

*Barry P. Skolnick  
Principal*

January 25, 2004

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

Re: Consulting Agreement # 04-2103  
Sample Retail 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 **\$ 374,765** after deduction of a **5.0 % 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**.

In Place Amounts for **Recovery Income** are based on the total CAM reimbursement for calendar year 2003. See Schedule RI: Recovery Income.

### **OPERATING EXPENSES**

**General & Administrative Expense** has been adjusted to reverse \$ 4,500 in payments to Citicards for nonrecurring computer equipment expense. **See Schedule GA: General & Administrative Expense.**

**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 to remove nonrecurring Paving Expenses. See **Schedule RM: Repairs & Maintenance Expense**.

**Payroll Expense** has been adjusted to reflect the current staffing at the property. See **Schedules PR & STAFF: Payroll & Staffing Analysis**.

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

### **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**

**U/W Insurance** cost is calculated at \$ .20 per square foot in accordance with the Client's underwriting parameters for this asset. See Schedule I: Insurance

**Management Fees** have been calculated based on 4.0% of Total Income. See **Schedule MF: Management Fees Expense**.

**Replacement Reserves** have been calculated based on \$ .10 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 \$ 375,785 after deduction of a 4.0 % **Management Fee** and **Replacement Reserves** of \$ .10 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