

AHFC PROPOSAL ADJUSTED TO MATCH SIZE - 64,048 SF Gross solution¹

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 |

Parking⁴ 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