----
Off Site	0	-	0	0.0%	-----
On Site	0	-	0	0.0%	-----
Repairs & Maint	0	-	0	0.0%	-----
Utilities	12,554	0.62	2,511	25.1%	-----
Water	546	0.03	109	1.1%	-----
Sewer	0	-	0	0.0%	-----
Fuel Oil	0	-	0	0.0%	-----
Gas	0	-	0	0.0%	-----
Elect	0	-	0	0.0%	-----
Cable	0	-	0	0.0%	-----
Accounting	0	-	0	0.0%	-----
Advertising/license	0	-	0	0.0%	-----
Leasing Commissions	0	-	0	0.0%	-----
Supplies	0	-	0	0.0%	-----
Lawn/Grounds Maint	0	-	0	0.0%	-----
Janitorial Service	0	-	0	0.0%	-----
Refuse Removal	0	-	0	0.0%	-----
Contract services	0	-	0	0.0%	-----
Exterminator	0	-	0	0.0%	-----
Pool	0	-	0	0.0%	-----
Elevator	0	-	0	0.0%	-----
HVAC	0	-	0	0.0%	-----
Misc.	0	-	0	0.0%	-----
Legal Fees	0	-	0	0.0%	-----
Other Fees	0	-	0	0.0%	-----
Other	19,200	0.96	3,840	38.3%	-----
Total Oper Expenses	50,091	2.49	10,018	100.0%	
NET OPERATING INCOME	47,469	2.36	9,494		

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INDICATED VALUE VS ROC & TERMS

Mtg% at rate established

Cash on Cash Return	0.7	0.75	0.8	0.85
5	606,827	566,372	530,974	499,740
10	431,832	403,043	377,853	355,626
15	256,836	239,714	224,732	211,512

The above figures were generated using the calculated mortgage constant. Example; to receive a 10% return on your cash invested and you are able to mortgage the property for 75% of value then you can pay the indicated value where the two variables intersect

INDICATED VALUE VS CAP RATE

6	791,150
7	678,129
8	593,363
9	527,433
10	474,690
11	431,536
12	395,575
13	365,146
14	339,064
15	316,460

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DEBT COVERAGE RATIO VS VALUE

1	912,127
1.05	868,692
1.1	829,206
1.15	793,154
1.2	760,106
1.25	729,702
1.3	701,636
1.35	675,650
1.4	651,519
1.5	608,085
1.6	570,079

1.82 Debt Cover Ratio
7.228 \$/1000 Borrowed
60.00% Borrowed

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INCOME PROJECTIONS

36 Market St, Salem, NJ
6/15/2010

YEAR	2010	2011	2012	2013	2014	2015	2016
Effective Rental Income	97,560	99,999	102,499	105,061	107,688	110,380	113,140
- Vac & Credit Loss		0	0	0	0	0	0
-Operating Expenses	50,091	51,594	53,142	54,736	56,378	58,069	59,811
Net Operating Income	47,469	48,405	49,357	50,326	51,310	52,311	53,328
- Interest Loan #1	21,605	21,274	20,918	20,536	20,125	19,683	19,208
-Interest Loan #2	-	-	-	-	-	0.00	0.00
-Interest Loan #3	-	-	-	-	-	0.00	\$0
- Recovery	12,821	12,821	12,821	12,821	12,821	12,821	12,821
- Non-Oper Income							
TAXABLE INCOME	13,043	14,311	15,619	16,969	18,365	19,808	21,300
Marginal Tax Rate	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Tax Liability on RE	5,217	5,724	6,247	6,788	7,346	7,923	8,520
CASH FLOW PROJECTIONS							
Net Operating Income	47,469	48,405	49,357	50,326	51,310	52,311	53,328
- Prin & Int Pmts	26,021	26,021	26,021	26,021	26,021	26,021	26,021
- Reserves							
CASH FLOW (pretax)	21,448	22,384	23,336	24,305	25,289	26,290	27,307
Loan #1 Principle Paid Off	4,416	4,747	5,103	5,485	5,896	6,338	6,813
Loan #2 Principle Paid Off	-	-	-	-	-	-	-
Loan #3 Principle Paid Off	-	-	-	-	-	-	-
Property Appreciation	10,000	20,200	30,604	41,216	52,040	63,081	74,343
Equity Gain by Year	35,864	47,331	59,043	71,006	83,226	95,709	108,464
Cumulative PreTax Income	21,448	43,832	67,169	91,473	116,762	143,052	170,360
Cash on Cash pretax	10.09%	10.53%	10.98%	11.44%	11.90%	12.37%	12.85%
Tax Liability on RE	5,217	5,724	6,247	6,788	7,346	7,923	8,520
CASH FLOW (After tax)	16,231	16,660	17,089	17,517	17,943	18,367	18,787
Cash on Cash (Aft Tax)	8.12%	8.33%	8.54%	8.76%	8.97%	9.18%	9.39%
Cumulative Aft Tax Incom	16,231	32,891	49,980	67,496	85,440	103,806	\$122,594
SALE PROJECTIONS							
Sale Price	510,000	520,200	530,604	541,216	552,040	563,081	574,343
Costs of Sale	43,350	44,217	45,101	46,003	46,923	47,862	48,819
Mortgage Balance Loan #1	295,584	290,837	285,735	280,249	274,353	268,015	261,201
Mortgage Balance Loan #2	-	-	-	-	-	-	-
Mortgage Balance Loan #3	-	-	-	-	-	-	-
Sale Proceeds (pretax)	171,066	185,146	199,768	214,963	230,764	247,205	264,322
IRR PreTax If Sold by Year	-9%	4.00%	8.68%	10.95%	12.23%	13.02%	13.53%

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