

PRELIMINARY AND TENTATIVE - FOR DISCUSSION PURPOSES ONLY - 9-9-13

		\$9,010,961	25.00%
		\$36,043,842	
CPI	2.00%		

NOTE SMOOTHING OF CAP RATE OVER LIFE OF BUILDING; STOPS/SMOOTHS VALUE CHANGE OVER TIME.

	Equity Invest	NOI	Debt Service	CTO	Reversion	CTO+Rev	Equity IRR	ROE
0	\$9,010,961					-\$9,010,961	12.74%	
1	\$9,511,130.59	\$2,721,300	\$2,093,307	\$627,992	0	\$627,992		6.97%
2	\$10,040,777.37	\$2,775,726	\$2,093,307	\$682,418	0	\$682,418		7.17%
3	\$10,601,637.98	\$2,831,240	\$2,093,307	\$737,933	0	\$737,933		7.35%
4	\$11,195,551.97	\$2,887,865	\$2,093,307	\$794,558	0	\$794,558		7.49%
5	\$11,824,467.28	\$2,945,622	\$2,093,307	\$852,315	0	\$852,315		7.61%
6	\$12,490,446.65	\$3,004,535	\$2,093,307	\$911,227	0	\$911,227		7.71%
7	\$13,195,674.39	\$3,064,625	\$2,093,307	\$971,318	0	\$971,318		7.78%
8	\$13,942,463.55	\$3,125,918	\$2,093,307	\$1,032,610	0	\$1,032,610		7.83%
9	\$14,733,263.46	\$3,188,436	\$2,093,307	\$1,095,129	0	\$1,095,129		7.85%
10	\$15,570,667.83	\$3,252,205	\$2,093,307	\$1,158,898	0	\$1,158,898		7.87%
11	\$16,457,423.21	\$3,317,249	\$2,093,307	\$1,223,942	0	\$1,223,942		7.86%
12	\$17,396,438.03	\$3,383,594	\$2,093,307	\$1,290,287	0	\$1,290,287		7.84%
13	\$18,390,792.11	\$3,451,266	\$2,093,307	\$1,357,959	0	\$1,357,959		7.81%
14	\$19,443,746.76	\$3,520,291	\$2,093,307	\$1,426,984	0	\$1,426,984		7.76%
15	\$20,558,755.53	\$3,590,697	\$2,093,307	\$1,497,390	0	\$1,497,390		7.70%
16	\$21,739,475.45	\$3,662,511	\$2,093,307	\$1,569,204	0	\$1,569,204		7.63%
17	\$22,989,779.11	\$3,735,761	\$2,093,307	\$1,642,454	0	\$1,642,454		7.56%
18	\$24,313,767.32	\$3,810,476	\$2,093,307	\$1,717,169	0	\$1,717,169		7.47%
19	\$25,715,782.53	\$3,886,686	\$2,093,307	\$1,793,379	0	\$1,793,379		7.38%
20	\$27,200,423.15	\$3,964,420	\$2,093,307	\$1,871,112	0	\$1,871,112		7.28%
21	\$28,772,558.56	\$3,639,337	\$2,093,307	\$1,546,030	0	\$1,546,030		5.68%
22	\$30,437,345.12	\$3,712,124	\$2,093,307	\$1,618,817	0	\$1,618,817		5.63%
23	\$32,200,243.06	\$3,786,366	\$2,093,307	\$1,693,059	0	\$1,693,059		5.56%
24	\$34,067,034.43	\$3,862,094	\$2,093,307	\$1,768,786	0	\$1,768,786		5.49%
25	\$36,043,842.00	\$3,939,336	\$2,093,307	\$1,846,028	0	\$1,846,028		5.42%
26	\$37,889,870.30	\$4,018,122	0	\$4,018,122	0	\$4,018,122		11.15%
27	\$37,889,870.30	\$4,098,485	\$0	\$4,098,485	0	\$4,098,485		10.82%
28	\$37,889,870.30	\$4,180,455	\$0	\$4,180,455	0	\$4,180,455		11.03%
29	\$37,889,870.30	\$4,264,064	\$0	\$4,264,064	0	\$4,264,064		11.25%
30	\$37,889,870.30	\$4,349,345	\$0	\$4,349,345	0	\$4,349,345		11.48%
31	\$37,889,870.30	\$3,992,699	\$0	\$3,992,699	0	\$3,992,699		10.54%
32	\$37,889,870.30	\$4,072,553	\$0	\$4,072,553	0	\$4,072,553		10.75%
33	\$37,889,870.30	\$4,154,004	\$0	\$4,154,004	0	\$4,154,004		10.96%
34	\$37,889,870.30	\$4,237,084	\$0	\$4,237,084	0	\$4,237,084		11.18%
35	\$37,889,870.30	\$4,321,825	\$0	\$4,321,825	0	\$4,321,825		11.41%
36	\$37,889,870.30	\$4,408,262	\$0	\$4,408,262	0	\$4,408,262		11.63%
37	\$37,889,870.30	\$4,496,427	\$0	\$4,496,427	0	\$4,496,427		11.87%
38	\$37,889,870.30	\$4,586,356	\$0	\$4,586,356	0	\$4,586,356		12.10%
39	\$37,889,870.30	\$4,678,083	\$0	\$4,678,083	0	\$4,678,083		12.35%
40	\$37,889,870.30	\$4,771,644	\$0	\$4,771,644	\$14,142,052	\$18,913,697		12.59%

Guess Cap Rate	Guess Value	Guess Loan	Net Proceeds	Cash Flows	Reversion	CTO & Reversion
7.500%	\$36,283,995	\$26,532,711	\$9,751,283	\$2,721,300	\$2,721,300	\$2,721,300
7.600%	\$36,522,705	\$26,003,065	\$10,519,641	\$2,775,726	\$2,775,726	\$2,775,726
7.700%	\$36,769,352	\$25,442,204	\$11,327,148	\$2,831,240	\$2,831,240	\$2,831,240
7.800%	\$37,023,909	\$24,848,290	\$12,175,619	\$2,887,865	\$2,887,865	\$2,887,865
7.900%	\$37,286,357	\$24,219,375	\$13,066,982	\$2,945,622	\$2,945,622	\$2,945,622
8.000%	\$37,556,683	\$23,553,395	\$14,003,288	\$3,004,535	\$3,004,535	\$3,004,535
8.100%	\$37,834,881	\$22,848,168	\$14,986,713	\$3,064,625	\$3,064,625	\$3,064,625
8.200%	\$38,120,949	\$22,101,378	\$16,019,571	\$3,125,918	\$3,125,918	\$3,125,918
8.300%	\$38,414,894	\$21,310,579	\$17,104,316	\$3,188,436	\$3,188,436	\$3,188,436
8.400%	\$38,716,725	\$20,473,174	\$18,243,551	\$3,252,205	\$38,716,725	\$41,968,930
8.500%	\$39,026,459	\$19,586,419	\$19,440,040		IRR =	8.65%
8.600%	\$39,344,116	\$18,647,404	\$20,696,713			
8.700%	\$39,669,723	\$17,653,050	\$22,016,673			
8.800%	\$40,003,309	\$16,600,095	\$23,403,214			
8.900%	\$40,344,911	\$15,485,086	\$24,859,824			
9.000%	\$40,694,566	\$14,304,367	\$26,390,200			
9.100%	\$41,052,321	\$13,054,063	\$27,998,258			
9.200%	\$41,418,222	\$11,730,075	\$29,688,147			
9.300%	\$41,792,322	\$10,328,059	\$31,464,263			
9.400%	\$42,174,677	\$8,843,419	\$33,331,259			
9.500%	\$38,308,813	\$7,271,283	\$31,037,530			
9.600%	\$38,667,958	\$5,606,497	\$33,061,461			
9.700%	\$39,034,706	\$3,843,599	\$35,191,107			
9.800%	\$39,409,121	\$1,976,808	\$37,432,313			
9.900%	\$39,791,270	\$0	\$39,791,270			
10.000%	\$40,181,224		\$40,181,224			
10.100%	\$40,579,058		\$40,579,058			
10.200%	\$40,984,849		\$40,984,849			
10.300%	\$41,398,676		\$41,398,676			
10.400%	\$41,820,624		\$41,820,624			
10.500%	\$38,025,701		\$38,025,701			
10.75%	\$35,371,962		\$35,371,962			
10.96%	\$32,718,224		\$32,718,224			
11.18%	\$30,064,485		\$30,064,485			
11.41%	\$27,410,746		\$27,410,746			
11.63%	\$24,757,007		\$24,757,007			
11.87%	\$22,103,269		\$22,103,269			
12.10%	\$19,449,530		\$19,449,530			
12.35%	\$16,795,791		\$16,795,791			
12.59%	\$14,142,052		\$14,142,052			

Reversion Calc	
Land	31129
Value Base	175
Value	\$ 5,447,575
FV at 2%	\$ 12,028,462
Alt Calc	
Building	64048
Value Base	\$100
Value	\$ 6,404,800
FV at 2%	\$ 14,142,052

0.075 Start Rate
0.105 end Rate
0.030000 Change
30 Years
0.001 Per Year

Twenty Year Returns			Life of the Building		
Cash Flows	Reversion	CTO & Reversion	Cash Flows	Reversion	CTO & Reversion
-\$36,043,842		-\$36,043,842	-\$36,043,842		-\$36,043,842
\$2,721,300		\$2,721,300	\$2,721,300		\$2,721,300
\$2,775,726		\$2,775,726	\$2,775,726		\$2,775,726
\$2,831,240		\$2,831,240	\$2,831,240		\$2,831,240
\$2,887,865		\$2,887,865	\$2,887,865		\$2,887,865
\$2,945,622		\$2,945,622	\$2,945,622		\$2,945,622
\$3,004,535		\$3,004,535	\$3,004,535		\$3,004,535
\$3,064,625		\$3,064,625	\$3,064,625		\$3,064,625
\$3,125,918		\$3,125,918	\$3,125,918		\$3,125,918
\$3,188,436		\$3,188,436	\$3,188,436		\$3,188,436
\$3,252,205		\$3,252,205	\$3,252,205		\$3,252,205
\$3,317,249		\$3,317,249	\$3,317,249		\$3,317,249
\$3,383,594		\$3,383,594	\$3,383,594		\$3,383,594
\$3,451,266		\$3,451,266	\$3,451,266		\$3,451,266
\$3,520,291		\$3,520,291	\$3,520,291		\$3,520,291
\$3,590,697		\$3,590,697	\$3,590,697		\$3,590,697
\$3,662,511		\$3,662,511	\$3,662,511		\$3,662,511
\$3,735,761		\$3,735,761	\$3,735,761		\$3,735,761
\$3,810,476		\$3,810,476	\$3,810,476		\$3,810,476
\$3,886,686		\$3,886,686	\$3,886,686		\$3,886,686
\$3,964,420	\$42,174,677	\$46,139,097	\$3,964,420		\$3,964,420
	IRR =	9.01%	\$3,639,337		\$3,639,337
			\$3,712,124		\$3,712,124
			\$3,786,366		\$3,786,366
			\$3,862,094		\$3,862,094
			\$3,939,336		\$3,939,336
			\$4,018,122		\$4,018,122
			\$4,098,485		\$4,098,485
			\$4,180,455		\$4,180,455
			\$4,264,064		\$4,264,064
			\$4,349,345		\$4,349,345
			\$3,992,699		\$3,992,699
			\$4,072,553		\$4,072,553
			\$4,154,004		\$4,154,004
			\$4,237,084		\$4,237,084
			\$4,321,825		\$4,321,825
			\$4,408,262		\$4,408,262
			\$4,496,427		\$4,496,427
			\$4,586,356		\$4,586,356
			\$4,678,083		\$4,678,083
			\$4,771,644	\$14,142,052	\$18,913,697
			IRR =		8.89%

PRELIMINARY AND TENTATIVE - FOR DISCUSSION PURPOSES ONLY - 9-9-13

ALTERNATIVE DEBT SERVICE COVERAGE RATIO	\$9,010,961	25.11%
	\$35,885,270	
CPI	2.00%	

	Equity Invest	NOI	Debt Service	CTO	Reversion	CTO+Rev	Equity IRR	ROE	Guess Cap Rate	Guess Value	Guess Loan	Net Proceeds	Ten Year Returns		
													Cash Flows	Reversion	CTO & Reversion
0	\$9,010,961					-\$9,010,961	11.01%						-\$35,885,270		-\$35,885,270
1	\$9,511,130.59	\$2,511,969	\$2,093,307	\$418,661	0	\$418,661		4.65%	7.000%	\$35,885,270	\$26,532,711	\$9,352,558	\$2,511,969		\$2,511,969
2	\$10,040,777.37	\$2,562,208	\$2,093,307	\$468,901	0	\$468,901		4.93%	7.000%	\$36,602,975	\$26,003,065	\$10,599,910	\$2,562,208		\$2,562,208
3	\$10,601,637.98	\$2,613,452	\$2,093,307	\$520,145	0	\$520,145		5.18%	7.000%	\$37,335,034	\$25,442,204	\$11,892,830	\$2,613,452		\$2,613,452
4	\$11,195,551.97	\$2,665,721	\$2,093,307	\$572,414	0	\$572,414		5.40%	7.000%	\$38,081,735	\$24,848,290	\$13,233,445	\$2,665,721		\$2,665,721
5	\$11,824,467.28	\$2,719,036	\$2,093,307	\$625,728	0	\$625,728		5.59%	7.000%	\$38,843,370	\$24,219,375	\$14,623,995	\$2,719,036		\$2,719,036
6	\$12,490,446.65	\$2,773,417	\$2,093,307	\$680,109	0	\$680,109		5.75%	7.000%	\$39,620,237	\$23,553,395	\$16,066,842	\$2,773,417		\$2,773,417
7	\$13,195,674.39	\$2,828,885	\$2,093,307	\$735,578	0	\$735,578		5.89%	7.000%	\$40,412,642	\$22,848,168	\$17,564,474	\$2,828,885		\$2,828,885
8	\$13,942,463.55	\$2,885,463	\$2,093,307	\$792,155	0	\$792,155		6.00%	7.000%	\$41,220,895	\$22,101,378	\$19,119,516	\$2,885,463		\$2,885,463
9	\$14,733,263.46	\$2,943,172	\$2,093,307	\$849,864	0	\$849,864		6.10%	7.000%	\$42,045,313	\$21,310,579	\$20,734,734	\$2,943,172		\$2,943,172
10	\$15,570,667.83	\$3,002,035	\$2,093,307	\$908,728	0	\$908,728		6.17%	7.000%	\$42,886,219	\$20,473,174	\$22,413,045	\$3,002,035	\$42,886,219	\$45,882,254
11	\$16,457,423.21	\$3,062,076	\$2,093,307	\$968,769	0	\$968,769		6.22%	8.000%	\$38,275,950	\$19,586,419	\$18,689,532		IRR =	8.85%
12	\$17,396,438.03	\$3,123,318	\$2,093,307	\$1,030,010	0	\$1,030,010		6.26%	8.000%	\$39,041,469	\$18,647,404	\$20,394,065			
13	\$18,390,792.11	\$3,185,784	\$2,093,307	\$1,092,477	0	\$1,092,477		6.28%	8.000%	\$39,822,299	\$17,653,050	\$22,169,249			
14	\$19,443,746.76	\$3,249,500	\$2,093,307	\$1,156,192	0	\$1,156,192		6.29%	8.000%	\$40,618,745	\$16,600,095	\$24,018,650			
15	\$20,558,755.53	\$3,314,490	\$2,093,307	\$1,221,182	0	\$1,221,182		6.28%	8.000%	\$41,431,120	\$15,485,086	\$25,946,033			
16	\$21,739,475.45	\$3,380,779	\$2,093,307	\$1,287,472	0	\$1,287,472		6.26%	8.000%	\$42,259,742	\$14,304,367	\$27,955,376			
17	\$22,989,779.11	\$3,448,395	\$2,093,307	\$1,355,088	0	\$1,355,088		6.23%	8.000%	\$43,104,937	\$13,054,063	\$30,050,874			
18	\$24,313,767.32	\$3,517,363	\$2,093,307	\$1,424,055	0	\$1,424,055		6.19%	8.000%	\$43,967,036	\$11,730,075	\$32,236,961			
19	\$25,715,782.53	\$3,587,710	\$2,093,307	\$1,494,403	0	\$1,494,403		6.15%	8.000%	\$44,846,376	\$10,328,059	\$34,518,317			
20	\$27,200,423.15	\$3,659,464	\$2,093,307	\$1,566,157	0	\$1,566,157		6.09%	8.000%	\$45,743,304	\$8,843,419	\$36,899,885			
21	\$28,772,558.56	\$3,739,888	\$2,093,307	\$1,640,811	0	\$1,640,811		6.05%	9.000%	\$37,326,536	\$7,271,283	\$30,055,253			
22	\$30,437,345.12	\$3,826,576	\$2,093,307	\$1,721,269	0	\$1,721,269		6.03%	9.000%	\$38,073,067	\$5,606,497	\$32,466,570			
23	\$32,200,243.06	\$3,915,108	\$2,093,307	\$1,808,800	0	\$1,808,800		6.01%	9.000%	\$38,834,528	\$3,843,599	\$34,990,929			
24	\$34,067,034.43	\$3,995,010	\$2,093,307	\$1,892,702	0	\$1,892,702		5.97%	9.000%	\$39,611,219	\$1,976,808	\$37,634,411			
25	\$36,043,842.00	\$4,066,310	\$2,093,307	\$1,974,002	0	\$1,974,002		5.93%	9.000%	\$40,403,443	\$0	\$40,403,443			
26	\$37,586,844.48	\$4,139,036	\$0	\$3,709,036	0	\$3,709,036		10.29%	9.000%	\$41,211,512		\$41,211,512			
27	\$37,586,844.48	\$3,783,217	\$0	\$3,783,217	0	\$3,783,217		10.07%	9.000%	\$42,035,742		\$42,035,742			
28	\$37,586,844.48	\$3,858,881	\$0	\$3,858,881	0	\$3,858,881		10.27%	9.000%	\$42,876,457		\$42,876,457			
29	\$37,586,844.48	\$3,936,059	\$0	\$3,936,059	0	\$3,936,059		10.47%	9.000%	\$43,733,986		\$43,733,986			
30	\$37,586,844.48	\$4,014,780	\$0	\$4,014,780	0	\$4,014,780		10.68%	9.000%	\$44,608,666		\$44,608,666			
31	\$37,586,844.48	\$3,685,568	\$0	\$3,685,568	0	\$3,685,568		9.81%	10.000%	\$36,855,680		\$36,855,680			
32	\$37,586,844.48	\$3,759,279	\$0	\$3,759,279	0	\$3,759,279		10.00%	10.950%	\$34,331,943		\$34,331,943			
33	\$37,586,844.48	\$3,834,465	\$0	\$3,834,465	0	\$3,834,465		10.20%	12.055%	\$31,808,207		\$31,808,207			
34	\$37,586,844.48	\$3,911,154	\$0	\$3,911,154	0	\$3,911,154		10.41%	13.356%	\$29,284,471		\$29,284,471			
35	\$37,586,844.48	\$3,989,377	\$0	\$3,989,377	0	\$3,989,377		10.61%	14.908%	\$26,760,734		\$26,760,734			
36	\$37,586,844.48	\$4,069,165	\$0	\$4,069,165	0	\$4,069,165		10.83%	16.789%	\$24,236,998		\$24,236,998			
37	\$37,586,844.48	\$4,150,548	\$0	\$4,150,548	0	\$4,150,548		11.04%	19.115%	\$21,713,262		\$21,713,262			
38	\$37,586,844.48	\$4,233,559	\$0	\$4,233,559	0	\$4,233,559		11.26%	22.062%	\$19,189,525		\$19,189,525			
39	\$37,586,844.48	\$4,318,230	\$0	\$4,318,230	0	\$4,318,230		11.49%	25.911%	\$16,665,789		\$16,665,789			
40	\$37,586,844.48	\$4,404,595	\$0	\$4,404,595	\$14,142,052	\$18,546,647		11.72%	31.145%	\$14,142,052		\$14,142,052			

Reversion Calc	
Land	31129
Value Base	175
Value	\$ 5,447,575
FV at 2%	\$ 12,028,462
Alt Calc	
Building	64048
Value Base	\$100
Value	\$ 6,404,800
FV at 2%	\$ 14,142,052

Twenty Year Returns			Life of the Building		
Cash Flows	Reversion	CTO & Reversion	Cash Flows	Reversion	CTO & Reversion
-\$35,885,270		-\$35,885,270	-\$35,885,270		-\$35,885,270
\$2,511,969		\$2,511,969	\$2,511,969		\$2,511,969
\$2,562,208		\$2,562,208	\$2,562,208		\$2,562,208
\$2,613,452		\$2,613,452	\$2,613,452		\$2,613,452
\$2,665,721		\$2,665,721	\$2,665,721		\$2,665,721
\$2,719,036		\$2,719,036	\$2,719,036		\$2,719,036
\$2,773,417		\$2,773,417	\$2,773,417		\$2,773,417
\$2,828,885		\$2,828,885	\$2,828,885		\$2,828,885
\$2,885,463		\$2,885,463	\$2,885,463		\$2,885,463
\$2,943,172		\$2,943,172	\$2,943,172		\$2,943,172
\$3,002,035		\$3,002,035	\$3,002,035		\$3,002,035
\$3,062,076		\$3,062,076	\$3,062,076		\$3,062,076
\$3,123,318		\$3,123,318	\$3,123,318		\$3,123,318
\$3,185,784		\$3,185,784	\$3,185,784		\$3,185,784
\$3,249,500		\$3,249,500	\$3,249,500		\$3,249,500
\$3,314,490		\$3,314,490	\$3,314,490		\$3,314,490
\$3,380,779		\$3,380,779	\$3,380,779		\$3,380,779
\$3,448,395		\$3,448,395	\$3,448,395		\$3,448,395
\$3,517,363		\$3,517,363	\$3,517,363		\$3,517,363
\$3,587,710		\$3,587,710	\$3,587,710		\$3,587,710
\$3,659,464	\$45,743,304	\$49,402,768	\$3,659,464		\$3,659,464
	IRR =	8.63%	\$3,359,388		\$3,359,388
			\$3,426,576		\$3,426,576
			\$3,495,108		\$3,495,108
			\$3,565,010		\$3,565,010
			\$3,636,310		\$3,636,310
			\$3,709,036		\$3,709,036
			\$3,783,217		\$3,783,217
			\$3,858,881		\$3,858,881
			\$3,936,059		\$3,936,059
			\$4,014,780		\$4,014,780
			\$3,685,568		\$3,685,568
			\$3,759,279		\$3,759,279
			\$3,834,465		\$3,834,465
			\$3,911,154		\$3,911,154
			\$3,989,377		\$3,989,377
			\$4,069,165		\$4,069,165
			\$4,150,548		\$4,150,548
			\$4,233,559		\$4,233,559
			\$4,318,230		\$4,318,230
			\$4,404,595	\$14,142,052	\$18,546,647
			IRR =		8.26%

PRELIMINARY AND TENTATIVE - FOR DISCL

1	\$	27,032,881.50
2	\$	26,532,711.41
3	\$	26,003,064.63
4	\$	25,442,204.02
5	\$	24,848,290.03
6	\$	24,219,374.72
7	\$	23,553,395.35
8	\$	22,848,167.61
9	\$	22,101,378.45
10	\$	21,310,578.54
11	\$	20,473,174.17
12	\$	19,586,418.79
13	\$	18,647,403.97
14	\$	17,653,049.89
15	\$	16,600,095.24
16	\$	15,485,086.47
17	\$	14,304,366.55
18	\$	13,054,062.89
19	\$	11,730,074.68
20	\$	10,328,059.47
21	\$	8,843,418.85
22	\$	7,271,283.44
23	\$	5,606,496.88
24	\$	3,843,598.94
25	\$	1,976,807.57

JSSION PURPOSES ONLY - 9-9-13

Interest	Int Exp	DS Constant	Ann D/S	Prin Red	End Balance
0.05893331	\$ 1,593,137.30	0.07875383	\$2,093,307.39	\$ 500,170.09	\$ 26,532,711.41
0.05893331	\$ 1,563,660.62		\$ 2,093,307.39	\$ 529,646.77	\$ 26,003,064.63
0.05893331	\$ 1,532,446.78		\$ 2,093,307.39	\$ 560,860.61	\$ 25,442,204.02
0.05893331	\$ 1,499,393.40		\$ 2,093,307.39	\$ 593,913.99	\$ 24,848,290.03
0.05893331	\$ 1,464,392.08		\$ 2,093,307.39	\$ 628,915.31	\$ 24,219,374.72
0.05893331	\$ 1,427,328.02		\$ 2,093,307.39	\$ 665,979.37	\$ 23,553,395.35
0.05893331	\$ 1,388,079.65		\$ 2,093,307.39	\$ 705,227.74	\$ 22,848,167.61
0.05893331	\$ 1,346,518.24		\$ 2,093,307.39	\$ 746,789.15	\$ 22,101,378.45
0.05893331	\$ 1,302,507.48		\$ 2,093,307.39	\$ 790,799.91	\$ 21,310,578.54
0.05893331	\$ 1,255,903.02		\$ 2,093,307.39	\$ 837,404.37	\$ 20,473,174.17
0.05893331	\$ 1,206,552.00		\$ 2,093,307.39	\$ 886,755.39	\$ 19,586,418.79
0.05893331	\$ 1,154,292.57		\$ 2,093,307.39	\$ 939,014.82	\$ 18,647,403.97
0.05893331	\$ 1,098,953.32		\$ 2,093,307.39	\$ 994,354.07	\$ 17,653,049.89
0.05893331	\$ 1,040,352.73		\$ 2,093,307.39	\$ 1,052,954.66	\$ 16,600,095.24
0.05893331	\$ 978,298.63		\$ 2,093,307.39	\$ 1,115,008.76	\$ 15,485,086.47
0.05893331	\$ 912,587.47		\$ 2,093,307.39	\$ 1,180,719.92	\$ 14,304,366.55
0.05893331	\$ 843,003.73		\$ 2,093,307.39	\$ 1,250,303.66	\$ 13,054,062.89
0.05893331	\$ 769,319.19		\$ 2,093,307.39	\$ 1,323,988.20	\$ 11,730,074.68
0.05893331	\$ 691,292.18		\$ 2,093,307.39	\$ 1,402,015.21	\$ 10,328,059.47
0.05893331	\$ 608,666.77		\$ 2,093,307.39	\$ 1,484,640.62	\$ 8,843,418.85
0.05893331	\$ 521,171.98		\$ 2,093,307.39	\$ 1,572,135.41	\$ 7,271,283.44
0.05893331	\$ 428,520.83		\$ 2,093,307.39	\$ 1,664,786.56	\$ 5,606,496.88
0.05893331	\$ 330,409.44		\$ 2,093,307.39	\$ 1,762,897.95	\$ 3,843,598.94
0.05893331	\$ 226,516.02		\$ 2,093,307.39	\$ 1,866,791.37	\$ 1,976,807.57
0.05893331	\$ 116,499.82		\$ 2,093,307.39	\$ 1,976,807.57	\$ (0.00)

PRELIMINARY AND TENTATIVE - FOR DISCUSSION PURPOSES ONLY - 9-9-13

	\$9,010,961	24.83%
	\$36,283,995	
CPI	2.00%	

	Equity Invest	NOI	Debt Service	CTO	Reversion	CTO+Rev	Equity IRR	ROE	Guess Cap Rate	Guess Value	Guess Loan	Net Proceeds	IRR
0	\$9,010,961					-\$9,010,961	12.74%						
1	\$9,511,130.59	\$2,721,300	\$2,093,307	\$627,992	0	\$627,992		6.97%	7.500%	\$36,283,995	\$26,532,711	\$9,751,283	
2	\$10,040,777.37	\$2,775,726	\$2,093,307	\$682,418	0	\$682,418		7.17%	7.500%	\$37,009,675	\$26,003,065	\$11,006,610	
3	\$10,601,637.98	\$2,831,240	\$2,093,307	\$737,933	0	\$737,933		7.35%	7.500%	\$37,749,868	\$25,442,204	\$12,307,664	
4	\$11,195,551.97	\$2,887,865	\$2,093,307	\$794,558	0	\$794,558		7.49%	7.500%	\$38,504,866	\$24,840,290	\$13,656,575	
5	\$11,824,467.28	\$2,945,622	\$2,093,307	\$852,315	0	\$852,315		7.61%	7.500%	\$39,274,963	\$24,219,375	\$15,055,588	
6	\$12,490,446.65	\$3,004,535	\$2,093,307	\$911,227	0	\$911,227		7.71%	7.500%	\$40,060,462	\$23,553,395	\$16,507,067	
7	\$13,195,674.39	\$3,064,625	\$2,093,307	\$971,318	0	\$971,318		7.78%	7.500%	\$40,861,671	\$22,848,168	\$18,013,504	
8	\$13,942,463.55	\$3,125,918	\$2,093,307	\$1,032,610	0	\$1,032,610		7.83%	7.500%	\$41,678,905	\$22,101,378	\$19,577,526	
9	\$14,733,263.46	\$3,188,436	\$2,093,307	\$1,095,129	0	\$1,095,129		7.85%	7.500%	\$42,512,483	\$21,310,579	\$21,201,904	
10	\$15,570,667.88	\$3,252,205	\$2,093,307	\$1,158,898	0	\$1,158,898		7.87%	7.500%	\$43,362,733	\$20,473,174	\$22,889,558	
11	\$16,457,423.21	\$3,317,249	\$2,093,307	\$1,223,942	0	\$1,223,942		7.86%	8.500%	\$39,026,459	\$19,586,419	\$19,440,040	
12	\$17,396,438.03	\$3,383,594	\$2,093,307	\$1,290,287	0	\$1,290,287		7.84%	8.500%	\$39,806,988	\$18,647,404	\$21,159,584	
13	\$18,390,792.11	\$3,451,266	\$2,093,307	\$1,357,959	0	\$1,357,959		7.81%	8.500%	\$40,603,128	\$17,653,050	\$22,950,078	
14	\$19,443,746.76	\$3,520,291	\$2,093,307	\$1,426,984	0	\$1,426,984		7.76%	8.500%	\$41,415,191	\$16,600,095	\$24,815,096	
15	\$20,558,755.53	\$3,590,697	\$2,093,307	\$1,497,390	0	\$1,497,390		7.70%	8.500%	\$42,243,495	\$15,485,086	\$26,758,408	
16	\$21,739,475.45	\$3,662,511	\$2,093,307	\$1,569,204	0	\$1,569,204		7.63%	8.500%	\$43,088,364	\$14,304,367	\$28,783,998	
17	\$22,989,779.11	\$3,735,761	\$2,093,307	\$1,642,454	0	\$1,642,454		7.56%	8.500%	\$43,950,132	\$13,054,063	\$30,896,699	
18	\$24,313,767.32	\$3,810,476	\$2,093,307	\$1,717,169	0	\$1,717,169		7.47%	8.500%	\$44,825,134	\$11,730,075	\$33,099,060	
19	\$25,715,782.53	\$3,886,686	\$2,093,307	\$1,793,379	0	\$1,793,379		7.38%	8.500%	\$45,725,717	\$10,328,059	\$35,397,658	
20	\$27,200,423.15	\$3,964,420	\$2,093,307	\$1,871,112	0	\$1,871,112		7.28%	8.500%	\$46,640,231	\$8,843,419	\$37,796,813	
21	\$28,772,558.56	\$3,639,337	\$2,093,307	\$1,546,030	0	\$1,546,030		5.68%	9.500%	\$38,308,813	\$7,271,283	\$31,037,530	
22	\$30,437,345.12	\$3,712,124	\$2,093,307	\$1,618,817	0	\$1,618,817		5.63%	9.500%	\$39,074,990	\$5,606,497	\$33,468,493	
23	\$32,200,243.06	\$3,786,366	\$2,093,307	\$1,693,059	0	\$1,693,059		5.56%	9.500%	\$39,856,489	\$3,843,599	\$36,012,890	
24	\$34,067,034.43	\$3,862,094	\$2,093,307	\$1,768,786	0	\$1,768,786		5.49%	9.500%	\$40,653,619	\$1,976,808	\$38,676,812	
25	\$36,043,842.00	\$3,939,336	\$2,093,307	\$1,846,028	0	\$1,846,028		5.42%	9.500%	\$41,466,691	\$0	\$41,466,691	
26	\$37,889,870.30	\$4,018,122	\$0	\$4,018,122	0	\$4,018,122		11.15%	9.500%	\$42,296,025		\$42,296,025	
27	\$37,889,870.30	\$4,098,485	\$0	\$4,098,485	0	\$4,098,485		10.82%	9.500%	\$43,141,946		\$43,141,946	
28	\$37,889,870.30	\$4,180,455	\$0	\$4,180,455	0	\$4,180,455		11.03%	9.500%	\$44,004,785		\$44,004,785	
29	\$37,889,870.30	\$4,264,064	\$0	\$4,264,064	0	\$4,264,064		11.25%	9.500%	\$44,884,880		\$44,884,880	
30	\$37,889,870.30	\$4,349,345	\$0	\$4,349,345	0	\$4,349,345		11.48%	9.500%	\$45,782,578		\$45,782,578	
31	\$37,889,870.30	\$3,992,699	\$0	\$3,992,699	0	\$3,992,699		10.54%	10.500%	\$38,025,701		\$38,025,701	
32	\$37,889,870.30	\$4,072,553	\$0	\$4,072,553	0	\$4,072,553		10.75%	11.311%	\$35,371,962		\$35,371,962	
33	\$37,889,870.30	\$4,154,004	\$0	\$4,154,004	0	\$4,154,004		10.96%	12.696%	\$32,718,224		\$32,718,224	
34	\$37,889,870.30	\$4,237,084	\$0	\$4,237,084	0	\$4,237,084		11.18%	14.093%	\$30,064,485		\$30,064,485	
35	\$37,889,870.30	\$4,321,825	\$0	\$4,321,825	0	\$4,321,825		11.41%	15.767%	\$27,410,746		\$27,410,746	
36	\$37,889,870.30	\$4,408,262	\$0	\$4,408,262	0	\$4,408,262		11.63%	17.806%	\$24,757,007		\$24,757,007	
37	\$37,889,870.30	\$4,496,427	\$0	\$4,496,427	0	\$4,496,427		11.87%	20.343%	\$22,103,269		\$22,103,269	
38	\$37,889,870.30	\$4,586,356	\$0	\$4,586,356	0	\$4,586,356		12.10%	23.581%	\$19,449,530		\$19,449,530	
39	\$37,889,870.30	\$4,678,083	\$0	\$4,678,083	0	\$4,678,083		12.35%	27.853%	\$16,795,791		\$16,795,791	
40	\$37,889,870.30	\$4,771,644	\$0	\$4,771,644	\$14,142,052	\$18,913,697		12.59%	33.741%	\$14,142,052		\$14,142,052	

PROPERTY LEVEL RETURN ANALYSIS - PURCHASE OPTION

OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR	OPTION EO YR
1	2	3	4	5	6	7	8	9	
8.216%	8.905%	9.135%	9.250%	9.319%	9.365%	9.397%	9.421%	9.440%	
\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	\$36,043,842	
\$39,005,294	\$2,721,300	\$2,721,300	\$2,721,300	\$2,721,300	\$2,721,300	\$2,721,300	\$2,721,300	\$2,721,300	
	\$39,785,400	\$2,775,726	\$2,775,726	\$2,775,726	\$2,775,726	\$2,775,726	\$2,775,726	\$2,775,726	
		\$40,581,108	\$2,831,240	\$2,831,240	\$2,831,240	\$2,831,240	\$2,831,240	\$2,831,240	
			\$41,392,730	\$2,887,865	\$2,887,865	\$2,887,865	\$2,887,865	\$2,887,865	
				\$42,220,585	\$2,945,622	\$2,945,622	\$2,945,622	\$2,945,622	
					\$43,064,997	\$3,004,535	\$3,004,535	\$3,004,535	
						\$44,804,823	\$3,064,625	\$3,064,625	
							\$44,804,823	\$3,125,918	
								\$45,700,919	
Price	\$36,283,995	\$37,009,675	\$37,749,868	\$38,504,866	\$39,274,963	\$40,060,462	\$40,861,671	\$41,678,905	\$42,512,483
Rnd Price	\$36,300,000	\$37,000,000	\$37,700,000	\$38,500,000	\$39,300,000	\$40,100,000	\$40,900,000	\$41,700,000	\$42,500,000

Returns Yr 1 - 3 are not satisfactory - slightly low.

Returns property Yr 4 to 10 are in and around 9% - generally satisfactory.

What about a straight line alternative? 40 year life to -0- on building??

Reversion Calc:

Land	31129
Value Base	175
FV at 2%	\$ 5,447,575
FV at 2%	\$ 12,028,462

Alt Calc:

Building	64048
Value Base	\$100
Value	\$ 6,404,800
FV at 2%	\$ 14,142,052

Market Value at
Lease Rate

\$36,283,995
\$36,522,705
\$36,769,352
\$37,023,909
\$37,286,357
\$37,556,683
\$37,834,881
\$38,120,949
\$38,414,894
\$38,716,725
\$39,026,459
\$39,344,116
\$39,669,723
\$40,003,309
\$40,344,911
\$40,694,566
\$41,052,321
\$41,418,222
\$41,792,322
\$42,174,677
\$38,308,813
\$38,667,958
\$39,034,706
\$39,409,121
\$39,791,270
\$40,181,224
\$40,579,058

\$40,984,849
\$41,398,676
\$41,820,624
\$38,025,701
\$35,371,962
\$32,718,224
\$30,064,485
\$27,410,746
\$24,757,007
\$22,103,269
\$19,449,530
\$16,795,791
\$14,142,052

-\$784,362

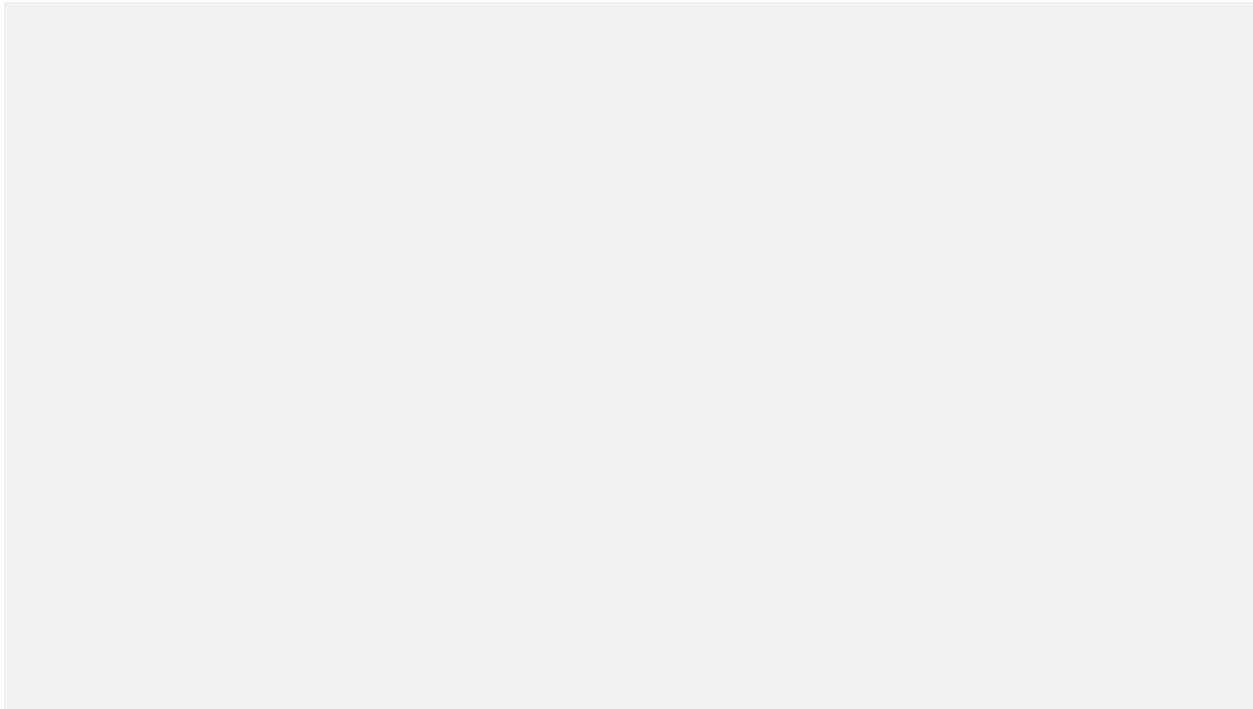
sum of rising
land and
building
declining at
2.5% increment

building
declines

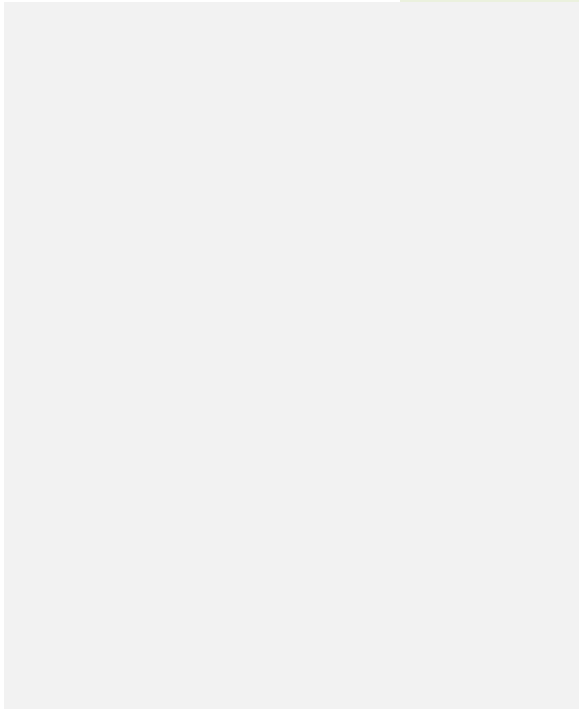
land rises at
2%/year

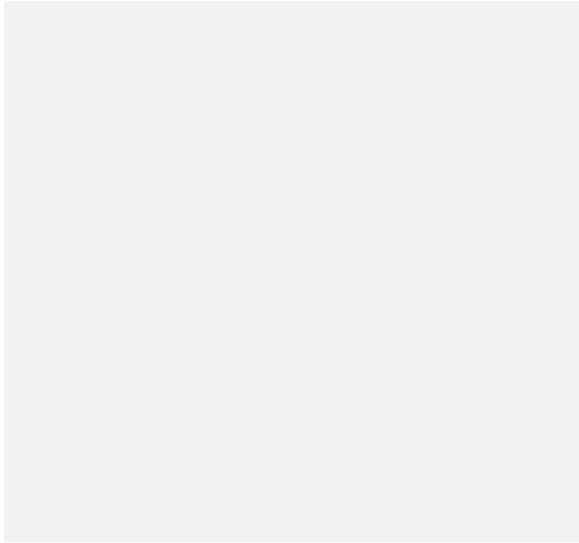
Total Building Land

Project Cost New	\$36,043,842	\$31,374,492	\$4,669,350
1	\$35,352,867	\$30,590,130	\$4,762,737
2	\$34,663,759	\$29,805,767	\$4,857,992
3	\$33,976,557	\$29,021,405	\$4,955,152
4	\$33,291,297	\$28,237,043	\$5,054,255
5	\$32,608,020	\$27,452,681	\$5,155,340
6	\$31,926,765	\$26,668,318	\$5,258,446
7	\$31,247,571	\$25,883,956	\$5,363,615
8	\$30,570,481	\$25,099,594	\$5,470,888
9	\$29,895,537	\$24,315,231	\$5,580,305
10	\$29,222,781	\$23,530,869	\$5,691,912



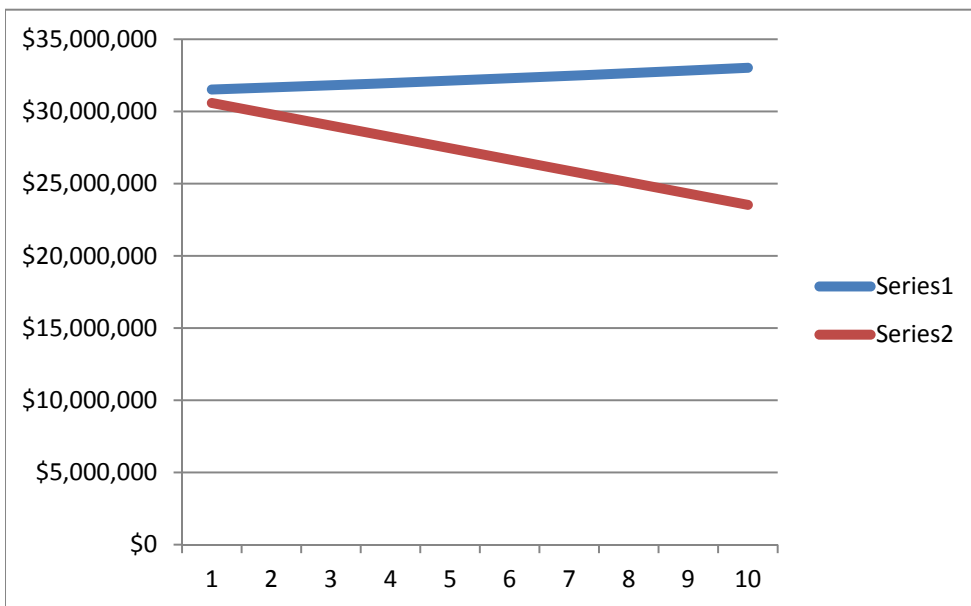
	A	B	C	
	Mkt Value at Lease Rate less Land Value	Declining Price of Building	Variance	
	1	\$31,521,258	\$30,590,130	\$931,128
-\$30,590,130	2	\$31,664,714	\$29,805,767	\$1,858,946
\$784,362	3	\$31,814,201	\$29,021,405	\$2,792,795
\$784,362	4	\$31,969,655	\$28,237,043	\$3,732,612
\$784,362	5	\$32,131,017	\$27,452,681	\$4,678,337
\$784,362	6	\$32,298,237	\$26,668,318	\$5,629,919
\$784,362	7	\$32,471,265	\$25,883,956	\$6,587,310
\$784,362	8	\$32,650,062	\$25,099,594	\$7,550,468
\$784,362	9	\$32,834,589	\$24,315,231	\$8,519,357
\$784,362	10	\$33,024,814	\$23,530,869	\$9,493,945





14142052.44

D	E	D+E			
50/50 Split	Add Land - Rising	Option Price	Rounded	Rent in Yr	Imputed Cap Rate
\$31,055,694	\$4,762,737	\$35,818,431	\$35,800,000	\$2,721,300	7.60%
\$30,735,240	\$4,857,992	\$35,593,232	\$35,600,000	\$2,775,726	7.80%
\$30,417,803	\$4,955,152	\$35,372,954	\$35,400,000	\$2,831,240	8.00%
\$30,103,349	\$5,054,255	\$35,157,603	\$35,200,000	\$2,887,865	8.20%
\$29,791,849	\$5,155,340	\$34,947,189	\$34,900,000	\$2,945,622	8.44%
\$29,483,277	\$5,258,446	\$34,741,724	\$34,700,000	\$3,004,535	8.66%
\$29,177,611	\$5,363,615	\$34,541,226	\$34,500,000	\$3,064,625	8.88%
\$28,874,828	\$5,470,888	\$34,345,715	\$34,300,000	\$3,125,918	9.11%
\$28,574,910	\$5,580,305	\$34,155,215	\$34,200,000	\$3,188,436	9.32%
\$28,277,841	\$5,691,912	\$33,969,753	\$34,000,000	\$3,252,205	9.57%



Market

**MARKET RENTS PARADIGM -
NEW OFFICE BUILDING**

CPI

YR

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

2.50%

Monthly Rate	Annual	VCL	EGI	Optg Cost	NOI	Cap Rate
\$3.50	\$42.00	\$2.10	\$39.90	\$9.00	\$30.90	7.500%
\$3.59	\$43.05	\$2.15	\$40.90	\$9.23	\$31.67	7.500%
\$3.68	\$44.13	\$2.21	\$41.92	\$9.46	\$32.46	7.500%
\$3.77	\$45.23	\$2.26	\$42.97	\$9.69	\$33.28	7.500%
\$3.86	\$46.36	\$2.32	\$44.04	\$9.93	\$34.11	7.500%
\$3.96	\$47.52	\$2.38	\$45.14	\$10.18	\$34.96	7.500%
\$4.06	\$48.71	\$2.44	\$46.27	\$10.44	\$35.83	7.500%
\$4.16	\$49.92	\$2.50	\$47.43	\$10.70	\$36.73	7.500%
\$4.26	\$51.17	\$2.56	\$48.61	\$10.97	\$37.65	7.500%
\$4.37	\$52.45	\$2.62	\$49.83	\$11.24	\$38.59	7.500%

V/SF

\$412.00

\$422.30

\$432.86

\$443.68

\$454.77

\$466.14

\$477.79

\$489.74

\$501.98

\$514.53 say

\$510.00

64048

\$510.00

\$32,664,480

\$38,414,894 Property Value by Model; Year 10

-\$5,750,414 Variance

\$32,664,480

\$ 20,473,174 Loan Balance by Model; Year 10

\$12,191,306 Variance