

Cost Segregation Consulting

Client:	Chancellorsville, LLC	Total Cost:	\$4,900,000
Project Name:	2407 Chico Avenue, South El Monte, CA		

Benefit Projection

	Conservative		RESULTS
Year 1 Benefit:	\$203,162	-	\$449,893
Life of Property Benefit:	\$133,354	-	\$295,307


Proposed Fee

Consulting Fee*:	\$8,750
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* - Consulting fee can be deducted. The fee net of taxes would be \$5687.5

* - Value-to-Fee Ratio is 15:1 to 34:1

Contact Information

Name:	PTE, Inc	
Phone:	949-200-7109	
Email:	david@ptenterprize.com	

Assumptions

Tax Rate (federal + state combined):	35%	Total Cost:	\$4,900,000
Present Value Discount Factor:	7%		
Tax Year:	2018		



Chancellorsville, LLC 2407 Chico Avenue, South El Monte, CA - Conservative

Property Class	WITH Cost Segregation Study		WITHOUT Cost Segregation Study	
	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	9%	441,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	3%	147,000	0%	0
39 Year Property	88%	4,312,000	100%	4,900,000
Total		\$4,900,000	Total	\$4,900,000

Tax Basis \$4,900,000
 Tax Rate 35%
 Present Value Factor 7%

Present Value of Changes in Cash Flow	
Year 1	39 Year Life
\$203,162	\$133,354

Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2018	441,000		147,000	55,280	643,280	62,818	580,462	203,162	203,162
2019				110,560	110,560	125,636	(15,076)	(5,277)	(4,932)
2020				110,560	110,560	125,636	(15,076)	(5,277)	(4,609)
2021				110,560	110,560	125,636	(15,076)	(5,277)	(4,307)
2022				110,560	110,560	125,636	(15,076)	(5,277)	(4,026)
2023				110,560	110,560	125,636	(15,076)	(5,277)	(3,762)
2024				110,560	110,560	125,636	(15,076)	(5,277)	(3,516)
2025				110,560	110,560	125,636	(15,076)	(5,277)	(3,286)
2026				110,560	110,560	125,636	(15,076)	(5,277)	(3,071)
2027				110,560	110,560	125,636	(15,076)	(5,277)	(2,870)
2028				110,560	110,560	125,636	(15,076)	(5,277)	(2,682)
2029				110,560	110,560	125,636	(15,076)	(5,277)	(2,507)
2030				110,560	110,560	125,636	(15,076)	(5,277)	(2,343)
2031				110,560	110,560	125,636	(15,076)	(5,277)	(2,190)
2032				110,560	110,560	125,636	(15,076)	(5,277)	(2,046)
2033				110,560	110,560	125,636	(15,076)	(5,277)	(1,913)
2034				110,560	110,560	125,636	(15,076)	(5,277)	(1,787)
2035				110,560	110,560	125,636	(15,076)	(5,277)	(1,670)
2036				110,560	110,560	125,636	(15,076)	(5,277)	(1,561)
2037				110,560	110,560	125,636	(15,076)	(5,277)	(1,459)
2038				110,560	110,560	125,636	(15,076)	(5,277)	(1,364)
2039				110,560	110,560	125,636	(15,076)	(5,277)	(1,274)
2040				110,560	110,560	125,636	(15,076)	(5,277)	(1,191)
2041				110,560	110,560	125,636	(15,076)	(5,277)	(1,113)
2042				110,560	110,560	125,636	(15,076)	(5,277)	(1,040)
2043				110,560	110,560	125,636	(15,076)	(5,277)	(972)
2044				110,560	110,560	125,636	(15,076)	(5,277)	(909)
2045				110,560	110,560	125,636	(15,076)	(5,277)	(849)
2046				110,560	110,560	125,636	(15,076)	(5,277)	(794)
2047				110,560	110,560	125,636	(15,076)	(5,277)	(742)
2048				110,560	110,560	125,636	(15,076)	(5,277)	(693)
2049				110,560	110,560	125,636	(15,076)	(5,277)	(648)
2050				110,603	110,603	125,685	(15,082)	(5,279)	(606)
2051				110,560	110,560	125,636	(15,076)	(5,277)	(566)
2052				110,603	110,603	125,685	(15,082)	(5,279)	(529)
2053				110,560	110,560	125,636	(15,076)	(5,277)	(494)
2054				110,603	110,603	125,685	(15,082)	(5,279)	(462)
2055				110,560	110,560	125,636	(15,076)	(5,277)	(432)
2056				110,603	110,603	125,685	(15,082)	(5,279)	(404)
2057				55,280	55,280	62,818	(7,538)	(2,638)	(189)
Total	441,000	0	147,000	4,312,000	4,900,000	4,900,000	(0)	(0)	133,354



Chancellorsville, LLC 2407 Chico Avenue, South El Monte, CA - RESULTS

Property Class	WITH Cost Segregation Study		WITHOUT Cost Segregation Study	
	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	13%	630,253	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	14%	671,849	0%	0
39 Year Property	73%	3,597,899	100%	4,900,000
Total		\$4,900,000	Total	\$4,900,000

Tax Basis \$4,900,000
 Tax Rate 35%
 Present Value Factor 7%

Present Value of Changes in Cash Flow	
<u>Year 1</u>	<u>39 Year Life</u>
\$449,893	\$295,307

Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2018	630,253		671,849	46,125	1,348,227	62,818	1,285,409	449,893	449,893
2019				92,250	92,250	125,636	(33,386)	(11,685)	(10,921)
2020				92,250	92,250	125,636	(33,386)	(11,685)	(10,206)
2021				92,250	92,250	125,636	(33,386)	(11,685)	(9,538)
2022				92,250	92,250	125,636	(33,386)	(11,685)	(8,914)
2023				92,250	92,250	125,636	(33,386)	(11,685)	(8,331)
2024				92,250	92,250	125,636	(33,386)	(11,685)	(7,786)
2025				92,250	92,250	125,636	(33,386)	(11,685)	(7,277)
2026				92,250	92,250	125,636	(33,386)	(11,685)	(6,801)
2027				92,250	92,250	125,636	(33,386)	(11,685)	(6,356)
2028				92,250	92,250	125,636	(33,386)	(11,685)	(5,940)
2029				92,250	92,250	125,636	(33,386)	(11,685)	(5,551)
2030				92,250	92,250	125,636	(33,386)	(11,685)	(5,188)
2031				92,250	92,250	125,636	(33,386)	(11,685)	(4,849)
2032				92,250	92,250	125,636	(33,386)	(11,685)	(4,532)
2033				92,250	92,250	125,636	(33,386)	(11,685)	(4,235)
2034				92,250	92,250	125,636	(33,386)	(11,685)	(3,958)
2035				92,250	92,250	125,636	(33,386)	(11,685)	(3,699)
2036				92,250	92,250	125,636	(33,386)	(11,685)	(3,457)
2037				92,250	92,250	125,636	(33,386)	(11,685)	(3,231)
2038				92,250	92,250	125,636	(33,386)	(11,685)	(3,020)
2039				92,250	92,250	125,636	(33,386)	(11,685)	(2,822)
2040				92,250	92,250	125,636	(33,386)	(11,685)	(2,637)
2041				92,250	92,250	125,636	(33,386)	(11,685)	(2,465)
2042				92,250	92,250	125,636	(33,386)	(11,685)	(2,304)
2043				92,250	92,250	125,636	(33,386)	(11,685)	(2,153)
2044				92,250	92,250	125,636	(33,386)	(11,685)	(2,012)
2045				92,250	92,250	125,636	(33,386)	(11,685)	(1,880)
2046				92,250	92,250	125,636	(33,386)	(11,685)	(1,757)
2047				92,250	92,250	125,636	(33,386)	(11,685)	(1,642)
2048				92,250	92,250	125,636	(33,386)	(11,685)	(1,535)
2049				92,250	92,250	125,636	(33,386)	(11,685)	(1,435)
2050				92,286	92,286	125,685	(33,399)	(11,690)	(1,341)
2051				92,250	92,250	125,636	(33,386)	(11,685)	(1,253)
2052				92,286	92,286	125,685	(33,399)	(11,690)	(1,172)
2053				92,250	92,250	125,636	(33,386)	(11,685)	(1,094)
2054				92,286	92,286	125,685	(33,399)	(11,690)	(1,023)
2055				92,250	92,250	125,636	(33,386)	(11,685)	(956)
2056				92,286	92,286	125,685	(33,399)	(11,690)	(894)
2057				46,125	46,125	62,818	(16,693)	(5,843)	(417)
Total	630,253	0	671,849	3,597,899	4,900,000	4,900,000	0	0	295,307