



December 09, 2024

Mr. Matt Robertson
Owner
PE Holdings, LLC&Rove Holdings, LLC
3531 Timberline Drive
Billings, MT 59102

Dear Mr. Robertson:

This letter summarizes the results of the cost segregation study we have performed for PE Holdings, LLC & Rove Holdings, LLC, property located at 3412 Colton Boulevard, Billings, MT 59102. The purpose of our study was to identify certain assets of your property that could be classified into tangible personal property and other tangible property (IRC Section 1245 Property) and land improvements. Through our analysis we were able to segregate the costs of your assets into those categories listed as follows:

5 - Year Personal Property	\$682,612.02
15 - Year Real Property	\$977,827.37
39 - Year Real Property	\$6,054,427.88
Total Project Cost Reviewed	\$7,714,867.27

This letter and the accompanying report are solely for the use of segregating the costs of the subject facility, and are not to be referred to or distributed for any other purpose.

Please recognize that in accordance with IRS regulations, the taxpayer is required to show the cost basis and depreciation allowance for each item. Accordingly, we recommend that sufficient records and documentation are maintained to meet the IRS requirement.

Sincerely,

Randal Franzen

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Cost Segregation Study

PE Holdings, LLC & Rove Holdings, LLC

**3412 Colton Boulevard
Billings, MT 59102**

December 09, 2024

**Cost Segregation Study
For
PE Holdings, LLC & Rove Holdings, LLC**

Executive Summary

This Report has been prepared for PE Holdings, LLC & Rove Holdings, LLC for the purpose of classifying elements of its constructed assets. The underlying data used was provided by the company and their authorized representatives. We have relied on the accuracy and completeness of the data provided and have not performed any substantive testing or formed any opinion on the financial data presented. PE Holdings, LLC & Rove Holdings, LLC leases commercial property.

The assets are assigned a General Depreciation System (GDS) Recovery period of 5, 7 and 15 years as described in IRS Revenue Procedure 87-56, and the remaining cost as real property with a recovery period of 27.5, 31.5 or 39 years.

We have relied upon the Internal Revenue Code and the Regulations promulgated thereunder. We have relied on interpretations of the relevant laws including, but not limited to, Revenue Rulings, Revenue Procedures and judicial decisions related to the proper asset classification.

This Report will not be amended for any changes in the tax law or regulations following its issuance. This Report, along with the data supporting the cost of the project, should be retained by PE Holdings, LLC & Rove Holdings, LLC, to support the basis for taking the depreciation deductions identified herein.

Cost Segregation Study

For

PE Holdings, LLC & Rove Holdings, LLC

The Study

Taxpayer Status

PE Holdings, LLC & Rove Holdings, LLC may use the GDS method for depreciation for federal tax purposes. The company is owned by entities knowledgeable in leasing commercial property.

Site Visit

The property was visited September 30, 2024. The project construction was complete and the company was utilizing the property. The visual inspection of the site did not vary from the architect's depiction in the final plans. The plans were sufficient to document the findings, and photographs were taken to further substantiate the details included in this Report.

Plans and Specifications

Approved final drawings were used for our analysis. The specifications for the project were included in the body of the plan drawings. The owner's records of costs for the property were also reviewed.

Personnel Used

Personnel performing the analysis are trained and qualified to estimate cost and detailed analysis of certain specified assets. All work was supervised by a senior member experienced in the preparation of financial and cost engineering analyses, and real estate construction.

Indirect Costs

Indirect costs were compiled, which were not directly attributable to specific assets. These costs have been allocated to IRS Section 1245 and Section 1250 Property, as appropriate.

Assets Identified

Assets were identified as 5, 7 and 15 year property separately. The remaining unidentified cost is treated as Real Property with a recovery of 27.5, 31.5 or 39 years. The Report includes detailed cost data for each asset identified with allocated indirect costs.

Management Review

Management has reviewed the findings of the completed Report.

The Report

This Final Report documents our findings. It is complete based on the work performed using the information submitted for our review.

Preparer Credentials

CSSI engineering-based studies are completed with the purpose to satisfy the engineering-based study conditions according to tax code guidelines. CSSI utilizes state of the art systems and technology to support the quality of the engineering-based study application. Our purpose is to perform to a quality engineering-based study result for each of our clients.

Experience

- CSSI has completed thousands of cost segregation studies across the country since 2004 for all variations of commercial property types.
- CSSI's Engineering Team brings over 80 years of experience in Construction, Mechanical, and Industrial Engineering
- CSSI's tax experts interpret and apply systems and methods for the application of cost segregation studies according to IRS guidelines and rulings for commercial properties

Education

- CSSI's study preparers are Degreed Engineers in Construction, Mechanical, and Industrial Engineering
- CSSI's Tax specialist are degreed in Accounting and Finance along with MBA & CPA designations
- CSSI's Professional Educational background provides expertise in both constructionengineering and the tax application of cost segregation studies.

Scope of Study

Overview

The purpose of the study was to identify and value the tangible personal property, other tangible property, and land improvements and to assign the remaining costs to the real property classification.

The scope of our study included, but was not limited to:

- A physical inspection of the subject property;
- Discussions with knowledgeable persons concerning the purpose and function of the subject property;
- A thorough examination of the architectural/engineering drawings, specifications and real estate documents to determine the replacement cost new of the subject assets, and classify them according to their appropriate depreciable categories;
- A pro-rata allocation of the purchase price (less land value);
- A segregation of the allocated subject assets into their appropriate property units specifying their applicable recovery periods for depreciation.
- An adjustment for value of assets prorated for the change in the total price of the purchased asset, if necessary.

Methodology

The methodology employed in our analysis complies with accepted engineering, cost estimating procedures, and the IRS guidelines for valuation using standard and actual cost systems for calculations. Our analysis uses the Detailed Engineering Approach from actual cost records and the Detailed Engineering Cost Estimate Approach. A study may require both methods to satisfy the cost of the elements based upon the availability of data. Our analysis uses the Detailed Engineering Approach from actual cost records. This approach uses actual cost records from contemporaneous construction and accounting records, when available. Construction based documentation, such as blueprints, specifications, contracts, job reports, change orders, payment requests, invoices, architectural AIA documents are used to determine unit costs for the study of the property. The detailed cost approach is the preference for determining the unit cost of each element.

The following methodology is applied for the application of the Detailed Engineering Approach for Actual Cost Records:

1. Identify the specific definition of the property and its assets to be analyzed, and identify the source of the documentation.
2. Retain the data source/s for the actual cost detail to be provided, and reconcile the actual cost data given with the value for the property and the total project costs.
3. Request from the property owner the intended use of the property.
4. Perform a site survey to include the inspection of the property during construction, if possible, and upon completion. Site survey to include images of property to elements important to the study, and the condition of the property at that time.
5. Collect and review the architectural plans and data, including contractor information, bid documents, specifications, change orders, AIA documents, and any accounting information to

support the actual cost of the project for the property studied.

6. A quantitative analysis of all the cost elements is identified from records and calculations to substantiate their results.
7. The allocation for indirect cost is analyzed to apply to the direct cost items where appropriate.
8. The cost elements are identified and assigned to specific property classes (land, land improvements, building, equipment, furniture and fixtures, and other items of tangible personal property).
9. The review of the cost elements are summarized to determine the total cost and is reconciled with the actual total cost information provided.

Detailed Engineering Cost Estimate Approach is used when the detailed records are not available.

The Detailed Engineering Cost Estimate Approach utilizes a detailed estimate approach utilizing construction-based documents such as blueprints, specifications, contracts, job reports, change orders, payment requests, invoices, appraisals, AIA Documents. Estimating tools utilizing RSMeans and Marshall Evaluation Service, and other approved Engineering cost analysis techniques are used for estimating detail element data for unit cost for all items where actual cost detail is not available.

The use of the Detailed Engineering Cost Estimate Approach is used upon the observation of the specific definition of the property and its assets to be analyzed, and identify the source of the documentation. Collect and review the architectural plans and data, including contractor information, bid documents, specifications, change orders, AIA documents, and any accounting information to support the actual cost of the project for the property studied.

The following methodology is applied for the application of the Detailed Engineering Cost Estimate

Approach:

1. Identify the specific definition of the property and its assets to be analyzed, and identify the source of the documentation.
2. Retain the data source/s for the actual cost detail to be provided, and reconcile the actual cost data given with the value for the property and the total project costs.
3. Request from the property owner the intended use of the property.
4. Perform a site survey to include the inspection of the property during construction, if possible, and upon completion. The site survey may include images of property to time.
5. Collect and review the architectural plans and data, including contractor information, bid documents, specifications, change orders, AIA documents, and any accounting information to support the actual cost of the project for the property studied.
6. A quantitative analysis of all the cost elements is identified from standard cost systems and methods to include systems utilizing RSMeans and Marshall Valuation Services and records to identify the detail statistical cost for the element of cost to be identified for the property. Any actual cost data available may be used in addition to the standard cost calculation for best statistical result.
7. The allocation for indirect cost is analyzed to apply to the direct cost items where appropriate.
8. The cost elements are identified and assigned to specific property classes (land, land improvements, building, equipment, furniture and fixtures, and other items of tangible personal property).
9. A quantitative analysis of all the cost elements is identified from records and calculations to substantiate their results.

10. The review of the cost elements are summarized to determine the total cost and is reconciled with the actual total cost information provided.

Each asset is estimated by developing a detailed element quantity review composed of standard costing of the labor and material of the constructed assets. The study includes information from engineering drawings, information observed and obtained through inspection of the subject property, construction cost manuals, and architectural analysis.

The estimated adjustments in value are accomplished by assigning a useful and remaining useful life to each asset. The useful life is based on the asset type, and the remaining useful life is based on visual inspections, discussions with the client, appraisal manuals, and other standard cost system data.

The identification and preparation of an itemized list of those property elements may or may not qualify for the shorter life based on the IRS Revenue Rulings, private letter rulings, and judicial decisions. The property elements are defined and identified based upon consideration of their use, physical characteristics, and other measured criteria.

The purchase price (less land value) is allocated on a pro-rata basis to the total cost value of the property. For tax depreciation purposes, the allocated cost values of each asset element is then identified based upon its use, and segregated into its proper recovery period as defined under the

Modified Accelerated Cost Recovery System (MACRS).

Definition of Modified Accelerated Cost Recovery System (MACRS) and IRS Section 1245 Property

MACRS is mandatory for most tangible depreciable property placed in service after December 31, 1986. Under MACRS, the cost of eligible property is recovered over a 3, 5, 7, 10, 15, 20, 27.5, 31.5 or 39 year period, depending upon the type of property, by using statutory recovery methods and conventions.

MACRS Rules- IRC 168

IRC Code 168 (e) specifies the classification of property for purposes of computing the cost recovery allowance provided by MACRS. Property is classified according to class life as determined in Revenue Procedure 87-56, 1987-2 C.B. 674, unless statutorily classified otherwise in IRC 168. Also, reference revenue procedure 87-56, page 6.3-3, Item 4.

Asset Guideline Test

IRC Code 168 (i)(1) establishes the class life for assets, as defined in the Code 167(m) which, references Regulations 1.167(a)-11 for rules regarding the classification of property under the class life system. Regulation 1.167(a)-11(b) (4) (iii) (b) states that the selection of the appropriate asset guideline class is based on the business activity in which the asset is primarily used.

General Depreciation System (GDS)

Under MACRS, GDS is generally used, unless the law requires the Alternative Depreciation System (ADS), or chosen by the taxpayer.

Revenue Procedure 87-56, 1987-2 C.B. 674

Revenue procedure 87-56 appendix B “Table of class lives and recovery periods” provides the guidance for classifying an asset element according to the business activity for which it is primarily used. These steps are used to assign assets to the appropriate asset class or activity:

1. An understanding of the primary business activity of the property owner.
2. The specific function and use of the assets in the owner’s business.
3. The application of the definition of asset classed provided in Revenue Procedure 87-56 with respect to the asset.
4. The review of court cases, private letter rulings, and revenue rulings in the application of Revenue Procedure 87-56, as follows:
 - i. Revenue Ruling 77-476, 1977-2 C.B. 5
 - ii. Revenue Ruling 80-127, 1980-1, C.B. 53
 - iii. Private letter ruling 9101003 (Sept. 25, 1990)
 - iv. Private letter Rulings 9502001, 9502002, and 9502003 (June 30, 1994)
 - v. Private Letter Rulings 9548003 (July 31, 1995)
 - vi. Duke Energy Natural Gas Corporation v. Commissioner, 109 T.C. 416 (1997), rev’d, 172 F.3d 1255 (10th Cir. 1999), nonacq., 1999-2 C.B. xvi.
 - vii. Saginaw Bay Pipeline Co., et al v. United States, 124 F. Supp. 2d 465 (E.D.

Mich. 2001), rev'd and rem'd, 200 FED App. 0259P (6th Cir.)(No. 01-2599)

- viii. Clajon Gas Co. LP, it al v. Commissioner, 119T.C. 197 (2002), rev'd, 2004 U.S. App. LEXIS 284 (8th Cir. Mo. Jan. 12, 2004)

Relevant Court Cases

- ix. Hospital Corporation of America and Subsidiaries v. Commissioner, 109 T.C.21, 54-55 (1997), acq. on this issue and nonacq. on other issues, 1999-2 C.B. xvi.
- x. Walgreen Co. & Subs. V. Commissioner, 103 T.C. 582 (1994), rev'd, 68 F. 3d 1006 (7th Cir. 1995), supplemental op., T.C. Memo. 1996-374
- xi. Whiteco Industries, Inc. v. Commissioner, 65 T.C. 664 (1975), acq. 1980-2 C.B.2.
- xii. Scott Paper Co. v. Commissioner, 74 T.C. 137 (1980)
- xiii. Morrison, Inc. v. Commissioner, T.C. Memo. 1986-129, aff'd, 891 F.2nd 857 (11th Cir. 1990)

IRS Section 1245 Property

IRS Section 1245 property is depreciable property that is either personal property (tangible and intangible) or other tangible property (not including a building or its structural components) used as an integral part of (a) manufacturing, (b) production, (c) extraction, (d) the furnishing of transportation, communications, electrical energy, gas, water, or sewage disposal services. Such other tangible property also includes research facilities or facilities for the bulk storage of fungible commodities use in connection with the activities in (a)-(d).

In addition, Section 1245 property includes any real property which has an adjusted basis reflecting adjustments of amortization of pollution control facilities, railroad grading, tunnel bores, or child care facilities, expenditures to remove architectural and transportation barriers to the handicapped and elderly, tertiary injectant expenditures, or reforestation expenditures.

Section 1245 property also includes single purpose agricultural and horticultural structures and storage facilities used in connection with the distribution of petroleum and its primary products.

Current law governing the classification of assets as Section 1245 personal property focuses primarily on a “permanency test”. Cost for items that are not inherent parts of a permanent non-movable structure may qualify as personal property under this test. Numerous rulings and cases govern the treatment of many specific items. Absent a specific ruling or case, we applied the “permanency test” to a particular asset according to the reasoning reflected in analogous rulings and cases.

A second test is the "functional use test." Under the test, an asset may qualify as personal property if its function as a building component is incidental to its function as support for other personal property. The courts continue to promulgate other tests, such as whether an item is movable (and the demonstrable likelihood that it will be moved) and whether an item is specific to a taxpayer's unique application in its trade or business (e.g. Morrison, Inc., 51 TCM 748).

IV. Definition of Land Improvements

Property qualifying as a land improvement is identified based on the applicable provisions of the Internal Revenue Code, Income Tax Regulations, Revenue Rulings, and the court decisions interpreting both the Code and Regulations.

This section of the Report sets forth those tax laws concerning land improvements as they apply to the subject property. The MACRS system relies on the pre-1981 asset depreciation range (ADR) guidelines as the primary basis for classifying assets. According to Section 168 (e), property shall be classified as 15-year property if such property has an ADR class life of 20 or more years, but less than 25 years. Also, 15-year property includes any municipal wastewater treatment plant and any telephone distribution plant and comparable equipment use for two-way exchange of voice and data communications.

The ADR guidelines state the following:

Asset Guideline Class 00.3 Land Improvements

These include improvements directly to or added to land whether such improvements are section 1245 property or section 1250 property, provided such improvements are depreciable. Examples of such assets might include sidewalks, roads, canals, waterways, drainage, sewers, fences, landscaping, shrubbery, or radio transmission towers (This excludes some public utilities as specified in Revenue Ruling 72-403 1972-C.B. 102.). However, a structure that is essentially an item of machinery or equipment or a structure that houses property used as an integral part of an activity specified in section 48(a) (l)(B)(i) of the Code, if the use of the structure is so closely related to the use of the property that the structure clearly can be expected to be replaced when the property it initially houses is replaced, is included in the asset guideline class appropriate to the equipment to which it is related.

Building Systems Valuation

Tangible Property Final Regulations

The Tangible Property Final Regulations (Treasury Decision 9636) were issued on September 17, 2013. The regulations were issued to guide businesses on expense versus capitalize decisions. These regulations apply to anyone who pays or incurs amounts to acquire, produce, or improve tangible real or personal property. Therefore, any commercial building owner must follow these regulations when determining expense versus capital decisions on expenditures to their buildings.

Unit of Property & Building Systems

As defined in §1.263(a)-3(e)(2) of the Tangible Property Final Regulations each building and its structural components are a single unit of property. This requires the separate identification of each building on a single property (i.e. apartment complexes with multiple buildings). A building is further defined to its nine building systems which are HVAC, Plumbing, Electrical, Escalators, Elevators, Fire Protection and Alarm, Security, Gas Distribution, and any other components identified in published guidance.

Expense versus Capital Decisions

The definition of building systems will assist in determining expense versus capitalize decisions on future expenditures on the building. The Tangible Property Final Regulations define an expenditure that must be capitalized as a Restoration, Adaptation, Betterment, or Improvement. If the expenditure meets any of these definitions then it must be capitalized. In making this determination all facts and circumstances must be considered including the quantitative or qualitative significance of the expenditure to the relevant building system. For example, the cost of the expenditure on an electrical system should be compared to the total cost of the electrical system to assist in determining if the new expenditure should be capitalized or expensed. If the cost of the expenditure is low compared to the total electrical system then it can most likely be expensed, if the expenditure makes up a large portion of the total electrical system then it most likely will be capitalized.

Disposition of a Building Component

The Tangible Property Final Regulations define a disposition as the retirement of a building component. A disposed of building component can be deducted up to the amount of its remaining depreciable basis. The building system and depreciable building component costs found in this report can be used to determine the cost of the disposed building system or component.

Building Systems Defined

A building systems and unit of property summary for this property can be found in the Economics/Evaluation section of this report. When using building systems to assist in making capital versus expense decisions, the current expenditure must be compared to the current replacement cost of the building component. Therefore, this report has identified the depreciable basis of each building system along with the current replacement cost of each building system.

Respectfully Submitted,

Cost Segregation Services LLC

CSSI

Investigation and Evaluation Certificate

We, the undersigned hereby certify, except as otherwise noted in this Report, that to the best of our knowledge and belief:

1. The statements of fact contained in this Report are true and correct. The information was provided by the owner, along with other data available through public records, blueprints, and inventory analysis.
2. The Report's analyses, opinions, and conclusions are limited only by the Reported assumptions and limited conditions, and are our unbiased professional analyses, opinions and conclusions. No matters affecting the analyses, opinions, and conclusions are contained in this Report.
3. The Report sets forth all of the limited conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this Report.
4. We have no present or prospective interest in the property that is the subject of this Report, and we have no personal interest or bias with respect to the parties involved.
5. Our firm's compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this Report, including a minimum value, specific value or loan approval.
6. This Report has been prepared in conformity with generally accepted standards and data from the client.
7. Photographic documentation of all areas may not be feasible due to confidentiality issues.
8. The subject data has been compiled by a qualified staff member of the firm and subject property has been personally inspected by a qualified staff member of the firm. All data compiled is submitted on a hard copy and a computer data CD for review.

Respectfully Submitted,

Cost Segregation Services LLC

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Cost Segregation Study
Cost Summary
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell PE

Total Building Cost \$ 3,094,047.82

Building Components: 5 year \$ 82,047.24
% of Building Cost 2.7%

Site Improvements: 15 year \$ 528,026.78
% of Building Cost 17.1%

Building Structure: 39 year \$ 2,483,973.80
% of Building Cost 80.2%

Cost Segregation Study
Cost Detail
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell PE

Property Category	Cost	5 Year	15 Year	39 Year
Building Components				
Cabinets / Millwork	\$ 7,341.58	\$ 7,341.58		
Moldings	\$ 543.11	\$ 543.11		
Flooring - Carpet	\$ 12,050.27	\$ 12,050.27		
Wall Coverings	\$ 9,859.86	\$ 9,859.86		
Accent Lighting	\$ 4,628.76	\$ 4,628.76		
Fabricated Steel - Ladders	\$ 553.86	\$ 553.86		
Window Treatments	\$ 964.29	\$ 964.29		
Building Signage	\$ 8,514.88	\$ 8,514.88		
Communication / Data	\$ 1,494.65	\$ 1,494.65		
Specialty Plumbing - Break / Utility Sinks	\$ 4,676.03	\$ 4,676.03		
Security / Exterior Lighting	\$ 10,587.13	\$ 10,587.13		
Access Control	\$ 5,390.37	\$ 5,390.37		
Interior Windows	\$ 5,720.02	\$ 5,720.02		
Mailboxes	\$ 1,850.23	\$ 1,850.23		
Entry Canopy	\$ 1,408.46	\$ 1,408.46		
FFE	\$ 6,463.74	\$ 6,463.74		
Site Work / Improvements				
Site Drainage	\$ 12,320.95		\$ 12,320.95	
Parking Lot	\$ 389,076.27		\$ 389,076.27	
Exterior Signage	\$ 142.62		\$ 142.62	
Parking Lot Striping / Barriers	\$ 1,040.54		\$ 1,040.54	
Sidewalks / Curbs	\$ 23,962.86		\$ 23,962.86	
Landscaping / Flagpoles	\$ 90,382.03		\$ 90,382.03	
Security Lighting Poles	\$ 9,557.59		\$ 9,557.59	
Dumpster Enclosure	\$ 1,439.15		\$ 1,439.15	
Exterior Equipment Concrete Pads	\$ 104.77		\$ 104.77	
Building Structure				
Miscellaneous Building Components	\$ (0.00)		\$ (0.00)	
Roofing Systems	\$ 116,317.13		\$ 116,317.13	
Foundations	\$ 119,143.10		\$ 119,143.10	
HVAC	\$ 229,712.48		\$ 229,712.48	
Electrical	\$ 168,949.72		\$ 168,949.72	
Plumbing	\$ 214,889.57		\$ 214,889.57	
Fire Protection & Alarm	\$ 4,307.95		\$ 4,307.95	
Exterior Façade / Building Skin	\$ 260,478.06		\$ 260,478.06	
Doors & Frames	\$ 37,128.91		\$ 37,128.91	
Windows	\$ 156,437.27		\$ 156,437.27	
Ceiling Systems	\$ 21,973.69		\$ 21,973.69	
Interior Framing / Partitions	\$ 173,480.05		\$ 173,480.05	
Elevators	\$ 65,631.79		\$ 65,631.79	
Painting	\$ 13,517.50		\$ 13,517.50	
Gutter Systems	\$ 297.14		\$ 297.14	
Emergency Lighting	\$ 1,550.08		\$ 1,550.08	
Gas Distribution	\$ 975.00		\$ 975.00	
Structural Framing	\$ 765,904.09		\$ 765,904.09	
Site Utilities	\$ 14,780.05		\$ 14,780.05	
Stairs / Balconies	\$ 109,254.10		\$ 109,254.10	
Flooring - Sealed Concrete	\$ 3,007.37		\$ 3,007.37	
Toilet Partitions & Accessories	\$ 3,489.51		\$ 3,489.51	
Ceramic Tile Flooring	\$ 2,076.54		\$ 2,076.54	
Cabinets / Millwork - Restrooms	\$ 672.70		\$ 672.70	
Total Building Cost	\$ 3,094,047.82	\$ 82,047.24	\$ 528,026.78	\$ 2,483,973.80
% of Building Cost		2.7%	17.1%	80.3%

Cost Segregation Study
Building Systems
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell PE

Building Components	Depreciable Cost	Current Replacement Cost
Ceiling Systems	\$21,973.69	\$21,973.69
Doors and Frames	\$37,128.91	\$37,128.91
Electrical	\$183,644.43	\$183,644.43
Elevators	\$65,631.79	\$65,631.79
Fire Protection & Alarm	\$4,307.95	\$4,307.95
Gas Distribution	\$975.00	\$975.00
HVAC	\$229,712.48	\$229,712.48
Interior Framing / Partitions	\$173,480.05	\$173,480.05
Miscellaneous Building Components	\$1,860,245.63	\$1,860,245.63
Painting	\$13,517.50	\$13,517.50
Plumbing	\$219,565.60	\$219,565.60
Roofing Systems	\$116,317.13	\$116,317.13
Security	\$5,390.37	\$5,390.37
Windows	\$162,157.29	\$162,157.29
Total Building Cost:	\$3,094,047.82	\$3,094,047.82

Cost Segregation Study
Cost Summary
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell NIA

Total Building Cost \$ 2,635,670.36

Building Components: 5 year \$ 70,577.81
% of Building Cost 2.7%

Site Improvements: 15 year \$ 449,800.59
% of Building Cost 17.1%

Building Structure: 39 year \$ 2,115,291.96
% of Building Cost 80.2%

Cost Segregation Study
Cost Detail
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell NIA

Property Category	Cost	5 Year	15 Year	39 Year
Building Components				
Cabinets / Millwork	\$ 6,253.96	\$ 6,253.96		
Moldings	\$ 462.65	\$ 462.65		
Flooring - Carpet	\$ 10,265.04	\$ 10,265.04		
Wall Coverings	\$ 8,399.14	\$ 8,399.14		
Accent Lighting	\$ 4,628.76	\$ 4,628.76		
Fabricated Steel - Ladders	\$ 471.81	\$ 471.81		
Window Treatments	\$ 821.43	\$ 821.43		
Building Signage	\$ 7,253.40	\$ 7,253.40		
Communication / Data	\$ 1,273.22	\$ 1,273.22		
Specialty Plumbing - Break / Utility Sinks	\$ 3,983.28	\$ 3,983.28		
Security / Exterior Lighting	\$ 9,018.67	\$ 9,018.67		
Access Control	\$ 4,591.79	\$ 4,591.79		
Interior Windows	\$ 4,872.61	\$ 4,872.61		
Mailboxes	\$ 1,576.12	\$ 1,576.12		
Entry Canopy	\$ 1,199.78	\$ 1,199.78		
FFE	\$ 5,506.15	\$ 5,506.15		
Site Work / Improvements				
Site Drainage	\$ 10,495.62	\$ 10,495.62		
Parking Lot	\$ 331,435.34	\$ 331,435.34		
Exterior Signage	\$ 121.49	\$ 121.49		
Parking Lot Striping / Barriers	\$ 886.39	\$ 886.39		
Sidewalks / Curbs	\$ 20,412.81	\$ 20,412.81		
Landscaping / Flagpoles	\$ 76,992.10	\$ 76,992.10		
Security Lighting Poles	\$ 8,141.65	\$ 8,141.65		
Dumpster Enclosure	\$ 1,225.95	\$ 1,225.95		
Exterior Equipment Concrete Pads	\$ 89.24	\$ 89.24		
Building Structure				
Miscellaneous Building Components	\$ 0.00		\$ 0.00	
Roofing Systems	\$ 99,084.97		\$ 99,084.97	
Foundations	\$ 101,492.27		\$ 101,492.27	
HVAC	\$ 195,681.00		\$ 195,681.00	
Electrical	\$ 143,234.39		\$ 143,234.39	
Plumbing	\$ 182,810.97		\$ 182,810.97	
Fire Protection & Alarm	\$ 3,669.74		\$ 3,669.74	
Exterior Façade / Building Skin	\$ 221,888.72		\$ 221,888.72	
Doors & Frames	\$ 31,628.34		\$ 31,628.34	
Windows	\$ 133,261.38		\$ 133,261.38	
Ceiling Systems	\$ 18,718.33		\$ 18,718.33	
Interior Framing / Partitions	\$ 147,779.29		\$ 147,779.29	
Elevators	\$ 55,908.56		\$ 55,908.56	
Painting	\$ 11,514.91		\$ 11,514.91	
Gutter Systems	\$ 253.13		\$ 253.13	
Emergency Lighting	\$ 1,320.44		\$ 1,320.44	
Gas Distribution	\$ 830.56		\$ 830.56	
Structural Framing	\$ 652,436.80		\$ 652,436.80	
Site Utilities	\$ 12,833.52		\$ 12,833.52	
Stairs / Balconies	\$ 93,068.31		\$ 93,068.31	
Flooring - Sealed Concrete	\$ 2,561.83		\$ 2,561.83	
Toilet Partitions & Accessories	\$ 2,972.55		\$ 2,972.55	
Ceramic Tile Flooring	\$ 1,768.91		\$ 1,768.91	
Cabinets / Millwork - Restrooms	\$ 573.04		\$ 573.04	
Total Building Cost	\$ 2,635,670.36	\$ 70,577.81	\$ 449,800.59	\$ 2,115,291.96
% of Building Cost		2.7%	17.1%	80.3%

Cost Segregation Study
Building Systems
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Shell NIA

Building Components	Depreciable Cost	Current Replacement Cost
Ceiling Systems	\$18,718.33	\$18,718.33
Doors and Frames	\$31,628.34	\$31,628.34
Electrical	\$156,437.85	\$156,437.85
Elevators	\$55,908.56	\$55,908.56
Fire Protection & Alarm	\$3,669.74	\$3,669.74
Gas Distribution	\$830.56	\$830.56
HVAC	\$195,681.00	\$195,681.00
Interior Framing / Partitions	\$147,779.29	\$147,779.29
Miscellaneous Building Components	\$1,584,896.78	\$1,584,896.78
Painting	\$11,514.91	\$11,514.91
Plumbing	\$186,794.25	\$186,794.25
Roofing Systems	\$99,084.97	\$99,084.97
Security	\$4,591.79	\$4,591.79
Windows	\$138,133.99	\$138,133.99
Total Building Cost:	\$2,635,670.36	\$2,635,670.36

Cost Segregation Study
Cost Summary
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Tenant Improvement PE

Total Building Cost	\$	776,720.57
Building Components: 5 year	\$	224,795.99
% of Building Cost		28.9%
Building Structure: 39 year	\$	551,924.58
% of Building Cost		71.1%

Cost Segregation Study
Cost Detail
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Tenant Improvement PE

Property Category	Cost	5 Year	39 Year
Building Components			
Cabinets / Millwork	\$ 49,474.66	\$ 49,474.66	
Moldings	\$ 2,896.26	\$ 2,896.26	
Flooring - Carpet	\$ 37,795.82	\$ 37,795.82	
Wall Coverings	\$ 14,048.74	\$ 14,048.74	
Interior Half Walls	\$ 8,568.50	\$ 8,568.50	
Accent Lighting	\$ 9,706.19	\$ 9,706.19	
Security System	\$ 6,716.18	\$ 6,716.18	
Window Treatments	\$ 7,308.89	\$ 7,308.89	
Building Signage	\$ 15,088.86	\$ 15,088.86	
Specialty Electrical - Office Appliances / Equipment	\$ 7,969.96	\$ 7,969.96	
Communication / Data	\$ 32,505.13	\$ 32,505.13	
Specialty Plumbing - Break / Floor / Utiltiy Sinks	\$ 4,966.03	\$ 4,966.03	
Interior Windows	\$ 6,869.05	\$ 6,869.05	
FFE	\$ 20,881.72	\$ 20,881.72	
Building Structure			
HVAC	\$ 129,716.76	\$ 129,716.76	
Electrical	\$ 123,561.31	\$ 123,561.31	
Plumbing	\$ 77,829.96	\$ 77,829.96	
Doors & Frames	\$ 32,489.15	\$ 32,489.15	
Windows	\$ 5,464.69	\$ 5,464.69	
Ceiling Systems	\$ 35,229.98	\$ 35,229.98	
Interior Framing / Partitions	\$ 64,929.76	\$ 64,929.76	
Painting	\$ 19,127.35	\$ 19,127.35	
Emergency Lighting	\$ 391.63	\$ 391.63	
Structural Framing	\$ 53,714.61	\$ 53,714.61	
Flooring - Sealed Concrete	\$ 2,545.55	\$ 2,545.55	
Toilet Partitions & Accessories	\$ 4,796.46	\$ 4,796.46	
Ceramic Tile Flooring	\$ 1,795.51	\$ 1,795.51	
Cabinets / Millwork - Restrooms	\$ 331.86	\$ 331.86	
Total Building Cost	\$ 776,720.57	\$ 224,795.99	\$ 551,924.58
% of Building Cost		28.9%	71.1%

Cost Segregation Study
Building Systems
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Tenant Improvement PE

Building Components	Depreciable Cost	Current Replacement Cost
Ceiling Systems	\$35,229.98	\$35,229.98
Doors and Frames	\$32,489.15	\$32,489.15
Electrical	\$174,134.22	\$174,134.22
HVAC	\$129,716.76	\$129,716.76
Interior Framing / Partitions	\$71,459.53	\$71,459.53
Miscellaneous Building Components	\$210,678.94	\$210,678.94
Painting	\$21,166.08	\$21,166.08
Plumbing	\$82,795.99	\$82,795.99
Security	\$6,716.18	\$6,716.18
Windows	\$12,333.74	\$12,333.74
Total Building Cost:	\$776,720.57	\$776,720.57

Cost Segregation Study
Cost Summary
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Tenant Improvement NIA

Total Building Cost	\$	1,208,428.52
Building Components: 5 year	\$	305,190.98
% of Building Cost		25.3%
Building Structure: 39 year	\$	903,237.54
% of Building Cost		74.7%

Cost Segregation Study
Cost Detail
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

Tenant Improvement NIA

Property Category	Cost	5 Year	39 Year
Building Components			
Cabinets / Millwork	\$ 56,999.48	\$ 56,999.48	
Moldings	\$ 5,453.29	\$ 5,453.29	
Raised Wood Paneling	\$ 4,844.78	\$ 4,844.78	
Flooring - Carpet	\$ 53,608.28	\$ 53,608.28	
Wall Coverings	\$ 6,294.26	\$ 6,294.26	
Accent Lighting	\$ 17,217.88	\$ 17,217.88	
Security System	\$ 6,902.75	\$ 6,902.75	
Window Treatments	\$ 10,385.46	\$ 10,385.46	
Building Signage	\$ 19,598.64	\$ 19,598.64	
Specialty Electrical - Office Appliances / Equipment	\$ 9,972.35	\$ 9,972.35	
Communication / Data	\$ 62,092.28	\$ 62,092.28	
Specialty Plumbing - Break / Floor / Utiltiy Sinks	\$ 7,249.16	\$ 7,249.16	
Interior Windows	\$ 20,500.05	\$ 20,500.05	
FFE	\$ 24,072.32	\$ 24,072.32	
Building Structure			
HVAC	\$ 206,167.00	\$ 206,167.00	
Electrical	\$ 195,608.05	\$ 195,608.05	
Plumbing	\$ 134,319.85	\$ 134,319.85	
Doors & Frames	\$ 35,996.58	\$ 35,996.58	
Windows	\$ 34,504.83	\$ 34,504.83	
Ceiling Systems	\$ 75,780.27	\$ 75,780.27	
Interior Framing / Partitions	\$ 94,814.38	\$ 94,814.38	
Painting	\$ 48,003.64	\$ 48,003.64	
Structural Framing	\$ 64,265.62	\$ 64,265.62	
Flooring - Sealed Concrete	\$ 5,729.91	\$ 5,729.91	
Toilet Partitions & Accessories	\$ 5,472.51	\$ 5,472.51	
Ceramic Tile Flooring	\$ 2,087.09	\$ 2,087.09	
Cabinets / Millwork - Restrooms	\$ 487.81	\$ 487.81	
Total Building Cost	\$ 1,208,428.52	\$ 305,190.98	\$ 903,237.54
% of Building Cost		25.3%	74.7%

Cost Segregation Study
Building Systems
PE Holdings, LLC/Rove Holdings, LLC
3412 Colton Boulevard
Billings, MT 59102

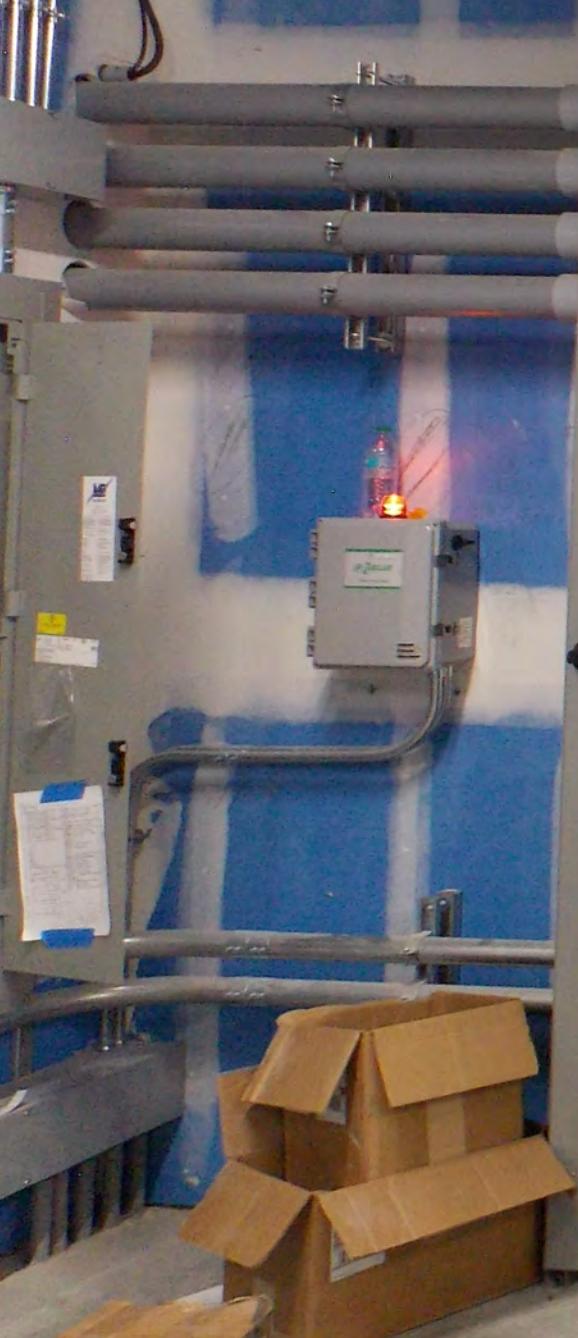
Tenant Improvement NIA

Building Components	Depreciable Cost	Current Replacement Cost
Ceiling Systems	\$75,780.27	\$75,780.27
Doors and Frames	\$35,996.58	\$35,996.58
Electrical	\$284,890.56	\$284,890.56
HVAC	\$206,167.00	\$206,167.00
Interior Framing / Partitions	\$94,814.38	\$94,814.38
Miscellaneous Building Components	\$259,299.45	\$259,299.45
Painting	\$48,003.64	\$48,003.64
Plumbing	\$141,569.01	\$141,569.01
Security	\$6,902.75	\$6,902.75
Windows	\$55,004.88	\$55,004.88
Total Building Cost:	\$1,208,428.52	\$1,208,428.52





1 HOUR FIRE BARRIER



EXIT







EXIT

Main Floor

