

# Alcosta Medical Center

## Lease vs. Own

OWN		LEASE	
<b>Purchase Assumptions</b>		<b>Lease Assumptions</b>	
Square Footage:	1,194	Square Footage:	1,194
Purchase Price:	\$555,210	Lease Rate NNN:	\$3.00
Tenant Improvements:	\$47,760	<i>\$40 psf TI's included</i>	
<u>Total Investment:</u>	<u>\$602,970</u>	<u>Monthly Lease:</u>	<u>\$3,582.00</u>
<b>Start-up Costs:</b>		<b>Start-up Costs:</b>	
10% Down Payment:	\$60,297	Pre-Paid Rent:	\$3,582.00
SBA Loan Fee(financed):	\$1,567.72	Security Deposit:	\$4,673.70
Closing Costs:	\$9,044.55	Closing Costs:	\$0.00
<u>Total Start-up Costs:</u>	<u>\$69,341.55</u>	<u>Total Start-up Costs:</u>	<u>\$8,255.70</u>
<b>Monthly Costs PSF</b>		<b>Monthly Costs PSF</b>	
Mortgage Payment (P&I):	\$2.99    \$3,566.09	Lease Payment:	\$3.00    \$3,582.00
Operating Expenses:	\$0.65    \$776.10	Operating Expenses:	\$0.65    \$776.10
*Real Property Tax	\$0.49    \$582.87	*Real Property Taxes	\$0.45    \$536.70
<u>Total Monthly Costs:</u>	<u>\$4,925.06</u>	<u>Total Monthly Costs:</u>	<u>\$4,894.80</u>
<b>Estimated Monthly Ownership Benefits</b>		<b>Estimated Monthly Lease Benefits</b>	
<b>Tax Benefits***</b>		<b>Tax Benefits***</b>	
Depreciation Benefit:	\$383.30	Depreciation Benefit:	\$0.00
1st Year Interest Deduction:	\$883.82	Rent Deduction:	\$1,253.70
**Operating Expense Deduction:	\$271.64	**Operating Expense Deduction:	\$271.64
Property Tax Deduction:	\$204.00	Property Tax Deduction:	\$187.85
<b>Other Benefits</b>		<b>Other Benefits</b>	
Principal Reduction (Yr 1 Avg):	\$1,040.89	Principal Reduction (Yr 1 Avg):	\$0.00
Average Appreciation 2%:	\$1,004.95	Average Appreciation 2%:	\$0.00
Rental Income:	\$0.00	Rental Income:	\$0.00
<u>Total Ownership Benefits:</u>	<u>\$3,788.60</u>	<u>Total Ownership Benefits:</u>	<u>\$1,713.18</u>
<b>Total Effective Monthly Cost:</b>	<b>\$1,136.46</b>	<b>Total Effective Monthly Cost:</b>	<b>\$3,181.62</b>

For more information contact: [Matt Cheeseman](mailto:mcheeseman@colliersparrish.com)  
 5050 Hopyard Rd, Ste 180  
 Pleasanton, CA 94588  
 925-227-6232 or [mcheeseman@colliersparrish.com](mailto:mcheeseman@colliersparrish.com)

\*Taxes based on county rate of 1.160%  
 \*\* Based on 2010 OA/Operating Expense Budget  
 \*\*\*Subject to tax bracket

\*\*\*Assumed 35%

The information furnished has been obtained from sources we deem reliable and is submitted subject of errors, omissions, and changes. Although Colliers International has no reason to doubt its accuracy we do not guarantee it. Please consult your tax advisor for further details on your tax benefits. All information should be verified by the recipient prior to lease, purchase, exchange, or execution of legal documents.

# Alcosta Medical Center

## Financing Scenario

### Assumptions

Square Feet	1,194
Purchase Price	\$602,970
Down Payment	\$60,297
Loan Amount	\$542,673
LTV	90%

### 1st Deed Financing

Loan Amount	\$301,485
LTV	50%
Interest Rate	6.00%
Fixed rate term in years	10
Term in years	25
Amortization in years	25

Monthly Payment	\$1,942
*Principal Payment	\$504
*Interest Payment	\$1,438

\* Monthly average over 5 years

Prepayment Penalty	5,4,3,2,1%
Loan Fee	
1.00%	\$3,014.85

### 2nd Deed Financing/e.g. SBA 504

Loan Amount	\$241,188
LTV	40%
Interest Rate	5.16%
Term in years	20
Amortization in years	20

Monthly Payment	\$1,624
*Principal Payment	\$658
*Interest Payment	\$966

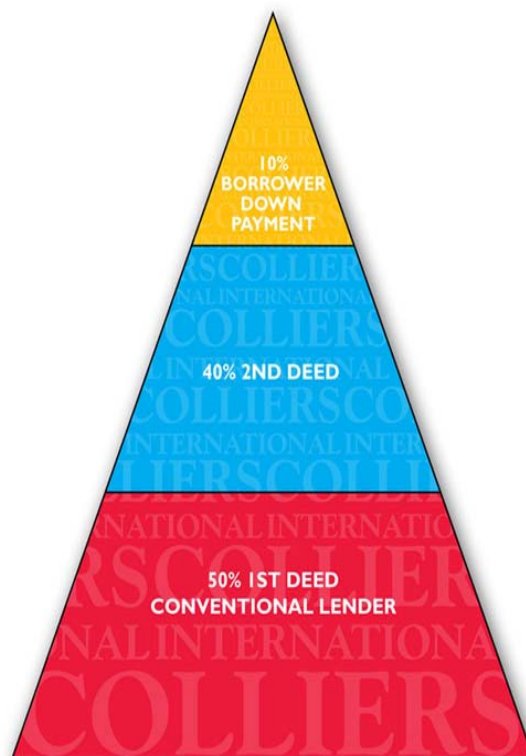
\* Monthly average over 5 years

Prepayment Penalty	10% declining
Loan Fee	
0.65%	\$1,567.72

### Financing Totals

Monthly Payment	\$3,566.09
Annual Payment	\$42,793.04
Annual Principal Payment	\$13,945.79
Annual Interest Payment	\$28,847.25

### Typical SBA 504 Loan Structure



For more information contact: Matt Cheeseman  
 5050 Hopyard Rd, Ste 180  
 Pleasanton, CA 94588  
 925-227-6232 or mcheeseman@colliersparrish.com

This is not a commitment to lend. The information furnished has been obtained from sources we deem reliable and is submitted subject to errors, omissions, and changes. Although Colliers International has no reason to doubt its accuracy we do not guarantee it. Please consult your tax advisor for further details on your tax benefits.