

Landlord-Perspective Comparative Lease Analysis

123 Main Street, New York, NY 10001

	Lease Offer #1			Lease Offer #2			Lease Offer #3		
Tenant Name	Tenant #1			Tenant #2			Tenant #3		
Suite # - portion	2500 - entire			2500 - entire			2500 - subdivided		
Basic Lease Terms:									
Lease Rentable Area	35,000 SF			35,000 SF			30,000 SF		
Lease Term	120 months			120 months			120 months		
Parking per 1,000 RSF / Total Parking	0.00 spots	0 spots		2.86 spots	100 spots		0.00 spots	0 spots	
Initial Monthly Parking Rent per Spot	\$100.00			\$100.00			\$100.00		
Lease Type	Full Service			Full Service			Full Service		
Free Rent	3 months			3 months			3 months		
Tenant Improvement Allowance	\$1,000,000	\$28.57 PSF		\$875,000	\$25.00 PSF		\$750,000	\$25.00 PSF	
Other Landlord Concession	\$0.00 PSF			\$0.00 PSF			\$0.00 PSF		
Discount Rate	10.00%			10.00%			10.00%		
Initial & Average Rental Rates:									
	Initial	Annual	Average	Initial	Annual	Average	Initial	Annual	Average
	Rental Rate	Escalation	Rental Rate	Rental Rate	Escalation	Rental Rate	Rental Rate	Escalation	Rental Rate
Base Rent, PSF	\$45.00	2.25%	\$49.37	\$45.00	2.28%	\$49.90	\$45.00	2.56%	\$50.18
Parking Rent, PSF	\$0.00	2.00%	\$0.00	\$3.43	2.00%	\$3.75	\$0.00	2.00%	\$0.00
Storage Rent, PSF	\$0.00	2.00%	\$0.00	\$0.00	2.00%	\$0.00	\$0.00	2.00%	\$0.00
Service Charge, PSF	\$0.00		\$1.52	\$0.00		\$1.53	\$0.00		\$1.57
Percentage Rent, PSF	\$0.00		\$0.05	\$0.00		\$0.00	\$0.00		\$0.00
Less O&M + BID Expenses, PSF	(\$6.00)	2.00%	(\$6.57)	(\$6.50)	2.00%	(\$7.27)	(\$6.50)	2.00%	(\$7.12)
Less Real Estate Taxes, PSF	(\$5.00)	2.00%	(\$5.47)	(\$5.00)	2.00%	(\$5.47)	(\$5.00)	2.00%	(\$5.47)
Less Electricity, PSF	(\$5.00)	2.00%	(\$5.47)	(\$4.50)	2.00%	(\$4.93)	(\$5.00)	2.00%	(\$5.47)
Annual Lease Income PSF	\$29.00 PSF		\$33.43 PSF *	\$32.43 PSF		\$37.51 PSF *	\$28.50 PSF		\$33.68 PSF *
* may not exactly match net of line items above due to partial year(s) on front and/ or back-end of lease									
Other Cash Impacts:									
Free Rent			(\$1.13) PSF			(\$1.13) PSF			(\$1.13) PSF
Tenant Improvement Allowance			(\$2.86) PSF			(\$2.50) PSF			(\$2.50) PSF
Leasing Commissions			(\$3.05) PSF			(\$3.09) PSF			(\$3.10) PSF
Other Landlord Concession			\$0.00 PSF			\$0.00 PSF			\$0.00 PSF
Net Effective Rent with Percentage Rent			\$26.39 PSF			\$30.80 PSF			\$26.95 PSF
without Percentage Rent			\$26.34 PSF			\$30.80 PSF			\$26.95 PSF
Total Cash Flow			\$9,236,431			\$10,780,670			\$8,083,656
NPV Cash Flow			\$4,749,174			\$5,827,385			\$4,260,871

123 Main Street, New York, NY 10001

Tenant Name:	Tenant #1
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GENERAL LEASE INFORMATION

Property Name:				Elapsed Year	
Business Type:	Technology				
Date of Lease Signature	1/1/2015				
Lease Commencement Date	1/1/2015	124 Months through Expiration		1	
Customer (Tenant)	Tenant #1				
Type of Lease:	New				
Suite #	2500 - entire				
Suite RSF	35,000 RSF				
Pro-Rata %	21.60%				
Building RSF	162,000 RSF	Escalated at:			
Parking Spots	0 Spots	\$100/Spot/Month	2.00%		
Storage	0 RSF	\$12.00 PSF per Year	2.00%		
Rent Commencement Date	5/1/2015			1	
Term	120 months	10.00 years and 0.00 months			
Expiration Date	4/30/2025			11	
Total TI Amount *	\$1,000,000	Net Effective Rent	\$26.39		
TI per RSF - Entire Term	\$28.57	without Percentage Rent	\$26.34		

Lease Type: Full Service			
EXPENSES & SERVICE CHARGE			
Line Item	Escalation	Value	Start Date
Base Year Total O & M	2.00%	\$5.00	5/1/2015
Base Year Total Real Estate Taxes	2.00%	\$5.00	5/1/2015
Electric	2.00%	\$5.00	5/1/2015
Business Improvement District	2.00%	\$1.00	5/1/2015
Initial Service Charge		\$0.00	5/1/2015
Parking O & M	2.00%	\$50/Spot/Year	5/1/2015

CANCELLATION OPTION			
Exercise Date	(37 Months Post Rent Start)	6/1/2018	
Rate	Not Applicable >>>	\$1,000,000	
	Rate:	6.00%	
Annual Interest Rate (Lease Commencement through Lease Term End) to Calculate Residual Obligation by Tenant			
T.I.s		8.00%	
Leasing Commissions		12.00%	

NOTES

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CASH FLOWS FROM CAPITAL EXPENDITURES										
Leasing Commissions										
				Rate for Years 1-10	Rate for Years 11+	Date Paid*	\$/SF/Yr	Amount on Rent	Amount on Service Charge	Total Amount
Tenant Broker	Payment #1:	75%	\$17,280,381	3.00%	0.00%	1/1/2015	\$1.11	\$388,809	\$11,966	\$400,775
	Payment #2:	25%	\$17,280,381	3.00%	0.00%	5/1/2015	\$0.37	\$129,603	\$3,989	\$133,592
I.L. Broker	Payment #1:	75%	\$17,280,381	3.00%	0.00%	1/1/2015	\$1.11	\$388,809	\$11,966	\$400,775
	Payment #2:	25%	\$17,280,381	3.00%	0.00%	5/1/2015	\$0.37	\$129,603	\$3,989	\$133,592
Other			\$17,280,381	0.00%	0.00%	1/1/2016	\$0.00	\$0	\$0	\$0
			\$17,280,381	0.00%	0.00%	1/1/2016	\$0.00	\$0	\$0	\$0
Tenant Improvements (Including all Hard and Soft Costs)										
							PSF			
Payment Start	2/1/2015	Month 2		2/1/2015	\$2.86	\$1,000,000				
Duration	2 Months									
Moving Allowance				11/1/2015	\$0.00	\$0	\$0.00			
Other Expenditures	Specify, if any	1	\$0.00	12/1/2015	\$0.00	\$0	\$0.00			
	Specify, if any	2	\$0.00	1/1/2016	\$0.00	\$0	\$0.00			
	Specify, if any	3	\$0.00	1/1/2016	\$0.00	\$0	\$0.00			
Total Capital Expenditure	\$5.91/month/sf		\$2,068,734				\$0.00			

*Leasing Commissions cannot be dated later than the Expiration Date of the Lease

ANNUAL SUMMARY

				2015	2016	2017	2018	2019	2020	2021	2022
Cash Flows		Total									
Rent & Other Income		\$17,298,915		\$1,050,000	\$1,598,625	\$1,634,594	\$1,689,906	\$1,708,978	\$1,747,430	\$1,760,342	\$1,786,748
Less Free Rent		(\$393,750)		(\$393,750)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Including Free Rent		\$16,905,165		\$656,250	\$1,598,625	\$1,634,594	\$1,689,906	\$1,708,978	\$1,747,430	\$1,760,342	\$1,786,748
Building, Parking and Storage O & M Expenses		(\$2,299,441)		(\$140,000)	(\$212,800)	(\$217,056)	(\$221,397)	(\$225,825)	(\$230,342)	(\$234,948)	(\$239,647)
Electric		(\$1,916,201)		(\$116,667)	(\$177,333)	(\$180,880)	(\$184,498)	(\$188,188)	(\$191,951)	(\$195,790)	(\$199,706)
Real Estate Taxes		(\$1,916,201)		(\$116,667)	(\$177,333)	(\$180,880)	(\$184,498)	(\$188,188)	(\$191,951)	(\$195,790)	(\$199,706)
Service Charge		\$531,844		\$0	\$7,467	\$18,816	\$30,392	\$42,200	\$54,244	\$66,529	\$79,060
Total Cash Flows		\$11,305,165		\$282,917	\$1,038,625	\$1,074,594	\$1,129,906	\$1,148,978	\$1,187,430	\$1,200,342	\$1,226,748
				2015	2016	2017	2018	2019	2020	2021	2022
Cash Flows / RSF		Avg. PSF									
Rent & Other Income		49.37		\$30.00	\$45.68	\$46.70	\$48.28	\$48.83	\$49.93	\$50.30	\$51.05
Less Free Rent		(1.13)		(\$11.25)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent Including Free Rent		48.25		\$18.75	\$45.68	\$46.70	\$48.28	\$48.83	\$49.93	\$50.30	\$51.05
Building, Parking and Storage O & M Expenses		(6.57)		(\$4.00)	(\$6.08)	(\$6.20)	(\$6.33)	(\$6.45)	(\$6.58)	(\$6.71)	(\$6.85)
Electric		(5.47)		(\$3.33)	(\$5.07)	(\$5.17)	(\$5.27)	(\$5.38)	(\$5.48)	(\$5.59)	(\$5.71)
Real Estate Taxes		(5.47)		(\$3.33)	(\$5.07)	(\$5.17)	(\$5.27)	(\$5.38)	(\$5.48)	(\$5.59)	(\$5.71)
Service Charge		1.52		\$0.00	\$0.21	\$0.54	\$0.87	\$1.21	\$1.55	\$1.90	\$2.26
Total Cash Flows / RSF		32.30		\$8.08	\$29.68	\$30.70	\$32.28	\$32.83	\$33.93	\$34.30	\$35.05
		Total									
Tenant Improvements		\$1,000,000		\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Improvement Depreciation		50.00% - Year 1		\$333,333	\$203,704	\$55,556	\$55,556	\$55,556	\$55,556	\$55,556	\$55,556

Tenant-Perspective Comparative Lease Analysis

Space Address	Lease Offer #1			Lease Offer #2			Lease Offer #3		
	Centennial Tower, Ste. 1200, 123 Main Street, Anytown, NY			Jones Tower, Ste. 200, 456 Main Street, Anytown, NY			Smith Center, Ste. 900, 999 Main Street, Anytown, NY		
Basic Lease Terms:									
Lease Rentable Area	100,000 SF			110,000 SF			100,000 SF		
Lease Term	120 months			120 months			120 months		
Parking per 1,000 RSF / Total Parking	0.30 spots	30 spots		0.45 spots	50 spots		0.30 spots	30 spots	
Initial Monthly Parking Rent per Spot	\$100.00			\$95.00			\$110.00		
Lease Deal Type (NNN, Gross, Full Service)	NNN			NNN			NNN		
Free Rent (Matches Deal Type)	6 months			3 months			3 months		
Initial Project Costs (TI, FF&E, IT, A&E)	\$68.25 PSF			\$69.30 PSF			\$67.20 PSF		
Tenant Improvement Allowance	\$40.00 PSF			\$50.00 PSF			\$50.00 PSF		
Other Landlord Concession	\$10.00 PSF			\$4.55 PSF			\$5.00 PSF		
Discount Rate	8.00%			8.00%			8.00%		
Initial & Average Rental Rates:	Initial	Annual	Average	Initial	Annual	Average	Initial	Annual	Average
	Rental Rate	Escalation	Rental Rate	Rental Rate	Escalation	Rental Rate	Rental Rate	Escalation	Rental Rate
Base Rent, PSF	\$84.00	3.00%	\$96.30	\$78.00	3.00%	\$89.42	\$81.00	3.00%	\$92.86
Tax & Operating, PSF	\$25.00	2.50%	\$28.03	\$28.00	3.00%	\$28.77	\$28.00	2.50%	\$28.19
Electricity, PSF	\$5.00	2.50%	\$5.60	\$5.00	3.00%	\$5.13	\$8.00	2.50%	\$8.05
Parking & Storage Rent, PSF	\$0.36	2.50%	\$0.40	\$0.67	3.00%	\$0.70	\$0.40	2.50%	\$0.44
Annual Occupancy Costs PSF (Expense Only)	\$114.36 PSF		\$130.33 PSF	\$111.67 PSF		\$124.02 PSF	\$117.40 PSF		\$129.54 PSF
Landlord Concession Impact:									
Free Rent Impact	(\$4.22) PSF			(\$1.97) PSF			(\$2.03) PSF		
Tenant Improvement Allowance Impact	(\$4.00) PSF			(\$5.00) PSF			(\$5.00) PSF		
Other Landlord Concession Impact	(\$1.00) PSF			(\$0.45) PSF			(\$0.50) PSF		
Net Effective Rent	\$121.11 PSF			\$116.60 PSF			\$122.00 PSF		
Net Effective Rent and other Deal Cost Measures:									
Total Cash Flow	(\$127,967,858)			(\$140,262,906)			(\$132,877,500)		
NPV Cash Flow	(\$75,229,454)			(\$82,943,464)			(\$78,556,088)		
Initial Tenant Capital Requirement	(\$2,825,000)			(\$2,123,000)			(\$1,720,000)		
Initial Full Rent Year P&L (All Project Costs / Lease Term)	(\$13,668,116)			(\$14,929,486)			(\$14,136,253)		

Lease Offer #1 Analysis

Name and Address of Space	Centennial Tower, Ste. 1200, 123 Main Street, Anytown, NY	Tenant Counter	dated	1/1/2013
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USES OF FUNDS	Total	DEAL SUMMARY	
TI Allowance	4,000,000	Type of Lease	Gross
Landlord Loan	0	Rentable Area	100,000 RSF
Commission Share	0	Usable Area	85,822 SF
Tenant Capital Funds	(2,720,000)	Add On Factor	16.52%
TOTAL PROJECT COST	6,720,000	Initial Year Rent / Rentable Area / Month	\$7.00
		Initial Year Operating Expenses / SF	\$20.00
		Annual Electric / SF	\$10.00
		Start Date	6/1/2013
		Annual Real Estate Taxes / SF	\$12.00
		Start Date	6/1/2013
		First Year Base Rent Escalation	3.00%
		Parking, Tax, Utilities, OpEx Escalation	2.50%
		Service Charge / SF	\$0.00
		Start Date	12/1/2012
		Parking O & M	\$50/Spot/Year
		Start Date	6/1/2013
		Parking Spots	30 Spots
		Storage	1,000 RSF
			\$10.00 PSF/Year

TI Allowance	\$4,000,000	\$40.00
Tenant Capital Funds	(\$2,720,000)	\$107.20

NOTES:
A - Rent Commencement + Term
B - Lease Commencement through Expiration
C - Lease Commencement through Lease Term End

NET CASH FLOW ANALYSIS		
Total Rent	(\$96,296,586)	Net Effective Rental Rate (\$/SF/Yr) (\$79.48) (\$140.54)
Lease Survives full Term		
Cancellation Exercised ASAP		

CANCELLATION OPTION		
Exercise Date	(57 Months Post Rent Start)	2/1/2020
Rate	Not Applicable >>>>	\$100,000
	Rate:	6.00%

Lease Signature	6/1/2013
Lease Commencement	6/1/2013
Rent Commencement	5/1/2015
Term	120 Months
	10.00 years and 0.00 months
Expiration Date ^A	4/30/2025
Total Duration ^B	143.00 months

Total Free Rent	3 months
PV Discount Rate	8.00%

NPV/SF/Yr	NPV
(\$/SF/Yr)	(\$)
(\$59.48)	(\$59,475,778)
(\$38.28)	(\$38,284,404)

Interest Rate to Calculate Residual Obligation ^C	
TIs	8.00%
Leasing Commissions	12.00%

	Total		NPV	
	No Cancellation	With Cancellation	No Cancellation	With Cancellation
Tenant Broker Leasing Commission Payment #1	0	0	0	0
Tenant Broker Leasing Commission Payment #2	0	0	0	0
LL Broker Leasing Commission Payment #1	0	0	0	0
LL Broker Leasing Commission Payment #2	0	0	0	0
Other Costs	0	0	0	0
Total Project Costs	(6,720,000)	(6,720,000)	(6,124,565)	(6,124,565)
TI Allowance	4,000,000	4,000,000	3,703,429	3,703,429
Moving Allowance & Other CapEx	500,000	500,000	500,000	500,000
Rent & Other Expense	(96,827,942)	(42,478,270)	(57,364,837)	(30,664,260)
O & M Expenses	(2,408,569)	(461,096)	(1,244,329)	(309,023)
Real Estate Taxes	(1,444,058)	(8,000,000)	(746,038)	(6,276,924)
Cancellation Penalty		(1,527,427)		(913,884)
Less Free Rent	2,100,000	2,100,000	1,800,563	1,800,563
Service Charge	0	0	0	0
Net Cash Flow	(\$100,800,569)	(\$52,586,493)	(\$59,475,778)	(\$38,284,404)

ANNUAL SUMMARY

Occupancy Costs / RSF	Average Annual	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$88.03)		0	0	(56)	(86)	(89)	(91)	(94)	(97)	(100)	(103)	(106)	(109)	(37)
Add Back Free Rent	\$21.00		0	0	21	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$86.12)		0	0	(35)	(86)	(89)	(91)	(94)	(97)	(100)	(103)	(106)	(109)	(37)
Building, Parking and Storage O & M Expenses	(\$2.41)		0	0	0	(0)	(1)	(1)	(2)	(2)	(3)	(4)	(4)	(5)	(2)
Electric	\$0.00		0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	(\$1.44)		0	0	0	(0)	(1)	(1)	(1)	(1)	(2)	(2)	(3)	(3)	(1)
Service Charge	\$0.00		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs / RSF	(\$89.62)		\$0.00	\$0.00	(\$35.31)	(\$86.84)	(\$90.08)	(\$93.57)	(\$97.16)	(\$100.86)	(\$104.67)	(\$108.58)	(\$112.61)	(\$116.75)	(\$39.38)

Occupancy Costs	Average Annual	Total	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$8,802,540)	(\$96,827,942)		0	0	(5,630,667)	(8,630,767)	(8,872,976)	(9,138,925)	(9,412,848)	(9,694,981)	(9,985,572)	(10,284,875)	(10,593,150)	(10,910,667)	(3,672,514)
Add Back Free Rent	\$2,100,000	\$2,100,000		0	0	2,100,000	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$8,611,631)	(\$94,727,942)		0	0	(3,530,667)	(8,630,767)	(8,872,976)	(9,138,925)	(9,412,848)	(9,694,981)	(9,985,572)	(10,284,875)	(10,593,150)	(10,910,667)	(3,672,514)
Building, Parking and Storage O & M Expenses	(\$240,857)	(\$2,408,569)		0	0	0	(33,358)	(84,230)	(136,373)	(189,820)	(244,603)	(300,755)	(358,312)	(417,307)	(477,777)	(166,033)
Electric	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	(\$144,406)	(\$1,444,058)		0	0	0	(20,000)	(50,500)	(81,762)	(113,807)	(146,652)	(180,318)	(214,826)	(250,197)	(286,452)	(99,545)
Service Charge	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs	(\$8,961,870)	(\$98,580,569)		\$0	\$0	(\$3,530,667)	(\$8,684,125)	(\$9,007,706)	(\$9,357,061)	(\$9,716,474)	(\$10,086,236)	(\$10,466,646)	(\$10,858,013)	(\$11,260,654)	(\$11,674,896)	(\$3,938,092)

Cash Flow	Average Annual		Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Project Costs	(\$3,360,000)	(\$6,720,000)		0	(5,644,800)	(1,075,200)	0	0	0	0	0	0	0	0	0	0
TI Allowance	\$4,000,000	\$4,000,000		0	4,000,000	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Cost Obligations	(\$8,961,870)	(\$98,580,569)		0	0	(3,530,667)	(8,684,125)	(9,007,706)	(9,357,061)	(9,716,474)	(10,086,236)	(10,466,646)	(10,858,013)	(11,260,654)	(11,674,896)	(3,938,092)
Remaining Lease Obligation Yrs 1-15	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Lease Obligation Yrs 16-25	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Other	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(\$8,441,714)	(\$101,300,569)		\$0	(\$1,644,800)	(\$4,605,867)	(\$8,684,125)	(\$9,007,706)	(\$9,357,061)	(\$9,716,474)	(\$10,086,236)	(\$10,466,646)	(\$10,858,013)	(\$11,260,654)	(\$11,674,896)	(\$3,938,092)
Net Cash Flow / RSF	(\$84.42)			\$0.00	(\$16.45)	(\$46.06)	(\$86.84)	(\$90.08)	(\$93.57)	(\$97.16)	(\$100.86)	(\$104.67)	(\$108.58)	(\$112.61)	(\$116.75)	(\$39.38)

Lease Offer #2 Analysis

Name and Address of Space	Jones Tower, Ste. 200, 456 Main Street, Anytown, NY	Tenant Counter	dated	1/1/2013
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USES OF FUNDS	Total	DEAL SUMMARY	
TI Allowance	5,500,000	Type of Lease	NNN
Landlord Loan	0	Rentable Area	110,000 RSF
Commission Share	0	Usable Area	94,404 SF
Tenant Capital Funds	(2,123,000)	Add On Factor	16.52%
TOTAL PROJECT COST	7,623,000	Initial Year Rent / Rentable Area / Month	\$6.50
		Initial Year Operating Expenses / SF	\$20.00
		Annual Electric / SF	\$5.00
		Start Date	6/1/2013
		Annual Real Estate Taxes / SF	\$8.00
		Start Date	6/1/2013
		First Year Base Rent Escalation	3.00%
		Parking, Tax, Utilities, OpEx Escalation	3.00%
		Service Charge / SF	\$0.00
		Start Date	12/1/2012
		Parking O & M	\$50/Spot/Year
		Start Date	6/1/2013
		Parking Spots	50 Spots
		Storage	1,000 RSF
			\$10.00 PSF/Year

TI Allowance	\$5,500,000	\$50.00
Tenant Capital Funds	(\$2,123,000)	\$119.30

NOTES:
A - Rent Commencement + Term
B - Lease Commencement through Expiration
C - Lease Commencement through Lease Term End

NET CASH FLOW ANALYSIS		
Total Rent	(\$98,360,084)	Net Effective Rental Rate (\$/SF/Yr)
		(\$75.40)
		(\$175.64)
Lease Survives full Term		(\$75.40)
Cancellation Exercised ASAP		(\$42.22)

CANCELLATION OPTION		
Exercise Date	(57 Months Post Rent Start)	2/1/2020
Rate	Not Applicable >>>>	\$100,000
	Rate:	6.00%

Lease Signature	6/1/2013
Lease Commencement	6/1/2013
Rent Commencement	5/1/2015
Term	120 Months
	10.00 years and 0.00 months
Expiration Date ^A	4/30/2025
Total Duration ^B	143.00 months

Total Free Rent	3 months
PV Discount Rate	8.00%

NPV/SF/Yr	NPV
(\$/SF/Yr)	(\$)
(\$75.40)	(\$82,943,464)
(\$42.22)	(\$46,440,037)

Interest Rate to Calculate Residual Obligation ^C	
TIs	8.00%
Leasing Commissions	12.00%

	Total		NPV	
	No Cancellation	With Cancellation	No Cancellation	With Cancellation
Tenant Broker Leasing Commission Payment #1	0	0	0	0
Tenant Broker Leasing Commission Payment #2	0	0	0	0
LL Broker Leasing Commission Payment #1	0	0	0	0
LL Broker Leasing Commission Payment #2	0	0	0	0
Other Costs	0	0	0	0
Total Project Costs	(7,623,000)	(7,623,000)	(6,947,553)	(6,947,553)
TI Allowance	5,500,000	5,500,000	5,068,444	5,068,444
Moving Allowance & Other CapEx	500,000	500,000	500,000	500,000
Rent & Other Expense	(99,142,364)	(43,489,229)	(58,734,580)	(31,393,767)
O & M Expenses	(25,249,194)	(11,073,638)	(14,957,549)	(7,993,499)
Real Estate Taxes	(10,088,214)	(5,866,667)	(5,976,228)	(4,603,077)
Cancellation Penalty		(1,527,427)		(913,884)
Less Free Rent	2,145,000	2,145,000	1,839,146	1,839,146
Service Charge	0	0	0	0
Net Cash Flow	(\$140,262,906)	(\$64,199,928)	(\$82,943,464)	(\$46,440,037)

ANNUAL SUMMARY

Occupancy Costs / RSF	Average Annual	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$81.94)		0	0	(52)	(80)	(83)	(85)	(88)	(90)	(93)	(96)	(99)	(102)	(34)
Add Back Free Rent	\$19.50		0	0	20	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$80.16)		0	0	(33)	(80)	(83)	(85)	(88)	(90)	(93)	(96)	(99)	(102)	(34)
Building, Parking and Storage O & M Expenses	(\$20.87)		0	0	(13)	(20)	(21)	(22)	(22)	(23)	(24)	(24)	(25)	(26)	(9)
Electric	(\$5.21)		0	0	(3)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(6)	(2)
Real Estate Taxes	(\$8.34)		0	0	(5)	(8)	(8)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(3)
Service Charge	\$0.00		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs / RSF	(\$114.58)		\$0.00	\$0.00	(\$54.92)	(\$113.99)	(\$117.28)	(\$120.80)	(\$124.42)	(\$128.16)	(\$132.00)	(\$135.96)	(\$140.04)	(\$144.24)	(\$48.55)

Occupancy Costs	Average Annual	Total	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$9,012,942)	(\$99,142,364)		0	0	(5,764,667)	(8,834,140)	(9,084,538)	(9,357,074)	(9,637,787)	(9,926,920)	(10,224,728)	(10,531,470)	(10,847,414)	(11,172,836)	(3,760,791)
Add Back Free Rent	\$2,145,000	\$2,145,000		0	0	2,145,000	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$8,817,942)	(\$96,997,364)		0	0	(3,619,667)	(8,834,140)	(9,084,538)	(9,357,074)	(9,637,787)	(9,926,920)	(10,224,728)	(10,531,470)	(10,847,414)	(11,172,836)	(3,760,791)
Building, Parking and Storage O & M Expenses	(\$2,295,381)	(\$25,249,194)		0	0	(1,468,333)	(2,246,550)	(2,313,947)	(2,383,365)	(2,454,866)	(2,528,512)	(2,604,367)	(2,682,498)	(2,762,973)	(2,845,862)	(957,921)
Electric	(\$573,194)	(\$6,305,134)		0	0	(366,667)	(561,000)	(577,830)	(595,165)	(613,020)	(631,410)	(650,353)	(669,863)	(689,959)	(710,658)	(239,208)
Real Estate Taxes	(\$917,110)	(\$10,088,214)		0	0	(586,667)	(897,600)	(924,528)	(952,264)	(980,832)	(1,010,257)	(1,040,564)	(1,071,781)	(1,103,935)	(1,137,053)	(382,733)
Service Charge	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs	(\$12,603,628)	(\$138,639,906)		\$0	\$0	(\$6,041,333)	(\$12,539,290)	(\$12,900,843)	(\$13,287,868)	(\$13,686,504)	(\$14,097,099)	(\$14,520,012)	(\$14,955,612)	(\$15,404,281)	(\$15,866,409)	(\$5,340,654)

Cash Flow	Average Annual		Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Project Costs	(\$3,811,500)	(\$7,623,000)		0	(6,403,320)	(1,219,680)	0	0	0	0	0	0	0	0	0	0
TI Allowance	\$5,500,000	\$5,500,000		0	5,500,000	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Cost Obligations	(\$12,603,628)	(\$138,639,906)		0	0	(6,041,333)	(12,539,290)	(12,900,843)	(13,287,868)	(13,686,504)	(14,097,099)	(14,520,012)	(14,955,612)	(15,404,281)	(15,866,409)	(5,340,654)
Remaining Lease Obligation Yrs 1-15	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Lease Obligation Yrs 16-25	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Other	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(\$11,730,242)	(\$140,762,906)		\$0	(\$903,320)	(\$7,261,013)	(\$12,539,290)	(\$12,900,843)	(\$13,287,868)	(\$13,686,504)	(\$14,097,099)	(\$14,520,012)	(\$14,955,612)	(\$15,404,281)	(\$15,866,409)	(\$5,340,654)
Net Cash Flow / RSF	(\$106.64)			\$0.00	(\$8.21)	(\$66.01)	(\$113.99)	(\$117.28)	(\$120.80)	(\$124.42)	(\$128.16)	(\$132.00)	(\$135.96)	(\$140.04)	(\$144.24)	(\$48.55)

Lease Offer #3 Analysis

Name and Address of Space	Smith Center, Ste. 900, 999 Main Street, Anytown, NY	Tenant Counter	dated	1/1/2013
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USES OF FUNDS		Total	DEAL SUMMARY	
TI Allowance	5,000,000		Type of Lease	NNN
Landlord Loan	0		Rentable Area	100,000 RSF
Commission Share	0		Usable Area	85,822 SF
Tenant Capital Funds	(1,720,000)		Add On Factor	16.52%
TOTAL PROJECT COST	6,720,000		Initial Year Rent / Rentable Area / Month	\$6.75
			Initial Year Operating Expenses / SF	\$20.00
			Annual Electric / SF	\$8.00
			Start Date	6/1/2013
			Annual Real Estate Taxes / SF	\$8.00
			Start Date	6/1/2013
			First Year Base Rent Escalation	3.00%
			Parking, Tax, Utilities, OpEx Escalation	2.50%
			Service Charge / SF	\$0.00
			Start Date	12/1/2012
			Parking O & M	\$90/Spot/Year
			Start Date	6/1/2013
			Parking Spots	30 Spots
			Storage	1,000 RSF
				\$0.00 PSF/Year

TI Allowance	\$5,000,000	\$50.00
Tenant Capital Funds	(\$1,720,000)	\$117.20

NOTES:
A - Rent Commencement + Term
B - Lease Commencement through Expiration
C - Lease Commencement through Lease Term End

NET CASH FLOW ANALYSIS		
Total Rent	(\$92,857,422)	Net Effective Rental Rate (\$/SF/Yr) (\$182.81)
Lease Survives full Term		(\$98.56)
Cancellation Exercised ASAP		(\$182.81)

CANCELLATION OPTION		
Exercise Date	(57 Months Post Rent Start)	2/1/2020
Rate	Not Applicable >>>>	\$100,000
	Rate:	6.00%

Lease Signature	6/1/2013
Lease Commencement	6/1/2013
Rent Commencement	5/1/2015
Term	120 Months
	10.00 years and 0.00 months
Expiration Date ^A	4/30/2025
Total Duration ^B	143.00 months

Total Free Rent	3 months
PV Discount Rate	8.00%

NPV/SF/Yr	NPV
(\$/SF/Yr)	(\$)
(\$78.56)	(\$78,556,088)
(\$44.02)	(\$44,020,395)

Interest Rate to Calculate Residual Obligation ^C	
TIs	8.00%
Leasing Commissions	12.00%

	Total		NPV	
	No Cancellation	With Cancellation	No Cancellation	With Cancellation
Tenant Broker Leasing Commission Payment #1	0	0	0	0
Tenant Broker Leasing Commission Payment #2	0	0	0	0
LL Broker Leasing Commission Payment #1	0	0	0	0
LL Broker Leasing Commission Payment #2	0	0	0	0
Other Costs	0	0	0	0
Total Project Costs	(6,720,000)	(6,720,000)	(6,124,565)	(6,124,565)
TI Allowance	5,000,000	5,000,000	4,603,888	4,603,888
Moving Allowance & Other CapEx	500,000	500,000	500,000	500,000
Rent & Other Expense	(93,320,076)	(40,941,068)	(55,287,276)	(29,554,846)
O & M Expenses	(22,437,013)	(9,974,198)	(13,332,651)	(7,204,839)
Real Estate Taxes	(8,962,705)	(5,333,333)	(5,325,870)	(4,184,616)
Cancellation Penalty		(1,527,427)		(913,884)
Less Free Rent	2,025,000	2,025,000	1,736,257	1,736,257
Service Charge	0	0	0	0
Net Cash Flow	(\$132,877,500)	(\$60,955,026)	(\$78,556,088)	(\$44,020,395)

ANNUAL SUMMARY

Occupancy Costs / RSF	Average Annual	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$84.84)		0	0	(54)	(83)	(86)	(88)	(91)	(93)	(96)	(99)	(102)	(105)	(35)
Add Back Free Rent	\$20.25		0	0	20	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$83.00)		0	0	(34)	(83)	(86)	(88)	(91)	(93)	(96)	(99)	(102)	(105)	(35)
Building, Parking and Storage O & M Expenses	(\$20.40)		0	0	(13)	(20)	(21)	(21)	(22)	(22)	(23)	(24)	(24)	(25)	(8)
Electric	(\$8.15)		0	0	(5)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(3)
Real Estate Taxes	(\$8.15)		0	0	(5)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(3)
Service Charge	\$0.00		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs / RSF	(\$119.69)		\$0.00	\$0.00	(\$58.03)	(\$119.84)	(\$123.05)	(\$126.56)	(\$130.16)	(\$133.86)	(\$137.68)	(\$141.60)	(\$145.63)	(\$149.78)	(\$50.39)

Occupancy Costs	Average Annual	Total	Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rent & Other Expense	(\$8,483,643)	(\$93,320,076)		0	0	(5,426,400)	(8,321,260)	(8,551,127)	(8,807,454)	(9,071,466)	(9,343,393)	(9,623,473)	(9,911,949)	(10,209,074)	(10,515,107)	(3,539,373)
Add Back Free Rent	\$2,025,000	\$2,025,000		0	0	2,025,000	0	0	0	0	0	0	0	0	0	0
Rent Including Free Rent	(\$8,299,552)	(\$91,295,076)		0	0	(3,401,400)	(8,321,260)	(8,551,127)	(8,807,454)	(9,071,466)	(9,343,393)	(9,623,473)	(9,911,949)	(10,209,074)	(10,515,107)	(3,539,373)
Building, Parking and Storage O & M Expenses	(\$2,039,728)	(\$22,437,013)		0	0	(1,335,133)	(2,036,078)	(2,086,980)	(2,139,155)	(2,192,634)	(2,247,450)	(2,303,636)	(2,361,227)	(2,420,257)	(2,480,764)	(833,699)
Electric	(\$84,791)	(\$8,962,705)		0	0	(533,333)	(813,333)	(833,667)	(854,508)	(875,871)	(897,768)	(920,212)	(943,217)	(966,798)	(990,968)	(333,030)
Real Estate Taxes	(\$84,791)	(\$8,962,705)		0	0	(533,333)	(813,333)	(833,667)	(854,508)	(875,871)	(897,768)	(920,212)	(943,217)	(966,798)	(990,968)	(333,030)
Service Charge	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Costs	(\$11,968,864)	(\$131,657,500)		\$0	\$0	(\$5,803,200)	(\$11,984,005)	(\$12,305,440)	(\$12,655,625)	(\$13,015,842)	(\$13,386,378)	(\$13,767,533)	(\$14,159,611)	(\$14,562,927)	(\$14,977,806)	(\$5,039,132)

Cash Flow	Average Annual		Data Series Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Project Costs	(\$3,360,000)	(\$6,720,000)		0	(5,644,800)	(1,075,200)	0	0	0	0	0	0	0	0	0	0
TI Allowance	\$5,000,000	\$5,000,000		0	5,000,000	0	0	0	0	0	0	0	0	0	0	0
Total Occupancy Cost Obligations	(\$11,968,864)	(\$131,657,500)		0	0	(5,803,200)	(11,984,005)	(12,305,440)	(12,655,625)	(13,015,842)	(13,386,378)	(13,767,533)	(14,159,611)	(14,562,927)	(14,977,806)	(5,039,132)
Remaining Lease Obligation Yrs 1-15	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Lease Obligation Yrs 16-25	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Other	\$0	\$0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(\$11,114,792)	(\$133,377,500)		\$0	(\$644,800)	(\$6,878,400)	(\$11,984,005)	(\$12,305,440)	(\$12,655,625)	(\$13,015,842)	(\$13,386,378)	(\$13,767,533)	(\$14,159,611)	(\$14,562,927)	(\$14,977,806)	(\$5,039,132)
Net Cash Flow / RSF	(\$111.15)			\$0.00	(\$6.45)	(\$68.78)	(\$119.84)	(\$123.05)	(\$126.56)	(\$130.16)	(\$133.86)	(\$137.68)	(\$141.60)	(\$145.63)	(\$149.78)	(\$50.39)

CASH FLOWS FOR CAPITAL EXPENDITURES										
Leasing Commissions										
				Rate for Years 1-10	Rate for Years 11+	Date Paid*	\$/Sf/Yr	Amount on Rent	Amount on Service Charge	Total Amount
Tenant Broker	Payment #1:	50%	(\$92,857,422)	0.00%	0.00%	6/1/2013	\$0.00	\$0	\$0	\$0
	Payment #2:	50%	(\$92,857,422)	0.00%	0.00%	5/1/2015	\$0.00	\$0	\$0	\$0
LL Broker	Payment #1:	0%	(\$92,857,422)	0.00%	0.00%	6/1/2013	\$0.00	\$0	\$0	\$0
	Payment #2:	100%	(\$92,857,422)	0.00%	0.00%	5/1/2015	\$0.00	\$0	\$0	\$0
Other			(\$92,857,422)	0.00%	0.00%	6/1/2013	\$0.00	\$0	\$0	\$0
			(\$92,857,422)	0.00%	0.00%	6/1/2013	\$0.00	\$0	\$0	\$0
Tenant Improvements (Including all Hard and Soft Costs) and Landlord Concessions										
Total Project Cost	(\$6,720,000)									
Payment Start	1/1/2014	Month 8					(\$1.72)	(\$1,720,000)	(\$5,000,000)	
Duration	16 Months						PSE			
Moving Allowance				6/1/2013			\$5.00	\$500,000		
Other Expenditures	Specify, if any	Expenditure # 1	\$0.00	6/1/2013			\$0.00	\$0		
	Specify, if any	Expenditure # 2	\$0.00	6/1/2013			\$0.00	\$0		
	Specify, if any		\$0.00	6/1/2013			\$0.00	\$0		
	Specify, if any	Expenditure # 3	\$0.00	6/1/2013			\$0.00	\$0		
Total Capital Expenditures	-\$1.22/month/sf		(\$1,220,000)				\$5.00			

RENT VS. OWN ANALYSIS			
Rent Office Space and Invest in Business		Own Building/Premises	
Business Investment Value	\$100,000,000	Property Value	\$100,000,000
Interest-Only Loan for Investment	\$60,000,000	Building Value	\$80,000,000
Interest Rate	6.00%	Mortgage	60% LTV \$60,000,000
Investment Depreciation Timeline	10 years	Interest Rate	6.00%
Firm Opportunity Cost of Capital	12.00%	Building Depreciation Timeline	20 years
Corporate Tax Rate	36.50%	Corporate Tax Rate	36.50%
Business Value Annual Growth Rate	3.00%	Sale Proceeds	\$52,500,000
NPV at 10%	(\$32,935,601)	NPV at 10%	(\$55,698,360)