

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

Land Area	31129		
Building Size	64048		
Project Cost as of 8-28-13		%%	Per GSF
Prop Acq	\$7,850,000	18.0%	\$122.56
Soft Costs	\$515,000	1.2%	\$8.04
Construction & A/E Services	\$29,751,108	68.0%	\$464.51
Interim Office Space	\$750,000	1.7%	\$11.71
Contingency	\$762,322	1.7%	\$11.90
Construction Loan Interest	\$1,110,007	2.5%	\$17.33
Loan Fee	\$611,077	1.4%	\$9.54
Construction Management	\$892,533	2.0%	\$13.94
Development Fee	\$1,487,555	3.4%	\$23.23
	\$43,729,602	100.0%	\$682.76

Loan Assumptions

AIDA		%% of Loan	%% of Project
Max Loan	\$20,000,000	60.981%	45.736%
Loan Term - Mos	300		
Interest Rate	5.68%		
Mortgage Constant	0.074986		

Additional Financing - Bank			
Max Loan	none		
Likely Loan	\$12,797,201.50	39.019%	29.264%
Loan Term - Mos	300		
Interest Rate	6.00%		
Mortgage Constant	0.077316		

Total Loan	\$32,797,202	100.0%	75.000%	Annual DS	Mon DS
Combined Mortgage Constant	0.075895			\$2,489,150	\$207,429
Combined Interest Rate	5.805%			\$1,903,832	\$158,653
Imputed Payment to Principal	0.017847			\$585,318	\$48,777

Excel Test Amortization				\$2,518,240	\$207,418	(\$11)	\$755,471.86	\$62,225.40
Debt Service coverage Ratio	1.3							
Alternative DS coverage Ratio	1.2						\$3,021,887.45	\$248,901.60
							\$503,647.91	\$41,483.60

Imputed Equity Investment	\$10,932,401	25.000%
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Likely Market Rent Basis

	Quantity	Cost/Value	Extension	
Land	31129	150	\$4,669,350	
Parking Structure	103	50000	\$5,150,000	\$257.50 /sf garage
Less Depreciation	18%		-\$927,000	
Structural Frame	45623	50	\$2,281,150	
Depreciation in Frame	40%		-\$912,460	
Subtotal			\$10,261,040	\$160.21 /sf land
New Building (C&S)	64048	300	\$19,214,400	
New Building Tis	64048	120	\$7,685,760	
Subtotal Hard Costs			\$26,900,160	\$420.00 /sf gross building area
Subtotal Land & Hard			\$37,161,200	
Soft Costs				
Financing	5%		\$1,858,060	
G&A	5%		\$1,858,060	
Project Management	4%		\$1,486,448	
Subtotal Soft Costs			\$5,202,568	
Hard & Soft Costs			\$42,363,768	
Developer Profit	10%		\$4,236,377	
Total Project Costs			\$46,600,145	
Return on Debt	7.58952%		6.954%	
% Debt	60%			
Return on Equity	6%			
% Equity	40%			
Indicated NNN Rent			\$3,240,440	\$270,036.67 Market Rent
				\$243,033.00 90% 90% of Market

	Reqd NOI	Reqd NOI/Mont	CTO-Annual	CTO - Monthly
	\$3,273,711.40	\$269,643.40		
			\$755,471.86	\$62,225.40
	\$3,021,887.45	\$248,901.60	\$503,647.91	\$41,483.60

\$43,649,485

CPI 2.00%

	Equity Invest	NOI	Debt Service	CTO	Reversion	CTO+Rev	Equity IRR	ROE	Guess Cap Rate	Guess Value	Guess Loan	Net Proceeds	Cash Flows	Reversion	CTO & Reversion	Cash Flows
0	\$10,932,401					-\$10,932,401	12.65%						-\$43,649,485		-\$43,649,485	-\$43,649,485
1	\$11,546,807.95	\$3,273,711	\$2,518,240	\$755,472	0	\$755,472		6.91%	7.500%	\$43,649,485	\$32,182,794	\$11,466,691	\$3,273,711		\$3,273,711	\$3,273,711
2	\$12,196,880.90	\$3,339,186	\$2,518,240	\$820,946	0	\$820,946		7.11%	7.500%	\$44,522,475	\$31,532,721	\$12,989,754	\$3,339,186		\$3,339,186	\$3,339,186
3	\$12,884,689.69	\$3,405,969	\$2,518,240	\$887,730	0	\$887,730		7.28%	7.500%	\$45,412,925	\$30,844,912	\$14,568,012	\$3,405,969		\$3,405,969	\$3,405,969
4	\$13,612,424.82	\$3,474,089	\$2,518,240	\$955,849	0	\$955,849		7.42%	7.500%	\$46,321,183	\$30,117,177	\$16,204,006	\$3,474,089		\$3,474,089	\$3,474,089
5	\$14,382,403.97	\$3,543,571	\$2,518,240	\$1,025,331	0	\$1,025,331		7.53%	7.500%	\$47,247,607	\$29,347,198	\$17,900,409	\$3,543,571		\$3,543,571	\$3,543,571
6	\$15,197,079.34	\$3,614,442	\$2,518,240	\$1,096,202	0	\$1,096,202		7.62%	7.500%	\$48,192,559	\$28,532,523	\$19,660,036	\$3,614,442		\$3,614,442	\$3,614,442
7	\$16,059,045.48	\$3,686,731	\$2,518,240	\$1,168,491	0	\$1,168,491		7.69%	7.500%	\$49,156,410	\$27,670,557	\$21,485,854	\$3,686,731		\$3,686,731	\$3,686,731
8	\$16,971,047.57	\$3,760,465	\$2,518,240	\$1,242,226	0	\$1,242,226		7.74%	7.500%	\$50,139,538	\$26,758,554	\$23,380,984	\$3,760,465		\$3,760,465	\$3,760,465
9	\$17,935,990.11	\$3,835,675	\$2,518,240	\$1,317,435	0	\$1,317,435		7.76%	7.500%	\$51,142,329	\$25,793,612	\$25,348,717	\$3,835,675		\$3,835,675	\$3,835,675
10	\$18,956,946.23	\$3,912,388	\$2,518,240	\$1,394,149	0	\$1,394,149		7.77%	7.500%	\$52,165,176	\$24,772,656	\$27,392,520	\$3,912,388	\$52,165,176	\$56,077,564	\$3,912,388
11	\$20,037,167.44	\$3,990,636	\$2,518,240	\$1,472,396	0	\$1,472,396		7.77%	8.500%	\$46,948,658	\$23,692,435	\$23,256,223		IRR =	9.36%	\$3,990,636
12	\$21,180,093.99	\$4,070,449	\$2,518,240	\$1,552,209	0	\$1,552,209		7.75%	8.500%	\$47,887,631	\$22,549,508	\$25,338,123	\$4,070,449			\$4,070,449
13	\$22,389,365.84	\$4,151,858	\$2,518,240	\$1,633,618	0	\$1,633,618		7.71%	8.500%	\$48,845,384	\$21,340,236	\$27,505,148	\$4,151,858			\$4,151,858
14	\$23,668,834.25	\$4,234,895	\$2,518,240	\$1,716,655	0	\$1,716,655		7.67%	8.500%	\$49,822,291	\$20,060,768	\$29,761,524	\$4,234,895			\$4,234,895
15	\$25,022,574.03	\$4,319,593	\$2,518,240	\$1,801,353	0	\$1,801,353		7.61%	8.500%	\$50,818,737	\$18,707,028	\$32,111,709	\$4,319,593			\$4,319,593
16	\$26,454,896.52	\$4,405,985	\$2,518,240	\$1,887,745	0	\$1,887,745		7.54%	8.500%	\$51,835,112	\$17,274,705	\$34,560,407	\$4,405,985			\$4,405,985
17	\$27,970,363.35	\$4,494,104	\$2,518,240	\$1,975,865	0	\$1,975,865		7.47%	8.500%	\$52,871,814	\$15,759,239	\$37,112,576	\$4,494,104			\$4,494,104
18	\$29,573,800.93	\$4,583,986	\$2,518,240	\$2,065,747	0	\$2,065,747		7.39%	8.500%	\$53,929,251	\$14,155,801	\$39,773,450	\$4,583,986			\$4,583,986
19	\$31,270,315.84	\$4,675,666	\$2,518,240	\$2,157,426	0	\$2,157,426		7.30%	8.500%	\$55,007,836	\$12,459,286	\$42,548,549	\$4,675,666			\$4,675,666
20	\$33,065,311.09	\$4,769,179	\$2,518,240	\$2,250,940	0	\$2,250,940		7.20%	8.500%	\$56,107,992	\$10,664,291	\$45,443,701	\$4,769,179			\$4,769,179
21	\$34,964,503.32	\$4,878,107	\$2,518,240	\$1,859,867	0	\$1,859,867		5.62%	9.500%	\$46,085,333	\$8,765,099	\$37,320,234				
22	\$36,973,941.03	\$4,465,669	\$2,518,240	\$1,947,429	0	\$1,947,429		5.57%	9.500%	\$47,007,040	\$6,755,661	\$40,251,379				
23	\$39,100,023.82	\$4,554,982	\$2,518,240	\$2,036,743	0	\$2,036,743		5.51%	9.500%	\$47,947,181	\$4,629,578	\$43,317,602				
24	\$41,349,522.76	\$4,646,082	\$2,518,240	\$2,127,842	0	\$2,127,842		5.44%	9.500%	\$48,906,124	\$2,380,079	\$46,526,045				
25	\$43,729,602.00	\$4,739,003	\$2,518,240	\$2,220,764	0	\$2,220,764		5.37%	9.500%	\$49,884,247	\$0	\$49,884,247				
26	\$45,950,365.89	\$4,833,783	0	\$4,833,783	0	\$4,833,783		11.05%	9.500%	\$50,881,932		\$50,881,932				
27	\$45,950,365.89	\$4,930,459	\$0	\$4,930,459	0	\$4,930,459		10.73%	9.500%	\$51,899,570		\$51,899,570				
28	\$45,950,365.89	\$5,029,068	\$0	\$5,029,068	0	\$5,029,068		10.94%	9.500%	\$52,937,562		\$52,937,562				
29	\$45,950,365.89	\$5,129,650	\$0	\$5,129,650	0	\$5,129,650		11.16%	9.500%	\$53,996,313		\$53,996,313				
30	\$45,950,365.89	\$5,232,243	\$0	\$5,232,243	0	\$5,232,243		11.39%	9.500%	\$55,076,239		\$55,076,239				
31	\$45,950,365.89	\$4,803,199	\$0	\$4,803,199	0	\$4,803,199		10.45%	10.500%	\$45,744,751		\$45,744,751				
32	\$45,950,365.89	\$4,899,263	\$0	\$4,899,263	0	\$4,899,263		10.66%	11.600%	\$42,233,340		\$42,233,340				
33	\$45,950,365.89	\$4,997,248	\$0	\$4,997,248	0	\$4,997,248		10.88%	12.905%	\$38,721,929		\$38,721,929				
34	\$45,950,365.89	\$5,097,193	\$0	\$5,097,193	0	\$5,097,193		11.09%	14.476%	\$35,210,518		\$35,210,518				
35	\$45,950,365.89	\$5,199,137	\$0	\$5,199,137	0	\$5,199,137		11.31%	16.402%	\$31,699,107		\$31,699,107				
36	\$45,950,365.89	\$5,303,120	\$0	\$5,303,120	0	\$5,303,120		11.54%	18.814%	\$28,187,696		\$28,187,696				
37	\$45,950,365.89	\$5,409,182	\$0	\$5,409,182	0	\$5,409,182		11.77%	21.921%	\$24,676,285		\$24,676,285				
38	\$45,950,365.89	\$5,517,366	\$0	\$5,517,366	0	\$5,517,366		12.01%	26.069%	\$21,164,874		\$21,164,874				
39	\$45,950,365.89	\$5,627,713	\$0	\$5,627,713	0	\$5,627,713		12.25%	31.879%	\$17,653,463		\$17,653,463				
40	\$45,950,365.89	\$5,740,267	\$0	\$5,740,267	\$14,142,052	\$19,882,320		12.49%	40.590%	\$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

10 Year Returns		Life of the Building	
Reversion	CTO & Reversion	Cash Flows	CTO & Reversion
	-\$43,649,485	-\$43,649,485	-\$43,649,485
	\$3,273,711	\$3,273,711	\$3,273,711
	\$3,339,186	\$3,339,186	\$3,339,186
	\$3,405,969	\$3,405,969	\$3,405,969
	\$3,474,089	\$3,474,089	\$3,474,089
	\$3,543,571	\$3,543,571	\$3,543,571
	\$3,614,442	\$3,614,442	\$3,614,442
	\$3,686,731	\$3,686,731	\$3,686,731
	\$3,760,465	\$3,760,465	\$3,760,465
	\$3,835,675	\$3,835,675	\$3,835,675
	\$3,912,388	\$3,912,388	\$3,912,388
	\$3,990,636	\$3,990,636	\$3,990,636
	\$4,070,449	\$4,070,449	\$4,070,449
	\$4,151,858	\$4,151,858	\$4,151,858
	\$4,234,895	\$4,234,895	\$4,234,895
	\$4,319,593	\$4,319,593	\$4,319,593
	\$4,405,985	\$4,405,985	\$4,405,985
	\$4,494,104	\$4,494,104	\$4,494,104
	\$4,583,986	\$4,583,986	\$4,583,986
	\$4,675,666	\$4,675,666	\$4,675,666
\$56,107,992	\$60,877,172	\$4,769,179	\$4,769,179
IRR =	9.17%	\$4,378,107	\$4,378,107
		\$4,465,669	\$4,465,669
		\$4,554,982	\$4,554,982
		\$4,646,082	\$4,646,082
		\$4,739,003	\$4,739,003
		\$4,833,783	\$4,833,783
		\$4,930,459	\$4,930,459
		\$5,029,068	\$5,029,068
		\$5,129,650	\$5,129,650
		\$5,232,243	\$5,232,243
		\$4,803,199	\$4,803,199
		\$4,899,263	\$4,899,263
		\$4,997,248	\$4,997,248
		\$5,097,193	\$5,097,193
		\$5,199,137	\$5,199,137
		\$5,303,120	\$5,303,120
		\$5,409,182	\$5,409,182
		\$5,517,366	\$5,517,366
		\$5,627,713	\$5,627,713
		\$5,740,267	\$5,740,267
		\$14,142,052	\$19,882,320
		IRR =	8.82%

rns		Life of the Building	
CTO & Reversion	Cash Flows	Reversion	CTO & Reversion
-\$43,169,821	-\$43,169,821		-\$43,169,821
\$3,021,887	\$3,021,887		\$3,021,887
\$3,082,325	\$3,082,325		\$3,082,325
\$3,143,972	\$3,143,972		\$3,143,972
\$3,206,851	\$3,206,851		\$3,206,851
\$3,270,988	\$3,270,988		\$3,270,988
\$3,336,408	\$3,336,408		\$3,336,408
\$3,403,136	\$3,403,136		\$3,403,136
\$3,471,199	\$3,471,199		\$3,471,199
\$3,540,623	\$3,540,623		\$3,540,623
\$3,611,435	\$3,611,435		\$3,611,435
\$3,683,664	\$3,683,664		\$3,683,664
\$3,757,337	\$3,757,337		\$3,757,337
\$3,832,484	\$3,832,484		\$3,832,484
\$3,909,134	\$3,909,134		\$3,909,134
\$3,987,316	\$3,987,316		\$3,987,316
\$4,067,063	\$4,067,063		\$4,067,063
\$4,148,404	\$4,148,404		\$4,148,404
\$4,231,372	\$4,231,372		\$4,231,372
\$4,315,999	\$4,315,999		\$4,315,999
\$59,431,312	\$4,402,319		\$4,402,319
8.63%	\$4,041,329		\$4,041,329
	\$4,122,156		\$4,122,156
	\$4,204,599		\$4,204,599
	\$4,288,691		\$4,288,691
	\$4,374,465		\$4,374,465
	\$4,461,954		\$4,461,954
	\$4,551,193		\$4,551,193
	\$4,642,217		\$4,642,217
	\$4,735,061		\$4,735,061
	\$4,829,763		\$4,829,763
	\$4,433,722		\$4,433,722
	\$4,522,396		\$4,522,396
	\$4,612,844		\$4,612,844
	\$4,705,101		\$4,705,101
	\$4,799,203		\$4,799,203
	\$4,895,187		\$4,895,187
	\$4,993,091		\$4,993,091
	\$5,092,953		\$5,092,953
	\$5,194,812		\$5,194,812
	\$5,298,708	\$14,142,052	\$19,440,761
		IRR =	8.24%

PRELIMINARY AND TENTATIVE - FOR DISCU

1	\$	32,797,201.50
2	\$	32,182,794.05
3	\$	31,532,721.10
4	\$	30,844,912.31
5	\$	30,117,177.18
6	\$	29,347,198.03
7	\$	28,532,522.66
8	\$	27,670,556.52
9	\$	26,758,554.43
10	\$	25,793,611.89
11	\$	24,772,655.77
12	\$	23,692,434.56
13	\$	22,549,508.01
14	\$	21,340,236.16
15	\$	20,060,767.75
16	\$	18,707,027.97
17	\$	17,274,705.48
18	\$	15,759,238.65
19	\$	14,155,801.07
20	\$	12,459,286.16
21	\$	10,664,290.91
22	\$	8,765,098.68
23	\$	6,755,660.97
24	\$	4,629,578.18
25	\$	2,380,079.24

JSSION PURPOSES ONLY - 9-9-13

Interest	Int Exp	DS Constant	Ann D/S	Prin Red	End Balance
0.05804861	\$ 1,903,832.09	0.0758952	\$ 2,518,239.54	\$ 614,407.45	\$ 32,182,794.05
0.05804861	\$ 1,868,166.59		\$ 2,518,239.54	\$ 650,072.95	\$ 31,532,721.10
0.05804861	\$ 1,830,430.76		\$ 2,518,239.54	\$ 687,808.78	\$ 30,844,912.31
0.05804861	\$ 1,790,504.41		\$ 2,518,239.54	\$ 727,735.13	\$ 30,117,177.18
0.05804861	\$ 1,748,260.39		\$ 2,518,239.54	\$ 769,979.15	\$ 29,347,198.03
0.05804861	\$ 1,703,564.17		\$ 2,518,239.54	\$ 814,675.37	\$ 28,532,522.66
0.05804861	\$ 1,656,273.39		\$ 2,518,239.54	\$ 861,966.15	\$ 27,670,556.52
0.05804861	\$ 1,606,237.45		\$ 2,518,239.54	\$ 912,002.09	\$ 26,758,554.43
0.05804861	\$ 1,553,297.00		\$ 2,518,239.54	\$ 964,942.54	\$ 25,793,611.89
0.05804861	\$ 1,497,283.42		\$ 2,518,239.54	\$ 1,020,956.12	\$ 24,772,655.77
0.05804861	\$ 1,438,018.33		\$ 2,518,239.54	\$ 1,080,221.21	\$ 23,692,434.56
0.05804861	\$ 1,375,312.99		\$ 2,518,239.54	\$ 1,142,926.55	\$ 22,549,508.01
0.05804861	\$ 1,308,967.69		\$ 2,518,239.54	\$ 1,209,271.85	\$ 21,340,236.16
0.05804861	\$ 1,238,771.13		\$ 2,518,239.54	\$ 1,279,468.41	\$ 20,060,767.75
0.05804861	\$ 1,164,499.76		\$ 2,518,239.54	\$ 1,353,739.78	\$ 18,707,027.97
0.05804861	\$ 1,085,917.05		\$ 2,518,239.54	\$ 1,432,322.49	\$ 17,274,705.48
0.05804861	\$ 1,002,772.71		\$ 2,518,239.54	\$ 1,515,466.83	\$ 15,759,238.65
0.05804861	\$ 914,801.96		\$ 2,518,239.54	\$ 1,603,437.58	\$ 14,155,801.07
0.05804861	\$ 821,724.63		\$ 2,518,239.54	\$ 1,696,514.91	\$ 12,459,286.16
0.05804861	\$ 723,244.29		\$ 2,518,239.54	\$ 1,794,995.25	\$ 10,664,290.91
0.05804861	\$ 619,047.31		\$ 2,518,239.54	\$ 1,899,192.23	\$ 8,765,098.68
0.05804861	\$ 508,801.83		\$ 2,518,239.54	\$ 2,009,437.71	\$ 6,755,660.97
0.05804861	\$ 392,156.76		\$ 2,518,239.54	\$ 2,126,082.78	\$ 4,629,578.18
0.05804861	\$ 268,740.60		\$ 2,518,239.54	\$ 2,249,498.94	\$ 2,380,079.24
0.05804861	\$ 138,160.30		\$ 2,518,239.54	\$ 2,380,079.24	\$ 0.00