COST SEGREGATION

Global Presence | Local Focus



June 17, 2019

Cost Segregation Consulting

Client: Chancellorsville, LLC

2407 Chico Avenue, South El Monte, CA

Total Cost:

\$4,900,000

Benefit Projection

Project Name:

\$133,354

RESULTS

\$449,893

\$295,307

\$8,750

Year 1 Benefit:

Conservative \$203,162

Proposed Fee

Life of Property Benefit:

Consulting Fee*:

* - 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 Group Inc Phone:

949-200-7109 david@ptegroupinc.com



Group Inc.

Tax Year:

Assumptions

Present Value Discount Factor:

Email:

Tax Rate (federal + state combined):

35% 7%

2018

Total Cost:

\$4,900,000



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

WITH Cost Segregation Study

WITHOUT Cost Segregation Study

Property Class	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 Rate 35% Present Value Factor 7% Present Value of

\$4,900,000

Present Value of Changes in Cash Flow

Tax Basis

Changes in Cash Flow 39 Year Life \$133,354

39 Y	ear Property	88%	4,312,000	100%	4,900,000			<u>Year 1</u>
		Total	\$4,900,000	Total	\$4,900,000			\$203,162
Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in	After-Tax Change in Co Flow
2018	441,000		147,000	55,280	643,280	62,818	580,462	203,1
2019				110,560	110,560	125,636	(15,076)	(5,2
2020				110,560	110,560	125,636	(15,076)	(5,2)

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671,849

Total

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

Total Annual

Depreciation

Expense

W/O Study

62,818

125,636

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Change in

Depreciation

Expense

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WITH Cost Segregation Study

WITHOUT Cost Segregation Study

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Property Class	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 Rate 35% Present Value Factor 7% Present Value of

Tax Basis

\$4,900,000

Present

Value of

Changes in

Cash Flow

449,893

(10,921)

(10,206)

(9,538)

(8,914)

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295,307

Changes in Cash Flow 39 Year Life \$449,893 \$295,307

After-Tax

Change in Cash

Flow

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Property Cl	ass	Assumed	Basis	Assumed	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
Year	5 Year	7 Year	15 Year	39 Year	Total Annual Depreciation Expense WITH Study
2018	630,253		671,849	46,125	1,348,227
2019				92,250	92,250
2020				92,250	92,250
2021				92,250	92,250
2022				92,250	92,250