



Why Lease.... when you can Own?

OWN

Purchase Assumptions	
Size (Square feet)	2,663
Purchase Price plus closing costs	\$527,345

Start-up Costs	
10% Down Payment	\$52,735
Closing costs - financed	<u>\$0</u>
Total out of pocket costs	\$52,735

Monthly Costs	Per sq ft	
Mortgage Payment (P&I)	1.29	\$3,441
Operating Exp/CAM	0.05	\$133
Property Taxes	0.15	<u>\$476</u>
Total Monthly Costs		\$4,050

Monthly Ownership Benefits (Estimated)	
Tax Benefits	
Depreciation Benefit	\$361
Operating Expense Deduction	\$53
Property Tax Deduction	\$190
Interest Deduction (5 year avg)	\$1,239
Other Benefits	
Rental Income	\$0
Average Appreciation 3.0%	\$1,318
Total Ownership Benefits	\$3,161
Total Effective Monthly Cost:	\$889

LEASE

Lease Assumptions	
Size (Square feet)	2,663
Lease rate per sq ft/mnth NNN	\$0.68
Monthly lease	\$1,811

Start-up Costs	
Prepaid Rent	\$1,811
Security Deposit	<u>\$1,811</u>
Total out of pocket costs	\$3,622

Monthly Costs	Per sq ft	
Lease Payment	0.68	\$1,811
Operating Exp/CAM	0.05	\$133
Property Taxes	0.15	<u>\$476</u>
Total Monthly Costs		\$2,420

Monthly Lease Benefits (Estimated)	
Tax Benefits	
Depreciation Benefit	n/a
Operating Expense Deduction	\$53
Lease Deduction	\$724
Interest Deduction	n/a
Other Benefits	
Rental Income	0
Avg. Appreciation	<u>n/a</u>
Total Lease Benefits	\$778
Total Effective Monthly Cost:	\$778

Ownership Analysis Summary	
Annual Effective Cost Difference	-\$1,332
Average Annual Principal Paydown	<u>\$11,561</u>
Annual Wealth Creation	\$10,229
15 Year Wealth Creation	\$153,429
<small>*Do not rely on the assumptions used in this analysis; please consult your financial advisor; not a commitment to lend.</small>	

Financing with Wells Fargo Bank Offers Many Benefits

30 year amortized loans
Loan term fixed rates
All fees financed

48 hour prequalification
Lower down payments
Low rates

Financing:
Marty Spuehler
619-405-5429

Property Sales:
Joe McDermott
760-517-5804

Property Sales:
Jim Spain
760-930-7929



SBA 504
Financing Options
Oceanside Gateway 3-H-6
August 9, 2006

<u>1st TD Rates/Terms:</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
Adjustment Period:	1 month	5 years	10 years	15 years	20 years
Amortization:	30 years	30 years	30 years	15 years	20 years
Maturity:	10 years	10 years	10 years	15 years	20 years
Index:	5yr Trsry	5yr Trsry	10yr Trsry	15yr. Trsry	20yr Trsry
Index rate as of today:	5.37%	4.89%	4.96%	4.94%	5.14%
Spread:	<u>2.23%</u>	<u>2.46%</u>	<u>2.64%</u>	<u>2.66%</u>	<u>2.56%</u>
Fully indexed rate:	7.60%	7.35%	7.60%	7.60%	7.70%
CDC 2nd T.D. Rate:	6.70%	6.70%	6.70%	6.70%	6.70%
Wtd. Avg. Rate:	7.27%	7.11%	7.27%	7.27%	7.33%
Wtd. Avg. Amortization:	26.32	26.32	26.32	26.32	26.32
Payments:					
1st TD	\$2,118.22	\$2,066.92	\$2,118.22	\$2,798.11	\$2,453.60
2nd TD	<u>\$1,322.49</u>	<u>\$1,322.49</u>	<u>\$1,322.49</u>	<u>\$1,322.49</u>	<u>\$1,322.49</u>
Total	\$3,440.71	\$3,389.41	\$3,440.71	\$4,120.60	\$3,776.09

Prepayment penalty - no prepayment penalty for annual principal reductions of up to 20%.

Wells Fargo Bank
Marty Spuehler
619-405-5429

*This outline is not a commitment to lend, either express or implied.
Actual rates and terms may vary from those presented here.*



Financing Example for Oceanside Gateway 3-B-1 (not a commitment to lend)

Building Purchase:		\$519,285
Tenant Improvements:		\$0
Other costs - see below:		<u>\$8,060</u>
Total project cost:		\$527,345
Down Payment @ 10%:		<u>\$52,735</u>
Amount Financed:		\$474,611
Loan Amount(s):		
1st T.D. (Bank Loan)		\$300,000
2nd T.D. (SBA Loan)		\$174,611
Rate:		
1st T.D.		7.60%
2nd T.D.		6.70%
Amortization		
1st T.D. (20 yr. term)		30
2nd T.D. (20 year term)		20
Estimated 1st T.D. fees:		
Documentation		\$900
Loan fee (includes .50% to the CDC)	1.50%	4,500
Title Insurance/Escrow (split with seller)		1,800
Appraisal and review		500
Environmental review		0
Tax Service		110
UCC Filing / Flood Certification / Recording		<u>250</u>
Total 1st T.D fees		\$8,060
Estimated 2nd T.D. fees:		
CDC origination	3.00%	\$5,238
Total loan fees:		\$13,298
Monthly Payments:		
1st T.D.		\$2,118
2nd T.D.		<u>1,322</u>
Total		\$3,441

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