

SALES OFFERING MEMORANDUM

SVN LISTING 69248



THE SOCIAL SECURITY ADMINISTRATION BUILDING

AN 10,332 SQUARE FOOT OFFICE BUILDING IN

600 EAST PEYTON | SHERMAN, TEXAS



PRESENTED BY: BRUCE MARSHALL
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DATAVEST | SPERRY VAN NESS



SHERMAN SOCIAL SECURITY BUILDING

600 EAST PEYTON STREET, SHERMAN, TEXAS 75090

PROJECT TYPE:	SINGLE TENANT OFFICE
BUILDING SIZE	10,117
LAND AREA IN ACRES	1.88
LAND AREA IN SQUARE FEET	89,728
PROPERTY SALES PRICE	\$1,503,000
ANTICIPATED FIRST MORTGAGE LOAN	<u>\$810,000</u>
PROPOSED EQUITY CAPITAL CONTRIBUTION	\$693,000
PROPOSED EQUITY CAPITAL REQUIREMENT	\$148.56
EQUITY AS A % OF PURCHASE PRICE	46.11%
DEBT AS A % OF PURCHASE PRICE	53.89%



NET OPERATING INCOME IN 2010	\$116,447
NET OPERATING INCOME IN 2011	\$114,568
LEASE TYPE	GROSS
LEASE EXPIRATION DATE [NON-CANCELLABLE TERM]	JUN 23, 2016
LEASE EXPIRATION DATE [FULL LEASE TERM]	JUN 22, 2021
ANTICIPATED FIRST LIEN MORTGAGE INTEREST RATE	6.00%
ANTICIPATED FIRST LIEN AMORTIZATION	25
CURRENT OCCUPANCY	100.00%
FIVE YEAR REVERSION PROFIT	\$827,471
PROJECTED 2010 CAP RATE	7.75%



5 YEAR INTERNAL RATE OF RETURN	4.15%
10 YEAR INTERNAL RATE OF RETURN	4.90%
ANTICIPATED CASH FLOW IN 2010	\$53,821
AMORTIZATION ON FIRST LIEN	\$14,418
TOTAL YIELD 2010 INCLUDING PRINCIPAL	\$68,239
PRO-FORMA CASH-ON-CASH RETURN 2010	7.75%
TOTAL YIELD 2010 INCLUDING PRINCIPAL	9.85%



FOR FURTHER INFORMATION CONTACT:

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ACQUISITION COST AND PROJECT INCOME AND EXPENSE ANALYSIS
SHERMAN SOCIAL SECURITY BUILDING

		Per SF	Percent	Pricing
1	Project Purchase Price	\$148.56	100%	\$1,503,000
2	Anticipated First Mortgage	\$80.06	54%	\$810,000
3	Contemplated Equity Requirement	\$68.50	46%	\$693,000

4	Income Statement Synoptic Overview	Current/Month	Per NSF	[2010]	%	[2011]	Per NSF	[2012]
5	Base Rent on Leased Space	16,934	\$20.09	203,213	98.96%	203,213	\$20.09	203,213
6	Operating Cost Base Reimbursement	0	\$0.00	0	0.00%	0	\$0.00	0
7	Tenant Improvement Allowance Reimbursements	0	\$0.00	0	0.00%	0	\$0.00	0
8	Current CPI Increase Reimbursements	170	\$0.20	2,041	1.04%	2,088	\$0.21	2,135
9	Potential Gross Income	17,105	\$20.29	205,254	100.00%	205,301	\$20.30	205,348
10	Vacancy Factor/Collection Loss	0	\$0.00	0	0.00%	0	\$0.00	0
11	Effective Gross Income	17,105	\$20.29	205,254	100.00%	205,301	\$20.30	205,348
12	Operational Expense [General & Administrative]	(134)	(\$0.16)	(1,610)	-0.82%	(1,647)	(\$0.17)	(1,684)
13	Operational Expense [Contract Services]	(384)	(\$0.46)	(4,610)	-2.36%	(4,728)	(\$0.48)	(4,848)
14	Operational Expense [Janitorial]	(1,200)	(\$1.42)	(14,400)	-7.34%	(14,730)	(\$1.49)	(15,068)
15	Operational Expense [Utilities]	(2,345)	(\$2.78)	(28,143)	-14.33%	(28,778)	(\$2.91)	(29,426)
16	Operational Expense [Management Fees]	(695)	(\$0.82)	(8,338)	-4.23%	(8,509)	(\$0.86)	(8,684)
17	Operational Expense [Insurance]	(217)	(\$0.26)	(2,608)	-1.32%	(2,661)	(\$0.27)	(2,715)
18	Operational Expense [Property Taxes]	(2,025)	(\$2.40)	(24,298)	-12.30%	(24,774)	(\$2.50)	(25,259)
19	Operational Expense [Non-Billback Expenses]	0	\$0.00	0	0.00%	0	\$0.00	0
20	Operational Expense [Repair & Maintenance]	(400)	(\$0.47)	(4,800)	-2.44%	(4,906)	(\$0.50)	(5,015)
21	Capital Expense [Capital Reserve]	0	\$0.00	0	0.00%	0	\$0.00	0
22	Sub-Total Operational Expenditures	(7,401)	(\$8.78)	(88,807)	-45%	(90,733)	(\$9.16)	(92,701)
23	Net Operating Income <N.O.I.>	9,704	\$11.51	116,447	54.86%	114,568	\$11.13	112,647
24	Less First Mortgage Debt Service	(5,219)	6.00%	(62,626)	-30.50%	(62,626)	(\$6.19)	(62,626)
25	Net Cash Flow	4,485	Years	53,821	24.36%	51,942	\$4.94	50,021
26	First Year's Principal Reduction on Loan	1,202	\$1.43	<u>14,418</u>	7.45%	<u>14,418</u>	\$1.51	<u>15,308</u>
27	Cash Flow Plus 1st Years Principal Reduction	5,687	\$6.75	68,239	31.81%	66,360	\$6.46	65,329
28	NOI as a % of Acquisition Cost [Cap Rate]	<Unleveraged>	-	7.75%	-	7.62%	-	7.49%
29	Cash-On Cash Return	<Leveraged>	-	7.77%	-	7.50%	-	7.22%
30	Additional Yield Return [Principal Reduction on First Lien]	<Leveraged>	-	<u>2.08%</u>	-	<u>2.08%</u>	-	<u>2.21%</u>
31	Total Annual Return [Cash-on-Cash + Principal Reduction]	<Leveraged>	-	9.85%	-	9.58%	-	9.43%
32	Project Internal Rate of Return <5 Yr. & 10 Yr.>	<Leveraged>	-	-	-	4.15%	-	4.90%

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	Rent Per SF	Gross Rent Per Year
1 Tenant [1]	NITED STATES SOCIAL SECURITY ADMINISTRATIO	Jun 23, 2006	Jun 22, 2021	100	10,117	\$16,934.41	\$0.00	\$16,934	99.01%	\$203,213	\$20.09	\$203,213
2 Tenant [1]	NITED STATES SOCIAL SECURITY ADMINISTRATIO	Jun 23, 2006	Jun 22, 2021	-	-	-	-	-	-	-	-	-
3 Tenant [1]	U.S. SSA OPERATING COST BASE	Jun 23, 2026	Jun 22, 2021	-	-	-	\$0.00	-	0.00%	\$0	\$0.00	\$0
4 Tenant [1]	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	Jun 23, 2026	Jun 22, 2026	-	-	-	\$0.00	-	0.00%	\$0	\$0.00	\$0
5 Tenant [1]	I REIMBURSEMENT [AGGREGATED CPI INCREASE	Jun 23, 2026	Jun 22, 2021	-	-	-	\$170.10	-	0.99%	\$2,041	\$0.20	\$2,041
6 Tenant [1]	SUB-TOTAL [ADDITIONAL RENT]	-	=	-	-	-	\$170.10	\$170	0.99%	\$2,041	\$0.20	\$2,041
7 GRAND TOTALS PRIMARY TERM		-	-	-	10,117	\$16,934.41	\$170.10	\$17,104.51	100.00%	\$203,213	\$20.29	\$205,254
8 Tenant [2]	-	-	-	-	-	-	-	-	-	-	-	-
9 Tenant [2]	-	-	-	-	-	-	-	-	-	-	-	-
10 SUB-TOTAL UNLEASED RENTAL INCOME		-	-	-	-	-	-	-	-	-	-	-
11 Sub-Total Base Rent On Leased Space		Occupancy	100.00%	-	10,117	-	-	\$16,934	100.00%	\$203,213	\$20.29	\$205,254
12 Sub-Total Base Rent For Lease		-	Vacancy @	0.00%	0	\$0	\$0.00	\$0	0.00%	\$0	\$0	\$0
13 Sub-Total Rent Income Prior to Additional Rent [Base Rent Only]		Total @	100.00%	-	-	-	-	\$16,934	99.01%	\$203,213	\$20.09	\$203,213
14 Add Back Additional Rent Above Scheduled Rent		Physical Occ. @ -->	100.00%	100.00%	<-- Economic Occupancy	-	-	\$170	0.99%	\$2,041	\$0.20	\$2,041
15 Total Potential Gross Income		-	Totals	100.00%	10,117	-	-	\$17,105	100.00%	\$205,254	\$20.29	\$205,254

The Sherman Social Security Office Building Sale



Offering Highlights

- A 15 Year GSA Lease
With 10 Years of No Cancellation
- 2006 Built 10,117 Square Foot Office
Built in Sherman, Texas
- \$1,503,000 Sales Price
\$ 693,000 Anticipated Equity
- 7.75% Cap Rate
9.85% Total Benefits [w/Amortization]

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1. Summary of Salient Facts



Summary of Salient Facts on SVN Listing 69248

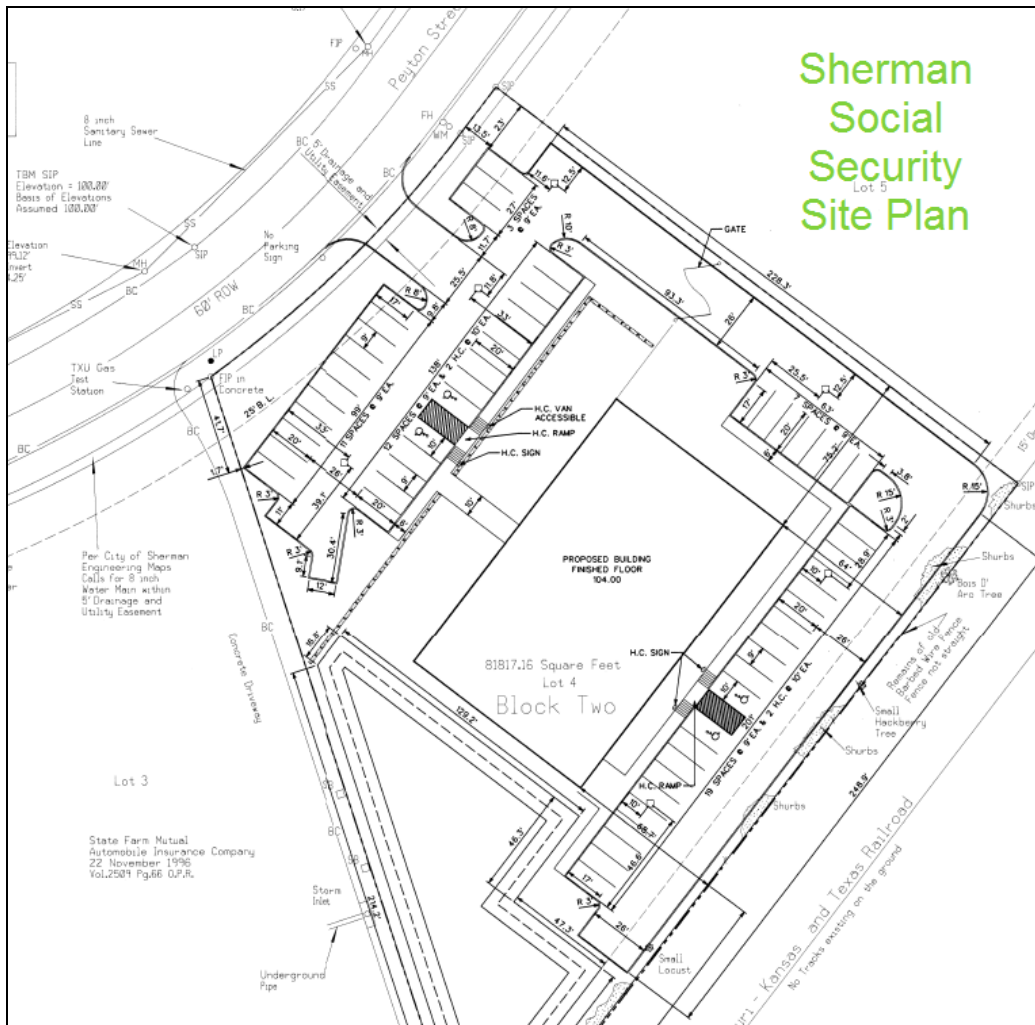
“Deal Cliff Notes”

Property Type:	Office Building [Single Tenant]		
Building Size:	11,812 Square Feet [Gross] 10,117 Square Feet [Net Rentable Area]		
Address:	600 East Peyton Avenue in Sherman [Grayson County], Texas 75090		
Lease Status:	100% Leased to the United States of America for the Social Security Administration		
Lease Term:	15 Years with a 10 Years Non-Cancellation Provision.		
Lease Inception:	June 23,2006		
Lease Expiration:	June 22, 2021		
Average Base Rent:	\$ 203,213 / Yr. or	\$20.09	Per SF [on a Modified Gross Lease Basis]
	<u>\$ 2,041</u>	<u>\$.20</u>	Per Square Foot [CPI Exp. Reimbursement]
	\$ 205,254	\$ 20.29	Per Square Foot [Total Revenue]
Lease Type:	The subject property is being leased on a Modified Gross Basis.		
Land Area:	81,457 Square Feet [1.87 Acres]		
Purchase Price:	\$1,503,000		
Price Per Sq. Ft.:	\$127.24 Per Gross SF \$148.56 Per Net Square Foot		
Government Lease:	The subject property is 100% to the United States of America for the Social Security Administration. The lease term is for 15 years on a modified gross basis with a 10 year non-cancellable provision within this lease.		
Escalations:	Escalations are tied to CPI Increases		

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. The project is constructed of an attractive brick and Austin stone-clad exterior. The roof is a standing-seam metal roof. Parking is provided for 53 vehicles in a ratio of 5.13 per 1,000. The property has private secure parking areas for SSA employees which are fenced off with an attractive ornamental iron fencing. The project is well landscaped. A sophisticated energy management system provides cost-effective electrical, water, and HVAC operational capability.

Building Site Plan:



Building Site Plan



Anticipated Debt: \$810,000 [54%] 6.0% @ 25 Year Amortization [Treat As Free & Clear]

Equity Required: \$693,000 [46%] Anticipated

Cap Rate: 2010 @ 7.75%

Current Vacant SF: 0 Square Feet

Cap Rate: 2009: 7.75% 2010: 7.27% 2011: 7.28%

Occupancy	@ 100% Occupancy	Per Square Foot	@ Percent of Total
Income:	2010: \$ 203,213	2010: \$ 20.09	99.96%
Additional Income:	2010: \$ 2,041	2010: \$.19	.93%
Total Revenue:	2010: \$ 205,254	2010: \$ 20.29	100.00%
Expenses:	2010: \$ 88,807	2010: \$ 8.78	42.78%
NOI:	2010: \$ 116,447	2010: \$ 11.51	57.22%
Debt Service:	2010: \$ 62,626	2010: \$ 6.19	33.25%
Cash-Flow:	2010: \$ 53,821	2010: \$ 5.32	23.97%
Amortization:	2010: \$ 14,418	2010: \$ 1.43	8.13%
Total Benefits:	2010: \$ 68,239	2010: \$ 6.74	32.10%
Cash-On-Cash:	2010: 7.75%	2010: -	-
Amortization:	2010: 2.08%	2010: -	-
Total Yield:	2010: 9.85%	2010: -	-



.A view of the 600 East Peyton Drive Social Security Office Building.



Building Aerial.



Locational Map of the Sherman Social Security Office.

Vehicular Accessibility:

Sherman is strategically located with just off US 75 which is also known as Central Expressway. US 75 is one of the three primary north/south arteries through Dallas. The subject property is located just off of Loop 82 which is a major east west artery in Sherman.

Locational Data:

The project is situated at 602 East Peyton Street in Sherman, Texas. Sherman is the county seat of Grayson County and is situated approximately 60 miles north of Dallas.

Neighborhood Data:

The neighborhood is an established commercial area. The property is located contiguous next door to the Landmark Bank pictured below.



Various retail facilities are likewise situated within close proximity to the site and these include Texoma Square which has a Nautilus fitness center and Hastings and Hardback Café.



Area restaurants include Little Caesar's Restaurant, China Star Super Buffet, Chili's, Panera Bread, McDonalds, Jack in the Box, Arby's Pizza Hut, Cici's Pizza. Additional retailers in the area include Lowe's Best Buy, Dollar General, Big Lots, and Tuesday Morning.



Austin College: Sherman is also home to Austin College a private and prestigious liberal arts college.

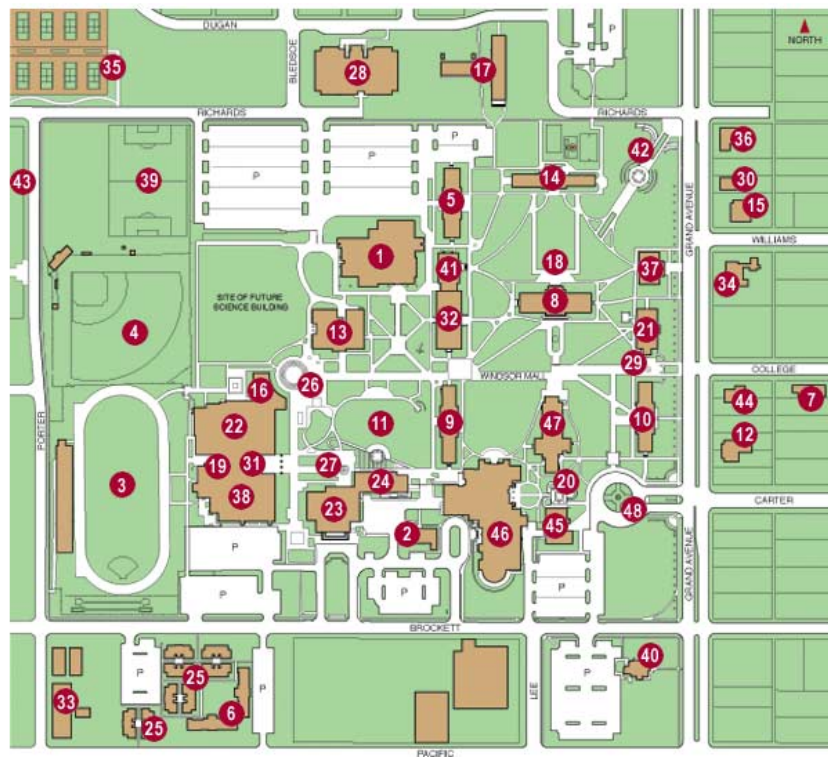


Austin College is a private liberal arts institution affiliated with the Presbyterian Church. It was founded in 1849 and is situated on a 70 acre campus.

Austin College:

A view of the Austin College Campus Map is pictured below:

Austin College Campus Map



- | | | |
|--------------------------------|-------------------------------------|-----------------------------|
| 1. Abell Library Center | 17. Forster Art Studio Complex | 33. Physical Plant |
| 2. Adams Center | 18. Hall Graduation Court | 34. President's Home |
| 3. Apple Stadium | 19. Hannah Natatorium | 35. Russell Tennis Stadium |
| 4. Baker Athletic Field | 20. Honors Court & Collins Fountain | 36. Settles House |
| 5. Baker Residence Hall | 21. Hopkins Social Science Center | 37. Sherman Hall |
| 6. Bryan Apartments | 22. Hughey Gymnasium | 38. Sid Richardson Center |
| 7. Carruth Guest House | 23. Ida Green Communication Center | 39. Soccer Field |
| 8. Caruth Admin Building | 24. Jackson Technology Center | 40. Temple Learning Center |
| 9. Caruth Residence Hall | 25. Johnson 'Roo Suites | 41. Thompson Hall |
| 10. Clyoe Residence Hall | 26. Jonsson Fountain | 42. Williams Founders Plaza |
| 11. College Green | 27. Jonsson Plaza | 43. Williams IM Field |
| 12. Collins Alumni Center | 28. Jordan Family Language House | 44. Windsor House |
| 13. Craig Hall for Music & Art | 29. Kappa Fountain | 45. Wortham Center |
| 14. Dean Residence Hall | 30. Lockett-Gillespie House | 46. Wright Campus Center |
| 15. Detweiler House | 31. Mason Complex | 47. Wynne Chapel |
| 16. Dickey Fitness Pavilion | 32. Moody Science Center | 48. Zauk Circle |

below:

Austin College:



View of the Austin College Student Center and entranceways are shown.



The City of Sherman:

The City of Sherman has an impressive employment base which includes the following major employers:

Employment in Sherman, Texas is as follows:

Major Employers		
Company Name	Category	Employment
MEMC Southwest	Silicon Wafer Fab	510
Texas Instruments	Semi Conductors	750
West Asset Management	Collection call center	425
Folgers Coffee Company	Coffee	120
Tyson Fresh Meats	Case Ready Meats	1200
Kaiser Aluminum	Aluminum Extrusions	200
City of Sherman	Government	450
Starr Aircraft	Aircraft Seat Cushions	110
Progress Rail Services	Rail Turnouts & Frogs	220
TXU Oncor	Electric Delivery	100
Cooper B-Line	Metal Enclosures	400
Grayson County	Government	450
CertainTeed Corp.	Duct Liner Insulation	60
Fisher Controls (Emerson Process Mgt.)	Rotary Control Valves	295
Presco Products	Flexible PVC Film	175
Wilson N. Jones Hospital	Health Services	1000
West Asset Management	Medical Receivables	500
Sunny Delight Beverages Co.	Juice Beverages	100
Sherman Independent School Dist.	Education	940
Consolidated Container (West Park)	Plastic Bottles/Containers	100
Verizon	Telecommunications	100
Consolidated Containers (Sherman Plastics)	Plastic Bottles	110
GCEC	Telecommunications	100
Douglass Distributing	Fuels & Convenient Stores	100
Royal Case	Fabric Carrying Cases	85
GlobiTech	EPI Foundry (Epitaxial Layering-Silicon Wafers)	100
Texoma Council of Governments	Tri-County Government Support	70
Plyler Construction	Industrial/Commercial Building Contractor	130
Custom Bodies (Div of J-W Companies)	Oil Field Custom Truck Bodies	50
Coca-Cola Bottling Company	Beverage Bottler	65
ConAgra	Flour Mill	50
Breco	Finger Jointed Studs	80
Austin College	Liberal Arts (Bachelors & Masters Prorams)	280

Sherman Employers:**The City:**

Sherman is located approximately 65 miles north of Dallas, at the crossroads of U.S. Highway 75 and U.S. Highway 82. Sherman has become a leader in the region known as Texoma. This region contains several counties on both sides of the Texas-Oklahoma border directly north of the Dallas-Fort Worth metroplex. Sherman reflects its leadership as an industrial center and as a retail hub. Manufacturing is a dominant segment of the local economy. As of September 2001, 19.8 percent of the local work force was engaged in manufacturing. This represented the highest percentage among all Texas Metropolitan Statistical Areas and was substantially higher than the state average of 11.1 percent. Several national firms have plants in Sherman, including Texas Instruments, Procter & Gamble, Johnson & Johnson and Raytheon. Traditionally, Sherman's retail outlets have drawn customers from throughout North Central Texas and Southern Oklahoma. On a per capita basis, Sherman's taxable sales have ranked among the highest in Texas.

As the gateway to Lake Texoma, Sherman enjoys its share of tourism. Located on the Red River, Lake Texoma was constructed by the Corp of Engineers and covers 89,000 acres, with over 600 miles of shoreline. Surrounded by beautiful rolling hills and easily accessible from major population areas, Lake Texoma is renowned throughout the Southwest United States for its world-class striped bass fishing and its deepwater sailing opportunities.

Sherman reached its population of 35,011 per the 2000 census. Sherman's infrastructure is outstanding. The transportation system is anchored by the crossroads of U.S. Highway 75 and U.S. Highway 82, and is bolstered by the excellent airport facilities at the former Perrin Field. Additionally, Lake Texoma guarantees a bountiful source of water. Finally, the sales tax for economic development, administered by the Sherman Economic Development Corporation (SEDCO), provides the necessary incentives to attract large, high-quality employers.

Terms of Sale: \$1,503,000 (All Cash to the Seller). This property should be treated as free and clear. Should the purchaser desire financing on the property it is contemplated that a First Mortgage Loan representing 65% of the purchase price could be arranged by the purchaser as there is no underlying financing on the subject property which is assumable.

Proposed Terms of First Lien Loan As Non-Owner User:	Original Principal Loan Amount	\$810,000 [80.06 per square foot]
	Interest Rate	6.00%
	Basis Point Spread	237 BP
	10 Year Treasury Note Yield:	3.63%
	Amortization	25 Years
	Monthly Principal & Interest	\$5,216.37 per month
	Annual Principal & Interest	\$62,596 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: Sherman SSA Ltd.
c/o DataVest, Inc.
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SSA Lease Sherman

GSA Lease Number	GS-07B-3TX0521
Tenant	The United States of America
Property Street Address	600 E. Peyton Street
Property City/State/Zip	Sherman, Texas 75090
Land Area	1.88
Gross Square Feet	12,727
Net Rentable Square Feet	11,882
Net Usable Square Feet	10,117
Annual Rent	\$205,254
Monthly Rent	\$17,154.21
Rent/SF	\$20.28
Tenant Finish Costs	\$343,336
Parking Spaces	53
Common Area Factor	15%
Lease Term	15 Years
Lease Term Firm [No Cancellation Provisions]	10 Years
Lease Term Firm Expiration Date	9/30/2016
Remaining Months of Lease from 10/1/2008	96 Months
Lease Inception Date	6/23/2006
Lease Expiration Date	6/22/2021
Termination Provision	60 Day Prior Written Notice after 6/24/2016
Expense Passthroughs	Paragraph 3.5 Operating Costs Definition: Cleaning services, materials, maintenance, trash removal landscaping, water, sweer charges, heating, electricity, misc. administrative expenses
Annual Adjustment Calculation	Adjustment calculated by taking Base Rate X % change in Cost of Living Index
Lease Amendment Date [1]	5/05/2005
Lease Amendment Date [2]	1/16/2007
Building Operation Hours [Monday-Friday]	6:30 AM-5:30 PM
Building Operation Hours [Saturday]	7:00 AM-12:00 PM
Overtime Use of HVAC System Per Hour Rate	\$9.75
Operating Cost Escallation Per Net Rentable Square Foot	\$3.20
Operating Cost Escallation Per Net Usable Square Foot	\$3.68
Operating Base Cost of Services Per Annum	\$38,022
Legal Description	Lot 5 and 25 Feet of Lot 5 Block Two, Independence Square, Peyton Street, Grayson County Texas containing approximately 1.88 Acres
Landlord	Sherman SSA, Ltd.
General Partner	Carotex SCP Ventures, L.L.C.
Landlord Address	P.O. Box 551
Landlord City/State	Franklin, Texas 77856
Landlord	Wichita Falls SSA, Ltd.

2. Project Photographs

Looking onto the Sherman Social Security Building.



Looking NE onto 600 Peyton Street.



Looking East onto 600 Sherman Street.



The building is attractively landscaped.



The exterior is of brick and Austin stone.



Looking West at the back side of the property.



Looking north onto the standing seam-roof.



Looking to the north at the Social Security Bldg.



Monument signage of 600 Peyton Street is shown.



An additional curb signage view looking west.



A view of Landmark Bank immediately to the East.



A view of Texoma Square Retail located to the east



One Grand Centre Office located 3 blocks east.



Sherman is home to prestigious Austin College.



Austin College was founded in 1849.



The student center at Austin College is shown.



Another view of Austin college is depicted.



Another campus view College is shown.



A view of the quad at Sherman College.



Texas Instruments has a large Sherman facility.



The MEMC Technology Center is located in Sherman.



3. Financial Overview

Rent Roll Summary

Space Number	Tenant Name	Start Date	End Date	Occupied S.F.	Vacant S.F.	Annual Rent S.F.	Occupied Rent	Vacant Rent	% of Total	Escalations / Options / Comments
Building	Social Security Administration	6/23/2006	6/23/2015	10,117		\$20.28	\$205,254	\$0	100.0 %	Annual CPI Escalator
										2010 Anticipated Expense Reimbursement @ \$2,041
			Total	10,117			\$205,254	\$0	100.0 %	

Potential Annual Income	\$205,254
Total S.F.	10,117
Avg. Annual Per S.F.	\$20.54
S.F. Vacancy (%)	
Rent Vacancy (%)	

600 EAST PEYTON STREET

Executive Summary



600 East Peyton Street, Sherman, TX 75090

List Price	\$1,503,000.00
Price Per Sq.Ft.	\$126.49
NOI	\$116,447
CAP	7.75 %
Building Sq.Ft.	11,882
Rentable Sq.Ft.	10,117
Land Acres	1.88
Load Factor	
Occupancy	100 %

PROPERTY DESCRIPTION

Major Tenants

The subject property is 100% occupied the United States of America for the purposes of a Social Security Administration under a modified gross full service 16 year lease agreement.

Renovation

The property was built in 2006.

Construction

The subject property consists of an attractive brick and Austin-Stone clad exterior and features a metal standing-seam roof. Iron Fending provides secured parking for the office employees. The government has a full-time on-site security officer in this federal office facility.

Parking

Parking is provided for 53 vehicles. The parking lot is constructed of concrete. Gated access is provided to employee parking in the building rear.

Area

The Sherman Social Security Office is located approximately 60 miles north of Dallas. Sherman is the county seat of Grayson County. Sherman is home of Austin College and to several Fortune 100 Companies. Major employers in the community include Tyson's Foods, Texas Instruments, and the technology company MEMC and Kaiser Aluminum.

Property

The GSA Social Security Office in Sherman is an attractive Class A office building which was constructed as a build-to suit for the SSA in 2006. Interiors consist of heavy tile flooring with wood accent trim throughout the facility. A lar

Exclusively Listed By:

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HIGHLIGHTS

- Located in Grayson County Seat City of Sherman, Tx
- 15 Year Single Tenant Lease with minimum of 10 Yrs
- 7.75% Cap Rate with annual CPI Increase Escalator
- for \$1,503,000 on situated 1.87 Acres of Land.

Cross Street	North Central
Tax Parcel No.	
Market	Dallas
Sub Market	Sherman
Year Built	2006
Building Class	-
Location Class	B
Zoning Type	C-1 Retail Business
Mixed-Use	
No. of Buildings	1
No. of Stories	1
No. of Tenants	
No. of Parking Spaces	53
HVAC	
Elevators	

Financial Summary

Estimated Annualized Operating Data	Year 1 [2010]	Year 2 [2011]	Year 3 [2012]	Current
Scheduled Income	\$203,213	\$203,213	\$203,213	
CPI Expense Reimbursable	\$2,041	\$2,088	\$2,135	
100% Tax Pass-Through		\$106	\$215	
Less Vacancy	\$0	\$0	\$0	\$0
Gross Operating Income	\$205,254	\$205,407	\$205,563	\$0
Less Expenses	\$88,807	\$90,733	\$92,701	\$0
Net Operating Income	\$116,447	\$114,674	\$112,862	\$0
Less Loan Payment	\$62,626	\$62,626	\$62,626	\$62,626
Pre-Tax Cash Flow	\$53,821	\$52,048	\$50,236	(\$62,626)
Cash on Cash Return	7.77 %	7.51 %	7.25 %	-9.04 %

Estimated Expense Summary	Year 1 [2010]	Year 2 [2011]	Year 3 [2012]	Current
Total Estimated Expense	\$88,807	\$90,733	\$92,701	\$0

Proposed Financial Summary	Proposed 1st Lien
Loan Amount	\$810,000
Interest Rate	6.00%
Annual Payment	\$62,626
Annual Principal Reduction	\$14,418
Loan Type	Fixed

Terms and Description

Investment Information

600 EAST PEYTON STREET

600 East Peyton Street Sherman, TX 75090

Listing Price	\$1,503,000	Building S.F.	11,882
Year 1 [2010] CAP	7.75 %	Rentable S.F.	10,117
Year 2 [2011] CAP	7.63 %	No. of Parking Spaces	53
Price Per S.F.	\$126.49	Parking Ratio	5.24
Expenses Per S.F.	\$7.47	Land Acres	1.88
		Loan Amount	\$810,000
		Down Payment	\$693,000

Loan Description

Estimated Annualized Operating Data	Year 1 [2010]	Year 2 [2011]	Year 3 [2012]	Current
Scheduled Income	\$203,213	\$203,213	\$203,213	
CPI Expense Reimbursable	\$2,041	\$2,088	\$2,135	
100% Tax Pass-Through		\$106	\$215	
Less Vacancy	\$0	\$0	\$0	\$0
Gross Operating Income	\$205,254	\$205,407	\$205,563	\$0
Less Expenses	\$88,807	\$90,733	\$92,701	\$0
Net Operating Income	\$116,447	\$114,674	\$112,862	\$0
Less Loan Payment	\$62,626	\$62,626	\$62,626	\$62,626
Pre-Tax Cash Flow	\$53,821	\$52,048	\$50,236	(\$62,626)
Cash on Cash Return	7.77 %	7.51 %	7.25 %	-9.04 %

Estimated Annualized Expenses

	Year 1 [2010]	Year 2 [2011]
Projected Taxes	\$24,298	\$24,774
Insurance	\$2,608	\$2,661
Off-Site Management	\$8,338	\$8,509
Janitorial	\$14,400	\$14,730
Maintenance	\$4,800	\$4,906
Administration	\$1,610	\$1,647
Utilities	\$28,143	\$28,778
Contract Services	\$4,610	\$4,728
Total Expenses	\$88,807	\$90,733
Expenses Per S.F.	\$7.47	\$7.64

Highlights

- Located in Grayson County Seat City of Sherman, Tx
- 15 Year Single Tenant Lease with minimum of 10 Yrs
- 7.75% Cap Rate with annual CPI Increase Escalator
- for \$1,503,000 on situated 1.87 Acres of Land.

Detailed Financial Analysis



ACQUISITION COST AND PROJECT INCOME AND EXPENSE ANALYSIS
SHERMAN SOCIAL SECURITY BUILDING

		-	Per SF	-	Percent	Pricing
1	Project Purchase Price	-	\$148.56	-	100%	\$1,503,000
2	Anticipated First Mortgage	6.00%	\$80.06	-	54%	\$810,000
3	Contemplated Equity Requirement	25	\$68.50	-	46%	\$693,000

4	Income Statement Synoptic Overview	Current/Month	Per NSF	[2010]	%	[2011]	Per NSF	[2012]
5	Base Rent on Leased Space	16,934	\$20.09	203,213	98.96%	203,213	\$20.09	203,213
6	Operating Cost Base Reimbursement	0	\$0.00	0	0.00%	0	\$0.00	0
7	Tenant Improvement Allowance Reimbursements	0	\$0.00	0	0.00%	0	\$0.00	0
8	Current CPI Increase Reimbursements	170	\$0.20	2,041	1.04%	2,088	\$0.21	2,135
9	Potential Gross Income	17,105	\$20.29	205,254	100.00%	205,301	\$20.30	205,348
10	Vacancy Factor/Collection Loss	<u>0</u>	\$0.00	<u>0</u>	<u>0.00%</u>	<u>0</u>	\$0.00	<u>0</u>
11	Effective Gross Income	17,105	\$20.29	205,254	100.00%	205,301	\$20.30	205,348
12	Operational Expense [General & Administrative]	(134)	(\$0.16)	(1,610)	-0.82%	(1,647)	(\$0.17)	(1,684)
13	Operational Expense [Contract Services]	(384)	(\$0.46)	(4,610)	-2.36%	(4,728)	(\$0.48)	(4,848)
14	Operational Expense [Janitorial]	(1,200)	(\$1.42)	(14,400)	-7.34%	(14,730)	(\$1.49)	(15,068)
15	Operational Expense [Utilities]	(2,345)	(\$2.78)	(28,143)	-14.33%	(28,778)	(\$2.91)	(29,426)
16	Operational Expense [Management Fees]	(695)	(\$0.82)	(8,338)	-4.23%	(8,509)	(\$0.86)	(8,684)
17	Operational Expense [Insurance]	(217)	(\$0.26)	(2,608)	-1.32%	(2,661)	(\$0.27)	(2,715)
18	Operational Expense [Property Taxes]	(2,025)	(\$2.40)	(24,298)	-12.30%	(24,774)	(\$2.50)	(25,259)
19	Operational Expense [Non-Billback Expenses]	0	\$0.00	0	0.00%	0	\$0.00	0
20	Operational Expense [Repair & Maintenance]	(400)	(\$0.47)	(4,800)	-2.44%	(4,906)	(\$0.50)	(5,015)
21	Capital Expense [Capital Reserve]	0	\$0.00	0	0.00%	0	\$0.00	0
22	Sub-Total Operational Expenditures	(7,401)	(\$8.78)	(88,807)	-45%	(90,733)	(\$9.16)	(92,701)
23	Net Operating Income <N.O.I.>	9,704	\$11.51	116,447	54.86%	114,568	\$11.13	112,647
24	Less First Mortgage Debt Service	<u>(5,219)</u>	6.00%	<u>(62,626)</u>	-30.50%	<u>(62,626)</u>	(\$6.19)	<u>(62,626)</u>
25	Net Cash Flow	4,485	Years	53,821	24.36%	51,942	\$4.94	50,021
26	First Year's Principal Reduction on Loan	1,202	\$1.43	<u>14,418</u>	7.45%	<u>14,418</u>	\$1.51	<u>15,308</u>
27	Cash Flow Plus 1st Years Principal Reduction	5,687	\$6.75	68,239	31.81%	66,360	\$6.46	65,329
28	NOI as a % of Acquisition Cost [Cap Rate]	<Unleveraged>	-	7.75%	-	7.62%	-	7.49%
29	Cash-On Cash Return	<Leveraged>	-	7.77%	-	7.50%	-	7.22%
30	Additional Yield Return [Principal Reduction on First Lien]	<Leveraged>	-	<u>2.08%</u>	-	<u>2.08%</u>	-	<u>2.21%</u>
31	Total Annual Return [Cash-on-Cash + Principal Reduction]	<Leveraged>	-	9.85%	-	9.58%	-	9.43%
32	Project Internal Rate of Return <5 Yr. & 10 Yr.>	<Leveraged>	-	-	-	4.15%	-	4.90%



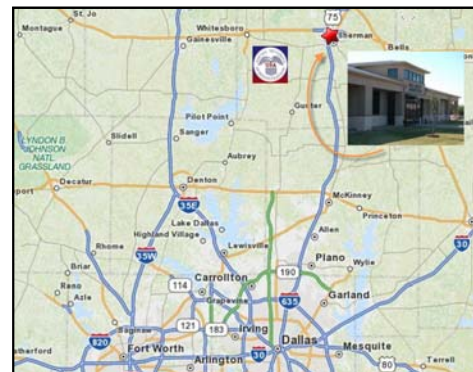
SHERMAN SOCIAL SECURITY BUILDING

600 EAST PEYTON STREET, SHERMAN, TEXAS 75090

PROJECT TYPE:	SINGLE TENANT OFFICE
BUILDING SIZE	10,117
LAND AREA IN ACRES	1.88
LAND AREA IN SQUARE FEET	89,728
PROPERTY SAELS PRICE	\$1,503,000
ANTICIPATED FIRST MORTGAGE LOAN	<u>\$810,000</u>
PROPOSED EQUITY CAPITAL CONTRIBUTION	\$693,000
PROPOSED EQUITY CAPITAL REQUIREMENT	\$148.56
EQUITY AS A % OF PURCHASE PRICE	46.11%
DEBT AS A % OF PURCHASE PRICE	53.89%



NET OPERATING INCOME IN 2009	\$116,447
NET OPERATING INCOME IN 2010	\$114,521
LEASE TYPE	GROSS
LEASE EXPIRATION DATE [NON-CANCELLABLE TERM]	JUN 23, 2016
LEASE EXPIRATION DATE [FULL LEASE TERM]	JUN 22, 2021
ANTICIPATED FIRST LIEN MORTGAGE INTEREST RATE	6.00%
ANTICIPATED FIRST LIEN AMORTIZATION	25
CURRENT OCCUPANY	100.00%
FIVE YEAR REVERSION PROFIT	\$827,471
PROJECTED 2010 CAP RATE	7.75%



5 YEAR INTERNAL RATE OF RETURN	4.15%
10 YEAR INTERNAL RATE OF RETURN	4.90%
ANTICIPATED CASH FLOW IN 2010	\$51,896
AMORTIZATION ON FIRST LIEN	\$14,418
TOTAL YIELD 2010 INCLUDING PRINCIPAL	\$66,314
PRO-FORMA CASH-ON-CASH RETURN 2010	7.75%
TOTAL YIELD 2010 INCLUDING PRINCIPAL	9.85%



FOR FURTHER INFORMATION CONTACT:

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 ADDISON, TEXAS 75001
 TEL. NO. 214-261-6306
 EMAIL: BRUCE.MARSHALL@SVN.COM

SPERRY VAN NESS | DATAVEST



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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	Rent Per SF	Gross Rent Per Year
1 Tenant [1]	NITED STATES SOCIAL SECURITY ADMINISTRATIO	Jun 23, 2006	Jun 22, 2021	100	10,117	\$16,934.41	\$0.00	\$16,934	99.01%	\$203,213	\$20.09	\$203,213
2 Tenant [1]	NITED STATES SOCIAL SECURITY ADMINISTRATIO	Jun 23, 2026	Jun 22, 2021	-	-	-	-	-	-	-	-	-
3 Tenant [1]	U.S. SSA OPERATING COST BASE	Jun 23, 2006	Jun 22, 2021	-	-	-	\$0.00	-	0.00%	\$0	\$0.00	\$0
4 Tenant [1]		Jun 23, 2006	Jun 22, 2021	-	-	-	\$0.00	-	0.00%	\$0	\$0.00	\$0
5 Tenant [1]	I REIMBURSEMENT [AGGREGATED CPI INCREASE	Jun 23, 2006	Jun 22, 2021	-	-	-	\$170.10	-	0.99%	\$2,041	\$0.20	\$2,041
6 Tenant [1]	SUB-TOTAL [ADDITIONAL RENT]	-	-	-	-	-	\$170.10	\$170	0.99%	\$2,041	\$0.20	\$2,041
7	GRAND TOTALS PRIMARY TERM	-	-	-	10,117	\$16,934.41	\$170.10	\$17,104.51	100.00%	\$203,213	\$20.29	\$205,254
8 Tenant [2]	-	-	-	-	-	-	-	-	-	-	-	-
9 Tenant [2]	-	-	-	-	-	-	-	-	-	-	-	-
10	SUB-TOTAL UNLEASED RENTAL INCOME	-	-	-	-	-	-	-	-	-	-	-
11	Sub-Total Base Rent On Leased Space	Occupancy	100.00%		10,117	-	-	\$16,934	100.00%	\$203,213	\$20.29	\$205,254
12	Sub-Total Base Rent For Lease	-	0.00%		0	\$0	\$0.00	\$0	0.00%	\$0	\$0	\$0
13	Sub-Total Rent Income Prior to Additional Rent [Base Rent Only]	9	100.00%		-	-	-	\$16,934	99.01%	\$203,213	\$20.09	\$203,213
14	Add Back Additional Rent Above Scheduled Rent	Physical Occ. @ -->	100.00%		100.00%	<-- Economic Occupancy		\$170	0.99%	\$2,041	<u>\$0.20</u>	\$2,041
15	Total Potential Gross Income	Totals	100.00%		10,117	-	-	\$17,105	100.00%	\$205,254	\$20.29	\$205,254

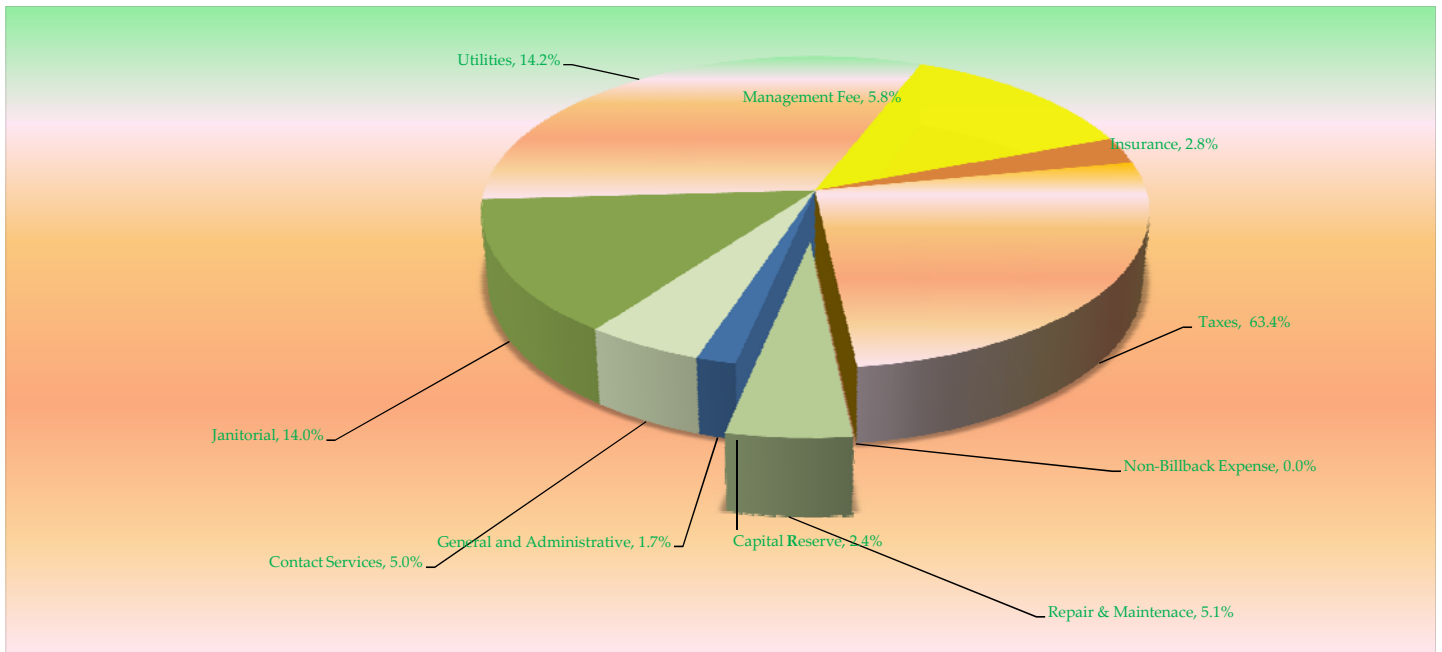
OPERATIONAL EXPENDITURE EVALUATION EXHIBIT
SHERMAN SOCIAL SECURITY BUILDING

Owner's Expense Categories	Cost Per Month	% Of Expenses	Cost Per Annum
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PRO-FORMA PROJECTED EXPENSE SYNOPTIC SUMMARY FOR YEAR ONE OF OPERATIONS [2010]

23	Operational Expense	[Repair & Maintenance]	-	\$0.02	\$133.33	1.69%	1,600
24	Operational Expense	[Janitorial]	-	\$0.05	\$395.83	5.03%	4,750
25	Operational Expense	[Contract Services]	-	\$0.14	\$1,104.17	14.03%	13,250
26	Operational Expense	[Utilities]	-	\$0.32	\$2,500.00	31.77%	30,000
27	Operational Expense	[Management Fees]	-	\$0.13	\$1,050.00	13.34%	12,600
28	Operational Expense	[Insurance]	-	\$0.03	\$220.83	2.81%	2,650
29	Operational Expense	[Property Taxes]	-	\$0.26	\$2,065.32	26.24%	24,784
30	Operational Expense	[General & Administrative]	-	\$0.00	\$0.00	0.00%	0
31	Operational Expense	[Non-Billback Expenses]	-	\$0.05	\$400.00	5.08%	4,800
32	Capital Expense	[Capital Reserve]	-	\$0.00	\$0.00	0.00%	0
33	Capital Expense	[Tenant Improvements]	-	\$0.00	\$0.00	0.00%	0
34	Capital Expense	[Leasing Commissions]	-	\$0.00	\$0.00	0.00%	0
35	Operational Expense	[Sub-Total Estimate for 2010]		\$9.33	\$7,869.49	100.00%	\$94,434

Tax Rate Per \$100 Valuation @ Cost & @ Sales Value PSF Per Annum	Millage Rate	\$0	% of Total	% of Tax Value		
37	City of Sherman	\$0.04	\$0.32	13.0%	3.38%	3,194
38	Grayson College	\$0.02	\$0.18	7.4%	1.94%	1,834
39	Sherman School District	\$0.23	\$1.46	59.7%	15.60%	14,731
40	Grayson County	\$0.09	\$0.48	19.9%	5.19%	4,899
41	-	-	-	-	-	-
42	-	-	-	-	-	-
43	Sub-Total	\$0.38	\$2.44	100.0%	26.11%	24,658
44	Operational Expense [Sub-Total]		\$0.00	7,869	0.00%	
45	Tax Increase Total Based Upon Project Purchase if Reassessment Implemented in 2010		\$0.00	0.0%	0.00%	0
46	Tax Increase which will be Passed onto Tenants through Expense Reimbursements		\$0.00	0.0%	0.00%	0
47	Tax Increase @ Sale Not Passed Through to Tenants & Borne by Landlord		\$0.00	0.0%	0.00%	0
48	Sub-Total Operational Expenses @		\$9.33	\$7,871	100.00%	94,434





OPERATIONAL EXPENDITURE EVALUATION EXHIBIT
SHERMAN SOCIAL SECURITY BUILDING

Owner's Expense Categories	Cost Per Month	% Of Expenses	Cost Per Annum
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OWNER SUPPLIED EXPENSE SYNOPTIC SUMMARY FOR YEAR ONE OF OPERATIONS [2009]

1	Operational Expense	[Repair & Maintenance]	-	-	\$134.17	1.81%	1,610
2	Operational Expense	[Janitorial]	-	-	\$384.17	5.19%	4,610
3	Operational Expense	[Contract Services]	-	-	\$1,200.00	16.22%	14,400
4	Operational Expense	[Utilities]	-	-	\$2,345.25	31.69%	28,143
5	Operational Expense	[Management Fees]	-	-	\$694.80	9.39%	8,338
6	Operational Expense	[Insurance]	-	-	\$217.33	2.94%	2,608
7	Operational Expense	[Property Taxes]	-	-	\$2,024.83	27.36%	24,298
8	Operational Expense	[General & Administrative]	-	-	\$0.00	0.00%	0
9	Operational Expense	[Non-Billback Expenses]	-	-	\$400.00	5.41%	4,800
10	Capital Expense	[Capital Reserve]	-	-	\$0.00	0.00%	0
11	Capital Expense	[Tenant Improvements]	-	-	\$0.00	0.00%	0
12	Capital Expense	[Leasing Commissions]	-	-	\$0.00	0.00%	0

13	Operational Expense	[Sub-Total]	\$8.78	\$7,400.55	100.00%	88,807
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14 Tax Rate Per \$100 Valuation @ Cost & @ Sales Value PSF Per Annum	<u>Millage Rate</u>	<u>\$1,202,400</u>	% of Total	% of Tax Value	
15 City of Sherman	\$0.04	\$0.32	13.0%	3.60%	3,194
16 Grayson College	\$0.02	\$0.18	7.4%	2.06%	1,834
17 Sherman School District	\$0.14	\$1.46	59.7%	16.59%	14,731
18 Grayson County	\$0.14	\$0.48	19.9%	5.52%	4,899
19 -	-	-	-	-	-
20 -	-	-	-	-	-
21 Sub-Total Taxes Per Appraisal District	\$0.33	\$2.44	\$2,054.82	27.77%	24,658

22 Sub-Total	Based Upon Current Physical Occupancy @ ---->	100%	\$8.78	\$14,802	128%	\$88,807
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LOAN AND PROPERTY MARKET VALUATION

SHERMAN SOCIAL SECURITY BUILDING



MARKET LOAN EVALUATION WITH DIFFERENT DEBT COVERAGE RATIOS ON EXISTING RENTAL INCOME

1	<u>Item Description</u>	<u>DCR</u>	<u>PSF Land</u>	<u>Per Sq. Ft.</u>	<u>Loan Amount</u>
2	Recommended Loan Amount With a Debt Coverage of	1.10	\$19.47	\$158.26	\$1,601,148
3	Recommended Loan Amount With a Debt Coverage of	1.15	\$18.62	\$151.38	\$1,531,533
4	Recommended Loan Amount With a Debt Coverage of	1.20	\$17.85	\$145.07	\$1,467,719
5	Recommended Loan Amount With a Debt Coverage of	1.25	\$17.13	\$139.27	\$1,409,010
6	Recommended Loan Amount With a Debt Coverage of	1.30	\$16.47	\$133.91	\$1,354,818
7	Recommended Loan Amount With a Debt Coverage of	1.35	\$15.86	\$128.96	\$1,304,639
8	Recommended First Mortgage Loan <Ceiling>	1.83	\$9.85	\$80.06	\$810,000

MARKET LOAN EVALUATION WITH DIFFERENT DEBT COVERAGE RATIOS ON PRO-FORMA RENTAL INCOME

9	<u>Item Description</u>	<u>Cap Rate</u>	<u>PSF Land</u>	<u>Per Sq. Ft.</u>	<u>Valuation</u>
10	Recommended Loan Amount With a Debt Coverage of	1.10	\$19.15	\$155.71	\$1,575,304
11	Recommended Loan Amount With a Debt Coverage of	1.15	\$18.32	\$148.94	\$1,506,813
12	Recommended Loan Amount With a Debt Coverage of	1.20	\$17.56	\$142.73	\$1,444,029
13	Recommended Loan Amount With a Debt Coverage of	1.25	\$16.86	\$137.02	\$1,386,268
14	Recommended Loan Amount With a Debt Coverage of	1.30	\$16.21	\$131.75	\$1,332,950
15	Recommended Loan Amount With a Debt Coverage of	1.35	\$15.61	\$126.87	\$1,283,581
16	Recommended First Mortgage Loan <Floor>	1.83	\$9.85	\$80.06	\$810,000

PROPERTY EVALUATION WITH DIFFERENT CAP RATES ON CURRENT RENTAL INCOME

17	<u>Item Description</u>	<u>Cap Rate</u>	<u>PSF Land</u>	<u>Per Sq. Ft.</u>	<u>Valuation</u>
18	Equity Value Utilizing a Capitalization Rate of	7.50%	\$18.88	\$153.47	\$1,552,632
19	Equity Value Utilizing a Capitalization Rate of	8.00%	\$17.70	\$143.88	\$1,455,593
20	Equity Value Utilizing a Capitalization Rate of	8.50%	\$16.66	\$135.41	\$1,369,970
21	Equity Value Utilizing a Capitalization Rate of	9.00%	\$15.73	\$127.89	\$1,293,860
22	Equity Value Utilizing a Capitalization Rate of	9.50%	\$14.90	\$121.16	\$1,225,762
23	Equity Value Utilizing a Capitalization Rate of	10.00%	\$14.16	\$115.10	\$1,164,474
24	Projected NOI As A % of Total Investment	7.75%	\$18.28	\$148.56	\$1,503,000

PROPERTY EVALUATION WITH DIFFERENT CAP RATES ON PRO-FORMA RENTAL INCOME

25	<u>Item Description</u>	<u>Cap Rate</u>	<u>PSF Land</u>	<u>Per Sq. Ft.</u>	<u>Valuation</u>
26	Equity Value Utilizing a Capitalization Rate of	7.50%	\$18.57	\$150.99	\$1,527,572
27	Equity Value Utilizing a Capitalization Rate of	8.00%	\$17.41	\$141.55	\$1,432,098
28	Equity Value Utilizing a Capitalization Rate of	8.50%	\$16.39	\$133.23	\$1,347,857
29	Equity Value Utilizing a Capitalization Rate of	9.00%	\$15.48	\$125.83	\$1,272,976
30	Equity Value Utilizing a Capitalization Rate of	9.50%	\$14.66	\$119.20	\$1,205,978
31	Equity Value Utilizing a Capitalization Rate of	10.00%	\$13.93	\$113.24	\$1,145,679
32	Pro-Forma NOI As A % of Total Investment	7.62%	\$18.28	\$148.56	\$1,503,000

TEN YEAR FINANCIAL INCOME AND EXPENSE PRO-FORMA

PROJECT NAME:

600 EAST PEYTON STREET, SHERMAN, TEXAS 75090

PREPARED BY: BRUCE MARSHALL

1	2	[2010]	[2011]	[2012]	Year 1	Year 2	Year 3	Year 4	Year 5
3	4	100%	100%	100.00%	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2014
Cash Flow Analysis <Pro-Forma>									
3	Gross Potential Income Rent Per Square Foot	\$20.29	\$20.29	\$20.30	\$20.29	\$20.29	\$20.30	\$20.30	\$20.31
4	Additional Income Rent Per Square Foot	\$20.29	\$0.21	\$0.21	\$0.20	\$0.21	\$0.21	\$0.22	\$0.22
5	Effective Gross Income Per Square Foot	(\$2.84)	\$20.29	\$20.30	\$20.29	\$20.29	\$20.30	\$20.30	\$20.31
6	N.O.I. Rent Per Square Foot	\$11.51	\$11.32	\$11.13	\$11.32	\$11.12	\$10.92	\$10.72	\$10.52
7	Annual Increases to Expenses Input:	-	-	-	2.80%	2.28%	2.22%	2.18%	2.13%
8	Expenses Per Sq. Ft.	(\$8.78)	(\$8.97)	(\$9.16)	(\$8.97)	(\$9.17)	(\$9.38)	(\$9.58)	(\$9.78)
9									
10	Vacant Space in Square Footage	0	0	0	0	0	0	0	0
11	Vacancy/Collection Loss	0%	0%	0%	0%	0%	0%	0%	0%
12	Occupancy	100%	100%	100%	100%	100%	100%	100%	100%
15	Base Rent on Leased Space	203,213	203,213	203,213	203,213	203,213	203,213	203,213	203,213
16	Operating Cost Base Reimbursement	0	0	0	0	0	0	0	0
17	Tenant Improvement Allowance Reimbursement	0	0	0	0	0	0	0	0
18	Current CPI Increase Reimbursements	2,041	2,088	2,135	2,041	2,088	2,135	2,184	2,233
19	Gross Potential Income	205,254	205,301	205,348	205,254	205,301	205,348	205,397	205,446
20	Less General Vacancy & Collection Loss Allowance	0	0	0	0	0	0	0	0
21	Effective Gross Income	205,254	205,301	205,348	205,254	205,301	205,348	205,397	205,446
22	Less Operational Expenses	(88,807)	(90,733)	(92,701)	(90,733)	(92,797)	(94,861)	(96,925)	(98,990)
23	Net Operating Income	116,447	114,568	112,647	114,521	112,504	110,487	108,471	106,457
24	Principal Payment First Lien	(14,418)	(14,418)	(14,418)	(14,418)	(15,308)	(16,252)	(17,254)	(18,318)
25	Interest Payment First Lien	<u>(48,208)</u>	<u>(48,208)</u>	<u>(48,208)</u>	<u>(48,208)</u>	<u>(47,318)</u>	<u>(46,374)</u>	<u>(45,372)</u>	<u>(44,308)</u>
26	Total First Mortgage Debt Service	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)
27	Breakeven Occupancy	151,433	153,359	155,327	153,359	155,423	157,487	159,551	161,616
28	Breakeven Occupancy Percentage	74%	75%	76%	75%	76%	77%	78%	79%
29	Breakeven Occupancy Per Square Foot	\$14.97	\$15.16	\$15.35	\$15.16	\$15.36	\$15.57	\$15.77	\$15.97
30	Total Project Debt Service	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)
31	Project Cash Flow	53,821	51,942	50,021	51,896	49,878	47,862	45,846	43,831
32	Cash-On-Cash Return [Annual & Non-Cumulative]	7.77%	7.50%	7.22%	7.49%	7.20%	6.91%	6.62%	6.32%
33	Add Back Loan Amortization as a % of Investmen	2.08%	2.08%	2.08%	2.08%	2.21%	2.35%	2.49%	2.64%
34	Total Annual Yield [Cash-On-Cash + Amortization]	68,239	66,360	64,439	66,314	65,186	64,114	63,100	62,149
35	Total Annual Yield Return Percentag	9.85%	9.58%	9.30%	9.57%	9.41%	9.25%	9.11%	8.97%
36	Capitalization Rate [NOI / Total Project Cost]	7.75%	7.62%	7.49%	7.62%	7.49%	7.35%	7.22%	7.08%
37	Total Initial Investment <Excluding Loan:	(693,000)	(693,000)	(693,000)	(693,000)	0	0	0	0
38	Project Year End Capital Account Balance	0	0	0	51,896	101,774	149,636	195,482	239,313
39	Market Value <If Sold>	1,502,547	1,478,295	1,453,515	1,477,696	1,451,660	1,425,638	1,399,630	1,373,636
40	Less Closing Costs/Commission:	<u>60,315</u>	<u>60,315</u>	<u>60,315</u>	<u>59,681</u>	<u>59,017</u>	<u>58,354</u>	<u>57,691</u>	<u>57,028</u>
41	Net Sales Price	1,442,232	1,417,980	1,393,200	1,418,015	1,392,643	1,367,284	1,341,939	1,316,608
42	Less Outstanding Loan Balance <- Principal>	(795,582)	(795,582)	(795,582)	(795,582)	(780,274)	(764,022)	(746,768)	(728,450)
43	Less Initial Cash Invested	0	0	0	0	0	0	0	0
44	Net Project Sales Profit [Net Sale- Debt & Equity]	646,650	622,398	597,618	622,433	612,369	603,262	595,171	588,158
45	Plus Cumulative Cash Flow	53,821	53,821	53,821	51,896	101,774	149,636	195,482	239,313
46	Net Project Profit + Cumulative Cash Flo	700,472	676,220	651,439	674,329	714,143	752,898	790,653	827,471
47	Net Project Profit + Cum. Cash Flow/ Investmen	101.08%	97.58%	94.00%	97.31%	103.05%	108.64%	114.09%	119.40%
48	Net Present Value	-	-	-	-	-	-	-	-
49	Project Internal Rate of Return	-	-	-	N/A	1.57%	3.01%	3.73%	4.15%
50	Net Sales Price	1,442,232	1,417,980	1,393,200	1,418,015	1,392,643	1,367,284	1,341,939	1,316,608
51	Projected First Mortgage Loan Refinance Amoun	1,176,826	1,157,831	1,138,423	1,157,362	1,136,970	1,116,589	1,096,219	1,075,860
52	Loan as a Function of Proposed Purchase Pric	78.30%	77.03%	75.74%	77.00%	75.65%	74.29%	72.94%	71.58%
53	Additional Capital Created On Sale vs. Refinance of 1st	265,406	260,149	254,777	260,653	255,673	250,695	245,720	240,748

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TEN YEAR FINANCIAL INCOME AND EXPENSE PRO-FORMA

PROJECT NAME:

600 EAST PEYTON STREET, SHERMAN, TEXAS 75090

WWW.DVSVN.COM

1	Cash Flow Analysis <Pro-Forma>	Year 6	Year 7	Year 8	Year 9	Year 10	Five Year	Ten Year
2	Item Description	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Totals	Totals
3	Gross Potential Income Rent Per Square Foot	\$20.31	\$20.32	\$20.32	\$20.33	\$20.33	\$20.31	\$20.33
4	Additional Income Rent Per Square Foot	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.21	\$0.60
5	Effective Gross Income Per Square Foot	\$20.31	\$20.32	\$20.32	\$20.33	\$20.33	\$20.30	\$18.78
6	N.O.I. Rent Per Square Foot	\$10.32	\$10.12	\$9.93	\$9.73	\$9.53	\$10.92	\$9.89
7	Annual Increases to Expenses Input:	2.09%	2.04%	2.00%	1.96%	1.92%	11.61%	21.62%
8	Expenses Per Sq. Ft.	(\$9.99)	(\$10.19)	(\$10.40)	(\$10.60)	(\$10.80)	(\$9.38)	(\$19.77)
9								
10	Vacant Space in Square Footage	0	0	0	0	0	0	0
11	Vacancy/Collection Loss	0%	0%	0%	0%	0%	0%	110%
12	Occupancy	100%	100%	100%	100%	100%	100%	210%
15	Base Rent on Leased Space	203,213	203,213	203,213	203,213	203,213	1,016,064	2,032,129
16	Operating Cost Base Reimbursement	0	0	0	0	0	0	0
17	Total Rental Income	0	0	0	0	0	0	0
18	Current CPI Increase Reimbursements	2,284	2,336	2,389	2,444	2,499	10,681	22,634
19	Gross Potential Income	205,497	205,549	205,602	205,657	205,712	1,026,745	2,054,762
20	Less General Vacancy & Collection Loss Allowance	0	0	0	0	0	0	0
21	Effective Gross Income	205,497	205,549	205,602	205,657	205,712	1,026,745	2,054,762
22	Less Operational Expenses	(101,054)	(103,118)	(105,182)	(107,246)	(109,311)	(474,305)	(1,000,216)
23	Net Operating Income	104,443	102,431	100,420	98,410	96,402	552,440	1,054,546
24	Principal Payment First Lien	(19,448)	(20,648)	(21,921)	(23,273)	(24,709)	(81,550)	(191,549)
25	Interest Payment First Lien	(43,178)	(41,978)	(40,705)	(39,353)	(37,917)	(231,580)	(434,712)
26	Total First Mortgage Debt Service	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(313,130)	(626,261)
27	Breakeven Occupancy	163,680	165,744	167,808	169,872	171,937	787,436	1,626,477
28	Breakeven Occupancy Percentage	80%	81%	82%	83%	84%	77%	79%
29	Breakeven Occupancy Per Square Foot	\$16.18	\$16.38	\$16.59	\$16.79	\$16.99	\$15.97	\$16.99
30	Total Project Debt Service	(62,626)	(62,626)	(62,626)	(62,626)	(62,626)	(313,130)	(626,261)
31	Project Cash Flow	41,818	39,806	37,795	35,785	33,776	239,313	428,293
32	Cash-On-Cash Return [Annual & Non-Cumulative]	6.03%	5.74%	5.45%	5.16%	4.87%	34.53%	61.80%
33	Add Back Loan Amortization as a % of Investment	2.81%	2.98%	3.16%	3.36%	3.57%	11.77%	27.64%
34	Total Annual Yield [Cash-On-Cash + Amortization]	61,266	60,454	59,716	59,058	58,485	320,863	619,842
35	Total Annual Yield Return Percentage	8.84%	8.72%	8.62%	8.52%	8.44%	9.26%	326.31%
36	Capitalization Rate [NOI / Total Project Cost]	6.95%	6.82%	6.68%	6.55%	6.41%	7.08%	6.41%
37	Total Initial Investment <Excluding Loan:	0	0	0	0	0	(693,000)	(693,000)
38	Project Year End Capital Account Balance	281,132	320,937	358,732	394,517	428,293	239,313	428,293
39	Market Value <If Sold>	1,347,656	1,321,692	1,295,742	1,269,809	1,243,891	1,373,636	1,243,891
40	Less Closing Costs/Commissions	56,365	55,703	55,041	54,380	53,719	57,028	53,719
41	Net Sales Price	1,291,291	1,265,989	1,240,701	1,215,429	1,190,172	1,316,608	1,190,172
42	Less Outstanding Loan Balance <- Principal>	(709,002)	(688,354)	(666,433)	(643,160)	(618,451)	(728,450)	(618,451)
43	Less Initial Cash Invested	0	0	0	0	0	0	0
44	Net Project Sales Profit [Net Sale- Debt & Equity]	582,289	577,635	574,268	572,269	571,721	588,158	571,721
45	Plus Cumulative Cash Flow	281,163	320,968	358,763	394,548	428,324	239,313	428,324
46	Net Project Profit + Cumulative Cash Flow	863,452	898,603	933,031	966,817	1,000,045	827,471	1,000,045
47	Net Project Profit + Cum. Cash Flow/ Investment	124.60%	129.67%	134.64%	139.51%	144.31%	119.40%	139.51%
48	Net Present Value	-	-	-	-	-	-	943,410
49	Project Internal Rate of Return	4.41%	4.60%	4.73%	4.83%	4.90%	4.15%	4.90%
50	Net Sales Price	1,291,291	1,265,989	1,240,701	1,215,429	1,190,172	1,316,608	1,190,172
51	Projected First Mortgage Loan Refinance Amount	1,055,512	1,035,176	1,014,852	994,540	974,241	1,096,219	974,241
52	Loan as a Function of Proposed Purchase Price	70.23%	68.87%	67.52%	66.17%	64.82%	72.94%	64.82%
53	Additional Capital Created On Sale vs. Refinance of 1st	235,779	230,812	225,849	220,888	215,931	220,389	215,931

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FINANCIAL RATIO ANALYSIS

SHERMAN SOCIAL SECURITY BUILDING
600 EAST PEYTON STREET, SHERMAN, TEXAS 75090



<E-1>	Lot Coverage [Space/Land Size]	12.30%
<E-2>	Project Size <Net Sq. Ft.>	10,117
<E-3>	Project Size <Gross Square Footage>	81,082
<E-4>	Land Area < Sq. Ft.>	82,241
<E-5>	Land Area <In Acres>	1.89
<E-6>	Loan Request	\$810,000
<E-7>	Loan Request Per Sq. Ft.	\$80.06
<E-8>	Current Effective Gross Income Per Month	(\$2,345)
<E-9>	Pro-Forma Effective Gross Income Per Month	(\$2,452)
<E-10>	Breakeven Average Income/Month	\$0
<E-11>	Current Annual Expenses/SF of NRA/Month	\$0
<E-12>	Pro-Forma Annual Expenses	\$0
<E-13>	Current Taxes Per Annum	\$24,784
<E-14>	Pro-Forma Taxes After Property Acquisiton	\$2.45
<E-14>	Pro-Forma Taxes After Property Acquisiton Pro-Rated to Tenants on Pass-Throughs	\$2.45
<E-15>	Current Taxes Per Annum	\$24,298
<E-16>	Pro-Forma Taxes After Property Acquisiton	\$2.40
<E-17>	Pro-Forma Average Expenses/SF of NRA/Month	\$88,807
<E-18>	Pro-Forma Average Income/SF of NRA/Year	\$8.78
<E-19>	Pro-Forma Average Income/SF of NRA [Gross]	\$205,254
<E-19>	Pro-Forma Average Income/SF of NRA [Includes Tax Reimbursement]	\$205,301
<E-20>	Breakeven Occupancy Per Month	\$12,619
<E-21>	Breakeven Occupancy Per Annum	\$151,433
<E-22>	Breakeven Occupancy Per Year	73.78%
<E-23>	Breakeven Occupancy Per Square Foot	\$14.97
<E-24>	Parking Spaces	55
<E-25>	Parking Spaces Per 1000 SF of Space	5.44
<E-26>	Estimated Capitalization Rate	7.75%
<E-27>	Appraised Value Estimate	\$1,503,000
<E-28>	Appraised Value Per Sq. Ft.	\$148.56
<E-29>	Appraised Value Per Sqaure Foot of Land	\$18.28
<E-30>	Loan to Acquisition Cost	53.89%
<E-31>	Total Project Cost Per SF of Land	\$16.75
<E-32>	Total Project Cost Per Net Square Foot of Building	\$148.56
<E-33>	Current Net Operating Income As a % of Acquisition Cost	7.75%
<E-34>	Pro-Forma Net Operating Income As a % of Total Investment Cost [Cap Rate]	7.62%
<E-35>	Debt Coverage Ratio Analysis Based upon Current Income & Pro-Forma Expenses	1.83
<E-36>	Square Footage of Unleased Space to Lease	0
<E-37>	Real Estate Commisions to Lease Space to Target Occupancy @ --->	\$0
<E-35>	Project Internal Rate of Return Yr. 5	4.15%
<E-36>	Project Internal Rate of Return Yr. 10	4.90%



SHERMAN SOCIAL SECURITY BUILDING

TENANT RENTAL ESCALATION ANALYSIS PREPARED BY SPERRY VAN NESS

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	Name Of Tenant	Suite No.	Suite Size	Percent of Total	Lease Expiration	Base Rent Rent Per Month	Additional Rent Per Month	Pro-Forma Rent/Month	Base Rent Per Year	Rent Per Square Foot	Gross Lease Per Year
1	UNITED STATES SOCIAL SECURITY ADMINISTRATION	100	10,117	99.01%	Jun 2021	\$16,934.41	\$0.00	\$16,934	\$203,213	\$20.09	\$203,213
2	U.S. SSA OPERATING COST BASE	-	-	0.00%	Jun 2021	-	\$0.00	\$0	\$0	\$0.00	\$0
3	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	-	-	0.00%	Jun 2015	-	\$0.00	\$0	\$0	\$0.00	\$0
4	CPI REIMBURSEMENT [AGGREGATED CPI INCREASE F	-	-	0.99%	Jun 2021	-	\$170.10	\$170	\$2,041	\$0.20	\$2,041
5	Sub-Total [Leased]	-	10,117	100.00%	-	\$16,934.41	\$170	\$17,105	\$205,254	\$20.29	\$205,254
6	UNITED STATES SOCIAL SECURITY ADMINISTRATION	-	-	0.99%	Jun 2021	-	-	-	-	-	\$0
7	U.S. SOCIAL SECURITY ADM. ADDITIONAL RENT	-	-		Jun 2021	-	-	-	-	-	\$0
8	For Lease [Vacant] Sub-Total		0	0.00%	-	-	-	-	-	-	-
			-								[Includes CAM]
9	Sub-Totals Per Month [Vacant + Leased]	-	10,117	-	-	\$16,934	\$170	\$17,105	\$205,254	\$20.29	\$205,254
											[Includes CAM]
10	Totals	-	10,117	100%	0	100.00%	<-- Physical Occupancy-Economic-->	100.00%	\$20.29	\$205,254	

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SHERMAN SOCIAL SECURITY BUILDING

TENANT RENTAL ESCALLATION ANALYSIS PREPARED BY SPERRY VAN NESS

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	Name Of Tenant	Suite No.	Suite Size	Percent of Total	Lease Expiration	Base Rent/Year [Pre-Pass-Throughs]	Year 1 Dec 2010	Year 2 Dec 2011	Year 3 Dec 2012	Year 4 Dec 2013
1	UNITED STATES SOCIAL SECURITY ADMINISTRATION	100	10,117	99.01%	Jun 2021	\$203,213	\$203,213	\$203,213	\$203,213	\$203,213
2	U.S. SSA OPERATING COST BASE	-	-	0.00%	Jun 2021	\$0	\$0	\$0	\$0	\$0
3	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	-	-	0.00%	Jun 2015	\$0	\$0	\$0	\$0	\$0
4	CPI REIMBURSEMENT [AGGREGATED CPI INCREASE F	-	-	0.99%	Jun 2021	\$2,041	\$2,041	\$2,088	\$2,135	\$2,184
5	Sub-Total [Leased]	-	10,117	100.00%	-	\$205,254	\$205,254	\$205,301	\$205,348	\$205,397
6	UNITED STATES SOCIAL SECURITY ADMINISTRATION	-	-	0.99%	Jun 2021	\$0	-	-	-	-
7	U.S. SOCIAL SECURITY ADM. ADDITIONAL RENT	-	-		Jun 2021	\$0	-	-	-	-
8	For Lease [Vacant] Sub-Total	-	0	0.00%	-	-	\$0	\$0	\$0	\$0
9	Sub-Totals Per Month [Vacant + Leased]		-	-	-	-	\$205,254	\$205,301	\$205,348	\$205,397
10	Totals	-	10,117	100%	-	\$205,254	\$205,254	\$205,301	\$205,348	\$205,397

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SHERMAN SOCIAL SECURITY BUILDING

TENANT RENTAL ESCALATION ANALYSIS PREPARED BY SPERRY VAN NESS

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	Name Of Tenant	Suite No.	Suite Size	Percent of Total	Lease Expiration	Prior Year Rent Year 4	Year 5 Dec 2014	Year 6 Dec 2015	Year 7 Dec 2016
1	UNITED STATES SOCIAL SECURITY ADMINISTRATION	100	10,117	99.01%	Jun 2021	\$203,213	\$203,213	\$203,213	\$203,213
2	U.S. SSA OPERATING COST BASE	-	-	0.00%	Jun 2021	\$0	\$0	\$0	\$0
3	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	-	-	0.00%	Jun 2015	\$0	\$0	\$0	\$0
4	CPI REIMBURSEMENT [AGGREGATED CPI INCREASE FI	-	-	0.99%	Jun 2021	\$2,184	\$2,233	\$2,284	\$2,336
5	Sub-Total [Leased]	-	10,117	100.00%	-	\$205,397	\$205,446	\$205,497	\$205,549
6	UNITED STATES SOCIAL SECURITY ADMINISTRATION	-	-	0.99%	Jun 2021	-	-	-	-
7	U.S. SOCIAL SECURITY ADM. ADDITIONAL RENT	-	-		Jun 2021	-	-	-	-
8	For Lease [Vacant] Sub-Total	-	0	0.00%	-	-	\$0	\$0	\$0
9	Sub-Totals Per Month [Vacant + Leased]		10,117			-	\$205,446	\$205,497	\$205,549
10	Totals	-	10,117	100%	-	\$205,397	\$205,446	\$205,497	\$205,549

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SHERMAN SOCIAL SECURITY BUILDING

TENANT RENTAL ESCALATION ANALYSIS PREPARED BY SPERRY VAN NESS

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	Name Of Tenant	Suite No.	Suite Size	Percent of Total	Lease Expiration	Base Rent Rent Per Month	Additional Rent Per Month	Pro-Forma Rent/Month	Base Rent Per Year	Rent Per Square Foot	Gross Lease Per Year
1	UNITED STATES SOCIAL SECURITY ADMINISTRATION	100	10,117	99.01%	Jun 2021	\$16,934.41	\$0.00	\$16,934	\$203,213	\$20.09	\$203,213
2	U.S. SSA OPERATING COST BASE	-	-	0.00%	Jun 2021	-	\$0.00	\$0	\$0	\$0.00	\$0
3	U.S. SSA TENANT IMPROVEMENT ALLOWANCE	-	-	0.00%	Jun 2015	-	\$0.00	\$0	\$0	\$0.00	\$0
4	CPI REIMBURSEMENT [AGGREGATED CPI INCREASE F	-	-	0.99%	Jun 2021	-	\$170.10	\$170	\$2,041	\$0.20	\$2,041
5	Sub-Total [Leased]	-	10,117	100.00%	-	\$16,934.41	\$170	\$17,105	\$205,254	\$20.29	\$205,254
6	UNITED STATES SOCIAL SECURITY ADMINISTRATION	-	-	0.99%	Jun 2021	-	-	-	-	-	\$0
7	U.S. SOCIAL SECURITY ADM. ADDITIONAL RENT	-	-		Jun 2021	-	-	-	-	-	\$0
8	For Lease [Vacant] Sub-Total		0	0.00%	-	-	-	-	-	-	-
			-								[Includes CAM]
9	Sub-Totals Per Month [Vacant + Leased]	-	10,117	-	-	\$16,934	\$170	\$17,105	\$205,254	\$20.29	\$205,254
											[Includes CAM]
10	Totals	-	10,117	100%	0	100.00%	<-- Physical Occupancy-Economic-->	100.00%	\$20.29	\$205,254	

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Sherman Social Security Building

Owner's 2010 Projected Expenditures Analysis



Month	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	% of Total	PSF	2010 Annual
Major Category Title															
Expense Summary Line Item Breakdown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Operational Expense [General & Administrative]	134	134	134	134	134	134	134	134	134	134	134	134	1.00%	\$0.16	1,610
2 Operational Expense [Contract Services]	250	250	790	250	450	340	450	250	540	250	450	340	2.85%	\$0.46	4,610
3 Operational Expense [Janitorial]	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	8.92%	\$1.42	14,400
4 Operational Expense [Utilities]	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	17.42%	\$2.78	28,143
5 Operational Expense [Management Fees]	695	695	695	695	695	695	695	695	695	695	695	695	5.16%	\$0.82	8,338
6 Operational Expense [Insurance]	0	0	0	0	0	0	0	0	2,608	0	0	0	1.61%	\$0.26	2,608
7 Operational Expense [Property Taxes]	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	15.04%	\$2.40	24,298
8 Operational Expense [Non-Billback Expenses]	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	\$0.00	0
9 Operational Expense [Repair & Maintenance]	300	300	600	300	300	600	300	300	600	300	300	600	2.97%	\$0.47	4,800
- Operational Expense [Sub-Total]	6,949	6,949	7,789	6,949	7,149	7,339	7,149	6,949	10,147	6,949	7,149	7,339	100.00%	\$8.78	88,807
10 Capital Expense [Capital Reserve]	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	\$0.00	0
11 Capital Expense [Tenant Improvements]	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	\$0.00	0
12 Capital Expense [Leasing Commissions]	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	\$0.00	0
- Total Capital Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	\$0.00	0
- Total Operational + Capital Expenses	6,949	6,949	7,789	6,949	7,149	7,339	7,149	6,949	10,147	6,949	7,149	7,339	100.00%	\$8.78	88,807

PROJECT IRR CALCULATION TABLE



Item Designation	Present	Pro-Forma	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
Cash Flow	0	50,021	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	33,776
Real Estate Commissions & Capital Expenditures [CapX]	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Comissions & CapX Expenses	53,821	50,021	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	33,776
Hand Calculated HP Verification	14,418	14,418	14,418	15,308	16,252	17,254	18,318	19,448	20,648	21,921	23,273	24,709
Payments Left	288	288	288	276	264	252	240	228	216	204	192	180
Outstanding Principal [HP Calculated]	795,582	795,582	795,582	780,274	764,022	746,768	728,450	709,002	688,354	666,433	643,160	618,451
Principal Payment Calculatons	14,418	14,418	14,418	15,308	16,252	17,254	18,318	19,448	20,648	21,921	23,273	24,709
Principal Payment Calculatons [Cumulative]	14,418	14,418	14,418	29,726	45,978	63,232	81,550	100,998	121,646	143,567	166,840	191,549
Gross Sales Price	1,502,547	1,453,515	1,477,696	1,451,660	1,425,638	1,399,630	1,373,636	1,347,656	1,321,692	1,295,742	1,269,809	1,243,891
Less Closing Costs	60,315	59,065	59,681	59,017	58,354	57,691	57,028	56,365	55,703	55,041	54,380	53,719
Net Sales Price	1,442,232	1,394,450	1,418,015	1,392,643	1,367,284	1,341,939	1,316,608	1,291,291	1,265,989	1,240,701	1,215,429	1,190,172
First Mortgage Loan O/B Balance With Amortization	-795,582	-795,582	-795,582	-780,274	-764,022	-746,768	-728,450	-709,002	-688,354	-666,433	-643,160	-618,451
Less Equity Capital Contribution	0	0	0	0	0	0	0	0	0	0	0	0
Net Project Sales Profit [Net Sales Price - Debt & Equity]	646,650	598,868	622,433	612,369	603,262	595,171	588,158	582,289	577,635	574,268	572,269	571,721
Annual Project Cash Flow	0	50,021	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	33,776
Cumulative Project Cash Flow	0	50,021	51,896	101,774	149,636	195,482	239,313	281,132	320,937	358,732	394,517	428,293
Net Project Profit + Cumulative Cash Flow	646,650	648,889	674,329	714,143	752,898	790,653	827,471	863,421	898,572	933,000	966,786	1,000,014
Total Cash Flow Per Year	Cumultiave Equity	Initial Equity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Cash Flow Yr. 1	-693,000	-693,000	674,329	<-----	[Net Sales Price - Loan Balance + Current Year's Cash Flow]				[Reversion Assumes Sale at Year End]			
Total Cash Flow Yr. 2	-693,000	-693,000	51,896	662,247								
Total Cash Flow Yr. 3	-693,000	-693,000	51,896	49,878	651,124							
Total Cash Flow Yr. 4	-693,000	-693,000	51,896	49,878	47,862	641,017						
Total Cash Flow Yr. 5	-693,000	-693,000	51,896	49,878	47,862	45,846	631,989					
Total Cash Flow Yr. 6	-693,000	-693,000	51,896	49,878	47,862	45,846	43,831	624,107				
Total Cash Flow Yr. 7	-693,000	-693,000	51,896	49,878	47,862	45,846	43,831	41,818	617,440			
Total Cash Flow Yr. 8	-693,000	-693,000	51,896	49,878	47,862	45,846	43,831	41,818	39,806	612,063		
Total Cash Flow Yr. 9	-693,000	-693,000	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	608,054	
Total Cash Flow Yr. 10	-693,000	-693,000	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	605,497
Total Cash Flow Per Annum Sub-Totals	-	-693,000	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	605,497
Reversion Profit	-	-693,000	-18,671	21,143	59,898	97,653	134,471	170,421	205,572	240,000	273,786	307,014
IRR Returns	-	-	N/A	1.57%	3.01%	3.73%	4.15%	4.41%	4.60%	4.73%	4.83%	4.90%
Net Present Value <10 Year>	943,410	-	51,896	49,878	47,862	45,846	43,831	41,818	39,806	37,795	35,785	605,497

Historical CPI

HISTORICAL CPI CALCULATIONS

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANN
2009	211.143	212.193	212.709	213.24	213.856	215.693	215.351	215.834	215.969				
2008	211.08	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.30
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.49	208.936	210.177	210.036	207.34
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.60
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.30
2004	185.2	186.2	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	188.90
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185	184.5	184.3	183.96
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181	181.3	181.3	180.9	179.88
2001	175.1	175.8	176.2	176.9	177.7	178	177.5	177.5	178.3	177.7	177.4	176.7	177.10
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174	174.1	174	172.20
1999	164.3	164.5	165	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.60
1998	161.6	161.9	162.2	162.5	162.8	163	163.2	163.4	163.6	164	164	163.9	163.00

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANN
1997	159.1	159.6	160	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.50
1996	154.4	154.9	155.7	156.3	156.6	156.7	157	157.3	157.8	158.3	158.6	158.6	156.90
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.40
1994	146.2	146.7	147.2	147.4	147.5	148	148.4	149	149.4	149.5	149.7	149.7	148.20
1993	142.6	143.1	143.6	144	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.50
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142	141.9	140.30
1991	134.6	134.8	135	135.2	135.6	136	136.2	136.6	137.2	137.4	137.8	137.9	136.20
1990	127.4	128	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8	130.70
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125	125.6	125.9	126.1	124.00
1988	115.7	116	116.5	117.1	117.5	118	118.5	119	119.8	120.2	120.3	120.5	118.30
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115	115.3	115.4	115.4	113.60
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5	109.60

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANN
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Historical CPI

Current	Prior Yr.	VA Base	CPI PY -			CPI CY -			CPI CY -			PICY-	Cum. 10 Yr.	Add to				
Index No.	Index No.	Index	BY CPI %	BY CPI	BY CPI %	PIPY	Avg Increase	Prior Yr.										
Increase YOY	PY Index	BY Index 2006	Differential	% Increase YOY	Differential	% Increase YOY	Escalation	Differential	10 Yr. Running	Average	Differential	Cummulative						
215.693	218.815	202.9	15.92	7.84%	-	12.79	6.31%	-	-1.54%	-	\$32,373.99	-	-\$498.14	-	2.28%	\$736.53	-\$498.14	\$2,041.20
218.815	208.352	202.9	5.45	2.69%	-	15.92	7.84%	-	5.16%	-	\$32,373.99	-	\$1,669.44	-	2.55%	\$825.90	\$1,669.44	\$2,539.34
208.352	202.900	202.9	0.00	0.00%	-	5.45	2.69%	-	2.69%	-	\$32,373.99	-	\$869.90	-	2.29%	\$742.63	\$869.90	\$869.90
202.900	194.500	202.9	-8.40	-4.14%	-	0.00	0.00%	-	4.14%	-	\$32,373.99	-	\$1,340.27	-	2.25%	\$729.97	0	0
194.500	189.700	202.9	-13.20	-6.51%	-	-8.40	-4.14%	-	2.37%	-	\$32,373.99	-	\$765.87	-	2.06%	\$666.15		
189.700	183.700	202.9	-19.20	-9.46%	-	-13.20	-6.51%	-	2.96%	-	\$32,373.99	-	\$957.34	-	2.03%	\$658.17		
183.700	179.900	202.9	-23.00	-11.34%	-	-19.20	-9.46%	-	1.87%	-	\$32,373.99	-	\$606.31	-	1.96%	\$634.24		
179.900	178.000	202.9	-24.90	-12.27%	-	-23.00	-11.34%	-	0.94%	-	\$32,373.99	-	\$303.16	-	2.05%	\$664.82		
178.000	172.400	202.9	-30.50	-15.03%	-	-24.90	-12.27%	-	2.76%	-	\$32,373.99	-	\$893.52	-	2.21%	\$716.67		
172.400	166.200	202.9	-36.70	-18.09%	-	-30.50	-15.03%	-	3.06%	-	\$32,373.99	-	\$989.25	-	2.23%	\$723.32		
166.200	163.000	202.9	-39.90	-19.66%	-	-36.70	-18.09%	-	1.58%	-	\$32,373.99	-	\$510.58	-	2.16%	\$700.72		
163.000	160.300	202.9	-42.60	-21.00%	-	-39.90	-19.66%	-	1.33%	-	\$32,373.99	-	\$430.80	-	2.20%	\$711.36		
160.300	156.700	202.9	-46.20	-22.77%	-	-42.60	-21.00%	-	1.77%	-	\$32,373.99	-	\$574.40	-	2.16%	\$700.72		
156.700	152.500	202.9	-50.40	-24.84%	-	-46.20	-22.77%	-	2.07%	-	\$32,373.99	-	\$670.14	-	2.18%	\$704.71		
152.500	148.000	202.9	-54.90	-27.06%	-	-50.40	-24.84%	-	2.22%	-	\$32,373.99	-	\$718.00	-	2.18%	\$704.71		
148.000	144.400	202.9	-58.50	-28.83%	-	-54.90	-27.06%	-	1.77%	-	\$32,373.99	-	\$574.40	-	2.09%	\$678.11		
144.400	140.200	202.9	-62.70	-30.90%	-	-58.50	-28.83%	-	2.07%	-	\$32,373.99	-	\$670.14	-	2.21%	\$715.34		
140.200	136.000	202.9	-66.90	-32.97%	-	-62.70	-30.90%	-	2.07%	-	\$32,373.99	-	\$670.14	-	2.36%	\$764.54		
136.000	129.900	202.9	-73.00	-35.98%	-	-66.90	-32.97%	-	3.01%	-	\$32,373.99	-	\$973.29	-	2.62%	\$846.98		
129.900	124.100	202.9	-78.80	-38.84%	-	-73.00	-35.98%	-	2.86%	-	\$32,373.99	-	\$925.43	-	2.66%	\$860.27		
124.100	118.000	202.9	-84.90	-41.84%	-	-78.80	-38.84%	-	3.01%	-	\$32,373.99	-	\$973.29	-	2.60%	\$842.99		
118.000	113.500	202.9	-89.40	-44.06%	-	-84.90	-41.84%	-	2.22%	-	\$32,373.99	-	\$718.00	-	2.51%	\$813.74		
113.500	109.500	202.9	-93.40	-46.03%	-	-89.40	-44.06%	-	1.97%	-	\$32,373.99	-	\$638.23	-	2.46%	\$796.45		
109.500	107.600	202.9	-95.30	-46.97%	-	-93.40	-46.03%	-	0.94%	-	\$32,373.99	-	\$303.16	-	2.48%	\$804.43		

SHERMAN SOCIAL SECURITY BUILDING
DATA INPUT SECTION [PAGE ONE]



Sherman Social Security Building
600 East Peyton Street, Sherman, Texas 75090

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Item Designation	Suite	Size	Tenant
Suite Size in Square Feet [Tenant 1]	100	10,117	United States Social Security Administration
Suite Size in Square Feet [Tenant 2]	-	-	U.S. Social Security Adm. Additional Rent
Suite Size in Square Feet [Tenants 1- 29]	-	10,117	Leased Sub-Total
Suite Size in Square Feet [Tenant 1]	100	10,117	United States Social Security Administration
Suite Size in Square Feet [Tenant 2]	100	-	U.S. Social Security Adm. Additional Rent
Suite Size in Square Feet [Tenant 1-29]	Sub-Total	0	For Lease [Vacant] Sub-Total
Sub-Total Rent On Leased Space	Occupied	10,117	100.00%
Sub-Total Rent For Lease	Vacancy @	0	-
Sub-Total Square Feet [Tenant 1-10]	Total @	10,117	100.00%
Item Designation	Suite	Rent Per Month	Additional Rent Per Month
Base Rent + Additional Rent Per Month & PSF [Tenant 1]	100	\$16,934.41	\$170.10
Base Rent + Additional Rent Per Month & PSF [Tenant 2]	100	-	\$0.00
Base Rent + Additional Rent Per Month & PSF [Sub-Total (a)]	-	\$16,934	\$0.00
Base Rent + Additional Rent Per Month & PSF [Tenant 1]	100	\$0.00	\$0.00
Base Rent + Additional Rent Per Month & PSF [Tenant 2]	100	\$0.00	\$0.00
Base Rent + Additional Rent Per Month & PSF [Sub-Total (b)]	-	-	-
Base Rent + Additional Rent Per Month & PSF [Sub-Total]	-	-	-
Base Rent Per Month / Year [Sub-Total] on Leased		\$16,934.41	\$0.00
Base Rent Per Month / Year [Sub-Total] on Vacancy		-	-
Base Rent Per Month / Year [Sub-Total]		\$16,934.41	\$0.00
Item Designation	Suite	Base Rent + Additional Rent	Price Per SF
Base Rent + Additional Rent Per Month & PSF [Tenant 1]	100	\$17,104.51	\$20.29
Base Rent + Additional Rent Per Month & PSF [Tenant 2]	-	-	-
Base Rent + Additional Rent Per Month & PSF [Tenant 1-2]	-	\$17,104.51	\$20.29
Base Rent + Additional Rent Per Month & PSF [Tenant 1]	100	\$0.00	\$0.00
Base Rent + Additional Rent Per Month & PSF [Tenant 2]	100	-	-
Base Rent + Additional Rent Per Month & PSF [Sub-Total (b)]	Sub-Total	\$0.00	\$0.00
Base Rent + Additional Rent Per Month [Sub-Total] on Leased		\$17,105	\$20.29
Base Rent + Additional Rent Per Month [Sub-Total] on Vacancy		\$0	\$0.00
Total Base Rent + Additional Rent Per Month		\$17,105	\$20.29

For Further Information Contact:

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SHERMAN SOCIAL SECURITY BUILDING

DATA INPUT SECTION [PAGE TWO]



Item Designation	Suite	Lease Inception Date	Lease Expiration Date	
Lease Inception & Expiration Months [Tenant 1]	100	June 2026	June 2021	
Lease Inception & Expiration Months [Tenant 2]	-	-	-	
Lease Inception & Expiration Months [Tenant 1]	100	June 2026	June 2021	
Lease Inception & Expiration Months [Tenant 2]	100	June 2026	June 2021	
Options/Escalations/Comments [Tenant 1]	100	Nov 01, 2013	0.00	
Options/Escalations/Comments [Tenant 2]	-	Nov 01, 2013	0.00	
Options/Escalations/Comments [Tenant 1]	100	In Lease Term after 2015	-	
Options/Escalations/Comments [Tenant 2]	100	-	-	
Base Stop [Escallator] & Percent of Office Finish-Out [Tenant 12]	100	\$0.00	100%	
Base Stop [Escallator] & Percent of Office Finish-Out [Tenant 2]	-	\$0.00	100%	
Base Stop [Escallator] & Percent of Office Finish-Out [Tenant 1]	100	\$0.00	100%	
Base Stop [Escallator] & Percent of Office Finish-Out [Tenant 2]	100	\$0.00	100%	
		<u>2009</u>	<u>2010</u>	
Operational Expense [General & Administrative]	\$0.16	\$1,610	\$0.00	\$1,600
Operational Expense [Contract Services]	\$0.46	\$4,610	\$0.01	\$4,750
Operational Expense [Janitorial]	\$1.42	\$14,400	\$0.02	\$13,250
Operational Expense [Utilities]	\$2.78	\$28,143	\$0.04	\$30,000
Operational Expense [Management Fees]	\$0.82	\$8,338	\$0.02	\$12,600
Operational Expense [Insurance]	\$0.26	\$2,608	\$0.00	\$2,650
Operational Expense [Property Taxes]	\$2.40	\$24,298	\$0.03	\$24,784
Operational Expense [Non-Billback Expenses]	\$0.00	\$0	\$0.00	\$0
Operational Expense [Repair & Maintenance]	\$0.47	\$4,800	\$0.01	\$4,800
Operational Expense [Sub-Total]	\$8.78	\$88,807	\$9.33	\$94,434
Capital Expense [Capital Reserve]	\$0.00	\$0	\$0.00	\$0
Capital Expense [Tenant Improvements]	\$0.00	\$0	\$0.00	\$0
Capital Expense [Leasing Commissions]	\$0.00	\$0	\$0.00	\$0
Capital Expense [Sub-Total]	\$0.00	\$0	\$0.00	\$0
Operational Expense + Capital Expense	\$8.78	\$88,807	\$9.33	\$94,434
Inflation Rate				3.00%
Income Escallator Factor				2.80%
Expense Escallator Factor [10 Yr. CPI Index Average]				2.28%
CAM Escallator Percentage at Rolls				2.75%
Parking Spaces <Estimated>		<Estimate>		55
Schedule Rental Collection Income				\$0
Scheduled Rent Roll Per Month				\$0
Scheduled Base Rent Current Income Per Annum				\$203,213
Vacant Base Rent Current Income Per Annum				-
Total Potential Gross Rent Current Income Per Annum				\$203,213
Scheduled Additional Rent Reimbursements on Rent Roll				\$0
Scheduled Additional Rent Reimbursements on Master Lease				\$0
Scheduled Additional Rent Reimbursements on Rent Roll				\$0
Sub-Total				\$203,213
Additional Income Per Annum [All Extraneous Income 2009]				\$0
Additional Income Per Annum [All Extraneous Income 2010]				\$0
Additional Income Per Annum [All Extraneous Income 2011]				\$0
Total Potential Gross Income				\$203,213

For Further Information Contact:

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SHERMAN SOCIAL SECURITY BUILDING

DATA INPUT SECTION [PAGE THREE]



Sherman Social Security Building
600 East Peyton Street, Sherman, Texas 75090

Mar-03-2010
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47	Current Occupancy Today on Scheduled Rent On An Income Basis		0.00%
48	Stablized Vacancy Factor for 2009		0.00%
49	Today's Occupancy Level	<Column 1>	100.00%
50	Pro-Forma Year One Occupancy	<Column 2>	100.00%
51	Stabilized Pro-Forma Occupancy	<Column 3>	100.00%
52	Stabilized Pro-Forma Occupancy	<Column 4>	100.00%
53	Operational Expenditures Per NRA <Pro-Forma>		\$8.78
54	Operational Expenditures Per NRA <Pro-Forma+10%>		\$9.66
55	Project Square Footage Gross Area		81,082
56	Project Square Footage Net Rentable Area		10,117
57	Proforma Lease Base Rental Rate NNN		\$16.00
58	Proforma Lease Base Rental Rate NNN [Rate 2]		\$16.00
59	Proforma Lease Expense Reimbursements Rate		\$0.00
60	Project Land Area in Acres		1.884
61	Land Acquisition Cost Per Square Foot of Land		\$8.50
62	Land Acquisition Cost		\$762,961
63	Land Area in Square Feet		89,728
64	Project Appraised Value	<Estimate>	\$1,503,000
65	Projected Cash Downpayment		\$693,000
66	Anticipated Sales Price <Estimated @ Acquisition Cap>		\$1,503,000
67	Project Sales Price <Asking>		\$1,503,000
68	Anticipated Sales Price <Estimated>		\$1,503,000
69	Sub-Total Soft Cost		\$0
70	Total Project Cost Expenditures		\$1,503,000
71	Other Project Related Cost		\$810,000
72	Estimated Original First Mortgage First Mortgage Loan for Amortization		\$810,000
73	Current First Mortgage Outstanding Loan Balance	<Ceiling>	\$810,000
74	First Mortgage Loan Request	<Floor>	\$810,000
75	Optimal First Mortgage Loan Amount	<Ceiling>	\$0
76	Existing First Mortgage Loan Amount	<Floor>	\$810,000
77	First Mortgage Interest Rate		6.00%
78	First Mortgage Amortization		25
79	First Mortgage Debt Coverage Ratio		1.25
80	First Mortgage Monthly Payment		(\$5,218.84)
81	Actual First Mortgage Monthly Payment		\$5,218.84
82	First Mortgage Loan Constant		0.07731617
83	First Mortgage Loan Principal @ Yr. 10		\$618,451
84	Initial Equity Contribution Requirement Prior to Acquisition Costs		\$0
85	Subordinated Principal (Interest Only) Debt to LP Partner B		\$0
86	Negative Cash Flow Subsidy/Interest Impound		\$0
87	Investor's Subordinated Debt Service Interest Rate		7.00%
88	Equity Placement Cost Percentage (if required)		7.00%
89	Acquisition Related Cost		\$0.00
90	Operational Expense [Tax Gain if Fully Valued 80%]	\$8,759	\$1,202,400
91	Project Acquisition & Miscellaneous Cost %		\$0

For Further Information Contact:

The attached calculations have been prepared by Sperry Van Ness | DataVest and are not to be reproduced in any form or fashion whatsoever without written authorization as this information is considered to be both confidential and proprietary in substance and nature.



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SHERMAN SOCIAL SECURITY BUILDING

DATA INPUT SECTION [PAGE FOUR]



Sherman Social Security Building
600 East Peyton Street, Sherman, Texas 75090

Mar-03-2010
4:49:45 PM

29	CPI Inflation Rate		2.28%
30	Income Escallator Factor		2.80%
31	Expense Escallator Factor		2.50%
32	CAM Escallator Percentage at Rolls		3.00%
33	Parking Spaces <Estimated>	<Actual>	53
34			
35	Schedule Rental Collection Income		\$0
36	Vacancy / Collection Loss		0.00%
37	Scheduled Rent Roll Per Month		\$0.00
38	Additional Income Per Per Annum [CAM]		\$0
39	Current Income [Scheduled]		\$0
40	Other Income [Scheduled]		\$5,319
41	Pro-Forma Rent Per Square Foot		\$14.00
42	Current Occupancy/Preleased		100.00%
43	Stabilized Vacancy Factor		0.00%
44	Pro-Forma Occupancy		100.00%
45	Current Operational Expenditures Per NRA		\$8.78
46	Operational Expenditures Per NRA <Pro-Forma>		\$9.33
47	Project Square Footage		10,117
48	Project Land Area in Acres		1.8880
49	Land Acquisition Cost Per Square Foot of Land		\$8.50
50	Land Acquisition Cost		\$699,301
51	Land Area in Square Feet		82,241
52	Project Appraised Value	<Estimate>	\$0
53	Projected Cash Downpayment		\$693,000
54	Anticipated Sales Price <Estimated @ Acquisition Cap>		\$1,503,000
55	Project Sales Price <Asking>	----->	\$1,503,000
56	Anticipated Sales Price <Estimated>		\$1,503,000
57	Estimated Original First Mortgage First Mortgage Loan for Amortization		\$810,000
58	Current First Mortgage Outstanding Loan Balance	<Ceiling @ 1.20 DCR>	\$810,000
59	First Mortgage Loan Request	<Floor @ 1.20 DCR>	\$810,000
60	Optimal First Mortgage Loan Amount	<Ceiling>	\$810,000
61	Existing First Mortgage Loan Amount	<Floor>	\$810,000
62	First Mortgage Interest Rate		6.00%
63	First Mortgage Amortization		25
64	First Mortgage Debt Coverage Ratio		1.25
65	First Mortgage Monthly Payment		(\$5,218.84)
66	Actual First Mortgage Monthly Payment		(\$5,218.84)
67	First Mortgage Loan Constant		0.07731617
68	First Mortgage Loan Principal @ Yr. 10		\$618,451
69	Refinanced First Mortgage Interest Rate		6.25%
70	Refinanced First Mortgage Amortization		25
71	Refinanced First Mortgage Debt Coverage Ratio		1.25
72	Refinanced First Mortgage Loan Constant		(0.00659669)
73	First Mortgage Loan Constant		0.079160325
74	Today's Total Tax Value Assessment Per \$100.00 of Value		-
75	Today's Total Tax Value Including Land at County Records		\$915,808
76	Acquisition Capitalization Rate Estimate		7.75%
77	Disposition Capitalization Rate Estimate		7.75%
78	Investor Preferred Return		0.00%
79	Projected Sales Capitalization Rate on Acquisition		7.75%
80	Projected Sales Capitalization Rate on Disposition		7.75%

For Further Information Contact:

The attached calculations have been prepared by Sperry Van Ness | DataVest and are not to be reproduced in any form or fashion whatsoever without written authorization as this information is considered to be both confidential and and proprietary in substance and nature.



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Managing Director
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Locational Data

Sherman Latitude: 33.619517
Longitude: -96.631304
Sherman, TX Site Type: Radius Radius: 1.0 mile

Summary	2000	2008	2013
Population	2,016	2,316	2,473
Households	997	1,155	1,240
Families	554	629	664
Average Household Size	1.83	1.85	1.85
Owner Occupied HUs	354	436	444
Renter Occupied HUs	643	719	796
Median Age	33.7	33.4	33.8
Total Housing Units	1,101	1,286	1,384
Vacant Housing Units	104	131	144
Average Home Value	\$120,211	\$150,390	\$159,289
Total Businesses	-	65	-
Total Employees	-	579	-

Households by Income	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	260	25.9%	212	18.4%	191	15.4%
\$15,000 - \$24,999	131	13.0%	144	12.5%	142	11.5%
\$25,000 - \$34,999	128	12.7%	120	10.4%	102	8.2%
\$35,000 - \$49,999	184	18.3%	176	15.2%	153	12.3%
\$50,000 - \$74,999	150	14.9%	246	21.3%	312	25.2%
\$75,000 - \$99,999	70	7.0%	112	9.7%	131	10.6%
\$100,000 - \$149,999	50	5.0%	86	7.4%	125	10.1%
\$150,000 - \$199,000	12	1.2%	26	2.3%	35	2.8%
\$200,000+	19	1.9%	33	2.9%	48	3.9%
Median Household Income	\$33,573		\$44,168		\$52,166	
Average Household Income	\$44,624		\$57,675		\$67,823	
Per Capita Income	\$19,580		\$25,177		\$29,481	

Population by Age	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	151	7.5%	179	7.7%	194	7.8%
5 - 14	219	10.9%	229	9.9%	237	9.6%
15 - 19	127	6.3%	141	6.1%	141	5.7%
20 - 24	217	10.8%	253	10.9%	273	11.0%
25 - 34	328	16.3%	405	17.5%	431	17.4%
35 - 44	273	13.5%	266	11.5%	271	11.0%
45 - 54	189	9.4%	233	10.1%	244	9.9%
55 - 64	136	6.7%	187	8.1%	220	8.9%
65 - 74	150	7.4%	163	7.0%	187	7.6%
75 - 84	152	7.5%	169	7.3%	175	7.1%
85+	73	3.6%	90	3.9%	101	4.1%

Race and Ethnicity	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
White Alone	1,690	83.8%	1,848	79.8%	1,908	77.2%
Black Alone	151	7.5%	207	8.9%	242	9.8%
American Indian Alone	36	1.8%	47	2.0%	55	2.2%
Asian Alone	24	1.2%	37	1.6%	46	1.9%
Pacific Islander Alone	1	0.0%	2	0.1%	2	0.1%
Some Other Race Alone	56	2.8%	91	3.9%	118	4.8%
Two or More Races	59	2.9%	84	3.6%	102	4.1%
Hispanic Origin (Any Race)	125	6.2%	201	8.7%	261	10.6%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013 were effective as of July 1, 2008. Business data provided by Acxiom. Copyright 2008, all rights reserved.

Sherman Latitude: 33.619517
Longitude: -96.631304
Sherman, TX Site Type: Radius Radius: 3.0 mile

Summary	2000	2008	2013
Population	28,239	30,352	31,514
Households	10,921	11,611	12,063
Families	7,047	7,386	7,576
Average Household Size	2.44	2.48	2.48
Owner Occupied HUs	6,309	6,977	7,073
Renter Occupied HUs	4,612	4,635	4,990
Median Age	33.5	34.3	35.3
Total Housing Units	11,846	12,703	13,248
Vacant Housing Units	925	1,091	1,185
Average Home Value	\$83,956	\$107,798	\$115,871
Total Businesses	-	2,004	-
Total Employees	-	17,453	-

Households by Income	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,110	19.3%	1,655	14.3%	1,458	12.1%
\$15,000 - \$24,999	1,756	16.1%	1,417	12.2%	1,161	9.6%
\$25,000 - \$34,999	1,515	13.9%	1,422	12.2%	1,248	10.3%
\$35,000 - \$49,999	2,052	18.8%	1,876	16.2%	1,655	13.7%
\$50,000 - \$74,999	1,821	16.7%	2,579	22.2%	3,064	25.4%
\$75,000 - \$99,999	969	8.9%	1,276	11.0%	1,453	12.0%
\$100,000 - \$149,999	420	3.8%	905	7.8%	1,404	11.6%
\$150,000 - \$199,000	96	0.9%	214	1.8%	232	1.9%
\$200,000+	193	1.8%	268	2.3%	385	3.2%
Median Household Income	\$35,478		\$45,937		\$53,635	
Average Household Income	\$48,443		\$58,737		\$68,517	
Per Capita Income	\$18,962		\$23,030		\$26,777	

Population by Age	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,989	7.0%	2,198	7.2%	2,294	7.3%
5 - 14	3,805	13.5%	3,690	12.2%	3,759	11.9%
15 - 19	2,431	8.6%	2,451	8.1%	2,421	7.7%
20 - 24	2,556	9.1%	2,651	8.7%	2,746	8.7%
25 - 34	3,896	13.8%	4,459	14.7%	4,437	14.1%
35 - 44	4,118	14.6%	3,850	12.7%	3,929	12.5%
45 - 54	3,259	11.5%	3,979	13.1%	4,006	12.7%
55 - 64	2,114	7.5%	2,958	9.7%	3,569	11.3%
65 - 74	1,904	6.7%	1,818	6.0%	2,043	6.5%
75 - 84	1,571	5.6%	1,523	5.0%	1,453	4.6%
85+	597	2.1%	774	2.6%	860	2.7%

Race and Ethnicity	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
White Alone	22,458	79.5%	23,025	75.9%	23,172	73.5%
Black Alone	2,922	10.3%	3,496	11.5%	3,835	12.2%
American Indian Alone	385	1.4%	458	1.5%	503	1.6%
Asian Alone	260	0.9%	360	1.2%	430	1.4%
Pacific Islander Alone	11	0.0%	14	0.0%	14	0.0%
Some Other Race Alone	1,485	5.3%	2,074	6.8%	2,498	7.9%
Two or More Races	718	2.5%	925	3.0%	1,062	3.4%
Hispanic Origin (Any Race)	3,476	12.3%	4,807	15.8%	5,756	18.3%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013 were effective as of July 1, 2008. Business data provided by Acxiom. Copyright 2008, all rights reserved.

Sherman Latitude: 33.619517
Longitude: -96.631304
Sherman, TX Site Type: Radius Radius: 5.0 mile

Summary	2000	2008	2013
Population	36,773	39,472	41,065
Households	14,295	15,170	15,776
Families	9,329	9,765	10,040
Average Household Size	2.44	2.48	2.49
Owner Occupied HUs	8,454	9,339	9,505
Renter Occupied HUs	5,841	5,831	6,271
Median Age	34.2	35.1	36.2
Total Housing Units	15,528	16,652	17,385
Vacant Housing Units	1,233	1,482	1,609
Average Home Value	\$83,824	\$107,012	\$115,147
Total Businesses	-	2,833	-
Total Employees	-	25,564	-

Households by Income	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,745	19.2%	2,122	14.0%	1,862	11.8%
\$15,000 - \$24,999	2,292	16.0%	1,877	12.4%	1,547	9.8%
\$25,000 - \$34,999	2,010	14.0%	1,870	12.3%	1,655	10.5%
\$35,000 - \$49,999	2,632	18.4%	2,465	16.2%	2,208	14.0%
\$50,000 - \$74,999	2,369	16.5%	3,279	21.6%	3,959	25.1%
\$75,000 - \$99,999	1,322	9.2%	1,730	11.4%	1,877	11.9%
\$100,000 - \$149,999	581	4.1%	1,207	8.0%	1,872	11.9%
\$150,000 - \$199,000	136	0.9%	280	1.8%	308	2.0%
\$200,000+	237	1.7%	341	2.2%	489	3.1%
Median Household Income	\$35,507		\$45,819		\$53,340	
Average Household Income	\$48,027		\$58,520		\$67,807	
Per Capita Income	\$18,900		\$22,995		\$26,568	

Population by Age	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	2,586	7.0%	2,846	7.2%	2,964	7.2%
5 - 14	5,037	13.7%	4,803	12.2%	4,902	11.9%
15 - 19	3,020	8.2%	3,057	7.7%	3,008	7.3%
20 - 24	3,151	8.6%	3,289	8.3%	3,384	8.2%
25 - 34	4,939	13.4%	5,671	14.4%	5,654	13.8%
35 - 44	5,379	14.6%	4,957	12.6%	5,086	12.4%
45 - 54	4,385	11.9%	5,289	13.4%	5,302	12.9%
55 - 64	2,873	7.8%	4,075	10.3%	4,903	11.9%
65 - 74	2,496	6.8%	2,440	6.2%	2,776	6.8%
75 - 84	2,070	5.6%	2,003	5.1%	1,940	4.7%
85+	837	2.3%	1,040	2.6%	1,144	2.8%

Race and Ethnicity	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
White Alone	29,366	79.9%	30,146	76.4%	30,467	74.2%
Black Alone	3,838	10.4%	4,555	11.5%	4,978	12.1%
American Indian Alone	495	1.3%	589	1.5%	649	1.6%
Asian Alone	359	1.0%	496	1.3%	593	1.4%
Pacific Islander Alone	14	0.0%	18	0.0%	18	0.0%
Some Other Race Alone	1,791	4.9%	2,499	6.3%	3,017	7.3%
Two or More Races	911	2.5%	1,169	3.0%	1,344	3.3%
Hispanic Origin (Any Race)	4,197	11.4%	5,802	14.7%	6,964	17.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013 were effective as of July 1, 2008. Business data provided by Acxiom. Copyright 2008, all rights reserved.

Sherman

Latitude: 33.619517

Sherman, TX

Site Type: Radius

Longitude: -96.631304

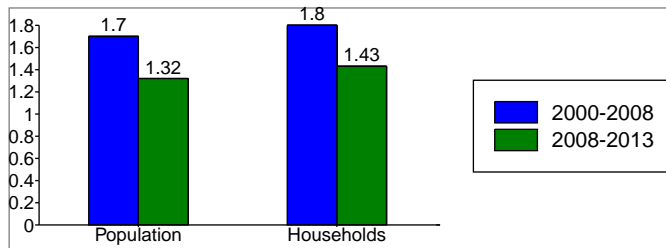
Radius: 1.0 mile

Population and Households

The size of the market area, measured by population and households, has changed from 2000 through the forecast year as follows:

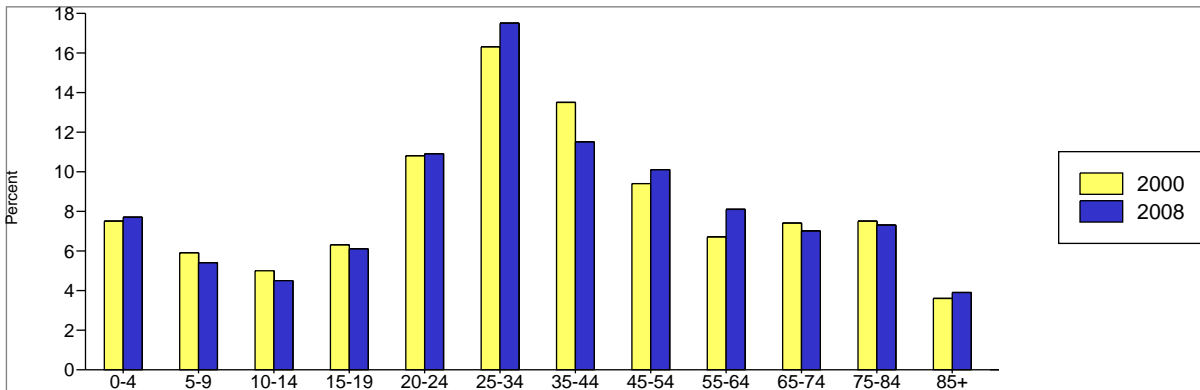
Year	Population	Households
2000	2,016	997
2008	2,316	1,155
2013	2,473	1,240

The difference between change in population and change in households is a result of two factors—the presence of group quarters (non-household) population in the market area and the average number of persons per household. The group quarters population in the market area was 187 in 2000, or 9.3 percent of the total population. Average household size is 1.85 in 2008, compared to 1.83 in the year 2000.



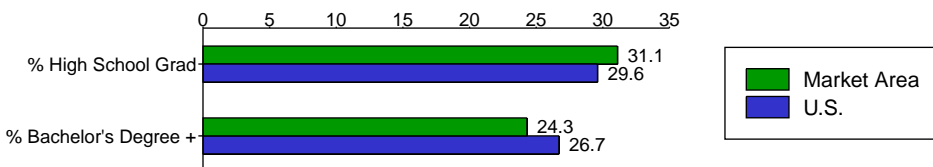
Population by Age

The median age for the United States was 35.3 in 2000 and 36.7 in the current year. In the market area, the median age of the population was 33.7, compared to 33.4 years currently. By age group, the changes in the percent distribution of the market area population show the following:



Population by Education

In 2008, the educational attainment of the population aged 25 years or older in the market area can be summarized:



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

Sherman

Latitude: 33.619517

Sherman, TX

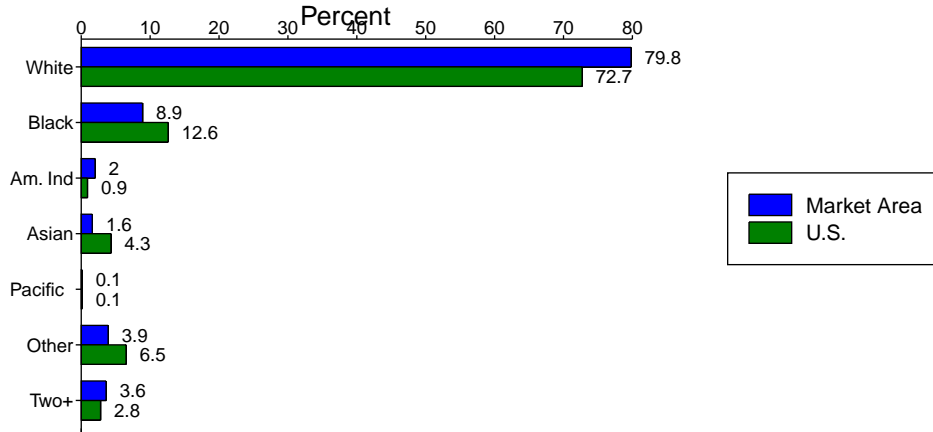
Site Type: Radius

Longitude: -96.631304

Radius: 1.0 mile

Population by Race/Ethnicity

Currently, the racial composition of the population in the market area breaks down as follows:

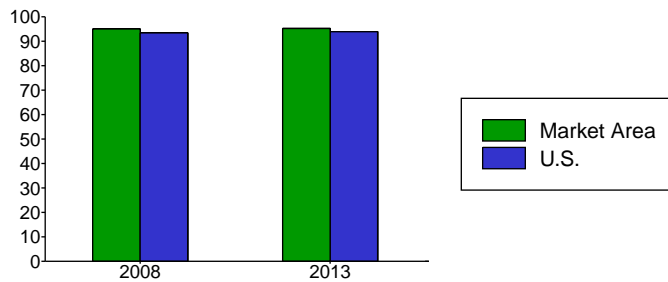


Persons of Hispanic origin represent 8.7 percent of the population in the identified market area compared to 15.0 percent of the U.S. population. Persons of Hispanic Origin may be of any race. In sum, the Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, was 45.7 in the identified market area, compared to 59.3 in the U.S. population.

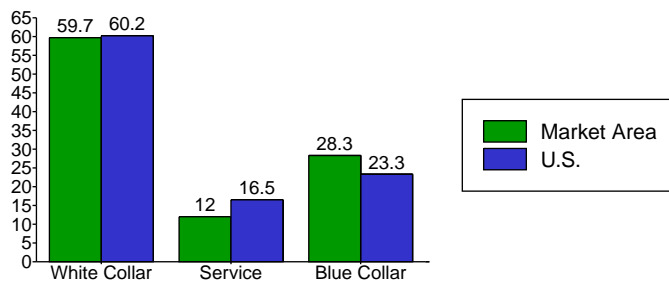
Population by Employment

In 2000, 57.8 percent of the population aged 16 years or older in the market area participated in the labor force; 0.1 percent were in the Armed Forces. Tracking the change in the labor force by unemployment status:

Year	%Employed	%Unemployed
2008	95.0	5.0
2013	95.2	4.8



And by occupational status:



In 2000, 84.5 percent of the market area population drove alone to work, and 1.6 percent worked at home. The average travel time to work in 2000 was 19.8 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

Sherman

Latitude: 33.619517

Sherman, TX

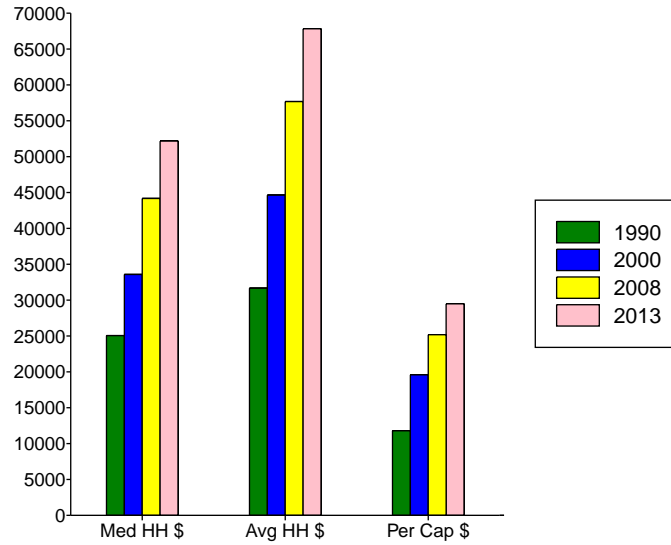
Site Type: Radius

Longitude: -96.631304

Radius: 1.0 mile

Income

The change in three summary measures of income—median and average household income and per capita income—are shown below from 1990 through 2013:



Housing

Currently, 33.9 percent of the 1,286 housing units in the market area are owner occupied; 55.9 percent, renter occupied; and 10.2 percent are vacant. In 2000, there were 1,103 housing units— 32.2 percent owner occupied, 58.4 percent renter occupied and 9.4 percent vacant. The annual rate of change in housing units since 2000 is 1.88 percent. Median home value in the market area is \$119,192, compared to a median home value of \$192,285 for the U.S. In five years, median home value is projected to change by 1.29 percent annually to \$127,083. From 2000 to the current year, median home value changed by 2.64 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

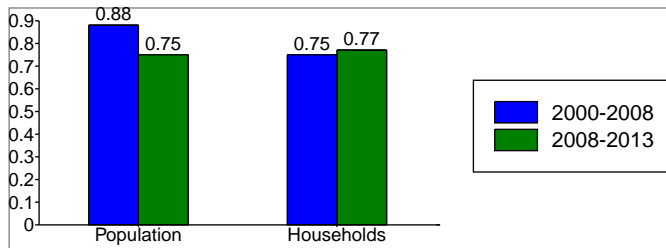
Sherman Latitude: 33.619517
Sherman, TX Longitude: -96.631304
 Site Type: Radius Radius: 3.0 mile

Population and Households

The size of the market area, measured by population and households, has changed from 2000 through the forecast year as follows:

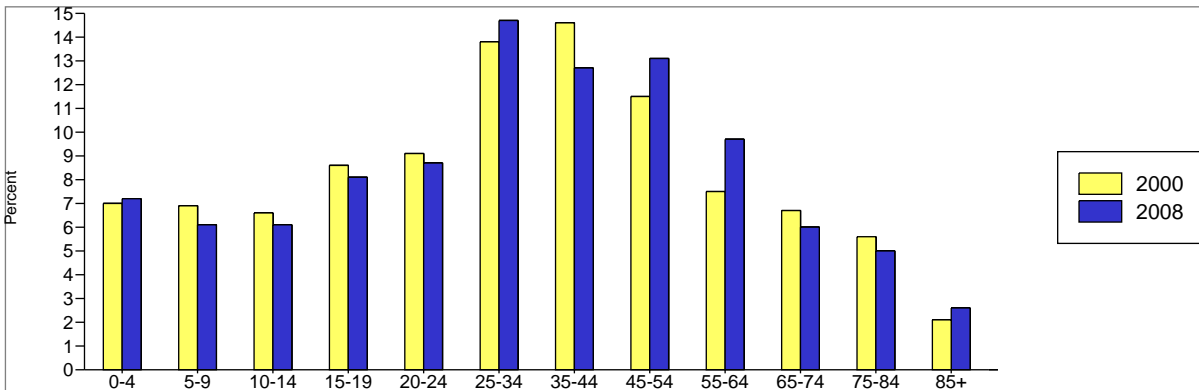
Year	Population	Households
2000	28,239	10,921
2008	30,352	11,611
2013	31,514	12,063

The difference between change in population and change in households is a result of two factors—the presence of group quarters (non-household) population in the market area and the average number of persons per household. The group quarters population in the market area was 1,619 in 2000, or 5.7 percent of the total population. Average household size is 2.48 in 2008, compared to 2.44 in the year 2000.



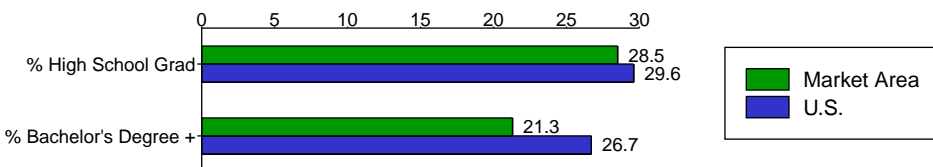
Population by Age

The median age for the United States was 35.3 in 2000 and 36.7 in the current year. In the market area, the median age of the population was 33.5, compared to 34.3 years currently. By age group, the changes in the percent distribution of the market area population show the following:



Population by Education

In 2008, the educational attainment of the population aged 25 years or older in the market area can be summarized:



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

Sherman

Latitude: 33.619517

Sherman, TX

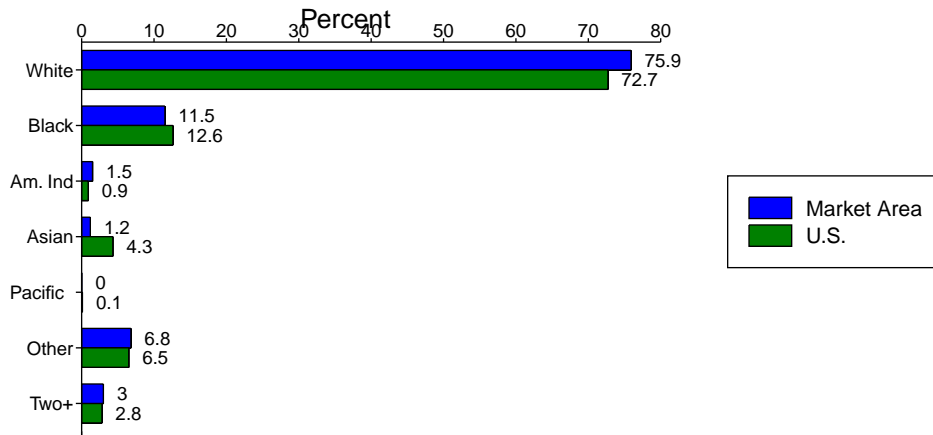
Site Type: Radius

Longitude: -96.631304

Radius: 3.0 mile

Population by Race/Ethnicity

Currently, the racial composition of the population in the market area breaks down as follows:

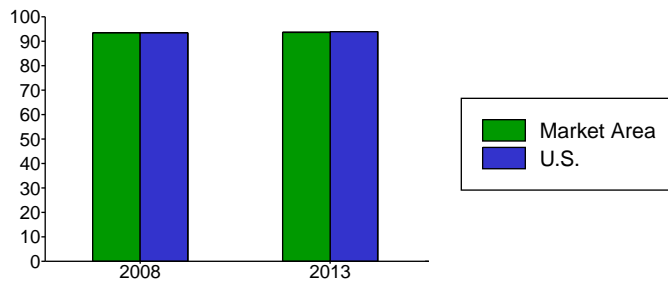


Persons of Hispanic origin represent 15.8 percent of the population in the identified market area compared to 15.0 percent of the U.S. population. Persons of Hispanic Origin may be of any race. In sum, the Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, was 56.8 in the identified market area, compared to 59.3 in the U.S. population.

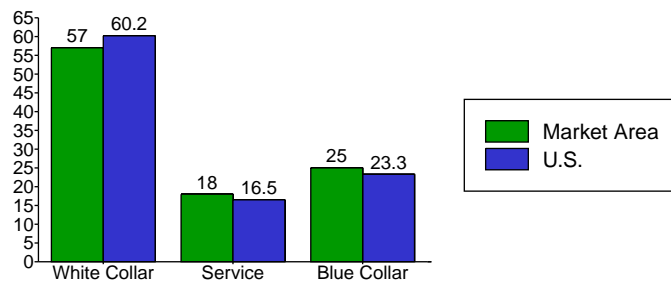
Population by Employment

In 2000, 60.4 percent of the population aged 16 years or older in the market area participated in the labor force; 0.1 percent were in the Armed Forces. Tracking the change in the labor force by unemployment status:

Year	%Employed	%Unemployed
2008	93.4	6.6
2013	93.6	6.4



And by occupational status:



In 2000, 78.1 percent of the market area population drove alone to work, and 2.1 percent worked at home. The average travel time to work in 2000 was 20.2 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013. ESRI converted 1990 Census data into 2000 geography.

Sherman			
Latitude: 33.619517	Sherman, TX	Sherman, TX	Sherman, TX
Longitude: -96.631304	Radius: 1.0 mile	Radius: 3.0 mile	Radius: 5.0 mile



2008 Employed Population 16+ by Industry

Total	1,036	12,789	16,699
Agriculture/Mining	0.0%	0.5%	0.6%
Construction	9.7%	7.5%	7.3%
Manufacturing	18.7%	14.4%	14.9%
Wholesale Trade	2.8%	2.8%	2.7%
Retail Trade	13.0%	12.6%	12.5%
Transportation/Utilities	3.8%	3.1%	3.4%
Information	1.4%	1.7%	1.7%
Finance/Insurance/Real Estate	8.5%	8.7%	8.9%
Services	37.6%	44.5%	43.9%
Public Administration	4.5%	4.3%	4.1%

2008 Employed Population 16+ by Occupation

Total	1,036	12,788	16,701
White Collar	59.7%	57.0%	57.2%
Management/Business/Financial	12.7%	10.9%	11.1%
Professional	22.1%	20.8%	21.0%
Sales	14.9%	11.6%	11.4%
Administrative Support	10.0%	13.7%	13.7%
Services	12.0%	18.0%	17.4%
Blue Collar	28.3%	25.0%	25.4%
Farming/Forestry/Fishing	0.0%	0.1%	0.2%
Construction/Extraction	9.0%	6.2%	5.9%
Installation/Maintenance/Repair	3.7%	2.9%	3.1%
Production	10.5%	10.2%	10.3%
Transportation/Material Moving	5.1%	5.6%	5.8%



2000 Workers 16+ by Means of Transportation to Work

Total	852	12,420	16,177
Drove Alone - Car, Truck, or Van	84.5%	78.1%	79.1%
Carpooled - Car, Truck, or Van	13.0%	15.5%	14.7%
Public Transportation	0.0%	0.2%	0.2%
Walked	0.8%	3.3%	3.0%
Other Means	0.0%	0.8%	0.8%
Worked at Home	1.6%	2.1%	2.3%

2000 Workers 16+ by Travel Time to Work

Total	852	12,422	16,176
Did Not Work at Home	98.4%	97.9%	97.7%
Less than 5 minutes	3.3%	3.9%	3.7%
5 to 9 minutes	14.8%	19.6%	18.5%
10 to 19 minutes	50.4%	45.3%	45.5%
20 to 24 minutes	8.5%	7.9%	8.2%
25 to 34 minutes	8.8%	6.8%	7.5%
35 to 44 minutes	2.3%	3.0%	2.8%
45 to 59 minutes	2.8%	4.3%	4.2%
60 to 89 minutes	5.0%	4.7%	4.9%
90 or more minutes	2.5%	2.5%	2.6%
Worked at Home	1.6%	2.1%	2.3%
Average Travel Time to Work (in min)	19.8	20.2	20.5

2000 Households by Vehicles Available

Total	1,017	10,934	14,309
None	6.3%	8.0%	7.9%
1	50.3%	38.3%	37.6%
2	32.8%	40.0%	40.2%
3	9.1%	10.7%	11.2%
4	0.8%	2.3%	2.3%
5+	0.6%	0.8%	0.8%
Average Number of Vehicles Available	1.5	1.6	1.7

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008.

Sherman

Latitude: 33.619517

Longitude: -96.631304

Sherman, TX
Radius: 1.0 mile

Sherman, TX
Radius: 3.0 mile

Sherman, TX
Radius: 5.0 mile



2000 Households by Type

	Sherman, TX Radius: 1.0 mile	Sherman, TX Radius: 3.0 mile	Sherman, TX Radius: 5.0 mile
Total	998	10,921	14,294
Family Households	55.5%	64.5%	65.3%
Married-couple Family	42.0%	47.4%	48.5%
With Related Children	19.0%	22.7%	22.8%
Other Family (No Spouse)	13.5%	17.1%	16.8%
With Related Children	9.9%	11.3%	11.3%
Nonfamily Households	44.5%	35.5%	34.7%
Householder Living Alone	37.2%	30.0%	29.5%
Householder Not Living Alone	7.3%	5.5%	5.2%
Households with Related Children	29.0%	34.0%	34.2%
Households with Persons 65+	20.5%	25.6%	25.7%

2000 Households by Size

	Sherman, TX Radius: 1.0 mile	Sherman, TX Radius: 3.0 mile	Sherman, TX Radius: 5.0 mile
Total	997	10,921	14,295
1 Person Household	37.2%	30.0%	29.5%
2 Person Household	31.9%	32.1%	32.5%
3 Person Household	14.3%	15.9%	16.0%
4 Person Household	11.0%	12.8%	12.9%
5 Person Household	4.2%	5.7%	5.7%
6 Person Household	0.9%	2.1%	2.1%
7+ Person Household	0.4%	1.3%	1.2%

2000 Households by Year Householder Moved In

	Sherman, TX Radius: 1.0 mile	Sherman, TX Radius: 3.0 mile	Sherman, TX Radius: 5.0 mile
Total	1,017	10,936	14,309
Moved in 1999 to March 2000	55.9%	28.4%	28.0%
Moved in 1995 to 1998	21.9%	25.5%	25.5%
Moved in 1990 to 1994	9.1%	13.1%	13.0%
Moved in 1980 to 1989	5.8%	12.9%	14.1%
Moved in 1970 to 1979	3.7%	9.9%	10.5%
Moved in 1969 or Earlier	3.4%	10.2%	8.9%
Median Year Householder Moved In	2000	1996	1996



2000 Housing Units by Units in Structure

	Sherman, TX Radius: 1.0 mile	Sherman, TX Radius: 3.0 mile	Sherman, TX Radius: 5.0 mile
Total	1,130	11,855	15,539
1, Detached	36.3%	67.8%	65.7%
1, Attached	0.7%	2.4%	2.2%
2	2.3%	3.6%	3.1%
3 or 4	14.2%	5.2%	4.7%
5 to 9	17.8%	6.2%	6.2%
10 to 19	4.5%	3.6%	3.6%
20+	20.7%	8.6%	9.4%
Mobile Home	3.5%	2.7%	4.9%
Other	0.0%	0.0%	0.1%

2000 Housing Units by Year Structure Built

	Sherman, TX Radius: 1.0 mile	Sherman, TX Radius: 3.0 mile	Sherman, TX Radius: 5.0 mile
Total	1,130	11,840	15,548
1999 to March 2000	11.8%	2.0%	2.2%
1995 to 1998	24.7%	6.5%	6.6%
1990 to 1994	10.5%	3.8%	4.2%
1980 to 1989	20.8%	14.2%	17.3%
1970 to 1979	14.2%	18.3%	19.9%
1969 or Earlier	18.0%	55.1%	49.9%
Median Year Structure Built	1989	1967	1970

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.

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Latitude: 33.619517	Sherman, TX	Sherman, TX	Sherman, TX
Longitude: -96.631304	Radius: 1.0 mile	Radius: 3.0 mile	Radius: 5.0 mile



2000 Population 3+ by School Enrollment

Total	1,885	27,024	35,169
Enrolled in Nursery/Preschool	2.4%	1.7%	1.8%
Enrolled in Kindergarten	1.1%	1.3%	1.3%
Enrolled in Grade 1-8	10.0%	11.6%	11.8%
Enrolled in Grade 9-12	4.8%	5.5%	5.6%
Enrolled in College	5.8%	7.3%	6.7%
Enrolled in Grad/Prof School	0.8%	0.5%	0.5%
Not Enrolled in School	75.0%	72.0%	72.3%

2008 Population 25+ by Educational Attainment


Total	1,513	19,360	25,475
Less than 9th Grade	7.9%	8.0%	7.2%
9th - 12th Grade, No Diploma	10.6%	11.1%	11.4%
High School Graduate	31.1%	28.5%	28.1%
Some College, No Degree	17.4%	22.7%	22.8%
Associate Degree	8.6%	8.5%	9.2%
Bachelor's Degree	17.1%	13.1%	13.4%
Graduate/Professional Degree	7.2%	8.2%	7.8%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008.

Sherman			
Latitude: 33.619517	Sherman, TX	Sherman, TX	Sherman, TX
Longitude: -96.631304	Radius: 1.0 mile	Radius: 3.0 mile	Radius: 5.0 mile

Top 3 Tapestry Segments

1.	Old and Newcomers	Home Town	Home Town
2.	Enterprising Professio	Midlife Junction	Midlife Junction
3.		Rustbelt Traditions	Rustbelt Traditions

 **2008 Consumer Spending** shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Apparel & Services: Total \$	\$2,147,784	\$21,327,332	\$27,713,284
Average Spent	\$1,859.55	\$1,836.82	\$1,826.85
Spending Potential Index	69	68	68
Computers & Accessories: Total \$	\$233,307	\$2,247,777	\$2,917,055
Average Spent	\$202.00	\$193.59	\$192.29
Spending Potential Index	84	81	80
Education: Total \$	\$1,335,137	\$13,274,659	\$17,103,734
Average Spent	\$1,155.96	\$1,143.28	\$1,127.47
Spending Potential Index	84	83	82
Entertainment/Recreation: Total \$	\$3,286,259	\$34,438,877	\$44,978,974
Average Spent	\$2,845.25	\$2,966.06	\$2,964.99
Spending Potential Index	77	80	80
Food at Home: Total \$	\$4,540,568	\$46,491,357	\$60,764,249
Average Spent	\$3,931.23	\$4,004.08	\$4,005.55
Spending Potential Index	80	82	82
Food Away from Home: Total \$	\$3,229,425	\$32,624,489	\$42,475,560
Average Spent	\$2,796.04	\$2,809.79	\$2,799.97
Spending Potential Index	82	82	82
Health Care: Total \$	\$3,506,476	\$39,637,473	\$51,954,731
Average Spent	\$3,035.91	\$3,413.79	\$3,424.83
Spending Potential Index	74	83	84
HH Furnishings & Equipment: Total \$	\$1,938,457	\$19,758,958	\$25,613,492
Average Spent	\$1,678.32	\$1,701.74	\$1,688.43
Spending Potential Index	73	74	73
Investments: Total \$	\$830,897	\$9,070,365	\$11,505,986
Average Spent	\$719.39	\$781.19	\$758.47
Spending Potential Index	71	77	75
Retail Goods: Total \$	\$23,609,299	\$245,254,564	\$320,943,002
Average Spent	\$20,440.95	\$21,122.60	\$21,156.43
Spending Potential Index	75	78	78
Shelter: Total \$	\$14,779,441	\$141,581,856	\$183,038,888
Average Spent	\$12,796.05	\$12,193.77	\$12,065.85
Spending Potential Index	82	79	78
TV/Video/Sound Equipment: Total \$	\$1,357,619	\$13,808,029	\$17,969,030
Average Spent	\$1,175.43	\$1,189.22	\$1,184.51
Spending Potential Index	82	83	82
Travel: Total \$	\$1,647,529	\$16,870,015	\$21,849,322
Average Spent	\$1,426.43	\$1,452.93	\$1,440.30
Spending Potential Index	76	77	76
Vehicle Maintenance & Repairs: Total \$	\$914,450	\$9,180,055	\$11,997,800
Average Spent	\$791.73	\$790.63	\$790.89
Spending Potential Index	80	80	80

Data Note: The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Advisor Profile



Personal Resume
D. Bruce Marshall



For further information contact:

Bruce Marshall
Managing Director
5057 Keller Springs Road [Suite 110]
Addison, Texas 75001
email: bruce.marshall@svn.com



Bruce Marshall
Managing Director

Bruce Marshall has been actively involved in commercial real estate since 1972. His professional real estate resume includes extensive personal involvement in institutional lending, commercial and residential real estate development, equity placement, commercial mortgage loan placement, general contracting, tenant representation, limited partnership syndication, property management, and real estate brokerage. In 2007, Mr. Marshall was one of the top 30 salesman for Sperry Van Ness in 2007 and achieved Partner's Circle status in the firm. His personal completion of \$80,000,000 of sales volume for 2007 placed him in the top 3% of the 900 plus national SVN sales advisors.

Mr. Marshall's career started with his association with First Mortgage Investors, the nation's 1st Real Estate Investment Trust [REIT] in Miami Beach, Florida. Mr. Marshall was a co-founding partner of North Texas Financial Group, a firm which was involved in the acquisition, syndication, construction, leasing, and operation of approximately 65 different industrial, commercial, retail, and land holdings in the Dallas Fort Worth Area.

His professional real estate investment activities over the past 35 years have involved undertakings exceeding valuations of \$600,000,000 and have included both commercial and residential holdings in most types of real estate including: office, office flex, office tech, office showroom, industrial warehouse, hotels, retail, multi-family, as well as land and industrial subdivision land development. Mr. Marshall has likewise been involved in extensive international real estate activities both as a fiduciary and/or as a principal with investors from Canada, the United Kingdom, Saudi Arabia, and Japan.

He was also involved in the due diligence review and disposition structuring of approximately \$3,000,000,000 of R.E.O. assets of the former Home Savings of Kansas City, Missouri. He has served as an "Expert Witness" for several law firms in the United States Federal Courts and was additionally a contributing author in a book published by John Wiley Brothers in 1995 involving explication of various proprietary analytical and computer-based methodologies utilized for income property analysis which he developed.

Mr. Marshall is a 1972 "*magna cum laude*" graduate of Denison University in Granville, Ohio and a 1968 graduate of the eastern preparatory school, Williston Academy, in Easthampton, Mass. He was a member of the nationally-ranked Varsity College Lacrosse Team and was also Captain of his collegiate Varsity Soccer Team. At Denison, he was selected to be a member of Omicron Delta Kappa, a national leadership honorary, and Rush Chairman of the Sigma Chi Fraternity. He has been married to Georgia Cramer Marshall for 29 years and they have six children ranging in age from 18-28.

Congratulations TOP ADVISORS 2007

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Partner's Circle Announcement

Wallstreet Journal

1-15-2008

Properties Recently Sold by Bruce Marshall

The Harrison Office/Fin Portfolio Sale
Dallas, Texas



A 27,000 square foot office of 12,000 sq ft in **Fin, Dallas, Commerce Center** and **Fin, Dallas, Commerce Center** in Dallas, Texas. The underwriter is pleased to announce the sale of a 12 property portfolio for \$48,000,000 of office, office flex and industrial properties in the Dallas, Metroplex.

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Sperry Van Ness

Richardson Drive Office
1473 Richardson Drive in Richardson, Texas



A 14,218 square foot office building (total area of 14,218) in **Richardson, Texas**.

The underwriter is pleased to announce the sale of the 75% occupied office building built in 1992 for a sale price of \$4,612,500 or \$325 per square foot and a cap rate of 7%.

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Sperry Van Ness

Greenleaf Commercial
Richardson, Texas



A 42,430 square foot office building (total area of 42,430) in **Richardson, Texas**.

The underwriter is pleased to announce the sale of the 44% occupied, built office-flex facility for \$2,929,750 at \$69.25 per square foot and a cap rate of 7%.

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Sperry Van Ness

Chickadee Warehouse
2120-2126 Chickadee in Farmers Branch, Texas



A 10,929 Square Feet, Multi-Tenure 1200 Sqm **Chickadee** in **Farmers Branch, Texas**.

The underwriter is pleased to announce the sale of the 10% occupied building for \$3,119,511, which represents \$285 per square foot and a 7.6% cap rate.

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Sperry Van Ness

Memphis Midway
12000 Midway in Farmers Branch, Texas



A 41,974 square foot office and retail building located in **Midway** in **Farmers Branch, Texas**.


The underwriter is pleased to announce the sale of the 75% occupied building, built in 1977 for a sales price of \$3,206,100 or \$77.22 per square foot and a cap rate of 6.75%.

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Sperry Van Ness


Park Forest Flex
10500-10610 Matris in Dallas, Texas



A 100,491 Square Feet, Multi-Tenure 1947 **Park Forest Flex** Building.

The underwriter is pleased to announce the sale of the 67% occupied property for \$7,692,070 at a price of \$46.54 per square foot and a cap rate of 6.35%.

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Sperry Van Ness

Midway Office
14040 Midway in Farmers Branch, Texas



A 42,273 square foot 58% occupied **Midway** in **Farmers Branch, Texas**.


The underwriter is pleased to announce the sale of the property for \$3,201,222 which represented a sales price of \$66.8 per square foot and a 7.6% cap rate.

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Sperry Van Ness


Gamma Office
13714 Gamma in Farmers Branch, Texas



A 10,000 square foot 88% occupied office property in **Farmers Branch, Texas**.

The underwriter is pleased to announce the sale of the 55% occupied office building built in 1987 for \$1,410,770 at a price per square foot of \$77.42 and a cap rate of 2.6%.

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Sperry Van Ness

Spring Creek Business Bldg
1600 N. Glenridge, Richardson, Texas



A 19,245 Square Feet, Multi-Tenure 1241 **Office** in **Richardson, Texas**.

The underwriter is pleased to announce the sale of this 90% occupied property for \$2,429,409 which represents \$127.22 per square foot and a 6.6% cap rate.

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Sperry Van Ness

Essex Warehouse
1441 Essex Drive in Richardson, Texas



A 147,113 Square Feet, Single Tenure Industrial **Warehouse** in **Richardson, Texas**.


The underwriter is pleased to announce the sale of the 0% occupied property built in 1981 at a price/acre 100% occupied cap rate of 13% and a price/af of \$47.15 or \$1,251,255.

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Sperry Van Ness


Tech III Center
10755 Center Street in Dallas, Texas



A 14,643 Square Feet Office Bldg, 100% **Office** in **Dallas, Texas**.

The underwriter is pleased to announce the sale of this property built in 1984 for \$1,528,213 at a sales price per square foot cost of \$103.8 and a cap rate of 6.25%.

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Sperry Van Ness

Salvador II Bldg
1602-1701 Gamma Drive in Farmers Branch, Texas



A 18,048 Sq Square Feet, Multi-Tenure **Industrial Property** located in **Farmers Branch, Texas**.

The underwriter is pleased to announce the sale of the industrial property for \$7,495,336 which represents \$415.47 per square foot and a cap rate of 6.12%.

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Sperry Van Ness

Properties Recently Sold by Bruce Marshall

Calvin Street Hoesters NNN Restaurant
1211 North Collins Street in Arlington, Texas



A 2,000 square foot restaurant property located in Arlington, Texas.

The undersigned is pleased to announce the sale of this property for \$3,450,000 which represented a price of \$1725 per square foot and a cap rate of 6.2%.

For further information contact:
Bruce Marshall
Managing Director
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email: bruce.marshall@spv.com



Sperry Van Ness

Lincoln Park Office Center
4292 North Lincoln Center, Oklahoma City, Oklahoma



A 166,127 square foot office building located in Oklahoma City, Oklahoma.

The undersigned is pleased to announce the sale of this property for \$3,600,000 at \$21.67 per square foot and a cap rate of 6.23%.

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Sperry Van Ness

Free Park, Ten Office Plaza
4440 Free Park Ten Blvd in San Antonio, Texas



A 121,241 square foot office building located in San Antonio, Texas.


The undersigned is pleased to announce the sale of this property for \$2,600,000 which represented \$21.48 per square foot and a cap rate of 6.2%.

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Sperry Van Ness


Clarks Products Building
1100 107th Street in Grand Prairie, Texas



A 112,102 square foot single tenant industrial building located in Grand Prairie, Texas.

The undersigned is pleased to announce the sale of this property for \$2,270,000 which represents \$20.28 per square foot and a 10.3% cap rate.

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Sperry Van Ness

Counterspace Tech Center
1801/1402 N. Glenella Road in Richardson, Texas



A 102,070 square foot office building located in Richardson, Texas.


The undersigned is pleased to announce the sale of this property for \$3,409,070 representing a price per square foot of \$33.40 per square foot and a cap rate of 3.91%.

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Sperry Van Ness


Metro Crystal
2449 Midway Road in Carrollton, Texas



A 101,811 square foot office building located in Carrollton, Texas.


The undersigned is pleased to announce the sale of this \$1,812,000 Office Park Property for \$23.24 per square foot at a cap rate of 7.2%.

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Sperry Van Ness

Metro Crystal II
3015 Kelsburg Drive in Carrollton, Texas



A 122,441 square foot office building located in Carrollton, Texas.

The undersigned is pleased to announce the sale of this \$4,225,000 Multi-Tenant Office Park Property for \$34.50/sf at a 3.9% Cap Rate.

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Sperry Van Ness

Campbell Road Center
Richardson, Texas



A 10,000 square foot multi-tenant retail building located in Richardson, Texas.

The undersigned is pleased to announce the sale of this property for \$21,000,000 at a sale price of \$2100 per square foot and a cap rate of 6.2%.

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Sperry Van Ness

C&S Road Medical Center
1412 East Road in Dallas, Texas



A 11,117 square foot medical office building located in Dallas, Texas.


The undersigned is pleased to announce the sale of this \$12,350,000 Medical Property at \$1100 per square foot and a cap rate of 7.42%.

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Sperry Van Ness


Waldbaugh Bank Center
150 Westwood Way in Dallas, Texas



A 24,812 square foot bank building located in Dallas, Texas.


The undersigned is pleased to announce the \$8,200,000 sale of this property at a price per square foot of \$111 and a cap rate of 4.25%.

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Sperry Van Ness


PNC Bank Ground Lease
Worsham's Village



A 10 Year Ground Lease to PNC Bank at Worsham's Village in Carrollton, Texas.

The undersigned is pleased to announce the \$2,247,500 sale of this 10 year Ground Lease at a 6.2% Cap Rate and representing a Sale Price of \$22.52/sf of Land.

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Sperry Van Ness

JF Morgan Chase Office Building
1841 Saylor Avenue in Dallas, Texas



A 11,184 square foot office building located in Dallas, Texas.

The undersigned is pleased to announce the Sale of this \$2,150,000 asset @ \$197.00 per square foot at a cap rate of 8.25%.

For further information contact:
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Sperry Van Ness

7. Brokerage Services Disclosure Form



APPROVED BY THE TEXAS REAL ESTATE COMMISSION FOR VOLUNTARY USE

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers, and landlords.

WHO WILL THE BROKER REPRESENT IN THIS TRANSACTION?

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

WHO WILL THE BROKER REPRESENT IN THIS TRANSACTION?

IF THE BROKER REPRESENTS THE OWNER: The broker become the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER: The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representative agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY: The broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction (1) shall treat all parties honestly; (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner; (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by the Texas Real Estate License Act, or a court order -or if the information materially relates to the condition of the property. With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. You payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

DISCLOSURE OF AGENCY, IF ANY: The broker named below represents:

Owner ___ Buyer ___ Owner and Buyer ___

By _____ Date _____

ACKNOWLEDGEMENT OF RECEIPT OF AGENCY DISCLOSURE FORM:

I acknowledge I have received a copy of this form. I understand that agreements I may sign may affect agency relationships and that that broker may only represent both the Owner and Buyer with their full knowledge and consent.

Owner (Landlord) or Buyer (Tenant) or Authorized Representative

Date:

Owner (Landlord) or Buyer (Tenant) or Authorized Representative

Date:

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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party.

All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. Sperry Van Ness makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. Sperry Van Ness does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance.

Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies.

All properties and services are marketed by Sperry Van Ness in compliance with all applicable fair housing and equal opportunity laws.

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