

Scherer Development Parcels Strategy

Feasibility & Valuation Study Draft



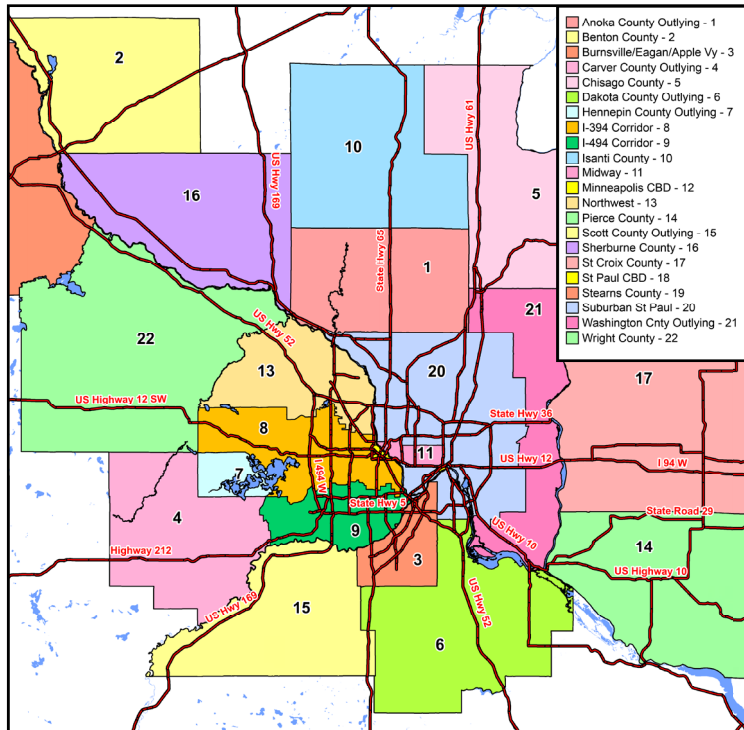
January 2015

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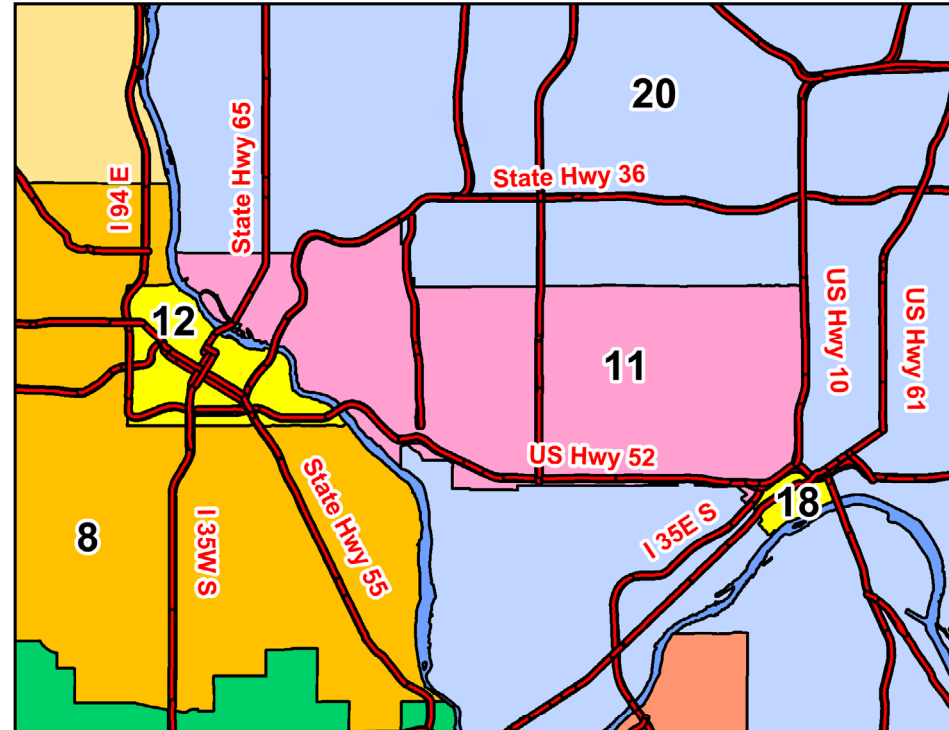
1. Minneapolis Office Market Analysis
2. Model Input Assumptions
3. Land Valuation Model



Minneapolis Office Submarket Geography Overview



Regional Overview



Minneapolis & St Paul Downtown CBD Detail

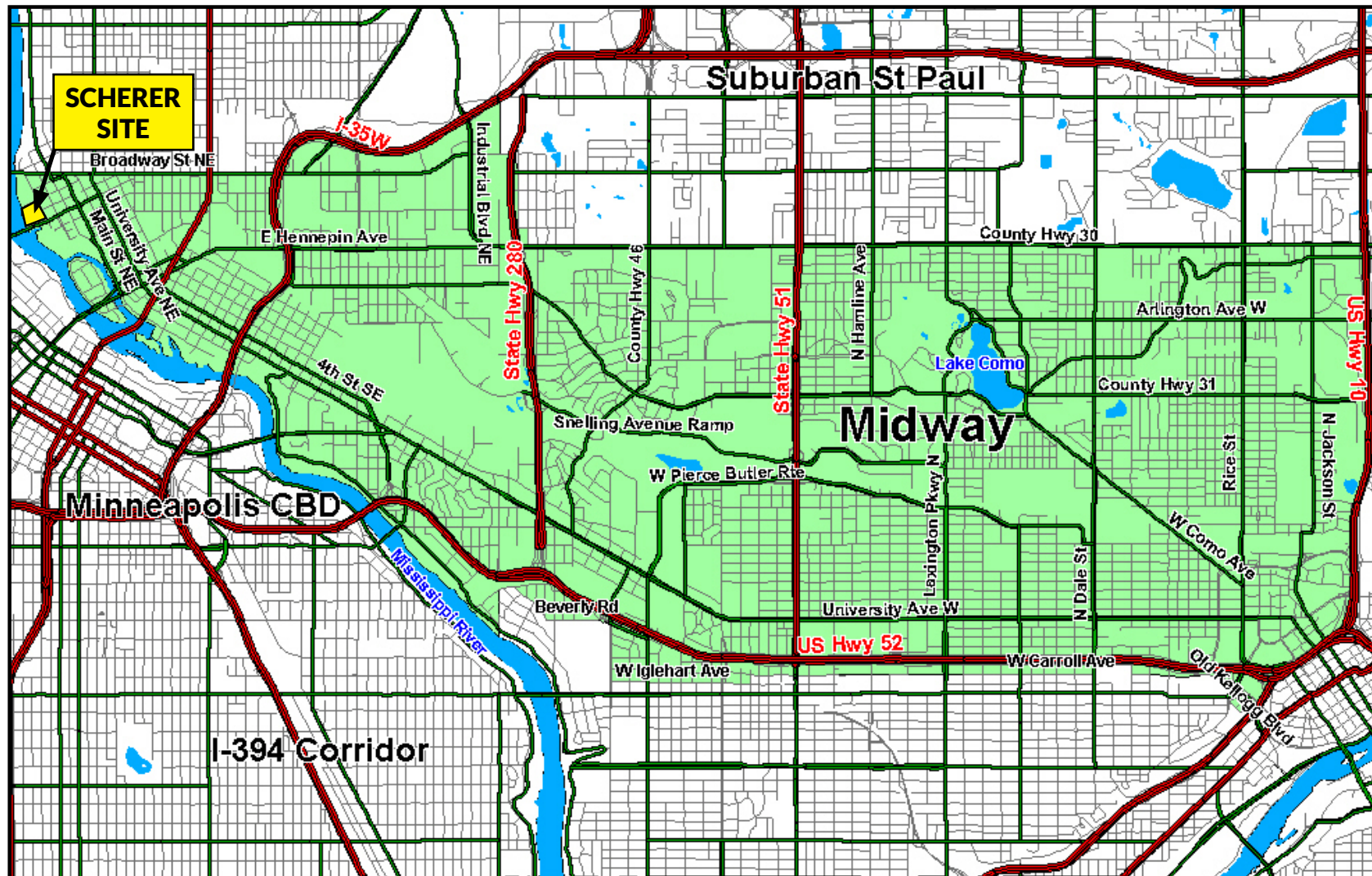


Minneapolis Office Submarket

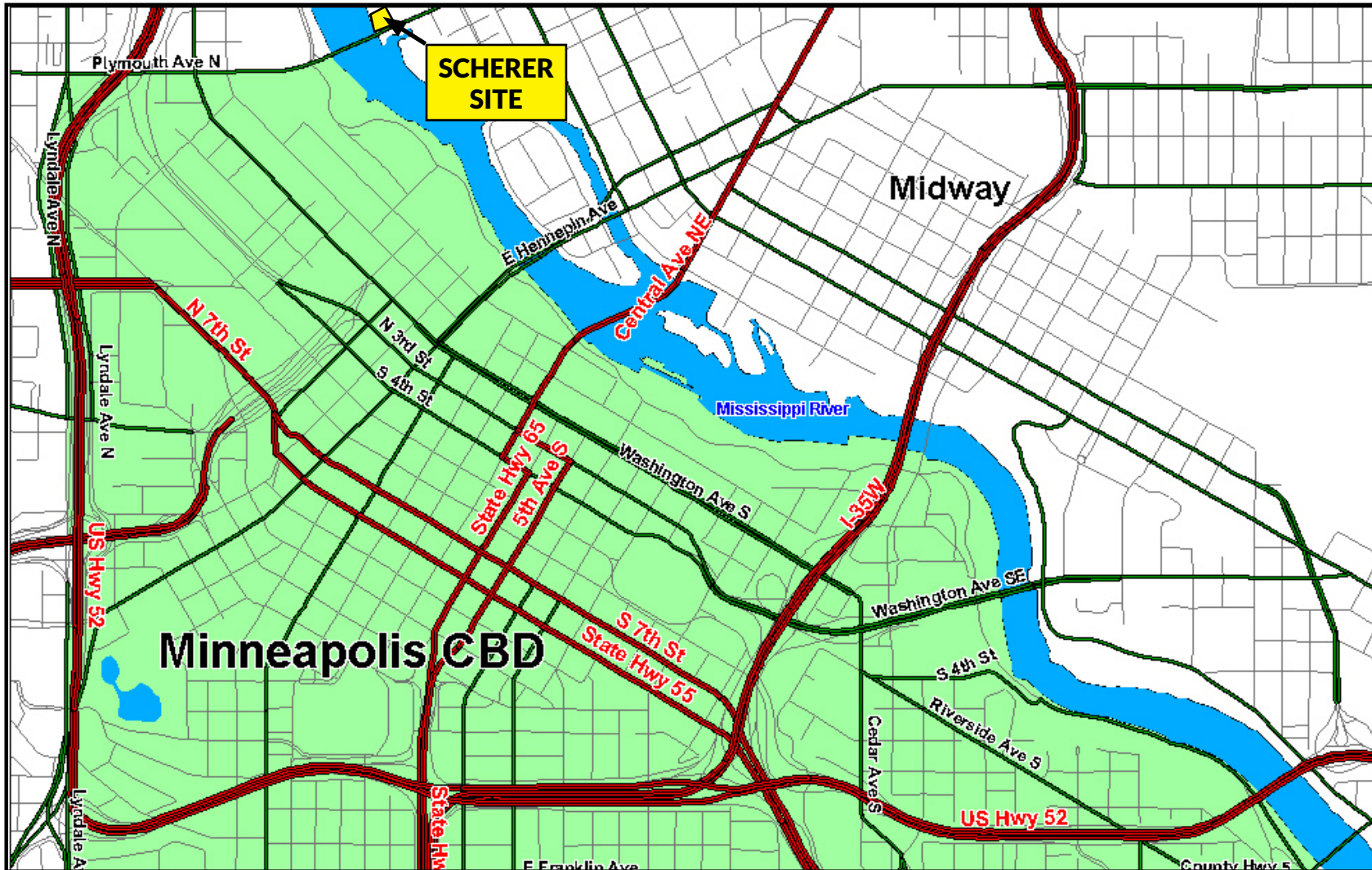
Submarket Clusters	
Anoka County Outlying	
Burnsville/Eagan/Apple Vy	
Carver County Outlying	
Chisago County	
Dakota County Outlying	
Hennepin County Outlying	
I-394 Corridor	
I-494 Corridor	
Isanti County	
Midway	The Scherer Site is located in the Midway submarket.
Minneapolis CBD*	The Scherer Site development will also be impacted by rate and vacancy within the Minneapolis CBD submarket.
Northwest	
Pierce County	
Scott County Outlying	
Sherburne County	
St Croix County	
St Paul CBD*	
Stearns County	
Suburban St Paul	
Washington Cnty Outlying	
Wright County	



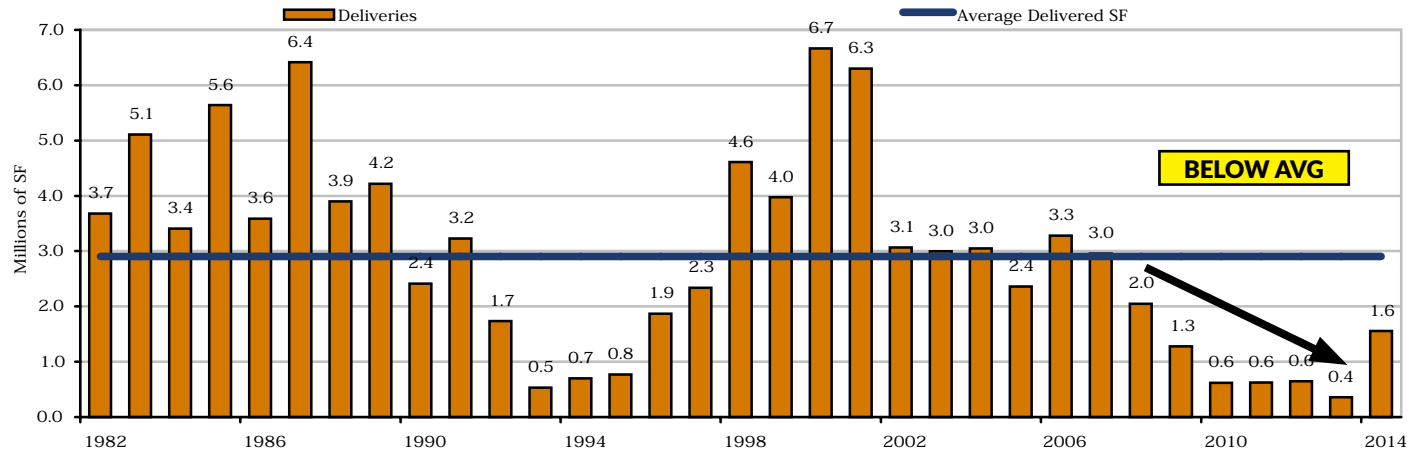
Minneapolis Office Submarket: Midway



Minneapolis Office Submarket: Minneapolis CBD



Minneapolis Office Market Historical Deliveries



Source: CoStar Property® * Future deliveries based on current under construction buildings.

CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

PIPELINE LEAD →

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Minneapolis CBD	4	1,713,000	1,689,000	98.6%	152,642	428,250
I-494 Corridor	4	1,210,779	867,670	71.7%	55,266	302,695
Suburban St Paul	2	66,228	54,645	82.5%	18,721	33,114
I-394 Corridor	2	37,000	37,000	100.0%	27,332	18,500
St Croix County	0	0	0	0.0%	7,027	0
Chisago County	0	0	0	0.0%	3,749	0
Burnsville/Eagan/Apple Vy	0	0	0	0.0%	36,832	0
Dakota County Outlying	0	0	0	0.0%	9,746	0
Hennepin County Outlying	0	0	0	0.0%	8,316	0
Carver County Outlying	0	0	0	0.0%	12,425	0
All Other	0	0	0	0.0%	23,317	0

Source: CoStar Property®



Class A Market Statistics Year End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Anoka County Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Burnsville/Eagan/Apple Vy	9	758,428	37,659	37,659	5.0%	4,632	0	0	\$16.19
Carver County Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Chisago County	0	0	0	0	0.0%	0	0	0	\$0.00
Dakota County Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Hennepin County Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
I-394 Corridor	27	3 5,539,454	361,018	400,284	7.2%	218,438	81,301	0	\$25.77
I-494 Corridor	43	2 10,784,019	654,529	657,005	6.1%	612,490	598,400	1,153,300	\$25.93
Isanti County	0	0	0	0	0.0%	0	0	0	\$0.00
Midway	5	879,112	10,782	10,782	1.2%	36,192	27,000	0	\$26.88
Minneapolis CBD	30	1 22,446,863	1,923,681	2,039,658	9.1%	(76,437)	0	1,493,000	\$26.82
Northwest	9	1,941,856	58,315	58,315	3.0%	658,478	650,000	0	\$19.45
Pierce County	0	0	0	0	0.0%	0	0	0	\$0.00
Scott County Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Sherburne County	0	0	0	0	0.0%	0	0	0	\$0.00
St Croix County	1	40,000	2,044	2,044	5.1%	8,747	0	0	\$0.00
St Paul CBD	11	4 4,274,621	367,118	367,118	8.6%	4,737	0	0	\$20.20
Stearns County	4	348,960	85,093	85,093	24.4%	0	0	0	\$38.25
Suburban St Paul	11	5 1,865,686	221,999	221,999	11.9%	57,901	100,000	0	\$16.26
Washington Cnty Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Wright County	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	150	48,878,999	3,722,238	3,879,957	7.9%	1,525,178	1,456,701	2,646,300	\$24.98



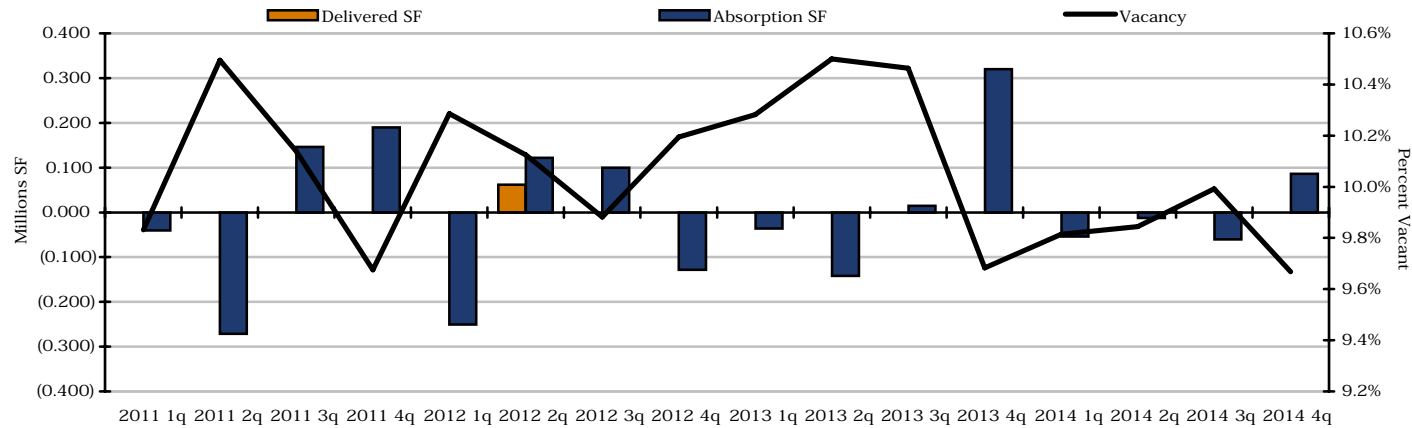
Class B Market Statistics Year End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Anoka County Outlying	27	635,400	36,508	36,508	5.7%	8,798	0	0	\$19.23
Burnsville/Eagan/Apple Vy	173	5 9,679,546	593,402	597,578	6.2%	94,257	0	0	\$15.83
Carver County Outlying	43	1,085,926	48,337	48,337	4.5%	8,903	4,400	0	\$12.07
Chisago County	9	72,821	1,599	1,599	2.2%	2,322	0	0	\$0.00
Dakota County Outlying	56	770,377	34,376	34,376	4.5%	16,562	9,255	0	\$21.42
Hennepin County Outlying	8	128,091	1,285	1,285	1.0%	1,228	0	0	\$20.29
I-394 Corridor	233	4 12,111,926	885,882	887,986	7.3%	54,442	62,000	37,000	\$20.77
I-494 Corridor	217	3 14,817,548	1,807,345	1,832,404	12.4%	(209,645)	0	57,479	\$19.04
Isanti County	8	88,156	8,378	8,378	9.5%	(186)	0	0	\$15.76
Midway	132	8,408,100	616,123	616,123	7.3%	6,295	0	0	\$14.64
Minneapolis CBD	104	2 15,395,565	1,616,564	1,616,564	10.5%	97,216	0	220,000	\$17.82
Northwest	108	3,440,427	538,443	538,443	15.7%	(149,502)	0	0	\$14.25
Pierce County	3	39,614	552	552	1.4%	0	0	0	\$0.00
Scott County Outlying	36	690,035	55,825	55,825	8.1%	4,491	4,165	0	\$19.12
Sherburne County	17	244,493	8,773	8,773	3.6%	867	0	0	\$14.83
St Croix County	42	546,577	59,814	73,165	13.4%	(11,551)	0	0	\$16.08
St Paul CBD	42	7,887,361	1,546,663	1,556,192	19.7%	58,740	0	0	\$16.22
Stearns County	95	2,039,200	190,762	202,328	9.9%	49,101	0	0	\$18.39
Suburban St Paul	589	1 18,927,464	1,819,701	1,837,123	9.7%	256,427	18,414	66,228	\$15.24
Washington Cnty Outlying	56	1,034,649	37,595	37,595	3.6%	5,037	0	0	\$12.65
Wright County	44	481,573	46,979	49,222	10.2%	22,264	0	0	\$12.58
Totals	2,042	98,524,849	9,954,906	10,040,356	10.2%	316,066	98,234	380,707	\$17.00



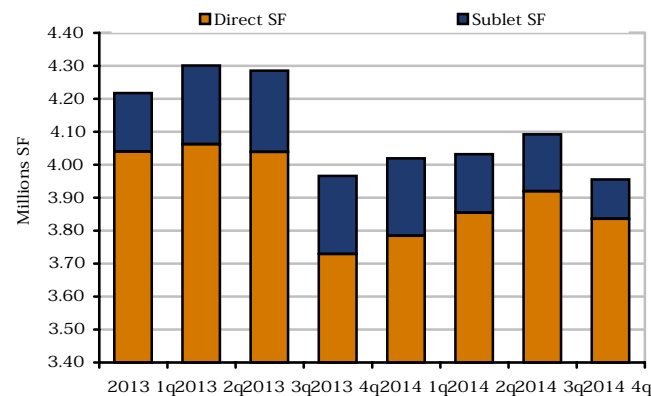
Minneapolis CBD Class A, B & C

Deliveries, Absorption & Vacancy Historical Analysis, All Classes

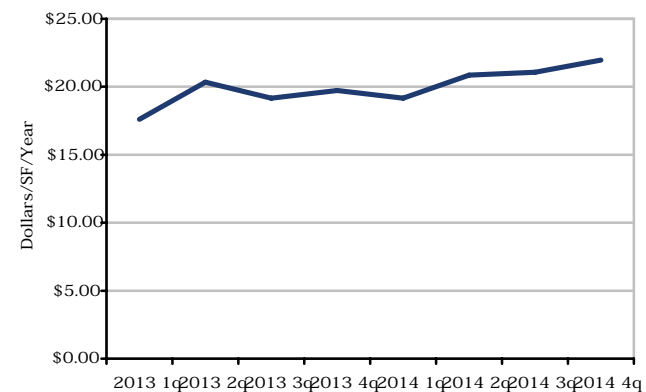


Source: CoStar Property®

Vacant Space Historical Analysis, All Classes



Quoted Rental Rates Historical Analysis, All Classes



Minneapolis CBD Class A, B & C

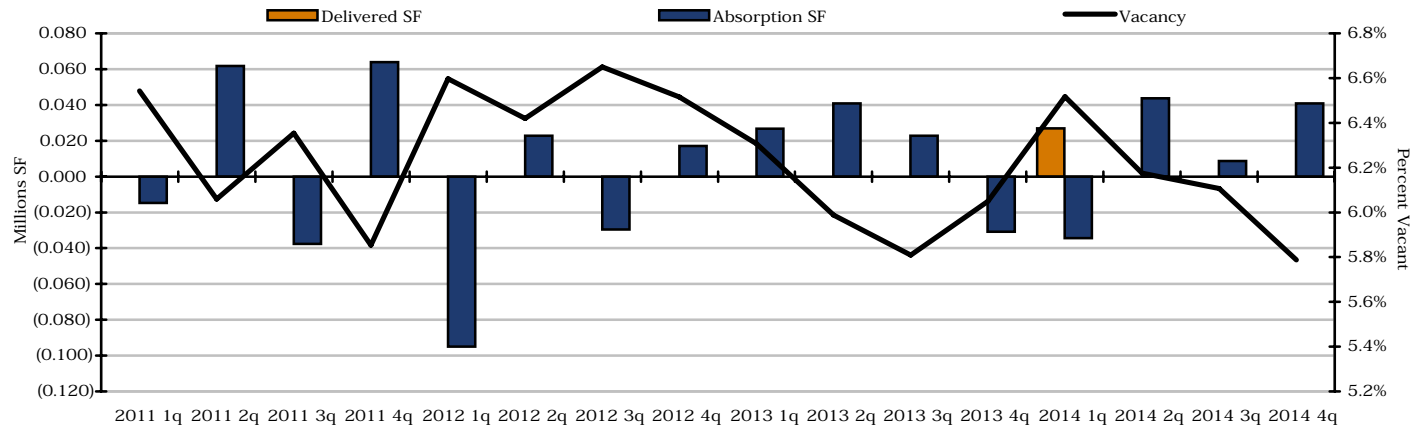
Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 4q	268	40,908,124	3,955,050	9.7%	86,308	0	0	4	1,713,000	\$21.96
2014 3q	269	40,959,419	4,092,653	10.0%	(60,368)	0	0	4	1,713,000	\$21.08
2014 2q	269	40,959,419	4,032,285	9.8%	(12,450)	0	0	2	1,200,000	\$20.86
2014 1q	269	40,959,419	4,019,835	9.8%	(54,010)	0	0	0	0	\$19.16
2013 4q	269	40,959,419	3,965,825	9.7%	320,036	0	0	0	0	\$19.73
2013 3q	269	40,959,419	4,285,861	10.5%	14,852	0	0	0	0	\$19.15
2013 2q	269	40,959,419	4,300,713	10.5%	(142,134)	0	0	0	0	\$20.34
2013 1q	270	41,018,566	4,217,726	10.3%	(35,970)	0	0	0	0	\$17.61
2012 4q	270	41,018,566	4,181,756	10.2%	(128,223)	0	0	0	0	\$19.19
2012 3q	270	41,018,566	4,053,533	9.9%	99,439	0	0	0	0	\$18.38
2012 2q	270	41,018,566	4,152,972	10.1%	121,996	1	62,000	0	0	\$18.22
2012 1q	269	40,956,566	4,212,968	10.3%	(250,247)	0	0	1	62,000	\$16.37
2011 4q	269	40,956,566	3,962,721	9.7%	189,488	0	0	1	62,000	\$16.46
2011 3q	269	40,956,566	4,152,209	10.1%	146,019	0	0	1	62,000	\$15.46
2011 2q	269	40,956,566	4,298,228	10.5%	(271,572)	0	0	0	0	\$15.46
2011 1q	269	40,956,566	4,026,656	9.8%	(40,482)	0	0	0	0	\$15.65

Source: CoStar Property®



Midway Class A, B & C

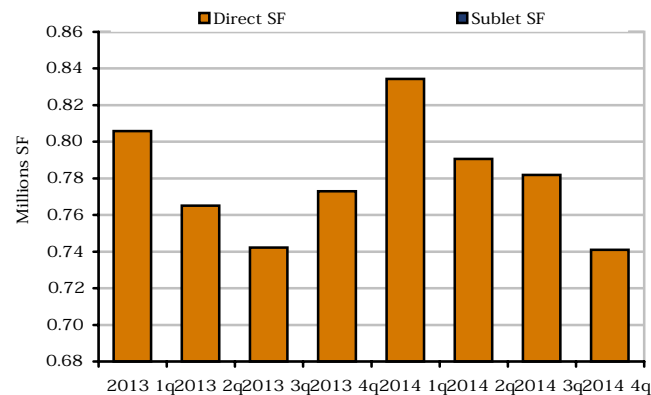
Deliveries, Absorption & Vacancy Historical Analysis, All Classes



Source: CoStar Property®

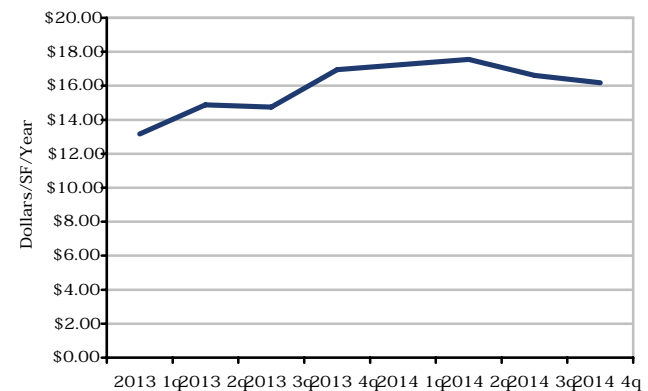
Vacant Space

Historical Analysis, All Classes



Quoted Rental Rates

Historical Analysis, All Classes



Midway Class A, B & C

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
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2014 4q	268	40,908,124	3,955,050	9.7%	86,308	0	0	4	1,713,000	\$21.96
2014 3q	269	40,959,419	4,092,653	10.0%	(60,368)	0	0	4	1,713,000	\$21.08
2014 2q	269	40,959,419	4,032,285	9.8%	(12,450)	0	0	2	1,200,000	\$20.86
2014 1q	269	40,959,419	4,019,835	9.8%	(54,010)	0	0	0	0	\$19.16
2013 4q	269	40,959,419	3,965,825	9.7%	320,036	0	0	0	0	\$19.73
2013 3q	269	40,959,419	4,285,861	10.5%	14,852	0	0	0	0	\$19.15
2013 2q	269	40,959,419	4,300,713	10.5%	(142,134)	0	0	0	0	\$20.34
2013 1q	270	41,018,566	4,217,726	10.3%	(35,970)	0	0	0	0	\$17.61
2012 4q	270	41,018,566	4,181,756	10.2%	(128,223)	0	0	0	0	\$19.19
2012 3q	270	41,018,566	4,053,533	9.9%	99,439	0	0	0	0	\$18.38
2012 2q	270	41,018,566	4,152,972	10.1%	121,996	1	62,000	0	0	\$18.22
2012 1q	269	40,956,566	4,212,968	10.3%	(250,247)	0	0	1	62,000	\$16.37
2011 4q	269	40,956,566	3,962,721	9.7%	189,488	0	0	1	62,000	\$16.46
2011 3q	269	40,956,566	4,152,209	10.1%	146,019	0	0	1	62,000	\$15.46
2011 2q	269	40,956,566	4,298,228	10.5%	(271,572)	0	0	0	0	\$15.46
2011 1q	269	40,956,566	4,026,656	9.8%	(40,482)	0	0	0	0	\$15.65



Minneapolis Top 20 Office Leases Year End 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 Fifty South Sixth*	Minneapolis CBD	253,414	1st	Dorsey & Whitney LLP	Colliers International	Hines Property Management; Hines GL
2 Capella Tower	Minneapolis CBD	138,000	2nd	Minneapolis Star & Tribune Co	Nelson, Tietz & Hoye, Inc.	CBRE
3 6000 Nathan Lane	I-394 Corridor	105,280	3rd	Smiths Medical	N/A	JLL
4 Minnetonka Medical Center	I-394 Corridor	62,000	2nd	North Memorial Health Care	N/A	The Davis Group
5 605 Waterford Park	I-394 Corridor	53,025	4th	OneBeacon Insurance	N/A	CBRE
6 8300 Tower	I-494 Corridor	47,381	2nd	Larkin Hoffman	Colliers International	Northmarq
7 Grand Oak Office VII*	Burnsville/Eagan/Apple Vy	42,053	3rd	Silicon Graphics International	N/A	N/A
8 Eden Prairie City Center	I-494 Corridor	40,400	4th	Supervalu	N/A	Cushman & Wakefield/NorthMarq
9 Butler Square	Minneapolis CBD	32,346	3rd	AMIA	N/A	JLL
10 10900 Wayzata Blvd	I-394 Corridor	32,300	4th	AON	N/A	CBRE
11 5901 Golden Hills Dr	I-394 Corridor	32,000	3rd	N/A	N/A	Cresa Minneapolis
12 510 Marquette Building	Minneapolis CBD	31,200	1st	Augsburg Fortress	N/A	Swervo Development Corporation
13 Norman Pointe I	I-494 Corridor	30,895	2nd	MAC Foundation	N/A	CBRE
14 IDS Center	Minneapolis CBD	30,071	1st	UBS Financial Services Inc.	Cushman & Wakefield/Northmarq	JLL
15 RBC Plaza	Minneapolis CBD	28,000	4th	Best & Flanagan	N/A	Cushman & Wakefield/NorthMarq
16 DC Building Expansion	I-394 Corridor	27,000	3rd	DC Group	N/A	DC Group, Inc.
17 Spruce Tree Center*	Midway	26,775	1st	Image Sensing Systems, Inc.	N/A	N/A
18 550 Vandalia St	Midway	26,667	2nd	N/A	N/A	First & First LLC
19 550 Vandalia St	Midway	26,667	2nd	N/A	N/A	First & First LLC
20 550 Vandalia St	Midway	26,667	2nd	N/A	N/A	First & First LLC



2. Model Input Assumptions

Development Intensity and Use

The development underwriting model will be driven by the building program that is allowable by zoning code and that conforms to the vision for the site area.

Adoption of Underwriting Model Inputs

The preceding Minneapolis Office Market Analysis will provide the primary inputs for the development underwriting model. Model development will begin subsequent to discussing, revising and finally adopting the parameters for the key assumptions.



3. Ground Lease Valuation

Ground Lease Valuation

Ground lease valuation is not unlike the valuation of any other lease or cash flow stream. Since there is a clearly defined lease term, lease rate, escalation schedule, and terminal value, a projection of these cash flows can be created and then discounted to determine a present value. These terms will be driven by potential feasible development proposals that will be tested against the development underwriting model.

The selection of the discount rate would largely depend on how risky these future cash flows are. The risk profile of a ground lease is influenced by subordination, credit quality of the tenant, future attractiveness of the location, quality and value of the improvements, and any other relevant terms of the lease. As with all leases, it's always important to thoroughly read the lease to gain a complete understanding of who is responsible for what and when. These lease terms can then be used to complete a discounted cash flow analysis.

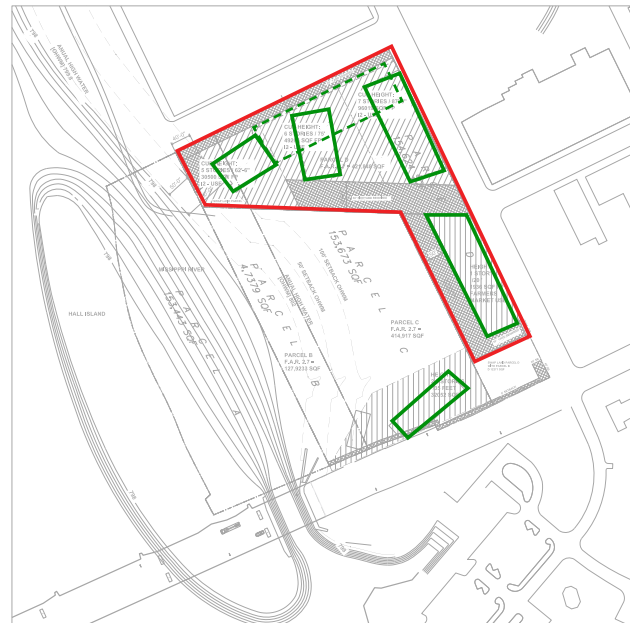
Scherer Valuation Context

The Scherer Development Parcels (SPD) are currently unimproved land. Establishing the current value by using a traditional appraisal approach is limited because it may not accurately reflect the forward looking potential of the land. Adjacent land and comparable land may not be the same. Defining what land is comparable will be a critical exercise to undertake. In addition, the future potential value created by new development will be a factor of determining a fair value for the ground lease.

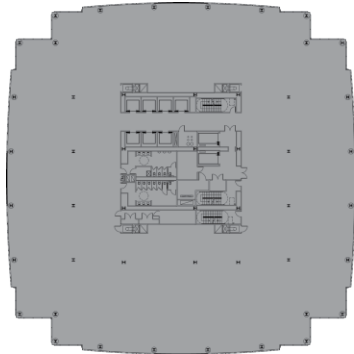


SCHERER DEVELOPMENT VALUATION LAND AREA

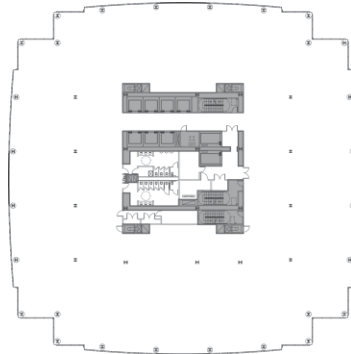
Space Code	Program Areas	% of Total	Published Purchase Price	Acres	Square Feet	\$ / SF
701	Parcel D	32%	2,484,775	3.55	154,624	16
702	All Other Parcels	68%	5,215,225	7.45	324,536	16
Total Scherer Site		100%	7,700,000	11.00	479,160	



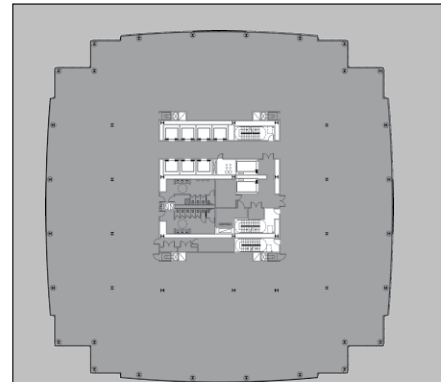
© 2010 Barry Bebart Architecture P.C.



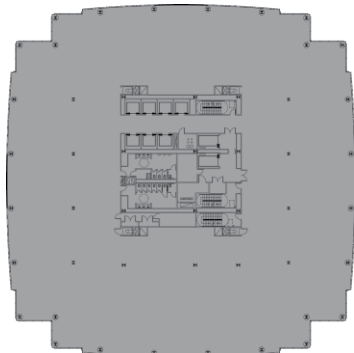
**Gross Measured Area
20,000sf**



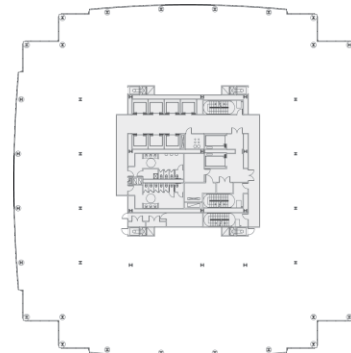
**Vertical Penetrations
2,000sf**



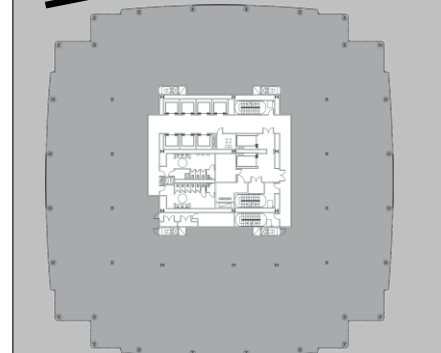
**Floor Rentable Area
18,000sf**



**Gross Measured Area
20,000sf**



**Floor Common Areas +
Vertical Penetrations
4,000sf**



**Floor Useable Area
16,000sf**

Floor Rentable Area ÷
Floor Usable Area =
Floor Rentable/Usable
Ratio.

Also known as “Floor
Loss Factor”.

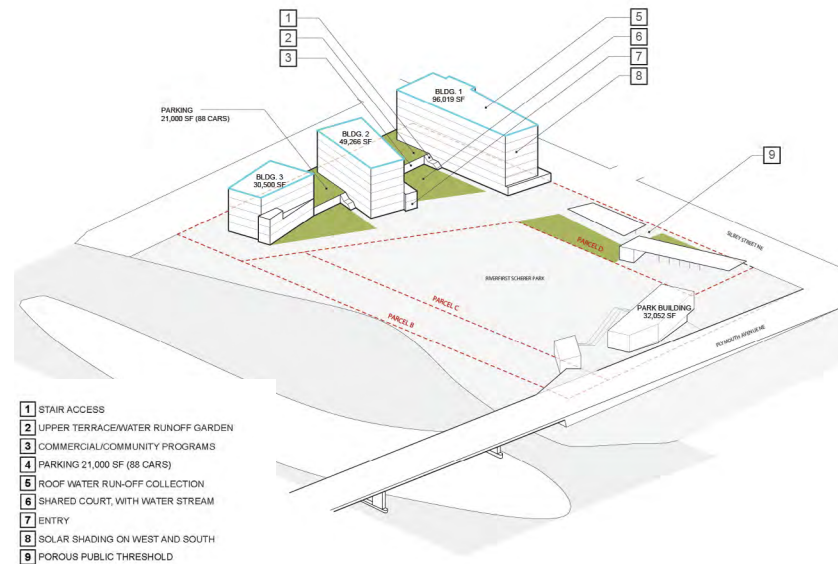
Or “Add On Factor”

18,000/16,000 =
1.125

If the corridor
configuration
changes then the
Floor R/U ratio
changes.

SCHERER DEVELOPMENT VALUATION OFFICE AREA - BASE CASE

Space Code	Program Areas	% of Total	Size	Count	Gross Measured Area	Floor Loss Factor	Floor Rentable Area
801	Building 1 (7 Stories)	55%	96,000	1	96,000	15%	81,600
802	Building 2 (6 Stories)	28%	50,000	1	50,000	15%	42,500
803	Building 3 (5 Stories)	17%	30,000	1	30,000	15%	25,500
TOTALS		100%		3	176,000		149,600



SCHERER DEVELOPMENT VALUATION					2018	2019	2020
OFFICE - BASE CASE					Year	Year	Year
OPERATING PRO FORMA					1	2	3
OFFICE					<i>Occupancy Rate</i>		
<i>Rates Projected to Yr. 2018</i>					75.00%	90.91%	90.91%
REVENUES:	<u>Gross SF</u>	<u>Efficiency</u>	<u>Rentable SF</u>	<u>Annual Lease Rate</u>	<i>At 3.0% Escalation / yr.</i>		
Office	176,000	85% Efficiency	149,600	x \$ 26.85 / sf	\$4,016,538	\$4,137,034	\$4,261,145
				Less Vacancy	(\$1,004,134)	(\$375,916)	(\$387,193)
				TOTAL REVENUES	\$3,012,403	\$3,761,118	\$3,873,951
OFFICE SPACE OPERATING COST:					<i>At 2.5% Escalation / yr.</i>		
Operating Expenses:					NNN Lease	NNN Lease	NNN Lease
Cleaning / Janitorial					NNN Lease	NNN Lease	NNN Lease
Heating					NNN Lease	NNN Lease	NNN Lease
Electrical					NNN Lease	NNN Lease	NNN Lease
Plumbing					NNN Lease	NNN Lease	NNN Lease
Air Conditioning					NNN Lease	NNN Lease	NNN Lease
Elevators					NNN Lease	NNN Lease	NNN Lease
Miscellaneous					NNN Lease	NNN Lease	NNN Lease
Mello Roos Payments - Offsite Improvements					NNN Lease	NNN Lease	NNN Lease
Real Estate Taxes					NNN Lease	NNN Lease	NNN Lease
Insurance					NNN Lease	NNN Lease	NNN Lease
Management Fee					NNN Lease	NNN Lease	NNN Lease
Capital Repair / Replacement					NNN Lease	NNN Lease	NNN Lease
Ground Lease Payment					5.00% of Total Revenues	\$150,620	\$188,056
Operating Expenses Leakage					10.00% of Total Revenues	\$301,240	\$376,112
Asset Management Fee					0.50% of Total Revenues	\$15,062	\$18,806
				Operating Expenses	\$466,923	\$582,973	\$600,462
				NET OPERATING INCOME	\$2,545,481	\$3,178,145	\$3,273,489
				ANNUAL DEBT SERVICE	\$0	\$0	\$0
				N.O.I (After Debt Service)	\$2,545,481	\$3,178,145	\$3,273,489



SCHERER DEVELOPMENT VALUATION GROUND LEASE PAYMENTS - BASE CASE 25 YRS

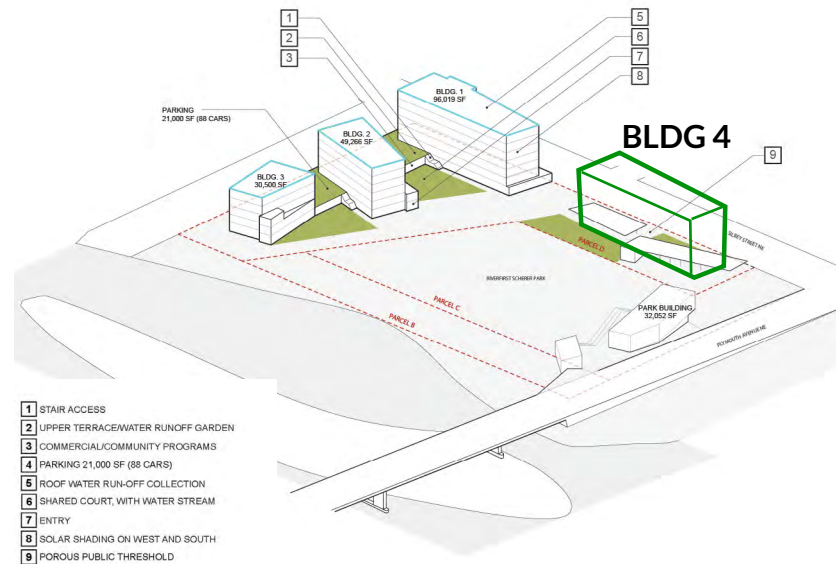
Year 1	Year 2	Year 3	Year 4	Year 5
150,620	188,056	193,698	199,509	205,494
Year 6	Year 7	Year 8	Year 9	Year 10
211,659	218,008	224,549	231,285	238,224
Year 11	Year 12	Year 13	Year 14	Year 15
245,370	252,731	260,313	268,123	276,166
Year 16	Year 17	Year 18	Year 19	Year 20
320,153	329,757	339,650	349,839	360,335
Year 21	Year 22	Year 23	Year 24	Year 25
329,757	339,650	349,839	360,335	371,145

RETURN MEASURES	Investment
Unleveraged IRR	
Land Cost	\$ (2,484,775)
Total Office Ground Lease Income	\$ 7,007,000
Unleveraged IRR	8.08%
Net Present Value @ 8.0%	\$20,813



SCHERER DEVELOPMENT VALUATION OFFICE AREA - PLUS CASE

Space Code	Program Areas	% of Total	Size	Count	Gross Measured Area	Floor Loss Factor	Floor Rentable Area
801	Building 1 (7 Stories)	35%	96,000	1	96,000	15%	81,600
802	Building 2 (6 Stories)	18%	50,000	1	50,000	15%	42,500
803	Building 3 (5 Stories)	11%	30,000	1	30,000	15%	25,500
804	Building 4 (7 Stories)	35%	96,000	1	96,000	15%	81,600
Total		100%		4	272,000		231,200



SCHERER DEVELOPMENT VALUATION					2018	2019	2020
OFFICE - PLUS CASE					Year	Year	Year
OPERATING PRO FORMA					1	2	3
OFFICE					<i>Occupancy Rate</i>		
<i>Rates Projected to Yr. 2018</i>					75.00%	90.91%	90.91%
REVENUES:	<u>Gross SF</u>	<u>Efficiency</u>	<u>Rentable SF</u>	<u>Annual Lease Rate</u>	<i>At 3.0% Escalation / yr.</i>		
Office	272,000	85% Efficiency	231,200 x	\$ 26.85 / sf	\$6,207,377	\$6,393,598	\$6,585,406
				Less Vacancy	(\$1,551,844)	(\$580,961)	(\$598,390)
				TOTAL REVENUES	\$4,655,532	\$5,812,637	\$5,987,016
OFFICE SPACE OPERATING COST:					<i>At 2.5% Escalation / yr.</i>		
Operating Expenses:					NNN Lease	NNN Lease	NNN Lease
				<i>Assume NNN Lease</i>	NNN Lease	NNN Lease	NNN Lease
Cleaning / Janitorial					NNN Lease	NNN Lease	NNN Lease
Heating					NNN Lease	NNN Lease	NNN Lease
Electrical					NNN Lease	NNN Lease	NNN Lease
Plumbing					NNN Lease	NNN Lease	NNN Lease
Air Conditioning					NNN Lease	NNN Lease	NNN Lease
Elevators					NNN Lease	NNN Lease	NNN Lease
Miscellaneous					NNN Lease	NNN Lease	NNN Lease
Mello Roos Payments - Offsite Improvements					NNN Lease	NNN Lease	NNN Lease
Real Estate Taxes					NNN Lease	NNN Lease	NNN Lease
Insurance					NNN Lease	NNN Lease	NNN Lease
Management Fee					NNN Lease	NNN Lease	NNN Lease
Capital Repair / Replacement					NNN Lease	NNN Lease	NNN Lease
Ground Lease Payment				5.00% of Total Revenues	\$232,777	\$290,632	\$299,351
Operating Expenses Leakage				10.00% of Total Revenues	\$465,553	\$581,264	\$598,702
Asset Management Fee				0.50% of Total Revenues	\$23,278	\$29,063	\$29,935
				Operating Expenses	\$721,608	\$900,959	\$927,987
				NET OPERATING INCOME	\$3,933,925	\$4,911,678	\$5,059,028
				ANNUAL DEBT SERVICE	\$0	\$0	\$0
				N.O.I (After Debt Service)	\$3,933,925	\$4,911,678	\$5,059,028



SCHERER DEVELOPMENT VALUATION GROUND LEASE PAYMENTS - PLUS CASE 25 YRS

Year 1	Year 2	Year 3	Year 4	Year 5
232,777	290,632	299,351	308,331	317,581
Year 6	Year 7	Year 8	Year 9	Year 10
327,109	336,922	347,030	357,441	368,164
Year 11	Year 12	Year 13	Year 14	Year 15
379,209	390,585	402,302	414,372	426,803
Year 16	Year 17	Year 18	Year 19	Year 20
439,607	452,795	466,379	480,370	494,781
Year 21	Year 22	Year 23	Year 24	Year 25
509,625	524,913	540,661	556,881	573,587

RETURN MEASURES

Unleveraged IRR

Land Cost

\$ (2,484,775)

Total Office Ground Lease Income

\$ 10,238,205

Unleveraged IRR

13.08%

Net Present Value @ 8.0%

\$1,387,498

