

**ASSUMPTIONS**

Client: ABC Corporation  
 Property: One Broadway



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 Revision 1.0

**FINANCIAL ASSUMPTIONS**

NPV Discount Rate (Beginning of Mo. Calc.) 10.0%

**SPACE PROGRAMMING ASSUMPTIONS**

Rentable SF to be Leased 2,794  
 Usable SF to be Leased 2,794  
 Add-on Factor, (Loss %) (0%) 0.00%

**RENT ASSUMPTIONS**

Commencement Date 6 / 2003  
 Termination Date 5 / 2006  
 Term of Lease 36 months  
 Base Rental Rate \$20.00 \$/rsf/yr  
 Type of Lease  
 Months of Rent Abatement 4  
 Landlord Construction Allowance none

**ONE-TIME RENT ADJUSTMENTS**

1st Adjustment  
 2nd Adjustment

**ANNUAL PERCENTAGE RENT INCREASES**

1st Percentage Increase  
 2nd Percentage Increase

**FIXED AMOUNT RENT INCREASES**

1st Increase  
 2nd Increase  
 3rd Increase  
 4th Increase  
 5th Increase

**SECURITY DEPOSIT**

Amount Paid n/a  
 Amount Returned

**PARKING**

Parking Ratio  
 Number of Spaces Rented  
 Price / Rented Space / Month  
 Total Monthly Parking Cost  
 Months of Free Parking  
 Annual % Increase

**OTHER MONTHLY COSTS**

Storage  
 Roof Rent  
 Other  
 Total Other Monthly Costs  
 Annual % Increase

**KEY RATIOS - calculations based on**

2,794 usf 2,794 rsf  
 Average Gross Rent/RSF/Year \* \$22.80 \$/rsf/yr  
 Average Gross Rent/USF/Year \* \$22.80 \$/usf/yr  
 \* Rent, Operating Expenses, Taxes  
 Average Rent / Year Over Term \$17.78 \$/rsf/yr

**METRICS / UNIT**

RSF/Head Count n/a  
 Average Cost / Head Count / Year  
 Average Cost / Workstation / Year n/a

Analysis prepared by Michael Coretz 520-770-9221

**OPERATING EXPENSES AND TAXES**

Base Year Operating Expenses  
 Actual Operating Expenses \* \$4.68 \$/rsf/yr  
 Op.Expense Annual % Increase 5.0% (eff. 1/2004)  
 Base Year Real Estate Taxes in op. exp.  
 Actual Real Estate Taxes \* in op. exp.  
 Taxes Annual % Increase  
 Special Taxes  
 Op. Expenses Tenant Pays Directly:  
 Utilities in op. exp.  
 Janitorial  
 After Hrs. HVAC  
 Other  
 Total Direct Cost/Year  
 Annual % Increase

\* Costs start: Op Exp 6/2003; Taxes 6/2003

**SPECIAL EXPENSES / CREDITS**

BuyOut of Current Lease  
 Restoration  
 Other

**MOVING EXPENSE**

Cost  
 Contingency  
 Landlord Rebate  
 Total Moving Cost

**CONSTRUCTION / NEW BUILDOUT**

Turn-Key

Office Space Construction

Contingency  
 TOTAL CONSTRUCTION COST  
 Landlord Construction Allowance  
 Net Cost to the Company  
 (Allowance based on 2,794 rsf)  
 RATIOS: Construction Cost / rsf  
 Construction Cost / usf

**OTHER FIT-UP / INFRASTRUCTURE**

Furniture  
 Voice / Data  
 Legal / Consultants  
 Other  
 Other  
 Contingency %  
 Total Cost

**OTHER FACTORS**

Class of Building  
 Renewal Options  
 Expansion  
 Cancellation  
 Ceiling Height  
 Column Spacing  
 Other  
 Other  
 Other

**PRESENT VALUE - calculations based on**

10% discount rate calculated monthly  
 starting 6/2003 (beginning of mo. payment)  
**NPV Occupancy Cost:** \$/usf/yr \$/rsf/yr  
 PreTax Cash Flow \$19.51 \$19.51  
**NPV Rent Calculations:**  
 Base Rent \$15.17 \$15.17  
 Operating Exp. & Taxes \$4.34 \$4.34  
 Gross Rent \$19.51 \$19.51