| Wake County Board of Education - Lease of 5651 Dillard Drive, Cary, NC |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| $12 / 7 / 2015$ <br> 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 Insurance | \$3.09 | \$3.09 | \$3.20 | \$3.31 |
|  | \$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.) |  |  | \$0.11 | \$0.22 |
| Utilities (est.) | \$1.50 | \$1.55 | \$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 Insurance | \$16,806.51 | \$67,226.04 | \$69,578.95 | \$72,014.21 |
|  | \$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.) |  |  | \$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 |
| Landlord Allowance | \$326,340 |  |  |  |
| TOTAL est. Costs | \$99,261.75 | \$398,760.29 | \$411,588.85 | \$424,779.38 |
| Total Base Rent over term |  |  |  | NPV @ 8\% |
|  |  |  | \$3,986,876.38 | \$2,466,108.82 |
| Total Estimated TICAM over term ** included in Base Rent |  |  | \$805,461.62 | \$495,024.12 |
| Total Estimated TICAM Pass Through 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, Utilities \& Janitorial 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


## Assumptions

* 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 |
| \$20.15 | \$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 |  |
| :---: | :---: |
|  |  |
| $\$ 19.98$ | Term Effective Avg. |
|  | $\$ 17.88$ |
| $\$ 0.16$ | $\$ 3.61$ |
| $\$ 1.58$ | $\$ 0.14$ |
| $\$ 0.03$ | $\$ 1.36$ |
| $\$ 1.20$ | $\$ 0.02$ |
| $\$ 0.14$ | $\$ 1.03$ |
| $\$ 0.14$ | $\$ 0.12$ |
| $\$ 0.97$ | $\$ 0.12$ |
| $\$ 0.90$ | $\$ 0.83$ |
| $\$ 1.12$ | $\$ 0.49$ |
| $\$ 1.06$ | $\$ 1.61$ |
|  | $\$ 0.91$ |
| $\$ 23.06$ |  |
|  | $\$ 20.89$ |
| $\$ 434,724.20$ | $\$ 388,963.55$ |
| $\$ 91,622.19$ | $\$ 78,581.62$ |
| $\$ 3,558.14$ | $\$ 3,051.71$ |
| $\$ 34,395.39$ | $\$ 29,499.90$ |
| $\$ 593.02$ | $\$ 508.62$ |
| $\$ 26,093.05$ | $\$ 22,379.23$ |
| $\$ 2,965.12$ | $\$ 2,543.09$ |
| $\$ 2,965.12$ | $\$ 2,543.09$ |
| $\$ 21,052.35$ | $\$ 18,055.97$ |
| $\$ 19,607.98$ | $\$ 10,658.89$ |
| $\$ 24,396.15$ | $\$ 35,081.36$ |
| $\$ 23,016.74$ | $\$ 19,726.84$ |
|  |  |
| $\$ 501,745.07$ | $\$ 454,430.64$ |

