



Civic Center Place
39141 Civic Center Drive
Fremont, CA 94538

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Property Type: Office/Industrial
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Property Summary Report

Timing & Inflation

Reporting Period: June 1, 2014 to May 31, 2024; 10 years
Inflation Month: Analysis Start
General Inflation Rate: 2.00%

Property Size & Occupancy

Property Size: 109,881 Square Feet
Alternate Size: 1 Square Foot
Number of rent roll tenants: 16
Total Occupied Area: 109,881 Square Feet, 100.00%, during first month of analysis

General Vacancy

Method: Percent of Potential Gross Revenue
Rate: 5.00%

Credit & Collection Loss

Method: Percent of Scheduled Base Rental Revenue
Rate: 1.00%

Debt Financing

Number of Notes: 1
Beginning Principal Balance: \$24,700,000
Average Year 1 Interest Rate: 4.75%

Property Purchase & Resale

Purchase Price: \$38,000,000
Resale Method: Capitalize Net Operating Income
Cap Rate: 6.50%
Cap Year: Year 11
Commission/Closing Cost: \$0
Net Cash Flow from Sale: \$37,699,025

Present Value Discounting

Discount Method: Annually (Endpoint on Cash Flow & Resale)
Unleveraged Discount Rate: 10.00%
Unleveraged Present Value: \$38,390,728 at 10.00%
Unleveraged Annual IRR: 10.14%

Leveraged Discount Rate: 10.00%
Value of Equity Interest: \$21,203,097 at 10.00%
Leveraged Annual IRR: 16.29%

BAY AREA
Transit Oriented

Multi-Family Development

Existing Class A Office Asset

- Purchase a Positive Cash Flowing, 100% Leased Up Asset at a 6.9 CAP
- The Acquisition includes an additional 3 acres that are ENTITLED for an additional 148,000 square feet that could be developed as a multifamily project

Project Summary

This project is:

- In a Bay Area location;
- It is just a couple of blocks from a BART station;
- Adjacent to a shopping center
- Within a couple of blocks of a regional Hospital and the surrounding support services
- Has a NOI of \$2,448,000 for 2013 and the last vacant space is being leased so the project NOI for 2014 is \$2,598,631.;
- Has a bank occupying 10% of the space and government offices occupying 65% of the space;
- Some of the government leases go until 2020
- The site is entitled for an additional 150,000 square feet of development;
- This asset is not on the market;
- It can be purchased at a 6.9 CAP plus small bonus for Additional Entitled Land.

Business Plan

Key Points:

1. Purchase Price: \$39,000,000.
2. Due Diligence - 45 days;
3. Closing scheduled - 30 days after due diligence;
4. A shorter Due Diligence and faster Closing would earn a discount on the purchase price

The purchase price of this asset is based on buying an existing Class A office building that has Wells Fargo Bank as a tenant. Consisting of 3.92 acres, the office building sits on approximately 1 acre. The remaining 2.9 acres is entitled for an additional 148,000 square feet of development plus a parking structure.

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Existing Class A Office Asset

The asset could be purchased with three possible business strategies.

1. Continue to operate "As Is". Effectively treating the purchase as a core asset for the NOI;
2. Purchase with the intention of adding value by developing another office building of up to 150,000 sf.;
3. Purchase with the intention of adding value by developing a multifamily project;

Alternative exit strategies would be:

- Once the multifamily plans are approved, sell that portion of the project to another developer so they could do the development; or
- Retain the multifamily asset and sell the office asset; or
- Build a condo project rather than an apartment project; or
- Build the apartment project and convert it to condos at a later date.

Value

Office Building: Our Argus financial model shows the current asset is worth \$39,000,000 based on this 2014's NOI of \$2,598,631 at a 6.65 CAP. An alternative perspective on value is \$39,000,000 based on a NOI of \$2,598,631 at a 6.9 CAP (\$37,661,318) plus a bonus payment to the seller for the additional entitled land.

- An audit of the current long term leases show they escalate at an average of 4.9%¹ per year over the next 9 years enhancing the projects future value at disposal;
- Our financial model shows:
 - a Project IRR of 18.66%, Equity 19.12%
 - a Project Multiple of 2.65

Apartment Development: If the apartment development is added the project values greatly improve. The apartment project as a stand-alone asset is a very profitable venture in the highly desired Bay Area market.

Our Financial models suggests a 72 month multifamily development project would:

- Have a Project IRR of 15.66%, and an equity IRR of 25.1%.

The equity IRR is higher than typically seen because we assume the initial purchase equity is all allocated to the office, no upfront land expense burdens the apartment development IRR.

In this scenario the apartment builds a parking structure that accommodates the office parking need.
- A Project Multiple of 2.42

Either asset could be retained long term or sold separately.

¹ Based on lease audits and an Argus file provided by the seller

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Multi-Family Development

Existing Class A Office Asset

Combined Asset Performance: Our modeling has looked at the results if both assets are sold in month 72 (fall of 2020). The combined performance we see is:

1. A project IRR of 17.08%, The combined equity IRR of 21.55%
2. A project Multiple of 2.52

Timing

This is an unlisted opportunity. We have been told the seller will accept a price based on the previously mentioned 6.9 CAP. He is seeking buyers and plans on selecting a buyer no later than June 30th.

We have been told we have he has a \$35,000,000 offer that is based on a 30 Due Diligence and 10 day close that he is giving serious consideration to.

If we close in the third quarter of 2014 we should be in a position to start construction on the apartment development in the fourth quarter of 2015.

We suggest the appropriate duration of the project to be 72 months to maximize the IRR potential of the investment. However the office is stabilized, and the Apartment Stabilization is achieved around month 42.

Relationship

Hanover and Associates are looking for a JV partner.

Financial Assumptions:

Existing Office Building Acquisition:

1. Acquisition: \$39,000,000 (based on a 6.9 CAP of \$2,598,631 2014 NOI)
2. NOI²

2015	2016	2017	2018	2019	2020	2021
\$2.59M	\$2.70M	\$2.84M	\$3.02	\$3.12	\$3.65	\$34.78
3. Revenue \$70,193,000 total revenue is comprised of \$52,877,000 in CAP Sales Revenue and \$17,316,000 Cash Flow from leasing
4. Total project costs: \$49,412,000 (including brokerage and closing cost when we sell)
5. Profit: \$20,780,000
6. Construction Debt: \$0
7. Total Equity: \$12,632,000
8. Mortgage: \$26,000,000
9. Equity IRR & Multiple 18.66 & 2.6

² This information was provided by the seller

BAY AREA
Transit Oriented

Multi-Family Development

Existing Class A Office Asset

Apartment Development:

1. Acquisition:	0
2.. Revenue	\$74,002,000 total revenue is comprised of \$64,500,000 in CAP Sales Revenue and \$9,502,000 Cash Flow from leasing
3. Total project costs:	\$54,268,000 (including brokerage and closing cost when we sell)
4. Profit:	\$19,734,000
5. Construction Debt:	\$29,815,000
6. Total Equity:	\$13,880,000
7. Mortgage:	\$38,380,000
8. Equity IRR & Multiple	25.1 & 2.42

Combined Project:

1. Acquisition:	39,000,000
2.. Revenue	\$144,196,000 total revenue is comprised of \$117,377,000 in CAP Sales Revenue and \$26,818,000 Cash Flow from leasing
3. Total project costs:	\$103,680,000 (including brokerage and closing cost when we sell)
4. Profit:	\$40,515,000
5. Construction Debt:	\$29,815,000
6. Total Equity:	\$25,249,000
7. Mortgage:	\$64,380,000 (\$26,000,000 to purchase Office, \$38,380,000 for apartments after stabilized)
8. Equity IRR & Multiple	21.55 & 2.56

Combined Office & Apartment Development Financials

90 / 10 Equity Investment Structure Acreage / Density / Duration

Project Start:	Oct-14	Gross Acreage / Square Feet:	6.39 / 278,784				
Project Sale:	Oct-20	Net Acreage / Square Feet:	6.39 / 278,784				
Duration:	73 Months	Density:	24.41				
Leasing Revenue							
Product Information	No. Of Units	Net Rentable	Rate Psf	Monthly Rent	Total Net Rentable	Gross Monthly	Gross Annual
CAPITALIZED INCOME							
A1 1/1.....707 sf	40	707	2.80	\$1,980	28,280	\$79,184	\$950,208
A2 1/1.....802 sf	45	758	2.80	\$2,122	34,110	\$95,508	\$1,146,096
B2 2/2.....1053 sf	35	1,053	2.40	\$2,527	36,855	\$88,452	\$1,061,424
B3 2/2.....1060 sf	35	1,060	2.40	\$2,544	37,100	\$89,040	\$1,068,480
NOI for Existing Office Building	1	110,000	1.98	\$217,800	110,000	\$217,800	\$2,613,600
Apartment Total or Average	156	895	1.73		246,345	\$569,984	\$6,839,808
Apartment Average (weighted)		874			874		

ADDITIONAL REVENUE & OPERATING EXPENSES					
Other Income		Operating Expenses	Total	Per Unit	% of GSI
Operations Revenue		Allowance	\$ 2,052,113	13,155	28.50%
Allowance		Salaries	\$ -	-	
Parking	\$ 18,600	Management Fee	\$ -	-	
Laundry		G&A	\$ -	-	
Storage	\$ 18,600	Marketing	\$ -	-	
		Repairs & Maintenance	\$ -	-	
Retail Space / Other	\$ -	Gas	\$ -	-	
		Water	\$ -	-	
Gross Scheduled Income	\$ 6,839,808	Electric	\$ -	-	
Vacant	5.00% \$ 341,990	Trash	\$ -	-	
	\$ 7,181,798	Security	\$ -	-	
		Insurance	\$ -	-	
Operations Revenue	\$ 18,600	Property Tax	\$ -	-	
Retail	\$ -	CAP EX	\$ -	-	
		Reserve	\$ -	-	
	Effective Gross		\$ 2,052,113	\$ 13,155	28.50%
Less OP EX	\$ 2,052,113				
TI Expenses for Office Leasing Operations	\$ -				
	First Year NOI				
	\$ 5,148,285				

Investment & Financing Summary											
Total Equity & Debt Contributions				Office Acquisition				Preferred Return		Profit	
Contribution	IRR	% of Total Contributions	% of Total Equity	% of Total Contributions	% of Total Equity	Preferred Return	Profit	Total Preferred Return & Profit	Multiple		
Total Equity Contributions	-25,249,281	21.55%	45.9%	100.0%	31.8%	100.0%		40,515,052	2.60		
APT Primary Equity Partner	-12,492,461	20.88%	22.7%	49.5%	28.6%	90.0%	4,043,278	13,601,859	2.09		
APT Co-Investment Capital	-1,388,051	32.40%	2.5%	5.5%	3.2%		449,253	2,932,677	3.11		
Developer								3,916,289			
Office Equity I	11,368,768	18.63%					29.4%	5,814,162	12,172,042		
Office Equity II	1,263,196	19.12%					3.3%	646,018	1,432,005		
								2,078,023	2.65		
Total Debt Contributions	-29,815,113							Repayment	Interest	Total Returned	
Apartment Construction Loan	-29,815,113							33,218,900	3,403,786		
Apartment Development Mortgage	38,380,000										
Office Building Mortgage	26,000,000										

Civic Center Drive -- BAY Area - Transit Oriented SALES REVENUE & DEVELOPMENT AND DISPOSAL EXPENSES					
REVENUE	Per Net SF	Per Unit	Per Gross SF		
Operating Income	26,818,187	108.86	171,911	173.09	
Cap Sales Revenue	117,377,840	476.48	752,422	757.58	
TI Expenses for Office Leasing Operations	-	-	-	-	
Total Project Revenue	144,196,027	585.34	924,334	930.67	
COSTS					
Land					
Land Price	39,000,000	158.31	250,000	251.71	
Acquisition Closing and Other	1,271,300	5.16	8,149	8.21	
Subtotal	40,271,300	163.48	258,149	259.92	
Hard Cost					
Demolition	250,000	1.01	1,603	1.61	
Site Improvements	1,950,000	7.92	12,500	12.59	
Parking Structure (1.60 Apartment Parking Ratio)	10,500,000	42.62	67,308	67.77	
Construction	18,170,910	73.76	116,480	117.28	
Building & Developer's Contingency	1,318,057	5.35	8,449	8.51	
Construction Indirects	1,535,386	6.23	9,842	9.91	
Subtotal	33,724,353	136.90	216,182	217.66	
Soft Cost					
Fees & Permits	6,093,804	24.74	39,063	39.33	
Professional Fees	2,549,000	10.35	16,340	16.45	
Marketing, Leasing & Disposal	3,368,764	13.67	21,595	21.74	
Management, Insurance & Property Taxes	2,367,703	9.61	15,178	15.28	
Subtotal	14,379,271	58.37	92,175	92.81	
Subtotal Project Cost	88,374,924	358.74	566,506	570.39	
Subtotal Project Cost - Exclusive of Disposal Fees	85,006,160	345.07	548.65		
Pre Finance Profit	55,821,103	226.60	357,828	360.28	
Finance Cost					
APT Primary Equ- (2 Fee)	249,849	1.01	1,602	1.61	
APT Co-Investm- (2 Fee)	27,761	0.11	178	0.18	
Const. Loan Fees	410,110	1.66	2,629	2.65	
Const. Loan Interest	2,993,677	12.15	19,190	19.32	
Mortgage Fees	640,000	2.60	4,103	4.13	
Mortgage Interest	10,984,655	44.59	70,414	70.90	
Subtotal	15,306,052	62.13	98,116	98.79	
Total Project Cost	103,680,976	420.88	664,622	669.18	
Pre Tax Profit	40,515,051	164.46	259,712	261.49	



PERFORMANCE MEASURES	
Apartment Exit CAP	5.00%
Office Exit CAP	6.75%
Sales Price	\$ 117,377,840
Disposal Fees	2,497,556
Net Sales	\$ 114,880,284
Returns	
Sale Profit	\$ 20,780,229
Build-To-CAP	ROIC
Yield to CAP Spread	
Development Margin	
Profit on Cost%	39.08%
Profit on GDV%	34.52%
Profit on NDV%	34.52%
Development Yield% (on MR)	6.47%
Equivalent Yield% (Nominal)	5.82%
Gross Initial Yield%	5.56%
Net Initial Yield%	5.40%
Project IRR% (with Interest)	17.08%
Equity IRR% (with Interest)	21.55%
Return on Equity%	152.27%

Apartment Const. Loan & Mortgage			
Contributions: Equity & Deb	\$	43,695,626	
Debt / Equity Ratio		68.2% / 31.8%	
Apartment Construction Loan			
Construction Loan	29,815,113		
Construction Loan	7.00%		1.25
Loan Fees	410,110		
Interest	2,993,677		
Project Funded Loan Fees			
Project Funded Interest			
Interest and Fees	3,403,786		
Equity Contributions			
APT Primary Equity Partner	12,492,461	90.0%	
APT Co-Investment Capital	1,388,051	10.0%	
Mortgage			
Mortgage	5.00%	1.00	
Mortgage Funded Amount	38,380,000		
Mortgage Fees & Interest	4,318,388		
Mortgage Fees	380,000		
Mortgage Interest	3,938,388		
Mortgage as % of Value		80%	

Office Mortgage			
Contributions: Equity & Deb	\$	38,631,964	
Debt / Equity Ratio		67.3% / 32.7%	
Mortgage	4.75%	1.00	
Total Fees	260,000		
Funded Amount	26,000,000		
Mortgage Interest	7,046,267		
Monthly P&I Payments	135,628		
Total Principal Repayment	26,000,000		

Existing Office NOI Financials


90 / 10 Equity Investment Structure							
Acreage / Density / Duration							
Project Start:	Oct-14	Gross Acreage / Square Feet:		3.20	/ 139,392		
Project Sale:	Oct-20	Net Acreage / Square Feet:		3.20	/ 139,392		
Duration:	73 Months	Density:		0.31			
Leasing Revenue							
Product Information	No. Of Units	Net Rentable Area	Rate Psf	Monthly Rent	Total Net Rentable Area	NET Monthly	NET Annual
CAPITALIZED INCOME							
NOI for Existing Office Building	1	110,000	1.98	\$217,800	110,000	\$217,800	\$2,613,600
Total or Average		1	110,000	1.98	110,000	\$217,800	\$2,613,600
Average (weighted)		0		0			

ADDITIONAL REVENUE & OPERATING EXPENSES						
Other Income	Operating Expenses					
Operations Revenue				Total	Per Unit	% of GSI
Allowance				\$ -	-	0.00%
Parking	\$ -			\$ -	-	0.00%
Laundry				\$ -	-	0.00%
Storage				\$ -	-	0.00%
Retail Space / Other	\$ -			\$ -	-	0.00%
Gross Scheduled Income	\$ 2,613,600					
Vacancy	0.00%	\$ -				
	\$ 2,613,600					
Operations Revenue	\$ -					
Retail	\$ -					
	Effective Gross	\$ 2,613,600				
Less OP EX	\$ -					
Income from Existing Operations		\$ 2,613,600				
	First Year NOI	\$ 2,613,600				

Investment & Financing Summary									
Total Equity & Debt Contributions		Contributions							
		Contribution Amount	IRR	% Of Total Contributions	% of Total Equity	Preferred Return	Profit	Total Preferred Return & Profit	Multiple
	Total Equity Contributions	-12,631,964	19.12%	32.7%	100.0%			20,780,229	2.65
	Office Equity I	-11,368,768	18.63%	29.4%	90.0%	5,814,162	12,172,042	17,986,204	2.58
	Office Equity II	-1,263,196	19.12%	3.3%	10.0%	646,018	1,432,005	2,078,023	2.65
	Developer	0	-	0.0%	0.0%	0	716,002	716,002	0.00
		Contribution Amount	IRR	% Of Total	Repayment	Interest	Total Returned		
	Total Debt Contributions	0							
	Construction Loan	0		0.0%	0	0	0		
	Office Building Mortgage	26,000,000		67.3%					
	- Mortgage	-							

Civic Center Drive -- BAY Area - Transit Oriented				
SALES REVENUE & DEVELOPMENT AND DISPOSAL EXPENSES				
		Per Net SF	Per Unit	Per Gross SF
REVENUE		110,000		125,000
Operating Income	17,316,001	157.42	17,316,001	138.53
Cap Sales Revenue @ 6.75%	52,877,043	480.70	52,877,043	423.02
Income from Existing Operations	0	-	-	-
Total Project Revenue	70,193,044	638.12	70,193,044	561.54
COSTS				
Land				
Land Price	39,000,000	354.55	39,000,000	312.00
Acquisition Closing and Other	1,177,800	10.71	1,177,800	9.42
Subtotal	40,177,800	365.25	40,177,800	321.42
Hard Cost				
Demolition	0	-	-	-
Site Improvements	0	-	-	-
Parking Structure (0.0 Parking Ratio)	0	-	-	-
Construction	0	-	-	-
Building & Developer's Contingency	0	-	-	-
Construction Indirects	0	-	-	-
Subtotal	0	-	-	-
Soft Cost				
Fees & Permits	0	-	-	-
Professional Fees	0	-	-	-
Marketing, Leasing & Disposal	1,928,748	17.53	1,928,748	15.43
TI at Lease Renewals	-	-	-	-
Subtotal	1,928,748	17.53	1,928,748	15.43
Subtotal Project Cost	42,106,548	382.79	42,106,548	336.85
Total Cost - Exclusive of Disposal Fees	40,177,800	365.25	-	321.42
Pre Finance Profit	28,086,496	255.33	28,086,496	224.69
Finance Cost				
Fee	0	-	-	-
Const. Loan Fees	0	-	-	-
Const. Loan Interest	0	-	-	-
Mortgage Fees	260,000	2.36	260,000	2.08
Mortgage Interest	7,046,267	64.06	7,046,267	56.37
Subtotal	7,306,267	66.42	7,306,267	58.45
Total Project Cost	49,412,815	449.21	49,412,815	395.30
Pre Tax Profit	20,780,228	188.91	20,780,228	166.24

Schedule		
SCHEDULE	MONTHS	
Closing	Oct-14	
Design and Permit	Jan-16	16
Construction Start	Jan-16	
Construction Complete	Sep-17	20
Move-in Prep	Feb-16	
First Leases	Sep-17	
Stabilization Period Ends	Sep-18	12
Hold Period Ends	Aug-20	24
Sale	Sep-20	1



PERFORMANCE MEASURES	
Office Exit CAP	6.75%
Sales Price	\$ 52,877,043
Disposal Fees	1,107,540
Net Sales	\$ 51,769,503
Returns	
Sale Profit	\$ -
Build-To-CAP	6.51% roc
Yield to CAP Spread	-0.24%
Development Margin	-3.63%
Profit on Cost%	42.05%
Profit on GDV%	39.30%
Profit on NDV%	39.30%
Development Yield% (on MRV)	7.14%
Equivalent Yield% (Nominal)	7.31%
Gross Initial Yield%	6.22%
Net Initial Yield%	6.22%
Jan-00	0.00%
Project IRR% (with Interest)	18.66%
Equity IRR% (with Interest)	19.12%
Return on Equity%	164.51%

Construction Loan & Mortgage		
Contributions: Equity & Debt	\$ 38,631,964	
Debt / Equity Ratio	67.3% / 32.7%	
Construction Loan		
Construction Loan	7.00%	1.25 pts
Loan Fees		
Interest		
Project Funded Loan Fees		
Project Funded Interest		
Interest and Fees		
Equity Contributions		
Office Equity I	11,368,768	90.0%
Office Equity II	1,263,196	10.0%
Mortgage		
Mortgage	4.75%	1.00
Mortgage Fees & Interest	7,306,267	
Mortgage Fees	260,000	
Mortgage Interest	7,046,267	
Mortgage Information		
Mortgage as % of Value	75%	
Mortgage Cap. Rate	6.50%	
Amortization (months)	360	
Add Fees to Mortgage Amount	No	
Total Fees		
Funded Amount	26,000,000	
Mortgage Interest	7,046,267	
Monthly P&I Payments	135,628	
Total Principal Repayment	26,000,000	
	0	
Total Project Revenue	70,193,044	
Total Cost	49,412,815	
Pre Tax Profit	20,780,229	

Apartment Development Financials

90 / 10 Equity Investment Structure							
Acreage / Density / Duration							
Project Start:	Oct-14		Gross Acreage / Square Feet:	3.20 / 139,392			
Project Sale:	Oct-20		Net Acreage / Square Feet:	3.20 / 139,392			
Duration:	73 Months		Density:	48.50			
Leasing Revenue							
Product Information	No. Of Units	Net Rentable Area	Rate Psf	Monthly Rent	Total Net Rentable Area	Gross Monthly	Gross Annual
CAPITALIZED INCOME							
A1 1/1.....707 sf	40	707	2.80		28,280	\$79,184	\$950,208
A2 1/1.....802 sf	45	758	2.80	\$2,122	34,110	\$95,508	\$1,146,096
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B3 2/2.....1060 sf	35	1,060	2.40	\$2,544	37,100	\$89,040	\$1,068,480
Total or Average	155	895	2.60		136,345	\$352,184	\$4,226,208
Average (weighted)				697			

ADDITIONAL REVENUE & OPERATING EXPENSES							
Other Income			Operating Expenses				
Operations Revenue			Total	Per Unit	% of GSI		
Allowance			\$ 1,149,547	7,416	28.50%		
Parking	\$ 18,600		\$ -	-	0.00%		
Laundry			\$ -	-	0.00%		
Storage	\$ 18,600		\$ -	-	0.00%		
Retail Space / Other	\$ -		\$ -	-	0.00%		
			\$ -	-	0.00%		
			\$ -	-	0.00%		
Gross Scheduled Income	\$ 4,226,208		\$ -	-	0.00%		
Vacancy 5.00%	\$ 211,310		\$ -	-	0.00%		
	\$ 4,014,897.60		\$ -	-	0.00%		
Operations Revenue	\$ 18,600		\$ -	-	0.00%		
Retail	\$ -		\$ -	-	0.00%		
Effective Gross	\$ 4,033,498		\$ 1,149,547	\$ 7,416	28.50%		
Less OP EX	\$ 1,149,547						
TI Expenses for Office Leasing Operations	-						
First Year NOI	\$ 2,883,951						

Civic Center Drive -- BAY Area - Transit Oriented				
SALES REVENUE & DEVELOPMENT AND DISPOSAL EXPENSES				
	Per Net SF	Per Unit	Per Gross SF	
REVENUE	136,345		154,937	
Operating Income	9,502,186	69.69	61,304	61.33
Cap Sales Revenue @ 5.0%	64,500,797	473.07	416,134	416.30
TI Expenses for Office Leasing Operations	0	-	-	-
Total Project Revenue	74,002,984	542.76	477,439	477.63
COSTS				
Land				
Land Price	0	-	-	-
Acquisition Closing and Other	93,500	0.69	603	0.60
Subtotal	93,500	0.69	603	0.60
Hard Cost				
Demolition	250,000	1.83	1,613	1.61
Site Improvements	1,950,000	14.30	12,581	12.59
Parking Structure (3.87 Parking Ratio)	10,500,000	77.01	67,742	67.77
Construction	18,170,910	133.27	117,232	117.28
Building & Developer's Contingency	1,318,057	9.67	8,504	8.51
Construction Indirects	1,535,386	11.26	9,906	9.91
Subtotal	33,724,353	247.35	217,576	217.66
Soft Cost				
Fees & Permits	6,093,804	44.69	39,315	39.33
Professional Fees	2,549,000	18.70	16,445	16.45
Marketing, Leasing & Disposal	1,440,016	10.56	9,290	9.29
Management, Insurance & Property Taxes	2,367,703	17.37	15,276	15.28
Subtotal	12,450,523	91.32	80,326	80.36
Subtotal Project Cost	46,268,376	339.35	298,506	298.63
Subtotal Project Cost - Exclusive of Disposal Fees	44,828,360	328.79	289.33	
Pre Finance Profit	27,734,608	203.41	178,933	179.01
Finance Cost				
APT Primary Equ- (2 Fee)	249,849	1.83	1,612	1.61
APT Co-Investm- (2 Fee)	27,761	0.20	179	0.18
Const. Loan Fees	410,110	3.01	2,646	2.65
Const. Loan Interest	2,993,677	21.96	19,314	19.32
Mortgage Fees	380,000	2.79	2,452	2.45
Mortgage Interest	3,938,388	28.89	25,409	25.42
Subtotal	7,999,785	58.67	51,612	51.63
Total Project Cost	54,268,161	398.02	350,117	350.26
Pre Tax Profit	19,734,823	144.74	127,321	127.37



PERFORMANCE MEASURES		
Apartment Exit CAP	5.00%	
Sales Price	\$ 64,500,797	
Disposal Fees	1,390,016	
Net Sales	\$ 63,110,781	
Returns		
Sale Profit	\$ 19,734,823	
Build-To-CAP	6.43% roc	
Yield to CAP Spread	1.43%	
Development Margin	28.67%	
Profit on Cost%	36.37%	
Profit on GDV%	30.60%	
Profit on NDV%	30.60%	
Development Yield% (on MRV)	5.85%	
Equivalent Yield% (Nominal)	5.00%	
Gross Initial Yield%	5.18%	
Net Initial Yield%	4.92%	
Jan-00	0.00%	
Project IRR% (with Interest)	15.66%	
Equity IRR% (with Interest)	25.10%	
Return on Equity%	141.35%	

Construction Loan & Mortgage		
Contributions: Equity & Debt \$	43,695,626	
Debt / Equity Ratio	68.23% / 31.77%	
Construction Loan		
Construction Loan	29,815,113	
Construction Loan	7.00%	1.25 pts.
Loan Fees	410,110	
Interest	2,993,677	
Project Funded Loan Fees	0	
Project Funded Interest	0	
Interest and Fees	3,403,786	
Equity Contributions	13,880,513	100.0%
APT Primary Equity Partner	12,492,461	90.0%
APT Co-Investment Capital	1,388,051	10.0%
Mortgage		
Mortgage	5.00%	1 pts.
Mortgage Fees & Interest	4,318,388	
Mortgage Fees	380,000	
Mortgage Interest	3,938,388	

Investment & Financing Summary								
Total Equity & Debt Contributions		\$ 43,695,626						
Contribution Amount	IRR	% Of Total Contributions	% of Total Equity	Preferred Return	Profit	Total Preferred Return & Profit	Multiple	
Total Equity Contributions	-13,880,513	25.10%	31.8%	100.0%		19,734,823	2.42	
APT Primary Equity Partner	-12,492,461	20.88%	28.6%	90.0%	4,043,278	9,558,581	13,601,859	
APT Co-Investment Capital	-1,388,051	32.40%	3.2%	10.0%	449,253	2,483,424	2,932,677	
Developer	0	0.0%	0.0%	0.0%	0	3,200,287	3,200,287	
Total Debt Contributions								
Total Debt Contributions		\$ 43,695,626						
Contribution Amount		% Of Total	Repayment	Interest	Total Returned			
Total Debt Contributions	-29,815,113							
Construction Loan	-29,815,113	68.2%	33,218,900	3,403,786	36,622,686			
Apartment Development Mortgage	-38,380,000							

Schedule		
SCHEDULE	MONTHS	
Closing	Oct-14	
Design and Permit	Jan-16	16
Construction Start	Jan-16	
Construction Complete	Sep-17	20
Move-in Prep	Feb-16	
First Leases	Sep-17	
Stabilization Period Ends	Sep-18	12
Hold Period Ends	Aug-20	24
Sale	Sep-20	1

Mortgage Information	
Mortgage as % of Value	80%
Mortgage Cap. Rate	6.00%
Amortization (months)	360
Add Fees to Mortgage Amoun	Yes
Funded Amount	38,380,000
Mortgage Interest	3,938,388
Monthly P&I Payments	206,032
Total Principal Repayment	38,380,000
	0
Total Project Revenue	74,002,984
Total Cost	54,268,160
Pre Tax Profit	19,734,823



Civic Center Place
39141 Civic Center Drive
Fremont, CA 94538

Software: ARGUS Ver. 15.0.1.26
File: 39141 Civic Center Dr - Fremont - ARGUS
Property Type: Office/Industrial

Portfolio:
Date: 5/6/14
Time: 23:47
Ref#: BBP
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 6/1/2014

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024	Year 11 May-2025
Potential Gross Revenue											
Base Rental Revenue	\$3,008,191	\$3,114,637	\$3,274,070	\$3,439,509	\$3,547,340	\$3,708,946	\$3,913,258	\$4,188,761	\$4,322,523	\$4,404,995	\$4,472,850
Absorption & Turnover Vacancy			(24,618)	(34,485)	(23,258)	(61,711)	(61,218)			(38,771)	
Scheduled Base Rental Revenue	3,008,191	3,114,637	3,249,452	3,405,024	3,524,082	3,647,235	3,852,040	4,188,761	4,322,523	4,366,224	4,472,850
CPI & Other Adjustment Revenue			3,558	7,187	10,889	14,665	20,443	38,523	73,963	119,522	165,994
Expense Reimbursement Revenue											
Property Tax	306,845	318,459	328,048	339,947	349,117	357,792	372,588	388,842	405,239	418,285	435,229
Property & Earthquake Insuran	43,393	45,036	46,391	48,075	49,371	50,597	52,693	54,989	57,309	59,154	61,549
PG&E	228,279	236,922	244,055	252,908	259,730	266,181	277,191	289,284	301,479	311,186	323,793
Water & Sewer	5,196	5,394	5,557	5,758	5,914	6,061	6,308	6,584	6,863	7,084	7,372
Utilities	3,510	3,645	3,753	3,891	3,996	4,093	4,264	4,451	4,636	4,786	4,980
Maintenance & Repairs	20,232	20,997	21,627	22,413	23,016	23,589	24,565	25,636	26,718	27,578	28,695
HVAC	33,354	34,621	35,660	36,953	37,952	38,893	40,503	42,270	44,050	45,467	47,312
Elevator	5,170	5,367	5,527	5,729	5,883	6,028	6,277	6,552	6,830	7,050	7,333
Janitorial	60,842	63,146	65,046	67,406	69,222	70,944	73,879	77,100	80,354	82,939	86,299
Waste Disposal	12,377	12,845	13,232	13,711	14,080	14,432	15,030	15,683	16,344	16,871	17,552
Landscaping	21,950	22,778	23,468	24,319	24,975	25,593	26,653	27,816	28,990	29,922	31,133
Lot Sweeping	2,181	2,262	2,329	2,416	2,479	2,542	2,646	2,762	2,879	2,974	3,093
Pest Control	1,203	1,248	1,286	1,332	1,369	1,402	1,461	1,525	1,591	1,642	1,707
Fire & Safety	7,169	7,441	7,666	7,944	8,158	8,362	8,706	9,086	9,468	9,774	10,169
Security	31,609	32,806	33,793	35,021	35,963	36,859	38,383	40,059	41,745	43,090	44,833
State & Local Taxes	2,621	2,720	2,801	2,902	2,980	3,054	3,182	3,320	3,459	3,572	3,716
Managment Fee	98,753	103,493	108,303	113,645	116,915	121,095	130,043	139,766	147,299	152,173	159,237
Total Reimbursement Revenue	884,684	919,180	948,542	984,370	1,011,120	1,037,517	1,084,372	1,135,725	1,185,253	1,223,547	1,274,002
Total Potential Gross Revenue	3,892,875	4,033,817	4,201,552	4,396,581	4,546,091	4,699,417	4,956,855	5,363,009	5,581,739	5,709,293	5,912,846
General Vacancy	(194,644)	(201,691)	(186,690)	(187,068)	(205,209)	(176,345)	(189,686)	(268,150)	(279,087)	(248,632)	(295,642)
Collection Loss	(30,082)	(31,146)	(32,495)	(34,050)	(35,241)	(36,472)	(38,520)	(41,888)	(43,225)	(43,662)	(44,729)
Effective Gross Revenue	3,668,149	3,800,980	3,982,367	4,175,463	4,305,641	4,486,600	4,728,649	5,052,971	5,259,427	5,416,999	5,572,475

Operating Expenses											
Property Tax	456,000	469,680	483,770	498,284	513,232	528,629	544,488	560,822	577,647	594,977	612,826
Property & Earthquake Insuranc	64,487	66,422	68,414	70,467	72,581	74,758	77,001	79,311	81,690	84,141	86,665
PG&E	339,244	349,421	359,904	370,701	381,822	393,277	405,075	417,227	429,744	442,636	455,916
Water & Sewer	7,724	7,955	8,194	8,440	8,693	8,954	9,223	9,499	9,784	10,078	10,380
Utilities	5,218	5,374	5,536	5,702	5,873	6,049	6,230	6,417	6,610	6,808	7,012
Maintenance & Repairs	30,064	30,966	31,895	32,852	33,837	34,852	35,898	36,975	38,084	39,227	40,404
HVAC	49,570	51,057	52,588	54,166	55,791	57,465	59,189	60,964	62,793	64,677	66,617
Elevator	7,684	7,915	8,152	8,397	8,649	8,908	9,175	9,450	9,734	10,026	10,327
Janitorial	90,417	93,130	95,924	98,801	101,765	104,818	107,963	111,202	114,538	117,974	121,513
Waste Disposal	18,392	18,944	19,513	20,098	20,701	21,322	21,962	22,620	23,299	23,998	24,718
Landscaping	32,620	33,598	34,606	35,644	36,714	37,815	38,950	40,118	41,322	42,561	43,838
Lot Sweeping	3,240	3,337	3,437	3,540	3,647	3,756	3,869	3,985	4,104	4,227	4,354
Pest Control	1,788	1,842	1,897	1,954	2,012	2,073	2,135	2,199	2,265	2,333	2,403
Fire & Safety	10,655	10,975	11,304	11,644	11,993	12,353	12,723	13,105	13,498	13,903	14,320
Security	46,975	48,384	49,836	51,331	52,871	54,457	56,091	57,773	59,507	61,292	63,130
State & Local Taxes	3,893	4,010	4,130	4,254	4,382	4,513	4,648	4,788	4,932	5,079	5,232
Managment Fee	146,726	152,039	159,295	167,019	172,226	179,464	189,146	202,119	210,377	216,680	222,899
Capital Reserve	27,470	28,020	28,580	29,152	29,735	30,329	30,936	31,555	32,186	32,829	33,486
Total Operating Expenses	1,342,167	1,383,069	1,426,975	1,472,446	1,516,524	1,563,792	1,614,702	1,670,129	1,722,114	1,773,446	1,826,040
Net Operating Income	2,325,982	2,417,911	2,555,392	2,703,017	2,789,117	2,922,808	3,113,947	3,382,842	3,537,313	3,643,553	3,746,435
Debt Service											
Interest Payments	1,165,023	1,146,520	1,127,118	1,106,774	1,085,443	1,063,076	1,039,623	1,015,032	989,246	962,209	
Principal Payments	381,139	399,643	419,045	439,388	460,720	483,087	506,540	531,131	556,916	583,953	
Total Debt Service	1,546,162	1,546,163	1,546,163	1,546,162	1,546,163	1,546,163	1,546,163	1,546,163	1,546,162	1,546,162	
Leasing & Capital Costs											
Tenant Improvements		48,937	32,921	43,059		181,354	215,708	249,814		45,659	
Leasing Commissions		61,376	60,171	84,288		309,091	361,777	387,157		94,765	
Total Leasing & Capital Costs		110,313	93,092	127,347		490,445	577,485	636,971		140,424	
Cash Flow After Debt Service But Before Taxes	\$779,820	\$761,435	\$916,137	\$1,029,508	\$1,242,954	\$886,200	\$990,299	\$1,199,708	\$1,991,151	\$1,956,967	\$3,746,435

Schedule Of Expense Reimbursement Revenue

Fiscal Year Reimbursable Operating Expenses Adjusted for Actual Occupancy

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024	Year 11 May-2025
Reimbursable Expenses											
Property Tax	\$456,000	\$469,680	\$483,770	\$498,284	\$513,232	\$528,629	\$544,488	\$560,822	\$577,647	\$594,977	\$612,826
Property & Earthquake Insuranc	64,487	66,422	68,414	70,467	72,581	74,758	77,001	79,311	81,690	84,141	86,665
PG&E	339,244	349,421	359,904	370,701	381,822	393,277	405,075	417,227	429,744	442,636	455,916
Water & Sewer	7,724	7,955	8,194	8,440	8,693	8,954	9,223	9,499	9,784	10,078	10,380
Utilities	5,218	5,374	5,536	5,702	5,873	6,049	6,230	6,417	6,610	6,808	7,012
Maintenance & Repairs	30,064	30,966	31,895	32,852	33,837	34,852	35,898	36,975	38,084	39,227	40,404
HVAC	49,570	51,057	52,588	54,166	55,791	57,465	59,189	60,964	62,793	64,677	66,617
Elevator	7,684	7,915	8,152	8,397	8,649	8,908	9,175	9,450	9,734	10,026	10,327
Janitorial	90,417	93,130	95,924	98,801	101,765	104,818	107,963	111,202	114,538	117,974	121,513
Waste Disposal	18,392	18,944	19,513	20,098	20,701	21,322	21,962	22,620	23,299	23,998	24,718
Landscaping	32,620	33,598	34,606	35,644	36,714	37,815	38,950	40,118	41,322	42,561	43,838
Lot Sweeping	3,240	3,337	3,437	3,540	3,647	3,756	3,869	3,985	4,104	4,227	4,354
Pest Control	1,788	1,842	1,897	1,954	2,012	2,073	2,135	2,199	2,265	2,333	2,403
Fire & Safety	10,655	10,975	11,304	11,644	11,993	12,353	12,723	13,105	13,498	13,903	14,320
Security	46,975	48,384	49,836	51,331	52,871	54,457	56,091	57,773	59,507	61,292	63,130
State & Local Taxes	3,893	4,010	4,130	4,254	4,382	4,513	4,648	4,788	4,932	5,079	5,232
Managment Fee	146,724	152,037	159,292	167,015	172,223	179,461	189,142	202,115	210,373	216,676	222,894
Total Reimbursable Expenses	\$1,314,695	\$1,355,047	\$1,398,392	\$1,443,290	\$1,486,786	\$1,533,460	\$1,583,762	\$1,638,570	\$1,689,924	\$1,740,613	\$1,792,549

Calendar Year Reimbursable Operating Expenses used for Reimbursement Calculations

For the Years Ending	Dec-2014	Dec-2015	Dec-2016	Dec-2017	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022	Dec-2023	Dec-2024
Reimbursable Expenses											
Property Tax	\$450,466	\$463,980	\$477,899	\$492,236	\$507,003	\$522,214	\$537,880	\$554,016	\$570,637	\$587,756	\$605,389
Property & Earthquake Insuranc	63,704	65,616	67,584	69,612	71,700	73,851	76,066	78,348	80,699	83,120	85,613
PG&E	335,127	345,181	355,536	366,202	377,188	388,504	400,159	412,164	424,529	437,265	450,383
Water & Sewer	7,630	7,859	8,095	8,337	8,588	8,845	9,111	9,384	9,665	9,955	10,254
Utilities	5,154	5,309	5,468	5,632	5,801	5,975	6,155	6,339	6,530	6,725	6,927
Maintenance & Repairs	29,699	30,590	31,508	32,453	33,427	34,429	35,462	36,526	37,622	38,751	39,913
HVAC	48,968	50,437	51,950	53,509	55,114	56,767	58,470	60,224	62,031	63,892	65,809
Elevator	7,591	7,819	8,053	8,295	8,544	8,800	9,064	9,336	9,616	9,904	10,201
Janitorial	89,320	92,000	94,760	97,602	100,530	103,546	106,653	109,852	113,148	116,542	120,039
Waste Disposal	18,169	18,714	19,276	19,854	20,450	21,063	21,695	22,346	23,016	23,707	24,418
Landscaping	32,224	33,190	34,186	35,212	36,268	37,356	38,477	39,631	40,820	42,045	43,306
Lot Sweeping	3,201	3,297	3,396	3,497	3,602	3,710	3,822	3,936	4,055	4,176	4,301
Pest Control	1,766	1,819	1,874	1,930	1,988	2,048	2,109	2,172	2,237	2,305	2,374
Fire & Safety	10,526	10,842	11,167	11,502	11,847	12,203	12,569	12,946	13,334	13,734	14,146
Security	46,405	47,797	49,231	50,708	52,229	53,796	55,410	57,072	58,784	60,548	62,364
State & Local Taxes	3,846	3,961	4,080	4,202	4,328	4,458	4,592	4,730	4,872	5,018	5,168
Managment Fee	144,559	149,913	156,519	164,253	169,915	174,699	184,883	197,302	207,649	213,330	220,938
Total Reimbursable Expenses	\$1,298,355	\$1,338,324	\$1,380,582	\$1,425,036	\$1,468,522	\$1,512,264	\$1,562,577	\$1,616,324	\$1,669,244	\$1,716,113	\$1,768,113

Resulting Fiscal Year Property Expense Reimbursement I

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024	Year 11 May-2025
Expense Reimbursements											
Property Tax	\$306,845	\$318,459	\$328,048	\$339,947	\$349,117	\$357,792	\$372,588	\$388,842	\$405,239	\$418,285	\$435,229
Property & Earthquake Insuranc	43,393	45,036	46,391	48,075	49,371	50,597	52,693	54,989	57,309	59,154	61,549
PG&E	228,279	236,922	244,055	252,908	259,730	266,181	277,191	289,284	301,479	311,186	323,793
Water & Sewer	5,196	5,394	5,557	5,758	5,914	6,061	6,308	6,584	6,863	7,084	7,372
Utilities	3,510	3,645	3,753	3,891	3,996	4,093	4,264	4,451	4,636	4,786	4,980
Maintenance & Repairs	20,232	20,997	21,627	22,413	23,016	23,589	24,565	25,636	26,718	27,578	28,695
HVAC	33,354	34,621	35,660	36,953	37,952	38,893	40,503	42,270	44,050	45,467	47,312
Elevator	5,170	5,367	5,527	5,729	5,883	6,028	6,277	6,552	6,830	7,050	7,333
Janitorial	60,842	63,146	65,046	67,406	69,222	70,944	73,879	77,100	80,354	82,939	86,299
Waste Disposal	12,377	12,845	13,232	13,711	14,080	14,432	15,030	15,683	16,344	16,871	17,552
Landscaping	21,950	22,778	23,468	24,319	24,975	25,593	26,653	27,816	28,990	29,922	31,133
Lot Sweeping	2,181	2,262	2,329	2,416	2,479	2,542	2,646	2,762	2,879	2,974	3,093
Pest Control	1,203	1,248	1,286	1,332	1,369	1,402	1,461	1,525	1,591	1,642	1,707
Fire & Safety	7,169	7,441	7,666	7,944	8,158	8,362	8,706	9,086	9,468	9,774	10,169
Security	31,609	32,806	33,793	35,021	35,963	36,859	38,383	40,059	41,745	43,090	44,833
State & Local Taxes	2,621	2,720	2,801	2,902	2,980	3,054	3,182	3,320	3,459	3,572	3,716
Managment Fee	98,753	103,493	108,303	113,645	116,915	121,095	130,043	139,766	147,299	152,173	159,237
Total Expense Reimbursement	\$884,684	\$919,180	\$948,542	\$984,370	\$1,011,120	\$1,037,517	\$1,084,372	\$1,135,725	\$1,185,253	\$1,223,547	\$1,274,002

Percentage of Reimbursable Expenses Collected as Expense Reimbursement

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024	Year 11 May-2025
Expense Reimbursements											
Property Tax	67.29%	67.80%	67.81%	68.22%	68.02%	67.68%	68.43%	69.33%	70.15%	70.30%	71.02%
Property & Earthquake Insuranc	67.29%	67.80%	67.81%	68.22%	68.02%	67.68%	68.43%	69.33%	70.15%	70.30%	71.02%
PG&E	67.29%	67.80%	67.81%	68.22%	68.02%	67.68%	68.43%	69.33%	70.15%	70.30%	71.02%
Water & Sewer	67.27%	67.81%	67.82%	68.22%	68.03%	67.69%	68.39%	69.31%	70.15%	70.29%	71.02%
Utilities	67.27%	67.83%	67.79%	68.24%	68.04%	67.66%	68.44%	69.36%	70.14%	70.30%	71.02%
Maintenance & Repairs	67.30%	67.81%	67.81%	68.22%	68.02%	67.68%	68.43%	69.33%	70.16%	70.30%	71.02%
HVAC	67.29%	67.81%	67.81%	68.22%	68.03%	67.68%	68.43%	69.34%	70.15%	70.30%	71.02%
Elevator	67.28%	67.81%	67.80%	68.23%	68.02%	67.67%	68.41%	69.33%	70.17%	70.32%	71.01%
Janitorial	67.29%	67.80%	67.81%	68.22%	68.02%	67.68%	68.43%	69.33%	70.15%	70.30%	71.02%
Waste Disposal	67.30%	67.81%	67.81%	68.22%	68.02%	67.69%	68.44%	69.33%	70.15%	70.30%	71.01%
Landscaping	67.29%	67.80%	67.81%	68.23%	68.03%	67.68%	68.43%	69.34%	70.16%	70.30%	71.02%
Lot Sweeping	67.31%	67.79%	67.76%	68.25%	67.97%	67.68%	68.39%	69.31%	70.15%	70.36%	71.04%
Pest Control	67.28%	67.75%	67.79%	68.17%	68.04%	67.63%	68.43%	69.35%	70.24%	70.38%	71.04%
Fire & Safety	67.28%	67.80%	67.82%	68.22%	68.02%	67.69%	68.43%	69.33%	70.14%	70.30%	71.01%
Security	67.29%	67.80%	67.81%	68.23%	68.02%	67.68%	68.43%	69.34%	70.15%	70.30%	71.02%
State & Local Taxes	67.33%	67.83%	67.82%	68.22%	68.01%	67.67%	68.46%	69.34%	70.13%	70.33%	71.02%
Managment Fee	67.31%	68.07%	67.99%	68.04%	67.89%	67.48%	68.75%	69.15%	70.02%	70.23%	71.44%
Total Expense Reimbursement	67.29%	67.83%	67.83%	68.20%	68.01%	67.66%	68.47%	69.31%	70.14%	70.29%	71.07%



Civic Center Place
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Fremont, CA 94538

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Individual Loan & Debt Service Summary
Loan number 1 - 1st Note - New Debt

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024
Minimum Debt Service										
Interest Payments	\$1,165,023	\$1,146,520	\$1,127,118	\$1,106,774	\$1,085,443	\$1,063,076	\$1,039,623	\$1,015,032	\$989,246	\$962,209
Principal Payments	381,139	399,643	419,045	439,388	460,720	483,087	506,540	531,131	556,916	583,953
Total Minimum Debt Service	1,546,162	1,546,163	1,546,163	1,546,162	1,546,163	1,546,163	1,546,163	1,546,163	1,546,162	1,546,162
Reductions & Retirement										
Principal Balloon or Call										19,938,437
Total Reductions & Retirement										19,938,437
Total Cash Flow Paid To Lender	\$1,546,162	\$1,546,163	\$1,546,163	\$1,546,162	\$1,546,163	\$1,546,163	\$1,546,163	\$1,546,163	\$1,546,162	\$21,484,599
Principal Balance Summary										
Beginning Principal Balance	\$24,699,999	\$24,318,860	\$23,919,218	\$23,500,173	\$23,060,784	\$22,600,065	\$22,116,978	\$21,610,438	\$21,079,306	\$20,522,390
Periodic Principal Reductions	(381,139)	(399,643)	(419,045)	(439,388)	(460,720)	(483,087)	(506,540)	(531,131)	(556,916)	(583,953)
Principal Balloon Payments										(19,938,437)
Ending Principal Balance	\$24,318,860	\$23,919,217	\$23,500,173	\$23,060,785	\$22,600,064	\$22,116,978	\$21,610,438	\$21,079,307	\$20,522,390	
Interest Rates										
Interest Rate on Principal	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Cash Flow Coverage Ratios										
Cash to Total Interest Charged	199.65%	210.89%	226.72%	244.22%	256.96%	274.94%	299.53%	333.27%	357.58%	378.67%
Cash to Minimum Debt Service	150.44%	156.38%	165.27%	174.82%	180.39%	189.04%	201.40%	218.79%	228.78%	235.65%
Loan To Value Ratios										
Loan to Purchase Price	65.00%	64.00%	62.95%	61.84%	60.69%	59.47%	58.20%	56.87%	55.47%	54.01%
Loan to Capitalized Value	69.02%	65.38%	60.84%	56.51%	53.74%	50.26%	46.17%	41.52%	38.73%	36.61%
Loan to Present Value	64.34%	63.35%	62.30%	61.21%	60.07%	58.87%	57.61%	56.29%	54.91%	53.46%
Lenders Yields (IRR)										
Base Yield to Maturity										4.75%



Civic Center Place
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Schedule Of Sources & Uses Of Capital
Equity is Based on Property Value, Leverage and Operating Requirements

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024
Sources Of Capital										
Net Operating Gains	\$2,325,982	\$2,417,911	\$2,555,392	\$2,703,017	\$2,789,117	\$2,922,808	\$3,113,947	\$3,382,842	\$3,537,313	\$3,643,553
Debt Funding Proceeds	24,700,000									
Initial Equity Contribution	13,300,000									
Net Proceeds from Sale										57,637,462
Total Sources Of Capital	\$40,325,982	\$2,417,911	\$2,555,392	\$2,703,017	\$2,789,117	\$2,922,808	\$3,113,947	\$3,382,842	\$3,537,313	\$61,281,015
Uses Of Capital										
Property Purchase Price	\$38,000,000									
Total Debt Service	1,546,162	1,546,163	1,546,163	1,546,162	1,546,163	1,546,163	1,546,163	1,546,163	1,546,162	1,546,162
Tenant Improvements		48,937	32,921	43,059		181,354	215,708	249,814		45,659
Leasing Commissions		61,376	60,171	84,288		309,091	361,777	387,157		94,765
Retirement & Penalties										19,938,437
Defined Uses Of Capital	39,546,162	1,656,476	1,639,255	1,673,509	1,546,163	2,036,608	2,123,648	2,183,134	1,546,162	21,625,023
Cash Flow Distributions	779,820	761,435	916,137	1,029,508	1,242,954	886,200	990,299	1,199,708	1,991,151	39,655,992
Total Uses Of Capital	\$40,325,982	\$2,417,911	\$2,555,392	\$2,703,017	\$2,789,117	\$2,922,808	\$3,113,947	\$3,382,842	\$3,537,313	\$61,281,015
Unleveraged Cash On Cash Return										
Cash to Purchase Price	6.12%	6.07%	6.48%	6.78%	7.34%	6.40%	6.67%	7.23%	9.31%	9.22%
NOI to Book Value	6.12%	6.34%	6.69%	7.05%	7.28%	7.53%	7.90%	8.45%	8.84%	9.07%
Cash to Purchase Price & Costs	6.12%	6.07%	6.48%	6.78%	7.34%	6.40%	6.67%	7.23%	9.31%	9.22%
Leveraged Cash On Cash Return										
Cash to Initial Equity	5.86%	5.73%	6.89%	7.74%	9.35%	6.66%	7.45%	9.02%	14.97%	14.71%
Unleveraged Annual IRR										
Leveraged Annual IRR										10.14%
										16.29%



Direct Capitalization Value Summary In Inflated Dollars for the Fiscal Year Beginning 6/1/2014

For the Months	1-12 Total
Potential Gross Revenue	
Base Rental Revenue	\$3,008,191
Absorption & Turnover Vacancy	
Scheduled Base Rental Revenue	3,008,191
CPI & Other Adjustment Revenue	
Expense Reimbursement Revenue	
Property Tax	306,845
Property & Earthquake Insuran	43,393
PG&E	228,279
Water & Sewer	5,196
Utilities	3,510
Maintenance & Repairs	20,232
HVAC	33,354
Elevator	5,170
Janitorial	60,842
Waste Disposal	12,377
Landscaping	21,950
Lot Sweeping	2,181
Pest Control	1,203
Fire & Safety	7,169
Security	31,609
State & Local Taxes	2,621
Managment Fee	98,753
Total Reimbursement Revenue	884,684
Total Potential Gross Revenue	3,892,875
General Vacancy	(194,644)
Collection Loss	(30,082)
Effective Gross Revenue	3,668,149
Operating Expenses	
Property Tax	456,000
Property & Earthquake Insuranc	64,487
PG&E	339,244
Water & Sewer	7,724
Utilities	5,218
Maintenance & Repairs	30,064
HVAC	49,570
Elevator	7,684
Janitorial	90,417
Waste Disposal	18,392
Landscaping	32,620
Lot Sweeping	3,240
Pest Control	1,788
Fire & Safety	10,655
Security	46,975
State & Local Taxes	3,893
Managment Fee	146,726
Capital Reserve	27,470
Total Operating Expenses	1,342,167
Net Operating Income	2,325,982
Capitalization Rate	6.15%
Capitalized Value	\$37,820,846



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Prospective Present Value
Cash Flow Before Debt Service plus Property Resale
Discounted Annually (Endpoint on Cash Flow & Resale) over a 10-Year Period

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 10.00%
Year 1	May-2015	\$2,325,982	\$2,114,529
Year 2	May-2016	2,307,598	1,907,106
Year 3	May-2017	2,462,300	1,849,962
Year 4	May-2018	2,575,670	1,759,218
Year 5	May-2019	2,789,117	1,731,822
Year 6	May-2020	2,432,363	1,373,005
Year 7	May-2021	2,536,462	1,301,606
Year 8	May-2022	2,745,871	1,280,969
Year 9	May-2023	3,537,313	1,500,166
Year 10	May-2024	3,503,129	1,350,608
Total Cash Flow		27,215,805	16,168,991
Property Resale @ 6.50% Cap		57,637,462	22,221,737
Total Property Present Value			\$38,390,728
Rounded to Thousands			\$38,391,000
Per SqFt			349.38
Percentage Value Distribution			
Assured Income			14.28%
Prospective Income			27.84%
Prospective Property Resale			57.88%
			100.00%



Civic Center Place
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Prospective Property Resale

For the Years Ending	Year 1 May-2015	Year 2 May-2016	Year 3 May-2017	Year 4 May-2018	Year 5 May-2019	Year 6 May-2020	Year 7 May-2021	Year 8 May-2022	Year 9 May-2023	Year 10 May-2024
Resale Amount										
Gross Proceeds from Sale	\$37,198,631	\$39,313,723	\$41,584,877	\$42,909,492	\$44,966,277	\$47,906,877	\$52,043,723	\$54,420,200	\$56,054,662	\$57,637,462
Net Proceeds From Sale	37,198,631	39,313,723	41,584,877	42,909,492	44,966,277	47,906,877	52,043,723	54,420,200	56,054,662	57,637,462
Outstanding Debt Retirement										
Total Principal Balances	(24,318,860)	(23,919,217)	(23,500,173)	(23,060,785)	(22,600,064)	(22,116,978)	(21,610,438)	(21,079,307)	(20,522,390)	(19,938,437)
Net Resale Proceeds After Debt	\$12,879,771	\$15,394,506	\$18,084,704	\$19,848,707	\$22,366,213	\$25,789,899	\$30,433,285	\$33,340,893	\$35,532,272	\$37,699,025
Unleveraged Annual IRR	4.01%	7.76%	9.09%	9.16%	9.53%	9.88%	10.36%	10.30%	10.23%	10.14%
Leveraged Annual IRR	2.70%	13.19%	16.34%	16.13%	16.63%	17.02%	17.61%	17.16%	16.72%	16.29%