

Cost Segregation Consulting

Client:	Client, LLC	Total Cost:	\$202,150,000
Project Name:	Downtown Luxury Hotel Resort		

Benefit Projection

	Conservative		Optimistic		RESULTS
Year 1 Benefit:	\$7,184,104	-	\$10,476,818	-	\$10,331,356
Years 1-6 Benefit:	\$6,419,037	-	\$9,361,096	-	\$9,231,125
Life of Property Benefit:	\$4,715,606	-	\$6,876,925	-	\$6,781,445

Proposed Fee

Consulting Fee*:	\$26,750
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* - Consulting fee can be deducted. The fee net of taxes would be \$18725

* - Value-to-Fee Ratio is 257:1 to 254:1

Contact Information

Name:	PTE, Inc
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Assumptions

Tax Rate (federal + state combined):	30%	Total Cost:	\$202,150,000
Present Value Discount Factor:	7%		
Tax Year:	2018		



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

Client, LLC - Downtown Luxury Hotel Resort - Conservative

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	11%	22,236,500	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	1%	2,021,500	0%	0
39 Year Property	88%	177,892,000	100%	202,150,000
Total		\$202,150,000	Total	\$202,150,000

Tax Basis \$202,150,000
 Tax Rate 30%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	39 Year Life
\$7,184,104	\$6,419,037	\$4,715,606

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	22,236,500		2,021,500	2,280,575	26,538,575	2,591,563	23,947,012	7,184,104	7,184,104
2019				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(174,386)
2020				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(162,977)
2021				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(152,315)
2022				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(142,351)
2023				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(133,038)
2024				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(124,334)
2025				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(116,200)
2026				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(108,599)
2027				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(101,494)
2028				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(94,854)
2029				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(88,649)
2030				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(82,849)
2031				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(77,429)
2032				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(72,364)
2033				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(67,630)
2034				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(63,205)
2035				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(59,070)
2036				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(55,206)
2037				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(51,594)
2038				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(48,219)
2039				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(45,065)
2040				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(42,116)
2041				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(39,361)
2042				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(36,786)
2043				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(34,380)
2044				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(32,130)
2045				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(30,028)
2046				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(28,064)
2047				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(26,228)
2048				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(24,512)
2049				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(22,909)
2050				4,562,930	4,562,930	5,185,148	(622,218)	(186,665)	(21,418)
2051				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(20,009)
2052				4,562,930	4,562,930	5,185,148	(622,218)	(186,665)	(18,707)
2053				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(17,477)
2054				4,562,930	4,562,930	5,185,148	(622,218)	(186,665)	(16,340)
2055				4,561,151	4,561,151	5,183,126	(621,975)	(186,593)	(15,265)
2056				4,562,930	4,562,930	5,185,148	(622,218)	(186,665)	(14,272)
2057				2,280,575	2,280,575	2,591,563	(310,988)	(93,296)	(6,666)
Total	22,236,500	0	2,021,500	177,892,000	202,150,000	202,150,000	(0)	(0)	4,715,606



Client, LLC - Downtown Luxury Hotel Resort - Optimistic

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	16%	32,344,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	2%	3,032,250	0%	0
39 Year Property	83%	166,773,750	100%	202,150,000
Total		\$202,150,000	Total	\$202,150,000

Tax Basis \$202,150,000
 Tax Rate 30%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	39 Year Life
\$10,476,818	\$9,361,096	\$6,876,925

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	32,344,000		3,032,250	2,138,039	37,514,289	2,591,563	34,922,726	10,476,818	10,476,818
2019				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(254,312)
2020				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(237,675)
2021				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(222,126)
2022				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(207,595)
2023				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(194,014)
2024				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(181,321)
2025				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(169,459)
2026				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(158,373)
2027				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(148,012)
2028				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(138,329)
2029				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(129,279)
2030				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(120,822)
2031				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(112,918)
2032				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(105,531)
2033				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(98,627)
2034				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(92,174)
2035				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(86,144)
2036				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(80,509)
2037				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(75,242)
2038				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(70,319)
2039				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(65,719)
2040				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(61,420)
2041				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(57,402)
2042				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(53,646)
2043				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(50,137)
2044				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(46,857)
2045				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(43,791)
2046				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(40,927)
2047				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(38,249)
2048				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(35,747)
2049				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(33,408)
2050				4,277,747	4,277,747	5,185,148	(907,401)	(272,220)	(31,235)
2051				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(29,180)
2052				4,277,747	4,277,747	5,185,148	(907,401)	(272,220)	(27,282)
2053				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(25,487)
2054				4,277,747	4,277,747	5,185,148	(907,401)	(272,220)	(23,829)
2055				4,276,079	4,276,079	5,183,126	(907,047)	(272,114)	(22,261)
2056				4,277,747	4,277,747	5,185,148	(907,401)	(272,220)	(20,813)
2057				2,138,039	2,138,039	2,591,563	(453,524)	(136,057)	(9,722)
Total	32,344,000	0	3,032,250	166,773,750	202,150,000	202,150,000	(0)	(0)	6,876,925



Client, LLC - Downtown Luxury Hotel Resort - RESULTS

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	17%	33,733,034	0%	0
7 Year Property	0%		0%	0
15 Year Property	1%	1,152,046	0%	0
39 Year Property	83%	167,264,921	100%	202,150,000
Total		\$202,150,000	Total	\$202,150,000

Tax Basis \$202,150,000
 Tax Rate 30%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	39 Year Life
\$10,331,356	\$9,231,125	\$6,781,445

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	33,733,034		1,152,046	2,144,336	37,029,415	2,591,563	34,437,852	10,331,356	10,331,356
2019				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(250,781)
2020				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(234,375)
2021				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(219,042)
2022				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(204,712)
2023				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(191,320)
2024				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(178,804)
2025				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(167,106)
2026				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(156,174)
2027				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(145,957)
2028				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(136,408)
2029				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(127,485)
2030				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(119,144)
2031				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(111,350)
2032				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(104,065)
2033				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(97,257)
2034				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(90,895)
2035				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(84,948)
2036				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(79,391)
2037				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(74,197)
2038				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(69,343)
2039				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(64,807)
2040				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(60,567)
2041				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(56,605)
2042				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(52,902)
2043				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(49,441)
2044				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(46,206)
2045				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(43,183)
2046				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(40,358)
2047				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(37,718)
2048				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(35,251)
2049				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(32,944)
2050				4,290,345	4,290,345	5,185,148	(894,802)	(268,441)	(30,801)
2051				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(28,775)
2052				4,290,345	4,290,345	5,185,148	(894,802)	(268,441)	(26,903)
2053				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(25,133)
2054				4,290,345	4,290,345	5,185,148	(894,802)	(268,441)	(23,498)
2055				4,288,673	4,288,673	5,183,126	(894,453)	(268,336)	(21,952)
2056				4,290,345	4,290,345	5,185,148	(894,802)	(268,441)	(20,524)
2057				2,144,336	2,144,336	2,591,563	(447,227)	(134,168)	(9,587)
Total	33,733,034	0	1,152,046	167,264,921	202,150,000	202,150,000	(0)	(0)	6,781,445