

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	6.25%		
Mortgage Constant	0.079160		
Total Loan	\$32,797,202	100.0%	75.000% Annual DS Mon DS
Combined Mortgage Constant	0.076615		\$2,512,750 \$209,396
Combined Interest Rate	5.902%		\$1,935,825 \$161,319
Imputed Payment to Principal	0.017591		\$576,925 \$48,077
Excel Test Amortization			
			\$2,541,875 \$209,361
Debt Service coverage Ratio			
Alternative DS coverage Ratio	1.3		
	1.2		
Imputed Equity Investment	\$10,932,401		25.000%

Likely Market Rent Basis			
	Quantity	Cost/Value	Extension
Land	31129	\$150.00	\$4,669,350
Parking Structure	20000	\$188.41	\$3,768,153
Less Depreciation	18%		-\$678,268
Structural Frame	45623	\$50.00	\$2,281,150
Depreciation in Frame	40%		-\$912,460
Subtotal			\$9,127,925
New Building (C&S)	64048	\$314.38	\$20,135,410
New Building Tis	64048	\$120.00	\$7,685,760
Subtotal Hard Costs			\$27,821,170
Subtotal Land & Hard			\$36,949,096
Soft Costs			
Financing	5%		\$1,847,455
G&A	5%		\$1,847,455
Project Management	4%		\$1,477,964
Subtotal Soft Costs			\$5,172,873
Hard & Soft Costs			\$42,121,969
Developer Profit	10%		\$4,212,197
Total Project Costs			\$46,334,166
Return on Debt	7.66148%		6.997%
% Debt	60%		
Return on Equity	6%		
% Equity	40%		
Indicated NNN Rent			\$3,241,949
Adjustment for Service Obligations			\$86,388
Indicated Modified NNN Rent			\$3,328,337

	Reqd NOI	Reqd NOI/Mont	CTO-Annual	CTO - Monthly
	\$3,304,436.98	\$272,168.83		
			\$762,562.38	\$62,808.19
	\$3,050,249.52	\$251,232.76	\$508,374.92	\$41,872.13

Rental Cost of the Garage	
Indicated Rent Factor	6.997%
Garage Depreciated Cost	\$3,089,885
Indicated Garage Rent (Annual)	\$216,195.78
Indicated Garage Rent (Monthly)	\$18,016.31

Adjustment for Service Obligations of Landlord				
Lease Section	Item	Cost	Frequency	Annual Cost
Sec 4.a.5	Extraordinary Maintenance	FV=\$780741	Reserve in 10 Yrs	\$51,388
4.a.6	Exterior Lights	\$2,500	Annual	\$2,500
4.a.7	Interior Lights	\$1,000	Annual	\$1,000
4.a.8	Plumbing fixtures	\$5,000	Annual	\$5,000
4.a.9	Elevator	\$12,000	Annual	\$12,000
4.a.10	HVAC	\$12,000	Annual	\$12,000
4.a.11	Fire Suppression	\$2,500	Annual	\$2,500
4.a.12	Assessments	???		\$86,388

\$188.41 /sf garage \$36,584.01
 \$142.52 /sf land
 \$434.38 /sf gross building area

Level Annual Equivalent Modified NNN Rent

Yr	Initial Rent	LAE Rent
1	\$3,328,337	\$3,599,204
2	\$3,394,904	\$3,599,204
3	\$3,462,802	\$3,599,204
4	\$3,532,058	\$3,599,204
5	\$3,602,699	\$3,599,204
6	\$3,674,753	\$3,599,204
7	\$3,748,248	\$3,599,204
8	\$3,823,213	\$3,599,204
9	\$3,899,677	\$3,599,204
10	\$3,977,671	\$3,599,204

Level Annual Equivalent Rent	
Based on Annual Escalations per Year: 2.00%	
Annual LAE Market Rent	\$3,599,204
Per Month	\$299,934
90% of Market - LAE Rent	
Annual	\$3,239,284
Per Month	\$269,940

Level Annual Equivalent Modified NNN Rent

Yr	Initial Rent	LAE Rent
1	\$3,328,337	\$3,528,956
2	\$3,378,262	\$3,528,956
3	\$3,428,936	\$3,528,956
4	\$3,480,370	\$3,528,956
5	\$3,532,576	\$3,528,956
6	\$3,585,564	\$3,528,956
7	\$3,639,348	\$3,528,956
8	\$3,693,938	\$3,528,956
9	\$3,749,347	\$3,528,956
10	\$3,805,587	\$3,528,956

Level Annual Equivalent Rent	
Based on Annual Escalations per Year: 1.50%	
Annual LAE Market Rent	\$3,528,956
Per Month	\$294,080
90% of Market - LAE Rent	
Annual	\$3,176,061
Per Month	\$264,672

NO ADJUSTMENT HERE (YET) FOR SERVICE OBLIGATIONS; LIKELY NOT NECESSARY - ASSUMING MONIES ARE SPENT.

\$277,361.43 Market Rent-Monthly (NNN)
 \$4.33 Market Rent/SF/Month (NNN)
 \$249,625.28 90% 90% of Market
 \$18,016.31 Garage Rent Cost
 \$259,345.11 Net Office Market Rent
 \$4.05 Net Office Market RentPer SF/Month

Alternative Analysis of Growth Rate

tent

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

CPI **2.00%** \$10,932,401 25.00%
\$43,729,602

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	\$10,932,401					-\$10,932,401	12.73%	
1	\$11,538,450.01	\$3,304,437	\$2,541,875	\$762,562	0	\$762,562		6.98%
2	\$12,180,271.04	\$3,370,526	\$2,541,875	\$828,651	0	\$828,651		7.18%
3	\$12,859,974.97	\$3,437,936	\$2,541,875	\$896,062	0	\$896,062		7.36%
4	\$13,579,797.81	\$3,506,695	\$2,541,875	\$964,820	0	\$964,820		7.50%
5	\$14,342,107.55	\$3,576,829	\$2,541,875	\$1,034,954	0	\$1,034,954		7.62%
6	\$15,149,411.92	\$3,648,365	\$2,541,875	\$1,106,491	0	\$1,106,491		7.71%
7	\$16,004,366.70	\$3,721,333	\$2,541,875	\$1,179,458	0	\$1,179,458		7.79%
8	\$16,909,784.42	\$3,795,759	\$2,541,875	\$1,253,885	0	\$1,253,885		7.83%
9	\$17,868,643.59	\$3,871,675	\$2,541,875	\$1,329,800	0	\$1,329,800		7.86%
10	\$18,884,098.56	\$3,949,108	\$2,541,875	\$1,407,233	0	\$1,407,233		7.88%
11	\$19,959,489.84	\$4,028,090	\$2,541,875	\$1,486,216	0	\$1,486,216		7.87%
12	\$21,098,355.11	\$4,108,652	\$2,541,875	\$1,566,777	0	\$1,566,777		7.85%
13	\$22,304,440.88	\$4,190,825	\$2,541,875	\$1,648,950	0	\$1,648,950		7.82%
14	\$23,581,714.76	\$4,274,642	\$2,541,875	\$1,732,767	0	\$1,732,767		7.77%
15	\$24,934,378.58	\$4,360,134	\$2,541,875	\$1,818,260	0	\$1,818,260		7.71%
16	\$26,366,882.15	\$4,447,337	\$2,541,875	\$1,905,463	0	\$1,905,463		7.64%
17	\$27,883,937.95	\$4,536,284	\$2,541,875	\$1,994,409	0	\$1,994,409		7.56%
18	\$29,490,536.59	\$4,627,010	\$2,541,875	\$2,085,135	0	\$2,085,135		7.48%
19	\$31,191,963.26	\$4,719,550	\$2,541,875	\$2,177,675	0	\$2,177,675		7.38%
20	\$32,993,815.09	\$4,813,941	\$2,541,875	\$2,272,066	0	\$2,272,066		7.28%
21	\$34,902,019.60	\$4,919,198	\$2,541,875	\$1,877,323	0	\$1,877,323		5.69%
22	\$36,922,854.15	\$4,507,582	\$2,541,875	\$1,965,707	0	\$1,965,707		5.63%
23	\$39,062,966.63	\$4,597,733	\$2,541,875	\$2,055,859	0	\$2,055,859		5.57%
24	\$41,329,397.31	\$4,689,688	\$2,541,875	\$2,147,813	0	\$2,147,813		5.50%
25	\$43,729,602.00	\$4,783,482	\$2,541,875	\$2,241,607	0	\$2,241,607		5.42%
26	\$45,971,208.97	\$4,879,151	0	\$4,879,151	0	\$4,879,151		11.16%
27	\$45,971,208.97	\$4,976,734	\$0	\$4,976,734	0	\$4,976,734		10.83%
28	\$45,971,208.97	\$5,076,269	\$0	\$5,076,269	0	\$5,076,269		11.04%
29	\$45,971,208.97	\$5,177,794	\$0	\$5,177,794	0	\$5,177,794		11.26%
30	\$45,971,208.97	\$5,281,350	\$0	\$5,281,350	0	\$5,281,350		11.49%
31	\$45,971,208.97	\$4,848,279	\$0	\$4,848,279	0	\$4,848,279		10.55%
32	\$45,971,208.97	\$4,945,245	\$0	\$4,945,245	0	\$4,945,245		10.76%
33	\$45,971,208.97	\$5,044,150	\$0	\$5,044,150	0	\$5,044,150		10.97%
34	\$45,971,208.97	\$5,145,033	\$0	\$5,145,033	0	\$5,145,033		11.19%
35	\$45,971,208.97	\$5,247,934	\$0	\$5,247,934	0	\$5,247,934		11.42%
36	\$45,971,208.97	\$5,352,892	\$0	\$5,352,892	0	\$5,352,892		11.64%
37	\$45,971,208.97	\$5,459,950	\$0	\$5,459,950	0	\$5,459,950		11.88%
38	\$45,971,208.97	\$5,569,149	\$0	\$5,569,149	0	\$5,569,149		12.11%
39	\$45,971,208.97	\$5,680,532	\$0	\$5,680,532	0	\$5,680,532		12.36%
40	\$45,971,208.97	\$5,794,143	\$0	\$5,794,143	\$14,142,052	\$19,936,195		12.60%

Guess Cap Rate	Guess Value	Guess Loan	Net Proceeds	Cash Flows	Reversion	CTO & Reversion
				-\$43,729,602		-\$43,729,602
7.500%	\$44,059,160	\$32,191,152	\$11,868,008	\$3,304,437		\$3,304,437
7.600%	\$44,349,023	\$31,549,331	\$12,799,692	\$3,370,526		\$3,370,526
7.700%	\$44,648,523	\$30,869,627	\$13,778,895	\$3,437,936		\$3,437,936
7.800%	\$44,957,628	\$30,149,804	\$14,807,823	\$3,506,695		\$3,506,695
7.900%	\$45,276,315	\$29,387,494	\$15,888,820	\$3,576,829		\$3,576,829
8.000%	\$45,604,568	\$28,580,190	\$17,024,378	\$3,648,365		\$3,648,365
8.100%	\$45,942,380	\$27,725,235	\$18,217,144	\$3,721,333		\$3,721,333
8.200%	\$46,289,749	\$26,819,818	\$19,469,931	\$3,795,759		\$3,795,759
8.300%	\$46,646,682	\$25,860,958	\$20,785,723	\$3,871,675		\$3,871,675
8.400%	\$47,013,191	\$24,845,503	\$22,167,688	\$3,949,108	\$47,013,191	\$50,962,299
8.500%	\$47,389,297	\$23,770,112	\$23,619,185		IRR =	8.67%
8.600%	\$47,775,024	\$22,631,247	\$25,143,777			
8.700%	\$48,170,403	\$21,425,161	\$26,745,242			
8.800%	\$48,575,473	\$20,147,887	\$28,427,585			
8.900%	\$48,990,274	\$18,795,223	\$30,195,051			
9.000%	\$49,414,857	\$17,362,720	\$32,052,137			
9.100%	\$49,849,273	\$15,845,664	\$34,003,609			
9.200%	\$50,293,582	\$14,239,065	\$36,054,516			
9.300%	\$50,747,846	\$12,537,639	\$38,210,208			
9.400%	\$51,212,135	\$10,735,787	\$40,476,348			
9.500%	\$51,686,457	\$8,827,582	\$37,690,287			
9.600%	\$52,169,812	\$6,806,748	\$40,147,226			
9.700%	\$52,661,209	\$4,666,635	\$42,732,676			
9.800%	\$53,160,747	\$2,400,205	\$45,453,753			
9.900%	\$53,667,926	\$0	\$48,317,996			
10.000%	\$54,182,757		\$48,791,512			
10.100%	\$54,704,239		\$49,274,596			
10.200%	\$55,232,372		\$49,767,342			
10.300%	\$55,766,156		\$50,269,848			
10.400%	\$56,305,591		\$50,782,213			
10.500%	\$56,850,617		\$46,174,090			
10.600%	\$57,401,344		\$42,614,975			
10.700%	\$57,957,782		\$39,055,860			
10.800%	\$58,519,941		\$35,496,744			
10.900%	\$59,087,820		\$31,937,629			
11.000%	\$59,661,529		\$28,378,514			
11.100%	\$60,241,168		\$24,819,398			
11.200%	\$60,826,837		\$21,260,283			
11.300%	\$61,417,546		\$17,701,168			
11.400%	\$62,014,295		\$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
-\$43,729,602		-\$43,729,602	-\$43,729,602		-\$43,729,602
\$3,304,437		\$3,304,437	\$3,304,437		\$3,304,437
\$3,370,526		\$3,370,526	\$3,370,526		\$3,370,526
\$3,437,936		\$3,437,936	\$3,437,936		\$3,437,936
\$3,506,695		\$3,506,695	\$3,506,695		\$3,506,695
\$3,576,829		\$3,576,829	\$3,576,829		\$3,576,829
\$3,648,365		\$3,648,365	\$3,648,365		\$3,648,365
\$3,721,333		\$3,721,333	\$3,721,333		\$3,721,333
\$3,795,759		\$3,795,759	\$3,795,759		\$3,795,759
\$3,871,675		\$3,871,675	\$3,871,675		\$3,871,675
\$3,949,108		\$3,949,108	\$3,949,108		\$3,949,108
\$4,028,090		\$4,028,090	\$4,028,090		\$4,028,090
\$4,108,652		\$4,108,652	\$4,108,652		\$4,108,652
\$4,190,825		\$4,190,825	\$4,190,825		\$4,190,825
\$4,274,642		\$4,274,642	\$4,274,642		\$4,274,642
\$4,360,134		\$4,360,134	\$4,360,134		\$4,360,134
\$4,447,337		\$4,447,337	\$4,447,337		\$4,447,337
\$4,536,284		\$4,536,284	\$4,536,284		\$4,536,284
\$4,627,010		\$4,627,010	\$4,627,010		\$4,627,010
\$4,719,550		\$4,719,550	\$4,719,550		\$4,719,550
\$4,813,941	\$51,212,135	\$56,026,076	\$4,813,941		\$4,813,941
	IRR =	9.02%	\$4,419,198		\$4,419,198
			\$4,507,582		\$4,507,582
			\$4,597,733		\$4,597,733
			\$4,689,688		\$4,689,688
			\$4,783,482		\$4,783,482
			\$4,879,151		\$4,879,151
			\$4,976,734		\$4,976,734
			\$5,076,269		\$5,076,269
			\$5,177,794		\$5,177,794
			\$5,281,350		\$5,281,350
			\$4,848,279		\$4,848,279
			\$4,945,245		\$4,945,245
			\$5,044,150		\$5,044,150
			\$5,145,033		\$5,145,033
			\$5,247,934		\$5,247,934
			\$5,352,892		\$5,352,892
			\$5,459,950		\$5,459,950
			\$5,569,149		\$5,569,149
			\$5,680,532		\$5,680,532
			\$5,794,143	\$14,142,052	\$19,936,195
			IRR =		8.88%

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

ALTERNATIVE DEBT SERVICE COVERAGE RATIO															
										\$10,932,401	25.09%				
										\$43,574,993					
	CPI	2.00%													
Ten Year Returns															
	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
0	\$10,932,401					-\$10,932,401	10.98%						-\$43,574,993		-\$43,574,993
1	\$11,538,450.01	\$3,050,250	\$2,541,875	\$508,375	0	\$508,375		4.65%	7.000%	\$43,574,993	\$32,191,152	\$11,383,841	\$3,050,250		\$3,050,250
2	\$12,180,271.04	\$3,111,255	\$2,541,875	\$569,380	0	\$569,380		4.93%	7.000%	\$44,446,493	\$31,549,331	\$12,897,162	\$3,111,255		\$3,111,255
3	\$12,859,974.97	\$3,173,480	\$2,541,875	\$631,605	0	\$631,605		5.19%	7.000%	\$45,335,423	\$30,869,627	\$14,465,796	\$3,173,480		\$3,173,480
4	\$13,579,797.81	\$3,236,949	\$2,541,875	\$695,075	0	\$695,075		5.40%	7.000%	\$46,242,131	\$30,149,804	\$16,092,327	\$3,236,949		\$3,236,949
5	\$14,342,107.55	\$3,301,688	\$2,541,875	\$759,814	0	\$759,814		5.60%	7.000%	\$47,166,974	\$29,387,494	\$17,779,480	\$3,301,688		\$3,301,688
6	\$15,149,411.92	\$3,367,722	\$2,541,875	\$825,847	0	\$825,847		5.76%	7.000%	\$48,110,313	\$28,580,190	\$19,530,123	\$3,367,722		\$3,367,722
7	\$16,004,366.70	\$3,435,076	\$2,541,875	\$893,202	0	\$893,202		5.90%	7.000%	\$49,072,520	\$27,725,235	\$21,347,284	\$3,435,076		\$3,435,076
8	\$16,909,784.42	\$3,503,778	\$2,541,875	\$961,903	0	\$961,903		6.01%	7.000%	\$50,053,970	\$26,819,818	\$23,234,153	\$3,503,778		\$3,503,778
9	\$17,868,643.59	\$3,573,853	\$2,541,875	\$1,031,979	0	\$1,031,979		6.10%	7.000%	\$51,055,049	\$25,860,958	\$25,194,091	\$3,573,853		\$3,573,853
10	\$18,884,098.56	\$3,645,331	\$2,541,875	\$1,103,456	0	\$1,103,456		6.18%	7.000%	\$52,076,150	\$24,845,503	\$27,230,647	\$3,645,331		\$3,645,331
11	\$19,959,489.84	\$3,718,237	\$2,541,875	\$1,176,363	0	\$1,176,363		6.23%	8.000%	\$46,477,964	\$23,770,112	\$22,707,852		\$52,076,150	\$55,721,481
12	\$21,098,355.11	\$3,792,602	\$2,541,875	\$1,250,727	0	\$1,250,727		6.27%	8.000%	\$47,407,524	\$22,631,247	\$24,776,277			
13	\$22,304,440.88	\$3,868,454	\$2,541,875	\$1,326,579	0	\$1,326,579		6.29%	8.000%	\$48,355,674	\$21,425,161	\$26,930,513			
14	\$23,581,714.76	\$3,945,823	\$2,541,875	\$1,403,948	0	\$1,403,948		6.29%	8.000%	\$49,322,788	\$20,147,887	\$29,174,900			
15	\$24,934,378.58	\$4,024,739	\$2,541,875	\$1,482,865	0	\$1,482,865		6.29%	8.000%	\$50,309,243	\$18,795,223	\$31,514,020			
16	\$26,366,882.15	\$4,105,234	\$2,541,875	\$1,563,360	0	\$1,563,360		6.27%	8.000%	\$51,315,428	\$17,362,720	\$33,952,708			
17	\$27,883,937.95	\$4,187,339	\$2,541,875	\$1,645,464	0	\$1,645,464		6.24%	8.000%	\$52,341,737	\$15,845,664	\$36,496,073			
18	\$29,490,536.59	\$4,271,086	\$2,541,875	\$1,729,211	0	\$1,729,211		6.20%	8.000%	\$53,388,571	\$14,239,065	\$39,149,506			
19	\$31,191,963.26	\$4,356,507	\$2,541,875	\$1,814,633	0	\$1,814,633		6.15%	8.000%	\$54,456,343	\$12,537,639	\$41,918,704			
20	\$32,993,815.09	\$4,443,638	\$2,541,875	\$1,901,763	0	\$1,901,763		6.10%	8.000%	\$55,545,470	\$10,735,787	\$44,809,683			
21	\$34,902,019.60	\$4,079,259	\$2,541,875	\$1,537,385	0	\$1,537,385		4.66%	9.000%	\$45,325,103	\$8,827,582	\$36,497,521			
22	\$36,922,854.15	\$4,160,844	\$2,541,875	\$1,618,970	0	\$1,618,970		4.64%	9.000%	\$46,231,605	\$6,806,748	\$39,424,858			
23	\$39,062,966.63	\$4,244,061	\$2,541,875	\$1,702,187	0	\$1,702,187		4.61%	9.000%	\$47,156,237	\$4,666,635	\$42,489,602			
24	\$41,329,397.31	\$4,328,943	\$2,541,875	\$1,787,068	0	\$1,787,068		4.57%	9.000%	\$48,099,362	\$2,400,205	\$45,699,158			
25	\$43,729,602.00	\$4,415,521	\$2,541,875	\$1,873,647	0	\$1,873,647		4.53%	9.000%	\$49,061,349	\$0	\$49,061,349			
26	\$45,603,248.85	\$4,503,832	0	\$4,503,832	0	\$4,503,832		10.30%	9.000%	\$50,042,576		\$50,042,576			
27	\$45,603,248.85	\$4,593,909	\$0	\$4,593,909	0	\$4,593,909		10.07%	9.000%	\$51,043,428		\$51,043,428			
28	\$45,603,248.85	\$4,685,787	\$0	\$4,685,787	0	\$4,685,787		10.28%	9.000%	\$52,064,297		\$52,064,297			
29	\$45,603,248.85	\$4,779,502	\$0	\$4,779,502	0	\$4,779,502		10.48%	9.000%	\$53,105,582		\$53,105,582			
30	\$45,603,248.85	\$4,875,092	\$0	\$4,875,092	0	\$4,875,092		10.69%	9.000%	\$54,167,694		\$54,167,694			
31	\$45,603,248.85	\$4,475,335	\$0	\$4,475,335	0	\$4,475,335		9.81%	10.000%	\$44,753,349		\$44,753,349			
32	\$45,603,248.85	\$4,564,842	\$0	\$4,564,842	0	\$4,564,842		10.01%	11.039%	\$41,352,094		\$41,352,094			
33	\$45,603,248.85	\$4,656,138	\$0	\$4,656,138	0	\$4,656,138		10.21%	12.269%	\$37,950,839		\$37,950,839			
34	\$45,603,248.85	\$4,749,261	\$0	\$4,749,261	0	\$4,749,261		10.41%	13.746%	\$34,549,583		\$34,549,583			
35	\$45,603,248.85	\$4,844,246	\$0	\$4,844,246	0	\$4,844,246		10.62%	15.552%	\$31,148,328		\$31,148,328			
36	\$45,603,248.85	\$4,941,131	\$0	\$4,941,131	0	\$4,941,131		10.84%	17.808%	\$27,747,073		\$27,747,073			
37	\$45,603,248.85	\$5,039,954	\$0	\$5,039,954	0	\$5,039,954		11.05%	20.702%	\$24,345,818		\$24,345,818			
38	\$45,603,248.85	\$5,140,753	\$0	\$5,140,753	0	\$5,140,753		11.27%	24.545%	\$20,944,563		\$20,944,563			
39	\$45,603,248.85	\$5,243,568	\$0	\$5,243,568	0	\$5,243,568		11.50%	29.889%	\$17,543,308		\$17,543,308			
40	\$45,603,248.85	\$5,348,439	\$0	\$5,348,439	\$14,142,052	\$19,490,492		11.73%	37.819%	\$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
-\$43,574,993		-\$43,574,993	-\$43,574,993		-\$43,574,993
\$3,050,250		\$3,050,250	\$3,050,250		\$3,050,250
\$3,111,255		\$3,111,255	\$3,111,255		\$3,111,255
\$3,173,480		\$3,173,480	\$3,173,480		\$3,173,480
\$3,236,949		\$3,236,949	\$3,236,949		\$3,236,949
\$3,301,688		\$3,301,688	\$3,301,688		\$3,301,688
\$3,367,722		\$3,367,722	\$3,367,722		\$3,367,722
\$3,435,076		\$3,435,076	\$3,435,076		\$3,435,076
\$3,503,778		\$3,503,778	\$3,503,778		\$3,503,778
\$3,573,853		\$3,573,853	\$3,573,853		\$3,573,853
\$3,645,331		\$3,645,331	\$3,645,331		\$3,645,331
\$3,718,237		\$3,718,237	\$3,718,237		\$3,718,237
\$3,792,602		\$3,792,602	\$3,792,602		\$3,792,602
\$3,868,454		\$3,868,454	\$3,868,454		\$3,868,454
\$3,945,823		\$3,945,823	\$3,945,823		\$3,945,823
\$4,024,739		\$4,024,739	\$4,024,739		\$4,024,739
\$4,105,234		\$4,105,234	\$4,105,234		\$4,105,234
\$4,187,339		\$4,187,339	\$4,187,339		\$4,187,339
\$4,271,086		\$4,271,086	\$4,271,086		\$4,271,086
\$4,356,507		\$4,356,507	\$4,356,507		\$4,356,507
\$4,443,638	\$55,545,470	\$59,989,107	\$4,443,638		\$4,443,638
	IRR =	8.63%	\$4,079,259		\$4,079,259
			\$4,160,844		\$4,160,844
			\$4,244,061		\$4,244,061
			\$4,328,943		\$4,328,943
			\$4,415,521		\$4,415,521
			\$4,503,832		\$4,503,832
			\$4,593,909		\$4,593,909
			\$4,685,787		\$4,685,787
			\$4,779,502		\$4,779,502
			\$4,875,092		\$4,875,092
			\$4,475,335		\$4,475,335
			\$4,564,842		\$4,564,842
			\$4,656,138		\$4,656,138
			\$4,749,261		\$4,749,261
			\$4,844,246		\$4,844,246
			\$4,941,131		\$4,941,131
			\$5,039,954		\$5,039,954
			\$5,140,753		\$5,140,753
			\$5,243,568		\$5,243,568
			\$5,348,439	\$14,142,052	\$19,490,492
			IRR =		8.24%

PRELIMINARY AND TENTATIVE - FOR DISCU

1	\$	32,797,201.50
2	\$	32,191,151.99
3	\$	31,549,330.96
4	\$	30,869,627.03
5	\$	30,149,804.19
6	\$	29,387,494.45
7	\$	28,580,190.08
8	\$	27,725,235.30
9	\$	26,819,817.58
10	\$	25,860,958.41
11	\$	24,845,503.44
12	\$	23,770,112.16
13	\$	22,631,246.89
14	\$	21,425,161.12
15	\$	20,147,887.24
16	\$	18,795,223.42
17	\$	17,362,719.85
18	\$	15,845,664.05
19	\$	14,239,065.41
20	\$	12,537,638.74
21	\$	10,735,786.91
22	\$	8,827,582.40
23	\$	6,806,747.85
24	\$	4,666,635.37
25	\$	2,400,204.69

JSSION PURPOSES ONLY - 9-9-13

Interest	Int Exp	DS Constant	Ann D/S	Prin Red	End Balance
0.05902409	\$ 1,935,825.09	0.07661478	\$ 2,541,874.60	\$ 606,049.51	\$ 32,191,151.99
0.05902409	\$ 1,900,053.57		\$ 2,541,874.60	\$ 641,821.03	\$ 31,549,330.96
0.05902409	\$ 1,862,170.67		\$ 2,541,874.60	\$ 679,703.93	\$ 30,869,627.03
0.05902409	\$ 1,822,051.76		\$ 2,541,874.60	\$ 719,822.84	\$ 30,149,804.19
0.05902409	\$ 1,779,564.87		\$ 2,541,874.60	\$ 762,309.73	\$ 29,387,494.45
0.05902409	\$ 1,734,570.23		\$ 2,541,874.60	\$ 807,304.37	\$ 28,580,190.08
0.05902409	\$ 1,686,919.82		\$ 2,541,874.60	\$ 854,954.78	\$ 27,725,235.30
0.05902409	\$ 1,636,456.89		\$ 2,541,874.60	\$ 905,417.71	\$ 26,819,817.58
0.05902409	\$ 1,583,015.43		\$ 2,541,874.60	\$ 958,859.17	\$ 25,860,958.41
0.05902409	\$ 1,526,419.63		\$ 2,541,874.60	\$ 1,015,454.97	\$ 24,845,503.44
0.05902409	\$ 1,466,483.32		\$ 2,541,874.60	\$ 1,075,391.28	\$ 23,770,112.16
0.05902409	\$ 1,403,009.33		\$ 2,541,874.60	\$ 1,138,865.27	\$ 22,631,246.89
0.05902409	\$ 1,335,788.84		\$ 2,541,874.60	\$ 1,206,085.76	\$ 21,425,161.12
0.05902409	\$ 1,264,600.72		\$ 2,541,874.60	\$ 1,277,273.88	\$ 20,147,887.24
0.05902409	\$ 1,189,210.78		\$ 2,541,874.60	\$ 1,352,663.82	\$ 18,795,223.42
0.05902409	\$ 1,109,371.03		\$ 2,541,874.60	\$ 1,432,503.57	\$ 17,362,719.85
0.05902409	\$ 1,024,818.80		\$ 2,541,874.60	\$ 1,517,055.80	\$ 15,845,664.05
0.05902409	\$ 935,275.96		\$ 2,541,874.60	\$ 1,606,598.64	\$ 14,239,065.41
0.05902409	\$ 840,447.93		\$ 2,541,874.60	\$ 1,701,426.67	\$ 12,537,638.74
0.05902409	\$ 740,022.76		\$ 2,541,874.60	\$ 1,801,851.84	\$ 10,735,786.91
0.05902409	\$ 633,670.09		\$ 2,541,874.60	\$ 1,908,204.51	\$ 8,827,582.40
0.05902409	\$ 521,040.05		\$ 2,541,874.60	\$ 2,020,834.55	\$ 6,806,747.85
0.05902409	\$ 401,762.12		\$ 2,541,874.60	\$ 2,140,112.48	\$ 4,666,635.37
0.05902409	\$ 275,443.92		\$ 2,541,874.60	\$ 2,266,430.68	\$ 2,400,204.69
0.05902409	\$ 141,669.91		\$ 2,541,874.60	\$ 2,400,204.69	\$ (0.00)

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

	\$10,932,401	24.81%
	\$44,059,160	
CPI	2.00%	

	Equity Invest	NOI	Debt Service	CTO	Reversion	CTO+Rev	Equity IRR	ROE
0	\$10,932,401					-\$10,932,401	12.73%	
1	\$11,538,450.01	\$3,304,437	\$2,541,875	\$762,562	0	\$762,562		6.98%
2	\$12,180,271.04	\$3,370,526	\$2,541,875	\$828,651	0	\$828,651		7.18%
3	\$12,859,974.97	\$3,437,936	\$2,541,875	\$896,062	0	\$896,062		7.36%
4	\$13,579,797.81	\$3,506,695	\$2,541,875	\$964,820	0	\$964,820		7.50%
5	\$14,342,107.55	\$3,576,829	\$2,541,875	\$1,034,954	0	\$1,034,954		7.62%
6	\$15,149,411.92	\$3,648,365	\$2,541,875	\$1,106,491	0	\$1,106,491		7.71%
7	\$16,004,366.70	\$3,721,333	\$2,541,875	\$1,179,458	0	\$1,179,458		7.79%
8	\$16,909,784.42	\$3,795,759	\$2,541,875	\$1,253,885	0	\$1,253,885		7.83%
9	\$17,868,643.59	\$3,871,675	\$2,541,875	\$1,329,800	0	\$1,329,800		7.86%
10	\$18,884,098.56	\$3,949,108	\$2,541,875	\$1,407,233	0	\$1,407,233		7.88%
11	\$19,959,489.84	\$4,028,090	\$2,541,875	\$1,486,216	0	\$1,486,216		7.87%
12	\$21,098,355.11	\$4,108,652	\$2,541,875	\$1,566,777	0	\$1,566,777		7.85%
13	\$22,304,440.88	\$4,190,825	\$2,541,875	\$1,648,950	0	\$1,648,950		7.82%
14	\$23,581,714.76	\$4,274,642	\$2,541,875	\$1,732,767	0	\$1,732,767		7.77%
15	\$24,934,378.58	\$4,360,134	\$2,541,875	\$1,818,260	0	\$1,818,260		7.71%
16	\$26,366,882.15	\$4,447,337	\$2,541,875	\$1,905,463	0	\$1,905,463		7.64%
17	\$27,883,937.95	\$4,536,284	\$2,541,875	\$1,994,409	0	\$1,994,409		7.56%
18	\$29,490,536.59	\$4,627,010	\$2,541,875	\$2,085,135	0	\$2,085,135		7.48%
19	\$31,191,963.26	\$4,719,550	\$2,541,875	\$2,177,675	0	\$2,177,675		7.38%
20	\$32,993,815.09	\$4,813,941	\$2,541,875	\$2,272,066	0	\$2,272,066		7.28%
21	\$34,902,019.60	\$4,910,198	\$2,541,875	\$1,877,323	0	\$1,877,323		5.69%
22	\$36,922,854.15	\$4,507,582	\$2,541,875	\$1,965,707	0	\$1,965,707		5.63%
23	\$39,062,966.63	\$4,597,733	\$2,541,875	\$2,055,859	0	\$2,055,859		5.57%
24	\$41,329,397.31	\$4,689,688	\$2,541,875	\$2,147,813	0	\$2,147,813		5.50%
25	\$43,729,602.00	\$4,783,482	\$2,541,875	\$2,241,607	0	\$2,241,607		5.42%
26	\$45,971,208.97	\$4,879,151	0	\$4,879,151	0	\$4,879,151		11.16%
27	\$45,971,208.97	\$4,976,734	\$0	\$4,976,734	0	\$4,976,734		10.83%
28	\$45,971,208.97	\$5,076,269	\$0	\$5,076,269	0	\$5,076,269		11.04%
29	\$45,971,208.97	\$5,177,794	\$0	\$5,177,794	0	\$5,177,794		11.26%
30	\$45,971,208.97	\$5,281,350	\$0	\$5,281,350	0	\$5,281,350		11.49%
31	\$45,971,208.97	\$4,848,279	\$0	\$4,848,279	0	\$4,848,279		10.55%
32	\$45,971,208.97	\$4,945,245	\$0	\$4,945,245	0	\$4,945,245		10.76%
33	\$45,971,208.97	\$5,044,150	\$0	\$5,044,150	0	\$5,044,150		10.97%
34	\$45,971,208.97	\$5,145,033	\$0	\$5,145,033	0	\$5,145,033		11.19%
35	\$45,971,208.97	\$5,247,934	\$0	\$5,247,934	0	\$5,247,934		11.42%
36	\$45,971,208.97	\$5,352,892	\$0	\$5,352,892	0	\$5,352,892		11.64%
37	\$45,971,208.97	\$5,459,950	\$0	\$5,459,950	0	\$5,459,950		11.88%
38	\$45,971,208.97	\$5,569,149	\$0	\$5,569,149	0	\$5,569,149		12.11%
39	\$45,971,208.97	\$5,680,532	\$0	\$5,680,532	0	\$5,680,532		12.36%
40	\$45,971,208.97	\$5,794,143	\$0	\$5,794,143	\$14,142,052	\$19,936,195		12.60%

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

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	
1	2	3	4	5	6	7	8	9	
8.310%	8.954%	9.169%	9.276%	9.341%	9.383%	9.414%	9.436%	9.454%	
-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	-\$43,729,602	
\$47,363,597	\$3,304,437	\$3,304,437	\$3,304,437	\$3,304,437	\$3,304,437	\$3,304,437	\$3,304,437	\$3,304,437	
	\$48,310,869	\$3,370,526	\$3,370,526	\$3,370,526	\$3,370,526	\$3,370,526	\$3,370,526	\$3,370,526	
		\$49,277,086	\$3,437,936	\$3,437,936	\$3,437,936	\$3,437,936	\$3,437,936	\$3,437,936	
			\$50,262,628	\$3,506,695	\$3,506,695	\$3,506,695	\$3,506,695	\$3,506,695	
				\$51,267,880	\$3,576,829	\$3,576,829	\$3,576,829	\$3,576,829	
					\$52,293,238	\$3,648,365	\$3,648,365	\$3,648,365	
						\$53,339,103	\$3,721,333	\$3,721,333	
							\$54,405,885	\$3,795,759	
								\$55,494,002	
Price	\$44,059,160	\$44,940,343	\$45,839,150	\$46,740,011	\$47,651,051	\$48,564,872	\$49,481,770	\$50,401,125	\$51,322,328
Rnd Price	\$44,100,000	\$44,900,000	\$45,800,000	\$46,700,000	\$47,700,000	\$48,600,000	\$49,600,000	\$50,600,000	\$51,600,000

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

Returns for 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??

EQUITY RETURN ANALYSIS - PURCHASE OPTION

OPTION EO YR	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	OPTION EO YR	YR
10		1	2	3	4	5	6	7	8	9	10	
9.468%		15.533%	17.589%	17.867%	17.755%	17.524%	17.255%	16.982%	16.716%	16.464%	16.227%	
-\$43,729,602		-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	-\$10,932,401	
\$3,304,437	1	\$12,630,570	\$762,562	\$762,562	\$762,562	\$762,562	\$762,562	\$762,562	\$762,562	\$762,562	\$762,562	1
\$3,370,526	2		\$14,219,663	\$828,651	\$828,651	\$828,651	\$828,651	\$828,651	\$828,651	\$828,651	\$828,651	2
\$3,437,936	3			\$15,865,584	\$896,062	\$896,062	\$896,062	\$896,062	\$896,062	\$896,062	\$896,062	3
\$3,506,695	4				\$17,570,949	\$964,820	\$964,820	\$964,820	\$964,820	\$964,820	\$964,820	4
\$3,576,829	5					\$19,338,511	\$1,034,954	\$1,034,954	\$1,034,954	\$1,034,954	\$1,034,954	5
\$3,648,365	6						\$21,171,173	\$1,106,491	\$1,106,491	\$1,106,491	\$1,106,491	6
\$3,721,333	7							\$1,179,458	\$1,179,458	\$1,179,458	\$1,179,458	7
\$3,795,759	8							\$23,071,993	\$1,253,885	\$1,253,885	\$1,253,885	8
\$3,871,675	9								\$25,044,193	\$1,329,800	\$1,329,800	9
\$56,603,882	10									\$27,091,169	\$1,411,504	10
											\$29,216,504	
\$52,654,774		\$44,059,160	\$44,940,343	\$45,839,150	\$46,755,933	\$47,691,051	\$48,644,872	\$49,617,770	\$50,610,125	\$51,622,328	\$52,654,774	
\$52,700,000		\$44,100,000	\$44,900,000	\$45,800,000	\$46,800,000	\$47,700,000	\$48,600,000	\$49,600,000	\$50,600,000	\$51,600,000	\$52,700,000	

Ten Year Returns			Twenty Year Returns			Life of the Building		
Cash Flows	Reversion	CTO & Reversion	Cash Flows	Reversion	CTO & Reversion	Cash Flows	Reversion	CTO & Reversion
-\$44,059,160		-\$44,059,160	-\$44,059,160		-\$44,059,160	-\$44,059,160		-\$44,059,160
\$3,304,437		\$3,304,437	\$3,304,437		\$3,304,437	\$3,304,437		\$3,304,437
\$3,370,526		\$3,370,526	\$3,370,526		\$3,370,526	\$3,370,526		\$3,370,526
\$3,437,936		\$3,437,936	\$3,437,936		\$3,437,936	\$3,437,936		\$3,437,936
\$3,506,695		\$3,506,695	\$3,506,695		\$3,506,695	\$3,506,695		\$3,506,695
\$3,576,829		\$3,576,829	\$3,576,829		\$3,576,829	\$3,576,829		\$3,576,829
\$3,648,365		\$3,648,365	\$3,648,365		\$3,648,365	\$3,648,365		\$3,648,365
\$3,721,333		\$3,721,333	\$3,721,333		\$3,721,333	\$3,721,333		\$3,721,333
\$3,795,759		\$3,795,759	\$3,795,759		\$3,795,759	\$3,795,759		\$3,795,759
\$3,871,675		\$3,871,675	\$3,871,675		\$3,871,675	\$3,871,675		\$3,871,675
\$3,949,108	\$52,654,774	\$56,603,882	\$3,949,108	\$52,654,774	\$56,603,882	\$3,949,108	\$52,654,774	\$56,603,882
	IRR =	9.36%						
			\$4,028,090		\$4,028,090	\$4,028,090		\$4,028,090
			\$4,108,652		\$4,108,652	\$4,108,652		\$4,108,652
			\$4,190,825		\$4,190,825	\$4,190,825		\$4,190,825
			\$4,274,642		\$4,274,642	\$4,274,642		\$4,274,642
			\$4,360,134		\$4,360,134	\$4,360,134		\$4,360,134
			\$4,447,337		\$4,447,337	\$4,447,337		\$4,447,337
			\$4,536,284		\$4,536,284	\$4,536,284		\$4,536,284
			\$4,627,010		\$4,627,010	\$4,627,010		\$4,627,010
			\$4,719,550		\$4,719,550	\$4,719,550		\$4,719,550
			\$4,813,941	\$56,634,597	\$61,448,537	\$4,813,941	\$56,634,597	\$61,448,537
				IRR =	9.17%			
			\$4,507,582		\$4,507,582	\$4,507,582		\$4,507,582
			\$4,597,733		\$4,597,733	\$4,597,733		\$4,597,733
			\$4,689,688		\$4,689,688	\$4,689,688		\$4,689,688
			\$4,783,482		\$4,783,482	\$4,783,482		\$4,783,482
			\$4,879,151		\$4,879,151	\$4,879,151		\$4,879,151
			\$4,976,734		\$4,976,734	\$4,976,734		\$4,976,734
			\$5,076,269		\$5,076,269	\$5,076,269		\$5,076,269
			\$5,177,794		\$5,177,794	\$5,177,794		\$5,177,794
			\$5,281,350		\$5,281,350	\$5,281,350		\$5,281,350
			\$4,848,279		\$4,848,279	\$4,848,279		\$4,848,279
			\$4,945,245		\$4,945,245	\$4,945,245		\$4,945,245
			\$5,044,150		\$5,044,150	\$5,044,150		\$5,044,150
			\$5,145,033		\$5,145,033	\$5,145,033		\$5,145,033
			\$5,247,934		\$5,247,934	\$5,247,934		\$5,247,934
			\$5,352,892		\$5,352,892	\$5,352,892		\$5,352,892
			\$5,459,950		\$5,459,950	\$5,459,950		\$5,459,950
			\$5,569,149		\$5,569,149	\$5,569,149		\$5,569,149
			\$5,680,532		\$5,680,532	\$5,680,532		\$5,680,532
			\$5,794,143	\$14,142,052	\$19,936,195	\$5,794,143	\$14,142,052	\$19,936,195
				IRR =	8.81%			

ctory.

Equity returns Yr 2 to 10 are too high - should be around 12%; by-product of assumed 75% LTVR.

Market Value at
Lease Rate

\$44,059,160
\$44,349,023
\$44,648,523
\$44,957,628
\$45,276,315
\$45,604,568
\$45,942,380
\$46,289,749
\$46,646,682
\$47,013,191
\$47,389,297
\$47,775,024
\$48,170,403
\$48,575,473
\$48,990,274
\$49,414,857
\$49,849,273
\$50,293,582
\$50,747,846
\$51,212,135
\$46,517,869
\$46,953,974
\$47,399,311
\$47,853,957
\$48,317,996
\$48,791,512
\$49,274,596

\$49,767,342
\$50,269,848
\$50,782,213
\$46,174,090
\$42,614,975
\$39,055,860
\$35,496,744
\$31,937,629
\$28,378,514
\$24,819,398
\$21,260,283
\$17,701,168
\$14,142,052

-\$976,506

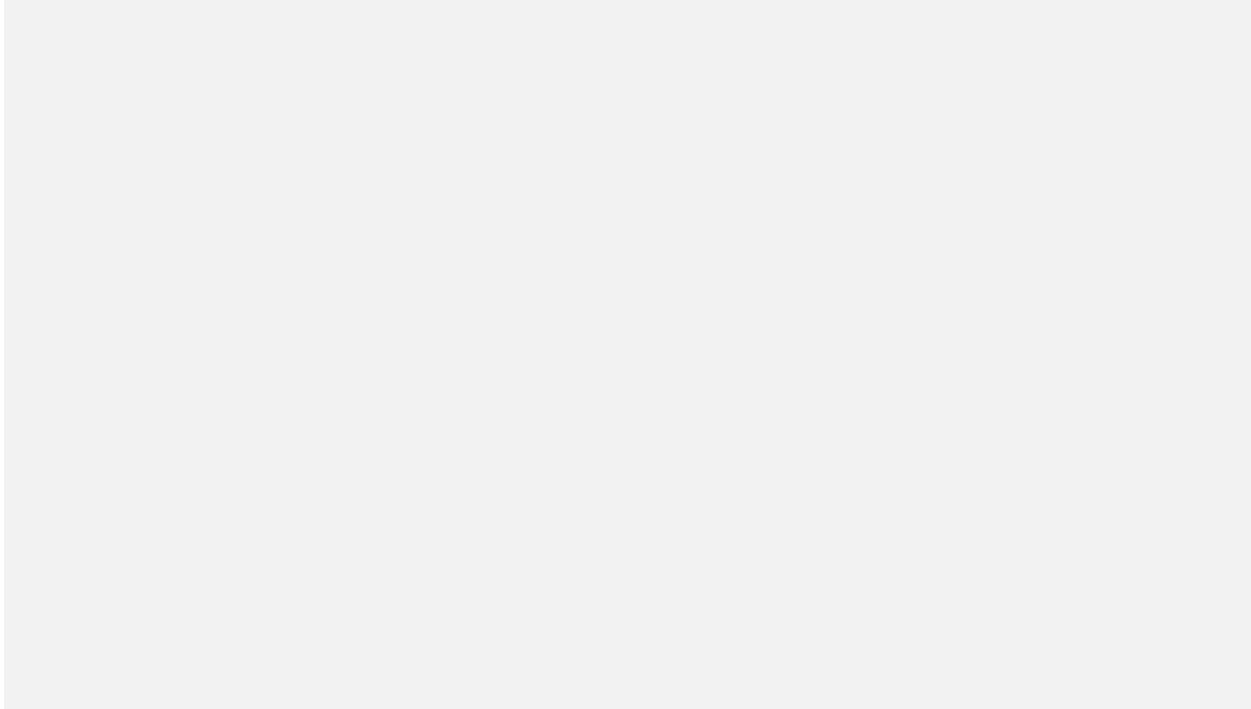
sum of rising
land and
building
declining at
2.5% increment

building
declines

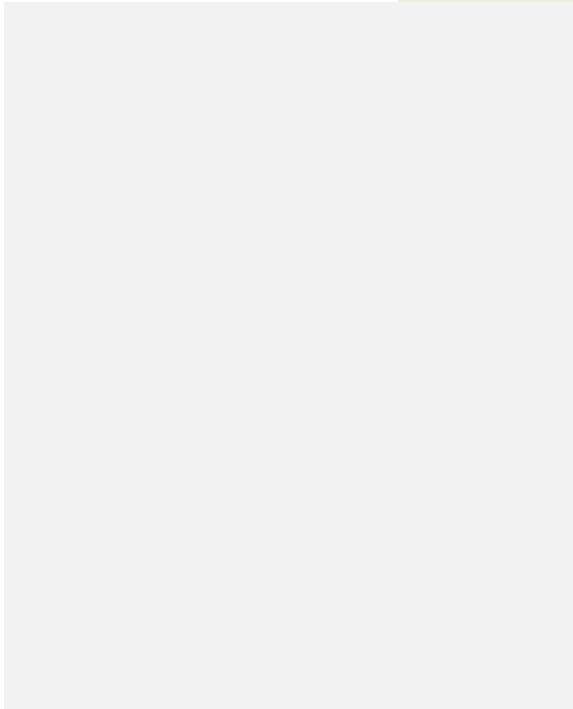
land rises at
2%/year

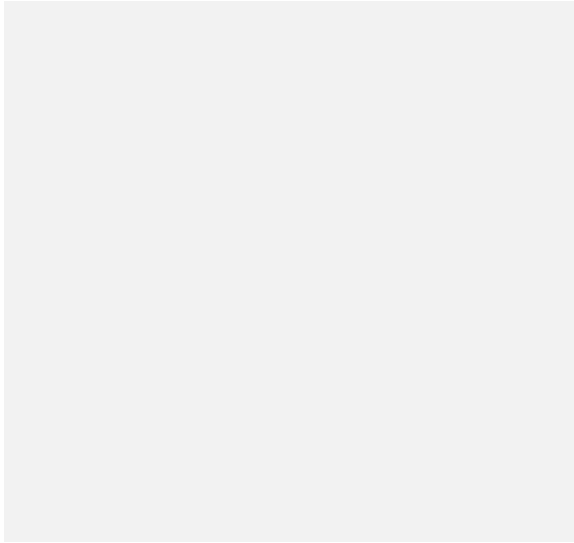
Total Building Land

Project Cost New	\$43,729,602	\$39,060,252	\$4,669,350
1	\$42,846,483	\$38,083,746	\$4,762,737
2	\$41,965,231	\$37,107,239	\$4,857,992
3	\$41,085,885	\$36,130,733	\$4,955,152
4	\$40,208,481	\$35,154,227	\$5,054,255
5	\$39,333,060	\$34,177,721	\$5,155,340
6	\$38,459,661	\$33,201,214	\$5,258,446
7	\$37,588,323	\$32,224,708	\$5,363,615
8	\$36,719,089	\$31,248,202	\$5,470,888
9	\$35,852,001	\$30,271,695	\$5,580,305
10	\$34,987,101	\$29,295,189	\$5,691,912



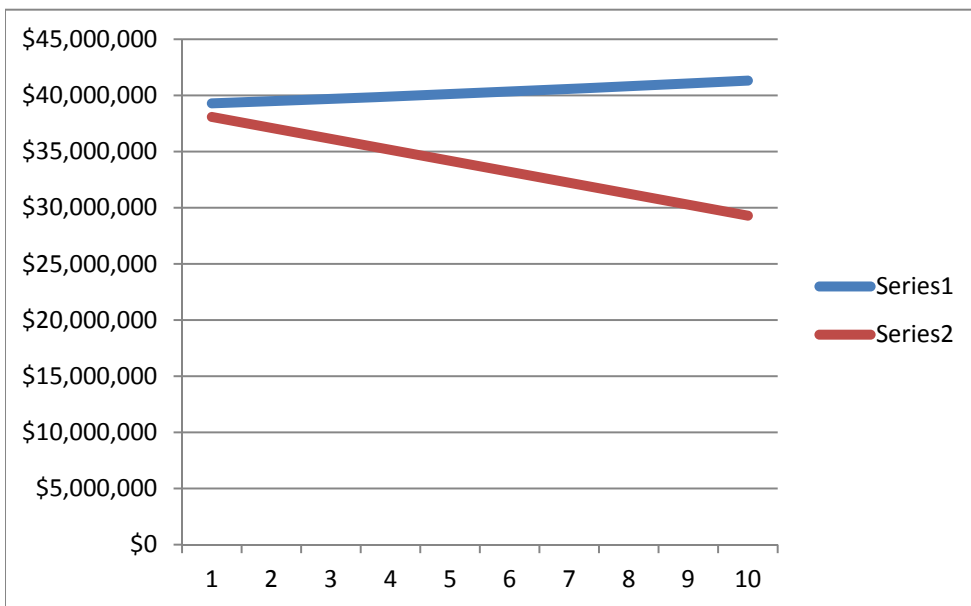
	A	B	C	
	Mkt Value at Lease Rate less Land Declining Price of Building			
	Value	Value	Variance	
	1	\$39,296,423	\$38,083,746	\$1,212,677
-\$38,083,746	2	\$39,491,031	\$37,107,239	\$2,383,791
\$976,506	3	\$39,693,371	\$36,130,733	\$3,562,638
\$976,506	4	\$39,903,373	\$35,154,227	\$4,749,146
\$976,506	5	\$40,120,975	\$34,177,721	\$5,943,254
\$976,506	6	\$40,346,121	\$33,201,214	\$7,144,907
\$976,506	7	\$40,578,764	\$32,224,708	\$8,354,056
\$976,506	8	\$40,818,861	\$31,248,202	\$9,570,659
\$976,506	9	\$41,066,376	\$30,271,695	\$10,794,681
\$976,506	10	\$41,321,280	\$29,295,189	\$12,026,091





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D	E	D+E			
50/50 Split	Add Land - Rising	Option Price	Rounded	Rent in Yr	Imputed Cap Rate
\$38,690,084	\$4,762,737	\$43,452,821	\$43,500,000	\$3,304,437	7.60%
\$38,299,135	\$4,857,992	\$43,157,127	\$43,200,000	\$3,370,526	7.80%
\$37,912,052	\$4,955,152	\$42,867,204	\$42,900,000	\$3,437,936	8.01%
\$37,528,800	\$5,054,255	\$42,583,055	\$42,600,000	\$3,506,695	8.23%
\$37,149,348	\$5,155,340	\$42,304,687	\$42,300,000	\$3,576,829	8.46%
\$36,773,668	\$5,258,446	\$42,032,114	\$42,000,000	\$3,648,365	8.69%
\$36,401,736	\$5,363,615	\$41,765,351	\$41,800,000	\$3,721,333	8.90%
\$36,033,531	\$5,470,888	\$41,504,419	\$41,500,000	\$3,795,759	9.15%
\$35,669,036	\$5,580,305	\$41,249,341	\$41,200,000	\$3,871,675	9.40%
\$35,308,234	\$5,691,912	\$41,000,146	\$41,000,000	\$3,949,108	9.63%



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

\$46,646,682 Property Value by Model; Year 10

-\$13,982,202 Variance

\$32,664,480

\$ 24,845,503 Loan Balance by Model; Year 10

\$7,818,977 Variance