

Assumptions			
Lease commencement date	January 1, 2018		
Lease term (months)	60		
Monthly rent	First year free, \$550 per month thereafter		
Before Concession:			
Minimum lease payments before concession	\$ 26,400	(\$550 x 48 months)	
Monthly rent 1/1/18 to 2/29/20	\$ 440	(\$26,400 / 60 months)	
After Concession:			
COVID Concession	Free rent for March, April and May 2020		
Minimum lease payments after concession	\$ 17,050	(\$550 x 31 months)	
Monthly rent 3/1/20 to 12/31/22	\$ 501	(\$17,050 / 34 months)	
Summary of Receipts			
	1/1/18 to	3/1/20 to	Total
	2/29/20	12/31/22	
Rent paid in cash	\$ 7,700	\$ 17,050	\$ 24,750

Election to Apply Lease Modification to Abatement							
	2018	2019	1/1/20 to 2/29/20	3/1/20 to 12/31/20	2021	2022	Total
Balance Sheet							
Cash	\$ -	\$ 6,600	\$ 7,700	\$ 11,550	\$ 18,150	\$ 24,750	
Accrued rent	5,280	3,960	3,740	3,805	1,902	-	
Total assets	<u>\$ 5,280</u>	<u>\$ 10,560</u>	<u>\$ 11,440</u>	<u>\$ 15,355</u>	<u>\$ 20,052</u>	<u>\$ 24,750</u>	
Equity	<u>\$ 5,280</u>	<u>\$ 10,560</u>	<u>\$ 11,440</u>	<u>\$ 15,355</u>	<u>\$ 20,052</u>	<u>\$ 24,750</u>	
Income Statement							
Straight line rent revenues	\$ 5,280	\$ 5,280	\$ 880	\$ 5,015	\$ 6,018	\$ 6,018	\$ 28,490
Amortization of remaining accrued rent	-	-	-	(1,100)	(1,320)	(1,320)	\$ (3,740)
Net income	<u>\$ 5,280</u>	<u>\$ 5,280</u>	<u>\$ 880</u>	<u>\$ 3,915</u>	<u>\$ 4,698</u>	<u>\$ 4,698</u>	<u>\$ 24,750</u>
Cash Flows Statement							
Net income	\$ 5,280	\$ 5,280	\$ 880	\$ 3,915	\$ 4,698	\$ 4,698	
Accrued rent	(5,280)	1,320	220	(65)	1,902	1,902	
Cash from operating activities	-	6,600	1,100	3,850	6,600	6,600	
Cash - beginning of year	-	-	6,600	7,700	11,550	18,150	
Cash - end of year	<u>\$ -</u>	<u>\$ 6,600</u>	<u>\$ 7,700</u>	<u>\$ 11,550</u>	<u>\$ 18,150</u>	<u>\$ 24,750</u>	

Election to Account for Abatement as Enforceable Right in Original Lease Agreement							
	2018	2019	1/1/20 to 2/29/20	3/1/20 to 12/31/20	2021	2022	Total
Balance Sheet							
Cash	\$ -	\$ 6,600	\$ 7,700	\$ 11,550	\$ 18,150	\$ 24,750	
Accrued rent	5,280	3,960	3,740	2,640	1,320	-	
Total assets	<u>\$ 5,280</u>	<u>\$ 10,560</u>	<u>\$ 11,440</u>	<u>\$ 14,190</u>	<u>\$ 19,470</u>	<u>\$ 24,750</u>	
Equity	<u>\$ 5,280</u>	<u>\$ 10,560</u>	<u>\$ 11,440</u>	<u>\$ 14,190</u>	<u>\$ 19,470</u>	<u>\$ 24,750</u>	
Income Statement							
Straight line rent revenues	\$ 5,280	\$ 5,280	\$ 880	\$ 4,400	\$ 5,280	\$ 5,280	\$ 26,400
Rent concession	-	-	-	(1,650)	-	-	\$ (1,650)
Net income	<u>\$ 5,280</u>	<u>\$ 5,280</u>	<u>\$ 880</u>	<u>\$ 2,750</u>	<u>\$ 5,280</u>	<u>\$ 5,280</u>	<u>\$ 24,750</u>
Cash Flows Statement							
Net income	\$ 5,280	\$ 5,280	\$ 880	\$ 2,750	\$ 5,280	\$ 5,280	
Accrued rent	(5,280)	1,320	220	1,100	1,320	1,320	
Cash from operating activities	-	6,600	1,100	3,850	6,600	6,600	
Cash - beginning of year	-	-	6,600	7,700	11,550	18,150	
Cash - end of year	<u>\$ -</u>	<u>\$ 6,600</u>	<u>\$ 7,700</u>	<u>\$ 11,550</u>	<u>\$ 18,150</u>	<u>\$ 24,750</u>	

