

### NET WORTH ANALYSIS

**NET WORTH COMPONENTS:**  
 (an Income & Balance Sheet Approach)

*This analysis looks at the components of Net Worth from an accounting point of view (see Balance Sheet restated at Market value).*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>NET WORTH - from Sale (after tax)</b>															
Market Value of Property	832,000	865,280	910,091	946,495	984,355	1,023,729	1,064,678	1,107,265	1,151,556	1,197,618	1,245,523	1,295,344	1,347,157	1,401,044	1,457,085
less Depreciable Property at Original Basis	720,000	720,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000
less Land at Original Cost	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Market Appreciation Gain	32,000	65,280	100,091	136,495	174,355	213,729	254,678	297,265	341,556	387,618	435,523	485,344	537,157	591,044	647,085
less Liability for Sales Commission	58,240	60,570	63,706	66,255	68,905	71,661	74,527	77,509	80,609	83,833	87,187	90,674	94,301	98,073	101,996
less Write-off of Unamort. Loan Points	11,600	11,200	10,800	10,400	10,000	9,600	9,200	8,800	8,400	8,000	7,600	7,200	6,800	6,400	6,000
less Write-off of Other Loan Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
less Liab. for Taxes related to Sale	-4,852	10,177	22,866	35,979	49,323	62,908	76,742	90,836	105,200	119,845	134,782	150,023	165,580	181,465	197,693
plus TI Accumulated Depreciation	25,091	51,273	77,621	104,167	130,712	157,258	183,803	210,348	236,894	263,439	289,985	316,530	343,076	369,621	396,167
Net Worth Due to Sale of Property	-7,898	34,606	80,340	128,028	176,839	226,818	278,012	330,469	384,241	439,379	495,939	553,977	613,552	674,726	737,563
<b>NET WORTH - from Balance Sht (aftr tax)</b>															
Retained Earnings	-12,368	-30,088	-40,088	-69,742	-88,851	-107,376	-125,272	-142,494	-158,990	-174,705	-189,583	-203,560	-216,568	-228,535	-239,384
Equity Investment 214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000
Net Worth from Balance Sheet	201,632	183,912	173,912	144,258	125,149	106,624	88,728	71,506	55,010	39,295	24,417	10,440	-2,568	-14,535	-25,384
<b>NET WORTH - from Investment Portfolio</b>															
Cash Dividends to Investors	0	14,171	9,416	31,032	22,422	23,954	25,538	27,178	28,873	30,626	32,439	34,312	36,248	38,247	40,312
Plus Total Tax Savings on Personal Income	4,964	1,424	234	0	0	0	0	0	0	0	0	0	0	0	0
Spendable Cash (for investors)	4,964	15,595	9,650	31,032	22,422	23,954	25,538	27,178	28,873	30,626	32,439	34,312	36,248	38,247	40,312
After Tax Earnings on Investor Portfolio	45	230	461	834	1,329	1,770	2,246	2,760	3,313	3,906	4,543	5,224	5,951	6,727	7,553
Value of Investment Portfolio	5,009	20,834	30,945	62,811	86,562	112,286	140,070	170,007	202,193	236,726	273,707	313,243	355,442	400,417	448,282
<b>TI Net Worth (Future Cash Value aft Sale)</b>	<b>198,743</b>	<b>239,351</b>	<b>285,197</b>	<b>335,097</b>	<b>388,550</b>	<b>445,728</b>	<b>506,809</b>	<b>571,983</b>	<b>641,444</b>	<b>715,400</b>	<b>794,063</b>	<b>877,661</b>	<b>966,427</b>	<b>1,060,608</b>	<b>1,160,461</b>
<b>EQUITY BUILD-UP (Incr. in NET WORTH)</b>															
Equity Build-UP from Sale	-7,898	42,503	45,735	47,687	48,811	49,979	51,194	52,458	53,772	55,138	56,560	58,038	59,575	61,174	62,837
Equity Build-UP from Balance Sheet	-12,368	-17,720	-10,000	-29,653	-19,109	-18,525	-17,897	-17,221	-16,496	-15,716	-14,878	-13,977	-13,008	-11,967	-10,849
Equity Build-UP from Investment Portfolio	5,009	15,825	10,111	31,866	23,751	25,723	27,784	29,937	32,186	34,533	36,982	39,536	42,199	44,974	47,866
<b>TI Equity Build-UP (after tax)</b>	<b>-15,257</b>	<b>40,609</b>	<b>45,846</b>	<b>49,900</b>	<b>53,453</b>	<b>57,177</b>	<b>61,082</b>	<b>65,173</b>	<b>69,462</b>	<b>73,955</b>	<b>78,664</b>	<b>83,597</b>	<b>88,766</b>	<b>94,181</b>	<b>99,854</b>
<b>Equity Growth Rate (after tax)</b>	<b>-7.1%</b>	<b>20.4%</b>	<b>19.2%</b>	<b>17.5%</b>	<b>16.0%</b>	<b>14.7%</b>	<b>13.7%</b>	<b>12.9%</b>	<b>12.1%</b>	<b>11.5%</b>	<b>11.0%</b>	<b>10.5%</b>	<b>10.1%</b>	<b>9.7%</b>	<b>9.4%</b>

**NET WORTH ANALYSIS**

**NET WORTH COMPONENTS:**

(an Economic (i.e. Cash) Approach)

*This analysis looks at the components of Net Worth more from an economic (cash) viewpoint rather than from an accounting view point.*

**TL MONEY MADE ON THE PROJECT**

**TI Net Worth (Future Cash Value aft Sale)**

- Total Accumulated Contributed Equity

**Total Money (cash) Made on The Project**

**MONEY MADE from ASSET Appreciation**

Market Value of Property

less Sales Commissions

Realized Cash Proceeds from Sale

less TI Taxes from Sale

Net Cash Proceeds From Sale

less Depreciable Property at Original Basis

less Land at Original Cost

**Money Made Due to Appreciation**

**Money Made Due to Cash Flow Generation**

**Money Made Due to Re-Investmt Assumpt.**

Ratio of TL Money Made From Appreciation

Ratio of Money Made From CashFlow Generation

Ratio of Money Made From Re-Investmt Assumpt.

Assumed Market Appreciation Rate

Assumed B4 Tax Re-Investmt Rate

After Tax Re-Investmt Rate

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>TI Net Worth (Future Cash Value aft Sale)</b>	<b>198,743</b>	<b>239,351</b>	<b>285,197</b>	<b>335,097</b>	<b>388,550</b>	<b>445,728</b>	<b>506,809</b>	<b>571,983</b>	<b>641,444</b>	<b>715,400</b>	<b>794,063</b>	<b>877,661</b>	<b>966,427</b>	<b>1,060,608</b>	<b>1,160,461</b>
- Total Accumulated Contributed Equity	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000
<b>Total Money (cash) Made on The Project</b>	<b>-15,257</b>	<b>25,351</b>	<b>71,197</b>	<b>121,097</b>	<b>174,550</b>	<b>231,728</b>	<b>292,809</b>	<b>357,983</b>	<b>427,444</b>	<b>501,400</b>	<b>580,063</b>	<b>663,661</b>	<b>752,427</b>	<b>846,608</b>	<b>946,461</b>
<b>MONEY MADE from ASSET Appreciation</b>															
Market Value of Property	832,000	865,280	910,091	946,495	984,355	1,023,729	1,064,678	1,107,265	1,151,556	1,197,618	1,245,523	1,295,344	1,347,157	1,401,044	1,457,085
less Sales Commissions	58,240	60,570	63,706	66,255	68,905	71,661	74,527	77,509	80,609	83,833	87,187	90,674	94,301	98,073	101,996
Realized Cash Proceeds from Sale	773,760	804,710	846,385	880,240	915,450	952,068	990,151	1,029,757	1,070,947	1,113,785	1,158,336	1,204,670	1,252,856	1,302,971	1,355,089
less TI Taxes from Sale	-4,852	10,177	22,866	35,979	49,323	62,908	76,742	90,836	105,200	119,845	134,782	150,023	165,580	181,465	197,693
Net Cash Proceeds From Sale	778,612	794,533	823,519	844,261	866,126	889,160	913,409	938,921	965,747	993,940	1,023,554	1,054,647	1,087,276	1,121,505	1,157,397
less Depreciable Property at Original Basis	720,000	720,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000	730,000
less Land at Original Cost	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
<b>Money Made Due to Appreciation</b>	<b>-21,388</b>	<b>-5,467</b>	<b>13,519</b>	<b>34,261</b>	<b>56,126</b>	<b>79,160</b>	<b>103,409</b>	<b>128,921</b>	<b>155,747</b>	<b>183,940</b>	<b>213,554</b>	<b>244,647</b>	<b>277,276</b>	<b>311,505</b>	<b>347,397</b>
<b>Money Made Due to Cash Flow Generation</b>	<b>6,085</b>	<b>30,537</b>	<b>56,930</b>	<b>85,252</b>	<b>115,510</b>	<b>147,884</b>	<b>182,471</b>	<b>219,373</b>	<b>258,696</b>	<b>300,552</b>	<b>345,058</b>	<b>392,339</b>	<b>442,524</b>	<b>495,750</b>	<b>552,159</b>
<b>Money Made Due to Re-Investmt Assumpt.</b>	<b>47</b>	<b>281</b>	<b>748</b>	<b>1,585</b>	<b>2,914</b>	<b>4,684</b>	<b>6,930</b>	<b>9,689</b>	<b>13,002</b>	<b>16,908</b>	<b>21,451</b>	<b>26,675</b>	<b>32,626</b>	<b>39,353</b>	<b>46,906</b>
Ratio of TL Money Made From Appreciation	140.19%	-21.56%	18.99%	28.29%	32.15%	34.16%	35.32%	36.01%	36.44%	36.69%	36.82%	36.86%	36.85%	36.79%	36.70%
Ratio of Money Made From CashFlow Generation	-39.88%	120.45%	79.96%	70.40%	66.18%	63.82%	62.32%	61.28%	60.52%	59.94%	59.49%	59.12%	58.81%	58.56%	58.34%
Ratio of Money Made From Re-Investmt Assumpt.	-0.31%	1.11%	1.05%	1.31%	1.67%	2.02%	2.37%	2.71%	3.04%	3.37%	3.70%	4.02%	4.34%	4.65%	4.96%
Assumed Market Appreciation Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Assumed B4 Tax Re-Investmt Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
After Tax Re-Investmt Rate	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%