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| Wake County Board of Education - Lease of 931 Durham Road |
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12/7/2015
Lease Term (months)

| Lease Term (months) |
|---------------------|
| 120 |

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|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 120 | 7/1/16 - 6/30/17 | 7/1/17 - 6/30/18 | 7/1/18 - 6/30/19 | 7/1/19 - 6/30/20 | 7/1/20 - 6/30/21 | 7/1/21 - 6/30/22 | 7/1/22 - 6/30/23 | 7/1/23 - 6/30/24 | 7/1/24 - 6/30/25 | 7/1/25 - 6/30/26 |
|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

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|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| RSF Leased | 52,474 | 52,474 | 52,474 | 52,474 | 52,474 | 52,474 | 52,474 | 52,474 | 52,474 |
| (Modular Unit SF in Place 9,200) | | | | | | | | | |

| (Modular Unit SF in Place 9,200) | |
|----------------------------------|---------------------|
| Lease Expenses Per SF | Term Effective Avg. |

| | | | | | | | | | | | |
|-----------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------------------|
| Lease Expenses Per SF | | | | | | | | | | | Term Effective Avg. |
| Base Rent | \$9.50 | \$9.50 | \$9.50 | \$9.50 | \$9.50 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$9.75 |

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|------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|
| Base Rent | \$9.50 | \$9.50 | \$9.50 | \$9.50 | \$9.50 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$9.75 |
| Taxes | \$1.16 | \$1.20 | \$1.24 | \$1.29 | \$1.33 | \$1.38 | \$1.43 | \$1.48 | \$1.53 | \$1.58 | \$1.36 |

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|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Taxes | \$1.16 | \$1.20 | \$1.24 | \$1.29 | \$1.33 | \$1.38 | \$1.43 | \$1.48 | \$1.53 | \$1.58 | \$1.36 |
| Utilities (est.) | \$1.31 | \$1.35 | \$1.40 | \$1.45 | \$1.50 | \$1.55 | \$1.60 | \$1.66 | \$1.72 | \$1.78 | \$1.43 |
| Utilities (est.) | \$1.33 | \$1.38 | \$1.43 | \$1.47 | \$1.52 | \$1.57 | \$1.62 | \$1.67 | \$1.72 | \$1.77 | \$1.43 |

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|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Utilities (est.) | \$1.31 | \$1.35 | \$1.40 | \$1.45 | \$1.50 | \$1.55 | \$1.60 | \$1.66 | \$1.72 | \$1.78 | \$1.43 |
| Janitorial (est.) | \$1.33 | \$1.38 | \$1.42 | \$1.47 | \$1.53 | \$1.58 | \$1.63 | \$1.69 | \$1.75 | \$1.81 | \$1.46 |

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|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Janitorial (est.) | \$1.33 | \$1.38 | \$1.42 | \$1.47 | \$1.53 | \$1.58 | \$1.63 | \$1.69 | \$1.75 | \$1.81 | \$1.46 |
| TOTAL est. Costs/SF | \$12.14 | \$12.23 | \$13.57 | \$13.71 | \$13.85 | \$14.51 | \$14.67 | \$14.83 | \$15.00 | \$15.17 | \$13.77 |

[illegible]

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|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL est. Costs/SF | \$12.14 | \$12.23 | \$13.57 | \$13.71 | \$13.85 | \$14.51 | \$14.67 | \$14.83 | \$15.00 | \$15.17 | \$13.77 |
| | | | | | | | | | | | totals |
| Lease Expenses Total \$ | \$122,550.00 | \$122,550.00 | \$135,510.00 | \$137,110.00 | \$138,510.00 | \$145,110.00 | \$146,710.00 | \$148,310.00 | \$150,010.00 | \$151,710.00 | \$137,710.00 |

| | | | | | | | | | | | | totals |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--------------|
| Lease Expenses Total \$ | | | | | | | | | | | | |
| Base Rent | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | | \$511,621.50 |
| Taxes | \$60,869.84 | \$63,000.28 | \$65,205.29 | \$67,487.48 | \$69,849.54 | \$72,204.28 | \$74,824.58 | \$77,442.44 | \$80,153.96 | \$82,950.34 | | \$71,408.80 |

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|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Lease Expenses Total \$ | | | | | | | | | | | |
| Base Rent | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$511,621.50 |
| Taxes | \$60,869.84 | \$63,000.28 | \$65,205.29 | \$67,487.48 | \$69,849.54 | \$72,294.28 | \$74,824.58 | \$77,443.44 | \$80,153.96 | \$82,959.34 | \$71,408.80 |
| Utilities (est.) | \$17,119.64 | \$20,875.32 | \$23,355.96 | \$25,923.41 | \$28,580.73 | \$31,331.06 | \$34,177.65 | \$37,123.86 | \$40,173.20 | \$43,329.26 | \$75,199.01 |
| Janitorial (est.) | \$17,447.61 | \$22,233.08 | \$24,761.24 | \$27,377.89 | \$30,086.11 | \$32,889.13 | \$35,790.25 | \$38,792.90 | \$41,900.66 | \$45,117.18 | \$76,639.60 |

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|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Base Rent | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$498,503.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$524,740.00 | \$511,621.50 |
| Taxes | \$60,869.84 | \$63,000.28 | \$65,205.29 | \$67,487.48 | \$69,849.54 | \$72,294.28 | \$74,824.58 | \$77,443.44 | \$80,153.96 | \$82,959.34 | \$71,408.80 |
| Utilities (est.) | \$17,119.64 | \$70,875.32 | \$73,355.96 | \$75,923.41 | \$78,580.73 | \$81,331.06 | \$84,177.65 | \$87,123.86 | \$90,173.20 | \$93,329.26 | \$75,199.01 |
| Janitorial (est.) | \$17,447.61 | \$72,233.08 | \$74,761.24 | \$77,377.89 | \$80,086.11 | \$82,889.13 | \$85,790.25 | \$88,792.90 | \$91,900.66 | \$95,117.18 | \$76,639.60 |

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|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes | \$60,869.84 | \$63,000.28 | \$65,205.29 | \$67,481.48 | \$69,849.54 | \$72,294.28 | \$74,824.58 | \$77,443.44 | \$80,153.96 | \$82,959.34 | \$71,408.80 |
| Utilities (est.) | \$17,119.64 | \$70,875.32 | \$73,355.96 | \$75,923.41 | \$78,580.73 | \$81,331.06 | \$84,177.65 | \$87,123.86 | \$90,173.20 | \$93,329.26 | \$75,199.01 |
| Janitorial (est.) | \$17,447.61 | \$72,233.08 | \$74,761.24 | \$77,377.89 | \$80,086.11 | \$82,889.13 | \$85,790.25 | \$88,792.90 | \$91,900.66 | \$95,117.18 | \$76,639.60 |
| TOTAL est. Costs | \$533,070.25 | \$641,611.40 | \$711,825.49 | \$719,291.78 | \$727,019.39 | \$761,254.46 | \$769,532.47 | \$778,100.20 | \$786,967.81 | \$796,145.78 | \$722,481.90 |

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|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Utilities (est.) | \$17,113.64 | \$16,515.32 | \$16,555.55 | \$16,525.41 | \$16,555.15 | \$16,551.65 | \$16,117.53 | \$16,125.65 | \$16,115.25 | \$16,525.25 | \$16,155.51 |
| Janitorial (est.) | \$17,447.61 | \$72,233.08 | \$74,761.24 | \$77,377.89 | \$80,086.11 | \$82,889.13 | \$85,790.25 | \$88,792.90 | \$91,900.66 | \$95,117.18 | \$76,639.60 |
| TOTAL est. Costs | \$533,070.25 | \$641,611.40 | \$711,825.49 | \$719,291.78 | \$727,019.39 | \$761,254.46 | \$769,532.47 | \$778,100.20 | \$786,967.81 | \$796,145.78 | \$722,481.90 |

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| TOTAL est. Costs | \$533,070.25 | \$641,611.40 | \$711,825.49 | \$719,291.78 | \$727,019.39 | \$761,254.46 | \$769,532.47 | \$778,100.20 | \$786,967.81 | \$796,145.78 | \$722,481.90 |
| | | | | | | | | | | | |
| Total Base Rent over term | | | \$5,116,215.00 | NPV @ 8% \$3,416,291.38 | | | | | | | |

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|---|--------------|--------------|-----------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL est. Costs | \$533,070.25 | \$641,611.40 | \$711,825.49 | \$719,291.78 | \$727,019.39 | \$761,254.46 | \$769,532.47 | \$778,100.20 | \$786,967.81 | \$796,145.78 | \$722,481.90 |
| | | | | | | | | | | | |
| Total Base Rent over term | | | \$5,116,215.00 | NPV @ 8% | | | | | | | |
| Total Estimated Taxes over term | | | \$714,088.02 | \$3,416,291.38 | | | | | | | |
| Total Estimated Utilities over term | | | \$751,990.10 | \$468,859.87 | | | | | | | |
| Total Estimated Janitorial over term | | | \$766,396.04 | \$479,912.79 | | | | | | | |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | | | \$7,348,689.17 | \$489,106.52 | | | | | | | |
| | | | | \$4,743,797.01 | | | | | | | |

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|---|--------------|-----------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL est. Costs | \$553,076.23 | \$641,811.40 | \$711,823.49 | \$719,291.76 | \$727,019.39 | \$761,234.40 | \$769,332.47 | \$776,100.20 | \$766,907.61 | \$796,143.76 | \$722,461.90 |
| | | | | | | | | | | | |
| Total Base Rent over term | | \$5,116,215.00 | | | | | | | | | |
| Total Estimated Taxes over term | | \$714,088.02 | | | | | | | | | |
| Total Estimated Utilities over term | | \$751,990.10 | | | | | | | | | |
| Total Estimated Janitorial over term | | \$766,396.04 | | | | | | | | | |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | | \$7,348,689.17 | | | | | | | | | |
| | | | NPV @ 8% | | | | | | | | |
| | | | \$3,416,291.38 | | | | | | | | |
| | | | \$468,859.87 | | | | | | | | |
| | | | \$479,912.79 | | | | | | | | |
| | | | \$489,106.52 | | | | | | | | |
| | | | \$4,743,797.01 | | | | | | | | |

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| | | NPV @ 8% |
| Total Base Rent over term | \$5,116,215.00 | \$3,416,291.38 |
| Total Estimated Taxes over term | \$714,088.02 | \$468,859.87 |
| Total Estimated Utilities over term | \$751,990.10 | \$479,912.79 |
| Total Estimated Janitorial over term | \$766,396.04 | \$489,106.52 |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | \$7,348,689.17 | \$4,743,797.01 |

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| Total Base Rent over term | \$5,116,215.00 | \$3,416,291.38 |
| Total Estimated Taxes over term | \$714,088.02 | \$468,859.87 |
| Total Estimated Utilities over term | \$751,990.10 | \$479,912.79 |
| Total Estimated Janitorial over term | \$766,396.04 | \$489,106.52 |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | \$7,348,689.17 | \$4,743,797.01 |

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|---|-----------------------|-----------------------|
| Total Estimated Taxes over term | \$714,088.02 | \$468,859.87 |
| Total Estimated Utilities over term | \$751,990.10 | \$479,912.79 |
| Total Estimated Janitorial over term | \$766,396.04 | \$489,106.52 |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | \$7,348,689.17 | \$4,743,797.01 |

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|---|-----------------------|-----------------------|
| Total Estimated Utilities over term | \$751,990.10 | \$479,912.79 |
| Total Estimated Janitorial over term | \$766,396.04 | \$489,106.52 |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | \$7,348,689.17 | \$4,743,797.01 |

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|--|----------------|----------------|
| Total Estimated Janitorial over term | \$766,396.04 | \$489,106.52 |
| Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term | \$7,348,689.17 | \$4,743,797.01 |

Assumptions

- * Taxes, Utilities & Janitorial escalate at 3.5% per annum
- * Taxes based off of 2016 actual for base year
- * Utilities cost estimated at \$1.305/SF
- * Janitorial cost estimated at \$1.33/SF
- * Discount Rate of 8% used in NPV Calculation

* Taxes, Utilities & Janitorial escalate at 3.5% per annum
* Taxes based off of 2016 actual for base year

* Taxes based off of 2016 actual for base year
* Utilities cost estimated at \$1.305/SF

- * Utilities cost estimated at \$1.305/SF
- * Janitorial cost estimated at \$1.33/SF

- * Janitorial cost estimated at \$1.33/SF
- * Discount Rate of 8% used in NPV Calc

* Discount Rate of 8% used in NPV Calculation