

Barry P. Skolnick
Principal

December 6, 2004

<Contact Name Intentionally Deleted>
<Client Name Intentionally Deleted>
<Address Intentionally Deleted>
<City>, <State> <ZIP>

Re: Consulting Agreement # 04-2103
Sample Office/Industrial Property
<City>, <State>

Dear <Contact Name Intentionally Deleted>:

In accordance with the terms of the referenced Consulting Agreement, attached hereto please find the **Financial Analysis** for the referenced property.

The **In Place Net Operating Income** is \$ **2,712,340** after deduction of a **3.15 % Management Fee** and **Replacement Reserves** of \$ **00.00** per square foot.

As detailed herein, several adjustments were made to the property's operating history in order to derive the results summarized above. These changes include:

INCOME

In Place Amounts of **Base Rent** have been adjusted based on the annualized value of the current monthly payments of all recognized tenants on the current rent roll.

Base Rent has been adjusted based on the results of the cash receipts testing.

See **Schedule Rent Roll: Rent Roll Analysis** and **Schedule BR: Base Rent**.

Other Income has been adjusted for extraordinary year-end adjustment relating to an overstatement of tenant improvements in December, 2003. See **Schedule OI: Other Income**.

OPERATING EXPENSES

Property Taxes reflect the **Current Real Estate Tax bills in place**. See **Schedule PT: Property Taxes** and **Schedule TB: Tax Bill Analysis**.

Insurance Expense is based on the current Insurance Premium in place. See **Schedule I: Insurance Expense**.

General & Administrative Expense has been adjusted based on December, 2003 entry relating to Harte Hanks TI Work. See **Schedule GA: General & Administrative Expense and Financial Analysis Workpapers**.

Professional Fees & Services Expense has been adjusted based on nonrecurring items. See **Schedule PFS: Professional Fees & Services Expense and Financial Analysis Workpapers**.

Repairs & Maintenance Expense has been adjusted based on nonrecurring items. See **Schedule RM: Repairs & Maintenance Expense and Financial Analysis Workpapers**.

All **Non-Operating Expenses** have been excluded from the Financial Analysis. See **Schedule DS: Debt Service, Schedule LC: Leasing Commissions, and Schedule NOE: Depreciation/Amortization Expense**.

CLIENT ADJUSTMENTS

In accordance with your request, we have also identified the following items that could serve as potential **Client Adjustments** to the Financial Analysis:

OPERATING EXPENSES

Real Estate Tax Expense has been adjusted based on recalculation of Real Estate Taxes at 100% of Acquisition Price. See **Schedule PT: Property Taxes** and **Schedule TB: Tax Bill Analysis**.

Management Fees have been calculated based on **3.0%** of Total Income. See **Schedule MF: Management Fees Expense**.

Replacement Reserves have been calculated based on **\$.25** per square foot. See **Schedule RR: Reserves for Replacement**.

The treatment of the identified **Client Adjustments** is left to your discretion. If all of the identified **Client Adjustments** were to be made, the resulting **Underwriting Net Operating Income** would be **\$ 2,559,345** after deduction of a **3.0 % Management Fee** and **Replacement Reserves** of **\$.25** per square foot.

Please contact me if I can answer any additional questions or provide any additional explanation of the work completed. It has been a pleasure to work with you on this transaction.

Yours truly,

/attachments