Wake County Board of Education - Lease of 5651 Dillard Drive, Cary, NC

12/7/2015

Lease Term (months)

| Lease Term (months) | | | | |
|--|----------------------------------|------------------|------------------|------------------|
| 123 | 4/1/16 - 6/30/16 | 7/1/16 - 6/30/17 | 7/1/17 - 6/30/18 | 7/1/18 - 6/30/19 |
| RSF Leased | 21,756 | 21,756 | 21,756 | 21,756 |
| Lease Expenses Per SF | | | | |
| Base Rent | \$16.00 | \$16.00 | \$16.40 | \$16.81 |
| TICAM ** included in base rent | \$3.09 | \$3.09 | \$3.20 | \$3.31 |
| Insurance | \$0.12 | \$0.12 | \$0.12 | \$0.13 |
| Taxes | \$1.16 | \$1.16 | \$1.20 | \$1.24 |
| Window Cleaning | \$0.02 | \$0.02 | \$0.02 | \$0.02 |
| Landscaping | \$0.88 | \$0.88 | \$0.91 | \$0.94 |
| HVAC | \$0.10 | \$0.10 | \$0.10 | \$0.11 |
| Association Dues | \$0.10 | \$0.10 | \$0.10 | \$0.11 |
| Management Fees | \$0.71 | \$0.71 | \$0.73 | \$0.76 |
| Potential TICAM pass through (est.) | ψ0.7 1 | ψ0.7 1 | \$0.11 | \$0.22 |
| Utilities (est.) | \$1.50 | \$1.55 | \$0.11 \$1.61 | \$1.66 |
| | • | | • | • |
| Janitorial (est.) | \$0.75 | \$0.78 | \$0.80 | \$0.83 |
| Landlord Allowance | \$15.00 | | | |
| TOTAL est. Costs/SF | \$18.25 | \$18.33 | \$18.92 | \$19.52 |
| | | | | |
| Lease Expenses Total \$ | | | | |
| Base Rent | \$87,024.00 | \$348,096.00 | \$356,798.40 | \$365,718.36 |
| TICAM ** included in base rent | \$16,806.51 | \$67,226.04 | \$69,578.95 | \$72,014.21 |
| Insurance | \$652.68 | \$2,610.72 | \$2,702.10 | \$2,796.67 |
| Taxes | \$6,309.24 | \$25,236.96 | \$26,120.25 | \$27,034.46 |
| Window Cleaning | \$108.78 | \$435.12 | \$450.35 | \$466.11 |
| Landscaping | \$4,786.32 | \$19,145.28 | \$19,815.36 | \$20,508.90 |
| HVAC | \$543.90 | \$2,175.60 | \$2,251.75 | \$2,330.56 |
| Association Dues | \$543.90 | \$2,175.60 | \$2,251.75 | \$2,330.56 |
| Management Fees | \$3,861.69 | \$15,446.76 | \$15,987.40 | \$16,546.96 |
| Potential TICAM pass through (est.) | ψ5,001.05 | Ψ10,440.70 | \$2,352.91 | \$4,788.17 |
| Utilities (est.) | \$8,158.50 | \$33,776.19 | \$34,958.36 | \$36,181.90 |
| Janitorial (est.) | \$4,079.25 | \$16,888.10 | \$17,479.18 | \$18,090.95 |
| l a di la di | # 222.512 | | | |
| Landlord Allowance TOTAL est. Costs | \$326,340 \$00,261,75 | \$398,760.29 | ¢/11 E00 0E | ¢424 770 20 |
| I O I AL ESI. CUSIS | \$99,261.75 | φ390,70U.29 | \$411,588.85 | \$424,779.38 |
| | | | | NPV @ 8% |
| Total Base Rent over term | | | \$3,986,876.38 | \$2,466,108.82 |
| Total Estimated TICAM over term ** i | ncluded in Rose P | ont | \$805,461.62 | \$495,024.12 |
| | | CIIL | | |
| Total Estimated TICAM Pass Through | n over term | | \$109,253.62 | \$68,399.04 |
| Total Estimated Utilities over term | | | \$359,583.96 | \$228,432.95 |
| Total Estimated Janitorial over term | | . – | \$202,200.13 | \$124,224.59 |
| Total Base Rent, Estimated TICAM, U | <u>tilities & Janitorial</u> | over Term | \$4,657,914.09 | \$2,877,407.51 |

^{*} Base Rent escalates at a fixed 2.5% per annum * Landlord to provide \$324,000 for Tenant Upfit

<u>Assumptions</u>

- * TICAM, Utilities & Janitorial escalate at 3.5% per annum
- * TICAM based off of 2014 actual TICAM for base year
- * Utilities cost estimated at \$1.50/SF
- * Janitorial cost estimated at \$0.75/SF
- * Discount Rate of 8% used in NPV Calculation

| 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 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 21,756 | 21,756 | 21,756 | 21,756 | 21,756 | 21,756 |
| \$17.23 | \$17.66 | \$18.10 | \$18.56 | \$19.02 | \$19.49 |
| \$3.43 | \$3.55 | \$3.67 | \$3.80 | \$3.93 | \$4.07 |
| \$0.13 | \$0.14 | \$0.14 | \$0.15 | \$0.15 | \$0.16 |
| \$1.29 | \$1.33 | \$1.38 | \$1.43 | \$1.48 | \$1.53 |
| \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.03 | \$0.03 |
| \$0.98 | \$1.01 | \$1.05 | \$1.08 | \$1.12 | \$1.16 |
| \$0.11 | \$0.11 | \$0.12 | \$0.12 | \$0.13 | \$0.13 |
| \$0.11 | \$0.11 | \$0.12 | \$0.12 | \$0.13 | \$0.13 |
| \$0.79 | \$0.81 | \$0.84 | \$0.87 | \$0.90 | \$0.93 |
| \$0.34 | \$0.46 | \$0.58 | \$0.71 | \$0.84 | \$0.87 |
| \$1.72 | \$1.78 | \$1.84 | \$1.91 | \$1.98 | \$0.98 |
| \$0.86 | \$0.89 | \$0.92 | \$0.95 | \$0.99 | \$1.02 |
| | | | | | |
| \$20.4F | ¢20.70 | ¢04.45 | ¢22.42 | ¢22.02 | ¢22.27 |
| \$20.15 | \$20.79 | \$21.45 | \$22.13 | \$22.82 | \$22.37 |
| | | | | | |
| \$374,861.32 | \$384,232.85 | \$393,838.67 | \$403,684.64 | \$413,776.76 | \$424,121.18 |
| \$74,534.71 | \$77,143.43 | \$79,843.45 | \$82,637.97 | \$85,530.30 | \$88,523.86 |
| \$2,894.55 | \$2,995.86 | \$3,100.72 | \$3,209.24 | \$3,321.56 | \$3,437.82 |
| \$27,980.67 | \$28,959.99 | \$29,973.59 | \$31,022.67 | \$32,108.46 | \$33,232.26 |
| \$482.43 | \$499.31 | \$516.79 | \$534.87 | \$553.59 | \$572.97 |
| \$21,226.71 | \$21,969.65 | \$22,738.59 | \$23,534.44 | \$24,358.14 | \$25,210.68 |
| \$2,412.13 | \$2,496.55 | \$2,583.93 | \$2,674.37 | \$2,767.97 | \$2,864.85 |
| \$2,412.13 | \$2,496.55 | \$2,583.93 | \$2,674.37 | \$2,767.97 | \$2,864.85 |
| \$17,126.10 | \$17,725.51 | \$18,345.91 | \$18,988.01 | \$19,652.59 | \$20,340.43 |
| \$7,308.67 | \$9,917.39 | \$12,617.41 | \$15,411.93 | \$18,304.26 | \$18,944.91 |
| \$37,448.27 | \$38,758.95 | \$40,115.52 | \$41,519.56 | \$42,972.75 | \$21,297.82 |
| \$18,724.13 | \$19,379.48 | \$20,057.76 | \$20,759.78 | \$21,486.37 | \$22,238.40 |
| | | | | | |
| \$438,342.39 | \$452,288.67 | \$466,629.36 | \$481,375.91 | \$496,540.13 | \$486,602.29 |

7/1/25 - 6/30/26

21,756

| | , |
|--|--|
| | Term Effective Avg. |
| \$19.98 | \$17.88 |
| | |
| \$4.21 | \$3.61 |
| \$0.16 | \$0.14 |
| \$1.58 | \$1.36 |
| \$0.03 | \$0.02 |
| \$1.20 | \$1.03 |
| \$0.14 | \$0.12 |
| \$0.14 | \$0.12 |
| \$0.97 | \$0.83 |
| \$0.90 | \$0.49 |
| \$1.12 | \$1.61 |
| \$1.06 | \$0.91 |
| Ψ1.00 | φοιοι |
| | |
| \$23.06 | \$20.89 |
| | totals |
| | เบเลเร |
| | totals |
| \$434.724.20 | |
| \$434,724.20 | \$388,963.55 |
| • | \$388,963.55 |
| \$91,622.19 | \$388,963.55 \$78,581.62 |
| \$91,622.19 \$3,558.14 | \$388,963.55 \$78,581.62 \$3,051.71 |
| \$91,622.19 \$3,558.14 \$34,395.39 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 \$10,658.89 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 \$24,396.15 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 \$10,658.89 \$35,081.36 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 \$10,658.89 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 \$24,396.15 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 \$10,658.89 \$35,081.36 |
| \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 \$24,396.15 | \$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$2,543.09 \$18,055.97 \$10,658.89 \$35,081.36 |