

SCOTT LESLIE & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

2920 N. Green Valley Pkwy. Phone (702) 878-2476
Building 5, Suite 525 Fax (702) 547-7459
Henderson, Nevada 89014 www.slcpalv.com

February 26, 2014

Dave Mason
Dave Mason Realty
1137 S. Rancho Drive, Suite 120
Las Vegas, Nevada 89102

Dear Dave:

Here is the calculation you requested:

Example of Office Ownership

Property type: Medical Condo

Example assumptions:

Size in square feet of property purchased	2,500 /sf
Shell cost per square foot	\$ 135.00 /sf
Finish out cost per square foot	\$ 50.00 /sf
Marginal tax bracket	35.0%
Total cost	\$ 462,500
Loan to value	90.0%
Initial mortgage value	\$ 416,250
Interest rate	5.0%
Term	25 years
Monthly payment (P&I)	\$ 2,433
Monthly payment (per sq. ft.) "lease rate equivalent"	\$ 0.97 /sf/mo

Example:

Mortgage payment is the lease rate equivalent of	\$ 0.97 /sf/mo
Less: Tax benefit received from depreciation	\$ (0.14) /sf/mo
Tax benefit received from interest deduction (first year)	\$ (0.24) /sf/mo
Net cost of ownership after considering tax benefits	<u>\$ 0.59 /sf/mo</u>

Very truly yours,

SCOTT LESLIE & ASSOCIATES, INC.



Scott Leslie, CPA/ABV, CVA, CFF