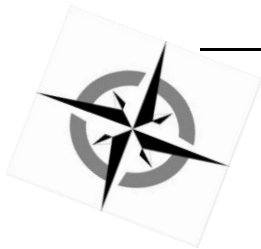


Projected Financial Analysis Summary

Chester Court

60 Market Street
West Chester, Pa 19046



Presented By

Glenn Blumenthal
Malvern Advisors, LLC
Monday, January 11, 2010

Disclaimer: All information presented is believed to be accurate.

The information, calculations & data presented in this report are believed to be accurate but are not guaranteed or warranted. The information contained in this report shall not be considered as a substitution for a legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making any decisions on real estate.

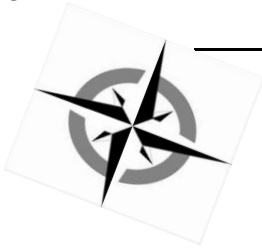
General Assumption Summary

Chester Court West Chester, Pa 19046

General Assumptions

- 1 The property was purchased on 2/2010 and sold on the last month of the year of the analysis.
2 The analysis assumes a purchase of 2/2010, therefore 2010 of the analysis is a partial year.
3 The assets has a total Square Footage of 21,300 Square Feet.
4 The property has an Appraisal Value of \$4,600,000 and was completed on 40170
5 The property has a Purchase Price of \$4,538,590 (including the cost to purchase).
6 The analysis has included a Management Fee of 3.5 %.
7 The analysis has included a Vacancy or Credit Loss Assumption of 5 %.
8 The Operating Expense information for this analysis is base on Detail information
and has a total square foot cost of \$5.07 psf (including Management fees).
9 The Rental Income information for this analysis is base on Detail information
10 and is base on a market rent per square foot value of \$21.72 psf.
11 This analysis has the following Annual Per Foot Reserves:
Capital Reserve \$ 0.20 Psf
Commission Reserve \$ 0.36 Psf
Tenant Improvement Reserve \$ 0.90 Psf
12 The analysis and the debt has been based on a Max Loan To Value (LTV) ratio of 70 %.
13 Max Initial Loan - will be based on the lower of Appraisal Value or Purchase Price.
14 The analysis and the debt has been based on a Minimum DSCR of 1.2
15 The Discount Rate used in the IRR Analysis was 12.5%
16 For tax purposes it is assumed that the property is held for greater than one year.
17 It is assumed that the owners Fed & State Tax bucket is 35% and Capital Gains Rate of 17.8%.

1
2
3



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Executive Summary

Chester Court

1/9/2010

Property Information

Type:	Office
Property Location	Suburban
Year Built	1998
Purchase Price:	\$ 4,450,000
Fair Market Value (FMV):	\$ 4,538,590
Sq. Footage:	21,300
Capitalization Rate:	8.95%

Debt Information

Initial Equity	Amount	% of Cost	% FMV	
Initial Loan	\$ 1,361,577	30.00%	29.60%	
	\$ 3,177,013	70.00%	69.07%	
Mortgage #1	Amount	Rate	Term (Yrs)	Mo Payment
Mortgage #2	\$ 3,177,013	7.25%	10	\$ 21,673

Rental Income & Expenses

Monthly Rents:	\$ 38,545
Annual Rents:	\$ 462,541
Annual Expense:	\$ 107,975
Annual Debt Service:	\$ 260,074
Cap X Reserve	\$0.20
TI Reserve	\$0.90
Commission Reserve	\$0.36

Assumptions:

Rental Growth Rate:	3.00%
Expense Growth Rate:	3.00%
Management Fee Rate	3.50%
Marginal Tax Rate:	35.00%
Capital Gain Tax Rate:	15.00%

3 Year Projected Cash Flow Before Taxes

First Full Year	2011	2012	2013
Gross Rental Income	\$ 465,855	\$ 502,397	\$ 507,728
Opex Reimbursement	\$ 60,831	\$ 62,656	\$ 64,536
Other Income	\$ 6,180	\$ 6,365	\$ 6,556
Less: Vacancy & Credit Loss	\$ (26,643)	\$ (28,571)	\$ (28,941)
Total Income	\$ 506,222	\$ 542,847	\$ 549,879
Less: Operating Expenses	\$ (107,975)	\$ (111,214)	\$ (114,551)
Net Operating Income	\$ 398,248	\$ 431,633	\$ 435,328
Less: Annual Debt Service	\$ (260,074)	\$ (260,074)	\$ (260,074)
Less: Funded Reserves	\$ (31,035)	\$ (31,966)	\$ (32,925)
Cash Flow Before Taxes	\$ 107,139	\$ 139,593	\$ 142,329

Financial Ratios & Return on Investment (ROI)

	2011	2016
Debt Coverage Ratio (DCR)	1.53	1.65
Expense Ratio	20.26%	21.41%
Loan to Value Ratio (LVR)	66.96%	56.59%
Breakeven Point - (%OCC to carry Bldg)	71.69%	69.37%
Capitalization Rate (based on cost)	8.77%	9.48%
Capitalization Rate (based on Resale Value)	8.73%	8.53%
Net Present Value (NPV) (before taxes)	\$ 108,172	\$ 286,292
Net Present Value (NPV) (after taxes)	\$ 51,661	\$ 199,807
Cash on Cash Return (before taxes)	7.63%	9.85%
Cash on Cash Return (after taxes)	5.06%	10.42%
Internal Rate of Return (IRR) (before taxes)	23.38%	17.74%
Internal Rate of Return (IRR) (after taxes)	17.56%	16.04%
Mod Internal Rate of Return (MIRR) (before taxes)	23.38%	16.86%
Mod Internal Rate of Return (MIRR) (after taxes)	17.56%	15.55%

Comparative Measurements

	2011	2016
Revenue/Sqft	\$ 25.02	\$ 27.45
Expense/Sqft	\$ 5.07	\$ 5.88
NOI/Sqft	\$ 18.70	\$ 20.20
Balance/Sqft	\$ 146.29	\$ 136.66

Resale Analysis

Building Square Footage

21,300	Building Occupanied	100.0%
0	Initial Vacancy	0.0%
21,300	Total Rentable SF	100.0%

General:	General
CC456	Identification Number
Chester Court	Property Name
60 Market Street	Street Address
West Chester	City
Pa	State
19046	Zip
	MSA
21,300	Gross Building Square Feet
Office	Property Type
Suburban	Property Location (CDB of Suburban)
1998	Year Built
American Financial	Sponsor Name
70-258959	Sponsor EIN Number

Print Information:	General
Exec Report	2011 First Full Year of Cash Flow
Cash Flow	2016 Year of Exit
Partnership	6 Years
Full Report	

Pro Forma Facts:	Underwriting
3.50 %	Management Fee This is a % of Revenue
5.00 %	Vacancy Assumption: % of Effective Rent
3.00 %	Opex Growth Projection
3.00 %	Rent Growth Rate
15.00 %	Capital Gains Federal Tax rate
2	Targeted Month of Analysis
2010	Targeted Year of Analysis
10 Years	Number of Years for DCF
2/1/2010	First Day of Acquisition Month

Value Information:	Property
\$ 4,600,000	Appraisal Value
12/23/2009	Date of Last Appraisal
4,450,000	Purchase Price
88,590	Closing Costs 1.99% of Acquisition Costs
4,538,590	Total Cost of Acquisition
213.08	Price/sf based on Acquisition Costs
8.66%	Direct Cap Rate On Appraisal
8.77%	Direct Cap Rate On Total Acquisition
6 Years	Cap Year
0.50%	Terminal Cap Rate (Premium Over Direct Cap Rate)
12.50%	Discount Rate (Rate of Return on Equity)

Operating Costs:	Property
Detail	Detail or Summary See Operating Expense Page for Detail
\$ 8.50	This number is not included in the analysis
\$ -	FALSE

Leasing: Rent Roll	Property
Detail	Detail or Summary See Rent Roll Page for Detail
15,000 SF	Total SF Occupied
\$20 PSF	Market Rent (psf)
8 Years	This number is not included in the analysis.
\$ 6,000.00	Other Income
5 Years	Rollover Term in Years
6 months	Renewal Downtime in months
\$10 PSF	TI New
\$5 PSF	TI Renewal
4.00%	Commission New
2.00%	Commission Renewal
25.00%	New Lease Probability
75.00%	Renewal Probability

Debt:	Lender
70.00%	Max LTV %
\$3,177,013	Max Initial Loan - Lower of Appraisal or Purchase Price
1.2	Underwriting DSCR
10 Years	Term to Maturity (years)
30 Years	Amortization Term (years)
10 Yr Treasury	Index Type
4.750%	Index Rate
2.500%	Spread
7.250%	Coupon Rate
8.186%	Constant
	Debt Allctn %
	3,177,013
	Revolver 0.00%
	-
	Structured Debt 100.00%
	3,177,013
	Equity
	1,361,577
	4,538,590
No	Debt Assumption (Yes/No)
0.25%	Debt Points
5.1500%	1 Month LIBOR

DSCR - Year 1	Lender
\$ 398,248	Lender's Cash flow is computed by adjusting NOI as follows:
	Year 1 - NOI First Full Year
	Adjustments:
5.00 %	Vacancy adjustment
3.50 %	Management fee
\$0.20 PSF	Capital Reserves
\$1.26 PSF	Leasing Commission Reserve
\$260,074	First Full Year P&I Payment (using 30 yr amort)
1.53	Year 1 - DSCR
	Note: DSCR must be 1.2 or higher

	Debt	Beginning Principal	Include as Initial Debt (Y/N)	Rate	Term	Amort Term (in yrs)	IO	Index Name	Index Rate	Spread	Coupon Rate	Begin Date	Maturity Date	Balloon Date	Balloon Amount
Revolver	0.0%	-	Y	0	25	30	1 Month LIBOR	5.1500%			5.1500%	02/28/10	02/28/10	02/28/10	-
Mortgage 1	37.7%	3,177,013	Y	10	30	30	10 Yr Treasury	4.7500%	2.5000%	7.2500%		02/28/10	02/29/20	02/29/20	2,736,985
Mortgage 2	32.5%	2,736,985	N	5	25	30	10 Yr Treasury	4.9500%	2.5000%	7.4500%		02/29/20	02/28/25	02/28/25	2,509,181
Mortgage 3	29.8%	2,509,181	N	5	25	30	10 Yr Treasury	5.4500%	1.3500%	6.8000%		02/28/25	02/28/30	02/28/30	2,281,491
Self Amort D1	0.0%	-	N							0.0000%					-
	100.0%	8,423,179					Analysis Begin Year	2010							MUST USE LAST DAY OF MONTH

Chester Court

60 Market Street
West Chester Pa

Annual Property Operating Data

10 Year Net Operating Income (NOI) Analysis

Partial

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Potential Rental Income	425,482	465,855	502,397	507,728	509,725	493,553	506,916	557,912	586,519	593,606
Opex Reimbursement	50,692	60,831	62,656	64,536	66,472	68,466	70,520	72,635	74,814	77,059
Other Income	\$ 6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Effective Rental Income	<u>\$ 482,174</u>	<u>\$ 532,866</u>	<u>\$ 571,418</u>	<u>\$ 578,820</u>	<u>\$ 582,950</u>	<u>\$ 568,974</u>	<u>\$ 584,600</u>	<u>\$ 637,926</u>	<u>\$ 668,934</u>	<u>\$ 678,493</u>
Less: Vacancy & Credit Losses	(24,109)	(26,643)	(28,571)	(28,941)	(29,147)	(28,449)	(29,230)	(31,896)	(33,447)	(33,925)
Gross Operating Income	<u>\$ 458,065</u>	<u>\$ 506,222</u>	<u>\$ 542,847</u>	<u>\$ 549,879</u>	<u>\$ 553,802</u>	<u>\$ 540,526</u>	<u>\$ 555,370</u>	<u>\$ 606,030</u>	<u>\$ 635,488</u>	<u>\$ 644,568</u>
Operating Expenses										
General Building Maintenance	760	912	939	968	997	1,026	1,057	1,089	1,122	1,155
Administrative Building Exp	4,167	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
Professional Fees	1,667	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534
Management Fee	13,491	16,189	16,675	17,175	17,690	18,221	18,767	19,330	19,910	20,508
Landscaping	-	-	-	-	-	-	-	-	-	-
Weather Related	-	-	-	-	-	-	-	-	-	-
Jantorial	-	-	-	-	-	-	-	-	-	-
Waste Removal	-	-	-	-	-	-	-	-	-	-
Pest Control	-	-	-	-	-	-	-	-	-	-
Utilities/Electric	-	-	-	-	-	-	-	-	-	-
Utilities/Gas & Fuel	5,102	6,122	6,306	6,495	6,690	6,890	7,097	7,310	7,529	7,755
Utilities/other	-	-	-	-	-	-	-	-	-	-
Insurance	7,936	9,523	9,809	10,103	10,406	10,718	11,040	11,371	11,712	12,063
Elevator	-	-	-	-	-	-	-	-	-	-
HVAC Exp	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	30,191	36,229	37,316	38,435	39,588	40,776	41,999	43,259	44,557	45,894
Rental Commissions	-	-	-	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	-	-	-	-
Alternation & Repair	26,667	32,000	32,960	33,949	34,967	36,016	37,097	38,210	39,356	40,537
Total Operating Expenses	<u>\$ 89,979</u>	<u>\$ 107,975</u>	<u>\$ 111,214</u>	<u>\$ 114,551</u>	<u>\$ 117,987</u>	<u>\$ 121,527</u>	<u>\$ 125,173</u>	<u>\$ 128,928</u>	<u>\$ 132,796</u>	<u>\$ 136,779</u>
Net Operating Income (NOI)	<u>\$ 368,086</u>	<u>\$ 398,248</u>	<u>\$ 431,633</u>	<u>\$ 435,328</u>	<u>\$ 435,815</u>	<u>\$ 418,999</u>	<u>\$ 430,198</u>	<u>\$ 477,102</u>	<u>\$ 502,692</u>	<u>\$ 507,789</u>
Less: Annual Debt Service	(238,401)	(260,074)	(260,074)	(260,074)	(260,074)	(260,074)	(260,074)	(260,074)	(260,074)	(260,074)
Less: Funded Reserves	(25,863)	(31,035)	(31,966)	(32,925)	(33,913)	(34,930)	(35,978)	(37,057)	(38,169)	(39,314)
Cash Flow Before Taxes	<u>\$ 103,823</u>	<u>\$ 107,139</u>	<u>\$ 139,593</u>	<u>\$ 142,329</u>	<u>\$ 141,829</u>	<u>\$ 123,995</u>	<u>\$ 134,146</u>	<u>\$ 179,971</u>	<u>\$ 204,449</u>	<u>\$ 208,401</u>
Income Taxes: Benefit (Expense)	(34,986)	(32,161)	(19,940)	(18,056)	(17,235)	3,010	7,713	52,221	62,118	64,931
Cash Flow After Taxes	<u>\$ 68,837</u>	<u>\$ 74,977</u>	<u>\$ 119,652</u>	<u>\$ 124,273</u>	<u>\$ 124,593</u>	<u>\$ 127,005</u>	<u>\$ 141,859</u>	<u>\$ 232,192</u>	<u>\$ 266,567</u>	<u>\$ 273,332</u>

Building Square Feet 21,300
Date Completed 1/9/10

Chester Court

60 Market Street
West Chester Pa

Annual Property Operating Data

10 Year Financial Ratios & Return on Investment (ROI)

		Partial									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Property Resale Analysis											
Project Sale Price		4,293,914	4,653,874	4,693,716	4,698,971	4,517,657	4,638,403	5,144,127	5,420,037	5,474,992	5,118,626
Less: Selling Expenses	2.0%	(85,878)	(93,077)	(93,874)	(93,979)	(90,353)	(92,768)	(102,883)	(108,401)	(109,500)	(102,373)
Adjusted Projected Sales Price		4,208,036	4,560,797	4,599,842	4,604,991	4,427,304	4,545,635	5,041,244	5,311,636	5,365,492	5,016,254
Less: Mortgage(s) Balance Payoff		3,148,912	3,116,057	3,080,739	3,042,773	3,001,962	2,958,092	2,910,933	2,860,239	2,805,745	2,747,166
SALE PROCEEDS before taxes		1,059,124	1,444,740	1,519,103	1,562,218	1,425,342	1,587,544	2,130,311	2,451,397	2,559,747	2,269,087
Income Taxes: Benefit (Expense)		2,277	(103,071)	(325,351)	(367,562)	(202,650)	(252,493)	(740,349)	(803,961)	(868,974)	(820,041)
SALE PROCEEDS after taxes		1,056,847	1,547,811	1,844,454	1,929,780	1,627,992	1,840,036	2,870,660	3,255,358	3,428,721	3,089,128
Cash Position											
Cash Generated in Current Year		\$ 103,823	\$ 107,139	\$ 139,593	\$ 142,329	\$ 141,829	\$ 123,995	\$ 134,146	\$ 179,971	\$ 204,449	\$ 208,401
Cash Generated in Previous Year		-	\$ 103,823	\$ 107,139	\$ 139,593	\$ 142,329	\$ 141,829	\$ 123,995	\$ 134,146	\$ 179,971	\$ 204,449
Cash Generated From Property Sale		1,056,847	1,547,811	1,844,454	1,929,780	1,627,992	1,840,036	2,870,660	3,255,358	3,428,721	3,089,128
Original Initial Investment		(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)	(1,361,577)
Total Potential CASH Generated		(200,908)	397,195	729,609	850,125	550,573	744,283	1,767,224	2,207,898	2,451,564	2,140,401
Financial Measures											
Debt Coverage Ratio (DCR)		1.54	1.53	1.66	1.67	1.68	1.61	1.65	1.83	1.93	1.95
Expense Ratio		19%	20%	19%	20%	20%	21%	21%	20%	20%	20%
Loan to Value Ratio (LVR)		73%	67%	66%	65%	66%	64%	57%	53%	51%	54%
Breakeven Point		72%	72%	68%	68%	68%	68%	69%	69%	62%	62%
Capitalization Rate (based on cost)		8.11%	8.77%	9.51%	9.59%	9.60%	9.23%	9.48%	10.51%	11.08%	11.19%
Capitalization Rate (based on Resale Value after cost)		8.75%	8.73%	9.38%	9.45%	9.84%	9.22%	8.53%	8.98%	9.37%	10.12%
Net Present Value (NPV) (before taxes)	12.50%	(\$176,561)	\$108,172	\$131,604	\$128,830	\$23,213	\$76,501	\$286,292	\$377,791	\$379,999	\$256,135
Net Present Value (NPV) (after taxes)	12.50%	(\$207,659)	\$51,661	\$61,089	\$47,042	(\$68,139)	(\$13,367)	\$199,807	\$311,659	\$335,387	\$231,518
Cash on Cash Return (before taxes)		7.63%	7.63%	10.25%	10.25%	10.42%	10.42%	9.85%	9.85%	15.02%	15.02%
Cash on Cash Return (after taxes)		5.06%	5.06%	8.79%	8.79%	9.15%	9.15%	10.42%	10.42%	19.58%	19.58%
Internal Rate of Return (IRR) (before taxes)		0.00%	23.38%	19.18%	17.00%	13.16%	14.27%	17.74%	18.38%	17.83%	15.99%
Internal Rate of Return (IRR) (after taxes)		0.00%	17.56%	15.53%	14.11%	10.61%	12.20%	16.04%	17.16%	16.98%	15.47%
Mod Internal Rate of Return (MIRR) (before taxes)		0.00%	23.38%	18.94%	16.67%	13.08%	14.00%	16.86%	17.28%	16.69%	15.11%
Mod Internal Rate of Return (MIRR) (after taxes)		0.00%	17.56%	15.45%	14.01%	10.79%	12.24%	15.55%	16.42%	16.16%	14.82%
Current Balance/Sqft		\$ 147.84	\$ 146.29	\$ 144.64	\$ 142.85	\$ 140.94	\$ 138.88	\$ 136.66	\$ 134.28	\$ 131.73	\$ 128.97
Revenue/Sqft		\$ 22.64	\$ 25.02	\$ 26.83	\$ 27.17	\$ 27.37	\$ 26.71	\$ 27.45	\$ 29.95	\$ 31.41	\$ 31.85
Expense/Sqft		\$ 4.22	\$ 5.07	\$ 5.22	\$ 5.38	\$ 5.54	\$ 5.71	\$ 5.88	\$ 6.05	\$ 6.23	\$ 6.42
NOI/Sqft		\$ 17.28	\$ 18.70	\$ 20.26	\$ 20.44	\$ 20.46	\$ 19.67	\$ 20.20	\$ 22.40	\$ 23.60	\$ 23.84

Chester Court

60 Market Street

West Chester Pa

Operating Expenses

Building Square Feet

21,300

Expense Description	Detail		Annual Increase	% of Expenses
	Annual Amount	Price/ Sq Ft		
	\$ -			
General Building Maintenance	-	\$ 912	0.04	1%
Administrative Building Exp	-	5,000	0.23	5%
Professional Fees	-	2,000	0.09	2%
Management Fee	-	16,189	0.76	15%
Landscaping	-	-	-	0%
Weather Related	-	-	-	0%
Jantorial	-	-	-	0%
Waste Removal	-	-	-	0%
Pest Control	-	-	-	0%
Utilities/Electric	-	-	-	0%
Utilities/Gas & Fuel	-	6,122	0.29	6%
Utilities/other	-	-	-	0%
Insurance	-	9,523	0.45	9%
Elevator	-	-	-	0%
HVAC Exp	-	-	-	0%
Real Estate Taxes	-	36,229	1.70	34%
Rental Commissions	-	-	-	0%
Security	-	-	-	0%
Alternation & Repair	-	32,000	1.50	30%
	<u>\$ -</u>	<u>\$ 107,975</u>	<u>\$ 5.07</u>	<u>100%</u>

Capital Reserve	\$ 4,260	\$ 0.20	Based on age of Building
Commission Reserve	\$ 7,650	\$ 0.36	
Tenant Improvement Reserve	\$ 19,125	\$ 0.90	

Total Reserves \$ 31,035

Notes

Chester Court

60 Market Street
West Chester , Pa

Tenant Rent Roll

As of Date		01/09/10		Date Beginning Income										02/28/10					
NRSF		21,300		ALL INPUTS MUST BE BASED ON CURRENT INFORMATION															
Suite	Tenant	SF	Lease Type	Lease Start	Lease Expire	RR Pro Rata	2010	(CALC)	Annual	Next Annual	Step Date	Step Rent	Reimbursables						
							Current Rent	P.S.F.*	Y/(N)	Increase %			Increase Date	CAM	Formula	RE TAX	Formula		
		-				0.00%	\$0	#DIV/0!	0	0%	#VALUE!	01/00/00	\$0	\$0	0.00%	\$0	0.00%		
1	1&2 Sovereign Bank	12,000	Net	01/22/99	12/31/23	56.34%	\$312,923	26.08	N	0%	1/0/00	01/31/12	\$350,311	\$40,420	56.34%	\$20,411	56.34%		
2	3 American Express	5,300	Gross	06/01/09	05/21/16	24.88%	\$90,168	17.01	N	0%	1/0/00	06/01/12	\$90,830	\$0	0.00%	\$0	0.00%		
3	4 Swartz, Campbell & Detweiler	4,000	Gross	03/15/09	03/31/15	18.78%	\$59,450	14.86	Y	3%	3/31/10	01/00/00	\$0	\$0	0.00%	\$0	0.00%		
4		0				0.00%	\$0	#DIV/0!	N	0%		01/00/00	\$0	\$0	0.00%	\$0	0.00%		
5		0				0.00%	\$0	#DIV/0!	N	0%		01/00/00	\$0	\$0	0.00%	\$0	0.00%		
6		0				0.00%	\$0	#DIV/0!	N	0%		01/00/00	\$0	\$0	0.00%	\$0	0.00%		
7		0				0.00%	\$0	#DIV/0!	N	0%		01/00/00	\$0	\$0	0.00%	\$0	0.00%		
8		0				0.00%	\$0	#DIV/0!	N	0%		01/00/00	\$0	\$0	0.00%	\$0	0.00%		
Total	3	21,300				100.00%	\$462,541	21.72					\$0	\$40,420		\$20,411			
Sum		-				0.00%	\$0	#DIV/0!						\$0	0.00%	\$0	0.00%		
Vacant/ MTM		0				0.00%	\$0	#DIV/0!						\$0	0.00%	\$0	0.00%		
Vacant/ MTM		0				0.00%	\$0	#DIV/0!						\$0	0.00%	\$0	0.00%		
Total Vacant/ MTM		0				0.00%	\$0						\$0			\$0			
GROSS POTENTIAL INCOME		21,300				100.00%	\$462,541	21.72						\$40,420		\$20,411			
				2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Potential Rental Income				\$ 425,482	\$ 465,855	\$ 502,397	\$ 507,728	\$ 509,725	\$ 458,543	\$ 380,588	\$ 350,311	\$ 350,311	\$ 350,311	\$ 350,311	\$ 350,311	\$ 350,311	\$ 350,311	\$ -	
Rollover rent				-	-	-	-	-	69,788	180,459	229,328	236,208	243,295	250,593	258,111	265,855	273,830	645,974	
Rollover downtime Rent				-	-	-	-	-	(34,778)	(54,130)	(21,728)	-	-	(40,317)	(62,752)	(25,188)	-	(181,511)	
Manual Adjustments				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Rent				\$ 425,482	\$ 465,855	\$ 502,397	\$ 507,728	\$ 509,725	\$ 493,553	\$ 506,916	\$ 557,912	\$ 586,519	\$ 593,606	\$ 560,587	\$ 545,670	\$ 590,977	\$ 624,141	\$ 464,463	

Please note if management fee is included in CAM

*For vacancy, rent psf is market

LEASE ROLL-OVER ANALYSIS

PROPERTY DATA

Name	Chester Court
City, State	West Chester , Pa
Property Size	21,300
Occupied Area	
Vacant Area	0
Occupancy	0.00%
Loan Term	10
Occupied SF Rolling	

ASSUMPTIONS

New Lease Probability	25.00%
Renewal Probability	75.00%
Rollover Term	5 Years
Downtime In months	6 Months
Market Rent (psf)	\$20.00 PSF
Rent Growth Rate	3%
TI New	\$10.00 PSF
TI Renewal	\$5.00 PSF
Commission New	4%
Commission Renewal	2%

No.	Year	Square Feet Expiring	% of Total	Mkt Rent Growth	2nd Roll-Over	Total Roll-Over	TI New	TI Renewal	Total TIs	Commission New	Commission Renewal	Total Commissions	Total TIs & Commissions
1	2010	0	0.00%	\$ 10.00	0	-	0	0	0	0	0	0	0
2	2011	0	0.00%	\$ 10.30	0	-	0	0	0	0	0	0	0
3	2012	0	0.00%	\$ 10.61	0	-	0	0	0	0	0	0	0
4	2013	0	0.00%	\$ 10.93	0	-	0	0	0	0	0	0	0
5	2014	0	0.00%	\$ 11.26	0	-	0	0	0	0	0	0	0
6	2015	3,000	14.08%	\$ 11.59	0	3,000	7,500	11,250	18,750	3,000	4,500	7,500	26,250
7	2016	4,533	21.28%	\$ 11.94	0	4,533	11,333	17,000	28,333	4,533	6,800	11,333	39,667
8	2017	1,767	8.29%	\$ 12.30	0	1,767	4,417	6,625	11,042	1,767	2,650	4,417	15,458
9	2018	0	0.00%	\$ 12.67	0	-	0	0	0	0	0	0	0
10	2019	0	0.00%	\$ 13.05	0	-	0	0	0	0	0	0	0
11	2020	0	0.00%	\$ 13.44	3,000	3,000	7,500	11,250	18,750	3,000	4,500	7,500	26,250
12	2021	0	0.00%	\$ 13.84	4,533	4,533	11,333	17,000	28,333	4,533	6,800	11,333	39,667
13	2022	0	0.00%	\$ 14.26	1,767	1,767	4,417	6,625	11,042	1,767	2,650	4,417	15,458
14	2023	0	0.00%	\$ 14.69	0	-	0	0	0	0	0	0	0
15	2024	12,000	56.34%	\$ 15.13	0	12,000	30,000	45,000	75,000	12,000	18,000	30,000	105,000

Total	21,300	100.00%			9,300	30,600	76,500	114,750	191,250	30,600	45,900	76,500	267,750
Average Per Year	2,130				930	3,060	7,650	11,475	19,125	3,060	4,590	7,650	26,775
% Rolling Per Year	10.00%												
Average Per Yr Per SF							\$0.36	\$0.54	\$0.90	\$0.14	\$0.22	\$0.36	\$1.26

Chester Court

60 Market Street
West Chester Pa

Income Tax Analysis

Tax Analysis - Operations		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Operating Income (NOI)		\$ 368,086	\$ 398,248	\$ 431,633	\$ 435,328	\$ 435,815	\$ 418,999	\$ 430,198	\$ 477,102	\$ 502,692	\$ 507,789
Expense Portion of Capital Reserve		(25,863)	(31,035)	(31,966)	(32,925)	(33,913)	(34,930)	(35,978)	(37,057)	(38,169)	(39,314)
Tax Depreciation		(231,884)	(231,884)	(231,884)	(231,884)	(231,884)	(159,266)	(159,266)	(81,462)	(81,462)	(81,462)
Interest Expense - Mortgage		(210,300)	(227,219)	(224,756)	(222,108)	(219,263)	(216,203)	(212,915)	(209,380)	(205,580)	(201,495)
Operating Taxable Income (Loss)		\$ (99,960)	\$ (91,890)	\$ (56,973)	\$ (51,589)	\$ (49,244)	\$ 8,599	\$ 22,039	\$ 149,203	\$ 177,481	\$ 185,517
Federal & State Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Income Tax Benefit (Expense)		\$ (34,986)	\$ (32,161)	\$ (19,940)	\$ (18,056)	\$ (17,235)	\$ 3,010	\$ 7,713	\$ 52,221	\$ 62,118	\$ 64,931

Tax Analysis - Property Sale		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Adjusted Projected Sales Price		4,293,914	4,653,874	4,693,716	4,698,971	4,517,657	4,638,403	5,144,127	5,420,037	5,474,992	5,118,626
Original Cost of Property		(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)	(4,538,590)
Gain(Loss) on Property		\$ (244,676)	\$ 115,284	\$ 155,126	\$ 160,381	\$ (20,933)	\$ 99,813	\$ 605,537	\$ 881,447	\$ 936,402	\$ 580,036
Accumulated Depreciation/Amortization		231,884	463,767	695,651	927,535	1,159,419	1,318,685	1,477,951	1,559,413	1,640,875	1,722,337
Taxable Gain(Loss) on Property Sale		\$ (12,792)	\$ 579,051	\$ 850,777	\$ 1,087,916	\$ 1,138,485	\$ 1,418,498	\$ 2,083,488	\$ 2,440,860	\$ 2,577,276	\$ 2,302,373
Capital Gain & State Rate on Sale	17.8%	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
Income Tax Benefit (Expense)		2,277	(103,071)	(151,438)	(193,649)	(202,650)	(252,493)	(370,861)	(434,473)	(458,755)	(409,822)
Recapture Tax	25%	-	-	(173,913)	(173,913)	-	-	(369,488)	(369,488)	(410,219)	(410,219)
Income Tax Benefit (Expense)		\$ 2,277	\$ (103,071)	\$ (325,351)	\$ (367,562)	\$ (202,650)	\$ (252,493)	\$ (740,349)	\$ (803,961)	\$ (868,974)	\$ (820,041)