AHFC PROPOSAL ADJUSTED TO MATCH SIZE - 64,048 SF Gross solution[1]

July 26, 2013

Lease Cost Calculation

All in Cost	$36.7m (AHFC 2012 cost estimate ADJUSTED TO COMPARABLE SIZE)[2]
Published AIDEA Terms	$36.7m @ 5.68% interest rate, 25 year amortization =
Monthly PMT (NNN Rent)	$229,500/mo. (ROUNDED)[3]
Parking[4]	Dedicated Structured Parking
Spaces	103
Cost per permit per Mo.	$43,000 construction cost per space
Cost per Month	$27,700[5]

Tenant Improvements Cost

$120[6] per GSF	$5,000,000

Total Costs

Lease cost per Month	$257,000[7]
Annual Payment	$3,084,400

Proposed Rate

Monthly NNN	$230,500
Annual	$2,766,000
% of new construction	89.7%

[1] Amount of Gross area of proposed space after renovation of 716 and 712 west 4th avenue
[2] AHFC proposal 3/22/2012 –50,000 Gross SF = $25m = $500/GSF Thus 64,048 x $530.45 ($500 x 3%/yr. x 2yr) = $33,974,261, **PLUS** a TI allowance of $2.7m = $36.7, NNN, No Parking
[3] $36.7m amortized at published AIDEA rates
[4] Parking calculated by as "dedicated structured parking facility" to match 716 west 4th
[5] 103 x $43,000 = $4,429,000 amortized 25 years @ 5.68% =$27,700/Mo.
[6] Costs similar to 909 west 9th TI's $120 x 64048 = $7.7m - $2.7m (included in landlord budget) = $5.0m
[7] $229,500 + 27,700 = $257,200