

CONFIDENTIAL INVESTMENT MEMORANDUM ON SVN LISTING 80085



THE TOPEKA SOCIAL SECURITY OFFICE BUILDING



PRESENTED BY: BRUCE MARSHALL
5057 KELLER SPRINGS ROAD, SUITE 110
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SPERRY VAN NESS | DATAVEST, INC.



ACQUISITION COST AND PROJECT INCOME AND EXPENSE ANALYSIS
TOPEKA SOCIAL SECURITY OFFICE

		Per SF	Percent	Pricing
1	Project Purchase Price	\$150.53	100%	\$2,000,000
2	Anticipated First Mortgage	\$94.08	63%	\$1,250,000
3	Contemplated Equity Requirement	\$56.45	38%	\$750,000

4	Income Statement Synoptic Overview		Current/Month	Per NSF	[2009]	%	[2010]	Per NSF	[2011]
5	Base Rent on Leased Space		18,146	\$16.39	217,757	71.13%	217,757	\$16.39	217,757
6	Operating Cost Base Reimbursement		3,620	\$3.27	43,445	14.19%	43,445	\$3.27	43,445
7	Tenant Improvement Allowance Reimbursements		3,600	\$3.25	43,200	14.11%	43,200	\$3.25	43,200
8	Current CPI Increase Reimbursements		140	\$0.13	1,677	0.57%	1,715	\$0.13	1,752
9	Potential Gross Income		25,507	\$23.04	306,080	100.00%	306,118	\$23.04	306,155
10	Vacancy Factor/Collection Loss		0	\$0.00	0	0.00%	0	\$0.00	0
11	Effective Gross Income		25,507	\$23.04	306,080	100.00%	306,118	\$23.04	306,155
12	Operational Expense [General & Administrative]		(815)	(\$0.74)	(9,777)	-0.63%	(1,884)	(\$0.14)	(1,926)
13	Operational Expense [Contract Services]		(814)	(\$0.74)	(9,769)	-6.11%	(18,306)	(\$1.41)	(18,714)
14	Operational Expense [Janitorial]		(1,200)	(\$1.08)	(14,400)	-4.81%	(14,400)	(\$1.11)	(14,721)
15	Operational Expense [Utilities]		(1,738)	(\$1.57)	(20,856)	-8.33%	(24,937)	(\$1.92)	(25,493)
16	Operational Expense [Management Fees]		(1,019)	(\$0.92)	(12,224)	-4.27%	(12,787)	(\$0.98)	(13,071)
17	Operational Expense [Insurance]		(410)	(\$0.37)	(4,916)	-1.64%	(4,916)	(\$0.38)	(5,025)
18	Operational Expense [Property Taxes]		(5,963)	(\$5.39)	(71,562)	-23.89%	(71,562)	(\$5.51)	(73,156)
19	Operational Expense [Non-Billback Expenses]		0	\$0.00	0	0.00%	0	\$0.00	0
20	Operational Expense [Repair & Maintenance]		(737)	(\$0.67)	(8,843)	-4.71%	(14,100)	(\$1.08)	(14,414)
21	Capital Expense [Capital Reserve]		0	\$0.00	0	0.00%	0	\$0.00	0
22	Sub-Total Operational Expenditures		(12,696)	(\$11.47)	(152,348)	-54%	(162,891)	(\$12.53)	(166,519)
23	Net Operating Income <N.O.I.>		12,811	\$11.57	153,732	45.61%	143,226	\$10.51	139,636
24	Less First Mortgage Debt Service		(8,054)	6.00%	(96,645)	-31.57%	(96,645)	(\$7.27)	(96,645)
25	Net Cash Flow		4,757	Years	57,087	14.04%	46,581	\$3.24	42,991
26	First Year's Principal Reduction on Loan		1,854	\$1.67	<u>22,250</u>	7.72%	<u>22,250</u>	\$1.78	<u>23,623</u>
27	Cash Flow Plus 1st Years Principal Reduction		6,611	\$5.97	79,337	21.76%	68,831	\$5.01	66,614
28	NOI as a % of Acquisition Cost [Cap Rate]		<Unleveraged>	-	7.69%	-	7.16%	-	6.98%
29	Cash-On Cash Return		<Leveraged>	-	7.61%	-	6.21%	-	5.73%
30	Additional Yield Return [Principal Reduction on First Lien]		<Leveraged>	-	<u>2.97%</u>	-	<u>2.97%</u>	-	<u>3.15%</u>
31	Total Annual Return [Cash-on-Cash + Principal Reduction]		<Leveraged>	-	10.58%	-	9.18%	-	8.88%
32	Project Internal Rate of Return <5 Yr. & 10 Yr.>		<Leveraged>	-	-	-	N/A	-	N/A

TOPEKA SOCIAL SECURITY OFFICE

600 WEST COMMERCE PLACE, TOPEKA, KANSAS 66603

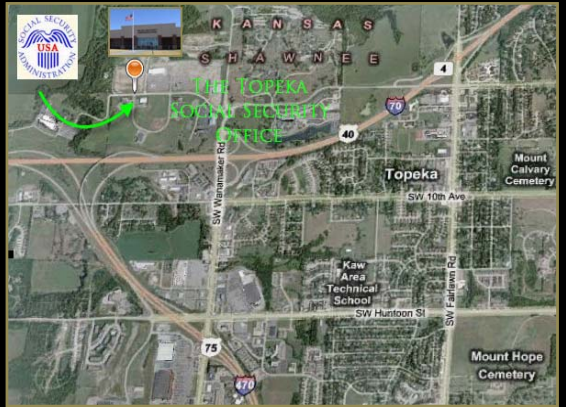
PROJECT TYPE:	SINGLE TENANT OFFICE
BUILDING SIZE	13,286
LAND AREA IN ACRES	2.06
LAND AREA IN SQUARE FEET	89,728
PROPERTY SALES PRICE	\$2,000,000
ANTICIPATED FIRST MORTGAGE LOAN	<u>\$1,250,000</u>
PROPOSED EQUITY CAPITAL CONTRIBUTION	\$750,000
PROPOSED EQUITY CAPITAL REQUIREMENT	\$150.53
EQUITY AS A % OF PURCHASE PRICE	37.50%
DEBT AS A % OF PURCHASE PRICE	62.50%



NET OPERATING INCOME IN 2009	\$153,732
NET OPERATING INCOME IN 2010	\$143,226
LEASE TYPE	GROSS
LEASE EXPIRATION DATE [NON-CANCELLABLE TERM]	JAN 15, 2015
LEASE EXPIRATION DATE [FULL LEASE TERM]	JAN 15, 2021
ANTICIPATED FIRST LIEN MORTGAGE INTEREST RATE	6.00%
ANTICIPATED FIRST LIEN AMORTIZATION	25
CURRENT OCCUPANCY	100.00%
FIVE YEAR REVERSION PROFIT	\$621,565
PROJECTED 2010 CAP RATE	7.16%



5 YEAR INTERNAL RATE OF RETURN	N/A
10 YEAR INTERNAL RATE OF RETURN	N/A
ANTICIPATED CASH FLOW IN 2010	\$46,582
AMORTIZATION ON FIRST LIEN	\$22,250
TOTAL YIELD 2010 INCLUDING PRINCIPAL	\$74,395
PRO-FORMA CASH-ON-CASH RETURN 2010	6.21%
TOTAL YIELD 2010 INCLUDING PRINCIPAL	8.88%



FOR FURTHER INFORMATION CONTACT:

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TENANT RENT ROLL



Item Designation	Tenant Name	Lease Inception	Lease Expiration	Suite Number	Sq. Ft. Size	Base Rent Per Month	Additional Rent/Month	Pro-Forma Rent Per Month	Percent Sub-Totals	Base Rent Per Year
1 Tenant [1]	UNITED STATES SOCIAL SECURITY ADMINISTRATIVE	Jan 16, 2007	Jan 15, 2021	100	13,286	\$18,146.45	\$0.00	\$18,146	71.14%	\$217,757
2 Tenant [1]	UNITED STATES SOCIAL SECURITY ADMINISTRATIVE	Jan 16, 2015	Jan 15, 2021	-	-	\$21,390.46	\$0.00	\$21,390	83.86%	\$256,686
3 Tenant [1]	U.S. SSA OPERATING COST BASE	Jan 16, 2007	Jan 15, 2021	-	-	-	\$3,620.45	-	14.19%	\$43,445
4 Tenant [1]	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	Jan 16, 2007	Jan 15, 2015	-	-	-	\$3,600.01	-	14.11%	\$43,200
5 Tenant [1]	CURRENT CPI REIMBURSEMENT	Jan 16, 2007	Jan 15, 2021	-	-	-	\$139.77	-	0.55%	\$1,677
6 Tenant [1]	SUB-TOTAL [ADDITIONAL RENT]	-	=	-	-	-	\$7,360.23	\$7,360	28.86%	\$88,323
GRAND TOTALS PRIMARY TERM		-	-	-	13,286	\$18,146.45	\$7,360.23	\$25,506.68	100.00%	\$217,757
8 Tenant [2]	-	-	-	-	-	-	-	-	-	-
9 Tenant [2]	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL UNLEASED RENTAL INCOME		-	-	-	-	-	-	-	-	-
Sub-Total Base Rent On Leased Space		Occupancy	100.00%	-	13,286	-	-	\$18,146	100.00%	\$217,757
Sub-Total Base Rent For Lease		-	Vacancy @	0.00%	0	\$0	\$0.00	\$0	0.00%	\$0
Sub-Total Rent Income Prior to Additional Rent [Base Rent Only]		Total @	100.00%	-	-	-	-	\$18,146	71.14%	\$217,757
Add Back Additional Rent Above Scheduled Rent		Physical Occ. @ -->	100.00%	100.00%	<-- Economic Occupancy	-	-	\$7,360	28.86%	\$88,323
Total Potential Gross Income		Totals	100.00%	-	13,286	-	-	\$25,507	100.00%	\$306,080

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Summary of Salient Facts on SVN Listing 80085

“Deal Cliff Notes”

Property Address: 600 West Commerce Place in Topeka, [Shawnee County], Kansas 66603

Property Type: Office Building [Single Tenant]

Building Size: 13,286 Square Feet [Gross]
11,900 Square Feet [Net Rentable Area]
11,900 Square Feet [Net Usable]

Parking: 55 Spaces [4.62/1000]

GSA Lease: G8-06P-50038

Lease Status: 100% Leased to the United States of America for the Social Security Administration

Lease Term: 15 Years with an 8 Years Non-Cancellation Provision.

Lease Inception: January 15, 2007

Lease Expiration: January 14, 2021 [72 Months Remaining on Initial 10 Yr. Term]

Average Rent:

\$ 217,757 / Year	\$ 16.39	Per Square Foot	[on a Modified Gross Lease Basis]
\$ 43,200/ Year	\$ 3.25	Per Square Foot	[Improvement Reimbursement]
\$ 43,445/ Year	\$ 3.27	Per Square Foot	[Expense Reimbursement]
\$ 1,677/ Year	\$ <u>0.13</u>	Per Square Foot	[CPI Reimbursement]
\$ 306,080/ Year	\$ 23.04	Per Square Foot	[Total Revenue]

Lease Type: The subject property is being leased on a Modified Gross Basis.

Land Area: 89,728 Square Feet [2.06 Acres]

Purchase Price: \$2,000,000

Price Per S. F. : \$151 Per Gross SF \$168 Per Net Square Foot

Government Lease: The subject property is 100% to the United States of America for the Social Security Administration.

Escalations: Escalations are tied to CPI Increases [The 10 Year Average Annual CPI is 2.23%]



Anticipated Debt: \$1,250,000 [63%] 6.00% @ 25 Year Amortization [Proposed New Lien]

Equity Required: \$750,000 [37%] Anticipated

Cap Rate: 2009 @ 7.69%

Occupancy: 100%

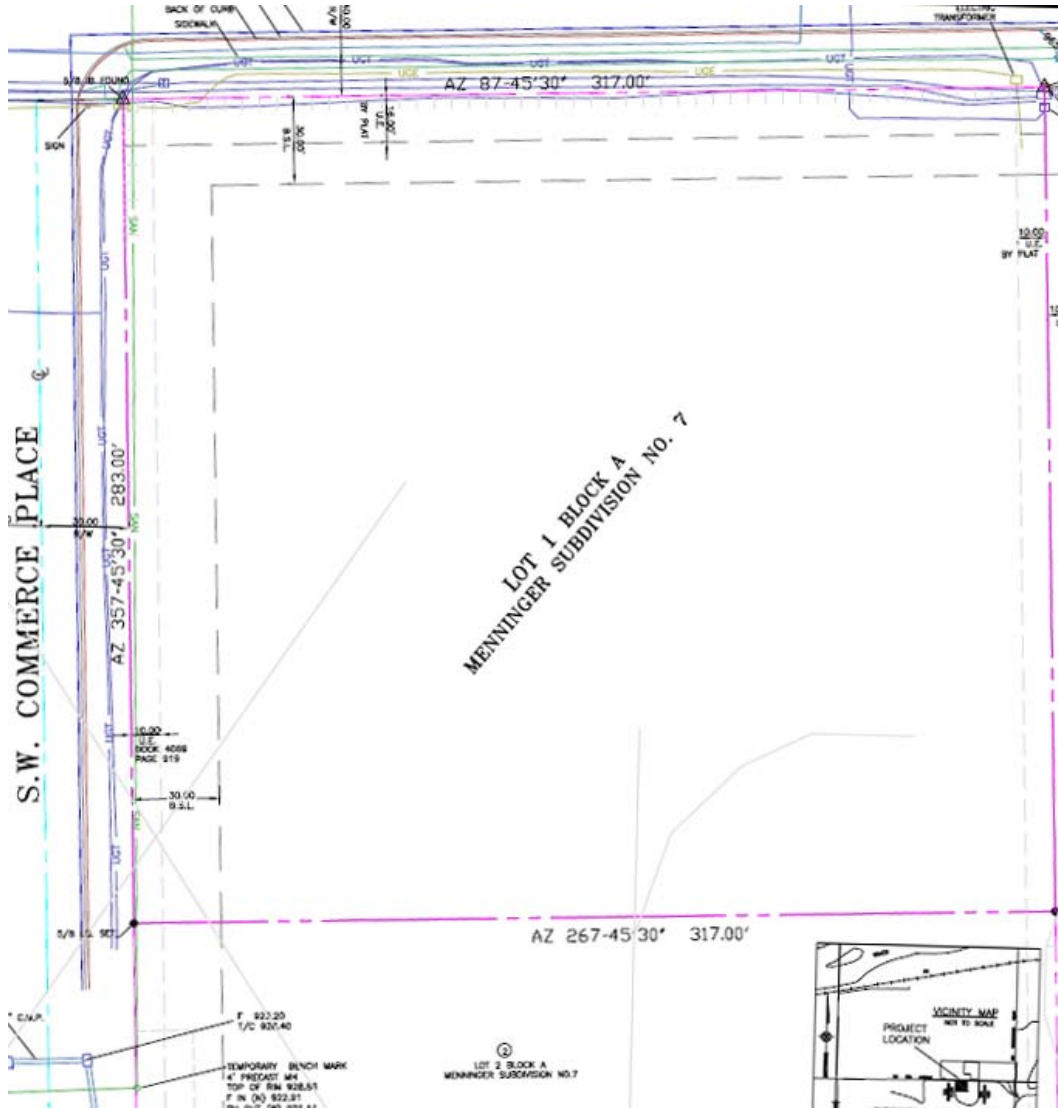
Office Income Analysis Review:

Occupancy	@ 100% Occupancy		@ 100% Occupancy		@ 100% Occupancy	
Base Office Rent:	2009:	\$ 217,757	2010:	\$ 217,757	2011:	\$ 217,757
Expense Reimbursements:	2009:	\$ 43,445	2010:	\$ 43,445	2011:	\$ 43,445
Improvement Repayment:	2009:	\$ 43,200	2010:	\$ 43,200	2011:	\$ 43,200
CPI Reimbursements:	2009:	\$ 1,677	2010:	\$ 1,715	2011:	\$ 1,752
Gross Income:	2009:	\$ 306,080	2010:	\$ 306,118	2011:	\$ 306,155
Operating Expenses:	2009:	\$ 152,348	2010:	\$ 162,891	2011:	\$ 166,519
NOI:	2009:	\$ 152,732	2010:	\$ 143,226	2011:	\$ 139,636
Debt Service:	2009:	\$ 96,645	2010:	\$ 96,645	2011:	\$ 96,645
Cash-Flow:	2009:	\$ 57,087	2010:	\$ 46,581	2011:	\$ 42,991
Amortization:	2009:	\$ 22,250	2010:	\$ 22,250	2011:	\$ 22,250
Total Benefits:	2009:	\$ 79,337	2010:	\$ 68,831	2011:	\$ 66,614
Cash-On-Cash:	2009:	7.61%	2010:	6.21%	2011:	5.73%
Amortization:	2009:	2.62%	2010:	2.62%	2011:	2.62%
Total Yield:	2009:	10.58%	2010:	9.18%	2011:	8.88%

Property Description:

The subject property consists of an attractive single one-story single tenant office building which was built as a build-to-suit for the Social Security Office branch of the United States of America. Parking is provided for 55 vehicles in a ratio of 4.14 per 1,000. The project is well landscaped. A sophisticated energy management system provides cost-effective electrical, water, and HVAC operational capability.

Property Survey:



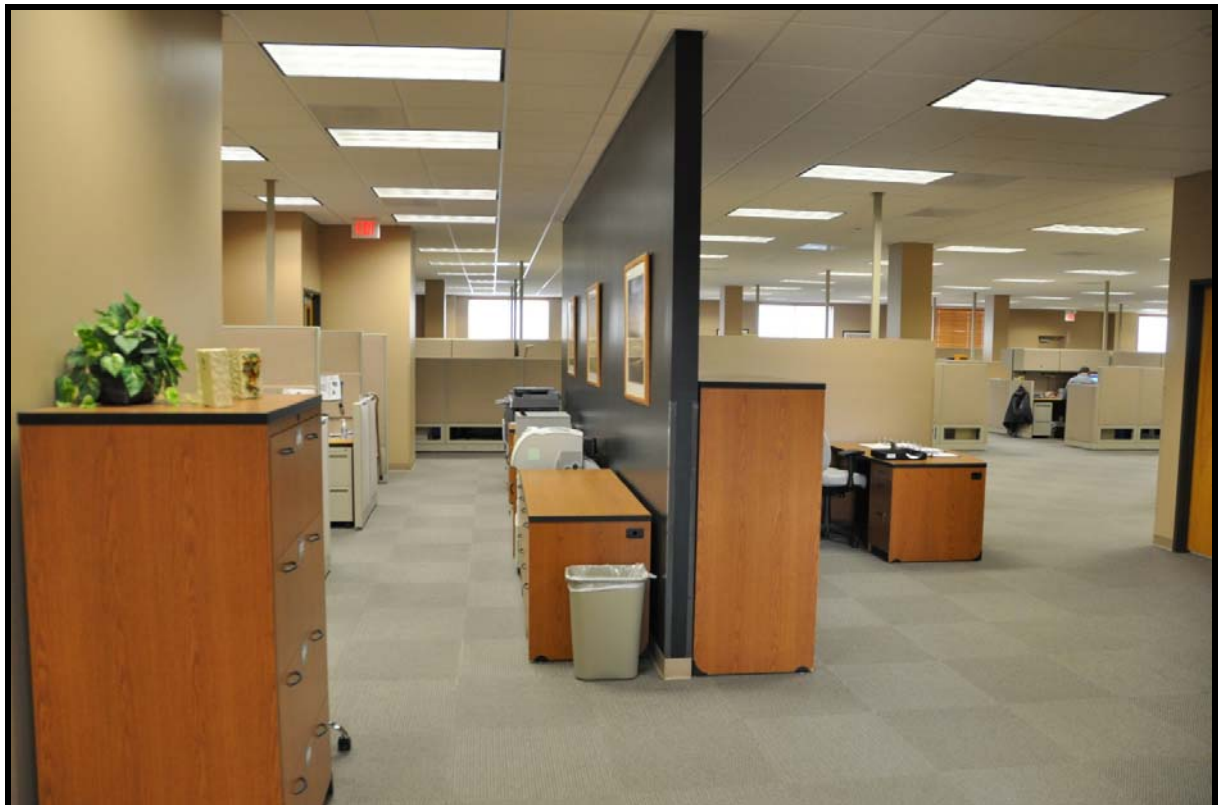


Looking Southeast onto the Topeka SSA Office Building.





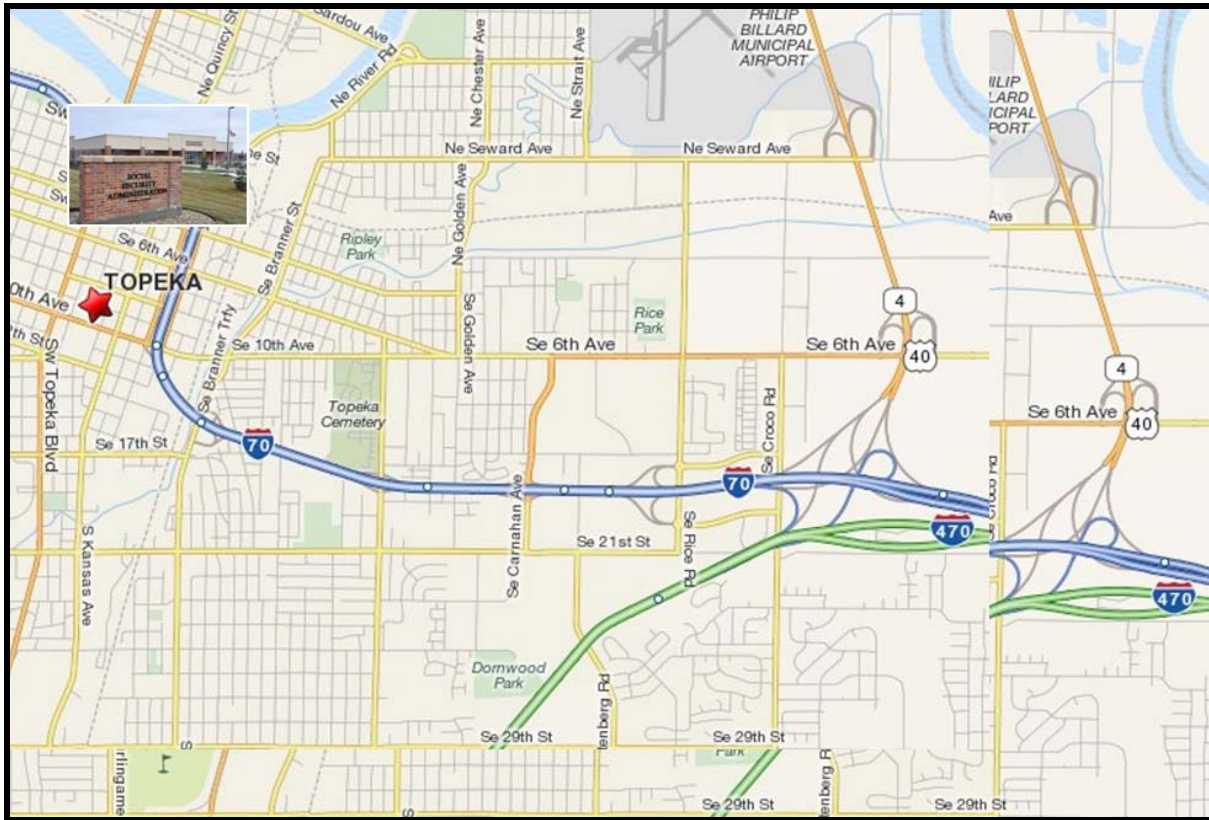
Interior Views of the Topeka SSA Office



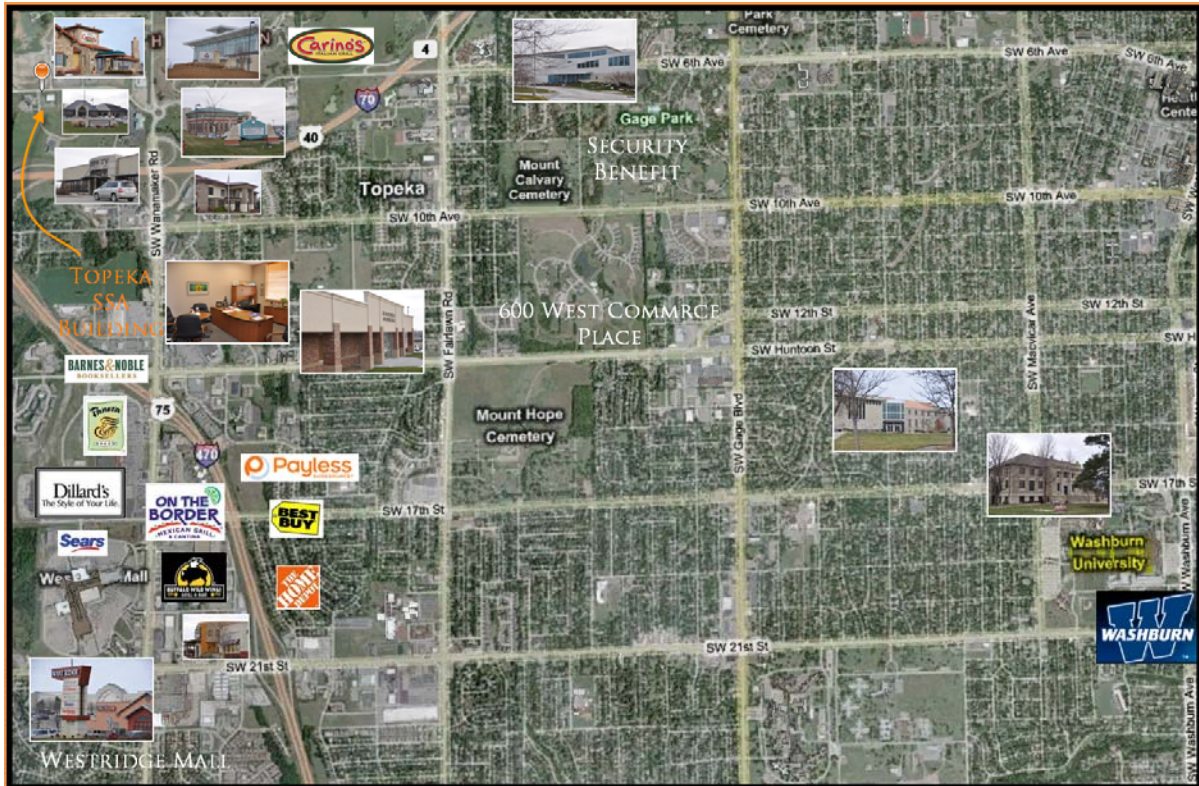


The Lobby Areas of the Topeka SSA Building.





MAP AND AERIAL VIEW OF THE TOPEKA SSA BUILDING

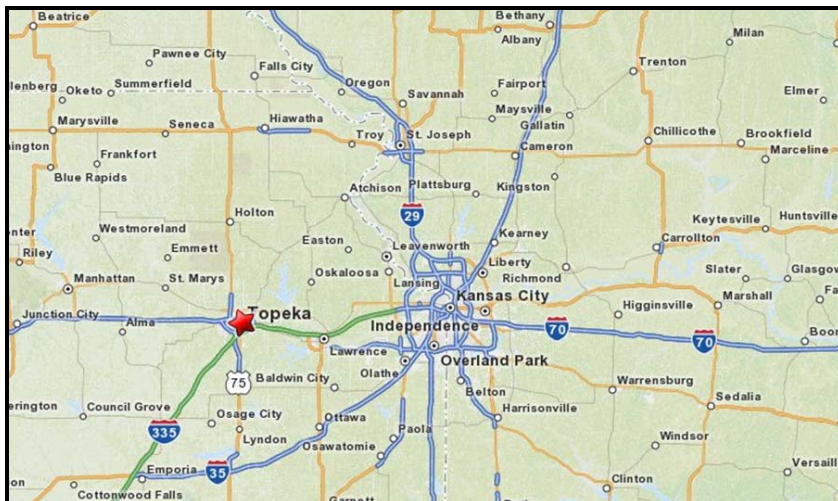


The City of Topeka:

The City of Topeka was established over 150 years ago and served as the original headquarters of the Santa Fe Railroad now (BNSF). The City has a population of approximately 122,000 with a 225,000 MSA Metro Population.

Topeka Employers:

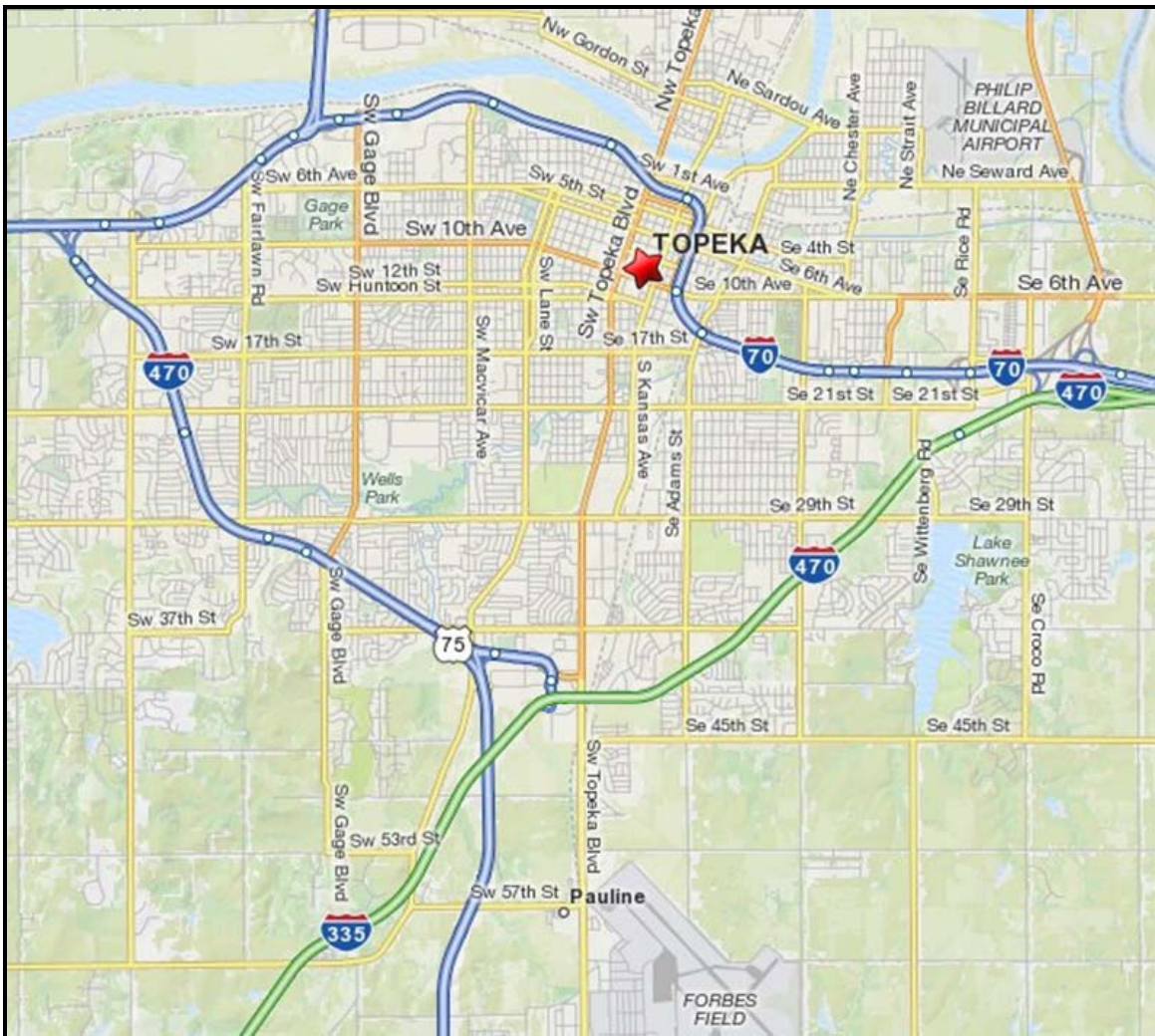
The project is situated at 600 West Commerce Place which is located in Shawnee County. Topeka is known for its international animal science research facilities. Lohmann & Rauscher international headquarters are located in Topeka. Hill's Pet Nutrition International Headquarters and its research are also located in Topeka as is the international headquarters of Payless Shoes. Other major businesses located within the community include Security Benefit, Aviva, Frito-Lay, Del Monte, Jostens and Target Distribution.



**Vehicular
Accessibility:**

Topeka is situated at the crossroads of I-70, a major east west interstate affording access into Missouri, Ohio and Pennsylvania to the East and Colorado and Utah to the West. I-35 is known as NAFTA Highway as it affords north/south access directly into Mexico as well as into Nebraska to the north and Oklahoma and Texas to the South. Major vehicular arteries providing access to Topeka include Interstate 335 and State Highway 75. The subject property is located just to the north of SE 10th Avenue which links the property to I-70. It is situated East of SW Topeka Blvd. and south of SE 6th street which links the property into State Highway 40.

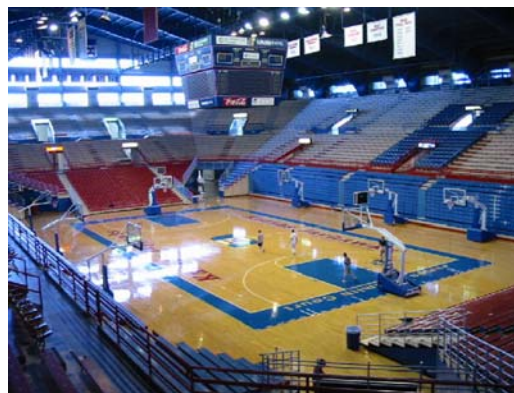
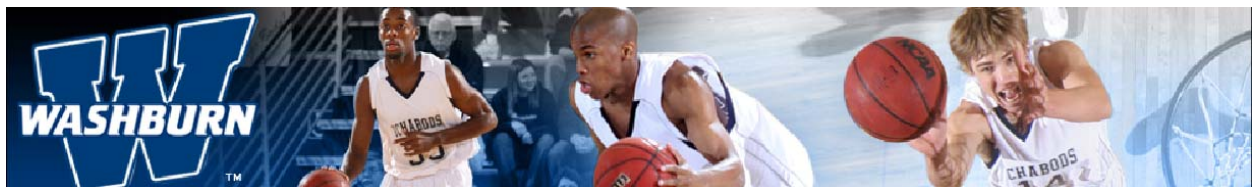
Topeka is located about 40 miles to the west of Independence, Missouri. Overland Park, Kansas and Kansas City, Missouri are located to the East as well. Lawrence, Kansas is the home of the University of Kansas and located midway between Topeka and Independence. Topeka is located approximately 120 miles to the north from Wichita, Kansas.



The Universities: The University of Kansas is located in Lawrence Kansas to the east of Topeka was founded in 1855. The Inventor of basketball founded a tradition here. The university has 26,980 students attending KU.



The Universities: Major universities are located within 50 miles and the city of Topeka has been labeled the “Knowledge Corridor” due to its proximity to both KU and Kansas State University. Washburn University a private college is located within close proximity of the property and has 6,901 students. KSU was founded in 1863 and has 18,500 undergraduate students and 4,500 graduate students and is situated on a 668 campus in Manhattan Kansas. There are 60,000 university students within 50 miles of Topeka.





Views of Washburn University located to the South.





Terms of Sale: \$2,000,000 (All Cash to the Seller). This property should be treated as free and clear. Anticipated financing on the project contemplates a First Mortgage Loan representing 60% of the purchase price could be arranged by the purchaser as there is no underlying financing on the subject property which is assumable.

Anticipated	Original Principal Loan Amount	\$1,250,000 [\$94 per square foot]
First Lien	Interest Rate	6.00%
Loan Terms:	Loan Inception Date:	February 1, 2010
	Loan Expiration Date:	January 31, 2020
	Amortization	25 Years
	Monthly Principal & Interest	\$8,053.77 per month
	Annual Principal & Interest	\$96,645 per year

Sale on “Where Is As Is Basis” Only: Sellers are selling the subject property on a “*where is as-is*” condition basis only. Projections and Income Estimates are to be fully researched by potential purchasers during the due diligence period. Estimates of Income Projections or Expenses may or may not be obtained and the burden of such achievement shall be the full responsibility of Purchaser and not subject to any representations express or implied by Seller or Seller’s agent Sperry Van Ness.

Ownership:

Topeka SSA LLC
c/o DataVest, Inc.
5057 Keller Springs Road, Suite 110
Addison, Texas 75001

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